EVOLVING DYNAMICS OF MERGERS AND ACQUISITIONS IN INDIA: LEGAL REFORMS, REGULATORY SHIFTS, AND FUTURE PATHWAYS

Mahalakshmi, Presidency University

ABSTRACT

Mergers and Acquisitions (M&A) have become an indispensable component of modern business strategy, serving as a catalyst for growth, innovation, and market expansion. In the Indian context, the past decade has marked a profound transformation in the M&A landscape, driven by both economic liberalization and legislative modernization. The convergence of regulatory oversight by the Ministry of Corporate Affairs (MCA), the Competition Commission of India (CCI), the Securities and Exchange Board of India (SEBI), and the Reserve Bank of India (RBI) has created a multifaceted legal ecosystem that seeks to balance investor freedom with market integrity.

This research paper critically examines India's evolving M&A regime from a legal and policy perspective, focusing on key reforms under the Companies Act, 2013, the Competition (Amendment) Act, 2023, and SEBI's progressive regulatory interventions. It explores how these developments reflect India's ambition to align with global best practices, particularly concerning the introduction of deal-value thresholds, the material influence test, and procedural reforms in NCLT adjudication. Furthermore, the study delves into sectoral implications, cross-border mergers, and the increasing relevance of ESG (Environmental, Social, and Governance) considerations in corporate consolidation.

By analyzing landmark mergers such as HDFC–HDFC Bank, Zee–Sony, and Zomato–Blinkit, the paper illustrates the growing sophistication of India's regulatory regime. It argues that while the country's framework is moving towards efficiency and transparency, lingering challenges such as regulatory overlap, procedural delays, and valuation disputes require urgent attention. The paper concludes by recommending a coherent, technology-driven, and unified regulatory approach that can enable India to emerge as a global hub for strategic corporate restructuring and sustainable business integration.

Keywords: Mergers and Acquisitions, Competition Act, Companies Act, SEBI, CCI, Legal Reforms, Corporate Governance, India, Regulatory Framework.

Introduction

The Indian corporate ecosystem has witnessed an unprecedented wave of mergers and acquisitions (M&A) over the last decade, signifying a pivotal shift in how businesses pursue growth, innovation, and market competitiveness. Historically, Indian corporate consolidation was primarily motivated by survival and scale; today, it has evolved into a strategic instrument for technological synergy, cross-border integration, and shareholder value creation.

The post-liberalization era (after 1991) marked the beginning of India's economic transformation, which opened domestic markets to foreign investment and catalyzed large-scale corporate restructuring. However, M&A activity truly surged in the 2010s and 2020s, when Indian businesses—especially in the technology, renewable energy, financial services, and manufacturing sectors—began competing in global markets. This rise in M&A was accompanied by a shift in legal philosophy: from state-controlled approvals to self-regulated transparency under modern corporate and competition law frameworks.

The legal foundations of Indian M&A are spread across multiple legislations: the Companies Act, 2013 governs corporate restructuring, the Competition Act, 2002 regulates anti-competitive effects, SEBI's SAST Regulations (2011) monitor acquisitions in listed entities, and the Foreign Exchange Management Act (FEMA) oversees cross-border transactions. This interlocking structure aims to ensure that M&A activity fosters not just economic growth but also market fairness, consumer protection, and financial stability.

From 2023 onward, India's regulatory regime underwent transformative change. The Competition (Amendment) Act, 2023 introduced the deal-value threshold, enabling the CCI to review acquisitions based on transaction value rather than turnover alone—a measure inspired by global trends addressing "killer acquisitions" in digital markets. The introduction of the material influence test expanded the definition of control, ensuring that minority shareholdings with governance influence are scrutinized for anti-competitive risks. Simultaneously, the Ministry of Corporate Affairs (MCA) streamlined procedural rules under Sections 230–234 of the Companies Act, 2013, enabling faster and more transparent merger approvals.

