

March 2024

Government Revises Merger Control Thresholds

In a significant move, the Ministry of Corporate Affairs, Government of India ("MCA"), by way of 2 (two) separate notifications both dated March 07, 2024, has enhanced the value of asset and turnover thresholds under (i) Section 5 of the Competition Act, 2002 ("Competition Act") by 150%; and (ii) *De Minimis/* Small Target Exemption.

The Competition Act requires mandatory notification to, and prior approval of, the Competition Commission of India ("CCI") for transactions which exceed the 'jurisdictional thresholds' prescribed under Section 5 of the Competition Act ("Section 5 Thresholds").

Further, the MCA, by way of notification dated March 16, 2022 read with the notification dated March 29, 2017, has exempted a combination from requiring notification to, and approval from, the CCI, if the target enterprise, on a consolidated basis, has either assets of the value not exceeding INR 350 crores (USD 42.09 million in India or turnover not exceeding INR 1,000 crores (USD 120.25 million in India ("*De Minimis* Exemption Thresholds").

The revised Section 5 Thresholds and the *De Minimis* Exemption Thresholds are as under:

De Minimis Exemption

Entity	Assets in India		Turnover in India
Target Enterprise	INR 450 crores	Or	INR 1,250 crores
	(USD 54.11 million)	UI	(USD 150.31 million)

The notification reiterates that in case a portion of an enterprise or division or business is being acquired, taken control of, merged or amalgamated with another enterprise, then the asset value and turnover of the relevant asset (mentioned above), will be taken into consideration for applying the *De Minimis* Exemption Thresholds. These thresholds are valid for 2 (two) years.

Section 5 Thresholds

India Thresholds						
Alternative	Entity	Assets		Turnover		
Test 1	Acquirer and target, together	INR 2,500 crores (USD 300.63 million)		INR 7,500 crores (USD 901.88 million)		
Test 2	Acquirer's group and target, together	er's group and target, together (USD 1.20 billion)		INR 30,000 crores (USD 3.61 billion)		
Worldwide Thresholds with India Nexus						
Alternative	Entity	Assets		Turnover		
Test 3	Acquirer and target, together	USD 1.25 billion (INR 10,395 crores)		USD 3.75 billion (INR 31,185 crores)		
	Of which in India	INR 1,250 crores (USD 150.31 million)	Or	INR 3,750 crores (USD 450.94 million)		
Test 4	Acquirer's group and target, together	USD 5 billion (INR 41,580 crores)	Or	USD 15 billion (INR 1,24,740 crores)		
	Of which in India	INR 1,250 crores (USD 150.31 million)		INR 3,750 crores (USD 450.94 million)		

(Source: Notifications dated March 07, 2024)

Competition Practice

Since the inception of the Indian competition regime, JSA has been a one-stop shop for all types of competition and anti-trust-related matters. As such, the team's in-depth understanding of the competition law, coupled with its commercially focused litigation skills has been the cornerstone on which it deals with matters relating to cartelisation (including leniency), abuse of dominance, vertical agreements, and dawn raid before the Competition Commission of India and appellate courts. The team regularly advises clients on general competition law issues arising from day-to-day business strategies and conducts competition compliance training for clients.' Given the team's continued involvement with the regulator, coupled with its balanced and practical approach to competition law, it has been instrumental in shaping the competition law jurisprudence in India.

Over the years, the team has developed a reputation of not only being well regarded by its peers but also for having developed a good working relationship with the regulatory authorities. As such our lawyers have been involved in drafting statutory regulations and have represented the Indian competition law fraternity at various competition law seminars, workshops, and advocacy & public awareness programs across the world. The team's expertise (including team members) has been widely recognised by various leading international rankings and publications including Chambers and Partners, Who's Who Legal, Global Competition Review, Benchmark Litigation, Asialaw, and the Legal 500.

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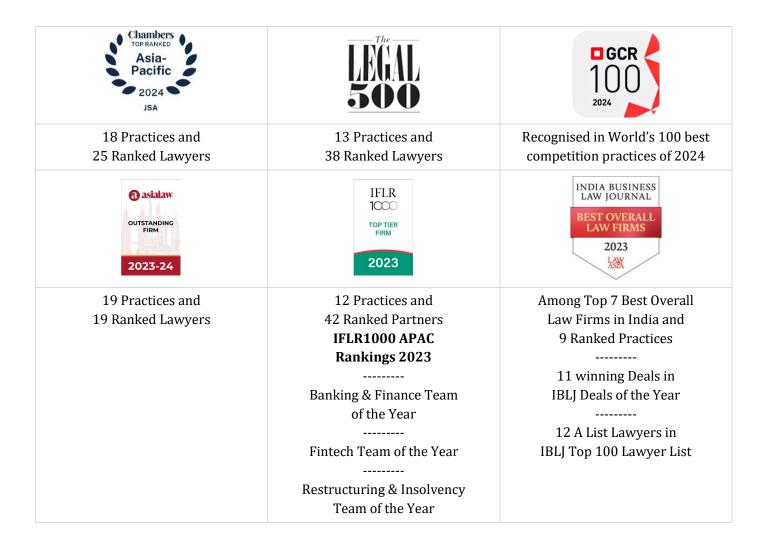
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