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Preface

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A CRITICAL STUDY OF DIGITAL MARKET CONSOLIDATION THROUGH KILLER ACQUISITIONS: EMERGING CHALLENGES FOR COMPETITION REGULATION IN INDIA.

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Abstract

The digital economy is a fast-growing sector that has reshaped competition, allowing winning technology companies to consolidate their dominance with strategic acquisitions. acquisitions. Many mergers are efficiency-enhancing and technologically progress-enhancing, but there are some mergers, known as killer acquisitions, that have become a serious issue in competition law because they kill off innovative start-ups before they can become a threat in the market. Such acquisitions can limit innovation, lead to market consolidation, present an entry barrier, and have negative welfare impacts for consumers. Conventional merger control systems, which are mainly based on asset and turnover thresholds, have thus become increasingly insufficient to deal with the competitive threats of digital markets. This paper critically analyzes the digital market consolidation by 'killer acquisition' and assesses the efficacy of India's competition law regime in controlling the digital markets. It reviews the provisions of the Competition Act, 2002, the Competition (Amendment) Act, 2023, especially the inclusion of the Deal Value Threshold, along with the proposed Digital Competition Bill. The study employs a doctrinal research approach by examining legislation, case law, policy and committee documents and literature and learning from the legal systems of the EU, the UK and the USA. The study reveals that despite the recent reforms, India's merger control regime is still plagued by challenges in determining emerging competitors, understanding innovation competition, and dealing with data-driven market power in digital markets. It concludes that a new competitive framework, which is more proactive and innovative, in addition to enhanced institutional capacities, efficient merger control regimes and transparent regulations, is needed to ensure that the digital market does not become anti-competitive without compromising innovation, consumer welfare and fair competition.

Keywords: Digital Market Consolidation, Killer Acquisitions, Competition Law, Merger Control, Deal Value Threshold, Digital Competition Bill, Competition Commission of India.

1. Introduction

The digital economy has revolutionized the world's markets[1] by changing the way businesses compete, innovate, and grow. Digital platforms have become economic giants, delivering a host of services via an interconnected web of data, technology and network effects. The last few years have seen mergers and acquisitions (M&A) as an attractive option that companies use to build market power, expand services, and gain access to new technologies. Digital mergers often involve start-up companies that are innovative and have limited asset size and turnover but strong future competitive potential. As a result, such trading has led to fresh concerns about market concentration and the ability of existing competition law regimes to work. Of these deals, killer acquisitions have been one of the most controversial aspects[2] of present times concerning competition law. The term killer acquisition usually describes the acquisition of a new or innovative competitor by a large company that will stave off any future competitors. While many acquisitions do result in the efficiencies of technological progress and better consumer services, acquisitions that eliminate potential competitors can also result in a decrease in innovation, barriers to market entry, data-driven market power, and ultimately a decrease in consumer welfare[3]. These concerns are especially relevant in digital markets, where network effects, platform ecosystems, and data accumulation can give an advantage to dominant firms to consolidate their market power more quickly than in traditional markets. As digital mergers come under closer examination by competition authorities around the globe, traditional merger approaches are facing a rethink. Historically, the focus of merger review has been on the size of the assets and turnover of the companies involved in the transaction. But some digital start-ups can have very high strategic value even if they make relatively low revenues and have a few strategic acquisitions that have big competitive implications that have gone under the radar. Killer acquisitions have been the subject of hot controversy around the world, as evidenced by recent high-profile deals involving firms like Meta, Google, Amazon, and Microsoft, and traditional merger assessment has proven inadequate

[1] Richard Whish & David Bailey, Competition Law 937–45 (10th ed. 2021).
[2] Cunningham, Ederer & Ma, supra note 1, at 649.
[3] OECD, Start-ups, Killer Acquisitions and Merger Control 18–25 (2020).

