MERGERS AND ACQUISITIONS IN INDIA

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BY

RAHUL V. VYAS

Under the supervision of

Prof. (Dr.) G. C. MAHESHWARI

Faculty of Management Studies

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THE MAHARAJA SAYAJIRAO UNIVERSITY OF BARODA

VADODARA - 390002

M. S. PATEL INSTITUTE OF MANAGEMENT STUDIES
(Faculty of Management Studies)
The Maharaja Sayajirao University of Baroda
Opp. University Main Office, Fatehgunj, Vadodara - 390 002.
Ph. : 0265-2791179 / 2793229 / 2784934

Ref. No. FMS/

DECLARATION

It is hereby declared that the thesis entitled "Mergers and Acquisitions in India" has been prepared by Rahul Vasudevbhai Vyas. The analysis, discussion and conclusions have been drawn on the basis of the data collected by me. The thesis presents the results of the original work. This work not been submitted to any other university for awarding any degree or diploma.

Rahul Vasudevbhai Vyas

(Researcher)

[Prof. G. C. Maheshwari]

(Supervisor, Faculty of Management Studies)

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Rahul Vasudevbhai Vyas

CONTENTS

LIST OF TABLES

LIST OF FIGURES

LIST OF APPENDICES

ABBREVIATION

AR	Abnormal Returns
ADR	American Depositary Receipts
AMEX	American Stock Exchange
AAR	Average Abnormal Returns
AP	Average Price
BAG	Bharti AXA General Insurance Company Limited
BAL	Bharti AXA Life Insurance Company Limited
BEL	Bharti Enterprises Limited
BoB	Bank of Baroda
BOPL	Bharti Overseas Private Limited
BP	Bargained Price
BSE	Bombay Stock Exchange
BVL	Bharti Ventures Limited
CAAR	Cumulative Average Abnormal Return
CAR	Cumulative Abnormal Return
CCI	Competition Commission of India
CDS	Center for Development Studies
CEO	Chief Executive Officer
CGP	CGP Investments Holdings Ltd
CIS	Commonwealth Independent States
CP	Closing Price
CRSP	Center for Research in Security Prices
EEFC	Exchange Earners' Foreign Currency
EGM	Extraordinary General Meeting

EMH	Efficient Market Hypothesis
FDI	Foreign Direct Investment
FERA	Foreign Exchange Regulation Act
FII	Foreign Institutional Investor
FIPB	Foreign Investment Promotion Board
FMGC	Fast Moving Consumer Goods
FVCI	Foreign Venture Capital Investors
GCPL	Godrej Consumer Products Ltd
GDR	Global Depositary Receipts
GFMSL	Global Fuel Management Services Ltd
GIC	General Insurance Corporation
GSL	Godrej Soaps Limited
HEL	Hutchison Essar Limited
HK	Hong Kong
HLL	Hindustan Lever Ltd
HTIL	Hutchison Telecommunications International Limited
HWL	Hutchison Whampoa Limited
ICDR	Issue of Capital and Disclosure Requirements
IPCL	Indian Petrochemicals Corporation Ltd
IPO	Initial Public Offer
IT	Information Technology
ITNL	IndusInd Telecom Network Ltd
KFTC	Korea Fair Trade Commission
KSE	Korean Stock Exchange
L&T	Larsen and Toubro
LBO	Leveraged Buy Out
LIC	Life Insurance Corporation

LPG	Liberalization Privatization and Globalization
M&A	Mergers and Acquisitions
MD	Managing Director
MNCs	Multinational Corporations
MRTP	Monopolies and Restrictive Trade Practices
NPV	Net Present Value
NRI	Non-Resident Indian
NSE	National Stock Exchange
NTC	National Textile Corporation
NYSE	New York Stock Exchange
ODI	Overseas Direct Investment
OL	Official Liquidator
OLS	Ordinary Least Squares
PAC	Persons Acting in Concert
PFI	Private Finance Initiative
RCLVL	Reliance Capital Ventures Ltd
RCVL	Reliance Communications Ventures Ltd
REVL	Reliance Energy Ventures Ltd
RIL	Reliance Industries Limited
RM	Reverse Mergers
ROCE	Return on Capital Employed
RONW	Return on Net Worth
RPL	Reliance Petroleum Limited
R-Power	Reliance Power
RRPL	Reliance Refineries Private Ltd
SAST	Substantial Acquisition of Shares and Takeovers
SC	Supreme Court of India

SCRA	Securities Contract (Regulation) Act, 1956
SDC	Securities Data Corporation
SEBI	Securities and Exchange Board of India
SEC	Securities and Exchange Commission
SEE & CIS	South-East Europe and the CIS economies
SIA	Secretariat for Industrial Assistance
TII	Telecom Investments India Private Ltd
UAE	United Arab Emirates
UMTL	Usha Martin Telematics Ltd
UTI	Unit Trust of India
VIH	Vodafone International Holdings BV

CHAPTER - 1

INTRODUCTION

1.1. Problem of the Study:

Inefficient firms are likely to be on the vendor list in the market for corporate control with a view to provide an opportunity to management and/or shareholders to penalize the bad management either by voting out under performing management or unloading their shares in such companies. This argument is based on economic efficiency and shareholder activism. Contrary to this, there has been principal-agent theory whereby agent would like to aggrandize and hence be involved in acquisition of other firms to enhance benefit to the self or control enlarged resources or acquire greater marketing power. Yet another line of argument is the synergy gain that may accrue to either the acquiring firm or to the target or to both collectively. Since, synergy hypothesis implies gain to acquirer shareholders but the concurrent presence of either hubris or agency lead to inconclusive explanation of why one company is acquired by another company. Extending synergy motive and delineating effect of governance structure on performance, studies have been carried out to understand whether good governance leads to wealth maximization of shareholders of target company. The research findings remain inconclusive. The three motives (namely agency, hubris and synergy) have different implication for the relation between gains to target and total gains and therefore one has to prove that higher synergy leads to higher gains to target, if everything else remains the same. In case of Mergers and Acquisitions (M & A) being motivated by acquirer's management's self-interest, the dependencies of target on the acquirer's skills may lead to decrease in value. The greater the rent seeking propensity of acquirer's management, gain to shareholders shall be inversely related. The hubris hypothesis maintains that management commits mistake in assessing gains of M & A and therefore there are no gains to target and total gains are negative or equal to zero. Contrary to this, number of authors has found positive relations stating that M & A are value enhancing transactions (Firth, 1980; Malatesta, 1983; Lewellen, Loderer, and Rosenfeld, 1985; and Morck, Shleifer, and Vishny, 1990). These findings are contradicted by Malatesta, 1983; Roll, 1986; Bradley, Desai and Kim, 1988; Shleifer and Vishny, 1989; Berkovitch and Khanna, 1990 and Masulis, Wang and Xie, 2007. Besides, the stock market is also believed to ensure efficient management of companies but this is extremely difficult and has been debated in the context of hostile takeover deals both in developed as well as emerging markets given that the shareholders tend to reward / not to reward reflecting empire building by the top management when synergy turns out to be a strategic mistake. Besides, the changing regulations also affect the nature of the market and create their own imperfections and costs. This forms the problem of the study. Thus there is a need to study as to why Indian management indulge in M & A activities both in Indian and foreign markets. The question to be answered is: whether shareholders gain by M & A activity?

1.2. Rationale of the Study:

In any buying and selling transaction, a buyer always perceives higher value of the commodity that (s)he chooses to purchase, and purchaser considers that as the best price ever available to her/him. This is akin to 'beauty lies in the eyes of beholder' and hence individual may not necessarily act rationally as is usually believed by economists. Roll (1986), notes that "one area of research in which this usually valid reaction of economists should be abandoned; takeovers reflect individual decisions" (p.199). There is little reason to refrain, in a bidding process, an individual manager since he has learned from past errors. Besides, for a single manager, there may not repeatable opportunity because M & A in corporate life is an episodic event. This makes merger and takeover an area of interest because it involves besides valuation, the human beings, technology, Research and Development (R&D) and other intangibles. It is quite difficult to establish a causal linkage as well as to neatly identify the source of gain and thus it remains enigmatic. Jensen and Ruback (1983), opined that "finally, knowledge of the source of takeover gains still eludes us" (p.47). This call for understanding whether capital market which provides disciplinary mechanism, rewards the bidder or target or both. The present study seeks to understand as to who gains in M & A activity.

1.3. Literature Review:

Most of the researches on impact of M & A can be classified according to whether they take a financial or industrial organization tactic. One way to compute the performance is to monitor the share prices after the M & A contract is struck. Empirical studies in this category point out that a target company's shareholders benefit and the acquiring company's shareholders generally lose (Franks & Harris, 1989). Dodd and Ruback (1977) investigated abnormal returns around the time of a takeover announcement and found that both the target and acquiring companies' shareholders secured positive and significant profits from a successful takeover. Asquith and Kim (1982) scrutinized returns to stock holders of target companies around the date of the preliminary announcement or completion of a merger. They concluded that the stockholders of target companies gained, while those of bidding companies did not. Jensen and Ruback (1983) reviewed 13 researches on the abnormal returns around takeover announcements. They concluded that the average excess returns to target companies' stockholders are of 30% and 20% for the successful M&A, respectively; while bidding companies' stockholders gained an average of 4% around tender offers but no abnormal return around the merger. Frank et al. (1991), on the other hand, found no indication to support significant abnormal returns of acquiring companies over a three-year period after the offer date. Agrawal et al. (1992) concluded that offering companies lost from the acquisitions over several years but Ruback (1977), Kummer and Hoffmeister (1978) and Dodd (1980) specified that bidding companies gained from the acquisitions.

A further set of studies assess the impact of M & A using numerous measures of profitability before and after M & A. This type of investigation, in general, considers longer time prospects than the share price studies. Most of the companies do not show significant enhancement in long term profitability after acquisition (Scherer, 1988). There are several studies which have concluded that conglomerate M & A present more favorable results than horizontal and vertical M & A (Reid, 1968; Mueller, 1980). Many researchers have studied, whether allied mergers in which the merging companies have prospective economy of scale function better than unrelated conglomerate mergers. Poor corporate execution in post-merger period has been attributed to various reasons – manager's wish for position and authority, poor quality, low productivity, voluntary turnover, reduced commitment, and allied concealed costs and unused capability (Buono, 2003). Ghosh (2001) studied the question of whether operating cash flow execution enhances following corporate acquisitions, exploiting a design that accounted for superior pre-acquisition performance, and found that merging companies did not illustrate evidence of enhancements in the operating performance following acquisitions. Kruse, Park and Suzuki (2003) studied the long-term operating performance of Japanese companies using a sample of 56 mergers of manufacturing companies in the period 1969 to 1997. By analyzing the cash-flow for the five-year period following mergers, the study found evidence of enhancements in operating performance, and also noted that the pre and post-merger performance was highly correlated. The study concluded that control company adjusted long-term operating performance following mergers in case of Japanese companies was positive but insignificant and there was a high correlation between pre and post-merger performance. Marina, Sjoerd and Renneboog (2007) examined the long-term success of corporate takeovers in Europe, and concluded that both acquiring and target companies significantly outperformed the median peers in their industry preceding the takeovers, but the profitability of the combined company declined significantly subsequent to the takeover. However, the decline became irrelevant after controlling for the performance of the control sample of peer companies.

Early examination addressing expectation in offering activities focuses on programmme offers and reports mixed outcomes. Programmme offers are acquisition agendas declared by a particular company. Schipper and Thompson (1983), Malatesta and Thompson (1985), and Loderer and Martin (1990) concluded that additional offers of a company are anticipated at the time their acquisition programme is declared. Alternatively, Asquith, Bruner, and Mullins (1983) found that offering companies earn significantly positive returns for each of their first four offers. Fuller, Netter, and Stegemoller

(2002) concluded that during the 1990's the sequence of the acquisitions does not affect excess returns to frequent acquirers. Similarly, Conn, Cosh, Guest, and Hughes (2004) concluded that returns from U.K. acquirers declaring multiple offers are similar to those from single acquirers. In contrast, Billett and Qian (2008) stated that acquirers of subsequent and higher order contracts experience significantly more negative returns and attribute this outcome to management overconfidence. Song and Walkling (2000) found that competitors of target companies experience simultaneously positive abnormal returns to the degree that they are likely to be targeted themselves.

The belief of M & A anticipation is connected to (but dissimilar from) the evidence that acquisitions cluster by industry. Mitchell and Mulherin (1996) stated clustering for target companies. At the industry level, 50% of the targets they scrutinized over the 1982-89 period are concentrated in 25% of the years. Andrade and Stafford (2004) presented initial evidence that clustering occurs for acquirers. Harford (2005) opined that the industry merger wave is a well-organized response to industry-specific upsets. On average, M & A happening trough waves are connected with significantly positive wealth gains; mergers in the similar industry, but outside the wave period do not generate wealth. Akbulut and Matsusaka (2003) accounted that the means and medians of combined target and acquirer returns for diversifying acquisitions are significantly positive through waves and insignificantly dissimilar from zero outside of the waves. Mean and median offering company returns are insignificantly negative both inside and outside of waves.

Travlos and Papaioannou (1991) examined the influence of method of payment on offering companies' stock return at the initial announcement of takeover offers. They concluded that the abnormal returns of offering companies on the announcement day were -1.3% for stock exchange and -0.8% for cash offers. Suk and Sung (1997) looked at the results of method of payment, form of acquisition and type of offer on target companies' abnormal returns around the takeover announcement. They concluded that there was no difference in premiums between a stock offers and cash offers. Chang (1998) examined bidder returns at the announcement of a takeover proposal when target firms were privately held. He indicated that bidders experienced no abnormal return in cash offers but a positive abnormal return in stock offers. The supervising activities and information asymmetries were grounds for a positive wealth effect. Knapp (2006) concluded that post-merger abnormal return of bank related companies was significantly larger as compared with the industry mean in the first 5 years after a merger. Al-Sharkas et al (2008) illustrated that mergers could improve the cost and profit efficiencies of banks and provided an economic rationale for future mergers in the banking industry.

Kumar and Panneerselvam (2009) examined the effect of M & A on the wealth of shareholders of acquirer and target companies in the context of India. The findings revealed that average announcement day excess returns was found to be highest for target companies involved in mergers, followed by acquirer companies involved in mergers. Kumar and Ashok (2010) analyzed the impact of media announcement of different events on the stock market. This study focused on the same set of companies which were involved in different events at different period of time. They opined that dividend announcements resulted in maximum wealth creation in all the event windows. Events like public issue and takeover announcement also registered positive cumulative abnormal returns with statistical significance in some of the time window period while overall stock market reaction to announcement of events like bonus issue, mergers, and right issue noticed negative cumulative abnormal returns in different time window. However, Padmavathy and Ashok (2012) concluded that the impact of the announcement of merger did not hold any significant difference on the movement of the share price and no significant abnormal return is gained during 21 days event window by acquiring firms' shareholders. Hence, the study concluded that a merger did not hold important information to Indian stock market during the study period.

1.4. Objectives of the Study:

As a consequence of Indian economic liberalization, and rapidly transforming business environment, there has been significant M & A activity in India. This gives rise to issues as to why management involves in M & A activities which need to be investigated. To seek resolution of the issue following objectives have been formulated for this study.

- Describe the market for corporate control with a view to highlight the changes in regulatory environment;
- To expound if the companies concerned in India experience abnormal returns around M & A announcement period;
- Determine whether abnormal returns of target firms are significantly different from abnormal returns of acquiring companies; and
- Compare abnormal returns experienced by Indian acquirer versus foreign acquirer.

Specifically, following questions need investigation:

- Is it being used as an endurance strategy by Indian enterprises in view of the growing existence of foreign enterprises in the post 1991 period?

- Is there some noticeable trend of M & A in the different sectors of the Indian industry?
- Who gained and who lost in the M & A game?
- Do these mergers or acquisitions really enhance the value of shareholders wealth?
- Is there an unexpected spurt in M & A events in India in post liberalization?

1.5 Research Methodology:

1.5.1. Period of the Study: The study covers a period of 9 years from April, 2002 to March, 2011. This period was taken into consideration on account of two reasons. Firstly, prior to year 2002-03, M & A events involving unrelated private sector companies were few in number and data on them was not readily available. Secondly, the Indian market did not have the required strength and institutional distinctiveness for meaningful event study analysis until the transformations that gave constitutional status to SEBI in 1992 and Competition Commission of India (CCI) came into existence in January 2003.

1.5.2. Sample: Total 802 M & A transactions were registered with Securities and Exchange Board of India (SEBI) during April-2002 to March 2011. The sample is selected based on the following considerations:

- The shares of both the acquirer and the target were traded on the Bombay Stock Exchange (BSE) or the National Stock Exchange of India (NSE); and

- Sufficient daily stock return data was available to estimate the market model.

128 companies were registered with respective stock exchanges in India or Abroad, 12 companies were registered with stock exchanges, but no stock price data was available for companies or data was available for less than 30

trading days and hence, dropped from the sample. Thus, final sample included 116 companies of which 80 were Indian and 36 overseas companies, some of the acquiring companies were involved in multiple acquisitions.

1.5.3. Sources of Data: The data needed for the study have been collected from the Economic Times, other financial dailies and acquisition filings with SEBI. For the selected companies, pre and post-merger equity prices were obtained from the daily quotations of companies listed on BSE, NSE and Yahoo Finance database for the period ± 180 days of M & A.

1.5.4. Selection of Event Date: Selecting relevant event date is very crucial in event study and is by and large based on the motivation of the study. For instance to test the competency of stock market reaction to the announcement of M & A, the event should be centered on the date of the merger announcement (Halpern, 1973). Whereas the benefits of the merger to acquiring companies are likely to be reflected in stock values around the time when an acquisition programme is started (Schipper and Thompson, 1983). The event date considered in this study is the date of M & A registered by SEBI as it is mandatory to disclose M & A transactions. It is considered as authentic information of M & A available in market. Events can occur in different calendar days for different securities. Event date is defined day '0' as the day in which the company has been assigned an event. For each security used a maximum of 361 daily return observations for the period around its respective event, i.e. -180 days to +180 days.

1.5.5. Techniques of Analysis: The data collected was processed for event study methodology and wealth maximization effect was captured by comparing the abnormal returns, average abnormal returns and cumulative abnormal returns during pre and post acquisitions period. The student t-test has been used to test the significances of results estimated through Ordinary Least Squares (OLS) market model.

1.5.6. Return form:

OLS market model, which indicates a linear relationship between security returns and returns on a market portfolio is given in equation (1):

$R_{it} = \alpha_i + \beta_i R_{mt} + \mu_{it}$.. (1)

Where

R_{it} = the daily rate of return on security i on day t

R_{mt} = the daily rate on market index on day t,

B_i= a covariance between R_{it} and R_{mt} divided by variance of R_{mt}

α_i= expected value of (R_i - $\beta_j B_m$), and

μ_{jt} = model error term of security j on day t, with expected value equal to zero

Abnormal Return (AR): It is defined as the difference between the actual returns on a security *i* and its expected return. Therefore, the abnormal return of a security 'i' at time 't' is as given in equation (2)

AR_{it}= R_{it}- (α_i+ $\beta_i R_{mt}$).. (2)

Where,

AR_{it}= Abnormal return for the ‘i^{th}’ company at time ‘t’,

α_i and β_i = OLS parameter estimates obtained from regression of R_{it} on R_{mt} for the estimation period.

Cumulative Abnormal Return (CAR): The CAR for security ‘i' is the sum of abnormal returns in a given time period [t_0, t_1] is defined as equation (3).

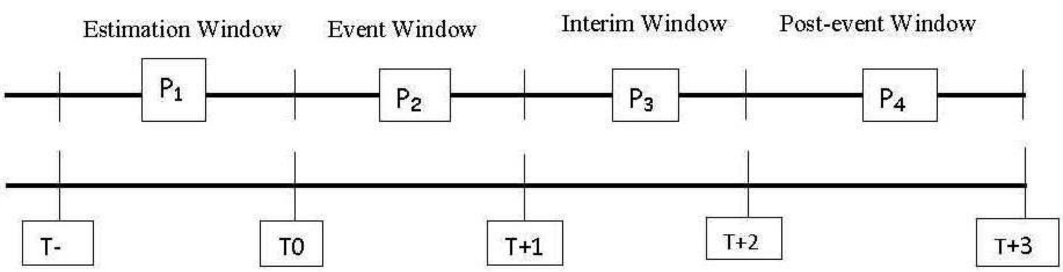
$$CAR_i(t_0, t_1) = \sum_{t=t_0}^{t_1} AR_{it} \qquad \text{...} (3)$$

Average Abnormal Return (AAR): The AAR at time *t*, AR_t, is the arithmetic mean of n securities is defined as in equation (4)

$$AAR_t = \frac{1}{N_t} \sum_{i=1}^{N_t} AR_{it} \qquad \text{…………………………………………...} (4)$$

Causal effect of value erosion will be estimated by a system of equations to estimate the parameter and co-efficient of regression equation.

Event Study Analysis: An event study attempts to measure the valuation effects of a corporate event, such as a mergers or earnings announcement, by examining the response of the stock price around the announcement of the event. One underlying assumption is that the market processes information about the event in an efficient and unbiased manner. The time line applied for an event study is shown below:



Where,

a) T_0, represents the date of announcement of event;

b) P_1, represents the pre-event period, expanding from T_{-1} to T_0;

c) P_2, represents the event period skirling, from T_0 to T_{+1};

d) P_3, represents the interim period, expanding from T_{+1} to T_{+2};

e) P_4, represents the post outcome period, expanding from T_{+2} to T_{+3}.

The trading days before the event date are assigned with minus sign (-) i.e. -1, -2, -3,…-180 and trading days after the event date are assigned with plus sign (+) as +1, +2,+3,…+180 days

1.6 Plan of the study:

In addition to the present chapter, the study spans over six other chapters. Chapter two provides an overview of worldwide state of affairs of cross-border M & A. It also provides analysis of M & A in India and overview of Indian state of affairs in cross-border sales and purchases. Chapter three reviews the literature concerning M & A studies carried out in the USA, UK, Europe, and South East Asia.

Chapter four present legal aspects of M & A in the context of extant Law and Competition Commission of India (CCI) set up in 2003. It also presents comparison of Competition Act, 2002 with the Monopolies and Restrictive Trade Practices Act, 1969 (MRTP) and other applicable legal provision in case of M & A.

Chapter five seeks to unravel the mystery that M & A activities does really create wealth or takeover and acquisitions are propelled by the hubris working with management of bidder companies.

Chapter six presents' case studies of Larsen and Toubro (L&T) take over by Reliance Industries (RIL) in 1988, Vodafone's acquisition of Hutch in 2007 and first case of Merger of RIL and Bharti AXA Life Insurance Ltd., cleared by CCI. It highlights the role played by different market participants in shaping the tactical and strategic decisions of the target and acquirer.

Last chapter presents the summary of the findings of the study and offers the recommendations for making market for corporate control more proficient and well-organized in India.

1.1. Appendix

List of target and acquirer companies under studied period

SR.	TARGET COMPANY	ACQUIRER/(S)
1	RATNABALI CAPITAL MARKETS LTD	VIKASH SOMANI, SURESH KUMAR SOMANI, JAISHREE SOMAN
2	SOLVAY PHARMA INDIA LTD.	ABBOTT CAPITAL INDIA LTD
3	ASIAN OILFIELD SERVICES LTD.	SAMARA CAPITAL PARTNERS FUND I LIMITED
4	MULTIFARIOUS TRADING & AGENCIES LIMITED	KERNEL TECH NETWORKS PRIVATE LIMITED
5	CALIFORNIA SOFTWARE CO LTD	SINGFUEL INVESTMENT PTE. LTD
6	NAHAR CAPITAL AND FINANCIAL SERVICES LIMITED	OSWAL WOOLLEN MILLS LIMITED
7	CEEKAY DAIKIN LTD	EXEDY
8	BHILWARA SPINNERS LTD.	AHINSA INFRASTRUCTURE AND DEVELOPERS LTD
9	CRONIMET ALLOYS INDIA LIMITED (FORMERLY KNOWN AS GMR FERRO ALLOYS & INDUSTRIES LTD.)	ATLANTA NATURAL RESOURCES PTE LTD
10	IPOWER SOLUTIONS INDIA LTD	RAM N. RAMAMURTHY
11	PIPAVAV SHIPYARD LIMITED (New Name: Pipavav Defence and Offshore Engineering Company)	SKIL INFRASTRUCTURE LIMTED & SKIL SHIPYARD HOLDING
12	CHAMAK HOLDINGS LTD	Mr. Subhash Chander Kathuria and Mr. Anubhav Kathuria (BEETAL FINANCIAL & COMPUTER SERVICES PVT.LIMITED)
13	SIGNET INDUSTRIES LIMITED	MUKESH SANGLA, SAURABH SANGLA, MONIKA SANGLA, Avantika Sangla, Adroit Industries (India) Limited (“AIL”), and Shri Balaji Starch & Chemicals Limited (“SBSCL”)
14	LANCING INVESTMENT LIMITED, THE	RITMAN CONCRETE PRIVATE LIMITED, RITMAN COMMERCIAL
15	RAJDHANI LEASING AND INDUSTRIES LTD.	MR SANJAY JAIN, MR RAJIV JAIN
16	SANJAY LEASING LIMITED	MR. KETAN KOTHARI, MRS. MOHINIDEVI KOTHARI AND ORS
17	PENNAR INDUSTRIES LTD.	EIGHT CAPITAL MASTER FUND LTD & SPINNAKER FUNDS
18	ABB LIMITED	ABB ASEA BROWN BOVERI LTD
19	DJS STOCK AND SHARES LIMITED	B.K. DYEING & PRINTING MILLS LIMITED
20	APTE AMALGAMATIONS LIMITED	JAYDEEP VINOD MEHTA, NIKHIL VINOD MEHTA, JASHWANT
21	GMR INDUSTRIES LIMITED	E.I.D.PARRY INDIA LIMITED
22	AGC NETWORKS LIMITED(FORMERLY TATA TELECOM LIMITED)	ESSAR CAPITAL FINANCE PRIVATE LIMITED
23	DEEVEE COMMERCIAL LIMITED	New Way Constructions Limited, EPL Securities Limited, Karan Business Private Limited, Zen Business Private Limited, Sneha Enclave Private Limited, Sneha Niketan Private Limited Sneha Abasan Private Limited; and Sneha Gardens Private Limited (MAHESHWARI DATAMATICS PVT LTD)
24	KAASHYAP TECHNOLOGIES LIMITED	TAIB SECURITIES MAURITIUS LIMITED
25	ZENOTECH LABORATORIES LIMITED	DAIICHI SANKYO COMPANY LIMITED
26	SHREE SPONGE STEEL AND FORGING LTD	VINAYKUMAR PURSHOTTAMDAS PARIKH, PURSHOTTAMDAS
27	HOWARD HOTELS LIMITED	NIRANKAR NATH MITTAL, NIRVIKAR NATH MITTAL,
28	GOLDEN LEGAND LEASING & FINANCE LIMITED	MR. ULLASH PARIKH
29	SUCHITRA FINANCE AND TRADING COMPANY LTD	MARIGOLD INVESTRADE PRIVATE LIMITED
30	VYBRA AUTOMET LIMITED	VILAS VITTHAL VALUNJ

List of target and acquirer companies under studied period		
SR.	TARGET COMPANY	ACQUIRER/(S)
31	KIDDERPORE HOLDINGS LIMITED	Adinath Builders Private Limited (SHAREX DYNAMIC (INDIA) PRIVATE LTD)
32	PREMIER CAPITAL SERVICES LIMITED	MR.MANOJ KASLIWAL
33	ONTRACK SYSTEMS LIMITED	B.HARI, R.P.INFOSYSTEMS PRIVATE LIMITED
34	ZENZY TECHNOCRATS LIMITED (FORMERLY KNOWN AS BOMBAY POLYMERS LIMITED)	SINGHAL MERCHANDISE INDIA PRIVATE LIMITED
35	MONOTYPE INDIA LIMITED	PRISM IMPEX PVT. LTD, SUSHIL KUMAR KHAITAN
36	SPICEJET LIMITED	KAL AIRWAYS PRIVATE LIMITED, KALANITHI MARAN,
37	IAG COMPANY LTD (FORMERLY THE INDO ASAHI GLASS COMPANY LIMITED)	ANJANIPUTRA ISPAT LIMITED
38	GENUS PRIME INFRA LIMITED	GENUS PAPER PRODUCTS LIMITED
39	KALE CONSULTANTS LIMITED	ACCELYA HOLDING WORLD S.L
40	SAYAJI INDUSTRIES LTD	MRS.SUJATA PRIYAM MEHTA,PCEPL & BCEPL
41	AREVA T & D INDIA LIMITED	ALSTOM SEXTANT 5,LONG & CRAWFORD LTD,AREVA T&DSAS
42	EVERONN EDUCATION LIMITED	SKIL INFRASTRUCTURE LIMITED, SKIL KNOWLEDGE CITIES
43	POLYGENTA TECHNOLOGIES LIMITED	ALPHAPET LTD, ALOE ENVIRONMENT FUND II FCPR
44	STERLING HOLIDAY RESORTS (INDIA) LTD	BAY CAPITAL INVESTMENTS LTD, INDIA DISCOVERY FUND
45	TECHTRAN POLYLENSES LIMITED	CREDENCE INFRASTRUCTURE LIMITED
46	VIMAL OIL & FOODS LIMITED	CHANDUBHAI I.PATEL, PRADIP C.PATEL, KANTABEN PATEL
47	MARUTI INFRASTRUCTURE LTD	NIMESH PATEL
48	SURANA INDUSTRIES LTD	G.R.SURANA, SHANTILAL SURANA,VIJAYRAJ SURANA
49	SHARP TRADING AND FINANCE LIMITED	BABULAL,BAJRANGBALI VARMA,KAMALKISHORE GUPTA
50	NAHAR POLY FILMS LIMITED	NAHAR SPINNING MILLS LIMITED
51	VOLTAIRE LEASING AND FINANCE LIMITED	MADHURI DAMANI
52	BELL CERAMICS LIMITED	OCIL,MAHENDRA K DAGA,SARIA DAGA,FITL,MGLF
53	AMULYA LEASING AND FINANCE LIMITED	MR.SAMEER GUPTA
54	AMTEK INDIA LIMITED.	AMTEK AUTO LIMITED (BEETAL FINANCIAL & COMPUTER SERVICES PVT LTD)
55	SAYAJI HOTELS LTD	CLEARWATER CAPITAL PARTNERS (CYPRUS) LTD
56	MIPCO SEAMLESS RINGS (GUJARAT) LTD	SACHENDRA TUMMALA
57	JMC PROJECTS (INDIA) LTD	KALPATARU POWER TRANSMISSION LIMITED
58	SULABH ENGINEERS AND SERVICES LIMITED	MR.MANOJ KUMAR AGARWAL & MRS.DEEPA MITTAL, SKYLINE FINANCIAL SERVICES PVT LTD
59	P.M.STRIPS LIMITED (8K MILES SOFTWARE SERVICES LIMITED (“8KMSL”))	SURESH VENKATACHARI, M.V.BHASKAR
60	CAPMAN FINANCIALS LTD	RAMESH K.BODRA, JAGDISH K.BODRA, MAFATBHAI D.SIROY
61	THYROCARE LABORATORIES LIMITED	SANJAY N.SALUNKHE
62	FAME INDIA LIMITED	RELIANCE MEDIAWORKS LIMITED
63	FAME INDIA LIMITED	INOX LEISURE LIMITED, GUJARAT FLUOROCHEMICALS LTD
64	ASSOCIATED CEREALS LIMITED	ULTRAPLUS HOUSING ESTATE PVT.LTD
65	INTERLINK PETROLEUM LIMITED	SIM SIANG CHOON LIMITED
66	RELIGARE ENTERPRISES LIMITED	RHC FINANCE PRIVATE LIMITED

List of target and acquirer companies under studied period		
SR.	TARGET COMPANY	ACQUIRER/(S)
67	WHITE DIAMOND INDUSTRIES LIMITED	SAPNA INFRATECH PRIVATE LIMITED, SAPNA INFRATECH PRIVATE LIMITED
68	AVIVA INDUSTRIES LIMITED	MR.BHARVIN S.PATEL & MAHESH M. PATEL
69	RADIX INDUSTRIES (INDIA) LIMITED	GOKARAJU RAGHU RAMA RAJU, GANAPATHI RAMA PRABHAKAR
70	SUAVE HOTELS LIMITED	KAMAL PODDAR,ANIL&VINITA PATODIA,HOTEL RELAX P LTD
71	SYNCOM FORMULATIONS (INDIA) LTD.	KEDARMAL BANKDA, VIJAY BANKDA, VIMLA BANKDA
72	SHYAM STAR GEMS LIMITED	SWARNSARITA JEWELLERS PRIVATE LTD
73	COIMBATORE FLAVORS AND FRAGRANCES LIMITED	BENNY ABRAHAM
74	SCHLAFHORST ENGINEERING (INDIA) LTD.	INTEGRA HOLDING AG
75	PIONEER DISTILLERIES LTD	UNITED SPIRITS LIMITED
76	PARASNATH TEXTILES LIMITED	LUHARUKA SALES AND SERVICES PVT.LTD
77	DUNLOP INDIA LIMITED	WEALTH SEA PTE LTD. &MANALI PROPERTIES&FINANCE P L
78	FARRY INDUSTRIES LIMITED	OBIKE TRADING PRIVATE LTD, TIEN TRADING PVT.LTD
79	ESSEN SUPPLEMENTS INDIA LTD	GANESH KUMAR SINGHANIA, ANITA SINGHANIA
80	STI INDIA LIMITED	BOMBAY RAYON FASHIONS LTD
81	EDUEXEL INFOTAINMENT LIMITED	DISCOVERY INFOWAYS LIMITED
82	JYOTHI INFRAVENTURES LIMITED	MRS TAMMINEEDI SAILAJA
83	BIO WHITEGOLD INDUSTRIES LTD.	STERLITE INFOTECH LTD, TUFF TUBES PVT.LTD & OTHERS
84	VISISTH MERCANTILE LTD	RAHUL SHAH, DSR INFOTECH PVT.LTD
85	MARATHWADA REFRACTORIES LTD.	MR.SUSHIL PANDURANG MANTRI
86	SURYA ROSHNI LTD.	JAI PRAKASH AGARWAL, LUSTRE MERCHANTS(P)LTD, SCPL
87	KAILASH AUTO FINANCE LIMITED	M/S PADMA IMPEX PRIVATE LIMITED
88	RESIDENCY PROJECTS AND INFRATECH LIMITED	VALUEMART RETAIL INDIA LIMITED
89	LLOYDS STEEL INDUSTRIES LIMITED	SHREE GLOBAL TRADEFIN LTD, TRUMP INVESTMENTS LTD
90	D .D. LEASING LIMITED	RAJIV,TANISHA & KUNAL GAMBHIR,RENU CHADDA,MLFPL
91	GOMTI FINLEASE (I) LTD	CHIRANIA TRADING PVT.LIMITED, CHIRANIA TRADING PVT LTD
92	THE ANANDAM RUBBER COMPANY LTD	NIREJ V.PAUL,V.M.PAULOSE,T.J.LEELAMMA AND OTHERS
93	CONFIDENCE TRADING COMPANY LTD	TARANYA PROJECT PVT.LIMITED
94	ISPAT INDUSTRIES LTD	JSW STEEL LIMITED
95	GAGAN POLYCOT INDIA LIMITED	LIEN TRADING PRIVATE LTD
96	THE ETHELBARI TEA COMPANY (1932) LTD	JASHBHAI PATEL & SONS HUF, KANTABEN PATEL & OTHERS
97	SUBWAY FINANCE & INVESTMENT CO. LTD.	AJS ENTERPRISES LLP, AJS NIRMAN LLP
98	RAMMAICA INDIA LIMITED	KYNER TRADING PVT.LTD & TIEN TRADING PVT.LTD
99	SIEMENS LIMITED	SIEMENS AKTIENGESELLSCHAFT
100	PERFECT-OCTAVE MEDIA PROJECTS LTD	RATISH TAGDE, RAJEEV BENGALI & RAGA CAFE PVT. LTD
101	MAYTAS INFRA LTD	SBG PROJECTS INVESTMENTS LTD
102	INDO TECH TRANSFORMERS LIMITED	PROLEC-GE INTERNACIONAL, S. DE R.L. DE C.V.
103	BHAGYASHREE LEASING AND FINANCE LTD	MR VIMALKUMAR JAIN, MR KK JAIN, MS RANJANA & OTHER

List of target and acquirer companies under studied period		
SR.	TARGET COMPANY	ACQUIRER/(S)
104	GROB TEA COMPANY LTD	RAWALWASLA INDUSTRIES PVT LTD., STRIP COMMODEAL PVT LTD.
105	RANE BRAKE LININGS LTD	NISSHINBO INDUSTRIES INC AND OTHERS
106	FEM CARE PHARMA LIMITED (FORMERLY FEM CARE PHARMA PRIVATE LIMITED)	DABUR INDIA LIMITED
107	CONTINENTAL VALVES LTD	RASHMI CHOWDHARY W/O UMESH CHOWDHARY
108	BOMBAY RAYON FASHIONS LTD	AAA UNITED B.V.
109	NOVARTIS INDIA LTD	NOVARTIS AG
110	FALCON TYRES LTD	WEALTH SEA PTE LTD. & MANALI PROPERTIES & FIN. PVT
111	GMR FERRO ALLOYS & INDUSTRIES LTD.	CRONIMET MERCON INVEST LTD.
112	CIBA INDIA LTD. (FORMERLY CIBA SPECIALTY CHEMICALS (INDIA) LTD)	BASF SE, BASF HANDELS (PAC)
113	SPICE MOBILES LTD. FORMERLY SPICE NET LIMITED/ MODI OLIVETTI LTD.)	SPICE TELEVENTURES PVT LTD.
114	SATYAM COMPUTER SERVICES LTD. (New Name:Mahindra Satyam)	VENTURBAY CONSULTANTS PVT LTD., TECH MAHINDRA
115	PFIZER LIMITED	PFIZER INVESTMENTS NETHERLANDS BV, PFIZER INC (PAC
116	CORE EMBALLAGE LTD	ZAVERILAL V MANDLIA, S/O VIRJIBHAI H MANDALIA
117	ZENOTECH LABORATORIES LIMITED	DAICHII SANKYO COMPANY LTD.
118	WOO YANG ELECTRONICS (INDIA) LTD	M/S PICTURE THOUGHTS PVT LTD.
119	ANIL PRODUCTS LTD	BHARTI CONSUMER MARKETING PVT LTD AND OTHERS
120	NIVEDITA MERCANTILE & FINANCING LTD	ESKAY INFRASTRUCTURE DEVELOPMENT PVT LTD
121	SHAILY ENGINEERING PLASTICS LTD	MOTIKA LTD
122	ANUKARAN COMMERCIAL ENTERPRISES LTD	MR PREMAL S PAREKH & OTHERS
123	CONFIDENCE TRADING COMPANY LTD	MR SURESH KUMAR SOMANI
124	LALIT POLYMERS AND ELECTRONICS LTD	B S TRADERS PVT LTD AND ALOK FINTRADE PVT LTD
125	SHRIRAM CITY UNION FINANCE LTD / (SHRIRAM HIRE PURCHASE FINANCE PRIVATE LTD	TPG INDIA INVESTMENTS (TPG) AND OTHER PAC
126	DISA INDIA LTD	HAMLET
127	SINCLAIRS HOTELS LTD	XANDER INVESTMENT HOLDING
128	CCAP LTF (FORMERLY CENTRAL CONCRETE & ALLIED PRODUCTS LTD)	RAMAYANA PROMOTERS PVT LTD
129	KOLMAK CHEMICALS LTD	SHRI S SUKUMAR AND SMT S KALAIYARASI
130	CAPITAL TRUST LTD.	I C CINSTRUCTION & SERVICES LTD
131	ESSEN SUPPLEMENTS INDIA LTD	SHRI GANESH KUMAR SINGHANIA AND SMT. ANITA SINGHAN
132	PRISM INFORMATICS LIMITED (FORMERLY AAKRUTI HOLDINGS LTD)	IDHASOFT LTD
133	VISHAL COTSPIN LIMITED	MR. DEEPAK CHHEDA
134	INDO ZINC LIMITED	ICL Financial Services Limited with The Indian Cements Limited
135	KAPIL COTEX LTD	MR. PRAKASH CHANDRA RATHI AND MRS. POONAM P RATHI
136	MAN ALUMINIUM LTD.	MR RAVINDER NATH JAIN & MR MOHINDER JAIN & PACS
137	BLUECHIP STOCKSPIN LTD.	MR. JIGNESH HIRAL SHAH
138	TILAK FINANCE LIMITED	HANDFUL INVESTRADE PRIVATE LIMITED
139	FINAVENTURE CAPITAL LTD	KANNAN VISHWANATH
140	OCL IRON & STEEL LTD	GARIMA BUILDPROP PVT LTD., GATEWAY IMPEX PVT LTD
141	YAMUNA SYNDICATE LTD.	Mr.RANJIT PURI & Mr.ADITYA PURI

List of target and acquirer companies under studied period		
SR.	TARGET COMPANY	ACQUIRER/(S)
142	KALPENA PLASTIKS LIMITED (FORMERLY SARLA GEMS LIMITED)	TARA HOLDINGS PVT; KALPENA INDS LTD.
143	MAYTAS INFRA LTD	IL&FS
144	MATHEW EASOW RESEARCH SECURITIES LIMITED	VISTA VYAPAAR PRIVATE LIMITED
145	JALGAON RE-ROLLING INDUSTRIES LTD.	SHRI SHANKARRO A BORKAR, SMT. SUNANDA S BORKAR & SHRI AMOL S BORKAR
146	GREAT OFFSHORE LTD.	NATURAL POWER VENTURES PVT LTD. & PACS
147	GREAT OFFSHORE LTD.	ELEVENTH LAND DEVELOPERS PVT LTD., ABG SHIPYARD LT
148	SAYAJI INDUSTRIES LTD	Mr. PRIYAM BIPIN MEHTA and Mrs. SUJATA PRIYAM MEHTA
149	WIRES AND FABRIKS (S.A.) LIMITED	BKM MERCANTILE PRIVATE LIMITED
150	KIC METALIKS LIMITED (FORMERLY KAJARIA IRON CASTINGS LTD)	KARNI SYNTEX PVT LTD
151	VYBRA AUTOMET LIMITED	MANDAKINI HOLDINGS PVT LTD.
152	VARDHMAN HOLDINGS LIMITED	PRADEEP MERCANTILE COMPANY PRIVATE LIMITED
153	VULCAN ENGINEERS LTD	TERRUZZI FERCALX SPA
154	BLUE CIRCLE SERVICES LTD.	M/s PRIME CAPITAL MARKET LTD.
155	OJSWI TRADES INVESTMENT AND FINANCE LIMITED	SANDEEP GARG, SHASHI VERMA
156	ZENU INFOTECH LIMITED (FORMERLY PRITI RESORTS & HOLDINGS LTD.) (FORMERLY PRITI WATER AND MINERALS PVT LTD.)	CHOICE INTERNATIONL LIMITED
157	UTTAM GALVA STEELS LTD	ARCELORMITTAL NETHERLANDS B.V.
158	HASTI FINANCE LIMITED	Mr. Nitin Prabhudas Somani and Mrs. Sonal Nitin Somani
159	SURANA INDUSTRIES LTD.	G R SURANA, MR DINESHCHAND SURANA & OTHERS
160	SQL STAR INTERNATIONAL LTD.	SUPERSTAR EXPORTS PVT LTD. & PACS, KANISHKDEEP STOCK CONSULTANTS/SUNIL GUPTA (PACS)
161	WALL STREET FINANCE LTD	SPICE INVESTMENTS & FINANCE ADVISORS PRIVATE LTD.
162	TILAKNAGAR INDUSTRIES LTD	Amit Dahunukar & Shivani Amit Dahunukar & other PACs
163	MSK PROJECTS (INDIA) LIMITED	Welspun Infratech Limited
164	OMEGA INTERACTIVE TECHNOLOGIES LTD	SMT RENU SONI & SMT KANCHAN SONI
165	FRONTIER LEASING & FINANCE LTD	ESSAR CAPITAL FINANCE PVT LTD
166	SHREE OM TRADES LIMITED	MR DEVENDRA KUMAR SOMANI, TARUN KUMAR SOMANI
167	GOLECHHA GLOBAL FINANCE LTD	ADVANI PRIAVATE LTD
168	HIMADRI CHEMICALS & INDUSTRIES LTD	BAIN CAPITAL INDIA INVESTMENTS
169	GENESYS INTERNATIONAL CORPORATION LTD	SOHEIL MALIK
170	AGRO DUTCH INDUSTRIES LTD. (FORMERLY AGRO DUTCH FOODS LTD)	MR MALVINDER SINGH BHINDER, GURPREET SINGH BHINDER, PENTA HOMES PVT LTD., VISHWA CALIBRE BUILDERS (PAC
171	BALASHRI COMMERCIAL LTD	JEWEL SHELTERS PVT LTD
172	STAR LEASING LTD (STAR LEASING COMPANY LTD) (New Name:Remidicherla Infra & Power)	MR. M SRINIVASA REDDY
173	SHAKTI MET-DOR LIMITED	MR M V S S SUBBA RAJU, MRS M UMA RAJU & OTHERS/PAC, MR M V S S SUBBA RAJU
174	SAMPADA CHEMICALS LTD	SHYAM ALCOHOL AND CHEMICALS LIMITED
175	SCENARIO MEDIA LTD	SCENARIO COMMUNICATION LTD.
176	DRILLCO METAL CARBIDES LTD.	MR RAHUL TIMBADIA
177	DPSC LTD.	ORBIS POWER VENTURE PRIVATE LIMITED

List of target and acquirer companies under studied period		
SR.	TARGET COMPANY	ACQUIRER/(S)
178	SHREE PACETRONIX LTD.	DR.MATHEW S KALARICKAL, MR D SINGH (PAC)
179	7SEAS TECHNOLOGIES LTD. (FORMERLY FLAIR INVESTMENT AND FINANCE LTD)	MEENU BHANSALI
180	UNIVERSAL PRINT SYSTEMS LTD	MANIPAL PRESS LIMITED
181	INFOMEDIA INDIA LTD / (COMMERCIAL PRINTING PRESS LTD/ TATA PRESS LTD /TATA DONNELLEY LTD/TATA INFOMEDIA LTD)	TELEVISION EIGHTEEN INDIA LTD
182	SEAHORSE HOSPITALS LTD	SRI KAVERY MEDICAL CARE (TRICHY) PVT LTD.
183	YOGI SUNGWON (INDIA) LTD	MR LOKESH KAPOOR, MR PALANETRA BHARATH
184	ERA INFRA ENGINEERING LTD (FORMERLY ERA CONSTRUCTIONS (I) LTD)	ERA HOUSING & DEVELOPERS (INDIA) LTD & PACS
185	A.V. COTTEX LTD.	SUDHIR M NAHETA, RAJKUMARI S NAHETA
186	SUNIL HEALTHCARE LIMITED	MR SUNIL KUMAR KHAITAN & PACS
187	CHROMATIC INDIA LIMITED	CHEETAH MULTITRADE PRIVATE LTD
188	CHANNEL GUIDE INDIA LIMITED	MR RAJENDRA SHARAD KARNIK
189	HATSUN AGRO PRODUCT LTD	R G CHANDRAMOGAN & PACS
190	ROHIT PULP & PAPER MILLS LTD	MARATHON REALTY LTD, CHETAN R SHAH & MAYTUR SHAH
191	KLG CAPITAL SERVICES LTD.	AWAITA PROPERTIES PVT LTD.
192	CALIFORNIA SOFTWARE CO LTD	KEMOIL LIMITED
193	FUSION FITTINGS (INDIA) LIMITED	EXPERIENCED HI-TECH CONSULTANCY SEVICES PVT LTD
194	STOVEC INDUSTRIES LTD	STORK PRINTS GROUP B.V. & PACS
195	THOMAS COOK INDIA LTD (THOMAS COOK (INDIA) PVT LTD)	THOMAS COOK UK LIMITED
196	FLAT PRODUCTS EQUIPMENTS (I) LTD.	COCKERILL MAINTENANCE & INGENIERIE SA
197	HIRA FERRO ALLOYS LTD.	HIRA INDUSTRIES LIMITED
198	DCM SHRIRAM INDUSTRIES LTD	HB STOCK HOLDINGS LIMITED
199	ADVANI HOTELS & RESORTS (INDIA) LTD	FASTRACK IMPEX PRIVATE LTD
200	NEW DELHI TELEVISION LIMITED	DR PRANNOY ROY & MRS RADHIKA ROY & PAC
201	K G DENIM LTD	K G BALAKRISHNAN, B SRIRAMULU & PACS
202	RASHMI COMMERCIAL COMPANY LTD	SHRI BASANT KUMAR ALMAL & PACS
203	JAMIRAH TEA COMPANY LTD.	JOONKTOLLEE TEA & INDUSTRIES LTD.
204	CHOKSHI INFOTECH LIMITED (New Name:Ajel Infotech)	ARIKATLA SRINIVASA REDDY
205	NEHA INTERNATIONAL LTD.	MR G VINOD REDDY, DR. G DEEPTHI REDDY (PAC)
206	BOC INDIA LIMITED	THE BOC GROUP PLC
207	SPARSH BPO SERVICES LIMITED	SKR BPO SERVICES PRIVIATE LTD & PACS
208	STERLITE PROJECTS LIMITED (new Name: B&B Realty Ltd)	SHRI GAUVRAM KUMAR BHANDARI
209	ROSELABS FINANCE LIMITED	POONAM FAST FOODS PRIVATE LTD
210	VERTEX SECURITIES LIMITED	TRANSWARRANTY FINANCE LTD
211	GUJARAT FOILS LTD	ABHAY NARENDRA LODHA & PACS
212	ALKYL AMINES CHEMICALS LTD	MR SUNEET KOTHAIR, M/S NINI KOTHARI, YMK TRADING, SYK TRADING, ANJYKO INVSTMNTSL NIYOKO TRADING
213	BRILLIANT SECURITIES LTD	MR REDDY, UMA, V MR/MRS MEENAVALLI, KBR HOLDINGS
214	PETRON ENGINEERING CONSTRUCTION LIMITED	KAZSTROYSERVICE PLC
215	DABUR PHARMA INDIA LTD.	FRESENIUS KABI (SINGAPORE) PTE LTD., FRESENIUS KABI AUSTRIA GMBH; FRESENIUS SE
216	UNIFLEX CABLES LIMITED	APAR INDUSTRIES LIMITED
217	HANSU CONTROLS LTD.	MR CHANDRASHEKHAR R GUPTA, RAMASHREY J GUPTA

List of target and acquirer companies under studied period		
SR.	TARGET COMPANY	ACQUIRER/(S)
218	AZTECSOFT LTD.	MINDTREE LTD.
219	ANAND LEASE AND FINANCE LTD.	MR JAYESH, PRANAY, PRAKASH, SANDIP PATEL
220	CAMPHOR AND ALLIED PRODUCTS LTD.	ORIENTAL AROMATICS LTD. (ORIENTAL)
221	INDO GREEN PROJECTS LTD (New Name: IITL Projects)	INDUSTRIAL INVESTMENT TRUST LIMITED
222	BHANDARI HOSIERY EXPORTS LTD.	MR NITIN BHANDAR, MS NITIKA BHANDARI
223	HINDUSTAN OIL EXPLORATION CO. LTD.	ENI UK HOLDING PLC, ENI SPAL BURREN ENERGY IND LTD, BURREN SHAKTI LTD.,
224	NEELKANTH TECHNOLOGIES LTD.	PREET REMEDIES PVT LTD.
225	JPT SECURITIES LTD.	AWAITA PROPERTIES PVT LTD.
226	BASF INDIA LTD	BASF SE
227	MANOJ HOUSING FINACE COMPANY LIMITED	MR MAHESH NARSIHBHAI PUJARA & PACS
228	IL&FS INVESTSMART LTD.	HSBC SECURITIES & CAPITAL MKTS (INDIA) PVT LTD., HSBC VIOLET INVESTMENTS (MAURITIUS) LTD. & PACS
229	ASHIANA AGRO INDUSTRIES LTD.	M/S SERENGETI HOLDINGS PVT LTD.
230	CHOICE INTERNATIONAL LTD	SHRI SUNIL,VINITA, SHRI CHOTHMAL PATODIA
231	MAFATLAL FINANCE COMPANY LTD.	MR NANDKISHORE DIVATE
232	BROADCAST INITIATIVES LTD. (FORMERLY SRI ADHIKARI BROTHERS TELEVISION NETWORK LTD)	HDIL INFRA PROJECTS PVT LTD., RAKESH,SARANG WADHAW
233	INTERLINK PETROLEUM LTD.	JIT SIN INVESTMENTS PTE LTD., VIJAY MISHRA & PACS
234	SAYAJI IRON & ENG. CO LTD.	MCNALLY BHARAT ENGINEERING CO. LTD.
235	RANBAXY LABORATORIES LTD.	DAIICHI SANKYO COMPANY LTD.
236	SHIVA CEMENT LIMITED	R P GUPTA, AKASH GUPTA, VIKASH GUPTA & OTHERS
237	VAGHANI TECHNO BUILD LTD. (FORMERLY DHRUV MAKHAN (INDIA) LTD.)	MR KANTILAL M SAVLA, MS PRATIKSHA, MR KARTIK GALA
238	SHYAMAL HOLDINGS AND TRADING LTD	EMPEROR CONSULTANCY SERVICES PVT LTD.
239	LOTUS CHOCOLATE COMPANY LTD	SHRI PERAJE PRAKASH PAI, P ANANTHA PAI
240	PHAARMASIA LTD.	M/S MANEESH PHARMACEUTICALS LTD. & PAC
241	SPICE COMMUNICATIONS LTD.	IDEA CELLULAR LTD; TMI INDIA LTD., TMI MAURITIUS, TM INTERNATIONAL BERHAD, GREEN ACRE AGRO SERVICES
242	SJ CORPORATION LTD. (FORMERLY CORCOMP INFOSYSTEMS LTD./ GRANDPA TRADING & AGENCIES LTD.)	MR.SAVJIBHAI D. PATEL & MRS. USHA S. PATEL
243	KDL BIOTECH LTD	UNIMARK REMEDIES LIMITED
244	SILICON LEASING AND INVESTMENTS LTD (TARANI LEASING AND INVESTMENTS PRIVATE LTD)	MR NAGARJUN VALLURIPALLI
245	ZANDU PHARMACEUTICAL WORKS LTD.	EMAMI LTD., BVPL, SVPL, DVPL, SCPL,
246	BRAHMAPUTRA INFRAPROJECT LTD. (FORMERLY MEWAR INDUSTRIES LTD.)	MR SURESH PRITHANI, BRAHMAPUTRA FINLEASE (P) LTD.
247	CORPORATE MERCHANT BANKERS LTD.	COSMOS INDUSTRIES LTD., DDEPAK, BHAVNA YADAV
248	CITI PORT FINANCIAL SERVICES LTD.	M/S GOLDENVALLEY HOLDINGS PVT LTD.
249	BAJAJ ELECTRICALS LTD	SHRI RAHUL BAJAJ, SHEKHAR BAJAJ & PACS
250	UTV SOFTWARE COMMUNICATIONS LIMITED	THE WALT DISNEY COMPANY (SOUTHEAST ASIA) PTE LTD
251	TRC FINANCIAL SERVICES LTD	MR.VIJAY MARIO SEBASTIAN MISQUITTA, MR.AJAY DILKUSH SARUPRIA
252	NEW HORIZON LEASING & FINANCE LIMITED	MR. T. RAJKUMAR
253	SHIRPUR GOLD REFINERY LTD (AGEE GOLD REFINERS LTD)	JAYNEER CAPITAL PRIVATE LIMITED
254	RAVINDRA TRADING & AGENCIES LIMITED	MURKUMBI BIOAGRO PVT. LTD
255	STI INDIA LIMITED	EIGHT CAPITAL MASTER FUND LTD & PACS, SPINNAKER GLOBAL OPPORTUNITY FUND LTD,
256	PREMIER ENERGY AND INFRASTRUCTURE LTD	SHRI HOUSING PVT LTD.

List of target and acquirer companies under studied period		
SR.	TARGET COMPANY	ACQUIRER/(S)
257	ASIAN INDEPENDENT NETWORK LTD.	RAJIV BHATTL SANJIV BHATTL KIRIT BHATT, KOHINOOR
258	TAINWALA CHEMICALS AND PLASTICS (INDIA) LIMITED	MRS. SHOBHA TAINWALA W/O DR. RAMESH TAINWALA
259	ASIAN SKY SHOP LTD.	J.B. TV SHOPPING PVT LTD
260	INDUSVISTA VENTURES LTD. (FORMERLY ARIDHI HI-TECH INDUSTRIES LTD)	FINAVENTURE ADVISORY SERVICES (INDIA) PVT LTD.
261	SHAKTIMAN CONSTRUCTIONS LTD (FORMERLY SHAKTIMAN MERCANTILE CO. LTD.)	SHRI ASHOK BHANWARLAL CHHAJER AND SMT. SANGEETA
262	MELSTAR INFORMATION TECHNOLOGIES LTD	GODAVARI CORPORATION PRIVATE LIMITED
263	PUSHKAR BANIJYA LTD	MR PAWAN KUMAR CHANDAK & PACS
264	MONOTONA SECURITIES LTD (FORMERLY PALLADIUM TRADING & AGENCIES LTD)	M/S. PAN INFOSYSTEMS PRIVATE LIMITED
265	AVON ORGANICS LIMITED	ARCH PHARMALABS LTD
266	NATRAJ FINANCIAL AND SERVICES LTD (FORMERLY NATRAJ COMMERCIAL ENTERPRISES LTD)	BALAJI BULLIONS & COMMODITIES (I) P. LTD & OTHERS
267	JAISAL SECURITIES LIMITED	SRIKANTH RAMANATHAN
268	INDIA CARBON LIMITED	OXBOW CARBON MINERALS HOLDINGS INC
269	GEOJIT FINANCIAL SERVICES LTD. (FORMERLY GEOJIT SECURITIES LTD).	BNP PARIBAS SA
270	TRIBHUVAN HOUSING LIMITED	C R RAJESH NAIR
271	SOMA TEXTILES AND INDUSTRIES LTD.	MAVI INVESTMENT FUND LTD.
272	SAH PETROLEUMS LTD	NAF INDIA HOLDINGS LTD
273	WOOLITE MERCANTILE COMPANY LTD	MR. UMEMSH P CHAMDIA
274	SHREE OM TRADES LIMITED	MR. GAUTAM MEHTA AND MR. JAIMIN MEHTA
275	ALIPURDUAR TEA COMPANY LIMITED	IIC CONTAINER LINE LTD
276	BHILWARA SPINNERS LTD.	SHRI ASHOK KUMAR PARMAR
277	AVERY INDIA LTD	ITW GLOBAL
278	ALFA LAVAL INDIA LTD (VULCAN TRADING COMPANY LTD/VULCAN-LAVAL LTD)	ALFA LAVAL CORPORATE AB
279	DEVINE IMPEX LTD. (FORMERLY CLASSIC GLOBAL IMPEX LIMITED)	MR. JAWAHAR LAL JAIN
280	APOLLO SINDHOORI CAPITAL INVESTMENTS LTD.(New Name: Aditya Birla Money)	ADITYA BIRLA NUVO LTD.
281	VANASTHALI TEXTILE INDUSTRIES LTD	MILLENNIUM HOLDINGS LTD
282	MALOO POLYMERS LTD.	MR DIPAN PATWA,MANISH JANANI,
283	CENTURY 21ST PORTFOLIO LTD	MR HEMRAJ BAID & MRS K ANASUYA
284	TATA TELESERVICES (MAHARASHTRA) LIMITED	DOCOMO
285	CAMBRIDGE SOLUTIONS LTD	XCHANGING (MAURITIUS) LTD
286	STAR LEASING LTD (STAR LEASING COMPANY LTD)	3A CAPITAL SERVICES LTD. & MR RAJAN M SHAH
287	AADI INDUSTRIES LTD. (FORMERLY JRC INDUSTRIES LTD.)	MR RUSHABH J SHAH
288	LIFESTYLE FABRICS LTD	STRATEGYBOT FINANCE LTD
289	GOLKUNDA DIAMONDS & JEWELLERY LTD	NEVERLOOSE PROPERTIES AND INVESTMENT PVT LTD
290	JOY REALITY LTD. (FORMERLY MADHUSUDAN LEASING & FINANCE LTD.)	BHAVIN SONI GROUP
291	MEDIAONE GLOBAL ENTERTAINMENT LTD. (FORMERLY RAJMATA INVESTMENTS & FINANCE LTD.)	SHRI PATHEE INVESTMENTS PVT LTD.
292	DR.AGARWAL'S EYE HOSPITAL LTD.	DR. J AGARWAL & OTHERS
293	BAYER DIAGNOSTICS INDIA LTD (new Name: SIEMENS HEALTHCARE DIAGNOSTICS LTD.)	SIEMENS DIAGONSTICS HOLDING II B.V.
294	GOLDSTONE TECHNOLOGIES LTD (FORMERLY GOLDSTONE ENGINEERING LTD.)	GOLDSTONE EXPORTS LTD.
295	ALPINE HOUSING DEVELOPMENT CORPN LTD.	ALPINE BUILDERS PVT LTD.,JAZ EXPORTS&ENGG. PVT LTD
296	MORAN TEA COMPANY(INDIA) LTD., THE	MCLEOD RUSSEL, WILLIAMSON MAGOR, ICHAMATI

List of target and acquirer companies under studied period		
SR.	TARGET COMPANY	ACQUIRER/(S)
297	RAY BAN SUN OPTICS INDIA LTD /(BAUSCH & LOMB INDIA LTD)	LUXOTICA GROUP S.PA. AND RAY BAN INDIAN HOLDINGS I
298	RANE HOLDINGS LTD.	MR L LAKSHMAN, MR L GANESH, HARISH L & PACS
299	B.A.G. FILMS LTD.	MR SAMEER GEHLAUT
300	SUMERU INDUSTRIES LTD.	MR VIPUL H RAJA, SONAL, NANDIT V RAJA
301	ASIAN OILFIELD SERVICES LTD.	M/S CONSOLIDATED SECURITIES LTD.
302	ARNIT INFOTECHLTD.	MRS ARUNA R AJJARAPU, MR K SHRIDHAR & PACS
303	ALFA LAVAL INDIA LTD (VULCAN TRADING COMPANY LTD/VULCAN-LAVAL LTD)	ALFA LAVAL AB (PUBL)
304	SOM DATT FINANCE CORPORATION LTD.	MR SOM DATT KHUNAJA & PAC
305	SWARAJ AUTOMOTIVES LTD	MAHINDRA & MAHINDRA LTD., MAHINDRA HOLDINGS & FINANCE LTD.
306	SWARAJ ENGINES LTD	MAHINDRA AND MAHINDRA LTD, MAHINDRA HOLDINGS & FINANCE LTD.
307	PUNJAB TRACTORS LTD	MAHINDRA AND MAHINDRA LTD., MAHINDRA HOLDINGS & FINANCE LTD.
308	IMP FINANCE LIMITED (New Name: KANANI INDUSTRIES LTD)	MR VINUBHAI L KANANI & MR PREMJIBHAI D KANANI
309	PANYAM CEMENTS & MINERAL INDUSTRIES LTD.	S.SREEDHAR REDDY & PACS
310	MOTOR INDUSTRIES CO. LTD.	ROBERT BOSCH GMBH
311	NEEMTEK ORGANICS PRODUCTS LTD / (United Interactive Limited)	SMT SARAYU SOMAIYA
312	FUTURISTIC SOLUTIONS LTD / (MORAL LEASING LTD)	MS NANDITA SHAUNIK
313	INTEGRATED CAPITAL SERVICES LTD.	DEORA ASSOCIATES PVT LTD.
314	CORCOMP INFOSYSTEMS LTD.(FORMERLY GRANDPA TRADING & AGENCIES LIMITED.)	MR DAYABHAI, JAGDISHBHAI,SAVJIBHAI, USHA PATEL
315	ALLIANZ CAPITAL & MANAGEMENT SERVICES LTD	NAVJEET, GURPREET SOBTI & INNOVATIVE MONEY MATTERS
316	CHESLIND TEXTILES LTD.	RSWM LTD.
317	BHAGYANAGAR CASTINGS LTD.	MR M SRINIVASA REDDY
318	TEBMA SHIPYARDS LTD.	INDIA ADVANTAGE FUND - VI
319	MULTIPLUS HOLDINGS LTD.	MR JIGNESH SHETH, MRS KRISHNA J SHETH
320	TV TODAY NETWORK LTD	RELIANCE CAPITAL LTD.
321	ELECTRA FINANCIAL SERVICES LTD.	MR K JAIN, MUKESH J, NAVIN J, SUNIL JAIN & PACS
322	WELLWORTH SECURITIES LTD	MR SANDEEP JHAVERI, MRS RAJUL S JHAVERI
323	AUTOMOTIVE STAMPINGS AND ASSEMBLIES LIMITED (FORMERLY JBM TOOLS LIMITED)	GESTAMP SERVICIOS, S.L.
324	BENZO PETRO INTERNATIONAL LTD.	MR JASBIR SINGH SODHI
325	SCHLAFHORST ENGINEERING (INDIA) LTD.	OC OERLIKON CORPORATION AG & PAC
326	FAIRFIELD ATLAS LTD (ATLAS GEARS LTD)	OC OERLIKON CORPORATION AG, & TH LICENSING INC., U
327	AVERY INDIA LTD	AV ACQUISITION CO. 3
328	CONTECH SOFTWARE LTD.	SHYAM S TIBREWAL,SIDDHARTH, LAXMI & MONICA TIBREWA
329	BOMBAY POLYMERS LTD (new Name: ZENZY TECHNOCRATS LTD)	MR NITIN HARIDAS SHENOY
330	MADAN FINANCIAL SERVICES LTD.(Rishab Financial Services)	MANGAL KIRAN SECURITIES LTD.
331	TELEPHOTO ENTERTAINMENTS LTD	PVP ENTERPRISES, PVP VENTURES, PLATEX, PRASAD V
332	SSI LTD.	PVP ENERPRISES PVT LTD., PVP VENTURES PVT LTD.(PAC
333	ROSSELL TEA LTD	BMG ENTERPRISES LIMITED
334	SCANA COLOR (INDIA) LTD. (Karma Ispat Ltd)	MR RAJESH G MEHTA, MRS BHAVNA RAJESH MEHTA
335	SAVANT INFOCOMM LTD.	WESTERN INDIA STEEL CO.PVT LTD., B PARIKH, MINA
336	KILITCH DRUGS (INDIA) LIMITED	NBZ PHARMA LIMITED

List of target and acquirer companies under studied period		
SR.	TARGET COMPANY	ACQUIRER/(S)
337	BLUE CIRCLE SERVICES LTD.	YASH SHELTERS LTD.
338	ESAB INDIA LTD	EXELVIA GROUP B.V. & PACS
339	SECURITIES CAPITAL INVESTMENTS (INDIA) LTD.	SHRI RAJASHEKAR S IYER
340	SESA GOA LIMITED	WESTGLOBE LTD., RICHTER HOLDING LTD., VEDANTA RESO
341	DECCAN AVIATION LIMITED	KINGFISHER RADIO LIMITED
342	ASIAN CERC INFORMATION TECHNOLOGY LTD. (new Name: Religare Technova Global Solutions Limited)	FORTIS FINANCIAL SERVICES LTD. (new Name: Religare Technova)
343	WINSOME INTERNATIONAL LTD.	PUNRASAR STOCK BROKING (P) LTD., S R AGARWAL
344	VINAY CEMENTS LTD.	MR RITESH BAWRI, MR VINAY BAWRI, MS MALA BAWRI
345	JRC INDUSTRIES LTD.	MR RUSHABH J SHAH
346	WENDT (INDIA) LIMITED	WINTERTHUR TECHNOLOGIE AG, ZUG
347	K B STEEL LIMITED	MR VIPUL J MODI, LEENA MODI, VIPUL MODI (HUF)
348	DUROFLEX ENGINEERING LTD.	MS NITI N DIDWANIA
349	BLISS GVS PHARMA LIMITED	SHIBOOR N KAMATH
350	BHAGYASHREE LEASING AND FINANCE LTD	MR VIMALKUMAR,KEWAL, INDER, MANISH, RAJAS JAIN
351	AMBUJA CEMENTS LTD (FORMERLY GUJARAT AMBUJA CEMENTS LTD)	HOLDERIND INVESTMENTS LIMITED
352	SOMA TEXTILES AND INDUSTRIES LTD.	KRISHNAA GLASS PVT LTD. & PACS
353	KAUSAR INDIA LTD.	GATI LIMITED
354	CHETTINAD CEMENT CORPORATION LTD	CHETTINAD SOFTWARE SERVICES PVT LTD & PACS
355	FRONTIER LEASING & FINANCE LTD	VIJAY, SHEELA, VAIBAH, SHRADDHA SAWANT& OTHERS
356	LUMINAIRE TECHNOLOGIES LTD	M/S INDIANIVESH LTD.
357	A K SPINTEX LTD.	MR T C CHHABRA, MRS S CHHABRA, SAURABH, FASHION SU
358	MOVING PICTURE COMPANY (INDIA) LIMITED	CONSOLIDATED SECURTIES LIMITED
359	VANASTHALI TEXTILE INDUSTRIES LTD	RAJENDRA GOENKA, BENI PRASA GOENKA & PACS
360	TATA INVESTMENT CORPORATION LIMITED	TATA SONS LIMITED
361	ARYAMAN FINANCIAL SERVICES LTD.	M/S MAHSHRI ENTERPRISES PVT LTD.
362	LUMAX INDUSTRIES LTD.	STANLEY ELECTRIC CO. LTD.
363	CANFIN HOMES LIMITED	CANARA BANK
364	SELLAIDS PUBLICATIONS (INDIA) LTD.	SUBHASH P RATHOD, MANGLA S RATHOD
365	POLYTEX INDIA LIMITED	ARVIND MULJI KARYA
366	G G AUTOMOTIVE GEARS LTD	HAKEEM AUTO LTD.
367	IFL PROMOTERS LTD.	HEENA DEVELOPERS (PVT) LTD.
368	ZENOTECH LABORATORIES LIMITED	RANBAXY LABORATORIES LIMITED
369	OLYMPIC OIL INDUSTRIES LTD.	VIJAY, MUKUND,TUSHAR PATIL & PACS
370	WPIL LTD (WORTHINGTON PUMP INDIA LTD/ JOHNSTON PUMPS INDIA LTD/)	ASUTOSH ENTERPRISES LTD (BSE:512433) & HINDUSTAN UDYOG LTD
371	FOSECO INDIA LTD	COOKSON GROUP PLC
372	GOKALDAS EXPORTS LTD.	BLACKSTONE FP CAPITAL PARTNERS(MAURITIUS) V-B SUBS, BLACKSTONE HOLDING MAURITIUS, BLACKSTONE GRP (PAC)
373	PODDAR INFRASTRUCTURE LTD. (FORMERLY TRANS-OCEANIC PROPERTIES LTD.)	RAJENDRA S SHAH, MITUL J SHAH
374	MALAR HOSPITALS LTD	INTERNATIONAL HOSPITALS PRIVATE LTD

List of target and acquirer companies under studied period		
SR.	TARGET COMPANY	ACQUIRER/(S)
375	INTRA INFOTECH LTD.	FORTUNE BUILDPROP PVT LTD.
376	LANCO GLOBAL SYSTEMS LTD	K. VENKATESWARA RAO & PACS
377	SRF POLYMERS LTD/ (SRF CHEMICALS LTD) (New Name:Kama Holdings)	BHAIRAV/NARMADA FARMS PVT LTD., ARUN B RAM (PAC)
378	SPLASH MEDIAWORKS LTD. (FORMERLY HINDUSTAN STOCKLAND LTD.)	MR ARUN DAGARIA, MR CHIRAG SHAH
379	G.P. ELECTRONICS LTD. (New Name: Delta Magnets)	AARTI MANAGEMENT CONSULTANCY PVT LTD & PACS
380	JUGGILAL KAMLAPAT JUTE MILLS CO. LTD.	RAINEY PARKS SUPPLIERS PVT LTD., MOOLDHAN ADVISORY SYSTEM PVT LTD.,
381	SHREE DIGVIJAY CEMENT COMPNAY LIMITED	CIMPOR INVERSIONES S.A. SOCIEDAD LIMITADA
382	PARAAN LTD.	MR KAILASH H BIYANI, MR K MOHATTA
383	SOFTBPO GLOBAL SERVICES LTD.	FINFLOW INVESTMENTS PVT LTD (FIPL)
384	LANXESS ABS LIMITED	INEOS ABS (JERSEY) LIMITED & PACS
385	SYSTEMATIX CORPORATE SERVICES LIMITED	SUPERSTAR EXPORTS PVT LTD & OTHERS
386	COMMITMENT CAPITAL SERVICES LIMITED	SRECKO INDHAN LTD
387	PAREKH DISTRIBUTORS LTD	MR PRAFUL M PATEL & MRS VARSHA P PATEL
388	JRG SECURITIES LIMITED	DUCKWORTH PRIVATE LIMITED
389	SOFTPRO SYSTEMS LTD.	SAHASRA INVESTMENTS PVT LTD., G REDDY, G V MARY
390	NAVKAR BUILDERS LTD.	MR DAKSHESH SHAH, MR S PATEL, MR U SHAH
391	JAGSON AIRLINES LIMITED	JAGSON INTERNATIONAL LTD
392	GL HOTELS LTD, THE	DUNEARN INVESTMENTS (MAURITIUS) PTE LTD
393	BAJAJ HINDUSTHAN SUGAR AND INDUSTRIES LIMITED (FORMERLY THE PRATAPPUR SUGAR & INDUSTRIES LIMITED)	BAJAJ HINDUSTHAN LTD
394	JATIA FINANCE LTD	SHRI ANIL, AMBIKA RAIKA, MAHESH & SARITA SARAF
395	BEMCO HYDRAULICS LTD.	MOHTA CAPITAL PVT LTD.
396	PIRAMYD RETAIL LIMITED (New Name:Indiabulls Retail Services Limited)	INDIABULLS WHOLESALE SERVICES LIMITED & PACS
397	CAMLIN FINE CHEMICALS LTD.	SHRI ASHISH DANDEKAR & PACS
398	GUJARAT AMBUJA CEMENTS LTD	HOLCIM MAURITIUS
399	SANGAM (INDIA) LTD.	INDIA ADVANTAGE FUND, SWASTIK COAL CORPN (INDIA) LTD., THAMIRAPARANI INVESTMENT PVT LTD.
400	SURYAMUKHI TRADING AND FINANCE LTD.(New Name: Bio Green Industries Ltd)	MR AMRUT P SHAH
401	RGN SECURITIES AND HOLDINGS LTD.	WEBFUND FOUNDATION PVT LTD.
402	SAURASHTRA CHEMICALS LTD.	NIRMAL CHEMICAL WORKS LTD., NIRMA CREDIT & CAPITAL LTD., NIRMA INDUSTRIES LTD.
403	INDO RAMA TEXTILES LTD.	SPENTEX INDUSTRIES LTD.
404	7SEAS TECHNOLOGIES LTD. (FORMERLY FLAIR INVESTMENT AND FINANCE LTD)	MR LINGAMANENI SANKER, MR N R KOLLA, MRS KS KUMARI
405	KAKATIYA TEXTILES LTD.	MR L G RAMAMURTHI, MR SUMANTH RAMAMURTHI
406	GREYCELLS ENTERTAINMENT LTD.	MR UDAY SINH WALA, MRS SIMERON GHEI
407	RELIANCE NATURAL RESOURCES LTD.	ANADHA ENTERPRISE PVT LTD. & SHRI ANIL AMBANI
408	FICOM ORGANICS LTD.	COROMANDEL FERTILIZERS LTD.
409	CARNATION NUTRA ANALOGUE FOODS LTD. (new Name: Zydus Wellness)	CADILA HEALTHCARE LIMITED
410	HITECH ENTERTAINMENT LTD (New Name: Accentia Technologies Ltd)	MR PRADEEP SUSEELA VISWAMBHARAN
411	MAYUR UNIQUOTERS LTD.	MR SURESH KUMAR PODDAR

List of target and acquirer companies under studied period		
SR.	**TARGET COMPANY**	**ACQUIRER/(S)**
412	SEALORD CONTAINERS LTD	AEGIS LOGISTICS LTD.
413	SHIVAJI SECURITIES LIMITED (new Name: Indiaco Ventures Limited)	IAQUAVIT CONSULTING PVT LTD.
414	BIO WHITEGOLD INDUSTRIES LTD.	MR RAVINDRAN RAMOJI
415	SECUNDERABAD HEALTH CARE LTD.	MR MEDASANI MUNISEKHAR
416	SHIN HO PETROCHEMICALS (INDIA) LTD. (New Name: SPL Polymers Limited)	SUPREME PETROCHEM LTD.
417	SYNERGY LOG IN SYSTEMS LTD.	M/S GLOBSYN TECHNOLOGIES LTD., MR SAMARTH PAREKH
418	MPHASIS BFL LTD.	TH HOLDINGS, PAC - ELECTRONIC DATA SYSTEMS CORPN.
419	FINANCIAL EYES (INDIA) LTD.	MS ABHILASHA AGARWAL & PAC (MK AGRI INTNL LTD.)
420	GTL LTD.	GLOBAL ASSETS HOLDING CORPORATION PVT LTD.&PAC, FINAV SECURITIES P LTD.
421	SPENTEX INDUSTRIES LTD	CITIGROUP VENTURE CAPITAL INTNL.(CVCIGPML), CITIGROUP VENTURE CAPITAL INTNL JERSEY LTD.
422	STRESSCRETE INDIA LTD	MR RAJESH BABULAL VARDHAR & PACS
423	TAINWALA POLYCONTAINERS LTD. (Plastics manufacturing)	TIME PACKAGING LTD.
424	ABHA PROPERTY PROJECT LTD	MR JAGDISH PRASAD AGARWALLA & PACS
425	MULTIPURPOSE TRADING AND AGENCIES LTD	MR AJAY SINGH, B KANSAGR,SANJAY MALHOTRA
426	SANGHI INDUSTRIES LTD	SPINNAKER CLOBAL OPPORTUNITY FUND LTD. & PACS, SPINNAKER GLOBAL EMERGING MKTS LTD.
427	IMP FINANCE LIMITED (New Name: KANANI INDUSTRIES LTD)	MATRIX ENERGY SOLUTIONS PVT LTD
428	VAIBHAV GEMS LTD.	CORTLAND INVESTMENT LTD.
429	MAGNUM LTD.	MR SHAILESH, MUKESH BHANDARI & OTHERS
430	TRIGYN TECHNOLOGIES LTD.	UNITED TELECOMS LTD.
431	AVENTIS PHARMA LIMITED	SANOFI-SYNTHELABO
432	AMIT SPINNING INDUSTRIES LTD.	SPENTEX INDUSTRIES LTD.
433	CINERAD COMMUNICATIONS LTD.	M/S PRANIDHI ESTATES P LTD., M/S INDIAEMERGING CAP
434	EXIM FINANCE LTD.	SRI RAJKUMAR LADHA, GIRIRAJ LADHA,OMPRAKASH LADHA
435	INFO-DRIVE SOFTWARE LTD.	BHARI INFORMATION TECHNOLOGY SYSTEMS PVT LTD., MR V N SESHAGIRI RAO
436	ELTEX SUPER CASTINGS LTD	KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LTD.
437	SHAKTIMAN MERCANTILE CO. LTD.	MR RAJESH KAKANI, MRS RACHANA KAKANI
438	JAMES HOTELS LTD.	SH. AJMAIR SINGH BHULLAR, SH. H S ARORA & PACS
439	DHANDAPANI FINANCE LTD.	D B ZWIRN MAURITIUS
440	BHARAT FERTILISER INDUSTRIES LTD.	WADA ALUMS & ACIDS LTD.
441	RDB INDUSTRIES LTD.	MR VINOD DUGAR AND MRS SHEETAL DUGAR
442	STARCHIK SPECIALITIES LTD.	MR SANJAY SINGH, MR RITESH SINGH
443	ERA FINANCIAL SERVICES (INDIA) LTD.	MR HS BHARANA & PACS, ERA CONSTRUCTIONS (INDIA) LTD. PESHWA REALTORS LTD
444	PARAMESHWAR (INDIA) LTD	M/S PESU R BHOJWANI, PHATTU R BHOJWANI, RAJESH B
445	SHRIRAM TRANSPORT FINANCE COMPANY LTD	SHRIRAM HOLDINGS (MADRAS) PVT LTD. & PACS, NEW BRIDGE INVESTMENTS III LTD.
446	SHRIRAM OVERSEAS FINANCE LTD / (PIONEER OVERSEAS FINANCE LTD)	SHRIRAM HOLDINGS (MADRAS) PVT LTD. & PACS, NEW BRIDGE INDIA INVSTMNTS II LTD

List of target and acquirer companies under studied period		
SR.	**TARGET COMPANY**	**ACQUIRER/(S)**
447	TTK HEALTHCARE LTD	TT KRISHNAMACHARI & CO.
448	DEHRADUN TEA COMPANY LTD.	LOGICAL BUILDWELL PVT LTD.
449	DANTA VYAPAR KENDRA LTD	SHREE VINAY FINVEST PVT LTD., KC TEXOLINE, LARIGO, KC TEXOFINE PVT LTD., LARIGO INVSTMNT PVT LTD.
450	WEIZMANN FINCORP LTD.	TRADE APARTMENTS LTD.
451	PRADEEP METALS LTD	FLASHNET INFO SOLUTIONS (INDIA) LTD.
452	WPIL LTD (WORTHINGTON PUMP INDIA LTD/ JOHNSTON PUMPS INDIA LTD/)	ASUTOSH ENTERPRISES LTD.
453	INDO GULF INDUSTRIES LTD.	BALRAMPUR CHINI MILLS LTD.
454	ALLSEC TECHNOLOGIES LTD.	FIRST CARLYLE VENTURES MAURITIUS, CARLYLE ASIA GROWTH PARTNERS III LP & OTHERS (PAC)
455	SONPAL CEMENT AND INFRASTRUCTURE LTD.	MR L RAVINDER REDDY
456	MATRIX LABORATORIES LTD (HERREN DRUGS & PHARMACEUTICALS LTD) (HERREN DRUGS PVT LTD)	MP LABORATORIES (MAURITIUS) LTD. & MYLAN(PAC)
457	CRAZY INFOTECH LTD.	M/S AANJAAY SOFTWARE LTD.
458	TEMPTATION FOODS LIMITED	VENTURE BUSINESS ADVISORS PVT LTD.
459	SAARC NET LTD	GOVIND SHARDA, ASHISH AGARWAL
460	KRITI INDUSTRIES (INDIA) LTD	KRITI CORPORATE SERVICES PVT LIMITED
461	I-FLEX SOLUTIONS LTD.	ORACLE GLOBAL (MAURITIUS) LTD., ORACLE CORPN (PAC)
462	NAGARJUNA AGRI TECH LTD.	SWEET SOLUTIONS LTD.
463	INNOVA HEALTH SYSTEMS LTD.	MR PVRRLN PRASAD, MR P KOTESWARA RAO
464	VISION CORPORATION LTD.	MORRIES TRADING PVT LTD., ASHOK & PUNYAM MISHRA
465	EXDON TRADING COMPANY LTD.	MR ASHOK KUMAR SHAH, MR MANSUKHBHAI VAGASIA
466	EWEB UNIV LTD. (New Name:Apis India Limited)	MR VIMAL ANAND, AMIT, DEEPAK. MRS PREM ANAND
467	MYSORE CEMENTS LTD	CEMENTRUM I B.V. & HELDELBERG CEMENT AG (PAC)
468	BHAGYODAYA MARKETING CO. LTD.	SHRI GAURAV MEHTA
469	RAJATH FINANCE LTD / (RAJATH LEASING & FINANCE LTD)	MR HITESH M BAGDAI, POONAM BAGDAI, BHAVDEEP VALA
470	PARICHAY INVESTMENTS LTD	SHRI OMI BAGADIYA, S BAGADIYA,A AGRAWAL, R AGRWAL
471	JAIHIND SYNTHETICS LTD	MIHIR D KARIA
472	CHOICE INTERNATIONAL LTD	TENET BIO PHARMA PVT LTD
473	IL&FS INVESTSMART LTD.	E'TRADE MAURITIS LTD. & PAC, CONVERGING ARROWS INC., E'TRADE FINANCIAL CORPN.
474	MPHASIS LTD.	TH HOLDINGS
475	PHOENIX LAMPS LTD	ARGON INDIA LTD., ARGON SOUTH ASIA LTD & PACS
476	FULFORD (INDIA) LTD.	DASHTAG
477	PORWAL AUTO COMPONENTS LTD.	PORWAL FINSEC PVT LTD.
478	DOVER SECURITIES LTD	MONEY MATTERS (INDIA) PVT LTD.
479	GODAVARI FERTILIZERS AND CHEMICALS LTD	COROMANDEL FERTILIZERS LTD.
480	DEVAKI HOSPITAL LIMITED (New Name: Chennai Meenakshi Multispeciality Hospital Limited)	A N RADHAKRISHNAN
481	ISHWAR BHUVAN HOTELS LTD.	ANS CONSTRUCTIONS LTD., SMT. SANGITA BANSAL
482	ANIL SPECIAL STEEL INDUSTRIES LTD.	MR SUDHIR KHAITAN & PACS
483	YASHRAJ SECURITIES LTD. (New Name: Alps Commercial Ltd.,)	SHRI K K METHA, AS BHARANI, V SAWANT, PFCPL

List of target and acquirer companies under studied period		
SR.	TARGET COMPANY	ACQUIRER/(S)
484	MILLARS INDIA LIMITED	SKYLINE VISION PVT LIMITED
485	P I DRUGS & PHARMACEUTICALS LIMITED	FRAXIS LIFE SCIENCES PRIVATE LIMITED & OTHERS
486	TEJ INFOWAYS LTD.	MR NUKARAPU SURYA PRAKASH RAO
487	VISHAL MALLEABLES LTD	Shri O P KHETAN & OTHERS
488	CRISIL LTD.	THE MCGRAW-HILL COMPANIES INC, S&P INDIA LLC
489	PANYAM CEMENTS & MINERAL INDUSTRIES LTD.	S SREEDHAR REDDY & PACS
490	SHAW WALLACE & COMPANY LTD.	MCDOWELL, PHIPSON, UNITED SPIRITS
491	SATGURU AGRO INDUSTRIES LTD.	MR BHARATBHAI V CHANGELA & PACS, PACS
492	JAYAVANT PRODUCTS LIMITED	JYOTI BRIGHT BAR LTD., SHRI JITENDRA MEHTA, SHRI DEVEN MEHTA (PACS)
493	GUJARAT FOILS LTD	MR PRAMOD JAIN
494	EXPRESS LEASING LIMITED (New Name: Satra Properties India)	MR PRAFUL NANJI SATRA, MRS MINAXI PRAFUL SATRA
495	CHAMATKAR.NET (INDIA) LTD	M/S SHREENATH FINSTOCK PVT LTD., M/S KISHOR OSTWAL, SANGITA OSTWAL, M/S K P OSWAL
496	CABLE CORPORATION OF INDIA LTD	ALK HOLDINGS PVT LTD & PACS
497	THAMARAPALLY RUBBER COMPANY LIMITED, THE	A V GEORGE AND CO PVT LTD & PACS
498	RANA SUGARS LTD	RANA INDER PRATAP SINGH,RANA VEER PRATAP SINGH, RANA KARAN PARTAP SINGH,RANA PREET INDER SINGH
499	SHRIRAM INVESTMENTS LTD.	UNO INVESTMENTS, CHRYSCAPITAL III, LLC (PAC)
500	SHRIRAM TRANSPORT FINANCE COMPANY LTD	UNO INVESTMENTS, CHRYSCAPITAL III LLC (PAC)
501	SHRIRAM OVERSEAS FINANCE LTD / (PIONEER OVERSEAS FINANCE LTD)	UNO INVESTMENTS
502	AMBUJA CEMENT EASTERN LTD	HOLDCEM CEMENTS INDIA PVT LTD. (HOLCIM INDIA), HOLDERIND INVESTMENTS LTD.(HOLCIM MAURITIUS), AMBUJA CEMENT INDIA LTD., GUJARAT AMBUJA CEMENTS LTD.
503	TRIPEX OVERSEAS LIMITED	M/S SURBHI CAPITAL AND FINANCE PVT LTD, M/S LAKHANI MARKETING PVT LTD., MR MANINDERSINGH S JOLLY, MR ASHOK JAIN
504	CLS LTD.	MR ANAND NARAYAN SINGH, MRS INDU SINGH, ANAND INDUSTRIES PVT LTD. (AIPL), ANAND NARAYAN SINGH & SONS (HUF)
505	BIHAR CAUSTIC & CHEMICALS LTD	HINDALCO INDUSTRIES LTD., PILANI INVESTMENT & INDUSTRIES CORPN. LTD (PAC)
506	COLOR CHIP ENTERTAINMENT & MEDIA LTD. /(JANPRIYA MARKETING LTD)	MR R S SUDHISH, M/S RAVIKAANTH PORTFOLIO SERVICES PVT LTD. (PAC), MRS R SREELAKSHMI (PAC), MR R.S.S.C PRASAD (PAC)
507	GEC ALSTHOM INDIA LTD., (ALSTOM LTD.)	AREVA T&D SA, AREVA T&D HOLDINGS SA
508	COLOUR-CHEM LTD	EBITO CHEMIEBETEILIGUNGEN AG, CLARIANT INTERNATIONAL LTD (PAC), CLARIANT AG (PAC)
509	NU-TECH CORPORATE SERVICES LTD.	M/S SUPERSTAR EXPORTS PVT LTD., M/S RANEKA FINCOM PVT LTD., M/S PADMAVATIASHA PROPERTIES & PROJECTS PVT LTD., M/S PRANAM SECURITIES LTD.
510	VANAVIL DYES AND CHEMICALS LTD	EBITO CHEMIEBETEILIGUNGEN AG, COLOUR-CHEM LTD AND PACS
511	WELLWORTH SECURITIES LTD	RAJUL S JHAVERI
512	RUBFILA INTERNATIONAL LTD	RUBPRO SDN BHD (RUBRPO), ANNIE GUAT KHUAN, BARRY YATES, CHRISTOPHER CHONG

List of target and acquirer companies under studied period		
SR.	TARGET COMPANY	ACQUIRER/(S)
513	INDUSTRIAL INVESTMENT TRUST LTD	M/S SUPERSTAR EXPORTS PVT LTD., M/S RANEKA FINCOM PVT LTD,, M/S PADMAVATIASHA PROPERTIES & PROJECTS PVT LTD., M/S PRANAM SECURITIES LTD.
514	FORTUNE INFOTECH LTD	COVANSYS (I) LTD
515	JHANTLA INVESTMENTS LTD (New Name:Veer Energy and Infrastructure)	JIGAR J SHAH
516	FLEXO FILM WRAPS (INDIA) LTD	RAJUL S JHAVERI
517	HINDUSTAN DORR-OLIVER LTD	IVRCL INFRASTRUCTURES & PROJECTS LTD.
518	TYPHOON HOLDINGS LTD.	SMT KAJAL SHAH
519	HINDUSTAN OIL EXPLORATION CO. LTD.	ENI S.P.A.,BURREN ENERGY INDIA LTD., UNOCAL BHARAT LTD (PAC)
520	ADLABS FILMS LTD.	RELIANCE LAND PRIVATE LTD., RELIANCE CAPITAL LTD.
521	DHRUV MAKHAN (INDIA) LTD. (New Name:Vaghani Techno-Build)	MR BAVCHANDBHAI J VAGHANI,GOVIND VAGHANI, MRS HASUMATI B VAGHANI, MRS KIRTIBEN G VAGHANI
522	RELIANCE CAPITAL LIMITED	AAA ENTERPRISES PVT LTD, ANIL D AMBANI
523	VASUNDHARA RASAYANS LTD	P & J CRETECHEM PVT LTD
524	KADAMB CONSTRUCTIONS LTD.	MRS LAXMI CHOUDHARY AND MR JAYESH SONI
525	WIMCO LTD (manufacturer and exporter of Cardboard matches)	SWEDISH MATCH SINGAPORE PTE LTD., SWEDISH MATCH AB, HARAVON INVSTMNTS PTE LTD.,, SEED TRADING PTE. LTD.
526	CONSOLIDATED SECURITIES LTD	MUNDRA CREDIT & INVESTMENT PVT LTD
527	HINDUSTHAN NATIONAL GLASS & INDUSTRIES LTD / (HINDUSTHAN NATIONAL GLASS MFG. CO. LTD)	ACE GLASS CONTAINERS LTD, C K SOMANY, SANJAY SOMANY, AMITA SOMANY (PAC), MUKUL SOMANY, SUDHA SOMANY,RASHMI SOMANY (PAC), JAYA KANORIA (PAC), NOBLE ENCLAVE & TOWRS PVT LTD, RUNGMATEE TREXIM P, SPOTLIGHT VANIJYA LTD, SPOTME TRACON P LTD, (PAC)
528	SPACE COMPUTER & SYSTEMS LTD	DR. G.RAVICHANDERAN, USHA VENKATRAMANI
529	SQL STAR INTERNATIONAL LTD.	M/S SUPERSTAR EXPORTS PVT LTD., M/S PADMAVATIASHA PROPERTIES AND PROJECTS PVT LTD., MR N R GANTI
530	SOFTBPO GLOBAL SERVICES LTD.	SHRI LAXMINARAIN B BIYANI, VIJAY, SUNIL BIYANI, ANIL BIYANI, EKTA RAKESH BIYANI, SANTOSH V BIYANI
531	UNITED VAN DER HORST LTD.	MR USHPAL,INDERPAL,JAGMEET, DILPRIT SING SABHARWAL
532	ONDEO NALCO INDIA LTD /(NALCO CHEMICALS INDIA LTD)	NALCO HOLDINGS LLC, NALCO COMPANY (FORMERLY KNOWN AS ONDEO NALCO CO), NALCO HOLDINGS
533	MATHER AND PLATT FIRE SYSTEMS LTD.	WLO AG (WILO), ALLIED CENTRIFUGAL PUMPS PVT LTD. (ACP)
534	RUTTONSHA INTERNATIONAL RECTIFIER LTD.	M/S ORIENT SEMI CONDUCTORS PVT LTD., MRS BHAVNA N MEHTA (NRI)
535	MAHADEO FERTILIZERS LTD	KHAITAN CHEMICALS & FERTILIZERS LTD, SHRADHA PROJECTS LTD
536	MATHER AND PLATT PUMPS LTD.	WILO AG(WILO), ALLIED CENTRIFUGAL PUMPS PVT LTD.
537	VALUEMART INFO TECHNOLOGIES LTD. (ERSTWHILE GDR SOFTWARE LTD)	RIPPLE INVESTMENTS LTD.
538	WILLIAMSON TEA ASSAM LTD	MCLEOD RUSSEL INDIA LTD, WILLIAMSON MAGOR & CO LTD, UNITED MACHINE CO LTD, ICHAMATI INVESTMENTS LTD, NITYA HOLDINGS & PROPERTIES PVT LTD
539	PARSOLI CORPORATION LTD	ZAFAR SARESHWALA, HABIBULLAH AKUDI
540	APTECH LTD (APTECH ON-LINE LTD / APTECH TRAINING LTD)	M/S APTECH INVESTMENTS
541	DISA INDIA LTD	DISA HOLDING A/S
542	NAM CREDIT & INVESTMENT CONSULTANTS LTD (New Name:BGIL Films and Technologies)	MR RAKESH BHHATIA, MS ARTI BHATIA & BGIL, BGIL - BHARATIYA GLOBAL INFOMEDIA LTD.

