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“ FAST-TRACK MERGERS AND MINORITY SHAREHOLDER PROTECTION: REVISITING THE ADEQUACY OF APPRAISAL AND UNFAIR PREJUDICE REMEDIES IN AN ERA OF PROCEDURAL EFFICIENCY ”

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ABSTRACT

The fast track merger system which India established through Section 233 of the Companies Act 2013 enables companies to merge without obtaining National Company Law Tribunal approval as they follow the administrative process established by Regional Directors. The system now governs successive expansions to start ups which exist since 2021 and allows cross border mergers through reverse flips and it covers unlisted companies and holding subsidiary structures and fellow subsidiaries and their demergers which will be operational by 2025. The process has become faster but it has removed all premerger judicial assessments which examine both fairness and valuation which protects minority rights through post-merger appraisal rights which exist under Sections 235 to 236 and unfair prejudice remedies which exist under Sections 241 to 242.

The research evaluates how well these remedies protect minority shareholders from value reallocation which promoters execute during intra group and unlisted public mergers. The analysis examines how the 90 shareholder approval requirement established by Section 233 and the proposed 75 voting requirement under the Corporate Laws Amendment Bill 2026 will affect appraisal rights and oppression remedies which exist in companies with divided ownership. The study examines whether the valuation conflicts introduced by the 2025 expansion require mandatory independent valuer panels to meet existing Section 235 to 236 standards and assesses whether procedural efficiency moves both delays and costs from the approval phase to the remedy phase.

The research applies doctrinal analysis together with NCLT pendency data and expert assessments from main law firms to establish that appraisal rights under Sections 235–236 operate as reactive mechanisms which incur high costs and fail to meet their pre-established valuation requirements except in cases where promoters gain 90% scheme approval without reaching the 90% ownership limit which activates Section 236. The empirical data

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demonstrates that fast track efficiency leads to increased expenses which result in extended delays during judicial proceedings until they reach the remedy phase because NCLT takes 13 months to resolve oppression petitions under Sections 241–242 which results in total case resolution. The 90% "total shares" threshold becomes impossible to implement when stock ownership distribution becomes uneven but the proposed 75% threshold reduces minority veto authority from 10.1% to 25.1% of total votes. The research shows that statutory presumptions of "unfair prejudice" which apply to fast track demergers and intra group restructurings provide effective reform because they require promoters to prove their case without generating pretrial delays and independent valuer panels together with reduced Section 244 thresholds create mandatory evidence requirements.

KEYWORDS: Fast-track mergers, Section 233, appraisal rights, unfair prejudice, minority shareholder protection, Companies Act 2013, NCLT.

INTRODUCTION

The fast-track merger procedure which exists under Section 233 of the Companies Act 2013 established a new standard for corporate restructuring in India[1]. The fast-track system which was created to avoid the lengthy National Company Law Tribunal (NCLT) approval process, promised to shorten the approval process from more than twelve months down to a period of sixty to ninety days for which reason it supported the government objective to improve business operations. The 2025 MCA Amendment Rules and the Corporate Laws (Amendment) Bill 2026[2] which is currently under discussion have expanded eligibility requirements to include unlisted public companies and intra-group entities and foreign holding Indian wholly owned subsidiary structures and demergers[3].

The system achieves procedural efficiency through its operation, but it creates a problem because it removes the process that judges used to examine fairness and valuation before legal proceedings began. The shift which moves from tribunal control to administrative control through Regional Director approval creates essential problems which need to be solved which determine if existing legal protections provide sufficient protection for minority shareholders. The primary defenses which exist after a merger under Sections 235-236[4] and Sections 241-242[5] capture the most important appraisal rights and unfair prejudice rights which protect against promoter-led value shifts and information discrepancies and forced company changes.

The ability of these reactive solutions to replace lost ex ante fairness assessment remains undecided because both doctrinal and empirical research demonstrate existing gaps in knowledge. The study assesses how well appraisal processes and oppression solutions function under fast-track systems through their effect on approval requirements and research which connects faster processing times to higher legal expenses together with evaluating how

[1] The Companies Act, 2013, No. 18 of 2013, section 233 (India) [hereinafter Companies Act, 2013].
[2] Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2025, Gaz. of India, Notification No. G.S.R. 603(E) (Sept. 4, 2025) [hereinafter 2025 MCA Amendment Rules].
[33] The Corporate Laws (Amendment) Bill, 2026, Bill No. 87 of 2026, as introduced in Lok Sabha on Mar. 23, 2026 (India) [hereinafter 2026 Bill].
[4] Companies Act, 2013 Section 235-236.
[5] Companies Act, 2013 Section 241-242.

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statutory unfair prejudice presumptions function as reform. By analysing legislative history, case law, expert opinions, and comparative frameworks, the paper seeks to determine whether India's fast-track merger regime has sacrificed minority protection on the altar of procedural speed and what balanced reforms are necessary to restore fairness without compromising efficiency.

RESEARCH QUESTION

1. To what extent do post fast track appraisal rights under Sections 235–236 provide an effective remedy for minority shareholders facing promoter driven value reallocation in intra group and unlisted public mergers?

2. What is the empirical relationship between fast track merger timelines (60–90 days) and the cost/duration of subsequent unfair prejudice litigation under Section 241–242? Does procedural efficiency merely shift delay and expense from approval to remedy stage?

3. How do the 90% shareholder approval threshold (Section 233) and the proposed 75% threshold (2026 Bill) affect the practical enforceability of appraisal rights and oppression remedies, particularly in fragmented shareholding structures?

4. Can statutory presumptions of "unfair prejudice" for fast track demergers and intra group restructurings (without judicial scrutiny) serve as a viable legislative reform to strengthen minority protection without sacrificing speed?

RESEARCH OBJECTIVE

1. To critically evaluate the effectiveness of post fast track appraisal rights under Sections 235–236 of the Companies Act, 2013 in protecting minority shareholders from promoter driven value reallocation in intra group and unlisted public mergers.

2. To assess the impact of the 90% shareholder approval threshold (and the proposed 75% threshold under the 2026 Bill) on the practical enforceability of appraisal rights and oppression remedies, particularly in companies with fragmented shareholding structures.

3. To investigate whether the 2025 MCA Rules' expansion of Section 233 to foreign holding Indian WOS structures and unlisted public companies has introduced new, unresolved valuation disputes that existing Sections 235–236 cannot adequately address without mandatory independent valuer panels.

4. To determine whether the procedural efficiency of fast-track mergers (60–90 day timelines) merely shifts delay and expense from the approval stage to the remedy stage, by

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analyzing the cost and duration of subsequent unfair prejudice litigation under Section 241–242.

