



**A. K. LABH & Co.**

**Company Secretaries**

**(an ISO 9001:2015 Peer Review Certified CS firm)**

**40, Weston Street, 3<sup>rd</sup> Floor, Kolkata – 700 013**

**(Ph.) (033) 2221-9381 / 4063-0236**

**(Mob.) 98300-55689**

**aklabhcs@gmail.com / aklabh@aklabh.com**

**www.aklabh.com**

**MCA Notification dtd September 4, 2025**

**on**

**The Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2025**

Section 233 of the Companies Act, 2013 ("the Act") provides for Merger or Amalgamation of certain companies which are considered and approved by the jurisdictional Office of the Regional Director of the Ministry of Corporate Affairs ("MCA"). This process is also popularly known as Fast-track merger mechanism. Merger or Amalgamation of the following class of companies / cases are covered under this process :

- a. between two or more small companies;
- b. between a holding company and its wholly-owned subsidiary company;
- c. between two or more start-up companies;
- d. one or more start-up company with one or more small company.

MCA vide the Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2025 dated September 4, 2025 and as published in the Official Gazette on September 8, 2025 has widened the scope of class of companies to be covered under this process and has also made some other significant amendments related to this mechanism and a brief note on certain salient features of such amendments, *inter alia*, are as follows :

A) Henceforth, following class of companies / cases shall also be covered under the provisions of Section 233 of the Act :

**1. Merger or Amalgamation of Unlisted and Low-Debt companies (except Section 8 company) :**

One or more unlisted company with one or more unlisted company, where every company involved in the merger :

- (a) has, in aggregate, outstanding loans, debentures or deposits not exceeding two hundred crore rupees, and



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(b) has no default in repayment of loans, debentures or deposits referred to in sub-clause (a),

on a day, not more than thirty days before the date of notice referred to in clause (a) of sub-section (1) of Section 233 of the Act and on the date of filing of scheme under sub-section (2) of Section 233 of the Act.

2. A holding company (listed or unlisted) and a subsidiary company (listed or unlisted). However, in this case, the transferor company(ies) should not be a listed company(ies).
  3. 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.
  4. Merger of the transferor foreign company incorporated outside India being a holding company with the transferee Indian company being its wholly owned subsidiary company incorporated in India.
- B) Now, the final application (vide Form CAA-11 as an attachment to e-form RD-1) for approval of the Scheme needs to be filed with the Office of the concerned office of the Regional Director, within 15(fifteen) days post obtaining requisite approval of the shareholders/creditors, as the case may be. Earlier, the same was required to be filed within 7(seven) days post obtaining requisite approval of the shareholders/creditors, as the case may be.
- C) Further, with the final application (Vide Form CAA-11 as an attachment to e-form RD-1) for approval of the Scheme, a certificate from the auditor of the company that the company meets the conditions stipulated for Merger or Amalgamation of Unlisted and Low-Debt companies, as mentioned above, vide Form CAA-10A also needs to be filed.

09.09.2025

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**## Disclaimer :** The above note/analysis has been prepared by our research team for guidance purpose only. For authentication of data/information provided, please refer the respective acts, rules and laws. For any further query in the matter, you may contact us at [aklabhcs@gmail.com](mailto:aklabhcs@gmail.com) or [aklabh@aklabh.com](mailto:aklabh@aklabh.com) Please visit at [www.aklabh.com](http://www.aklabh.com) to know more about us and our services. #