
THE EVOLVING LEGAL FRAMEWORK FOR CORPORATE MERGERS IN INDIA: A STUDY OF THE CORPORATE LAWS (AMENDMENT) BILL, 2026

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ABSTRACT

The Indian merger laws have been highly inefficient for most part of its existence. The amalgamation scheme under the Companies Act could take many months to be implemented as it has to be regulated by various authorities including the Regional Director of Ministry of Corporate affairs, Competition Commission of India (CCI) and Securities and Exchange Board of India (SEBI). This paper traces the development of law pertaining to mergers in India from the early company statutes and the Act of 1956 to till date and then discusses the existing legal framework of the provisions which are outlined in Sections 230 to 240 of the Act of 2013 and the role of Competition Commission of India (CCI). The Bill includes five key amendments related to mergers such as the jurisdictional consolidation with respect to the NCLT of the Transferee Company, reduction of the approval threshold in fast-track mergers, clarification of the relationship between schemes under Section 230 and the Insolvency and Bankruptcy Code, the valuation powers of the IBBI as the only Valuation Authority, and the regulation on treasury shares. In this paper, it is emphasized that the Bill eliminates delays, however, reducing the fast-track threshold violates the rights of minority shareholders unless an exit right is available.

Keywords: Corporate Laws (Amendment) Bill, 2026, Mergers and Amalgamations, National Company Law Tribunal (NCLT), Fast-Track Mergers, Minority Shareholders' Rights.

I. Introduction

Before statutory frameworks were established, Indian law did not have a detailed mechanism for mergers and acquisitions in India. In the earlier days of mercantilism, the status of a corporation rested on either royal charters or legislative enactments or general common law of contract and partnership. In this context, it was not possible for a firm to merge itself with another through a mere resolution of the company. Merger of the business would have been achieved through individual and private transfers of assets and liabilities, after which the transferring company would voluntarily liquidate itself. This process involved unanimous approval of all stakeholders, thereby making it open to opposition from single creditors or even shareholders, besides being costly and complex for business organizations.¹

The introduction of statutory company law, which was the result of the Indian Companies Act of 1850 based on the English Joint Stock Companies Act of 1844 followed by improvements via the detailed Indian Companies Act of 1913, progressively introduced the concept of compromise and arrangements.² However, the following regime of the Companies Act of 1956³ and of the present Companies Act of 2013 firmly established a judicial system. Initially the mergers were guided by the High Court, whose powers have been transferred to the NCLT, which again falls under the purview of regulatory jurisdiction of the corporate regulatory bodies. The corporate regulatory bodies include the representation of the Regional Director (RD) relating to the considerations of public interest and other stakeholders, representation of the Official Liquidator (OL) due to the way in which the business is being run by the transferor company, which is against the interest of its members, and the specific regulatory functions of the CCI and SEBI.⁴ From what initially started as a contractual barrier, a situation of institutional rigidity resulted wherein conflicting tribunal jurisdictions and stringent approval criteria delayed the process beyond one year⁵.

The Corporate Laws (Amendment) Bill, 2026 represents the next significant milestone in this

¹ See A. Ramaiya, *Guide to the Companies Act* 4510–12 (19th ed. 2020) L.C.B. Gower, *Principles of Modern Company Law* 678–80 (4th ed. 1979)

² See Joint Stock Companies Act 1844, 7 & 8 Vict. c. 110 (Eng.); Indian Companies Act, 1850, Act No. 43 of 1850 (India); Indian Companies Act, 1913, Act No. 7 of 1913 (India).

³ The Companies Act, 1956, No. 1 of 1956, Acts of Parliament, 1956 (India).

⁴ The Companies Act, 2013, No. 18 of 2013, § 230(5), Acts of Parliament, 2013 (India); Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, r. 8, Notification G.S.R. 1134(E), Gazette of India, pt. II sec. 3(i) (Dec. 14, 2016).