List of target and acquirer companies under studied period		
SR.	**TARGET COMPANY**	**ACQUIRER/(S)**
543	I-FLEX SOLUTIONS LTD.	ORACLE GLOBAL (MAURITIUS) LTD., ORACLE CORPORATION (PAC)
544	FACTS SECURITIES LTD.	MR RAJIV KASHYAP
545	SARASWATI COMMERCIAL (INDIA) LTD	WINRO COMMERCIAL (INDIA) LTD., FOUR DIMENSIONS COMMODITIES PVT LTD.,(PAC), FOUR DIMENSIONS SECURITIES (INDIA) LTD., PAC, WINDSOR TRADING & FIN.PVT LTD., SAM JAG DEEP INVST
546	CHOLAMANDALAM INVESTMENT & FINANCE COMPANY LTD	DBS BANK LTD
547	RAJMATA INVESTMENTS AND FINANCE LTD (new Name: Mediaone Global Entertainment)	MR SURYARAJ KUMAR
548	KHATOO SYNTHETICS LTD	USHA VENKATARAMANI, VATSALA RANGANATHAN, SHRIRAM ECP LIMITED
549	THE PRATAPPUR SUGAR AND INDUSTRIES LTD	BAJAJ HINDUSTHAN LTD
550	SSI LTD (new Name: PVP Ventures)	MR KALPATHI S AGHORAM, KALPATHI S GANESH, SURESH
551	LALPHUL INVESTMENTS LTD.	MRS MANISHA KHETAN
552	GENERA INDUSTRIES LTD.	MR M R NAIDU, MRS M K RAJ
553	DIAMANT INVESTMENT AND FINANCE LTD.	VISION SALES PVT LTD., SABOO CAPITAL & SECURITIES
554	IID FORGINGS LTD. (new Name: Arshiya International)	MRS ARCHANA A MITTAL
555	ARONI CHEMICAL INDUSTRIES LTD. (New Name:Aroni Commercials)	WINRO COMMERCIAL (INDIA) LTD. & PACS, SARASWATI COMMERCIAL (INDIA) LTD.
556	KAR MOBILES LTD	RANE ENGINE VALVES LTD
557	KHAITAN WEAVING MILLS LTD (New Name:Spectacle Industries)	BALAJI SYNTHETIC SACKS PVT LTD
558	ASIA PACK LTD	MADANLAL PALIWAL, SUSHILA DEVI PALIWAL
559	MICRO INKS LTD.	MHM HOLDING GMBH
560	QUINTEGRA SOLUTIONS LTD	V. SHANKARRAMAN, R. VENKATARAMANI
561	MULTIMETALS LTD	MR RAJENDRA AGRAWAL, SHAMBHU AGRAWAL, V D AGRAWAL
562	PAN PACKAGING INDUSTRIES LTD (New Name: Alchemist Realty)	KDS CORPORATION PVT LTD
563	INSUL ELECTRONICS LTD. (New Name: Sunteck Realty)	MRS MANISHA KHETAN
564	NEELAMALAI AGRO INDUSTRIES LTD	MR AJIT THOMAS
565	WENDT (INDIA) LIMITED	WENDT HOLDING GMBH, WENDT GMBH (PAC)
566	ONLINE MEDIA SOLUTIONS LTD. (OMSL) (New Name:Virgo Global Media)	SAVERA CONSTRUCTION PVT LTD.
567	SHRICON INDUSTRIES LTD.	MR OM PRAKASH MAHESWARI, M K MAHESHWARI, WTL, IIPL, WELLWIN TECHNOSOFT LTD., IMPERIAL INFIN PVT LTD.
568	ZYDEN GENTEC LTD.	SHARDA ADVISORY SERVICES PVT LTD., DR. R K DHAR, DR RAJENDRANATH DHAR, MRS PRARINA D
569	JMT AUTO LTD.	BACH LTD., CHRYSCAPITAL III, LLC
570	DAWN MILLS COMPANY LTD.	ALLTIME MERCANTILE COMPANY PVT & PAC, NEWZONE MERCANTILE CO PVT LTD., (is part of the Piramal Group.)
571	SELLAIDS PUBLICATIONS (INDIA) LTD.	MR DC PAREKH, MR MS MEHTA, MR RP SHAH, MR V PODDAR
572	SHIVALIK AGRO POLY PRODUCTS LTD	MR P K MAHAJAN, R C GUPTA, DR.G D TYAGI, M/SPP PERFECT PACS LTD
573	EVEREST INDUSTRIES LTD.	EVEREST FINVEST (INDIA) PVT LTD, MRINALINI TRUST
574	FUTURISTIC SECURITIES LTD	ANAND KUMAR THIRANI
575	TELEPHOTO ENTERTAINMENTS LTD	SSI LTD.
576	AIMCO PESTICIDES LTD.	XCEL CROP CARE LTD.
577	NATRAJ COMMERCIAL ENTERPRISES LTD (New Name: Natraj Financial & Services Ltd)	MR TEJASH SHAH, SANDESH FINVEST PVT LTD.

List of target and acquirer companies under studied period		
SR.	**TARGET COMPANY**	**ACQUIRER/(S)**
578	SHELL INFOTECH LTD (THE STARITE SECURITIES & TRUST LTD)	K JAGADEESHA PAI
579	SOWBHAGYA EXPORTS LTD.	SIRI MEDIA PVT LTD.
580	THOMAS COOK INDIA LTD (THOMAS COOK (INDIA) PVT LTD)	DUBAI FINANCIAL (LLC)
581	UNITECH LIMITED	PRAKAUSALI INVESTMENTS (INDIA) PVT LTD. & PACS
582	GALAXY ENTERTAINMENT CORPORATION LTD.	PANTALOON
583	FCI OEN CONNECTORS LTD /FRAMATONE CONNECTORS OEN LTD. (O/E/N CONNECTORS LTD)	FIDJI LUXCO (BC) SCA
584	WOOLITE MERCANTILE COMPANY LTD.	MR SRIDHAR BHUPATHIRAJU
585	GROWEL INVESTMENT LTD. (New Name:Money Masters Investment)	MR HOZEF DARUKHANAWAL
586	S & Y MILLS LIMITED (New Name:Pittsburgh Iron and Steels)	ELGO IMPEX PRIVATE LIMITED
587	DPSC LTD.	ENVIRON ENERGY TECH SERVICE LTD.
588	PENNAR INDUSTRIES LTD.	M/S THAPATI TRADING PVT LTD., M/S PALGUNA CONSULTANTS PVT LTD.
589	JBF INDUSTRIES LTD	CITIGROUP VENTURE CAPITAL INTERNATIONAL GROWTH PAR
590	WINRO COMMERCIAL (INDIA) LTD	JACQART CHEMICAL INDUSTRIES LTD. & PACS
591	ELECTRA FINANCIAL SERVICES LTD.	ANIL B VEDMEHTA, PRIYANKA A VEDMEHTA
592	STRESSCRETE INDIA LTD	JOY HOME CREATION PRIVATE LTD,, K JAWAHAR MAHI, JAYANT BHAVANJI, MARINA J MAHI (PAC), BHAVIN J SONI (PAC)
593	RAJATH FINANCE LTD / (RAJATH LEASING & FINANCE LTD)	UNICORN HOLDINGS PRIVATE LTD, SHRI CHAMANLAL V KAMANI (PAC), SHRI RASHMI C KAMANI, DEEPAK C KAMANI (PAC)
594	INERTIA INDUSTRIES LTD (New Name: Millennium Beer Industries)	MCDOWELL ALCOBEV LIMITED
595	SARIKA PAINTS LTD	SHRI DHARMESH A SHAH
596	MARDA COMMERCIAL & HOLDINGS LTD	SHASHI AGARWAL, KANNU PRIAY AGARWAL, HIMANI AGARW, SADANAND AGARWAL, ROMIL AGARWAL, SHALINI AGARWAL, D N AGARWAL (HUF), MEENU AGARWAL, SNEHA AGARWAL, SANMUKH AGARWAL, LALIT AGARWAL, LALIT AGARWAL (HUF), DAULAT RAM AGARWAL, LAXMI DEVI AGARWAL, ADVANCE ISPAT (INDIA) LTD (PAC)
597	VIVO BIO TECH LTD. (FORMERLY SUNSHINE FACTORS & EXPORTS LTD.)	SHRI SHRI RESORTS PVT LTD
598	RAASI REFRACTORIES LTD.	ASHOK AGARWAL AND SANJAY AGARWAL
599	TATA TELECOM LTD (New Name: AGC Networks)	AVAYA MAURITIUS LTD. & PACS
600	ORBIT EXPORTS LIMITED	MR PANKAJ SETH, MRS ANISHA SETH AND PACS
601	SERVE-ALL INVESTMENTS LIMITED	M/S YALAMATI S CHAKRAVARTI & PACS
602	GANDHIDHAM SPG. & MFG. CO. LTD., THE	MR. PARASMAL MUNILAL JAIN,MRS KAMLADEVI P DEVI, PRADEEP P JAIN, SANDEEP PARASMAL JAIN, GAUTAM & COMPANY, ARVIND V JOSHI, MR. SUKHRAJ AMARCHAND SINGHVI, ASHOKKUMAR A SINGHV, MR. BABULAL AMARCHAND SINGHVI, TRIBHUVAN A SINGHVI, RAMESHKUMAR A SINGHVI
603	BLISS CHEMCIALS AND PHARMACEUTICALS INDIA LTD (New Name:Bliss GVS Pharma Ltd)	M/S M G WAGLE, GAUTAM R ASHRA & SHIBROOR N KAMATH
604	WPIL LTD (WORTHINGTON PUMP INDIA LTD/ JOHNSTON PUMPS INDIA LTD/)	HINDUSTAN UDYOG LIMITED
605	SAUMYA CONSULTANTS LTD	ARUN KUMAR AGARWALLA, SUDHA AGARWALLA, A K AGARWAL (HUF)
606	SIDHI HOLDINGS AND TRADERS LTD (New Name: Lifeline Drugs & Pharma Limited)	M/S KIRTI M KANAKIA, NIKUNJ K KANAKIA
607	RR GREENHANDS INFRASTRUCTURE INDIA LTD. (New Name: SAAG RR INFRA LTD)	SAAG (MAURITIUS) LTD & PACS
608	MATRIX LABORATORIES LTD (HERREN DRUGS & PHARMACEUTICALS LTD) (HERREN DRUGS PVT LTD)	INDIA NEWBRIDGE INVESTMENTS LTD & PACS
609	MALABAR TRADING COMPANY LIMITED	M/S M L LAXKAR, MAHESH KHANDELWAL & PACS
610	JK PAPER LIMITED	JK PAPER EMPLOYEES' WELFARE TRUST

List of target and acquirer companies under studied period		
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611	IVRCL INFRASTRUCTURES & PROJECTS LTD	CHRYSCAP & CIFC
612	KERRY JOST ENGINEERING LTD (New Name:Tulive Developers)	MR ATUL GUPTA & PACS
613	HUGHES SOFTWARE SYSTEMS LTD (New Name: Flextronics Software Systems)	FLEXTRONICS SALES & MKTG (L-A) LTD. & PACS
614	STEWARTS & LLOYDS OF INDIA LTD.	INDIAN OILTANKING LIMITED
615	VALPLUS BIOTECH LTD	MR CHANDER R SARAOGI
616	BIRLA GLOBAL FINANCE LTD	TGS INVESTMENT & TRADE PVT LTD.
617	SANYEI MEDIQUIP LIMITED (New Name:India Nivesh Limited)	SNEH SHARES AND STOCK BROKERS PVT LTD & PACS, NITESH KUMAR KABRA, NIRMAL PAREEK
618	BALAJI TELEFILMS LTD.	ASIAN BROADCASTING FZ LLC
619	ADARSH PLANT PROTECT LIMITED	MR NAISHAD N PATEL, ATISH N PATEL, KIRIT A PATEL
620	JMC PROJECTS (INDIA) LTD.	KALPATARU POWER TRANSMISSION LTD & K.ENERGY (PAC)
621	STANDARD CABLES LIMITED (New Name:Savant Infocomm)	SAVANT INDIA INSTITUTE OF TECHNOLOGY PVT LTD.
622	RANE (MADRAS) LTD	L LAKSHMAN, L LAKSHMAN (HUF), L GANESH & PACS
623	TTK HEALTHCARE LTD	MR TTJAGANNATHAN & PACS, PARTNERS OF TTK & CO.
624	RANE ENGINE VALVES LIMITED	RANE MADRAS LTD, RANE BRAKE LININGS LTD & RANE INVESTMENTS LTD
625	SKANSKA CEMENTATION INDIA LIMITED (New Name:ITD Cementation India)	ITALIAN-THAI DEVELOPMENT (ITD)
626	THE KAILAS RUBBER COMPANY LIMITED	A V GEORGE AND CO LTD & PACS
627	MAGMA LEASING LIMITED	STRATUS DEVELOPERS P LTD, MICROFIRM SOFTWARES, PAC
628	SWARAJ MAZDA LTD/ (SWARAJ VEHICLES LTD)	CDC AGRI AND SARF & PACS
629	JAIPUR POLYSPIN LIMITED	RAJASTHAN SPINNING & WEAVING MILLS LTD.
630	NETWORK LTD	PPS TOWERS PVT LTD & PACS
631	BLUE DART EXPRESS LTD	DHL EXPRESS (SINGAPORE) PTE LTD & PAC
632	LYONS TECHNOLOGIES LTD.	MR HITESH SHANTILAL SHAH/ MR DHAVAL SHANTILAL SHAH
633	DOWNTOWN TRADING AND INVESTMENTS LTD (new Name:Victoria Enterprises Ltd)	MR KRISHNA KUMAR PITTIE/ MRS SANGEETA PITTIE
634	UNITED BREWERIES LIMITED	SCOTTISH & NEWCASTLE INDIA LTD., SCOTTISH & NEWCASTLE INDIA PVT LTD.(PAC), SCOTTISH & NEWCASTLE PLC (PAC)
635	ONDEO NALCO INDIA LTD /(NALCO CHEMICALS INDIA LTD)	SUEZ
636	KRONE COMMUNICATIONS LTD (New Name:ADC India Communications)	ADC TELECOMMUNICATIONS INC
637	MAX INDIA LIMITED	PARKVILLE HOLDINGS LTD. & PACS
638	SINTEX INDUSTRIES LTD	LIGHTWOOD INVESTMENT LTD
639	INNOVATION MEDI EQUIP LTD.	MR MUBARAK ALI / MRS ANARKALI BEGUM / MR SATHISH K
640	BHILWARA TEX-FIN LTD.	SAINIK MINING & ALLIED SERVICES PVT LTD.
641	MARUDHAR FOOD & CREDIT LTD.	MR MADAN MOHON MOHANKA, MANJU, MEHUL & MANISH
642	CONRAD TELEFILMS LTD.	MR PRAVEEN ARORA & MR SOM ARORA
643	QUANTUM SOFTECH LTD.	MR P KODANDA RAMBABU, MRS KODALI VIJAYA RANI
644	ASSOCIATED CEMENT COMPANY LTD	HOLDCEM CEMENTS INDIA PVT LTD., HOLDERIND INVESTMENTS LTD. (HOLCIM MAURITIUS), AMBUJA CEMENT INDIA LTD., GUJARAT AMBUJA CEMENTS LTD. (GACL)
645	SUNSHIELD CHEMICALS LTD.	MR AMIT CHAMPAKLAL CHOKSEY, AEONIAN INVESTMENTS CO LTD., ABHIRAJ TRADING AND INVESTMENTS PVT LTD.
646	SHRI CHLOCHEM LTD.	MR KANDARP K AMIN/MRS ARCHNA K AMIN/MR ARCHIT AMIN

List of target and acquirer companies under studied period		
SR.	TARGET COMPANY	ACQUIRER/(S)
647	ASAHI FIBRES LTD.	JAYBHARAT SAREES LTD.
648	CENTURY ENKA LTD	ACORDIS BV, ACORDIS OVERSEAS INVESTMENT BV
649	THE METHONI TEA COMPANY LTD.,	INDISTOCK PVT LTD. & THIRD WAVE CREDIT & COMM. PVT
650	APTECH LTD (APTECH ON-LINE LTD / APTECH TRAINING LTD)	SSI LTD, SHRI K S AGHORAM
651	MATRIX LABORATORIES LTD (HERREN DRUGS & PHARMACEUTICALS LTD) (HERREN DRUGS PVT LTD)	N PRASAD, G2 CORPORATE SERVICES LTD, M RAVINDER,, ALL TIME FORMULATIONS LTD
652	CARBON SPECIALITIES LTD/ (D. P. REAL ESTATE AND FINANCE LTD)	SHRI KISHORE KUMAR KAYA, PANKAJ KUMAR KAYA
653	ALPHA DRUGS INDIA LTD	PUNJAB CHEMICALS & PHARMACEUTICALS LTD
654	VICKERS SYSTEMS INTERNATIONAL LTD / (VICKERS SPERRY OF INDIA LTD)	EATON HYDRAULICS INC.,USA, EATON CORPORATION (PAC)
655	LARSEN & TOUBRO LTD	GRASIM INDUSTRIES LTD, SAMRUDDHI SWASTIK TRADING AND INVESTMENTS LTD
656	WESTERN MINISTIL LTD / (WESTERN MINISTIL PRIVATE LTD)	GIRDHAR MORARI AGRO RESEARCH PVT LTD, RAJENDRA CHATURVEDI (PAC), GIRDHARI LAL CHATURVEDI, DINANATH BOHRE
657	EASTCOAST STEELS LTD	GIRDHAR MORARI AGRO RESEARCH PVT LTD, SHRI RAJENDRA CHATURVEDI (PAC), SHRI GIRDHARI LAL CHATURVEDI (PAC), SHRI DINANTH BOHRE
658	YOKOGAWA BLUE STAR LTD / (YOKOGAWA KEONICS LTD)	YOKOGAWA ELECTRIC CORPORATION
659	BHAGWATI RESOURCES LTD	BALAJI ENTERPRISES, SALASAR ENTERPRISES, MAHADEO ENTERPRISES
660	WELCAST STEELS LTD.	AIA ENGINEERING PVT LTD AND PACS, BHADRESH K SHAH, GITA SHAH,, SHIVASHISH TRADING PVT LTD,, KISHANKRUPA TRADING PVT LTD,, AMIT S MEHTA, RAGHVENDRA TRADING PVT LTD,LOVEKUSH TRDG PVT LTD,, VRINDAVAN ALLOYS PVT LTD, PARAMKRUPA TRADING PVT L, CENTRICAST ENTERPRISES PVT LTD, SHRI PARYANK R SHA, SMT SONAL SHAH
661	AKHILESHWAR TEXPORTS LTD (New Name:Core Projects & Technologies Ltd)	WISDOM TRADING LIMITED AND PACS, SHRI SANJEEV G MANSOTRA, SHRI NARESH S SHARMA, SMT NEELAM S MANSOTRA
662	The AHMEDABAD VICTORIA IRON WORKS CO LTD	KIRAN D SHETH AND PACS, JYOTI K SHETH, KUNAL K SHETH, NISHITA K SHETH (PAC
663	JAIN VANIJYA UDYOG LTD	JAI BALAJI EXIM CORPORATION
664	SCHENECTADY-BECK INDIA LTD /(DR. BECK & CO. INDIA LTD) New Name: Elantas Beck India	ALTANA ELECTRICAL INSULTATION GMBH,, ALTANA CHEMIE AG, ALTANA AG
665	GALAXY MULTIMEDIA LTD (New Name:Baba Arts Ltd.)	SHRI GORDHAN TANWANI
666	SAPTARISHI AGRO INDUSTRIES LTD	CALIBRE REHABS LIMITED
667	SHARP TRADING & FINANCE LTD	SUJIT KUMAR SINGH,, SHEKHAR KESHAV MADREKAR
668	PRABHAT (INDIA) LTD	SURAJ PRAKASH BHAGAT, SMT LAJ BHAGAT
669	INDO GULF FERTILISERS LTD	TGS INVESTMENT & TRADE PRIVATE LTD, HINDALCO INDUSTRIES LTD (PAC), INDIAN RAYON AND INDUSTRIES LTD (PAC), GRASIM INDUSTRIES LTD (PAC)
670	RAIPUR ALLOYS AND STEEL LTD/ (RAIPUR WIRES & STEEL LTD) New Name: Sarda Energy and Minerals	CHHATTISGARH ELECTRICITY COMPANY LTD, CHHATTISGARH INVESTMENTS LTD, SARDA AGRICULTURE & PROPERTIES PVT LTD (PAC), PRACHI AGRICULTURE & PROPERTIES PVT LTD (PAC), KAMAL KISHORE SARDA (PAC)
671	KADRI MILLS (CBE) LTD, THE	SHRI G KANNAPPAN, SHRI K GOV RAMASWAMY, SHRI G VIJAYAKUMAR
672	WPIL LTD (WORTHINGTON PUMP INDIA LTD/ JOHNSTON PUMPS INDIA LTD/)	HINDUSTHAN UDYOG LTD (HINDUSTAN SHEET & METAL CO L
673	HUGHES SOFTWARE SYSTEMS LTD (New Name: Flextronics Software Systems)	NEWS CORPORATION LTD.,THE, HNS MAURITIUS HOLDINGS (PAC), HUGHES NETWORK SYSTEMS LIMITED (PAC), HUGHES ELECTRONICS CORPORATION (PAC)
674	ESCORTS FINANCE LTD / (ESCORTS LEASING AND FINANCE LTD/ ESCORTS FINANCIAL SERVICES LTD)	ESCORTS FINANCE INVESTMENTS & LEASING PVT LTD, ESCOTRAC FINANCE & INVESTMENTS PVT LTD

List of target and acquirer companies under studied period		
SR.	TARGET COMPANY	ACQUIRER/(S)
675	NOBLE EXPLOCHEM LTD	PRAKASH MAHESHWARI & SAMEER MAHESHWARI, PRAKASH MAHESWARI (HUF) (PAC)
676	SAN GEO SERVICES LTD (New Name:Sanguine Media Ltd)	SHRI C V RAVI
677	AMZEL AUTOMOTIVE LTD	SALEEM FAZELBHOY, AMZEL PRIVATE LTD
678	GODAVARI FERTILIZERS AND CHEMICALS LTD	COROMANDEL FERTILISERS LTD
679	PUNJAB TRACTORS LTD	CDC FINANCIAL SERVICES (MAURITIUS) LTD, CDC-PTL HOLDINGS LTD, SOUTH ASIA REGIONAL FUND, LATHE INVT PVT LTD (PAC), CDC GROUP PLC (PAC), LATHE INVESTMENT PTE LTD (PAC
680	SWARAJ AUTOMOTIVES LTD	CDC-PTL HOLDINGS LTD, CDC FINANCIAL SERVICES (MAURITIUS) LTD, SOUTH ASIA REGIONAL FUND, LATHE INVT PVT LTD (PAC), CDC GROUP (PAC), LATHE INVESTMENT PTE LTD (PAC)
681	SWARAJ ENGINES LTD	CDC FINANCIAL SERVICES (MAURITIUS) LTD, CDC-PTL HOLDINGS LTD, SOUTH ASIA REGIONAL FUND, LATHE INVT PVT LTD, CDC GROUP PCL, (PAC), LATHE INVESTMENT PTE LTD (PA
682	SWARAJ MAZDA LTD/ (SWARAJ VEHICLES LTD)	CDC FINANICAL SERVICES (MAURITIUS) LTD, CDC-PTL HOLDINGS LTD, SOUTH ASIA REGIONAL FUND, LATHE INVT PVT LTD (PAC), CDC GROUP (PAC), LATHE INVESTMENT PTE LTD (PAC)
683	SOMAIYA ORGANICS (INDIA) LTD	J. R. AGRO INDUSTRIES LTD
684	ISHWAR TEXTILES LTD (New Name:Neemtek Organic Products Ltd)	INGA MANAGEMENT AND IVNESTMENT PRIVATE LTD
685	MILLENNIUM CYBERTECH LTD/ (MERCURY LEASING AND PROPERTIES LTD/ BRAHMA CAPITAL AND SECURITIES LTD/BCS SOFTWARE LTD)	CORNHILL TRADING COMPANY PVT LTD, STARDOM TRADING COMPANY PRIVATE LTD, RGV PRODUCTIONS PVT LTD AND PACS
686	LOTUS CHOCOLATE COMPANY LTD	SHRI ALAPATI RAMAKRISHNA, SHRI DEVBHUKTUNI DURGA PRASAD
687	HERBERTSONS LTD	K R CHHABRIA, M D CHHABRIA, VENNER INVESTMENT & FINANCE PVT LTD (PAC), ALGID INVESTMENT & FINANCE PVT LTD (PAC), AIREDALE INVESTMNET & TRADING PVT LTD (PAC), BEETHOVEN TRADERS PVT LTD (PAC), DARREL TRADERS PVT LTD (PAC), ., ., ., .
688	TATA INFOMEDIA LTD (New Name:Infomedia 18)	ICICI EPAYMENTS LTD, INDIA ADVANTAGE FUND II (PAC), ICICI STRATEGIC INVESTMENTS FUND (PAC), ICICI EQUITY FUND (PAC)
689	RAMA NEWSPRINT & PAPERS LTD	THE WEST COAST PAPER MILLS LTD, SPECIALITY COATINGS AND LAMINATIONS LTD (PAC), BHARAT SUGAR MILLS LTD (PAC)
690	MAXIMUS STEELS MANUFACTURING LTD	JAYANTILAL H SHAH, MRS NINA SHAH, MRS KINJAL SHAH
691	HERBERTSONS LTD	MCDOWELL & COMPANY LTD, PHIPSON DISTILLERY LTD, UNITED BREWERIES (HOLDIGNS) LTD (PAC)
692	DEVAKI HOSPITAL LTD (new Name:Chennai Meenakshi Multispeciality Hospital)	MADRAS MEDICAL CARE & HEALTH CENTRE PVT LTD, DR K C REDDY, (PAC), DR. SALIM J THOMAS (PAC), DR C M THIAGARAJAN (PAC)
693	PEARL ORGANICS LTD (new Name:Wanbury limited)	WANDER PRIVATE LTD
694	DEVERSA GAS-CHEM LTD (New Name:Confidence Petroleum)	NITIN KHAR, ELESH KHARA, RASILA KHARA, NALIN KHARA, NNV FINANCE LTD (PAC)
695	TRANSMATIC SYSTEMS LTD (new Name:Accel Transmatic)	ACCEL LTD, SHRI N R PANICKER
696	DIL VIKAS FINANCE LTD	SHRI PRANAV SANGHAVI, JYOTHI S PAI, SHANTI R PAI, BALAKRISHNA RAO
697	VIRAT INDUSTRIES LTD/ (ORAL HYGIENE PVT LTD)	SHAPOORJEE N CHANDABHOY DESIGN PVT LTD, ARMAYESH IMPORTS AND EXPORTS PRIVATE LTD, ARMAND N AGA (PAC)
698	AAKRUTI HOLDINGS LTD	PRISM SOFTWARE LTD, PRADEEP H KOTHARI, A H KOTHARI, S P KOTHARI (PAC), H T KOTHARI (PAC)
699	ZIRCON TRADERS LTD	SHRI DIPAK KOTHARI, SMIT DIPTI KOTHARI

List of target and acquirer companies under studied period		
SR.	TARGET COMPANY	ACQUIRER/(S)
700	SRF POLYMERS LTD/ (SRF CHEMICALS LTD) (New Name:Kama Holdings)	BHAIRAV FARMS PRIVATE LTD, NARMADA FARMS PRIVATE LTD, SKYLARK INVESTMENTS & TRADING PVT LTD (PAC), ARUN BHARAT RAM (PAC), DR BHARAT RAM, MANJU B RAM, ASHISH B RAM (DEEMED P, KARTIKEYAN B RAM, DCM CONSOLIDATED LTD (DEEMED PAC
701	ALEMBIC GLASS INDUSTRIES LTD	SIERRA INVESTMENTS LTD, SHRI CHIRAYU R AMIN, SMT MALIKA C AMIN
702	FAL INDUSTRIES LTD	STERLING INVESTMENT CORPORATION PRIVATE LTD, SHAPOORJI PALLONJI & CO LTD (PAC), CYRUS INVESTMENTS LTD (PAC), FORBES GOKAK LTD (PAC), FORBES ESTATES LTD (PAC), WARRIOR INVESTMENTS LTD (PAC)
703	SHRIRAM CITY UNION FINANCE LTD / (SHRIRAM HIRE PURCHASE FINANCE PRIVATE LTD	SHRIRAM CHITS & INVESTMENTS PRIVATE LTD
704	GESTETNER (INDIA) LTD	RICOH COMPANY LTD, NRG GROUP PLC (PAC)
705	MAC INFOTECH LTD/ (HIRAMOTI FINANCE PVT LTD /HIRAMOTI FINANCE LTD)	N V SUBBA RAO, N SIVA RAMA KRISHNA, N MADHAVI, T V RAO, ., P V D PRASAD, SUDHA SUNKARA, P SRIMANNARAYANA, V RAMAPRASAD, .
706	ANDHRA PRADESH TANNERIES LTD	BAMBOLLI HOLDINGS PRIVATE LIMITED, ARATI S SARAN (PAC), URMILA V PANDIT (PAC), SMT SHEFALI S SHAH (PAC), SMT GITA R PANDIT (PAC)
707	KAPASHI COMMERCIAL LTD	SHRI SEVANTILAL S KAPASHI, SHRI PARESH S KAPASHI, SHRI INDUBHAI S KAPASHI & NIMISH I KAPASHI
708	KANOI PAPER & INDUSTRIES LTD (new Name: Agio Paper & Industries)	MURARI LAL JALAN, ARROW SYNTAX PVT LTD
709	PLATY METALLURGICALS LTD (New name :Deepjyoti Textiles Limited)	SANJAY MUNDRA, GOPALLAL MUNDRA, MANJUSHA MUNDRA, PREMLATA MUNDRA
710	ANAND ELECTRIC SUPPLY COMPANY LTD	SHRI HEMANT PANPALIA
711	SNOWHITE APPARELS LTD / (SNOWHITE APPARELS PVT LTD)	SHRI SURINDER SINGH KHERA, GURKIRAT S KHERA, GURMINDER S KHER (PAC), SMT HARKIRAN KHERA, SUKHWANT KHERA, HARKIRAN KHERA, MS ROOPKIRAN SARAON
712	SPENTEX INDUSTRIES LTD	MUKUND CHOUDHARY, KAPIL CHOUDHARY, AJAY KUMAR CHOUDHARY
713	KUTCH SALT AND ALLIED INDUSTRIES LTD.	FRIENDS BULK HANDLERS LTD
714	NEW SAGAR TRADING COMPANY LTD	KISHOR M SHAH, PANKAJ K SHAH, RAJIV K SHAH
715	THE KIRLAMPUDI SUGAR MILLS LTD	SHRI C RAGHURAM
716	RAJMATA INVESTMENTS AND FINANCE LTD (new Name: Mediaone Global Entertainment)	SHRI K C K A GUPTA, SHRI M VENKATESWARA RAO, SHRI K SRINIVAS GUPTA
717	VIDESH SANCHAR NIGAM LTD (New Name: Tata Communications)	PANATONE FINVEST LTD (STORMY INVESTMENTS & FINANCE, TATA SONS LTD (PAC), THE TATA POWER COMPANY LTD (PAC), THE TATA IRON AND STEEL COMPANY LTD (PAC), TATA INDUSTRIES LTD (PAC)
718	ETC NETWORKS LTD/ (BEEHIVE TRADING AND EXPORTS LTD)	ZEE TELEFILMS LTD
719	IBP CO LTD/ (INDO-BURMA PETROLEUM COMPANY LTD)	INDIAN OIL CORORATION LTD
720	LIBERTY OIL MILLS LTD / (LIBERTY OIL MILLS PVT LTD.)	LIBERTY INVESTMENTS PVT LTD, SHRI PARVEZ HAMZA KADER AND PACS
721	KAYCEE INDUSTRIES LTD	CMS TRAFFIC SYSTEMS LTD, JESS PRASAD ENGINEERING AND METALLURGICAL SERVICES
722	BHAGWAN INVESTMENTS & TRADES LTD (New Name:VYAPAR INDUSTRIES LTD)	SHRI HUSSAIN ABBAS RASSAI, SMT SAKINA AKEEL RASSAI
723	VMC SOFTWARE LTD (new Name:Avance Technologies)	JUVENILE CAPFIN PRIVATE LTD AND PACS
724	FINE DRUGS AND CHEMICALS LTD	VORIN LABORATORIES LTD, OSCAR INVESTMENTS LTD, RANBAXY LABORATORIES LTD (PAC), VIDYUT INVESTMENTS LTD (PAC), SOLUS PHARMACEUTICALS LTD (PAC)
725	HARITA FINANCE LTD /(HARITA FINANCE AND SECURITIES PRIVATE LTD)	TVS MOTOR COMPANY LTD, TVS INVESTMENTS LTD (PAC), LAKSHMI AUTO COMPONENTS LTD (PAC), ANUSHA INVESTMENTS LTD (PAC)
726	SOM CONSTRUCTION & DEVELOPERS LTD /(AXOM PIPES N TUBES LTD)	SHRI SOM ARORA, SMT POOJA ARORA

List of target and acquirer companies under studied period		
SR.	**TARGET COMPANY**	**ACQUIRER/(S)**
727	PADMALAYA TELEFILMS LTD/ (RAJIV RATNA CINE ENTERPRISES PVT LTD)	PADMALAYA ENTERPRISES PRIVATE LTD, ZEE TELEFILMS LTD
728	NAM CREDIT & INVESTMENT CONSULTANTS LTD (New Name:BGIL Films and Technologies)	SHRI RANJINDER PAUL JINDAL, SHIV MITTER JINDAL, SHRI KIRAN JINDAL
729	SAMPARK TRADING & FINANCE COMPANY LTD	SHRI SURESH CHAND AGARAWAL, SMT ANJU AGARAWAL
730	RECKITT BENCKISER (INDIA) LTD /(RECKITT & COLMAN OF INDIA LTD)	RECKITT BENCKISER PLC, LANCASTER SQUARE HOLDINGS SL
731	HARIJAY INDUSTRIES LTD (new Name:Empower Industries)	SHRI DEWANG MASTER
732	AXLES INDIA LTD	SPICER HEAVY AXLE HOLDINGS INC.,, SUNDARAM FINANCE LTD, WHEELS INDIA LTD, DANA CORPORATION (PAC)
733	ASTRAZENECA PHARMA INDIA LTD/ ASTRA-IDL LTD	ASTRA PHARMACEUTICALS AB, ASTRAZENECA AB (PAC)
734	RAYMED LABS LTD / (RAYMED LABS PRIVATE LTD)	SHRI AJAI GOYAL
735	HINDUSTAN ZINC LTD	STERLITE OPPORTUNITIES AND VENTURES LTD, STERLITE INDUSTRIES (INDIA) LTD (PAC), STERLITE OPTICAL TECHNOLOGIES LTD (PAC)
736	WARTSILA INDIA LTD (WARTSILA DIESEL INDIA LTD) (WARTSILA NSD INDIA LTD)	WARTSILA CORPORATION, WARTSILA TECHNOLOGY OY AB
737	SUNFLEX FINANCE AND INVESTMENTS LTD	SHRI SHEKHAR J MEHTA, ANMOL MEHTA, SHAURAT MEHTA, SHRI SAILESH J MEHTA
738	SHINE COMPUTECH LTD (RAVRAJ INTERNATIONAL LTD)	SHRI K SUDHIR RAO, SHIR K SUHAN RAO, J THIRUPATHI RAO (PAC)
739	OSWAL SUGARS LTD	YADU SUGAR LTD, DHARAM PAL SINGH, JITENDER SINGH (PAC), SMT U YADAV,, VIKAS SINGH (PAC)
740	INDIAN METALS & FERRO ALLOYS LTD	INDMET COMMODITIES PRIVATE LTD, B PANDA & CO PVT LTD (PAC)
741	CIBA SPECIALTY CHEMICALS (INDIA) LTD	CIBA SPECIALTY CHEMICALS HOLDING INC, CIBA INDIA PRIVATE LTD (PAC), CIBA SPECIALTY CHEMICALS INTERNATIONAL INC (PAC)
742	GERMAN REMEDIES LTD	CADILA HEALTHCARE LTD, RECON HEALTHCARE LTD (PAC)
743	INOX LEASING AND FINANCE LTD	INOX CHEMICALS PRIVATE LTD, SIDDHO MAL AIR PRODUCTS PRIVATE LTD, SIDDHO MAL INVESTMENTS PRIVATE LTD, SIDDHAPAVAN TRADING AND FINANCE PRIVATE LTD, SITASHRI TRADING AND FINANCE PRIVATE LTD, DEVANSH TRADING AND FINANCE PRIVATE LTD AND PACS, MR LALIT KUMAR JAIN AND FLY MEMBERS AND HUFS
744	REVATHI EQUIPMENT LTD (REVATHI-CP EQUIPMENT LTD)	UTKAL INVESTMENTS LTD
745	CARRIER AIRCON LTD (BRISTOL COMPRESSORS (INDIA) PVT LTD	CARRIER INTERNATIONAL MAURITIUS LIMITED, CARRIER CORPORATION (PAC), CARRIER SINGAPORE (PTE) LTD (PAC)
746	VASUDHA TRADING & AGENICES LTD (New Name:Datamatics Global Services Ltd)	ANJU ADVISORY SERVICES PVT LTD
747	DLF UNIVERSAL LTD {AMERICAN UNIVERSAL ELECTRIC (INDIA) LTD} {DLF UNIVERSAL ELECTRIC LTD}	SHRI RAJIV SINGH, DLF INVESTMENTS PVT LTD, VISHAL FOODS AND INVESTMENTS PVT LTD, RAISINA AGENCIES & INVESTMENTS PVT LTD, RENKON AGENCIES PVT LTD, REALEST BUILDERS & SERVICES LTD
748	CENTURY LAMINATING CO LTD/ (H N LOHIA (AGENCIES) PVT LTD	SRI PRASAN LOHAI, PRAKASH LOHIA, BIKASH LOHAI, RUCHIRA LOHIA
749	AVON PROPERTIES LTD (New Name:CNI Research)	NEIL INFORMATION TECHNOLOGY LTD (KRISH REALTORS PV, MR KISHOR P OSTWAL, MRS SANGITA K OSTWAL (PAC), SHRI DEVEN JHAVERI, MRS RUPA JHAVERI (PAC)
750	MEDICORP TECHNOLOGIES INDIA LTD	MATRIX LABORATORIES LTD
751	INDIAN PETROCHEMICALS CORPORATION LTD	RELIANCE PETROINVESTMENTS LTD, RELIANCE INDUSTRIES LTD, (PAC), RELIANCE VENTURES LTD, RELIANCE CAPITAL LTD (PAC), RELIANCE POWER VENTURES LTD
752	GARNET PAPER MILLS LTD (new Name: K Sera Sera Productions Ltd)	MONALISA MOULDINGS PVT LTD, AZAM PLASTICS PVT LTD, MOHAMMED ASLAM KHAN, MOHHAMMED A HAN & OTHERS(PACS

List of target and acquirer companies under studied period		
SR.	TARGET COMPANY	ACQUIRER/(S)
753	SUVRIDHI FINANCIAL SERVICES LTD /(SUVRIDHI FINANCIAL SERVICES PVT LTD)	SHRI MOHAN AGARWAL, SHRI GAURI SHANKAR AGARWALA, SMT KALAWATI AGARWAL, SMT PRATIBHA AGARWAL, BHAIRAV LEASING & FINANCE PVT LTD
754	MAYFAIR INDIA LTD	SRI SHANKAR LAL DHANUKA, SRI CHANDRA KUMAR DHANUKA, SMT ARUNA DHANUKA
755	HUGHES TELE.COM (INDIA) LTD / HUGHES ISPAT LTD (New Name: TATA TELESERVICES LTD)	TATA TELESERVICES LTD, TATA SONS LTD (PAC), TATA INDUSTRIES LTD (PAC), TATA POWER CO LTD (PAC)
756	SYNERGY MULTIBASE LTD (New Name:Multibase India)	DOW CORNING FRANCE S.A.S, DOW CORNING CORPORATION, MULTIBASE S.A.S (PAC)
757	SANTOSH INDUSTRIES LTD/SANTOSH INDUSTRIES PVT LTD	SHRI BUDHAMALL DUGAR, SMT SOHANI DEVI DUGAR
758	RECKITT BENCKISER (INDIA) LTD /(RECKITT & COLMAN OF INDIA LTD)	RECKITT BENCKISER PLC, LANCASTE SQUARE HOLDINGS SL (PAC)
759	BHANDARI CONSULTANCY AND FINANCE LTD	SHRI ABHIMANYA SINDHU, SMT EKTA SINDHU (PAC), ABHIMANYU SINDHU (HUF) PAC
760	KODAK INDIA LTD/ (INDIA PHOTOGRAPHIC CO LTD)	KODAK LTD, EASTMAN KODAK COMPANY (KODAK US)
761	MADURA COATS LTD/ COATS VIYELLA INDIA LTD	J & P COATS LTD, COATS PLC (PAC)
762	VGR CONSTRUCTION LTD (New Name: Netlink Solutions (India) Ltd)	ADITYA FINCAP PVT LTD, MINESH MODI (PAC), RUPABEN MODI, UMESH MODI, MRS MANISH MODI (PAC), RUPABEN MODI (PAC), MANISHA MODI (PAC)
763	INDIAN ALUMINIUM CO. LTD (INDAL)	HINDALCO INDUSTRIES LTD, RENUKESHWAR INVESTMENT & FINANCE LTD (PAC)
764	OTIS ELEVATOR COMPANY (INDIA) LTD	OTIS MAURITIUS LTD, OTIS ELEVATOR COMPANY (NEW JERSEY) (PAC), OTIS ELEVATOR COMPANY (S) PTE LTD (PAC), OTIS ELEVATOR COMPANY (H.K.) LTD (PAC)
765	GINI SILK MILLS LTD	SHRI VISHWANATH HARLALKA, SHRI DEEPAK HARLALKA AND PACS
766	AVENTIS CROPSCIENCE INDIA LTD (HOECHST SCHERING AGREVO LTD/AGREVO INDIA LTD)	BAYER CROPSCIENCE AG, BAYER AG (PAC), BAYER CROPSCIENCE SA (AVENTIS CROPSCIENCE SA) (PAC, AVENTIS CROPSCIENCE GMBH (PAC)
767	ASTRAZENECA PHARMA INDIA LTD/ ASTRA-IDL LTD	ASTRA PHARMACEUTICALS AB, ASTRAZENECA AB (PAC)
768	BSL LTD / (BHILWARA SYNTHETICS LTD)	KOLMAK CHEMICALS LIMITED & PACS, SUPER JUPITER COURIER PVT LTD, SUN BIOTECHNOLOGY LTD, SUPARSHWA DISTRIBUTORS PVT LTD, NAMOKAR VINIMAY PVT LTD, REMARKABLE FISCAL COMPANY PVT LTD, PILOT CONSULTANTS LTD
769	EPIC ENZYMES, PHARMACEUTICALS & INDUSTRIAL CHEMICALS LIMITED	SHRI P K MAHAJAN, SHRI VINEET SUCHANTI (PAC), KEYNOTE CORPORATE SERVICES LTD (PAC)
770	WARTSILA INDIA LTD (WARTSILA DIESEL INDIA LTD) (WARTSILA NSD INDIA LTD)	WARTSILA CORPORATION, WARTSILA TECHNOLOGY OY AB (PAC)
771	BHARAT HOTELS LTD	DEEKSHA HOLDING LTD, LALIT SURI, RAMESH SUIR, JYOTSNA SURI, RITU SURI,, DEEKSHA SURI, KESHAV SURI (PAC), RESPONSIBLE BUILDERS PVT LTD, JYOTSNA HOLDINGS PVT, PREMIUM EXPORTS LTD, PREMIUM HOLDINGS LTD (PAC), MERCANTILE CAPITAL & FINANCIAL SERVICES LTD,, RAJ KUMARI NANDA, TIKA H SINGH (PAC)
772	VICKERS SYSTEMS INTERNATIONAL LTD / (VICKERS SPERRY OF INDIA LTD)	EATON HYDRAULICS INC, EATON CORPORATION (PAC)
773	AHMEDNAGAR FORGINGS LTD	AMTEK AUTO LTD
774	SNOWTEMP ENGINNERING COMPANY LIMITED (YORK INDIA LTD)	SMT ANILA MAHAJAN, SHRI LALIT MAHAJAN, NITIN MAHAJAN, JATIN MAHAJAN,, LALIT MAHAJAN FAMILY TRUST, LALIT MAHAJAN & SONS(H, LALIT NITIN MAHAJAN (HUF), LALIT JATIN MAHAJAN (HUF), J MITRA & SONS (HUF)
775	WIMPER TRADING LTD (New Name:Deccan Gold Mines Ltd. (DGML))	RAMA MINES (MAURITIUS) LTD

List of target and acquirer companies under studied period		
SR.	TARGET COMPANY	ACQUIRER/(S)
776	SOUTH EAST ASIA MARINE ENGINEERING & CONSTRUCTION LTD (PEERLESS SHIPPING & OILFIELD SERVICES LTD / PEERLESS LEASING PRIVATE LTD)	TECHNIP-COFLEXIP, COFLEXIP STENA OFFSHORE (MAURITIUS) LTD
777	JOHN FOWLER (INDIA) LTD	SHRI R B BARWALE
778	VASUDHA TRADING & AGENICES LTD (Datamatics Global Services Ltd)	ANJU ADVISORY SERVICES PVT LTD, RAHUL KANODIA - HUF, MS. AMRITA BHOGILAL, MS AMEESHA DALMIA, MAHABIR P GUPTA, VANMALA KOTHARI
779	SYNGENTA INDIA LTD (NOVARTIS AGRIBUSINESS INDIA PVT LTD / SYNGENTA INDIA PVT LTD)	SYNGENTA SOUTH ASIA AG, SYNGENTA AG (PAC), SYNGENTA PARTICIPATIONS AG (PAC)
780	ROCHEES BREWERIES LTD	MYSORE BREWERIES LTD, SAB MILLER INDIA LTD, SOUTH AFRICAN BREWERIES INTERNATIONAL (ASIA) B.V., SAB MILLER PLC, PALS DISTRILLERIES LTD
781	WIDIA (INDIA) LTD (manufactures a wide range of mining tools)	KENNAMETAL INC
782	THE RAJA BAHADUR MOTILAL POONA MILLS LTD.	SAI RADHE PROPERTIES PRIVATE LTD
783	MOHINDRA PAPERS LTD (New Name:Nuway Organic Naturals (India) Ltd)	R D M TRADERS (P) LTD, GURSHARAN KAUR, SHRI R SINGH, RAVINDER NARANG(PAC), SHRI DILVINDER SINGH, SMT SONIA NARANG (PAC), SHRI MANMINDER SINGH, ANCHAL NARANG, SMT DAISY SINGH (PAC)
784	SKOL BREWERIES LTD	SHAW WALLACE BREWERIES LTD (OVERSEAS TRANSPORT COM
785	BSES LTD (New Name: Reliance Infrastructure)	RELIANCE POWER VENTURES LTD, RELIANCE INDUSTRIES LTD, RELIANCE INDUSTRIAL INVESTMENTS & HOLDINGS LTD
786	FAG BEARINGS INDIA LTD (PRECISION BEARINGS INDIA LTD / FAG BEARINGS INDIA LTD)	INA VEMOGENSVERWALTUNGSGESELLSCHAFT MBH, FAG KUGELFISCHER GEORG SCHAEFER AG (PAC)
787	THE RAI SAHEB REKHCHAND MOHOTA SPG. & WVG. MILLS LTD	VAIBHAV TEXTILES PVT LTD, SHREE VINAY WASTA RECLAMATIONS PVT LTD (PAC), VIBHA SYNTHETICS PVT LTD (PAC), GIRDHARDAS MOHOTA (PAC), BASANT KUMAR MOHOTA (PAC), RANCHODDAS MOHOTA (PAC), VINOD KUMAR MOHOTA (PAC), VINAY KUMAR MOHOTA (PAC), SHANTILAL SANGHVI (PAC), VINEET KUMAR MOHOTA (PAC)
788	INSILCO LIMITED	RAG BETEILIGUNGS-GMBH, RAG AKTIENGESELLSCHAFT (PAC), RAG PROJEKTGESELLSCHAFT MBH (PAC)
789	ATLAS COPCO (INDIA) LTD/ (ATLAS COPCO PVT LTD)	ATLAS COPCO AB, CHICAGO PNEUMATIC INTERNATIONAL INC (PAC)
790	BSEL INFORMATION SYSTEM LTD (new Name:BSEL Infrastructure Realty)	CONTACT CONSULTANCY SERVICES PVT LTD, KIRIT R KANAKIYA AND OTHERS (PACS)
791	KAPIL COTEX LTD	S.R.V.TELECOM PVT LTD, E K SURENDRAN, E K SANJEEV (PAC), Y NIRMALA REDDY, M VASUDEESHA, C K VINCENT, M SUDARSHANA, V S PRASAD
792	PARRY AGRO INDUSTRIES LTD.	NEW AMBADI INVESTMENTS PVT LTD
793	SHANTIVIJAY JEWELS LTD.	SHRI BIMALCHAND GODHA, RAJRANI GODHA, P K GODHA, ANURAG GODHA, NAMITA GODHA
794	BALWAS E-COM INDIA LTD (GLOBAL E-COM (INDIA) PVT LTD) (new Name: IT People India)	IT PEOPLE PRIVATE LTD
795	KWALITY DAIRY (INDIA) LTD	GULSHAN DHINGRA, KRISHAN DHINGRA, NARESH DHINGRA, SANJAY DHINGRA
796	ACE INDIA LTD	VED P NARULA
797	MJP LEASING LTD	CONCEPT COMMUNICATION LTD
798	EICHER LTD (ROYAL ENFIELD MOTORS LTD)	EICHER GOODEARTH LTD, EICHER INTERNATIONAL LTD AND PACS
799	JAYBHARAT SAREES LTD (CLASSIC SYNTHETICS & SILK MILLS LTD)	SHRI SAURABH TAYAL
800	RRM SHARES & SECURITIES LTD /(ZIRCON INFIN LTD)	SRI GANESH PRASAD GUPTA, MANOJ KUMAR GUPTA, SRI RAMESH CHANDRA GUPTA, PRAMOD KUMAR GUPTA, MAHESH PRASAD GUPTA, TAPESHWARI PRASAD GUPTA, SUNIL KUMAR GUPTA, SURESH PRASAD GUPTA
801	HINDUSTAN POWERPLUS LTD	CATERPILLAR COMMERCIAL S.A., CATERPILLAR INC. (PAC)
802	GUJARAT JHM HOTELS LTD	JHM HOTELS INC, HASMUKH P RAMA (PAC)

CHAPTER - 2

MERGERS AND ACQUISITIONS IN INDIA

Mergers and Acquisitions (M & A) has been a business strategy to increase the competitiveness of a company. Several industrial organizations in India and abroad have been pursing M & A as a strategic move in their business to seek growth. This chapter presents an overview of worldwide state of affairs of cross-border M & A, recent trends in M & A in India and an overview of Indian state of affairs in cross-border purchases and sales from M & A perspective.

2.1. Introduction:

The Dutch East India Company, formed in 1602, is generally acknowledged as the first multinational in the world and the first company to issue stocks. Yet the East India Company formed in London in 1600 by a 15 year monopoly charter by British Crown with 24 directors and which played a much bigger historical role deserves the title of the first multinational. As a joint- stock company, it had initially 125 shareholders and a share capital of £7200. The Company created trading posts in Surat (where a factory was built in 1612), Madras (1639), Bombay (1668), and Calcutta (1690). By 1647, the company had 23 factories, each under the command of a factor or master merchant and governor if so chosen, and had 90 employees in India. The major factories became the walled forts of Fort William in Bengal, Fort St George in Madras, and the Bombay Castle. By the end of the 17th century, the Company had huge territories consisting of the Presidencies of Madras, Bombay, and Calcutta. The Company bought in India mainly cotton textiles, silk, indigo, saltpeter and tea, in increasing quantities year after year while importing bullion to pay for them. The Company's business soared in the golden years of the 1680s with rich profits and dividends. The Parliament, using its new-found power, gave monopoly charter to a "parallel" East India Company in 1698. A new "parallel" East India Company (officially titled the *English Company Trading to the East Indies*) was floated under a state-backed indemnity of £2 million. The powerful stockholders of the old company quickly subscribed a sum of £315,000 in the new concern, and dominated the new body. The two companies wrestled with each other for some time, both in England and in India, for a dominant share of the trade. It quickly became evident that, in practice, the original Company faced scarcely any measurable competition. The companies merged in 1708, by a tripartite indenture involving both companies and the state. Under this arrangement, the merged company lent to the Treasury a sum of £3,200,000, in return for exclusive privileges for the next three years, after which the situation was to be reviewed. The amalgamated company became the *United Company of Merchants of England Trading to the East Indies*. Meanwhile cross holding of shares took place and ultimately a merger was effected in 1709. The Company made whopping profits of 30 Million Pounds in 30 years between 1713 and 1743 (East India Company, 1911).

In 1780, Tipu Sultan established state trading depots in various locations of his kingdom. In addition, he also established depots in foreign locations such as Karachi, Jeddah, and Muscat, where Mysore products were sold. During Tipu's rule French technology was used for the first time in carpentry and smithy, Chinese technology was used for sugar production, and technology from Bengal helped improve the sericulture industry. State factories were established in Kanakapura and Taramandelpeth for producing cannons and gunpowder respectively. The state held the monopoly in the production of essentials such as sugar, salt, iron, pepper, cardamom, betel nut, tobacco and sandalwood as well as the extraction of incense oil from sandalwood and the mining of silver, gold and precious stones. Sandalwood was exported to China and the Persian Gulf countries and sericulture was developed in twenty-one centers within the kingdom (Kamath, 2001). In 1799, Tipu Sultan was killed by the army of East India Company and took over the civil and administrative rights of Mysore.

A. & J. Stewart Ltd merged with Stewart Brothers and the Clydesdale Iron & Steel Company becoming A. & J. Stewart & Clydesdale Ltd. but in 1898, the company took on another new name when it acquired the business of James Menzies & Company becoming A. & J. Stewart & Menzies Ltd. The Clydeside Tube Co. Ltd., makers of weld less tubes was acquired by Lloyd & Lloyd in 1900 and was also brought into the merger. From 1 January 1903 the company merged with English counterparts Lloyd & Lloyd Ltd. Stewarts & Lloyds was created in 1903 by the amalgamation of two of the largest iron and steel makers in Britain, A. & J. Stewart & Menzies Ltd, Coatbridge, North Lanarkshire, Scotland and Lloyd & Lloyd Ltd, Birmingham, England.

In 1931, Unilever set up its first Indian subsidiary, Hindustan Vanaspati Manufacturing Company, followed by Lever Brothers India Limited (1933) and United Traders Limited (1935). These three companies merged to form Hindustan Unilever Limited (HUL) in November 1956; HUL offered 10% of its equity to the Indian public, being the first among the foreign subsidiaries to do so (HUL, 2008).

The post Second World War (after 1945) era is regarded as an era of M & A. Large number of M & A happened in industries like sugar, insurance, banking, electricity, jute, cotton textiles and tea plantation. It has been realized that, although there were a large number of M & A in the early post-independence period, the anti-big government policies and regulations of the 1960s and 1970s fatally discouraged M & A. This does not of course indicate that M & A were uncommon during the restricted regime. The restriction was typically to horizontal combinations, consequence in concentration of economic power to the common detriment. However, there were many conglomerate combinations. In some cases, even the Government encouraged M & A, predominantly for sick units. Further, the formation of the Life Insurance Corporation (LIC) and nationalization of the life insurance business in 1956 resulted in the takeover of 243 insurance companies. There was a similar development in the general insurance business. The National Textiles Corporation (NTC) took over a large number of sick textiles units (Kar, 2004).

In India movements of the companies from the point of view of M & A and takeover can be seen in term of three waves. First Wave: The first wave of takeover observed in India during 1980s and in the beginning of 1990s. It was on the wholly divergent from current scenario. There were scarcely any regulation and making an acquisition offer was not compulsory. Acquisition was believed as a willing negotiation between buyer-seller. Typically two types of cases were there. First, it was a case of foreign owner, who had thinned his/her stake to less than 50% and as a result lost interest in Indian company and sold it out to Indians, Secondly, because of the pressure of financial crisis. During this era a number of cases were reported in which acquirer was a strong person and losers were by and large small investors e.g., Tata’s acquisition of Special Steel, Hindustan Lever Ltd’s (HLL) acquisition of Stepan Chemicals and the well-known ineffective unfriendly takeover bid by Swaraj Paul to overpower DCM Ltd and Escorts Ltd. During this era Swaraj Paul, RP Goenka, Manu Chabbria, Ambanis and Murrugappa group were the pioneer players of capital market.

Second Wave: Second M & A wave in the Indian circumstance however initiated after 1994. This was the era of development, combination, and restructuring and a marked move from friendly takeovers to hostile takeovers which were noticed during this period. In fact, Liberalization Globalization and Privatization (LPG) of Indian economy, demolishing of MRTP and Licensing system, improvement under Foreign Exchange Regulation Act (FERA), availability of foreign funds etc., had escorted to an increase in the number of mergers and takeovers during this period. The 1990–95 period saw consolidation within India as a means to provide national companies with ammunition to stand-up against foreign competition whereas the next five years, i.e. 1995–2000, witnessed a significant presence of Multinational Corporations (MNCs) in the Indian M & A scenario aiming at establishing themselves in this developing market or furthering their already existing presence. From a virtual trickle in the early years following LPG, the transaction volume increased by 2.5 times from the first phase to the next, and within this MNC involved deals grew 12 fold (Beena, 2000, 2004; Kale and Singh, 2005).

Third Wave: The wave gaining momentum now is the third M & A wave which was started in the year 2007. It is significantly different from earlier two waves because role of Banks and Financial Institution System (FIS) has become important now (Mahesh, 2005). In the year 2007 Indian companies had executed some important acquisitions. Some of them are as follows: Hindalco acquired Canada based Nezovelis. The deal involved transaction of $5,982 million. Tata Steel acquired Corus Group plc. The acquisition deal amounted to $12,000 million. Dr. Reddy’s Labs acquired Betapharm through a deal worth of $597 million. Ranbaxy Labs acquired Terapia SA. The acquisition contract amounted to $324 million. Suzlon Energy acquired Hansen Group through a contract of $565 million. The acquisition of Daewoo Electronics Corp. by Videocon involved transaction of $729 million. HPCL acquired Kenya Petroleum Refinery Ltd. The deal amounted to $500 million. VSNL acquired Teleglobe through a contract of $239 million.

The total number of deals in India was 287 from the month of January to May in 2007. It has engaged financial transaction of US $47.37 billion. Out of these 287 M & A transactions, there have been 102 cross country transactions with a total valuation of US $28.19 billion. The volume of M & A deals in India had expanded three-fold to US $67.2 billion in 2010 from US $21.3 billion in 2009. Now, in 2012, M & A transactions amounting to $16.06 billion have been announced and likely to observe a host of M & A transactions[1]. The total value of inbound deals, in February 2012 was $270

[1] Mostly on account of Vendanta group (Sterlite Industries, Sesa Goa and Vedanta Resources announced merger of Sesa Goa and Sterlite and the proposed consolidation of group structure). The latest announcement is that of acquisition by Bain Capital of 30% stake in Genpact for $ 1 billion (ET, A’bad August 3rd 2012)

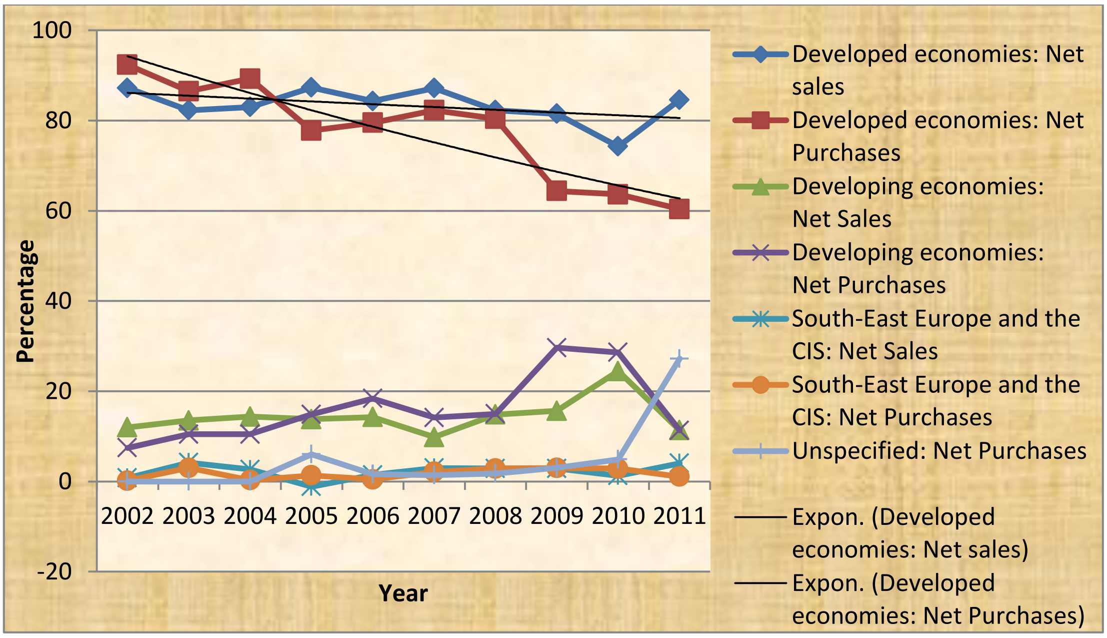
million by way of 9 deals as compared to $7.45 billion in the corresponding period in February 2011 via 8 transactions whereas total value of outbound deals in February 2012 was $441 million (5 deals) as against $206 million (11 deals) in February 2011. Indeed, India has appeared as the one of the topmost countries with large number of M & A transactions. Cross-border M & A were very rare in India till a couple of years ago but now, news of Indian companies acquiring foreign establishments is relatively very common. The percentage of cross-border transactions has climbed significantly in last 3 years.

2.2. Cross-border M & A: An Overview of Worldwide State of Affairs

The cross-border business is classified into two categories, i.e. cross-border purchases and cross-border sales. In this study, cross-border purchases involve the purchase of a foreign company by an Indian company while cross-border sales involve the purchase of an Indian company by a foreign company. Purchases result into outflows while sales create Foreign Direct Investment (FDI) inflows. The strength of cross-border M & A operations has been significantly affected by the de-regulation of numerous government policies during the neo-liberal economic regime. Previously, the companies were widely using consolidation, but one of the characteristics of the present wave of M & A is the presence of a large number of cross-border deals in the world economy.

The strength of cross-border M & A operations evidenced an exceptional outpouring since the mid-1990s and the same trend continued till May, 2011 (World Investment Report, 2011). Earlier, overseas companies were fulfilling their market spreading out approach through the introduction of wholly owned subsidiaries in overseas regions (Jones, 2005), which has now become a ‘subsequent best alternative’ since it requires much time and effort that may not go well with the changed international scenario, where the catch phrase is ‘plaction’, i.e., plan and action together, or else the next best company will introduce the product and harvest the profit. Thus, cross-border M & A became the ‘first-best opportunity’ to the market leaders and others depended on the ‘follow-the-leader’ strategy (Beena S, 2010). In order to align with changes in global scenario, Indian government has also implemented new regulations and modified various regulations, like The Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, Securities and Exchange Board of India Act, 2009 (SEBI) provisions for acquisitions, The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 etc., which marked a paradigm shift in the operation of the domestic companies. This exposed Indian companies for the free play of market forces.

Figure: 2:1 Cross-border Sales and Purchases, 2002–May 2011



(Source: World Investment Report, 2005, 2007, and 2011)

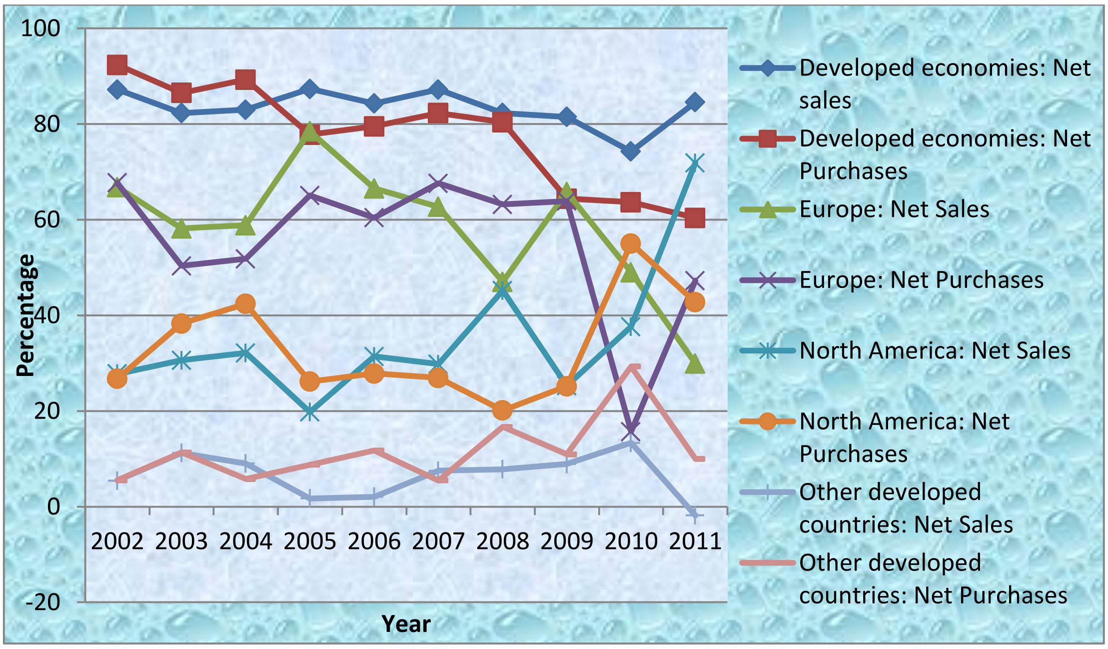
Graph-2:1 shows that during the period 2002 to 2011 (Jan-May), the developed economies were significantly high in both cross boarder sales and purchases while the developing economies and the southeast Europe and the Commonwealth of Independent States (CIS) economies shown significantly low (Appendix table 2:1). In 2002, 87.2 per cent of the net sales and 92.36 per cent of the net purchases were made by the companies operating in developed economies while there was a decrease of about 5 per cent in net sales (82.30%) as well as in net purchases (86.51%) in 2003. Whereas in 2004, a slight increase was observed in net sales (82.99%) as well as net purchases compared to 2003. However, in 2005 net sales increased to 87.3 per cent while net purchases declined by 11.5 per cent but in 2006 reversed trend reported as net sales declined by 3.04 per cent while net purchases increased by 1.75 per cent. In 2007, net sales and net purchase increased by 2.91 per cent and 2.77 per cent respectively compared to 2006. However, in 2008 to 2010 marginal decline was observed for net sales and net purchases. In 2011, net sales increased by 10.3 per cent while net purchases shown decline by 3.26 per cent. On the whole declining trend was noticed for net sales and net purchases of cross-border M & A in developed economies.

In 2002, 12 per cent net sales and 7.45 per cent of net purchase were made by developing economies while 0.78 per cent net sales and 0.19 per cent net purchases were made by South-East Europe and the CIS economies (SEE & CIS). In 2003, net sales and net purchases in developing economies as well as in SEE & CIS economies increased compared to 2002. However, in 2004 slight increase was noticed in net sales but no change was observed in net purchase of developing economies while decrease in net sales as well as net purchase showed for SEE & CIS economies. Whereas in 2005 net sales declined while net purchases increased in developing economies and SEE & CIS economies. The decline in the net purchases of developed economy was due to increase in cross-border purchases by developing countries in the year 2005. In 2006, net sales marginally increased for both countries but net purchases registered an increase of 3.52 per cent in developing economies while decline was noticed in SEE & CIS economies. However, in 2007 net sales and net purchases decreased in developing economies while increased in SEE & CIS economies. In 2008 net sales was increased by 5.02 per cent for developing economies but marginal decline was noticed for SEE & CIS (0.10%) economies while net purchases for both shown increasing trend. Whereas in 2009, net sales showed slight rise but sharp increase showed in net purchases in developing economies while marginal decrease noticed in net sales and slight increase noticed in net purchases in SEE & CIS economies. In 2010, net sales were increase by 8.79 per cent while net purchases were declined by 1 per cent. However, marginal decline was noticed for net sales as well as net purchases in SEE & CIS economies. Whereas in 2011, net sales declined by 13.08 per cent while net purchases was decline by 17.28 per cent but net sales increased and net purchases decrease for SEE & CIS economies (Table - 2: 1).

In the earlier years, trend of cross-border M & A in terms of purchases by developed countries was marginally higher than their sales, indicating a small part of capital flowing into developing countries through cross-border M & A. On the contrary, cross-border M & A in terms of sales were slightly higher than the purchases in the developing countries. The earlier trend was interrupted in 2005 as in terms of purchases by developed countries were marginally less than their sales, indicating a significant part of capital out flow from developing countries through cross-border M & A, on the contrary, cross-border M & A in terms of sales were slightly less than the net purchases in the developing countries. Although the share of developing countries in the total cross border M & A is lower, it has been increasing their net purchases in the year 2009 onwards (Table - 2:2).

Graph – 2:2 shows that during the period 2002 to 2011 (Jan-May), Europe was the top seller in cross-border M & A of companies in the world with values of $2,15,453 million (66.81%) of the transactions in 2002 whereas the share of North America was 27.77per cent ($89,550 million). However, marginal decline was noticed in value of net sales i.e. $74,827 million but percentage share increased to 30.61% in North America while decline of net sales was noticed in value and percentage of Europe in 2003. The share of Europe drastically increased to $5,59,082 million (62.68 %) while North America's share was $2,65,866 million (29.81 %) in 2007. However, this trend continued up-to year 2011 that showed a substantial improvement of North America over Europe, the share of North America increased to 71.89 per cent ($1,36,322 million) compared to 29.94 per cent ($56,764 million) for Europe. The other developed countries (like Japan, Australia, New Zealand, etc.,) share of net sales value at $17,499 million (5.43%) and corresponding value for 2011 is $3,472 million (-1.83%). The other developed countries sales were fluctuating throughout the period.

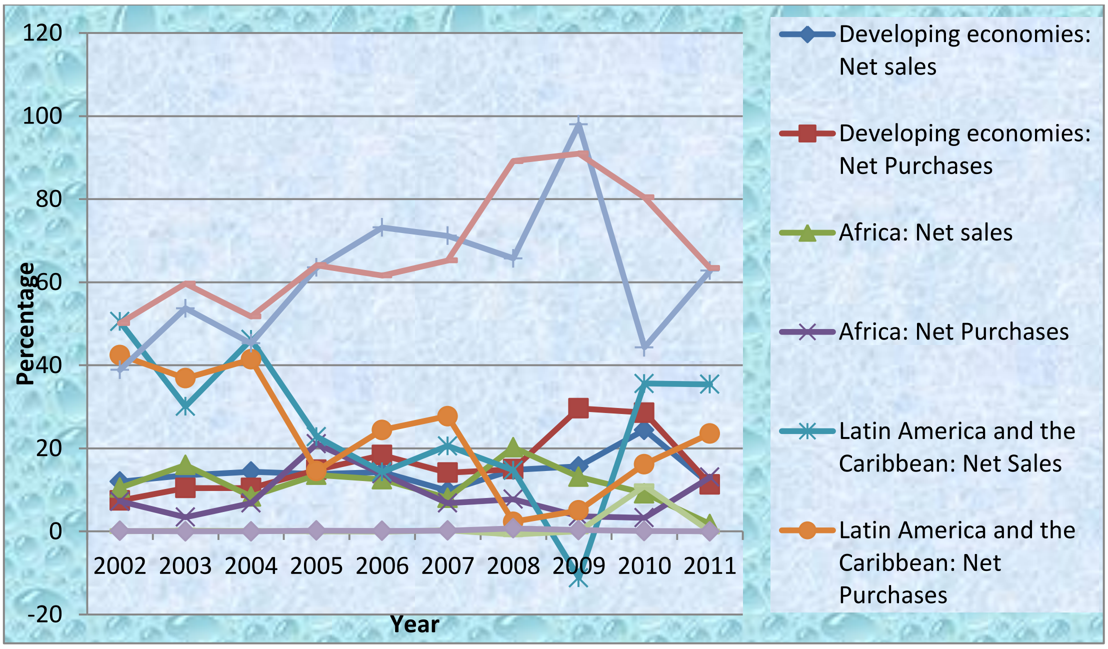
Figure 2:2 Cross-border Sales & Purchases by Developed Economies 2002–May 2011



(Source: World Investment Report, 2005, 2007, and 2011)

Interestingly, out of the overall cross-border purchases by countries from developed economies, the share of two continents such as Europe ($231284 million (67.72%)) and North America ($91419 million (26.77%)) constituted 94.48 per cent of the values in 2002 and their dominance continued till 2011 as net purchases of two continents represented 90.02 per cent. However, their share got reduced substantially to 70.71 per cent in 2010. The average share of two continents was 87.78 per cent. North America remained far behind that of Europe during the entire period except in year 2004, 2010, and 2011. In 2010 North America registered their share at around 55.03 per cent while European share declined to 15.68 per cent from 63.88 per cent in the year 2009. In 2011 both the continents were neck to neck as share of North America was 47.26 per cent whereas 42.75 per cent for Europe. The cross border net sales and purchase from Europe have observed an unpredictable but decreasing trend during the period, which also indicated that the companies in these regions are getting more responsive to cross-border transactions as a way to further expansion (Table - 2:2).

Figure: 2:3 Cross-border Sales and Purchases by Developing Economies,2002-May 2011



(Source: World Investment Report, 2005, 2007, and 2011)

From the above graph – 2:3, it was found that during the period 2002 to 2011 (Jan-May), Latin America and the Caribbean was the top seller in cross-border M & A of companies in the world with values of $22433 million (50.51%) in 2002 whereas the share of the Asia continent was 38.88 per cent ($17263 million). However, increase in value of net sales noticed i.e. $21572 million and percentage also increased to 53.71% in Asia while decline of net sales noticed in value and percentage of Latin America and the Caribbean in 2003. The share of Latin America and the Caribbean drastically decreased to -$4358 million (-11.15%) while Asia's share was $38291 million (99.99%) in 2009. The growth rate of countries from the Asia continent reported better as well as intra-Asia Pacific M & A also increased[2]. However, this trend continued up-to year 2011 that showed a substantial improvement of the Asia over Latin America and the Caribbean. The Africa and Oceania countries share of net sales was 10.55% and 0.06% respectively in 2002. However, in 2003 to 2008 fluctuating trend was observed for net sales of the Africa and Oceania while declining trend was noticed in the Africa from 2009 onwards. Whereas in 2010 net sales increased to highest i.e. 10.89% but in 2011 it was declined to 0.02% for Oceania.

