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INTERSECTION OF COMPETITION LAW AND INSOLVENCY PROCEEDINGS: A CRITICAL ANALYSIS OF REGULATORY CONVERGENCE AND STRATEGIC IMPLICATIONS IN INDIAN CORPORATE RESTRUCTURING

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Abstract

This research paper examines complex interactions between competition law and insolvency proceedings within Indian corporate restructuring frameworks. Fundamental tensions exist between these distinct regulatory domains—competition law pursuing market efficiency through prevention of concentration, while insolvency mechanisms prioritize efficient resource reallocation and corporate resurrection. Recent reforms, particularly through Insolvency and Bankruptcy Code, 2016 (IBC) and Competition Act, 2002 amendments, demonstrate evolving regulatory convergence requiring specialized scrutiny. This research critically analyses competitive implications of resolution mechanisms, procedural bottlenecks hindering synchronization, and judicial interpretations shaping this intersection. Utilizing comparative jurisprudential analysis from European Union and United States frameworks, this study evaluates strategic approaches for harmonization. Research findings reveal significant gaps in coordination between Competition Commission of India and National Company Law Tribunal during resolution proceedings, resulting in conflicting outcomes affecting stakeholders. This paper proposes integrated assessment mechanisms, timeline recalibration, and establishment of specialized adjudicatory panels to address jurisdictional conflicts. Ultimately, balanced regulatory approaches must preserve competitive market structures while facilitating corporate rescue, crucial for Indian economic governance through emerging insolvency paradigms.

Keywords: Competition Law, Insolvency Proceedings, Regulatory Convergence, Corporate Restructuring, Insolvency and Bankruptcy Code

I. Introduction

Corporate insolvency represents financial distress culminating from numerous factors—operational inefficiencies, market volatility, overwhelming debt burdens, or strategic miscalculations. Resolution frameworks governing corporate insolvency serve crucial economic functions through resource redistribution, business restructuring, and enterprise revival. These mechanisms fundamentally affect market structures,

competitive dynamics, and economic ecosystems. Competition law, conversely, focuses on market health through promotion of competition and prevention of monopolistic practices. This research examines profound intersections between these regulatory domains within Indian corporate restructuring frameworks.

Indian commercial legal landscape has witnessed transformative reforms through enactment of Insolvency and Bankruptcy Code,



2016 (IBC), which revolutionized corporate revival mechanisms.⁹⁵⁸ Simultaneously, Competition Act, 2002 with substantial amendments continues evolving regulatory frameworks governing market competition.⁹⁵⁹ These parallel developments necessitate critical examination regarding their intersection, conflicts, and convergence points. Indian corporate restructuring now occurs within complex regulatory environments where insolvency proceedings directly implicate competition concerns through merger-like outcomes, market consolidation, and potential dominance creation.

Corporate restructuring through resolution plans frequently involves merger-like transactions exceeding traditional competition thresholds yet conducted under specialized insolvency legal frameworks. These transactions may substantially impact market concentration, often exempted from standard competition scrutiny under distress-based exceptions.⁹⁶⁰ This regulatory dichotomy creates significant tensions requiring scholarly analysis regarding optimal regulatory approaches balancing market efficiency against corporate resurrection objectives.

This paper examines multifaceted dimensions of competition-insolvency intersection through analysis of substantive legal provisions, procedural mechanisms, and strategic implications. Research methodology combines doctrinal analysis, comparative jurisprudential evaluation, and empirical assessment of case outcomes. Theoretical frameworks from law and economics literature provide analytical foundations for evaluating regulatory approaches. Research significance extends beyond academic discourse into policy formulation, regulatory design, judicial interpretation, and corporate strategic planning.

II. Theoretical Framework: Competing Objectives and Regulatory Paradigms

A. Competition Law Paradigm: Market Structural Protection

Competition law fundamentally seeks preservation of market structures conducive to effective competition through prevention of concentrations potentially resulting in dominant positions.⁹⁶¹ Indian competition law, governed primarily through Competition Act, 2002, recognizes mergers, amalgamations, and acquisitions potentially causing appreciable adverse effects on competition require specialized regulatory scrutiny. Theoretical underpinnings for competition regulation encompass various schools of thought—Chicago School emphasizing consumer welfare, Ordoliberal approach focusing on market structure, and Neo-Brandeisian perspectives emphasizing broader socio-economic concerns beyond immediate price effects.⁹⁶²

Indian competition jurisprudence demonstrates evolving perspectives predominantly focused on preserving competitive market structures while promoting economic efficiency. Competition Commission of India (CCI) mandates examination of combinations exceeding prescribed thresholds through notification requirements under Section 6 of Competition Act.⁹⁶³ This ex-ante control mechanism allows competition authorities to assess potential market structure impacts before transactions materialize. Assessment criteria incorporate numerous factors including market concentration, entry barriers, countervailing buyer power, efficiencies, and failing firm considerations.