⁵ See generally Ministry of Corporate Affairs, *Report of the Expert Committee on Company Law* ¶ 10.1–10.4 (2005)

transformative evolution.⁶ The Bill aims to resolve structural tensions by introducing a single NCLT bench for each scheme, reducing the approval threshold for fast-track and introducing a process to coordinate Section 230 proceedings with the Insolvency and Bankruptcy Code, and consolidating the valuation jurisdiction with IBBI. But as regulations shift between the procedural rigidity and fast-track approval the need for minority protection grows, since Indian law gives dissenting shareholders no general appraisal right which is right to be bought out at a fair value when a merger is approved over the objection.

II. Historical Evolution of Merger Law in India

The Companies Act of 1956 forms the basis of present-day laws relating to mergers and acquisitions in India as it has adopted much from English Company Law. Sections 391 to 394 dealt with Compromises, Arrangements, and Amalgamations, and all such plans needed approval from the High Court that had jurisdiction with respect to the Registered Office of the company.⁷ Each plan passed through two stages:

- (i) First Motion: An application made under Section 391(1) for directions to hold meetings of members and creditors; and
- (ii) Second Motion: A petition made under Section 391(2), together with Section 394, for approval of the plan after getting its approval by each class of members and creditors.

Although the process was well thought out in terms of its theoretical design, it placed an unnecessary burden on corporations in reality. The jurisdiction under Section 391 would be based on the registration of the office of every company. In cases where a group of companies was registered in three different states, they would have to approach three different High Courts. These courts would follow their own procedures, appoint their own chairpersons, and make their own orders. One of the High Courts could approve a scheme while another was handling a related matter, owing to delays or conflicting orders. This was extremely expensive for corporations that operated in a closely-knit national market.

The High Level Committee on Law Relating to Insolvency and Winding up of Companies,

⁶ The Corporate Laws (Amendment) Bill, 2026, Bill No. 45 of 2026 (introduced in Lok Sabha on Mar. 23, 2026) (India).

⁷ The Companies Act, 1956, §§ 391–394.

headed by Justice V. Balakrishna Eradi, studied the issue in 2000.⁸ The committee concluded that the pending of company matters in the High Courts was a major hurdle to the smooth functioning of the companies and recommended a single forum. The change from the High Courts to the NCLT was not instantaneous. Some constitutional concerns about the independence and composition of the tribunal structure reached the Supreme Court in the case of *Union of India v. R. Gandhi, President, Madras Bar Association* (2010). The constitution of the NCLT and NCLAT as per the 2013 Act was held valid in principle in the case of⁹*Madras Bar Association v. Union of India*; however, some provisions relating to qualification and composition were held invalid. Provisions of Sections 230 to 240 of the Companies Act, 2013, as well as the under the Companies (Compromises, Arrangements and Amalgamations) Rules 2016, became effective from 15 December 2016, whereas that of Section 234 became effective from 13 April 2017.¹⁰

The territorial test of the previous statute was kept intact by the 2013 Act. Although merger cases were taken out of the purview of the High Courts and given to the NCLT, jurisdiction is still¹¹ determined based on the registered office of each company.¹², which means that companies with registered offices in various States must have to file separate applications before the respective offices, Mumbai, New Delhi, Chennai or Kolkata benches of the NCLT. The reform did not remove the duplication. Earlier, there were conflicting High Courts, now there are conflicting tribunal benches.

III. The Existing Legal Framework Governing Mergers

The Bill can only be understood in the context of legal framework it seeks to amend. That law is not found in one statute. It is built from company law, competition law and, for listed companies, securities law, each with its own regulator.

⁸ Dep't of Company Affairs, Ministry of Law, Justice & Company Affairs, *Report of the High-Level Committee on Law Relating to Insolvency and Winding Up of Companies* (2000) (Chairperson: Justice V. Balakrishna Eradi).

⁹ *Madras Bar Ass'n v. Union of India*, (2015) 8 S.C.C. 583 (India).

¹⁰ Companies Act, 2013, §§ 230–240; Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, *supra* note 3; Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2017, r. 25A (India) (notified Apr. 13, 2017).

