MERGERS, AMALGAMATIONS AND ACQUISITIONS UNDER COMPETITION LAW

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INTRODUCTION

Mergers, amalgamations and takeovers are central instruments of modern corporate restructuring. They may enable economies of scale, access to technology, expansion into new markets, diversification and improved use of resources. However, a transaction that removes a significant competitor or creates control over an important input, distribution network, technology or platform can materially alter market structure.

Competition law therefore performs a preventive function. Instead of waiting for market power to be abused after a transaction has been completed, merger control permits the regulator to assess specified transactions before consummation. In India this function is principally exercised by the Competition Commission of India (CCI) under the Competition Act, 2002.

Sections 5 and 6 establish the basic combination regime. Section 5 identifies qualifying combinations and section 6 prohibits combinations that cause or are likely to cause an appreciable adverse effect on competition (AAEC). The Competition (Amendment) Act, 2023 modernised the framework, including through a transaction-value threshold.

The topic is also significant from a corporate-governance perspective because mergers and takeovers change control, board composition, ownership structures and the interests of shareholders and other stakeholders. Competition-law approval therefore operates alongside company law, securities regulation and sector-specific regulation.

MEANING AND NATURE OF MERGER, AMALGAMATION AND TAKEOVER

- Merger. A merger ordinarily combines two or more businesses, with one entity surviving or a consolidated corporate structure continuing. Commercial purposes include cost reduction, economies of scale, market expansion and acquisition of capabilities.

- Amalgamation. An amalgamation generally consolidates two or more corporate entities pursuant to a statutory scheme. Sections 230–232 of the Companies Act, 2013 provide the principal corporate mechanism for schemes of arrangement and amalgamation.

- Takeover. A takeover involves acquisition of shares, voting rights, assets or control that enables an acquirer to influence or determine the management or strategic decisions of the target.

- Horizontal, vertical and conglomerate combinations. Horizontal combinations involve competitors; vertical combinations involve different stages of the supply chain; conglomerate combinations involve unrelated or complementary markets. Each creates different competitive effects.

- Corporate control versus competition control. Company law asks whether the corporate transaction satisfies legal and governance requirements. Competition law asks whether the transaction is likely to weaken competitive conditions. A transaction can therefore be valid under company law and still require CCI review.[1]

CONCEPT OF COMBINATION UNDER COMPETITION LAW

Section 5 of the Competition Act covers specified acquisitions, acquisitions of control, acquisition of shares or voting rights and mergers or amalgamations satisfying the statutory conditions. The broad definition prevents parties from avoiding scrutiny simply by selecting a different legal form for an economically similar transaction.

The 2023 amendment introduced a deal-value threshold. This is particularly important for technology and innovation-driven acquisitions where the target may have comparatively low turnover or assets but possess significant data, intellectual property, users, technology or future competitive potential.[2]

Not every corporate restructuring is a combination requiring notification. The transaction must satisfy the statutory conditions, subject to applicable exemptions and simplified procedures.

[1] Competition Act, No. 12 of 2003, §§ 5–6 (India Code).
[2] Competition Commission of India, Competition Commission of India (Combinations) Regulations, as amended.

STATUTORY FRAMEWORK

The Competition Act, 2002 is the principal statute. Sections 5 and 6 regulate combinations; section 20(4) sets out factors relevant to AAEC; sections 29 and 30 provide the review mechanism; and section 31 deals with orders on combinations. The Competition (Amendment) Act, 2023 significantly revised the framework, including the transaction-value threshold and procedural changes designed to make merger control more responsive to contemporary transactions.

The Competition Commission of India (Combinations) Regulations provide detailed filing and procedural requirements.[3]

The Companies Act, 2013 governs corporate schemes of merger and amalgamation, particularly sections 230–232. Listed-company acquisitions may additionally trigger the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

Banking combinations have an additional regulatory dimension. Section 44A of the Banking

Regulation Act, 1949 and RBI supervision are important in bank amalgamations. The Bank of Rajasthan–ICICI Bank transaction illustrates this sector-specific layer.[4]

JURISDICTION AND ROLE OF THE CCI

The CCI is the principal authority responsible for India's competition regime. In combination matters it acts as a preventive regulator of market structure, examining whether the transaction is likely to materially weaken competitive constraints.

The jurisdiction can extend to cross-border transactions where the statutory conditions and Indian market nexus are satisfied. The location of incorporation alone does not determine the CCI's jurisdiction.

