

Important Merger Control Update: Indian Government (MCA) notifies new provisions governing merger control

The Ministry of Corporate Affairs (**MCA**) has notified the much-awaited **provisions** of the Competition Act, 2002 (**Act**), introduced by the Competition (Amendment) Act, 2023 (**Amendment Act**) and **rules** covering various aspects of merger regulation in India.

These new provisions will be effective 10 September 2024.

Here is a quick look at what to expect:

- i. **Deal Value Threshold:** Enforcement of the 'deal value threshold' (**DVT**) as an additional jurisdictional criterion for merger notifications to the Competition Commission of India (**CCI**). For global transactions, one can expect a reasonable local nexus requirement. The DVT will likely apply irrespective of whether the target meets the *small target* exemption. The new combinations regulations (expected to be published shortly) will contain the fine print on the scope of the DVT;
- ii. **Stock market transactions:** Exception from prior approval for implementation of stock market transactions including open offers (subject to conditions);
- iii. **Review timelines:** Shorter merger review timeline of 30 calendar days for *prima facie* / Phase 1 approval, with the outer timelines reduced to 150 calendar days. However, in practice the clearance timelines may not actually shorten because of this change;
- iv. **Merger review process:** Various provisions on merger review, investigation, and process revamped, such as upfront proposal for modifications, issuance of *prima facie* orders, etc.



Additionally, the MCA has notified the following rules:

- i. Competition (Criteria for Exemption of Combinations) Rules, 2024 (**Exemption Rules**) - *The Exemption Rules provide a detailed and revised list of categories of transactions which can avail exemptions from CCI notifications (current version of these exemptions are in Schedule I, Combinations Regulations, 2011) codifying existing decisional practice of the CCI;*
- ii. Competition (Criteria of Combination) Rules, 2024 (**Green Channel Rules**) - *The Green Channel Rules codify existing decisional practice on the applicability of the green channel route of notifications; and*
- iii. Competition (Minimum Value of Assets or Turnover) Rules, 2024 (**Small Target Exemption Rules**) - *The Small Target Exemption Rules codify the MCA notification stating that the maximum value of total assets and*

turnover of the target enterprise must be INR 450 crore and INR 1,250 crore, respectively to avail the De Minimis exemption.

The CCI is likely to publish the new merger control regulations (**Merger Regulations**) shortly. These will replace the existing CCI (Procedure in regard to the transactions of business relating to combinations) Regulations, 2011 (**Combinations Regulations, 2011**) (as amended). The Merger Regulations are *inter alia* expected to provide the detailed guidance on the applicability/implementation of the DVT along with the above-mentioned provisions/ rules.

The Merger Regulations (once published) along with the above-mentioned rules will together give effect to the major amendments in relation to merger control in India. Our previous client alert on the Draft Merger Regulations and the Draft rules are available [here](#) and [here](#), respectively.

Watch out this space for our detailed analysis on the impact of the Merger Regulations and the Rules on deal making in India.

Key Contacts:

Avaantika Kakkar
Partner (Head - Competition)
avaantika.kakkar@cyrilshroff.com

Vijay Pratap Singh Chauhan
Partner
vijay.chauhan@cyrilshroff.com

Dhruv Rajain
Partner
dhruv.rajain@cyrilshroff.com

Kaustav Kundu
Partner
kaustav.kundu@cyrilshroff.com

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Peninsula Chambers, Peninsula Corporate Park, GK Marg, Lower Parel, Mumbai 400 013, India
T +91 22 6660 4455 F +91 22 2496 3666 E cam.mumbai@cyrilshroff.com W www.cyrilshroff.com
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