



The Indian Journal for Research in Law and Management

Open Access Law Journal – Copyright © 2026

Editor-in-Chief – Dr. Muktai Deb Chavan; Publisher – Alden Vas; ISSN: 2583-9896

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ONE TRANSACTION, MULTIPLE REGULATORS: THE PROBLEM OF REGULATORY OVERLAP IN INDIAN M&A

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ABSTRACT

Indian M&A transactions increasingly operate across multiple regulatory frameworks which involves the Competition Commission of India (“CCI”), Securities and Exchange Board of India (“SEBI”), Reserve Bank of India (“RBI”), National Company Law Tribunal (“NCLT”) and sectoral regulators. While each institution pursues a legitimate statutory objective, their concurrent involvement can create overlapping jurisdiction, repeated compliance and uncertainty in the transaction process. The consequences are practical: longer timelines, higher transaction costs and reduced deal certainty.

This paper argues that the central difficulty is not the existence of multiple regulators but the insufficient coordination between their regulatory processes. Separate scrutiny may be justified; fragmented procedures are not. The paper examines selected Indian M&A transactions to demonstrate how differences in timelines, information requirements and regulatory sequencing can affect the deal execution. It argues for a more coordinated framework based on a clearer sequencing, harmonised timelines, inter regulatory consultation, standardised information requirements and greater use of pre filing engagement. The objective is not regulatory consolidation, but coordinated regulation. India needs specialised regulators that can work together more predictably.

1. INTRODUCTION

1.1. BACKGROUND

Mergers and acquisitions in India are no longer governed by a single regulatory framework. A transaction that appears commercially straightforward may involve competition law, securities regulation, foreign exchange rules, company law and sector specific requirements at the same time. The regulatory consequences depend on the nature of the parties, the structure of the transaction, the sector involved in

cross border deals and the presence of foreign investment. The result is a fragmented but increasingly important approval architecture.

The Competition Act, 2002, for instance, requires notifiable combinations to be examined by the Competition Commission of India (“CCI”) before consummation. The Act also makes clear that its provisions operate in addition to other laws.¹ This is significant, CCI approval does not replace the approval or compliance requirements imposed by another authority. A single transaction can therefore move through several regulatory channels all at once.

1.2. THE PROBLEM OF REGULATORY OVERLAP

Multiple regulators are not by themselves evidence of regulatory failure. Each institution has a different mandate. CCI examines the competitive effects of the combinations. SEBI addresses securities market and investor concerns. RBI and the foreign exchange framework regulate matters involving any foreign investment and financial sector stability. The National Company Law Tribunal (“NCLT”) performs a distinct role in schemes of arrangement and corporate restructuring.

The difficulty begins when these legitimate mandates intersect each other. Different regulators may prescribe different filing requirements, review standards, procedural timelines and conditions. Sometimes the same transaction must be explained repeatedly to different authorities and one approval might become practically dependent on another. Sometimes a regulatory condition can alter the structure of the deal.

This creates a less visible form of transaction risk. The issue is not simply whether approval will be granted. It is whether approvals will be obtained in the right sequence, within the expected timeframe and on the terms that preserve the commercial bargain. CCI itself recognises that a merger review has implications for transaction time and cost, particularly in complex transactions.²

For M&A parties, the consequences can be substantial. Regulatory uncertainty may affect conditions precedent, long stop dates, financing arrangements, valuation and allocation of regulatory risk. The problem therefore is not merely regulatory overlap, it is the overlap without sufficient coordination.

1.3. RESEARCH QUESTIONS

¹ Competition Act, 2002, §§ 6, 60, 62 (India).

² Competition Commission of India, *Steering Competition Regulation of Mergers & Acquisitions: The Indian Experience*, **Fair Play**, Vol. 34, at 8 (July–Sept. 2020).

This paper examines four questions. First, where do the regulatory jurisdictions overlap in Indian M&A transactions? Second, what practical problems does such overlap create for parties and transaction execution? Third, are existing mechanisms for inter regulatory coordination sufficient? Finally, how can India improve coordination without weakening the specialised functions of individual regulators?

1.4. METHODOLOGY AND SCOPE

The paper adopts a doctrinal and analytical methodology. It examines the Competition Act, 2002, Companies Act, 2013, SEBI regulations, FEMA framework and relevant sectoral regulations, together with regulatory orders, circulars, government materials and judicial decisions. It also draws upon academic and comparative literature on merger regulation and regulatory governance. The focus is on transactions where two or more regulatory regimes materially intersect. The paper does not argue that regulatory oversight should be reduced. Instead, it examines whether the existing framework can become more coordinated, predictable and compatible with the commercial realities of M&A.

2. REGULATORY ARCHITECTURE OF INDIAN M&A

Indian M&A regulation is not administered by a single institution. It is better understood as a layered framework in which different regulators examine different consequences of the same transaction. The resulting structure is specialised, but also fragmented. A transaction may therefore be commercially one deal while legally becoming several regulatory processes.

2.1. COMPETITION COMMISSION OF INDIA

The Competition Act, 2002 governs combinations involving acquisitions, mergers and amalgamations that satisfy the statutory criteria. The Competition Commission of India (“CCI”) is primarily concerned with whether a proposed combination is likely to cause an appreciable adverse effect on competition (“AAEC”) in India.³ Its assessment is consequently economic and market focused. It considers factors such as market shares, barriers to entry, countervailing power, potential competition and the likelihood of the transaction eliminating an effective competitor.⁴

The framework has also expanded beyond traditional asset and turnover based thresholds. Following the Competition (Amendment) Act, 2023, transaction value itself can constitute a jurisdictional trigger where the statutory requirements are

³ Competition Act, 2002, §§ 5–6, 20, 31 (India).

⁴ Id. § 20(4).

satisfied. The Competition Commission of India (Combinations) Regulations, 2024 subsequently provided greater detail on transaction value and substantial business operations in India.⁵ The CCI therefore regulates not merely the formal structure of an acquisition, but its potential competitive consequences.

