RESTRUCTURING THROUGH FAST TRACK MERGERS – PRACTICAL CONSIDERATIONS

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ABSTRACT

The process of a typical merger as envisaged under the erstwhile Companies Act, 1956 and the extant Companies Act, 2013 contemplates a court approval process with 2 (two) sets of applications i.e., (a) first motion application; and (b) second motion petition, to be filed with the National Company Law Tribunal (NCLT). However, owing to the cumbersome and time-consuming process involved in a typical merger, it was necessary to have a simpler and a faster process for certain categories of mergers by doing away with the requirement of court/tribunal approvals. Accordingly, with the advent of the Companies Act, 2013, the idea of fast-track mergers was conceptualized, for certain specified mergers, which provides for a process that is free from the ambit of court/tribunal approvals and requires only the approval of the jurisdictional Regional Directors. This Article deals with the legislative framework surrounding the fast-track mergers and the practical issues that arise while undertaking such merger schemes. As fast-track mergers also have their own set of challenges, it is important to evaluate such issues prior to undertaking such mergers and achieve the desired objectives.

1. Introduction

The process of a merger as envisaged under the erstwhile Companies Act, 1956 contemplated a court approval process which often resulted in long-timelines to implement a merger scheme. The approval of jurisdictional High Court was mandated for merger schemes under the erstwhile provisions which was later substituted by the National Company Law Tribunal ("**NCLT**")[3]. However, owing to cumbersome and time-consuming process involved in a typical merger, it was necessary to have a simpler and a faster process for certain categories of mergers by doing away with the requirement of court/tribunal approvals. The Chapter X of the J.J. Irani Committee Report in 2005[4] has also acknowledged the delays in the overall merger process caused owing to

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[3] Companies Act, 2013, Section 408, Act of Parliament, 2013 (India) - The Central Government has constituted National Company Law Tribunal (NCLT)
[4] http://www.primedirectors.com/pdf/JJ%20Irani%20Report-MCA.pdf (last visited September 24, 2024)

the court-driven process. Accordingly, with the advent of the Companies Act, 2013 ("**Act 2013**"), the idea of fast-track mergers was conceptualized for certain specified mergers, which provided for a process that is free from the ambit of court/tribunal approvals, namely: (a) a merger between holding company and its wholly-owned subsidiary; (b) merger between small companies; (c) merger between start-up companies (each as defined and/or specified in the Act 2013). These categories of mergers involve companies which do not have any significant third-party or public interest involved (like in a case of a publicly listed company) and such companies are normally smaller in size in terms of the turnover, net-worth and net profits.

Accordingly, the Act 2013 presently envisages 2 (two) routes of mergers namely: (a) route requiring the approval of NCLT ("**NCLT Route**"); and (b) route requiring approval of jurisdictional Regional Director, Ministry of Corporate Affairs ("**MCA**") (for certain specified categories of companies) ("**Fast-Track Route**").

As also seen in certain other countries such as: (a) in ***Singapore***, there are provisions for short-form amalgamations under the (Singapore) Companies Act, 1967 (*different from the standard statutory amalgamations*), for mergers involving parent and wholly-owned subsidiaries and such mergers have a simpler process to be followed[5]; (b) in ***Canada***, short-form amalgamations are contemplated (*different than the long-form amalgamations*) for mergers involving parent and/or wholly-owned subsidiaries and such mergers are faster to implement as they, *inter-alia*, do not require a shareholders' approval[6]; (c) in the ***United States of America*** as well, there are provisions for short-form merger which, *inter-alia*, do not contemplate a shareholders' approval of the subsidiary[7].

Section 233 of the Act 2013 read with the Rule 25 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("**Fast-Track Merger Rules**") specify the requirements and the procedure to be followed in case of fast-track mergers. Under this framework, the mergers of specified class of companies requires the merger application to be filed with the jurisdictional Regional Director and the same does not require the approval of the NCLT.