B. Insolvency Law Paradigm: Enterprise Preservation

Insolvency law conversely prioritizes efficient resource reallocation, corporate rescue, and

⁹⁵⁸ Insolvency and Bankruptcy Code, No. 31, Acts of Parliament, 2016.

⁹⁵⁹ Competition Act, No. 12, Acts of Parliament, 2002.

⁹⁶⁰ M.S. Sahoo & Anuradha Guru, *Indian Insolvency Law: A Paradigm Shift*, 5 INSOLVENCY & BANKR. J. 97, 103-05 (2020).

⁹⁶¹ Vinod Dhall, *Competition Law in India: Perspectives and Practices*, 43 INT'L BUS. LAW. 327, 329-33 (2015).

⁹⁶² Eleanor M. Fox, *Economic Development, Poverty, and Antitrust: The Other Path*, 13 SW. J.L. & TRADE AM. 211, 214-18 (2007).

⁹⁶³ Competition Act, No. 12, Acts of Parliament, 2002, § 6.



creditor value maximization.⁹⁶⁴ This paradigm accepts potential market structure modifications necessary for achieving business restructuring. Insolvency mechanisms seek preservation of viable business units while permitting market exit for economically inefficient entities. Insolvency and Bankruptcy Code, 2016 fundamentally transformed Indian insolvency landscape by introducing time-bound resolution processes, creditor committee-driven approaches, and professional administration.⁹⁶⁵

Resolution processes under IBC typically result in corporate control transfers through resolution plans executed via Committee of Creditors (CoC) approvals. These processes frequently resemble acquisition transactions occurring through specialized insolvency frameworks rather than traditional market mechanisms. Resolution applicants (potential acquirers) submit plans evaluated primarily on financial parameters rather than competitive implications. National Company Law Tribunal (NCLT) approval provides statutory sanction for these transactions without mandatory competition assessment.⁹⁶⁶

Theoretical tensions manifest between insolvency processes emphasizing speed, operational continuity, and creditworthiness against competition frameworks prioritizing long-term market structure preservation. These regulatory tensions necessitate nuanced harmonization approaches accommodating legitimate objectives across both domains.

C. Regulatory Convergence and Divergence Points

Theoretical convergence between competition and insolvency frameworks occurs through shared recognition of economic efficiency objectives. Both regulatory systems acknowledge economic realities necessitating enterprise rationalization through different

philosophical approaches. Competition authorities increasingly recognize "failing firm defense" exempting certain distressed transactions from standard competition scrutiny.⁹⁶⁷ Similarly, insolvency frameworks increasingly incorporate competitive considerations within public interest assessments for resolution plan approvals.

Significant divergence emerges through procedural mechanisms, institutional structures, and implementation timeframes. Competition assessments traditionally involve lengthy market studies incompatible with expedited insolvency timeframes. Institutional expertise differs substantially—competition authorities specialize in economic assessment while insolvency tribunals focus on creditor interests and business continuity concerns. These divergences create procedural bottlenecks hindering effective coordination between regulatory domains.

Regulatory convergence requires recognition that corporate restructuring through insolvency potentially changes market dynamics like mergers but conducted through different procedural mechanisms. This understanding necessitates careful calibration of regulatory approaches balancing competing objectives without undermining either framework's core purposes.

III. Legal Framework Analysis: Competition-Insolvency Interface in India

A. Statutory Provisions and Regulatory Overlaps

Indian legal framework governing competition-insolvency interface demonstrates significant gaps resulting from separate legislative development processes. Competition Act contains provisions requiring notification of "combinations" exceeding prescribed thresholds.⁹⁶⁸ Section 5 defines combinations encompassing mergers, amalgamations, and

⁹⁶⁴ K.S. Ravichandran, *Corporate Insolvency Resolution Process: Paradigm Shift in Indian Insolvency Law*, 11 COMPANY L.J. 173, 176-78 (2019).