2.2. SEBI

Where an acquisition involves a listed company, securities regulation adds on another layer. The Securities and Exchange Board of India (“SEBI”) administers the regulatory framework governing substantial acquisition of shares and control under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (“SAST Regulations”).⁶ The framework is principally concerned with protecting the public shareholders and ensuring that a change in ownership or control does not occur without the prescribed disclosure and exit opportunities.

The SAST Regulations can therefore require an open offer when specified acquisition thresholds or control related conditions are triggered. Listed companies are also subject to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”), which imposes continuing disclosure and governance obligations.⁷ The regulatory concern here is different from CCI's. Competition is not the central question, market integrity, transparency and shareholder protection are.

2.3. RBI AND FOREIGN INVESTMENT REGULATION

Cross border M&A introduces another regulatory dimension through the Foreign Exchange Management Act, 1999 (“FEMA”) and the rules governing foreign investment. The Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 regulate, among other matters, investment in Indian companies by persons resident outside India and prescribe conditions relating to permitted instruments, pricing and transfer of securities.⁸ Sectoral caps and investment conditions can also

⁵ Id. § 5(d); Competition Commission of India (Combinations) Regulations, 2024, regs. 4, 9 (India); Competition Commission of India, *General Statement on the Competition Commission of India (Combinations) Regulations, 2024* (2024).

⁶ Securities & Exch. Bd. of India (Substantial Acquisition of Shares & Takeovers) Regulations, 2011, regs. 3–4 (India).

⁷ Securities & Exch. Bd. of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, chs. IV–V (India).

⁸ Foreign Exchange Management Act, 1999, §§ 6, 47 (India); Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, rr. 2, 9–11 (India).

determine whether a proposed acquisition is permissible and whether government approval is required.

2.4. NCLT AND COMPANIES ACT

The Companies Act, 2013 provides a separate framework for mergers, amalgamations, compromises and arrangements. Sections 230–232 place the National Company Law Tribunal (“NCLT”) at the centre of court sanctioned corporate restructuring.⁹ The process can involve meetings of members and creditors, regulatory representations, disclosure requirements and ultimately Tribunal approval.

This route is structurally different from an ordinary share acquisition. The NCLT is not conducting a general competition assessment of the transaction. Its role concerns the legality and implementation of the proposed corporate arrangement within the statutory scheme. Yet the same transaction may simultaneously have implications under competition and securities law.

2.5. SECTORAL REGULATORS

The regulatory framework becomes even more complex when the target operates in a regulated industry. Insurance transactions, for example, may require compliance with the Insurance Regulatory and Development Authority of India (“IRDAI”) framework governing registration, capital structure, transfer of shares and amalgamation of insurers.¹⁰ Similar sector specific requirements may arise in telecommunications, pensions, financial markets and international financial services.

The important point is not simply that more regulators exist. It is that their mandates are different. CCI asks whether competition may be harmed. SEBI focuses on securities markets and investors. RBI and FEMA address foreign exchange and investment concerns. NCLT deals with corporate restructuring. Sectoral regulators protect the stability and integrity of particular industries.

Thus, Indian M&A regulation is best viewed as a multi regulator architecture rather than a single approval system. The architecture is defensible because different risks require different forms of expertise. But it also creates the possibility that several regulatory processes may attach to one commercial transaction. That is where the question of regulatory overlap begins.

⁹ Companies Act, 2013, §§ 230–232 (India).

¹⁰ Insurance Regulatory & Development Authority of India (Registration, Capital Structure, Transfer of Shares & Amalgamation of Insurers) Regulations, 2024 (India).

3. REGULATORY OVERLAPS

Regulatory overlap in Indian M&A does not arise because regulators claim the same legal power. More often, it arises because a single transaction produces different regulatory consequences. For example, an acquisition of a listed insurer, may simultaneously raise questions of competition, shareholder protection, foreign investment and sectoral stability. The transaction remains one commercial bargain. Legally, however, it can trigger several independent reviews.

3.1. CCI AND SEBI

The interaction between the Competition Commission of India (“CCI”) and the Securities and Exchange Board of India (“SEBI”) provides the clean example. Both may become relevant when an acquirer purchases a significant stake or control in a listed company, but their regulatory questions are different.

CCI examines whether the combination is likely to cause an appreciable adverse effect on competition (“AAEC”). Its focus is the structure and functioning of the relevant market.¹¹ SEBI, on contrast, is concerned principally with the securities market, disclosure, equal treatment of shareholders and the consequences of a substantial acquisition of shares or control. The SAST Regulations may consequently require an open offer even where the transaction does not raise a competition concern.¹²

The two regimes can therefore apply to the same acquisition without being legally redundant. A transaction may be competitively friendly but still trigger shareholder protection requirements. Conversely, a transaction may comply with takeover rules while requiring separate competition scrutiny. The difficulty for parties is practical. Both processes may require transaction documents, ownership information, corporate structure and other overlapping material, but the information is examined for different purposes. Timing can also become important where the parties cannot confidently predict when all the relevant approvals will be obtained.

3.2. CCI AND SECTORAL REGULATORS

The overlap becomes more complex in regulated industries. Banking, insurance, telecommunications and financial services are subject to specialised regulatory

¹¹ Competition Act, 2002, §§ 20(4), 31 (India).

¹² Securities & Exch. Bd. of India (Substantial Acquisition of Shares & Takeovers) Regulations, 2011, regs. 3–4 (India).

regimes because the consequences of a transaction extend beyond ordinary market competition.

In banking, for instance, an acquisition may require regulatory consideration by the Reserve Bank of India (“RBI”) while also falling within the CCI's combination framework. The RBI's concerns may include ownership, governance and the stability of the banking system, whereas CCI examines competitive effects.¹³ Neither assessment substitutes for the other.