Out of the overall cross-border purchases by countries from developing economies, the share of two continents such as Latin America & the Caribbean and the Asia constituted 92.62 per cent of the values in 2002 and their dominance has been continuing till 2011 as net purchases of two continents represented 86.94 per cent. However, their share got reduced substantially to 78.68 per cent in 2005. The Latin America and the Caribbean remained far behind that of Asia during the entire period. The cross border net sales and purchase from Asia have observed an unpredictable but increasing trend during the study period. However, the Africa, the Latin America and the Caribbean and Oceania reported fluctuating trend during the study period. However, there was a gradual decline in the share of developed countries over time due to the entry of many MNCs companies from developing countries in an extraordinary manner along with the existing MNCs search for new markets (Beena S, 2010).

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[2]Sameera Anand, 2009, "Asian M & A: The Days of Deal making are back", Financeasia.com, http://www.businessweek.com/globalbiz/content/oct2009/gb20091021_639918.htm accessed on 26th June 2012

Table - 2:3 and Table - 2:4 explain the number of cross-border deals by region/economy of seller and purchaser from 2003 to 2011 (Jan-May)[3]. Cross-border M & A in terms of (number of deals) net purchases by developed countries were marginally higher than their net sales. On the contrary, cross-border M & A in terms of (number of deals) net sales were slightly higher than the purchases in the developing countries. In 2003, 3328 deals (72.95%) of the net sales and 3778 deals (82.81%) of the net purchases were made by companies operating in developed economies while marginal increase was observed in the net sales (73.17 %) as well as in the net purchases (83.22 %) in 2004. In 2003, 1045 deals (22.91 %) of the net sales and 710 deals (15.56 %) of the net purchases were made by the companies operating in developing economies and corresponding cross border M & A deals for 2004 were 1251 deals (24.47%) and 817 deals (15.98 %) respectively. The net sales were 4.14 per cent and the net purchases were 1.62 per cent in 2003 for countries from South-East Europe & the CIS, which was reduced by 2.37 per cent and 0.8 per cent respectively in the year 2004.

In the year 2005 the net sales for developed countries were 3805 deals (76.04 %), for developing countries were 1062 deals (21.22 %) and for South-East Europe & the CIS were 137 deals (2.24%) while the net purchases were 3741 deals (74.76%), 765 deals (15.29%), and 51 deals (1.02%) respectively. Marginal decline in the percentage of net sales of developed economies, developing countries and South-East Europe and the CIS countries noticed in the year 2006 whereas marginal increase in the percentage of net purchases noticed for developed countries and South-East Europe and the CIS countries but for developing countries slight decline was observed in the net purchases.

[3] Before 2003, cross-border M & A measured by values in World Investment Reports, data of number of deals by region/economy of sales and purchase was not available for 2002.

The number of deals is not a correct characteristic for evaluation of cross border M & A, for example, China had 100 deals comprising value of $10 billion while Japan had only two deals amounting to $100 billion.

A. Industry-wise Intensity of Cross-border Deals:

The primary, manufacturing, and service sectors of the world economy experienced an impressive increase in cross-border M & A deals in terms of absolute value. It is evident from table - 2:5 and table - 2:6 that the primary sector share in the net purchases was $9309 million (2.52%) and the sales was $12751 million (3.45%) in 2002 and corresponding values of purchases and sales were $29097 million (11.65%) and $48092 million (19.26%) respectively in 2009. In 2011 the share of primary sector increased to around 17 per cent in cross border purchases while share of cross border sales increased to around 20 per cent compared to 2009. Service sector was the largest seller and purchaser of companies through M & A during entire study period except in 2008 where manufacturing sector overtook service sector in net sales as share of manufacturing sector was around 46 per cent and service sector was around 41 per cent.

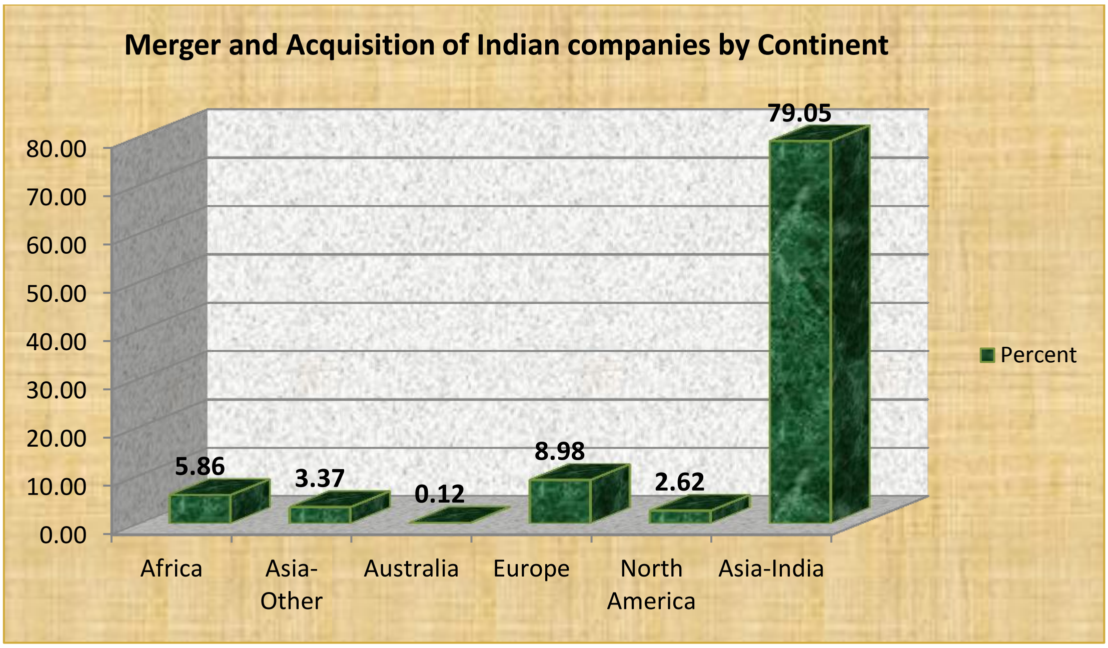
The share of manufacturing sector in cross-border M & A purchases was 31.40 per cent and sales was around 36 per cent which reduced to 21.38 per cent and 32.91 per cent in 2007. Interestingly, in the year 2009 the purchases were 15.07 per cent and the sales were 30.46 per cent for manufacturing sector, the sharp decline in cross border purchases and sales were around 20 per cent decline in purchases (34.63%) and around 16 per cent decline was observed in sales (46.16%) compared to 2008. The manufacturing and primary sectors have shown an unpredictable but increasing trend from 2010 onwards whereas service sector has registered decreasing trend from 2010 onwards. The service sector's share in cross border purchases was around 61 per cent ($180159 million) and sales were around 55 per cent ($161959 million) in 2003, which increased to around 74 per cent and 64 per cent respectively in 2005. Financial services were big giants dominating cross border purchases from service sector in 2003 and financial services maintained the dominant position throughout the period but slight decline in purchases was noticed in 2011 (61.84%) compared to 2010 (75.7%). Other Services, except financial were in dominating position in cross-border sales in 2003 and maintained the domination until 2010 but decreased in sales in 2011 (29.08 %) compared to 2010 (43.05 %) and financial services overtook the other services in 2011.

2.3. Recent Trends in M & As in India:

Indian enterprises were subjected to strict control regime before 1990s. This has led to haphazard growth of Indian corporate enterprises during that period. The growth of Indian economy is also associated with the implementation LPG policies by the Government since 1991 which influenced the functioning and governance of Indian enterprises resulting in adoption of different growth and expansion strategies by the corporate enterprises. In that process, M & A have become a common phenomenon. M & A are not new in the Indian economy. In the past also, companies have used M & A to grow and now Indian corporate enterprises are refocusing on the lines of core competence, market share, global competitiveness, and consolidation. This process of refocusing has further been hastened by the arrival of foreign competitors. In this backdrop, Indian corporate enterprises have undertaken restructuring exercises primarily through M & A to create a formidable presence and expand in their core areas of interest. The M & A of Indian companies by other continent companies justified "*Vasudhaiva Kutumbakam*"

(From "Vasudha", the earth; "eva", emphasize and "Kutumbakam", Family) is a Sanskrit phrase that means that the whole world is one family.

Figure - 2:4 M & A of Indian companies by Continent during the period 2002-03 to 2010-11

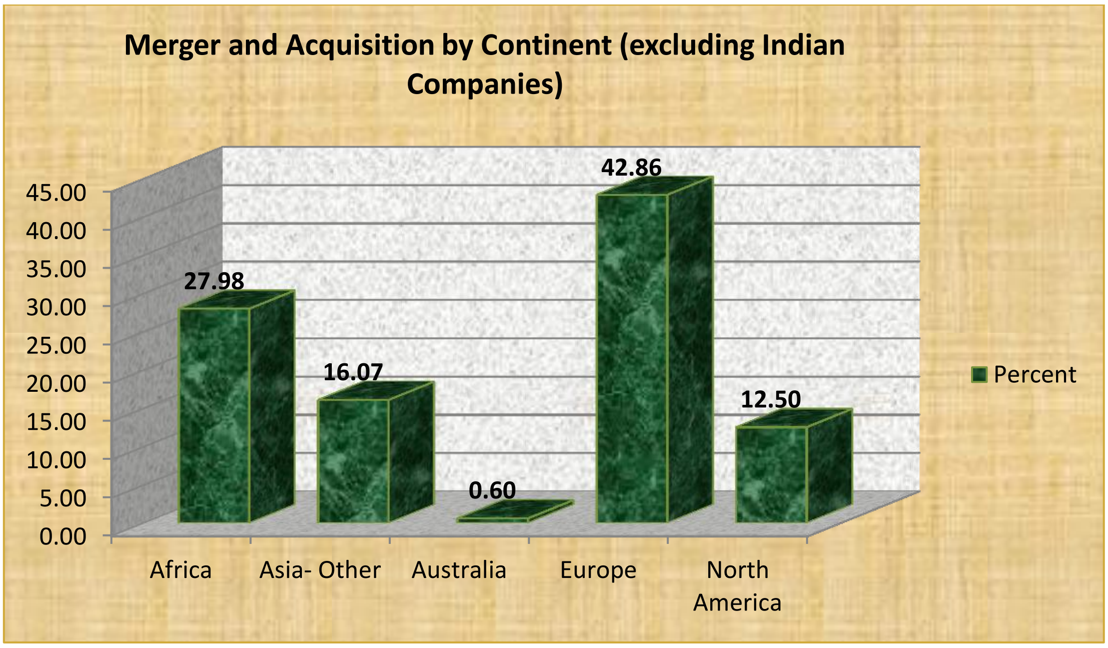


(Source: Stock Exchan ge Board of India, http://www.sebi.gov.in)

The Indian economy has witnessed GDP increase during nineties registering 10% growth and during last decade the growth rate has been 9.6% in 2006-07 and has come down to 6.9% in 2011-12 (*Economic Survey*, 2011-12). The period has witnessed increase in stock market business of Bombay stock exchange on 2nd January 2001 BSE Sensex was 3953.22 while on 2nd January 2012 Sensex was 15534, National Stock Exchange on 2nd January 2001 Nifty was 1254.25 while on 2nd January 2012 Nifty was 4640, and other domestic stock exchange also highlighted growth in their respective index. The number of M & A completed by Indian companies in India during the period 2002-03 to 2010-2011 was studied but investments or purchases completed by Indian companies outside India/foreign countries are not included. Indian companies had 634 M & A and other continents companies purchased 168 Indian companies.

Figure – 2:4 disclosed that around 79% companies acquired in India belongs to India (it included companies registered in India) while 9%, 6%, 3% and 2.6% companies belong to Europe, Africa, other Asian countries and North America respectively. The percentages of Asia-India continent is very high i.e. 79% as most of Indian companies acquired by Indian companies or Indian Professional Individuals. The investment of companies from other continents can be viewed better by ignoring Indian companies who had M & A in the year 2002-03 to 2010-11.

Figure -2:5 M & A of Indian companies by Continent during the period 2002-03 to 2010-11



(Source: Stock Exchange Board of India, http://www.sebi.gov.in)

The figure – 2.5 provides percentage of M & A by overseas companies from respective continents excluding companies of Indian origins. Europe had major acquisitions in India, i.e., 43% and according to the World Investment Report 2012, Europe's cross-border purchase was around 54% in the period of Jan-2003 to May-2011 while Australian continent had only 1 acquisition in Indian market and percentage was very low as only 0.6%. The African companies had 28% and the North American's had 12.5% while other Asian countries like Singapore, Japan, and Hong-Kong had 16.1% M & A in India.

Investment in India by companies from overseas countries clustered under continents is highlighted in Table - 2:7, Mauritius had 100% (47 deals) investment in India from Africa continents, but at total sample size, it was represented by 6% only (chart-1). It indicates that only one country from the African continent was very active in Indian market. Companies from Japan had 33.33% (9 deals), Singapore had 40.7% (11 deals) investment while United Arab Emirates (UAE) invested 14.8% (4 deals) and other Asian countries (Hong Kong, Malaysia and Thailand) had 11.1% (3 deals) investment in Indian Companies but at total sample size it was represented by 3.37% investment only (see figure-2.4).

The objectives of M & A by continents are shown in Table – 2:12. The objectives of M & A were classified in three categories i.e. change in control, consolidation of holdings and substantial acquisition. Out of 802 acquisition deals, 528 (65.8%) numbers of acquisition deals were completed with object of change in control while only 167 (20.8%) deals were completed for consolidation of holding and only 107 (13.3%) acquisition deals were successfully achieved objective of substantial acquisition. The companies from the African continent acquired 47 Indian companies where 21 (44.7%) Indian companies acquired with objective of change in control while 9

(19.1%) companies were acquired with objective of consolidation of holding and under the substantial acquisitions object 17 (36.2%) acquisitions deals were successfully completed. The companies from the Asia-other continent completed 27 M & A deals, maximum acquisitions deals with the objective of change in control i.e. 19 (71.4%), while 3 (11.1%) and 5 (18.5%) deals completed with objective of consolidation of holdings and substantial acquisition respectively.

The companies from Australian continent had only 1 acquisition that was with the objective of change of control. The companies from European continent had 48 (66.7%) acquisition deals under the objective of change in control while 21 (29.2%) deals were completed with objective of consolidation of holdings and only 3 (4.2%) deals were completed under objective of substantial acquisition. The North America has also shown the same trend as maximum acquisition deals completed by companies with objective of change in control, out of 21 deals 13 (68.4%) acquisition deals completed while 5 (26.3%) acquisition deals were completed with aim of consolidation of holdings and 3 (14.3%) deals were concluded with aim of substantial acquisition. The Indian companies acquired Indian targets also witnessed the same trend as maximum acquisitions completed, 426 (67.2%) with intention of change in control. The Indian companies acquired with purpose of consolidation of holdings had 129 (20.3%) deals while Indian companies' under the objective of substantial acquisition concluded 79 (12.7%) deals in domestic market. The investment made by all the continent companies where maximum acquisitions successfully completed with intent of change in control of target companies.

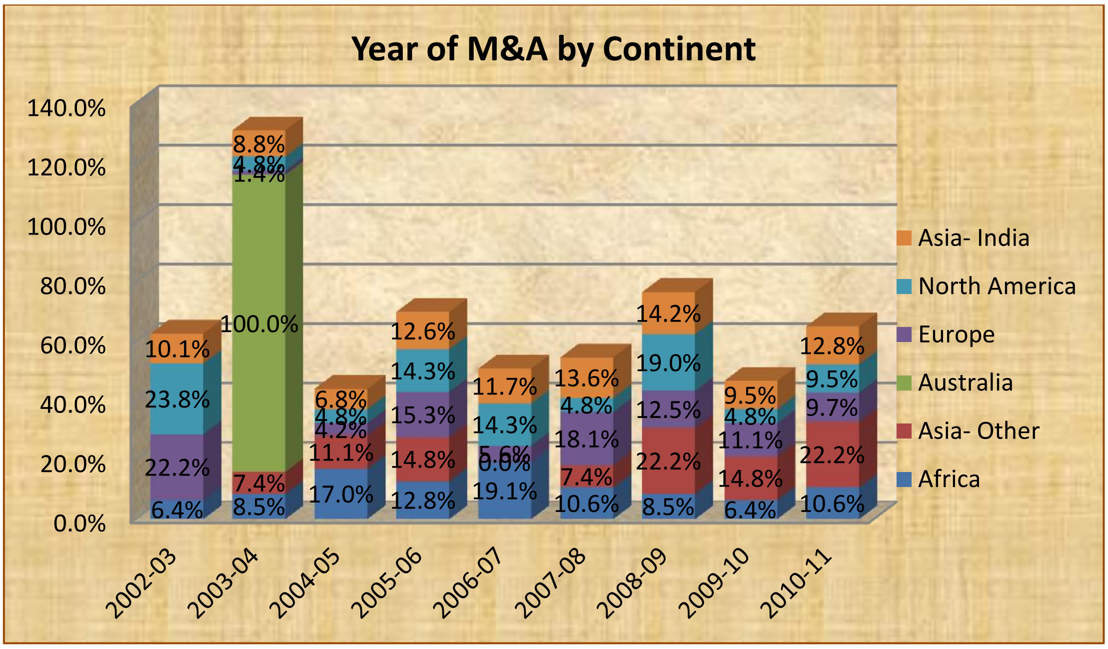
Indian M & A were showing up and down year after year during 2002-03 to 2010-2011 that is highlighted in figure-3 and Table – 2:8. In the year 2008-09, 113 (16.1%) Indian companies were acquired that was highest and only 58 (8.3%) companies were acquired in the year 2004-05; that was lowest during the period under study. However, in the year 2009-10 M & A activities decreased to 9.5% (76 deals) but in the year 2010-11 again upward trend was noticed in Indian financial market i.e. 12.6% (101 deals).

The recession affected the world economy (*World Investment Report, 2012*;) and decrease in M & A activities was noticed across the globe and Indian market was also hit by recession but M & A activities were not affected significantly. Around 50% difference observed between highest number of acquisitions and lowest number of acquisitions due to downfall in the acquisition in India by Indian companies.

The companies from India completed 64 deals (10.1%) in the year 2002-03 while decline was seen in the year 2003-04 by 56 deals (8.8%) and it was further decreased to 43 deals (6.8%) in the year 2004-05. However, 80 deals were completed by Indian companies in India showed increasing trend during 2005-06 but slight decline was observed in 2006-07 by 74 deals (11.7%). The increasing trend observed from 2006-07 onwards till 2008-09 as 86 deals (13.6%) and 90 deals (13.6%) were concluded respectively but decline was noticed in the year 2009-10 by 30 deals and increasing trend observed in 2010-11 by 21 deals. In the year 2003-04 100% companies acquired by Australian companies. This shows that percentage is not the right criterion for the evaluation as only one acquisition completed by Australian company in India.

The companies from the African continent had increasing trend in acquisition of Indian companies in the year 2002-03, 6.4% companies acquired in India increased to 8.5% in the year 2003-04 which reached to 17% in the year 2004-05. However, declining trend was seen from year 2006-07 onwards as percentage of M & A were 19.1%, 10.6%, 8.5% and 6.4% in the years 2006-07, 2007-08, 2008-09 and 2009-10 respectively but companies from African continent stepped up their M & A activities i.e. 10.6% in 2010-11. The highest acquisitions concluded in the year 2006-07 i.e. 19.1% (9 deals) while the lowest number acquisitions concluded i.e. 3 (6.4%) in the year 2002-03 and 2009-10.

Figure - 2:6 Purchases of Indian Companies by Continent and Year



(Source: Stock Exchange Board of India, http://www.sebi.gov.in)

The companies from other Asian countries (excluding Indian companies) had an increasing trend in acquisition of Indian companies. In 2002-03 no acquisition was completed but in the year 2003-04, 7.4% (2 deals) acquisitions were completed while in the year 2004-05 it increased to 11.1%

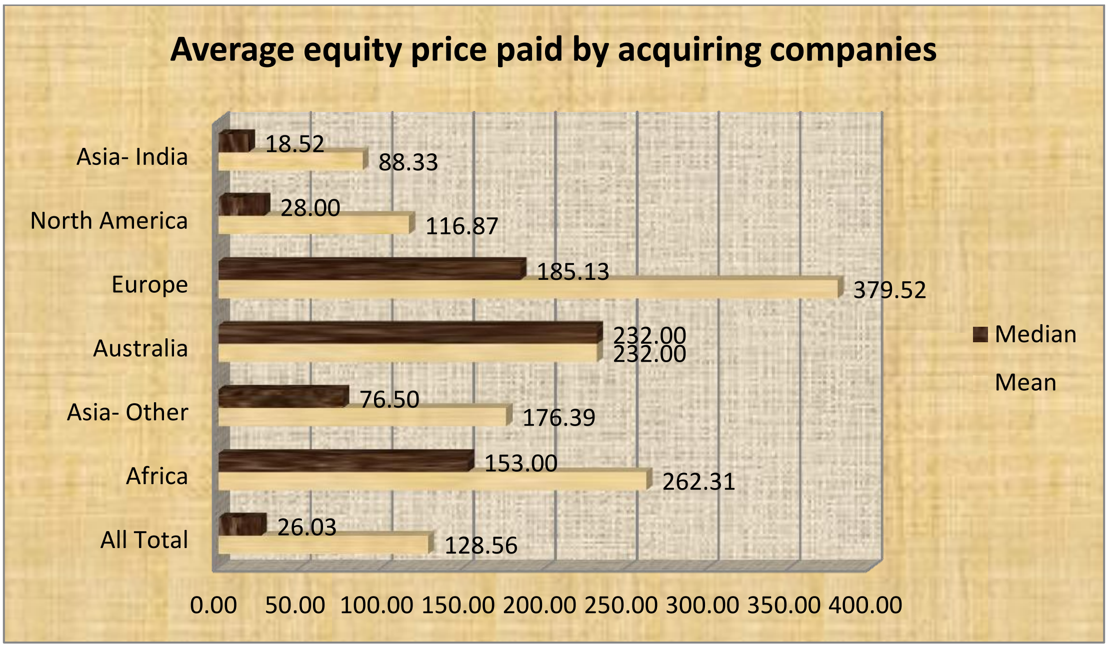
and again raised to 14.8% in the year 2005-06 and same trend was also seen from year 2006-07 to year 2010-11. No acquisition transacted in the year 2006-07 but in the year 2007-08, 7.4% acquisition completed by the companies from the Asian continent, which was increased to 22.2% in the year 2008-09. However, decline was noticed in the year 2009-10 as only 4 deals (14.8%) were completed by companies from Hong Kong, Malaysia and Thailand in Indian market whereas increasing trend was noticed in the period 2010-11 by 6 deals (22.2%). The effect of global recession on the Asian continent seen slightly as only 2 acquisitions were completed in the year 2007-08 while 6 successful acquisitions were completed in the year 2008-09 and 2010-11 which was the highest number of acquisitions from the Asian continents in studied period. However, the lowest number of deal noticed in 2003-04 as only two deals (9.5%).

The companies from European continent have an upward and downward trend during the period under study. In the year 2002-03 the maximum acquisitions i.e. 16 deals (22.2%) while only one (1.4%) company purchased in the year 2003-04. In the year 2004-05, 3 (4.2%) companies acquired which increased to 11 (15.3%) in the year 2005-06 but the number of acquisitions gone down sharply to 4 (5.6%) in the year 2006-07. European Continent showed declining trend from the year 2007-08 until the year 2010-11. The companies from North American continent have also upward and downward trend in the studied period but total number of deals was 21, which is very low compared to acquisition by companies from the European continent. The North American continent had maximum 5 (26.3%) acquisitions deals in the year 2002-03 while purchased only one (5.3%) company each in the years 2003-04 and 2004-05 respectively while slight increase was noticed during 2005-06 and 2006-07 with 3 deals (14.3%) and decline of M & A deals were seen in the year 2007-08 (1 deal). However, upward trend noticed in the year 2008-09 by 4 deals (19%) but sharp decline observed in the year 2009-10 by only one acquisition deal by companies from North America continent and 2 deals were concluded in the year 2010-11. The companies from the North American and the European continents have similar upward and downward trends when compared by percentage in the studied period but numbers of M & A deals were different as the North American companies had total 21 deals and the European continent had total 72 deals. The North America hit badly due to recession in the year 2007 till mid-2009 and the same story of global recession was also highlighted in the figure – 2.6. In the year 2007-08 only 1 (5.3%) company was acquired while in 2008-09; 4 (21.1%) Indian companies were purchased by companies from the North America. An economic recession began in the United States in December 2007 and global recession ended in June 2009 as determined by the U.S. National Bureau of Economic Research (Hulbert, 2010). The requisite two consecutive quarters of growth in the Gross Domestic Product (GDP) did not actually occur until the end of 2009; it clearly showed the strength of Indian economy compared to other developing or developed countries (Daniel, 2009).

Table – 2:11 presents data of offer price i.e. price paid per equity share by acquired companies from all continents. The maximum number of acquisition deals were concluded in the range of less than ₹50 rupees i.e. 64.2%. Companies from the African continent acquired 31.9% deals in the range of less than ₹50, 27.7% acquisition deals in the range of ₹51-199, 25.5% acquisition deals in the range of ₹200-399, 6.4% acquisition deals in the range of ₹400-699 while 8.5% deals in the range of greater than ₹700. However, the Asia other continent had 37% acquisition deals in the range of less than ₹50 while 40.7% deals in the range of ₹51-199, and 7.4% each acquisition deal in the range of ₹200-399, ₹400-699 and greater than ₹700.

The company from Australian continent had only 1(100%) in the range of ₹200-399. The European continent companies had 20.8% M & A deals in the range of less than ₹50, while 31.9% in the range of ₹51-199 which was highest acquisition deals ignoring acquisition by companies from the Asia-India. However, the North American continent had 57.9% deals in the range of less than ₹50 while 14.3% each deals in the range of ₹51-199 and ₹200-399 respectively whereas only one each deal in the range of ₹400-699 and higher than ₹700. The acquisition from Indian companies also reported the same trend, maximum M & A deals were in the range of less than ₹50 i.e. 89.7%. Whereas 18.6% deals in the range of ₹51-199, it means in the range of ₹0-199, approximately 92% M & A deals were registered.

Figure – 2.7: Average equity price paid by acquiring companies in India



(Source: Stock Exchange Board of India, http://www.sebi.gov.in)

The averages i.e., mean and median of equity price by continents is highlighted in figure – 2.7. The equity price data was very much scattered for the whole sample, as overall mean was ₹128.56 while median was ₹26.03. It was very clear from the median that 50% of acquisition were transacted where equity price was less than ₹26.03. The average of equity price was ₹262.31 while median value was ₹153 for the African continent while the Asia-other continent had higher variance compared to companies from the African continent as mean value was ₹176.39 while median value was ₹76.5 only. However, mean and median were equaled i.e. ₹232 in the Australian continent. Whereas the European continent had highest average value i.e. ₹379.52 and median ₹185.13 which highest value ignoring abnormal median value of the Australian continent. It was very clear from averages that companies from the European continent purchased high value equity shares. However, mean and median values were ₹116.87 and ₹28 respectively for the North American continent. It shows similar trend compare to overall means. However, mean and median were ₹86.96 and ₹18 respectively for Indian acquisition deals. It was the lowest mean and median in the given sample size.

2.4. Cross-border M & A in India: An Overview of Indian State of Affairs in cross-border purchases and sales

Apart from the sales and purchases of the companies in domestic market within India, an additional feature of the current wave of M & A is the active participation of Indian companies in the worldwide market as a purchaser of companies in other countries. The number and value of such agreements are mounting over the years, definitely an indication of the modern type of consolidation tactic of the Indian companies. In numerous cases this has facilitated the Indian companies to turn out to be world leaders in the relevant field of operation.

It is evident from Table - 2:16 that the total value of overseas M & A purchases was around $80,438 million during period under study. The value of cross-border M & A of Indian economy reported a fluctuating trend from year 2002 till May 2011. In 2002, net sales and net purchase were $1,698 million and $270 million respectively. However, in 2003 cross-border net purchases increased to $1,362 million while net sales declined to $949 million. However, in 2004 net sales increased while net purchases declined about 26% while in 2005 again net sales declined but net purchases increased about 45%. In 2006, net sales and net purchases increased by values i.e. $4,424 million and $6,715 million respectively.

Table - 2:16

Value of cross-border M & A of Indian economy, 2003-May 2011 (Millions of dollars)				
		Net Sales	**Net Purchases**	**Total**
2002	**Value**	**1698**	**270**	**1968**
	(%)	**86.28**	**13.72**	**100**
2003	**Value**	**949**	**1362**	**2311**
	(%)	**41.06**	**58.94**	**100**
2004	**Value**	**1760**	**863**	**2623**
	(%)	**67.10**	**32.90**	**100**
2005	**Value**	**526**	**1877**	**2403**
	(%)	**21.89**	**78.11**	**100**
2006	**Value**	**4424**	**6715**	**11139**
	(%)	**39.72**	**60.28**	**100**
2007	**Value**	**4405**	**29083**	**33488**
	(%)	**13.15**	**86.85**	**100**
2008	**Value**	**10427**	**13482**	**23909**
	(%)	**43.61**	**56.39**	**100**
2009	**Value**	**6049**	**291**	**6340**
	(%)	**95.41**	**4.59**	**100**
2010	**Value**	**5537**	**26421**	**31958**
	(%)	**17.33**	**82.67**	**100**
2011 (Jan-May)	**Value**	**886**	**74**	**960**
	(%)	**92.29**	**7.71**	**100**
Source: UNCTAD cross-border M & A database (www.unctad.org/fdistatistics).				

However, in 2007 total value of overseas net purchases was $29,083 million while net sales were $4,405 million, highest during the period under study. Whereas cross border purchases decreased and net sales increased in total value of M & A in 2008, i.e., $13,482 million and $10,427 million respectively. The decline in net purchases and increase in net sales showed about 30%. However, sharp decline in net purchases noticed in 2009 ($291 million) while sharp increase was also noticed in net sales compared to 2008. The cross border net purchases yet again picked up in 2010 as total value of overseas M & A was $26,421 million but probably same trend was disrupted in the year 2011 as till May 2011 total value of M & A was only $74 million. Whereas cross border net sales noticed decrease in 2010 and 2011.

Interesting observation is that in maximum years, total value of cross-border purchases was higher than total value of sales except for the year 2002, 2004, 2009, and 2011. The difference between the net purchases and the net sales for the year 2005 was because of only 4 deals but the value was $1,351 million. Indian companies started doing well at cross-border purchases from 2005 and were able to achieve highest total value of $29083 million and net sales were $4405 million in the year 2007. Indian company purchases of foreign companies were reported an increasing trend and same trend was also noticed in global cross-border M & A as developing companies also doing well from last couple of years and started reverse trend where purchases from developing economy is higher than their sales. This evidently points to the fact that Indian companies now have a preference to expand their market outside India adjacent to the domestic market.

The cumulative net purchase value amounted to \$80438 million and cumulative net sales amounted to \$36661 million during the period under study. The cumulative value of Indian acquisition outside India is double than the cross border sales i.e. foreign companies acquisition in India. Interestingly, the traditional top purchaser industries that were seen in the case of domestic deals were not the top valued purchasers overseas M & A. Some of the top valued purchases were, the acquisition of Corus Group Plc (UK based) by Tata Steel Ltd. for \$7.6 billion, the acquisition of Novels, a US based firm by Hindalco Industries, Basel (US based firm) by Purnendu Chatterjee, a petrochemical firm and Algoma Steel Inc, a Canadian steel producer by Essar Steel Ltd, etc. The first three deals accounted for more than ₹20000 crores per deal.

In telecom sector Vodafone acquisition of Hutch-Essar for total worth of \$11.1 billion, Telenor Asa acquired Unitech Wireless at cost of \$1360 million preceded by Airtel acquisition of Zain's (Africa) for \$10.7 billion as well as acquisition of Telecom Seychelles Ltd for \$ 62 million, GTL Infrastructure Ltd acquired 17,500 telecom towers of Aircel Ltd for \$1702.95 million and Reliance Industries has purchased 95% stake in Infotel Broadband for \$1032.26 million. In energy sector Reliance Natural Resources Ltd, merged with its sister company Reliance Power (R-Power) for \$10686 million. Reliance Industries (RIL) acquired 45% stake in Texas, US based Pioneer Natural Resources Co for \$1320 million and 60% stake in the Marcellus Shale Acreage in the US for \$392 million and India's major Power producer JSW Energy agreed to acquire Canada's CIC Energy Corp for \$414.5million. The number of big deals concluded by the Indian companies outside India clearly indicates that Indian companies are playing key role in cross-border M & A activities.

2.5. Conclusion:

From the above context, it is clear that the number and value of cross-border deals are increasing as well as decreasing year after year with a major share of it owned by the developed nations. The Europe was the major seller as well as purchaser country and the North America picked up their sales in the year 2011. Similarly, the difference between purchases and sales were mostly encouraging to the Europe. Like the case of overall FDI, there has been high national difference in attracting Brownfield FDI. This is very much evident from the fact that the developed countries purchasers and sellers in the world contributed more than 76 per cent of the cross-border M & A dealings. On the other hand, there has been an increase in the cross-border M & A share of developing countries over the years. If the world dealings were concentrated on Europe and North America, the Asian giants in cross-border deals were China, Singapore, India, and Korea. From the developing countries cross border M & A share, the Asian countries contributed more than 65 per cent of M & A transaction while Africa, Latin America and the Caribbean and Oceania contributed remaining 35 per cent of cross-border M & A deals.

Sector-wise, manufacturing had been the largest seller, whereas majority of the purchases were made by the service sector. The share of primary sector remained too small throughout the studied period. Within manufacturing, Drugs and Pharmaceutical industry, other chemicals, domestic appliances and automobiles were the dominant sectors, and within services it was banking and finance. Recently, there has been a rush among the information technology firms to get into consolidation through M & A.

Compared to other sectors, automobiles, electrical appliances, machinery and domestic appliances had high cross-border merger intensity, which means the overall deals consist of more foreign partners compared to domestic partners. In terms of the value of deals, majority of the deals were small, nevertheless, there were a good number of mega deals, which had been responsible for more than 87 percent of the total value involved. Mega mergers belong to banking and finance, post and telecom, information technology; cement and their foreign partners were mainly from USA and UK.

The occurrence of cross-border M & A deals in more technology intensive sectors by companies from more industrialised countries adds more flavour to this. The occurrence of large number of horizontal deals especially the cross border deals raises another issue namely the foreign control. Moreover, as it is evident from the data, a good proportion of the deals are mega deals and many of them are repeatedly engaging in consolidation strategies in order to grow faster than that of organic means. Thus, the current surge in cross-border deals should be viewed in a multi-factor dimension, which involves the push factors from home country such as market constraint, need for low priced factors of production, increasing global competition as well as the pull factors from foreign countries such as the wider market, technology, efficient operation. This can be rightly considered as the response of the firms to the aftermath of globalization in the form of less time and more action.

It is evident that the world FDI flows are moving in tandem with the movement of cross-border M & A. It is also observed that M & A are again moving in line with the movement of the service sector M & A. Thus it can be said that the service sector cross border M & A are the major force of the world FDI during the study period. On the other hand, same trend is not fully applicable to India as the country is still in an embryonic stage in cross-border M & A. Although, in recent times a substantial percentage of the country's FDI contributed by cross-border M & A.

2.1. APPENDIX

Table - 2:1

Value of cross-border M&A by region/economy of seller, 2003-May 2011 (Millions of dollars)																				
			Net Sales																	
Region / economy	**2002**		**2003**		**2004**		**2005**		**2006**		**2007**		**2008**		**2009**		**2010**		**2011 (Jan-May)**	
	Value	(%)	Value	(%)	Value	(%)	Value	(%)	Value	(%)	Value	(%)	Value	(%)	Value	(%)	Value	(%)	Value	(%)
World	**369789**	**100**	**296988**	**100**	**380598**	**100**	**462253**	**100**	**625320**	**100**	**1E+06**	**100**	**706543**	**100**	**249732**	**100**	**338839**	**100**	**224163**	**100**
Developed economies	**322502**	**87.21**	**244426**	**82.30**	**315851**	**82.99**	**403731**	**87.34**	**527152**	**84.30**	**891896**	**87.21**	**581394**	**82.29**	**203530**	**81.50**	**251705**	**74.28**	**189614**	**84.59**
Europe	**215453**	**66.81**	**142152**	**58.16**	**185809**	**58.83**	**316891**	**78.49**	**350740**	**66.53**	**559082**	**62.68**	**273301**	**47.01**	**133871**	**65.77**	**123354**	**49.01**	**56764**	**29.94**
European Union	208785	96.91	126018	88.65	178772	96.21	304740	96.17	333337	95.04	527718	94.39	251169	91.90	116226	86.82	113539	92.04	47314	83.35
Austria	38	0.02	2115	1.68	1787	1.00	1713	0.56	1145	0.34	9661	1.83	1327	0.53	1797	1.55	432	0.38	6584	13.92
Belgium	5449	2.61	3182	2.53	2345	1.31	4277	1.40	1794	0.54	961	0.18	2491	0.99	12089	10.40	9406	8.28	799	1.69
France	30122	14.43	17495	13.88	20132	11.26	25172	8.26	19423	5.83	28207	5.35	4590	1.83	724	0.62	3785	3.33	4162	8.80
Germany	46605	22.32	25158	19.96	35868	20.06	47501	15.59	41388	12.42	44091	8.36	31911	12.70	12790	11.00	10893	9.59	1668	3.53
Italy	11608	5.56	15259	12.11	10953	6.13	40445	13.27	25760	7.73	23630	4.48	-2377	-0.95	1109	0.95	6762	5.96	3018	6.38
Netherlands	11037	5.29	9180	7.28	13321	7.45	21326	7.00	25560	7.67	162770	30.84	-8156	-3.25	17988	15.48	4002	3.52	2176	4.60
Sweden	7614	3.65	4321	3.43	10916	6.11	7892	2.59	15228	4.57	4563	0.86	18770	7.47	1098	0.94	1439	1.27	2711	5.73
United Kingdom	52958	25.36	31397	24.91	58107	32.50	93940	30.83	125421	37.63	171646	32.53	147748	58.82	25164	21.65	58309	51.36	13788	29.14
Other Europe countries like Czech	43354	20.76	17911	14.21	25343	14.18	62474	20.50	77618	23.29	82189	15.57	54865	21.84	43467	37.40	18511	16.30	12408	26.22
Other developed Europe	6668	3.09	16134	11.35	7038	3.79	12150	3.83	17403	4.96	31363	5.61	22132	8.10	17645	13.18	9816	7.96	9451	16.65
North America	**89550**	**27.77**	**74827**	**30.61**	**101574**	**32.16**	**79865**	**19.78**	**165591**	**31.41**	**265866**	**29.81**	**262698**	**45.18**	**51475**	**25.29**	**94737**	**37.64**	**136322**	**71.89**
Canada	16317	18.22	5157	6.89	19635	19.33	12464	15.61	37841	22.85	100888	37.95	35253	13.42	11389	22.13	14470	15.27	19516	14.32
United States	73233	81.78	69670	93.11	81939	80.67	67401	84.39	127750	77.15	164978	62.05	227445	86.58	40085	77.87	80267	84.73	116806	85.68
Other developed countries	**17499**	**5.43**	**27448**	**11.23**	**28467**	**9.01**	**6975**	**1.73**	**10821**	**2.05**	**66948**	**7.51**	**45395**	**7.81**	**18185**	**8.93**	**33613**	**13.35**	**-3472**	**-1.83**
Australia	10653	60.88	9713	35.39	15128	53.14	2070	29.68	10508	97.11	44222	66.05	33530	73.86	22206	122.11	26530	78.93	-5871	169.10
Others (Israel, Japan, New Zealan	6846	39.12	17735	64.61	13339	46.86	4905	70.32	313	2.89	22726	33.95	11865	26.14	-4021	-22.11	7083	21.07	2399	-69.10
Developing economies	**44410**	**12.01**	**40166**	**13.52**	**54700**	**14.37**	**63801**	**13.80**	**89163**	**14.26**	**100381**	**9.82**	**104812**	**14.83**	**39077**	**15.65**	**82813**	**24.44**	**25473**	**11.36**
Africa	**4684**	**10.55**	**6427**	**16.00**	**4595**	**8.40**	**8685**	**13.61**	**11181**	**12.54**	**8076**	**8.05**	**21193**	**20.22**	**5140**	**13.15**	**7608**	**9.19**	**454**	**1.78**
South Africa	3011	64.28	1563	24.32	1935	42.11	5092	58.63	1336	11.95	4301	53.26	6676	31.50	4215	82.00	3943	51.83	232	51.10
Other Africa	1673	35.72	4864	75.68	2660	57.89	3593	41.37	9845	88.05	3775	46.74	14517	68.50	925	18.00	3665	48.17	222	48.90
Latin America and the Caribbean	**22433**	**50.51**	**12085**	**30.09**	**25284**	**46.22**	**14563**	**22.83**	**12768**	**14.32**	**20648**	**20.57**	**15452**	**14.74**	**-4358**	**-11.15**	**29481**	**35.60**	**9024**	**35.43**
South and Central America	20313	90.55	10162	84.09	21067	83.32	12331	84.67	7401	57.97	18587	90.02	11020	71.32	-5190	119.09	26880	91.18	8405	93.14
The Caribbean and other America	2120	9.45	1923	15.91	4217	16.68	2232	15.33	5367	42.03	2061	9.98	4432	28.68	832	-19.09	2601	8.82	619	6.86
Asia	**17265**	**38.88**	**21572**	**53.71**	**24768**	**45.28**	**40537**	**63.54**	**65250**	**73.18**	**71423**	**71.15**	**68909**	**65.75**	**38291**	**97.99**	**36706**	**44.32**	**15991**	**62.78**
West Asia	458	2.65	1404	6.51	575	2.32	13358	32.95	22431	34.38	22602	31.65	16287	23.64	3543	9.25	4617	12.58	3969	24.82
Turkey	427	93.23	282	20.09	132	22.96	12771	95.61	15340	68.39	16415	72.63	13238	81.28	2849	80.41	2053	44.47	3574	90.05
United Arab Emirates	9	1.97	26	1.85	14	2.43	61	0.46	53	0.24	856	3.79	1225	7.52	300	8.47	376	8.14	176	4.43
Other West Asia	22	4.80	1096	78.06	429	74.61	526	3.94	7038	31.38	5331	23.59	1824	11.20	394	11.12	2188	47.39	219	5.52
South, East and South-East Asia	16807	97.35	20167	93.49	24193	97.68	27179	67.05	42819	65.62	48822	68.36	52622	76.36	34748	90.75	32089	87.42	12022	75.18
East Asia	9991	59.45	14105	69.94	16743	69.21	20998	77.26	25456	59.45	23390	47.91	17226	32.74	15741	45.30	16144	50.31	3097	25.76
China	2072	20.74	3820	27.08	6768	40.42	7207	34.32	11298	44.38	9332	39.90	5375	31.20	10898	69.23	5965	36.95	2825	91.22
Hong Kong, China	1865	18.67	6098	43.23	3936	23.51	5449	25.95	9106	35.77	7102	30.36	8707	50.55	3028	19.24	12024	74.48	264	8.52
Other East Asia	6054	60.59	4187	29.68	6039	36.07	8342	39.73	5052	19.85	6956	29.74	3144	18.25	1815	11.53	-1845	-11.43	8	0.26

Value of cross-border M&A by region/economy of seller, 2003-May 2011 (Millions of dollars)

Region / economy	2002		Net Sales 2003		2004		2005		2006		2007		2008		2009		2010		2011 (Jan-May)	
	Value	(%)	Value	(%)	Value	(%)	Value	(%)	Value	(%)	Value	(%)	Value	(%)	Value	(%)	Value	(%)	Value	(%)
South Asia	1923	11.44	1461	7.24	2218	9.17	738	2.72	7883	18.41	5371	11.00	12654	24.05	6094	17.54	5556	17.31	1170	9.73
India	1698	88.30	949	64.96	1760	79.35	526	71.27	4424	56.12	4405	82.01	10427	82.40	6049	99.26	5537	99.66	886	75.73
Other South Asia	225	11.70	512	35.04	458	20.65	212	28.73	3459	43.88	966	17.99	2227	17.60	45	0.74	19	0.34	284	24.27
South-East Asia	4893	29.11	4601	22.81	5232	21.63	5443	20.03	9480	22.14	20061	41.09	22743	43.22	12913	37.16	10389	32.38	7755	64.51
Indonesia	2790	57.02	2031	44.14	1269	24.25	6171	113.37	388	4.09	1706	8.50	2070	9.10	1332	10.32	1667	16.05	4496	57.98
Malaysia	485	9.91	84	1.83	638	12.19	1141	20.96	2509	26.47	6976	34.77	2781	12.23	354	2.74	3441	33.12	734	9.46
Philippines	544	11.12	230	5.00	733	14.01	-5180	-95.17	-134	-1.41	1165	5.81	2621	11.52	1291	10.00	30	0.29	661	8.52
Singapore	556	11.36	1766	38.38	1190	22.74	3933	72.26	2908	30.68	7426	37.02	14240	62.61	9693	75.06	4578	44.07	1162	14.98
Thailand	247	5.05	55	1.20	1236	23.62	-632	-11.61	3771	39.78	2372	11.82	142	0.62	346	2.68	457	4.40	388	5.00
Other South-East Asia	271	5.54	435	9.45	166	3.17	10	0.18	38	0.40	416	2.07	889	3.91	-103	-0.80	216	2.08	314	4.05
Oceania	**28**	**0.06**	**82**	**0.20**	**53**	**0.10**	**16**	**0.03**	**-36**	**-0.04**	**234**	**0.23**	**-742**	**-0.71**	**4**	**0.01**	**9018**	**10.89**	**4**	**0.02**
South-East Europe and the CIS	**2877**	**0.78**	**12395**	**4.17**	**10047**	**2.64**	**-5279**	**-1.14**	**9005**	**1.44**	**30448**	**2.98**	**20337**	**2.88**	**7125**	**2.85**	**4321**	**1.28**	**9076**	**4.05**
South-East Europe	**1429**	**49.67**	**2355**	**19.00**	**5294**	**52.69**	**955**	**-18.09**	**3942**	**43.78**	**2192**	**7.20**	**767**	**3.77**	**529**	**7.42**	**266**	**6.16**	**97**	**1.07**
Commonwealth of Independent S	**1448**	**50.33**	**10040**	**81.00**	**4753**	**47.31**	**-6234**	**118.09**	**5064**	**56.24**	**28256**	**92.80**	**19570**	**96.23**	**6596**	**92.58**	**4056**	**93.87**	**8979**	**98.93**
Russian Federation	1252	86.46	7880	78.49	4062	85.46	14547	233.35	6319	124.78	22529	79.73	13507	69.02	5079	77.00	2907	71.67	7502	83.55
Other CIS	196	13.54	2160	21.51	691	14.54	-8313	-133.35	-1255	-24.78	5727	20.27	6063	30.98	1517	23.00	1149	28.33	1477	16.45

Source: Calculated from UNCTAD cross-border M&A database (www.unctad.org/fdistatistics).
a Net sales by the region/economy of the immediate acquired company.
b Net purchases by region/economy of the ultimate acquiring company.
Note: Cross-border M&A sales and purchases are calculated on a net basis as follows: Net cross-border M&A sales in a host economy = Sales of companies in the host economy to foreign TNCs (-) Sales of foreign affiliates in the host economy; net cross-border M&A purchases by a home economy = Purchases of companies abroad by home-based TNCs (-) Sales of foreign affiliates of home-based TNCs. The data cover only those deals that involved an acquisition of an equity stake of more than 10%.

Table - 2:2

Value of cross-border M&A by region/economy of purchaser, 2003-May 2011 (Millions of dollars)																				
			Net Purchase																	
Region / economy	2002		2003		2004		2005		2006		2007		2008		2009		2010		2011 (Jan-May)	
	Value	(%)	Value	(%)	Value	(%)	Value	(%)	Value	(%)	Value	(%)	Value	(%)	Value	(%)	Value	(%)	Value	(%)
World	**369789**	**100**	**296988**	**100**	**380598**	**100**	**462253**	**100**	**625320**	**100**	**1022725**	**100**	**706543**	**100**	**249732**	**100**	**338839**	**100**	**224163**	**100**
Developed economies	**341548**	**92.36**	**256935**	**86.51**	**339799**	**89.28**	**359551**	**77.78**	**497324**	**79.53**	**841714**	**82.30**	**568041**	**80.40**	**160785**	**64.38**	**215654**	**63.64**	**135369**	**60.39**
Europe	**231284**	**67.72**	**129371**	**50.35**	**176095**	**51.82**	**233937**	**65.06**	**300382**	**60.40**	**568988**	**67.60**	**358981**	**63.20**	**102709**	**63.88**	**33825**	**15.68**	**63981**	**47.26**
European Union	214293	92.65	121208	93.69	164677	93.52	210111	89.82	260680	86.78	537890	94.53	306734	85.45	89694	87.33	17328	51.23	48869	76.38
Austria	1848	0.86	1744	1.44	5810	3.53	3871	1.84	6985	2.68	4720	0.88	3049	0.99	3345	3.73	1653	9.54	1275	2.61
Belgium	5474	2.55	3166	2.61	9309	5.65	4067	1.94	3640	1.40	8258	1.54	30146	9.83	-9638	-10.75	-238	-1.37	-176	-0.36
France	33865	15.80	8777	7.24	14994	9.11	58255	27.73	41030	15.74	78451	14.58	56806	18.52	41565	46.34	7157	41.30	-7468	-15.28
Germany	45110	21.05	19669	16.23	18613	11.30	4677	2.23	16427	6.30	58795	10.93	61340	20.00	24313	27.11	7138	41.19	1310	2.68
Italy	8242	3.85	4662	3.85	5167	3.14	23565	11.22	6887	2.64	55880	10.39	21358	6.96	17505	19.52	-5336	-30.79	672	1.38
Netherlands	14947	6.98	8506	7.02	9130	5.54	3140	1.49	51304	19.68	-3268	-0.61	53668	17.50	-3273	-3.65	14252	82.25	23065	47.20
Sweden	12231	5.71	4428	3.65	5906	3.59	11606	5.52	3199	1.23	32390	6.02	6108	1.99	9024	10.06	-128	-0.74	-4668	-9.55
United Kingdom	69220	32.30	56953	46.99	47307	28.73	50170	23.88	19900	7.63	222984	41.46	54653	17.82	-3546	-3.95	-4068	-23.48	50724	103.80
Other Europe countries like Czech	23356	10.90	13303	10.98	48441	29.42	50760	24.16	111308	42.70	79680	14.81	19606	6.39	10399	11.59	-3102	-17.90	-15865	-32.46
Other developed Europe	16992	7.35	8163	6.31	11418	6.48	23826	10.18	39702	13.22	31099	5.47	52247	14.55	13015	12.67	16496	48.77	15112	23.62
North America	**91419**	**26.77**	**98436**	**38.31**	**144068**	**42.40**	**94088**	**26.17**	**138576**	**27.86**	**226646**	**26.93**	**114314**	**20.12**	**40477**	**25.17**	**118670**	**55.03**	**57873**	**42.75**
Canada	12990	14.21	16041	16.30	34047	23.63	8000	8.50	20848	15.04	46751	20.63	44141	38.61	16718	41.30	32328	27.24	14313	24.73
United States	78429	85.79	82395	83.70	110022	76.37	86088	91.50	117729	84.96	179895	79.37	70173	61.39	23760	58.70	86342	72.76	43560	75.27
Other developed countries	**18845**	**5.52**	**29128**	**11.34**	**19636**	**5.78**	**31525**	**8.77**	**58366**	**11.74**	**46080**	**5.47**	**94747**	**16.68**	**17598**	**10.95**	**63159**	**29.29**	**13515**	**9.98**
Australia	8799	46.69	14549	49.95	10492	53.43	26602	84.38	31949	54.74	43439	94.27	18454	19.48	-2981	-16.94	15323	24.26	3987	29.50
Others (Israel, Japan, New Zealand	10046	53.31	14579	50.05	9144	46.57	4923	15.62	26417	45.26	2641	5.73	76293	80.52	20579	116.94	47836	75.74	9528	70.50
Developing economies	**27549**	**7.45**	**31060**	**10.46**	**39809**	**10.46**	**68680**	**14.86**	**114922**	**18.38**	**144830**	**14.16**	**105849**	**14.98**	**73975**	**29.62**	**96947**	**28.61**	**25395**	**11.33**
Africa	**1999**	**7.26**	**1067**	**3.44**	**2718**	**6.83**	**14494**	**21.10**	**15913**	**13.85**	**9891**	**6.83**	**8216**	**7.76**	**2702**	**3.65**	**3184**	**3.28**	**3316**	**13.06**
South Africa	1947	97.40	568	53.23	2320	85.36	1604	11.07	10046	63.13	8541	86.35	2817	34.29	1491	55.18	1488	46.73	3316	100.00
Other Africa	52	2.60	499	46.77	398	14.64	12890	88.93	5867	36.87	1350	13.65	5399	65.71	1211	44.82	1696	53.27	0	0.00
Latin America and the Caribbean	**11701**	**42.47**	**11460**	**36.90**	**16487**	**41.42**	**10013**	**14.58**	**28064**	**24.42**	**40195**	**27.75**	**2466**	**2.33**	**3740**	**5.06**	**15710**	**16.20**	**5979**	**23.54**
South and Central America	8557	73.13	9294	81.10	11551	70.06	5654	56.47	23622	84.17	30603	76.14	3711	150.49	6539	174.84	15009	95.54	6491	108.56
The Caribbean and other America	3144	26.87	2166	18.90	4936	29.94	4359	43.53	4442	15.83	9592	23.86	-1245	-50.49	-2799	-74.84	701	4.46	-512	-8.56
Asia	**13816**	**50.15**	**18533**	**59.67**	**20598**	**51.74**	**44023**	**64.10**	**70792**	**61.60**	**94469**	**65.23**	**94398**	**89.18**	**67310**	**90.99**	**77962**	**80.42**	**16100**	**63.40**
West Asia	3038	21.99	1555	8.39	1280	6.21	19983	45.39	35350	49.94	40103	42.45	22099	23.41	26843	39.88	-15560	-19.96	-2487	-15.45
Turkey	38	1.25	7	0.45	108	8.44	199	1.00	356	1.01	767	1.91	1313	5.94	-	-	2	-0.01	538	-21.63
United Arab Emirates	10	0.33	62	3.99	40	3.13	7481	37.44	23117	65.39	15611	38.93	5983	27.07	14831	55.25	-2157	13.86	-1297	52.15
Other West Asia	2990	353.19	1486	95.56	1132	88.44	12303	61.57	11877	33.60	23725	59.16	14803	66.98	12012	44.75	-13403	86.14	-1190	47.85
South, East and South-East Asia	10778	78.01	16978	91.61	19319	93.79	24041	54.61	35441	50.06	54365	57.55	72298	76.59	40467	60.12	93521	119.96	18587	115.45
East Asia	6280	58.27	6730	39.64	5207	26.95	12597	52.40	21163	59.71	-667	-1.23	39888	55.17	35851	88.59	53089	56.77	-7070	-38.04
China	1047	16.67	1647	24.47	1125	21.61	3653	29.00	12090	57.13	-2282	342.13	37941	95.12	21490	59.94	29201	55.00	13476	-190.61
Hong Kong, China	5062	80.61	4168	61.93	2963	56.90	8195	65.06	8003	37.82	-7980	1196.40	-1048	-2.63	7461	20.81	14455	27.23	-1325	18.74
Other East Asia	171	2.72	915	13.60	1119	21.49	749	5.95	1070	5.06	9595	-1438.53	2995	7.51	6900	19.25	9433	17.77	-19221	271.87

Value of cross-border M&A by region/economy of purchaser, 2003-May 2011 (Millions of dollars)																				
			Net Purchase																	
Region / economy	**2002**		**2003**		**2004**		**2005**		**2006**		**2007**		**2008**		**2009**		**2010**		**2011 (Jan-May)**	
	Value	(%)	Value	(%)	Value	(%)	Value	(%)	Value	(%)	Value	(%)	Value	(%)	Value	(%)	Value	(%)	Value	(%)
South Asia	336	3.12	1362	8.02	877	4.54	1877	7.81	6745	19.03	29096	53.52	13488	18.66	291	0.72	26434	28.27	-2005	-10.79
India	270	80.36	1362	100.00	863	98.40	1877	100.00	6715	99.56	29083	99.96	13482	99.96	291	100.00	26421	99.95	74	-3.69
Other South Asia	66	19.64	0	0.00	14	1.60	0	0.00	30	0.44	13	0.04	6	0.04	0	0.00	13	0.05	-2079	103.69
South-East Asia	4163	38.62	8886	52.34	13235	68.51	9567	39.79	7533	21.26	25936	47.71	18922	26.17	4325	10.69	13998	14.97	-1167	-6.28
Indonesia	197	4.73	2	0.02	491	3.71	290	3.03	-85	-1.13	826	3.18	913	4.83	-2590	-59.88	893	6.38	74	-6.34
Malaysia	930	22.34	3685	41.47	816	6.17	1946	20.34	2664	35.36	3654	14.09	9751	51.53	3277	75.77	2306	16.47	858	-73.52
Philippines	2	0.05	1	0.01	105	0.79	1829	19.12	190	2.52	-2514	-9.69	-174	-0.92	-7	-0.16	25	0.18	30	-2.57
Singapore	2946	70.77	5018	56.47	11638	87.93	5706	59.64	5566	73.89	23916	92.21	6992	36.95	2762	63.86	7851	56.09	2139	-183.29
Thailand	87	2.09	176	1.98	185	1.40	-203	-2.12	88	1.17	54	0.21	1416	7.48	872	20.16	2864	20.46	1083	-92.80
Other South-East Asia	1	0.02	4	0.05	0	0.00	-1	-0.01	-890	-11.81	0	0.00	24	0.13	11	0.25	59	0.42	-5351	458.53
Oceania	**0**	**0.12**	**0**	**0.00**	**6**	**0.02**	**150**	**0.22**	**153**	**0.13**	**275**	**0.19**	**769**	**0.73**	**223**	**0.30**	**91**	**0.09**	-	-
South-East Europe and the CIS	**691**	**0.19**	**8992**	**3.03**	**991**	**0.26**	**6188**	**1.34**	**2940**	**0.47**	**21729**	**2.12**	**20167**	**2.85**	**7432**	**2.98**	**9698**	**2.86**	**2352**	**1.05**
South-East Europe	**85**	**12.30**	**56**	**0.62**	**36**	**3.63**	**-654**	**-10.57**	**-2092**	**-71.16**	**1039**	**4.78**	**-4**	**-0.02**	**-167**	**-2.25**	**325**	**3.35**	-	-
Commonwealth of Independent S	**606**	**87.70**	**8936**	**99.38**	**954**	**96.27**	**6842**	**110.57**	**5032**	**171.16**	**20691**	**95.22**	**20171**	**100.02**	**7599**	**102.25**	**9373**	**96.65**	**2352**	**100.00**
Russian Federation	606	100.00	8763	98.06	949	99.48	6029	88.12	3507	69.69	18598	89.88	16634	82.46	7599	100.00	9082	96.90	2346	99.74
Other CIS	0	0.00	173	1.94	5	0.52	813	11.88	1525	30.31	2093	10.12	3537	17.54	0	0.00	291	3.10	6	0.26
Unspecified	-	-	-	-	-	-	24613	6.02	10134	1.62	11981	1.41	12486	1.77	7528	3.02	16192	4.88	61046	27.23

Source: calculated from UNCTAD cross-border M&A database (www.unctad.org/fdistatistics).
a Net sales by the region/economy of the immediate acquired company.
b Net purchases by region/economy of the ultimate acquiring company.
Note: Cross-border M&A sales and purchases are calculated on a net basis as follows: Net cross-border M&A sales in a host economy = Sales of companies in the host economy to foreign TNCs (-) Sales of foreign affiliates in the host economy; net cross-border M&A purchases by a home economy = Purchases of companies abroad by home-based TNCs (-) Sales of foreign affiliates of home-based TNCs. The data cover only those deals that involved an acquisition of an equity stake of more than 10%.

Table - 2:3

Number of cross-border M&A by region/economy of seller, 2003-May 2011 (Number of deals)																		
	Net Sales																	
Region / economy	**2003**		**2004**		**2005**		**2006**		**2007**		**2008**		**2009**		**2010**		**2011 (Jan-May)**	
	Count	(%)	Count	(%)	Count	(%)	Count	(%)	Count	(%)	Count	(%)	Count	(%)	Count	(%)	Count	(%)
World	**4562**	**100**	**5113**	**100**	**5004**	**100**	**5747**	**100**	**7018**	**100**	**6425**	**100**	**4239**	**100**	**5405**	**100**	**2036**	**100**
Developed economies	**3328**	**72.95**	**3741**	**73.17**	**3805**	**76.04**	**4326**	**75.27**	**5187**	**73.91**	**4603**	**71.64**	**2920**	**68.88**	**3638**	**67.31**	**1420**	**69.74**
Europe	**2055**	**61.75**	**2211**	**59.10**	**2271**	**59.68**	**2531**	**58.51**	**2955**	**56.97**	**2619**	**56.90**	**1476**	**50.55**	**1944**	**53.44**	**804**	**56.62**
European Union	1920	93.43	2055	92.94	2108	92.82	2354	93.01	2717	91.95	2419	92.36	1344	91.06	1780	91.56	718	89.30
Austria	43	2.24	50	2.43	57	2.70	44	1.87	48	1.77	30	1.24	19	1.41	31	1.74	11	1.53
Belgium	74	3.85	66	3.21	64	3.04	87	3.70	81	2.98	86	3.56	50	3.72	77	4.33	22	3.06
France	213	11.09	267	12.99	222	10.53	224	9.52	232	8.54	178	7.36	101	7.51	155	8.71	56	7.80
Germany	296	15.42	360	17.52	374	17.74	426	18.10	434	15.97	337	13.93	169	12.57	185	10.39	108	15.04
Italy	111	5.78	105	5.11	118	5.60	111	4.72	140	5.15	150	6.20	85	6.32	113	6.35	55	7.66
Netherlands	112	5.83	113	5.50	126	5.98	88	3.74	163	6.00	116	4.80	74	5.51	107	6.01	54	7.52
Sweden	83	4.32	118	5.74	115	5.46	144	6.12	148	5.45	164	6.78	73	5.43	117	6.57	42	5.85
United Kingdom	459	23.91	470	22.87	482	22.87	537	22.81	689	25.36	632	26.13	317	23.59	474	26.63	181	25.21
Other Europe countries like Czech	529	27.55	506	24.62	550	26.09	693	29.44	782	28.78	726	30.01	456	33.93	521	29.27	189	26.32
Other developed Europe	135	6.57	156	7.06	163	7.18	177	6.99	238	8.05	200	7.64	132	8.94	164	8.44	86	10.70
North America	**915**	**27.49**	**1129**	**30.18**	**1200**	**31.54**	**1380**	**31.90**	**1717**	**33.10**	**1491**	**32.39**	**1013**	**34.69**	**1228**	**33.75**	**487**	**34.30**
Canada	193	21.09	289	25.60	252	21.00	324	23.48	420	24.46	374	25.08	303	29.91	344	28.01	130	26.69
United States	722	78.91	840	74.40	948	79.00	1056	76.52	1297	75.54	1117	74.92	710	70.09	884	71.99	357	73.31
Other developed countries	**358**	**10.76**	**401**	**10.72**	**334**	**8.78**	**415**	**9.59**	**515**	**9.93**	**493**	**10.71**	**431**	**14.76**	**466**	**12.81**	**129**	**9.08**
Australia	193	53.91	207	51.62	180	53.89	229	55.18	252	48.93	306	62.07	283	65.66	305	65.45	87	67.44
Others (Israel, Japan, New Zealan	165	46.09	194	48.38	154	46.11	186	44.82	263	51.07	187	37.93	148	34.34	161	34.55	42	32.56
Developing economies	**1045**	**22.91**	**1251**	**24.47**	**1062**	**21.22**	**1219**	**21.21**	**1552**	**22.11**	**1501**	**23.36**	**975**	**23.00**	**1290**	**23.87**	**501**	**24.61**
Africa	**58**	**5.55**	**90**	**7.19**	**72**	**6.78**	**107**	**8.78**	**116**	**7.47**	**106**	**7.06**	**58**	**5.95**	**75**	**5.81**	**44**	**8.78**
South Africa	29	50.00	32	35.56	24	33.33	34	31.78	41	35.34	37	34.91	22	37.93	27	36.00	23	52.27
Other Africa	29	50.00	58	64.44	48	66.67	73	68.22	75	64.66	69	65.09	36	62.07	48	64.00	21	47.73
Latin America and the Caribbean	281	26.89	294	23.50	147	13.84	250	20.51	425	27.38	378	25.18	221	22.67	400	31.01	161	32.14
South and Central America	242	86.12	247	84.01	114	77.55	214	85.60	362	85.18	330	87.30	169	76.47	336	84.00	143	88.82
The Caribbean and other Americ	39	13.88	47	15.99	33	22.45	36	14.40	63	14.82	48	12.70	52	23.53	64	16.00	18	11.18
Asia	699	66.89	859	68.67	832	78.34	854	70.06	999	64.37	1011	67.36	693	71.08	808	62.64	295	58.88
West Asia	31	4.43	40	4.66	57	6.85	86	10.07	116	11.61	138	13.65	77	11.11	101	12.50	37	12.54
Turkey	11	35.48	18	45.00	29	50.88	51	59.30	63	54.31	60	43.48	31	40.26	44	43.56	12	32.43
United Arab Emirates	7	22.58	9	22.50	12	21.05	13	15.12	18	15.52	27	19.57	13	16.88	18	17.82	13	35.14
Other West Asia	13	41.94	13	32.50	16	28.07	22	25.58	35	30.17	51	36.96	33	42.86	39	38.61	12	32.43
South, East and South-East Asia	668	95.57	819	95.34	775	93.15	768	89.93	883	88.39	873	86.35	616	88.89	707	87.50	258	87.46
East Asia	388	58.08	445	54.33	408	52.65	396	51.56	430	48.70	403	46.16	279	45.29	325	45.97	98	37.98
China	214	55.15	217	48.76	217	53.19	224	56.57	232	53.95	236	58.56	142	50.90	146	44.92	52	53.06
Hong Kong, China	108	27.84	143	32.13	138	33.82	119	30.05	144	33.49	93	23.08	67	24.01	105	32.31	22	22.45

Number of cross-border M&A by region/economy of seller, 2003-May 2011 (Number of deals)																		
	Net Sales																	
Region / economy	**2003**		**2004**		**2005**		**2006**		**2007**		**2008**		**2009**		**2010**		**2011 (Jan-May)**	
	Count	(%)	Count	(%)	Count	(%)	Count	(%)	Count	(%)	Count	(%)	Count	(%)	Count	(%)	Count	(%)
Other East Asia	66	17.01	85	19.10	53	12.99	53	13.38	54	12.56	74	18.36	70	25.09	74	22.77	24	24.49
South Asia	95	14.22	89	10.87	101	13.03	139	18.10	159	18.01	158	18.10	112	18.18	122	17.26	46	17.83
India	83	87.37	80	89.89	94	93.07	130	93.53	147	92.45	136	86.08	104	92.86	115	94.26	39	84.78
Other South Asia	12	12.63	9	10.11	7	6.93	9	6.47	12	7.55	22	13.92	8	7.14	7	5.74	7	15.22
South-East Asia	185	27.69	285	34.80	266	34.32	233	30.34	294	33.30	312	35.74	225	36.53	260	36.78	114	44.19
Indonesia	38	20.54	45	15.79	30	11.28	24	10.30	40	13.61	54	17.31	35	15.56	60	23.08	29	25.44
Malaysia	34	18.38	57	20.00	92	34.59	67	28.76	91	30.95	80	25.64	75	33.33	59	22.69	19	16.67
Philippines	20	10.81	24	8.42	13	4.89	5	2.15	11	3.74	18	5.77	3	1.33	12	4.62	7	6.14
Singapore	52	28.11	91	31.93	96	36.09	91	39.06	103	35.03	89	28.53	62	27.56	76	29.23	36	31.58
Thailand	29	15.68	54	18.95	29	10.90	36	15.45	31	10.54	41	13.14	12	5.33	18	6.92	7	6.14
Other South-East Asia	12	6.49	14	4.91	6	2.26	10	4.29	18	6.12	30	9.62	38	16.89	35	13.46	16	14.04
Oceania	**7**	**0.67**	**8**	**0.64**	**11**	**1.04**	**8**	**0.66**	**12**	**0.77**	**6**	**0.40**	**3**	**0.31**	**7**	**0.54**	**1**	**0.20**
South-East Europe and the CIS	**189**	**4.14**	**121**	**2.37**	**137**	**2.74**	**202**	**3.51**	**279**	**3.98**	**321**	**5.00**	**343**	**8.09**	**477**	**8.83**	**115**	**5.65**
South-East Europe	**80**	**42.33**	**42**	**34.71**	**30**	**21.90**	**39**	**19.31**	**73**	**26.16**	**46**	**14.33**	**17**	**4.96**	**18**	**3.77**	**10**	**8.70**
Commonwealth of Independent S	**109**	**57.67**	**79**	**65.29**	**107**	**78.10**	**163**	**80.69**	**206**	**73.84**	**275**	**85.67**	**326**	**95.04**	**459**	**96.23**	**105**	**91.30**
Russian Federation	48	44.04	42	53.16	66	61.68	101	61.96	118	57.28	181	65.82	185	56.75	343	74.73	73	69.52
Other CIS	61	55.96	37	46.84	41	38.32	62	38.04	88	42.72	94	34.18	141	43.25	116	25.27	32	30.48

Source: UNCTAD cross-border M&A database (www.unctad.org/fdistatistics).

a Net sales by the region/economy of the immediate acquired company.

b Net purchases by region/economy of the ultimate acquiring company.

Note: Cross-border M&A sales and purchases are calculated on a net basis as follows: Net cross-border M&A sales in a host economy = Sales of companies in the host economy to foreign TNCs (-) Sales of foreign affiliates in the host economy; net cross-border M&A purchases by a home economy = Purchases of companies abroad by home-based TNCs (-) Sales of foreign affiliates of home-based TNCs. The data cover only those deals that involved an acquisition of an equity stake of more than 10%.

Table - 2:4

Number of cross-border M&A by region/economy of purchaser, 2003-May 2011 (Number of deals)																		
	Net Purchase																	
Region / economy	**2003**		**2004**		**2005**		**2006**		**2007**		**2008**		**2009**		**2010**		**2011 (Jan-May)**	
	Count	(%)	Count	(%)	Count	(%)	Count	(%)	Count	(%)	Count	(%)	Count	(%)	Count	(%)	Count	(%)
World	**4562**	**100**	**5113**	**100**	**5004**	**100**	**5747**	**100**	**7018**	**100**	**6425**	**100**	**4239**	**100**	**5405**	**100**	**2036**	**100**
Developed economies	**3778**	**82.81**	**4255**	**83.22**	**3741**	**74.76**	**4446**	**77.36**	**5443**	**77.56**	**4732**	**73.65**	**2666**	**62.89**	**3644**	**67.42**	**1484**	**72.89**
Europe	**2050**	**54.26**	**2140**	**50.29**	**2109**	**56.38**	**2519**	**56.66**	**3117**	**57.27**	**2853**	**60.29**	**1522**	**57.09**	**1989**	**54.58**	**737**	**49.66**
European Union	1866	91.02	1951	91.17	1828	86.68	2216	87.97	2782	89.25	2548	89.31	1328	87.25	1723	86.63	662	89.82
Austria	69	3.70	90	4.61	62	3.39	77	3.47	104	3.74	75	2.94	42	3.16	36	2.09	13	1.96
Belgium	63	3.38	70	3.59	49	2.68	63	2.84	77	2.77	61	2.39	15	1.13	21	1.22	13	1.96
France	200	10.72	220	11.28	253	13.84	265	11.96	404	14.52	381	14.95	191	14.38	219	12.71	87	13.14
Germany	255	13.67	259	13.28	226	12.36	229	10.33	264	9.49	286	11.22	196	14.76	147	8.53	82	12.39
Italy	93	4.98	62	3.18	52	2.84	59	2.66	121	4.35	119	4.67	45	3.39	55	3.19	15	2.27
Netherlands	143	7.66	129	6.61	91	4.98	146	6.59	173	6.22	221	8.67	104	7.83	165	9.58	53	8.01
Sweden	104	5.57	136	6.97	154	8.42	185	8.35	207	7.44	161	6.32	94	7.08	167	9.69	69	10.42
United Kingdom	525	28.14	602	30.86	544	29.76	681	30.73	814	29.26	600	23.55	231	17.39	336	19.50	176	26.59
Other Europe countries like Czech	414	22.19	383	19.63	397	21.72	511	23.06	618	22.21	644	25.27	410	30.87	577	33.49	154	23.26
Other developed Europe	184	8.98	189	8.83	281	13.32	303	12.03	335	10.75	305	10.69	194	12.75	266	13.37	75	10.18
North America	**1396**	**36.95**	**1729**	**40.63**	**1234**	**32.99**	**1458**	**32.79**	**1667**	**30.63**	**1436**	**30.35**	**888**	**33.31**	**1301**	**35.70**	**578**	**38.95**
Canada	342	24.50	428	24.75	337	27.31	395	27.09	426	25.55	351	24.44	306	34.46	422	32.44	196	33.91
United States	1054	75.50	1301	75.25	897	72.69	1063	72.91	1241	74.45	1085	75.56	582	65.54	879	67.56	382	66.09
Other developed countries	**332**	**8.79**	**386**	**9.07**	**398**	**10.64**	**469**	**10.55**	**659**	**12.11**	**443**	**9.36**	**256**	**9.60**	**354**	**9.71**	**169**	**11.39**
Australia	167	50.30	198	51.30	209	52.51	246	52.45	363	55.08	153	34.54	58	22.66	107	30.23	52	30.77
Others (Israel, Japan, New Zealan	165	49.70	188	48.70	189	47.49	223	47.55	296	44.92	290	65.46	198	77.34	247	69.77	117	69.23
Developing economies	**710**	**15.56**	**817**	**15.98**	**765**	**15.29**	**839**	**14.60**	**1047**	**14.92**	**1011**	**15.74**	**746**	**17.60**	**1061**	**19.63**	**360**	**17.68**
Africa	**32**	**4.51**	**41**	**5.02**	**54**	**7.06**	**53**	**6.32**	**60**	**5.73**	**47**	**4.65**	**56**	**7.51**	**60**	**5.66**	**13**	**3.61**
South Africa	22	68.75	25	60.98	26	48.15	22	41.51	38	63.33	22	46.81	29	51.79	33	55.00	7	53.85
Other Africa	10	31.25	16	39.02	28	51.85	31	58.49	22	36.67	25	53.19	27	48.21	27	45.00	6	46.15
Latin America and the Caribbean	**138**	**19.44**	**145**	**17.75**	**80**	**10.46**	**132**	**15.73**	**174**	**16.62**	**146**	**14.44**	**116**	**15.55**	**192**	**18.10**	**68**	**18.89**
South and Central America	88	63.77	94	64.83	51	63.75	81	61.36	105	60.34	82	56.16	71	61.21	129	67.19	57	83.82
The Caribbean and other Americo	50	36.23	51	35.17	29	36.25	51	38.64	69	39.66	64	43.84	45	38.79	63	32.81	11	16.18
Asia	**538**	**75.77**	**623**	**76.25**	**630**	**82.35**	**649**	**77.35**	**809**	**77.27**	**813**	**80.42**	**565**	**75.74**	**808**	**76.15**	**278**	**77.22**
West Asia	32	5.95	25	4.01	66	10.48	91	14.02	129	15.95	166	20.42	73	12.92	60	7.43	30	10.79
Turkey	3	9.38	4	16.00	7	10.61	4	4.40	12	9.30	5	3.01	4	5.48	3	5.00	5	16.67
United Arab Emirates	8	25.00	9	36.00	22	33.33	42	46.15	56	43.41	68	40.96	36	49.32	15	25.00	11	36.67
Other West Asia	21	65.63	12	48.00	37	56.06	45	49.45	61	47.29	93	56.02	33	45.21	42	70.00	14	46.67
South, East and South-East Asia	506	94.05	598	95.99	564	89.52	558	85.98	680	84.05	647	79.58	492	87.08	748	92.57	248	89.21
East Asia	231	45.65	220	36.79	190	33.69	190	34.05	226	33.24	252	38.95	266	54.07	345	46.12	-49	-19.76
China	73	31.60	59	26.82	45	23.68	38	20.00	61	26.99	69	27.38	97	36.47	148	42.90	47	-95.92
Hong Kong, China	114	49.35	128	58.18	117	61.58	118	62.11	116	51.33	110	43.65	88	33.08	117	33.91	45	-91.84
Other East Asia	44	19.05	33	15.00	28	14.74	34	17.89	49	21.68	73	28.97	81	30.45	80	23.19	-141	287.76

Number of cross-border M&A by region/economy of purchaser, 2003-May 2011 (Number of deals)																		
	Net Purchase																	
Region / economy	**2003**		**2004**		**2005**		**2006**		**2007**		**2008**		**2009**		**2010**		**2011 (Jan-May)**	
	Count	(%)	Count	(%)	Count	(%)	Count	(%)	Count	(%)	Count	(%)	Count	(%)	Count	(%)	Count	(%)
South Asia	62	12.25	69	11.54	99	17.55	137	24.55	176	25.88	166	25.66	57	11.59	142	18.98	-15	-6.05
India	57	91.94	64	92.75	98	98.99	134	97.81	175	99.43	163	98.19	56	98.25	139	97.89	44	-293.33
Other South Asia	5	8.06	5	7.25	1	1.01	3	2.19	1	0.57	3	1.81	1	1.75	3	2.11	-59	393.33
South-East Asia	213	42.09	309	51.67	275	48.76	231	41.40	278	40.88	229	35.39	169	34.35	261	34.89	-49	-19.76
Indonesia	6	2.82	14	4.53	5	1.82	1	0.43	5	1.80	11	4.80	9	5.33	13	4.98	7	-14.29
Malaysia	63	29.58	108	34.95	120	43.64	117	50.65	123	44.24	113	49.34	63	37.28	86	32.95	16	-32.65
Philippines	8	3.76	7	2.27	8	2.91	2	0.87	10	3.60	9	3.93	4	2.37	4	1.53	2	-4.08
Singapore	121	56.81	162	52.43	134	48.73	100	43.29	129	46.40	78	34.06	74	43.79	134	51.34	40	-81.63
Thailand	14	6.57	17	5.50	10	3.64	9	3.90	11	3.96	17	7.42	16	9.47	21	8.05	10	-20.41
Other South-East Asia	1	0.47	1	0.32	-2	-0.73	2	0.87	0	0.00	1	0.44	3	1.78	3	1.15	-124	253.06
Oceania	**2**	**0.28**	**8**	**0.98**	**1**	**0.13**	**5**	**0.60**	**4**	**0.38**	**5**	**0.49**	**9**	**1.21**	**1**	**0.09**	**1**	**0.28**
South-East Europe and the CIS	**74**	**1.62**	**41**	**0.80**	**51**	**1.02**	**62**	**1.08**	**102**	**1.45**	**123**	**1.91**	**70**	**1.65**	**83**	**1.54**	**31**	**1.52**
South-East Europe	**26**	**35.14**	**5**	**12.20**	**-9**	**-17.65**	**-2**	**-3.23**	**9**	**8.82**	**4**	**3.25**	-	-	**3**	**3.61**	-	-
Commonwealth of Independent S	**48**	**64.86**	**36**	**87.80**	**60**	**117.65**	**64**	**103.23**	**93**	**91.18**	**119**	**96.75**	**70**	**100.00**	**80**	**96.39**	**31**	**100.00**
Russian Federation	40	83.33	28	77.78	45	75.00	54	84.38	70	75.27	108	90.76	65	92.86	75	93.75	27	87.10
Other CIS	8	16.67	8	22.22	15	25.00	10	15.63	23	24.73	11	9.24	5	7.14	5	6.25	4	12.90
Unspecified	-	-	-	-	**444**	**8.93**	399	**6.96**	425	**6.07**	554	**8.70**	752	**17.86**	608	**11.42**	160	**7.91**

Source: UNCTAD cross-border M&A database (www.unctad.org/fdistatistics).

a Net sales by the region/economy of the immediate acquired company.

b Net purchases by region/economy of the ultimate acquiring company.

Note: Cross-border M&A sales and purchases are calculated on a net basis as follows: Net cross-border M&A sales in a host economy = Sales of companies in the host economy to foreign TNCs (-) Sales of foreign affiliates in the host economy; net cross-border M&A purchases by a home economy = Purchases of companies abroad by home-based TNCs (-) Sales of foreign affiliates of home-based TNCs. The data cover only those deals that involved an acquisition of an equity stake of more than 10%.

Table: 2:5

Value of Cross-Border M&A, by Sector/Industry of seller, 2003 -May 2011 (Millions of Dollars)																				
			Net Sales																	
Region / economy	**2002**		**2003**		**2004**		**2005**		**2006**		**2007**		**2008**		**2009**		**2010**		**2011 (Jan-May)**	
	Value	(%)	Value	(%)	Value	(%)	Value	(%)	Value	(%)	Value	(%)	Value	(%)	Value	(%)	Value	(%)	Value	(%)
Total	**296988**	**100**	**296988**	**100**	**380598**	**100**	**462253**	**100**	**625320**	**100**	**1022725**	**100**	**706543**	**100**	**249732**	**100**	**338839**	**100**	**224163**	**100**
Primary	28324	9.54	28324	9.54	19414	5.10	17145	3.71	43093	6.89	74013	7.24	90201	12.77	48092	19.26	73461	21.68	45096	20.12
Manufacturing	106705	35.93	106705	35.93	120747	31.73	147527	31.91	212998	34.06	336584	32.91	326114	46.16	76080	30.46	129183	38.13	62688	27.97
Services	161959	54.53	161959	54.53	240437	63.17	297581	64.38	369228	59.05	612128	59.85	290228	41.08	125561	50.28	136196	40.19	116379	51.92
Finance	54790	33.83	54790	33.83	81809	34.03	53912	18.12	107951	29.24	249314	40.73	73630	25.37	9535	7.59	31929	23.44	67434	57.94
Business services	23565	14.55	23565	14.55	55261	22.98	84366	28.35	80978	21.93	102231	16.70	100701	34.70	17167	13.67	45634	33.51	15107	12.98
Other services	83604	51.62	83604	51.62	103367	42.99	159303	53.53	180299	48.83	260583	42.57	115897	39.93	98859	78.73	58633	43.05	33838	29.08

Cross-Border M&A, by Sector/Industry, 2000 -May 2011 (Number of deals)																				
			Net Sales																	
Region / economy	**2003**		**2003**		**2004**		**2005**		**2006**		**2007**		**2008**		**2009**		**2010**		**2011 (Jan-May)**	
	Count	(%)	Count	(%)	Count	(%)	Count	(%)	Count	(%)	Count	(%)	Count	(%)	Count	(%)	Count	(%)	Count	(%)
Total	**4562**	**100**	**4562**	**100**	**5113**	**100**	**5004**	**100**	**5747**	**100**	**7018**	**100**	**6425**	**100**	**4239**	**100**	**5405**	**100**	**2036**	**100**
Primary	343	7.52	343	7.52	366	7.16	265	5.30	413	7.19	485	6.91	486	7.56	433	10.21	600	11.10	264	12.97
Manufacturing	1690	37.05	1690	37.05	1719	33.62	1522	30.42	1688	29.37	1993	28.40	1976	30.75	1153	27.20	1485	27.47	544	26.72
Services	2529	55.44	2529	55.44	3028	59.22	3217	64.29	3646	63.44	4539	64.68	3962	61.67	2653	62.59	3320	61.42	1228	60.31
Finance	510	20.17	510	20.17	584	19.29	484	15.05	531	14.56	712	15.69	563	14.21	458	17.26	557	16.78	187	15.23
Business services	909	35.94	909	35.94	1171	38.67	1402	43.58	1651	45.28	1972	43.45	1681	42.43	1109	41.80	1320	39.76	533	43.40
Other services	1110	43.89	1110	43.89	1273	42.04	1331	41.37	1464	40.15	1855	40.87	1718	43.36	1086	40.93	1443	43.46	508	41.37

Source: Calculated from UNCTAD, cross-border M&A database (www.unctad.org/fdistatistics).

Note: The data cover the deals involving the acquisition of an equity stake of more than 10%.