⁹⁶⁵ Insolvency and Bankruptcy Code, No. 31, Acts of Parliament, 2016, § 30.

⁹⁶⁶ *Binani Industries Ltd. v. Bank of Baroda*, Company Appeal (AT) No. 82/2018, National Company Law Appellate Tribunal [NCLAT] (Nov. 14, 2018).

⁹⁶⁷ Competition Commission of India, *Combination Registration No. C-2018/02/557* (Apr. 9, 2018) (acknowledging failing firm considerations in competition assessment).

⁹⁶⁸ Competition Act, No. 12, Acts of Parliament, 2002, § 5.



acquisitions, while Section 6 requires mandatory notification.⁹⁶⁹ These provisions potentially apply to resolution plans involving business transfers, asset acquisitions, or control transactions.

Insolvency and Bankruptcy Code establishes comprehensive mechanisms for resolving corporate insolvency without explicit competition assessment provisions. Section 31 empowers NCLT approving resolution plans providing compliance with Code requirements without mandating competition evaluation.⁹⁷⁰ Section 30(2) prescribes conditions for resolution plan approval primarily focusing on financial parameters, operational feasibility, and creditor interests without explicit competitive market assessment requirements.⁹⁷¹

Regulatory overlap emerges when corporate restructuring through insolvency proceedings results in substantial market concentration potentially triggering competition concerns. These transactions may satisfy combination thresholds under Competition Act while simultaneously proceeding through insolvency frameworks. Crucial questions arise regarding regulatory precedence, procedural coordination, and substantive assessment criteria application across these domains.

B. Exemption Mechanisms and Notification Requirements

Competition Commission of India issued notification exempting certain transactions from mandatory notification requirements. These exemptions include transactions occurring through insolvency resolution process under IBC for limited five-year period (subsequently extended).⁹⁷² This exemption reflects recognition of special circumstances surrounding distressed transactions while creating potential regulatory gaps regarding

competition assessment during insolvency proceedings.

Exemption mechanisms create jurisdictional ambiguity regarding competitive assessment responsibility. Current framework effectively transfers competition assessment responsibilities from specialized competition authority to insolvency tribunals lacking economic analysis expertise. This shift raises questions regarding institutional capacity for conducting sophisticated competitive impact evaluations during resolution proceedings.

C. Judicial Interpretations Shaping Regulatory Interface

Judicial interpretations have significantly shaped competition-insolvency interface through various landmark decisions. Notable among these, "ArcelorMittal India Private Limited v. Satish Kumar Gupta" case established commercial wisdom primacy for Committee of Creditors without explicitly addressing competition implications despite transaction involving substantial market concentration.⁹⁷³ Supreme Court emphasized expeditious resolution process importance without addressing potential longer-term competitive implications.

"Jaypee Kensington Boulevard Apartments Welfare Association v. NBCC (India) Ltd." highlighted procedural challenges affecting regulatory coordination.⁹⁷⁴ Court recognized potential conflicts between timeline requirements under IBC and assessment processes under Competition Act. This recognition reveals fundamental procedural tensions requiring harmonization through legislative or regulatory interventions.

"Binani Industries Ltd. v. Bank of Baroda" case articulated maximization value principle for creditors while establishing commercial wisdom

⁹⁶⁹ Id. § 6.

⁹⁷⁰ Insolvency and Bankruptcy Code, No. 31, Acts of Parliament, 2016, § 31.

⁹⁷¹ Id. § 30(2).

⁹⁷² Ministry of Corporate Affairs, Government of India, Notification S.O. 2039(E) (Jun. 29, 2017).

⁹⁷³ ArcelorMittal India Private Limited v. Satish Kumar Gupta, (2019) 2 SCC 1.

⁹⁷⁴ Jaypee Kensington Boulevard Apartments Welfare Association v. NBCC Ltd., (2020) SCC Online SC 1096.



primacy for creditor decisions.⁹⁷⁵ Court emphasized creditor value maximization without establishing methodologies for incorporating competitive impact assessment within evaluation framework.

These judicial interpretations have progressively expanded insolvency tribunal discretion regarding plan approval while acknowledging limited mandate for considering broader competitive implications. This approach creates potential regulatory gaps where neither competition authorities nor insolvency tribunals comprehensively evaluate competitive implications of resolution transactions.