2. Considerations for Eligibility under the Fast-Track Route:

Fast-track mergers are permitted for the following specified class of companies:

(a) Merger between a holding company and its wholly-owned subsidiary;

[5] Singapore Statutes Online, https://sso.agc.gov.sg/Act/CoA1967?&ProvIds=pr215D-, (last visited September 24, 2024)
[6] Official Website of Government of Canada, Guide on amalgamating business corporations (canada.ca), (last visited September 24, 2024)
[7] The Delaware Code Online, Delaware Code Online, (last visited September 24, 2024)

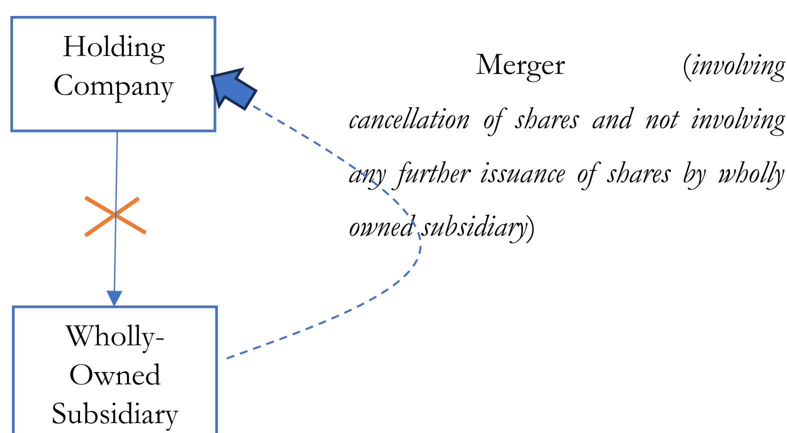
(b) Merger between 2 (two) or more small companies[8];

(c) Merger between 2 (two) or more start-up companies[9]; and

(d) Merger between 1 (one) or more start-up company with 1 (one) or more small company.

For the aforesaid companies to be eligible under the Fast-Track Route, it should be ensured that the said companies are wholly-owned subsidiaries, small companies or start-up companies, as the case maybe, prior to the appointed date[10] of the merger. As the appointed in some cases, is an antedated, the said criteria should be kept in mind while contemplating merger under the Fast-Track Route.

Merger between holding company and wholly-owned subsidiary:



[8] Companies Act 2013, Section 2(85), Act of Parliament, 2013 (India): *"small company" means a company, other than a public company,-*
(i) paid-up share capital of which does not exceed fifty lakh rupees or such higher amount as may be prescribed which shall not be more than ten crore rupees; and
(ii) turnover of which as per profit and loss account for the immediately preceding financial year does not exceed two crore rupees or such higher amount as may be prescribed which shall not be more than one hundred crore rupees:
***Provided that** nothing in this clause shall apply to—*
(A) a holding company or a subsidiary company;
(B) a company registered under section 8; or
(C) a company or body corporate governed by any special Act;"

[9] Companies Act 2013, Explanation to Rule 25(1A) of the (Compromises, Arrangements and Amalgamations) Rules, 2016, Act of Parliament, 2013 (India): *"start-up company" means a private company incorporated under the Companies Act, 2013 or Companies Act, 1956 and recognised as such in accordance with notification number G.S.R. 127 (E), dated the 19th February, 2019 issued by the Department for Promotion of Industry and Internal Trade."*

[10] An 'Appointed Date' is the date from which the scheme of merger/amalgamation will be deemed to be effective and all the assets & liabilities of the transferor company will be deemed to be vested with the transferee company from the Appointed Date. Further, as per the MCA Circular dated August 21, 2019, an appointed date may precede the date of filing of the merger application, however, if the appointed date is significantly antedated beyond a year from the date of filing, the justification for the same would have to be specifically brought out in the scheme and it should not be against public interest.

Further, with respect to a wholly-owned subsidiary, it may be noted that the term 'wholly-owned subsidiary' is not defined under the Act 2013. In common parlance, the same is understood to be a subsidiary in which not less than 100% (hundred percent) of the total ownership vests with the holding company. Under the Act 2013, there is a requirement to maintain 2 (two) shareholders for a private limited company and typically the holding company nominates another person to hold 1 (one) share to meet this requirement of Act 2013. However, in such a case, it is recommended to ensure that the nominee-beneficial relationship between the holding company and the nominee is created and the filing of return disclosing nominee-beneficial relationship (*in Form MGT-6*) is completed with the jurisdictional Registrar of Companies ("**RoC**"), prior to the appointed date of the merger. The same becomes relevant as the regulators, at times, while scrutinizing the merger notice/ application request for proof of filing of Form MGT-6.