for evaluating the impacts of these deals. Aware of these difficulties, many jurisdictions have embarked on major competition law reforms. The European Union has rolled out the Digital Markets Act [4]and beefed up the scrutiny of acquisitions that do not fall into the below-threshold category, while the United Kingdom and the United States have adopted tougher regulatory stances on acquisitions involving dominant digital platforms. The developments highlight the need to think beyond traditional economic measures in merger analysis and include innovation, future competition, data concentration, and ecosystem expansion. To keep pace with the changing digital economy, India has taken a step towards crucial reforms with the Competition (Amendment) Act, 2023, including the introduction of the Deal Value Threshold to account for the acquisition of high-value deals by low-turnover companies. The proposed Digital Competition Bill also proposes to introduce an 'ex ante' regulatory regime for Systemically Significant Digital Enterprises. Although these changes are welcome progress in the Indian competition law regime, there are concerns about their efficacy in dealing with the distinct nature of killer acquisitions and the growing consolidation in digital markets. In this context, this paper provides a critical examination of the phenomenon of digital market consolidation by killer acquisitions and assesses the ability of the existing competition law regime in India to effectively control such transactions. It looks at the existing provisions of the Competition Act, 2002,[5] and the Competition (Amendment) Act, 2023, as well as the proposed Digital Competition Bill, from the perspective of emerging issues with digital mergers. The study follows a doctrinal approach through the analysis of legislation, judicial precedents, committee reports, policy documents, and literature, with a comparative analysis of the regulatory strategies used in the EU, the UK, and the USA. The paper aims to join the debate on how to strike a balance between innovation, consumer welfare, and an effective competition policy in India's dynamic digital economy.

2. Literature Review

Over the last ten years, the rise of market power in digital markets has garnered important research interest[6]. Previous research on mergers and acquisitions was mainly devoted to the operational efficiency, market share, and economic value creation dimensions. But with the ascent of digital

[4] Digital Markets Act, Regulation (EU) 2022/1925, 2022 O.J. (L 265) 1.
[5] Competition Act, No. 12 of 2003, India Code (2003).
[6] Richard Whish & David Bailey, supra note 7, at 937.

platforms, this outlook has drastically changed. However, in recent years, the scholarship increasingly takes into account that the competitive implications of mergers of dominant technology companies might differ significantly from those in "traditional" markets. As a result, attention has turned to the digital market concentration, killer acquisitions, competition through innovation, and the need for competition law. M&A is well established as one of the key ways that dominant digital platforms build up their market power in the literature. Digital acquisitions often target innovative start-ups with valuable data, advanced technologies, intellectual property, and growing networks of users that aren't necessarily delivering significant turnover. Digital acquisitions differ from traditional business combinations[7] in that they are often made to acquire innovative start-ups with valuable data and advanced technologies, intellectual property, and expanding user networks, but not necessarily high turnover. Scholars have suggested that such acquisitions allow big tech companies to build out digital ecosystems, market lock-in, raise the barriers to others entering the market, and leverage into surrounding markets. The literature thus implies that mergers are now an important strategic tool [8]in order to maintain dominance in digital markets, and not just in order to support business growth. A substantial amount of research on killer acquisitions is devoted to this idea, and defines killer acquisitions as acquisitions by dominant firms of innovative or nascent competitors before they become successful market competitors. These acquisitions can be called stifling competition, killing innovation, and negatively impacting consumer welfare by removing future competition. Some research also points to the fact that innovation-based competition is often not captured[9] in traditional merger analysis, because it is based on the actual conditions of the market, and not the potential for competition. This means that acquisitions of highly innovative start-ups can pass the radar of regulators even if they have long-term effects on competition in the market. It is also scholars' recurring point that digital markets have unique features that call into question the traditional concepts of competition law. But the advantages of dominant companies are not always measured in the conventional indicators (e.g., market share, assets, turnover), but rather in network effects, economies of scale,[10] data accumulation, platform ecosystems, algorithmic decision-making, and market tipping. Therefore, the existing literature states that competition authorities should use