At the same time, SEBI's regulatory framework evolved to enhance investor protection and disclosure obligations, ensuring that listed company mergers and acquisitions are executed with transparency and fairness. RBI, through FEMA regulations, continues to play a pivotal role in

overseeing cross-border mergers, ensuring that India's external financial position remains stable and compliant with global exchange norms.

In this broader context, M&A in India represents not only a business strategy but also a legal and institutional test of balance—between facilitation and regulation, innovation and accountability, domestic priorities and international competitiveness. This paper seeks to unpack that balance by analyzing recent legal developments, their practical implications, and the future trajectory of India's M&A regime. It argues that the consolidation of India's corporate law framework under a unified, technology-integrated regulatory system is vital for sustaining investor confidence and enhancing India's global reputation as an attractive destination for corporate restructuring.

2. Understanding Mergers and Acquisitions

A merger occurs when two or more companies combine to form a single entity, typically with one surviving company absorbing the others. In contrast, an acquisition involves one company purchasing a controlling stake in another, often resulting in ownership and management transfer. While mergers are seen as cooperative alliances, acquisitions may be friendly or hostile depending on negotiation dynamics.

Under Indian law, mergers and acquisitions are collectively treated as "schemes of arrangement" governed by Sections 230–234 of the Companies Act, 2013.[1] These provisions allow entities to restructure assets, liabilities, or ownership structures, subject to judicial oversight by the National Company Law Tribunal (NCLT). Cross-border mergers are explicitly recognized under Section 234, permitting amalgamation between Indian and foreign companies in notified jurisdictions with prior RBI approval.[2]

M&A activity in India has closely paralleled economic liberalization and globalization. The 1991 reforms dismantled restrictive industrial licensing, leading to rapid sectoral consolidation. Since then, M&A deals have expanded across technology, manufacturing, telecom, pharmaceuticals, and renewable energy sectors. Notably, the digital economy has triggered new forms of acquisitions — including data-driven and algorithmic mergers — that challenge conventional competition law metrics.[1]

[1] [1] Companies Act, 2013, Sections 230–234.

3. Legal Framework Governing M&A in India

India's mergers and acquisitions regime does not reside in a single codified statute. Instead, it is governed by a constellation of legislative instruments, delegated rules, regulatory circulars, and judicial precedents that together define how corporate combinations occur. The M&A process is influenced by corporate, competition, securities, and foreign exchange laws, with several regulatory authorities operating in tandem. This multi-layered framework reflects India's attempt to balance commercial freedom with transparency, shareholder protection, and market integrity.

3.1 The Companies Act, 2013:

The Companies Act, 2013 serves as the principal statute for corporate restructuring in India.

Sections 230 to 232 empower companies to undertake compromises, arrangements, and amalgamations subject to approval by the National Company Law Tribunal (NCLT). These provisions replaced the outdated framework under the Companies Act, 1956 and introduced judicial supervision to ensure that stakeholder interests are protected throughout the process.

Under Section 230, a company proposing a merger must obtain sanction from a majority representing three-fourths in value of shareholders or creditors, followed by NCLT confirmation. Section 232 stipulates detailed procedural requirements such as filing a scheme, valuation report, auditor's certificate, and notices to regulatory authorities including the ROC, RBI, SEBI, and the Income-Tax Department. This multi-agency scrutiny ensures transparency and legal compliance at every stage.

Section 233 introduces a fast-track merger mechanism designed for small companies and holding–subsidiary mergers. Unlike the traditional route, these transactions bypass the NCLT, requiring only approval from the Registrar of Companies (ROC) and Official Liquidator, significantly reducing time and cost. Recognizing India's start-up ecosystem, the MCA's 2025 amendment extended this facility to start-ups recognized by the Department for Promotion of Industry and Internal Trade (DPIIT), thereby supporting entrepreneurial growth and consolidation in emerging sectors. [5]

[2] Ibid., S 234; Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, Rule 25A.