LITERATURE REVIEW

The fast-track merger process under Section 233 of the Companies Act 2013 has undergone major changes since its introduction in 2016 but still requires better development because it lacks proper procedures for post-2025 operations and protection of minority shareholders. The first research on legal doctrines depended on the fundamental reason which the JJ Irani Committee Report (2005)[6] provided as evidence to support their recommendation of "short-form" contractual mergers which would enable intra-group and small entities to achieve faster results through judicial processes while following international standards (Irani Report, 2005, Chapter X). The regime received praise from Vinod Kothari[7] and Nishith Desai Associates[8] because it enabled NCLT benches to become less overloaded while decreasing compliance costs for eligible businesses, which resulted in a median approval time decrease from 13 months to 60-90 days through the Regional Director process. India adopts a restrained method based on comparative research.

The comparison between India and the US through Delaware short-form mergers[9] and Singapore through ss 210-212[10] demonstrates that India's shareholder and creditor thresholds which reach 90 percent create effective veto rights but make the system unworkable for divided ownership which IRCCL analyses for 2026[11] and AZB Partners commentary[12] both confirm as a valid critique. The 2025 MCA Amendment Rules now extend their application to unlisted companies with borrowings under ₹200 cr and non-WOS holding-subsidiary structures and fellow subsidiaries and demergers and reverse-flips according to recent practitioner literature from Cyril Amarchand Mangaldas[13] and Nishith Desai[14] which aims to improve business operations. The research shows that removing NCLT fairness checks which existed before the merger process according to Miheer H Mafatlal v Mafatlal Industries Ltd 1997[15] leads to resolving conflicts through post-merger solutions.

Doctrinal research about Sections 235-236 and 241-242 shows ongoing weaknesses in minority protection[16]. The studies about squeeze-outs which Bahardwaj and 2018 and Cassim[17]

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[6] Report of the Expert Committee on Company Law (India, chaired by J.J. Irani, submitted May 31, 2005) [hereinafter Irani Committee Report].
[7] Vinod Kothari Consultants, Widening the Net of Fast-Track Mergers – A Step Towards NCLT Declogging (Oct. 23, 2025).
[8] Nishith Desai Assocs., Companies Act Series (Sept. 11, 2025).
[9] Del. Code Ann. tit. 8, Section 251-253 (2022).
[10] Companies Act (Cap. 50) section 210, 215A-215J (Sing.).
[11] Indian Rev. Corp. & Com. L. (IRCCL), Fast Track Mergers (last visited Apr. 21, 2026).
[12] AZB & Partners, MCA Amends Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, to Expand Scope of Fast-Track Mergers* (Oct. 23, 2025).
[13] Cyril Amarchand Mangaldas, The Four Pillars of Change: Unpacking India's New Fast-Track Merger Regime (Sept. 18, 2025).
[14] Nishith Desai Assocs., Companies Act Series (Sept. 11, 2025).
[15] Miheer H. Mafatlal v. Mafatlal Indus. Ltd., (1997) 1 SCC 579 (India).
[16] See generally Bhardwaj, Squeeze-Outs and Minority Protection in India, 4 J. Corp. L. Stud. (2018).
[17] See generally Cassim, The Protection of Minority Shareholders in Emerging Markets, 12 Int'l J. Disclosure & Governance (2015).

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developed through their series of comparative studies show that registered valuers who the promoter selected for valuation determination lack independence. The existing literature contains limited empirical studies which are beginning to expand through two studies which analyzed NCLT pendency data[18]. The research by Umakanth Varottil[19] about oppression remedies and IRCCL pieces from 2026[20] show that the Mafatlal doctrine's valuation deference together with the Section 244 locus standi requirement results in ex-post protection reductions.

Researchers use agency theory which Jensen and Meckling[21] developed as their primary theoretical framework to examine conflicts between promoters and minority shareholders who own companies with concentrated ownership structures that exist in India. Comparative literature invokes UK's s.994 unfair prejudice remedy[22] (with developed "legitimate expectations" jurisprudence) and Delaware's appraisal rights[23] (presumptions of fairness under independent committees) as models for rebuttable presumptions and mandatory valuer panels.

The study addresses fundamental research gaps by delivering the first complete empirical-doctrinal study which examines cost-shifting and threshold effects in divided ownership structures and statutory presumptions of unfair prejudice protection. The research connects doctor alerts with high-quality academic work which focuses on policy development.

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RESEARCH METHODOLOGY

This study adopts a mixed-methods research approach combining doctrinal, empirical, and comparative analysis to ensure a comprehensive examination of the research questions.

The doctrinal method forms the foundation of the study. It involves systematic interpretation of primary legal sources, including the Companies Act, 2013 (especially Sections 233, 235–236, and 241–242), the 2025 MCA Amendment Rules, and the proposed Corporate Laws (Amendment) Bill, 2026. Important judgments such as *Miheer H. Mafatlal v. Mafatlal Industries Ltd.* (1997)[24] and relevant NCLT/NCLAT orders are also analysed.

The empirical component examines real-world impact through secondary data. This includes NCLT pendency statistics, median timelines for fast-track and regular mergers, and analysis of 12–15 selected fast-track merger cases (2017–2026) involving valuation disputes or minority objections. Data is sourced from official MCA and NCLT portals, PIB releases[25], and PRS Legislative Research reports.[26]

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[18] See, e.g., Derailments on the Fast Track: Hits and Misses in the 2025 Amendments to Merger Rules, Lexology (Sept. 22, 2025); Ruchika Chitravanshi & Harsh Kumar, IBC Cases Piling Up Largely Due to Lack of NCLT Benches, DFS Tells MCA, Bus. Standard (Sept. 24, 2025).
[19] Umakanth Varottil, Evolution and Effectiveness of Independent Directors in Indian Corporate Governance, 6 Hastings Bus. L.J. (2017).
[20] IRCCL, supra note 12.
[21] Michael C. Jensen & William H. Meckling, Theory of the Firm: Managerial Behavior, Agency Costs and Ownership Structure, 3 J. Fin. Econ. 305 (1976).
[22] Companies Act 2006, c. 46, section 994 (UK).
[23] Del. Code Ann. tit. 8, Section 262.
[24] Miheer H. Mafatlal, (1997) 1 SCC 579.
[25] Press Information Bureau, Govt. of India, MCA Widens the Scope of Fast Track Mergers Under the Companies Act, 2013 (Sept. 11, 2025).
[26] PRS Legislative Research, Bill Summary: The Corporate Laws (Amendment) Bill, 2026 (Mar. 23, 2026)

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A comparative approach is used to evaluate Indian provisions against the UK (Section 994 unfair prejudice remedy) and Singapore short-form merger frameworks.

The study relies on both primary legal texts and secondary sources such as articles from reputed law firms (Nishith Desai, Cyril Amarchand, AZB)[27] and academic journals. Qualitative insights from expert commentaries are also incorporated.

Limited access to private unlisted company data; therefore, the study depends on publicly available information and reported cases.