[7] OECD, supra note 6, at 12–16.
[8] Cunningham et al., supra note 1, at 658–64.Cunningham et al., supra note 1, at 658–64.
[9] Herbert Hovenkamp, principles of Antitrust sec 13(2d ed. 2021).
[10] Richard Whish & David Bailey, supra note 7, at 944–46.

more comprehensive analytical tools that take into account innovation and access to data, future competition, and ecosystem expansion in digital mergers. This change acknowledges the need for more than just a price-based analysis of competition in digital markets and the need to look at how markets develop over time. Comparative scholarship shows that a few jurisdictions have gone through significant changes to meet these challenges. Focusing on the EU, research points to the importance of the Digital Markets Act,[11] Article 22 referral mechanisms,[12] and a greater focus on digital gatekeeper acquisitions. Likewise, the press in the United Kingdom reports on and analyses the Strategic Market Status framework and the Digital Markets, Competition and Consumers Act, and analyses in the United States report on and examine the Federal Trade Commission's increasingly interventionist attitude towards mergers involving dominant digital platforms. These developments are part of a wider international trend in refining ex ante regulatory powers and the principles of merger assessment based on innovation. In India, there has been a significant amount of literature on the Competition Act, 2002, the Competition (Amendment) Act, 2023[13], and the proposed Digital Competition Bill in recent times. The Deal Value Threshold is generally recognised as a landmark reform as it allows the Competition Commission of India to look into high-value acquisitions of low-turnover digital companies, which had not come under the radar earlier. The proposed Digital Competition Bill[14] is also the subject of a great deal of academic analysis because it proposes a new ex ante regulatory regime that will be applied to Systemically Significant Digital Enterprises. However, some scholars argue that legislation is not enough to ensure digital mergers are well regulated without a corresponding increase in institutional capacity, specific expertise, and definitions of innovation-driven competition. The paper also explores a few salient digital mergers such as Meta's acquisition of Instagram and WhatsApp, [15]Google's investment in Waze, Walmart's acquisition of Flipkart, Meta's investment in Jio Platforms, Zomato's acquisition of Blinkit, [16]and Ola's acquisition of TaxiForSure. The deal is often referred to as a good example of the strategic importance of acquiring nascent competitors, and of the more mundane, practical constraints of traditional merger control regimes. The cases raise questions

[11] Digital Markets Act, supra note 12.
[12] Council Regulation (EC) No. 139/2004, art. 22, 2004 O.J. (L 24) 1.
[13] Competition (Amendment) Act, supra note 3.
[14] Committee on Digital Competition Law, supra note 5.
[15] Federal Trade Commission, Statement of the Federal Trade Commission Regarding Meta Platforms (2023).
[16] Zomato/Blinkit Combination, C-2022/06/962 (CCI 2022).

about the challenging task of competition authorities to recognise future competitive harm before it is too late and a market has become unassailable. While the literature offers useful background information on digital market consolidation and 'killer' acquisitions, there are some areas that are not widely covered in the literature. Although a lot of attention has been paid to the comparative evolution, few studies take a critical look at how well the new Indian competition law regime[17] can achieve the twin objectives of protecting innovation and fostering competitive digital markets in the context of regulating killer acquisitions. This paper aims to add to this ongoing academic debate and critically assess the efficacy of India's merger control regime in dealing with the specific issues that emerge in digital markets.