Table - 2:6

Value of Cross-Border M&A, by Sector/Industry of Purchaser, 2003 -May 2011 (Millions of Dollars)																				
			Net Sales																	
Region / economy	**2002**		**2003**		**2004**		**2005**		**2006**		**2007**		**2008**		**2009**		**2010**		**2011 (Jan-May)**	
	Value	(%)	Value	(%)	Value	(%)	Value	(%)	Value	(%)	Value	(%)	Value	(%)	Value	(%)	Value	(%)	Value	(%)
Total	**369789**	**100**	**296988**	**100**	**380598**	**100**	**462253**	**100**	**625320**	**100**	**1E+06**	**100**	**706543**	**100**	**249732**	**100**	**338839**	**100**	**224163**	**100**
Primary	12751	3.45	23573	7.94	17471	4.59	2816	0.61	32650	5.22	95021	9.29	53131	7.52	29097	11.65	52971	15.63	38525	17.19
Manufacturing	137414	37.16	93256	31.40	106795	28.06	118804	25.70	163847	26.20	218661	21.38	244667	34.63	37632	15.07	119862	35.37	79220	35.34
Services	219623	59.39	180159	60.66	256332	67.35	340634	73.69	428822	68.58	709043	69.33	408746	57.85	183003	73.28	166007	48.99	106418	47.47
Finance	41903	19.08	114150	63.36	174096	67.92	224103	65.79	316920	73.90	548901	77.41	311409	76.19	110555	60.41	125669	75.70	65811	61.84
Business services	47248	21.51	9090	5.05	22387	8.73	42487	12.47	47087	10.98	50893	7.18	57088	13.97	17652	9.65	27025	16.28	10050	9.44
Other services	130472	59.41	56919	31.59	59849	23.35	74044	21.74	64815	15.11	109249	15.41	40249	9.85	54796	29.94	13313	8.02	30557	28.71
Cross-Border M&A, by Sector/Industry, 2000 -May 2011 (Number of deals)																				
			Net Purchases																	
Region / economy	**2002**		**2003**		**2004**		**2005**		**2006**		**2007**		**2008**		**2009**		**2010**		**2011 (Jan-May)**	
	Count	(%)	Count	(%)	Count	(%)	Count	(%)	Count	(%)	Count	(%)	Count	(%)	Count	(%)	Count	(%)	Count	(%)
Total	**369789**	**100**	**4562**	**100**	**5113**	**100**	**5004**	**100**	**5747**	**100**	**7018**	**100**	**6425**	**100**	**4239**	**100**	**5405**	**100**	**2036**	**100**
Primary	9309	2.52	257	5.63	327	6.40	199	3.98	288	5.01	350	4.99	296	4.61	221	5.21	344	6.36	174	8.55
Manufacturing	115460	31.22	1558	34.15	1599	31.27	1367	27.32	1523	26.50	1872	26.67	1850	28.79	909	21.44	1286	23.79	524	25.74
Services	243772	65.92	2743	60.13	3184	62.27	3438	68.71	3936	68.49	4796	68.34	4279	66.60	3109	73.34	3775	69.84	1338	65.72
Finance	90787	37.24	1117	40.72	1292	40.58	1492	43.40	1661	42.20	2121	44.22	1887	44.10	1728	55.58	1923	50.94	553	41.33
Business services	29805	12.23	771	28.11	942	29.59	1188	34.55	1331	33.82	1545	32.21	1305	30.50	816	26.25	1006	26.65	425	31.76
Other services	123180	50.53	855	31.17	950	29.84	758	22.05	944	23.98	1130	23.56	1087	25.40	565	18.17	846	22.41	360	26.91
Unknown*	1248	0.34	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Source: Calculated from UNCTAD, cross-border M&A database (www.unctad.org/fdistatistics).

Note: The data cover the deals involving the acquisition of an equity stake of more than 10%.

* Including non-classified establishments.

Table – 2:7

C1: Continent

C1: Continent

			All Total	C1: Continent of the Acquirer/ Acquirers Company					
			All Total	Africa	Asia-Other	Australia	Europe	North America	Asia-India
All Total	All Total	Count	802	47	27	1	72	21	634
		Column N %	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
C2: Country	Answering Base	Count	802	47	27	1	72	21	634
		Column N %	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	Belgium	Count	2	0	0	0	2	0	0
		Column N %	0.2%	0.0%	0.0%	0.0%	2.8%	0.0%	0.0%
	Denmark	Count	2	0	0	0	2	0	0
		Column N %	0.2%	0.0%	0.0%	0.0%	2.8%	0.0%	0.0%
	England	Count	2	0	0	0	2	0	0
		Column N %	0.2%	0.0%	0.0%	0.0%	2.8%	0.0%	0.0%
	Finland	Count	2	0	0	0	2	0	0
		Column N %	0.2%	0.0%	0.0%	0.0%	2.8%	0.0%	0.0%
	France	Count	6	0	0	0	6	0	0
		Column N %	0.7%	0.0%	0.0%	0.0%	8.3%	0.0%	0.0%
	Germany	Count	13	0	0	0	13	0	0
		Column N %	1.6%	0.0%	0.0%	0.0%	18.1%	0.0%	0.0%
	India	Count	634	0	0	0	0	0	634
		Column N %	79.1%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
	Italy	Count	2	0	0	0	2	0	0
		Column N %	0.2%	0.0%	0.0%	0.0%	2.8%	0.0%	0.0%
	Japan	Count	9	0	9	0	0	0	0
		Column N %	1.1%	0.0%	33.3%	0.0%	0.0%	0.0%	0.0%
	Mauritius	Count	47	47	0	0	0	0	0
		Column N %	5.9%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Netherlands	Count	7	0	0	0	7	0	0
		Column N %	0.9%	0.0%	0.0%	0.0%	9.7%	0.0%	0.0%
	Singapore	Count	11	0	11	0	0	0	0
		Column N %	1.4%	0.0%	40.7%	0.0%	0.0%	0.0%	0.0%
	Spain	Count	3	0	0	0	3	0	0
		Column N %	0.4%	0.0%	0.0%	0.0%	4.2%	0.0%	0.0%
	Sweden	Count	5	0	0	0	5	0	0
		Column N %	0.6%	0.0%	0.0%	0.0%	6.9%	0.0%	0.0%
	Switzerland	Count	10	0	0	0	10	0	0
		Column N %	1.2%	0.0%	0.0%	0.0%	13.9%	0.0%	0.0%
	United Arab Emirates	Count	4	0	4	0	0	0	0
		Column N %	0.5%	0.0%	14.8%	0.0%	0.0%	0.0%	0.0%
	United Kingdom	Count	13	0	0	0	13	0	0
		Column N %	1.6%	0.0%	0.0%	0.0%	18.1%	0.0%	0.0%
	United States of America	Count	18	0	0	0	0	18	0
		Column N %	2.2%	0.0%	0.0%	0.0%	0.0%	85.7%	0.0%
	* Other	Count	12	0	3	1	5	3	0
		Column N %	1.5%	0.0%	11.1%	100.0%	6.9%	14.3%	0.0%

*Other =Australia, Luxembourg, Mexico, Cayman Islands, Cyprus, Scotland, Hong Kong, Malaysia and Thailand

Tables – 2:8
Year of Acquisition

			All Total	Continent					
			All Total	Africa	Asia- Other	Australia	Europe	North America	Asia- India
All Total	All Total	Count	802	47	27	1	72	21	634
		Column N %	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Years of Mergers and Acquisition	Answering Base	Count	802	47	27	1	72	21	634
		Column N %	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	2002-03	Count	88	3	0	0	16	5	64
		Column N %	11.0%	6.4%	0.0%	0.0%	22.2%	23.8%	10.1%
	2003-04	Count	65	4	2	1	1	1	56
		Column N %	8.1%	8.5%	7.4%	100.0%	1.4%	4.8%	8.8%
	2004-05	Count	58	8	3	0	3	1	43
		Column N %	7.2%	17.0%	11.1%	0.0%	4.2%	4.8%	6.8%
	2005-06	Count	104	6	4	0	11	3	80
		Column N %	13.0%	12.8%	14.8%	0.0%	15.3%	14.3%	12.6%
	2006-07	Count	90	9	0	0	4	3	74
		Column N %	11.2%	19.1%	0.0%	0.0%	5.6%	14.3%	11.7%
	2007-08	Count	107	5	2	0	13	1	86
		Column N %	13.3%	10.6%	7.4%	0.0%	18.1%	4.8%	13.6%
	2008-09	Count	113	4	6	0	9	4	90
		Column N %	14.1%	8.5%	22.2%	0.0%	12.5%	19.0%	14.2%
	2009-10	Count	76	3	4	0	8	1	60
		Column N %	9.5%	6.4%	14.8%	0.0%	11.1%	4.8%	9.5%
	2010-11	Count	101	5	6	0	7	2	81
		Column N %	12.6%	10.6%	22.2%	0.0%	9.7%	9.5%	12.8%

Table – 2:9
Number of equity shares: OFFER SIZE

			All Total	Continent					
			All Total	Africa	Asia- Other	Australia	Europe	North America	Asia- India
All Total	All Total	Count	802	47	27	1	72	21	634
		Column N %	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
OFFER SIZE (Number of equity shares)	Answering Base	Count	802	47	27	1	72	21	634
		Column N %	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	<= 50000	Count	78	1	0	0	0	0	77
		Column N %	9.7%	2.1%	0.0%	0.0%	0.0%	0.0%	12.1%
	50001 - 200000	Count	58	0	0	0	0	0	58
		Column N %	7.2%	0.0%	0.0%	0.0%	0.0%	0.0%	9.1%
	200001 - 500000	Count	58	1	0	0	6	1	50
		Column N %	7.2%	2.1%	0.0%	0.0%	8.3%	4.8%	7.9%
	500001 - 1000000	Count	150	1	2	0	6	6	135
		Column N %	18.7%	2.1%	7.4%	0.0%	8.3%	28.6%	21.3%
	1000001 - 2000000	Count	154	2	4	0	13	4	131
		Column N %	19.2%	4.3%	14.8%	0.0%	18.1%	19.0%	20.7%
	2000001 - 4000000	Count	113	13	8	0	13	3	76
		Column N %	14.1%	27.7%	29.6%	0.0%	18.1%	14.3%	12.0%
	4000001 - 6000000	Count	50	5	2	0	10	3	30
		Column N %	6.2%	10.6%	7.4%	0.0%	13.9%	14.3%	4.7%
	6000001 - 8000000	Count	32	5	4	1	5	0	17
		Column N %	4.0%	10.6%	14.8%	100.0%	6.9%	0.0%	2.7%
	8000001 - 10000000	Count	18	4	1	0	0	0	13
		Column N %	2.2%	8.5%	3.7%	0.0%	0.0%	0.0%	2.1%
	>10000001	Count	91	15	6	0	19	4	47
		Column N %	11.3%	31.9%	22.2%	0.0%	26.4%	19.0%	7.4%

Table- 2: 10
Percentage of equity capital: OFFER PERSENTAGE

		All Total	Continent					
		All Total	Africa	Asia- Other	Australia	Europe	North America	Asia- India
All Total	All Total	802	47	27	1	72	21	634
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Percentage of equity capital	Answering Base	802	47	27	1	72	21	634
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	Less than 10%	26	1	0	0	0	1	24
		3.2%	2.1%	0.0%	0.0%	0.0%	4.8%	3.8%
	10-19%	38	3	1	0	9	1	24
		4.7%	6.4%	3.7%	0.0%	12.5%	4.8%	3.8%
	20-29%	678	42	24	1	53	15	543
		84.5%	89.4%	88.9%	100.0%	73.6%	71.4%	85.6%
	30-49%	50	1	2	0	9	2	36
		6.2%	2.1%	7.4%	0.0%	12.5%	9.5%	5.7%
	50 or more %	10	0	0	0	1	2	7
		1.2%	0.0%	0.0%	0.0%	1.4%	9.5%	1.1%

Table – 2:11
Price of equity shares: OFFER PRICE

		All Total	Continent					
		All Total	Africa	Asia- Other	Australia	Europe	North America	Asia- India
All Total	All Total	802	47	27	1	72	21	634
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
OFFER PRICE	Answering Base	802	47	27	1	72	21	634
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	Less than 50	515	15	10	0	15	13	462
		64.2%	31.9%	37.0%	0.0%	20.8%	61.9%	72.9%
	51-199	168	13	11	0	23	3	118
		20.9%	27.7%	40.7%	0.0%	31.9%	14.3%	18.6%
	200-399	62	12	2	1	14	3	30
		7.7%	25.5%	7.4%	100.0%	19.4%	14.3%	4.7%
	400-699	29	3	2	0	10	1	13
		3.6%	6.4%	7.4%	0.0%	13.9%	4.8%	2.1%
	Higher than 700	28	4	2	0	10	1	11
		3.5%	8.5%	7.4%	0.0%	13.9%	4.8%	1.7%

Table- 2:12
OBJECTIVE OF THE OFFER

		All Total	Continent					
		All Total	Africa	Asia- Other	Australia	Europe	North America	Asia- India
All Total	All Total	802	47	27	1	72	21	634
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
OBJECTIVE OF THE OFFER	Answering Base	802	47	27	1	72	21	634
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	CHANGE IN CONTROL	528	21	19	1	48	13	426
		65.8%	44.7%	70.4%	100.0%	66.7%	61.9%	67.2%
	CONSOLIDATION OF HOLDINGS	167	9	3	0	21	5	129
		20.8%	19.1%	11.1%	0.0%	29.2%	23.8%	20.3%
	SUBSTANTIAL ACQUISITION	107	17	5	0	3	3	79
		13.3%	36.2%	18.5%	0.0%	4.2%	14.3%	12.5%

Table – 2:13

TARGETED POST OFFER STAKE OF Acquisition
(Total percentage of equity capital)

		All Total	Continent					
		All Total	Africa	Asia- Other	Australia	Europe	North America	Asia- India
All Total	All Total	802	47	27	1	72	21	634
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
TARGETED POST OFFER STAKE OF ACQ (%AGE of equity capital)	Answering Base	802	47	27	1	72	21	634
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	Less than 30%	25	3	1	0	4	1	16
		3.1%	6.4%	3.7%	0.0%	5.6%	4.8%	2.5%
	30-50%	166	21	4	0	8	5	128
		20.7%	44.7%	14.8%	0.0%	11.1%	23.8%	20.2%
	51-70%	208	13	8	0	9	1	177
		25.9%	27.7%	29.6%	0.0%	12.5%	4.8%	27.9%
	71-90%	274	6	7	1	34	7	219
		34.2%	12.8%	25.9%	100.0%	47.2%	33.3%	34.5%
	91-100%	129	4	7	0	17	7	94
		16.1%	8.5%	25.9%	0.0%	23.6%	33.3%	14.8%

Table - 2:14
Total Amount in Million

		All Total	Continent					
		All Total	Africa	Asia- Other	Australia	Europe	North America	Asia- India
All Total	All Total	802	47	27	1	72	21	634
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
1 Million	Answering Base	802	47	27	1	72	21	634
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	Less than 1 Million	67	1	0	0	0	0	66
		8.4%	2.1%	0.0%	0.0%	0.0%	0.0%	10.4%
	1 Million - 10 Million	224	0	0	0	1	4	219
		27.9%	0.0%	0.0%	0.0%	1.4%	19.0%	34.5%
	11 Million - 50 Million	172	3	3	0	6	5	155
		21.4%	6.4%	11.1%	0.0%	8.3%	23.8%	24.4%
	51 Million - 100 Million	61	3	4	0	3	2	49
		7.6%	6.4%	14.8%	0.0%	4.2%	9.5%	7.7%
	101 Million - 500 Million	127	16	8	0	20	5	78
		15.8%	34.0%	29.6%	0.0%	27.8%	23.8%	12.3%
	501 Million - 1000 Million	47	5	3	0	15	2	22
		5.9%	10.6%	11.1%	0.0%	20.8%	9.5%	3.5%
	1001 Million - 5000 Million	72	13	6	1	22	1	29
		9.0%	27.7%	22.2%	100.0%	30.6%	4.8%	4.6%
	5001 Million - 10000 Million	12	0	2	0	1	1	8
		1.5%	0.0%	7.4%	0.0%	1.4%	4.8%	1.3%
	10001 Million or Higher	20	6	1	0	4	1	8
		2.5%	12.8%	3.7%	0.0%	5.6%	4.8%	1.3%

Table – 2:15

Industry of Acquirer/ Acquirers

		All Total	Continent					
		All Total	Africa	Asia-Other	Australia	Europe	North America	Asia-India
All Total	All Total	802	47	27	1	72	21	634
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Industry of Acquirer/ Acquirers	Answering Base	802	47	27	1	72	21	634
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	Agriculture, Forestry, Fishing & Hunting	6	0	0	0	0	0	6
		0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.9%
	Banking, Investment, Insurance and Financial Institutions	176	41	9	0	19	5	102
		21.9%	87.2%	33.3%	0.0%	26.4%	23.8%	16.1%
	Pharmaceuticals/ Healthcare	26	0	3	0	7	1	15
		3.2%	0.0%	11.1%	0.0%	9.7%	4.8%	2.4%
	Real estate and Construction	46	2	2	0	2	0	40
		5.7%	4.3%	7.4%	0.0%	2.8%	0.0%	6.3%
	Service	19	1	1	0	2	1	14
		2.4%	2.1%	3.7%	0.0%	2.8%	4.8%	2.2%
	Telecommunications	7	1	1	0	0	1	4
		0.9%	2.1%	3.7%	0.0%	0.0%	4.8%	0.6%
	Mines and Minerals	5	1	1	0	0	1	2
		0.6%	2.1%	3.7%	0.0%	0.0%	4.8%	0.3%
	Refineries (Oil and Petroleum)/Gas	9	0	0	0	2	1	6
		1.1%	0.0%	0.0%	0.0%	2.8%	4.8%	0.9%
	Power / Energy & Utilities	13	0	0	0	3	1	9
		1.6%	0.0%	0.0%	0.0%	4.2%	4.8%	1.4%
	Hospitality & Tourism	7	0	0	0	1	1	5
		0.9%	0.0%	0.0%	0.0%	1.4%	4.8%	0.8%
	Breweries & Distilleries/Sugar/Food Processing	13	0	0	0	0	0	13
		1.6%	0.0%	0.0%	0.0%	0.0%	0.0%	2.1%
	Professional	289	0	1	0	2	4	282
		36.0%	0.0%	3.7%	0.0%	2.8%	19.0%	44.5%
	Wholesale Trading	19	0	1	0	3	0	15
		2.4%	0.0%	3.7%	0.0%	4.2%	0.0%	2.4%
	Engineering/ Technology	11	0	0	0	9	0	2
		1.4%	0.0%	0.0%	0.0%	12.5%	0.0%	0.3%
	Electronics -Consumer Goods	7	0	2	0	3	0	2
		0.9%	0.0%	7.4%	0.0%	4.2%	0.0%	0.3%
	Entertainment & media	15	0	2	1	1	0	11
		1.9%	0.0%	7.4%	100.0%	1.4%	0.0%	1.7%
	Miscellaneous	17	0	1	0	5	1	10
		2.1%	0.0%	3.7%	0.0%	6.9%	4.8%	1.6%
	Information technology, BPO and KPO	29	0	1	0	1	1	26
		3.6%	0.0%	3.7%	0.0%	1.4%	4.8%	4.1%
	Automobile/Auto Ancillaries	16	0	2	0	2	3	9
		2.0%	0.0%	7.4%	0.0%	2.8%	14.3%	1.4%
	Textiles	15	1	0	0	1	0	13
		1.9%	2.1%	0.0%	0.0%	1.4%	0.0%	2.1%
	steel, aluminum, alloys, nonferrous metals and Iron	14	0	0	0	1	0	13
		1.7%	0.0%	0.0%	0.0%	1.4%	0.0%	2.1%
	Chemicals	22	0	0	0	8	0	14
		2.7%	0.0%	0.0%	0.0%	11.1%	0.0%	2.2%
	Sheeping	3	0	0	0	0	0	3
		0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%
	Plastic, Paper and Printing & Stationery	5	0	0	0	0	0	5
		0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.8%
	imports and exports	13	0	0	0	0	0	13
		1.6%	0.0%	0.0%	0.0%	0.0%	0.0%	2.1%

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CHAPTER - 3
LITERATURE REVIEW

In India, the issue of corporate Mergers and Acquisitions (M & A) has attracted attention from academics, government, and capital markets in the wake of structural adjustments and globalization policy pursued by the government. This chapter presents, briefly, the review of studies carried out by different researchers in different settings to understand as to what stimulates corporate managements to indulge in takeover exercise.

3.1. Introduction:

In the first two months of 2012, M & A transactions amounting to $16.06 billion have been announced and likely to observe a host of M & A transactions[4]. The total value of inbound deals, (wherein foreign companies or their subsidiaries acquired Indian businesses) in February 2012 was $270 million by way of 9 deals as compared to $7.45 billion in the corresponding period in February 2011 via 8 transactions. The total value of outbound deals (Indian companies acquiring companies outside India) in February 2012 was $441 million (5 deals) as against $206 million (11 deals) in February 2011. These deals estimated to be of value over $12 billion. According to Dealogic data[5], in 2012 it has taken a longer time to reach the $1 trillion mark as it took 145 days (28th May 2012) to reach the psychological mark, while in 2011 it reached $1 trillion in just 118 days (28th April 2011).

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[4] Mostly on account of Vendanta group (Sterlite Industries, Sesa Goa and Vedanta Resources announced merger of Sesa Goa and Sterlite and the proposed consolidation of group structure). The latest announcement is that of acquisition by Bain Capital of 30% stake in Genpact for $ 1 billion (ET, A'bad August 3rd 2012)

[5]http://articles.economictimes.indiatimes.com/2012-06-11/news/32156170_1_global-merger-and-acquisition-value-of-m-a-deals-dealogic accessed on 25th June 2012

The cumulative value of M & A transactions globally during the five months of 2012 stood at $1.07 trillion, down 19 per cent from $1.32 trillion in the same period in 2011. A sector-wise analysis reported that in 2012, Oil and Gas was the most targeted sector as it attracted transaction worth of $139.7 billion, followed by Real Estate which cornered $110.2 billion and technology came in the third place with transactions valued at $98.5 billion. The M & A are witnessing moderation due to the international economic concerns, mainly around Europe.

3.2. Analysis of Literature:

Entering into a new market is a convoluted decision which must be given mission, vision and attention. By and large the objective of establishing a new business that would be acknowledged and supported by consumers, more and more business entrepreneurs are trying to enter quickly into the new market. There are different purposes for market entry. One of the motivational aspects to enter a worldwide market is the opportunity given by M & A deal to make the company more competitive. When a company becomes a multinational company, there is belief that such company has been competent to establish a competitive position in the open market not only in domestic but mainly in the worldwide arena. The literature review has been classified into different themes as objective of acquisition, strategy, market for M & A, synergy, wealth maximization, and reverse mergers of M & A and the studies conducted in each of the themes are reviewed and presented by keeping the objectives of the study in mind.

- **Objective of M & A:**

The companies are coming together hoping to gain a greater market share or achieve greater efficiency. Because of these potential benefits, target companies will often agree to be purchased when they know they cannot survive alone. Some popular objectives include synergy, tax considerations, diversification, management incentives, purchase of assets below their replacement cost, and breakup value. Separation of ownership and control may yield specialization advantage through the separation of risk-bearing and operating functions; it also introduced the possibility of conflicting objectives on the part of owners and managers (Jensen & Meckling, 1976). Managers prefer to increase the company's size and scope while owners prefer to optimize their equity value (Marris, 1964). Opportunistic behaviour on the part of manager was predicted by agency theory, which characterized the firm as a nexus of contracts between principals and agents. Although unrelated diversification rapidly increased the size and scope of the acquiring companies, conglomerate mergers didn't usually provide performance benefits to the acquiring companies.

Randall, Shleifer and Robert (1990) conducted study to find out which acquisitions are bad investments for bidding shareholders and determine whether those acquisitions appear to provide private benefits to bidding managers for a sample of 326 US acquisitions during the period of 1975 to 1987. Acquisition strategies focused on two aspects that can be readily understood in terms of managerial objectives; buying growth and diversification. It also looked at the relationship between bidder's past performance and their returns from acquisitions. They concluded that the market penalizes unrelated diversification much more heavily in the 1980's than in the 1970's coinciding with the rise of hostile takeovers. The negative return to acquisitions by poorly performing acquirers was evidenced that bad acquisitions were a manifestation of agency problems in the company.

Berkovitch and Narayanan (1993) conducted investigation to distinguish among the three major motives for takeovers; synergy, agency and hubris. Unlike other researchers, they distinguish among these motives by using correlation among target, acquirer, and total gains. They showed that positive correlation indicates the synergy and negative correlation implies agency being motive while hubris hypothesis results in zero correlation. Synergy was the reason for the majority of the takeovers; though with evidence that many takeovers were motivated by agency and hubris. However, agency, not hubris, seems to be the major reason for the existence of value reducing acquisitions. In takeovers with negative total gains, the total gains decreased with competition. This implies that, competition was motivated by agency rather than by true synergy and that competition will not eliminate agency problems when they exist but only aggravates them.

Several empirical studies lend support to the importance of synergy as M & A objective. Bradley, Desai, and Kim (1988) verified that a successful tender offer increases the combined value of the target and acquiring companies by an average of 7.4%. Eun, Kolodny, and Scheraga (1996) verified the synergy hypothesis for cross-border M & A using a sample of overseas acquisitions of the U.S.A companies during the period 1979-1990. Their results indicate that cross-border takeovers are normally synergy creating movements. Maquieira, Meggison, and Nail (1998) studied 260 absolute stock-for-stock mergers from 1963 to 1996. They verified substantial net synergistic profits in non-conglomerate mergers and by and large insignificant net profits in conglomerate mergers. Mulherin and Boone (2000) studied the acquisition and divestiture activity of a sample of 1305 companies' from 59 industries during the period 1990-1999. The symmetric, encouraging wealth effects for M & A are consistent with a synergistic description for both forms of reformation. Seth, Song, and Pettit (2000) concluded that the synergy hypothesis is the prevalent explanation for their sample of overseas acquisitions of the U.S.A companies. Grinblatt and Titman (2002) also analyzed financial and operating synergies as the primary motivation for M & A during the 1990s.

Kee-Hong, Jun-Koo, And Jin-Mo (2002) conducted study to look at two competing views about business groups in emerging markets i.e. the value-added view and the tunneling view. In maximum business group, ownership was extremely concentrated and controlling shareholders have power over companies that surpass their cash flow rights. Porta, Lopez-de-Silanes and Shleifer (1999) concluded that "the central agency problem in large corporations around the world is that of restricting expropriation of minority shareholders by controlling shareholder". This issue of organization between controlling and minority shareholders was very serious when there were few state sponsored mechanisms to protect minority investors and control the unrestricted power of large shareholders. Chaebol[6] bidders that showed good past performance prior to merger realize significant negative announcement returns. Kim and Singal (2000) showed that major capital controls change in Korea occurred in 1992, when the Korean government opened the stock market to foreign investment.

[6]Korean companies belong to a large business groups known as chaebol

The manager's objectives were to expand the company's size only to increase the resources under his control (Jensen, 1986), then it would expect a more negative market reaction to mergers involving larger targets. Horizontal and vertical mergers showed positive and significant abnormal returns. Companies that have their stock listed on foreign stock markets made better investment decisions than companies that are listed only on the KSE. The results showed that only the coefficient of the interaction variable for the top 30 chaebols were significant but negative at the 5% level. However, the underlying grounds were differing from one merger or acquisition to another. Brigham and Ehrhardt (2002, p. 970) stated, "the primary motivation for most mergers is to increase the value of the combined enterprise." On the other hand, practical evidence never reveals whether M & A, on average, create value. Synergistic conclusions are the result from several sources including differential efficiency, operating economies, tax effects, financial economies, and increased market power (Fluck and Lynch, 1999).

- **Strategy:**

The word strategy is derived from the Greek word "strategtia" which was used first around 400 B.C. This connotes the art and science of directing military forces to achieve a specified goal. According to Kenneth Andrews (1971) strategy is "The pattern of objectives, purpose, goals and the major policies and plans for achieving these goals stated in such a way so as to define what business the company is in or is to be and the kind of company it is or is to be" (p.28). In the present day competitive environment, no business organization can dream of survival without formulating appropriate corporate strategy. As the environment is continuously changing, the need for corporate strategic framework need no over emphasis. The major components of corporate strategy are purpose and objectives, competitive advantage, synergy, personal values, aspirations and social obligations. Basically, strategy is the managerial response to turbulence.

Joseph (2001) tried to link strategic intent to the implications of integration that result. The thousands of deals that academics, consultants, and businessman lump together as M & A actually represent very different strategic activities. All M & A occur for either to deal with over-capacity through consolidation in mature industries; to roll-up competitors in geographically fragmented industries; to extend into new products or markets; as a substitute for R&D; or to exploit eroding industry boundaries by inventing an industry.

Hagedoorn and Duysters (2002) examined that companies have used alternative (quasi) external sources of innovative competencies such as strategic technology alliances, M & A, or combination of these. These alternatives are reviewed in the context of distinct industrial, technological, and international arrangements during the 1990. The history of companies, in terms of routines with a preference for M & As, strategic technology alliances, or a mix, determines their current preference for each of these modes or a combination of them for acquiring innovative capabilities. A group of 135 large US, Canadian and European companies were included in sample.

The finding of the study supported contributions from a variety of theoretical approaches such as those that combine elements of evolutionary economic theory with an understanding of the effects of strategic behaviour, theories developed from an organizational learning and technology perspective, and work done in the context of institutional organization theory that pays attention to the impact of Industrial conditions on alternative forms of organization. It also found that these options (strategic technology alliances, M & A, or combination of these) are influenced by both different Industrial conditions and company specific circumstances, such as those related to protecting core business activities.

Mantravadi and Reddy (2007) tried to analysis the impact of different types of mergers on the operating performance of M & A in India in the post-economic reforms period of 1991-2003, by analyzing some pre- and post-merger financial ratios, in a sample of companies involving all mergers by public limited and registered with respective stock exchange in India. In specific, the study was aimed to understand which types of mergers have been more successful in improving the performance of merging companies, among vertical mergers, horizontal mergers, and conglomerate mergers.

Analysis of pre- and post-merger operating performance ratios for the entire sample set of mergers showed that there was no change in the average operating profit margin and gross profit margin ratios, there was significant decline in the net profit margin, return on net worth and return on capital employed, in the post-merger period. For mergers between similar group companies, there was a significant decrease in net profit margin due to likely increase in interest costs, while other profitability ratios, stayed unchanged. The significant decrease in profits on net worth and capital employed suggested that the mergers were not encouraged by efficiency enrichment likelihoods, but were directed at combining the asset base by merging assets of several group companies to appear larger. Comparison of post- versus pre-merger operating ratios, for the dissimilar kind of mergers suggested that horizontal mergers had affected the maximum decline in the operating performance of the merging firms, followed by conglomerate and vertical mergers. The decreases were noticeable in terms of returns on net worth and capital employed, and to a smaller extent on net profit margin, among all kinds of mergers. The dissimilarities between unlike combinations of mergers yet, were not statistically significant, leading to the conclusion that merger outcomes were similar for all merger kinds. Michael (2008) examined role of strategy in corporate segment in wake of the financial crises of the late 1990s. The research accepted that worldwide financial establishments and specialists have to comprehend the need for a strategy to prevent and relieve the harshness of crises in the corporate world. Yasmeen (2008) also discussed that M & A strategy is a powerful tool for existence and development of the corporate world in India. He also discussed several strategies with the help of case analysis like acquisition of Gillette India Limited by Procter and Gamble

A. <u>Managerial Control</u>

Matsusaka (1993) investigated stock market response to acquisition announcements during and immediately after the conglomerate merger wave of the late 1960s. The most important finding of the study was that acquirer shareholder benefited from diversification acquisitions, which implies that diversification was not driven by managerial objectives. It was also found that buyers earned significantly positive announcement period returns during the conglomerate merger wave when they made diversifying acquisitions. The hypothesis that conglomerates wave driven by empire building or some other managerial objective can be rejected because such explanations imply value decreases to unrelated acquisitions. It concluded that market responded positively to bidders who retained the management of target companies and negatively to bidders who replaced target management (Bradley, Desai, and Kim, 1988). Researcher made three contributions to the study of diversification: It directly tested and refuted one popular explanation for the conglomerate merger wave, it provided some indirect evidence on three other explanations[7], and it was presented as an empirical puzzle concerning the market's changing sentiments over time.

Kavin (1999) studied the relationship between bank ownership concentration and corporate strategy. The research aimed at testing two hypotheses i.e. banking corporations that are controlled by their managers will be more active acquirers of other banks, and banking corporations that are effectively controlled by their managers will be more likely to engage in out-of-market bank acquisitions. The out of market bank acquisitions could be motivated by managerial opportunism, and lacking any cost advantages, these acquisitions may detract from the company value. The second hypothesis was amenable to testing with an ordinary least squares regression. The 156 sample banking firms, larger banks appear to be more active acquirers of other banks, irrespective of their previous profitability or their ownership concentration.

[7]First, it may be that something in the world changed between the 1960s and the 1980s. Some have pointed to antitrust regimes- there was tight enforcement in the 1960s and tax enforcement in the 1980s under the Reagan administration. A second explanation for the change in market sentiment had to do with first mover advantages and learning. Early conglomerates earned significantly positive returns simply because they were first; they may have captured some rents to organizational innovation that were subsequently driven to zero. A third explanation was that the market simply made a mistake about diversification (Matsusaka, 1993)

The corporate strategies of banks differ based on the presence or absence of an outside owner with a substantial equity stake. The empirical association of out-of-market acquisitions with manager-controlled bank was consistent with the agency-theoretic and managerial-capitalism context of research. The out of market acquisitions may not yield cost reductions because they lack the overlapping operations associated with M & A when both acquirer and target have a presence in the market. The evidence also suggested that out of market acquisitions increased bank size but did not improve acquiring bank performance. Although manager controlled banks were not be able to make a larger number of acquisitions than their owner controlled counterparts, they may be willing to undertake less efficient acquisitions in order to grow while maintaining the stability of their employment.

Vedpuriswar (2003) investigated risk in M & A. An unbiased analysis of the possible benefits and drawbacks involved is imperative before going ahead with M & A. Board directors have a key role to play here, particularly the external directors. CEOs must be meticulously examined and requested to explain the benefits of M & A. Once the decision to go ahead with the merger is announced, the focus shifts to incorporation of new company. This was a job which is underrated by most companies. It is concluded that the efficiency of management of the combination process determine whether the projected synergies materialize. The complexities in planning and executing M & A make them very risky and CEOs in rush to complete M & A deals should never undervalue the risks of M & A.

Nandita (2004) conducted a study to **e**xplore the evolution of Corporate Governance policies pursued in India for the private corporate sector in relation to the market for corporate control with a view to identify the changing trend in such policies in the post-liberalization regime. Matthew and David (2008) also studied the property rights theory of the company to empirical regularities in the market for M & A and illustrated concept of who buys whom.

B. <u>Cross-border M & A</u>

Jun-Koo (1993) presented evidence that Japanese M & A in the U.S. generated statistically significant wealth gain for both Japanese bidders and U.S. targets. Consistent with the opinions advanced by Jensen (1986), Fama (1990), and Froot and Stein (1991) and with other literature on FDI and the market for corporate control, he also found that bidder-specific qualities and dollar-yen exchange-rate movements were beneficial in the cross-sectional variation in bidder returns; returns to Japanese bidders and to the portfolio of Japanese bidders and U.S. targets increased with the bidder's leverage, the bidder's ties to financial institutions through borrowings, and the depreciation of the dollar in relation to the Japanese yen. Sub-period results showed that the key findings for the overall sample period are determined by the last three years of deals i.e. 1986-88.

Rotting (2007) addressed normal hitches in international M & A, and has produced a typology of strategies that may restrict these hitches. They concluded "that despite the extensive body of research on M & A that has accumulated over the last thirty years, the key factors for M & A success and the reasons why so many M & A fail remain poorly understood" (Stahl and Mendenhall, 2005: xiii). Even though a substantial body of research has expounded bearing in mind cultural distance as the key reason for the collapse of international M & A, practical conclusions are mixed and inconclusive. The key hypothesis made was that cultural distinctions may not necessarily act for an unfavorable force influencing international M & A. As an alternative, incompetent management of the cultural amalgamation process in the post-acquisition phase may be accountable for the large number of poorly performing cross-border M & A. The framework developed by researcher recommended that victorious cultural combination is influenced by cultural due diligence, cross-cultural communication, control, and connection which was referred as the "Five C's Framework" of rewarding international M & A management.

Jing (2012) presented the strategic trends in recent years for M & A of transnational corporations in China. M & A strategy of MNCs in China successfully executed, not only objective requirement of political reform and economic growth in China, there are also unintentional by Chinese business men and government of the subjective mistakes caused. It concluded that to prevent risk of multinational M & A in China, Chinese companies need to increase awareness of multinational M & A, cautiously select joint venture partners, and develop comprehensive learning system in joint venture or cooperative, improved studying competencies, and enriched management of M & A strategies.

C. Strategy process of M & A: case study of Novartis

Schmidt and Rühli (2002) carried out case study of the Novartis, world's largest merger between Ciba and Sandoz in Switzerland, market valued of $80 billion. The case study explained that the mega merger initiated not a fundamentally new or innovative strategy processes. It is not possible for a merged entity to achieve a complete change in strategic orientation while continuing its operational business. The case study also showed that the merger theory is very much aligned to prior strategy processes of the merging companies. It is essential for the management of companies intending a merge to comprehend challenges between their own and their merger partners' strategy processes developed earlier to the merger. The selected strategy of a merged corporation is by and large the consequence of a not immediately transparent process of negotiation and communication between the management bodies of the merging companies.

- **Market for Corporate Control:**

M & A are big part of the corporate finance; corporate assets would be channeled towards their best possible use. M & A transactions that bring together separate companies to make larger ones. When they are not creating big companies from smaller ones, corporate finance compulsions do the reverse and break-up companies through spin-offs, or tracking stocks. Strong companies act to buy other companies to create a more competitive and cost-efficient company.

The literature on foreign direct investment (FDI) and the market for corporate control recommended that overseas M & A are inspired by numerous factors, such as limitations in product and factor markets (Hymer,1976, Caves 1971, and Kindleberger,1969), drawbacks and irregularities in capital markets (Froot and Stein,199l), dissimilarities in tax rules and regulations (Scholes and Wolfson,1989), and executive management that take action in its individual interest to the impairment of shareholders wealth (Jensen,1986).

Modifications in U.S. tax laws in the 1980s influenced Japanese M & A movement in the United State of America (USA). Scholes and Wolfson (1989) opined that the Economic Recovery Tax Act (ERTA) of 1981 dissuaded M & A deals between the U.S.A sellers and overseas buyers; it raised the demand for deals among the U.S.A companies. It accelerated devaluation programmes and more substantial investment tax credits presented in the ERTA of 1981raised tax motivations for the U.S.A buyers, but put overseas buyers at a shortcoming. Sholes and Wolfson (1989) also opined that this drawback was removed by the Tax Reform Act (TRA) of 1986, which decreased the marginal corporate tax rate in the U.S.A, making the U.S.A a tax haven for several Japanese and European companies that encounter higher corporate tax rates in their domestic countries. However, the experiential effort on the market for corporate control showed that target companies achieved substantial gains from local acquisitions (Jensen and Ruback, 1983; and Jarrell, Brickley, and Netter, 1988). It is not recognized whether the wealth gains fluctuate for target companies of Japanese and the U.S.A companies. Since the concept of FDI assumed that limitations in product markets, capital markets and factor markets provide MNC companies a competitive benefit above local companies in the domestic county (Kindlebergei, 1969; Caves, 1971; Hymer, 1976; and Froot and Stein, 1991), cross-border M & A are expected to generate more wealth than local M & A. Since target companies are likely to gain maximum benefits of M & A, the FDI concept suggested that wealth gains to targets of Japanese companies are superior than those to targets of the U.S.A companies. Harris and Ravenscraft (1991) also concluded that the U.S.A targets of overseas buyers have substantially greater wealth gains than do those of the U.S.A companies.

Steven and Michael (1992) used market model parameters to determine the market reaction for acquirers and targets to the acquisition announcements, over the period from 300 to 61 trading days before the first announcement in the Wall Street Journal that a company was seeking control of the target. Abnormal returns, calculated for the period beginning five trading days before the acquirer's first announcement for acquirers. It was seeking control of the target and ending five trading days after the announcement of the ultimately successful bid or outcome. Researchers conducted a significance tests using standard errors and cross-sectional announcement period returns. These standard errors tend to be large then those calculated using returns from the market model for estimation period (As proposed by Patell, 1976). Acquirer returns and total (acquirer and target) returns at the acquisition announcement were significantly lower for unsuccessful divestitures than for successful divestitures and acquisitions not divested. Although diversifying acquisitions were almost four times more likely to be divested than related acquisitions. There was no strong evidence found that diversifying acquisitions were less successful than related ones.

Ronald and Hemmo (2001) opined that benefits of M & A were questioned in several reports that examine the price reaction of the stocks involved. In long run it was reported an under performance in the year after the merger or acquisition. In short run, the results were mixed. It was focused on the short-run stock price performance of firms involved in a merger or acquisition. It also looked at the reaction of equity analysts by examining the changes in consensus earnings estimates for the post-announcement years. It has used a global sample for the relatively short time period of one year. The ongoing downward earning revisions by analysts suggested a lack of synergies and thereby indicated that the out performance was unjustified. These findings were in conflict with the efficient markets hypothesis. In the case of analyst's earnings revisions, acquirers appear to reap the fruits of their takeover after two years at the earliest. There was a lack of upward revisions, but relative to the market earnings estimates noticed better performance. The study also highlighted those investors who want to play M & A game is focused on potential targets, because they show attractive out performance on an announcement. Finally, it was concluded that M & A be worth of critical assessment.

Vojislav and Phillips (2001) carried out a study to analyse the market for corporate assets in manufacturing industries. In the USA each year during the period1974 to 1992, an average 3.89% of the large manufacturing plants in the country changed ownership. The main three results on the probability assets sold were as follow: For multiple – division companies, the probability of a company selling assets decreases with both the asset's and the segment's productivity. The probability of mergers and company sell-offs was higher when selling company was less productive and the industry experiences a positive demand shock; the selling company's productivity in other divisions impacts the probability of a sale. A division was more likely to be sold the better the prospects of the other divisions and it was found that the probability that company was a buyer of additional assets increases with efficiency and size.

The results were consistent with more skilled buying companies being able to transfer skill and improve the assets purchase. There was no evidence that manager of conglomerate companies were less enthusiastic to sell assets than manager of single segment companies. The results indicated that efficient companies refocusing in booms might produce the highest profits to transaction. It concluded that the market for corporate assets facilitates the redeployment of assets from firms with a lower ability to exploit them with higher ability.

Mihkel. M. Tombak (2002) carried out a study to examine the horizontal merges between companies that have different cost. The Horizontal mergers between asymmetric companies have been concluded as a three-stage game[8]. There were two reasons for buying the most efficient rival companies; first, it reduces the profits of the acquiring company and second, it reduces the subsequent purchase prices by reducing the reservation values of future targets to those of their present profits. It used game-theoretic model to examine the incentive to merge companies engaged in either Cournot or Bertrand

[8]In the first stage owners decide on which company to acquire or sell. The purchase price was determined between pair of possible buyers and sellers after bargaining game. The owner of several companies then decides on whether to consolidate company in second stage. In the final stage, with efficiencies and market structure determined in the first two stages, companies competed in an asymmetric Cournot game. These three stages were repeated until no further gains to acquisitions can be made.

competition in various types of product markets with diverse production technologies. It was found that, given a choice, acquiring companies were more likely to attempt to purchase their most efficient and largest rivals first and that this may lead to monopolization.

Shareholders of target companies customarily obtain large premiums (on an average 10% to 30%) relative to the pre-announcement share price. Jarrell and Poulsen (1989), Servaes (1991), Kaplan and Weisbach (1992) and Mulherin and Boone (2000) for example, reported for average abnormal returns of 21% the U.S.A. target companies (for year 1990-99), 27% (year 1971–82), 24% (year 1972–87) and 29% (year 1963– 86), respectively. Likewise to their U.S. counterparts, the UK and Continental European target companies gained average returns of 24% during the period 1955-85 (Franks and Harris 1989), 19% in 1966-91 (Danbolt 2004), and 13% in 1990-2001 (Goergen and Renneboog, 2004).

- **Synergy:**

The synergy gain denotes the increases in value (i.e. $\Delta V \geq \Delta V_B + \Delta V_T$) of the combined entity than the stand alone values of acquiring company as well as the target company. Sirower (1997) defined "synergy as increases in competitiveness and resulting cash flows beyond what the two companies are expected to accomplish independently" (p.6). Synergy gains can occur from several sources, like functional synergies are created from economies of scale, from increased market power, from a more competent deployment of available resources and from decreased agency costs. One more important source of synergy may be from the potential to transfer valuable intangible assets, such as know –how, between the combining companies in the presence of transaction costs that lead to failure of factor markets (Caves, 1982). The potential for acquires to realize gains from taking over companies with high levels of agency problems and taking action to resolve these problems was a motive for acquisitions in general.

Sirower (1997) conducted study to examine whether M & A is good for shareholders or presumably for the economy. The acquisition premium represents the hope of synergy in a corporate combination. Where high premiums were paid, the values of synergies often have to be substantial to reach a break-even point and this was what Sirower described as the 'synergy trap'.

The valuation of uncertain future benefits such as synergies is difficult and this part of the overall valuation is therefore, often not performed at all, or inadequately addressed. It assessed the significance of synergy identification and evaluation in the pre-deal stage of M & A. Synergies is only realized through post-merger integration of both processes and people, where a premium has been paid for the acquisition. The slower the integration the slower the recognition of synergies and was more expensive. Adding synergy means creating value that not only didn't yet exist but was not yet expected.

Kode, Ford, and Sutherland (2003), provided a conceptual model for evaluation of synergies in M & A. The majority of M & A rely on synergies in the value creation process. Just small proportions of M & A were undertaken for non-synergistic reasons. Synergies were used to give explanation for the payment of premiums, executive management need to fully understand how to evaluate synergies. The analysis was in the form of a documentary review via content analysis (Babbie, 1998). It consisted of a detailed scanning of the literature on the subject to identify common threads and to crystallize the thinking around it. As per literature the payment of too high an acquisition price and the lack of planning to integrate the organizations are the leading causes of failure. Three additional issues were identified for the generations of productive synergies: 1) Aulinger and Copeland (1996) identified that the existence of modern operating strategies in M & A was the single largest source of value creation in successful acquisitions, whereas most author focused on the usual drivers of synergistic gains i.e. financial research has shown that many combinations fail because of failure to evaluate synergies adequately or at all. 2) Haspeslangh and Jemison (1991) recognized the key difference between success and failure in M & A as being the survival of a superior understanding of the decision-making process. 3) Marks and Mirvis (1997) have separated an unhealthy focus by decision-making on the financial implications of M & A.

A. Managerial Control

The hubris hypothesis (Roll, 1986) suggested that acquisitions occur because managers make mistake in evaluating target companies and the takeover premium merely reflects a random error. As Roll (1986; p.200) described as, "Financial markets are assumed to be efficient in the asset prices reflect all information about individual firms. Product and labor markets are assumed efficient in the sense that (a) no industrial reorganization can bring gains in an aggregate output at the same cost or reductions in aggregate costs with the same output and (b) management talent is employed in its best alternative use". The strong form market efficiency assumption of the hubris hypothesis contrasts with the assumption underlying the synergy hypothesis that these exist frictions in product or factor markets. In addition, whereas the synergy hypothesis assumes rational profit maximizing behavior on the part of individual managers, the hubris hypothesis in its extreme form assumes irrational individual behaviour, since rational manager would realize that any bid above the market price is an error and desists from market such as bid.

Seth, Song and Pettit (2000) conducted study to examine the motive underlying foreign acquisitions of the USA companies, estimated the extent of value creation associated with such M & A and examined how total profits were shared between acquiring and targets companies. Event study methodology was applied to estimate abnormal returns of acquirer and target companies. The managerialism hypothesis suggested that managers embark on acquisitions to maximize their own utility at the expense of the shareholders of the company. Since managerial compensation frequently was tied to the amount of assets under their control, managers were more likely to seek higher rate of growth in assets than profits (Marris, 1964). The hubris hypothesis suggested that bidding firm managers make mistakes in evaluating targets companies but undertake acquisitions presuming that their valuations were correct. Multiple empirical approaches were used to test the synergy, managerialism, and hubris hypotheses in the cross-border acquisitions.

Mitchell and Lehn (1990) showed that bidders in "bad" acquisitions are more likely to be taken over themselves. It was examined the mean level of the gains to acquirers and targets and the total gains to the pair of combining companies, and also the proportion of acquisitions in our sample with positive total gains. It was also examined the correlation between the gains to the target and total gains to the combined firm and gains to the acquirer and the target, similar to the approach of Berkovitch and Narayanan, 1993. Empirical tests indicated that the synergy hypothesis explained gains in the majority of cross-border acquisitions. At the same time, the hubris hypothesis appeared to play a role in value creating transactions. Cross-border acquisitions characterized by value destruction appear to be driven by managerialism rather than by hubris.

B. <u>Shareholder Protection :</u>

Rossi and Volpin (2004) studied the volume of M & A activity and it's linked to both the level of shareholder safety and the characteristics of accounting standards. They found that merger premium was related to the level of shareholder fortification. However, their outcomes emerged to be driven by the U.S.A and the U.K market interpretations. Starks and Wei (2004) also concluded that for stock acquisitions, the market response for the target company is lower when the acquirer is domiciled in a country with powerful marginal shareholder fortification, but that the market response for the acquiring company in these acquisitions is higher. They explained their conclusions as evidence that dissimilarities in the level of marginal shareholder fortification between targets and acquirers companies influenced the sharing of synergy gains.

However, the conclusions of Bris and Cabolis (2008) are also for the most part consistent with Starks and Wei (2004). Bris and Cabolis (2008) found that the stock market response to the merger announcement for target companies is higher when the acquirer is from a country with powerful fortification of marginal shareholder benefits or when the accounting standards in the country are more crystal clear and that the response is not symmetric across acquiring and target companies. Thus, whereas earlier research has shown that cross-country dissimilarities in marginal shareholder fortifications and accounting standards influence merger premium, prior research has not discovered reliable conclusions concerning whether the total synergy gains or the sharing of synergy gains is pretentious by these qualities.

- **Wealth Maximizations:**

A number of studies were completed in developed capital markets, like Europe, Australia, Japan, and the USA, on evaluation of corporate financial wealth maximization following M & A. Weston and Mansingka (1971) studied the pre and post-merger stock price performance of conglomerate companies, and concluded that their earnings rates significantly underperformed those in the control sample group, but after 10 years, there were no significant dissimilarities noticed in functioning among the two groups. The correction in earnings performance of the conglomerate companies was illuminated as evidence for successful accomplishment of suspicious reformation.

Jensen and Ruback (1983) reviewed the scientific literature on the market for corporate control. The evidence indicated that corporate takeovers generate positive gains that target company shareholders gain and acquiring company's shareholder do not lose. Lubatkin (1983) reviewed the conclusions of studies that have examined either directly or indirectly the question, "Do mergers provide real benefits to the acquiring firm?" The review recommended that acquiring company might gain from M & A because of technical, financial and diversification synergies. Katsuhiko and Noriyuki (1983) also examined the financial performances of 43 merging companies in Japanese manufacturing industry and concluded that the rate of return on equity share increased in more than half the situations, but rate of return on total assets was enhanced in about half the circumstances. However, both profit percentage rates showed enhancement in more than half the transactions in the five-year test, recommended that company performances after mergers started to be enhanced along with the internal adjustment of the merging companies: there was a necessary gestation period during which merging companies educated how to manage their new restructured organizations.

Healy, Palepu, and Ruback (1992) studied post-acquisition functioning for 50 largest the U.S.A mergers between 1979 -1984 by calculating cash flow performance, and concluded that operating performance of merging company enhanced considerably subsequent to M & A, when compared to their particular industrial segment. Ghosh (2001) also studied the same question that whether operating cash flow performance enhanced subsequent to corporate M & A, utilizing a model that accounted for excellent pre-acquisition performance, and found that merging company did not show supporting data of enhancements in the operating performance subsequent to M & A.

Loughran, and Vijh (1997) carried out study to examine the relationship between the post-acquisition income and the mode of acquisition and form of payment. This research was different in two respects, i.e. the previous review recognized that post acquisition abnormal returns were inconsistent with market efficiency and the computation of excess returns. The sample was classified based on the mode of acquisition i.e. merger or tender offer and the form of payment i.e. stock or cash. Both variables have been examined in the context of wealth gains from acquisitions. It was observed that tests of long-term returns were joint tests of market efficiency and wealth gains from mergers and tender offers. It was found that our results on stock acquisitions were different from stock issues. It was also examined that the cumulative abnormal returns from holding the target stock from two days before the first announcement date to effective date and then rolling over the proceeds for another five years by investing in the acquirer stock. It was possible that some of the excess returns earned by cash tender offers may be the result of investors under estimating the possible gains from disciplinary actions associated with tender offers, such as the appointment of new managers. The results suggested that in the case of stock merger, the gain tend to dissipate within five years even if the acquisition succeeds. The overall wealth gains of target shareholder from stock mergers by combining the pre-acquisition returns and post-acquisition returns. Target shareholders gained from all types of acquisitions seems to be a generally accepted result in the finance literature.

Kruse, Park and Suzuki (2003) examined the long-term operating performance of Japanese companies using a sample of 56 mergers of manufacturing firms in the period 1969 to 1997. By examining the cash-flow performance in the five-year period following mergers, the study found evidence of improvements in operating performance, and also that the pre- and post-merger performance was highly correlated. The study concluded that control firm adjusted long-term operating performance following mergers in case of Japanese firms was positive but insignificant and there was a high correlation between pre- and post-merger performance. Marina, Martynova, Sjoerd and Renneboog (2007) investigated the long-term profitability of corporate takeovers in Europe, and found that both acquiring and target companies significantly outperformed the median peers in their industry prior to the takeovers, but the profitability of the combined firm decreased significantly following the takeover. However, the decrease became insignificant after controlling for the performance of the control sample of peer companies.

A. <u>Short-run event studies</u>

The short-run event study is summarized in Table – 3:1. Only the earlier studies in the US by Asquith *et al.* (1983) and in the UK by Franks and Harris (1989) found significant positive returns to acquirers. It also showed that both of these studies included takeovers in the 1950s (Franks and Harris, (1989)) and the 1960s (Asquith *et al*, *1983*) when takeovers emerge to have been more favorable to acquiring companies shareholders. The remaining studies from both the UK and the US concluded either no significant variance in the returns of acquirers or found significantly negative returns around the offer announcement. Additionally, after 1980 research noticed increasingly negative performance of acquirers, a finding consistent with evidence explained by Andrade *et al.* (2001). It is also worth noting that evidence from other countries tends to be more positive than conclusion documented for the UK and the US. For example, Campa and Hernando (2004) described insignificant gains from a sample of Continental European takeovers, while Ben-Amar and Andre (2006) highlighted positive announcement returns from a sample of listed Canadian acquirers. Sudarsanam and Mahate's (2003) carried out study of the short-run performance of a sample of 519 UK acquirers between 1983 and 1995. The researcher showed significantly negative abnormal returns of 1.4% (over the -1 to +1 day window) with only 3rdof acquirers come across wealth gains. For the extended post announcement period (-2 to +40 days), Sudarsanam and Mahate (2003) also explained generally negative abnormal returns but didn't found the differences to be statistically significant and findings are broadly similar to Limmack (1991) and Gregory (1997). However, almost 70% of acquirers revealed wealth losses over the extended event window.

B. <u>Long-run event studies:</u>

A great deal of research studies conducted to evaluate the long-run post-acquisition performance of acquirers. Much of this has been motivated between 1960-1980, studies recommended that takeovers may have a negative return on the long-run wealth of shareholders (Asquith 1983; Malatesta 1983). However, many of the studies (i.e. in the 1970s and 1980s) examined the post-acquisition performance of acquirers as part of a more widespread analysis of takeovers; while the past period has seen more studies concentrating completely on acquirer performance.

The long team event studies are highlighted in Table - 3:2, Long team studies recommended that takeovers produce either insignificant or negative abnormal returns in the long run. In the UK, for example, Limmack (1991) noticed significantly negative returns for a sample of 448 takeovers between 1977 and 1986. Kennedy and Limmack (1996) found significantly negative returns to bidders involved in takeovers during the 1980s. Gregory (1997), in a research of takeovers between 1984 and 1992, concluded significant negative post-takeover returns. Eventually, Sudarsanam and Mahate (2003, 2006) also found significant negative returns in the post-offer period. A study by Alexandridiset al., (2006) used the three-factor model devised by Fama and French (1993) and the customary Capital Asset Pricing Model (CAPM) method. Both models provided a negative abnormal return of around 1%, which is robust when returns are calculated from equally-weighted and from value weighted portfolios. Gregory and McCorriston (2005) found that acquirers lose 9.36% and 27% following from the date of announcement after 3 and 5 years respectively whereas there were no significant returns for 0 to -2 years. Conn et al., (2005) computed abnormal returns for a sample of the UK companies and concluded that acquirers lost around 20% over three years. Thus, the overwhelming concurrence is that shareholders in acquiring companies experience significant wealth losses when long-run returns are taken into account.

However, discussing conclusions of event-studies, it highlighted that this particular research method is associated with a number of methodological problems. Despite the fact that short-run studies are somewhat straightforward and trouble free (Kothari and Warner 2004), it should be cherished that they are at risk from preconceived notion, since announcement returns tend to reveal the expectations of shareholders. Long-run event studies are connected with more significant difficulties. First, the elucidation of research findings is not so straightforward, as all tests are basically joint tests of whether abnormal returns are zero and whether the assumed model of expected returns (i.e. CAPM, market model, etc.) is acceptable. Secondly, ordinary *t*-tests necessitate data that are normally distributed. Since long-run share price returns be inclined to be skewed, substitute tests have been formed in an endeavor to take this skewness into account. Thirdly, the dependability of long-run event studies may also be destabilized by thin trading[9] and the overlapping of event periods. Overlapping events cause predominantly acute difficulty in evaluating the long-run performance of acquiring companies as, over a period of years, a range of company-specific events (counting subsequent acquisitions) may persuade the share price returns. One way of dealing with these difficulties is to run the analysis without companies experiencing thin trading and by not including bidders other offers within a certain period of the event under examination (Gao and Sudarsanam, 2004). Fourthly, much of this study uses the CAPM as a yardstick measure for abnormal returns. There is substantial evidence that the time series properties enhance when a longer period is used (5 years data is the rule of thumb (Groenewold and Fraser, 2000)).

[9]Thin trading refers to extended periods where a particular stock is not traded.

- **De-merger:**

As opposed to M & A, the strategy of demerger was a theme that has been equally dominant among corporates. Leading corporate groups have opted for demergers to attract attention and create greater shareholder wealth. Indian companies like, Godrej Soaps, Dabur India, and Indian Rayon have used demerger as a tool to maximize focus and shareholder wealth.

As long as there was a sharing of common interest between different businesses of group, diversification emerged as a better strategy for growth. However, with the difference between various businesses now standing out more clearly than ever before, demerger has evolved as a better strategic tool in the corporate survival game. It was believed that in today's fiercely competitive global market landscape where factors like, business cycles, economics and investment requirements determine the fate of a business entity, demerger makes sense.

Demergers, however, have their own pros and cons. Concerns related to issues such as operational costs, distribution of financial assets, transfer of debt obligations and loss of identity weigh equally in demerger cases. Hence challenge lies in managing the transition i.e., in managing the change from being a part of a conglomerate to focused entity, managing internal and external challenges, linking functional excellence to business results, changing the mindset, and establishing systems and structures to help realize what is enshrined in corporate vision and mission statement.

Singh and Goodrich (2006) examined the split that followed the failed succession plan for Reliance Industries Limited is one of the most significant and exposed story in Indian business segment. In the absence of a concrete succession strategy in the case of Reliance Industries after the death of D. H. Ambani, given the fact that it was one of the biggest private sector company and most successful exchange swapped conglomerates, the economic effects in terms of corporate value erosion and shareholder wealth destruction were massive. The ambiguous environment after the demise of Dhirubhai in 2002 has had negative effect on company's equity stock performance. In addition, unveiled proposal of de-merger and splitting of RIL kingdom between the two brothers. There was value destruction due to lost diversification benefits, synergies, economies of scale and scope, and complementarities. This case study explained the effects of the dispute of two brothers on corporate value and continuation of well-organized business practices.

A. <u>Case Studies</u>

Demerger of Reliance has led to an effective delisting of a significant part of the company. On January 18, 2005 a special trading session was held to determine the price of the demerged Reliance Industries. It was established that the demerged company was worth a little over three quarters of the undivided company. By implication, the four companies that were demerged out of Reliance Industries collectively accounted for about a quarter of the value of the undivided company. Reliance Industries (or rather the three quarters that continue under that corporate umbrella) continues to be a listed company, but the four companies that were demerged out of it are also listed companies. On January 18, 2005 therefore, about a quarter RIL was effectively de-listed[10] from respective stock exchange of India.

[10]It means, millions of shareholders in these companies cannot trade these shares, the corporate governance provisions of Clause 49 on independent directors and investor protection do not apply to

Reliance Industries Ltd (RIL), on August 5, 2005, announced its plans of de-merging the telecommunications, coal based energy, financial services and gas based businesses into four different companies, viz Reliance Communications Ventures Ltd (RCVL), Reliance Energy Ventures Ltd (REVL), Reliance Capital Ventures Ltd (RCLVL) and Global Fuel Management Services Ltd (GFMSL)[11].

Table – 3:3. What RIL shareholders will get?

New Co.	Per share of RIL Holding
RCVL	1 share of ₹5 each
REVL	1 share of ₹10 each
RCLVL	1 share of ₹10 each
GFMSL	1 share of ₹5 each

Table - 3:4. Demerger of RIL holdings

New Co	Taking over business of	RIL Holding
RCVL	Reliance Communications Infrastructure Ltd	900mn shares each of ₹1 FV
	Reliance Infocomm Ltd	3193mn shares each of ₹1 FV
	Reliance Telecom Ltd	7.1mn shares each of ₹10 FV
REVL	Reliance Energy Ltd	90.9mn shares each of ₹10 FV
RCLVL	Reliance Capital Ltd	60.1mn shares each of ₹10 FV
	Reliance General Insurance Co. Ltd.	25.5mn shares each of ₹10 FV
	Reliance Life Insurance Co. Ltd.	0.5mn shares each of ₹10 FV

these companies, and these companies are under no obligation to provide the continuing material event disclosures to the exchange that a listed company is required to.

[11]http://www.ril.com/downloads/pdf/RIL_Scheme_of_Demerger_Sept05.pdf accessed in 10th August 2010

Since Reliance Capital Ltd and Reliance Energy Ltd are already listed on the bourses, RCLVL and REVL merged with them respectively. For every 100 shares held in RCLVL shareholders received 5 shares of Reliance Capital Ltd and for every 100 shares held in Reliance Energy Ventures Ltd shareholders received 7 shares in Reliance Energy Ltd. The Specified Shareholders i.e. Trustees of Petroleum Trust (holding 7.5% of RIL) and four companies - Reliance Aromatics and Petrochemicals Pvt. Ltd., Reliance Energy and Project Development Pvt. Ltd., Reliance Chemicals Pvt. Ltd. and Reliance Polyolefins Pvt. Ltd (collectively holding 4.7% of RIL) held RIL shares for the economic benefit of RIL shareholders. As a result thereof, the total number of shares to be issued by each of the resulting companies would be 1,220mn as against 1,390mn equity shares of RIL.

Godrej Consumer Products Ltd., (GCPL) was the new entity for the consumer products division of Godrej Soaps Limited (GSL) after demerger into two new companies. Post demerger, GCPL owns all its brands, which include some top of the mind brands like Cinthol, Fair Glow, Ezee and Godrej Hair dye, etc. GCPL is a high growth, highly profitable FMGC operation. A balance sheet loaded with heavy and a complex product profile did not help the erstwhile Godrej Soaps get the kind of valuation its peers in the FMGC sector commanded. In financial year 2000, the contribution of the chemicals divisions to the overall revenue of the company was to the tune of a substantial 42% while the consumer products business added another 55% to it. This significantly high contribution from chemical division prevented the company from being treated as a FMGC company.

A crippling debt burden of about ₹ 464.4 crores in 1999 had caused the market sentiment to turn negative. The problem on valuation front got aggravated by the maze of cross- holdings the company had in many of its group companies, which included Godrej Foods, Godrej Sara Lee, Godrej Pillsbury, and Godrej Agrovet. The concern for an abysmally low valuation and blurred vision toiletries and personal care division into separate entity to be named as Godrej Consumer Product Ltd. Demerger was looked on as a strategic step to achieve greater focus on individual businesses in order to gain competitive edge. The demerger came into effect from April 2001.

After demerger the first quarter of the financial year 01-02 of GCPL as an independent entity was quite encouraging. GCPL recorded a growth of 10% in the soap category at a time when the industry as a whole witnessed a decline of 10%. In the hair color segment too, GCPL registered a growth of 34% as against 20% industry wide growth. It increased market share in both soaps and hair color segment by 11% and 6% respectively. The company reduced its debts by ₹34.4 crores which led to an improvement in its debt-equity ratio to 0.60% from 1.43%. The company's ROCE (Return on Capital Employed) stood at 65.8% and RONW (Return on Net Worth) at 63.4% for the period under study[12].

The Wockhardt, which had traditionally been a conglomerate, operating in as diverse business as pharmaceuticals, agri-science, parentals and hospitals, had been losing focus and was not commanding the kind of valuations its peers like Ranbaxy and Dr. Reddy were accorded; Dr. Reddy's lab and Ranbaxy enjoyed P/E multiple of more than 80%, while Wockhardt could manage just 50%. The company's woes stemmed from the fact that the core requirements of each of these businesses – capital, technology and distribution strength were diverse and hence required total focus.

[12](Case; Godrej Soaps, Mergers and demergers; concept and cases, by Amit Singh Sisodiya, The ICFAI University Press, 2004)

To have focused businesses and improve shareholder wealth, the company engaged the services of Mc. Kinsey, a global management consultancy company. Mc. Kinsey recommendations included splitting the company into two separate business entities to improve valuation. The vertical split was suggested so as to remove the drug of the large asset base of the non-pharma business, around 80% of the earning (before interest and depreciation) of the company were from the pharma division, which had less than 35% of the total assets. The company believed that ROCE from the current levels of around 11% would move up to more than 30% for pharma division while for life science division the same would go down to 6%. The reason for such large variation in the company's ROCE was the massive amount of real estate assets in the books of the life sciences division. These assets were proving to be a drag on the group's overall profitability.

The rationale behind the demerger was to unlock the full potential of Wockhardt businesses by creating two separate companies. Wockhardt Ltd was planned to be totally focused on the knowledge based pharmaceutical business at the same time concentrating on being globally competitive and creating large brands, Wockhardt Life Science Ltd was decided to include IV fluids, agri-sciences and hospital business and leverage on the opportunity to realize its full growth potential in the next decade. The demerger came into effect from January 1, 2000. As a process of demerger, the existing company Wockhardt Ltd was renamed Wockhardt Life Science while the demerged entity, which comprises pharmaceutical business, was named Wockhardt Life Science Division. The agri-sciences business, parentals and hospital business were transferred to Wockhardt Life Sciences Division.

Wockhardt registered a healthy growth rate in the both top line as well as bottom line during the first half of financial year 2002. The company's sale grew by 15.6% while its profit after tax increased by 39%. The company's operating profit during the period grew by an impressive 36%, this helped operating profit margin to improve by 280 basis points (bps) to 18.4% to 15.6%. The company's ROCE also improved remarkably by 450 bps from 21.3% recorded in the last financial year ending Dec.31, 2000 to 25.8% in the first half of financial year 2002[13].

- **Reverse Merger:**

A Reverse Merger is a transaction whereby the private company shareholders may gain control of a public company by merging it in with their private company. The private company shareholders receive a substantial majority of the shares of the public company (normally 85% to 90% or more) and the control of the board of directors. The transaction is accomplished in as little as two weeks, resulting in the private company becoming a public company. The transaction does not go through a review process with state and federal regulators because the public company has already completed the process. The transaction involves the private and shell[14] company exchanging information on each other, negotiating the merger terms, and signing a share exchange agreement. At the closing the public shell company issues a substantial majority of its shares and the board control to the shareholders of the private company. The private company shareholders pay for the shell and contribute their private company shares to the shell company and the private company is now public.

[13]Case; Wockhardt, Mergers and demergers; concept and cases, by Amit Singh Sisodiya, The ICFAI University Press, 2004

[14]The publicly traded corporation is called a "shell"

Arellano and Brusco (2002) carried out study on Reverse Mergers (RM). Researcher explored the RM technique as a going public method that was an alternative method to the traditional Initial Public Offering (IPO). William (2006) also examined the reverse merger method of going public. Researcher constructed a simple three-period model in which at time zero nature determines the "type" of the company. The type represents the probability of getting a positive net present value project at time- two. The model predicted that under suitable conditions a separating equilibrium exists. A company with a large enough probability to undertake the project prefers to issue equity via an IPO, signaling the quality of the project. The model also predicted that only high quality companies were going to issue equity via an IPO and that RM was a method followed in general by lower quality companies. Researcher concluded that an extremely low proportion of companies that went public through a RM have later issued equity, a total of 8 companies representing 15.3% of sample. They also found evidence supporting the idea that the cost of a RM that includes a seasoned equity offering was approximately equal to the cost of an IPO therefore, the argument that the RM was a cheaper way to go public than the IPO was not supported by the data.

Gleason et al. (2005) examined 121 RM companies that taken place predominantly during the technology advancement. They concluded that RM companies experience from lower profitability and have a shorter existence. Only 46% of their sample companies carried on for two years following to the merger. Yet, the shareholders of these companies received significance wealth gains, an average of about 25%, during the 3-day merger announcement window. Adjei et al. (2007) concluded that RM companies are smaller and newly developed, and have, on average, an inferior functioning compared to IPO companies. Further, they found that 42% of companies are delisted within three years of their establishment due to RM. Based on a larger sample size of 408 RM, Floros and Shastri (2009) also discovered evidence consistent with earlier studies that RM companies are smaller in size and have poorer profitability, in fact in some cases, even lower than penny stock IPOs. Up-till now, no study has explored the characteristics of financial reporting by RM companies, in general, and by the RM acquiring company's country of domicile in particular.

3.3. Conclusion:

From the above review of the literature related to M & A, it was observed that M & A has been a business strategy in the recent past and several companies of various natures have opted for it to enhance their efficiency. Studies revealed that the M & A increase the size of the companies and don't necessary improve the performance. There was no strong evidence that diversifying acquisitions were less successful then related ones. It was also observed that horizontal and vertical mergers showed positive and significant abnormal return. Synergy was the reason for major takeover over yet it was found that many takeovers were motivated by agency and hubris.

Studies also showed that bad managers were also bad acquirers consistent with the notion that poor performance drives managers to try something new. The hubris hypothesis concluded that acquisitions occur because managers make mistake in evaluating target companies and the takeover premium merely reflects a random errors. Despite cross country study, the question remains enigmatic as to why managers indulge in takeover game since wealth maximization hypothesis remain unresolved dilemma which provides fertile ground to study the M & A during post liberalization phase that has witnessed setting up the regulatory institutions as also enactment of new laws to regulate the capital market.

3.1. Appendix

Table - 3:1. Evidence from short-run event studies

Author(s) (year)	Period of study	Details of sample	Event window	Statistical Method	Main findings
Firth (1980)	1969–1975	642 takeovers	Announcement month	OLS Regression	Average cumulated residuals of −0.045 during the announcement month (statistical significance not reported).
Dodd (1980)	1970–1977	151 takeovers	−40 to +40 days	OLS Regression	Acquirers lost by 0.23% (insignificant) at the announcement date from completed offers.
Bradley et al. (1983)	1962–1980	241 successful acquirers and targets, 94 unsuccessful acquirers	−20 to +20 days	OLS Regression	Unsuccessful acquirers gained, on average, 2.32% over −20 to +1 day, but lost by 2.96% as soon as the offer failure is revealed (+2 to +20 days). Both statistically significant. Unsuccessful acquirers exhibited insignificant loss of 0.64% over −20 to +20 day period.
Franks and Harris (1989)	1955–1985	1058 acquirers, 1898 target firms (all successful)	−4 to +1 months	OLS Regression	Acquirers earned around 1% average abnormal returns during the announcement month (significant). During the period −4 to +1 month, acquirers gained between 2.4% and 7.9% depending on the abnormal returns measure (both significant).
Lang et al. (1989)	1968–1986	87 targets and acquirers from successful tender offers	−5 to +5 days	OLS Regression	Negative impact on acquirers returns when the offer is made by a low Tobin's q company. Acquirers earned 0.8% from unopposed offers and lost by 0.14% from opposed offers (neither is significant).
Mitchell and Lehn (1990)	1980–1988	228 hostile targets, 240 friendly targets, 232 bidders	−1 to +1 days	OLS Regression	Abnormal returns of −1.66% to acquiring companies that are restructured following the offer and 0.70% to acquiring companies that are not restructured in the post-offer period (both significant).
Lang et al. (1991)	1968–1986	87 targets and bidders from successful tender offers	−5 to +5 days	OLS Regression	Negative abnormal returns noticed in the range of 6% to 7% from single acquirer, opposed offers (significant). Insignificant abnormal returns to multiple, opposed offers.
Smith and Kim (1994)	1980–1986	177 acquirers and targets	−5 to +5 days	OLS Regression	Acquirers lost by 0.23% over −1 to 0 days (significant)
Holl and Kyriazis (1997)	1979–1989	178 successful acquirers	0 to +2 months	OLS Regression	Negative abnormal returns of 1.25% to acquirers showed two months after the bid announcement (significant)

Table - 3:1. Evidence from short-run event studies

Author(s) (year)	Period of study	Details of sample	Event window	Statistical Method	Main findings
Higson and Elliot (1998)	1975–1990	1660 acquirers and targets	0 to +3 months	OLS Regression	Insignificant gains noticed between announcements until completion. Negative acquirer returns of 1.70% (significant) from the acquisition of large targets (i.e. Greater than 25% of acquirer's market capitalization).
Walker (2000)	1980–1996	278 acquisitions, 230 mergers, 48 tender offers	−2 to +2 days	OLS Regression	Negative market adjusted abnormal returns of 0.84% (significant). No significant abnormal returns based on the industry and size matched benchmark portfolios.
Sudarsanam and Mahate (2003)	1983–1995	519 listed acquirers	−1 to +1 day	OLS Regression	Acquirers noticed abnormal returns between −1.39% and −1.47% (all significant) using a variety of benchmarks.
Gupta and Misra (2004)	1980–1998	285 M&A	−10 to +10 days	OLS Regression	Bidders lose a significant 1.57% over the −1 to 0 day period. Returns for the −10 to −2 days or +1 to +10 days are insignificant.
Song and Walking (2004)	1985–2001	5726 M&A	−1 to 0 days	OLS Regression	Acquiring firms with a period of more than a year of 'dormant' offer activity received a positive abnormal return of about 1%. Acquirers with a 'dormant' period of less than a year earn insignificant returns
Campa and Hernando (2004)	1998–2000	262 European M&A	−30 to +30 days	OLS Regression	Regulated EU acquirers lost by 1.96% over 60 days around the offer announcement. Acquirers from unregulated industries did not earned significant returns for the same period.
Ben-Amar and Andre (2006)	1998–2000	238 M&A by 138 Canadian companies	−1 to +1 days	OLS Regression	Acquiring companies earned 1.6% over 3 days.

Table - 3:2. Evidence from long-run event studies

Author(s) (year)	Period of study	Details of sample	Event window	Statistical Method	Main findings
Firth (1980)	1969–1975	642 takeovers	−48 to +36 months	OLS Regression	Average Abnormal returns noticed −1.0% to unsuccessful and −4.8% to successful bidders over 84 months around the announcement date (statistical significance not reported)
Asquith (1983)	1962–1976	285 takeovers	+1 to +240 days	OLS Regression	Average Abnormal returns lost by 7.2% to successful bidders and 9.6% loss noticed to unsuccessful bidders in the post-outcome period (both significant).
Bradley et al. (1983)	1962–1980	241 successful and 94 unsuccessful bidders	−6 to +60 months	OLS Regression	No significant gains shown to unsuccessful bidders over the period −20 to +180 days following the bid announcement
Malatesta (1983)	1969–1974	256 acquiring firms	−60 to +12 months	OLS Regression	0.043% average abnormal return from −60 months until the announcement month (significant). −0.054% average abnormal return (significant) from month 1 after the offer until 6 months afterwards
Franks and Harris (1989)	1955–1985	1058 bidders, 1898 target firms, all successful	0 to +24 months	OLS Regression	−12.6% significant average abnormal return from the market model. +4.5% average abnormal return (significant) from the CAPM.
Limmack (1991)	1977–1986	529 M&A	0 to +24 months	OLS Regression	Insignificant −1.66% from month 0 to 12 months after the offer and insignificant −4.67% over 24 months (CAPM). −5.55% (significant) after 12 months and −14.96% (significant) after 24 months.
Agrawal et al. (1992)	1955–1987	937 mergers and 227 tender offers	0 to +5 years	OLS Regression	Abnormal returns of −10.26% (significant) to acquirers 5 years following the offer. Mergers exhibited significantly negative abnormal returns of 10% while tender offers shown insignificant abnormal returns up to 5 years after the offer.
Gregory (1997)	1955–1985	420 UK takeovers with bid values >£10 million	0 to +24 months	OLS Regression	Different benchmark methods controlling for companies size, risk and growth opportunities reveal significant abnormal returns from −8.15% to −11.25% over the 24-month post-acquisition period. Between 31% and 37% of companies earn positive abnormal returns.
Loughran and Vijh (1997)	1970–1989	434 mergers and tender offers	0 to +5 years	OLS Regression	Average acquirer lost by −6.5% (insignificant) 5 years after the bid.

Table - 3:2. Evidence from long-run event studies

Author(s) (year)	Period of study	Details of sample	Event window	Statistical Method	Main findings
Higson and Elliot (1998)	1975–1990	1660 acquirers and targets	0 to +3 months	OLS Regression	Noticed insignificant loss of 0.74% over +1 to +12 months, −0.14% after 24 months, +0.83% after 36 months (all insignificant).
Sudarsanam and Mahate (2003)	1983–1995	519 listed acquirers	+1 to +750 days	OLS Regression	Significant abnormal returns of between −8.71 and −21.89% (all significant) based on size and MTB ratio portfolio return adjustment, market return and mean adjustment.
Gregory and McCorriston (2005)	1984–1992	197 bids by UK acquirers on US targets, 97 bids by UK acquirers on EU targets and 39 bids by UK acquirers on targets from countries other than US or EU	0 to +5 years	OLS Regression	Significant abnormal return of −9.36 and −27% over years +3 and +5 respectively in the US. No significant abnormal returns from EU offers, but positive gain noticed from offers other than EU countries or the US.
Conn et al. (2005)	1984–1998	131 cross border public targets, 1009 cross border bids on private targets, 2628 bids on domestic private targets	0 to +36 months	OLS Regression	Public domestic acquirers lost by 19.78% on average over 36 months. The BHAR returns are control company adjusted (matched by size and MTB ratios).
Alexandritis et al. (2006)	1991–1998	179 successful public acquiring firms	0 to +36 months	OLS Regression	Abnormal returns noticed between −0.55% to 1.02% (all significant) from the CAPM and Fama and French models. Both based on equally weighted and value weighted portfolios

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CHAPTER - 4

LEGAL ASPECTS OF MERGERS AND ACQUISITIONS

A modern, statutory competition regime materialized in India only after the implementation of economic reform in 1991. The relative belatedness of development of Competition Act is a mystifying fact. For last three decades, Indian government had been a primary proponent of the neoliberal philosophy that places faithfulness in markets as the most proficient means of assigning public resources. Yet the prologue of the essential corollary, an operative policy thought-out to monitor newly competitive market did not emerge until year 2011. This chapter presents comprehensive economic assessment of India's emerging competition policy regime. Section 2 assesses the Competition Act, 2002. Section 3 describes comparison of Competition Act, 2002 with the Monopolies and Restrictive Trade Practices Act, 1969 (MRTP) Section 4 shows applicable legal provision in case of M & A in India. Section 5 presents M & A and consumer protection and Section 6 outlines the conclusion.

4.1. Introduction:

Indian business enterprises were subjected to rigorous regulatory regime before 1990s. This has led to asymmetrical growth of Indian corporate enterprises during that period (Agarwal, 1999).The economic transformation initiated by the Government of India since 1991, has influenced the governance, and led to acceptance of different growth and expansion approaches by the business enterprises. In that course of action, Mergers and

Acquisitions (M & A) have emerged as a phenomenon to reckon with. M & A are not new in the Indian economy. In the past also, companies have used M & A to expand but now, Indian corporate enterprises are focusing on the lines of global competitiveness, market share, core competence, and consolidation. This procedure of refocusing has further been hastened by the arrival of foreign competitors. In this backdrop, Indian corporate business enterprises have commenced reshuffling movements through M & A to create a remarkable presence and expand in their core areas of interest, to acquire competitive edge. Closely on the heals of this development, the law aimed at fostering and promoting competition has also evolved.

In 1990, the first effort in regulating takeovers in India was made in a limited way by inserting Clause 40 in the Listing Agreement that provided for making a public offer to the shareholders of a company by any person who wanted to acquire 25% or more of the voting rights of the company. Apart from this, mergers, acquisitions and takeovers were regulated by Companies Act, 1956, Industries (Development and Regulation) Act, 1951, MRTP Act, 1969, FERA, 1973, Sick Industrial Companies (Special Provisions) Act, 1985, Section 72A of the Income Tax Act, 1961 and the Securities Contract Regulation Act, 1956 (SCRA) (with respect to transfer of shares of listed companies vide clauses 40A and 40B) (Tambi, 2005). In case of multinational companies related M & A; provisions of the FERA were applied which enforced a general limit on foreign ownership at 40%. Moreover, in the event of a hostile offer for the company, the board of a company, under Section 22A of the SCRA, had the power to decline transfer of shares[15]to a specific buyer, thereby making it virtually unfeasible for a takeover to occur without the

[15] In case of Escorts Ltd. and DCM Ltd., takeover by Swaraj Paul, Chairman of CAPARO Group of Companies, The management of former declined to register acquired shares to avert the takeover.

acknowledgment of the management of the target company. The scope of hostile takeovers (not of friendly takeovers) was restricted in India prior to 1991. According to Section 108 of the Companies Act 1956, the rejection to transfer shares by the company board could be on two reasons; that the transfer was against the welfare of the company, or against public interest. Also, prior to the 1990s, an open offer was compulsory for acquiring 25% stake in a company. In 1990, this upper limit was reduced to 10% of a company's capital (Bagchi, 1999; the Companies Act, 1956).

The procedure of M & A in India is court determined, long drawn, and therefore problematic. A listed company commencing a court driven restructuring execution will have to go through a tiered structure of approaching the regional director, the high court, the shareholders / creditors, registrars of companies and the stock exchange. This entire procedure can take anywhere between 6 to 8 months and, in some cases; have taken more than one year (Teena, 2005). The procedure may be commenced through common contracts between the two parties, but that is not adequate to provide a legal shield to it. The authorization by the High Court is mandatory for bringing M & A into effect. The Companies Act, 1956 strengthens stipulation involving M & A and other narrated problems of negotiations, arrangements, and reconstructions. However, other necessities of the Companies Act get invoked at different times and in each case of M & A and the process remain far from trouble-free. The Central Government has a role to play in this procedure and it acts through an Official Liquidator (OL)/ the Regional Director of the Ministry of Company Affairs. The entire procedure has to be followed to the satisfaction of the Court.

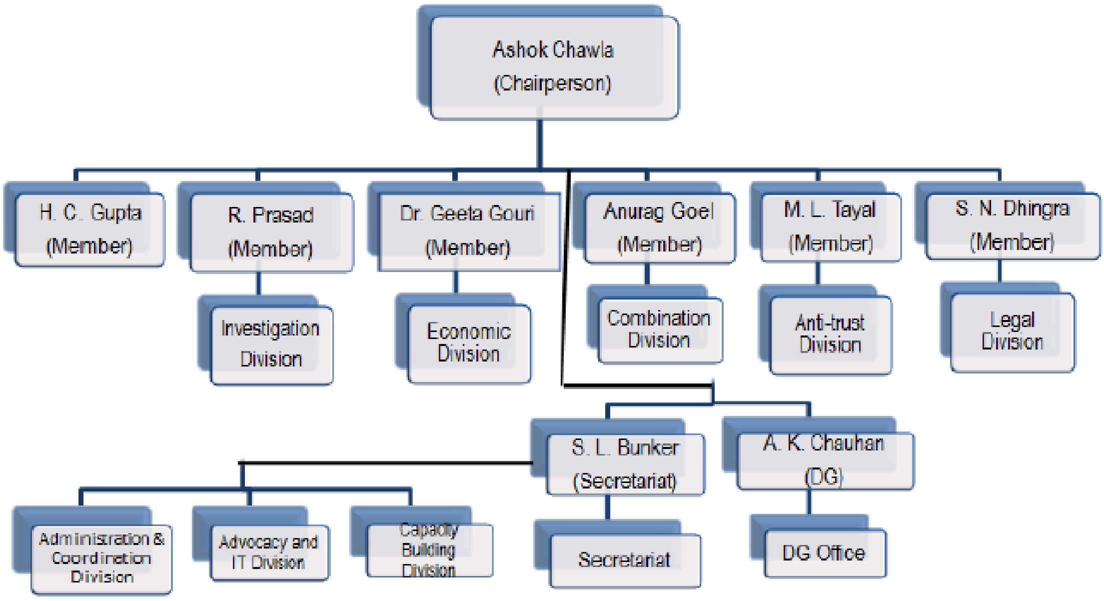
4.2. Competition Act 2002:

The Competition Act, 2002 of India declares that it is a law to promote and preserve competition in Indian market to serve consumer interest while defending the freedom of economic action of several market contestants and to preclude practices which influence competition and to set-up a commission for these purposes.