Insurance presents a similar problem. The Insurance Regulatory and Development Authority of India (“IRDAI”) regulates matters such as ownership, transfer of shares and amalgamation of insurers.¹⁴ An acquisition involving an insurer can therefore require both competition analysis and sector specific approval. The same is true, in different forms, in telecommunications and financial markets.

Digital businesses create a slightly different form of overlap. A technology acquisition may not be subject to traditional sectoral regulation in the same way as banking or insurance, but it may raise competition concerns relating to data, network effects, user markets or potential competition. Where the target operates across regulated and unregulated activities, identifying the applicable regulatory perimeter can be difficult. The problem is not always a conflict of substantive rules. Sometimes it is simply uncertainty about which rules apply and when.

3.3. SEBI AND NCLT

The relationship between SEBI and the National Company Law Tribunal (“NCLT”) is significant in schemes involving listed companies. Sections 230–232 of the Companies Act, 2013 provide the statutory framework for compromises, arrangements, mergers and amalgamations, with the NCLT performing the formal adjudicatory role.¹⁵ For listed entities, however, the scheme also operates within the securities regulatory framework.

SEBI's role is concerned with the interests of public shareholders, disclosure and compliance with applicable securities requirements. NCLT on the other hand examines the proposed corporate arrangement within the statutory scheme and considers the interests of members, creditors and other relevant stakeholders.¹⁶

¹³ Banking Regulation Act, 1949, § 35B (India); Reserve Bank of India, *Master Direction—Ownership, Governance and Transfer of Shares—Primary (Urban) Co-operative Banks*, RBI/2023-24/105 (2023), as applicable; Competition Act, 2002, §§ 5–6 (India).

¹⁴ Insurance Regulatory & Development Authority of India (Registration, Capital Structure, Transfer of Shares & Amalgamation of Insurers) Regulations, 2024 (India).

¹⁵ Companies Act, 2013, §§ 230–232 (India).

¹⁶ Securities & Exch. Bd. of India, *SEBI Circular on Schemes of Arrangement by Listed Entities*, SEBI/HO/CFD/DIL2/CIR/P/2023/93 (June 20, 2023); Companies Act, 2013, §§ 230–232 (India).

This creates an important procedural relationship. The scheme cannot be treated purely as a corporate restructuring exercise when listed company interests are involved. Regulatory scrutiny occurs at different stages and for different purposes. The consequence can be additional documentation, procedural steps and uncertainty over sequencing.

The distinction is justified but it can also create friction. If a scheme is commercially agreed but its implementation depends on satisfying requirements imposed through two separate regulatory processes, parties must account for both.

3.4. RBI AND OTHER REGULATORY FRAMEWORK

Cross border M&A adds another layer through the Foreign Exchange Management Act, 1999 (“FEMA”) and the Foreign Exchange Management (Non Debt Instruments) Rules, 2019. Foreign investment may be subject to sectoral caps, entry routes, pricing requirements and other conditions.¹⁷

These requirements operate independently of competition and securities regulation. A foreign acquirer may therefore satisfy the CCI's requirements while still restructuring the transaction to comply with FEMA or sector specific foreign investment rules. Similarly, an acquisition of a listed Indian company by a foreign investor can involve CCI, SEBI and FEMA considerations.

The practical issue is sequencing. Regulatory approval is rarely meaningful in isolation. A condition imposed by one authority may affect the structure presented to another. This can force parties to build flexibility into transaction documents and, in some cases, negotiate alternative structures before closing.

3.5. DIFFERENT MANDATES, SAME TRANSACTION

The central point is that regulatory overlap should not be equated with regulatory duplication. The regulators are generally not examining the same question.

CCI asks whether competition may be harmed. SEBI asks whether securities market and shareholder interests are adequately protected. RBI considers matters within the monetary, foreign exchange and financial regulatory framework. NCLT examines corporate arrangements under the Companies Act. Sectoral regulators address risks specific to their industries.

¹⁷ Foreign Exchange Management Act, 1999, §§ 6, 47 (India); Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, rr. 9–11 (India).

Different questions can justify different regulators, the difficulty begins when these separate processes are not coordinated.

An important distinction can therefore be drawn between substantive overlap and procedural overlap. Substantive overlap exists where different regulators impose requirements that affect the same aspect of a transaction while procedural overlap occurs where parties must repeatedly provide similar information, comply with separate timelines or navigate uncertain sequencing. The latter is often where transaction costs become most visible.

Indian M&A does not necessarily need fewer regulators. It needs greater clarity about how their jurisdictions interact. The challenge is to preserve specialised regulatory expertise while reducing duplication, conflicting requirements and uncertainty. This distinction forms the basis for assessing whether the existing coordination mechanisms are adequate.

4. IMPACT OF REGULATORY OVERLAP ON M&A TRANSACTIONS

Regulatory overlap becomes commercially significant when it begins to affect the execution of a transaction. An M&A deal is negotiated around a particular commercial bargain, valuation and expected closing date. Multiple regulatory processes can disturb each of these assumptions. The problem is therefore not simply the existence of several approvals. It is the uncertainty created when those approvals operate on different timelines and under different standards.

4.1. TRANSACTION TIMELINES

The first and most immediate consequence is delay. A transaction involving more than one regulator may require separate filings, information requests, hearings or consultations and these processes do not necessarily move at the same pace. A party may receive clearance from one authority and remain unable to close because another approval is pending.

This makes sequencing important. Parties must determine which approvals should be sought first and whether one regulatory decision is likely to affect another. The difficulty increases where an authority asks additional information requests or requires changes to the transaction structure. International merger control experience similarly shows that differences in review timetables and information requirements can increase transaction costs and complicate completion.¹⁸

¹⁸ Organisation for Economic Co-operation and Development, *Challenges and Sources of Divergence in Cross-Border Merger Review*, OECD Roundtables on Competition Policy Papers No. 314 (2024).