3. Research Methodology

This study follows a doctrinal research approach to explore the consolidation of the digital market through 'killer' acquisitions and the emerging issues relating to competition law enforcement regimes in India. The doctrinal research is relevant to the current study because it is the systematic analysis and interpretation of legal principles, statutory provisions, judicial rulings, policy reports and academic literature on the topic of competition law and digital markets. The study mainly focuses on the effectiveness of the current legal and policy regime in combating anti-competitive digital mergers, and takes into account recent legal and policy initiatives. The study has primary and secondary sources of data. The primary sources consist of the Competition Act, 2002, the Competition (Amendment) Act, 2023, relevant judicial decisions, orders of the Competition Commission of India (CCI), committee reports like the Competition Law Review Committee Report and the Committee on Digital Competition Law Report, and other official government publications. Secondary sources include books, peer-reviewed journal articles, research papers and reports from law commissions and international organisations on competition law and digital markets. A comparative method has also been used to analyze developments in other regulatory areas, such as the European Union, the United Kingdom, and the United States. This comparative analysis helps to have a good understanding of international best practices in regulating digital market consolidation and killer acquisitions, and helps to assess the efficacy of the Indian competition law regime in its current form. The study uses a legal approach and an analytical and

[17] Competition (Amendment) Act, supra note 3.

critical perspective to approach legal challenges in digital mergers. It reviews both the statutory framework and regulatory changes, as well as academic views and debates, regarding the capacity of the current merger control framework to deal with innovation-driven competition, data-driven market power, and acquisitions of emerging competitors. The study does not include any empirical techniques like surveys, interviews, or statistical data analysis. Therefore, its findings rely on the analysis of legal resources and the published academic literature.

4. Digital Market Consolidation through Killer Acquisitions: Concept and Legal Framework

The digital economy has revolutionized the nature of today's markets and how businesses work, allowing them to function via online platforms, digital ecosystems, and data-driven technologies. Digital markets are marked by innovation that happens quickly, network effects, economies of scale,[18] and a large amount of data collection, which enables companies to penetrate markets faster than ever before. With most of the competition now focused on technology, innovation, and user data, rather than physical assets, mergers and acquisitions are one of the main strategies used by the leading digital platforms to reinforce their competitive position. While there are certain acquisitions that enhance business efficiency and the development of new technologies, there are some acquisitions that give rise to a lot of concerns because they kill the new competitors before they have a chance to put up a fight with the established ones.

Digital market consolidation[19] describes the consolidation of a digital market by only a few companies via mergers and acquisitions, strategic investments, or related digital services. This clustering can lead to increased market concentration, consumer data control, and the formation of complex digital ecosystems that are hard to penetrate by new players. Network effects play a major role in the concentration of digital markets, where the more users that are on the platform, the more valuable it becomes to them. The implications are that dominant firms have self-reinforcing advantages, which make it increasingly challenging for smaller firms to enter the market.

[18] Whish & Bailey, supra note 7, at 944–46.
[19] OECD, supra note 6, at 20–24.

One of the biggest issues with digital market consolidation is the appearance of killer acquisitions. Killer acquisition [20]is typically the purchase of an innovative start-up or an enterprise that might be a competitor, with the goal or impact of blocking potential competition. Killer acquisitions, in contrast to the traditional mergers that aim for operational efficiencies or market expansion, typically occur between companies with low turnover that have valuable technology, intellectual property, innovative business models, or rapidly growing user bases. These purchases can stifle innovation, limit consumer options, [21]and give control to powerful digital platforms, stifling the emergence of early rival players.

Competitive implications are more pronounced in the digital markets since competition is mostly innovation-based, not price-based. Inventors often have groundbreaking technologies to disrupt incumbent companies. But, if the enterprises are bought before they are commercialized, then their competitive pressures are removed. Hence, competition authorities are increasingly aware that innovation is a valuable facet of competition [22]That must be protected in addition to consumer welfare and market efficiency.

The regime of regulation of digital mergers in India is essentially based on the Competition Act, 2002,[23] which aims to prevent practices that have an appreciable adverse effect on competition and also govern combinations that may substantially lessen competition in the market. The legal framework for mergers and acquisitions and amalgamations in the Act is laid out in Sections 5 and 6, which prescribe conditions for notification of combinations and empower the Competition Commission of India (CCI)[24] To review combinations before they are implemented. The traditional way of determining merger notification relied on asset and turnover levels, which were characteristic of traditional industry. But these were shown to be poor metrics for digital markets, where high-value startups can have low asset and revenue levels, but a lot of potential to compete in the future.