In the pursuit of globalization, India has responded by removing controls and resorting to liberalization. The natural outcome of this is that the Indian market should be geared to face competition from within the country, and outside (Viswanathan, 2003). To take care of the needs of the trading, industry and business associations, the Central Government decided to enact a law on competition. Finance Minister, Chidambaram (2003) highlighted the need to have a strong legal system and said “A world class legal system is absolutely essential to support an economy that aims to be world class. India needs to take a hard look at its commercial laws and the system of dispensing justice in commercial matters.”[16]Exercising the power vested in the Central Government, it has established the Competition Commission of India (CCI) having its head office at New Delhi with effect from October 14, 2003 but could not be made operational due to filing of a writ petition before the Supreme Court. While addressing of the writ appeal on the 20th January, 2005, the Supreme Court held that if a professional body is to be formed by the Union Government, it might be suitable for the Government to think creation of two separate bodies.

[16]The Competition Act, 2002 which received assent of the President of India on January 13, 2003 and was published in the Gazette of India dated January 14, 2003. Some of the sections of the Act were brought into force on March 31, 2003 and majority of the other sections on June 19, 2003. However, the entire Act has still not come into force.

The Commission is a body corporate having perpetual succession and a common seal. It may establish offices at other places in India. The Commission consists of a Chairperson and not less than two and not more than 10 other members to be appointed by the Central Government, as on 28th May 2012 the Commission consisted following members;



(CCI website, 25th May 2012)

4.2.1 The Competition Authority:

The Authority is a multi-member body comprising of both full time as well as part time members, who are specialists in the field of economics, business, administration, international trade, and law. Selection of the members is done in a manner that ensures qualitative standing of the body. Only active persons of honesty and competence are employed as full time members, instead of retired judges or civil servants. Proceedings of the authority should be rule-bound, non-discriminatory, and transparent. The authority is located at New Delhi, with its benches at Calcutta, Mumbai, and Chennai. The authority should have its nodal positions in at least all the States of the country[17] with restricted powers and functions.

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[17] No Nodal positions established in any States of India by CCI till 1st June 2012 (http://www.cci.gov.in/ accessed on 24st June 2012).

The authority have apparent accountability in the field of competition-education and competition advocacy to make sure public awareness of the competition values in order to encourage a healthy rivalry culture in the country. The nodal positions of the Authority should be made to bear responsibilities in the boulevard of competition-education and competition advocacy. The authority should have its own research & investigative staff and should be supported with enough budget and authorities for conducting meticulous research and inquiries. This division, however, should not have prosecutorial authorities in order to shield the truthfulness of its functions.

4.2.2 Highlights of Competition Act 2002:

The Act requires setting up of Competition Commission of India (CCI) to prevent practices having unfavorable outcome on competition, to encourage and keep up competition in markets, to safeguard welfare of consumers and to make sure freedom of trade carried out by other participants in markets. CCI proscribes enterprises to penetrate into anti-competitive contracts, abusing their dominant circumstance and forming combinations.

Scope of CCI: CCI shall look into any suspected encroachment under the Act;

(a) Either on its own motion, or

(b) On acceptance of a complaint from any individual, consumer or their trade association, or

(c) On references made by the Central Government, State Governments or any statutory authority.

Act taking place outside India but having an effect on competition in India, CCI shall notwithstanding that an agreement has been entered into outside India; or any party to such agreement is outside India; or any enterprise abuses its dominant position is outside India; or a combination has taken place outside India; or any party to combination is outside India; or any other matter or practice or action arising out of such agreement or dominant position or combination is outside India which causes an appreciable adverse effect on competition in the relevant market in India,

CCI has the power;

- To inquire into such agreement or abuse of dominant position or combination if such agreement or dominant position or combination has, or is likely to have an appreciable adverse effect on competition in the relevant market of India.
- To grant interim relief or award compensation,
- Impose penalty,
- To grant any other appropriate relief.
- To levy penalty for contravention of its orders, making of false statements or omission to furnish material information, etc.

Exclusion of jurisdiction of civil courts: According to section 61**,** No civil court shall have the jurisdiction to consider any suit or legal proceedings in respect of any matter which CCI is authorized by or under the Act to determine. Also, no injunction can be granted by any court or other authority in reverence of any prosecution taken or to be taken in pursuance of any power conferred by or under the Act. CCI is not compelled by the procedure laid down by Code of Civil Procedure, 1908 but shall be guided by the principles of natural justice. CCI, thus, has the power to regulate its own process.

Division of dominant enterprise: CCI can give an opinion to the Central Government division of a dominant enterprise to ensure that it does not abuse its position. On the recommendation, the Central Government under Section 28 of the Act may direct division of such an enterprise.

Appeal from CCI: Any person aggrieved by any decision or order of CCI may file an appeal to the Supreme Court within 60 days from the date of the communication of the decision or order. It shall be in such form and be accompanied by such fee as may be prescribed. An appeal may be entertained by the Appellate Tribunal after the expiry of the said period of sixty days if it is satisfied that there was sufficient cause for not filing it within that period.

The Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011:

1) **Meaning of 'Combination':** The term 'combination' for the purposes of the Competition Act is defined in section-5 of the Act, to include any acquisition of shares, voting rights, control or assets or merger or amalgamation of enterprises, where the parties to the acquisition, merger or amalgamation satisfy the prescribed monetary thresholds in relation to the size of the acquired enterprise and the combined size of the acquiring and acquired enterprises[18] with regard to the assets and turnover of such enterprises.

   A. **Threshold for size of targeted companies**: A transaction will be a 'combination' for the purposes of the Act and require approval of CCI only if the size of the targeted company is at least ₹ 250 Crores in terms of assets or ₹ 750 Crores in terms of turnover. It means that if the targeted

[18]An enterprise for the purposes of the Competition Act includes all entities within a 'group', defined to mean controlling entities, controlled entities and entities under common control. In this context, 'control' means exercising at least 50% of voting rights, appointing at least 50% of directors or management control

company has assets of less than ₹ 250 Crores or turnover of less than ₹ 750 Crores, based on the most recent audited financial statements of the entities involved, notification and approval requirements under the combination provisions (i.e. section 5) of the Competition Act are not required.

B. Threshold for combined size of acquiring and targeted companies: A transaction attracts the combination provisions of the Competition Act only if the combined size of acquiring and a targeted companies, upon completion of the transaction, meets the following thresholds:

<table>
<tr><th></th><th></th><th colspan="2"><u>ASSETS</u></th><th colspan="2"><u>TURNOVER</u></th></tr>
<tr><td rowspan="2">In India</td><td>No Group</td><td colspan="2">₹ 1,500 Crores</td><td colspan="2">₹ 4,500 Crores</td></tr>
<tr><td>Group</td><td colspan="2">₹ 6,000 Crores</td><td colspan="2">₹ 18,000 Crores</td></tr>
<tr><td rowspan="4">In India or outside</td><td rowspan="2"></td><td colspan="2"><u>ASSETS</u></td><td colspan="2"><u>TURNOVER</u></td></tr>
<tr><td>Global Assets</td><td>India Assets</td><td>Global Turnover</td><td>India Turnover</td></tr>
<tr><td>No Group</td><td>USD $750 million</td><td>₹ 750 Crores</td><td>USD $2.25 billion</td><td>₹ 2,250 Crores</td></tr>
<tr><td>Group</td><td>USD $3 billion</td><td>₹ 750 Crores</td><td>USD $9 billion</td><td>₹ 2,250 Crores</td></tr>
</table>

C. Meaning of 'assets' and 'turnover': The Act does not define 'assets' but provides for purpose of valuation of assets to be based upon the book value of the assets as shown in the audited books of account of the company, in the financial year immediately preceding the date of transaction. Under the Act, value of assets includes brand value, goodwill and value of intellectual property but eliminates depreciation. Further, the

Act defines 'turnover' to include the value of sale of goods or services, the Combination Regulations clarify that indirect taxes will be excluded from the computation of turnover.

2) **Transitory Dealings:** Under the Combination Regulations, the dealings agreed pursuant to definitive documentation prior to June 1, 2011 have been exempted.

A. **Acquisition/acquisition of control:** For every acquisition of shares or control (resulting into combination), the CCI is enforced to be notified only if the 'binding document(s)' (i.e. a document conveying a decision to acquire control, shares or voting rights) in relation to such acquisition is executed on or after June 1, 2011.

B. **Merger/amalgamation:** For every merger/amalgamation (following into combination), the CCI is to be notified only if the date of sanction (i.e. final decision taken by the board of directors) of proposals is on or after June 1, 2011.

3) **Trigger Proceedings:** The obligation to file notice at the CCI is based upon certain trigger proceedings

A. **Acquisition/acquisition of control:** The CCI is required to inform within 30 days of the implementation of any contract or other document for acquisition or acquiring of control.

The phrase 'other document' means any 'binding document' conveying an agreement or decision to acquire control of shares, voting rights or assets. In the context of hostile takeover, 'other document' means any document executed by the acquirer, which conveys a decision to acquire control of shares or voting rights. Where no document has been executed but the intention to acquire has been communicated to the Central Government or State Government or any statutory authority, the date of communication will be deemed to be the date of implementation of the 'other document' for acquisition.

B. **Merger and amalgamation:** The CCI is required to be notified within 30 days of the approval of the proposal relating to merger or amalgamation by the board of directors of the companies involved with such merger or amalgamation. The approval of the board of directors has been elucidated under Combination Regulations to refer to the final decision of the board of directors.

C. **PFI, FII, bank and venture capital fund:** Any share subscription or financing facility or any acquisition by a public financial institution, foreign institutional investor, bank or venture capital fund, pursuant to any covenant of a loan agreement or investment agreement are exempted from merger control provisions under the Competition Act. However, the CCI is required to be informed within 7 days of such share subscription or financing facility or acquisition by a public financial institution, foreign institutional investor, bank, or venture capital fund in Form III.

M & A in the banking sector would be kept outside the purview of the Act. The Bill pertaining to Banking Amendment, which is pending before Parliament, gives power to Reserve Bank of India (**RBI**) to clear M & A in the banking sector.

4) **Requirement to Notify:**

A. **Acquisition/acquisition of control:** The acquirer has the legal responsibility to file the notice in Form I or Form II (see point-5 below), as the case may be.

B. **Hostile takeovers:** Where the company is being acquired without its approval, the acquirer has the liability to file the notice in Form I or Form II, as the case may be.

C. **Merger/amalgamation:** Parties to the combination are enforced to jointly file the notice in Form I or II, as the case may be.

D. **Contract in Tranches:** Parties to the combination may file a single notice covering all the contracts where the eventual proposed outcome of a business contract is achieved by way of a series of steps or smaller individual contracts which are inter-connected or inter-dependent on each other, one or more of which may amount to a combination.

5) **Announcement to CCI:** In cases where the prior announcement and approval necessities under the combination provisions in accordance with sub-section (2) of section 6 of the Act are attracted, an announcement in the standard form must be filed with the CCI and the combination cannot be effected unless prior approval is taken from the CCI.

A. **Filing fee:** The following table summarizes the filing fees:

Notice	Fee
Form I	₹ 50,000
Form II	₹ 1,000,000
Form III	*No fee*

6) **CCI's Assessment:**

A. Combination Stopwatch: The combination 'stopwatch' starts ticking from the date of receipt of notice by the CCI. The clock stops if the parties to the combination are required to file any additional information or rectify any information or carry out modification pursuant to the CCI's direction.

B. Timelines and fast track endeavour: Under the Combination Regulations, the CCI has committed that it shall "endeavour" to pass an order or issue direction in accordance with sub-section (1) or sub-section (7) of section 31 of the Act. The following table summarizes the timelines for the CCI:

	Nature of the timeline	**# of days from receipt of valid and complete notice**
Stage 0	Combination stopwatch starts ticking	0
Stage I	Formulation of *prima facie* opinion	30 days
Stage II	"Endeavour" to pass a final order or issue direction	180 days
Stage III	Final deadline beyond which combination will be deemed to have been approved	210 days

7) **Contracts where notice need not be filed:** Schedule I of the Combination Regulations itemizes categories of combinations that are unlikely to cause an appreciable adverse effect on competition and therefore need not ordinarily require notification;

A. an acquisition of shares or voting rights solely as an investment or in the ordinary course of business (in so far as the total shares or voting rights held by the acquirer, directly or indirectly, do not exceed 15% and does not lead to acquisition of control);

B. an acquisition of shares or voting rights, where the acquirer, prior to the acquisition, has 50% or more of share or voting rights (except where the contract results in change from joint control to sole control);

C. an acquisition of assets, not directly related to the business activity of the acquirer or made solely as an investment or in the ordinary course of business, not leading to the control of the enterprise (except where assets being acquired represent substantial business operations in a particular location or for a particular product or service of the enterprise)

D. an amended or renewed tender offer where a notice to CCI is filed by the party making the offer, prior to such amendment or renewal of the offer;

E. an acquisition of stock-in-trade, raw materials, stores and spares in the ordinary course of business;

F. an acquisition of shares or voting rights pursuant to a bonus issue or stock splits or consolidation of face value of shares or subscription to rights issue (not leading to acquisition of control);

G. any acquisition of shares or voting rights by a person acting as a securities underwriter or a registered stock broker;

H. an acquisition of control or shares or voting rights or assets by one enterprise of another within the same group;

I. an acquisition of ‘current assets in the ordinary course of business; and (Explanation: ‘Current Assets’ shall have the same meaning as attributed to them in schedule VI of the Companies Act, 1956)

J. A combination taking place entirely outside India with insignificant local nexus and effects on markets in India.

However, the notification of such contracts will be compulsory where they are likely to cause appreciable adverse effect on competition in India.

8) **Self-governing Monitoring Agencies:** Where the CCI is of the judgment that the modifications proposed by it and accepted by the parties to the combination require supervision, the CCI may appoint self-governing agencies (i.e. accounting firm, management consultancy, law firm, professional organization, or independent practitioners of repute) who/which have no conflict of interest. These agencies shall submit their report to the CCI and will be paid by the parties.

9) **Compliance Report:** Where the CCI is of the opinion that combination has or is to be expected to have appreciable adverse effect on competition but such adverse effect can be eradicated by appropriate modification to such combination, it may propose appropriate modification to the combination to the parties to the combination. The modifications shall be carried out by the parties to the combination within the period specified by the CCI. The parties to the combination shall, upon completion of modification, file compliance report with the CCI.

10) **Confidentiality:** The CCI is obligated under the Competition Act to maintain confidentiality. The parties to the combination requesting confidentiality are required to clearly state the reasons, justifications and implications for the business so that CCI may consider the request for confidentiality.

11) **Cooperation with other agencies or statutory authorities:** The CCI may seek the opinion of any other agency or statutory authority in relation to a combination.

Highlights of New regulations, titled The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

The Indian regulatory environment has seen theatrical changes over the past few years with meaningful amendments recommended to the direct and indirect tax regimes as well as several corporate and securities laws. One of these vital changes has been presented by SEBI- the revamp of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. SEBI has notified on 30 September 2011, the much anticipated New Takeover Regulations i.e. SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011("SEBI (SAST) Regulations, 2011") which will replace the existing Takeover (SAST) Regulations, 1997. The new Regulations shall come into force on the 30th day from the date of their publication in the Official Gazette i.e. 22/10/ 2011, any acquisition, or sale of shares of Listed Company shall be governed by provisions of SEBI (SAST) Regulations, 2011.

The new amendments announced by SEBI have fundamentally been made on the basis of the report submitted by the Takeover Regulations Advisory Committee, under the chairmanship of Mr. C. Achuthan. The Committee was established by SEBI to recommend enhancements in the Takeover Code. The report had been formulated taking into account a plethora of vital factors having a strong relevance on functioning of the Indian capital markets, which have seen amendments since the Takeover Code was passed in 1997. These comprise the rapidly increasing level of M&A activity, the rising refinement of the takeovers Indian market, SEBI's decade-long regulatory proficiency in capital markets, and several legal verdicts concerning to the Takeover Code.

On the basis of research and existing best procedures in other states jurisdictions, the Committee has recommended several amendments to the exiting Takeover (SAST) Regulation of 1997. The result of these modifications has been to achieve the amended code considerably in line with worldwide takeover regulations. The objectives of SAST are to protect interest of the investors in security market for a listed company providing amongst others, a chance for the public shareholders to exit where there is a significant acquisition of equity shares or voting rights or control over a listed company, consolidation of holdings by dominant shareholders and associated disclosures and punishments for non-compliance, etc.

There are three major changes in the takeover code which are different from the earlier takeover code. These changes are as follows:

A. Increase in Initial Threshold Limit from 15% to 25%.

The Initial Threshold limit provided for Open Offer obligations is increased from 15% to 25% of the voting rights of the Target Company.

B. Increase in Offer Size from 20% to 26%.

The increase in open offer increased from 20% to 26%.

C. Abolition of Non-compete fees.

The scrapping the non-compete fee or control premium. Any amount paid to the Promoters/Sellers whether as consideration, non-compete fee or control premium or otherwise, shall be added in Offer Price and hence public shareholders shall be given offer at the highest of such prices.

4.2. Comparison of Competition Act with MRTP

The differences between the old law (namely the MRTP Act, 1969) and the new law (the Competition Act, 2002) are captured in the form of a table 4.1 given below:

SR. No	MRTP Act, 1969	Competition Act, 2002
1	Based on the pre-reforms state of affairs	Based on the post-reforms circumstances
2	Based on size as a factor	Based on structure as a factor
3	Competition offences unstated or not defined	Competition offences unambiguous and defined
4	Complicated in arrangement and language	Straightforward in arrangement and language
5	14 *per-se* offences negating the principles of natural justice	4 *per-se* offences and all the rest subjected to *rule of reason*.
6	Grimaces upon dominance	Grimaces upon abuse of dominance
7	Registration of contracts compulsory	No requirement of registration of contracts
8	No combinations regulation	Combinations regulated beyond a specified threshold limit.
9	Competition Commission employed by the Government	Competition Commission selected by a Collegium (search committee)
10	Inadequate executive and financial sovereignty for Monopolies Commission	Comparatively adequate executive and financial autonomy for Competition Commission
11	No competition advocacy responsibility for the Monopolies Commission	Competition Commission has responsibility of competition advocacy
12	Reactive and rigid	Proactive and flexible
13	Unfair trade practices covered	Unfair trade practices omitted (Consumer Act will deal with them)

The Act is hence a new wine in a new bottle, the extant MRTP Act 1969 has aged for more than three decades and has given birth to the Competition Act in line with the changed and changing economic scenario in India and rest of the world as also in time with the current economic thinking comprising liberalization, privatization, and globalization (LPG).

4.3. Applicable Indian legal provisions in case of M & A

There is no specific process defined for carrying out M & A. It is largely based on commercial considerations that companies keep in view of the impact of taxes and its profitability. Presented hereunder is the summary of legal provisions stated in SEBI Regulations, Takeover Code, Companies Act, and Exchange Control Act.

A. Securities and Exchange Board of India Act, 1997 (SEBI) provisions for Mergers and Amalgamation:

1) **Takeover Code:** SEBI is the nodal authority regulating companies that are listed on stock exchanges in India. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (Takeover Code) confines and standardizes the acquisition of shares or control in listed companies. Generally, According to regulation 10, if an acquirer obtains 15% or more of the shares or voting rights of a listed company, the acquirer would be required as per regulation 21, to make an offer to the public to acquire at least 20% of the voting capital of the company. However, Regulation 3 (1) (j) of the Takeover Code provides that Regulations 10, 11 and 12 would not apply to any transfer or acquisition of shares or voting rights pursuant to a proposal of arrangement or reconstruction, including amalgamation or merger or demerger, under

any law or regulation, whether Indian or foreign. Therefore, if a merger is authorized by the Court under the Merger Provisions, the above mentioned provisions of the Takeover Code would not be relevant.

a) ***Disclosure necessities in the Takeover Code*****:** Regulations 7 and 8 of the Takeover Code remain applicable to a merger involving a listed company.

b) ***Disclosures on certain acquisitions:*** Regulation 7 requires an acquirer to make disclosures of the aggregate of his shareholding if the acquirer obtains more than 5%, 10%, 14%, 54% or 74% of the shares/voting rights of a company. Such disclosures must be made at each stage of acquisition and are to be made to the company and to the stock exchanges on which the shares of the company are listed. Regulation 7 further stipulates that an acquirer, who has acquired shares/voting rights under Regulation 11 (Consolidation of holdings), must reveal purchase or sale of 2% or more of the share capital of the company, to the company and to the stock exchanges on which the shares of the company are listed. The disclosures referred to above are to be made within 2 days of the acknowledgment of intimation of allotment of shares or the acquisition of shares or voting rights, as the case may be. The company whose shares are acquired must also reveal to the stock exchanges, the total number of shares held by the acquirers referred above.

c) ***Repeated disclosures:*** Regulation 8 needs a person holding more than 15% of the shares or voting rights of a company to make annual disclosures to the company (within 21 days from the financial year ending March 31) in reverence of his/her holdings as on March 31 of every year.

2) **Listing Agreement**:

The listing agreement entered into by a company for the purpose of listing its shares with a stock exchange requires the following in the case of a Court approved merger as per Clause 24 of the listing agreement of the Bombay Stock exchange:

- The scheme of merger/amalgamation/reconstruction must be filed with the stock exchange at least 1 month earlier to filing with the Court.
- The proposal cannot violate or override the provisions of any securities law or stock exchange requirements.
- The pre and post-merger shareholding must be revealed to the shareholders.

B. SEBI 2009 provisions for acquisitions:

1) **SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009:**

On August 26, 2009, SEBI released the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (”ICDR Regulations”) altering the earlier Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000.

As per the ICDR Regulations, if the purchase of an Indian listed company includes the question of new equity shares or securities convertible into equity shares (“Specified Securities”) by the target company to the acquirer company, the provisions of Chapter VII (“Preferential Allotment Regulations”) incorporated in ICDR Regulations will be relevant (in addition to the provisions of the Companies Act). Some of the applicable and important provisions of Regulations are highlighted below.

a) Pricing of the issue: According to Regulation 76(1) of the ICDR Regulations, where the equity shares of the target company have been listed on a stock exchange for a period of 6 months or more prior to the relevant date, the price of the equity shares released on a preferential basis must be not less than the price that is the higher of,

i. the average of the weekly high and low of the closing prices of the related equity shares quoted on the stock exchange during the 6 months foregoing the relevant date, or

ii. the average of the weekly high and low of the closing prices of the related equity shares quoted on a stock exchange during the two weeks foregoing the relevant date.

Explanation: "Relevant Date" for preferential issues of equity shares, is the date thirty days prior to the date on which the general meeting of the shareholders is held to sanction the proposed issue of shares. In case of preferential issue of convertible securities, either the date mentioned aforesaid or the date thirty days prior to the date on which the holders of the convertible securities become entitled to apply for the equity shares.

b) Lock-in: Lock-in period for Specified Securities issued to the acquirer company (who is not a promoter of the target company) are as follows;

SR. NO	**Securities**	**Lock-in Duration**
1	To acquirer Company (who is not a promoter of the target Company	1 Year
2	Acquired holds prior to Preferential Allotment	6 Months
3	Preferential basis (permitted limit of 20% of the total capital)	3 Years

Explanation: In general, promoters would be the persons in over-all control of the company or who are named as promoters in the prospectus of the company. The term promoter group has an even wider connotation and would include immediate relatives of the promoter. If the promoter is a company, it would include a subsidiary or holding company of that company, any company in which the promoter holds 10% or more of the equity capital or which holds 10% or more of the equity capital of the promoter, etc.

c) **Currency of the resolution**: The preferential allocation of specified securities pursuant to a declaration of the shareholders approving such issuance must be concluded within a period of 15 days from the date on which the resolution is passed by the shareholders, failing which a fresh authorization of the shareholders shall be essential. According to Regulation 74 (1) if distribution of shares is pending on account of any authorization required from a government authority then the allotment must be completed within 15 days from the date of such authorization.

Exemption: According to Regulation 70 (1), the Preferential Allotment Regulations (other than the lock-in provisions) do not apply in the case of a preferential allotment of shares pursuant to merger/ amalgamation approved by the Court under the Merger Provisions.

2. **Takeover Code**:

It an acquisition has taken place by process of issue of new shares, or the acquisition of existing shares of a listed company, to or by an acquirer, the regulations of the Takeover Code may be applicable. Under the Takeover Code, an acquirer, along with Persons Acting in Concert (PAC):

a) According to Regulation 10, company cannot acquire shares or voting rights which (taken together with shares or voting rights, if any, held by him/her and by persons acting in concert) entitle such acquirer to exercise 15% or more of the shares or voting rights in the target company,

b) According to Regulation 11(1), who has acquired, 15% or more but less than 55% of the shares or voting rights in the target company, cannot acquire, either by himself/herself or through persons acting in concert, additional shares or voting rights entitling him/her to exercise more than 5% of the voting rights in the target company, in any financial year ending on 31st March,

c) According to Regulation 11(2), who holds 55% or more but less than 75% of the shares or voting rights in the target company, cannot acquire either by himself/herself or through persons acting in concert, any additional shares or voting rights therein,

Explanation: There are 2 minimum threshold requirements of public shareholding for continued listing of a listed company i.e. 25% and 10%. Where the target company is bound by the least 10% threshold then the 75% mentioned in this regulation is substituted by 90%,

d) Who holds 75% of the shares or voting rights in the target company, cannot acquire either by himself/herself or through persons acting in concert, any additional shares or voting rights therein, except the acquirer company makes a public announcement to acquire the shares or voting rights of the target company in accordance to the provisions of the Takeover Code.

The term ‘acquisition’ would include both, direct acquisition in an Indian listed company as well as indirect acquisition of an Indian listed company by virtue of acquisition of companies, whether listed or unlisted, whether in India or abroad. Further, the aforesaid limit of 5% acquisition is computed aggregating all purchases, without netting of sales.

However, vide a modification in the year 2009, any person holding 55% or more (but less than 75%) shares is permitted to additional increase his/her shareholding by not in excess of 5% in the target company without making a public announcement. If the acquisition is by mode of open market purchase in typical segment on the stock exchange but not through negotiated deal/bulk deal/block deal/preferential allotment or the increase in the shareholding or voting rights of the acquirer is pursuant to a buyback of shares by the target company. Though there were precise uncertainties as to the phase during which the 5% limit can be fatigued, SEBI has elucidated that the 5% threshold shall be valid throughout the survival of the target company without any restriction as to financial year or otherwise. However, just like the acquisition of 5% up to 55%, the acquisition is considered accumulating all acquisitions, not including netting of sales.

Where an acquirer who (collectively with persons acting in concert with him/her) possess 55% or more but less than 75% of the shares or voting rights in a target firm, is zealous of combining his/her possession while certifying that the public shareholding in the target company does not drop under the minimum level allowed by the Listing Agreement, he/she may do so only by making a public announcement in concurrence with these regulations:

Allowed that in a situation where the target company had secured listing of its shares by making a public offer of at least 10% of issue size of equity capital to the public in terms of clause (b) of sub-rule (2) of rule 19 of the Securities Contracts (Regulation) Rules, 1957, or in provisions of any relaxation granted from stringent enforcement of the said rule, this sub-regulation shall apply as if for the words and figures '75%', the words and figures ' 90%' were swapped.

Regulation 3(2) of the Takeover Code, acquisition of American Depositary Receipts/Global Depositary Receipts (ADRs/GDRs) was excused from open offer prerequisite under Chapter III of the Takeover Code until the time of exchange into the underlying equity shares. It was normally understood that this situation would stay unaffected even when routine voting preparations are entered into between depositories and ADR/GDR owners. However, pursuant to the SEBI media Release No.300/2009 dated September 22, 2009, an amendment was brought in by SEBI in the Takeover Code that such exception from open offer would be accessible only as long as ADR / GDR owners remain inactive investors without any kind of voting right with the depository banks on the underlying equity shares.

Regulation 12 of the Takeover Code additionally requires that irrespective of whether or not there has been any acquisition of equity shares or voting rights in a company, no acquirer shall acquire control over the target company, unless such individual makes a public announcement to acquire equity shares and acquires such equity shares in accordance with the Takeover Code. For the purpose of this Regulation, the word 'acquisition' includes direct or indirect acquisition of control of the target company by virtue of acquisition of companies, whether listed or unlisted and whether in India or abroad.

However, the prerequisite under Regulation 12 does not relate to a change in control which takes place pursuant to an exceptional decision approved by the shareholders in a general meeting. Therefore, if 3/4ths of shareholders attendance and voting at a meeting sanction the change of control, then the prerequisite to make a public offer under Regulation 12 would not be initiated. For the purpose of this Regulation, the definition of the term ‘control’ in the Takeover Code is very extensive and includes every probable technique of obtaining control. Regulation 2 (1) (c) defines ‘control’ to include the right to employ majority of the directors, or to control the management or policy decisions of the target company, exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner

- **Pricing of the Offer:** On the basis of the parameters laid down in the Takeover Code the merchant banker will decide the price for the offer. Regulation 20 (4) reveals that the offer price for equity shares of a target company (whose equity shares are recurrently traded) will be the highest of Bargained price (BP), Closing Price (CP) and Average Price (AP);

1	BP > CP > AP = BP
2	CP > BP > AP = CP
3	AP > BP > CP = AP

- **Mode of Payment of Offer Price**: The offer price may be paid in cash or by issue or exchange or transfer of equity shares of the acquirer, if an acquirer is a listed company, by issue or exchange or transfer of protected instruments of the acquirer with a minimum ‘A’ grade rating from a credit rating bureau registered with the SEBI, or a combination of all of the above.

- **Non-compete payments**: Payments made to persons other than the target company under any non-compete agreement exceeding 25% of the offer price inwards at as per the necessities mentioned above, must be added to the offer price.
- **Pricing for indirect acquisition or control:** The offer price for indirect acquisition or control shall be settled on with reference to the date of the public announcement for the parent company and the date of the public announcement for acquisition of equity shares of the target company, whichever is higher, in accordance with necessities set-out above.

  According to Regulation 22 (18) the acquirer proposes to dispose of the assets in the target company, excluding in the normal course of business, then he/she must make such a disclosure in the public announcement or in the letter of offer to the shareholders, in the absence of which, the acquirer cannot dispose of or encumber the assets of the target company for a period of 2 years from the date of closure of the public offer.
- **Competitive Bidding/ Revision of offer/bid**: The Takeover Code also allows a person other than the acquirer (the first bidder) to make an aggressive bid, by a public announcement, for the equity shares of the target company. This offer must be made within 21 days from the date of the public announcement of the first acquirer. The aggressive bid must be for at least the number of equity shares held by the first acquirer (along with PAC), plus the number of equity shares that the first bidder has offer for. If the first acquirer wishes to revise his offer, then he/she must make a new public announcement within 14 days from the date of the public announcement by the second bidder. The first acquirer (and any other bidder) is in fact, allowed to revise his/her bid upwards (subject to certain time limitations) irrespective of whether or not an aggressive offer is made.

The following acquisitions/transfers would be exempt from the key provisions of the Takeover Code:

- acquisition by a shareholder pursuant to a rights issue to the scope of his/her right and subject to certain other limitations;
- inter-se transfer of shares between;
  - Qualifying Indian promoters and overseas business partners who are shareholders,
  - Qualifying promoters[19], provided that the parties have been possessing shares in the target company for a period of at least 3 years preceding to the intended acquisition,
  - the acquirer and PAC, where the transfer of shares takes place 3 years after the date of winding up of the public offer made by them under the Takeover Code and the transfer is at a price not greater than 125% of the price settled on as per the Takeover Code ;
- acquisition of shares by an individual in swap of shares received under a public offer made under the Takeover Code;
- acquisition of shares by way of conduction on succession or inheritance;
- acquisition pursuant to a public issue;
- transfer of shares from venture capital funds or overseas venture capital investors registered with the SEBI. To promoters of a venture capital undertaking or to a venture capital undertaking,

[19]Qualifying promoter means any individual who is directly or indirectly in control of the company, or any individual named as promoter in any document for offer of securities to the public or existing shareholders or in the shareholding pattern disclosed by the company under the provisions of the Listing Agreement, whichever is later.

pursuant to an agreement between such venture capital fund or overseas venture capital shareholders, with such promoters or venture capital undertaking;

- acquisition of shares in the ordinary course of business by (I) banks and public financial institutions as guarantors, (b) the International Finance Corporation, International Bank for Reconstruction and Development, Asian Development Bank, Commonwealth Development Corporation and such other international financial institutions;

- change in power by takeover of management of the borrower target company by the secured creditor or by restoration of management to the said target company by the said secured creditor in terms of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;

- acquisition of shares in companies whose shares are not listed on any stock exchange, unless it results in the acquisition shares/voting rights/control of a company listed in India; and

- acquisition of shares in terms of regulations concerning delisting of securities framed by the SEBI.

3. Listing Agreement

According to clause 40A of listing agreement of BSE (Considered listing agreement of BSE as it is biggest stock exchange of India) entered into by a company with the stock exchange on which its shares are listed, requires to uphold a public shareholding (Public Shareholding excludes shares held by promote group and held by custodians against which depositary receipts are issued abroad) of at least 25%, as the case may be, on a continuous basis. If the public shareholding decreases under the minimum level following to:

- The transfer of shares (i) in compliance with directions of any regulatory or statutory authority, or (ii) in compliance with the Takeover Code, or

- Reformation of capital by a scheme of arrangement, the stock exchange may provide extra time of 1 year (extendable up-to to 2 years) to the company to fulfill with the minimum necessities.

In order to meet the terms with the minimum public shareholding requirements, the company must either issue shares to the public or offer shares of the promoters to the public. If a company doesn't succeed to fulfill with the minimum requirements then shares may be delisted by the stock exchange, and disciplinary action may also be taken against the company.

4. Insider Trading Regulations.

Regulation 2 (ha) defines Price Sensitive Information (PSI) as 'use of PSI for personal advantage at the cost of market is called insider trading'.

The following shall be deemed to be PSI according to regulation 2 (ha) explanations:

- Planned announcement of dividends (both interim and final);

- Issue of securities or buy-back of securities;

- Periodical financial results of the company;
- Any major expansion plans or execution of new projects;
- Amalgamation, mergers or takeovers;
- Disposal of the whole or substantial part of the undertaking; and
- Significant changes in policies, plans, or operations of the company.

Detailed information that is not publically known or information that has not been published formally is considered as non-public information. Under Regulation 2 (k), the term unpublished is defined as “information which is not published by the company or its agents and is not specific in nature”.

Under the SEBI Insider Regulations, an insider on his/her behalf or on behalf of any other person is forbidden from trading in securities of a company listed on a stock exchange when he/she is in custody of any Unpublished PSI, irrespective of whether or not such a trade was made for the intention of making a gain or minimizing a loss. The existence of profit object is not required while understanding the infringement of SEBI Insider Regulations. On the other hand, in the case of Rakesh Agarwal v. SEBI, [2004] 49 SCL 351 (SAT- Mumbai) it was held that if an insider based on the Unpublished PSI deals in securities for no benefit to him over others and it is not against the interest of shareholders. Further, it was held that it is true that the regulation does not expressly bring in mens rea as an element of insider trading. But that does not mean that the motive need be unnoticed.

Regulation 3A interprets as “No company shall deal in the securities of another company or associate of that other company while in possession of any unpublished price sensitive information.”

Regulation 3 of the SEBI Insider Regulations forbids trading, communication or counseling on affairs concerning to insider trading. It states that “No insider shall

1. either on his/her own behalf or on behalf of any other person, deal in securities of a company listed on any stock exchange when in possession of any unpublished price sensitive information; or

2. communicate counsel or procure directly or indirectly any unpublished price sensitive information to any person who while in possession of such unpublished price sensitive information shall not deal in securities: Provided that nothing contained above shall be applicable to any communication required in the ordinary course of business or profession or employment or under any law.”

It may be stated that the offence of insider trading or dealing, constitutes of a set of essential components, which are as follows:

- Participation of Insiders/Associated individuals;

- Custody of unpublished PSI; and

- Trading in securities listed on any stock exchange of India.

Disclosure Requirements: The SEBI Insider Regulations obliges all directors, officers and substantial shareholders in a listed company to make periodic disclosures of their shareholding as described in the SEBI Insider Regulations.

Initial Disclosures: According to regulation 13 of SEBI Insider Regulations;

- Any person possessing more than 5% shares or voting rights in any listed company in India is required to disclose to the company in Schedule III, Form A, the number of shares or voting rights held by such individual on becoming such holder, within 2 functioning days of the receipt of intimation of allotment of shares or the acquisition of shares or voting rights, as the case may be.

- Any individual, who is a director or officer of a listed company in India, shall reveal to the company in Schedule III Form B, the number of shares or voting rights held by such individual and their dependents within 2 functioning days of becoming a director or officer of the listed company.

Continual Disclosures:

- Any individual possessing more than 5% shares or voting rights in any listed company in India is required to disclose to the company within 2 functioning days from receipt of intimation of allotment of shares; or acquisition or sale of shares or voting rights in Schedule III Form C, the number of shares or voting rights held and change in shareholding or voting rights, even if such change results in shareholding falling below 5%, if there has been any change in such holdings from the last disclosure made under Regulation 13 (1) of SEBI Insider Regulations or under this sub-regulation and such change exceeds 2% of total shareholding or voting rights in the listed company.

- Any person, who is a director or officer of a listed company, shall reveal to the company in Schedule III Form D, the change in shareholding or voting rights held by him/her and his/her dependents, if the change go beyond ₹5 lacs in value or 25,000 shares or 1% of total shareholding or voting rights, whichever is lower. The disclosure shall be made within 2 functioning days from receipt of intimation of allotment of shares or acquisition or sale of shares or voting rights.

C. Companies Act, 1956 for Mergers and Amalgamation:

A merger of two or more companies preside over by Sections 390 to 394 (Merger Provisions) of the Companies Act under Indian law. The Merger Provisions are worded so broadly, that they would impart for and control all kinds of commercial restructuring that a company may perhaps commence; such as mergers, amalgamations, demergers, spin-off and every other compromise, settlement, agreement or arrangement between a company and its members and/or its creditors.

1. **Procedure under the Merger Provisions**: A merger fundamentally comprises an agreement between the merging companies, their respective shareholders and each of the companies proposing to merge with the others must make an application to the Company Court i.e. the High Court of each Indian State (the Court) having jurisdiction over such company for organizing meetings of its respective shareholders and/or creditors. The Court may then order a meeting of the creditors and shareholders of the company. If the majority in number representing 3/4th in quantity of the creditors and shareholders' in attendance and voting at such meeting reach

a decision to the merger and authorized by the Court, is binding on all creditors and shareholders of the company. The Court will sanction a merger or any other commercial restructuring only in circumstance when it is satisfied that all material facts have been disclosed by the company. The order of the Court sanctioning a merger does not take effect until a certified copy of the same is reported by the company with the Registrar of Companies.

Under Merger Provisions, Courts have full power to sanction any modifications in the commercial structure of a company that may be essential to have an effect on the corporate restructuring that is proposed, for example, in regular circumstances a company must request the sanction of the Court for carrying out a decrease of its share capital. On the other hand, if a decrease of share capital forms is a part of the commercial restructuring proposed by the company under the Merger Provisions, then the Court has the authority to approve and sanction such decrease in share capital and distinct proceedings for decrease of share capital would not be essential.

2. **Merger Provisions to foreign companies**: Section 394 authorizes the Court with certain authorities to smooth the progress of the reconstruction or amalgamation of companies, i.e. in cases where an application is made for sanctioning an arrangement that is:

    I. for the reconstruction of any company or companies or the amalgamation of any two or more companies; and

II. under the scheme the whole or part of the undertaking, property or liabilities of any company concerned in the scheme (referred to as the ‘transferor company’) is to be transferred to another company (referred to as the transferee company’).

Section 394 (4) (b) makes it clear that:

I. a ‘transferor company’ would mean anybody corporate (A body corporate in dudes a company incorporated outside India but excludes a corporation sole, cooperative societies and any other body corporate that may be notified by the Central Government), whether or not a company registered under the Companies Act (i.e. an Indian company), implying that a foreign company could also be a transferor, and

II. a ‘transferee company’ would only mean an Indian company.

Therefore, the Merger Provisions acknowledge and authorize a merger or reconstruction where a foreign company merges into an Indian company. But the reverse is not authorized, and an Indian company cannot merge into a foreign company.

D. Companies Act, 1956 for Acquisitions:

The Companies Act 1956 does not make a reference to the term ‘acquisition’ intrinsically. On the contrary, the various techniques utilized for managing an acquisition of a company involve fulfillment with certain key provisions of the Companies Act 1956. The methods most frequently used are a share acquisition or an asset purchase.

1. **Acquisition of Shares**. A share buying may take place by an acquisition of all existing shares of the target company by the acquirer or by means of subscription to new shares in the target company so as to acquire a controlling investment in the target company.

   - **Transferability of shares:** An Indian company may setup as a private company or a public company. Membership of a private company is limited to 50 members but not including employees and former employees, and a transferability of its share is restricted by the Companies Act. A restriction on transferability of shares is as a result inherent to a private company, such restrictions being comprised in its articles of association (the byelaws of the company), and by and large in the form of a preventative right in support of the other shareholders. The articles of association may lay down specific procedures concerning to transfer of shares that must be adhered to in order to influence a transfer of shares. While purchasing shares of a private company, it is advisable for the acquirer to make sure that the non-selling shareholders (if any) surrender any rights they may have under the articles of association, and the course of action for transfer under the articles of association is followed, for fear that any shareholder of the company claim that the transfer is void or claim a right to such shares.

   - **Transfer of shares:** The transferor and transferee are necessary to carry out a share transfer form, and lodge such form along with the share certificates. The share transfer form is a prescribed form, which must be stamped in accordance with law. On lodging the same with the company, the company will have an effect on the transfer in its records and sanction the share certificates in favor of the acquirer. It is also necessary for the board of the company to pass a resolution sanctioning the transfer of shares.

- **Squeeze out provisions:** Section 395 of the Companies Act states that if a contract or scheme involving the transfer of shares or a class of shares in a company (the 'transferor company') to another company (the 'transferee company') is sanctioned by the owners of at least 9/10ths in price of the shares whose transfer is concerned, the transferee company may give notification to the rebelling shareholders that it desires to acquire such shares, and the transferee company is then, not only permitted but also assured to acquire such shares. In computing 90% (in worth) of the shareholders, shares held by the acquirer, nominees of the acquirer and subsidiaries of the acquirer must be excluded.

  The contract or scheme referred above should be permitted by the shareholders of the transferee company within 4 months from the date of the offer. The rebelling shareholders have the privilege to make an application to the Court within 1 month from the date of the notice, if they are victimized by the provisions of the offer. If no application is made, or the application is dismissed within one month of issue of the notice then the transferee company is entitled and bound to acquire the shares of the rebelling shareholders.

If the transferee already holds more than 10% (in worth) of the shares (being of the same class as those that are being acquired) of the transferor, then the following stipulations must also be met:

- The transferee offers the same conditions to all holders of the shares of that class whose transfer is entailed; and
- The shareholders holding 90% (in worth) who have approved the scheme of acquisition should also be not less than 3/4ths in number of the holders of those shares (not including the acquirer).

Consequently, if an acquirer already possesses 50% of the shares of the target company, it would need the sanction of 90% (in worth) of the other shareholders of the target company to invoke the provisions of this Section, i.e. the consent of holders of 45% of the shares of the target company. If this consent is acknowledged, the acquirer would then be permitted to acquire the balance 5% of the shares of the target company. As the acquirer in such a case possesses more than 10% of the share capital, then the shareholders holding 45% of the share capital must also constitute at least 3/4ths (in number) of the shareholders holding the balance 50%. Thus, if one shareholder possesses 45% and sanctions the transfer and remaining 5% is held by five shareholders who do not sanction the transfer then the acquirer would not be able to invoke the provisions of Section 395.

If the rebelling shareholders do not submit an application to the Court, or the Court does not provide any relief to the rebelling shareholders on their application, then the acquirer must send a copy of the notice (distributed to the rebelling shareholders) along with an instrument of transfer, performed on behalf of the rebelling shareholder by any individual appointed by the acquirer, to the target company along with the consideration billed. The instrument of transfer must also be performed by the transferee on its own behalf. The transferor would then be obliged to record and register the transfer in favour of the transferee. The consideration received by the transferor must be credited in a distinct bank account and held in trust for the rebelling shareholders. This course of action is subject to the circumstances and provisions set forth in the Companies Act. The advantage of these provisions is that a complete takeover could be affected without resort to tedious court procedures.

Section 395 requires that the "transferor company" (the target) can be any body corporate whether or not incorporated under Indian law. Therefore the target can also be a foreign company. However, a 'transferee company' (the acquirer), must be an Indian company.

- **New share issuance:** The acquisition of a public company concerns the issue of new shares to the acquirer then it would be essential for the shareholders of the company to pass a special resolution under the provisions of Section 81(1A) of the Companies Act. A special resolution is one that is approved by at least 3/4ths of the shareholders in attendance and voting at a general meeting is mandatory for the approval of acquisition. A private company is not mandatory to pass a special resolution for the issue of new shares, and a simple resolution by the board of directors should be sufficient.

The issue of new shares by an unlisted public company to an acquirer must also act in accordance with the Unlisted Public Companies (Preferential Allotment) Rules, 2003. Some of the influential features of these rules are as follows:

- Equity shares, fully convertible debentures, partly convertible debentures or any other financial instruments convertible into equity are governed by these rules.
- The issue of new shares must be sanctioned by the articles of association of the company and approved by a special resolution passed by shareholders in a general meeting, permitting the board of directors of the company to issue the new shares. The authenticity of the shareholders' resolution is 12 months, necessitating that if new shares are not issued within 12 months of the resolution, the resolution will come to an end, and a fresh resolution will be required.
- The descriptive statement to the notice for the general meeting should contain key disclosures concerning the object of the new issue, pricing of shares including the relevant date for calculation of the price, shareholding pattern, change of control if any, and whether the promoters/directors/key management persons propose to acquire shares as part of such issuance.

➢ **Limits on investment:** Section 372A of the Companies Act communicates certain limits on inter-corporate loans and investments. An acquirer may acquire by way of subscription, purchase or otherwise, the shares of any other body corporate up-to 60% of the acquirers paid up share capital and free reserves, or 100 % of its free reserves, whichever is more. However, the acquirer is allowed to acquire shares beyond such limits, if it is sanctioned by its shareholders vide a special resolution approved in a general meeting. It may be noted that the limitations under Section 372A are not relevant to private companies. Further, Section 372A would not be relevant to an acquirer which is a foreign company.

E. Exchange Control

1. Foreign Direct Investment:

India's action concerning exchange control is sluggish, conscious, and monitored with awareness towards full capital account convertibility. However, substantial controls have been detached and allowed foreign companies to acquire Indian companies across the sectors, subject to strict pricing and reporting requirements imposed by the central bank, the Reserve Bank of India. Investments in, and acquisitions (complete or partial) of Indian companies by foreign companies are controlled by the terms of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 (the FDI Regulations) and the provisions of the Industrial Policy and Procedures published by the Secretariat for Industrial Assistance (SIA) in the Ministry of Commerce and Industry, Government of India.

- Automatic Route: Schedule 1 of the FDI Regulations encloses the Foreign Direct Investment Scheme (FDI), which allows a Non-Resident of India (NRI) to acquire equity shares or compulsorily convertible preference shares/debentures in an Indian company equal to the investment limits for each sector provided in Annexure B to the FDI Scheme. According to

Annexure B, sectoral cap on Investments by persons residents outside India are as follows;

Sr. No	Sector	Investment Cap
1	Telecommunications	49%
	Telecommunications (Manufacturing activities)	100%
2	Housing and Real Estate	100%
3	Coal and Lignite (Public Sector Undertakings (PSU)	49%
	Coal and Lignite (other than PSUs)	50%
4	Drugs & Pharmaceuticals	74%
5	Hotel & Tourism	51%
6	Mining (diamonds and precious stones)	74%
	Mining (Gold, Silver and Minerals)	100%
7	Advertising	74%
8	Films	100%
9	Any other sector/activity (other than those included in Annexure A)	100%

- Investment under the FDI Scheme is normally referred to as an investment under the 'automatic route' as no authorizations or consents are required. Part-A of Annexure-A to the FDI Scheme lists the events for which general permission is not available for a NRI, which include events such as defense, postal services, broadcasting, print media, courier services etc. Investment in these sectors requires the prior permission of the Foreign Investment Promotion Board (FIPB) of the Government of India, which is approved on an instance-to-instance basis. Part-B of Annexure-A lists the sectors in which foreign direct investment is prohibited i.e., retail trading, atomic energy, lottery business, gambling and betting, housing, and real estate (permitted subject to compliance with certain conditions). All investments beyond ₹600 crores need a prior approval.

- **Indirect Foreign Investment**: If an Indian company is "possessed" or "controlled" by "non-resident legal entities", then the complete investment by the investing company into the business downstream Indian investee company would be contemplated as indirect foreign investment. Provided that, as an exception, the indirect foreign investment in completely owned subsidiaries of operating-cum-investing companies will be limited to the foreign investment in the operating-cum-investing company. The exception was made since the downstream investment of a 100% owned subsidiary of the holding company is similar to investment made by the holding company and the downstream investment should be a mirror image of the holding company.

- **Portfolio Investment Scheme**: FIIs enrolled with the SEBI and NRIs are allowed to invest in listed securities through the respective stock exchange.

- **Downstream Investment**: Foreign investment, whether direct or indirect, into a company that is not equipped shall need prior authorization of the Government of India / FIPB.

- **Acquisition of rights shares/bonus shares**: NRI may subscribe to shares issued on a rights basis by an Indian listed company provided that the bid of shares doesn't result in increase in the percentage of foreign equity authorized for such company. The price at which the shares are offered to NRI is not less than the price offered to the resident shareholders. NRI may also acquire bonus shares under the FDI Regulations. The rights or bonus shares will however be subject to the same situations as those pertinent to the original shares.

- **Foreign venture capital investors (FVCI)**: An FVCI listed with the SEBI and can invest in Indian venture capital endeavors, venture capital funds or in schemes put forwarded by venture capital funds under the terms of Schedule 6 of the FDI Regulations. One of the vital paybacks of investing as an FVCI is that an FVCI is not essential to stick to the pricing necessities that are otherwise required to be met by a foreign investor under the automatic route when purchasing to shares or when selling such shares.

- **Pricing under the automatic route:** The price of shares delivered to non-residents can't be less than the fair value of the shares as decided by the procedure released by the erstwhile Controller of Capital Issues, or if the Indian company is listed with stock exchange then the price can't be less than the price calculated in accordance with the SEBI procedures.

- **Issue of Shares under merger/ amalgamation / demerger:** A transferee company may issue shares to the shareholders of a transferor company under a scheme of merger or amalgamation sanctioned by an Indian court, provided that the industrial limits mentioned above are not exceeded.

- **Foreign Technology Collaborations:** Indian companies are allowed foreign technology collaboration under the automatic route subject to obedience without any limits. Under the Research and Development Cess Act 1986, an Indian company importing any technology from outside India then required paying a research and development cess of about 5% under the Research and Development Cess Act, 1986.

- **Existing joint ventures:** In the past, the automatic route for foreign direct investment or technology collaboration was not accessible to foreign investors who had any prior joint venture or technology transfer or trade-mark agreement in the same or associated domain in India. The responsibility was on the foreign investor or technology providers to demonstrate to the fulfillment of FIPB or Project Approval Board that the new investment would not in any way endanger the benefits of the existing joint venture or technology/trade-mark partner. On the other hand in 2005, the Government of India issued Press Note 1 of 2005 and amended this prerequisite as follows:

I. If the foreign investor has an existing joint venture or technology transfer/trademark agreement in the 'same' field (4 digit National Industrial Classification Code), then the prior sanction of the government is essential. The Government of India went on to clarify vide Press Note 3 of 2005, that joint ventures or technology transfer/trademark agreements existing on the date of issue of Press Note 1 of 2005, i.e. January 12, 2005, only, would be considered as existing joint ventures and technology transfer/trademark agreements for the determinations of Press Note 1 (2005 Series), and not any consequent joint ventures or technology transfer/trademark agreements;

II. Even where the foreign investor has a joint venture or technology transfer/ trademark agreement in the 'same' field, prior permission of the Government of India will not be required in the following cases:

- Investments by venture capital funds registered with the SEBI; or
- Where in the existing joint-venture investment by either of the contributors is less than 3%; or
- Where the existing venture or collaboration is dead or sick.

Foreign investments in the Information Technology (IT) sector, investments by multinational financial institutions and in the mining sector for same area or mineral were, and continue to be exempted from the necessities pertaining to existing joint ventures referenced above.

2. **Overseas Direct Investment**:

An Indian company that desires to acquire or invest in an overseas company outside India must comply with the Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2004 (ODI Regulations).

The ODI Regulations are an expansion of the procedure of liberalization started by the Government of India in the late 1990s. The regulations have detailed provisions governing investments made by an Indian company in an overseas company by contribution of ‘general authorization’ to make a ‘direct investment outside India’ in legitimate business activities, subject to acquiescence with the regulations. The phrase ‘direct investment outside India’ has been defined as ‘investment by tactic of contribution to the capital or members to the Memorandum of Association (MOA) of a foreign body or by way of purchase of existing shares of a foreign body either by market buy or private placement or through respective stock exchange, but does not comprise portfolio investment’. An Indian company is not allowed to make any direct investment in a foreign company connected in real estate or banking business without the prior approval of the RBI.

The Indian individual may choose to fund the aforesaid investment out of balances held in the Exchange Earners' Foreign Currency (EEFC) byway of drawing funds from an authorized dealer subject to certain limits, or using the proceeds of an ADR/GDR issue. There are numerous ways accessible to an Indian company which proposes to invest in a foreign company.

4.5. M & A and Consumer Protection:

For Indian economy, long concealed by the license and domination regime, this is a completely new experience and has been escorted with a common sense of patriotic jubilation. The air over corporate India is thick with the heady scent of M & A. Certainly a lot of these mergers present much for the country to be proud of.

Competition law is customarily conceived as directive of the marketplace to make sure confidential conduct does not repress free trade and competition. It has as its objective of safeguarding competition in marketplace. Competition ensures consumers' welfare. Consumer protection regulation represents a body of law designed to safeguard consumers' interest at the level of the individual transaction. The two are essentially different. The consumer courts deal with individual consumer cases, and their total methodology and systems are different. Competition Act deals with competition in the market that affects consumers. So in a way it is like a class action rather than an individual action or grievance.

From the consumers' point of view, on the whole, a dissimilar issue arises and that is how good the merger is for them and for the economy. At this juncture the competition authorities and the competition law come into picture. The majority M & A do not give mount to a competition concern and competition authorities perceive no grounds for interfering with them. The apprehension frequently arises in the case of horizontal or vertical mergers between competitors functioning in the same market, i.e. trading with same goods and services in the same region. The Indian Competition Act, 2002 also has prerequisites for regulating mergers – these are known as 'combinations' section 6 which include mergers and amalgamations, acquisition and acquisition of domination.

On the other hand, the merger rule is moderate. There is a high upper-limit below which mergers are outside the authority of the Competition Commission. The threshold is ₹1,000 crores of assets and ₹3,000 crores of turnovers. In respect to group of companies, the upper-limit is ₹4,000 crores of assets or ₹12,000 crores of turnovers. In the case of enterprises operating in or outside India, the corresponding thresholds are $500 million of assets or $ 1500 million of turnover and for groups $2 billion of assets or $ 6 billion of turnover. Further, pre-notification to the Competition Commission before the merger is not mandatory, but optional. If pre-notification is given, the Commission must dispose of the matter within 90 working days from a particular stage, or else the merger is deemed approved.

In inquiring into a merger, the Competition Commission has to see whether a merger has caused or is likely to cause an "appreciable adverse effect on competition" (AAEC) and there is a 'rule of reason' approach to the inquiry. The Act provides a large number of factors which the Commission must take into account in the inquiry. Most importantly, these include the market share of the enterprises, barriers to entry, level of concentration in the market, likelihood of increase in prices or profit margins, removal of an important competitor, and so on. The Commission must also consider the gains from the merger such as the possibility of failing business, nature, and extent of innovation, and Essays on contribution to the economic development. Enterprises may claim efficiency gains or that one of the enterprise was a sick or dying business and would have exited the market anyway. Thus, the Commission must carefully weigh the positive and the negative consequences of the merger. This approach is not much different from other competition regimes such as the European Union and USA.

At the start of the inquiry, the Commission must determine the ‘relevant market’ in which the AAEC is to be assessed. The relevant market comprises of the “relevant product market” and the “relevant geographic market”. The relevant product market broadly comprises of those products or services which are regarded by the consumer as interchangeable or substitutable. For example, a question can arise whether aerated drinks and fruit drinks are in the same product market or not. The factors to be considered by the Commission include physical characteristics or end-use, price, consumer preference and so on. A low priced Maruti 800 may not be in the same product market as a luxury BMW. The relevant geographic market comprises the area in which the conditions of competition for supply or demand are homogenous. For example, in the case of cement, a relatively heavy but low-value product, a question can arise whether the relevant market is the whole country or only a local area or region. The relevant geographic market can be influenced by inter-state restrictions. The factors for determining the relevant product and geographic markets are specified in the

Act. The determination of the relevant market calls for economic analysis and use of certain economic tools. If the Commission finds, which going by historical experiences could be in a small proportion of cases, that the merger is likely to have AAEC, the Commission may refuse approval or may approve it with certain modifications. For example, in the case of the P&G-Gillette merger, the authorities stipulated that a certain part of the business must be divested. The process of inquiry set out in the Act provides full opportunity to the merging enterprises to defend the merger and also to consider any modifications proposed by the Commission. It also provides an open opportunity to opposing parties to present their position to the Commission.

4.6. Conclusion:

M & A are indicators of a dynamic and growing free market economy. The officially permitted structure for such commercial restructuring must be painless, facilitative, encouraging and should not be held up in bureaucratic and authoritarian hurdles. The principal obstruction in the way of completing a combination remains the often long and exhausting procedure required for the sanction of a scheme of arrangement by court.

In the foregoing discussion, we have stated the position of law as it has evolved over a period of time specifically the Competition law. On the other hand, an Abuse of Dominance is mandatorily prohibited under the law. As a result, every acquirer (not the target) has to be meeting the requirements of Competition Law even post combination and has to refrain so enduringly if it needs to remain in healthy business practice.

The Commission needs to swing into action carrying out significant proficiency building to put into practice the extra territorial authority that is embodied in the Competition Act, 2002. As India Incorporate moves at a high-speed with the worldwide financial systems, there is a need to make sure that global collaboration is painless by tackling cross border challenges. However, the Act demonstrates the 'effects' doctrine.

Practical experience has shown that the majority of combinations notified are cleared quite quickly. The Act, itself lays down stringent time lines - the Commission must take a view within 90 working days from the day it has obtained complete information failing which the combination is deemed to have been approved[20]. Further, the Commission may initiate suo-motu enquiry into combination only within a period of one year from the day the combination has taken effect[21]. These provisions adequately dispel any apprehension of inordinate delay or unbridled scrutiny into combinations. Further global experience suggests that hardly four per cent of the all notified combinations are taken up for a detailed scrutiny by the competition authorities, of which 50% are approved, and a further 25% are approved with modifications.

Indian companies have often surpassed their foreign counterparts in corporate restructuring both within and beyond the national frontiers. To sum up, as George Bernard Shaw is reputed to have said "We are made wise not by the recollection of our past, but by the responsibility for our future".

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[20]Competition Act, 2002, s. 31(11)
[21]Competition Act, 2002, s. 20(1), this is on the other hand a great incentive for parties to notify their intended merger prior to going ahead with the agreement

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CHAPTER –5

WEALTH EFFECT OF MERGERS AND ACQUISITIONS: AN EVENT STUDY

In the literature, there is controversy with regards to the gains created by Mergers and Acquisitions (M & A) activity. This chapter seeks to unravel the mystery that M & A activities do really create wealth or takeover and acquisitions are propelled by the managerial hubris of bidder companies. Section 2 reviews literature relating to conceivable explanations for observed stock market reactions to acquisition announcements. Section 3 describes the research methodology. Section 4 proposes a linear regression model, which was used for predicting abnormal returns. Section 5 presents empirical results and Section 6 outlines the conclusion.

5.1. Introduction:

The considerable literature on M & A has presented a number of conceivable explanations for the snooty visibility of this commercial phenomenon since the 1980s. Jensen (1986, 1988) has opined that M & A are an outcome of a collapse in the in-house governance frameworks of corporations. This view finds support in the research of Kini, Kracaw and Mian (2004) who argue that M & A is a last resort that is observed when internal governance mechanisms of the companies break down and the market is the only source of discipline for the managers (Shleifer and Vishny, 1990). Chairman, Chief executive officer (CEO) or Senior Management in large corporations utilize complimentary cash flow produced by the more prolific and lucrative departments to subsidize less productive department, rather than returning the cash to the shareholders, and this guides shareholder action manifested by M & A. On the other hand, there is view that M & A is a mechanism whereby efficiency-seeking companies spin off unrelated lines of business and acquire businesses that enhance efficiency through vertical or horizontal mergers between companies.

Announcements of M & A seemingly influence a target company's stock price, as induced response in the stock market cause shareholders to revise predictions about the company's future profitability (Panayides and Gong, 2002). According to the Efficient Markets Hypothesis (EMH), "prices reflect all publicly available information on an underlying asset" (Fama, 1970). An event study is a statistical technique used to measure the impact of a corporate event, such as acquisition declarations, earnings announcements, and stock splits. Abnormal returns are defined as the difference between actual and predicted returns surrounding a corporate event. Cumulative abnormal returns are the sum of abnormal returns in a given time period. Brown and Warner (1980), Davidson, Dutia and Cheng (1989) Mitchell, Pulvino and Stafford (2002) have utilized a similar event study approach to examine stock market reactions to acquisition announcements. Event studies of M & A announcements specify that there can be significant loss of wealth of shareholders of predator companies both in the short run and in the long run (Asquith, 1983; Agarwal, Jaffe and Mandelker, 1992). Information released by an acquisition announcement influence all companies or specific companies in the industry. Industry mergers are known to crop up in waves [Mitchell and Mulherin (1996) and Harford (2005)]. If consequent bidding by a competitor is anticipated at the time of a former bid, the afterward announcement period returns for that competitor will not correctly reveal the wealth effect of its own bidding activity.

Using Canadian M & A data, Ben-Amar and Andre (2006) discovered that, abnormal returns to the stocks of the acquiring companies were mostly positive during the 1998-2002 periods. They concluded that this was a manifestation of the confidence that regulators had an attitude to look after the interest of the minority shareholders. The result in other contexts has not been as favorable for companies with concentrated shareholding. Bae, Kang and Kim (2002) propound that in South Korea share value of acquiring companies decline subsequent to M & A, resulting in a loss for the minority shareholders. But the insiders who manage these companies gain because of a subsequent increase in the value of the associated group companies.

The stock market and financial performance of Indian companies that belong to business groups in the beginning decrease with group diversification but get better once the degree of diversification goes beyond a certain threshold (Khanna and Palepu, 2000). They concluded that in competent markets like India business groups imitate the functions of institutions that are otherwise missing. This analysis is supported by research that argues that group association in countries with underdeveloped capital markets and low levels of creditor fortification, business group association offers greater access to external funds (Ghatak and Kali, 2001; Lesnik, van der Molen and Gangopadhyay, 2003). On the other hand, Chacar and Vissa (2005) have suggested that Indian companies with group association have greater persistence of poor execution than those that are not part of such organizational structure. They concluded that market based governance structures operate superior in developing market circumstances than internal or “allocative” governance structures.

5.2. Review of Literature:

Many financial researches illustrate that strategic relatedness is not an adequate circumstance for the acquirer company to earn abnormal returns (Lubatkin, 1987; Singh and Montgomery, 1987; Barney, 1988). The Synergy[22] Trap Hypothesis posits that immediately before and after an acquisition announcement, the acquiring firm's stock price is negatively affected and the target company's stock price is positively affected and gives rise to abnormal returns. In numerous cases, even when the merger generates value due to a good resource fit between the target and acquirer, the market distributes the full synergistic profits to the target shareholders rather than to the acquirer shareholders. Value formation does not guarantee value capture by the acquirer when the rivalry among potential acquirers drives up the target worth until the Net Present Value (NPV) for the successful bidder is close to zero. As a consequence, acquirers can earn abnormal returns only when the market for corporate control is defectively competitive. Barney (1988) stated circumstances that would be favourable to market breakdowns in the market for corporate control.

One of these circumstances is when there is an exceptional and irreplaceable precious synergy between an acquirer and a target. In this case, the target company is more precious to one acquirer than to the other acquirers, and the highest acquirer can anticipate earning part of the synergistic profits. In contrast, if the target company is equally precious to at least two acquirers, the competitive offering procedure will disclose and all the

[22] Synergy is defined as the increase in the merging companies' competitive dilutions and ensuing cash flows beyond which the two companies are projected to carry out independently (Seth, 1990; Sirower, 1997).

synergistic profits accrue to the target company. The presence of an inimitable fit depends on the individual resource contribution of each associate. When the synergistic profits stem from the target's resources, the resources are likely to be equally estimated by numerous acquirers. In contrast, when the synergistic profits arise from resources which are explicit to one acquirer, the target company is unlikely to be equally estimated by numerous acquirers. As Barney (1988) stated, 'other acquiring companies will be unable to duplicate the uniquely valuable combined cash flow of one acquirer and targets when the relatedness between this acquirer and targets stems from some non-imitable assets or skills controlled by this acquiring company'.

In research on restructuring-driven vs. synergistic takeovers, Chatterjee (1992) studied on similar lines and concluded that in restructuring driven takeovers multiple companies are likely to restructure the target company. In this case, the source of value resides with the target company. As an outcome, the value of the target company is on offer until abnormal returns taper off. In the case of synergistic acquisitions, however, the synergistic profits are likely to be separated between the acquirer and the target companies. The eventual distribution of profits between the acquirer and the target depends on their individual bargaining power—i.e., on their respective resource contribution (Chatterjee, 1986).

A. <u>The Impact of M & A Announcements on Stock Trading Volumes</u>

There have been number of studies about the effects of M & A announcements on trading volumes. Dodd and Ruback (1977) analyzed abnormal returns about the time of a takeover announcement and discovered that both the target and bidding companies' shareholders earned positive and substantial gains from a lucrative takeover. Langetieg (1978) measured shareholder gains from the mergers and an insignificant post-merger excess returns. Asquith and Kim (1982) studied returns to stockholders of target companies around the date of the initial announcement or completion of a merger. They concluded that the stockholders of target companies gained, while those of bidding companies did not. Jensen and Ruback (1983) evaluated 13 studies on the abnormal returns around takeover announcements. They concluded that the average surplus returns to target companies' stockholders are of 30% and 20% for the successful M & A respectively, while bidding companies' stockholders gained an average of 4% at the time of tender offers but no abnormal return around the merger. Frank et al. (1991), however, found no evidence to prop up significant abnormal returns of acquiring companies over a three-year period after the bid date. Agrawal et al. (1992) concluded that offering companies lost from the acquisitions over several years but Ruback (1977), Kummer and Hoffmeister (1978) and Dodd (1980) suggested that offering companies gained from the acquisitions.

Travlos and Papaioannou (1991) investigated the results of method of payment on offering companies' stock return at the initial announcement of takeover offers. They concluded that the abnormal return of offering companies on the announcement day were -1.3% for stock exchange and -0.8% for cash offers. Suk and Sung (1997) looked at the impact of method of payment, form of acquisition and type of offer on target companies' abnormal returns around the takeover announcement. They found that there was no divergence in premiums between stock offers and cash offers.

Chang (1998) examined bidder returns at the announcement of a takeover proposal when target companies were privately held. He also concluded that bidders showed no abnormal return in cash offers but a positive abnormal return in stock offers. The supervising actions and information asymmetries[23] were grounds for a positive wealth effect. Knapp (2006) concluded that post-merger abnormal return of bank connected companies was considerably larger as evaluated with the industry mean in the first 5 years after a merger. Al-Sharkas et al (2008) also showed that mergers could boost the cost and profit efficiencies of banks and presented an economic rationale for future mergers in the banking industry.

B. <u>Bidder Returns</u>

Initial research addressing expectation in bidding activities highlights on programme offers and reports mixed results. Programme offers are acquisition agendas announced by a particular company. Schipper and Thompson (1983), Malatesta and Thompson (1985), and Loderer and Martin (1990) recommended that further offers of a company are projected at the time their acquisition agenda is announced. Alternatively, Asquith, Bruner, and Mullins (1983) discovered that bidding companies receive significantly positive returns for each of their first four offers. Fuller, Netter, and Stegemoller (2002) concluded that during the 1990's the order of the acquisitions didn't influence excess returns to frequent bidders. Similarly, Conn, Cosh, Guest, and Hughes (2004) found that returns from U.K. acquirers announcing multiple offers are alike to those from single

[23] Information asymmetry is caused when one person to a transaction has superior information than other party. It leads to adverse selection and immoral behavior (Myers, 1984)

acquirers. In contrast, Billett and Qian (2008) described that acquirers of second and higher order deals know-how significantly more negative returns and ascribe this consequence to managerial audaciousness. Song and Walkling (2000) noticed that competitors of target companies experience contemporaneous positive abnormal returns to the extent that they are likely to be targeted themselves.

Acquisition movement within an industry is connected with positive abnormal returns to competitors of the targeted company. Eckbo (1983, 1985) and Eckbo and Wier (1985) concluded that horizontal competitors of target companies earned considerably positive abnormal returns of 0.76%, (Z=2.59), over the seven day period around the offer date. Stillman (1983) didn't combine competitor companies into a single portfolio but instead reports distinct results for the competitors of 11 divergent mergers. The abnormal return to competitors is positive in 9 of the 11 cases investigated. Mitchell and Mulherin (1996) reported abnormal returns of 0.5% to competitors during the month of announcement. The source of these positive competitor returns was unresolved. Amplified effortlessness of collusion could enlighten the positive returns, but Eckbo (1983, 1985, and 1992), Eckbo and Wier (1985), and Stillman (1983) rejected this hypothesis. Alternative explanations include the signal of positive information concerning the value of an industry or increased synergies between competitors and consequent bidders. To date, these clarifications for positive competitor returns and the significant cross-sectional allotment of these returns have been unexplored.

Studies carried out in the field of financial economics have examined abnormal returns to offering companies. Jensen and Ruback (1983), Jarrell, Brickley and Netter (1988), Jarrell and Poulsen (1989) and Andrade, Mitchell and Stafford (2001) abbreviated a substantial body of proof spanning four decades and concluded that the absolute announcement period return to bidders is normally zero or to some extent negative. Andrade, Mitchell, and Stafford (2001) concluded that bidders for public targets showed average abnormal announcement return of -0.7% over the period of 1973-1998. Offering company's profits were also negative in each of the three sub periods investigated. Bradley and Sundaram (2004) found drastically constructive performance for offers acquiring US companies during the 1990s, but only when the pre-announcement period is incorporated. Eckbo and Thorburn (2000) stated that offers from the United States receive immaterial profits when acquiring Canadian companies. Roll (1986), Jensen (2004), and Shleifer and Vishny (2003) debated that the influence of hubris and overvaluation as reasons for bidder profits. Additional factors influencing bidder profits include type of payment [Huang and Walkling (1987), Travlos (1987), and Lane and Yang (1983)], directorial structure, and nationality of the target company [Faccio, McConnell, and Stolin (2007), Fuller, Netter, and Stegemoller (2002) Moeller, Schlingemannand and Stulz (2004, 2005)]. Lastly, Masulis, Wang, and Xie (2007) concluded a significant negative relation between the existence of anti-takeover prerequisites and acquirer profits.

- **<u>Bidder Returns of Public Targets:</u>**

Mulherin and Boone (2000) examined acquisition and divestiture activity from 1990 through 1999 of 1,305 Value Line companies. They found that both acquisitions and divestitures create wealth, which they computed by the combined stock price response to the announcement. An average target return of 20.2% in the three-day window around the acquisition showed a somewhat negative but insignificant bidder return. They also found that combined bidder and target returns were significantly correlated to the relative value of the target (target value/bidder value). They concluded that the wealth effects were directly connected to the size of the event for acquisitions (and divestitures) and were coherent with a synergistic hypothesis for the transactions. Bradley, Desai, and Kim (1988) found that surplus returns to bidders on the announcement of a takeover decrease from about 4% in the 1960s to 1.3% in the 1970s and then to 23% in the 1980s (all statistically significant). However, they also found positive combined gains for bidders and targets in takeovers for each period. Weston et al.'s (2001) examination of the evidence on returns to acquirers in takeovers noted numerous reasons why the returns to bidders may have decreased over time. The Williams Act (adopted in 1968) made the tender offer procedure more costly and time-consuming for bidders. In the 1980s, takeover defenses adopted by companies, state antitakeover laws, and judicial verdicts defending targets, all caused further shift in the bargaining balance from bidder companies to target companies. These outcomes put up a crucial question. If acquirer returns are not positive, then why do companies make acquisitions? There were several possible explanations. Weston et al. (2001, p. 221) noted that zero returns to bidders were uniform with a competitive market in which companies earn “normal” returns in their operations. By this standard, Bruner (2001, p. 14) concluded “60 to 70% of all M & A transactions were associated with financial performance that at least compensated investor for their opportunity cost.”

Additionally, there are numerous complexities[24] in estimating bidder returns. First, targets may be diminutive relative to the bidder, so even good acquisitions could have slight impact on the bidder’s stock price. Second, the stock price response to an acquisition can only denote the surprise element of the acquisition. If an acquirer is known to be engaging in an acquisition strategy, the stock price response to any acquisition announcement will only represent how the market perceives that acquisition to be dissimilar from the projected acquisition. Third, if the target resists the takeover, the takeover procedure could take a long time. Thus, the hesitant outcome of the event makes it tricky to isolate the market’s observation of the offer.

24

- The explanatory variables are suggested by economic theory, and then the common assumption has been that the *Ordinary Least Squares*(OLS) and Generalized Least Squares (GLS) estimates of the cross-sectional parameters can be used to test theoretical predictions. The standard OLS and GLS estimators are inconsistent.
- Abnormal returns from announcements occurs when insiders possessed confidential information not reflected in market prices prior to the event, outside investors used both the announcement of a voluntary event and their knowledge of insiders’ incentives to infer private information. Outsiders inferred that insiders believe the event to have a positive net present value. If this truncation is ignored in cross-sectional regressions, then estimators of cross-sectional coefficients are inconsistent.
- With voluntary corporate events, economically motivated managers can control the type, timing, or magnitude of public announcements. - Rational managers voluntarily initiate an event only if it provides some personal or corporate benefit. (Eckbo, Maksimovic, and Williams, 1990)

Hietala et al. (2003) raised objections to the explanation of bidder returns. They mentioned that the announcement of a takeover disclosed information about numerous effects comprising the possible synergies in the combination, the stand-alone values of the bidder(s) and target(s), and the split in value among the companies. They suggested that it is generally impossible to disentangle these effects and infer the meaning of the market's responses to a takeover announcement. Hietala et al. presented a model that explained several exclusive cases to exercise bidder and target stock price movements to estimate the market's estimate of synergies and over payment—comprising cases where a transaction is not completed or where a takeover race has exactly two bidders. Empirically, they showed that the winning bidder for Paramount, Viacom, won by being eager to overpay more than its rival, QVC in the bidding race even though QVC had superior synergies with Paramount.

- **<u>Bidder Returns of Private Targets</u>**

There is little research on method-of-payment choice or wealth effects when the target is a private company and in actual fact none when the target is a subsidiary of another company. Chang (1998) investigated bidder returns to companies acquiring 281 privately held targets from 1981 through 1992 and evaluated them to bidder returns for 255 public targets from 1981 through 1988. He found no significant abnormal returns for a two-day window for bidders who acquired private targets with cash. However, bidders who bought private targets with stock have a 2.64 per cent return. This led them to conclude that when making a stock acquisition, a large block-holder, or several block-holders may be formed from the target shareholders. If the block-holders were more proficient to monitor the events of the bidding company management, the performance of the bidding company would enhance. To test this, Chang divided the bidders by whether or not a new block-holder in the bidder emerges from the private target company. He found a 4.96% announcement abnormal return if a new block-holder is formed versus a 1.77% return if there is no new block-holder; both of these abnormal returns were significant, as was their difference. Though large block-holders can be created for both private and public targets, this effect is more likely with private targets since public targets generally have less concentrated ownership. This discrepancy may be compensated somewhat, however, by the truth that public targets tend to be larger than private targets and therefore receive a larger ownership stake in the bidder. In addition, private target directors may exercise the takeover as a walk out approach and be incompetent (or dispassionate) of acting as effective monitors. Thus, block-holder deliberations are not conclusive in explaining discrepancies in bidder returns based on the public/private difference.

Hansen and Lott (1996) also studied the profits to bidders acquiring private and public targets. They considered the profits to bidder’s acquiring 252 private and public targets from 1985 to 1991. Their results concluded that the bidders earned 2 per cent higher return when acquiring a private company. In 65 per cent of the offers for public targets, the acquirer return was negative, while in only 43 per cent of the offers for the private targets, the acquirer return was negative. They presented an alternative explanation than block-holder formation for why acquirers do comparatively better in an acquisition of a private target than a public target. They also hypothesized that since shareholders are diversified, the goal of the director of a company is not to enlarge shareholder value but to maximize the value of the shareholder's portfolio. Thus, when a public bidder acquires a public target, diversified shareholders will be indifferent to how the profits from the acquisition is divided, believing they own stock in both companies. The negative returns of the acquirer were compensating by the positive profits of the target. However, when a public acquirer acquires a private target, the bidder's shareholders will capture part of the profits of the acquisition, believing the offer was value increasing. To sum up, the literature is not conclusive regarding returns to bidder and target firms, either individually or collectively. Hence, area remains open for investigation with Indian corporate data.

C. Indian M & A

The study conducted by Chakrabarti (2008) precisely dealt with the question of whether Indian acquirers create value or destroy in the short run and also in the long run for the period of 2000 to mid-2007 for 388 acquisitions. He found that the cumulative abnormal return (CAR) for three day event window (-1, +1) was significantly positive but the significance of the results goes away after adjusting for the business. He also found that in the long run acquirers are creating value but compared to pre-acquisition period they are performing worse. One of the drawbacks of the study was that it used market adjusted returns to estimate abnormal returns. The sample size was also for a smaller period and didn't cover the period from 1991 to 2000, as M & A phenomenon in India had picked up after liberalization.

Zhu and Malhotra (2008) examined international acquisitions by Indian companies for the period of 1999 to 2005. Their study illustrated that the Indian stock market reacts positively to the acquisition announcement. However, positive abnormal return last for three days, after that it becomes negative. Gubbi et al (2010) did an event study of 425 cross-border acquisitions by Indian companies during 2000- 2007. They also opined that the Indian acquirers created value in international acquisitions and the value created was higher when the target companies were located in advanced economic and institutional environments (Pawaskar, 2001; Beena, 2004; Mantravadi and Reddy, 2007; Kumar and Rajib, 2007; Mantravadi and Reddy, 2008a; Mantravadi& Reddy, 2008b; Bhaumik and Selarka, 2008) studied Indian M & A and analyzed post acquisition operating performance of the acquirers. Some of these studies have also compared pre and post operating performance of the acquirers. The results of these studies are mixed. Some have shown that the operating performance of acquirers improved after acquisitions while some other studies got the opposite results. Also, in some cases, the acquirer resorted to divestiture after sometime, rejecting the synergy hypothesis. Therefore, question remains as to why firms acquire targets?

The focus of companies from the emerging markets acquiring the companies in the developed markets is primarily an investigation of opportunities rather than utilization of available resources (Wright et. al.., 2005). Latest technological competence is sought (Cantwell, 1992), to expand prospective absorptive capacity of such companies (Zahra and George, 2002). This facilitates such companies to attain universal competitiveness in the long run, and shift the newly built-up competence to the home country, thereby enhancing competitive advantage of the company. The market mechanism in the emerging economies is not conducive to obtaining these tangible and intangible resources optimally, and to grow them internally takes time (Gubbi et. al, 2010). In particular, the acquisition route to gaining these means may be eye-catching for the emerging economy companies in view of their glueyness, and their synergistic value as a complement to the existing resource base of these acquirers. The emerging economy companies have been active targets for the developed economy companies, but the emerging economy companies have also acquired targets in the developed countries[25], particularly in the latest merger wave. The share of the developing economy acquirers has, however, been lower compared to the emerged economy acquirers purchasing the developing economy companies (World Investment Report, 2011). The developed economy companies entering the emerging economies through acquisitions is a somewhat new phenomenon. Divergent to present wisdom on domestic M & A, the developed market acquirers

[25]Tata's acquisition of Corus in point as an example.

post significant positive gains upon acquisition of a publicly listed emerging market target companies. The key to value creation in this context of evils arising from incomplete contracts is acquisition of majority control. Acquisition of minority stake does not result in value creation for the developed economy acquirer (Chari, Ouimet and Tesar, 2004).

A popular belief is that M & A reinforce businesses by making their moves more synergetic. M & A activities have been a universal form, staple business movement for more than four decades in North American and European markets before reaching its grown-up stage in the 1990s. In Asia, most of the M & A events have taken place only after the Asian financial tragedy in 1997. M & A tricks have not only captured the focus and concentration of a large section of the community but have also concerned the examination of governments in Asian economies (Wong A, 2009). The motives are that: first, most of the Asian governments encouraged the M & A of companies so as to lift competitiveness and to trim down cost. Economic dominance would be concentrated to a few multinational enterprises due to M & A events. Secondly, as the Asian stock markets become more urbanized, shareholders knowledge about the market has enhanced substantially. Tiny investors are habitually in a sticky situation when they are required to decide whether or not to sell their shares in opposite of a bid as they do not have information, data and understanding about the gain-loss status of the M & A game. (Ghosh and Ruland,1998).

5.3. Research Methodology:

Choice of sample:

The data on M & A events were obtained from different sources, namely, the M & A database of the Securities and Exchange Board of India (SEBI), the Bombay Stock Exchange (BSE), Yahoo Finance. Domestic M & A announced during the year 2002-2011 periods were taken into consideration, on account of two reasons. First, pre-2002 M & A events involving unrelated private sector companies were few in number and data on them was not readily available. Second, the Indian market did not have the required strength and institutional distinctiveness for meaningful event study analysis until the transformations that gave constitutional status to SEBI in 1992 and Competition Commission of India (CCI) in 2002 (came into existence in January 2003).

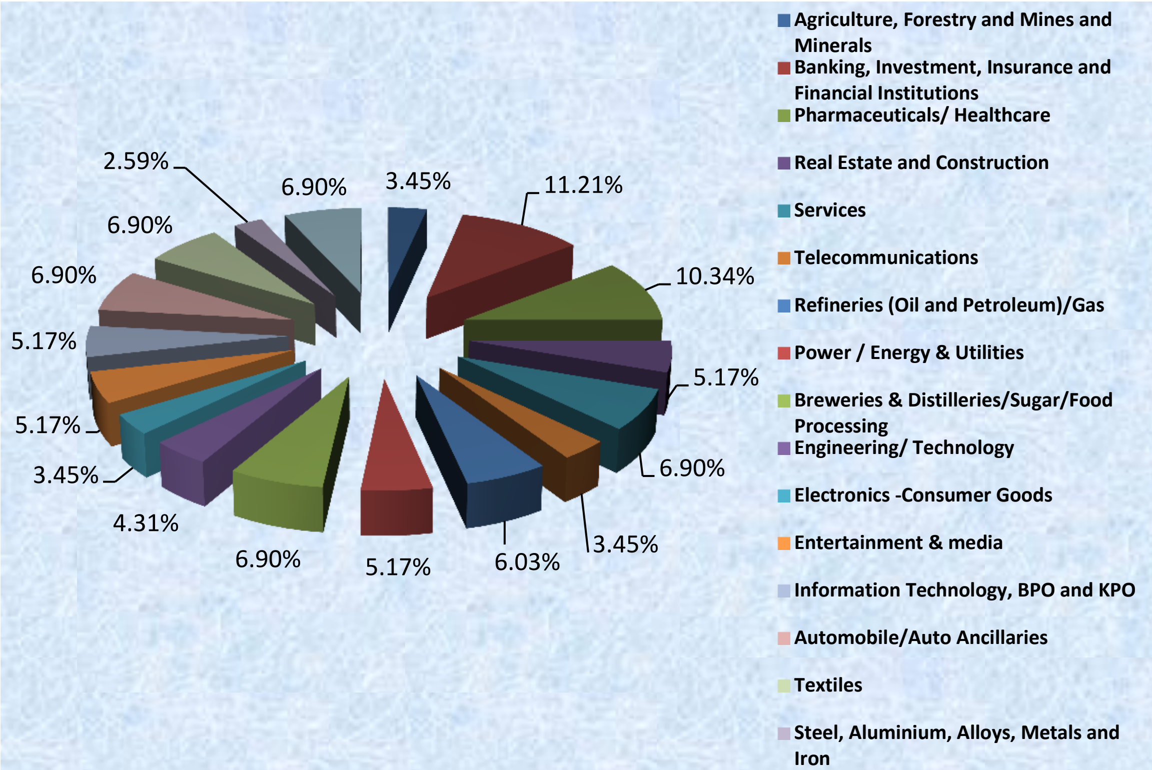
An examination of the available data suggests that the year 2002-2011 period was marked by hundreds of M & A announcement in India under the supervision of SEBI. However, a closer look at these actions reveal that almost all these events involved merger of group companies, and or acquisition of equity by promoters from the open market to enhance their equity share in the companies that they were already in control. It is an investment protective strategy to forestall acquisition offers from competitor companies. However, these M & A events do have strategic decision making, they do not necessarily involve change in management and control over the companies' resources.

