FAST TRACK MERGERS AFTER THE CORPORATE LAWS (AMENDMENT) BILL, 2026: EXPANDING ACCESS OR DILUTING SCRUTINY?

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ABSTRACT

According to the Corporate Laws (Amendment) Bill, 2026[1], the major expansion of the fast-track merger regime in India has been proposed in the past since its establishment in Section 233[2] of the Companies Act, 2013[3]. By extending eligibility to mergers between holding companies and their not wholly owned subsidiaries, between fellow subsidiaries and between a broader class of unlisted companies, the Bill dramatically widens the category of corporate restructurings that may bypass National Company Law Tribunal scrutiny and proceed through the administrative route of the Regional Director. At the same time, the Bill lowers the vote percentage of shareholder approval to 75% of the stock of members present and voting, which is a structural change that significantly changes the decision-making balance of the veto power of minorities. These two reforms are analyzed in this paper. It maintains that the efficiency reason behind the expansion is logical, but the Bill establishes a governance framework where minority shareholders in partially owned subsidiaries can be restructured based on value redistributive premises without the benefit of ex-ante judicial review of fairness that the Sections 230 to 232[4] route provides. The paper also argues that the institutionally able and doctrinally required ability to play the role of an alternative fairness adjudicator exists not in the current form of the Regional Director and that the change in the approval standard aggravates this lack and does not offset it. Based on the comparative models in Singapore, United Kingdom and Delaware, the paper will suggest specific protective measures that would enable the reform to reach its efficiency goals without compromising the minority protection framework that should be supported by the Indian corporate governance model.

[1] Corporate Laws (Amendment) Bill 2026.
[2] Companies Act 2013, s 233.
[3] Companies Act 2013.
[4] Companies Act 2013, ss 230–232.

I. Introduction

Section 233 of the Companies Act, 2013[5] ("CA 2013") provided a procedurally streamlined process of mergers and amalgamations between a specified and limited category of companies. The design assumption was logical: wholly owned subsidiaries that merge upwards to their parent or small companies that merge with each other creates little governance risk. By definition the economic interests of the holding company and that of the wholly owned subsidiary are the same. Where the minority shareholders do not exist, the consent of minority shareholders is not an issue. In the case of these structures, the judicial oversight of the Sections 230 to 232 route is an administrative drag that is not in proportion to the administrative issues that arise.[6]

The Corporate Laws (Amendment) Bill, 2026 ("the Bill"), presented in the Lok Sabha on 23 March 2026 and sent to a Joint Parliament Committee ("JPC") suggests to decisively shatter the aforementioned premise.[7] It also expands the fast track merger ("FTM") arbiter to transactions between holding companies and non-wholly owned subsidiaries of a holding company, transactions between subsidiaries and companies in a wider range that satisfy the prescribed financial requirements. At the same time it lowers the minimum percentage of total issued shares to be approved by the members to 75% of the shares of members attending and voting. Combined, these changes effectively make the FTM route open to transactions with actual minority shareholders and at the same time diminish the voting capacity of those shareholders to prevent them.[8]

In this paper, the conflict between the two developments is observed. Part II follows the legislative history of Section 233 and gradual expansions that resulted in the Bill of 2026. Part III charts the targeted reforms suggested by the Bill and the implications of the reforms on its doctrinal side. Part IV is the main analytical question: can the institutional setting of the FTM route, the position of the Regional Director, ensure the safety of minority shareholders in the new eligibility categories? Part V discusses the threshold cut and the impact of the cut on veto power among minorities. Part VI provides a comparative study based on Singapore, the United Kingdom and Delaware. Part VII suggests specific changes. Part VIII concludes

[5] Companies Act 2013, ss 233.
[6] Companies (Compromises, Arrangements and Amalgamations) Rules 2016, r 25.
[7] Corporate Laws (Amendment) Bill 2026, Statement of Objects and Reasons (Lok Sabha, 23 March 2026).
[8] Alvarez & Marsal, 'India Tax Alert: The Corporate Laws (Amendment) Bill, 2026' (25 March 2026).