The commercial agreement therefore usually contains a long stop date. But a long stop date is only useful if parties can make a reasonable assessment of the regulatory timetable. Where that assessment is difficult, closing uncertainty becomes part of the transaction itself.

4.2. CONDITIONS PRECEDENT

Regulatory approvals are ordinarily reflected through conditions precedent (“CPs”). The transaction will not close until the specified approvals have been obtained. In a multi regulator transaction, the CP structure becomes complicated.

Parties may also negotiate regulatory cooperation clauses, requiring each side to make filings promptly, provide information and assist with regulatory proceedings. The agreement may impose obligations, ranging from reasonable efforts to more demanding undertakings concerning regulatory approvals. The parties must also decide who bears the risk if an authority imposes conditions that may alter the original bargain.

This matters because not all regulatory outcomes are binary. Approval may be granted subject to behavioural or structural conditions. A divestment, ownership restriction or governance modification can change the economics of the transaction even though the regulator has technically granted approval. Merger control literature recognises that conditional clearance creates its own uncertainty because the design and implementation of remedies can materially affect the transaction.¹⁹

4.3. TRANSACTION COSTS

Regulatory overlap also creates additional transaction costs. Multiple approval processes may require separate legal advisers, financial advisers, competition economists and sector specific experts. Parties may also have to prepare similar information in different formats for different regulators.

The cost is not limited to professional fees. Management time is also consumed through regulatory meetings, responses to information requests and preparation of supplementary submissions. Where regulators request overlapping information, parties may have to repeatedly explain the same transaction from different regulatory perspectives.²⁰

¹⁹ Organisation for Economic Co-operation and Development, *Agency Decision-Making in Merger Cases*, OECD Roundtables on Competition Policy Papers No. 198 (2016); Organisation for Economic Co-operation and Development, *Ex Post Assessment of Merger Remedies*, OECD Global Forum on Competition (2023).

²⁰ *Foreign Exchange Management (Non-debt Instruments) Rules*, 2019, rr. 9–11 (India); *Foreign Exchange Management Act*, No. 42 of 1999, § 6 (India).

The OECD has emphasised that merger review systems should seek to reduce unnecessary costs through clear notification requirements, reasonable information requests and efficient procedures.²¹ This principle is relevant to Indian M&A as well. Regulatory scrutiny may be necessary, but duplicated compliance does not necessarily produce better regulatory outcomes.

4.4. CONFLICTING REGULATORY REQUIREMENTS

A more difficult problem arises when different regulators impose requirements that affect the same aspect of a transaction. This does not necessarily mean that the regulators are acting inconsistently. Their statutory mandates are different.

The CCI focuses on competition and whether a combination is likely to cause an appreciable adverse effect on competition. SEBI, in contrast, focuses on securities markets and investor protection. RBI and other sectoral regulators may be concerned with ownership, governance, financial stability or sector specific requirements.²²

These different objectives can nevertheless create tension. A cross-border transaction, for example, may have to satisfy competition requirements while also complying with foreign-investment restrictions, pricing requirements and sectoral ownership conditions under the foreign exchange framework.²³ Similarly, a listed company transaction structured as a scheme may have to satisfy both securities market requirements and the Companies Act and NCLT framework.²⁴

The result can be a transaction structure that is acceptable from one regulatory perspective but requires modification from another. In some cases, this may affect the valuation, governance arrangements or even the structure of the proposed investment.

4.5. DEAL CERTAINTY

Ultimately, regulatory overlap affects deal certainty. At the signing stage, parties must estimate not only whether approvals are required but also how long the processes may take, what information regulators may request and whether additional conditions may be imposed.

²¹ *Companies Act*, No. 18 of 2013, §§ 230–232 (India).

²² *Securities & Exch. Bd. of India (Substantial Acquisition of Shares & Takeovers) Regulations*, 2011, regs. 3–4 (India); *Securities & Exch. Bd. of India (Listing Obligations & Disclosure Requirements) Regulations*, 2015 (India).

²³ *Foreign Exchange Management (Non-debt Instruments) Rules*, 2019, rr. 9–11 (India); *Foreign Exchange Management Act*, No. 42 of 1999, § 6 (India).

²⁴ *Companies Act*, No. 18 of 2013, §§ 230–232 (India).

This uncertainty influences contractual risk allocation. Long stop dates may need to be extended. Termination rights become more important. Buyers may seek stronger cooperation obligations, while sellers may resist open ended commitments to accept regulatory remedies. Parties may also negotiate reverse break fees or other mechanisms to allocate regulatory risk.

The problem is therefore broader than regulatory delay. It is the difficulty of predicting how several regulatory processes will interact before closing. The OECD has recognised that coordination between authorities can improve efficiency, reduce transaction costs and provide greater certainty in merger review.²⁵

Regulatory overlap, therefore, is not inherently undesirable. Different regulators perform different functions, and regulatory specialisation has legitimate value. The real difficulty lies in uncoordinated overlap. Where multiple authorities examine the same transaction without sufficient procedural alignment, the result can be duplication, uncertainty and increased execution risk. India does not necessarily need fewer M&A regulators. It needs a regulatory system in which those regulators work together more predictably.

5. REGULATORY OVERLAP IN PRACTICE: SELECTED M&A TRANSACTIONS

Regulatory overlap becomes clearer when examined through actual transactions. The legal frameworks may appear separate on paper, but a major M&A transaction rarely fits neatly within one regulatory box. The experience of L&T–Mindtree, HDFC–HDFC Bank and Zee–Sony illustrates this. Each transaction involved different regulators, different forms of scrutiny and different procedural stages. Yet the underlying problem was similar: the transaction had to move through several regulatory tracks before the commercial deal could be completed.

