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Fast Track Merger (RD)

About Us

Siddhant Dhyani & Associates ("SDA") is a firm of Company Secretaries based out of Delhi specialising in providing corporate secretarial compliance and advisory services in relation to Corporate Laws & Listing Regulations.

We are a team of professionals with extensive experience across various domains of corporate secretarial and listing laws. With the vision and mission of providing the highest quality of unmatched client experience, our firm provides all kinds of corporate secretarial compliance services ranging from incorporation, due diligence, transaction advisory, compliance health checks, remedial services, compliance retainer services and representation services to Companies, Limited Liability Partnerships (LLP's), Foreign entities, Startups & other forms of business organisation in India.



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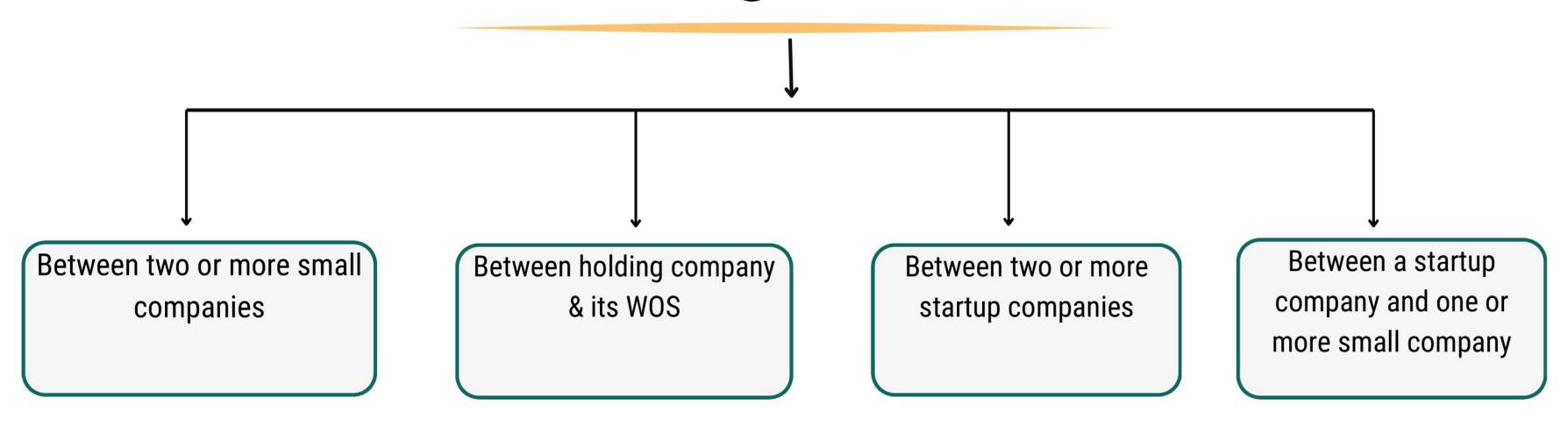
What is Fast Track Merger (FTM)?

The Fast Track Merger (FTM) under Section 233 of the Companies Act, 2013 is a simplified procedure designed for mergers between small companies, a holding company and its wholly-owned subsidiary, and other prescribed classes of companies. This mechanism eliminates the need for National Company Law Tribunal (NCLT), simplifying the process through oversight & approval of the concerned Regional Director (RD) and requiring consents from shareholders, creditors, and other regulatory authorities.

Introduced to enhance ease of doing business, the FTM reduces compliance burdens and expedites corporate restructuring for eligible entities, promoting efficiency and growth.



Who is eligible for FTM?



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Procedure

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Prepare the draft Scheme and Obtain Statement of A&L

Obtain Statement of Assets and Liabilities & Auditors report of each of the companies. Further prepare Declaration of Solvency (DOS) and draft scheme of Merger prior to the Board Meeting.

Board Meeting

Convene the Board Meeting to approve the scheme of merger and DOS (Form CAA-10).