II. Legislative History and the Architecture of Section 233

A. The Pre-2013 Framework and Its Deficiencies

Companies Act 1956 had made it a prerequisite that all mergers and amalgamations be sanctioned in the High Court. The process was a judicially consuming and temporality unpredictable process. The transferor and transferee companies were also to make separate applications to their respective High Courts and this created coordination failure in the multi jurisdictions transactions and increased time to often over two years.[9] The 2013 legislative reaction was two pronged: the NCLT substituted High Courts as the main trial court in Section 230 and 232 and allowed an entirely separate administrative regulator in Section 233 a narrowly restricted category of low risk transactions.

The design logic of the original version of Section 233 was based on a risk stratification principle. The deals it included, i.e. mergers of wholly owned subsidiaries to their parents, mergers of small companies had something in common: the possibility of expropriation of minority stocks was either non-existent or insignificant. When it is a wholly owned subsidiary merger, it has no minority shareholders. Section 2(85) of the CA 2013 in a small company merger suggests a low amount of paid-up capital and turnover therefore limiting the amount of value at risk.[10] In these types, judicial oversight was a waste of NCLT resources already stretched by a massive insolvency caseload under current Insolvency and Bankruptcy Code, 2016 ("IBC").

B. Incremental Expansions: 2021 to 2025

The FTM framework was not unchanged after 2016. The route was further extended to include mergers between two or more startup companies, and one or more startup companies and one or more small companies by the Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2021.[11] This extension maintained the risk stratification rationale: start up companies are usually private firms less than ten years old with few turnovers.

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[9] Institute of Company Secretaries of India (ICSI), *Merger and Amalgamation under Section 233 (Fast Track Merger)*

[10] Companies Act 2013, s 2(85).

[11] Press Information Bureau, 'MCA Widens the Scope of Fast Track Mergers under the Companies Act, 2013' (11 September 2025) https://www.pib.gov.in/PressReleasePage.aspx?PRID=2165660\ accessed 28 March 2026.

It was more significant in the amendment of Rule 25 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in September 2024. It has also expanded the FTM route to include unlisted company mergers that satisfy specified financial requirements, holding and subsidiary mergers not necessarily wholly owned subsidiaries, subsidiary mergers between fellow subsidiaries of the same holding company and inbound cross border reverse mergers into its Indian wholly owned subsidiary. The initial violation of the principle according to which FTM should be limited to transactions that do not involve any real minority shareholder exposure was therefore the September 2024 amendment. The 2026 Bill makes such a violation statutory and even more profound.

III. The 2026 Bill's Specific Reforms to Section 233

A. Expanded Eligibility

The Bill seeks to take the FTM eligibility to mergers between a holding company and the subsidiary, in the presence or absence of full ownership of the subsidiary on the basis that the transferor company should not be listed. It also addresses mergers of one or more subsidiary companies of the same holding company in which case the transferors are not listed. The exclusion of listed transferors is an incomplete protection. Though a subsidiary company can be unlisted with a large and widely spread minority shareholder base especially in the case of unlisted public companies where shares had been previously issued into the market either by private placements or by ESOP plans.

It is hard to overestimate the importance of eligibility expansion to wholly owned subsidiaries. When a holding company merges with its wholly owned subsidiary, there is no question of the minority shareholder by definition: there is only a holding company. The process of a merger of a holding firm and a partly owned subsidiary, however, requires the forced reorganization of a firm, where third party shareholders are interested in its economic and governance structure. The shareholders who did not subscribe to the holding structure had subscribed to a pure investment in the subsidiary. The Bill seeks to permit that investment restructuring be done in a process that lacks ex ante judicial fairness examination.[12]

[12] Sarthak Goyal, 'Recalibrating Section 233: Fast-Track Restructurings, Demergers and Minority Protection' (IRCCL, 2026) https://www.irccl.in/post/recalibrating-section-233-fast-track-restructurings-demergers-and-minority-protection\ accessed 28 March 2026

B. Reduction of Approval Threshold

The current Section 233 mandates that the members who are at least 90 percent of the total number of shares are required to approve by the shareholders. The Bill suggests the reduction of this to approval by majority of members present and voting who collectively have a majority of at least 75 percent of stocks among those present and voting.[13] This is a double reduction. It alters the denominator of total issues shares into shares in place at the meeting and the threshold of 90 per cent to 75 per cent. The effect of the aggregation is dramatic. Even a scheme on which there has been a majority vote against by a sizeable minority of shareholders can meet the amended threshold on condition that the opposing shareholders are either absent or abstain and that the 75% threshold is met by the votes cast by those who actually vote.