5.1. LISTED COMPANY ACQUISITION: L&T MINDTREE

The acquisition of Mindtree Limited by Larsen & Toubro Limited (“L&T”) is a useful example of overlap between competition law and securities regulation. In March 2019, L&T agreed to acquire approximately 20.32% of Mindtree from entities associated with V.G. Siddhartha and simultaneously proposed further market purchases and a mandatory open offer. The overall proposal contemplated acquisition of up to approximately 66.15% of Mindtree’s equity.²⁶

²⁵ OECD, *Relationship Between FDI Screening and Merger Control Reviews*, OECD Competition Committee (2022).

²⁶ Larsen & Toubro Ltd., *Detailed Public Statement in Respect of the Open Offer for the Shareholders of Mindtree Ltd.*, at 1–3 (Mar. 26, 2019); *L&T’s Acquisition of Mindtree Limited: Is It*

The transaction therefore had two distinct regulatory dimensions. Under the Competition Act, L&T required CCI approval for the proposed acquisition. Under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (“SAST Regulations”), the acquisition of control and the resulting increase in shareholding triggered the mandatory open offer framework.²⁷ CCI ultimately approved the proposed acquisition on April 4, 2019, finding that the parties’ overlaps in IT and IT enabled services did not raise an appreciable adverse effect on competition.²⁸

SEBI’s role was different. Its concern was not whether L&T and Mindtree were competitors in the same market, but whether the acquisition and open offer complied with the disclosure, pricing, shareholder protection and takeover requirements applicable to a listed company.²⁹ The independent directors of Mindtree also had a statutory role in considering the open offer and making recommendations to shareholders.

The sequencing is significant. CCI approval did not replace SEBI compliance. Nor did SEBI’s takeover process resolve the competition question. The same acquisition was therefore examined through two different regulatory lenses. That is not duplication in the strict sense. It is parallel jurisdiction arising from different statutory objectives.

The transaction also demonstrates why shareholder protection cannot be separated completely from regulatory procedure. As Umakanth Varottil has observed, Indian takeover regulation operates within a corporate environment where concentrated ownership and promoter influence shape the market for corporate control.³⁰ The Mindtree transaction brought that tension into the open. Regulation had to protect shareholders while still allowing the acquisition process to proceed. The regulatory architecture did not produce one single approval. It produced several distinct checks.

5.2. FINANCIAL SECTOR TRANSACTIONS: HDFC-HDFC BANK

The merger of Housing Development Finance Corporation Limited (“HDFC Ltd.”) with HDFC Bank Limited presents an even more layered example. Announced in

Worth Contesting?, 22 Asian J. Mgmt. Cases 80, 80–96 (Gaurika Singh, Gayatri Madhusudan & Gaurav Singh Chauhan, 2025).

²⁷ *Competition Act*, No. 12 of 2003, §§ 5–6 (India); *Securities & Exch. Bd. of India (Substantial Acquisition of Shares & Takeovers) Regulations, 2011*, regs. 3–4 (India).

²⁸ *Larsen & Toubro Ltd./Mindtree Ltd.*, Combination Registration No. C-2019/03/652, Order Under Section 31(1) (Competition Comm’n of India Apr. 4, 2019)

²⁹ *Securities & Exch. Bd. of India (Substantial Acquisition of Shares & Takeovers) Regulations, 2011*, regs. 15–18 (India); SEBI, *Letter of Offer: Mindtree Ltd.* (June 2019).

³⁰ Umakanth Varottil, *The Nature of the Market for Corporate Control in India*, in *Comparative Takeover Regulation: Global and Asian Perspectives* 313, 313–43 (Umakanth Varottil & Wai Yee Wan eds., Cambridge Univ. Press 2017).

April 2022, the transaction involved a two step amalgamation: HDFC Investments and HDFC Holdings were to merge into HDFC Ltd., followed by the merger of HDFC Ltd. into HDFC Bank.³¹

The transaction required approvals from a broad range of authorities, including the RBI, CCI, SEBI, National Housing Bank, IRDAI, PFRDA, NCLT and the stock exchanges, in addition to shareholder and creditor approval.³² This was not merely a large merger with several formalities. It reflected the fact that the entities operated across banking, housing finance, insurance, investment management and other financial activities.

CCI examined the transaction as a combination under the Competition Act and approved it on August 12, 2022.³³ RBI scrutiny operated on a different plane. Because HDFC Bank was a regulated banking company and the transaction altered the structure and holdings of several regulated financial entities, RBI approval and conditions were central to implementation. The RBI's framework governing amalgamation of private sector banks provided the relevant regulatory basis.³⁴

SEBI and the stock exchanges added another layer because both HDFC Ltd. and HDFC Bank were listed entities. Shareholder approval was consequently not merely an internal corporate formality. It operated alongside securities market requirements and regulatory observations.³⁵ The NCLT subsequently sanctioned the Scheme on March 17, 2023, after the statutory process under sections 230–232 of the Companies Act had been followed.³⁶

The case illustrates a more complex form of overlap. CCI asked whether the combination raised competition concerns. RBI was concerned with banking regulation and the consequences of the amalgamation for a regulated financial institution. SEBI and the exchanges addressed listed company and investor protection requirements. NCLT examined the statutory scheme process. Different questions. Same transaction.

³¹ HDFC Ltd. & HDFC Bank Ltd., *Composite Scheme of Amalgamation* (Apr. 4, 2022); *Companies Act*, No. 18 of 2013, §§ 230–232 (India).

³² HDFC Ltd. & HDFC Bank Ltd., *Disclosure Regarding Proposed Composite Scheme of Amalgamation* (Apr. 4, 2022).

³³ Housing Development Finance Corporation Ltd., HDFC Bank Ltd., HDFC Holdings Ltd. & HDFC Investments Ltd., Combination Registration No. C-2022/06/942, Order Under Section 31(1) (Competition Comm'n of India Aug. 12, 2022).

³⁴ Reserve Bank of India, *Master Direction—Amalgamation of Private Sector Banks, Directions, 2016; Banking Regulation Act*, No. 10 of 1949 (India).