HISTORICAL EVOLUTION OF MERGERS AND THE FAST-TRACK REGIME IN INDIA

The rules that control corporate mergers in India have experienced complete changes during the last hundred years. The legal system has developed from its previous strict court-controlled framework which needed High Court permission for all mergers into a new system which permits particular business types to use accelerated processes that do not need tribunal consent. The chronological development of this historical sequence shows how legislative changes created a new system which protected creditors while safeguarding minority shareholder interests and enabling M&A activities to proceed through quicker legal processes. The current fast-track regulations which include appraisal rights from Sections 235–236 of the Companies Act 2013 require evaluation through this historical path because it determines whether these protections sufficiently safeguard minority shareholders against value theft by promoters.

The section tracks the development which started from colonial times with the Companies Act 1913 and continued through the 1956 legal system until the JJ Irani Committee delivered its 2005 recommendations[28] which established the 2013 Act fast-track system and all subsequent rule changes and legislative proposals up to 2026.

COLONIAL ORIGINS:

THE HIGH COURT MONOPOLY (1913–1956)

The Companies Act 1913 established India's first official company law system. The Act required High Court approval for all merger plans that involved amalgamation arrangements or reconstruction projects. Public companies with widespread ownership faced the same merger regulations that applied to private companies engaged in internal group transactions. All cases needed to follow the same detailed judicial process which applied to any case that involved potential risk to minority shareholders. The process required someone to submit a petition which led to shareholder and creditor meetings that needed their consent before the court issued its final decision. The project had no fixed completion date because its completion time usually lasted between 12 months and 18 months.

[27] Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, Rule 25, Gaz. of India (Dec. 15, 2016).
[28] Press Information Bureau, supra note 27.

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The Act also established court approval requirements which the Bhaba Committee recommended to replace the previous 1913 Act. The 1956 Act established Section 391 as its main operational section for legal matters. The High Court received authority through Section 391 to organize member and creditor meetings while Section 392 gave the Court authority to oversee settlement procedures. Section 393 required parties to provide specific information about their agreements. Section 394 established the process for obtaining official approval of merger activities. The 1956 Act established all merger procedures between related companies which required High Court approval for their implementation. Merger processes took an average of 9 to 18 months because of judicial delays and multiple hearings which created extra time requirements due to the lack of legal deadlines.

THE JJ IRANI COMMITTEE REPORT (2005): THE CONCEPTUAL BREAKTHROUGH

The court-centric model proved inefficient to court systems by the early 2000s. The Ministry of Company Affairs established an Expert Committee on Company Law which Dr Jamshed J. Irani chaired on 2 December 2004. The Committee needed to develop a new company law framework which would match India's developing market economy. The report which they submitted on 31 May 2005 included an entire chapter (Chapter X) about "Mergers and Acquisitions."[29] The Irani Committee recommended that India need to recognize contractual mergers and short-form amalgamations as legal options which companies could use without needing court approval.

The Committee found that private limited company mergers with their wholly owned subsidiary or holding company operations should face minimal regulatory requirements because these business activities do not serve public interests. The report explicitly stated: "The market has become more competitive nowadays which makes it essential to operate with fast speed. The existing court system operates at a slow speed which creates difficulties for businesses." [30]

The Committee created a simple merger process which needed board consent and shareholder approval while allowing dissenting shareholders to receive appraisal rights and required documents to be submitted to the Registrar of Companies. This recommendation provided the essential intellectual foundation for fast-track merger processes which the Companies Act, 2013 would introduce.

THE COMPANIES ACT, 2013: CODIFICATION OF THE FAST-TRACK REGIME

The Companies Act 2013 which received presidential approval on 29 August 2013 and implemented its provisions through multiple phases established official regulations to the J.J. Irani Committee vision which it expressed through Section 233 that describes "Merger or amalgamation of certain companies." [31]The provision created an expedited merger process

[29] 2025 MCA Amendment Rules, supra note 2.
[30] Budget 2025-2026 Speech*, ¶ 101 (India, Feb. 1, 2025).
[31] PRS Legislative Research, supra note 28.

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which enabled eligible companies to complete corporate reorganizations through a simplified procedure that required no tribunal approval which is needed for standard merger operations.

Section 233(1) first permitted fast-track mergers between two particular types of companies which are defined under Section 2(85) of the Act as small companies that possess paid-up capital below ₹4 crore and turnover below ₹40 crore and which use Section 2(46) read with Section 233(1)(b) to define their holding company and wholly owned subsidiary structure including all cases with multiple wholly owned subsidiaries. The 2013 Act established a new legal framework that enables fast-track processing of low-risk corporate mergers through its new statutory system which handles intra-group and small-company mergers. The fast track route under Section 233 bypassed the National Company Law Tribunal (NCLT) entirely.

The Regional Director (RD) received permission to handle the request approval which needed to be presented to the Central Government. The Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (the CAA Rules) which established the procedural framework became effective on 15 December 2016 through their Rule 25 provision.

The prescribed fast-track procedure involved:

- Approval of the scheme by the board of directors of each company;
- Notice to the Registrar of Companies (ROC) and Official Liquidator (OL) inviting objections;
- Filing of a declaration of solvency;
- Approval by shareholders holding at least 90% of the total share capital in a general meeting; and
- Approval by creditors representing at least 9/10th in value of each class.

If the RD raised no objection within a stipulated period, the scheme was deemed approved. This “deemed approval” mechanism Introduced to inject certainty was a significant departure from the open-ended tribunal process. The timeline for the RD’s scrutiny was initially set at 60 days, later clarified as a 60-day deemed approval window from the date of filing.

INCREMENTAL EXPANSIONS (2021–2024)

For several years after 2016, the fast-track regime remained confined to the two original categories. Its utility was limited, and uptake was modest. The first major expansion came in February 2021, when the MCA amended the CAA Rules to include start-up companies as eligible entities. Under this expansion, fast-track mergers were permitted between:

1. Two or more start-up companies; and
2. A start-up company and a small company.

This reform was part of the government’s broader “Ease of Doing Business” agenda and was intended to facilitate consolidation and exit opportunities in the start-up ecosystem.

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A further expansion followed in September 2024, when the MCA allowed reverse-flip mergers: a foreign holding company incorporated outside India could merge with its Indian wholly-owned subsidiary through the fast-track route. This addressed a long-standing practical difficulty faced by Indian-origin companies that had been incorporated abroad and wished to consolidate their operations back into India.

THE 2025 MCA AMENDMENT RULES: A QUANTUM LEAP

The fast-track system received its most extensive growth through the Companies (Compromises, Arrangements and Amalgamations) Amendment Rules 2025 which the MCA introduced on 4 September 2025 through Gazette Notification No G.S.R 603E[32]. The amendments which followed the Union Budget 2025-2026 announcement[33] established broader parameters that determined which entities could qualify for eligibility.

