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What's New

Regulatory Insights

16 September 2025

Ministry of Corporate Affairs notifies amendments to fast-track merger rules under the Companies Act, 2013

In brief

The Ministry of Corporate Affairs has notified significant amendments to the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016,[1] with effect from 4 September 2025 (Amended Rules).

In detail

The key highlights of these Amended Rules *vis-à-vis* the existing provisions are enumerated below.

(a) Broader eligibility for fast-track mergers

Pre-amendment position	Post-amendment position
A scheme of merger or amalgamation can be entered into on a 'fast-track' basis, between: • two or more small companies; • a holding company and its wholly owned subsidiary company; • two or more start-up companies; or • one or more start-up company with one or more small company.	The Amended Rules have expanded the coverage and now a scheme of merger or amalgamation can be entered into on a 'fast-track' basis, between: • two or more small companies; • a holding company and its wholly owned subsidiary company; • two or more start-up companies; • one or more start-up company with one or more small company. • One or more unlisted companies (not being a section 8 company of the Companies Act, 2013 [Companies Act]) with one or more unlisted company (not being a section 8 company of the Companies Act), where every company

[1] Notification No. G.S.R. 603(E) dated 4 September 2025

Pre-amendment position	Post-amendment position
	involved in the merger a. has, in aggregate, outstanding loans, debentures or deposits not exceeding INR 2 bn (Rupees two hundred crores); and b. there is no default in repayment of any of such loans, debentures or deposits. These conditions must be fulfilled on a day not more than 30 days before the notice of merger prescribed under section 233(1)(a) of the Companies Act and also at the time of filing the merger scheme. The auditor of the company will be required to issue a certificate confirming fulfilment of these conditions, which needs to be filed in Form No. CAA-10A along with a copy of the approved merger scheme. • A holding company (whether listed or unlisted) and its subsidiary company (whether listed or unlisted). This clause shall however not apply in cases where the transferor company or companies involved in the merger are listed entities. • One or more subsidiary company of a holding company with one or more other subsidiary company of the same holding company where the transferor company or companies are not listed. • Merger of transferor foreign holding company, incorporated outside India, with its transferee wholly owned subsidiary in India.

(b) Enhanced regulatory oversight

- Prior to the Amended Rules, companies entering into a scheme of merger or amalgamation under section 233 of Companies Act, were required to invite objections or suggestions from (1) the Registrar, (2) Official Liquidator or (3) persons affected by the scheme.
- Pursuant to the Amended Rules, if a company is regulated by a sectoral regulator, such as the Reserve Bank of India, Securities and Exchange Board of India, Insurance Regulatory and Development Authority of India or Pension Fund Regulatory and Development Authority, the notice of the proposed scheme for inviting objections or suggestions will also be required to be issued to the relevant regulator and/ or stock exchanges, as the case may be and a statement about the manner in which the objections or suggestions, if any, of the sectoral regulator or the stock exchanges, as the case may be, have been addressed in the scheme will be attached with the scheme.

(c) Other miscellaneous points

- Declaration of solvency to be filed in Form CAA-10 as an attachment to Form GNL-1.

- The time period within which the transferee company must file the scheme, along with the report of the results of the meetings of members or creditors, has been extended from seven days to fifteen days after the conclusion of such meetings.
- The provisions of rule 25 will also apply to the scheme of division or transfer of undertaking of a company referred to under section 232(1)(b) of the Companies Act and while passing such order, the Central Government has been empowered to prescribe provisions in its order, in line with the nature outlined in section 232(3)(a) to (j) of the Companies Act.

The takeaways

These amendments are expected to further simplify and accelerate the merger and amalgamation process for eligible companies, reduce regulatory delays and enhance transparency in compliance through a fast-track process. The inclusion of new categories, especially for certain unlisted companies and cross-border mergers, marks a significant step towards improving the ease of doing business in India.

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GG/May 2025-M&C 45700