Section 234 authorizes cross-border mergers, permitting Indian companies to merge with foreign entities incorporated in jurisdictions notified by the Central Government, provided such transactions comply with the Foreign Exchange Management (Cross Border Merger) Regulations, 2018. This provision demonstrates India's gradual but steady embrace of globalization by enabling both inbound and outbound combinations. [3]

Recent Reforms

In 2024, the Ministry of Corporate Affairs amended the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 to introduce several procedural innovations. The changes mandated digital submission of merger schemes, evoting for shareholder meetings, and standardized disclosure templates for valuation reports. [4] Importantly, the amendments strengthened minority shareholder protections by requiring enhanced explanatory statements and independent valuation certification by registered valuers under the Companies (Registered Valuers and Valuation) Rules, 2017.

These steps indicate a paradigm shift from paper-intensive, tribunal-centric procedures to a digitally streamlined, stakeholder-driven framework, consistent with the government's Digital India and Ease of Doing Business initiatives.

Further, the MCA's 2024 Circular clarified that objections from regulatory authorities must be reasoned and time-bound, preventing undue procedural delays. Collectively, these reforms mark the transition of the Companies Act from a static procedural law to a dynamic instrument promoting investor confidence, minority protection, and cross-border compatibility.

3.2 The Competition Act, 2002:

The Competition Act, 2002 forms the second critical pillar of India's M&A regime. Administered by the Competition Commission of India (CCI), it ensures that mergers and acquisitions do not cause an appreciable adverse effect on competition (AAEC) within the relevant market. [6]

Pre-Combination Notification

Under Section 6(2), enterprises meeting prescribed asset or turnover thresholds must notify the CCI prior to consummating a transaction. The CCI then conducts a two-phase review to

evaluate market concentration, entry barriers, and consumer welfare implications.

The 2023 Amendment: Deal-Value Threshold and Material Influence

The Competition (Amendment) Act, 2023 introduced transformative changes.

The Deal-Value Threshold (DVT) mandates notification of transactions exceeding ₹2,000 crore in value where the target has substantial business operations in India, even if asset or turnover thresholds are not met. This reform addresses "killer acquisitions," especially in digital markets where start-ups may have low revenue but significant data assets. [7]

The Material Influence Test redefines "control" to include the ability to exert decisive influence over management or policy, even without majority shareholding. [8] This widens the scope of CCI oversight to minority acquisitions accompanied by governance rights, veto powers, or board representation.

Procedural Improvements

To enhance efficiency, the statutory review period for combinations has been reduced from 210 days to 150 days, with a commitment to resolve 90 percent of cases within 30 working days for non-problematic transactions. [9] The amendment also permits in-principle approvals, allowing parties to proceed conditionally pending final clearance—an innovation borrowed from EU practice.

The CCI's evolving jurisprudence reflects a pragmatic shift from a purely structural to a behavioural approach, focusing on competitive dynamics rather than market shares alone. High-profile cases such as Zomato–Blinkit (2022) and HDFC Bank– HDFC Ltd (2023) demonstrate this nuanced application of merger review principles.

3.3 SEBI and Securities Market Regulations:

For listed entities, the Securities and Exchange Board of India (SEBI) plays a pivotal role in safeguarding investor interests during mergers and takeovers. The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (SAST) establish the procedural framework for acquisitions beyond certain shareholding thresholds. An acquirer crossing the

25 percent voting-rights mark must make an open offer to public shareholders, ensuring fair exit opportunities. [10]

SEBI's Listing Obligations and Disclosure Requirements (LODR) mandate immediate disclosure of board decisions relating to mergers, along with publication of valuation reports, share-exchange ratios, and fairness opinions. These provisions prevent insider manipulation and maintain market transparency.

Recent amendments in 2024 introduced a uniform timeline for open-offer completion and harmonized pricing mechanisms, thereby reducing arbitrage. [11] SEBI also expanded the scope of mandatory fairness opinions—now required from independent merchant bankers in all material mergers involving listed companies—to enhance governance and protect minority investors.