The government has presented this cut as a conformity of the FTM route with the standard approval requirement of Section 230-232 of the CA 2013, which demand that three fourths of the value of the class expressly be in numbers.[14] This argument of alignment is surface level. It, however, masks a crucial distinction: approvals made under Section 230-232 can be ex ante scrutinised by the NCLT in the fairness of the scheme, including at the valuation report, and the impact of the scheme on the various types of stakeholders and the court being satisfied as to the fairness and equity of the scheme. Section 233 of the FTM route does not have the same protection. Lowering the threshold without present compensatory scrutiny is hence not an alignment. It is a subtraction of the existing safeguard and preservation of the semblance of equality.

C. Treasury Shares: Section 233A

The Bill proposes a new Section 233A which deals with the treatment of merger arising treasury shares. In the current system, a merger between a holding company and a subsidiary where the subsidiary is the shareholder of the holding company will lead to the merger holding its own shares, which general company law does prohibit.[15] Section 233A also requires the cancellation or disposition of such treasury shares in three years after the merger. Failure to

[13] Treelife, 'Corporate Laws (Amendment) Bill 2026' (2026) https://treelife.in/legal/corporate-laws-amendment-bill-2026/\ accessed 28 March 2026.
[14] King Stubb & Kasiva, 'Corporate Law Reforms 2026: Key Changes' (2026) https://ksandk.com/corporate/corporate-law-reforms-2026-key-changes/ accessed 28 March 2026.
[15] Vinod Kothari Consultants, 'Corporate Laws (Amendment) Bill: Easing, Streamlining and Updating the Regulatory Framework' (2026) https://vinodkothari.com/2026/03/corporate-laws-amendment-bill-easing-streamlining-and-updating-the-regulatory-framework/ accessed 28 March 2026

comply leads to automatic cancellation as an INR reduction and imposes a day to day fine of INR 10,000.

This is a real governance issue in this provision. By allowing treasury shares to continue, the prospective treasury shares have the right to vote which the controlling management is able to misuse by voting in their own interest is; a type of manipulation of governance in circles. The three-year sunset and automatic cancellation process are generally suitable although the paper revisits in Part VII the issue of whether the valuation process of cancelled shares is sufficient to protect the minority shareholders in the cancellation process.

IV. The Regional Director as Fairness Arbiter: An Institutional Inadequacy

A. The RD's Existing Mandate and Its Doctrinal Limits

The key institutional inquiry posed by the expansion of eligibility in the Bill is whether the Regional Director, who is the approving agency with respect to the Bill under Section 233, can undertake the minority protection role that is played by the NCLT under Section 230 through Section 232. The answer, both in doctrine and fact, is in the affirmative, immensely, no.

Under section 233(3) of the CA 2013, the RD is expected to register the scheme and to give a confirmation order in the event that both the Registrar of Companies and the Official Liquidator have no objection or suggestions. The work of the RD is thus mostly procedural: it acts as a validating authority subject to the condition of the lack of official protest of two other regulatory participants. This narrow mandate was upheld by the judgment of the Bombay High Court in *Asset Auto India Private Limited v Union of India*[16]: the RD has no power to fail a scheme as a matter of preconditions after the preconditions of Section 233 have been procedurally met. It can only refer the scheme to the NCLT under Section 233(5)[17] when it makes an opinion that the scheme will be contrary to the interest of the public or creditors. The interests of minority shareholders are not explicitly covered in this referral trigger.

This is in a sharp contrast to the mandate by the NCLT through Section 230-232 route. It was determined that scheme sanction is not a mechanical enforcement of the will of majority as set out in *Miheer H Mafatlal v Mafatlal Industries Limited*[18] by the Supreme Court and in

[16] *Asset Auto India Pvt Ltd and Ors v Union of India and Ors* (Bombay High Court, 1 August 2024).
[17] Companies Act 2013, s 233(5)
[18] *Miheer H Mafatlal v Mafatlal Industries Limited* AIR 1997 SC 506.