3. Hurdles Arising Out of Corporate Approvals and Creditors' Consent:

A fast-track merger under the Act 2013 requires the board and shareholders' approval of all the companies involved in the merger. However, in jurisdictions like the United States of America, the shareholders' approval of the parent company suffices in such cases. Currently, the provisions mandate an approval of members holding 90% (ninety percent) of total number of shares. In the said regard, the Report of the Company Law Committee issued in March, 2022[11] has noted that the said provision could be onerous and such consent could be difficult to obtain in the case of listed companies. Accordingly, the report has recommended a twin test requiring approval by (i) majority of persons present and voting at the meeting accounting for 75% (seventy-five per cent), in value, of the shareholding of persons present and voting; and (ii) representing more than 50% (fifty per cent), in value, of the total number of shares of the company. However, the said recommendation is not yet incorporated under Section 233 of Act 2013.

A fast-track merger also requires the approval of the creditors by majority representing 9/10th in value of the creditors or class of creditors of respective companies indicated in a duly convened meeting (by giving a notice of 21 (twenty-one) days to its creditors) or otherwise approved in writing by the creditors or class of creditors. If the approval of the creditors is obtained by way of a consent, then the regulators normally require such consent to be provided by way of a written and notarized affidavit.

[11] Ministry of Corporate Affairs, https://www.mca.gov.in/bin/dms/getdocument?mds=bwsK%252FBEAFTVdpdKuv5IR5w%253D%253D&type=open, (last visited September 24, 2024)

However, in situations wherein the quantum of creditors is very high in number and where procuring the approval/consents of the creditors is not feasible, then in such cases, the parties may have to consider the NCLT Route for the merger. Under the NCLT Route (unlike the Fast-Track Route), a merger of a wholly-owned subsidiary with its holding company offers flexibility to the companies (with approval of the NCLT) to dispense the meeting/consent of the creditors on certain grounds such as positive net-worth of the combined entity, ability of the transferee company to pay off the debts and scheme not involving any compromise or arrangement with the creditors[12].

4. Net-Worth Requirements:

The provisions for fast-track merger requires the directors of each of the companies to provide a declaration of solvency stating that the companies are capable of meeting their liabilities as and when they fall due and that the companies will not be rendered insolvent within a period of 1 (one) year from the date of making the declaration[13]. Owing to the said requirement, it is observed that many Regional Directors enquire on the positive net-worth requirements of the companies. Even though it may be contended that the net-worth of a company is not the sole factor to determine the ability of a company to pay-off its debt, it is recommended, prior to undertaking the merger, that the net-worth of the entities involved is positive.

It may be further noted that the declaration of solvency is required to be accompanied by a statement of assets and liabilities and the statutory auditor of the company is required to also provide its report thereon.

5. Objections by the Statutory Authorities:

The law provides a period of 30 (thirty) days for the RoC and the Official Liquidator to provide any objections to the scheme of amalgamation from the date of receipt of notice of amalgamation along with the scheme by the companies. If any objection is not received during the said period, then it is deemed that the authorities have no objection. However, it is often seen that the authorities raise queries or seek additional clarifications even after the 30 (thirty) days window has

[12] The same has been held in various judicial pronouncements in India such as: Mahaamba Investments Limited v. IDI Limited (2001 SCC OnLine Bom 1174), Bon Limited v. Hindustan Unilever Limited (Company Scheme Petition No. 123 of 2010 connected with Company Summons for Direction No. 134 of 2010), In Re: Sharat Hardware Industries P. Ltd. (MANU/DE/0262/1976), Housing Development Finance Corporation Limited and Others (2017 SCC OnLine NCLT 11108), Ambuja Cements Limited (2021 SCC OnLine NCLAT 117), Patel Hydro Power Private Limited and Others (2021 SCC OnLine NCLAT 420) and Reliance Industries Limited v. Registrar of Companies (MANU/NL/0639/2023).

[13] Companies Act, 2013, Section 233(1)(c) read with rules made thereunder, Act of Parliament, 2013 (India).

expired. Accordingly, the companies undertaking the merger must be ready to provide documents/information to the authorities until the merger is approved.