IV. Comparative Analysis: International Approaches to Regulatory Convergence

A. European Union Frameworks

European Union competition-insolvency interface demonstrates advanced regulatory convergence through established coordination mechanisms. European Commission's Merger Regulation permits "failing firm defence" while maintaining mandatory notification requirements for concentrations exceeding community dimension thresholds.⁹⁷⁶ European approach maintains competition assessment primacy while accommodating insolvency considerations through specialized review standards.

Notable case examples include merger between Aegean/Olympic Air where Commission permitted transaction despite substantial competition concerns based on imminent market exit likelihood.⁹⁷⁷ Similarly, SCOR/Converium merger received approval despite competition concerns due to financial distress demonstration.⁹⁷⁸ These cases demonstrate sophisticated failing firm criteria application including immediate insolvency likelihood, absence of less anticompetitive

alternatives, and inevitable market exit demonstration.

European Union demonstrates preference for maintaining specialized competition assessment while modifying substantive standards during distress scenarios rather than creating wholesale exemptions. This approach ensures consistent competition analysis while accommodating special circumstances surrounding insolvency proceedings.

B. United States Approach

United States demonstrates different regulatory convergence approach through bankruptcy courts and antitrust authorities. Section 363 sales under Bankruptcy Code permit expedited asset dispositions subject to antitrust review under Hart-Scott-Rodino Act for transactions exceeding notification thresholds.⁹⁷⁹ Bankruptcy judges maintain authority for approving transactions while antitrust authorities retain jurisdiction for competition assessment.

Chrysler bankruptcy case exemplifies coordination challenges between bankruptcy proceedings and antitrust review.⁹⁸⁰ Bankruptcy court approval proceeded concurrently with expedited antitrust review demonstrating institutional coordination despite timeline pressures. "Failing firm defence" under Horizontal Merger Guidelines provides analytical framework for evaluating distressed transactions without creating wholesale exemptions.⁹⁸¹

United States approach maintains separate institutional responsibilities while creating procedural mechanisms for coordination. This approach preserves specialized expertise while acknowledging bankruptcy proceedings' expedited nature through accelerated review procedures.

C. Indian Comparative Position

⁹⁷⁵ Binani Industries Ltd. v. Bank of Baroda, Company Appeal (AT) No. 82/2018, National Company Law Appellate Tribunal [NCLAT] (Nov. 14, 2018).

⁹⁷⁶ Council Regulation 139/2004, 2004 O.J. (L 24) 1 (EC).

⁹⁷⁷ Case COMP/M.6796 Aegean/Olympic Air II, Commission Decision (October 9, 2013).

⁹⁷⁸ Case COMP/M.4701 SCOR/Converium, Commission Decision (March 28, 2007).

⁹⁷⁹ Hart-Scott-Rodino Antitrust Improvements Act of 1976, 15 U.S.C. § 18a (2018).

⁹⁸⁰ *In re Chrysler LLC*, 405 B.R. 84 (Bankr. S.D.N.Y. 2009).

⁹⁸¹ U.S. DEPT OF JUSTICE & FED. TRADE COMM'N, HORIZONTAL MERGER GUIDELINES § 11 (2010).



Indian regulatory approach differs significantly from both European and American frameworks through wholesale exemptions rather than modified assessment standards. Current exemption notification effectively removes competition assessment requirements for insolvency resolution transactions without creating alternative evaluation mechanisms. This approach creates regulatory vacuum regarding competitive implications assessment for substantial market-altering transactions.

Indian approach contrasts with international best practices maintaining competition oversight while accommodating distress conditions. Comparative analysis reveals potential regulatory gaps where neither competition authorities nor insolvency tribunals comprehensively evaluate competitive implications. This comparative disadvantage requires recalibration through adoption of modified assessment standards rather than wholesale exemptions.

V. Empirical Analysis: Case Studies of Competition-Insolvency Interactions

A. Steel Sector Consolidation: Tata Steel-Bhushan Steel Acquisition

Tata Steel's acquisition of Bhushan Steel through insolvency resolution process exemplifies substantial market consolidation through insolvency mechanisms.⁹⁸² Transaction resulted in Tata Steel significantly increasing market share within flat steel products segment potentially raising competition concerns under traditional merger assessment. Acquisition proceeded through insolvency framework without comprehensive competition assessment due to exemption notification.

