

MCA notification – Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2025 – 4th September, 2025

MCA vide its notification dated 4th September, 2025 has amended Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. These amendments shall be called the Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2025.

They shall come into force on the date of their publication in the Official Gazette (8th September 2025).

Key highlights and summary:

1. Notice of proposed scheme – Rule 25(1)

Earlier, the notice of the proposed scheme under Section 233(1)(a) was required to be sent only to the Registrar of Companies and the Official Liquidator in **Form CAA.9**, inviting objections and suggestions.

Amended requirement:

Now, the notice must also be served upon sectoral regulators such as RBI, SEBI, IRDAI, and PFRDA for sector regulated entities and in the case of listed companies, to the concerned stock exchanges as well.

These regulators and exchanges are entitled to furnish their objections or suggestions within the statutory period under Section 233(1)(a).

Impact: This ensures that fast-track mergers of regulated or listed companies cannot bypass their primary regulators. It strengthens oversight, improves transparency, and protects public interest.

2. Eligible companies for fast-track merger – Rule 25(1A)

Earlier, only two categories were eligible for fast-track mergers: (i) two or more start-up companies and (ii) one or more start-up company with one or more small company (holding company and its wholly-owned subsidiary company). The amendment massively expands this scope.

Amended requirement:

Now the following new classes are included:

- **Merger between one or more unlisted companies (excluding Section 8 companies) with one or more unlisted company**, subject to the financial cap that the aggregate of outstanding loans, debentures, and deposits does not exceed ₹200 crore, and there is no default in repayment, duly certified by the auditor in the prescribed form.
- **Merger between a holding company (listed or unlisted) and its subsidiary (listed or unlisted)**, with the restriction that if the transferor company is listed, Section 233 route cannot be used.
- **Merger between one or more subsidiary company of the same holding company (listed/unlisted)**, provided again that the transferor is not a listed company.
- **Merger of a transferor foreign holding company (incorporated outside India) with its Indian wholly-owned subsidiary**, as already recognised under Rule 25A(5).

Impact: Big expansion of “fast-track merger” eligibility.

3. Declaration of solvency – Rule 25(2)

Earlier, the declaration of solvency (Form CAA.10) had to be filed with the ROC before convening meetings.

Amended requirement:

Under the amended framework, **this declaration must now be filed as an attachment to Form GNL-1.**

Impact: This change brings procedural clarity and uniformity in electronic filings, reducing ambiguities about the filing mode and ensuring that the declaration forms part of the centralised MCA filing system.

4. Filing of scheme after meetings – Rule 25(4)

Earlier, the transferee company was required to file the copy of the scheme and results of meetings with the Central Government within seven days in **Form CAA.11.**

Amended requirement:

Under the amended framework, the transferee must file within **15 days of conclusion of meetings:** (i) the copy of the scheme, (ii) meeting results, and (iii) report of the result of each of the meetings and a report of the registered valuer, all in **Form CAA.11 as an attachment to Form RD-1**, along with prescribed fees.

Additionally, in case of company referred under sub rule 1 (regulated by SEBI, RBI, etc.), the filing must be accompanied with a **statement addressing how the objections/suggestions of sectoral regulator or stock exchange(s) have been dealt with.**

Impact: This strengthens accountability and ensures that the concerns of regulators are duly considered before scheme confirmation. The increased filing timeline from 7 to 15 days balances compliance ease with the need for thorough preparation.

5. New Sub-rule (9) – Extension to divisions/transfers

Amended requirement:

A significant addition is that the fast-track procedure under Rule 25 will now also apply, **mutatis mutandis**, to cases of division or transfer of undertakings, i.e., **demergers under Section 232(1)(b)**. The Central Government may also include provisions analogous to Section 232(3)(a)–(j), covering matters like transfer of assets, liabilities, employees, legal proceedings, and contracts to the extent they are applicable.

Impact: This is a major relief for group reorganisations. Earlier, all demergers required NCLT approval. Now, eligible companies can pursue demergers through the simplified fast-track route, saving time and cost.

6. Substitution of Forms

The amendment replaces **Forms CAA-9, CAA-10, CAA-11, and CAA-12 with new formats.**