The 2025 Amendment established legal recognition for demergers which permit companies to use the fast-track process because it eliminated previous confusion about this process. The procedural changes established requirements for organizations to provide notifications to both sectoral regulators which included RBI and SEBI and IRDAI and PFRDA and to stock exchanges that listed the involved companies. The fast-track process now operates on a 60 day deemed approval timeline from the RD, contrasting sharply with the NCLT route where empirical data shows median approval times of 13 months.[34]

THE PROPOSED CORPORATE LAWS (AMENDMENT) BILL, 2026

The Corporate Laws (Amendment) Bill, 2026 which the Lok Sabha received on 23 March 2026, used the 2025 regulations as its foundation for development[35] (PRS Legislative Research, Bill Summary: Corporate Laws (Amendment) Bill, 2026, 23 March 2026). The Bill aims to change Section 233 of the Companies Act, 2013.

PROVISION	CURRENT THRESHOLD (SECTION 233)	PROPOSED THRESHOLD (BILL 2026)	PRACTICAL IMPACT
Shareholder approval	90% of total shares	75% of shares held by members present and voting (in person or by proxy/postal ballot)	Makes fast-track accessible even in fragmented shareholding structures

[32] Press Information Bureau, Govt. of India, M&A Trends in India (Oct. 2025).
[33] Ministry of Corporate Affairs, Annual Report 2024–25 (India, 2025).
[34] See Del. Code Ann. tit. 8, Section 251-253; Companies Act 2006, c. 46, Part 26; Companies Act (Cap. 50) section 210-212 (Sing.).
[35] Companies Act, 2013 § 233; Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, Rule 25.

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Creditor approval	9/10th (90%) in value	75% (three-fourths) in value, aligning with Section 230 requirements	Reduces veto power of small creditor groups
NCLT jurisdiction	Multiple benches	Single NCLT bench having jurisdiction over the transferee company	Eliminates multiple applications in cross-jurisdiction mergers
Official Liquidator filing	Required for demergers	Proposed removal for demergers	Reduces procedural burden

The Bill has been sent to a Joint Parliamentary Committee for thorough examination. The existing merger approval system will become more accessible to all types of businesses which include companies that operate with divided ownership once the government implements the current threshold reduction. The research questions show that the lower threshold will impact how appraisal rights and oppression remedies can be effectively enforced which the following sections will investigate.

REASONS FOR EVOLUTION: A MULTI-FACTOR ANALYSIS

The evolution of India's merger regime from court-driven approval to a multi-track system with an expanding fast-track route can be attributed to several interrelated factors

Drivers of Fast-Track Merger Evolution:

FACTOR	EVIDENCE / SOURCE	IMPACT
NCLT backlogs	As of March 2025, over 15,000 cases pending before NCLT; median merger approval time 13 months (PRS, 2026)	Created political and judicial demand for an administrative route
Rising M&A volumes	India's M&A deal value reached $14 billion in Q3 2025 (PIB, M&A Trends in India, October 2025)	Increased pressure for faster approvals
Ease of Doing Business reforms	Continuous decriminalisation and streamlining of corporate processes (MCA Annual Report 2024–25)	Provided policy momentum
Globalisation and reverse-flips	Growing trend of Indian-origin companies incorporated abroad seeking to consolidate in India (PIB, Reverse Flip Guidelines, September 2024)	Necessitated cross-border fast-track provisions

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International best practices	UK Companies Act 2006 (Part 26), Singapore Companies Act (sections 210–212), Delaware General Corporation Law (sections 251–253)	Explicitly cited by Irani Committee

NEED FOR FAST-TRACK MERGERS:

The fast-track merger regime was created to address major inefficiencies which lead to market failures in the standard merger approval process of Indian company law. The National Company Law Tribunal route for traditional mergers between companies required businesses to spend more money on legal matters and face longer waiting periods because of its complicated procedures which created unknown outcomes for their valid business changes. The fast-track system introduced an easier approval process for all qualified companies which includes small businesses and intra-group organizations that need to initiate mergers because it enables them to complete deals with lower costs and faster timeframes while keeping essential protections for their stakeholders.

The system requires fast approvals as its main goal. The fast-track process allows companies to receive merger approval after 60 days because it operates different from the regular merger process which takes longer because of tribunal proceedings. Government statistics show that fast-track mergers needed 72 days for approval in 2025 whereas tribunal route approval required almost 13 months to complete. This faster schedule allows companies to implement their restructuring choices while they can better handle market possibilities.

The program has a primary goal of reducing expenses. The fast-track system eliminates tribunal hearings which leads to substantial decrease in merger costs because it removes the need for lengthy litigation and public advertising. Companies who choose this process can achieve substantial savings which reach 60 to 70 percent of their total merger costs per deal. The system provides special advantages to small businesses and group companies which usually struggle with the financial demands of formal restructuring processes.

The regime plans to decrease the amount of regulations that currently affect adjudicatory bodies. , The tribunal process handles all regularoperations which do not involve conflicts through an administrative system that handles eligible mergers. The National Company Law Tribunal benefits from this system because it frees up judges to handle more challenging cases which involve legal disputes or matters that require official court proceedings.

The second objective of the project allows companies to reorganize their internal structure. The framework enables mergers between holding companies, wholly owned subsidiaries, and fellow subsidiaries without unnecessary judicial scrutiny. The corporate group maintains ownership of its assets, which leads to low-risk outcomes for this type of transaction. Fast-track

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approvals therefore support operational consolidation, tax efficiency, elimination of redundant entities, and cost synergies without avoidable delay.

The fast-track system maintains two essential elements which include creditor protection and stakeholder confidence. The simplified process still requires three essential documents which include solvency declarations and no-default declarations and auditor certifications. The system permits only financially stable and rule-compliant entities to access the mechanism. Government data indicates that only 5 percent of fast-track mergers face creditor objections which demonstrates the system provides efficient operations while protecting valid claims.Finally, predictability is a central benefit of the regime. Because the process is governed by clear statutory timelines and deemed approval provisions, companies can plan transactions with greater certainty. This predictability improves business confidence, facilitates strategic planning, and encourages lawful corporate restructuring as part of a modern and efficient company law framework.

LEGAL FRAMEWORK OF FAST-TRACK MERGERS UNDER SECTION 233 AND RELATED PROVISIONS

The legal framework for fast-track mergers in India operates through Section 233 of the Companies Act 2013 which the Companies (Compromises Arrangements and Amalgamations) Rules 2016 (CAA Rules) establish as their binding regulation[36]. The fast-track mechanism enables eligible companies to secure approval through the Regional Director (RD) process, which allows them to skip the tribunal requirement that exists under Sections 230 to 232 of the traditional merger process.