³⁵ SEBI, *Master Circular on Scheme of Arrangement by Listed Entities*, SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 (Nov. 23, 2021); HDFC Bank Ltd., *Notice of Meeting of Equity Shareholders*, Company Scheme Application No. 200 of 2022 (NCLT Mumbai Bench).

³⁶ *HDFC Bank Ltd. & Ors.*, Company Scheme Petition, C.P. (CAA) No. 200 of 2022 (NCLT Mumbai Bench Mar. 17, 2023).

The merger ultimately became effective on July 1, 2023, after the requisite approvals and compliances were completed.³⁷ The long approval path was therefore not attributable to a single regulator. It was the cumulative effect of several regulatory processes. That distinction matters when assessing regulatory overlap.

5.3. SCHEME TRANSACTION: ZEE-SONY

The proposed merger of Zee Entertainment Enterprises Limited (“ZEEL”) with Culver Max Entertainment Private Limited and Bangla Entertainment Private Limited provides a particularly useful example of overlap between CCI, SEBI and NCLT.³⁸ The transaction was structured as a scheme of arrangement under sections 230–232 of the Companies Act, while also constituting a combination requiring CCI review.³⁹

CCI examined the transaction primarily from a competition perspective. On October 4, 2022, it approved the combination subject to modifications after identifying concerns arising from the parties’ activities in television channels and advertising airtime. The modifications included divestment of specified channels.⁴⁰

The regulatory process did not end there. Because ZEEL was listed, SEBI and the stock exchanges were involved in the scheme process. The NCLT then considered the scheme under the Companies Act. On August 10, 2023, the Mumbai Bench sanctioned the scheme after considering objections raised by creditors and other stakeholders.⁴¹

The case shows how regulatory conditions can affect the transaction itself. CCI’s modifications altered the business perimeter of the proposed combination, while the NCLT process focused on whether the statutory requirements for sanctioning the scheme had been satisfied. SEBI’s concerns, meanwhile, operated within the securities market and investor protection framework. These were not interchangeable inquiries.

The later termination of the transaction in January 2024 should also be treated carefully. It demonstrates that obtaining regulatory approvals does not automatically

³⁷ HDFC Bank Ltd., *Disclosure Regarding Effectiveness of Scheme of Amalgamation* (June 30, 2023).

³⁸ Culver Max Entertainment Pvt. Ltd., Zee Entertainment Enterprises Ltd., Bangla Entertainment Pvt. Ltd. & Essel Group Participants, Combination Registration No. C-2022/04/923, Order Under Section 31(1) (Competition Comm’n of India Oct. 4, 2022).

³⁹ *Competition Act*, No. 12 of 2003, §§ 5–6 (India); *Companies Act*, No. 18 of 2013, §§ 230–232 (India).

⁴⁰ Culver Max Entertainment Pvt. Ltd., Zee Entertainment Enterprises Ltd., Bangla Entertainment Pvt. Ltd. & Essel Group Participants, Combination Registration No. C-2022/04/923, Order Under Section 31(1) (Competition Comm’n of India Oct. 4, 2022).

⁴¹ *Zee Entertainment Enterprises Ltd. v. Marut Creative Infra Pvt. Ltd.*, C.P. (CAA) No. 209 of 2022 (NCLT Mumbai Bench Aug. 10, 2023).

eliminate contractual or commercial uncertainty. It would be incorrect, however, to attribute the transaction's eventual failure simply to regulatory overlap. The case is more useful for showing how several approval processes can coexist around the same transaction and affect its implementation.⁴²

5.4. LESSONS FROM THE CASE STUDIES

Three recurring patterns emerge. First, jurisdiction overlaps because a single transaction can simultaneously involve competition, securities, corporate and sector-specific consequences. Second, the regulatory processes may proceed on different timelines, creating sequencing uncertainty. Third, parties may be required to provide similar information to different authorities while responding to materially different regulatory concerns.

The cases also show that regulatory overlap is not necessarily the problem. Specialised scrutiny has a purpose. The difficulty arises when the interaction between regulators is unpredictable. L&T–Mindtree demonstrates parallel scrutiny of a listed acquisition; HDFC–HDFC Bank shows how sector specific regulation adds substantial layers to merger control; and Zee–Sony illustrates the complexity of combining CCI review with the SEBI–NCLT scheme process.

The recurring issue, therefore, is coordination. India's M&A framework does not necessarily require fewer regulators. It requires clearer sequencing, better information sharing and greater procedural alignment between them.

6. CRITICAL ANALYSIS: COORDINATION OF FRAGMENTATION?

Regulatory overlap is a structural feature of Indian M&A. It is not necessarily a flaw. A single transaction can legitimately raise different questions relating to competition, investor protection, financial stability, foreign investment and corporate governance. The real difficulty arises when these regulatory processes operate without sufficient coordination.

6.1. IS REGULATORY OVERLAP INHERENTLY PROBLEMATIC?

No. Different regulators have different statutory mandates and specialised expertise. The CCI examines competition concerns, SEBI focuses on securities markets and investor protection, while RBI and sectoral regulators address prudential, ownership

⁴² See *Sony Group Corp. & Zee Entertainment Enterprises Ltd.*, Termination of Merger Cooperation Agreement (Jan. 22, 2024); see also Umakanth Varottil, *Corporate Governance in M&A Transactions*, 24 Nat'l L. Sch. India Rev. 50, 50–61 (2013).

and sector specific concerns.⁴³ Removing this specialised scrutiny simply to make transactions faster would weaken regulatory oversight.

The problem is therefore not overlap itself, but uncoordinated overlap. The Competition Act recognises that competition law operates alongside other regulatory regimes. Sections 60 and 62 expressly address its relationship with other laws, while sections 21 and 21A provide mechanisms for interaction between the CCI and statutory regulators.⁴⁴ Yet these provisions do not create a comprehensive framework for coordinating multiple M&A approvals.