File notice seeking objection

File the notice in **Form CAA-9** to Registrar of Companies (ROC), Official Liquidator (OL) or other affected persons for seeking their objections on the arrangement.

Notice of Members Meeting

Issue the notice of the General Meeting to the members for obtaining their approval on the scheme. Further notice to be sent along with mandatory prescribed annexures.

8

Obtain NoC from RoC & OL

Obtain NoC from RoC, OL & ITD for the said scheme and submit it to the concerned RD

File the Scheme

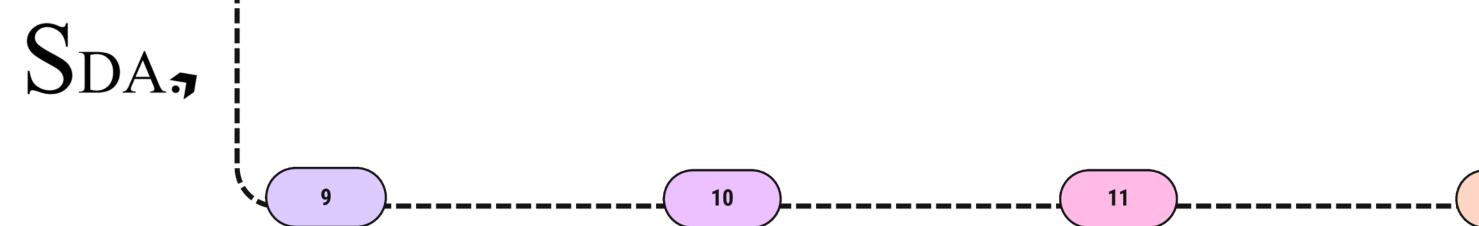
File the copy of the scheme within 7 days of approval from members and creditors (whichever is later) with RD in **Form CAA-11**. Further file the said scheme with RoC, OL, ITD and other regulators.

Obtain Creditors Consent

Obtain the consent of creditors representing atleast 90% of the total value of Debt. Alternatively, this can also be obtained by convening a meeting of the Creditors/Class of Creditors

Convene the Members Meeting

Convene the meeting of the members and obtain approval of members holding atleast 90% of the total number of shares



RD to hear the parties

RD to hear the parties and may also seek additional documents/information.

RD may refer the case to NCLT

In case RD is of the opinion that the scheme is not in public/creditors' interest, it may refer the case to NCLT

by filing Form CAA-13

RD to confirm the order

In case the RD is of the opinion that the scheme is infact in the public/creditors' interest or the objections are not tenable, it may confirm the scheme and issue an order in **Form CAA-12**

File the order

The confirmation order of RD shall be filed with the RoC in eForm INC-28

13

Post Merger Compliances

(The registration of the scheme shall have the following effects, namely:—

- (a) transfer of property or liabilities of the transferor company to the transferee company so that the property becomes the property of the transferee company and the liabilities of the transferee company;
- (b) the charges, if any, on the property of the transferor company shall be applicable and enforceable as if the charges were on the property of the transferee company;
- (c) legal proceedings by or against the transferor company pending before any court of law shall be continued by or against the transferee company; and
- (d) where the scheme provides for purchase of shares held by the dissenting shareholders or settlement of debt due to dissenting creditors, such amount, to the extent it is unpaid, shall become the liability of the transferee company.

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How SDA can help you?

- Expertise & rich experience in Corporate Secretarial & Governance domain.
- Offering professional advice and insights tailored to your specific business needs.
- Helping you stay compliant with all relevant regulations and legal requirements.
- Simplifying complex compliance procedures to save time and effort.
- Assisting with the preparation and filing of essential documents & eForms.
- Obedicated team for keeping your compliances intact.
- Client centric approach
- Strong client trust
- Monitoring and Control to mitigate compliance risk



THANK YOU

For further inquiries or personalised assistance, please contact Siddhant Dhyani & Associates (SDA) at:



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