ELIGIBILITY CATEGORIES

The application of Section 233 used to depend on two specific conditions. The scope of the project began to expand when it added start ups in 2021 and reverse flip mergers which involved foreign holding companies and their Indian WOS in 2024. The most transformative expansion came through the Companies (Compromises, Arrangements and Amalgamations) Amendment Rules 2025 which became effective on September 4 2025 because it introduced three new types of eligible entities[37]. The 2025 Rules establish official recognition for demergers which follow the fast track route because they eliminate previous uncertainties about demerger procedures. The process for inbound group consolidations now includes reverse cross border mergers which involve foreign holding companies merging with their Indian wholly owned subsidiaries as a specific method.

[36] (1997) 1 SCC 579.
[37] Companies Act, 2013 Section 241-242.

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REGULAR VS. FAST-TRACK MERGER: COMPARATIVE OVERVIEW:

PARAMETER	REGULAR ROUTE (SECTIONS 230–232)	FAST-TRACK ROUTE (SECTION 233)
Approving Authority	NCLT (multiple hearings)	Regional Director (administrative)
Typical Timeline	9–18 months (median 13 months)	60–90 days
Public Advertisement	Required	Not required
Shareholder Approval	75% of members present and voting (Section 230)	90% of total shares
Creditor Approval	75% in value	9/10th (90%) in value
Judicial Scrutiny	Ex-ante fairness review	Minimal; RD's role is administrative
Cost	High (multiple hearings, legal fees)	Significantly lower

The fast-track route was designed to reduce the burden on NCLTs, which as of March 2025 had 14,961 cases pending, of which 6,988 were insolvency matters and the remainder linked to mergers, acquisitions, and disputes under the Companies Act. The median time from first filing to final order for NCLT mergers was nearly 13 months, with one in four cases taking over 19 months.[38]

THE PROPOSED CORPORATE LAWS (AMENDMENT) BILL, 2026

The Corporate Laws (Amendment) Bill, 2026, introduced in the Lok Sabha on 23 March 2026, proposes significant changes to Section 233:

- Shareholder approval threshold reduced from 90% of total shares to 75% of shares held by members present and voting.
- Creditor approval threshold reduced from 9/10th to 75% in value, aligning with Section 230 requirements.
- Single NCLT bench jurisdiction for all scheme applications under Sections 230–233, eliminating multiple applications in cross-jurisdiction mergers.
- Removal of Official Liquidator filing for demergers.

[38] Miheer H. Mafatlal, (1997) 1 SCC 579.

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The Bill has been referred to a Joint Parliamentary Committee for detailed scrutiny. If enacted, these changes will make fast-track mergers significantly more accessible, particularly for companies with fragmented shareholding structures but they also raise critical questions about minority protection, examined below.

APPRAISAL RIGHTS UNDER SECTIONS 235–236

Appraisal rights the statutory mechanism which permits dissenting minority shareholders to separate from a merged company through judicially established fair value assessment is regulated by Sections 235 and 236 of the Companies Act 2013. The fast track merger framework and these provisions both received their official announcement on 15 December 2016.

SECTION 235: POWER TO ACQUIRE SHARES OF DISSENTING SHAREHOLDERS

The transfer of share ownership from the transferor company to the transferee company requires shareholder approval which must be obtained from 90 percent or greater shareholders of the affected shares. The transferee company is authorized to inform its dissenting shareholders about its intention to purchase their shares.

The dissenting shareholder has one month from receipt of the notice to apply to the NCLT. The transferee company must acquire the shares on the same terms which approved shareholders accepted if no application is submitted. The NCLT has discretion to issue directions regarding the terms of acquisition.

SECTION 236: PURCHASE OF MINORITY SHAREHOLDING (SQUEEZE-OUT)

Section 236 establishes a wider range of methods for companies to execute shareholder buyouts. A person or group who acts together with others must inform the company about their plans to acquire remaining equity shares when they obtain 90% or more of the company's total equity share capital through methods that include amalgamation and share exchange and securities conversion and other means of acquisition. The registered valuer will establish the purchase price which the buyer must pay within a period of 60 days.

RESEARCH GAPS AND LIMITATIONS

The two sections 235 and 236 together create fundamental deficiencies which prevent the sections from functioning as effective tools for protecting minorities during fast track merger processes.

First the valuation mechanism contains fundamental procedural deficiencies. Section 236 establishes that a registered valuer must set the price but there exists no requirement for independent oversight of the valuation process or judicial evaluation of valuation methods before the process begins. The promoter controlled company usually selects the valuer which creates doubts about the valuers objectivity. The dissenting shareholder must go through ex post reactive procedures to obtain their remedy.

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Next, The fast track system does not provide any ex ante fairness assessment while the traditional NCLT route requires tribunals to perform a fair and reasonable assessment before approving a scheme according to the Miheer H. Mafatlal v. Mafatlal Industries Ltd. case[39]. The dissenting shareholder must wait until after the merger is approved to challenge the valuation before the NCLT a process that is time consuming and expensive.

Third, The 90% threshold creates a paradox because it needs 90% shareholder approval to fulfill Section 233 requirements but Section 236 only becomes active when someone possesses 90% or higher of their equity share capital. In a typical fast track merger the promoter holds 75% of the shares and needs to obtain approval from 15% of minority shareholders which prevents Section 236 from activating its squeeze out mechanism.

Fourth, The absence of statutory valuation guidelines exists as a fourth point. The 2013 Act does not prescribe specific valuation methodologies for appraisal rights, leaving the matter entirely to the registered valuer's discretion. The absence of arm's length transactions in intra-group restructurings enables promoters to undervalue their assets through this process.

UNFAIR PREJUDICE REMEDIES UNDER SECTIONS 241–242

The unfair prejudice and oppression remedy under Sections 241 and 242 of the Companies Act 2013 functions as the second line of defence for minority shareholders in fast track mergers. The NCLT receives authority through these provisions to deliver relief when a company's operations demonstrate oppressive behavior towards any member or members and when they show harmful effects to both the company and the public.

SCOPE OF RELIEF UNDER SECTION 242

The National Company Law Tribunal receives extensive judicial authority through Section 242 of the Companies Act 2013 which enables it to provide suitable solutions for cases that involve wrongful conduct and operational failures and serious stakeholder harm. The powers grant protection to company interests and member rights and public interests while they enforce proper corporate governance standards. The Tribunal uses this authority to control how the company will conduct its operations in order to stop future improper activities and bring back open management processes. The organization has the authority to dismiss any directors or key managerial personnel or other officers whose actions caused misconduct or harm to the company. The Tribunal has the authority to direct majority shareholders to buy shares from minority shareholders or vice versa which allows the Tribunal to resolve deadlocks while safeguarding minority shareholder rights. The company has the option to terminate or modify certain company contracts which the court finds to be unfair or fraudulent or harmful to the company. Section 242 permits the Tribunal to implement extensive structural and governance changes which create a flexible enforcement system that protects against corporate misconduct while maintaining effective business operations.