The CCI may examine horizontal, vertical and complementary effects and may consider the possibility that a transaction eliminates a vigorous competitor, creates foreclosure incentives

[3] Competition Act, No. 12 of 2003, § 20(4).
[4] Companies Act, No. 18 of 2013, §§ 230–232

or reduces innovation competition[5].

Depending on its assessment, the CCI may approve the transaction, approve it subject to modifications, or prohibit it where concerns cannot be adequately remedied.

REGULATION OF MERGERS AND AMALGAMATIONS

Horizontal mergers are closely examined because the parties may be direct competitors. The CCI can assess market shares, concentration, closeness of competition, entry barriers, buyer power, substitutes and innovation.

Vertical combinations can produce efficiencies but may create foreclosure concerns where the merged firm has the ability and incentive to restrict competitors' access to inputs, customers or distribution.

Conglomerate transactions may produce portfolio efficiencies but can raise concerns through bundling, tying, leveraging, data advantages or network effects.

The law does not treat all concentration as harmful. Efficiencies, technological development and economic-development benefits are relevant to the overall AAEC analysis.[6]

REGULATION OF TAKEOVERS AND ACQUISITION OF CONTROL

Section 2(a) of the Competition Act adopts a broad concept of acquisition covering shares, voting rights, assets and control. Control is therefore central to competition-law analysis of takeovers.

Control may arise through majority ownership, contractual rights, board rights or other arrangements conferring material influence. The assessment is functional and depends on the rights actually obtained.

ArcelorMittal India Pvt. Ltd. v. Satish Kumar Gupta is useful for explaining control as a capacity to influence decision-making, although it was not a CCI combination case.

[5] Banking Regulation Act, No. 10 of 1949, § 44A
[6] Competition Commission of India, Competition Commission of India (Combinations) Regulations, as amended

Listed-company takeovers may simultaneously attract SEBI obligations. Competition review remains separately concerned with the effect of the acquisition on competitive conditions.

APPRECIABLE ADVERSE EFFECT ON COMPETITION

Section 6 prohibits a combination that causes or is likely to cause an AAEC in the relevant market in India. The test is prospective and examines likely post-transaction conditions.

Section 20(4) includes factors such as actual and potential competition, entry barriers, market concentration, countervailing power, removal of a vigorous competitor, substitutes, market shares, vertical integration, failing-business considerations, innovation and economic development benefits.

AAEC is therefore not determined by market share alone. A high combined share may not be problematic where entry and buyer power are strong; a lower share may still matter where the parties are unusually close competitors, or one is an important emerging threat.[7]

The test balances competitive harm against the wider effects of the transaction. This permits efficient mergers while preventing structural transactions that substantially weaken competition.

RELEVANT MARKET AND COMPETITIVE EFFECTS

The CCI generally identifies the relevant product and geographic markets before assessing competitive effects. Product-market definition focuses on substitutability, while geographic market definition considers the area in which competitive conditions are sufficiently homogeneous.

The CCI then considers market shares, concentration, entry, switching, capacity, buyer power, innovation and vertical relationships. In modern digital markets, competition may involve quality, data, privacy, innovation and service as well as price.

The definition of the relevant market is therefore not a purely mathematical exercise. It is an analytical tool for identifying the actual competitive constraints on the parties.

[7] Competition Commission of India, official Green Channel guidance.

NOTIFICATION AND APPROVAL PROCEDURE

Where a transaction is a notifiable combination, section 6 requires notice to the CCI in the prescribed manner before consummation. Parties must determine the applicable thresholds, exemptions and filing requirements.

The filing must provide sufficient information for the CCI to understand the parties, transaction structure and relevant markets. Complex transactions may require detailed information concerning customers, competitors, products, pricing and internal business documents.

The CCI may approve a transaction where no material concern arises or proceed to a deeper review where concerns exist. The review is designed to prevent premature implementation and preserve the effectiveness of possible remedies.

Transaction planning should therefore incorporate competition-law analysis at an early stage rather than treating CCI approval as a final administrative step.

GREEN CHANNEL AND SIMPLIFIED PROCEDURES

The Green Channel provides an expedited mechanism for qualifying combinations that satisfy the prescribed conditions and do not present specified horizontal, vertical or complementary overlaps likely to raise competition concerns.

It promotes proportional regulation by allowing low-risk combinations to proceed without the same level of substantive review as transactions involving significant overlaps.

Parties must ensure that the transaction genuinely satisfies the Green Channel conditions.