Hindustan *Lever Employees Union v Hindustan Lever Limited*[19] by the High Court. The tribunal should be persuaded that the scheme is fair and equitable to all classes of shareholders that the valuation is not unreasonable and that no class is being used as a means of value expropriation. These are contentious questions that have been left out in the procedural mandate of the RD.

B. Valuation: The Critical Gap

Under the scheme of route in the NCLT, the report of valuation submitted under Section 230(3) will be subject to independent scrutiny. The inflated valuations have been subject to suo motu cognizance by the tribunal, as in *Wiki Kids Limited v Regional Director*[20], the tribunal dismissed a scheme when it discovered that the promoter had inflated valuations. Section 233 does not have any analogous mechanism. The confirmation made by the RD is not conditional upon any independent determination as to whether the share exchange ratio is fair to minority shareholders of the transferor company.

The amendments to Rule 25 in September 2024 created Form CAA-10A mandating that an auditor issues a certificate indicating that the companies involved in this case satisfy the financial requirements mandated to be eligible in FTM.[21] It is no valuation opinion, but is a compliance certification. It affirms that the companies meet the gateway requirements in regard to utilizing the FTM route; it does not express an opinion as to whether the terms of the specific scheme are just to the minority shareholders. The difference lies in its essence. A company can meet all of the requirements of FTM eligibility and offer a ratio of shares exchange that would rip the minority stockholders in the transferor and give it to the holding company as transferee.

The scholarly research on this aspect is evident. Section 233 process is supervised by the RD who in the majority of cases only examines whether the procedure is adhered to but does not look into such conditions of the procedure as valuation. This can be tolerated in the case of existing categories that include wholly owned subsidiaries, but the addition of new categories, especially those companies with actual minority shareholders, poses an increased risk of the

[19] *Lever Employees Union v Hindustan Lever Limited* AIR 1995 SC 470.
[20] *Wiki Kids Limited v Regional Director* MANU/NL/0228/2017
[21] TaxGuru, 'Fast Track Mergers Expanded: Section 233 & CAA Amendment Rules 2025' (18 September 2025) https://taxguru.in/company-law/fast-track-mergers-expanded-section-233-caa-amendment-rules-2025.html\ accessed 28 March 2026.

existence of unfair valuation practices unchecked.[22]

C. Post Facto Remedies and Their Inadequacy

The supporters of the Bill can counter that minority shareholders still have post facto redress of Sections 241 to 246 of the CA 2013, which contain redress of oppression and mismanagement. Section 233(6) also allows the Central Government or any aggrieved person to seek consideration of the scheme at NCLT at Sections 232.[23] These post facto mechanisms cannot be sufficient in various ways. To begin with, after a merger is established and transferor company is dissolved, it is legal and commercially challenging and disruptive of operations. Second, the Section 241 oppression petitions demand that the petitioner fulfills a minimum set of figures and that they represent a course of action rather than simply a loss on a transaction. Third and most importantly, a post facto remedy implies that the minority shareholders have to incur the cost and risk of litigation to receive redress of a transaction which should never have been entered into on an unfair basis in the first place.

This asymmetry is of structural importance. A minority shareholder is entitled to make an objection under Sections 230 to 232 route during the NCLT hearing prior to the scheme becoming effective. By scheme the scheme becomes effective following the confirmation order made by the RD and the recourse of the minority shareholder is later. It is this inversion in the default temporal location of minority protection which makes the expansion of the Bill analytically problematic in a manner that the current wholly owned subsidiary merger coverage is not.

V. The Threshold Reduction: Minority Veto Power Under Assault

A. The Structural Effect of Shifting the Denominator

The increase of 90% of total issued shares to 75%. of shares outstanding and voting is an important change than that which it shows on its face. The 90% threshold is calculated in respect to the entire issued capital under the current provision. This implies that a scheme which

[22] Kshitij Nair and Khushi Agarwal, 'Widening the Scope of Fast Track Mergers under the Companies Act, 2013: Unlocking Corporate Efficiency or Risking Oversight' (SCC Online Blog, 18 October 2025) https://www.scconline.com/blog/post/2025/10/18/fast-track-mergers-companies-act-2013/ accessed 28 March 2026.