¹¹ See National Company Law Tribunal Rules, 2016, r. 16 (India); see also Ministry of Corporate Affairs, Notification S.O. 1935(E), Gazette of India, pt. II sec. 3(ii) (June 1, 2016).

¹² Ministry of Corporate Affairs, Notification S.O. 1935(E), Gazette of India, pt. II sec. 3(ii) (June 1, 2016)

3.1 The Companies Act, 2013

¹³Section 230 of the Companies Act, 2013 states that a company can make a compromise or arrangement with its creditors or members with the approval of the NCLT. Section 232 discusses the procedure for mergers and amalgamations, which includes the transfer of shares, assets, and liabilities to the transferee company and the dissolution of the transferor company without winding up. In reality, the process of merger starts with the passing of resolutions by the Boards of Directors of the two companies and filing of the petition before the NCLT. The shareholders and creditors come under the guidance of the tribunal, notice is served to various authorities like Registrar of Companies, Income Tax Department, Regional Director, and in case applicable, SEBI, CCI, and stock exchanges, and finally ends with the order of the tribunal approving the scheme.

Since this procedure is a time-consuming one, the ¹⁴fast-track procedure has been provided under Section 233 of the Act and Rule 25 of the 2016 Rules for mergers amongst prescribed categories of companies, such as mergers between two or more small companies and between a holding company and its wholly-owned subsidiary company, etc., which do not require any hearing before the NCLT. The procedure gets sanctioned by the Central Government through the Regional Director in case the requisite majority of the members and creditors have accepted it, and it can be referred to the NCLT in case it is deemed to be prejudicial.

Sections 234 to 240 are the remaining provisions of the scheme. Section 234 deals with mergers between Indian and foreign companies.

Section 235 says that where a scheme has been sanctioned by at least nine-tenths in value of the holders of the shares whose consent is being sought, the transferee company shall have the right to notify an intention to acquire the dissenting shares, a dissenting shareholder will have the right to make an application to the Tribunal within one month of such notice. Section 236 says that a person or group owning ninety per cent or more of the equity share capital of the company shall have the right to buy out the rest of the minority. Section 237 enables the Central Government to make provisions for the amalgamation of two companies in the public interest and Section 240 holds liable the officers of the transferor company for the offence before the

¹³See Companies Act, 2013, §§ 230, 232, Act No. 18 of 2013 (India).

¹⁴ See *id.* § 233; Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, r. 25, Notification No. G.S.R. 1134(E) (Dec. 14, 2016) (India).

merger. As per Section 235 it purely acts as an instrument for squeeze-outs in favor of the acquirers, Section 236 acts both as a means to enable majority squeeze-outs, while simultaneously guaranteeing statutory rights of 'sell-out' of minority stakeholders at a fair price.

3.2 The Competition Act, 2002

¹⁵A further set of rules comes into play where there are large mergers. In case the value of the assets, turnover of the parties, since September 2024 the value of the transaction, exceeds prescribed thresholds then the transaction becomes a “combination” within the meaning of Section 5 of the Competition Act, 2002. Section 6 of this Act prohibits and renders void any such combination which causes or is likely to cause an appreciable adverse effect on competition in India. Such a notice has to be filed with the Competition Commission of India and the combination cannot take effect until the CCI approves it or the prescribed period expires. The CCI’s involvement arises only for transactions above the thresholds.

3.3 Securities Regulation

If any of the parties to the arrangement is listed, then yet another regulatory authority gets into the picture. ¹⁶According to Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is mandatory for a listed entity to file its draft scheme with the stock exchanges and obtain their observation letter, which gets issued after the review of SEBI, prior to submitting the scheme to NCLT. The SEBI’s Master Circular on Schemes of Arrangements by Listed Entities brings in more requirements, obtaining valuation report from the independent registered valuer, merchant banker's fairness opinion, accountant's opinion on accounting treatment, and generally, obtaining the approval of the public shareholders through e-voting, wherein votes in favor should be more than the votes against. So, the merger of two Indian firms can be regulated by three regulatory authorities simultaneously.

