

Navigating India's Merger Control Landscape: Insights for 2026, ETLegalWorld

ET legal.economictimes.indiatimes.com/news/opinions/navigating-indias-merger-control-landscape-insights-for-2026/126559759

Aparna Mehra, Kshitij Sharma, Karan Arora, ET LegalWorld

January 16, 2026



Aparna Mehra partner at Trilegal, Karan Arora and Kshitij Sharma senior associates at Trilegal

While 2024 ushered in a structural overhaul of the [Indian merger control regime](#), 2025 became its first full stress test. Marking the first full calendar year post the notification of the deal value threshold and other merger control amendments in September 2024, the focus shifted from 'overhaul' to 'implementation'. The [CCI](#) maintained a rigorous approach, continuing its crackdown on gun jumping. Meanwhile, the high-profile *AGI Greenpac–Hindustan National Glass* saga, which ultimately reached the Supreme Court, spotlighted the complex interplay between competition law and [insolvency](#) proceedings.

Against this backdrop, transactional activity remained strong. A total of 134 combinations were approved in 2025, comprising 116 non-Green Channel filings and 18 Green Channel approvals. This exceeded the 131 combination approvals recorded in 2024, making 2025 one of the most active years for the CCI's combination division in the last 5 years. **Clarity on the CCI-IBC Standoff**

In January, the Supreme Court clarified that prior approval from the CCI is mandatory before the [Committee of Creditors](#) (CoC) votes on a resolution plan under the [Insolvency](#) and Bankruptcy Code, 2016 (IBC). The Supreme Court reasoned that a conditional approval or rejection by the CCI could materially alter a resolution plan. In May, this stance was upheld by the Supreme Court in a review sought by AGI Greenpac. Following this ruling, bidders in IBC-related transactions began approaching the CCI for approval before CoC voting, resulting in a surge in merger control filings. This development underscored the urgent need to amend the IBC to harmonize timelines and processes. The Insolvency and Bankruptcy Code (Amendment) Bill, 2025 (Bill), tabled before the Lok Sabha in August, proposes to override this judgment, requiring CCI approval after the CoC vote but before submission to the [NCLT](#) (the

adjudicating authority under the IBC). In December, the select committee of the Indian parliament endorsed the amended provision, signalling legislative intent to override the Supreme Court's interpretation. The Bill is expected to be tabled in the upcoming Budget session of the Indian parliament, potentially reshaping timelines for distressed M&A transactions.

Demystifying the New Regime: CCI's Revised FAQs

In May, the CCI released a revised set of Frequently Asked Questions (FAQs) to interpret the significant reforms introduced to the [Indian merger control regime](#) and address ambiguities flagged by legal practitioners and other stakeholders. While non-binding, these FAQs have provided much-needed clarity for businesses navigating the complexities of the new framework.

A central feature of the amendment was the codification of the "material influence" standard of control. Through the FAQs, the CCI clearly outlined the distinction between control-conferring rights, such as vetoes over budgets or business plans, and standard investor protection rights, like anti-dilution clauses. The FAQs also shed light on the computation of deal value threshold (DVT), providing additional clarity for determining notification requirements.

Further, the FAQs provide an indicative list distinguishing commercially sensitive information, such as pricing and strategic plans, from standard financial data, in the context of the revised criteria for consideration of entities for overlap mapping.

Ready, Set, Stop: CCI Comes Down on Gun Jumping

2025 marked the resurgence of heightened 'gun-jumping' scrutiny, with the CCI issuing five gun-jumping decisions, a sharp rise from just one in 2024. These decisions signal that the industry-friendly mechanisms introduced to ease regulatory burden, such as the "ordinary course of business" exemption, do not offer an automatic safe harbour. Instead, parties must undertake rigorous self-assessment to withstand regulatory review.

In the *Goldman Sachs* case, the CCI imposed a penalty of INR 40 Lakhs on Goldman Sachs (GS) for failing to notify an acquisition of optionally convertible debentures of Biocon Biologics. Rejecting Goldman Sachs' claim that the deal was a passive investment eligible for the minority share acquisition exemption, the CCI held that rights to access board minutes and veto reserved matters revealed a strategic intent incompatible with an "ordinary course" investment. Conversely, the CCI displayed pragmatism in the *Torrent Power* matter. While it found a technical violation, the regulator refrained from imposing a penalty, acknowledging the ambiguity arising from the interplay between the Competition Act and the Electricity Act.

The regulator displayed equal vigilance regarding procedural compliance. In *Manipal Health Systems* and *Matrix Pharma* orders reaffirmed the sanctity of "standstill" obligations and making complete disclosures to the CCI. In *Manipal*, the parties were penalized INR 20 Lakhs for consummating a composite transaction before approval, while *Matrix Pharma* attracted scrutiny for modifying the deal structure without fresh notification.

Collectively, these decisions serve as a stark warning to dealmakers: the CCI is looking beyond labels to the commercial reality of transactions. Whether assessing strategic rights or scrutinising the contours of a transaction, the margin for error has narrowed significantly.

'Forging' Ahead: CCI Clears the Path with Behavioural Commitments

In July, the CCI approved Bharat Forge's (BF) acquisition of 100% shareholding in AAM India Manufacturing Corporation (AAMC). This is the CCI's first a Phase II clearance since the *L&T/Schneider* decision in April 2019. The extended review was triggered by the horizontal overlaps in axles for commercial vehicles and medium and heavy commercial vehicles (MHCV). Post-combination, the aggregation of AAMC with BF's existing joint ventures (Meritor and Automotive Axles) would result in market shares of 60-65% in the MHCV market, raising concerns about reduced competition. The CCI concluded that the transaction could eliminate a credible competitor and dampen the countervailing buyer power of OEMs.

Despite BF offering voluntary modifications during Phase I, the CCI progressed the review of the transaction into Phase II. Ultimately, it accepted the revised voluntary modifications offered by BF, including operational independence of AAMC, management separation, information ring-fencing, and a commitment to limit BF's influence on its joint ventures. This decision underscores the CCI's willingness to clear high-concentration deals, provided robust behavioural safeguards are in place.

Conclusion

2025 marked the definitive transition of the Indian merger control regime from legislative overhaul to operational reality. The CCI balanced rigorous enforcement with pragmatic assessments, even as it grappled with ambiguities introduced by the amendments and an uptick in filings triggered by the introduction of deal value threshold.

However, there remains work to be done. The expanded scope of overlap mapping and the DVT have increased compliance burdens. Detailed due diligence is now critical for parties seeking to avail the Green Channel route,

given the heightened scrutiny and complexity of filings.

As the regime matures, the CCI must introduce practical refinements to ensure that "Merger Control 2.0" remains efficient and business-friendly. If 2025 was about operationalising the amended framework, 2026 offers an opportunity for strategic fine-tuning. One thing is clear: the CCI will continue to uphold the delicate balance between preserving competition and facilitating ease of doing business in a rapidly growing economy.

(Views are personal)

- Published On Jan 16, 2026 at 12:33 PM IST