[23] Cyril Amarchand Mangaldas, 'Protection and Redressal of Minority Shareholder Rights' (6 March 2023) https://corporate.cyrilamarchandblogs.com/2023/03/protection-and-redressal-of-minority-shareholder-rights/ accessed 28 March 2026.

would need 90 percent of a company of 1,000 shares would need to obtain has 900 shares in support of the scheme, whether they are present during the meeting or not. A small shareholder of 101 shares can successfully frustrate the scheme by either voting or not attending.[24]

In the proposed amendment, the 75% quorum regarding present and voting shares is used. Should 400 shares be present in the meeting and vote, the scheme demands that 300 out of the said shares be in favour of the scheme. Only a minority shareholder with 101 shares can block the scheme where he attends and is able to form an adequate coalition of attending shareholders to ensure that the supporting vote is not more than 75. The scheme is effective in the event that the minority holder and supporters possess 200 shares but with 150 attending the meeting, the 250 of the attending supporting shares have the necessary majority. The minority has ceased being a structural blocking right and has become contingent right on attendance and coalition management.

This turn can be of vital importance to minority shareholders of subsidiaries that are part owned. The diversified institutional investors might not be actively exercising their voting rights in group companies which are not listed. Family or promoter groups with complex subsidiary structures may also organize attendance to see to it that quorum required is made up of overwhelming numbers of aligned shareholders. The new denominator introduces a system whereby a controlling shareholder may fabricate an arrangement by which a predetermined controlling shareholder may contrive scheme approval, notwithstanding the economic disinterests of a numerically large minority, on the condition that it controls attendance.

B. The Creditor Threshold Reduction

The Bill also lowers the creditor approval value of 90% to 75%. This is based on the justification of compliance with the Section 230 creditor approval standard.[25] This is of particular concern to the expanded eligibility classes. The unlisted company FTM category stipulates that all the participating companies must have outstanding loans, debentures and deposits that are less than INR 200 crore and no defaults are present and certified in Form CAA-10A. The financial health certification is an entry level requirement, not an ongoing

[24] Sarthak Goyal, 'Recalibrating Section 233: Fast-Track Restructurings, Demergers and Minority Protection' (IRCCL, 20 February 2026) https://www.irccl.in/post/recalibrating-section-233-fast-track-restructurings-demergers-and-minority-protection accessed 28 March 2026.
[25] King Stubb & Kasiva, 'Corporate Law Reforms 2026: Key Changes' (26 March 2026) https://ksandk.com/corporate/corporate-law-reforms-2026-key-changes/ accessed 28 March 2026.

requirement. A company can certify compliance at the point of notice and once again at the point of filing; however, the exposure to credit risk might change significantly between these dates in the presence of leverage or default contagion risks in the transaction. With a 75 percent barrier, the minority creditor gets no blocking ability comparable to the current structure.

VI. Comparative Analysis

A. Singapore: Mandatory Independent Valuation

Singapore has a comparative reference law; the companies act. Section 215 of the Singapore companies act provides a short form merger process that can be undertaken between a company and a wholly owned subsidiary.[26] The Singaporean model does not apply the streamlined process to subsidiaries which are partially owned, precisely as the issues of governance which drive the simplification, namely the determination of the economic interest between the parent and fully owned subsidiary, do not exist on the case of minority shareholders. Under the Singapore framework whereby a subsidiary is not wholly owned, the entire scheme process must proceed with court approval under Section 210 with independent valuation and dissenting shareholder redress.

The Singaporean style can be seen as a rationalized risk stratification: procedural simplification can only be offered in cases in which the premise of the simplification is met. The Bill in India proceeds with the simplification of the procedure in situations where the premise is not met and offsets with the lower thresholds and *post-fact*o remedies, which fail to recreate the *ex-ante* protection lost.

