

# Amendments to the rules for certain mergers and amalgamations

The Ministry of Corporate Affairs has amended certain provisions of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, for schemes of merger or amalgamation (“**Scheme**”) between small companies and start-ups, or between a holding company and its wholly-owned subsidiary. The key aspects of the amendment are as follows:

- **Timeline for Objections:** A *timeline of 30 days* after filing of the Scheme has been provided for the Registrar of Companies or the official liquidator to provide their objections or suggestions (“**Objections**”) to the Central Government.
- **Confirmation Order:** If no such Objections are received, the Central Government can issue the confirmation order for the Scheme *only if it is in the interest of the general public or the creditors*. Such confirmation order must be issued within 15 days from expiry of the timeline for Objections.
- **Unsustainable Objections:** The Central Government can now *decide if the Objections are not sustainable*. In such cases, the Central Government can issue the confirmation order for the Scheme if it is in the interest of the general public or the creditors, within 30 days of the timeline for Objections.
- **Deemed Confirmation:** If the Central Government does not issue a confirmation order or submit its objections or opinion before the NCLT within the specified timelines, *it shall be deemed that the Central Government has no objections* and a confirmation order shall be issued.

*The aforesaid amendment was issued by the Ministry of Corporate Affairs vide a notification dated May 15, 2023 ([available here](#)) and shall come into force from June 15, 2023.*

*This Update is meant for general information and shall not be deemed to be a legal advice or opinion. This Update is not intended to be an advertisement or solicitation.*

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