Incorrect use of the mechanism may expose the parties to enforcement consequences[8].

REMEDIES AND MODIFICATIONS

Where competition concerns exist but can be remedied, the CCI may approve the combination subject to modifications. Remedies may be structural or behavioural.

Structural remedies can include divestiture of products, brands, assets, businesses or rights.

[8] Competition Commission of India, official Green Channel guidance.

Behavioural remedies can regulate access, supply, licensing or other commercial conduct.

Structural remedies are particularly important where the problem arises directly from increased concentration. The Sun Pharma–Ranbaxy transaction is a major Indian example: the CCI identified concerns in specified pharmaceutical formulation markets and required divestitures as a condition of approval.

Remedies must be sufficiently precise, monitorable and capable of restoring competitive constraints.

PENALTIES AND ENFORCEMENT

The combination regime depends upon effective enforcement. The Competition Act provides consequences for contraventions involving the notification and review process, including failures relating to required notification and inaccurate or incomplete information.

Boards, management and transaction advisers therefore have a governance responsibility to identify competition-law risks during due diligence and transaction structuring.

Premature implementation can make later structural remedies more difficult and can expose parties to enforcement risk. Regulatory compliance should consequently be treated as a transaction-planning issue.

IMPORTANT JUDICIAL AND CCI DECISIONS

1. Competition Commission of India v. Steel Authority of India Ltd., (2010) 10 SCC 744. The Supreme Court considered the statutory and procedural role of the CCI and remains a foundational authority for understanding competition-law administration.[9]

2. Excel Crop Care Ltd. v. Competition Commission of India, (2017) 8 SCC 47. Although principally a penalty case, it is useful for understanding CCI enforcement and the Supreme Court's approach to competition-law sanctions.[10]

3. ArcelorMittal India Pvt. Ltd. v. Satish Kumar Gupta, (2019) 2 SCC 1. The Supreme Court's discussion of control is useful in explaining why corporate control can involve

[9] Competition Commission of India v. Steel Authority of India Ltd., (2010) 10 SCC 744.
[10] Excel Crop Care Ltd. v. Competition Commission of India, (2017) 8 SCC 47

the capacity to influence decision-making rather than only numerical share ownership.[11]

4. Sun Pharmaceutical Industries Ltd./Ranbaxy Laboratories Ltd. The 2014 combination involved two major pharmaceutical enterprises. The CCI identified competition concerns in several relevant pharmaceutical formulation markets and required divestiture of specified products as a condition of approval. The transaction is a landmark Indian example of detailed merger review and structural remedies. Sun Pharma completed the acquisition on March 25, 2015.[12]

5. Bank of Rajasthan Ltd./ICICI Bank Ltd. The amalgamation became effective in 2010 after approval under the banking regulatory framework. It is important as a sector specific corporate-governance example. It should not be cited as a CCI merger precedent because the principal approval mechanism was under banking regulation.[13]

6. Tata SIA Airlines Ltd./Air India Ltd. The CCI approved the Vistara–Air India transaction in 2023 subject to commitments. It illustrates competition assessment in a concentrated aviation market.[14]

7. Reliance Industries Ltd./The Walt Disney Company. The CCI approved the proposed combination in August 2024 subject to voluntary modifications. The matter is significant for media, television and streaming markets.[15]

8. Torrent Pharmaceuticals Ltd./J.B. Chemicals & Pharmaceuticals Ltd. The 2025 transaction demonstrates how acquisition and subsequent amalgamation can form part of one combination and require competition assessment.[16]

9. Sumitomo Mitsui Banking Corporation/YES Bank Ltd. The 2025 decision illustrates merger-control review in financial services and the interaction between competition and

[11] ArcelorMittal India Pvt. Ltd. v. Satish Kumar Gupta, (2019) 2 SCC 1
[12] Competition Commission of India, Sun Pharmaceutical Industries Ltd./Ranbaxy Laboratories Ltd., Combination Registration No. C-2014/05/170 (2014).
[13] Reserve Bank of India, materials concerning amalgamation of Bank of Rajasthan Ltd. with ICICI Bank Ltd. under § 44A of the Banking Regulation Act (2010).
[14] Competition Commission of India, Tata SIA Airlines Ltd./Air India Ltd., Combination Registration No. C-2023/02/965 (2023).
[15] Competition Commission of India, Reliance Industries Ltd./The Walt Disney Company (Aug. 28, 2024).
[16] Competition Commission of India, Torrent Pharmaceuticals Ltd./J.B. Chemicals & Pharmaceuticals Ltd., Combination Registration No. C-2025/07/1299 (2025).