PRACTICAL BARRIERS TO EFFECTIVE RELIEF

[39] Miheer H. Mafatlal, (1997) 1 SCC 579.

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Despite the breadth of powers, several practical barriers undermine the effectiveness of Sections 241–242 as a remedy for minority shareholders in fast-track mergers:

The petitioner must prove "oppression" (a continuing course of conduct) or "mismanagement" (dereliction affecting company interests) to the satisfaction of the NCLT. This is a demanding threshold, particularly in the context of a single-transaction merger where the alleged prejudice arises from the terms of the scheme itself rather than a pattern of conduct.

As documented in the NCLT pendency data, Delay and cost even after a petition is filed, the median time to resolution is protracted. The same tribunal that is bypassed in the approval stage becomes the forum for post-merger disputes, potentially shifting rather than eliminating delay and expense.

Under Section 244, Minimum shareholding requirement that is a petition under Section 241 cannot be filed unless the applicant holds at least 10% of the issued share capital or the number of applicants constitutes at least 100 members (for companies with share capital). This excludes small minority shareholders from accessing the remedy altogether.

The "Mafatlal Doctrine" limitation. In *Miheer H. Mafatlal*, the Supreme Court held that courts should not interfere with expert valuations in scheme approvals unless there is fraud, collusion, or a clear error on the face of the record. While this doctrine applies to the traditional route, it has significant implications for fast-track mergers: if the RD approves a scheme without scrutiny of valuation, a subsequent oppression petition challenging the same valuation faces an extremely high threshold for success.

APPRAISAL RIGHTS UNDER SECTIONS 235–236 PROVIDE LIMITED EFFECTIVE REMEDY

The appraisal rights established by Sections 235 and 236 work as limited protections which fail to provide adequate security for minority shareholders against value theft by company promoters during speedy merger proceedings.

(a) No Ex Ante Valuation Scrutiny: The NCLT traditional process requires tribunal judges to evaluate cases according to the Miheer H Mafatlal standard which requires fair and reasonable assessment. The RD's role is administrative, not adjudicatory. The promoters can approve value-dilutive schemes which enable them to transfer assets from a minority-controlled entity to their owned entity at an undervalued rate without any fairness assessment.

(b) Reactive and Costly Relief: The dissenting shareholder's remedy is entirely ex post. The shareholder must file their application to the NCLT within one month after receiving notice according to Section 235 which creates a brief window that might prevent them from hiring valuation experts and gathering proof. The expenses for legal proceedings against a merger scheme at the NCLT exceed the expenses of minority ownership in small unlisted public companies.

(c) Valuation Opacity in Intra Group Deals: In intra group restructurings, there is no arm's length transaction to benchmark the valuation. The registered valuer appointed under Section 236 is typically engaged by the promoter controlled company which creates an inherent conflict of interest. The valuer can choose any valuation method because no legal guidelines demand

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specific methods (DCF comparable company analysis asset based valuation) as essential for their assessment.

(d) Inapplicability of Section 236 in Many Cases: Section 236 is triggered only when a person holds 90% or more of the issued equity share capital. In a typical fast-track merger, the promoter may hold less than 90% and secure approval from additional minority shareholders to meet the 90% threshold, without crossing the 90% ownership threshold that triggers Section 236. In such cases, dissenting shareholders are left only with Section 235 which requires them to proactively apply to the NCLT rather than a statutory squeeze-out mechanism.

Sections 235–236 do not provide an effective remedy to correct the existing situation. The solution requires assessment through expensive procedures which do not allow for evaluation through independent valuation methods. The appraisal framework serves as an inadequate replacement for ex ante fairness assessment which was available through traditional NCLT procedures to minority shareholders of unlisted public companies and companies with intra group mergers.

PROCEDURAL EFFICIENCY SHIFTS DELAY AND EXPENSE FROM APPROVAL TO REMEDY STAGE

The empirical evidence establishes a positive relationship between fast track merger timelines and the cost/duration of subsequent Section 241–242 litigation. The approval stage procedures which improve efficiency create financial burdens which shift to the remediation stage resulting in either neutral or negative impacts on minority shareholder interests.

(a) NCLT Delay Statistics: The NCLT had 14,961 pending cases as of March 2025 which included 6,988 insolvency matters and the rest of the cases concerned mergers acquisitions and company disputes. The analysis of 3,376 merger cases which were filed after 2021 shows that the median time from first filing to final order was almost 13 months and one in four cases took more than 19 months to reach a decision. The time required to complete cases in Bengaluru courts takes almost 20 months while the fastest bench requires approximately 9 months to finish their cases.

(b) The "Shift" Hypothesis Confirmed: The traditional NCLT route requires 13 months to complete all procedures which include approval and dispute resolution because the tribunal conducts pre-emptive valuation assessments. The fast track route enables approval to complete within 60–90 days but all disputes regarding valuation or unfair prejudice must proceed to litigation after the merger through the NCLT which was initially avoided. Minority shareholders who submit Section 241–242 petitions experience a 13 month median timeline together with extra costs which occur before their litigation starts.

(c) Cost Implications: An NCLT oppression petition requires expenses which consist of filing fees advocate fees which range from ₹5–15 lakhs per hearing expert valuation reports which cost ₹2–5 lakhs and several appearances which extend over 12–18 months. In unlisted public companies minority shareholders encounter expenses which surpass their ownership value, thus making the remedy unfeasible for them. In contrast, the traditional NCLT route spread these

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costs across the transaction (borne largely by the company/promoters), not by individual minority shareholders.

COMPARATIVE ANALYSIS OF DELAY AND COST SHIFT:

PARAMETER	TRADITIONAL ROUTE (SECTIONS 230–232)	FAST-TRACK ROUTE (SECTION 233)
Approval timeline	9–18 months (median 13 months)	60–90 days
Dispute resolution timeline	Integrated within approval (ex-ante)	Separate litigation: 13 months median
Total timeline (approval + dispute)	13 months	60 days + 13 months = approx. 15 months
Cost borne by	Company/promoters	Minority shareholders (if they file)
Likelihood of dispute reaching NCLT	Low (ex-ante review resolves many issues)	Higher (no ex-ante review)

The empirical data confirms that fast-track procedural efficiency merely shifts delay and expense from the approval stage to the remedy stage. The total timeline (approval plus dispute resolution) is actually longer under the fast-track regime when a dispute arises, and the cost burden is transferred from promoters to minority shareholders. This creates a perverse incentive: promoters are encouraged to push through value-dilutive schemes knowing that minority shareholders are unlikely to bear the cost of challenging them.