The RoC, Official Liquidator and the Regional Director often seek information/documents pertaining to compliances under the Act 2013 and the filings made under the foreign exchange laws with respect to investments. The areas where specific scrutiny is generally made by authorities include the provisions under Act 2013 for beneficial ownership and significant beneficial ownership, corporate social responsibility, deposit requirements, appointment of company secretary, inter-corporate loans/borrowings/guarantee, related party transactions, issuance of shares etc. Another aspect to be considered for entities located in Special Economic Zone (SEZ) is that an application/intimation seeking confirmation on the merger is also required to be filed with the jurisdictional SEZ authority[14]. Normally, as a part of the process, the notices to all statutory authorities can be sent as soon as the board of directors approve the scheme of amalgamation. However, in case of SEZ authorities, based on our recent experience, the SEZ authorities requested to file the application/intimation upon receipt of merger order from the Regional Director. Accordingly, there would be 2 (two) rounds of merger intimations/applications involved in case of SEZ Authorities.

6. Newly Introduced Provision for Deemed Approval – Its Application in Reality:

Pursuant to a recent amendment in the Fast-Track Merger Rules[15] with respect to the timelines for approving a fast-track merger, the Regional Directors are now under a statutory requirement to issue the merger confirmation order within 60 (sixty) days from the receipt of scheme, failing which it shall be deemed that they have no objection to the scheme and a confirmation order shall be issued accordingly.

Even though the aforesaid timelines are aimed to expedite the approval process for fast-track mergers, for all practical purposes, if the order is delayed beyond the aforesaid 60 (sixty) days period, then the applicant companies will still have to wait for the copy of merger confirmation order from the Regional Director, as the effectiveness of the scheme, in most cases, depends upon the filing of the merger order with the RoC. Further, the copy of order is also, at times, required to be produced before various persons and authorities for the implementation of the scheme (for example, with Provident Fund Authority for updating the details of employees). Accordingly, the

[14] Instruction No. 109 dated October 18, 2021, issued by Ministry of Commerce and Industry, Government of India.
[15] MCA Notification dated May 15, 2023 regarding the Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2023.

deemed merger approval by way of fiction of law may not be significantly beneficial for the companies until the merger confirmation order is actually received by the companies.

7. Conundrum of 'Effective Date':

The provisions under the Act 2013 mandate the filing of merger order with the RoC in Form INC-28, in NCLT Route and Fast-Track Route. Normally, as a practice, the effective date is linked to the date on which the merger order is filed with ROC.

While the provisions under Act 2013 for NCLT Route specifically stipulate that by virtue of the NCLT order approving the merger the assets and liabilities of the transferor company will be transferred to the transferee company[16], the provisions under Act 2013 for Fast-Track Route specify an additional condition of ***registration*** of the scheme by RoC (i.e., after filing of merger order with RoC in Form INC-28) and accordingly, one may interpret that the transfer of assets and liabilities of transferor company to transferee company under the Fast-Track Route is linked with the ***registration*** of the scheme by RoC (i.e., on approval of the Form INC-28) and not with the approval of the merger. The said provision under the Fast-Track Route creates an ambiguity as to whether the date on which the merger order is 'filed' with RoC in Form INC-28 should be the effective date OR the date on which the filing of Form INC-28 is 'approved' by the RoC should be the effective date. As there is a significant time-gap between the date of filing of Form INC-28 and its approval by RoC, considering the approval by RoC as effective date could lead to significant delay in the effectiveness of the scheme. Accordingly, a clarification from MCA on the given aspect is required to shed some light on the given aspect.

Despite such ambiguity, it is observed that many companies under the Fast-Track Route have continued the practice of linking the effective date with the 'filing' of merger order with ROC (and not with the 'approval' of the filing by ROC).

8. Issues Arising on Stamp Duty Payable on The Merger Order:

The stamp duty in India is a state subject and accordingly, the provisions under the relevant stamp duty act of the State will govern the amount of duty payable on the merger order, which will be the instrument for the purpose of stamp duty. Normally, the States having specific provisions for stamp duty on merger orders prescribe that stamp duty is payable on the higher of the following amounts: a specified percentage of the market value of shares issued and the consideration amount

[16] Companies Act, 2013, Section 232(4), Act of Parliament, 2013 (India).