3.4 Minority Shareholders Remedies and the Appraisal Right

¹⁷The right of an appraisal is one wherein, upon a fundamental corporate transaction such as a

¹⁵ See Competition Act, 2002, §§ 5–6, Act No. 12 of 2003 (India); *see also* Competition (Amendment) Act, 2023, Act No. 9 of 2023 (India) (introducing the deal value threshold for combinations, notified to take effect in September 2024)

¹⁶ See Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, reg. 37, Notification No. SEBI/LAD-NRO/GN/2015-16/013 (Sept. 2, 2015) (India).

¹⁷ See Companies Act, 2013, §§ 230(4) proviso, 235, 236, 241–242, Act No. 18 of 2013 (India).

merger, the dissenting shareholder may insist on being bought out by the company at a fair price of valuation that is independent or judicial. No such right exists in Indian Company Law. The remedies available to the dissenting member in case of a merger are limited in scope. These include the right of objection before the NCLT as per the proviso to Section 230(4), which applies only to shareholders having 10% of the shares outstanding or creditors with more than 5% of the outstanding debt; the right to be heard and the right to contest the scheme as well as its valuation as being unfair; the right of oppression and mismanagement as per Sections 241 and 242; and the statutory exit option in certain cases such as when a listed transferor company merges into an unlisted transferee company. Squeeze-out provisions under Sections 235 and 236 act in the manner in which they allow majority to buy minority and does not compel minority to buy out .

This is from the perspective of fast-track procedure. In accordance with Section 233, the tribunal hearing will not take place where a dissenting shareholder may raise his or her objection, unless the Central Government refers the scheme to the NCLT, and hence the result will depend upon the threshold and Regional Director's scrutiny. This is the reason why the threshold, along with the exit right, holds great importance.

IV. The Corporate Laws (Amendment) Bill, 2026: Legislative Background

The Minister of Finance and Corporate Affairs, Nirmala Sitharaman, tabled the Corporate Laws (Amendment) Bill, 2026 in the Lok Sabha on 23 March 2026.¹⁸ The Bill proposes 107 amendments to the Companies Act, 2013 and the Limited Liability Partnership Act, 2008.¹⁹ Many of the proposed amendments are drawn from the Report of the Company Law Committee, 2022 and the High-Level Committee on Non-Financial Regulatory Reforms, 2025.²⁰ The Bill does not re-enact the 2013 Act. It keeps Sections 230 to 240 unchanged, and changes only those sections that slow down or complicate the mergers process. Sections 230, 233, 247 and introduces a new Section 233A concerning treasury shares.

The Chairman of the Thirty-One-Member Joint Committee, Mr. Sudheer Gupta, invited memoranda from all the parties and held twenty-four meetings for the clause by clause

¹⁸ Lok Sabha Secretariat, *List of Business for March 23, 2026: Introduction of Government Bills*, 7th Sess., 18th Lok Sabha, Item No. 14 (2026).

¹⁹ The Corporate Laws (Amendment) Bill, 2026, *supra* note 4.

²⁰ Ministry of Corporate Affairs, *Report of the Company Law Committee* (2022); *Report of the HighLevel Committee on Non-Financial Regulatory Reforms* (2025).

examination of the bill, which was concluded on 16th and 17th July 2026. One hundred and thirty memoranda containing over nine hundred suggestions were sent to them. They finalized their report at the twenty-fifth meeting which took place on 31st July 2026 and the same was presented to the Lok Sabha and laid before the Rajya Sabha on 3rd August 2026. The Committee endorses the Bill but proposes some changes in some of its clauses and two members have made their notes of dissent.²¹ The Bill is yet to be passed by Parliament.