Market concentration analysis post-acquisition reveals substantial increases in concentration ratios within specific steel product markets. Horizontal overlaps between acquiring and target entities created potential bottlenecks within supply chains affecting downstream

industries. Transaction proceeded primarily based on financial parameters evaluation without detailed assessment regarding competitive implications despite substantial market structure alterations.

B. Cement Industry Restructuring: UltraTech-Binani Cement Resolution

UltraTech Cement's acquisition of Binani Cement through insolvency proceedings demonstrates competition-insolvency tensions within concentrated industry.⁹⁸³ Transaction occurred despite significant regional market concentration increases within North India cement markets. Resolution process focused predominantly on financial parameters without detailed regional market concentration assessment or efficiency analysis.

Transaction raised theoretical competition concerns regarding potential coordinated effects within oligopolistic cement industry. Acquisition proceeded through insolvency framework without standard merger notification requirements despite substantial market overlaps. NCLAT approved transaction emphasizing value maximization for creditors without addressing potential competitive implications despite cement industry's historical competition concerns.

C. Retail Sector Consolidation: Future Group-Reliance Retail Transaction

Future Group's restructuring through insolvency-like mechanisms involving Reliance Retail highlighted regulatory gaps between competition and insolvency frameworks.⁹⁸⁴ Transaction proceeded through multiple schemes requiring approval from different regulatory authorities. Competition Commission approved transaction through standard assessment while Amazon challenged transaction through arbitration proceedings and regulatory petitions.

⁹⁸² *State Bank of India v. Bhushan Steel Ltd.*, C.P. (IB) No. 201/BB/2017, National Company Law Tribunal [NCLT] (May 15, 2018).

⁹⁸³ *Rajputana Properties Pvt. Ltd v. Binani Industries Ltd.*, Company Appeal (AT) No. 139/2018, National Company Law Appellate Tribunal [NCLAT] (Nov. 14, 2018).

⁹⁸⁴ Competition Commission of India, *Combination Registration No. C-2020/09/777* (Nov. 20, 2020).



This case demonstrates potential jurisdictional conflicts between multiple regulatory authorities involved in corporate restructuring. Transaction faced challenges from numerous stakeholders demonstrating complex interaction between insolvency mechanisms, competition assessment, and contractual enforcement. Multiple proceedings across different forums highlighted coordination challenges between regulatory frameworks governing corporate restructuring.

VI. Regulatory Convergence Challenges and Strategic Implications

A. Temporal Misalignment Between Regulatory Processes

Fundamental challenge within current regulatory framework involves temporal misalignment between insolvency proceedings and competition assessment processes. IBC mandates time-bound resolution within stringent timelines (ordinarily 330 days)⁹⁸⁵ while competition assessment traditionally requires extended market analysis. This misalignment creates procedural bottlenecks hindering effective regulatory coordination.

Strategic implications include potential regulatory arbitrage opportunities where parties structure transactions through insolvency proceedings to avoid rigorous competition scrutiny. Current framework creates incentives for utilizing insolvency proceedings for implementing transactions potentially raising competition concerns without thorough assessment of competitive implications.

B. Institutional Expertise Limitations

Current regulatory framework effectively transfers competition assessment responsibility from specialized competition authority to insolvency tribunals without corresponding expertise transfer. NCLT judges primarily possess legal expertise without specialized economic analysis training required for sophisticated competition assessment. This

expertise gap creates significant challenges for comprehensive evaluation of competition implications during resolution proceedings.

Strategic implications include potential undervaluation of competitive concerns during resolution plan evaluation, potentially resulting in transactions creating substantial market concentrations without corresponding efficiency gains. Current framework lacks institutional mechanisms for incorporating sophisticated economic analysis within resolution plan evaluation.

C. Balancing Competing Policy Objectives

Fundamental challenge involves balancing competing policy objectives across regulatory domains—insolvency framework prioritizing creditor recovery and business continuity while competition framework emphasizing market structure preservation. These competing objectives create fundamental tensions requiring sophisticated balancing mechanisms currently absent within Indian regulatory framework.

Strategic implications include potential prioritization of short-term creditor recovery over long-term competitive market structure preservation. Current framework lacks mechanisms for incorporating long-term economic welfare considerations within resolution plan evaluation processes potentially resulting in suboptimal outcomes from broader economic perspective.