6.2. FRAGMENTED JURISDICTION

Indian M&A regulation remains institutionally fragmented. The CCI, SEBI, RBI, NCLT and sectoral regulators operate under separate statutes and pursue different objectives. This preserves regulatory specialisation, but it also means that no single authority necessarily oversees the entire regulatory journey of a transaction.

Section 6 of the Competition Act illustrates this additive structure. A transaction may require CCI approval even when another regulator's approval is also necessary.⁴⁵ The difficulty is not that these jurisdictions coexist. It is the absence of sufficiently clear rules governing how they should interact.

6.3. THE SEQUENCING PROBLEM

Sequencing is one of the most practical difficulties. Parties must determine which regulator should be approached first, whether applications should proceed simultaneously and whether one approval may affect another.

The problem becomes sharper when a regulator requires changes to the transaction structure. An ownership, governance or asset related condition imposed by one authority may alter the transaction that another authority is already reviewing.

There is no universal sequence for every transaction. A banking merger cannot be treated like a technology acquisition. But clearer procedural guidance and greater inter regulatory communication could reduce this uncertainty. The OECD has

⁴³ *Competition Act*, No. 12 of 2003, §§ 18, 20(4) (India); *Securities & Exch. Bd. of India Act*, No. 15 of 1992, § 11 (India); *Reserve Bank of India Act*, No. 2 of 1934 (India).

⁴⁴ *Competition Act*, No. 12 of 2003, §§ 21, 21A, 60, 62 (India).

⁴⁵ *Id.* § 6; Competition Commission of India, *FAQs on Competition Law* (2025).

similarly emphasised predictable timelines, coordination and efficient procedures in merger review.⁴⁶

6.4. DUPLICATION WITHOUT COORDINATION

Multiple regulatory processes also create repeated compliance. Parties may submit similar financial statements, ownership information, transaction documents, business projections and other materials to different authorities.

Some duplication is justified because regulators have different statutory functions. But unnecessary repetition increases legal costs, management time and the risk of inconsistent information being presented to different authorities.⁴⁷

The distinction should therefore be between independent scrutiny and duplicated procedure. The former is necessary. The latter is avoidable.

6.5. REGULATORY CERTAINTY VERSUS REGULATORY AUTONOMY

Greater coordination must not become excessive centralisation. RBI should retain its prudential expertise; SEBI should independently protect securities market interests; and the CCI should remain responsible for competition assessment.

The appropriate solution is therefore procedural rather than substantive. Regulators can coordinate timelines, share relevant information where legally permissible, identify overlapping requirements and consult each other where one regulatory decision materially affects another.⁴⁸

In simple terms, coordination does not require consolidation.

6.6. THE INDIAN M&A PROBLEM

The central problem is not that India necessarily has too many regulators. That argument overlooks the legitimate reasons for specialised regulation.

⁴⁶ OECD, *Recommendation of the Council on Merger Review*, OECD/LEGAL/0333 (2025); OECD, *Challenges and Sources of Divergence in Cross-Border Merger Review*, OECD Roundtables on Competition Policy Papers No. 314 (2024).

⁴⁷ OECD, *Definition of Transaction for the Purpose of Merger Control Review*, OECD Roundtables on Competition Policy Papers No. 144 (2014).

⁴⁸ OECD, *Interactions Between Competition Authorities and Sector Regulators*, OECD Roundtables on Competition Policy Papers No. 285 (2022); OECD, *International Regulatory Co-operation: Addressing Global Challenges* (2013).

The more accurate problem is that India has a multi regulator approval structure without an equally developed coordination mechanism. The law recognises concurrent jurisdiction, but the interaction between these regulatory processes remains insufficiently predictable.

The policy response should therefore focus on coordinated timelines, clearer sequencing, standardised information requirements and structured inter regulatory consultation. India does not necessarily need fewer M&A regulators. It needs regulators that can work together more predictably.

7. RECOMMENDATIONS

The analysis suggests that India does not require a new super regulator for M&A. What is needed is better coordination between existing institutions. The following reforms would improve predictability without weakening regulatory specialisation.

7.1. COORDINATED REGULATORY INTERFACE

A coordinated regulatory interface should be developed for transactions likely to involve multiple regulators. This could provide parties with a preliminary indication of the approvals that may be required from the CCI, SEBI, RBI, NCLT and relevant sectoral authorities. It need not replace the existing statutory processes. Instead, it would function as a procedural gateway.

Such a mechanism could build upon the CCI's existing pre filing consultation process and similar engagement mechanisms used by other regulators.⁴⁹ This would allow parties to identify regulatory issues earlier and reduce avoidable surprises after signing.

7.2. HARMONISED TIMELINES

Regulatory timelines should be better aligned wherever legally and institutionally possible. Filing, information requests and review should operate within reasonably predictable windows.

Complete uniformity is neither realistic nor desirable. Different regulators assess different issues. However, regulators could publish indicative timelines and coordinate major procedural milestones for transactions involving multiple

⁴⁹ Competition Commission of India, *Pre-Filing Consultation for Combinations*, Competition Commission of India; Competition Commission of India (Combinations) Regulations, 2024, reg. 5 (India).

approvals.⁵⁰ This would help parties negotiate more realistic long stop dates and financing arrangements.

The OECD has repeatedly emphasised predictable and timely merger review as an important element of effective regulatory systems.⁵¹ India should adopt the same principle while preserving substantive independence.

7.3. INTER REGULATORY CONSULTATION

Regulators should consult each other where their decisions materially affect the same transaction. Existing provisions such as sections 21 and 21A of the Competition Act already recognise the value of interaction between the CCI and sector regulators.⁵² The principle should be used more systematically in complex M&A.

Consultation need not mean joint decision making. Each regulator should remain responsible for its statutory mandate. The objective is simply to prevent one authority from operating without awareness of a regulatory development that materially changes the transaction.

7.4. STANDARDISED INFORMATION REQUIREMENTS

Repeated requests for substantially similar information should be reduced. Regulators could develop common information fields for basic transaction details, ownership structures, financial information and corporate documents.⁵³ Parties could then supplement these materials according to the specific concerns of each regulator.