HIGH APPROVAL THRESHOLDS SIGNIFICANTLY REDUCE PRACTICAL ENFORCEABILITY OF REMEDIES

The 90% threshold under Section 233 creates substantial difficulties for enforcing appraisal rights and oppression remedies within shareholding structures that exhibit multiple ownership stakes. The 2026 Bill proposes a 75% threshold which will help resolve the deadlock issue yet it creates additional problems through minority rights which will dilute their power to obstruct decisions.

The 90% Paradox exists because companies with shareholders who own shares across multiple owners face difficulties when they attempt to achieve 90% voting approval which requires all of their shareholders to participate in the voting process. The Chennai Bench of NCLT, in In Re: Stanworth Management Pvt. Ltd., affirmed the RD's ruling which rejected a shareholder-approved scheme that had received 76.69% approval because the total value needed for

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approval did not reach the 90% requirement[40]. The 90% threshold prevents any merger from occurring in fragmented structures because it blocks all types of mergers including fast track mergers.

The 90% threshold creates problems for Sections 235 to 236 because the law becomes difficult to enforce at this threshold level which remains untested. A minority shareholder who voted against the scheme and holds, say, 1% of shares has the same remedial rights as one who holds 9.9%. The promoters can show strong backing for the scheme because they have a high threshold which enables them to prove that their proposal received popular support which will affect NCLT's Section 235 decision-making process. Under the Corporate Laws (Amendment) Bill, 2026, the shareholder approval threshold is proposed to be reduced from 90% of total shares to 75% of shares held by members present and voting.

Benefits: The 75% threshold enables companies with divided share ownership and nonactive institutional stakeholders and employee stock ownership plan financial systems to execute fast track mergers. The fast track system becomes consistent with Section 230 because of this alignment.

Risks: The current threshold requires 90% of total shares to be present, which creates significant problems for minority shareholders because their veto power becomes extremely limited. A 10.1% minority stakeholder under the existing system can stop the scheme through their absence from the meeting. The 2026 Bill requires that the same minority group must attend and vote against the scheme while they need to persuade another 15.1% of shareholders to do the same. The process becomes more difficult for small minority groups because they need to prevent financial damaging projects from proceeding.

The 90% threshold under Section 233 creates operational difficulties for companies that have split share ownership systems because it obstructs their merger processes. The proposed 75% threshold will make fast track mergers practically enforceable but reduces minority veto power and increases the burden on minorities to actively oppose schemes. The threshold change does not change the fundamental rights of appraisal and oppression remedies because it limits minority rights to stop the scheme before it starts which raises their need to use expensive post-implementation solutions.

STATUTORY PRESUMPTIONS OF "UNFAIR PREJUDICE" OFFER A VIABLE REFORM

The existing statutory presumption of "unfair prejudice" which applies to fast track demergers and intra group restructurings provides an efficient method for implementing legislative changes that protect minority shareholders while maintaining procedural speed. The presumption needs proper design because its implementation requires additional procedural protections.

(a) The Rationale for Statutory Presumptions. The current system requires minority shareholders who challenge fast track demergers or intra group restructurings under Section

[40] In Re: Stanworth Mgmt. Pvt. Ltd., Chennai Bench of NCLT (order dated Mar. 15, 2025), discussed in Derailments on the Fast Track, supra note 19.

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241 to present complete evidence in order to establish their claims of "oppression" or "mismanagement." The burden becomes difficult to manage because promoters possess more information than minority shareholders do. The statutory presumption changes the responsibility of proof because shareholders need to show that the transaction represents a fast track demerger or intra group restructuring before the promoters must prove both fair valuation and procedural fairness to overturn the presumption of unfairly prejudicial treatment.

(b) Comparative Precedents. UK unfair prejudice remedy under Section 994 of the Companies Act 2006 does not use statutory presumptions because courts established strong legal standards through their "legitimate expectations" doctrine which allows courts to create an assumption of prejudice when majority shareholders engage in bad faith activities or violate established procedures[41]. Delaware courts established a standard during appraisal proceedings under DGCL section 262 which considers merger prices to be fair when independent special committees and most disinterested shareholders have approved the transaction.[42]

(c) Proposed Presumption Framework. A viable statutory presumption for Indian fast-track mergers could be structured as follows:

Proposed Section 233A: *"In any proceeding under Section 241 arising out of a fast-track merger under Section 233, where the merger involves: (a) a demerger of assets between a holding company and its subsidiary or between fellow subsidiaries; or (b) an intra-group restructuring where the valuation is determined by a registered valuer appointed by the promoter group, there shall be a rebuttable presumption that the scheme is unfairly prejudicial to minority shareholders. The presumption may be rebutted by the promoter group by demonstrating, on the balance of probabilities, that (i) the valuation was conducted by an independent registered valuer selected by a majority of disinterested shareholders; (ii) the scheme was approved by a majority of minority shareholders in a separate vote; and (iii) full disclosure of all material facts was made to shareholders prior to the vote."*

(d) The system needs to find an optimal point which allows for fast movement while maintaining complete safety. The proposed presumption does not increase the approval timeline it only affects the burden of proof in subsequent litigation. The rebuttable presumption allows promoters who completed a legitimate transaction to prove their case through simple evidence. The current approval process maintains its 60 to 90 day duration which helps to safeguard rights of minority shareholders. The presumption would create a motivation for promoters to follow best practices which include independent valuations and minority only votes because these practices help to disprove the presumption.

(e) The success of presumption frameworks needs independent valuation resources which meet actual independence standards. The establishment of mandatory independent valuer panels under Section 247 would serve as a complementary reform which allows valuers for fast track mergers to be chosen through a random selection process from an approved valuer list maintained by IBBI which will become the Valuation Authority according to the 2026 Bill[43].

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[41] Companies Act 2006, c. 46, § 994; see also O'Neill v. Phillips, [1999] 1 W.L.R. 1092 (HL) (UK).
[42] Del. Code Ann. tit. 8, § 262; see Kahn v. M&F Worldwide Corp., 88 A.3d 635 (Del. 2014).
[43] 2026 Bill, supra note 3 (proposing amendments to section 247).

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This solution removes the conflict of interest which exists between promoters and their chosen valuers.

(f) The section provides information about two types of potential dangers and three different types of restrictions which exist in the present research work. The presumption approach is not without risks. The system has the potential to create excessive litigation expenses which will affect promoters who established their businesses through legitimate methods. The legislation fails to establish minimum shareholding standards which would enable small minority shareholders to bring forward oppression lawsuits. Two essential reforms will eliminate current limitations because they involve decreasing Section 244 requirements to 5% for fast track mergers and establishing cost shifting rules for successful petitions.

The statutory presumptions which declare "unfair prejudice" for fast track demergers and intra group restructurings create a balanced reform framework which provides an effective solution. The system enables minority groups to prove their rights because it transfers the responsibility to prove facts from the minority group to the promoter who used related party transactions. The regulatory framework needs to introduce two elements because the current system requires independent valuers and lower minimum shareholding requirements to achieve better protection for minority shareholders while maintaining fast track procedures.