[20] Cunningham et al., supra note 1, at 649.
[21] Cunningham et al., supra note 1, at 662–68.
[22] Hovenkamp, supra note 21, sec 13.2.
[23] Competition Act sec 5–6.
[24] Competition Act sec 7–17.

In response to these gaps, Parliament passed the Competition (Amendment) Act, 2023, which marks a key change in India's merger control regime, bringing in a new concept called the Deal Value Threshold (DVT).[25] The DVT allows the CCI to look at acquisitions that have a transaction value above the thresholds but where the target enterprise has a significant business presence in India, even though the asset or turnover thresholds are not met. The reform aims to stop that from happening with acquisitions of innovative digital companies which are strategically important but have limited financial size.

Along with these legislative changes, the proposed Digital Competition Bill[26] is another noteworthy development in India's developing competition law landscape. The Bill takes an ex ante approach to regulation, placing preventive obligations on Systemically Significant Digital Enterprises (SSDEs).[27] The proposed framework aims to avoid anti-competitive behaviour, rather than waiting for enforcement to take place after the market is irrevocably harmed. While the Bill's focus is on anti-competitive practices by dominant digital firms, it also reflects a wider policy trend towards anticipatory regulation of digital markets that are strong network markets, with concentrated data, and platforms that have gatekeeping power.

There are still major regulatory hurdles to be overcome. Identifying emerging competitors, gauging future innovation, pricing data assets, and forecasting long-term impacts of digital acquisitions are challenges for competition authorities. Additionally, digital markets are evolving quickly, making it more complex to assess mergers, as traditional economic metrics often do not account for the strategic value of technology, algorithms, user data, and platform ecosystems. However, for effective regulation of killer acquisitions, both legislative reforms and an increase in the expertise and innovativeness of institutions in assessing mergers, as well as constant updating of the competition law to new digital business models, are necessary.

[25] Competition (Amendment) Act, supra note 3.
[26] Committee on Digital Competition Law, supra note 5.
[27] Committee on Digital Competition Law, supra note 5, at 45–52.

5. Critical Analysis of Competition Regulation in India

Conventional competition law is widely inadequate in regulating competition in digital markets and in regulating mergers between innovative start-ups. While the Competition (Amendment) Act, 2023 has made relevant changes, some significant legal and practical issues remain that curtail the ability to effectively regulate killer acquisitions. The obstacles stem from the fact that digital markets are driven by rapid innovation, data-centric business models, network effects,[28] and platforms with characteristics that are significantly different from traditional markets.

Identification of emerging competitors [29]is one of the major problems. Many innovative start-ups have significant technological strengths and potential for future competition, but have little in the way of tangible assets and/or revenues. It has been difficult to capture the long-term competitive importance of these businesses in traditional merger analysis, which has largely been based on market shares, turnover, and assets. Therefore, the acquisition of promising digital companies could be granted before they are ready to compete with other market participants, which means the market competition and innovation would be lessened in the future.

The measurement of competition through innovation[30] is another major difficulty. In digital markets, the main competitive parameter is not price but innovation. A takeover of a new competitor by dominant digital platforms could cause an initial price impact that is difficult to measure, but could significantly diminish future innovation and consumer choice. This makes it challenging for competition authorities, as the anti-competitive impact is often only revealed after the transaction has occurred. Hence, technological attributes, research and development capacity, intellectual property (IP) rights, and future market trends must be taken into account in merger review as well as the traditional economic measures.

Competition regulation is complicated by the growing centralisation of consumer data. In the digital world, data has turned into a strategic resource [31]That can be used to enhance algorithms, tailor services, boost ad effectiveness, and boost network effects. In situations where traditional

[28] Whish & Bailey, supra note 7, at 944–48.
[29] Cunningham et al., supra note 1, at 662–68.
[30] Hovenkamp, supra note 21, § 13.2.
[31] OECD, supra note 6, at 22–30.

measures of market share seem limited in scope, acquisitions of data-rich companies can have significant effects on the market power of market-leading firms. The existing competition laws offer inadequate clarity on how to assess data concentration, making it complex for the Competition Commission of India (CCI) to assess the competitive impact of such transactions adequately.