Hence, analysis was limited to Indian acquiring companies that have acquired target companies from India as well as overseas companies acquired Indian targets and M & A deals were registered with SEBI. The number of deals prior to this period (2002-2011) with sufficient information on various deal characteristics is small. Due to unavailability of data LBOs, spin offs, recapitalizations, exchange offers, repurchases, minority stake purchases, acquisition of remaining interest or privatization deals were not included in the sample. For deals characterized by creeping acquisitions, the SEBI registered offer opening date was considered to be the announcement date, as it was assumed that the information available to the market at later date would not add much to the information already built into the company stock prices at the earlier date of announcement.

There were several deals which were reported twice[26] for the same acquisition date or in some other cases few acquirers were announcing two acquisitions at the same date. If an announcement date happen to be on no trading day (including Saturday, Sunday and Public Holidays) then the next trading day was taken as event date (day 0). The share price data were collected from BSE, NSE, and Yahoo Fiancé database for the period of -180 to +180 trading days around the event announcement date. There were 12 deals for which there were no stock price data available for target companies or data available for less than 30 trading days. Thus, Final sample included 116 companies of which 80 were Indian and 36 overseas companies, some of the acquiring companies were involved in multiple acquisitions. By the standards of the literature, a sample of 116 companies is of a reasonable size[27]. The distribution of 116 companies across industry groups is given in Figure No-1.

[26] - Bajaj Hindusthan Sugar Industries Ltd and The Pratappur Sugar and Industries Ltd were acquired by Bajaj Hindusthan Ltd
- FICOM Organics Ltd and Godavari Fertilizers and Chemicals Ltd were acquired by Coromandel Fertilizers Ltd.
- Amit Spinning Industries Ltd and Indo Rama Textiles Ltd were acquired by Spentex Industries Ltd
[27]Clark and Ofek (1994), for example, used a sample of 38 takeovers.

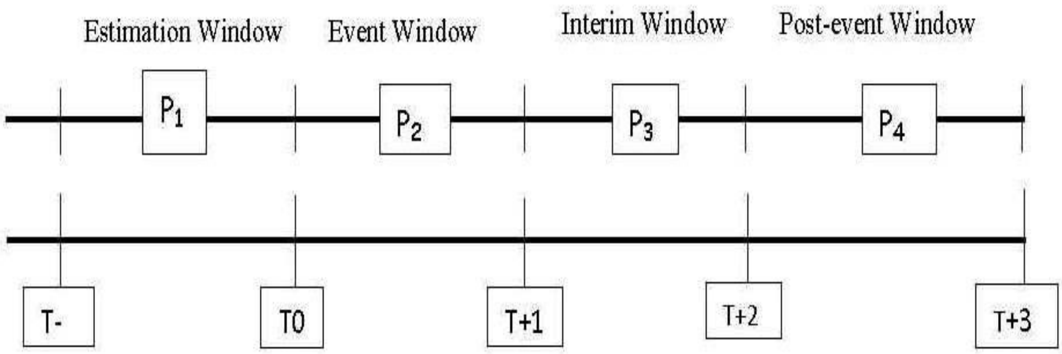
<u>**Figure-5:1 Distribution of M & A Events Across Industry Groups**</u>



Event Study Methodology:

The event study methodology has been mainly inspired from Patell's (1976) study of stock price behavior and Campbell, Lo and MacKinlay's (1997) use of econometric methodologies in financial economics that included event study methodology. Eckbo (1983) and Stillman (1983) first applied the event study methodology to study the competitive effects of mergers. Others (Mullin, Mullin, and Mullin (1995) and Chevalier (1995)) have since used this approach to study either particular mergers or mergers in particular industries. An event study attempts to measure the effect of a corporate event, such as a merger or earnings announcement, by examining the response of the stock price around the event date. One underlying assumption is that the market processes information about the event in an efficient and unbiased manner.

The steps involved in an event study include defining an event that delivers new information to the market, positioning forth a theoretical explanation for the market reaction, identification of the set of companies undergoing the event along with identifying the event date and defining the event window, eliminating the companies that have additional relevant events intersecting the event window, calculation of abnormal returns for the event window, and analyzing the null hypothesis that the event had no influence on share prices, that is, cumulative abnormal returns (CAR) do not differ significantly from zero (McWilliams and Siegel, 1997). The time line applied for an event study is shown below:



Where,

f) T_0, represents the date of announcement of event;

g) P_1, represents the pre-event period, expanding from T_{-1} to T_0;

h) P_2, represents the event period skirling, from T_0 to T_{+1};

i) P_3, represents the interim period, expanding from T_{+1} to T_{+2};

j) P_4, represents the post outcome period, expanding from T_{+2} to T_{+3}.

The trading days before the event date are designated with minus sign (-) i.e. -1, -2, -3,…-180 and trading days after the event date are assigned plus sign (+) as +1, +2 ,+3,…+180 days. This procedure identifies the consequence of a particular event upon a security's rate of return (Fama, Fisher, Jensen and Roll, 1969). It is based upon the hypothesis of capital markets being semi-robust. The equity prices at any point in time combine all openly accessible information, and the influence of any new open information gets factored into the equity prices instantly. Given this, the announcement of a merger among two companies would communicate information that would swift investors to bid-up the price of a contending company's equity stock under any of the following four conditions;

1. A competitor would benefit if an anticompetitive merger led to higher product charges and thus superior profits.

2. Competitors would benefit if a merger discovered formerly unknown opportunities to acquire efficiencies due to merger.

3. Rivals could benefit if the merging companies would be enforced to dispossess resources at a concession in order to fulfill antitrust necessities.

4. Rivals would benefit if the merged company achieved a scale that facilitated it to gainfully undertake an investment that payback the entire industry (e.g., an advertising campaign).

Thus, it can be concluded that a merger is anticompetitive if the equity share price of a rival upsurges when the merger is publicized and can discount the efficiency justification, the divestiture explanation, and the free-rider explanation (Simpson and Hosken, 1998).

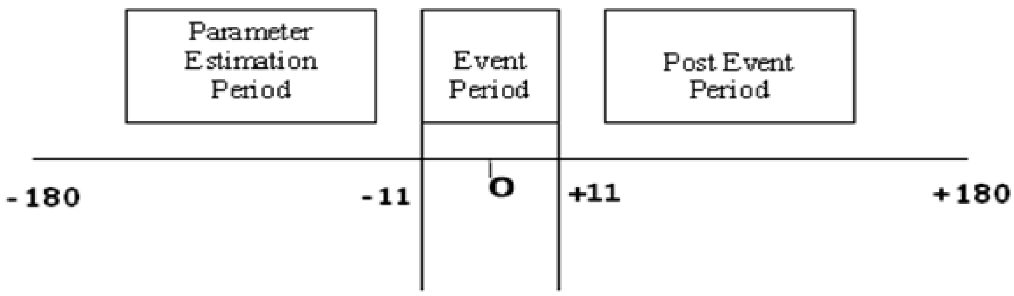
There is general disappointment among researchers with accounting data due to their ‘deficiency of “meaning”’ and their suspicious usefulness (Ball and Brown, 1968). The approach also emphasises on the stock prices rather than accounting data as it attempts to avoid effects of decision-making choices concerning accounting practices and falsification of data (Bromiley et. al., 1988). Other than the market efficiency assumption, the event study methodology also presumes that the market did not anticipate the event and that there are no confounding events close to the event under considerations that could influence the stock market valuations of the pivotal company (McWilliams and Siegel, 1997).

In an ideal world, if the event date can be flawlessly identified, it would be reasonable to look at the CAR for the [*0, T*] period, i.e., the CAR for *T+1* days starting from the day of the event. However, as argued by Fama et al. (1969), it is time and again not possible to be certain about the date of an event like the announcement of a M & A, and for that reason one might be careful to experiment with [-*T1, T2*] windows when *T1* is greater than or equal to zero. If the CAR is positive, it implies that the investors felt that the event generated shareholder value for the company, and vice versa.

5.4. The Ordinary Least Squares (OLS) Market Model:

To analyze for the existence of abnormal returns, a benchmark for normal returns is essential. A parameter estimation period as recommended by Brown and Warner (1985) is used to calculate a stock’s Beta value. The Beta value is the slope of the line obtained by regressing the index’s returns to the stock’s returns, and is also used to assess the stock’s instability as equated with the market (Panayides and Gong, 2002). According to Panayides and Gong (2002), an 11 day event window completely illustrates the results of an event of interest. According to Brown and Warner (1985) and Dyckman, Philbrick and Stephan (1984), a parameter estimation period of 120 days is sufficient since daily returns data for the 120 days prior to the event date are sufficient in formulating a benchmark for normal returns. Gaps in the data (due to holidays) were ignored. Figure 1 provides a graphical depiction of the event study approach, where the event window is [-11, 11] days and the estimation window is [-180,-11] days.

Figure 5:2: Illustration of the Event Study Approach



The expected rate of return on share price of a company ‘i’ on day ‘t’ is computed as follows (McWilliams et. al., 1997):

$R_{it} = \alpha_i + \beta_i R_{mt} + \mu$ …………………………………………………… (1)

Where,

R_{it} = Rate of return on share price of company ‘i’ on day ‘t’,

R_{mt} = Rate of return on a market portfolio of stocks,

α_i, β_i = the intercept term and systematic risk coefficient of stock ‘i’, respectively,

μ = model error term of security ‘i’ on day t with expected value equal to zero

The equation (1) calculates the expected returns for the equity stock for the estimated period. The abnormal return is defined as the difference between the actual returns on a stock *i* and its expected return. Therefore, the abnormal return of a stock 'i' at time 't' is as given in equation (2)

$AR_{it}= R_{it}- (a_i+ b_iR_{mt})$.. (2)

Where,

AR_{it} = Abnormal return for the 'ith' company at time 't',

a_i and b_i = OLS parameter estimates obtained from regression of R_{it} on R_{mt} for the estimation period.

The abnormal return for each company over the forecast period was standardized. The cumulative abnormal return for security 'i' is the sum of abnormal returns in a given time period [t0, t1] is defined as equation (3).

$$CAR_i(t_0, t_1) = \sum_{t=t_0}^{t_1} AR_{it}$$ .... (3)

The sample average abnormal return at time *t*, AR_t, is the arithmetic mean of n stocks is defined as in equation (4)

$$AAR_t = 1/N_t \sum_{i=1}^{N_t} AR_{it}$$ .... (4)

The sample average cumulative abnormal from event time t_0 to t_1, is the sum of AR_t from t_0 to t_1 is defined in equation (5)

$$CAR(t_0, t_1) = \sum_{t=t_0}^{t_1} \overline{AR}_t$$ .... (5)

5.5. Empirical Results

The average cumulative abnormal returns (CAR) for the total sample size and various sub samples, along with their significance level is given in the table – 5:1. This study was conducted for 116 M & A during the period 2002 -03 to 2010-11. The announcement days of the other M & A events could not be identified as those companies were not registered with any recognized stock exchange and daily equity price data was unavailable. The results indicated that CAR (-11, +11) and CAR (-180, 0) were negative i.e. -0.08% & -4.86% respectively and positive CAR (0, +180) i.e. 4.6% for foreign companies but none were statistically significant. Indian companies also indicated that CAR (-11, +11) and CAR (-180, 0) were negative i.e. -0.21% & -2.2% respectively and positive CAR (0, +180) i.e. 1.82% but none were statistically significant and same trend was observed for the whole sample. In other words, the investors certainly did not feel, on an average, that the M & A events involving the domestic as well as foreign acquirers were value enhancing. Also, they did not strongly feel that they were value reducing either as average CAR (-180, +180) of total sample size for Indian as well as foreign companies since returns were equals to 0%. As mentioned above, this brings into question the ability of Indian capital market(s) in drawing accurate inference about the quality of corporate governance of listed companies, and/or quality of strategic decisions taken by the management of these companies who are often owners of controlling shares in these companies (Bhaumik and Selarka, 2008).

Interestingly, at total sample size as well as at Indian and foreign companies level average CAR (-11, +11) is found to be negative i.e. -0.17%, -0.21% and -0.08% respectively. This finding is consistent with negative acquirer returns reported by Eger (1983). Acquiring company share prices declined, on an average by 4% from 5 days prior to merger bid announcement to 10 days afterward (Eger, 1983; Firth 1980).

Industry Group Analysis

What is true for the whole sample is also true for industry sub groups. For this, the average CAR for different industries is classified under three categories i.e. Primary, Manufacturing, and Services for different periods are given in the table – 5:1. On an average for the 23 day CAR (-11, +11) the shareholders of acquirers company lost by 2.22% for Primary sector, 1.08% for Manufacturing sector, while shareholders of acquirers gained by 1.48% in Services sector but companies from financial sector registered loss of 1.06%. The pre event window CAR (-180, 0) the shareholders of acquiring companies lost by 13.67% for Primary sector, 5.96% for Manufacturing sector while shareholders of service sector had gained by 7.64% but shareholders of financial sector had lost by 32.67% while post event window CAR (0, +180) explained reverse trend compared to CAR (-180, 0) as shareholders from Primary sector gained by 11.69%, 5.55% for Manufacturing sector but shareholders from Service sector lost by 7.82% but shareholders of financial sector had gained by 32.86% and it was significant at 95% level compared to Service sector. The CAR (-180, +180) showed no gain or no loss as average CAR was close to 0% for Indian companies as well as for foreign companies and industries like primary, manufacturing and service sector also highlighted average CAR tending to 0%. This finding is similar to hubris hypothesis i.e. there are absolutely no gains available to corporate takeovers, the average increase in the target company's market value should then be more than offset by the average decrease in the value of the acquiring company (Roll, 1986).

<u>CAR of Acquiring Group</u>

As reported in table –5:4 for acquiring companies in the sample, the median values of CAR, two event window periods were negative i.e. CAR (-11, +11) for -0.4% and CAR (0, +180) for -1.33% while pre event window showed positive return (1.03%) although these values are having less than the mean values for the same event window period. It shows that more than 50% acquisitions of the total sample are creating significant negative value to their shareholders in CAR (-11, +11) and CAR (0, +180) post event window while pre event window (CAR (-180, 0) creating positive value to their shareholders. Average of CAR trend was opposite as pre event window showing negative value while post event window depicting positive value to their shareholders and same pattern was noticeable at Indian acquiring companies as well as foreign acquiring companies. The pattern at industry level was similar to average CAR as primary, manufacturing and financial sectors noticed negative value for CAR (-11, +11) and pre event window while post event window noticed positive value while service sector noticed positive value for CAR (-11, +11) and pre event window while post event window showed negative value. It showed that around 50% acquisitions of primary, manufacturing, and financial sectors created negative value for their shareholders for CAR (-11, +11) during pre-event window but post event window experienced positive value while service sector noticed positive value for CAR(-11, +11) and negative value for post event window.

CAR of Target Companies

As reported in table –5:5 for target companies in the sample, the median values of CAR, two event window periods were positive i.e. CAR (-11, +11) for 0.27% and CAR (0, -180) for 6.88% while post event window showed negative return (-7.03%) although these values are having less than the mean values for the same event window period. It shows that more than 50% acquisitions of the total sample are creating significant positive value to their shareholders in CAR (-11, +11) and CAR (0, -180) window while post event window (CAR (+180, 0) creating negative value to their shareholders. Average of CAR trend was alike as pre event window showing positive value while post event window depicting negative value to their shareholders. The pattern at industry level was similar to average CAR as primary and manufacturing sectors noticed negative value for CAR (-11, +11) while post event window noticed negative value for manufacturing, services and finance sectors but primary sector noticed positive value. However, for pre event window showed negative value for primary sector while manufacturing, services, and finance sectors noticed positive value. It showed that around 50% acquisitions of primary, and manufacturing sectors created negative value for their shareholders for CAR (-11, +11), during pre-event window showed positive value for manufacturing, services and finance sector but post event window experienced negative value for the same sector.

CAR of Indian and Foreign Companies

The average CAR for acquiring Indian and foreign companies by industries is shown in Table-5:7 for CAR (-11, +11) event window, pre event window CAR (-180, 0) and post event window CAR (0, +180). A primary and financial sector consists of 4 companies, (1 foreign and 3 Indian) and 8 companies (2 foreign and 6 Indian). The primary, manufacturing and financial sectors have negative CAR for (-11, +11) window and pre event window while post event window noticed positive returns. The shareholder of primary sector from India had gained 17.88% in post event window while experienced loss of 19.93% in pre event window. However, shareholders of foreign companies had lost by 6.88% in post event window but gained by 5.11% in pre event window. The shareholders of Indian financial sector companies also had gained by 28.86% in post event window while lost by 25.76% in pre event window but foreign shareholders registered very high gain by 53.84% in post event window while they lost by 53.38% in pre event window. The value enhancement of shareholder also noticed in manufacturing and service sectors in post and pre event window for companies from India and same trend was observed in case of foreign companies i.e. Indian manufacturing sector had gained 3.70% in post event window while service sector had gained 7.59% in pre event window and 9.97% gained for manufacturing sector in post event window while 7.73% gain showed in post event window for service sector companies from outside India.

Measurement of Combined Value

The combined value (i.e. Target Company + Acquiring Company) of average cumulative abnormal returns (CAR) for the total sample size and various sub-samples, along with their significance level is highlighted in the Table – 5:3. At total sample size level (i.e. all companies) average CAR is positive except for CAR (0, +180) post event window and same trend was observed in Indian as well as foreign companies. The shareholders of primary sector had lost by 3.94%, 1.49% for Manufacturing sector while service sector noticed gain by 3.45% but financial sector had lost by 0.03% an average CAR (-11, +11) event window. The pre event window observed loss by 14% for primary sector, 27.38% for financial sector, but manufacturing and service sector noticed gain by 3.07% and 16.44%. The gain of Service sector was significant at 95% level compared to financial sector. The pre event window CAR (-180, 0) noticed opposite trend compared to post event window CAR (0, +180) as shareholders who had gained in CAR (0, +180) had sustained loss in CAR (-180, 0) event window and loss making sector had turned out to be profit making sector for respective shareholders in registered stock exchange like primary sector had loss of 14% in CAR (-180, 0) event window but in CAR (0, +180) had profit of 12.03%.

As reported in Table – 5:6, the median values of CAR for combined value i.e. acquiring and target companies for sample, two event window periods were positive i.e. CAR (-11, +11) for 0.09% and CAR (-180, 0) for 6.45% while post event window noticed negative value (-6.11%) although these values were having less than average values for the same event window period. It showed that more than 50% acquisitions of the sample were creating significant positive value to their shareholders in CAR (-11, +11) and CAR (-180, 0) pre-event window while post event window (i.e. CAR (-0, +180)) creating negative value to their shareholders. On an average, CAR trend was similar in all companies as pre event window creating positive value while post event window creating negative value to their shareholders and the same pattern was noticed for Indian and foreign acquiring companies. The pattern at industry level is similar to average CAR as primary, manufacturing and financial sectors noticed negative value for CAR (-11, +11) while post event window noticed positive value for primary and financial sectors while manufacturing and service sectors noticed negative value i.e. -4.72% and -11.67%. It may be concluded that around 50% acquisitions of primary, manufacturing, and financial sectors created negative value for their shareholders for CAR (-11, +11). However, pre event window (i.e. CAR (-180,0)) created negative value for primary and financial sectors while manufacturing and service sectors provided positive value but post event window (i.e. CAR (0,+180)) provided positive value for primary and financial sector while manufacturing and service sectors noticed negative values for respective acquiring and target companies shareholders.

Table- 5:8 presents average CAR for combined value of foreign and Indian Companies. The primary sector noticed negative value for CAR (-11, +11) (-5.86%) and pre event window (-17.47%) but post event window noticed positive value (15.27%) while foreign companies in primary sector have very small percentage movement in all three event windows. The shareholders of Indian manufacturing sector have lost (1.22%) in CAR (-11, +11) and post event window (-6.35%) but gained 5.98% in pre event window, shareholders of foreign manufacturing sector also have lost (2.14%) in

CAR (-11, +11) and pre event window (-3.88%) but seen gain of 3.36% in post event window. The service sector provided similar trend for Indian and foreign shareholders as event window and pre event window noticed gain of 3.54% and 19.02% for Indian company's shareholder while gain of 3.28% and 11.62% for foreign company's shareholders but both lost in post event window. The shareholders of foreign companies in financial sector noticed very high profit of 50.64% in post event window while loss (-49.28%) was observed in pre event window as well as in event window (-1.76%), shareholders of Indian companies also had same trend i.e. high profit of 20.45% in post event window while loss (20.08%) in post event window and very minor profit (0.55%) in event window.

These results are contrary to the findings in developed markets as explained by Andrade et al (2001) but support the findings from previous studies on Indian markets (Chakrbarti, 2008; Zhu and Malhotra, 2008; Gubbi et al, 2010). The results contribute significantly to existing literature understating the wealth effect of Indian acquirers with rigorous methodology and the large sample size covering the period of 2002-03 to 2010-11. It almost covers the entire period after the liberalization of Indian economy as there were very few acquisitions by Indian public companies that took place between 1991 and 1993. These results also have implications on the findings about the value creation/ destruction on acquisition announcement throughout the world. As most of the studies on the wealth creation at the time of acquisitions have been made in developed markets, the results might differ in other emerging economies like these results. A very recent study by Alexandridis et al (2010) has concluded similar results for emerging economies.

5.6. Conclusion:

There is a significant debate in the literature about the pros and cons of concentration of ownership in companies. On one hand, it can eliminate the conflict of interest between managers and owners that can lead to sub-optimal company's performance. On the other hand, it can lead to entrenchment of insiders who can then escape disciplining by the capital market as well as by debt holders, enabling them to take improper decisions that might be unfavorable to the value of the company, and thereby adversely affect minority shareholders. Researcher observed that there is empirical evidence in the literature to suggest that both are possible. Analysis suggests that M & A of Indian companies registered with SEBI in India during the 2002-03 to 2010-11 period, did not add to any significant cumulative abnormal returns in event window but pre event window and post event window noticed high cumulative abnormal returns where companies having gained in pre event window noticed loss in post event window and vice versa. The shareholders of financial sector noticed loss by 32.67% in pre event window while 32.86% gained in post event window. The results also show that the Indian acquirers did not create value even after changing the event window period from 23 days to 180 days while CAR (-180, +180) returns for all sample size were equal to 0%, it means there is no significant abnormal gain or loss in 361 days window. These results are contrary to the findings about wealth effect on acquisition in the developed markets but support the hubris hypothesis i.e. there are absolutely no gains available to corporate takeovers, the average increase in the target company's market value should then be more than offset by the average decrease in the value of the acquiring company.

5.1. APPENDIX

Table – 5:1

Market reaction to M&A announcements (%)						
Acquirer Companies		**N**	CAR (-11, +11)	CAR (0, +180)	CAR (-180, 0)	CAR (-180,+180)
All Companies		116	-0.17	2.69	-3.03	0.01
Indian Companies		80	-0.21	1.82	-2.2	0.01
Foreign Companies		36	-0.08	4.6	-4.86	0
Primary	(A)	4	-2.22	11.69	-13.67	0
Manufacturing	(B)	61	-1.08	5.55	-5.96	0.03
Services	(C)	43	1.48	-7.82	7.64 (D)	-0.02
Finance	(D)	8	-1.06	32.86 ©	-32.67	0

Note: (A), (B), © and (D) indicate significance at the 5% levels

Table – 5:2

Market reaction to M&A announcements (%)						
Target Companies		**N**	CAR (-11, +11)	CAR (0, +180)	CAR (-180, 0)	CAR (-180,+180)
All Companies		108	0.57	-8.82	8.98	0.002
Primary	(A)	2	-3.44	.68	-0.67	0.00
Manufacturing	(B)	52	-0.79	-9.28	9.32	0.00
Services	©	41	2.10	-6.70	7.00	0.01
Finance	(D)	13	1.78	-15.07	15.35	0.00

Note: (A), (B), © and (D) indicate significance at the 5% levels

Table - 5:3

Market reaction to M&A announcements						
Combined (Target + Acquirer)		**N**	CAR (-11, +11)	CAR (0, +180)	CAR (-180, 0)	CAR (-180,+180)
All Companies		116	0.36	-5.52	5.34	0.01
Indian Companies		80	0.41	-7.99	7.71	0.01
Foreign Companies		36	0.25	-0.04	0.06	0
Primary	(A)	4	-3.94	12.03	-14	0
Manufacturing	(B)	61	-1.49	-3.48	3.07	0.03
Services	(C)	43	3.45	-16.28	16.44 (D)	-0.01
Finance	(D)	8	-0.03	28 ©	-27.38	0

Note: (A), (B), © and (D) indicate significance at the 5% levels

Table – 5:4

Market reaction to M&A announcements (Median)						
Acquirer Companies		**N**	CAR (-11, +11)	CAR (0, +180)	CAR (-180, 0)	CAR (-180,+180)
All Companies		116	-0.40	-1.33	1.03	0.00
Indian Companies		80	-0.4	-0.75	0.59	0.00
Foreign Companies		36	-0.38	-1.91	2.01	0.00
Primary	(A)	4	-4.5	11.97	-14.2	0.00
Manufacturing	(B)	61	-1.18	0.67	-0.45	0.00
Services	(C)	43	0.12	-3.57	3.19	0.00
Finance	(D)	8	-0.33	29.65	-28.49	0.00

Table-5:5

Market reaction to M&A announcements (Median)						
Target Companies		**N**	CAR (-11, +11)	CAR (0, +180)	CAR (-180, 0)	CAR (-180,+180)
All Companies		108	0.27	-7.13	6.88	0.00
Primary	(A)	2	-3.44	0.68	-0.67	0.00
Manufacturing	(B)	52	-0.25	-8.2	7.11	0.00
Services	(C)	41	1.85	-3.72	4.59	0.00
Finance	(D)	13	1.48	-9.12	10.72	0.00

Table - 5:6

Market reaction to M&A announcements (Median)						
Combined (Target + Acquirer)		**N**	CAR (-11, +11)	CAR (0, +180)	CAR (-180, 0)	CAR (-180,+180)
All Companies		116	0.09	-6.11	6.45	0.00
Indian Companies		80	-0.03	-6.17	6.45	0.00
Foreign Companies		36	0.29	-4.82	4.04	0.00
Primary	(A)	4	-7.94	14.26	-16.1	0.00
Manufacturing	(B)	61	-0.6	-4.72	5.27	0.00
Services	(C)	43	2.07	-11.67	13.54	0.00
Finance	(D)	8	-0.6	20.88	-19.88	0.00

Table – 5:7

Market reaction to M&A announcements						
Acquirer Companies		**N**	CAR (-11, +11)	CAR (0, +180)	CAR (-180, 0)	CAR (-180,+180)
Indian Companies		80	-0.21	1.82	-2.2	0.01
Primary	(A)	3	-3.16	17.88	-19.93	0.00
Manufacturing	(B)	43	-0.91	3.70	-4.05	0.04
Services	(C)	28	1.31	-7.92	7.59	-0.03
Finance	(D)	6	-0.81	25.86 ©	-25.76 (D)	0.00
Foreign Companies		36	-0.08	4.6	-4.86	0
Primary	(A)	1	0.59	-6.88	5.11	0.00
Manufacturing	(B)	18	-1.48	9.97	-10.52	0.00
Services	(C)	15	1.79	-7.64	7.73	0.00
Finance	(D)	2	-1.81	53.84	-53.38	0.00
Note: (A), (B), © and (D) indicate significance at the 5% levels						

Table - 5:8

Market reaction to M&A announcements						
Combined (Target + Acquiring)		**N**	CAR (-11, +11)	CAR (0, +180)	CAR (-180, 0)	CAR (-180,+180)
Indian Companies		80	0.41	-7.99	7.71	0.01
Primary	(A)	3	-5.86	15.27	-17.47	0.00
Manufacturing	(B)	43	-1.22	-6.35	5.98	0.04
Services	(C)	28	3.54	-19.1	19.02 (D)	-0.02
Finance	(D)	6	0.55	20.45 ©	-20.08	0.00
Foreign Companies		36	0.25	-0.04	0.06	0
Primary	(A)	1	1.79	2.3	-3.6	0.00
Manufacturing	(B)	18	-2.14	3.36	-3.88	0.00
Services	(C)	15	3.28	-11.03	11.62	0.00
Finance	(D)	2	-1.76	50.64	-49.28	0.00
Note: (A), (B), © and (D) indicate significance at the 5% levels						

Table – 5:9 Cumulative Abnormal Return Event Period (-11 to +11 days)

		All Total	Ind_T:Line of Business of Target Company				Ind_A: Line of business of acquired company			
		1.00	Primary	Manufacturing	Services	Finance	Primary	Manufacturing	Services	Finance
All Total	1.00	116	4	57	42	13	4	61	43	8
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
A8:Cumulative Abnormal Return Event Period (-11 to +11 days)	Answering Base	116	4	57	42	13	4	61	43	8
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	<= -2.24	24	1	14	6	3	1	14	7	2
		20.7%	25.0%	24.6%	14.3%	23.1%	25.0%	23.0%	16.3%	25.0%
	-2.23 - -0.11	23	0	12	11	0	0	15	7	1
		19.8%	0.0%	21.1%	26.2%	0.0%	0.0%	24.6%	16.3%	12.5%
	-0.10 - 0.86	23	2	17	2	2	2	15	5	1
		19.8%	50.0%	29.8%	4.8%	15.4%	50.0%	24.6%	11.6%	12.5%
	0.87 - 3.33	23	1	8	10	4	1	9	11	2
		19.8%	25.0%	14.0%	23.8%	30.8%	25.0%	14.8%	25.6%	25.0%
	> 3.34	23	0	6	13	4	0	8	13	2
		19.8%	0.0%	10.5%	31.0%	30.8%	0.0%	13.1%	30.2%	25.0%
Descriptive	Mean	0.53	-1.72	-0.72	2.05	1.78	-1.72	-0.41	1.97	1.03
Descriptive	Median	0.00	0.00	0.00	1.75	1.48	0.00	0.00	1.64	0.74

Table – 5:10 Average Abnormal Return :Event Period (-11 to +11 days)

		All Total	Ind_T:Line of Business of Target Company				Ind_A: Line of business of acquired company			
		1.00	Primary	Manufacturing	Services	Finance	Primary	Manufacturing	Services	Finance
All Total	1.00	116	4	57	42	13	4	61	43	8
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
A9:Average Abnormal Return :Event Period (-11 to +11 days)	Answering Base	116	4	57	42	13	4	61	43	8
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	<= -0.04	39	1	24	11	3	1	27	9	2
		33.6%	25.0%	42.1%	26.2%	23.1%	25.0%	44.3%	20.9%	25.0%
	-0.03 - 0.11	39	3	22	9	5	3	21	12	3
		33.6%	75.0%	38.6%	21.4%	38.5%	75.0%	34.4%	27.9%	37.5%
	> 0.12	38	0	11	22	5	0	13	22	3
		32.8%	0.0%	19.3%	52.4%	38.5%	0.0%	21.3%	51.2%	37.5%
Descriptive	Mean	0.02	-0.12	-0.08	0.14	0.11	-0.12	-0.05	0.14	0.05
Descriptive	Median	0.00	0.00	0.00	0.12	0.11	0.00	0.00	0.12	0.05

Table – 5:11 Cumulative Abnormal Return: Post Estimation Period (0 to +180 days)

		All Total	Ind_T:Line of Business of Target Company				Ind_A: Line of business of acquired company			
		1.00	Primary	Manufacturing	Services	Finance	Primary	Manufacturing	Services	Finance
All Total	1.00	116	4	57	42	13	4	61	43	8
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
A10:Cumulative Abnormal Return: Post Estimation Period (0 to +180 days)	Answering Base	116	4	57	42	13	4	61	43	8
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	<= -17.39	24	0	12	8	4	0	13	11	0
		20.7%	0.0%	21.1%	19.0%	30.8%	0.0%	21.3%	25.6%	0.0%
	-17.38 - -8.72	23	0	13	5	5	0	15	6	2
		19.8%	0.0%	22.8%	11.9%	38.5%	0.0%	24.6%	14.0%	25.0%
	-8.71 - -3.20	24	1	9	12	2	1	9	10	4
		20.7%	25.0%	15.8%	28.6%	15.4%	25.0%	14.8%	23.3%	50.0%
	-3.19 - 0.74	22	2	12	7	1	2	11	8	1
		19.0%	50.0%	21.1%	16.7%	7.7%	50.0%	18.0%	18.6%	12.5%
	> 0.75	23	1	11	10	1	1	13	8	1
		19.8%	25.0%	19.3%	23.8%	7.7%	25.0%	21.3%	18.6%	12.5%
Descriptive	Mean	-8.21	0.34	-8.47	-6.54	-15.07	0.34	-9.03	-8.46	-4.86
Descriptive	Median	-5.73	0.00	-7.07	-3.59	-9.12	0.00	-7.07	-7.02	-4.38

Table 5:12 Average Abnormal Return: Post Estimation Period (0 to +180 days)

		All Total	Ind_T:Line of Business of Target Company				Ind_A: Line of business of acquired company			
		1.00	Primary	Manufacturing	Services	Finance	Primary	Manufacturing	Services	Finance
All Total	1.00	116	4	57	42	13	4	61	43	8
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
A11:Average Abnormal Return: Post Estimation Period (0 to +180 days)	Answering Base	116	4	57	42	13	4	61	43	8
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	<= -0.09	39	0	21	11	7	0	23	13	3
		33.6%	0.0%	36.8%	26.2%	53.8%	0.0%	37.7%	30.2%	37.5%
	-0.08 - -0.00	39	1	16	17	5	1	17	18	3
		33.6%	25.0%	28.1%	40.5%	38.5%	25.0%	27.9%	41.9%	37.5%
	> 0.01	38	3	20	14	1	3	21	12	2
		32.8%	75.0%	35.1%	33.3%	7.7%	75.0%	34.4%	27.9%	25.0%
Descriptive	Mean	-0.06	0.00	-0.06	-0.05	-0.13	0.00	-0.06	-0.07	-0.05
Descriptive	Median	-0.06	0.00	-0.07	-0.03	-0.11	0.00	-0.07	-0.06	-0.04

Table – 5.13 Cumulative Abnormal Return (%) Estimation Period (0 to -180 days)

		All Total	Ind_T:Line of Business of Target Company				Ind_A: Line of business of acquired company			
		1.00	Primary	Manufacturing	Services	Finance	Primary	Manufacturing	Services	Finance
All Total	1.00	116	4	57	42	13	4	61	43	8
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
A6: Cumulative Abnormal Return (%) Estimation Period (0 to -180 days)	Answering Base	116	4	57	42	13	4	61	43	8
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	<= -0.25	24	1	10	12	1	1	12	10	1
		20.7%	25.0%	17.5%	28.6%	7.7%	25.0%	19.7%	23.3%	12.5%
	-0.26 - 3.99.	25	2	14	8	1	2	13	9	1
		21.6%	50.0%	24.6%	19.0%	7.7%	50.0%	21.3%	20.9%	12.5%
	4.00 - 7.99	20	1	9	8	2	1	9	6	4
		17.2%	25.0%	15.8%	19.0%	15.4%	25.0%	14.8%	14.0%	50.0%
	8.00 - 16.00	20	0	9	6	5	0	11	7	2
		17.2%	0.0%	15.8%	14.3%	38.5%	0.0%	18.0%	16.3%	25.0%
	>16.00	27	0	15	8	4	0	16	11	0
		23.3%	0.0%	26.3%	19.0%	30.8%	0.0%	26.2%	25.6%	0.0%
Descriptive	Mean	8.36	-0.34	8.51	6.83	15.35	-0.34	9.03	8.80	5.28
Descriptive	Median	6.13	0.00	6.76	4.30	10.72	0.00	6.78	6.17	5.35

Table 5:14 Average Abnormal Return (%) Estimation Period (0 to -180 days)

		All Total	Ind_T:Line of Business of Target Company				Ind_A: Line of business of acquired company			
		1.00	Primary	Manufacturing	Services	Finance	Primary	Manufacturing	Services	Finance
All Total	1.00	116	4	57	42	13	4	61	43	8
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
A7: Average Abnormal Return (%) Estimation Period (0 to -180 days)	Answering Base	116	4	57	42	13	4	61	43	8
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	<= 0.00	39	3	22	13	1	3	22	12	2
		33.6%	75.0%	38.6%	31.0%	7.7%	75.0%	36.1%	27.9%	25.0%
	0.01 - 0.10	39	1	15	18	5	1	17	17	4
		33.6%	25.0%	26.3%	42.9%	38.5%	25.0%	27.9%	39.5%	50.0%
	> 0.11	38	0	20	11	7	0	22	14	2
		32.8%	0.0%	35.1%	26.2%	53.8%	0.0%	36.1%	32.6%	25.0%
Descriptive	Mean	0.12	0.00	0.17	0.06	0.13	0.00	0.16	0.08	0.04
Descriptive	Median	0.05	0.00	0.06	0.04	0.10	0.00	0.06	0.06	0.05

Table 5: 15 Cumulative Abnormal Return: Total (+180 to -180 days)

		All Total	*Ind_T:Line of Business of Target Company*				*Ind_A: Line of business of acquired company*			
		1.00	*Primary*	*Manufacturing*	*Services*	*Finance*	*Primary*	*Manufacturing*	*Services*	*Finance*
All Total	*1.00*	**116**	**4**	**57**	**42**	**13**	**4**	**61**	**43**	**8**
		100.0%	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
A12:Cumulative Abnormal Return:Total (+180 to -180 days)	*Answering Base*	**116**	**4**	**57**	**42**	**13**	**4**	**61**	**43**	**8**
		100.0%	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
	<= 0.00	**115**	**4**	**57**	**41**	**13**	**4**	**61**	**42**	**8**
		99.1%	**100.0%**	**100.0%**	**97.6%**	**100.0%**	**100.0%**	**100.0%**	**97.7%**	**100.0%**
	> 0.01	**1**	**0**	**0**	**1**	**0**	**0**	**0**	**1**	**0**
		0.9%	**0.0%**	**0.0%**	**2.4%**	**0.0%**	**0.0%**	**0.0%**	**2.3%**	**0.0%**
Descriptive	*Mean*	**0.00**	**0.00**	**0.00**	**0.01**	**0.00**	**0.00**	**0.00**	**0.01**	**0.00**
Descriptive	*Median*	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**

Table - 5:16: Average Abnormal Return: Total (+180 to -180 days)

		All Total	*Ind_T:Line of Business of Target Company*				*Ind_A: Line of business of acquired company*			
		1.00	*Primary*	*Manufacturing*	*Services*	*Finance*	*Primary*	*Manufacturing*	*Services*	*Finance*
All Total	*1.00*	**116**	**4**	**57**	**42**	**13**	**4**	**61**	**43**	**8**
		100.0%	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
A13:Average Abnormal Return: Total (+180 to -180 days)	*Answering Base*	**116**	**4**	**57**	**42**	**13**	**4**	**61**	**43**	**8**
		100.0%	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
	-1.48 - 0.00	**116**	**4**	**57**	**42**	**13**	**4**	**61**	**43**	**8**
		100.0%	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Descriptive	*Mean*	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Descriptive	*Median*	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**

Table – 5:17 Cumulative Average Abnormal Return (%)

		All Total	Ind_T:Line of Business of Target Company				Ind_A: Line of business of acquired company			
		1.00	Primary	Manufacturing	Services	Finance	Primary	Manufacturing	Services	Finance
All Total	1.00	**116**	**4**	**57**	**42**	**13**	**4**	**61**	**43**	**8**
		100.0%	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
A14: Cumulative Average Abnormal Return (%)	Answering Base	**116**	**4**	**57**	**42**	**13**	**4**	**61**	**43**	**8**
		100.0%	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
	<= -0.05	**39**	**1**	**22**	**13**	**3**	**1**	**26**	**10**	**2**
		33.6%	**25.0%**	**38.6%**	**31.0%**	**23.1%**	**25.0%**	**42.6%**	**23.3%**	**25.0%**
	-0.04 - 0.14	**39**	**3**	**24**	**8**	**4**	**3**	**22**	**11**	**3**
		33.6%	**75.0%**	**42.1%**	**19.0%**	**30.8%**	**75.0%**	**36.1%**	**25.6%**	**37.5%**
	> 0.15	**38**	**0**	**11**	**21**	**6**	**0**	**13**	**22**	**3**
		32.8%	**0.0%**	**19.3%**	**50.0%**	**46.2%**	**0.0%**	**21.3%**	**51.2%**	**37.5%**
Descriptive	Mean	**0.08**	**-0.12**	**0.03**	**0.15**	**0.12**	**-0.12**	**0.05**	**0.15**	**0.05**
Descriptive	Median	**0.00**	**0.00**	**0.00**	**0.14**	**0.11**	**0.00**	**0.00**	**0.14**	**0.05**

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CHAPTER - 6

CASES OF STUDIES

This chapter presents case studies of L&T takeover bid by Reliance before the initiation of restructuring of reforms during post reform period. We have chosen case of Hutch acquired by Vodafone and merger of Bhari AXA with RIL.

CASE - 1

AN ABORTED TAKE-OVER, OF LARSEN & TOUBRO (L&T)

Reliance Industries: The Reliance Group, established by Dhirubhai H. Ambani, is India's largest private sector enterprise, with businesses in the energy and materials value chain. Group's annual revenues were in excess of US$ 66 billion[28] in the year 2011-2012. It is a Fortune 500 company and is the largest private sector company in India.

Backward vertical integration has been the strategy of the evolution and growth of Reliance Industries. Started with textiles in the late seventies, it diversified in polyester, fibre intermediates, plastics, petrochemicals, petroleum refining and oil and gas exploration and production.

A company by name of Reliance Textile Industries Private Limited was incorporated in Maharashtra on 11th February, 1966 and set-up synthetic fabrics mill in the same year at Naroda near Ahmedabad in Gujarat. With effect from 28th June, 1975, Reliance Textile Industries was converted into a public limited company. Reliance Textile Industries Ltd was amalgamated with Mynylon Ltd with effect from 1st July 1975. The name of Manylon Ltd was then changed to Reliance Textile Industries Ltd

[28]http://www.ril.com/html/aboutus/aboutus.html accessed on 1st June 2012

with effect from 11th March, 1977. The Company's yarns were marketed under various brand names such as Texafit, Textron, Texlene, Poly-dyed, and Poly-twist and fabrics was marketed under the brand name "VIMAL".

Operation during 1980-88: Numerous varieties of fabrics were introduced including worsted suitings. The company undertook to enlarge the production to meet the heavy demands. In 1980, sales increased to ₹207.6 crores. Between 1981-1985, both sales and profits continued to show improvement. In 1986 sales further improved by 23.3% over the previous year but profits declined due to unrestricted smuggling of polyester fabrics, large imports of polyester staple fiber and higher levy on Purified Terepthalic Acid (PTA) as compared to dimethyl terepthalate. In 1987-88 (18 month) both sales and profits showed improvement over the previous year. The annual growth in the production and sales of polyester yarn was maintained and substantial quantities of this product were exported to USA, EEC, and Korea. The company worked on a programme for marketing products made in India under Du Pont technology, in the USA and other countries using the world-wide market network of Du Pont under this brand name[29].

1990-2010[30]: In 1990-91, sales was ₹2098.34 crores and net profit was ₹125.55 crores, RIL entered into the petroleum refining by establishing a subsidiary, Reliance Refineries Private Ltd (RRPL) in 1991 and later its name was changed to Reliance Petroleum Limited (RPL). However, in 1993-94 turnovers increased to ₹5345 crores and profit before tax increased by 79%. Whereas RPL came with a public offering, which was India's largest ever IPO[31]at that time and became the first Indian company to heave capital on the foreign market, through a Global Depositary Receipt (GDR)

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[29] The Stock Exchange Official Directory, The Bombay Stock Exchange, 1988

[30] The Annual Reports of RIL, 1990-91 to 2010-11

[31] RPL raised ₹21.72 billion (₹2172 crores) while net offer to the Indian public amounted to ₹8.62 billion.

issued in Luxembourg and second GDR was completed in 1994. In 1997-98, Indian oil industry reached at a state of collapse where RIL announced a plan to build one of the world's largest and most modern petroleum refining complexes in Jamnagar, Gujarat, at a cost of $6 billion. The government approved the plan, and permitted right to import petroleum directly rather than going through Indian Oil and this also facilitated RIL to reduce operating costs. The turnover increased to ₹13404 crores and net profit increased to ₹1653 crores in 1997-98. The Jamnager site's production capacity was two-fold that of any other Indian refinery and placed among the top five in the world. In 2002, turnover was ₹65061 crores and net profit was ₹4104 crores. RPL was merged into RIL, which became one of the country's top three companies in petrochemicals sector.

In 2002, Dhirubhai Ambani died and Ambani brothers took-over as heads of RIL. It raised its supremacy of the country's petrochemicals sector through its acquisition of Indian Petrochemicals Corporation Ltd (IPCL)[32]. In 2004, Reliance commenced a diversification effort, targeted the telecommunications sector, particularly the fast-growing cellular business. Reliance set up its own phone service, Reliance Infocomm. In 2005, conflicts increased between Mukesh and Anil Amabni and negotiated settlement was initiated by Smt. Kokilaban (Mother of Mukesh and Anil Ambani) who proposed a breakup of RIL into two equal parts. Mukesh Ambani remained as Chairman & Managing Director of the company's petroleum, petrochemical, and textiles businesses while Anil Ambani organised the company's telecommunications, capital finance, energy, and other operations. The division of RIL took place in 2006. The company's plans included a $6 billion extension of the Jamnagar site, doubling it in size and making it the world's largest refinery by 2009. The company also announced that it intended to spend $10 billion on further oil exploration efforts, targeting the international market and launched a $1.5 billion expansion of its Reliance gas station chain, with the goal of 6,000 stations in 2010. It also expanded

[32] In May, 2002, RIL acquired Government of India’s 26% stake in IPCL for ₹ 1491 crores.

internationally, becoming the world's leading manufacturer of polyester yarn with the acquisition of Germany's Trevira in 2010 where turnover was ₹200400 crores and net profit was ₹16236 crores reported by RIL.

2011-12: Revenue crossed ₹3,30,000 crores mark (₹3,39,792 crores), net profit crossed ₹20,000 crores mark (₹20,040 crores), total assets crossed ₹2,95,000 crores mark (₹2,95,140 crores), and declared dividend of 85%, payout of ₹2,531 crores, unmatched in the Indian Private sector. Turnover increased by 31.4% compared to 2010-11, export increased by 41.8% compared to 2011 (i.e. ₹208042 crores) which was 14% of India’s total export[33].

Larsen and Toubro: In 1938, the company was a partnership firm of two Danish Engineers, H. Holck Larsen, and S. K. Toubro. It was established in 1946 under the Indian Companies Act, 1913 with objective to carry on business as “civil, mechanical, electrical, chemical and agricultural engineers; as manufacturers; as importers and exporters and as contractors”. In 1950, it was converted into a public limited company. It is a technology, engineering, manufacturing, and construction company. The company in 1985 represented large number of overseas manufacturers, notably manufacturers of tractors, agricultural machinery, dairy machinery, film cooling plants and general industrial and engineering activities covered a wide range of engineering products. The company used the trade name ‘L&T’ for Sheeps foot rollers, ‘LT-LK’ for switchgear and motor starters and ‘L&T’, ‘Gulbarco’ for petrol dispensing pumps, The company also manufactured flour milling, feed milling and grain silo plants in collaboration with Messrs. Buhler Bros., Uzweil, Switzerland in 1989[34].

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[33] http://www.ril.com/downloads/pdf/PR20042012.pdf accessed 2nd June 2012
[34] The Stock Exchange Official Directory, The Bombay Stock Exchange, 1987

More than 7 decades of a strong, customer-focused strategy and the continuous search for world-class quality have facilitated it to achieve and sustain leadership in all its major lines of business. It has an international presence, with a global spread of offices. It continues to grow its overseas manufacturing footprint, with facilities in China and the Gulf region. The company's businesses are supported by a wide marketing and distribution network, and have established a reputation for strong customer support. It believes that progress must be achieved in harmony with the environment. A commitment to community welfare and environmental protection are an integral part of the corporate vision. In response to changing market dynamics, it has gone through a phased process of redefining its organisation model that facilitates growth through greater levels of empowerment.

Operation during 1980-89[35]: In 1980, sales rose to ₹122.85 crores with corresponding improvement in profits. The company was authorised by the American Society of Mechanical Engineers (ASME) to use its U, U2, and S code symbol stamps on pressure vessels and boilers manufactured by the company. Low tension switchboards were supplied to Brown Boveri, West Germany for a grain silo project in Iraq. Export orders were secured for 500 petrol-dispensing pumps for the Union of Soviet Socialist Republics (USSR). In 1981-82, sales amounted to ₹205.5 crores and profits also showed improvement. The financial results of L&T also included financial results of Utakal Machinery Ltd. which was merged with effect from 1st April 1981. In 1982-83 sales included the income from construction activities and shipping business amounted to ₹297.85 crores. The financial results for the year also included financial figures of Engineering Construction Corporation Ltd., following upon its merger with L&T with effect from 1st October 1982. In 1984-85, income

[35] The Stock Exchange Official Directory, The Bombay Stock Exchange, 1989

from sales increased to ₹446.57 crores with corresponding upturn in profits while in 1985-86 marginal increase showed in sales to ₹472.68 crores. In 1986-87 marginal increase noticed in sales to ₹528 crores which were sharply increased to ₹710 crores in 1989.

1990-2010[36]: In 1990-91, L&T entered into contract to take-over the tractor unit of Kirloskar Pneumatic Co. Ltd. It also modified a sponge iron plant of 880000 tonnes per annum capacity for Essar Steel at Hazira, Surat. In 1992, L&T manufactured public switching system with a capacity up-to 10,000 lines and 2GH2 microwave transmission equipment of 30 channel and 120 channel capacity and they were installed for field assessment by the Department of Telecommunications. In 1994-95 sales and other income was ₹3318 crores and Profit After Tax (PAT) was ₹277 crores. Whereas sales was ₹4323 crores has shown an increase of 30% while PAT was increased to ₹389 cores in 1995-96. A global scale glass container plant utilized the state-of-the art technology was being set up in export alliance with Vetropack, Switzerland. It signed of memorandum of intent with Samsung Electronics Co. Ltd of South Korea to materialize a joint venture for the production and marketing of a vide spectrum of telecom products including large switches, transmission products and paging systems. In 2001-02, it informed BSE that the company had entered into a joint venture with Demag Ergotech of Germany. It has created an independent company L&T EMSYS for software development. Sales and Other income was ₹8137.56 crores and PAT was ₹346.80, increased by 10% compared to 2000-01. In 2002, Grasim Industries increased its holdings in L&T to 13%. In 2005-06 sales and other income increased by 38% but PAF reported increased by 85% compared to 2004-05. It entered into MOU with DSL enterprises Pvt. Ltd, for a merger under a scheme approved by Board for Industrial and Financial Reconstruction (BIFR). In 2007, sales and other income was ₹18041.13 crores, increased by 19% while PAF

[36]http://www.moneycontrol.com/company-facts/larsentoubro/history/LT#LT accessed on 15th June 2012

increased by 49% (₹460.63 crores) compared to 2005-06. It set up joint ventures with Japan's Toshiba Corp and Mitsubishi Heavy Industries (MHI) to commission manufacturing facilities for super-critical turbines and boilers used in coal-fired power generation plants. In 2009-10 sales and other increased by 13% while PAT increased by 26% compared to 2008-09.

2011-12: The manufacturing operations of businesses are located at Mumbai, Navi Mumbai, Ahmednager, Vadodara, Coimbatore, and Mysore in India as well as in Saudi Arabia, UAE (Jebel Ali, Dubai & Abu Dhabi), Malaysia, Indonesia, and Australia. In 2010-11, revenue was ₹3,985 crores which were increased to ₹4,303 crores in 2011-12. Profit Before Income tax (PBIT) was ₹494 crores in 2011 which decreased to ₹428 crores in 2011-12[37], total assets crossed ₹29000 crores mark (₹29,007.37 crores) in 2010-11. Total turnover was ₹43,904.91 crores in 2010-11 which increased to ₹53,170.52 crores in 2011-12.

RIL and L&T: It has perhaps been the longest running drama in the Indian corporate history, the takeover drama, and spread over 4 years. Mr. Dhirubhai Ambani sold of their entire holdings in L&T to the AV Birla group and thus came to an end what is also possibly the most debatable chapter in Indian corporate history. L&T’s meeting with Ambanis started after Manu Chhabria, the Dubai-based takeover tycoon, who made attempts to acquire control of the engineering conglomerate L&T in mid-1987. L&T, with an equity base of only ₹56 crore and a track record of profits (net profit of ₹28 crores on sales of ₹528 crores in 1987), was one of the best company available for a takeover — apart from the 42% held by the financial institutions, no one held more than 0.4% of the L&T stock.

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[37]http://www.larsentoubro.com/lntcorporate/common/ui_templates/HtmlContainer.aspx?res=P_EBG_BABT_AINT accessed on 3rd June 2012

Struggle for Corporate Control:

M R Chhabria acquired about 1.5% of stock in May-1987, Dhirubhai Ambani also started acquiring shares of L&T from the market, and had accumulated around 10% stake by October 1988. Ambanis had apparently build-up business association of some kind with L&T and awarded the popular petrochemical project at Hazira, near Suart in Gujarat. L&T had been given the contract for supply of equipment and construction of the Hazira project at a cost of ₹300 crores. Ambani's political influence proved to be greater than that of M R Chhabria. It was said that, apprehensive of M R Chhabria, N M Desai chairman of L&T decided to join hands with Ambani and invited Ambanis to join the L&T board. Ambanis acquired more L&T shares to justify their presence on the board but without the support of the financial institutions, acquisition of L&T was difficult.

Role of Financial Institutions:

In May 1988, the Bank of Baroda (BoB), one of the nationalized commercial bank, decided to get into investment banking and set-up a subsidiary called Bank of Baroda Fiscal Services (BoB fiscal). In July 1988, it requested Unit Trust of India (UTI), the Life Insurance Corporation (LIC) and General Insurance Corporation (GIC) which in turn, helped to build-up portfolio of high growth equity shares. UTI, LIC, and GIC decided to sell 33 lac shares of L&T to BoB fiscal at total cost of ₹270 million on 5th August 1988. BoB fiscal after two days sold L&T shares for ₹300 million to V B. Desai & Co, a company of shareholder who did a lot of work for RIL. Later in August 1988, BoB fiscal repeated the same exercise with GIC to acquire 6 lac equity shares of L&T for ₹141 million. These were also sold to V B. Desai & Co. Two month later, V B. Desai then transferred the two lots of shares, to the Reliance subsidiary Trishna Investments. On 10th October 1988, RIL subsidiary Trishna investments acquired about 7% L&T stock (39 lac shares) through BOB fiscal.

Ambanis admitted that they stared acquiring L&T shares late in 1987 and stepped up their acquiring in July 1988. In October 1988 according to Anil Ambani, “the Ambanis held 12.4% of L&T shares, 9% having been directly brought by RIL and the rest by some investment subsidiaries” reported by Economic Times. The shares brought by RIL were not sent to L&T for registration till October-1988.

Ambanis on Board of L&T:

On 28th April 1989 N M Desai resigned and on the same day three hours later Mr. Dhirubhai Ambani was appointed as chairman. After becoming chairman, Ambani announced the 'L&T vision' which included a mega issue of convertible debentures for ₹920 crores as well as a preferential allotment to Reliance Industries and Reliance Petroleum to increase the group's stake in L&T. On 22nd July 1989 Board of L&T approved the mega issue of ₹920 crores. The issue size was decreased by ₹100 crores in August 1989, where a controversial resolution empowering the board to borrow or lend ₹1,000 crores was also cancelled. On 28th June 1989, BoB fiscal was authorised by L&T to acquire Reliance equity up-to ₹65 crores at a price not exceeding ₹135 but this purchase was committed even before the shareholders of L&T were asked on 27th July 1989. It was reported that 49 lac Reliance shares were brought by BoB fiscal at a price of ₹131 per equity share (Paranjape, 1990).

On 13th September 1989, a writ petition was filed against the sale of 39 lac shares of L&T by FIs and Bob fiscal and Ambanis’ entry in L&T in Bombay High Court[38]. The petition was dismissed by the Bombay High Court on grounds that the sale of shares to Trishna was a business transaction and the petitioners preferred an appeal in Supreme Court and got the stay on implementation of Mega issue on 29th

[38]Shri Harish V. Reliance Textiles Industries Ltd [1989] FA/924/1989

September 1989[39]. Due to legal action began on the transfer of shares acquired from BOB fiscal, on 19th October 1989, Amabins sold back 39 lac shares of L&T to FIs, ostensibly at a loss (bought at ₹70 while sold at ₹125 per share). On 9th November 1989, the financial institutions informed the court that they had bought back the shares.

Intervention of Government:

There were indications of why L&T was important for Ambanis. It was a blue-chip company with easier access to cash. Secondly, the engineering giant was just what Ambanis needed to set up their cracker project without putting up the necessary funds. He forced L&T to grant supplier's credit of ₹570 crores to Reliance for its project. He also forced L&T to buy Reliance shares worth ₹76 crores allegedly from group companies at a price not exceeding ₹135 per equity share. Mr. Dhirubhai Ambanis' game could not last long as they were forced to abandon their plans after their opponent Mr. V P Singh came to power at the Centre in December 1989. The management power was restored back to the institutions from Ambanis. He was forced to quit as chairman in favour of Mr. D N Ghosh, former chairman of State Bank of India (SBI) but his nominees continued to be on the board of L&T[40].

The first decision taken by Mr. D N Ghosh was to cut the size of the controversial convertible issue to ₹640 crores. He discontinued the supplier's credit, stating that he didn't want L&T to be a development bank for other private companies. He also quietly sold the RIL shares acquired by L&T. On 2nd April 1990, FIs requisitioned EGM of shareholders to have all RIL nominees removed from the Board of L&T and Mr. D. H. Ambani resigned from Board of L&T on 19th April

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[39] N.ParthasarathyEtcvs Controller Of Capital Issues And another etc., 1991 SCR (2) 329, 1991 SCC (3) 153

[40] Board of Directors of L&T Ltd appendix table-5

1990. On 29th June 1990, the L&T board decided to reduce the size of the debenture issue from ₹820 crores to ₹640 crores and cancelled the supplier's credit to RPL. This was to be done by reducing face value of the debenture to ₹235 instead of ₹300 for public subscriptions. Despite the legal trials faced during Mr. V P singh's tenure, Ambanis waited patiently for almost a year for more favourable political environment that would change their fortunes. They didn't have to wait for very long as the tables were turned when Chandra Shekhar government came into power on 21st November 1990 and Reliance shares leapt to their highest point in more than two years, to ₹240. On 16th February 1991, Mr. D N Ghosh was asked to resign from the Chairmanship of L&T on the pretext that the central government shouldn't play any role in the operation of a private sector company. Incidentally, Mr. D N Ghosh submitted his resignation to the finance ministry and not to the L&T board.

The tide seemed to turn in favour of the Ambanis in 18th April 1991, when the Supreme Court (SC) ruled against Ghosh's decision of pruning the mega issue. Further, the SC also maintained that the supplier's credit be re-established to RIL. However, Ambanis were in no mood to avail of the facility as RIL planed a mega convertible debenture issue of ₹520 crores to fund the project. Now the way was clear for Ambanis to get back at the controls of L&T but they decided to wait for the outcome of the general elections, which were round the corner i.e. 15th June 1991. They were concerned as an unfavorable outcome of central government could again pose a threat to their plans.

In 26th June 1991, the congress government came into power led by Mr. P V Narasimha Rao, the Ambanis again made attempts to stage a comeback at L&T. Trishna investments (subsidiary of RIL), requisitioned an Extraordinary General Meeting (EGM) to elect Mr. Dhirubhai Ambani as chairman and Mr. Mukesh

Ambani as managing director of L&T. They were well prepared for a showdown at the requisitioned EGM on August 26, 1991, with a considerable strength of proxies of over 48% of equity capital had asked the financial institutions to withdraw from voting on the controversial issues. It gave an impression that L&T was almost within the control of Ambanis. The minority government followed pressure from members of the opposition parties as well as some members of the ruling party. The central government did not want to mess up as the parliament was in session. Dr. Manmohan Singh (Finance Minister) was said to have directed the LIC chairman, Mr. M G Diwan, to obtain a postponement of the EGM at any cost, including assurances of supporting the Ambanis at a later stage. On the same day, two hours before the meeting, the LIC chairman spoke to Mukesh Ambani and told him that unless the motions were withdrawn the financial institutions would vote against them. The L&T directors, including Mukesh and Anil Ambani, appeared on the stage, and chaos erupted. Unaware of the Government's decision, distressed shareholders rushed the microphones set up in the passageways and fired off questions and allegations. The directors were shouted down as they tried to speak. Eventually they gave up and retreated behind the back curtain to exit the auditorium through a stage door. A swarm of shareholders surged onto the surrendered stage. The disputed EGM which lasted for just 20 minutes, eye witnessed high drama after LIC nominee wanted an adjournment but equity shareholders declined to evacuate the hall and demanding for the appointment of Mr. Dhirubhai Ambani as chairman. A shareholder filed a petition to stay the adjourned meeting challenging the appointment of Ambanis on L&T's Board and forging of proxy forms on 2th September 1991(Paranjape, 1990). However, court refused to stay the meeting but restrained Ambani to appoint Mr. Mukesh Ambani as Vice-President at the adjourned meeting on 10th September 1991. He was unhappy with the way things turned out, but it was generally assumed that the adjournment was just a ruse to buy time.

However, in a sudden reversal, RIL decided to drop out of the race for L&T. On September 16, 1991 at the reconvened EGM, RIL dropped the proposals to appoint Mr. Dhirubhai Ambani as chairman and Mr. Mukesh Ambani as managing director. RIL claimed they had discarded the declaration since they could not guarantee the engagements of both Mr. Dhirubhai and son Mukesh subsequently for the time being temporary injunction approved by the Bombay High Court with regard to the proposal to appoint Mr. Mukesh Ambani as managing director of L&T but this argument did not provide any solution. The real motive appeared to be that Ambanis feared they might not have sufficient proxies (since many proxies were said to have been misrepresented) to support their claim. In fact, an equity shareholder had filed a case of falsification against Trishna investments and the issue was also debated in parliament but with the dropping of the proposal the matter was diffused. The four-year take over drama ended and L&T witnessed a period of relative peace.

Block – Holding of RIL in L&T:

The block-holding by RIL was controversial as how and when the Ambanis acquired the 10.05 per cent stake in L&T, in the matter of Reliance's disclosure obligations and possible insider trading charges, as the Securities Appellate Tribunal stated in its judgment: "It is common ground that RIL's group holding in L&T went up from 4.80% on 31/10/2001 to 5.32% on 05/11/2001. It is therefore the case of the respondent SEBI that the appellant was required to inform the company within 4 working days, i.e. by 09/11/2001, and the target company L&T was thereafter to inform the stock exchange where its shares were listed. The stock exchanges would, in turn, have put up this information on their websites for the information of investing public enabling them to take timely investment/disinvestment decisions. The appellant RIL having not done so, it renders them liable to appropriate penalty under section 15A (b) of the SEBI Act, 1992. The appellant's case in brief is that since their holding of 5% had been duly notified under Regulations 6, and that since this information had been in the public domain at least since 1992, they were covered under Regulations 6 and not under Regulation 7 of the Takeover Code." In the above event, RIL freed from the disclosure mess with a nominal fine and the matter was closed. However, Ambani brothers (i.e. Mukesh and Anil) continued as members on the L&T board while RIL was permitted to put three nominees on the board, a third director was never appointed. Over the years, Ambanis' stake in the company declined from about 33% to as low as 7% (in March 2001). By the way, D N Ghosh was the last chairman to serve on the L&T board. Since then the company has been professionally managed by CEOs and MDs. However, the fear of another bid by RIL kept hanging over L&T at regular intervals, the stock markets kept reacting to rumours of a re-entry of RIL at L&T. RIL acquired around 4% equity shares between 6th July 2001 and 18th November 2001 prior to sales of its complete 10.05% equity shares in L&T to the Aditya Birla group company Grasim Industries.

On 18th November 2001, The rumor have finally been laid to rest, with Ambanis selling their entire 10.05% stake in L&T to the Mr. Kumar Mangalam Birla controlled Grasim industries at ₹306.60 a share (15th November 2001, BSE price of L&T equity share was ₹208.5), amounting ₹7.665 billion. RIL reported a profit of ₹3.60 billion on L&T deal. Both Ambani brothers have stepped down from the L&T board, paving the way for Mr. Kumar Mangalam Birla and his mother Rajashree Birla.

Analysis of Wealth Effect of key events: RIL and L&T

Table No- 6:1 presents the Cumulative abnormal returns on RIL. On 5th Aug 1988, BoB fiscal acquired 25lac L&T equity shares from UTI, LIC and GIC, noticed positive CAR for all windows i.e. CAR(-11,0), CAR(-11, +11), CAR (0,+11), CAR (-1,+1) and CAR (-5,+5). However, on 11th October 1988, 12.4% equity shares of L&T were registered on RIL account showed negative CAR for CAR (-11, 0), CAR (-11, +11), CAR (0,+11), and CAR (-5,+5) while positive CAR was seen during (-1, +1). On 6th January 1989, Trishna Investment, a Reliance subsidiary, acquired L&T shares from BoB Fiscal where negative CAR was noticed for all windows while on 23rd June 1989 L&T board decided to invest up to ₹70 crores in the equity shares of RIL showed positive CAR for all windows. The Highest CAR is noticed in CAR (-11, +11) on 29th June 1990 where L&T board decided to reduce the size of the debenture issues from ₹820 crores to ₹640 crores while lowest CAR was show in (-5, +5) on 2nd April 1990 where LIC of India, major shareholder in L&T had served the notice for holding an EGM of shareholders for replacement of four RIL directors on the board by others.

The CAR for L&T is reported in Table 6:2. On 5th Aug-88, BoB fiscal acquired 25 lac L&T equity shares from UTI, LIC and GIC, where positive CAR is noticed for CAR(-11,0), CAR(-11, +11), CAR (-1,+1) and CAR (-5,+5) while negative CAR is seen for CAR (0, +11). However on 11th October 1988, 12.4% equity shares of L&T were registered on RIL account showed negative CAR for CAR (0,+11), CAR (-1, +1), CAR (-5,+5) while positive CAR was observed during (-11, 0) and (-11, +11) windows. On 6th January 1989, Trishna Investment, a Reliance subsidiary acquired L&T shares from BoB Fiscal where positive CAR was noticed for all windows while on 23rd June 1989 L&T board decided to invest up to ₹70 crores in the equity shares of RIL showed positive CAR for all windows, except for CAR (-11, 0). The Highest CAR is noticed in CAR (-11, +11) on 2nd April 1990 where LIC of India, major shareholder in L&T gave notice for holding the EGM of shareholders for replacement of four RIL directors on the board by others while lowest CAR was noticed during (-5, +5). On 17th April 1990, Mr. Dhirubhai Ambani stepped down as Chairman of the L&T board and was replaced by Shri D. N. Ghosh former Chairman of State Bank of India (SBI) and Mukesh Ambani also resigned from Vice-Chairmanship of L&T.

The combined CAR of L&T and RIL is given in Table 6:3. Positive CAR was observed for all windows on 5th August 1988, 2nd April 1990, 29th June 1990, and 27th August 1990 respectively. On 5th August 1988, BoB fiscal acquired 25 lac L&T equity shares from UTI, LIC and GIC while on 2nd April 1990, LIC of India, major shareholder of L&T had given a notice for holding the EGM of shareholders for replacement of four RIL directors on the board by others where CAR noticed positive returns for all event windows but percentage was ranging from 0.003% to 0.606%. However, on 29th June 1990, L&T board decided to reduce the size of the debenture issues from ₹820 crores to ₹640 crores where again CAR had positive value for all windows but percentage was ranging from 0.33% to 0.74%. On 27th August 1990, EGM was called again to elect Mr. Dhirubhai Ambani as chairman and Mr. Mukesh Ambani as managing director of L&T when CAR shown positive returns but percentage was fluctuating from 0.1% to 0.60%.

On 9th November 1989, Financial Institutions informed the court that they had bought back the equity shares from Trishna Investment while on 17th April 1990, Mr. Dhirubhai Ambani stepped down as Chairman of the L&T board and was replaced by D. N. Ghosh former Chairman of State Bank of India (SBI) event affected equity shares price as negative CAR showed for all windows. The Highest CAR was noticed in CAR (-11, +11) on 29th June 1990 where L&T board decided to reduce the size of the debenture issues from ₹820 crores to ₹640 crores while lowest CAR was showed in CAR (-11, +11) on 17th April 1990 where Mr. Dhirubhai Ambani step down as Chairman of the L&T board and replaced by D. N. Ghosh (see appendix table-4 for list of events).

Analysis of Wealth Effect of key events: RIL sold its L&T investment to Birla Group:

RIL started acquiring equity shares of L&T from open market from 5th November 2001 till 12th November 2001. On 5th November 2001, positive CAR noticed for CAR (-11, +11), and CAR (0, +11) while negative return showed in CAR (-11, 0). JM Morgan Stanly (JMMS) on 6th November 2001 approached Grasim, a Birla Group company to acquired equity shares of L&T from Reliance Industries where positive CAR was noticed for all windows and uppermost CAR seen in CAR (-11, +11) i.e. 6.86%. Higher CAR noticed in CAR (-11, +11), CAR (0, +11) and CAR (-5, +5) window when RIL again started acquiring equity of L&T in 2001. However, on 16th November 2001, RIL group sold 2.5 crores of L&T shares at around 50% premium and deal was finalized at total amount of ₹766.5 crores where stock exchange reacted positively for all CAR windows except for CAR (0, +11). The highest positive CAR of 7.3% was observed during (-11, +11) while lowest CAR was noticed in CAR (-11, 0) in the events of RIL stake of L&T acquired by Birla Group.

The CAR for L&T is reported in Table 6:2. In November 2001, L&T shares acquired once again by RIL where stock exchange shown positive reaction as profit was noticed for window (-11, +11) and (-11, 0) in the month of November 2001 loss is shown in CAR (-11, 0) and CAR (-1, +1) from 12th to 16th November 2001. On 9th

November 2001, CAR (0, +11) noticed negative CAR while all other windows showed positive CAR when RIL raised its L&T holding to 9.53%. On 16th November 2001, RIL group finally sold 2.5 crores of L&T shares at around 50% premium when positive CAR for (-11, 0) and (-11, +11) windows was observed while negative CAR was noticed for windows (0, +11), (-1, +1) and (-5, +5). The highest positive CAR is shown in CAR (-11, 0) by 26.40% while lowest and negative CAR is noticed in CAR (0, +11) in November 2001 where initially RIL invested in equity shares of L&T and then sold 10.14% equity shares to Birla Group at ₹766.5 crores.

The combined value of RIL and L&T in the month of November 2001 where RIL initially acquired L&T equity shares then sold its enter holding of L&T to Grasim Industries where combined CAR shown similar trend compared to CAR of L&T, positive CAR is showed in the month of November 2001 for CAR (-11, 0) and CAR (-11, +11) but in CAR (-5, +5) windows, all values are positive except on 16th November 2001 event showed negative returns. The CAR (-1, +1) provided positive returns till 9th November 2001 where RIL raised its holding to 9.53% but on 12th November 2001 again RIL raised its holding to 10.05% where negative return is noticed and same trend continue at the time of acquisition of L&T shares by Grasim Industries. The highest positive CAR is showed in CAR (-5, +5) by 27.34% while lowest and negative CAR is noticed in CAR (0, +11) on 12th November 2001 where initially RIL invested in equity shares of L&T and then sold 10.05% equity shares to Birla Group at ₹766.5 crores.

Conclusion:

After reviewing the case thoroughly by keeping the objectives of the research study in mind, a critical analysis of the key events during the period of M & A was done. It was found that the value of wealth of the RIL and L&T with respect to the equity share value increased well before the acquisition and merger took place in its real terms. However, it was found that L&T had exhibited significantly positive CAR in maximum event window whereas RIL had exhibited fluctuations in CAR. It was also observed that the backward vertical strategy adopted by RIL was interesting which eventually helped the organizational growth over the period of time. However, they had failed in taking over L&T despite several efforts. The case study appears to refute hubris hypothesis but it may not be so due to weak regulatory regime and inefficient market institutions which have been utilized effectively by the RIL management.