V. Key Reforms to the Merger Framework

There are five changes made in the Bill that have an immediate impact on mergers and amalgamations: single -bench NCLT's jurisdiction, lower approval threshold for fast track mergers, clarification of relationship between Sections 230 to 232 and the Insolvency and Bankruptcy Code 2016, single Valuation Authority and regulation of treasury shares.²²

5.1 Single-Bench NCLT Jurisdiction

Clause 67 makes amendments to Section 230 such that, upon the coming into force of the amendments, the whole scheme would be handled by one bench of NCLT, and that would be the bench which has jurisdiction over the transferee or resultant company, and not the registration office of the transferor companies. It also means that the location of the registered office of the transferor companies would no longer matter. The cases in progress upon the coming into force of the amendment would continue to be dealt with by the benches that have already taken cognizance of the same.²³ This is a direct solution to the problem of multiple benches. An amalgamation of five companies which used to involve making five different applications can now be made through a single application, and this could be said to be the most important amendment for M&A practice.

5.2 Lower Thresholds for Fast-Track Mergers

The amendment to the Bill affects the provisions of Section 233. As it stands, Section 233(1)(b) requires approval from members who possess not less than ninety percent of the aggregate of shares, while Section 233(1)(d) requires that there should be an approval from creditors

²¹ Joint Committee on the Corporate Laws (Amendment) Bill, 2026, *Report on the Corporate Laws (Amendment) Bill, 2026* (Lok Sabha Secretariat, Aug. 3, 2026).

²² The Corporate Laws (Amendment) Bill, 2026, *supra* note 4.

²³ The Corporate Laws (Amendment) Bill, 2026, *supra* note 4, cl. 67.

amounting to nine-tenths in value. According to the Bill, the member's approval will be done through a majority of the members, or a class of members, present and voting and possessing at least seventy-five percent in value of the shares.²⁴

This is more than a procedural change. The shift is not only from ninety per cent to seventy-five per cent. The new base will be not the total shareholdings but the shares voted at the meeting. Thus, the proposal may get through even with few attendances. With the current test, it is the shareholder with more than ten per cent that has the ability to stop the fast track by itself, hence, making ninety per cent an extremely tough supermajority; the Bill takes away this blocking power.

The Bill's alteration in Section 233(1)(b) addresses the approval test and not the list of companies which qualify under Section 233 and Rule 25 based on the category of the company such as small companies, holding and wholly-owned subsidiary companies, and prescribed classes. Nonetheless, the scope of fast-track adoption has been widened through the following amendment: The Bill increases the upper limit of small companies' definition, therefore, increasing the number of companies qualifying under the fast-track scheme.²⁵

These were approved by the Joint Committee provided the following requirements be met to safeguard the interests of minority shareholders: an exit option for dissenting and non-voting members; the calculation of the creditors' threshold based on the number of creditors attending the meeting and participating in the voting process as per Section 230; and finally a sixty-day period within which the decision of the application must be made by the Registrar or Regional Director.

5.3 Clarifying the Relationship with the Insolvency and Bankruptcy Code

Clause 67 also removes the phrase "or under the Insolvency and Bankruptcy Code, 2016, as the case may be" from Sections 230(1) and 230(6).²⁶ The reason behind this is to make sure that scheme made under Section 230 is not considered as part of the resolution or liquidation process under the Code. The clarification had been needed for a long time. The Code was

²⁴ Companies Act, 2013, § 233(1)(b), (d); The Corporate Laws (Amendment) Bill, 2026, *supra* note 4.

²⁵ Companies Act, 2013, § 2(85); Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, r. 25(1A); The Corporate Laws (Amendment) Bill, 2026, *supra* note 4.

²⁶ The Corporate Laws (Amendment) Bill, 2026, *supra* note 4, cl. 67; The Insolvency and Bankruptcy Code, 2016, No. 31 of 2016, Acts of Parliament, 2016 (India).

passed three years after the Companies Act, 2013 and Section 230 was amended by including the reference of the liquidator appointed under the Code.²⁷ Now courts have to decide as to whether and under what circumstances a promoter can make a compromise under Section 230 for the liquidating companies, and this bill aims at eliminating such ambiguity.

