

# The Indian merger control rollercoaster: 2024's wild ride



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2024 brought with it paradigm shifts for the Indian merger control regime. India witnessed the notification of the long-awaited revised merger control-related provisions, significantly overhauling the most substantive and procedural aspects of obtaining merger approvals. For the effective implementation of the amendments, a slew of regulations and rules were also revised and notified. In terms of its decisional practice, while the [Competition Commission of India \(CCI\)](#) remained largely consistent with its practice from previous years, certain key decisions in 2024 will necessitate changes in the approach being adopted by filing parties.

## **Introduction of 'deal value' thresholds**

Introduction of the deal value threshold has been the highlight of 2024 – not only because India is among the few jurisdictions to have a 'deal value' based notification threshold, but also because of its implications for deal making in India. Transactions with a deal value exceeding INR 2000 crores and where the target enterprise has 'significant business operations' in India, now require a notification to and approval from the CCI.

## **Green Channels - Treading a tightrope**

In 2024, the CCI received and approved 20 filings made under the '[Green Channel](#)' route. 2024 also saw the notification of the 'Green Channel' rules which re-iterate the eligibility for availing the 'Green Channel' route. While the fundamental criteria for the 'Green Channel' route remains unchanged (absence of any actual or potential overlaps between the acquirer and the target(s) including their respective 'affiliates'), the revised definition of an 'affiliate' (with whom overlaps in business activities are also required to be mapped) now includes entities in which a party to a filing to the CCI has access to commercially sensitive information.

Interestingly, 2024 witnessed another penalty being imposed on filing parties to a 'Green Channel' filing, marking 2024 as the second successive year of the CCI imposing penalties for wrongly notifying their transactions under the fabled 'Green Channel' route. The CCI imposed a penalty of INR 10 lakhs on an entity belonging to the Motilal Oswal group for wrongly notifying a transaction under the 'Green Channel' route. The decision further drives home the point that the criteria for 'Green Channel' route is objective and specific. While the CCI has, in isolated instances in the past, allowed notifying parties to notify under the 'Green Channel' route despite minor overlaps, its decisions from 2023 and 2024 suggest an extremely strict and objective application of the criteria with there being no wriggle room.

#### *Mapping overlaps with [Limited Partners](#) - Fresh hurdle for investment funds*

In another intriguing development, the CCI is closely monitoring rights held by limited partners in fund structures and requiring overlap mapping to be undertaken with the target(s), which will be a fresh hurdle for investment funds. Given this, a call to exclude overlap mapping with limited partners would have to be made based on specifics of the case. Going forward, in cases where limited partners have atypical rights packages in the investment vehicle/investee entities, notifying parties will be expected to map overlaps with such limited partners as well. This development will particularly increase the burden on private equity funds (and other entities with fund structures) to undertake these checks, given their complex fund structures with a significant number of limited partners.

#### *Increased scrutiny - Conglomerate mergers*

In 2024, following in the footsteps of more mature antitrust jurisdictions around the world, the CCI assessed [Hewlett Packard](#) Enterprise Inc.'s (Hewlett Packard) acquisition of Juniper Networks Inc. (Juniper) through the lens of novel theory of harm of 'conglomerate effects' going beyond more traditional theories of harm. The CCI, while reviewing the transaction, explicitly assessed the conglomerate effects of the transaction on account of the expansion of HP's product portfolio in the networking solutions sector by 3 products, which were earlier only manufactured and sold by Juniper. The CCI undertook its assessment based on substantial bidding data (including win/loss ratios).

#### *Looking ahead*

With a slew of public consultations, the introduction of substantive amendments to the law, approval of 2 transactions conditionally through imposition of structural and

behavioural remedies, and the review of more than 130 transactions (including several large and voluminous transactions), 2024 may have been the most productive year at the CCI since its inception. It is undeniable that the introduction of the deal value threshold has been the standout feature of the Indian merger control regime in 2024. However, the CCI's work in relation to the Amendment Act may not be over yet. At the time of the notification of the Amendment Act, stakeholders expressed concerns over the ambiguity and wide ambit of the deal value thresholds. 2025 will prove to be critical in this regard. The CCI would ideally need to clarify these aspects, either through guidance notes/responses to frequently asked questions or through its decisional practice, to bring about more certainty on the implementation of the deal value thresholds and prevent inadvertent incidents of gun jumping stemming from a lack of clarity on the interpretation of these provisions.

With the CCI already having approved multiple transactions notified under this newly introduced threshold, it will also be interesting to see how the CCI will handle the added case load stemming from the deal value thresholds, particularly in light of a shorter review period introduced by the amendments.

What remains certain for 2025 is that the CCI will step up to the challenge and maintain its efforts in ensuring a strong balance between maintain competition in Indian markets and making it easier for parties to undertake business in India.