6.1. APPENDIX

Table - 6:1 Presents the Cumulative Abnormal Returns (CAR) of RIL

Announcement Date	**CAR (-11, 0)**	**CAR (-11, +11)**	**CAR (0, +11)**	**CAR (-1, +1)**	**CAR (-5, +5)**
5-Aug-88	0.018	0.053	0.03	0.002	0.031
11-Oct-88	-0.031	-0.096	-0.058	0.042	-0.036
6-Jan-89	-0.046	-0.057	-0.024	-0.031	-0.013
23-Jun-89	0.031	0.021	0.024	0.048	0.035
13-Sep-89	-0.018	0.017	0.031	0	0.033
19-Oct-89	-0.018	-0.077	0.006	0.095	0.008
9-Nov-89	-0.055	-0.101	-0.049	0.02	0.032
2-Apr-90	0.131	0.158	0.006	-0.021	-0.177
17-Apr-90	0.091	0.221	0.115	-0.008	0.131
30-May-90	0.009	0.044	0.035	0.01	0.022
29-Jun-90	0.385	0.469	0.222	0.213	0.246
27-Aug-90	0.255	0.137	-0.154	-0.05	-0.047
17-Sep-91	-0.063	0.096	0.087	-0.048	-0.036
5-Nov-01	-0.312	5.326	6.572	0.533	2.414
6-Nov-01	0.816	6.855	5.638	0.623	2.127
8-Nov-01	0.14	7.3	6.989	0.485	4.114
9-Nov-01	0.705	5.799	5.659	0.394	3.241
12-Nov-01	2.666	6.982	4.854	3.096	6.039
16-Nov-01	6.572	4.323	0.878	3.331	4.698

Table – 6:2 Presents the Cumulative Abnormal Returns of L&T					
Announcement Date	**CAR (-11, 0)**	**CAR (-11, +11)**	**CAR (0, +11)**	**CAR (-1, +1)**	**CAR (-5, +5)**
5-Aug-88	0.216	0.174	-0.012	0.084	0.131
11-Oct-88	0.101	0.06	-0.06	-0.051	-0.014
6-Jan-89	0.018	0.036	0.03	0.01	0.017
23-Jun-89	-0.033	0.03	0.074	0.022	0.044
13-Sep-89	-0.044	-0.02	0.039	0.02	-0.007
19-Oct-89	0.204	-0.052	-0.064	0.03	0.052
9-Nov-89	-0.082	-0.18	-0.103	-0.037	-0.077
2-Apr-90	0.273	0.448	0.199	0.024	0.281
17-Apr-90	-0.25	-0.395	-0.183	0.005	-0.199
30-May-90	-0.012	-0.033	-0.039	-0.015	0.117
29-Jun-90	0.14	0.266	0.208	0.118	0.117
27-Aug-90	0.344	0.345	0.256	0.242	0.322
17-Sep-91	0.003	-0.061	-0.07	-0.051	-0.071
5-Nov-01	5.215	16.603	15.548	6.914	24.835
6-Nov-01	8.997	17.63	11.388	9.901	25.214
8-Nov-01	22.379	15.946	4.184	17.622	19.91
9-Nov-01	26.397	17.47	-4.909	14.635	19.798
12-Nov-01	21.062	17.062	-8.153	-4.626	8.633
16-Nov-01	15.548	16.021	-3.795	-4.25	-6.105

Table – 6:3 Presents the Cumulative Abnormal Returns (CAR) of RIL and L&T					
Announcement Date	**CAR (-11, 0)**	**CAR (-11, +11)**	**CAR (0, +11)**	**CAR (-1, +1)**	**CAR (-5, +5)**
5-Aug-88	0.234	0.227	0.018	0.086	0.162
11-Oct-88	0.07	-0.036	-0.118	-0.009	-0.05
6-Jan-89	-0.028	-0.021	0.006	-0.021	0.004
23-Jun-89	-0.002	0.051	0.098	0.07	0.079
13-Sep-89	-0.062	-0.003	0.07	0.02	0.026
19-Oct-89	0.186	-0.129	-0.058	0.125	0.06
9-Nov-89	-0.137	-0.281	-0.152	-0.017	-0.045
2-Apr-90	0.404	0.606	0.205	0.003	0.104
17-Apr-90	-0.159	-0.174	-0.068	-0.003	-0.068
30-May-90	-0.003	0.011	-0.004	-0.005	0.139
29-Jun-90	0.525	0.735	0.43	0.331	0.363
27-Aug-90	0.599	0.482	0.102	0.192	0.275
17-Sep-91	-0.06	0.035	0.017	-0.099	-0.107
5-Nov-01	4.903	21.93	22.119	7.447	27.249
6-Nov-01	9.814	24.486	17.026	10.524	27.341
8-Nov-01	22.519	23.246	11.173	18.107	24.024
9-Nov-01	27.103	23.269	0.75	15.03	23.038
12-Nov-01	23.729	24.043	-3.298	-1.53	14.672
16-Nov-01	22.119	20.344	-2.918	-0.919	-1.407

Table – 6:4: Summary of Major Events in L&T Takeover		
SR. No	**Event Date**	**Event Narration**[41]
1	05-Aug-88	BoB Fiscal acquired L&T shares from UTI, LIC and GIC (25 lac equity shares)
2	11-Oct-88	Equity shares of L&T acquired by BoB Fiscal were registered on RIL Account. Nominees of Ambanis joined the Board of L&T
3	06-Jan-89	Trishna Investments, a Reliance subsidiary acquired L&T shares from BoB Fiscal (8 lac equity shares)
4	28-Apr-89	N M Desai resigned as Chairman of L&T
5	23-Jun-89	L&T board invested up-to Rs.76 crores in the equity shares of Reliance
6	28-Jun-89	Bob Fiscal authorised by L&T to purchase Reliance equity up-to Rs. 65 crores not exceeding Rs.135 per shares (Bob Fiscal acquired 45lac shares of Reliance at Rs.131)
7	25-Jul-89	L&T made the necessary application to the Controller of Capital Issues (CCI)
8	13-Sep-89	A write petition was filed against the sale of 39 lac shares of L&T by FIs to BoB fiscal and Ambani's entry in L&T in Bombay High Court
9	19-Oct-89	Ambanis sold back 39 lac shares in L&T to FIs as gesture of goodwill
10	09-Nov-89	Financial institutions informed the court that they had bought back the shares from Trishna Investments
11	30-Nov-89	EGM was called and the question about the Ambani control over L&T
12	02-Apr-90	LIC of India, major shareholder in L&T gave notice for holding an extraordinary General meeting of shareholders for replacing the four directors on the board by others
13	17-Apr-90	Dhirubhai Ambani step down as chairman of the L&T board and be replaced by D N Ghosh former chairman of SBI. Mukesh Ambani no longer to be Vice – chairman
14	30-May-90	Guidelines for takeover of companies through substantial acquisitions of equity shares
15	29-Jun-90	L&T board decided to prune the size of the debenture issues from Rs. 820 crores to Rs.640 crores
16	26-Aug-91	Extraordinary General Meeting (EGM) to elect Mr. Dhirubhai Ambani as chairman and Mr. Mukesh Ambani as managing director of L&T. They were well prepared for a showdown at the requisitioned EGM on August 26, 1991, with a considerable strength of substitutes of over 48% of the equity capital. Conversely, the congress government was also believed to be in favour of RIL taking control of L&T.
17	17-Sep-91	The reconvened EGM, RIL dropped the proposals to appoint Mr. Dhirubhai Ambani as chairman and Mr. Mukesh Ambani as managing director.
18	01-Oct-01	Holding of RIL Group in L&T was 4.38%
19	31-Oct-01	Holding of RIL Group in L&T was 4.80%
20	05-Nov-01	RIL Group acquired 1289000 shares of L&T, raised its holding to 5.32%
21	06-Nov-01	A: JM Morgan Stanley (JMMS) approached Grasim to acquired stake of RIL in L&T.
		B: RIL Group acquired 2154687 shares of L&T, raised its holding to 6.02%
22	08-Nov-01	RIL Group acquired 3740518 shares of L&T, raised its holding to 7.69%
23	09-Nov-01	RIL Group acquired 5173173 shares of L&T, raised its holding to 9.53%
24	12-Nov-01	RIL Group acquired 1500206 shares of L&T, raised its holding to 10.05%
25	13-Nov-01	RIL Group consolidated its holdings in L&T which were held in the name of RIL, RIIHL, RCL and Shreenath Enterprises
26	16-Nov-01	RIL Group sold 2.5 crores of L&T shares at around 50% premium and deal was finalised subject to approval of the respective Boards.
27	18-Nov-01	A: RIL Board Committee approved the deal
		B:Grasim Board approved the deal
28	21-Nov-01	Total amount Rs. 766.5 crores for 2.5 crores shares paid to RIL by GIL for the deal.
29	22-Nov-01	M D Ambani and A D Ambani resigned from L&T Board
30	23-Nov-01	Mr. Kumar Mangalam Birla and Rajashree Birla appointed as directors of L&T

[41] http://www.jstor.org/discover/10.2307/4396582?uid=3738256&uid=2129&uid=2&uid=70&uid=4&sid=47699100894837 accessed on 10th June 2012 and extracted from the SEBI Order dated 21 January 2004

Board of Directors of L&T under RIL			
Before Ambanis	**Under Ambains**	**After Ambanis**	
Name	**Name**	**Name**	**Designation**
		H. Holck- Larsen	Chairman Emeritus
N. M. Desai	D. H. Ambani		Chairman
	M. D. Ambani		Vice-Chairman
U. V. Rao	U. V. Rao	U. V. Rao	MD and CEO
S. S. R. Subramanium	S. S. R. Subramanium	S. S. R. Subramanium	MD and President
			Deputy MD
S. P. Kashyap	S. P. Kashyap	S. P. Kashyap	Vice President
S. D.KulKarni	S. D.KulKarni	S. D.KulKarni	Vice President
M. P. Wagh	M. P. Wagh	M. P. Wagh	Vice President
A. M. Naik	A. M. Naik	A. M. Naik	Vice President
A. Ramakrishna	A. Ramakrishna	A. Ramakrishna	Vice President
M. Karnani	M. Karnani	M. Karnani	Vice President
A. S. Gupta	A. S. Gupta	A. S. Gupta	Nominee of FIs
S. S. Marathe	S. S. Marathe	S. S. Marathe	Nominee of FIs
S. N. Shende	S. N. Shende	J. S. Salunke	Nominee of FIs
N. G. Ram	N. G. Ram		Nominee of FIs
			Nominee of FIs
			Nominee of FIs
		M. D. Ambani	Director
	B. L. Bhakta	B. L. Bhakta	Director
	A. D. Ambani	A. D. Ambani	Director
A. G. Karkhanis	A. G. Karkhanis	A. G. Karkhanis	Director
S. M. Palia	S. M. Palia	S. M. Palia	Director
K. Ramanujam	K. Ramanujam	K. Ramanujam	Director
D. V. Kapur	D. V. Kapur	D. V. Kapur	Director
K. Henselar	K. Henselar	K. Henselar	Director
A. Binder	A. Binder	A. Binder	Director
* for part of the Year			
Source: Annual report of L&T Ltd, 1991-92 and 2001-02			

Board of Directors of L&T under Birla		
Under Birla	**FY 2011**	
Name	**Name**	**Designation**
Mr. A.M. Naik	Mr. A.M. Naik	Chairman & Managing Director
Mr. A. Ramakrishna		Deputy MD
Mr. B.G. Daga *	Mr. Thomas Mathew T.	Nominee of FIs
Mr. A. Ramamurthy	Mr. N. Mohan Raj	Nominee of FIs
Mr. S. Rajgopal *	Mrs. Bhagyam Ramani	Nominee of FIs
Mr. P.M. Venkatasubramanian	Mr. A. K. Jain	Nominee of FIs
Mr. S.K. Kapur		Nominee of FIs
Mr. M. Karnani*		
Mr. J.P. Nayak	Mr. J. P. Nayak*	Executive Director
Mr. Y.M. Deosthalee	Mr. Y. M. Deosthalee	Executive Director
Mr. K. Venkataramanan	Mr. K. Venkataramanan	Executive Director
Mr. R. N. Mukhija *	Mr. R. N. Mukhija*	Executive Director
Mr. M. Karnani*	Mr. K. V. Rangaswami	Executive Director
	Mr. V. K. Magapu	Executive Director
	Mr. M. V. Kotwal	Executive Director
	Mr. Ravi Uppal*	Executive Director
Dr. D.V. Kapur	Mr. S. Rajgopal	Non-Executive Director
Mr. Kumar Mangalam Birla	Mr. S. N. Talwar	Non-Executive Director
Mrs. Rajashree Birla *	Mr. M. M. Chitale	Non-Executive Director
Mr. H. Holck-Larsen	Mr. Subodh Bhargava	Non-Executive Director
Mr. S.S. Marathe	Mr. J. S. Bindra	Non-Executive Director
Mr. M.D. Ambani *		Non-Executive Director
Mr. M.L. Bhakta		Non-Executive Director
Mr. A.D. Ambani *		Non-Executive Director
Dr. G. Armbruster		Non-Executive Director
* for part of the Year		
Non-Executive Directors as per Clause 49A of Listing Agreement pursuant to Corporate Governance Guidelines, 2002		
Source: Annual report of L&T Ltd, 2001-02 and 2011-2012		

Changing patterns of Shareholding in L&T during the Takeover Attempts				
Shareholders	**Shareholders as on**			
	I	**II**	**III**	**IV**
	3/9/1988	**10/10/1988**	**9/18/1990**	**8/1/1991**
Financial Institutions	39.16%	32.24%	41.05%	40.24%
Nationalized Bank and Their Subsidiaries	0.81%	7.75%	-	0.40%
Corporate Bodies	3.47%	3.46%	21.80%	21.53%
Public and Others	56.09%	56.55%	37.15%	37.83%
Directors	0.47%			
Sources: The stock Exchnage Official Directory, Bombay Stock Exchnage, Bombay				

RELIANCE INDUSTRIES LTD.		
Scrip Code : 500325		**Quarter Ending:** December 2001
Date Begin : 01 Oct 2001		**Date End :** 31 Dec 2001
Category	No.of Shares Held	% of Share Holding
Promoter's Holding		
Promoters		
Indian Promoters	68621728	6.51
Persons acting in Concert	387542183	36.78
Sanchayita Mercantile Pvt Ltd	33774691	3.21
Reliance Enterprises Ltd	31520000	2.99
Florentine Trading Pvt Ltd	25905279	2.46
Velocity Trading Pvt td	24466251	2.32
Madhuban Merchandise Pvt Ltd	24000000	2.28
Amur TradingPvt Ltd	16000000	1.52
Tresta Trading Pvt Ltd	16000000	1.52
Yangste Trading Pvt Ltd	16000000	1.52
Sub Total	**456163911**	**43.29**
Non Promoter's Holding		
Institutional Investors		
Mutual Funds and UTI	102516434	9.73
Unit Trust of India	93622217	8.88
Banks,Financial Institutions,Insurance Companies	45280898	4.3
Life Insurance Corporation of India	26575428	2.52
FIIS	196061870	18.61
Janus Worldwide Fund	18847624	1.79
Emerging Markets Growth Fund Inc	35608677	3.38
Sub Total	**343859202**	**32.63**
Others		
Private Corporate Bodies	21587116	2.05
Indian Public	161363923	15.31
NRIs/OCBs	14493198	1.38
Any Other		
GDR	56289677	5.34
Sub Total	**253733914**	**24.08**
Grand Total	**1053757027**	100
Notes:		
Total Foreign Shareholding is as follows:-		
Category	**No. of Shares**	**% of Holding**
FIIs	19,60,61,870	18.61
NRIs/OCBs	1,44,93,198	1.38
GDRs	5,62,89,677	5.34
Total	26,68,44,745	25.33
Rohit C Shah		
Vice President & Company Secretary		
http://www.bseindia.com/shareholding/searchresult.asp?scripcd=500325		

LARSEN & TOUBRO LTD.		
Scrip Code : 500510		**Quarter Ending:** December 2001
Date Begin : 01 Oct 2001		**Date End :** 31 Dec 2001
Category	No.of Shares Held	% of Share Holding
Non Promoter's Holding		
Institutional Investors		
Mutual Funds and UTI	33409104	13.44
Unit Trust of India	27200977	10.94
Banks,Financial Institutions,Insurance Companies	59539171	23.94
Life Insurance Corporation of India	37937294	15.26
General Insurance Corporation of India	5479676	2.2
New India Assurance Company Ltd	5918996	2.38
Oriental Insurance Company Ltd	3245179	1.31
FIIS	21385512	8.6
Sub Total	114333787	45.98
Others		
Private Corporate Bodies	35042667	14.09
GRASIM INDUSTRIES LTD.	25000000	10.05
Indian Public	76114036	30.61
NRIs/OCBs	1830883	0.74
Any Other		
Others	21334833	8.58
Sub Total	134322419	54.02
Grand Total	248656206	100
Notes:		
1. Others includes Shares underlying GDRs,Foreign Nationals & Foreign Companies out of which shares underlying GDRs hold 20237886 equity shares representing 8.14% of the total capital.		
2. The total non-resident holding of the company is 4,45,51,228 shares representing 17.92% comprising of Foreign Companies, FIIs, Foreign Nationals, Non-residents & Shares underlying GDRs.		
S V Subramanian		
Company Secretary		

Reliance					
SR.	Event No.	Date	Equity Price	Abnormal Returns	CAR
1		4-Jan-88	116		
2		5-Jan-88	117	0	0
3		6-Jan-88	115	-0.025	-0.025
4		7-Jan-88	116	-0.01	-0.035
5		8-Jan-88	117	-0.017	-0.052
6		11-Jan-88	116	-0.008	-0.06
7		12-Jan-88	115	-0.003	-0.063
8		13-Jan-88	115	-0.006	-0.069
9		14-Jan-88	113	-0.002	-0.071
10		15-Jan-88	111	-0.007	-0.078
11		18-Jan-88	107	-0.009	-0.087
12		19-Jan-88	107	-0.012	-0.099
13		20-Jan-88	108	0.016	-0.083
14		21-Jan-88	107	0.008	-0.075
15		25-Jan-88	105	-0.001	-0.076
16		27-Jan-88	104	0.023	-0.053
17		29-Jan-88	103	-0.019	-0.072
18		1-Feb-88	103	0	-0.072
19		2-Feb-88	101	-0.016	-0.088
20		3-Feb-88	101	0.022	-0.066
21		4-Feb-88	99	-0.003	-0.069
22		5-Feb-88	99	-0.015	-0.084
23		8-Feb-88	104	0.067	-0.017
24		9-Feb-88	106	0.027	0.01
25		10-Feb-88	104	0.007	0.017
26		11-Feb-88	102	-0.002	0.015
27		12-Feb-88	102	0.002	0.017
28		15-Feb-88	100	-0.02	-0.003
29		17-Feb-88	99	-0.021	-0.024
30		18-Feb-88	98	0.006	-0.018
31		22-Feb-88	90	-0.034	-0.052
32		23-Feb-88	87	-0.031	-0.083
33		24-Feb-88	88.5	0.029	-0.054
34		25-Feb-88	85	-0.021	-0.075
35		26-Feb-88	83	-0.033	-0.108
36		29-Feb-88	96	0.142	0.034
37		1-Mar-88	95	0.005	0.039
38		2-Mar-88	87	-0.069	-0.03
39		3-Mar-88	86	-0.024	-0.054
40		7-Mar-88	86	0.023	-0.031
41		8-Mar-88	84	-0.031	-0.062
42		9-Mar-88	91	0.065	0.003
43		11-Mar-88	91	-0.041	-0.038
44		14-Mar-88	89	0.005	-0.033
45		16-Mar-88	87	-0.019	-0.052
46		17-Mar-88	85	-0.011	-0.063
47		21-Mar-88	84	0.025	-0.038
48		22-Mar-88	83	-0.001	-0.039
49		23-Mar-88	83	0.005	-0.034
50		24-Mar-88	82	0.014	-0.02
51		25-Mar-88	79	-0.026	-0.046
52		28-Mar-88	74	-0.52	-0.566
53		29-Mar-88	76	0.005	-0.561
54		30-Mar-88	78	0.03	-0.531
55		4-Apr-88	79	0.02	-0.511
56		5-Apr-88	85	0.053	-0.458
57		6-Apr-88	87	0.007	-0.451
58		7-Apr-88	89	0.022	-0.429
59		8-Apr-88	85	-0.024	-0.453
60		11-Apr-88	82	-0.029	-0.482

L and T				
SR.	Date	Equity Price	Abnormal Returns	CAR
37	1-Mar-88	82	0	0
38	2-Mar-88	81	-0.005	-0.005
39	3-Mar-88	80.5	-0.014	-0.019
40	7-Mar-88	79.5	-0.001	-0.02
41	8-Mar-88	79.5	-0.005	-0.025
42	9-Mar-88	80.6	0.003	-0.022
43	11-Mar-88	88	0.068	0.046
44	14-Mar-88	86.5	-0.003	0.043
45	16-Mar-88	85	-0.016	0.027
46	17-Mar-88	85	0.006	0.033
47	21-Mar-88	83	-0.004	0.029
48	22-Mar-88	82.5	-0.001	0.028
49	23-Mar-88	82	-0.004	0.024
50	24-Mar-88	80	-0.011	0.013
51	25-Mar-88	81	0.018	0.031
52	28-Mar-88	80	-0.007	0.024
53	29-Mar-88	81	0	0.024
54	30-Mar-88	82	0.014	0.038
55	4-Apr-88	79	-0.033	0.005
56	5-Apr-88	78.5	-0.02	-0.015
57	6-Apr-88	80.5	0.015	-1.0408E-17
58	7-Apr-88	78.5	-0.026	-0.026
59	8-Apr-88	77.5	-0.002	-0.028
60	11-Apr-88	77	-0.004	-0.032

Reliance					
SR.	Event No.	Date	Equity Price	Abnormal Returns	CAR
61		12-Apr-88	80	-0.023	-0.505
62		13-Apr-88	81	0.014	-0.491
63		15-Apr-88	81	0.017	-0.474
64		19-Apr-88	88	0.067	-0.407
65		20-Apr-88	96	0.063	-0.344
66		21-Apr-88	106	0.089	-0.255
67		25-Apr-88	114	0.015	-0.24
68		26-Apr-88	114	0.023	-0.217
69		27-Apr-88	117.5	-0.012	-0.229
70		28-Apr-88	123	0.027	-0.202
71		29-Apr-88	118	-0.03	-0.232
72		2-May-88	123.5	0.023	-0.209
73		3-May-88	124	0.032	-0.177
74		4-May-88	122	-0.016	-0.193
75		5-May-88	122	0.009	-0.184
76		6-May-88	128	0.024	-0.16
77		10-May-88	139	0.058	-0.102
78		11-May-88	143	0.023	-0.079
79		12-May-88	149	0.019	-0.06
80		13-May-88	146.5	0.005	-0.055
81		16-May-88	147.5	-0.008	-0.063
82		17-May-88	144	-0.007	-0.07
83		19-May-88	154	0.037	-0.033
84		20-May-88	169	0.062	0.029
85		23-May-88	169	0.01	0.039
86		24-May-88	165	0.007	0.046
87		25-May-88	175	0.026	0.072
88		26-May-88	184	0.023	0.095
89		27-May-88	186	0.012	0.107
90		30-May-88	195	0.015	0.122
91		31-May-88	195	-0.005	0.117
92		1-Jun-88	192.5	0.007	0.124
93		2-Jun-88	196	-0.009	0.115
94		3-Jun-88	216	0.042	0.157
95		8-Jun-88	221	0.008	0.165
96		9-Jun-88	218.5	0.02	0.185
97		10-Jun-88	217	0.021	0.206
98		13-Jun-88	231	0.038	0.244
99		14-Jun-88	229	0.024	0.268
100		15-Jun-88	219	-0.032	0.236
101		16-Jun-88	222	0.003	0.239
102		17-Jun-88	223	0.029	0.268
103		20-Jun-88	215	-0.032	0.236
104		21-Jun-88	204	-0.014	0.222
105		22-Jun-88	203	-0.011	0.211
106		23-Jun-88	213	0.045	0.256
107		24-Jun-88	207	-0.002	0.254
108		28-Jun-88	199	-0.033	0.221
109		29-Jun-88	200	-0.01	0.211
110		1-Jul-88	204	0.036	0.247
111		4-Jul-88	196	-0.022	0.225
112		5-Jul-88	190.5	0.006	0.231
113		6-Jul-88	183	-0.029	0.202
114		7-Jul-88	183	0.006	0.208
115		8-Jul-88	192	0.021	0.229
116		11-Jul-88	201	0.026	0.255
117		12-Jul-88	209	0.025	0.28
118		13-Jul-88	207	0.004	0.284
119		14-Jul-88	199.5	-0.021	0.263
120		15-Jul-88	204.5	0.03	0.293

L and T				
SR.	Date	Equity Price	Abnormal Returns	CAR
61	12-Apr-88	78	0.013	-0.019
62	13-Apr-88	80	0.025	0.006
63	15-Apr-88	80.5	0.015	0.021
64	19-Apr-88	79	-0.03	-0.009
65	20-Apr-88	81.75	0.018	0.009
66	21-Apr-88	83	0.006	0.015
67	25-Apr-88	84.5	-0.017	-0.002
68	26-Apr-88	87.5	0.048	0.046
69	27-Apr-88	88	-0.019	0.027
70	28-Apr-88	89.5	0.005	0.032
71	29-Apr-88	89	0	0.032
72	2-May-88	87.5	-0.031	0.001
73	3-May-88	87	0.009	0.01
74	4-May-88	85.5	-0.018	-0.008
75	5-May-88	85	-0.002	-0.01
76	6-May-88	86.5	0.003	-0.007
77	10-May-88	88	0	-0.007
78	11-May-88	87	-0.015	-0.022
79	12-May-88	88	-0.002	-0.024
80	13-May-88	87	0	-0.024
81	16-May-88	91.5	0.042	0.018
82	17-May-88	91.5	0.009	0.027
83	19-May-88	94	0.008	0.035
84	20-May-88	97	0.011	0.046
85	23-May-88	94	0.026	0.072
86	24-May-88	92	0.005	0.077
87	25-May-88	92.5	-0.015	0.062
88	26-May-88	93.5	-0.006	0.056
89	27-May-88	94	0.005	0.061
90	30-May-88	94	-0.02	0.041
91	31-May-88	94	-0.004	0.037
92	1-Jun-88	93.50	0.005	0.042
93	2-Jun-88	94	-0.011	0.031
94	3-Jun-88	99.5	0.024	0.055
95	8-Jun-88	101.5	0.011	0.066
96	9-Jun-88	100	0.002	0.068
97	10-Jun-88	96.5	-0.02	0.048
98	13-Jun-88	97	-0.011	0.037
99	14-Jun-88	97	0.017	0.054
100	15-Jun-88	95	-0.015	0.039
101	16-Jun-88	96	0.003	0.042
102	17-Jun-88	96	0.013	0.055
103	20-Jun-88	94	-0.019	0.036
104	21-Jun-88	93	0.01	0.046
105	22-Jun-88	92	-0.015	0.031
106	23-Jun-88	93.5	0.013	0.044
107	24-Jun-88	93	0.008	0.052
108	28-Jun-88	91	-0.019	0.033
109	29-Jun-88	94	0.024	0.057
110	1-Jul-88	94	0.008	0.065
111	4-Jul-88	95	0.019	0.084
112	5-Jul-88	94	0.008	0.092
113	6-Jul-88	93.5	0	0.092
114	7-Jul-88	94.5	0.013	0.105
115	8-Jul-88	95	-0.012	0.093
116	11-Jul-88	97	0.009	0.102
117	12-Jul-88	99	0.012	0.114
118	13-Jul-88	97.5	-0.008	0.106
119	14-Jul-88	96.5	-0.002	0.104
120	15-Jul-88	96	-0.003	0.101

Reliance					
SR.	Event No.	Date	Equity Price	Abnormal Returns	CAR
121		18-Jul-88	213	0.007	0.3
122		19-Jul-88	216	-0.006	0.294
123		27-Jul-88	216	0.01	0.304
124		28-Jul-88	209	0.025	0.329
125		29-Jul-88	208	-0.014	0.315
126		1-Aug-88	210	0.002	0.317
127		2-Aug-88	209	0.009	0.326
128		3-Aug-88	203	-0.016	0.31
129		4-Aug-88	204	0.007	0.317
130	1	5-Aug-88	204	-0.005	0.312
131		8-Aug-88	202.5	0.005	0.317
132		9-Aug-88	204	0.01	0.327
133		10-Aug-88	207	0.019	0.346
134		12-Aug-88	202	-0.007	0.339
135		16-Aug-88	201	0.008	0.347
136		17-Aug-88	200	-0.013	0.334
137		19-Aug-88	202	0.007	0.341
138		22-Aug-88	201.5	0	0.341
139		23-Aug-88	201	0.01	0.351
140		25-Aug-88	203	0.008	0.359
141		26-Aug-88	199	-0.002	0.357
142		29-Aug-88	196	0	0.357
143		30-Aug-88	194	-0.01	0.347
144		31-Aug-88	193	-0.016	0.331
145		1-Sep-88	204	0.028	0.359
146		2-Sep-88	206	0.021	0.38
147		5-Sep-88	205	-0.028	0.352
148		6-Sep-88	205	0.024	0.376
149		7-Sep-88	196	-0.044	0.332
150		8-Sep-88	200	0.005	0.337
151		9-Sep-88	191	-0.038	0.299
152		13-Sep-88	189	-0.01	0.289
153		14-Sep-88	189	-0.005	0.284
154		19-Sep-88	196	0.008	0.292
155		20-Sep-88	196	0.018	0.31
156		21-Sep-88	197	-0.003	0.307
157		22-Sep-86	202	0.022	0.329
158		23-Sep-88	200	-0.002	0.327
159		30-Sep-88	199	-0.034	0.293
160		03-Oct-88	194	-0.046	0.247
161		04-Oct-88	198	0.021	0.268
162		5-Oct-88	194.5	-0.028	0.24
163		6-Oct-88	194	0.001	0.241
164		7-Oct-88	202	0.033	0.274
165		10-Oct-88	208	0.015	0.289
166	2	11-Oct-88	200	0.007	0.296
167		12-Oct-88	198	0.02	0.316
168		13-Oct-88	198	0.019	0.335
169		14-Oct-88	170	-0.131	0.204
170		18-Oct-88	179	0.009	0.213
171		21-Oct-88	190	0.018	0.231
172		25-Oct-88	195	0.035	0.266
173		26-Oct-88	187	-0.028	0.238
174		27-Oct-88	181	0.002	0.24
175		28-Oct-88	177	-0.011	0.229
176		31-Oct-88	170	0.001	0.23
177		2-Nov-88	176	-0.014	0.216
178		3-Nov-88	167.5	-0.022	0.194
179		4-Nov-88	180	0.028	0.222
180		9-Nov-88	183	0.005	0.227

L and T				
SR.	Date	Equity Price	Abnormal Returns	CAR
121	18-Jul-88	98.5	0.006	0.107
122	19-Jul-88	100	0.003	0.11
123	27-Jul-88	106	0.065	0.175
124	28-Jul-88	103.5	-0.015	0.16
125	29-Jul-88	105	0.008	0.168
126	1-Aug-88	109	0.033	0.201
127	2-Aug-88	112.5	0.039	0.24
128	3-Aug-88	112	0.002	0.242
129	4-Aug-88	118	0.054	0.296
130	5-Aug-88	122	0.03	0.326
131	8-Aug-88	119	-0.018	0.308
132	9-Aug-88	114.5	-0.037	0.271
133	10-Aug-88	117.5	0.028	0.299
134	12-Aug-88	116.5	0	0.299
135	16-Aug-88	114	-0.015	0.284
136	17-Aug-88	115	0.003	0.287
137	19-Aug-88	116.5	0.01	0.297
138	22-Aug-88	116.5	0	0.297
139	23-Aug-88	112	-0.032	0.265
140	25-Aug-88	113	0.007	0.272
141	26-Aug-88	108	-0.035	0.237
142	29-Aug-88	101	0.057	0.294
143	30-Aug-88	102	0.009	0.303
144	31-Aug-88	105.5	0.028	0.331
145	1-Sep-88	108	0.007	0.338
146	2-Sep-88	108	0.005	0.343
147	5-Sep-88	110.5	0.009	0.352
148	6-Sep-88	112.5	0.03	0.382
149	7-Sep-88	116	0.03	0.412
150	8-Sep-88	123	0.051	0.463
151	9-Sep-88	127	0.036	0.499
152	13-Sep-88	124.5	-0.021	0.478
153	14-Sep-88	126.25	0.01	0.488
154	19-Sep-88	127.5	-0.007	0.481
155	20-Sep-88	125.5	-0.007	0.474
156	21-Sep-88	126	-0.002	0.472
157	22-Sep-86	126	-0.003	0.469
158	23-Sep-88	125	-0.004	0.465
159	30-Sep-88	127	-0.001	0.464
160	03-Oct-88	138.5	0.078	0.542
161	04-Oct-88	137.5	-0.008	0.534
162	5-Oct-88	140.5	0.015	0.549
163	6-Oct-88	144.5	0.03	0.579
164	7-Oct-88	148.5	0.022	0.601
165	10-Oct-88	147.5	-0.016	0.585
166	11-Oct-88	141	-0.019	0.566
167	12-Oct-88	136.5	-0.016	0.55
168	13-Oct-88	134.5	-0.005	0.545
169	14-Oct-88	132.5	-0.01	0.535
170	18-Oct-88	135	-0.007	0.528
171	21-Oct-88	138	-0.003	0.525
172	25-Oct-88	140	0.019	0.544
173	26-Oct-88	134	-0.036	0.508
174	27-Oct-88	132.5	0.007	0.515
175	28-Oct-88	130	-0.014	0.501
176	31-Oct-88	126	-0.009	0.492
177	2-Nov-88	134.5	0.039	0.531
178	3-Nov-88	130	-0.02	0.511
179	4-Nov-88	134	0.003	0.514
180	9-Nov-88	134	-0.007	0.507

Reliance					
SR.	Event No.	Date	Equity Price	Abnormal Returns	CAR
181		15-Nov-88	175	-0.035	0.192
182		16-Nov-88	175	0	0.192
183		17-Nov-88	176	0.004	0.196
184		18-Nov-88	175	-0.014	0.182
185		21-Nov-88	175	0.005	0.187
186		24-Nov-88	174	0.02	0.207
187		28-Nov-88	169	-0.009	0.198
188		29-Nov-88	163	-0.044	0.154
189		30-Nou-88	168	0.025	0.179
190		2-Dec-88	164	-0.024	0.155
191		5-Dec-88	158	-0.015	0.14
192		6-Dec-88	159	0.03	0.17
193		7-Dec-88	154	-0.007	0.163
194		O9-0ec-88	155	0.01	0.173
195		13-Dec-88	158.5	0.039	0.212
196		14-Dec-88	164	-0.01	0.202
197		15-0ec-88	170	0.052	0.254
198		16-Dec-88	162.5	-0.005	0.249
199		19-Dec-88	162.52	0.023	0.272
200		20-Dec-88	160	-0.026	0.246
201		21-Dec-88	163	0.021	0.267
202		22-Dec-88	158	-0.019	0.248
203		23-Dec-88	155	-0.023	0.225
204		2-Jan-89	155	0.016	0.241
205		4-Jan-89	144.5	-0.031	0.21
206		5-Jan-89	138	-0.018	0.192
207	3	6-Jan-89	135	-0.013	0.179
208		9-Jan-89	141.5	-0.01	0.169
209		10-Jan-89	141.5	0	0.169
210		11-Jan-89	146	0.043	0.212
211		12-Jan-89	142	-0.016	0.196
212		13-Jan-89	136	-0.021	0.175
213		16-Jan-89	134	-0.015	0.16
214		17-Jan-89	135	0.008	0.168
215		18-Jan-89	134.5	0.01	0.178
216		20-Jan-89	127	-0.039	0.139
217		21-Jan-89	124	-0.015	0.124
218		23-Jan-89	121	-0.014	0.11
219		25-Jan-89	129	0.01	0.12
220		27-Jan-89	135	0.038	0.158
221		30-Jan-89	142.5	0.046	0.204
222		31-Jan-89	146	0.021	0.225
223		3-Feb-89	145	0.02	0.245
224		6-Feb-89	152	0.018	0.263
225		7-Feb-89	152.5	0.017	0.28
226		8-Feb-89	144.5	-0.032	0.248
227		9-Feb-89	144	-0.002	0.246
228		10-Feb-89	144	0.005	0.251
229		13-Feb-89	145	0.035	0.286
230		14-Feb-89	141.5	-0.028	0.258
231		15-Feb-89	141.5	0.015	0.273
232		16-Feb-89	137	-0.01	0.263
233		17-Feb-89	137.5	-0.002	0.261
234		20-Feb-89	139	-0.009	0.252
235		21-Feb-89	141.5	0.023	0.275
236		22-Feb-89	138	-0.02	0.255
237		23-Feb-89	140	0.016	0.271
238		24-Feb-89	141	-0.006	0.265
239		27-Feb-89	148.5	0.066	0.331
240		28-Feb-89	144	-0.006	0.325

L and T				
SR.	Date	Equity Price	Abnormal Returns	CAR
181	15-Nov-88	130	-0.026	0.481
182	16-Nov-88	130	-0.001	0.48
183	17-Nov-88	132	0.014	0.494
184	18-Nov-88	132.5	-0.002	0.492
185	21-Nov-88	135	0.021	0.513
186	24-Nov-88	135	0.014	0.527
187	28-Nov-88	130.5	-0.023	0.504
188	29-Nov-88	134	0.021	0.525
189	30-Nou-88	135	0.004	0.529
190	2-Dec-88	134	-0.008	0.521
191	5-Dec-88	131.5	-0.007	0.514
192	6-Dec-88	131.5	0.012	0.526
193	7-Dec-88	128	-0.014	0.512
194	O9-0ec-88	128.5	0.005	0.517
195	13-Dec-88	131.5	0.031	0.548
196	14-Dec-88	133.5	-0.011	0.537
197	15-0ec-88	137.5	0.038	0.575
198	16-Dec-88	131	-0.026	0.549
199	19-Dec-88	131	0.012	0.561
200	20-Dec-88	128	-0.03	0.531
201	21-Dec-88	129	0.008	0.539
202	22-Dec-88	126	-0.017	0.522
203	23-Dec-88	126.5	0.001	0.523
204	2-Jan-89	128	0.02	0.543
205	4-Jan-89	124	-0.012	0.531
206	5-Jan-89	122	-0.002	0.529
207	6-Jan-89	123	0.012	0.541
208	9-Jan-89	127	-0.001	0.54
209	10-Jan-89	127	-0.001	0.539
210	11-Jan-89	126.5	0.001	0.54
211	12-Jan-89	125	-0.007	0.533
212	13-Jan-89	123.75	0.001	0.534
213	16-Jan-89	123.5	-0.003	0.531
214	17-Jan-89	127	0.028	0.559
215	18-Jan-89	128	0.015	0.574
216	20-Jan-89	125	-0.015	0.559
217	21-Jan-89	130	0.044	0.603
218	23-Jan-89	116.5	-0.099	0.504
219	25-Jan-89	118	-0.019	0.485
220	27-Jan-89	120	0.011	0.496
221	30-Jan-89	118.5	-0.019	0.477
222	31-Jan-89	117.5	-0.011	0.466
223	3-Feb-89	117	0.01	0.476
224	6-Feb-89	117	-0.018	0.458
225	7-Feb-89	117	0.007	0.465
226	8-Feb-89	115	-0.007	0.458
227	9-Feb-89	115.5	0.004	0.462
228	10-Feb-89	115.5	0.002	0.464
229	13-Feb-89	115	0.01	0.474
230	14-Feb-89	114	-0.012	0.462
231	15-Feb-89	112.5	-0.005	0.457
232	16-Feb-89	108.5	-0.024	0.433
233	17-Feb-89	102.1	-0.063	0.37
234	20-Feb-89	102	-0.013	0.357
235	21-Feb-89	103.5	0.017	0.374
236	22-Feb-89	101.5	-0.018	0.356
237	23-Feb-89	103	0.015	0.371
238	24-Feb-89	104	0.001	0.372
239	27-Feb-89	105	0.016	0.388
240	28-Feb-89	102	-0.016	0.372

Reliance					
SR.	Event No.	Date	Equity Price	Abnormal Returns	CAR
241		1-Mar-89	129	-0.066	0.259
242		2-Mar-89	132	-0.009	0.25
243		3-Mar-89	134	0.017	0.267
244		7-Mar-89	131	-0.046	0.221
245		8-Mar-89	129	-0.027	0.194
246		9-Mar-89	130	0.016	0.21
247		10-Mar-89	125	-0.046	0.164
248		13-Mar-89	125	0.02	0.184
249		14-Mar-89	122.5	-0.001	0.183
250		15-Mar-89	125	0.013	0.196
251		16-Mar-89	127.5	0.023	0.219
252		17-Mar-89	127	0.004	0.223
253		20-Mar-89	124	-0.008	0.215
254		21-Mar-89	117	-0.04	0.175
255		23-Mar-89	120.5	-0.007	0.168
256		27-Mar-89	124	0.013	0.181
257		28-Nar-89	128	0.033	0.214
258		29-Mar-89	137	0.054	0.268
259		30-Mar-89	143	0.036	0.304
260		31-Mar-89	141.5	-0.011	0.293
261		3-Apr-89	144.5	0.008	0.301
262		4-Apr-89	142	-0.005	0.296
263		7-Apr-89	149	0.037	0.333
264		10-Apr-89	158	0.026	0.359
265		11-Apr-89	154.5	-0.021	0.338
266		12-Apr-89	148	-0.009	0.329
267		17-Apr-89	153.5	0.024	0.353
268		19-Apr-89	152	-0.014	0.339
269		20-Apr-89	154.5	0.004	0.343
270		21-Apr-89	155	-0.033	0.31
271		25-Apr-89	147	-0.01	0.3
272		26-Apr-89	143	-0.053	0.247
273		27-Apr-89	140	-0.002	0.245
274		28-Apr-89	138	-0.025	0.22
275		2-May-89	134.5	0.021	0.241
276		3-May-89	132	-0.011	0.23
277		4-May-89	131	-0.01	0.22
278		5-May-89	128.5	-0.003	0.217
279		10-May-89	124.5	-0.006	0.211
280		11-May-89	124.5	0.034	0.245
281		12-May-89	124.5	-0.018	0.227
282		15-May-89	126	0.003	0.23
283		16-May-89	129	0.028	0.258
284		17-May-89	126	0.012	0.27
285		18-May-89	123	-0.025	0.245
286		19-May-89	124.5	0.032	0.277
287		22-May-89	119	-0.036	0.241
288		23-May-89	123.5	0.024	0.265
289		24-May-89	124	0.009	0.274
290		26-May-89	121	-0.012	0.262
291		29-May-89	118	0.003	0.265
292		30-May-89	117	0	0.265
293		31-May-89	114	-0.02	0.245
294		1-Jun-89	117	0.017	0.262
295		2-Jun-89	122	0.031	0.293
296		5-Jun-89	126	0.008	0.301
297		6-Jun-89	125	-0.001	0.3
298		7-Jun-89	124	-0.008	0.292
299		8-Jun-89	124	0.005	0.297
300		9-Jun-89	124	0.006	0.303

L and T				
SR.	Date	Equity Price	Abnormal Returns	CAR
241	1-Mar-89	99.5	-0.004	0.368
242	2-Mar-89	99	-0.024	0.344
243	3-Mar-89	99	0	0.344
244	7-Mar-89	99	-0.014	0.33
245	8-Mar-89	99.5	-0.002	0.328
246	9-Mar-89	99.5	0.004	0.332
247	10-Mar-89	97.5	-0.025	0.307
248	13-Mar-89	96	-0.005	0.302
249	14-Mar-89	92	-0.032	0.27
250	15-Mar-89	95	0.028	0.298
251	16-Mar-89	93.5	-0.015	0.283
252	17-Mar-89	92.5	-0.007	0.276
253	20-Mar-89	92	0.003	0.279
254	21-Mar-89	89	-0.024	0.255
255	23-Mar-89	91	0.001	0.256
256	27-Mar-89	93.5	0.018	0.274
257	28-Nar-89	95.5	0.021	0.295
258	29-Mar-89	101	0.048	0.343
259	30-Mar-89	104	0.024	0.367
260	31-Mar-89	103	-0.011	0.356
261	3-Apr-89	103.5	-0.003	0.353
262	4-Apr-89	103.5	0.006	0.359
263	7-Apr-89	99.5	-0.046	0.313
264	10-Apr-89	107	0.055	0.368
265	11-Apr-89	109	0.019	0.387
266	12-Apr-89	105	-0.019	0.368
267	17-Apr-89	104.5	-0.013	0.355
268	19-Apr-89	103	-0.018	0.337
269	20-Apr-89	101.5	-0.022	0.315
270	21-Apr-89	101	-0.026	0.289
271	25-Apr-89	103	0.042	0.331
272	26-Apr-89	103	-0.016	0.315
273	27-Apr-89	103.5	0.015	0.33
274	28-Apr-89	104	-0.002	0.328
275	2-May-89	103	0.016	0.344
276	3-May-89	99	-0.036	0.308
277	4-May-89	97	-0.022	0.286
278	5-May-89	93.5	-0.028	0.258
279	10-May-89	92	-0.003	0.255
280	11-May-89	90	-0.004	0.251
281	12-May-89	91	0	0.251
282	15-May-89	92.5	0.01	0.261
283	16-May-89	91.50	-0.009	0.252
284	17-May-89	91	0.014	0.266
285	18-May-89	86	-0.056	0.21
286	19-May-89	87.5	0.028	0.238
287	22-May-89	85	-0.025	0.213
288	23-May-89	85.5	-0.003	0.21
289	24-May-89	87.5	0.026	0.236
290	26-May-89	88	0.012	0.248
291	29-May-89	89	0.026	0.274
292	30-May-89	84.5	-0.046	0.228
293	31-May-89	82.5	-0.021	0.207
294	1-Jun-89	84	0.012	0.219
295	2-Jun-89	87	0.028	0.247
296	5-Jun-89	87.5	-0.009	0.238
297	6-Jun-89	67	-0.003	0.235
298	7-Jun-89	86.5	-0.007	0.228
299	8-Jun-89	87	0.008	0.236
300	9-Jun-89	88	0.014	0.25

Reliance					
SR.	Event No.	Date	Equity Price	Abnormal Returns	CAR
301		12-Jun-89	122	-0.015	0.288
302		13-Jun-89	123.5	0.018	0.306
303		14-Jun-89	120	-0.01	0.296
304		16-Jun-89	124	0.012	0.308
305		19-Jun-89	127	0.025	0.333
306		20-Jun-89	124	-0.027	0.306
307		21-Jun-89	125	-0.02	0.286
308		22-Jun-89	128	0.014	0.3
309	4	23-Jun-89	133.5	0.034	0.334
310		26-Jun-89	131	0.002	0.336
311		27-Jun-89	127	-0.031	0.305
312		28-Jun-89	133.5	0.038	0.343
313		29-Jun-89	135.5	0.015	0.358
314		30-Jun-89	134.5	-0.013	0.345
315		4-Jul-89	133	-0.021	0.324
316		5-Jul-89	135	0.013	0.337
317		06-Jut-89	135	0.015	0.352
318		7-Jul-89	131	-0.016	0.336
319		10-Jul-89	128	0.009	0.345
320		11-Jul-89	125	-0.006	0.339
321		12-Jul-89	126	0.001	0.34
322		13-Jul-89	124	-0.006	0.334
323		17-Jul-89	122	0.006	0.34
324		19-Jul-89	124.5	0.015	0.355
325		20-Jul-89	124	-0.002	0.353
326		21-Jul-89	123	0.017	0.37
327		25-Jul-89	115.5	-0.048	0.322
328		26-Jul-89	119	0.020	0.342
329		27-Jul-89	113	-0.014	0.328
330		28-Jul-89	108.5	-0.026	0.302
331		1-Aug-89	111	0.006	0.308
332		2-Aug-89	106.5	-0.016	0.292
333		3-Aug-89	108.5	0.022	0.314
334		4-Aug-89	114	0.050	0.364
335		8-Aug-89	112.5	0.012	0.376
336		9-Aug-89	111	-0.024	0.352
337		10-Aug-89	114	0.003	0.355
338		14-Aug-89	115	0.006	0.361
339		17-Aug-89	113.5	0.005	0.366
340		18-Aug-89	112	0.001	0.367
341		22-Aug-89	106	-0.032	0.335
342		23-Aug-89	106.5	0.007	0.342
343		28-Aug-89	107	0.002	0.344
344		29-Aug-89	109	0.014	0.358
345		31-Aug-89	109	-0.019	0.339
346		1-Sep-89	107	-0.008	0.331
347		6-Sep-89	107	0.002	0.333
348		7-Sep-89	104.5	-0.025	0.308
349		8-Sep-89	103	0.009	0.317
350		11-Sep-89	101.5	0.002	0.319
351		12-Sep-89	101	-0.002	0.317
352	5	13-Sep-89	100.5	-0.004	0.313
353		14-Sep-89	103	0.006	0.319
354		15-Sep-89	107	0.047	0.366
355		18-Sep-89	104.5	-0.025	0.341
356		19-Sep-89	105.5	0.013	0.354
357		20-Sep-89	102.5	--0.020	0.334
358		21-Sep-89	101	-0.009	0.325
359		22-Sep-89	103	0.023	0.348
360		25-Sep-89	102.5	0.005	0.353

L and T				
SR.	Date	Equity Price	Abnormal Returns	CAR
301	12-Jun-89	88	0	0.25
302	13-Jun-89	86.5	-0.015	0.235
303	14-Jun-89	85	-0.008	0.227
304	16-Jun-89	85	-0.013	0.214
305	19-Jun-89	86.5	0.017	0.231
306	20-Jun-89	84	-0.031	0.2
307	21-Jun-89	85	-0.005	0.195
308	22-Jun-89	86.5	0.011	0.206
309	23-Jun-89	88	0.011	0.217
310	26-Jun-89	90	0.034	0.251
311	27-Jun-89	91	0.01	0.261
312	28-Jun-89	91.5	-0.003	0.258
313	29-Jun-89	93	0.016	0.274
314	30-Jun-89	93.9	0.006	0.28
315	4-Jul-89	94.5	0	0.28
316	5-Jul-89	97.5	0.03	0.31
317	06-Jut-89	101.5	0.049	0.359
318	7-Jul-89	97.5	-0.032	0.327
319	10-Jul-89	97	0.012	0.339
320	11-Jul-89	93.5	-0.027	0.312
321	12-Jul-89	93.5	-0.005	0.307
322	13-Jul-89	93	-0.001	0.306
323	17-Jul-89	93.5	0.017	0.323
324	19-Jul-89	95	0.012	0.335
325	20-Jul-89	100	0.053	0.388
326	21-Jul-89	101.5	0.028	0.416
327	25-Jul-89	101.5	0.007	0.423
328	26-Jul-89	105.5	0.033	0.456
329	27-Jul-89	107.5	0.038	0.494
330	28-Jul-89	108	0.012	0.506
331	1-Aug-89	118.5	0.087	0.593
332	2-Aug-89	116.5	-0.004	0.589
333	3-Aug-89	115	-0.012	0.577
334	4-Aug-89	115.5	0.003	0.58
335	8-Aug-89	110.5	-0.03	0.55
336	9-Aug-89	110.5	-0.007	0.543
337	10-Aug-89	109.5	-0.023	0.52
338	14-Aug-89	109	-0.007	0.513
339	17-Aug-89	110	0.019	0.532
340	18-Aug-89	108	-0.011	0.521
341	22-Aug-89	105	-0.016	0.505
342	23-Aug-89	106	0.01	0.515
343	28-Aug-89	104	-0.021	0.494
344	29-Aug-89	104	-0.003	0.491
345	31-Aug-89	122	0.162	0.653
346	1-Sep-89	105	-0.134	0.519
347	6-Sep-89	105	0	0.519
348	7-Sep-89	103	-0.021	0.498
349	8-Sep-89	102	0.002	0.5
350	11-Sep-89	98	-0.031	0.469
351	12-Sep-89	97	-0.009	0.46
352	13-Sep-89	98.5	0.015	0.475
353	14-Sep-89	101	0.014	0.489
354	15-Sep-89	102	0.014	0.503
355	18-Sep-89	101	-0.012	0.491
356	19-Sep-89	101	0.001	0.492
357	20-Sep-89	101.5	0.009	0.501
358	21-Sep-89	101	-0.003	0.498
359	22-Sep-89	101	0.001	0.499
360	25-Sep-89	101	0.005	0.504

Reliance					
SR.	Event No.	Date	Equity Price	Abnormal Returns	CAR
361		26-Sep-89	102.5	-0.003	0.35
362		27-Sep-89	102.5	0.002	0.352
363		28-Sep-89	103	-0.002	0.35
364		29-Sep-29	110	0.050	0.4
365		3-Oct-89	108	-0.002	0.398
366		4-Oct-89	106	0.002	0.4
367		5-Oct-89	104	-0.003	0.397
368		6-Oct-89	102.5	-0.01	0.387
369		9-Oct-89	100.5	-0.017	0.37
370		11-Oct-89	96.5	-0.036	0.334
371		12-Oct-89	96	-0.001	0.333
372		13-Oct-89	95.5	-0.003	0.33
373		16-Oct-89	94	0.003	0.333
374		17-Oct-89	89	-0.022	0.311
375		18-Oct-89	93	-0.007	0.304
376	6	19-Oct-89	97	0.065	0.369
377		20-Oct-89	103	0.037	0.406
378		23-Oct-89	99	-0.04	0.366
379		24-Oct-89	95	-0.035	0.331
380		24-Oct-89	95	0.007	0.338
381		25-Oct-89	95	-0.019	0.319
382		26-Oct-89	97	0.02	0.339
383		29-Oct-89	98	0.014	0.353
384		31-Oct-89	92	-0.043	0.31
385		1-Nov-89	92.5	0.019	0.329
386		2-Nov-89	90	-0.025	0.304
387		3-Nov-89	88.5	-0.01	0.294
388		6-Nov-89	88	0.005	0.299
389		7-Nov-89	85	-0.017	0.282
390		8-Nov-89	84	0.005	0.287
391	7	9-Nov-89	83.5	-0.003	0.284
392		10-Nov-89	83	0.018	0.302
393		20-Nov-89	82	-0.007	0.295
394		21-Nov-89	84	0.016	0.311
395		22-Nov-89	83	-0.003	0.308
396		23-Nov-89	82	0.018	0.326
397		27-Nov-89	81	-0.013	0.313
398		28-Nov-89	76	-0.025	0.288
399		29-Nov-89	73	-0.032	0.256
400		30-Nov-89	73	-0.018	0.238
401		1-Dec-89	75	0.013	0.251
402		4-Dec-89	73.5	-0.059	0.192
403		5-Dec-89	76	0.022	0.214
404		6-Dec-89	75	-0.007	0.207
405		7-Dec-89	73.5	-0.014	0.193
406		8-Dec-89	79	0.04	0.233
407		12-Dec-89	98	0.187	0.42
408		14-Dec-89	89.5	-0.04	0.38
409		15-Dec-89	85	-0.04	0.34
410		18-Dec-89	85	-0.016	0.324
411		19-Dec-89	85.5	0.003	0.327
412		20-Dec-89	85	0.01	0.337
413		21-Dec-89	85	0.007	0.344
414		22-Dec-89	89	0.033	0.377
415		1-Jan-90	90	0.008	0.385
416		2-Jan-90	87	-0.025	0.36
417		3-Jan-90	84	-0.005	0.355
418		4-Jan-90	78	-0.064	0.291
419		5-Jan-90	78.5	-0.011	0.28
420		8-Jan-90	82.5	0.049	0.329

L and T				
SR.	Date	Equity Price	Abnormal Returns	CAR
361	26-Sep-89	100	-0.012	0.492
362	27-Sep-89	101	0.01	0.502
363	28-Sep-89	100.5	-0.01	0.492
364	29-Sep-29	102	0.004	0.496
365	3-Oct-89	101	-0.002	0.494
366	4-Oct-89	101.25	0.013	0.507
367	5-Oct-89	101	0.006	0.513
368	6-Oct-89	100	-0.009	0.504
369	9-Oct-89	100.5	0.006	0.51
370	11-Oct-89	100	-0.004	0.506
371	12-Oct-89	100	0.001	0.507
372	13-Oct-89	100	0.001	0.508
373	16-Oct-89	99	-0.001	0.507
374	17-Oct-89	100	0.027	0.534
375	18-Oct-89	101.25	-0.018	0.516
376	19-Oct-89	119.5	0.192	0.708
377	20-Oct-89	104	-0.144	0.564
378	23-Oct-89	112	0.075	0.639
379	24-Oct-89	102.5	-0.082	0.557
380	24-Oct-89	102.5	0.003	0.56
381	25-Oct-89	92.5	-0.109	0.451
382	26-Oct-89	95.5	0.031	0.482
383	29-Oct-89	97	0.017	0.499
384	31-Oct-89	91.5	-0.047	0.452
385	1-Nov-89	91	0.001	0.453
386	2-Nov-89	90	-0.011	0.442
387	3-Nov-89	90	0.003	0.445
388	6-Nov-89	89	-0.006	0.439
389	7-Nov-89	86	-0.025	0.414
390	8-Nov-89	84.5	-0.009	0.405
391	9-Nov-89	84	-0.005	0.4
392	10-Nov-89	81	-0.023	0.377
393	20-Nov-89	81	0.002	0.379
394	21-Nov-89	81.5	0	0.379
395	22-Nov-89	80	-0.014	0.365
396	23-Nov-89	79	0.003	0.368
397	27-Nov-89	78	-0.014	0.354
398	28-Nov-89	75	-0.018	0.336
399	29-Nov-89	72	-0.037	0.299
400	30-Nov-89	73	0.003	0.302
401	1-Dec-89	75.5	0.026	0.328
402	4-Dec-89	75	-0.029	0.299
403	5-Dec-89	76	0.006	0.305
404	6-Dec-89	76	0.003	0.308
405	7-Dec-89	75	-0.011	0.297
406	8-Dec-89	81	0.06	0.357
407	12-Dec-89	92.5	0.111	0.468
408	14-Dec-89	87	-0.034	0.434
409	15-Dec-89	84	-0.03	0.404
410	18-Dec-89	83.5	-0.016	0.388
411	19-Dec-89	86	0.028	0.416
412	20-Dec-89	83	-0.027	0.389
413	21-Dec-89	84	0.015	0.404
414	22-Dec-89	83.5	-0.015	0.389
415	1-Jan-90	85	0.015	0.404
416	2-Jan-90	81.5	-0.037	0.367
417	3-Jan-90	84.5	0.052	0.419
418	4-Jan-90	78.5	-0.068	0.351
419	5-Jan-90	80	0.008	0.359
420	8-Jan-90	81.5	0.017	0.376

Reliance						L and T				
SR.	Event No.	Date	Equity Price	Abnormal Returns	CAR	SR.	Date	Equity Price	Abnormal Returns	CAR
421		9-Jan-90	79	-0.033	0.296	421	9-Jan-90	79	-0.026	0.35
422		10-Jan-90	83	0.042	0.338	422	10-Jan-90	79	-0.006	0.344
423		11-Jan-90	82.5	0.001	0.339	423	11-Jan-90	78.5	-0.003	0.341
424		15-Jan-90	79.5	-0.007	0.332	424	15-Jan-90	78	0.009	0.35
425		16-Jan-90	79	0.01	0.342	425	16-Jan-90	76	-0.017	0.333
426		17-Jan-90	77	-0.005	0.337	426	17-Jan-90	75	-0.003	0.33
427		18-Jan-90	77	0.014	0.351	427	18-Jan-90	75.5	0.014	0.344
428		19-Jan-90	72	-0.017	0.334	428	19-Jan-90	73.5	0	0.344
429		22-Jan-90	70	-0.018	0.316	429	22-Jan-90	73.5	0.005	0.349
430		23-Jan-90	72.5	0.014	0.33	430	23-Jan-90	75	0.008	0.357
431		24-Jan-90	74	0.029	0.359	431	24-Jan-90	75.5	0.011	0.368
432		25-Jan-90	70.5	-0.039	0.32	432	25-Jan-90	73	-0.029	0.339
433		30-Jan-90	69	0.007	0.327	433	30-Jan-90	72	0.002	0.341
434		31-Jan-90	67	0.005	0.332	434	31-Jan-90	71	0.004	0.345
435		1-Feb-90	65	-0.042	0.29	435	1-Feb-90	70.5	-0.015	0.33
436		2-Feb-90	65.5	0.025	0.315	436	2-Feb-90	68	-0.027	0.303
437		7-Feb-90	61	-0.048	0.267	437	7-Feb-90	66	-0.018	0.285
438		8-Feb-90	58	-0.019	0.248	438	8-Feb-90	63.5	-0.022	0.263
439		12-Feb-90	59.5	0.005	0.253	439	12-Feb-90	64	-0.005	0.258
440		13-Feb-90	57.5	-0.03	0.223	440	13-Feb-90	63.5	-0.007	0.251
441		14-Feb-90	58.5	0.01	0.233	441	14-Feb-90	67.5	0.058	0.309
442		15-Feb-90	59.5	0.003	0.236	442	15-Feb-90	66	-0.031	0.278
443		16-Feb-90	63	0.063	0.299	443	16-Feb-90	68	0.032	0.31
444		19-Feb-90	59	-0.042	0.257	444	19-Feb-90	65.5	-0.026	0.284
445		21-Feb-90	57.5	-0.022	0.235	445	21-Feb-90	65	-0.006	0.278
446		22-Feb-90	57	-0.006	0.229	446	22-Feb-90	63.5	-0.022	0.256
447		26-Feb-90	64	0.126	0.355	447	26-Feb-90	63.5	0.001	0.257
448		28-Feb-90	53.5	-0.153	0.202	448	28-Feb-90	63.25	0.002	0.259
449		1-Mar-90	55.5	0.013	0.215	449	1-Mar-90	65	0.013	0.272
450		2-Mar-90	54.5	-0.013	0.202	450	2-Mar-90	64	-0.013	0.259
451		5-Mar-90	54	0.004	0.206	451	5-Mar-90	64	0.007	0.266
452		6-Mar-90	53	-0.002	0.204	452	6-Mar-90	63.25	-0.004	0.262
453		7-Mar-90	54	0.023	0.227	453	7-Mar-90	63	-0.002	0.26
454		8-Mar-90	52.5	-0.01	0.217	454	8-Mar-90	61	-0.023	0.237
455		9-Mar-90	51.5	-0.022	0.195	455	9-Mar-90	60	-0.019	0.218
456		13-Mar-90	53.5	0.018	0.213	456	13-Mar-90	59.5	-0.021	0.197
457		14-Mar-90	54	0.021	0.234	457	14-Mar-90	60	0.014	0.211
458		15-Mar-90	52.5	-0.016	0.218	458	15-Mar-90	60	0.006	0.217
459		16-Mar-90	53	0.001	0.219	459	16-Mar-90	60.5	0.002	0.219
460		19-Mar-90	57	0.088	0.307	460	19-Mar-90	63	0.047	0.266
461		20-Mar-90	60	-0.021	0.286	461	20-Mar-90	65.5	-0.003	0.263
462		21-Mar-90	55	-0.072	0.214	462	21-Mar-90	63.5	-0.025	0.238
463		22-Mar-90	59.5	0.057	0.271	463	22-Mar-90	65	0.009	0.247
464		23-Mar-90	66	0.083	0.354	464	23-Mar-90	71.5	0.085	0.332
465		26-Mar-90	73	0.104	0.458	465	26-Mar-90	85	0.187	0.519
466		28-Mar-90	69.5	-0.058	0.4	466	28-Mar-90	84.5	-0.012	0.507
467		30-Mar-90	68	-0.034	0.366	467	30-Mar-90	83.5	-0.02	0.487
468	8	2-Apr-90	66.5	-0.021	0.345	468	2-Apr-90	85.5	0.024	0.511
469		4-Apr-90	64	-0.068	0.277	469	4-Apr-90	122	0.409	0.92
470		5-Apr-90	62	-0.011	0.266	470	5-Apr-90	118	-0.022	0.898
471		6-Apr-90	60.5	0.015	0.281	471	6-Apr-90	104	-0.098	0.8
472		9-Apr-90	60	-0.003	0.278	472	9-Apr-90	92	-0.113	0.687
473		10-Apr-90	66	0.087	0.365	473	10-Apr-90	93	0.003	0.69
474		12-Apr-90	63	0.007	0.372	474	12-Apr-90	90	-0.004	0.686
475	9	17-Apr-90	62.5	-0.015	0.357	475	10 17-Apr-90	87	-0.038	0.648
476		18-Apr-90	64.5	0.007	0.364	476	18-Apr-90	92	0.043	0.691
477		19-Apr-90	65	0.034	0.398	477	19-Apr-90	89	-0.019	0.672
478		20-Apr-90	74	0.098	0.496	478	20-Apr-90	75	-0.181	0.491
479		23-Apr-90	77	0.036	0.532	479	23-Apr-90	77	0.023	0.514
480		24-Apr-90	78	0.018	0.55	480	24-Apr-90	78	0.015	0.529

Reliance					
SR.	Event No.	Date	Equity Price	Abnormal Returns	CAR
481		25-Apr-90	73	-0.063	0.487
482		30-Apr-90	72.5	-0.005	0.482
483		2-May-90	72	0.01	0.492
484		3-May-90	66.5	-0.062	0.43
485		4-May-90	65.5	-0.007	0.423
486		7-May-90	66	0.006	0.429
487		0-May-90	65	-0.012	0.417
488		1-May-90	65	0.002	0.419
489		4-May-90	61	-0.049	0.37
490		15-May-90	64.5	0.043	0.413
491		17-May-90	63.5	0.013	0.426
492		8-May-90	62	-0.015	0.411
493		1-May-90	64	0.016	0.427
494		22-May-90	63.5	-0.001	0.426
495		3-May-90	65	0.015	0.441
496		4-May-90	68	0.05	0.491
497		5-May-90	65	-0.042	0.449
498		8-May-90	66	-0.015	0.434
499		29-May-90	66.5	0.009	0.443
500	10	30-May-90	65.5	0	0.443
501		31-May-90	65	0.001	0.444
502		1-Jun-90	64.5	-0.002	0.442
503		4-Jun-90	65	0.014	0.456
504		5-Jun-90	65	0.007	0.463
505		6-Jun-90	65.5	0.013	0.476
506		7-Jun-90	65	0.002	0.478
507		11-Jun-90	64.5	-0.011	0.467
508		12-Jun-90	64	0.007	0.474
509		13-Jun-90	63	-0.003	0.471
510		14-Jun-90	62.5	-0.0406	0.430
511		15-Jun-90	63	0.009	0.439
512		19-Jun-90	66	0.043	0.482
513		20-Jun-90	64.5	-0.018	0.464
514		21-Jun-90	65	-0.003	0.461
515		22-Jun-90	71.5	0.083	0.544
516		25-Jun-90	75	0.049	0.593
517		26-Jun-90	73.5	-0.02	0.573
518		27-Jun-90	77	0.038	0.611
519		28-Jun-90	83	0.075	0.686
520	11	29-Jun-90	96	0.138	0.824
521		3-Jul-90	94	-0.034	0.790
522		5-Jul-90	104	0.1	0.890
523		6-Jul-90	107	0.011	0.901
524		9-Jul-90	106.5	0.03	0.931
525		10-Jul-90	107	-0.023	0.908
526		11-Jul-90	102	-0.056	0.852
527		13-Jul-90	101	-0.023	0.829
528		16-Jul-90	97	-0.05	0.779
529		17-Jul-90	99	0.068	0.847
530		18-Jul-90	98.5	-0.042	0.805
531		20-Jul-90	103.5	0.024	0.829
532		25-Jul-90	124	0.118	0.947
533		26-Jul-90	125	0.012	0.959
534		27-Jul-90	121	-0.057	0.902
535		30-Jul-90	128	-0.013	0.889
536		7-Aug-90	120	0.001	0.890
537		8-Aug-90	114	-0.008	0.882
538		9-Aug-90	112	-0.032	0.850
539		10-Aug-90	120	0.052	0.902
540		13-Aug-90	134	0.068	0.970

L and T				
SR.	Date	Equity Price	Abnormal Returns	CAR
481	25-Apr-90	76	-0.026	0.503
482	30-Apr-90	76	0	0.503
483	2-May-90	74	-0.018	0.485
484	3-May-90	71	-0.033	0.452
485	4-May-90	70.5	-0.003	0.449
486	7-May-90	71	0.006	0.455
487	0-May-90	85	0.198	0.653
488	1-May-90	82	-0.035	0.618
489	4-May-90	82	0.006	0.624
490	15-May-90	81	-0.021	0.603
491	17-May-90	81	0.015	0.618
492	8-May-90	78	-0.033	0.585
493	1-May-90	77.5	-0.017	0.568
494	22-May-90	78	0.01	0.578
495	3-May-90	78	-0.006	0.572
496	4-May-90	78	0.001	0.573
497	5-May-90	78	0	0.573
498	8-May-90	78	-0.018	0.555
499	29-May-90	78.5	0.006	0.561
500	30-May-90	76.5	-0.018	0.543
501	1-May-90	76	-0.003	0.54
502	1-Jun-90	75	-0.011	0.529
503	4-Jun-90	85.5	0.143	0.672
504	5-Jun-90	73	-0.143	0.529
505	6-Jun-90	71.5	-0.019	0.51
506	7-Jun-90	72	0.012	0.522
507	11-Jun-90	71	-0.017	0.505
508	12-Jun-90	70	-0.007	0.498
509	13-Jun-90	71	0.02	0.518
510	14-Jun-90	71	0	0.518
511	15-Jun-90	73.5	0.035	0.553
512	19-Jun-90	73	-0.01	0.543
513	20-Jun-90	71	-0.026	0.517
514	21-Jun-90	72.5	0.014	0.531
515	22-Jun-90	75.5	0.031	0.562
516	25-Jun-90	78	0.032	0.594
517	26-Jun-90	76	-0.026	0.568
518	27-Jun-90	77	0.007	0.575
519	28-Jun-90	80	0.036	0.611
520	29-Jun-90	87.5	0.082	0.693
521	3-Jul-90	87	-0.014	0.679
522	5-Jul-90	89.5	0.025	0.704
523	6-Jul-90	92	0.017	0.721
524	9-Jul-90	97	0.073	0.794
525	10-Jul-90	101	0.025	0.819
526	11-Jul-90	100	-0.016	0.803
527	13-Jul-90	97	-0.038	0.765
528	16-Jul-90	99	0.014	0.779
529	17-Jul-90	98	0.015	0.794
530	18-Jul-90	98.5	-0.016	0.778
531	20-Jul-90	97	-0.031	0.747
532	25-Jul-90	110	0.088	0.835
533	26-Jul-90	112	0.019	0.854
534	27-Jul-90	111	-0.024	0.83
535	30-Jul-90	116	0.004	0.834
536	7-Aug-90	105	-0.06	0.774
537	8-Aug-90	102.5	-0.001	0.773
538	9-Aug-90	102	-0.014	0.759
539	10-Aug-90	102	-0.012	0.747
540	13-Aug-90	108	0.031	0.778

Reliance					
SR.	Event No.	Date	Equity Price	Abnormal Returns	CAR
541		16-Aug-90	140.5	0.057	1.027
542		17-Aug-90	138	-0.006	1.021
543		20-Aug-90	158	0.131	1.152
544		21-Aug-90	172	0.053	1.205
545		22-Aug-90	199	0.136	1.341
546		23-Aug-90	181	-0.08	1.261
547	12	27-Aug-90	186	-0.036	1.225
548		28-Aug-90	181	-0.014	1.211
549		29-Aug-90	181	0.014	1.225
550		30-Aug-90	177	-0.067	1.158
551		3-Sep-90	188	0.053	1.211
552		4-Sep-90	175	-0.01	1.201
553		5-Sep-90	172	-0.012	1.189
554		6-Sep-90	168	-0.02	1.169
555		7-Sep-90	166	-0.062	1.107
556		10-Sep-90	173	0.02	1.127
557		11-Sep-90	180	0.009	1.136
558		12-Sep-90	176	0.013	1.149
559		14-Sep-90	164	-0.011	1.138
560		18-Sep-90	173	-0.024	1.114
561		19-Sep-90	180	0.029	1.143
562		20-Sep-90	185	0.032	1.175
563		21-Sep-90	196	0.013	1.188
564		25-Sep-90	214	0.03	1.218
565		26-Sep-90	216	0.063	1.281
566		27-Sep-90	204	-0.065	1.216
567		4-Oct-90	201	-0.017	1.199
568		9-Oct-90	245	0.113	1.312
569		11-Oct-90	227	-0.004	1.308
570		12-Oct-90	221	-0.023	1.285
571		15-Oct-90	181	-0.023	1.262
572		18-Oct-90	190	0.025	1.287
573		22-Oct-90	180	0.03	1.317
574		25-Oct-90	189	-0.019	1.298
575		26-Oct-90	196	0.068	1.366
576		31-Oct-90	194	-0.03	1.336
577		1-Nov-90	212	0.071	1.407
578		5-Nov-90	224	0.053	1.460
579		7-Nov-90	230	-0.013	1.447
580		8-Nov-90	240	0.021	1.468
581		9-Nov-90	238	0.012	1.480
582		12-Nov-90	220	0.012	1.492
583		14-Nov-90	215	-0.032	1.460
584		16-Nov-90	218	0.006	1.466
585		21-Nov-90	224	0.081	1.547
586		22-Nov-90	205	-0.059	1.488
587		23-Nov-90	208	-0.041	1.447
588		26-Nov-90	215	0.017	1.464
589		27-Nov-90	207.5	0.007	1.471
590		29-Nov-90	196	0.018	1.489
591		30-Nov-90	185	-0.04	1.449
592		3-Dec-90	187	0.007	1.456
593		4-Dec-90	173	-0.031	1.425
594		5-Dec-90	171.5	-0.015	1.410
595		6-Dec-90	178.5	0.039	1.449
596		10-Dec-90	182	-0.012	1.437
597		11-Dec-90	178	-0.001	1.436
598		12-Dec-90	178	-0.034	1.402
599		13-Dec-90	183	0.024	1.426
600		14-Dec-90	182	0.024	1.450

L and T				
SR.	Date	Equity Price	Abnormal Returns	CAR
541	16-Aug-90	107	-0.005	0.773
542	17-Aug-90	107	0.006	0.779
543	20-Aug-90	106	-0.018	0.761
544	21-Aug-90	109	0.007	0.768
545	22-Aug-90	125	0.134	0.902
546	23-Aug-90	120	-0.035	0.867
547	27-Aug-90	155	0.255	1.122
548	28-Aug-90	152	-0.013	1.109
549	29-Aug-90	151	0.001	1.11
550	30-Aug-90	152	-0.02	1.09
551	3-Sep-90	173.5	0.135	1.225
552	4-Sep-90	160	-0.046	1.179
553	5-Sep-90	155	-0.029	1.15
554	6-Sep-90	151.26	-0.023	1.127
555	7-Sep-90	155	-0.004	1.123
556	10-Sep-90	165	0.052	1.175
557	11-Sep-90	172.5	0.027	1.202
558	12-Sep-90	170	0.005	1.207
559	14-Sep-90	160	-0.028	1.179
560	18-Sep-90	168.75	0.01	1.189
561	19-Sep-90	180	0.059	1.248
562	20-Sep-90	177.5	-0.012	1.236
563	21-Sep-90	166.25	-0.091	1.145
564	25-Sep-90	172.5	0.002	1.147
565	26-Sep-90	167.5	0	1.147
566	27-Sep-90	160	-0.051	1.096
567	4-Oct-90	155	-0.033	1.063
568	9-Oct-90	162.5	-0.012	1.051
569	11-Oct-90	150	-0.039	1.012
570	12-Oct-90	140	-0.066	0.946
571	15-Oct-90	122.5	-0.037	0.909
572	18-Oct-90	125	0.006	0.915
573	22-Oct-90	118.75	-0.004	0.911
574	25-Oct-90	123.75	0.002	0.913
575	26-Oct-90	125	0.026	0.939
576	31-Oct-90	122.5	-0.032	0.907
577	1-Nov-90	128.75	0.038	0.945
578	5-Nov-90	122.5	-0.052	0.893
579	7-Nov-90	138.75	0.109	1.002
580	8-Nov-90	148.75	0.059	1.061
581	9-Nov-90	148.75	0.01	1.071
582	12-Nov-90	138.75	-0.019	1.052
583	14-Nov-90	133.75	-0.042	1.01
584	16-Nov-90	137.5	0.023	1.033
585	21-Nov-90	136.25	0.02	1.053
586	22-Nov-90	130	-0.032	1.021
587	23-Nov-90	150	0.122	1.143
588	26-Nov-90	150	-0.01	1.133
589	27-Nov-90	140	-0.044	1.089
590	29-Nov-90	130	-0.031	1.058
591	30-Nov-90	128.75	-0.002	1.056
592	3-Dec-90	136.25	0.055	1.111
593	4-Dec-90	130	-0.022	1.089
594	5-Dec-90	128.75	-0.014	1.075
595	6-Dec-90	133.75	0.037	1.112
596	10-Dec-90	132.5	-0.028	1.084
597	11-Dec-90	132.5	0.011	1.095
598	12-Dec-90	131.25	-0.029	1.066
599	13-Dec-90	137.5	0.045	1.111
600	14-Dec-90	136.25	0.007	1.118

Reliance					
SR.	Event No.	Date	Equity Price	Abnormal Returns	CAR
601		17-Dec-90	175	-0.009	1.441
602		18-Dec-90	156	-0.029	1.412
603		19-Dec-90	140	-0.032	1.380
604		24-Dec-90	130	-0.079	1.301
605		2-Jan-91	115	-0.042	1.259
606		3-Jan-91	107.5	-0.045	1.214
607		11-Jan-91	110	-0.035	1.179
608		14-Jan-91	107.5	0	1.179
609		23-Jan-91	105	-0.001	1.178
610		24-Jan-91	100	-0.009	1.169
611		25-Jan-91	95	-0.027	1.142
612		31-Jan-91	102.5	0.05	1.192
613		1-Feb-91	106.25	-0.007	1.185
614		4-Feb-91	117.5	0.075	1.260
615		5-Feb-91	120	0.005	1.265
616		6-Feb-91	125	0.055	1.320
617		7-Feb-91	118.75	-0.021	1.299
618		8-Feb-91	115	-0.017	1.282
619		11-Feb-91	112.5	0.001	1.283
620		13-Feb-91	108.75	-0.02	1.263
621		14-Feb-91	111.25	0.004	1.267
622		15-Feb-91	113.75	0.009	1.276
623		19-Feb-91	135	0.066	1.342
624		20-Feb-91	133.75	-0.004	1.338
625		21-Feb-91	141.25	0.055	1.393
626		22-Feb-91	146.25	0.013	1.406
627		26-Feb-91	152.5	0.021	1.427
628		27-Feb-91	158.75	0.029	1.456
629		28-Feb-91	163.75	0.036	1.492
630		4-Mar-91	157.5	-0.039	1.453
631		5-Mar-91	158.75	-0.008	1.445
632		7-Mar-91	135	-0.056	1.389
633		8-Mar-91	138.75	-0.009	1.380
634		11-Mar-91	135	-0.007	1.373
635		12-Mar-91	126.25	-0.052	1.321
636		13-Mar-91	128.75	0.029	1.350
637		14-Mar-91	128	-0.039	1.311
638		15-Mar-91	135	0.048	1.359
639		18-Mar-91	127	-0.021	1.338
640		20-Mar-91	125	-0.013	1.325
641		21-Mar-91	121	-0.021	1.304
642		25-Mar-91	120	0.005	1.309
643		26-Mar-91	120.5	-0.007	1.302
644		27-Mar-91	124.5	0.04	1.342
645		1-Apr-91	126	-0.01	1.332
646		2-Apr-91	129	0.012	1.344
647		3-Apr-91	128.5	0.007	1.351
648		4-Apr-91	125.5	-0.015	1.336
649		5-Apr-91	129	0.011	1.347
650		8-Apr-91	133	0.015	1.362
651		9-Apr-91	137	0.032	1.394
652		11-Apr-91	135	-0.029	1.365
653		12-Apr-91	141	0.021	1.386
654		15-Apr-91	146	0.026	1.412
655		16-Apr-91	146.5	0.032	1.444
656		18-Apr-91	143	-0.017	1.427
657		19-Apr-91	145.5	0.01	1.437
658		22-Apr-91	144	-0.01	1.427
659		23-Apr-91	139.5	-0.018	1.409
660		24-Apr-91	134	-0.033	1.376

L and T				
SR.	Date	Equity Price	Abnormal Returns	CAR
601	17-Dec-90	133	-0.008	1.11
602	18-Dec-90	124.5	-0.02	1.09
603	19-Dec-90	107.5	-0.098	0.992
604	24-Dec-90	116.25	0.076	1.068
605	2-Jan-91	97.5	-0.121	0.947
606	3-Jan-91	98.75	0.023	0.97
607	11-Jan-91	101.25	-0.008	0.962
608	14-Jan-91	108.72	0.086	1.048
609	23-Jan-91	100	-0.068	0.98
610	24-Jan-91	95	-0.029	0.951
611	25-Jan-91	90	-0.041	0.91
612	31-Jan-91	102.5	0.122	1.032
613	1-Feb-91	105	-0.001	1.031
614	4-Feb-91	113.75	0.065	1.096
615	5-Feb-91	117.5	0.023	1.119
616	6-Feb-91	110	-0.057	1.062
617	7-Feb-91	105	-0.03	1.032
618	8-Feb-91	103.75	-0.005	1.027
619	11-Feb-91	102.5	0	1.027
620	13-Feb-91	100	-0.018	1.009
621	14-Feb-91	100	-0.011	0.998
622	15-Feb-91	100	-0.009	0.989
623	19-Feb-91	121.25	0.144	1.133
624	20-Feb-91	117.5	-0.029	1.104
625	21-Feb-91	125	0.062	1.166
626	22-Feb-91	125	-0.014	1.152
627	26-Feb-91	127.5	0.007	1.159
628	27-Feb-91	127.5	-0.008	1.151
629	28-Feb-91	131.25	0.031	1.182
630	4-Mar-91	132.5	0.008	1.19
631	5-Mar-91	132.5	-0.01	1.18
632	7-Mar-91	120	-0.043	1.137
633	8-Mar-91	122.5	-0.001	1.136
634	11-Mar-91	120	-0.01	1.126
635	12-Mar-91	116.25	-0.025	1.101
636	13-Mar-91	118.75	0.026	1.127
637	14-Mar-91	120	-0.009	1.118
638	15-Mar-91	125	0.037	1.155
639	18-Mar-91	117.5	-0.039	1.116
640	20-Mar-91	117.5	0.001	1.117
641	21-Mar-91	115	-0.016	1.101
642	25-Mar-91	112.5	-0.015	1.086
643	26-Mar-91	112.5	-0.007	1.079
644	27-Mar-91	116.25	0.036	1.115
645	1-Apr-91	116.25	-0.013	1.102
646	2-Apr-91	118.75	0.014	1.116
647	3-Apr-91	118.75	0.005	1.121
648	4-Apr-91	115	-0.028	1.093
649	5-Apr-91	118.75	0.022	1.115
650	8-Apr-91	120	0.001	1.116
651	9-Apr-91	125	0.042	1.158
652	11-Apr-91	133.5	0.059	1.217
653	12-Apr-91	139	0.027	1.244
654	15-Apr-91	140	0.001	1.245
655	16-Apr-91	137.5	-0.003	1.242
656	18-Apr-91	112	-0.182	1.06
657	19-Apr-91	110.5	-0.019	1.041
658	22-Apr-91	101	-0.086	0.955
659	23-Apr-91	77.5	-0.028	0.927
660	24-Apr-91	100	0.028	0.955

Reliance					
SR.	Event No.	Date	Equity Price	Abnormal Returns	CAR
661		25-Apr-91	135.5	-0.005	1.371
662		26-Apr-91	137	0.024	1.395
663		29-Apr-91	130	-0.03	1.365
664		30-Apr-91	130	0.034	1.399
665		6-May-91	130.5	-0.012	1.387
666		7-May-91	127.5	-0.019	1.368
667		8-May-91	130	0.013	1.381
668		9-May-91	128.5	-0.002	1.379
669		10-May-91	131	-0.003	1.376
670		13-May-91	133.5	0.021	1.397
671		14-May-91	133	-0.003	1.394
672		16-May-91	139	0.05	1.444
673		17-May-91	144.5	0.038	1.482
674		20-May-91	139.5	-0.019	1.463
675		21-May-91	152	0.06	1.523
676		23-May-91	152	0.009	1.532
677		27-May-91	151	-0.005	1.527
678		29-May-91	151	-0.005	1.522
679		30-May-91	159	0.05	1.572
680		31-May-91	152	-0.015	1.557
681		3-Jun-91	146	-0.018	1.539
682		4-Jun-91	144	-0.012	1.527
683		5-Jun-91	145	0.015	1.542
684		6-Jun-91	144	0.008	1.550
685		7-Jun-91	140	-0.001	1.549
686		11-Jun-91	137	-0.03	1.519
687		12-Jun-91	142.5	0.019	1.538
688		13-Jun-91	144	0.026	1.564
689		14-Jun-91	143.5	-0.016	1.548
690		17-Jun-91	155	0.071	1.619
691		18-Jun-91	154.5	-0.025	1.594
692		19-Jun-91	151.5	-0.007	1.587
693		20-Jun-91	156	0.023	1.610
694		21-Jun-91	150	-0.057	1.553
695		24-Jun-91	147	0.033	1.586
696		25-Jun-91	141.5	-0.03	1.556
697		26-Jun-91	142.5	0.037	1.593
698		27-Jun-91	141	-0.023	1.570
699		28-Jun-91	142	0.029	1.599
700		1-Jul-91	134.5	-0.054	1.545
701		2-Jul-91	133	0.035	1.580
702		3-Jul-91	132	-0.083	1.497
703		4-Jul-91	125	-0.037	1.460
704		05-Jut-91	124	-0.057	1.403
705		8-Jul-91	130	0.046	1.449
706		09-Jut-91	133	0.022	1.471
707		10-Jul-91	137.5	0.021	1.492
708		11-Jul-91	136	-0.034	1.458
709		12-Jul-91	137.5	-0.003	1.455
710		15-Jul-91	132.5	-0.004	1.451
711		16-Jul-91	132.5	-0.017	1.434
712		17-Jul-91	131.5	-0.013	1.421
713		19-Jul-91	130	-0.018	1.403
714		22-Jul-91	130	0.033	1.436
715		24-Jul-91	137	0.015	1.451
716		25-Jul-91	145	-0.006	1.445
717		26-Jul-91	156	0.046	1.491
718		29-Jul-91	172	0.079	1.570
719		30-Jul-91	176	0.02	1.590
720		31-Jul-91	177	0.02	1.610

L and T				
SR.	Date	Equity Price	Abnormal Returns	CAR
661	25-Apr-91	101.5	0.005	0.96
662	26-Apr-91	102.5	0.016	0.976
663	29-Apr-91	97.5	-0.038	0.938
664	30-Apr-91	96	0.003	0.941
665	6-May-91	96	-0.01	0.931
666	7-May-91	95	-0.009	0.922
667	8-May-91	96	0.006	0.928
668	9-May-91	95	-0.006	0.922
669	10-May-91	97	0.008	0.93
670	13-May-91	99	0.021	0.951
671	14-May-91	97.5	-0.015	0.936
672	16-May-91	100	0.028	0.964
673	17-May-91	104	0.038	1.002
674	20-May-91	102	-0.011	0.991
675	21-May-91	108.5	0.046	1.037
676	23-May-91	107	-0.01	1.027
677	27-May-91	108	0.009	1.036
678	29-May-91	101.5	-0.064	0.972
679	30-May-91	124	0.219	1.191
680	31-May-91	118	-0.033	1.158
681	3-Jun-91	118	0.011	1.169
682	4-Jun-91	115.5	-0.021	1.148
683	5-Jun-91	115	0	1.148
684	6-Jun-91	112.5	-0.014	1.134
685	7-Jun-91	109	-0.017	1.117
686	11-Jun-91	109	-0.006	1.111
687	12-Jun-91	111	0.006	1.117
688	13-Jun-91	112	0.017	1.134
689	14-Jun-91	114	0.01	1.144
690	17-Jun-91	116	0.011	1.155
691	18-Jun-91	117.5	0	1.155
692	19-Jun-91	116	-0.007	1.148
693	20-Jun-91	117 .00	0.004	1.152
694	21-Jun-91	119	0.006	1.158
695	24-Jun-91	112.5	-0.026	1.132
696	25-Jun-91	110.5	-0.015	1.117
697	26-Jun-91	110	0.012	1.129
698	27-Jun-91	111	0.001	1.13
699	28-Jun-91	109.5	-0.002	1.128
700	1-Jul-91	106.5	-0.029	1.099
701	2-Jul-91	106.5	0.025	1.124
702	3-Jul-91	105.5	-0.053	1.071
703	4-Jul-91	104.5	-0.001	1.07
704	05-Jut-91	110.5	0.029	1.099
705	8-Jul-91	113.5	0.025	1.124
706	09-Jut-91	108.5	-0.045	1.079
707	10-Jul-91	110.5	0.01	1.089
708	11-Jul-91	114.5	0.022	1.111
709	12-Jul-91	115.5	0	1.111
710	15-Jul-91	112.5	-0.009	1.102
711	16-Jul-91	110.5	-0.028	1.074
712	17-Jul-91	110.5	-0.004	1.07
713	19-Jul-91	111	0	1.07
714	22-Jul-91	110	0.009	1.079
715	24-Jul-91	115	0.023	1.102
716	25-Jul-91	125	0.05	1.152
717	26-Jul-91	135	0.062	1.214
718	29-Jul-91	142	0.038	1.252
719	30-Jul-91	140	-0.017	1.235
720	31-Jul-91	139	0	1.235

Reliance					
SR.	Event No.	Date	Equity Price	Abnormal Returns	CAR
721		1-Aug-91	191.5	0.074	1.684
722		5-Aug-91	198	0.015	1.699
723		7-Aug-91	193	-0.005	1.694
724		8-Aug-91	176	-0.067	1.627
725		9-Aug-91	180	0.004	1.631
726		12-Aug-91	177	-0.013	1.618
727		13-Aug-91	184	0.027	1.645
728		14-Aug-91	183	-0.014	1.631
729		16-Aug-91	186.5	0.008	1.639
730		19-Aug-91	196	0.039	1.678
731		20-Aug-91	191	0.006	1.684
732		21-Aug-91	185	-0.026	1.658
733		22-Aug-91	193	0.016	1.674
734		23-Aug-91	195	-0.019	1.655
735		26-Aug-91	206	0.033	1.688
736		27-Aug-91	196	-0.025	1.663
737		28-Aug-91	205	0.041	1.704
738		30-Aug-91	185	-0.073	1.631
739		3-Sep-91	184	0.019	1.650
740		4-Sep-91	175	-0.055	1.595
741		5-Sep-91	181	0.018	1.613
742		6-Sep-91	182	0.008	1.621
743		10-Sep-91	177	-0.023	1.598
744		13-Sep-91	181	-0.007	1.591
745		16-Sep-91	185	-0.006	1.585
746	13	17-Sep-91	174	-0.035	1.550
747		18-Sep-91	172	-0.007	1.543
748		20-Sep-91	170	0.019	1.562
749		24-Sep-91	167	-0.003	1.559
750		25-Sep-91	168	0.009	1.568
751		26-Sep-91	170	0.036	1.604
752		27-Sep-91	195	0.096	1.700
753		30-Sep-91	185	-0.057	1.643
754		1-Oct-91	184.5	0.018	1.661
755		3-Oct-91	183	0.023	1.684
756		4-Oct-91	175	-0.012	1.672
757		7-Oct-91	175	-0.001	1.671
758		9-Oct-91	165	-0.011	1.660
759		10-Oct-91	166	-0.015	1.645
760		11-Oct-91	169	0.014	1.659
761		14-Oct-91	162.5	-0.011	1.648
762		15-Oct-91	161	-0.002	1.646
763		16-Oct-91	164	-0.011	1.635
764		18-Oct-91	168	0.025	1.660
765		21-Oct-91	159.5	-0.021	1.639
766		22-Oct-91	162	0.003	1.642
767		23-Oct-91	162.5	0.006	1.648
768		24-Oct-91	167	0.013	1.661
769		26-Oct-91	163.5	-0.025	1.636
770		29-Oct-91	172	-0.001	1.635
771		30-Oct-91	170	0.012	1.647
772		18-May-01	378.25	0	0.000
773		21-May-01	373.8	1.012	1.012
774		22-May-01	377.5	-0.392	0.620
775		23-May-01	378.925	1.388	2.008
776		24-May-01	387.6	1.699	3.707
777		25-May-01	394.55	-0.156	3.552
778		28-May-01	397.55	-0.916	2.636
779		29-May-01	401.325	-0.016	2.620

L and T				
SR.	Date	Equity Price	Abnormal Returns	CAR
721	1-Aug-91	149	0.067	1.302
722	5-Aug-91	163	0.083	1.385
723	7-Aug-91	163	0.01	1.395
724	8-Aug-91	152	-0.056	1.339
725	9-Aug-91	150	-0.024	1.315
726	12-Aug-91	147.5	-0.016	1.299
727	13-Aug-91	153.75	0.034	1.333
728	14-Aug-91	150	-0.03	1.303
729	16-Aug-91	152.5	0.01	1.313
730	19-Aug-91	151.25	-0.016	1.297
731	20-Aug-91	146.25	-0.017	1.28
732	21-Aug-91	142.5	-0.024	1.256
733	22-Aug-91	156	0.078	1.334
734	23-Aug-91	157	-0.011	1.323
735	26-Aug-91	163.75	0.029	1.352
736	27-Aug-91	153.75	-0.049	1.303
737	28-Aug-91	154	-0.002	1.301
738	30-Aug-91	149	-0.02	1.281
739	3-Sep-91	147.5	0.003	1.284
740	4-Sep-91	144	-0.028	1.256
741	5-Sep-91	149	0.025	1.281
742	6-Sep-91	151.25	0.016	1.297
743	10-Sep-91	15750	0.043	1.34
744	13-Sep-91	155	-0.033	1.307
745	16-Sep-91	155	-0.017	1.29
746	17-Sep-91	152	-0.006	1.284
747	18-Sep-91	147.5	-0.028	1.256
748	20-Sep-91	147	0.013	1.269
749	24-Sep-91	142	-0.027	1.242
750	25-Sep-91	140	-0.013	1.229
751	26-Sep-91	140	0.013	1.242
752	27-Sep-91	141	-0.022	1.22
753	30-Sep-91	146.5	0.035	1.255
754	1-Oct-91	142	-0.02	1.235
755	3-Oct-91	139	-0.005	1.23
756	4-Oct-91	134	-0.019	1.211
757	7-Oct-91	130	-0.031	1.18
758	9-Oct-91	127.5	0.006	1.186
759	10-Oct-91	126.25	-0.022	1.164
760	11-Oct-91	128.75	0.017	1.181
761	14-Oct-91	123.75	-0.024	1.157
762	15-Oct-91	121.25	-0.017	1.14
763	16-Oct-91	125	0.013	1.153
764	18-Oct-91	124	-0.009	1.144
765	21-Oct-91	121.5	-0.0105	1.1335
766	22-Oct-91	124	0.013	1.1465
767	23-Oct-91	126	0.017	1.1635
768	24-Oct-91	128.75	0.013	1.1765
769	26-Oct-91	126	-0.024	1.1525
770	29-Oct-91	136	0.049	1.2015
771	30-Oct-91	138	0.027	1.2285
772	18-May-01	245.03	0	0
773	21-May-01	243.45	-1.188	-1.188
774	22-May-01	240.35	-0.318	-1.506
775	23-May-01	240.75	-0.392	-1.898
776	24-May-01	241.2	-0.287	-2.185
777	25-May-01	240.425	3.385	1.199
778	28-May-01	249.9	-0.191	1.008
779	29-May-01	252.6	0.362	1.370

Reliance					
SR.	Event No.	Date	Equity Price	Abnormal Returns	CAR
780		30-May-01	397.725	0.713	3.333
781		31-May-01	391	-0.116	3.218
782		1-Jun-01	387.25	-0.275	2.942
783		4-Jun-01	377.975	0.552	3.494
784		5-Jun-01	373.325	0.661	4.155
785		6-Jun-01	374.75	-2.379	1.776
786		7-Jun-01	365.35	-0.313	1.463
787		8-Jun-01	368.225	3.011	4.474
788		11-Jun-01	383.7	-3.589	0.885
789		12-Jun-01	369.8	0.705	1.591
790		13-Jun-01	372.975	-0.385	1.206
791		14-Jun-01	368.4	0.073	1.278
792		15-Jun-01	359.825	-1.501	-0.223
793		18-Jun-01	349.1	-2.272	-2.495
794		19-Jun-01	344.7	-0.742	-3.236
795		20-Jun-01	345.675	-0.792	-4.029
796		21-Jun-01	343.15	-0.004	-4.033
797		22-Jun-01	341.5	1.015	-3.017
798		25-Jun-01	339.575	0.733	-2.284
799		26-Jun-01	343.9	0.308	-1.976
800		27-Jun-01	351.875	2.300	0.324
801		28-Jun-01	360.225	0.691	1.014
802		29-Jun-01	366.5	-0.768	0.246
803		2-Jul-01	365.825	-4.548	-4.301
804		3-Jul-01	341.475	-2.481	-6.783
805		4-Jul-01	323.025	1.608	-5.175
806		5-Jul-01	330.25	-1.018	-6.193
807		6-Jul-01	326.05	0.344	-5.849
808		9-Jul-01	324.6	1.022	-4.827
809		10-Jul-01	331.05	-0.319	-5.146
810		11-Jul-01	335.05	-1.117	-6.263
811		12-Jul-01	340.525	-1.259	-7.522
812		13-Jul-01	341.825	-1.556	-9.079
813		16-Jul-01	334.475	-0.802	-9.880
814		17-Jul-01	329.325	0.831	-9.049
815		18-Jul-01	330.475	-0.738	-9.788
816		19-Jul-01	323.5	-0.986	-10.773
817		20-Jul-01	318.675	-1.402	-12.176
818		23-Jul-01	311.45	0.449	-11.727
819		24-Jul-01	312.15	1.098	-10.629
820		25-Jul-01	312.275	-0.306	-10.935
821		26-Jul-01	308.075	-0.631	-11.566
822		27-Jul-01	303.175	1.542	-10.024
823		30-Jul-01	309.475	0.849	-9.175
824		31-Jul-01	316.675	-0.115	-9.290
825		1-Aug-01	316.35	0.041	-9.248
826		2-Aug-01	314.8	0.243	-9.005
827		3-Aug-01	317.55	-0.095	-9.100
828		6-Aug-01	318.975	2.365	-6.735
829		7-Aug-01	325.85	0.651	-6.083
830		8-Aug-01	326.625	1.659	-4.424
831		9-Aug-01	331.55	1.557	-2.867
832		10-Aug-01	338.075	-1.328	-4.195
833		13-Aug-01	332.525	-3.212	-7.407
834		14-Aug-01	322.925	-0.612	-8.019
835		16-Aug-01	323.65	-0.451	-8.469
836		17-Aug-01	320.65	0.334	-8.135
837		20-Aug-01	317.225	0.064	-8.071
838		21-Aug-01	318.475	-0.830	-8.901
839		23-Aug-01	317.875	-0.250	-9.151