The enactment of the Deal Value Threshold [32]The Competition (Amendment) Act, 2023, is a significant piece of legislation to overcome the limitations of asset and turnover-based notification thresholds. The amendment allows the CCI to review acquisitions of low-turnover businesses with high valuations, thus bolstering its review mechanism on strategically important digital acquisitions. The effectiveness of this reform, however, will depend on the creation of clear rules and regulations with respect to valuation principles, notification thresholds, and the determination of substantial business operations in India. If left unregulated, there might be doubt about how the new threshold is to be implemented.

The proposed Digital Competition Bill [33]is also a big policy move and is introducing an ex ante regulatory framework for Systemically Significant Digital Enterprises (SSDEs). Preventive regulation can lessen the risk of permanent market consolidation by placing a duty in the path of anti-competitive practices before they manifest themselves in the market. However, the Bill focuses mainly on the behavior of dominant digital businesses, not on merger control. Therefore, there is a need for more clarity in legislation on the relationship between the proposed legislation and the existing provisions of the Competition Act on merger control to achieve a coherent framework.

Learning from comparative developments is useful to India. The EU has tightened up its digital merger control laws and introduced Article 22 referral provisions[34] To ensure closer scrutiny of strategically important transactions. The United Kingdom has also implemented the Strategic Market Status framework[35] And the United States has stepped up enforcement action on mergers

[32] Competition (Amendment) Act, supra note 3.
[33] Committee on Digital Competition Law, supra note 5.
[34] Council Regulation (EC) No. 139/2004, art. 22, supra note 24.
[35] Digital Markets, Competition and Consumers Act 2024, supra note 25.

with updated enforcement policies. These jurisdictions are increasingly understanding that digital transactions do not need to be based solely on traditional financial criteria to merit antitrust scrutiny, but also assessed on whether they will cause future concentration of data, innovation, and competition. India can also learn from such principles and adjust them to the country's economic and regulatory landscape.

In general, the Indian competition law has come a long way in addressing the challenges of the digital economy. However, the digital market is constantly changing, and so must the regulatory framework. It is crucial to build up institutional capacities, create a merger assessment framework based on innovation, provide detailed guidelines for implementation, and improve coordination between competition and digital regulators to make merger control work to control digital market consolidation via killer acquisitions. To sustain the long-term development of India's digital economy, a balanced regulatory regime [36]That ensures competition while not stifling legitimate investment and innovation will be essential.

6. Findings and Recommendations

6.1 Findings

The findings of this research suggest that digital market consolidation via mergers and acquisitions is a crucial aspect of the contemporary digital economy. Many acquisitions help advance technology and increase efficiency, but killer acquisitions are a serious threat to competition by preemptively snuffing out potential new rivals. These deals stifle innovation, create entry barriers, and empower the market dominance of key digital platforms.

The study also concludes that the traditional merger control regime under the Competition Act, 2002, which focused mainly on thresholds based on assets and turnover, was not sufficient to control mergers involving digital start-ups. Several transactions with significant competitive implications could previously have been left unscrutinized due to some innovative firms having low turnover but high strategic value.

The inclusion of the concept of Deal Value Threshold in the Competition (Amendment) Act, 2023, is a welcome improvement in the Indian merger control regime. But its success will rely on clear

[36] Whish & Bailey, supra note 7, at 975–82.

guidelines for implementation, uniformity in enforcement by the Competition Commission of India, and the building of technical expertise to understand how to measure innovation-based competition and data-based market power.

The study further reveals that the proposed Digital Competition Bill is in line with India's shift towards a more proactive approach to regulation. However, there is a need for more integration between the proposed ex ante framework and the current merger control regime for adequate digital market regulation.