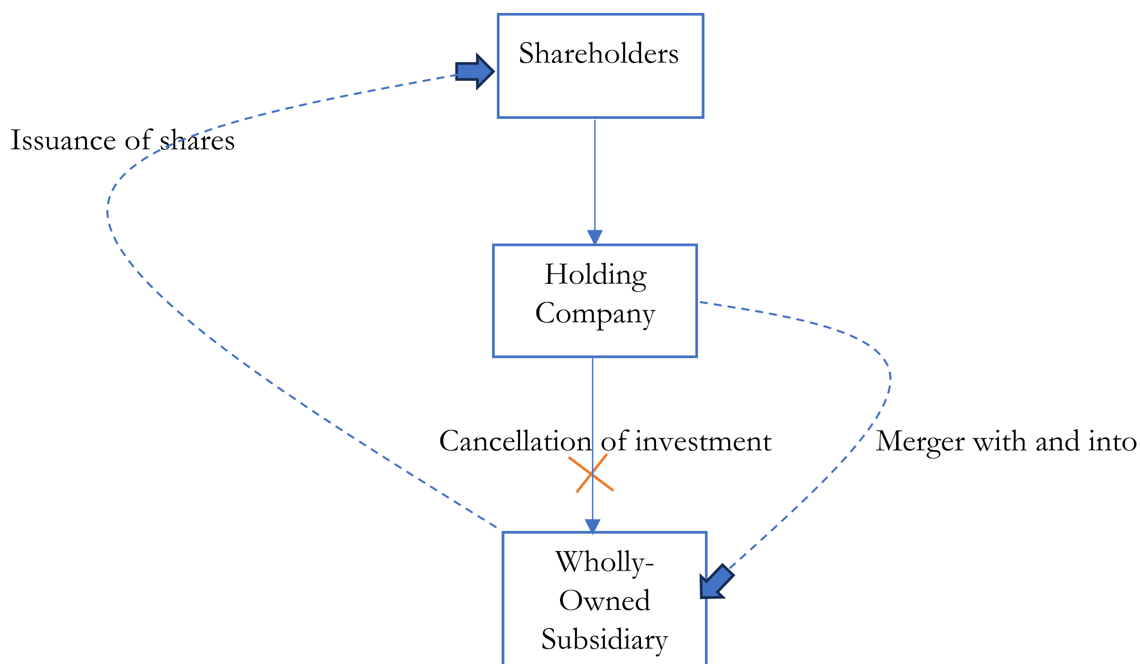
for the merger; or the specified percentage of the value of immovable property of the transferor company. Many States also prescribe an overall cap on the duty payable.

In case of a fast-track merger wherein the wholly-owned subsidiary merges with its parent company, there is no consideration involved in the transaction and accordingly, there are no issuances of shares by the transferee company required and no stamp duty should be payable (*if there are no immovable properties being transferred*). However, if the merger confirmation order prescribes for the adjudication of merger order with the local stamp duty authority, then the same will be required to be completed. During the adjudication process, if the stamp duty authorities erroneously take a different view, the transferee company should be ready to contest the same.

In the said regard, it is pertinent to note that the State of Karnataka has an additional requirement (as compared to the other States) specifying that in case of a merger of subsidiary company with parent company, the stamp duty will be payable on the '*shares merged (**or cancelled**) with parent company*'. Accordingly, owing to the said provision in the State of Karnataka, it could be stated that the stamp duty is payable on the aggregate value of shares of subsidiary company held by the holding company that are cancelled. Further, the term, 'aggregate value of shares' has been defined to mean the face value of shares or its market value, whichever is higher.

9. Whether a Reverse Merger is Permissible under The Fast-Track Route?

A reverse merger involves the merger of a holding company with and into its subsidiary company.



