

**Companies (Compromises, Arrangements and Amalgamations)**  
**Amendment Rules, 2021**

MCA has issued notification G.S.R. 93(E) dated 01<sup>st</sup> February, 2021 to further amend the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

These rules may be called the Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2021.

Further, these rules published in Official Gazette on 01<sup>st</sup> February, 2021. For detailed notification, please refer the link: <http://egazette.nic.in/WriteReadData/2021/224868.pdf>

**AMENDMENTS**

In the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, in rule 25, after sub-rule (1) the following sub-rule shall be inserted, namely:-

“(1A) A scheme of merger or amalgamation under section 233 of the Act may be entered into between any of the following class of companies, namely:-

(i) two or more start-up companies; or

(ii) one or more start-up company with one or more small company.

**Explanation**- For the purposes of this sub-rule, “start-up company” means a private company incorporated under the Companies Act, 2013 or Companies Act, 1956 and recognised as such in accordance with notification number G.S.R. 127 (E), dated the 19th February, 2019 issued by the Department for Promotion of Industry and Internal Trade

**Effect**- Through this amendment new sub rule has been inserted which provides for merger & amalgamation among startups and between startups and small companies through the fast-track process u/s 233 of Companies Act, 2013.

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