3.4 FEMA and RBI Oversight:

M&A transactions involving foreign investment are governed by the Foreign Exchange Management Act (FEMA), 1999 and subordinate regulations. The Reserve Bank of India (RBI), as the principal regulator, ensures that cross-border mergers adhere to India's foreign-exchange policy and that resultant shareholdings comply with sectoral caps.

The FEMA (Cross Border Merger) Regulations, 2018 classify mergers as inbound (foreign company merging into Indian entity) or outbound (Indian company merging into foreign entity). In either case, the transaction must satisfy fairvaluation, payment-mode, and liability-assumption norms to protect domestic creditors and maintain balance-ofpayments stability.[12]

In 2024, RBI issued further clarification that any merger involving foreign parent companies with Indian subsidiaries requires prior approval if liabilities exceed prescribed limits or could materially affect India's external position. [13]

3.5 Sector-Specific Regulations:

Certain industries operate under dedicated regulators who exercise parallel jurisdiction in M&A transactions:

The Insurance Regulatory and Development Authority of India (IRDAI) must approve

insurance company mergers under Section 35 of the Insurance Act, 1938.

The Telecom Regulatory Authority of India (TRAI) oversees mergers in the telecom sector, ensuring spectrum-sharing compliance.

The Department of Financial Services (DFS) and the Reserve Bank of India jointly regulate bank mergers under Section 44A of the Banking Regulation Act, 1949.

The Power Ministry and Central Electricity Regulatory Commission (CERC) review consolidation in energy utilities. [14]

This sectoral mosaic ensures that public-interest considerations—such as financial stability, consumer protection, and critical-infrastructure security—are not compromised during corporate restructuring.

3.6 Synthesis: Towards a Harmonized Framework:

Although each of these legal pillars functions independently, their interdependence defines the success of M&A transactions in India. The interplay between the Companies Act, the Competition Act, SEBI norms, and FEMA creates both a comprehensive safeguard and an administrative challenge. The absence of a single-window mechanism often leads to overlapping scrutiny, yet it also ensures multilayered protection against market abuse.

India's recent reforms—digital filings, DVT, material-influence analysis, and fast-track merger expansion—reflect a strong policy orientation toward global alignment and procedural modernization. The emerging focus on cross-border mobility, data-driven competition analysis, and stakeholder inclusivity underscores a future-ready M&A ecosystem grounded in accountability and innovation.

4. Recent Trends and Regulatory Reforms (2023–2025)

The period between 2023 and 2025 represents a phase of deep structural transformation in India's M&A environment. Legislative, regulatory, and judicial interventions have collectively reshaped the corporate combination landscape, driven by two key objectives: ease of doing business and market accountability. While India has historically relied on turnover and asset-based thresholds for merger control, recent reforms recognize the rise of asset-light, data-rich

companies, the growing importance of cross-border mergers, and the need for procedural efficiency.

4.1 Introduction of Deal Value Thresholds (DVT):

The Deal Value Threshold (DVT), introduced by the Competition (Amendment) Act, 2023, addresses a longstanding gap in Indian merger control. Traditional asset and turnover thresholds often failed to capture high-value transactions in the digital economy. Start-ups and technology companies with minimal tangible assets could evade CCI scrutiny despite their strategic market significance. The DVT ensures that any high-value transaction exceeding ₹2,000 crore with substantial business operations in India is subject to mandatory notification, irrespective of asset or turnover limits.[15]

The reform has a significant impact on private equity acquisitions and minority stake investments. Previously, investments below threshold limits were often unreviewed, leading to potential market concentration. With DVT, even minority investments involving data-rich or high-tech start-ups are captured, aligning Indian law with international best practices. For instance, the acquisition of a 20% stake in a fintech start-up with substantial Indian operations, previously exempt from scrutiny, would now fall within the DVT ambit.[16]

As reported by The Hindu BusinessLine, the DVT represents a "forward-looking shift," enabling the CCI to examine acquisitions in the technology sector effectively and prevent potential anti-competitive outcomes early.[18] India Briefing highlights that the threshold brings India closer to jurisdictions like Germany and Austria, which already employ valuebased merger control to capture strategic acquisitions beyond traditional turnover metrics.[17]

Practical Implications

Companies planning high-value acquisitions must engage early legal counsel to determine DVT applicability.