B. The United Kingdom: Pre-emption and Fairness

The Companies Act, 2006 of the United Kingdom offers a scheme of arrangement procedure in Part 26, which necessitates sanction of the Court of session or High Court. Part 27 offers a merger by absorption route without a court sanction for wholly owned subsidiary mergers, which are limited to wholly owned subsidiaries only.[27] The takeover code also gives the UK framework strong preemption rights and dissenting shareholder appraisal rights in the context of transactions involving minority shareholders. More importantly, the FTM analogue does not

[26] Companies Act (Cap 50, Singapore), ss 210, 215.
[27] Companies Act 2006 (UK), pts 26, 27,

lower the approval threshold in the UK when increasing the eligibility. The Bill in India decreases the threshold at the very moment when it widens the eligibility which creates a governance regression and not governance neutral reform.

C. Delaware: The Entire Fairness Doctrine

Section 253 of the Delaware General Corporation Law, which is the short form merger statute, authorizes a parent company with a majority of shares in a subsidiary to merge the subsidiary with the parent without the vote of the shareholders.[28] It is an even more forceful rule than the current Section 233 under India, but it is muted by the whole doctrine of fairness which the Delaware courts have worked out. In a situation where a controlling shareholder effects a squeeze out merger, the Delaware courts will utilize the entire fairness review in this case and will insist that the defendant will prove that he or she has dealt fairly with the process and considered fairly the price. This judicial backstop, which is found by the way of appraisal rights proceedings, makes sure that the lack of ex ante shareholder approval does not materialize in the lack of substantial protection.

In *Weinberger v UOP, Inc*[29], the Delaware Supreme Court proceeded to put in place a standard of entire fairness, when a transaction is made between a controlling shareholder on either side. The post facto remedies in India provided under the Sections 241 to 246 fails to offer an equivalent. To prove the course of oppressive conduct is necessary in an oppression petition, rather than an unfair price in a transaction. The whole fairness doctrine, on the contrary, is automatic to regulate shareholder transaction without assessing the existence of other oppressive actions.

The Delawares teach us not that India ought to follow the same rules, but that the abolition of ex ante protections would involve the provision of correspondingly strong ex post protections. The Bill in India eliminates *ex-ante* protection of the NCLT fairness review but does not establish a statutory equivalent of the whole fairness doctrine. This governance gap has no theoretical basis.

[28] Delaware General Corporation Law (US), ss 253, 262
[29] *Weinberger v UOP, Inc 457* A.2d 701,(Del. Feb. 1, 1983).

VII. Proposed Safeguards

A. Mandatory Independent Valuation for Not Wholly Owned Subsidiary Mergers

The most significant protection that the JPC ought to implement would be a compulsory requirement of an independent valuation in case of any FTM where the company involved in such an FTM is having any interest of non-promoter or non-controlling shareholder. A registered valuer under the IBBI Registered Valuers scheme should carry out the valuation, rather than an audit report indicating that the gateway is compliant.[30] The scheme must be approved by the RD before the scheme where the valuation report should be filed and it must be made available to the dissenting shareholders. The displeased shareholders must have a right to present written objections with reference to the valuation to the RD within a specified period and the RD must be obligated to directly respond to the objections and then confirm the scheme.

This reform does not presuppose the needs to give up the FTM route. It involves adding substantive check which is minimum at the time of confirmation. The Singapore model reveals that this could be achieved without putting the administrative route back into a judicial one. The check is a delimited documentary review, rather than an open ended hearing and it scrutinizes the particular governance risk introduced by the expansion in eligibility.

B. Exit Rights for Dissenting Minority Shareholders

The Bill must provide a statutory exit right to the minority shareholders who are against a scheme that has been voted through under the augmented FTM categories. This privilege shall allow what is known as dissenting shareholders to leave at a fair value based on an independent registered valuer just like the appraisal rights that exist in Delaware and in Section 48 of the UK Companies Act, 2006.[31] A dissenting vote recorded by a shareholder should be the mechanism of exit and not the filing of a separate legal proceeding. The transferee company should bear the cost of exit determination and not the dissenting shareholder and this would solve the observation in the academic literature that the cost of appraisal litigation often discourages minority shareholders to seek fair prices.

[30] Insolvency and Bankruptcy Board of India, 'Rules' https://ibbi.gov.in/uploads/rules.pdf accessed 28 March 2026.
[31] Shuchi and Isha, 'Minority Squeeze Outs under Takeover Law: An Analysis' (RMLNLU Law Review Blog, 5 October 2021) https://rmlnlulawreview.com/2021/10/05/minority-squeeze-out/ accessed 28 March 2026.