sector-specific regulation.[17]

10. Nippon Steel Corporation/Krosaki Harima Corporation. On January 6, 2026, the CCI approved Nippon Steel's acquisition of the remaining interest in Krosaki Harima Corporation. Nippon Steel's existing 46.6% holding increased to 100%. It is a recent example of control acquisition in an international transaction with an Indian market nexus.[18]

11. Krishna Kumar Agrawal v. ICICI Securities Ltd. & Ors. The CCI's 2025 antitrust decision involving ICICI Securities is not a merger case. It is included only as a recent illustration of CCI's broader antitrust jurisdiction involving a major financial-services group.

RECENT DEVELOPMENTS

The Competition (Amendment) Act, 2023 is the most significant recent statutory development. The transaction-value threshold broadens the CCI's ability to examine economically significant acquisitions that may escape traditional asset and turnover thresholds.

The Green Channel and simplified filing mechanisms reflect a proportional approach: low-risk transactions can receive expedited treatment while complex transactions can receive deeper review.

Recent CCI decisions show merger control across aviation, media, pharmaceuticals, banking and steel. This demonstrates that competition scrutiny is increasingly relevant to a broad range of corporate transactions.

The January 2026 Nippon Steel–Krosaki approval is a particularly recent example. The CCI's 2026 Fair Play publication records the matter as C-2025/10/1339 and identifies it as an approved acquisition.[19]

Businesses should increasingly integrate competition-law analysis into due diligence,

[17] Competition Commission of India, Sumitomo Mitsui Banking Corporation/YES Bank Ltd., Combination Registration No. C2025/06/1294 (2025).
[18] Competition Commission of India, Press Release, Commission Approves Acquisition of Krosaki Harima Corporation by Nippon Steel Corporation (Jan. 6, 2026).
[19] Competition Act, No. 12 of 2003, § 6(2).

transaction agreements, board processes and closing conditions. This is particularly important where transactions involve data, technology, intellectual property, network effects or highly concentrated markets.

CORPORATE GOVERNANCE DIMENSION

Merger control is closely connected with corporate governance because mergers and takeovers alter who controls the enterprise. Such changes can affect directors, minority shareholders, employees, creditors and consumers.

Boards should consider whether a proposed transaction is notifiable, what competitive overlaps exist, whether remedies may be required and how regulatory risk should be allocated in transaction documents.

Competition review can protect long-term corporate value by preventing transactions that create short-term benefits for controlling shareholders but weaken the competitive position of the enterprise or the market.

The ICICI Bank–Bank of Rajasthan transaction demonstrates the importance of sectoral regulation. Banking combinations must account for depositor interests, financial stability and RBI supervision in addition to ordinary corporate considerations.

Modern corporate governance therefore requires a multi-regulator perspective. Competition law, company law, securities law and sector-specific regulation may apply to the same transaction for different reasons.[20]

CONCLUSION

Mergers, amalgamations and takeovers are legitimate instruments of corporate growth and restructuring. Their economic benefits can be significant, but their effects on market structure justify preventive competition scrutiny.

The Indian combination regime under the Competition Act is centred on the AAEC test. The CCI considers market structure, market shares, entry, buyer power, innovation, vertical

[20] Competition Commission of India, official Green Channel guidance.

relationships and other statutory factors before deciding whether a transaction should proceed.

Sun Pharma–Ranbaxy remains an important example because it demonstrates approval with structural divestiture remedies. Recent decisions involving Air India–Vistara, Reliance–Disney, Torrent–J.B. Chemicals, SMBC–YES Bank and Nippon Steel–Krosaki show the continuing application of merger control across sectors.

The ICICI Bank–Bank of Rajasthan amalgamation additionally demonstrates that competition law operates alongside sector-specific banking regulation. Correctly distinguishing the legal basis of each decision is important in academic analysis.

The 2023 reforms, particularly the transaction-value threshold, have expanded the reach of Indian merger control. The long-term effectiveness of the regime will depend upon timely review, accurate market definition, proportionate remedies and coordination between competition and sectoral regulators.

Ultimately, merger control is not designed to stop mergers and takeovers. Its purpose is to ensure that legitimate corporate consolidation does not substantially weaken the competitive process. It is therefore an important component of both Indian competition policy and modern corporate governance.

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