Cross-border acquirers must factor in deal value notification in transaction timelines to avoid pre-merger clearance delays.

Start-ups with significant intellectual property or customer base may now be subjected to CCI review even if revenue is low, emphasizing the need for pre-transaction valuation and strategic assessment.[18]

4.2 Material Influence and Minority Acquisitions:

Another landmark reform under the 2023 Amendment is the "Material Influence" test, redefining "control" for competition purposes. Control is no longer restricted to majority ownership; it includes the ability to exert significant influence over corporate policy, board decisions, or operational strategy. This captures minority shareholding arrangements that confer veto rights, board representation, or contractual control over strategic decisions.[19]

The reform strengthens scrutiny of private equity deals, joint ventures, and venture capital investments, which often confer governance influence disproportionate to ownership stake. For instance, a 15% equity investment with veto rights over pricing policies or strategic partnerships could now trigger mandatory CCI notification.[20]

Practical effects include:

Enhanced diligence on shareholder agreements to determine whether "material influence" exists.

Requirement for compliance reporting to CCI even in minority investments, increasing transaction transparency.

Alignment with international standards such as the EU Merger Regulation and US Hart-Scott-Rodino Act, which similarly account for effective control beyond equity percentage.[21]

4.3 Simplified MCA Procedures:

To reduce administrative delays, the Ministry of Corporate Affairs (MCA) introduced procedural reforms in 2024–2025. Key measures include:

E-filing of merger schemes through the MCA's web portal.

Digital verification and e-voting for shareholder and creditor approvals.

Pre-hearing consultations with NCLT benches to resolve documentation or compliance queries before formal hearings.

These measures significantly reduce approval timelines, which historically could extend over

12–18 months for complex arrangements. Fast-track procedures under Section 233 are now widely utilized for start-ups, small companies, and holding-subsidiary mergers, enhancing corporate agility and consolidation speed.[22]

The reforms also strengthened minority shareholder protections, mandating independent valuations by registered valuers and enhanced explanatory statements outlining the transaction's economic impact. This ensures informed decisionmaking and mitigates the risk of shareholder disputes post-merger.[23]

4.4 Regulatory Coordination:

A growing challenge in India's M&A space has been overlapping jurisdiction among regulators such as MCA, CCI, SEBI, and RBI. To address this, the government has encouraged inter-agency coordination through joint working groups and memorandum of understanding (MoUs).

Examples include:

CCI-SEBI coordination for listed company acquisitions to harmonize open offer obligations with competition review.

MCA-RBI liaison for cross-border mergers under FEMA, ensuring simultaneous compliance with corporate and foreignexchange regulations.

The result is a more predictable regulatory environment, with clear timelines and fewer procedural bottlenecks. Analysts suggest that enhanced coordination will reduce transaction costs by 15–20%, particularly for multi-jurisdictional or highvalue deals.[24]

4.5 Fast-Track Mergers and Small Entities:

Fast-track mergers, introduced under Section 233 of the Companies Act, 2013, are increasingly popular for MSMEs and start-ups, especially those recognized under DPIIT guidelines.

Benefits include:

Lower compliance burden due to reduced NCLT involvement.

Faster approval timelines, often under 60–90 days.

Digital submissions, enabling seamless filings even for geographically dispersed shareholders.

The MCA's 2024 and 2025 updates expanded eligibility, making fast-track mergers a critical instrument for start-up consolidation, venture capital exits, and MSME growth, thereby stimulating domestic investment and corporate restructuring.[25]

5. Challenges and Legal Complexities in Indian M&A

Despite significant reforms, India's M&A landscape faces several structural and operational challenges. These stem from overlapping regulatory jurisdictions, procedural inefficiencies, valuation disputes, and emerging sector-specific complexities.