This would reduce compliance costs without compromising substantive scrutiny. It would also reduce the risk of inconsistent information being provided across different regulatory filings.

7.5. CLEARER SEQUENCING

⁵⁰ *Competition Act*, No. 12 of 2003, § 6 (India); Competition Commission of India (Combinations) Regulations, 2024 (India).

⁵¹ OECD, *Recommendation of the Council on Merger Review*, OECD/LEGAL/0333 (2025).

⁵² *Competition Act*, No. 12 of 2003, §§ 21, 21A (India).

⁵³ OECD, *Definition of Transaction for the Purpose of Merger Control Review*, OECD Roundtables on Competition Policy Papers No. 144 (2014); OECD, *Challenges and Sources of Divergence in Cross-Border Merger Review*, OECD Roundtables on Competition Policy Papers No. 314 (2024).

The government and regulators should provide greater guidance on the ordinary sequencing of major approvals. This is particularly important where CCI, SEBI, RBI, NCLT or sectoral approvals may interact.

A rigid sequence would not work for every transaction. But an indicative framework could explain when parallel filings are appropriate, when one approval should ordinarily precede another, and how parties should proceed when a regulatory decision changes the transaction structure.

That small amount of clarity could make a substantial difference.

7.6. GREATER USE OF PRE FILING CONSULTATION

Pre filing consultation should become a more important part of transaction planning. The CCI already permits parties to seek informal guidance before filing a combination notice.⁵⁴ Similar early engagement with SEBI, RBI and relevant sectoral regulators can help identify jurisdictional or structural concerns before the transaction becomes procedurally locked in.

This is particularly valuable for complex transactions. Early clarification is usually cheaper than post filing restructuring.

7.7. PRESERVE REGULATORY SPECIALISATION

Finally, coordination should not become consolidation. India does not necessarily need a single M&A regulator. The CCI, SEBI, RBI, NCLT and sectoral regulators perform different functions and possess different expertise.

The better model is specialised regulators with coordinated procedures. Regulatory autonomy should remain intact, but procedural isolation should be reduced. As OECD work on regulatory governance has recognised, effective regulatory systems require institutional cooperation while retaining appropriate regulatory responsibilities.⁵⁵

The objective, therefore, is not to make every regulator act alike. It is to make the overall M&A process more predictable. That is the real reform priority.

⁵⁴ Competition Commission of India (Combinations) Regulations, 2024, reg. 5 (India); Competition Commission of India, *FAQs on Competition Law* (2025).

⁵⁵ OECD, *International Regulatory Co-operation: Addressing Global Challenges* (OECD Publishing 2013); OECD, *Regulatory Policy in India: Moving Towards Regulatory Governance*, OECD Regulatory Policy Working Papers No. 8 (2017).

8. CONCLUSION

Indian M&A transactions increasingly operate across several regulatory frameworks. A single transaction may involve the CCI, SEBI, RBI, NCLT and sectoral regulators, depending on its structure and the businesses involved. This is not, in itself, a weakness in the regulatory system. Different regulators pursue different statutory objectives, and specialised oversight remains necessary.⁵⁶

The difficulty lies elsewhere. The problem is that these approvals can operate through separate processes without sufficient coordination. The Competition Act, securities regulations, foreign exchange framework and company law provisions each establish their own requirements.⁵⁷ Together, they can create a regulatory process that is considerably more complex than any individual approval suggests.

The case studies examined in this paper demonstrate the practical consequences. Regulatory overlap can extend transaction timelines, increase compliance costs and complicate conditions precedent. More importantly, it can create sequencing uncertainty. Parties may not always know which regulatory process should take priority, whether approvals should proceed simultaneously or how a condition imposed by one authority will affect another.⁵⁸

This does not mean that regulatory scrutiny should be reduced. Nor does it suggest that India should create a single M&A regulator. Such an approach could undermine the specialised expertise of institutions such as the CCI, SEBI and RBI. The better approach is procedural coordination. Existing mechanisms for consultation and pre filing engagement provide a useful foundation, but they can be developed further.⁵⁹

Greater coordination of timelines, clearer sequencing, standardised information requirements and structured inter regulatory consultation would improve deal certainty without compromising regulatory autonomy. The objective should be straightforward: parties should know earlier which approvals are required, how those processes are likely to interact and what regulatory risks may affect closing.

Ultimately, the Indian M&A framework does not suffer simply because multiple regulators examine the same transaction. Overlap becomes problematic when it produces

⁵⁶ *Competition Act*, No. 12 of 2003, §§ 18, 20(4) (India); *Securities & Exch. Bd. of India Act*, No. 15 of 1992, § 11 (India); *Reserve Bank of India Act*, No. 2 of 1934 (India).

⁵⁷ *Competition Act*, No. 12 of 2003, §§ 5–6 (India); *Securities & Exch. Bd. of India (Substantial Acquisition of Shares & Takeovers) Regulations*, 2011, regs. 3–4 (India); *Foreign Exchange Management (Non-debt Instruments) Rules*, 2019, rr. 9–11 (India); *Companies Act*, No. 18 of 2013, §§ 230–232 (India).

⁵⁸ OECD, *Challenges and Sources of Divergence in Cross-Border Merger Review*, OECD Roundtables on Competition Policy Papers No. 314 (2024); OECD, *Recommendation of the Council on Merger Review*, OECD/LEGAL/0333 (2025).

⁵⁹ *Competition Act*, No. 12 of 2003, §§ 21, 21A (India); Competition Commission of India (Combinations) Regulations, 2024, reg. 5 (India); OECD, *International Regulatory Co-operation: Addressing Global Challenges* (OECD Publishing 2013).

duplication without coordination. The challenge is therefore institutional rather than merely numerical.

India does not necessarily need fewer M&A regulators; it needs a regulatory system in which those regulators work together more predictably.