

CCI Amends Merger Control Regulations

The Competition Commission of India (“CCI”) vide notification dated April 4, 2013 has amended the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, (“CCI Merger Control Regulations”).

The CCI has amended Schedule I (as per regulation 4 CCI Merger Control Regulations), which details the categories of transactions ordinarily NOT likely to cause an appreciable adverse effect on competition in India. It may be noted that such categories of transactions as specified under Schedule I need NOT normally be required to file notices under section 6(2) of the Competition Act, 2002.

Some of the major amendments to Schedule I of CCI Merger Control Regulations are listed below.

- **New Category - Category 1A deals with acquisition of additional stake**

The following shall not be required to file notice - If the acquisition is less than 5 percent of the shares in a financial year, where the acquirer already holds 25 percent share of the company, provided it does not lead to acquisition of control.

- **Revised Category 8 (and Category 8A has been omitted) which deals with Intragroup Acquisition shall be substituted as follows**

The following shall not be required to file notice - Any acquisition of shares or voting rights or assets by one person or enterprise of another enterprise within the same group; except in the cases where acquired enterprise is jointly controlled by enterprises that are not part of the same group.

- **Revised Category 9 which deals with re-organisation within the same group shall be substituted as follows**

The following shall not be required to file notice - A merger or amalgamation of two enterprises where one of the enterprises has more than fifty per cent (50%) shares or voting rights of the other enterprise, and/ or merger or amalgamation of enterprises in which more than 50% shares or voting rights in each of such enterprises are held by enterprises within the same group; provided that the transaction does not result in transfer of from joint control to sole control.

- **Category 5 has been revised to read as**

The following shall not be required to file notice - An acquisition of stock-in-trade, raw materials, stores and spares, trade receivables and other similar current assets in the ordinary course of business.