5.1 Multiplicity of Regulators:

M&A transactions in India are subject to concurrent oversight by multiple authorities:

NCLT under the Companies Act, 2013

CCI under the Competition Act, 2002

SEBI for listed company acquisitions

RBI for cross-border and foreign exchange compliance

This multi-layered framework often results in duplicative filings, inconsistent timelines, and conflicting procedural requirements, which can delay transactions and increase compliance costs. A 2023 report by the Standing Committee on Finance emphasized the need for a unified digital clearance portal that integrates MCA, SEBI, RBI, and CCI approvals to ensure time-bound, transparent clearance mechanisms.[25]

5.2 Valuation and Minority Shareholder Protection:

Valuation remains a critical point of contention, particularly in cross-border deals and digital economy mergers. Variances in accounting standards, valuation methodologies, and exchange-rate considerations often lead to disputes resolved only after prolonged NCLT litigation.

The Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 mandate an independent valuation report certified by a registered valuer to ensure fairness and mitigate conflicts.[26] For listed companies, SEBI requires fairness opinions from SEBI-registered merchant bankers, enhancing protection for minority shareholders.[27] These measures improve confidence in valuations, though disputes over asset classification, intangibles, or digital assets persist.

5.3 Judicial Delays and Procedural Inefficiencies:

Even with digitalization and fast-track merger provisions, NCLT benches remain overburdened. A 2024 MCA report found that the average approval timeline for complex mergers exceeded 280 days, compared to under 90 days in Singapore or the UK.[28] Procedural delays undermine investor confidence and discourage cross-border participation.

Experts have proposed:

Establishing specialized M&A divisions within NCLT

Introducing AI-assisted case management to prioritize filings and automate procedural compliance

Strengthening pre-filing consultations with regulators to prevent rejections due to incomplete documentation.[29]

6. Case Studies Illustrating Legal Evolution

6.1 HDFC–HDFC Bank Merger (2023):

The HDFC Ltd.–HDFC Bank merger, valued at USD 40 billion, represents India's largest-ever corporate consolidation. It required coordinated approvals from RBI, CCI, SEBI, NCLT, and stock exchanges.

The CCI granted unconditional approval, citing minimal overlap in banking operations and the merger's benefits to financial inclusion.[30] The deal demonstrated that inter-agency coordination is possible for complex, large-scale transactions, providing a template for future financial sector consolidations.

6.2 Zomato–Blinkit Acquisition (2022):

The Zomato–Blinkit acquisition highlighted gaps in traditional merger control. Despite limited turnover, the deal's valuation exceeded ₹4,500 crore, yet it escaped CCI scrutiny because the Deal Value Threshold (DVT) was not yet in force.[31]

This case prompted debate over including data control, user base, and digital influence as factors in merger assessment. The Competition (Amendment) Act, 2023 addressed this gap, introducing value-based thresholds that now capture such strategic acquisitions.[32]

6.3 Reliance–Viacom18–Disney India Deal (2024):

The ongoing media consolidation between Reliance Industries, Viacom18, and Disney India illustrates the tension between innovation and market concentration. SEBI and CCI are actively reviewing the transaction for its impact on content diversity, pricing, and competitive behavior.[33]

Legal experts argue that India must balance its ambition to foster global media competitiveness with safeguards against oligopolistic dominance. The case underscores the growing complexity of digital-media M&A, where intangibles and audience data play a pivotal role.

7. Cross-Border Mergers: Emerging Frontiers

7.1 Outbound and Inbound Mergers:

Under the Companies Act, 2013 and FEMA (Cross-Border Merger) Regulations, 2018, Indian companies may merge with foreign entities in jurisdictions notified by the Central Government (e.g., Singapore, Japan, the UK, USA).[34]

Inbound mergers (foreign → Indian) require RBI approval, ensuring compliance with India's foreign investment policy and sectoral caps.