C. Threshold Reform: Restoring the Denominator

It is arguable that the 75% threshold would be upheld in a set up where the risk stratification rationale of the original Section 233 is maintained i.e. in cases of wholly owned subsidiary mergers and small company mergers where there is no actual minority shareholder exposure. The larger groups of eligibility classes, which entails actual minority shareholders, should be left with a threshold of 90 percent of the total number of issued shares or otherwise require the positive vote of a majority of the non-controlling shareholders which is based on a majority of the minority model.[32] This difference can be brought in, by modifying the suggested provision, so that the 75 per cent present and voting requirement shall only be applied to existing categories and the 90 per cent total issued shares requirement shall remain to the newly added categories before the introduction of independent valuation and exit rights.

D. Statutory Guidance on the RD's Referral Power

The referral power provided by Section 233(5) that enables the RD to refer a scheme to the NCLT in case it thinks that the scheme is contrary to the interest of the public, or the interests of creditors, ought to be amended to state specifically that the minority shareholders interests are another distinct trigger to a scheme being referred. With the provision in force, the authority of the RD to make a referral expressly goes no further than to make a decision that a scheme is not against the interest of the people in general, but still unfair to a group of minority shareholders.[33] The inclusion in the doctrinal form of minor shareholder interests as an express referral trigger would extend the effective mandate of the RD without transforming it into a full court action and would have the effect of developing a more proportional structure of governance to the broader eligibility categories.

VIII. Conclusion

The fast-track regime of mergers of Section 233 of the CA 2013 was preconceived on a premise of risk-stratification: when there is no governance risk of judicial oversight being determined

[32] Nishith Desai Associates, 'Minority Squeeze-Out under Indian Company Law: Balancing Majority Control and Minority Protection' (30 December 2025) https://www.mondaq.com/india/shareholders/1725082/minority-squeeze-out-under-indian-company-law-balancing-majority-control-and-minority-protection accessed 28 March 2026.

[33] Jatin Pal and Vatsal Chaudhary, 'Minority Shareholder Protection in Mergers and Acquisitions under the Companies Act, 2013' (IJLLR, 24 April 2025) https://www.ijllr.com/post/minority-shareholder-protection-in-mergers-and-acquisitions-under-the-companies-act-2013 accessed 28 March 2026.

to be designed, the simplification of procedure is justified. The premise was good when Section 233 applied to wholly owned subsidiary mergers and small company combinations.

The Corporate Laws (Amendment), 2026 does not replace this premise with a similar system of governance. The Bill establishes one in which the minority shareholders of true economic importance could be the target of value redistributive restructurings in a procedure that gives no ex ante judicial fairness scrutiny, a confirming authority that lacks a substantive valuation mandate and ability to veto the scheme via voting.

It is the efficiency case of the expansion. The NCLT in India has got a huge caseload and internal group restructurings including those that require partial ownership, tend to pass through parties that are commercially aligned and do not necessarily involve a conflict of interest. The cause of minimizing the friction and the cost of such transactions is a valid one. Nevertheless, there is no necessity of efficiency and minority protection being incompatible. The Singapore, the United Kingdom and Delaware comparative models show that proportionate safeguards which comprise of mandatory independent valuation, statutory dissent rights, and statutory exit rights, and express minority protection triggers in the referral power of the RD can be implemented without redesigning the administrative route into a route of judicial one.

The JPC is presented with an accurate set of questions to be answered. Are there any governance risks in the expanded FTM eligibility classes that the current RD confirmation architecture is capable of handling? Otherwise, what is the least amount of compensating protection that can maintain effectiveness goal of the reform and the minimum level of minority protection mechanism that the Indian corporate governance architecture demands? The discussion in this paper indicates that the said safeguards are required independent valuation that is statutory in nature, as well as the exit rights in statute and a threshold that is adjusted to the governance risk of each of the eligibility classes. A Bill which comes out of JPC inspection with such rectifications will be a real improvement. A Bill not will widen access to corporate restructuring and soften the investigation that such access demands.