VII. Strategic Approaches for Regulatory Harmonization

A. Integrated Assessment Framework Development

Effective regulatory harmonization requires development of integrated assessment frameworks incorporating both insolvency and competition considerations. This framework should establish clear criteria for evaluating competitive implications during resolution proceedings while accommodating special circumstances surrounding distressed transactions. Assessment framework should

⁹⁸⁵ Insolvency and Bankruptcy Code, No. 31, Acts of Parliament, 2016, § 12.



incorporate modified failing firm considerations specifically calibrated for Indian economic conditions.⁹⁸⁶

Proposed framework should establish procedural mechanisms for Competition Commission involvement during resolution proceedings without creating timeline extensions contravening IBC objectives. This involvement could occur through expedited assessment processes specifically designed for insolvency transactions accommodating timeline constraints while maintaining assessment integrity.

B. Institutional Coordination Mechanisms

Effective regulatory harmonization requires establishment of formal coordination mechanisms between Competition Commission and NCLT during resolution proceedings. These mechanisms could include joint assessment committees including representatives from both institutions or formal consultation processes between authorities during resolution plan evaluation. Coordination mechanisms should include information sharing protocols ensuring relevant competitive information accessibility for decision-makers.

Institutional coordination could also involve development of specialized competition assessment units within NCLT providing necessary expertise for evaluating competitive implications during resolution proceedings. These specialized units could receive training from Competition Commission ensuring consistent analytical approaches across institutions.

C. Regulatory Framework Amendments

Comprehensive regulatory harmonization requires legislative amendments establishing clear jurisdictional boundaries between competition and insolvency authorities. These amendments should establish clear notification requirements for transactions exceeding specified thresholds while providing expedited

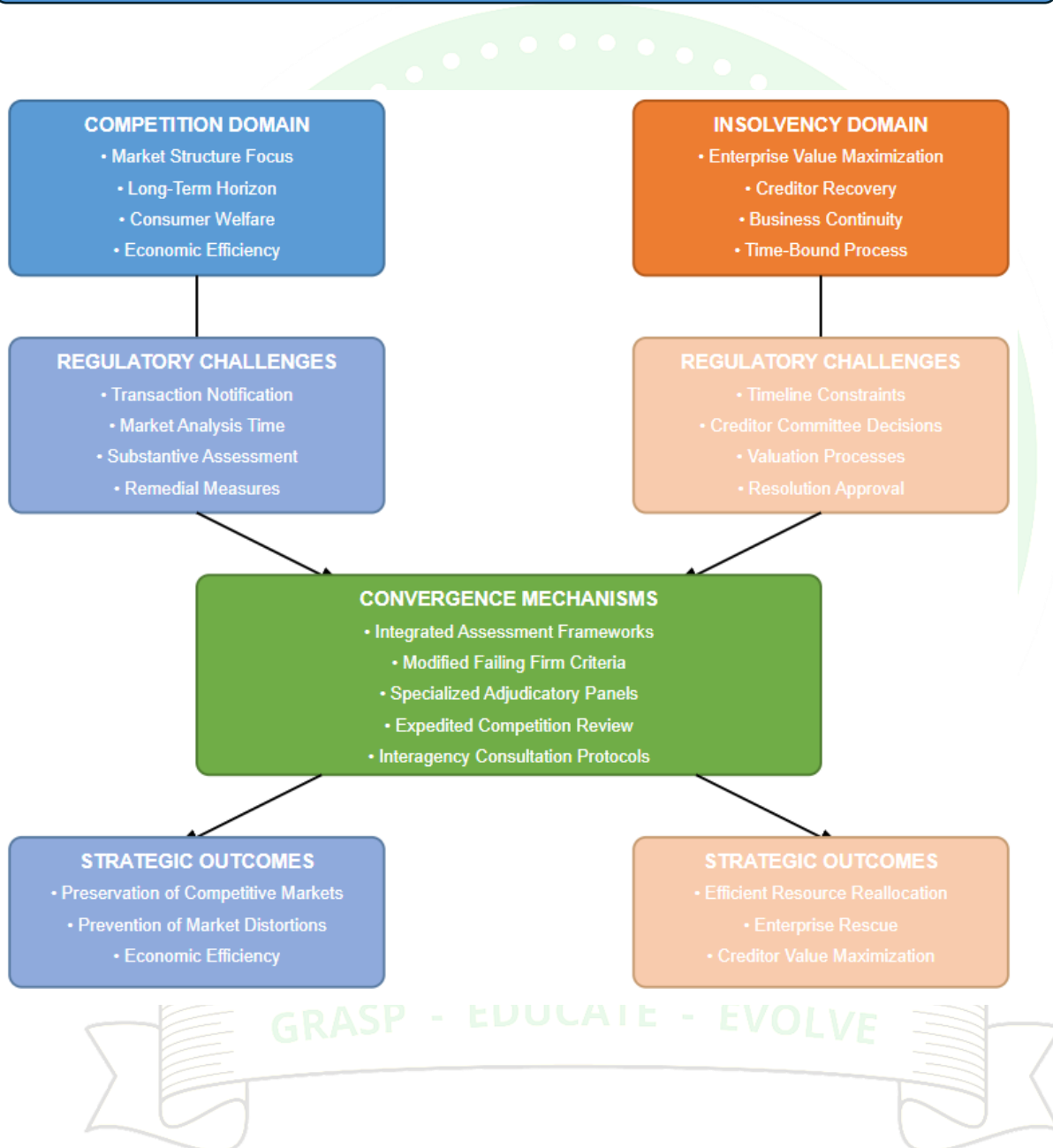
assessment timelines aligned with insolvency proceedings. Legislative framework should explicitly incorporate competition assessment within resolution plan approval criteria for transactions exceeding specified thresholds.