Outbound mergers (Indian → foreign) mandate that Indian shareholders receive securities compliant with FEMA regulations and Liberalized Remittance Scheme (LRS) limits.[35]

The RBI 2024 circular clarified that mergers affecting foreign-controlled Indian subsidiaries require prior approval if liabilities exceed prescribed thresholds, protecting India's external

position.[36]

7.2 Taxation and Accounting Issues:

The Income Tax Act, 1961 provides tax neutrality for mergers meeting certain conditions, such as continuity of business and shareholding.[37] However, outbound mergers may trigger capital gains and stamp duty liabilities, particularly when assets are transferred internationally.

The Finance Act, 2024 proposed rationalized tax treatment for cross-border mergers to attract foreign investors and align with OECD guidelines on base erosion and profit shifting (BEPS).[38]

7.3 Role of Bilateral Investment Treaties (BITs):

BITs influence dispute resolution in M&A, particularly when investors contest state actions or retrospective taxation. Several foreign investors have invoked arbitration clauses under older BITs to protect their investments.[39]

The India Model BIT (2016) limits some investor protections but introduces predictability and modern arbitration standards, offering clarity for cross-border M&A participants in strategic sectors such as telecom, energy, and fintech.

8. Policy Recommendations

1. Unified Regulatory Platform: Integrate MCA, SEBI, RBI, and CCI approvals through a single-window digital portal to reduce duplication and ensure transparency.

2. Specialized NCLT Benches: Establish dedicated M&A benches with trained judicial members to expedite case disposal.

3. Dynamic Antitrust Tools: Incorporate data-driven dominance tests within CCI's merger review framework, acknowledging digital ecosystem realities.

4. Tax Rationalization: Align India's taxation of cross-border mergers with OECD's Base Erosion and Profit Shifting (BEPS) guidelines to attract global capital.

5. Shareholder Empowerment: Strengthen disclosure and voting rights, especially for

minority investors in complex mergers.

6. Sustainability in M&A: Introduce ESG (Environmental, Social, and Governance) reporting for mergers above prescribed thresholds to ensure long-term responsible consolidation.

Conclusion

India's journey toward a modern, efficient, and transparent mergers and acquisitions regime reflects the country's broader economic and legal evolution. The reforms implemented through the Competition (Amendment) Act, 2023, the continuous modernization of the Companies Act, 2013, and SEBI's proactive policy interventions together signify a decisive move towards global alignment. The incorporation of deal-value thresholds, the recognition of material influence, and the streamlining of NCLT procedures are not mere technical updates; they symbolize India's determination to bridge the gap between regulatory control and business dynamism.

Yet, challenges persist. Procedural inefficiencies, fragmented jurisdiction among regulators, and inconsistent enforcement standards continue to delay complex transactions. The overlap between SEBI, CCI, RBI, and MCA approvals—each with distinct criteria and documentation requirements—creates uncertainty and deters time-sensitive deals. These bottlenecks underscore the urgent need for a unified clearance mechanism that integrates multi-agency oversight through a single, transparent digital interface.

Furthermore, as M&A activity increasingly intersects with digital markets, data ownership, and intellectual property, traditional antitrust and valuation frameworks must evolve. CCI's recent focus on "data dominance" is a positive step, but India must develop advanced, data-driven methodologies to evaluate mergers in technology and platform-based sectors. Similarly, ESG integration into M&A due diligence will become indispensable as global investors prioritize sustainability and ethical business practices.

India's M&A trajectory also holds significant implications for its international economic diplomacy. The liberalization of cross-border mergers under FEMA, coupled with a rationalized tax regime, positions India as a critical node in global corporate restructuring. To

sustain this momentum, policymakers must continue refining regulatory clarity, fostering investor trust, and harmonizing domestic laws with international standards.

In essence, India stands at the threshold of a transformative era in corporate consolidation. A forward-looking M&A framework—anchored in coherence, efficiency, and fairness—will not only enhance India's competitiveness but also shape its identity as a global leader in responsible and innovation-driven corporate governance. If effectively implemented, these reforms will make India not just a participant but a pacesetter in the global mergers and acquisitions landscape.

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