5.4 A Unified Valuation Authority

The valuation of the companies to be merged has to be carried out in order to establish an appropriate exchange ratio. Unfortunately, valuers have not been registered and regulated consistently until now. The Bill seeks to amend Section 247 to provide that the IBBI will be the only 'Valuation Authority'.²⁸ The Authority will register valuers and accept the organizations of valuers and will monitor their compliance, and it can even suspend or revoke their registration or penalize them but it is open to appeals before the Appellate Tribunal. It will recommend valuation standards to the Central Government which will then issue the same and the Authority will be obliged to follow the Government's directions in matters of policy. According to the amended provision, a valuation under the Act shall be done only by the registered valuer. Exchange ratios have been a frequently discussed issue by dissident minority shareholders, but courts have consistently refrained from substituting their judgment in place of that of the valuers and the majority, so that the solution open to a dissident shareholder is limited.

5.5 Treasury Shares and Share-for-Share Acquisitions

The fifth reform concerns treasury shares, meaning shares of the transferee company owned by itself or a trustee on its behalf under schemes approved before the 2013 Act and now prohibited under the same.²⁹ Under New Section 233A, the company will have three years from the date of commencement of the provision to resolve the holding or dispose of the shares in the manner laid down by law. Otherwise, the shares shall be cancelled and extinguished, the cancellation being considered a reduction of share capital, and the company and any officer in default will be subject to a fine of ten thousand rupees for each day of non-compliance.³⁰ Share-for-share

²⁷ The Insolvency and Bankruptcy Code, 2016, § 255, sch. 11.

²⁸ Companies Act, 2013, § 247; Companies (Registered Valuers and Valuation) Rules, 2017, Notification G.S.R. 1316(E), Gazette of India, pt. II sec. 3(i) (Oct. 18, 2017); The Corporate Laws (Amendment) Bill, 2026, *supra* note

²⁹ Companies Act, 2013, § 232(3)(b) proviso.

³⁰ The Corporate Laws (Amendment) Bill, 2026, *supra* note 4 (proposed § 233A).

acquisition also called a share swap is one where the acquirer compensates the target company's shareholders with its own shares and not in cash form. In the case of mergers, the exchange ratio, which refers to the acquirer shares offered in exchange for each target company's share, is determined based on valuation.³¹ Treasury shares come into play in this scenario because, as a group of companies that hold their own shares through a trust, they are able to exchange those treasury shares without issuing any further shares and thus prevent dilution of voting power and an increase in total share capital. The strict provision against treasury shares in the Bill addresses the practice of utilizing these trust structures by large Indian corporations such as Reliance Industries in the past.

VI. Critical Analysis on Efficiency Against Accountability

Overall, these modifications should result in a swifter and more economical process of mergers in India. The introduction of the single bench process is an understandable process improvement since the need for multiple applications always used to bring about unnecessary cost and the possibility of inconsistent orders without any additional protection against any risk. In particular, this problem was very clearly demonstrated in the³² case of the merger in 2019 between UFO Moviez and Qube Cinema when the NCLT Chennai Bench approved the process of demerger of the scheme, while the NCLT Mumbai Bench refused to approve the final stage of amalgamation. While such consolidation is essential, however, there is one consequence that should not be overlooked.

The lowering of the fast-track threshold, on the other hand, is more problematic. NCLT's heavy caseload is an undeniable hindrance to restructuring processes; the decision to utilize more cases through the fast-track approach is natural. However, the fear is gained speed at the price of minority protection. The fast-track approach removes the NCLT from the process unless the Regional Director or the Central Government decides that the plan is prejudicial and refers it to the tribunal.³³ Lowering the threshold weakens few safeguards that shareholders themselves hold, namely the ability of the holder of more than ten percent to block the scheme.

³¹ See Ministry of Corporate Affairs, *Report of the Company Law Committee* 63–65 (2022). See also Umakanth Varottil, *The Evolution of Corporate Governance in India*, 9 Indian J. L. & Econ. 289, 305 (2016).

³² See *In re UFO Moviez India Ltd.*, C.P. (CAA) No. 1920/MB/2018 (NCLT Mumbai 2019) (India) (rejecting the scheme). But see *In re Qube Cinema Tech. Pvt. Ltd.* (NCLT Chennai 2018) (India) (approving the preliminary demerger).

³³ Companies Act, 2013, § 233(5)(6).