The analysis of comparative jurisdictions has revealed that the European Union, the United Kingdom and the United States are increasingly adopting the view that competition in the future and concentration of data are key aspects of merger analysis. The developments offer good direction to enhance the competitiveness of India.

6.2 Recommendations

Existing competition law should be more innovation-focused and embrace an innovation lens in assessing digital mergers. Market share, assets, and turnover should not be the primary factors used to judge the success of a target but rather technological capacity, research and development, and the innovation impact of an acquisition. It would allow the competition authorities to pinpoint transactions that potentially may lead to a significant decrease in competition in the future, even if the target enterprise does not have much significance in the market today.

While the Deal Value Threshold, introduced as part of the Competition (Amendment) Act, 2023, has been a positive development to enhance merger control, it needs to be more fully regulated for effective implementation. The introduction of clarity on transaction valuation, notification requirements, and identification of SBO in India would enhance legal certainty and the enforcement action by the Competition Commission of India.

In addition, the institutional capability of the Competition Commission of India needs to be bolstered by uniquely expanding its technical expertise in the areas of digital markets, AI, data analysis, and platform economics. Innovation, algorithms and data are now central to competition where traditional pricing mechanisms are no longer so important, and specialised knowledge is key to effective merger analysis and the identification of anti-competitive digital acquisitions.

It is also important that the proposed Digital Competition Bill is coordinated with the Competition Act, 2002. Establishment of a coherent regime, which integrates the elements of effective merger

control and appropriate ex ante obligations for dominant digital companies, would offer greater clarity and less regulatory arbitrage in the area of digital market consolidation.
Last, India should keep learning from the best practices elsewhere in the world and adapt them to its own economic and technological context to find regulatory solutions. Proactive merger review and innovative competition analysis, as well as dedicated digital regulation, are shown from jurisdictions like the European Union, the United Kingdom, and the United States to be crucial. Incorporating these principles in the Indian context would take the competition law further towards achieving an effective competition law regime that fosters innovation, consumer welfare, and competitive digital markets.

7. Conclusion

With the digital economy growing so quickly, the character of competition has shifted and the merger and acquisition (M&A) strategy plays a significant role in the development and expansion of digital platforms. Acquisition law has become an interesting field due to the new phenomenon of killer acquisitions, which, while they foster technology advancement, investment and economic efficiency, have proved to be complicated challenges for competition law. Monopolistic digital companies might be able to acquire innovative start-ups that can lead to reduced competition, less innovation, market concentration, and ultimately to impacts on consumer welfare. The developments reflect the need to develop more modernised merger control approaches to deal with the complexity of digital markets.

The study explored the phenomenon of digital market consolidation via killer acquisitions and critically assessed the scope of India's regime of competition law. It stated that the enactment of the Competition (Amendment) Act, 2023, especially the introduction of the Deal Value Threshold, is an important move towards rectifying the flaws of the previous merger notification system. Likewise, the draft Digital Competition Bill is a sign of the Indian government's intent to move towards a more proactive stance regarding digital markets. However, legislative reform is not sufficient to guarantee effective regulation without implementation guidance and institutional skills, nor will it suffice without a mechanism for assessing the competition that is robust enough to consider innovation, data concentration, and future market dynamics.

The evolution of competition law in the EU, the United Kingdom, and the United States also shows that competition regulation is moving from the traditional market-based approach to a more innovation-oriented and forward-looking approach. Together with this, India can leverage the developments in designing a regulatory framework in a way that would be reflective of its digital economy and foster sustainable market competition.

To sum up, it is one of the biggest challenges of contemporary competition law to achieve an adequate balance between innovation and competition. The Indian competition law must evolve to be able to keep up with the changing landscape of digital markets, so that mergers and acquisitions do not threaten to reduce the contestability, innovation, or consumer welfare of digital markets. A fair, clear, and flexible regulatory system will play a pivotal role in fostering competitiveness and sustainability of India's digital economy.

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