Proposed amendments should replace current exemption approach with modified assessment standards specifically designed for distressed transactions. These standards should incorporate failing firm considerations while maintaining fundamental competition assessment principles. Modified standards should establish clear evidentiary requirements for demonstrating absence of less anticompetitive alternatives for achieving restructuring objectives.

⁹⁸⁶ Aditya Bhattacharjee, *Indian Competition Law: A Progress Report*, 42 ECON. & POL. WKLY. 135, 139-40 (2018).



REGULATORY CONVERGENCE FRAMEWORK: COMPETITION-INSOLVENCY INTERFACE





IX. Conclusion and Recommendations

The intersection of competition law and insolvency proceedings in India presents a complex regulatory landscape characterized by significant gaps and inconsistencies. This research has demonstrated that the current regulatory framework, which evolved through separate developmental trajectories, lacks comprehensive harmonization mechanisms essential for balancing competing objectives. The wholesale exemption approach for insolvency transactions creates a regulatory vacuum regarding competitive assessment, diverging from international best practices that maintain competition oversight while accommodating distress scenarios.

Regulatory convergence necessitates recognition that corporate restructuring through insolvency proceedings fundamentally alters market dynamics in ways like traditional mergers but through different procedural mechanisms. This understanding calls for careful calibration of regulatory approaches that balance competing objectives without undermining either framework's core purposes. A more effective approach would replace current exemptions with modified assessment standards specifically designed for distressed transactions, incorporating failing firm considerations while maintaining fundamental competition principles. Establishing expedited review mechanisms for insolvency transactions exceeding specified thresholds would ensure meaningful competition assessment without compromising resolution timelines.

Development of specialized adjudicatory panels comprising representatives from both NCLT and CCI would significantly enhance evaluation of competitive implications in major insolvency transactions. Implementation of formal consultation protocols between these institutions would facilitate information sharing and expertise utilization. Incorporating explicit competition assessment criteria within resolution plan evaluation frameworks for

transactions exceeding specified thresholds would standardize assessment methodologies. Establishment of specialized competition assessment units within NCLT would provide necessary expertise for evaluating competitive implications during resolution proceedings, while development of comprehensive jurisprudence regarding application of failing firm considerations within Indian economic context would enhance legal certainty.

This research reveals numerous areas requiring further investigation, including quantitative analysis of market concentration impacts resulting from insolvency-driven consolidation across sectors, empirical assessment of efficiency gains versus competitive harms from such consolidation, comparative effectiveness analysis of institutional coordination models across jurisdictions, and development of specialized analytical frameworks calibrated for distressed transaction assessment. Future research should develop comprehensive frameworks balancing competing regulatory objectives while preserving fundamental purposes across both domains—promoting competitive markets while facilitating efficient resource reallocation during corporate distress.

The ultimate objective remains development of sophisticated regulatory convergence enhancing economic welfare through balanced approaches preserving competitive markets while enabling effective corporate restructuring. This balanced approach must recognize legitimate objectives across both regulatory domains—preserving competitive market structures crucial for economic efficiency while facilitating necessary corporate rescue operations essential for resource optimization. Only through such harmonized regulatory approaches can Indian competition and insolvency frameworks effectively serve their complementary economic functions.