However, this counterargument cannot be ignored either. Firstly, 75 percent is much higher than any mere majority value wise. Secondly, the fast-track procedure will only apply in respect of certain kinds of companies, namely, small companies and also those which are holding or wholly-owned subsidiary companies. The wholly owned subsidiary does not have any other shareholders and hence, there will not be a question of oppression of the minority concern in such a case. In a wholly owned subsidiary, there will not be any issue of oppression of minority concerns as it will not have any outsiders. Small companies are normally closely held companies and that is the reason why Sections 241 and 242 have been provided. Thirdly, in as much as the requirement is with respect to members who are present and voting rather than the entire shareholders of the company, the actual percentage could be much lesser than Seventy-Five percent.

The treasury shares provision also deserves attention,³⁴ From the Joint Committee's overview of the memoranda of stakeholders, this particular rule received much fewer comments than other provisions which were heavily disputed in the Bill. The absence of any public discussion calls for critical analysis before the rule becomes legislation, particularly with the Bill having progressed quickly from March 2026 when it was introduced to August 2026 in which the Joint Committee reported on it. Lastly,³⁵ the merger reforms need to be seen together with the broader decriminalisation strategy of the Bill. Based on the basic principles put forward by corporate law committee, the Government has made a clear distinction between procedural failure where there would be only civil sanctions applied and adjudication of disputes internally and governance failure such as abuse of related-party transactions or fraudulent activity, for which strict liability remains. And so have done the merger reforms: they simplify the procedure for genuine non-hostile restructurings while still trying to preserve protection from any oppressive or unfair plans through approval by tribunal in the ordinary procedure and the dissenters' rights on the fast track.

VII. Conclusion

The Corporate Laws (Amendment) Bill, 2026 may be considered the most significant reform of corporate restructuring law in India since the Companies Act, 2013 replaced the regime of

³⁴ See Ministry of Corporate Affairs, *Report of the Company Law Committee* 63–65 (2022). See also Umakanth Varottil, *The Evolution of Corporate Governance in India*, 9 Indian J. L. & Econ. 289, 305 (2016).

³⁵ Ministry of Corporate Affairs, *Report of the Committee to Review Offences under the Companies Act, 2013* 14–18 (2018) (Injeti Srinivas Comm.). See also Ministry of Corporate Affairs, *Report of the Company Law Committee* 5–8 (2022).

the Companies Act, 1956. The Bill tackles procedural barriers which have constrained corporate transactions and aligns the statutory regime to the reality of capital markets operations. Its main innovations regarding mergers- a single bench of NCLT, lowering the fast-track procedure under Section 233, better alignment with the Insolvency and Bankruptcy Code, 2016 and regulation of valuation by the IBBI respond to concerns raised by legal practitioners and expert committees even prior to drafting of the Bill.

Furthermore, the Corporate Laws (Amendment) Bill, 2026 is representative of modern Indian practice of making corporate laws. The Government has not attempted to make any wide-scale amendments or repeal the Companies Act, 2013. Instead, its provisions are based on the proposals of the Company Law Committee (2022) and the High-Level Committee on Non-Financial Regulatory Reforms (2025), opened for public discussion and consultations and submitted to the Joint Parliamentary Committee. However, the Bill itself cannot escape the dilemma faced by all corporate law reforms: efficiency versus accountability. Any change that will make the process faster can never be neutral, and lowering the threshold of approval and less judicial involvement in the fast-track procedure will favor the controlling shareholders of the merging firms. The Bill is well balanced from a commercial perspective; however, its success depends on much more than its drafting. Unless the Government adopts the Joint Committee's proposal of the statutory fair-value exit right, the minority shareholders, who have no appraisal right, will be vulnerable to the controlling shareholders on the fast track where Regional Directors review and general remedy against oppression under section 241 and 242 will be their main protection. Overall, the Bill provides the sound legislative framework for efficient corporate restructuring in India. Whether it will be successful depends on whether, in removing obstacles to corporate transactions, it also protects the integrity of India's financial markets and the rights of the minority shareholders.