In the said regard, it must be noted that the provisions of Section 233(1) of the Act 2013 prescribe that "*a scheme of merger or amalgamation may be entered into between two or more small companies or between a holding company and its wholly-owned subsidiary company.*" Accordingly, it can be stated that there is no specific restriction for a merger of a holding company with its wholly-owned subsidiary and the same can be permissible. However, in such a nature of a transaction, the share-capital of the wholly-owned subsidiary as held by the holding company will be cancelled pursuant to the scheme. Therefore, the issue which arises here is that whether reduction/cancellation of share capital is permissible under the Fast-Track Route. In the said regard, it is to be noted that the cancellation of the shares of the wholly-owned subsidiary are owing to the dissolution of the holding company and arises pursuant to scheme which can be stated to be different than a typical reduction of share-capital. Further, the shareholders were, prior to merger, *indirectly* holding 100% of the wholly-owned subsidiary, but after the merger, *directly* holding 100% of the wholly-owned subsidiary, and thus there is no change in effective ownership of the wholly-owned subsidiary.

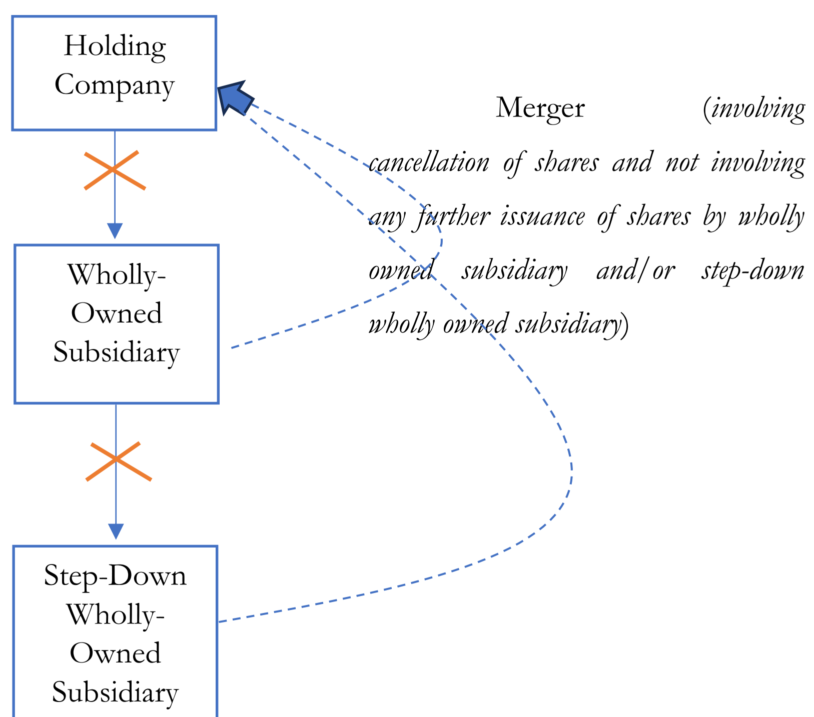
Moreover, it is pertinent to note Section 233(12) of Act 2013 prescribes that "*The provisions of this section shall mutatis mutandis apply to a company or companies specified in sub-section (1) in respect of a scheme of compromise or arrangement referred to in section 230 or division or transfer of a company referred to clause (b) of subsection (1) of section 232.*" Further, the explanation to Section 230(12) prescribes that the provisions of Section 66 of Act 2013 shall not apply to the reduction of share capital effected in pursuance of the NCLT order under Section 230. Owing to the aforesaid provisions, it can be inferred that the Fast-Track Route provisions under the Act 2013 apply to companies in respect of a scheme of compromise or arrangement under Section 230, and Section 230, in its turn, allows a reduction of capital without following procedure of Section 66. Accordingly, owing to the said provisions it can be inferred that a reduction of share capital pursuant to a scheme is permissible under Section 233 of Act 2013. In one of our transactions, we had obtained the approval of the jurisdictional Regional Director for reverse merger under the fast-track route based on the aforesaid view and the Regional Director had not contested the same.

10. <u>Whether Step-Down Wholly-Owned Subsidiaries can be Merged with its Holding Company under The Fast-Track Route?</u>

Unlike the statutes in the Canada and Singapore, Section 233(1) of the Act 2013 uses the term in its singular form i.e., "*between a holding company and its wholly-owned subsidiary company*". In the said regard, it may be noted that Section 13 of the General Clauses Act, 1897, states that '*the words in the singular shall include the plural, and vice versa*'. Accordingly, it can be inferred that merger of multiple wholly-owned subsidiaries with their common holding company is permissible. In the matter of

scheme of amalgamation between MPS Telecom Private Limited, Oneworld Teleservices Private Limited with Optiemus Infacom Limited[17], 2 (two) wholly-owned subsidiaries were merged with and into the holding company.