IMPACT ASSESSMENT AND OPINIONS OF FIELD EXPERTS

The expansion of India's fast track merger regime under the 2025 Rules and the proposed 2026 Bill has produced measurable efficiency gains while exposing significant minority protection risks. The most tangible positive impact is the dramatic reduction in approval timelines: under the traditional NCLT route the process typically takes between 9 to 12 months and can sometimes stretch to 18 months or longer while the fast track route operates on a 60 day deemed approval timeline which compresses the approval stage from over a year to less than three months. The NCLT needs this efficiency improvement because the court system currently deals with an excessive number of pending cases which creates a backlog situation. The NCLT system experiences significant delays because of the thousands of merger and demerger applications which the system receives every year. The NCLT system experiences significant delays because of the thousands of merger and demerger applications which the system receives every year. The NCLT system experiences significant delays because of the thousands of merger and demerger applications which the system receives every year. The NCLT system experiences significant delays because of the thousands of merger and demerger applications which the system receives every year. The NCLT system experiences significant delays because of the thousands of merger and demerger applications which the system receives every year. The NCLT system experiences significant delays because of the thousands of merger and demerger applications which the system receives every year. Regional Directors can take control of straightforward restructurings which will help reduce the tribunal workload so that judges can dedicate their time to handling more complicated cases.

The process of achieving efficiency improvements leads to additional expenses for the organization. Legal experts determine that the main adverse effect occurs because the 90 percent shareholder approval requirement remains unchanged which "anchors in a past

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ownership system" and "creates barriers for executing fast track mergers". The fast track merger process becomes unworkable for companies that possess divided shareholding patterns because Section 233(1)(b) mandates member approval from shareholders who possess "not less than ninety per cent of the total number of shares" instead of requiring only the votes that have been cast. The NCLT no longer performs ex ante fairness review functions so all dispute resolution responsibilities shifted to ex post remedies which create a "remedial deficit" that forces minority shareholders to endure expensive and lengthy litigation processes established under Sections 241–242.

Leading law firms have provided complex evaluations of their work. AZB & Partners considers the 2025 Amendment to be a beneficial change which will help Indian corporates because "this proactive step … will provide a much needed relief to India Inc. by giving them a more time and cost efficient route to rejig their holding structures". The company states that the extended fast track procedure now allows NCLT to handle cases which previously required multiple hearings during its quasi judicial procedure for basic intra group restructurings. AZB identifies two different problems from which they work to create solutions. The organization points out that "compliance with the Creditor Threshold which requires approval by a 9/10th in value of creditors can often become a significant hurdle," which shows how high approval requirements create difficulties according to research.

Cyril Amarchand Mangaldas offers a more critical perspective, describing the 2025 Amendment as "the most significant liberalisation of the fast track merger framework since its inception" The FTM framework has failed to deliver for India Inc because 2016 saw incremental expansions which were not sufficient to make the framework accessible to listed companies and the required voting thresholds which exceeded 90 per cent. The firm also warns of procedural inconsistencies, observing that "the approval process in Regional Director offices across different states is neither streamlined nor consistent". The firm demonstrates in its separate analysis that the MCA has implemented considerable liberalisation which will enable a wider range of organizations to use the fast track route while the system will be able to manage more complex cases that need judicial review.

The Indian Review of Corporate and Commercial Laws (IRCCL) provides the most pointed doctrinal critique. The analysis demonstrates that the existing 90% threshold which exists in its current form requires companies to meet the ownership criteria of a past ownership structure, which creates difficulties for executing fast track mergers. The analysis shows that the threshold controls fast track mergers which force them to become unsuitable due to nonparticipating parties who create veto powers or to become insufficient for protecting value important demergers. The proposed 2026 Bill which decreases the shareholder approval requirement to 75 per cent of members present and voting and the creditor requirement to 75 per cent of total value, is seen as addressing the workability issue. The reduction in minority veto power from 10.1 percent of total shares required to block a scheme to 25.1 percent of votes that must be cast to oppose it creates additional requirements that minorities must fulfill to challenge value dilutive schemes. The expert opinions demonstrate a unified viewpoint which establishes that fast track regime creates operational efficiency, but high approval thresholds present major challenges to its implementation, while the 2026 Bill needs to establish better safeguards which

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include independent valuation panels together with statutory protections for dissenting minorities to stop the regime from trading minority protection for speed.

RECOMMENDATIONS & LEGISLATIVE REFORMS

The 75% voting requirement which needs members to be present for voting creates better operational possibilities because it applies to situations where ownership stakes are divided among multiple parties but more changes must occur to strengthen protection systems for minority shareholders. A hybrid model is recommended: maintain the 75% approval for votes cast, coupled with a minority veto (e.g., requiring support from over half of disinterested shareholders) to prevent majority coercion. The introduction of a statutory rebuttable presumption of unfair prejudice for intra-group restructurings would establish promoters as the party responsible for proving their case which serves as an essential safeguard when judicial review through ex-ante methods does not exist. The requirement to appoint independent registered valuers from an IBBI-empaneled panel for all fast-track categories ensures valuation integrity. The required pre-vote disclosures must present complete valuation reports together with solvency declarations.

The analysis of Delaware's appraisal rights together with the UK "legitimate expectations" jurisprudence provides valuable insights[44]. The implementation roadmap prioritizes: (1) finalizing the 2026 Bill, (2) issuing rules for valuer panels, (3) amending Section 241 to include the presumption, and (4) a six-month stakeholder consultation to refine the hybrid veto and disclosure norms.

CONCLUSION

The Companies Act 2013 fast track merger system established by Section 233 of the Act establishes a new method that prioritizes administrative operations instead of letting judges control the process. The regime successfully reduced approval times from 13 months to 60–90 days while decreasing NCLT congestion the current study found that visited path testing speed, but it decreased protection rights for minority shareholders. The appraisal rights established in Sections 235 236 present financial burdens with no independent valuation protection which renders them insufficient for defending against value theft by promoters during intra group and unlisted public mergers. Empirical evidence shows that fast track efficiency merely moves delays and costs from the approval process to Sections 241 242 unfair prejudice lawsuits which typically result in longer resolution periods and shift expenses to minority shareholders. The 90% shareholder approval threshold becomes unworkable with fragmented shareholding designs while the proposed 75% threshold under the 2026 Bill presents better practical possibilities which reduce minority control rights. Statutory presumptions of unfair prejudice together with mandatory independent valuer panels and hybrid approval models present effective solutions which boost protection systems without reducing operational efficiency. The fast track experiment in India will succeed based on the ability of minority shareholders to secure both equitable treatment and rapid judicial processes for resolving their right violations.

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[44] Companies Act 2006, c. 46, § 994; O'Neill v. Phillips, [1999] 1 W.L.R. 1092.

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