However, it is pertinent to note that there is no express stipulation that indirect subsidiaries are also covered under this ambit.



In the aforesaid structure, the transaction involves the merger of a direct and indirect wholly-owned subsidiary with its holding company and accordingly, the same neither involves any issuance of shares by way of a consideration nor any reduction of share-capital. The said structure has similar facts as compared to a plain vanilla merger of a *wholly owned subsidiary* with its holding company. Accordingly, there is lack of certainty whether such mergers can be implemented under the Fast-Track Route, however, it can be argued that such mergers can be permitted as holding company exercises entire ownership and control on the indirect wholly-owned subsidiary, the scheme does not involve any third-party interest and no consideration is being discharged and this

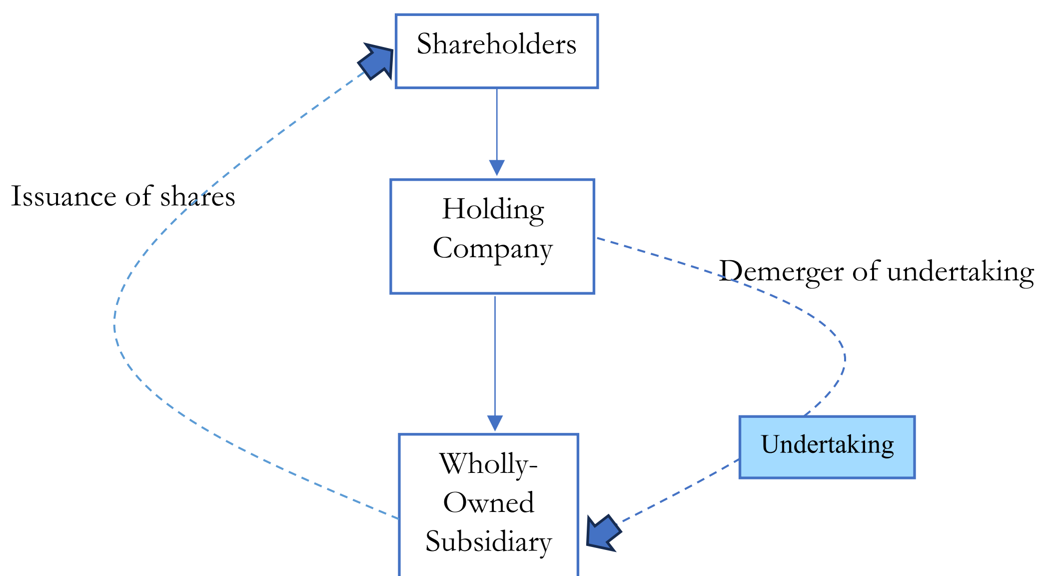
[17] https://www.optiemus.com/images/media/Confirmation%20Order%20of%20RD.pdf

situation is not materially different from a merger of direct wholly-owned subsidiary with its holding company.

Moreover, the Report of the Company Law Committee issued in March, 2022[18] has also expressed that Section 233 of the Act 2013 should be amended to also permit fast track mergers between a holding company and its subsidiary company or companies (other than wholly-owned subsidiaries) if such companies are not listed and meet such other conditions as may be prescribed.

11. Whether a Demerger is Permissible under The Fast-Track Route?

As stated above, the Fast-Track Route provisions under Section 233 of Act 2013 apply to companies in respect of a scheme of compromise or arrangement under Section 230 and Section 232 of Act 2013. A scheme involving demerger of a company would also fall under this ambit as the same is permissible by way of a scheme of arrangement under Section 230 of the Act 2013. Below is an illustration depicting a demerger of an undertaking from the holding company to its wholly-owned subsidiary which can be permissible under the Fast-Track Route:



In this aforesaid structure, the Demerged Company (Holding Company), along with its nominees, holds 100% (hundred percent) of the issued and paid-up equity share capital of the Resulting Company (Wholly-Owned Subsidiary) to avail the benefit of a fast-track merger. Pursuant to the merger, the Resulting Company will issue shares to the shareholders of the Demerged Company.

[18] Ministry of Corporate Affairs - https://www.mca.gov.in/bin/dms/getdocument?mds=bwsK%252FBEAFTVdpdKuv5IR5w%253D%253D&type=open (last visited September 24, 2024)

Further, the aforesaid structure was implemented in the scheme of arrangement of Embassy Property Developments Private Limited (Demerged Company) and Nam Estates Private Limited (Resulting Company) which was approved under the Fast-Track Route by the Regional Director (South East Region) under Section 233 of Act 2013[19] wherein the demerged undertaking was transferred from the Demerged Company to the Resulting Company.

12. Paving Way for Cross-Border Fast-Track Mergers:

An inbound merger in nature of a reverse flip is a transaction wherein the parent company merges with its wholly-owned subsidiary in India. These transactions have been lately popular amongst Indian companies considering the ease of regulatory norms and a vibrant IPO market resulting in desired valuations in India. Earlier, the reverse flip transactions wherein the parent company merged with the wholly-owned subsidiary were undertaken under Section 230-232 of the Act 2013 with the prior approval of NCLT. However, pursuant to the Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2024 ("**Inbound Merger Amendment**") published in the Official Gazette on September 09, 2024 by the MCA, such reverse flip transactions can be undertaken under the Fast-Track Route under Section 233 of the Act 2013. The effective date for the Inbound Merger Amendment is September 17, 2024.

The Inbound Merger Amendment prescribes that where the transferor foreign company incorporated outside India being a holding company and the transferee Indian company being a wholly owned subsidiary company incorporated in India, enter into merger or amalgamation, then such a merger will be permissible under the Fast-Track Route if the following conditions are met:

(i) both the companies shall obtain the prior approval of the Reserve Bank of India;

(ii) the transferee Indian company shall comply with the provisions of Section 233 of the Act 2013;

(iii) the application shall be made by the transferee Indian company to the jurisdictional Regional Director under section 233 of the Act 2013 and provisions of Fast-Track Merger Rules shall apply to such application; and

(iv) a declaration in relation to the applicability of RBI approval for entities incorporated in any land border sharing country shall be made at the stage of making application for the fast-track merger.

[19] Official Website of Equinox India Developments Limited https://www.equinoxindia.com/wp-content/uploads/2023/01/Approval-Order-NAM-Internal-Restructuring.pdf (last visited September 24, 2024)

With respect to the applicability of RBI approval, it is to be noted that under the Inbound Merger Amendment, there is a requirement for **both**, the foreign transferor company and the transferee Indian company to obtain prior approval of Reserve Bank of India under the Fast Track Route. However, under the Foreign Exchange Management (Cross Border Merger) Regulations, 2018 ("**FEMA Cross Border Regulations**"), it is prescribed that any transaction on account of a cross-border merger which is in compliance and undertaken in accordance with the FEMA Cross Border Regulations shall be deemed to have prior approval of the Reserve Bank of India as required under Rule 25A of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. Accordingly, it can be stated that as the Inbound Merger Amendment has been made to Rule 25A itself by the MCA and, accordingly, the provision for deemed approval of RBI as per the FEMA Cross Border Regulations would be applicable for an inbound merger undertaken under the Fast Track Route as well. Even though the deemed approval of Reserve Bank of India is explicitly legislated, a clarification on the given aspect by MCA or RBI concerning reverse flip transactions under the Fast-Track Route would be helpful.

13. Conclusion

The typical restructuring exercises through mergers/demergers under the NCLT Route pose certain inherent challenges and issues in the overall timelines to complete the process and the same can be expedited by using fast-track mergers as an alternative tool to implement the transaction. Normally, basis our experience, the overall process can be completed in 5-6 months from the date of holding the board meeting to approve the scheme of amalgamation. However, the fast-track mergers have its own set of challenges and difficulties and accordingly, the parties should carefully evaluate various factors before deciding the merger process as any issues/objections by the Regional Director can result in the Regional Director referring the scheme to NCLT which may require the entire processes to start afresh.