L and T				
SR.	Date	Equity Price	Abnormal Returns	CAR
780	30-May-01	251.6	0.763	2.133
781	31-May-01	248.8	0.134	2.267
782	1-Jun-01	247.35	0.229	2.496
783	4-Jun-01	243.825	-0.084	2.413
784	5-Jun-01	240.225	1.051	3.464
785	6-Jun-01	242.075	-1.019	2.445
786	7-Jun-01	239.2	-1.401	1.044
787	8-Jun-01	237.65	0.484	1.528
788	11-Jun-01	240.725	-0.118	1.410
789	12-Jun-01	240.15	-0.317	1.094
790	13-Jun-01	239.5	-2.268	-1.174
791	14-Jun-01	232.4	-2.267	-3.440
792	15-Jun-01	222.825	-0.875	-4.316
793	18-Jun-01	218.25	-1.214	-5.530
794	19-Jun-01	217.075	-0.291	-5.820
795	20-Jun-01	217.95	-1.050	-6.870
796	21-Jun-01	215.625	-1.776	-8.646
797	22-Jun-01	210.9	-1.501	-10.147
798	25-Jun-01	205.125	3.305	-6.843
799	26-Jun-01	212.55	1.412	-5.431
800	27-Jun-01	218.55	0.744	-4.687
801	28-Jun-01	220.125	-0.705	-5.392
802	29-Jun-01	220.075	0.882	-4.510
803	2-Jul-01	222.725	-2.014	-6.524
804	3-Jul-01	214.55	-0.043	-6.566
805	4-Jul-01	209.7	1.228	-5.339
806	5-Jul-01	213.2	-1.045	-6.384
807	6-Jul-01	210.5	-0.885	-7.269
808	9-Jul-01	207.35	2.071	-5.197
809	10-Jul-01	213.05	0.188	-5.009
810	11-Jul-01	215.775	0.373	-4.636
811	12-Jul-01	220.875	0.313	-4.323
812	13-Jul-01	224.15	-2.559	-6.882
813	16-Jul-01	217.35	-0.008	-6.890
814	17-Jul-01	216.075	0.436	-6.454
815	18-Jul-01	216.2	1.999	-4.455
816	19-Jul-01	218.275	0.476	-3.979
817	20-Jul-01	218.5	-0.864	-4.843
818	23-Jul-01	215.25	-1.153	-5.996
819	24-Jul-01	212.475	-0.992	-6.987
820	25-Jul-01	208.75	-1.612	-8.599
821	26-Jul-01	203.8	1.929	-6.671
822	27-Jul-01	206.3	0.980	-5.691
823	30-Jul-01	209.2	0.982	-4.709
824	31-Jul-01	213.575	-1.632	-6.341
825	1-Aug-01	210.125	0.393	-5.948
826	2-Aug-01	210.125	0.673	-5.275
827	3-Aug-01	212.525	1.091	-4.185
828	6-Aug-01	215.7	0.287	-3.897
829	7-Aug-01	216	-0.862	-4.759
830	8-Aug-01	213.45	0.122	-4.637
831	9-Aug-01	213.425	1.713	-2.924
832	10-Aug-01	217.65	1.251	-1.673
833	13-Aug-01	219.775	0.613	-1.060
834	14-Aug-01	221.6	0.466	-0.594
835	16-Aug-01	224.025	1.162	0.569
836	17-Aug-01	225.875	-0.787	-0.218
837	20-Aug-01	221.825	-0.374	-0.592
838	21-Aug-01	221.6	-0.994	-1.586
839	23-Aug-01	220.5	-2.122	-3.708

Reliance							L and T				
SR.	Event No.	Date	Equity Price	Abnormal Returns	CAR		SR.	Date	Equity Price	Abnormal Returns	CAR
840		24-Aug-01	316.55	-0.594	-9.745		840	24-Aug-01	215.6	0.985	-2.723
841		27-Aug-01	316.45	-0.785	-10.530		841	27-Aug-01	218.65	-0.458	-3.181
842		28-Aug-01	313.625	1.839	-8.691		842	28-Aug-01	217.525	-1.169	-4.349
843		29-Aug-01	316.325	0.841	-7.850		843	29-Aug-01	213.475	-0.317	-4.666
844		30-Aug-01	319	-0.489	-8.339		844	30-Aug-01	212.825	0.574	-4.092
845		31-Aug-01	313.9	0.325	-8.014		845	31-Aug-01	212.3	1.239	-2.853
846		3-Sep-01	311.45	0.500	-7.514		846	3-Sep-01	213.225	-0.577	-3.430
847		4-Sep-01	312.075	0.027	-7.487		847	4-Sep-01	211.575	-0.558	-3.988
848		5-Sep-01	312.2	0.670	-6.817		848	5-Sep-01	210.45	-0.220	-4.208
849		6-Sep-01	311.75	-0.327	-7.144		849	6-Sep-01	208.75	-2.833	-7.041
850		7-Sep-01	308.9	-1.330	-8.474		850	7-Sep-01	201.95	-0.210	-7.251
851		10-Sep-01	305.525	1.294	-7.180		851	10-Sep-01	201.875	-0.481	-7.732
852		11-Sep-01	305.025	2.525	-4.655		852	11-Sep-01	198.75	-0.790	-8.522
853		12-Sep-01	295.25	0.798	-3.857		853	12-Sep-01	188.775	-0.283	-8.805
854		13-Sep-01	294.975	-1.978	-5.835		854	13-Sep-01	187	-3.012	-11.816
855		14-Sep-01	275.5	1.711	-4.124		855	14-Sep-01	174.975	-2.964	-14.781
856		17-Sep-01	256.375	-0.440	-4.564		856	17-Sep-01	158.65	-4.947	-19.727
857		18-Sep-01	255.85	-4.767	-9.331		857	18-Sep-01	151.125	4.883	-14.844
858		19-Sep-01	250.55	-2.230	-11.561		858	19-Sep-01	161.5	1.285	-13.559
859		20-Sep-01	241.35	-1.437	-12.999		859	20-Sep-01	161.975	-1.799	-15.358
860		21-Sep-01	226.15	-1.092	-14.091		860	21-Sep-01	153.45	6.013	-9.345
861		24-Sep-01	218.325	-0.571	-14.662		861	24-Sep-01	160.25	-3.696	-13.041
862		25-Sep-01	216.1	1.611	-13.052		862	25-Sep-01	154.2	-3.836	-16.877
863		26-Sep-01	218.4	5.901	-7.151		863	26-Sep-01	148.025	0.014	-16.863
864		27-Sep-01	235.35	5.404	-1.747		864	27-Sep-01	150.35	0.192	-16.671
865		28-Sep-01	255.425	2.026	0.280		865	28-Sep-01	154.25	2.012	-14.659
866		1-Oct-01	264.2	-2.633	-2.354		866	1-Oct-01	158.975	0.942	-13.717
867		3-Oct-01	253.1	-1.562	-3.915		867	3-Oct-01	158.625	0.075	-13.642
868		4-Oct-01	247.975	0.452	-3.463		868	4-Oct-01	158.275	1.387	-12.255
869		5-Oct-01	251.05	1.216	-2.247		869	5-Oct-01	161.5	-1.864	-14.120
870		8-Oct-01	249.2	1.364	-0.883		870	8-Oct-01	156.275	-0.117	-14.236
871		9-Oct-01	253.625	-3.335	-4.217		871	9-Oct-01	156.65	-2.112	-16.349
872		10-Oct-01	254.175	0.034	-4.184		872	10-Oct-01	157.5	0.339	-16.009
873		11-Oct-01	259.75	1.875	-2.309		873	11-Oct-01	160.6	-0.075	-16.084
874		12-Oct-01	268.25	1.023	-1.286		874	12-Oct-01	162.175	2.742	-13.342
875		15-Oct-01	270.8	0.040	-1.246		875	15-Oct-01	166.525	3.399	-9.943
876		16-Oct-01	272.8	1.677	0.431		876	16-Oct-01	173.05	-1.785	-11.728
877		17-Oct-01	281.05	-0.283	0.148		877	17-Oct-01	171.725	-2.117	-13.845
878		18-Oct-01	277.45	-0.484	-0.335		878	18-Oct-01	166.8	1.574	-12.271
879		19-Oct-01	276.475	-0.166	-0.501		879	19-Oct-01	169.55	2.035	-10.236
880		22-Oct-01	275.875	-1.301	-1.802		880	22-Oct-01	172.925	0.132	-10.104
881		23-Oct-01	274.45	-1.481	-3.283		881	23-Oct-01	174.175	-4.138	-14.242
882		24-Oct-01	271.225	-1.529	-4.812		882	24-Oct-01	167.4	-1.027	-15.270
883		25-Oct-01	264.85	0.596	-4.216		883	25-Oct-01	164.675	0.222	-15.048
884		29-Oct-01	263.925	-1.697	-5.913		884	29-Oct-01	163.925	-0.095	-15.143
885		30-Oct-01	253.875	-0.012	-5.924		885	30-Oct-01	161.25	1.657	-13.486
886		31-Oct-01	252.7	0.286	-5.638		886	31-Oct-01	163.475	-0.379	-13.865
887		1-Nov-01	258.4	0.576	-5.062		887	1-Nov-01	165.35	-0.886	-14.751
888		2-Nov-01	262.325	0.533	-4.529		888	2-Nov-01	165.125	1.564	-13.187
889	14	5-Nov-01	262.025	0.933	-3.595		889	5-Nov-01	166.975	4.160	-9.027
890	15	6-Nov-01	264.375	-0.401	-3.996		890	6-Nov-01	173.95	2.755	-6.272
891		7-Nov-01	261.4	0.091	-3.905		891	7-Nov-01	177.925	2.987	-3.286
892	16	8-Nov-01	260.575	-0.171	-4.076		892	8-Nov-01	182.875	10.617	7.331
893	17	9-Nov-01	263.25	0.565	-3.511		893	9-Nov-01	204.125	4.018	11.349
894	18	12-Nov-01	265.575	0.539	-2.972		894	12-Nov-01	213.175	-4.152	7.198
895	19	13-Nov-01	265.875	2.557	-0.415		895	13-Nov-01	204.075	-0.474	6.723
896		14-Nov-01	273.2	-0.873	-1.288		896	14-Nov-01	203.75	-0.112	6.611
897		15-Nov-01	276.175	0.205	-1.083		897	15-Nov-01	206.75	0.018	6.629
898	20	16-Nov-01	276.175	3.126	2.043		898	16-Nov-01	206.75	-4.268	2.361
899		19-Nov-01	295.35	1.041	3.084		899	19-Nov-01	204.025	-1.463	0.898

Reliance					
SR.	Event No.	Date	Equity Price	Abnormal Returns	CAR
900		20-Nov-01	300.25	-1.501	1.583
901		21-Nov-01	292.5	-0.395	1.188
902		22-Nov-01	292.575	0.256	1.444
903		23-Nov-01	293.6	-0.100	1.344
904		26-Nov-01	297.1	-1.387	-0.044
905		27-Nov-01	296.375	-0.162	-0.206
906		28-Nov-01	291.85	-0.053	-0.259
907		29-Nov-01	290.65	-0.058	-0.317
908		3-Dec-01	290.375	1.224	0.907
909		4-Dec-01	294.725	2.226	3.133
910		5-Dec-01	309.525	-0.665	2.468
911		6-Dec-01	314.975	-1.416	1.052
912		7-Dec-01	310.35	0.655	1.707
913		10-Dec-01	313.325	0.458	2.165
914		11-Dec-01	313	-0.079	2.086
915		12-Dec-01	312.025	0.990	3.077
916		13-Dec-01	312.225	0.245	3.321
917		14-Dec-01	309.4	1.153	4.474
918		18-Dec-01	310.225	2.392	6.866
919		19-Dec-01	311.8	0.404	7.270
920		20-Dec-01	308.4	0.741	8.011
921		21-Dec-01	309.05	0.933	8.944
922		24-Dec-01	309.075	0.606	9.550
923		26-Dec-01	307.3	1.144	10.694
924		27-Dec-01	304.45	-0.922	9.772
925		28-Dec-01	302.25	-1.951	7.821
926		31-Dec-01	304.375	-1.110	6.712
927		2-Jan-02	304.725	-2.869	3.843
928		3-Jan-02	300.525	0.675	4.518
929		4-Jan-02	308.75	2.230	6.748
930		7-Jan-02	320.275	-2.249	4.499
931		8-Jan-02	317.175	2.274	6.773
932		9-Jan-02	324.125	2.044	8.816
933		10-Jan-02	326.925	0.843	9.659
934		11-Jan-02	327.675	-0.488	9.171
935		14-Jan-02	328.55	-0.975	8.197
936		15-Jan-02	324.025	0.215	8.412
937		16-Jan-02	321.525	-1.821	6.590
938		17-Jan-02	318.45	-1.505	5.085
939		18-Jan-02	315.825	-0.204	4.881
940		21-Jan-02	313.175	0.012	4.893
941		22-Jan-02	313.05	0.442	5.336
942		23-Jan-02	313.8	0.278	5.614
943		24-Jan-02	314.4	0.738	6.351
944		25-Jan-02	313.75	0.898	7.249
945		28-Jan-02	314.4	0.946	8.195
946		29-Jan-02	315.775	0.683	8.878
947		30-Jan-02	316.075	-2.832	6.046
948		31-Jan-02	308.05	-2.525	3.521
949		4-Feb-02	302.325	-1.076	2.445
950		5-Feb-02	297.375	-4.005	-1.561
951		6-Feb-02	292.675	0.279	-1.282
952		7-Feb-02	299.9	2.066	0.784
953		8-Feb-02	309.375	-0.701	0.083
954		11-Feb-02	311.55	-0.378	-0.295
955		12-Feb-02	310.575	-0.414	-0.709
956		13-Feb-02	309.4	-0.473	-1.182
957		14-Feb-02	312.2	-0.452	-1.634
958		15-Feb-02	314.225	-0.146	-1.780
959		18-Feb-02	318.4	1.519	-0.261

L and T				
SR.	Date	Equity Price	Abnormal Returns	CAR
900	20-Nov-01	202.075	1.524	2.422
901	21-Nov-01	203.6	2.822	5.244
902	22-Nov-01	210.1	-1.363	3.881
903	23-Nov-01	207.55	-0.685	3.197
904	26-Nov-01	208.25	-0.817	2.379
905	27-Nov-01	208.425	0.455	2.834
906	28-Nov-01	207.4	-0.425	2.410
907	29-Nov-01	206.125	1.590	3.999
908	3-Dec-01	209.5	2.337	6.337
909	4-Dec-01	215	-1.068	5.268
910	5-Dec-01	217.325	0.274	5.542
911	6-Dec-01	221.9	0.374	5.916
912	7-Dec-01	222.725	-0.333	5.583
913	10-Dec-01	222.6	1.854	7.437
914	11-Dec-01	225.9	-0.534	6.903
915	12-Dec-01	224.425	-2.276	4.627
916	13-Dec-01	217.9	-1.515	3.112
917	14-Dec-01	212.825	-0.784	2.328
918	18-Dec-01	209.825	-2.904	-0.576
919	19-Dec-01	200.85	-0.923	-1.499
920	20-Dec-01	196.75	-1.650	-3.149
921	21-Dec-01	192.7	-1.269	-4.418
922	24-Dec-01	188.875	-0.551	-4.968
923	26-Dec-01	186.1	-0.999	-5.967
924	27-Dec-01	181.3	-0.459	-6.426
925	28-Dec-01	180.625	3.232	-3.194
926	31-Dec-01	189.9	-0.797	-3.991
927	2-Jan-02	190.05	0.428	-3.563
928	3-Jan-02	192.9	-0.183	-3.746
929	4-Jan-02	195.475	0.538	-3.208
930	7-Jan-02	198.65	-2.067	-5.275
931	8-Jan-02	196.325	-0.834	-6.109
932	9-Jan-02	194.475	2.000	-4.110
933	10-Jan-02	196.525	0.516	-3.594
934	11-Jan-02	196.5	2.116	-1.477
935	14-Jan-02	201.6	1.490	0.012
936	15-Jan-02	203.875	-0.712	-0.700
937	16-Jan-02	200.85	-1.414	-2.114
938	17-Jan-02	199.2	1.421	-0.692
939	18-Jan-02	202.95	0.207	-0.486
940	21-Jan-02	202.375	-0.009	-0.494
941	22-Jan-02	202.25	-0.701	-1.195
942	23-Jan-02	200.5	-1.509	-2.705
943	24-Jan-02	197.3	-0.497	-3.201
944	25-Jan-02	194.875	1.257	-1.945
945	28-Jan-02	196.25	-0.312	-2.257
946	29-Jan-02	194.825	-0.750	-3.007
947	30-Jan-02	192.425	0.659	-2.348
948	31-Jan-02	194	0.462	-1.886
949	4-Feb-02	195.8	-0.199	-2.085
950	5-Feb-02	194.6	0.934	-1.151
951	6-Feb-02	199.925	0.137	-1.014
952	7-Feb-02	203.525	0.019	-0.995
953	8-Feb-02	205.275	2.124	1.129
954	11-Feb-02	211.775	-0.374	0.755
955	12-Feb-02	211.125	-0.852	-0.097
956	13-Feb-02	209.425	-0.416	-0.513
957	14-Feb-02	210.725	1.119	0.606
958	15-Feb-02	214.825	-0.712	-0.105
959	18-Feb-02	215.675	-2.156	-2.261

Reliance						L and T				
SR.	Event No.	Date	Equity Price	Abnormal Returns	CAR	SR.	Date	Equity Price	Abnormal Returns	CAR
960		19-Feb-02	322.9	-0.157	-0.418	960	19-Feb-02	210.875	-2.176	-4.437
961		20-Feb-02	316.175	-0.095	-0.513	961	20-Feb-02	203.25	-0.489	-4.926
962		21-Feb-02	316.375	-1.386	-1.898	962	21-Feb-02	202.45	-1.783	-6.708
963		22-Feb-02	313.65	-0.488	-2.386	963	22-Feb-02	199.575	-0.419	-7.127
964		25-Feb-02	315.125	-0.934	-3.320	964	25-Feb-02	200.1	-0.901	-8.028
965		26-Feb-02	318.975	0.335	-2.985	965	26-Feb-02	201.425	0.492	-7.536
966		27-Feb-02	324.725	0.556	-2.429	966	27-Feb-02	204.525	-1.290	-8.826
967		28-Feb-02	317.875	-0.422	-2.851	967	28-Feb-02	197.775	-0.434	-9.260
968		1-Mar-02	314.075	-0.415	-3.266	968	1-Mar-02	195.7	-0.560	-9.819
969		4-Mar-02	320.975	-0.524	-3.790	969	4-Mar-02	198.3	0.171	-9.648
970		5-Mar-02	314.775	-0.518	-4.308	970	5-Mar-02	196.475	-0.626	-10.274
971		6-Mar-02	311.15	-0.908	-5.216	971	6-Mar-02	194.25	0.134	-10.140
972		7-Mar-02	311	-0.829	-6.045	972	7-Mar-02	195.675	-0.394	-10.534
973		8-Mar-02	310.425	-0.907	-6.951	973	8-Mar-02	195.775	-0.320	-10.855
974		11-Mar-02	303.65	-0.113	-7.064	974	11-Mar-02	193.25	0.915	-9.940
975		12-Mar-02	295.5	-0.137	-7.201	975	12-Mar-02	191.325	0.669	-9.271
976		13-Mar-02	292.75	0.765	-6.436	976	13-Mar-02	191.5	0.178	-9.093
977		14-Mar-02	297.525	1.119	-5.316	977	14-Mar-02	193.1	-1.044	-10.137
978		15-Mar-02	303.625	1.288	-4.028	978	15-Mar-02	192.425	-1.225	-11.361
979		18-Mar-02	309.275	-0.180	-4.208	979	18-Mar-02	190.85	0.957	-10.404
980		19-Mar-02	304.825	-0.836	-5.044	980	19-Mar-02	190.825	0.537	-9.867
981		20-Mar-02	300.925	1.688	-3.356	981	20-Mar-02	191.175	0.188	-9.679
982		21-Mar-02	303.525	0.888	-2.468	982	21-Mar-02	190.35	-0.385	-10.064
983		22-Mar-02	303.525	1.129	-1.338	983	22-Mar-02	188.325	-1.078	-11.142
984		26-Mar-02	301.85	0.645	-0.693	984	26-Mar-02	183.9	0.289	-10.853
985		27-Mar-02	300.675	0.107	-0.586	985	27-Mar-02	182.95	1.949	-8.904
986		28-Mar-02	300.85	-0.732	-1.318	986	28-Mar-02	186.375	-2.046	-10.950
987		1-Apr-02	301.2	0.069	-1.249	987	1-Apr-02	183.675	0.365	-10.585
988		2-Apr-02	302.75	0.396	-0.853	988	2-Apr-02	184.875	0.039	-10.547
989		3-Apr-02	301.075	0.591	-0.262	989	3-Apr-02	183.575	0.203	-10.343
990		4-Apr-02	303.3	0.223	-0.039	990	4-Apr-02	184.075	-0.511	-10.855
991		5-Apr-02	306.1	0.339	0.300	991	5-Apr-02	184	-0.502	-11.357
992		8-Apr-02	305	-0.246	0.054	992	8-Apr-02	182.025	0.027	-11.330
993		9-Apr-02	302	-1.202	-1.148	993	9-Apr-02	180.975	-1.331	-12.661
994		10-Apr-02	298.1	-0.851	-1.999	994	10-Apr-02	178.35	-1.082	-13.743
995		11-Apr-02	297.25	0.077	-1.922	995	11-Apr-02	177.075	-0.773	-14.515
996		12-Apr-02	298.7	0.067	-1.855	996	12-Apr-02	176.15	-0.899	-15.415
997		15-Apr-02	296.875	0.404	-1.451	997	15-Apr-02	173.575	0.140	-15.275
998		16-Apr-02	292.1	-0.433	-1.884	998	16-Apr-02	171.125	-0.222	-15.497
999		17-Apr-02	290.1	1.202	-0.682	999	17-Apr-02	170.325	0.686	-14.811
1000		18-Apr-02	292.15	0.292	-0.390	1000	18-Apr-02	170.775	1.359	-13.452
1001		19-Apr-02	289.2	-0.344	-0.734	1001	19-Apr-02	171.35	-0.566	-14.018
1002		22-Apr-02	286.15	1.394	0.661	1002	22-Apr-02	169.4	-1.093	-15.111
1003		23-Apr-02	291.75	-0.583	0.078	1003	23-Apr-02	168.175	-0.429	-15.540
1004		24-Apr-02	291.325	-0.064	0.013	1004	24-Apr-02	167.875	1.329	-14.211
1005		25-Apr-02	288.525	0.799	0.813	1005	25-Apr-02	168.875	1.350	-12.861
1006		26-Apr-02	287.975	-0.985	-0.172	1006	26-Apr-02	169.825	2.138	-10.723
1007		29-Apr-02	281.3	-1.484	-1.656	1007	29-Apr-02	171.7	1.449	-9.274
1008		30-Apr-02	274.825	1.474	-0.182	1008	30-Apr-02	173.125	-1.357	-10.631
1009		2-May-02	283.275	0.752	0.570	1009	2-May-02	172.85	-0.584	-11.215
1010		3-May-02	286	1.101	1.671	1010	3-May-02	172.075	0.368	-10.847
1011		6-May-02	289.65	-0.310	1.361	1011	6-May-02	172.875	0.807	-10.040
1012		7-May-02	290.125	-0.467	0.895	1012	7-May-02	174.8	1.457	-8.583
1013		8-May-02	292.125	-0.622	0.272	1013	8-May-02	178.775	1.012	-7.571
1014		9-May-02	292.775	-0.155	0.118	1014	9-May-02	181.65	1.308	-6.263
1015		10-May-02	290.1	-0.878	-0.760	1015	10-May-02	182.975	2.108	-4.155
1016		13-May-02	286.8	0.011	-0.749	1016	13-May-02	186.475	1.357	-2.798
1017		14-May-02	285.95	0.425	-0.324	1017	14-May-02	188.625	-0.490	-3.288
1018		15-May-02	283.85	0.324	0.000	1018	15-May-02	186.15	-0.759	-4.047

CASE - 2

HUTCH ACQUISITION BY VODAFONE

Vodafone Group PLC Profile: Vodafone Group Plc is a global telecommunications company headquartered in Newbury, United Kingdom but registered in Netherlands for tax purposes. It is the world's second largest mobile telecommunications company measured by both revenues and number of subscribers, with around 371 million customers as on May 2012. It operates networks in over 30 countries and has partner networks in over 40 additional countries[42]. It provides telecommunications and IT services to multinational corporate client in over 65 countries. It owns 45% of Verizon Wireless, the largest mobile telecommunications company in the United States measured by number of subscribers[43]. Its primary listing is on the London Stock Exchange and it is a constituent of the FTSE 100 Index. It had a market capitalization of approximately £89.4 billion as of 23 December 2011, making it the third largest company on the London Stock Exchange[44]. It has a secondary listing on NASDAQ

Essar Group Profile: The Essar Group is a multinational conglomerate corporation in the sectors of Steel, Energy, Power, Communications, Shipping Ports & Logistics, as well as Construction. The Group's annual revenues were over $27 billion, 75000 employees, and operations in more than 25 countries across five continents[45]. In 2009-10, revenue was ₹42402 crores and PAT was ₹29 crores. However, in 2010-11, revenue was ₹53119 crores (increased by 25%) while PAT was ₹654 crores (increased by 23%). In 2012 revenue increased by 24% at ₹58336 crores but had loss of ₹4,199 crores.

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[1]http://www.vodafone.com/content/index/about/about_us.html accessed on 30th May 2.012

[2]http://aboutus.verizonwireless.com/ataglance.html accessed on 30th May 2012

[3]http://www.stockchallenge.co.uk/ftse.php accessed on 30th May 2012

[4]http://www.essar.com/article.aspx?cont_id=qgycq66MFKM= accessed on 30th May 2012

Essar began construction business in 1969 and has diversified into manufacturing, services, and retail over the years since then. Over the last decade, it has grown-up due to planned global acquisitions and partnerships, or through Greenfield and Brownfield development projects, capturing new markets and discovering new raw material sources. At the moment, the Essar Group continues to spread out its operations worldwide, concentrating on markets in Asia, Africa, Europe, America, and Australia. Essar Group devotes extensively in the most up-to-date technology to drive forward and backward integration in its businesses, and on leveraging synergies between these businesses. In 1992, it acquired the South India Shipping Corporation. In 1993, it won exploration bids for fields in Rajasthan and offshore Bombay construction of a 510 megawatt (MW) power plant was commissioned in Hazira, Suart. In 1995, Essar entered into the mobile telecommunication market. In 1999, it experienced default on Loan payments and in 2002, cell phone operations started with joint venture as Hutchison Essar. Hutchison- Essar acquired BPL's cell phone businesses of India in 2005.

Hutch Profile: Hutchison Whampoa Limited (HWL) of Hong Kong is a Fortune 500 company in the sectors of Ports & related services, Property & Hotels, Retail, Infrastructure, Energy, Finance & Investment, and Telecommunication. One of the largest companies listed on the Hong Kong Stock Exchange, HWL is an international corporation with a diverse array of holdings which includes the world's biggest port and telecommunication operations in 26 countries, holding interests in 52 ports comprising 315 tie-ups[46].

[46]http://202.66.146.82/listco/hk/hutchison/annual/2004/ar2004.pdf accessed on 10th June 2012

Vodafone-Essar: The Case - The Hutchison Group, Hong Kong (HK) invested into the Telecom business in India in 1992, an Indian joint venture by the name of Hutchison Max Telecom Limited (HMTL). In 1994, received a license to provide mobile telecommunication services in Mumbai and started commercial services as Hutchison Max in November 1995. In Delhi, Uttar Pradesh (East), Rajasthan and Haryana, Eassr Group was the major collaborator but later Hutch took the majority investment in 2004 and renamed as Hutchison Essar Limited (HEL). Hutchison Whampoa had acquired business interests in 6 mobile telecommunications business and given service in 13 circles which increased to 16 areas after acquisition of BPL Mobile. Hutchison Telecommunications International limited (HTIL), listed on Hong Kong and New York Stock Exchange in September 2004. Later in February 2005, all operating companies below HEL were brought under HMTL/HEL holding company. This was with the approval of RBI and Foreign Investment Promotion Board (FIPB). The ownership of the said holding company i.e. HMTL/HEL was merged into companies based in Mauritius. Telecom Investments India Private Ltd (TII)[47], IndusInd Telecom Network Ltd (ITNL)[48], and Usha Martin Telematics Ltd (UMTL)[49] were the other shareholders, other than Hutchison and Essar, in HMTL/HEL.

On 28th October 2005, Vodafone International Holdings BV (VIH) decided to acquire 5.61% shareholding in Bharti Televentures Ltd. On the same day, Vodafone Mauritius Limited (subsidiary of VIH) also decided to acquire 4.39% shareholding in Bharti Enterprise Pvt. Ltd, which ultimately held shares in Bharti Televentures Ltd (now Bharti Airtel Ltd). On 25th December 2006, an acquisition proposal came from Essar Group to acquire HTIL’s 66.99% shareholding at the highest offer price received by HTIL. Essar stated that any sale by HTIL required its approval as it claimed to be a co-promoter of HEL.

[47]TII had 19.5381% in HEL
[48]ITNL renamed as Omega Telecom Holdings Private limited (India) had 5.1108% in HEL
[49] UMTL had 6.0672% in HEL

Hutchison Telecommunications International a non-resident buyer and company established in Hong Kong sold its equity shares in the foreign investment company CGP Investments Holdings Ltd[50](CGP)., to Vodafone, a Dutch non-resident acquirer. Vodafone Essars' was acquired by Vodafone 52%, Essar Group 33%, and other Indian residents, 15% respectively. On 11th February 2007, Vodafone permitted to acquire the controlling interest of 67% apprehended by Li KaShing Holdings in Hutch-Essar for $11.1 billion. The whole company was valued at $18.8 billion. The deal was subject to approval by reaching an agreement with Bharti that allowed VIH to make an acquisition bid on Hutch and entering into a suitable partnership agreement to fulfill FDI rules in India.

On 12.02.2007, Vodafone made public announcement to Securities and Exchange Commission (SEC), Washington and on London Stock Exchange which enclosed two declarations stating that Vodafone had decided to purchase a controlling interest in HEL via its subsidiary VIH and, second, that Vodafone had decided to acquire companies that control a 67% interest in HEL. HTIL also made an announcement on HK Stock Exchange stating that it had provided consent to sell its complete direct and indirect equity and loan interests held through subsidiaries, in HEL to VIH. On 20th Feb 2007, VIH submitted an application for authorization to FIPB. This request was made pursuant to Press Note 1 which related to purchase of an indirect interest in HEL by VIH from HTIL. It was declared that "CGP owned directly and indirectly through its subsidiaries an aggregate of 42.34% of the issued share capital of HEL and a further indirect interest in 9.62% of the issued share capital of HEL." The deal resulted in VIH purchasing an indirect controlling interest of 51.96% in HEL, as VIH competing with Bharti therefore, sanction of FIPB became compulsory. It was also noticed that on 20th Feb 2007 VIH held 5.61% stake (directly) in Bharti.

[50]Registered for tax purposes in the Cayman Islands (which, in order, seized equity shares of Hutchison-Essar - Indian functioning company, through another Mauritius entity)

By dispatch dated 14th March 2007, forwarded by VIH to FIPB, it stood verified that VIH's actual equity shareholding in HEL is 51.96%, subsequent conclusion of the acquisition HTIL's equity shares in HEL the ownership of HEL were to be as follows:

1. VIH owned 42% direct interest in HEL due to its acquisition of 100% CGP (CI).

2. Through CGP (CI), VIH also owned 37.25% in TII which in order owns 19.54% in HEL and 38% in Omega which in turn owns 5.11% in HEL (i.e. pro-rata route).

3. These investments combined give VIH a controlling interest of 52% in HEL.

4. HTIL's existing Indian partners AG, AS and IDFC (i.e. SMMS), who held 15% interest in HEL (i.e. option route), decided to hold their shareholdings with full control, including voting rights and dividend rights..

5. The Essar Group continued to own 33% of HEL.

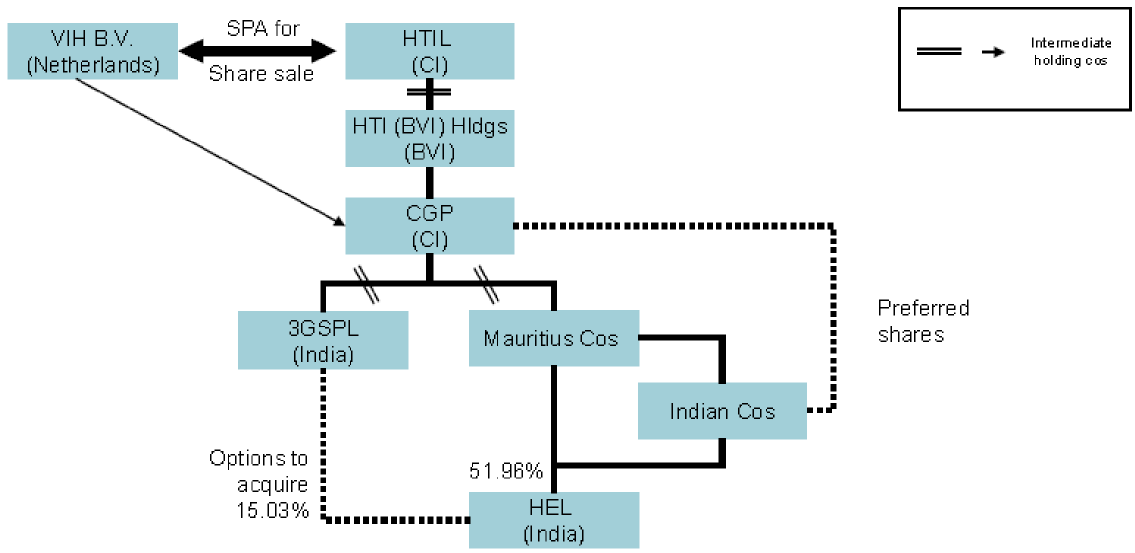
On 1st July 2011, Vodafone group agreed on terms for the buy-out of its partner Essar remaining stake i.e. 33% investment for $5.46 billion. It will leave Vodafone owning 74% of the Indian business, while the other 26% will be owned by Indian investors, in compliance with Indian law[51]. The total Vodafone GSM subscribers in India were around 151.28 million by the end of April 2012 *i.e.*, 23% of the total 670.57 million GSM subscribers.

Individual Investors: There were two large equity stake holders Mr. Analjit Singh and Mr. Asim Ghosh. They sold their stakes to Vodafone on 1st December 2009. Mr. Asim Ghosh, the earlier Managing Director (MD) of Vodafone Essar, had

[51]http://www.bbc.co.uk/news/business-13996525 accessed on 31st May 2012

4.68% equity stake in the company acquired through investment company AG Mercantile, and sold 2.29% of his equity stake for about ₹ 3.3 billion. However Mr. Analjit Singh, who had a 7.58% share through three companies, sold 3.71% of his stake for over ₹ 5 billion. After the sale, the stakes held by Mr. Ghosh and Mr. Singh in Vodafone Essar came down to 2.39% and 3.87% respectively.

A simplified structure of the acquisition is shown in the diagram 6.1 below:



Key questions before the Court ;

- Whether the show cause notice given by the Revenue authorities was without jurisdiction as Vodafone couldn't be said to be responsible under section 201 of the Income tax Act 1961 for not withholding tax?

- Whether the provisions concerning to holding tax obligation under section 195 of the Acts have additional territorial claim and a non-resident without any authority in India has a compulsion to comply with Income tax?

- Whether M & A deal per se resulted in income liable to tax in India?

Supreme Court of India Decision:

On 20th March 2012, the Supreme Court (SC) ruled in favour of Vodafone in the $2 billion tax case, stated that it was difficult to agree with the judgment arrived by the High Court that the sale of CGP shareholding by HTIL to Vodafone would amount to transfer of a capital asset within the meaning of Section 2 (14) of the Indian Income Tax Act and the rights and entitlements flow from FWAs, SHAs, Term Sheet, loan assignments, brand license etc. form integral part of CGP share therefore capital gains tax is not applicable. As a result, the demand of nearly ₹12,000 crores as capital gains tax, would amount to imposing capital punishment for capital investment and lacks authority of law therefore, remains nullified. The court also ruled that ₹ 2,500 crore which Vodafone has already paid should be returned to Vodafone with interest. The SC judgment will be a big boost for cross-border M & As in India.

Almost five years after the Indian tax authorities issued the first notice to Vodafone International on 20th January, 2012, Chief Justice of India, SH Kapadia and Justice KS Radhakrishnan ruled that deal is not taxable in India, and made the following comments/interpretation while declaring the verdict:

- At the moment, there are no provisions in the Indian Income tax law to tax the deal.
- Likewise, provisions which consider an individual as a representative of a foreign company for the purpose of tax and recovery of tax due from such a foreign entity aren't relevant in the absence of associative relation.
- There is no extinguishment of property rights in India due to the transfer of equity shares between two foreign entities of shares in another foreign entity.

- The duration of the investment structure, timing of exit and running of business, are vital aspects whereas assessing as to whether the deal is a deception. Taking into consideration the realistic pattern in the present situation, the SC held that the deal is not a deception.

- Tax provisions in the Indian national tax law can't be relevant to cross-border deals

- IT department has also been intended to refund the total amount ($ 0.5 billion) credited by Vodafone as part payment towards the demanded tax in early 2011 along with interest

The judgment of the SC is heralded as a landmark judgment in the taxation of international deals and on the legal tactic to tax prevention. This case is, conceivably, the first in the globe where the problem of taxation on indirect transfer of equity shares is being sued before a country's uppermost legal forum. It could be of importance in determining India's tax policy on worldwide taxation and tax prevention in the future.

Analysis of Wealth Effect of key events:

The CAR of Vodafone is reported in Table No - 6:5. On 11th February 2007, Vodafone announced acquisition of controlling interest of 67% in Eassar group controlled Hutch communication where stock market reaction was captured by event study. The negative CAR showed for event windows (-11, 0), (-11, +11), (0, +11), (-5, +5) and (0, +180) while positive CAR was noticed in CAR (-1, +1) and CAR (-180, 0) windows. On 8th May 2007, Vodafone acquisition of Hutch finally completed where stock market reaction was positive for post event window i.e. (CAR (0, +180)) while negative CAR noticed for all other event windows. On 1st December 2009, Mr. Analjit Singh and Mr. Asim Ghosh sold their equity shares to Vodafone where positive CAR noticed for all windows except for CAR (0, +180). However, on 1st July 2011, Vodafone group agreed to buy-out of remaining equity shares Essar i.e. 33% investment where negative CAR showed for all windows except for CAR (0, +180). The event on 8th May 2007 and 1st July 211 showed similar trend for all windows.

The Highest CAR is noticed for CAR (0, +180) on 8th May 2007 where Vodafone announced acquisition of controlling interest of Hutch communication from Eassar group while lowest CAR is showed in CAR (-180, 0).

Conclusion:

After reviewing and critically analyzing the case, it was found that M & A adopted by Vodafone was horizontal integration and a cross boarder acquisition. A London based company acquired Hong Kong based company HTI from its major shareholders. It was surprising to note that the value of wealth from the date of events decreased in maximum event windows. This may be due to the low profile of HTI in telecom business when compared to Vodafone. There was a sustainable growth in CAR of Vodafone during the post event window but there was no sudden incremental growth in CAR during the pre-event window or even immediately after the acquisition.

6.2. APPENDIX

Table - 6:5 Presents the Cumulative Abnormal Returns (CAR) of Vodafone							
Announcement Date	**CAR (-11, 0)**	**CAR (-11, +11)**	**CAR (0, +11)**	**CAR (-1, +1)**	**CAR (-5, +5)**	**CAR (-180, 0)**	**CAR (0, +180)**
11-Feb-07	-2.011	-6.714	-3.986	0.538	-1.828	7.939	-7.286
08-May-07	-2.469	-3.205	-1.550	-1.608	-2.610	-12.584	11.770
01-Dec-09	4.237	4.354	1.253	2.100	1.808	5.773	-4.637
01-July-11	-0.716	-1.921	-1.518	-1.496	-1.637	-7.736	7.423

Table – 6:6, Summary of Major Events in Hutch Takeover		
SR_No	Event Date	Event Narration
1	12.01.1998	CGP Investments (Holdings) Ltd stood incorporated in Cayman Islands, with limited liability, as an **"exempted company",** its sole shareholder being HTL
2	28.10.2005	VIH agreed to acquire 5.61% shareholding in Bharti Televentures Ltd and Vodafone Mauritius Limited (subsidiary of VIH) agreed to acquire 4.39% shareholding in Bharti Enterprises Pvt. Ltd. which indirectly held shares in Bharti Televentures Ltd. (now Bharti Airtel Ltd.)
3	3.11.2005	Press Note 5 was issued by the Government of India enhancing the FDI ceiling from 49% to 74% in telecom sector.
4	1.03.2006	Telecom Investments India (TII) Framework and Shareholders Agreements executed under which the shareholding of HEL was reorganized because of TII, an Indian company, in which Analjit Singh (AS) and Asim Ghosh (AG) acquired shares through their Group companies.
5	7.08.2006	The shareholding of HEL again experienced a modification through execution of 2006 IDFC Framework Agreement with the Hinduja Group exiting and its equity shareholding being acquired by SMMS Investments Private Limited (SMMS), an Indian company
6	22.12.2006	Open Offer was made by Vodafone Group Plc. on behalf of Vodafone Group to Hutchison Whampoa Ltd
7	25.12.2006	An offer came from Essar Group to acquire HTIL's 66.99% shareholding.
8	31.01.2007	The Board of Directors of VIH was held approving the proposal of a binding offer for 67% of HTIL's interest at 100% enterprise value of US $17.5 billion by way of acquisition.
9	9.02.2007	Vodafone Group made revised offer on behalf of VIH to HTIL. The said revised offer was of US $10.708 billion for 66.98% interest
10	9.02.2007	Bharti expressed no objection to the proposal made by Vodafone Group to acquire a direct or indirect interest in HEL from the Hutchison Group and/ or Essar Group.
11	10.02.2007	A re-revised offer was presented by Vodafone offering US $11.076 billion for HTIL's interest in HEL
12	11.02.2007	VIH and HTIL entered into an Agreement for Sale and Purchase of Share
13	12.02.2007	Vodafone made public announcement to Securities and Exchange Commission Washington and on London Stock Exchange
14	20.02.2007	VIH applied for approval to FIPB.
15	6.03.2007	Essar objected with FIPB to HTIL's proposed stating that consent was not taken by VIH and HTIL. However, HEL was a joint venture Indian company between Essar and Hutchison Group since May, 2000
16	14.03.2007	Essar gave its consent
17	15.03.2007	A Settlement Agreement was signed between HTIL and Essar Group. Under the said Agreement, HTIL agreed to pay $415 million to Essar ltd
18	21.03.2007	VIH reduced its stake in Bharti by 5.61%.
19	5.04.2007	HEL wrote to the Joint Director of Income Tax (International Taxation) stating that HEL had no tax liabilities accumulating out of Vodafone deal
20	7.05.2007	FIPB gave its approval to the transaction
21	8.05.2007	Vodafone acquisition of Hutch completed
22	1.12.2009	Mr. Analjit Singh and Mr. Asim Ghosh sold their equity shares to Vodafone
23	1.07.2011	Vodafone group agreed to buy-out of remaining equity shares Essar

Vodafone						
SR_No	Event No.	Date	Equity Price (Open)	Equity Price (Close)	Abnormal Returns	CAR
1		8/15/2006	110.625	111.25	-0.573	0.000
2		8/16/2006	110.375	110	-0.145	-0.719
3		8/17/2006	110.375	110.5	-0.522	-1.241
4		8/18/2006	110	110	-0.252	-1.493
5		8/21/2006	110	110	0.338	-1.155
6		8/22/2006	110.5	110.5	0.242	-0.913
7		8/23/2006	110.375	110.5	0.282	-0.632
8		8/24/2006	110.5	110.75	1.071	0.440
9		8/25/2006	112	112.25	0.825	1.265
10		8/29/2006	113.25	113.5	0.428	1.693
11		8/30/2006	114.375	115	-0.387	1.306
12		8/31/2006	114.25	113.75	-0.076	1.229
13		9/1/2006	114.5	114.75	-0.929	0.301
14		9/4/2006	114.375	114	-0.076	0.225
15		9/5/2006	114.75	114.5	0.149	0.374
16		9/6/2006	114.5	114.25	-0.370	0.004
17		9/7/2006	113	112.5	0.532	0.537
18		9/8/2006	113.25	113.5	1.375	1.912
19		9/11/2006	114.875	114.75	0.823	2.735
20		9/12/2006	116.125	117.5	0.807	3.542
21		9/13/2006	117.625	118	-0.177	3.365
22		9/14/2006	117.375	116.5	-0.950	2.415
23		9/15/2006	116.25	116.25	-0.452	1.963
24		9/18/2006	116	116.25	-0.484	1.479
25		9/19/2006	115.125	114.25	-0.565	0.913
26		9/20/2006	114.375	114.5	0.291	1.205
27		9/21/2006	115.5	116.25	-0.066	1.139
28		9/22/2006	115.125	115	0.845	1.985
29		9/25/2006	115.25	115.5	1.485	3.469
30		9/26/2006	117.625	119	1.057	4.527
31		9/27/2006	120.375	121.5	-0.141	4.385
32		9/28/2006	121.375	122	0.127	4.512
33		9/29/2006	122	122.25	-0.622	3.890
34		10/2/2006	121.25	120.75	-0.023	3.867
35		10/3/2006	121.125	122.25	3.207	7.074
36		10/4/2006	125.25	127.25	0.793	7.867
37		10/5/2006	127.125	126.25	-1.404	6.463
38		10/6/2006	125.875	126.25	-0.349	6.115
39		10/9/2006	125.875	126	1.055	7.170
40		10/10/2006	128.125	129.25	0.882	8.051
41		10/11/2006	129.875	130.25	-0.245	7.806
42		10/12/2006	130.25	130	-0.540	7.266
43		10/13/2006	130.625	130.75	-0.741	6.525
44		10/16/2006	130.375	130	-0.773	5.751
45		10/17/2006	129	128.5	-0.231	5.521
46		10/18/2006	128.625	128.75	-0.714	4.807

Vodafone						
SR_No	Event No.	Date	Equity Price (Open)	Equity Price (Close)	Abnormal Returns	CAR
47		10/19/2006	128.375	128.75	0.031	4.838
48		10/20/2006	128.625	128.5	0.375	5.213
49		10/23/2006	129.375	129.5	-0.254	4.959
50		10/24/2006	129.5	130	0.536	5.495
51		10/25/2006	130.875	131.5	1.099	6.594
52		10/26/2006	132.5	132.75	1.358	7.952
53		10/27/2006	133.875	134.25	-0.389	7.563
54		10/30/2006	132.875	134	1.458	9.021
55		10/31/2006	134.625	135	0.243	9.263
56		11/1/2006	135.375	135.5	-0.199	9.064
57		11/2/2006	135.5	135.5	-0.757	8.308
58		11/3/2006	134.625	134	-0.750	7.557
59		11/6/2006	134.625	134.5	-1.382	6.175
60		11/7/2006	134	133	-1.642	4.533
61		11/8/2006	132.125	132	0.736	5.269
62		11/9/2006	133.125	134	0.876	6.145
63		11/10/2006	134.125	134.5	1.018	7.163
64		11/13/2006	135.25	136	2.088	9.250
65		11/14/2006	138	135.5	-0.050	9.200
66		11/15/2006	138.5	139	-0.406	8.794
67		11/16/2006	138.875	139.25	-0.358	8.436
68		11/17/2006	138.125	137.5	-0.258	8.178
69		11/20/2006	137.375	137.75	-0.027	8.151
70		11/21/2006	137.625	137.25	-1.853	6.298
71		11/22/2006	134.75	133.5	0.295	6.593
72		11/23/2006	134.625	135	0.840	7.433
73		11/24/2006	135.5	135.75	-0.307	7.126
74		11/27/2006	134.25	133.25	-0.351	6.775
75		11/28/2006	132.875	132.75	0.532	7.307
76		11/29/2006	134.125	134.5	-0.127	7.180
77		11/30/2006	134.375	134.5	-0.252	6.928
78		12/1/2006	133.5	132.5	0.238	7.167
79		12/4/2006	134	135	1.854	9.021
80		12/5/2006	137.375	138.25	-0.454	8.567
81		12/6/2006	137.375	136.5	-0.951	7.616
82		12/7/2006	136.75	137.25	0.005	7.622
83		12/8/2006	137.625	138.25	0.372	7.993
84		12/11/2006	138.625	138.25	0.476	8.469
85		12/12/2006	139.5	141	1.492	9.961
86		12/13/2006	142.125	143.5	0.700	10.661
87		12/14/2006	144.125	144.75	0.197	10.858
88		12/15/2006	145.375	146	-0.193	10.665
89		12/18/2006	145.5	145.25	-0.101	10.564
90		12/19/2006	144.875	144.75	0.876	11.440
91		12/20/2006	145.75	146	-0.902	10.538
92		12/21/2006	144.375	143.75	-1.265	9.273

Vodafone						
SR_No	Event No.	Date	Equity Price (Open)	Equity Price (Close)	Abnormal Returns	CAR
93		12/22/2006	142.625	142	-0.711	8.562
94		12/27/2006	142.5	143	-0.535	8.027
95		12/28/2006	142.5	142	-0.540	7.487
96		12/29/2006	141.625	141.5	-0.071	7.416
97		1/2/2007	142.5	143.75	0.579	7.995
98		1/3/2007	144.625	145.25	1.191	9.187
99		1/4/2007	146.25	148.25	1.266	10.453
100		1/5/2007	147.125	146	0.370	10.822
101		1/8/2007	146.75	147.5	1.350	12.172
102		1/9/2007	148.625	149.5	-0.523	11.649
103		1/10/2007	147.625	145.75	-0.400	11.249
104		1/11/2007	147.625	149	0.257	11.506
105		1/12/2007	149.125	149.25	-0.141	11.364
106		1/15/2007	149.5	149.75	-0.270	11.095
107		1/16/2007	149	148.5	0.437	11.532
108		1/17/2007	149.125	149.25	-0.498	11.034
109		1/18/2007	148.5	147.75	-0.641	10.394
110		1/19/2007	148.125	148.25	0.993	11.387
111		1/22/2007	149.875	149.25	-0.462	10.925
112		1/23/2007	149.25	149.25	-0.568	10.357
113		1/24/2007	149.75	150.25	0.377	10.734
114		1/25/2007	151	150	-0.670	10.064
115		1/26/2007	149.125	149	-0.556	9.508
116		1/29/2007	148.125	149	-0.573	8.934
117		1/30/2007	147.625	147	1.106	10.040
118		1/31/2007	149	148	0.139	10.179
119		2/1/2007	149.875	150.25	-1.660	8.519
120		2/2/2007	148.875	148	-0.828	7.691
121		2/5/2007	148.25	148.75	0.101	7.792
122		2/6/2007	149	149	0.054	7.846
123		2/7/2007	149.875	150.75	0.377	8.223
124		2/8/2007	150.625	150.5	-0.726	7.496
125		2/9/2007	149.875	149.25	-0.123	7.374
126	1	2/11/2007	149.875	149.25	0.655	8.029
127		2/12/2007	151.125	151.25	-0.115	7.914
128		2/13/2007	151.125	150	-1.072	6.842
129		2/14/2007	150.5	150.5	-0.694	6.148
130		2/15/2007	150.25	149.75	-0.692	5.456
131		2/16/2007	149.375	149.25	0.543	6.000
132		2/19/2007	150.5	150.75	0.349	6.348
133		2/20/2007	151.125	150.5	-1.010	5.338
134		2/21/2007	148.75	147	-1.052	4.286
135		2/22/2007	147	146.25	-0.899	3.387
136		2/23/2007	146.375	146	-0.291	3.097
137		2/26/2007	146.75	147.25	-0.495	2.602
138		2/27/2007	144.875	143.5	-0.455	2.147

Vodafone						
SR_No	Event No.	Date	Equity Price (Open)	Equity Price (Close)	Abnormal Returns	CAR
139		2/28/2007	141.375	141.5	0.545	2.693
140		3/1/2007	140.375	139	-0.649	2.044
141		3/2/2007	139	138.5	-1.449	0.594
142		3/5/2007	136.5	136.75	0.425	1.020
143		3/6/2007	137.5	137	-0.840	0.180
144		3/7/2007	137.625	137.75	0.146	0.326
145		3/8/2007	139	139.75	-0.664	-0.339
146		3/9/2007	139.25	139.5	-0.078	-0.417
147		3/12/2007	139.375	139	0.107	-0.310
148		3/13/2007	138.75	138	-1.296	-1.606
149		3/14/2007	134.5	134	1.596	-0.010
150		3/15/2007	136.5	137	-0.194	-0.203
151		3/16/2007	137.875	139.25	1.718	1.515
152		3/19/2007	141.05	142.1	0.243	1.758
153		3/20/2007	142.6	142.4	-0.705	1.053
154		3/21/2007	142.55	143	0.281	1.334
155		3/22/2007	144.25	143.5	-2.102	-0.768
156		3/23/2007	142.35	141.3	-0.934	-1.701
157		3/26/2007	140.9	140	0.321	-1.380
158		3/27/2007	141	140.7	-0.492	-1.873
159		3/28/2007	140.2	140.2	0.230	-1.642
160		3/29/2007	141.05	141.6	-2.647	-4.289
161		3/30/2007	137.95	135.5	-1.141	-5.430
162		4/2/2007	136.45	136.6	0.476	-4.954
163		4/3/2007	137.9	138.2	-0.731	-5.685
164		4/4/2007	137.6	137.2	-0.769	-6.454
165		4/5/2007	137.05	136.7	0.224	-6.230
166		4/10/2007	138.1	138.2	0.114	-6.117
167		4/11/2007	138.6	138.5	-0.076	-6.192
168		4/12/2007	138.65	138.3	-0.725	-6.917
169		4/13/2007	138.35	138.5	0.109	-6.808
170		4/16/2007	139.75	139.6	-0.111	-6.920
171		4/17/2007	140.15	140.3	-0.212	-7.132
172		4/18/2007	139.3	138.7	0.358	-6.774
173		4/19/2007	139.35	140.3	1.523	-5.251
174		4/20/2007	142.05	143.1	0.769	-4.482
175		4/23/2007	143.75	142.8	-0.478	-4.960
176		4/24/2007	142.6	141.8	-0.370	-5.329
177		4/25/2007	142.05	141.8	0.269	-5.060
178		4/26/2007	143.05	143.2	0.214	-4.846
179		4/27/2007	143.05	142.9	0.175	-4.671
180		4/30/2007	143.25	143.5	-0.025	-4.696
181		5/1/2007	143.4	143.3	0.054	-4.642
182		5/2/2007	144.05	144	-1.045	-5.688
183		5/3/2007	144.05	143.5	-0.975	-6.663
184		5/4/2007	144.15	144.8	0.162	-6.501

Vodafone						
SR_No	Event No.	Date	Equity Price (Open)	Equity Price (Close)	Abnormal Returns	CAR
185	2	5/8/2007	144.7	143.4	-0.814	-7.315
186		5/9/2007	143.1	141.5	-0.794	-8.109
187		5/10/2007	141.85	141.7	-0.282	-8.391
188		5/11/2007	141.8	142.1	0.094	-8.297
189		5/14/2007	142.45	142.5	0.346	-7.951
190		5/15/2007	143.15	143.8	-0.293	-8.244
191		5/16/2007	142.95	142.8	-0.030	-8.274
192		5/17/2007	143.2	142.7	-0.188	-8.462
193		5/18/2007	144	145	0.411	-8.051
194		5/21/2007	145.4	145.4	-0.103	-8.154
195		5/22/2007	145.05	144.6	1.721	-6.433
196		5/23/2007	147.5	149.9	2.564	-3.869
197		5/24/2007	151	152	0.493	-3.376
198		5/25/2007	151.4	151.4	3.690	0.314
199		5/29/2007	157.65	159.7	0.651	0.965
200		5/30/2007	159.25	160	0.360	1.325
201		5/31/2007	160.2	158	-2.064	-0.739
202		6/1/2007	158	158	1.990	1.251
203		6/4/2007	161.85	161.7	1.012	2.263
204		6/5/2007	163.15	161.3	-3.311	-1.048
205		6/6/2007	156.2	155.1	2.776	1.727
206		6/7/2007	159.2	158.4	-0.395	1.332
207		6/8/2007	158.55	159.9	-0.511	0.821
208		6/11/2007	158.7	157.9	-0.682	0.139
209		6/12/2007	158	157	-0.189	-0.049
210		6/13/2007	157.8	158.2	0.686	0.637
211		6/14/2007	160.65	162.3	-0.071	0.566
212		6/15/2007	162.85	163.2	-0.710	-0.145
213		6/18/2007	162.55	162	-0.921	-1.066
214		6/19/2007	160.25	158.9	-0.494	-1.560
215		6/20/2007	159	158.9	-0.907	-2.468
216		6/21/2007	157.1	156.7	0.054	-2.413
217		6/22/2007	156.4	156	-0.129	-2.542
218		6/25/2007	156.3	157.6	1.411	-1.131
219		6/26/2007	158.6	160	2.455	1.324
220		6/27/2007	161.95	163.8	2.193	3.517
221		6/28/2007	165.85	166.2	-0.107	3.410
222		6/29/2007	166.9	167.8	-0.540	2.870
223		7/2/2007	166.45	165	-0.667	2.204
224		7/3/2007	165.95	165.8	-0.871	1.332
225		7/4/2007	165.75	166.1	-1.415	-0.083
226		7/5/2007	163.55	162.1	-0.741	-0.824
227		7/6/2007	162.75	163.5	1.104	0.280
228		7/9/2007	165.7	167	-0.312	-0.031
229		7/10/2007	164.65	162.6	-1.572	-1.604
230		7/11/2007	161.05	161.1	-0.041	-1.645

Vodafone						
SR_No	Event No.	Date	Equity Price (Open)	Equity Price (Close)	Abnormal Returns	CAR
231		7/12/2007	162	162.4	0.250	-1.394
232		7/13/2007	163.85	163.2	-0.397	-1.792
233		7/16/2007	163.4	162.2	-0.180	-1.971
234		7/17/2007	162.6	162.7	-0.706	-2.678
235		7/18/2007	160.05	159.1	1.208	-1.469
236		7/19/2007	161.95	161.9	-0.292	-1.761
237		7/20/2007	161.9	160.8	-0.527	-2.288
238		7/23/2007	161.05	160.6	-1.419	-3.708
239		7/24/2007	157.9	156	-0.400	-4.108
240		7/25/2007	155.4	156.3	0.193	-3.915
241		7/26/2007	152.9	149.3	-0.549	-4.464
242		7/27/2007	149.35	151.2	0.376	-4.088
243		7/30/2007	149.55	148.1	-1.097	-5.185
244		7/31/2007	149.85	150	-0.947	-6.132
245		8/1/2007	149.15	150.4	3.774	-2.358
246		8/2/2007	154.25	156.6	1.644	-0.714
247		8/3/2007	156.65	156	0.261	-0.453
248		8/6/2007	155.85	154.7	0.443	-0.010
249		8/7/2007	157.8	159.4	0.666	0.656
250		8/8/2007	161.65	162.8	-0.722	-0.065
251		8/9/2007	160.2	160.3	-0.790	-0.855
252		8/10/2007	154.6	151.7	0.984	0.128
253		8/13/2007	155.65	158.3	0.169	0.297
254		8/14/2007	157.45	158.1	0.676	0.973
255		8/15/2007	157.3	157.6	-1.534	-0.561
256		8/16/2007	151.4	149.6	0.290	-0.271
257		8/17/2007	151.45	154.4	0.133	-0.138
258		8/20/2007	154.65	155.3	0.924	0.786
259		8/21/2007	156.55	156.4	-1.190	-0.404
260		8/22/2007	156.4	156	-0.936	-1.339
261		8/23/2007	156.55	156.4	-0.191	-1.530
262		8/24/2007	156.75	157.1	0.231	-1.299
263		8/28/2007	156.1	155	0.532	-0.768
264		8/29/2007	156	157.1	0.287	-0.480
265		8/30/2007	158.05	158.2	-0.538	-1.019
266		8/31/2007	159.6	159.8	-0.014	-1.032
267		9/3/2007	161.1	160.7	-0.616	-1.649
268		9/4/2007	161.25	161.8	-0.359	-2.007
269		9/5/2007	160.3	158.7	0.133	-1.874
270		9/6/2007	159.9	159.4	0.076	-1.798
271		9/7/2007	159.2	159.3	1.038	-0.760
272		9/10/2007	158.75	157.8	0.626	-0.134
273		9/11/2007	161.1	163	0.778	0.644
274		9/12/2007	164.8	166.1	1.214	1.857
275		9/13/2007	168.1	169.7	0.487	2.345
276		9/14/2007	168.9	169.1	0.638	2.983

Vodafone						
SR_No	Event No.	Date	Equity Price (Open)	Equity Price (Close)	Abnormal Returns	CAR
277		9/17/2007	167.75	166.5	-1.237	1.746
278		9/18/2007	165.8	166.4	-0.614	1.133
279		9/19/2007	168.7	168.4	-0.593	0.540
280		9/20/2007	169.85	171	1.022	1.562
281		9/21/2007	171.75	172.5	0.025	1.587
282		9/24/2007	172.5	173	0.575	2.162
283		9/25/2007	172.9	173.3	1.321	3.483
284		9/26/2007	174.95	175.8	0.804	4.286
285		9/27/2007	177.8	178.6	-0.583	3.703
286		9/28/2007	177.45	176.5	-0.192	3.511
287		10/1/2007	177.6	178.7	-0.496	3.015
288		10/2/2007	177.4	175.5	-2.997	0.018
289		10/3/2007	172.7	171.1	-1.908	-1.891
290		10/4/2007	170.25	169.1	-0.560	-2.451
291		10/5/2007	170.3	169.9	-0.832	-3.283
292		10/8/2007	169	168	0.082	-3.201
293		10/9/2007	169.6	171	0.115	-3.086
294		10/10/2007	171.2	171	1.559	-1.526
295		10/11/2007	175.5	179.5	0.878	-0.648
296		10/12/2007	178.55	179.3	-0.056	-0.704
297		10/15/2007	177.6	176.3	-1.498	-2.202
298		10/16/2007	173.6	173.6	0.403	-1.800
299		10/17/2007	174.95	175.5	0.057	-1.742
300		10/18/2007	175.2	175	0.670	-1.072
301		10/19/2007	174.6	175	1.916	0.844
302		10/22/2007	176.15	179.7	1.773	2.617
303		10/23/2007	179.3	177.6	-0.885	1.733
304		10/24/2007	178.25	178.2	3.518	5.250
305		10/25/2007	185.6	189.7	1.700	6.950
306		10/26/2007	191.55	193.6	-0.353	6.597
307		10/29/2007	193	194	-1.064	5.533
308		10/30/2007	191.15	189.8	-0.920	4.613
309		10/31/2007	189.85	189	-1.628	2.985
310		11/1/2007	185.95	183.6	0.005	2.990
311		11/2/2007	183.5	184	2.279	5.269
312		6/4/2009	113.05	112.5	-0.857	4.412
313		6/5/2009	112.575	112.6	0.272	4.683
314		6/8/2009	113.075	113.1	1.170	5.853
315		6/9/2009	114.175	114.35	-0.859	4.995
316		6/10/2009	113.5	112	-0.425	4.569
317		6/11/2009	113.525	114.75	0.978	5.547
318		6/12/2009	114.725	114.7	-0.036	5.511
319		6/15/2009	113.635	113.82	0.870	6.381
320		6/16/2009	113.75	114.7	3.115	9.496
321		6/17/2009	116.95	119	2.956	12.451
322		6/18/2009	120.05	122.05	0.193	12.644

Vodafone						
SR_No	Event No.	Date	Equity Price (Open)	Equity Price (Close)	Abnormal Returns	CAR
323		6/19/2009	120.925	119.95	-0.847	11.797
324		6/22/2009	119.54	119.13	-0.567	11.229
325		6/23/2009	117.9	117.8	0.282	11.512
326		6/24/2009	118.685	119.32	-1.165	10.346
327		6/25/2009	117.55	117.1	-0.819	9.527
328		6/26/2009	116.3	115.25	0.232	9.759
329		6/29/2009	116.975	117.6	0.367	10.127
330		6/30/2009	117.525	117.2	0.623	10.750
331		7/1/2009	118.71	119.22	-0.709	10.041
332		7/2/2009	117.79	115.98	-2.077	7.964
333		7/3/2009	114.495	113.64	0.275	8.240
334		7/6/2009	114.525	116.25	1.197	9.437
335		7/7/2009	115.525	114.45	-1.455	7.981
336		7/8/2009	113.42	112.34	1.837	9.818
337		7/9/2009	115.31	114.82	-1.835	7.983
338		7/10/2009	113.13	113.11	0.663	8.647
339		7/13/2009	114.3	115	-2.231	6.416
340		7/14/2009	112.75	112.8	-0.007	6.409
341		7/15/2009	114	114.8	-0.094	6.315
342		7/16/2009	114.975	114.95	-0.782	5.533
343		7/17/2009	114.475	113.2	-1.716	3.817
344		7/20/2009	113.23	112.71	-0.615	3.202
345		7/21/2009	113.325	113.65	0.708	3.911
346		7/22/2009	114.575	114.9	0.717	4.628
347		7/23/2009	116.075	117.1	2.657	7.285
348		7/24/2009	119.875	120.25	0.486	7.771
349		7/27/2009	120.725	120	-0.979	6.793
350		7/28/2009	119.2	118.55	0.181	6.974
351		7/29/2009	119.15	119.05	1.052	8.025
352		7/30/2009	121.3	122.15	-0.005	8.020
353		7/31/2009	121.85	122.1	1.438	9.458
354		8/3/2009	124.075	125.05	0.600	10.058
355		8/4/2009	125.4	125.3	-0.184	9.874
356		8/5/2009	124.925	124.1	-0.331	9.543
357		8/6/2009	124.725	124.45	0.713	10.256
358		8/7/2009	126.375	127.85	1.547	11.803
359		8/10/2009	128.65	128.6	0.319	12.121
360		8/11/2009	128.6	128.2	0.071	12.193
361		8/12/2009	128.7	128.75	-0.255	11.937
362		8/13/2009	129.15	129	-0.973	10.965
363		8/14/2009	127.925	126.4	-0.523	10.442
364		8/17/2009	126.375	126.95	1.393	11.835
365		8/18/2009	127.95	127.9	-1.085	10.749
366		8/19/2009	127	127	2.063	12.812
367		8/20/2009	130.275	131.4	-0.115	12.697
368		8/21/2009	131.575	131.5	-0.821	11.877

Vodafone						
SR_No	Event No.	Date	Equity Price (Open)	Equity Price (Close)	Abnormal Returns	CAR
369		8/24/2009	131.75	131.05	0.019	11.896
370		8/25/2009	132.39	133.98	1.134	13.030
371		8/26/2009	133.9	133.4	-0.020	13.010
372		8/27/2009	133.525	133.4	-0.067	12.944
373		8/28/2009	133.65	132.8	-0.266	12.677
374		9/1/2009	132.925	131.95	-0.620	12.058
375		9/2/2009	131.375	130.1	-0.788	11.270
376		9/3/2009	130.2	130.3	1.635	12.905
377		9/4/2009	132.675	133.25	0.484	13.389
378		9/7/2009	134.55	134.5	0.144	13.533
379		9/8/2009	135.625	136.8	0.889	14.422
380		9/9/2009	137.5	138.35	0.721	15.143
381		9/10/2009	138.9	138.25	-0.502	14.641
382		9/11/2009	138.325	137.5	-0.733	13.908
383		9/14/2009	137.64	137.98	0.598	14.506
384		9/15/2009	138.785	139.22	-0.039	14.467
385		9/16/2009	139.7	139.5	-0.186	14.281
386		9/17/2009	140.55	140.3	-0.411	13.870
387		9/18/2009	140.45	140.4	-0.219	13.651
388		9/21/2009	139.95	139.9	0.656	14.307
389		9/22/2009	140.67	141.34	1.221	15.528
390		9/23/2009	142.49	142.73	0.677	16.204
391		9/24/2009	142.965	142.93	-0.055	16.149
392		9/25/2009	142.445	142.39	-0.793	15.356
393		9/28/2009	142.135	142.67	0.201	15.557
394		9/29/2009	143.155	142.01	-1.540	14.017
395		9/30/2009	140.735	140.47	0.678	14.695
396		10/1/2009	140.79	141.68	-0.665	14.030
397		10/2/2009	138.655	138.36	0.479	14.509
398		10/5/2009	139.175	140.05	-0.367	14.143
399		10/6/2009	140.025	139.85	-1.829	12.314
400		10/7/2009	138.255	137.31	-1.576	10.738
401		10/8/2009	136.275	134.6	-2.480	8.258
402		10/9/2009	133.395	132.99	0.260	8.518
403		10/12/2009	134.25	134.5	-0.033	8.486
404		10/13/2009	134.2	133.7	0.816	9.302
405		10/14/2009	135.725	135.45	-0.255	9.047
406		10/15/2009	136	136.05	0.054	9.101
407		10/16/2009	135.595	134.34	-1.626	7.474
408		10/19/2009	133.925	134.2	-0.100	7.375
409		10/20/2009	134.275	133.55	0.545	7.919
410		10/21/2009	134.875	134.9	1.692	9.612
411		10/22/2009	136.925	139.5	1.455	11.067
412		10/23/2009	138.85	137.5	-1.317	9.750
413		10/26/2009	136.95	136.4	0.207	9.957
414		10/27/2009	136.95	137.8	1.122	11.079

Vodafone						
SR_No	Event No.	Date	Equity Price (Open)	Equity Price (Close)	Abnormal Returns	CAR
415		10/28/2009	137.625	138.25	0.598	11.677
416		10/29/2009	137.975	138.95	-0.964	10.713
417		10/30/2009	136.4	134.55	-0.967	9.746
418		11/2/2009	134.86	135.57	-0.005	9.741
419		11/3/2009	134.85	134.2	0.400	10.141
420		11/4/2009	135.475	136	0.597	10.738
421		11/5/2009	137.075	137.45	-0.644	10.094
422		11/6/2009	136.55	135.8	0.313	10.408
423		11/9/2009	137.95	137.95	-2.113	8.294
424		11/10/2009	135.825	135.5	-0.434	7.860
425		11/11/2009	135.55	134.1	-0.760	7.100
426		11/12/2009	134.95	135.8	1.338	8.437
427		11/13/2009	137.05	137.1	0.112	8.549
428		11/16/2009	138.125	138.25	0.409	8.958
429		11/17/2009	139.15	138.85	-2.033	6.925
430		11/18/2009	136.05	135.15	-0.521	6.404
431		11/19/2009	134.775	134	0.401	6.805
432		11/20/2009	134.65	134.6	0.511	7.316
433		11/23/2009	136.1	136.7	-0.362	6.954
434		11/24/2009	136.25	136.65	1.169	8.123
435		11/25/2009	137.975	139	0.883	9.006
436		11/26/2009	138.2	137.7	-0.363	8.643
437		11/27/2009	136.78	137.56	0.340	8.983
438		11/30/2009	137.275	137.1	0.924	9.907
439	3	12/1/2009	139.15	140	1.136	11.042
440		12/2/2009	141.925	143.05	0.041	11.083
441		12/3/2009	142.05	140.25	-0.541	10.542
442		12/4/2009	141.3	142.4	0.272	10.814
443		12/7/2009	141.725	141.05	-0.216	10.598
444		12/8/2009	140.65	139.9	0.479	11.077
445		12/9/2009	140.49	141.78	-0.003	11.074
446		12/10/2009	140.725	140.95	0.233	11.307
447		12/11/2009	141.6	141.55	-0.148	11.159
448		12/14/2009	142.05	142.45	-0.309	10.850
449		12/15/2009	141.875	140.85	-0.477	10.372
450		12/16/2009	141.3	142	-0.135	10.238
451		12/17/2009	140.6	139.9	0.408	10.645
452		12/18/2009	140.2	140	-0.253	10.393
453		12/21/2009	140.55	141.6	0.521	10.913
454		12/22/2009	142.45	142.4	-0.137	10.777
455		12/23/2009	142.975	142.7	-1.419	9.358
456		12/24/2009	141.625	142.15	1.414	10.772
457		12/29/2009	144.225	143.8	-0.693	10.079
458		12/30/2009	143.25	143.45	0.694	10.773
459		12/31/2009	144.1	143.7	-1.088	9.685
460		1/4/2010	143.45	143.3	-0.951	8.734

Vodafone						
SR_No	Event No.	Date	Equity Price (Open)	Equity Price (Close)	Abnormal Returns	CAR
461		1/5/2010	143.05	143.1	-0.281	8.453
462		1/6/2010	142.95	142.5	-2.200	6.253
463		1/7/2010	139.9	138.8	-1.460	4.793
464		1/8/2010	137.95	137	-0.234	4.559
465		1/11/2010	137.775	137.85	0.322	4.880
466		1/12/2010	138	137.75	0.107	4.987
467		1/13/2010	137.7	137.9	0.106	5.093
468		1/14/2010	137.9	136.8	-1.897	3.196
469		1/15/2010	135.2	134.7	-0.335	2.861
470		1/18/2010	134.775	135.6	1.018	3.879
471		1/19/2010	136.65	137.3	0.212	4.091
472		1/20/2010	136.425	135.95	0.648	4.739
473		1/21/2010	135.975	135.25	0.111	4.850
474		1/22/2010	135.25	135.5	-0.637	4.213
475		1/25/2010	133.85	133.5	-0.018	4.195
476		1/26/2010	133.675	134.85	1.035	5.230
477		1/27/2010	134.775	134.8	0.111	5.341
478		1/28/2010	133.925	132.6	-0.222	5.119
479		1/29/2010	133.45	134.55	0.408	5.527
480		2/1/2010	134.875	135.7	-0.390	5.137
481		2/2/2010	135.175	135.35	-0.058	5.079
482		2/3/2010	135.2	134.5	3.736	8.815
483		2/4/2010	139.15	139.3	1.315	10.130
484		2/5/2010	139.425	139.2	0.210	10.341
485		2/8/2010	139.375	139.25	-0.967	9.374
486		2/9/2010	138.525	138.25	-0.521	8.853
487		2/10/2010	138.2	138.6	-0.365	8.488
488		2/11/2010	138.175	137.95	0.364	8.852
489		2/12/2010	138.825	139	0.281	9.133
490		2/15/2010	139.325	138.85	-0.660	8.472
491		2/16/2010	139.325	139.35	-0.430	8.042
492		2/17/2010	139.7	139.85	0.226	8.268
493		2/18/2010	140.75	141.65	0.168	8.436
494		2/19/2010	141.725	142.4	-0.113	8.323
495		2/22/2010	141.85	141.2	-0.707	7.616
496		2/23/2010	140.55	140	0.189	7.805
497		2/24/2010	140.8	141	0.903	8.708
498		2/25/2010	141.825	142.3	-0.005	8.703
499		2/26/2010	141.975	141.45	-0.144	8.559
500		3/1/2010	142.9	142.8	0.322	8.880
501		3/2/2010	144.5	145.75	1.474	10.354
502		3/3/2010	147.75	148	-0.254	10.100
503		3/4/2010	147.8	147.6	-0.555	9.544
504		3/5/2010	147.6	147.65	-0.287	9.257
505		3/8/2010	147.9	148.15	0.484	9.742
506		3/9/2010	148.7	148.4	-0.283	9.459

Vodafone						
SR_No	Event No.	Date	Equity Price (Open)	Equity Price (Close)	Abnormal Returns	CAR
507		3/10/2010	148.625	149.05	0.563	10.022
508		3/11/2010	149.65	149.8	0.976	10.999
509		3/12/2010	151.05	151.6	0.237	11.236
510		3/15/2010	151.275	150.6	-0.790	10.445
511		3/16/2010	150.1	149.3	-0.942	9.503
512		3/17/2010	149.175	148	-1.322	8.181
513		3/18/2010	147.45	147	0.283	8.464
514		3/19/2010	147.975	148.2	0.065	8.529
515		3/22/2010	148.15	147.9	-0.274	8.254
516		3/23/2010	148	148.5	0.296	8.550
517		3/24/2010	148.775	148.55	-1.517	7.033
518		3/25/2010	147.025	147.2	0.006	7.040
519		3/26/2010	147.3	146.7	1.764	8.804
520		3/29/2010	149.825	151.15	1.995	10.799
521		3/30/2010	152.625	152.2	-0.084	10.715
522		3/31/2010	152.3	152	-1.232	9.483
523		4/1/2010	151.1	151.7	-0.877	8.606
524		4/6/2010	150.675	149.65	-1.895	6.711
525		4/7/2010	148.025	147.9	0.123	6.834
526		4/8/2010	147.725	148.45	0.806	7.640
527		4/9/2010	149.05	149.1	-0.145	7.494
528		4/12/2010	149.425	149	-0.728	6.766
529		4/13/2010	148.325	148.65	1.086	7.852
530		4/14/2010	150.15	150.5	0.580	8.432
531		4/15/2010	151.6	152.85	0.536	8.968
532		4/16/2010	152.05	152	-0.552	8.416
533		4/19/2010	150.475	150.05	-0.442	7.974
534		4/20/2010	150.2	150.05	0.265	8.239
535		4/21/2010	150.625	150.4	-0.476	7.763
536		4/22/2010	149	147.9	-0.245	7.518
537		4/23/2010	148.7	148.4	-0.278	7.239
538		4/26/2010	149.075	148.3	-1.583	5.656
539		4/27/2010	145.8	142.9	-1.297	4.360
540		4/28/2010	142.625	142.6	0.841	5.201
541		4/29/2010	144	144.5	1.019	6.220
542		4/30/2010	145.26	145.27	0.543	6.763
543		5/4/2010	144.425	141.95	-1.153	5.609
544		5/5/2010	141.075	140.15	-0.425	5.184
545		5/6/2010	139.3	139.3	-2.230	2.954
546		5/7/2010	134.45	132.9	1.835	4.789
547		5/10/2010	138	137.5	-2.082	2.707
548		5/11/2010	136.925	136.85	0.017	2.724
549		5/12/2010	136.975	137.95	0.489	3.213
550		5/13/2010	138.5	138	-0.607	2.606
551		5/14/2010	136.75	134.5	-0.191	2.415
552		5/17/2010	135.175	136.35	1.468	3.883

Vodafone						
SR_No	Event No.	Date	Equity Price (Open)	Equity Price (Close)	Abnormal Returns	CAR
553		5/18/2010	137.575	136.55	-2.567	1.316
554		5/19/2010	133.25	131	-0.159	1.157
555		5/20/2010	131.225	129.45	-0.450	0.707
556		5/21/2010	129.925	130	0.926	1.633
557		5/24/2010	131.155	130.96	-1.444	0.189
558		5/25/2010	128.325	129.5	3.700	3.890
559		5/26/2010	132.875	133	0.202	4.092
560		5/27/2010	135.325	136.6	1.586	5.678
561		5/28/2010	138.775	139.4	-0.408	5.269
562		1/4/2011	170.085	169.92	0.796	6.065
563		1/5/2011	172.65	175.3	1.803	7.868
564		1/6/2011	175.875	175.7	-0.020	7.848
565		1/7/2011	175.425	174.75	0.981	8.829
566		1/10/2011	176.7	176.8	-1.154	7.675
567		1/11/2011	174.975	173.7	-2.350	5.326
568		1/12/2011	171.7	171	-0.143	5.183
569		1/13/2011	171.6	171.9	0.389	5.572
570		1/14/2011	171.95	171.95	1.461	7.032
571		1/17/2011	174.225	175	1.388	8.420
572		1/18/2011	177.15	178.7	0.369	8.789
573		1/19/2011	177.8	176.6	-1.079	7.710
574		1/20/2011	174.4	172.8	0.797	8.508
575		1/21/2011	175.2	175.7	0.372	8.879
576		1/24/2011	176.55	177.9	1.007	9.887
577		1/25/2011	178.575	179.5	1.102	10.989
578		1/26/2011	180.825	180.65	-0.980	10.009
579		1/27/2011	179.525	179.05	-0.159	9.850
580		1/28/2011	178.575	178.15	-0.903	8.947
581		1/31/2011	176.175	175.35	-0.245	8.702
582		2/1/2011	176.45	177	0.193	8.896
583		2/2/2011	178	177.1	-1.000	7.895
584		2/3/2011	176.5	177	1.163	9.058
585		2/4/2011	178.6	179.5	-0.438	8.621
586		2/7/2011	178.45	177.55	-0.557	8.064
587		2/8/2011	178.3	179.6	0.880	8.944
588		2/9/2011	179.95	180.1	0.635	9.579
589		2/10/2011	180.575	180.65	-0.406	9.173
590		2/11/2011	180	180	0.054	9.227
591		2/14/2011	180.5	179.9	-0.655	8.572
592		2/15/2011	179.175	179.55	0.152	8.724
593		2/16/2011	179.725	180.8	0.926	9.650
594		2/17/2011	181.875	180.75	-0.345	9.305
595		2/18/2011	181.3	181.7	-0.341	8.964
596		2/21/2011	180.15	179.5	-0.544	8.420
597		2/22/2011	178.525	178.4	-0.988	7.431
598		2/23/2011	176.075	175.65	-1.242	6.189

Vodafone						
SR_No	Event No.	Date	Equity Price (Open)	Equity Price (Close)	Abnormal Returns	CAR
599		2/24/2011	173.325	173.25	-0.303	5.886
600		2/25/2011	173.5	174.7	-0.111	5.775
601		2/28/2011	173.975	174.3	0.839	6.614
602		3/1/2011	174.975	174.45	0.030	6.644
603		3/2/2011	174.45	175.85	1.928	8.572
604		3/3/2011	178.45	180.75	0.449	9.021
605		3/4/2011	179.95	178.9	-0.922	8.099
606		3/7/2011	178.1	178.7	1.434	9.534
607		3/8/2011	180.595	181.79	0.328	9.861
608		3/9/2011	180.95	180.2	-0.567	9.294
609		3/10/2011	178.9	178.65	0.066	9.360
610		3/11/2011	178.17	178.39	-0.477	8.884
611		3/14/2011	176.795	175.74	-2.748	6.136
612		3/15/2011	170.875	171.75	0.583	6.719
613		3/16/2011	170.47	169.39	-0.512	6.207
614		3/17/2011	169.67	170.74	-0.156	6.051
615		3/18/2011	170.475	169.95	2.763	8.814
616		3/21/2011	176	176	-0.823	7.991
617		3/22/2011	175	174.5	-0.486	7.505
618		3/23/2011	174.3	174.6	-0.264	7.241
619		3/24/2011	174.9	175.8	0.390	7.631
620		3/25/2011	176.525	176.55	-0.023	7.607
621		3/28/2011	176.75	177.8	1.567	9.174
622		3/29/2011	179.85	181	0.036	9.210
623		3/30/2011	180.355	179.01	-1.138	8.072
624		3/31/2011	178.175	176.5	-0.370	7.701
625		4/1/2011	178.1	179.1	0.901	8.603
626		4/4/2011	180.675	178.85	-2.116	6.487
627		4/5/2011	176.9	176.15	0.118	6.605
628		4/6/2011	177.375	177.75	0.213	6.818
629		4/7/2011	177.825	177.5	-0.149	6.669
630		4/8/2011	177.75	176.5	-1.180	5.489
631		4/11/2011	176.1	176.95	0.395	5.884
632		4/12/2011	176.125	175.5	0.330	6.215
633		4/13/2011	176.425	176.55	-0.305	5.910
634		4/14/2011	175.95	175.45	0.696	6.605
635		4/15/2011	177.125	178.25	0.171	6.777
636		4/18/2011	176.725	174.6	-0.437	6.339
637		4/19/2011	175.2	174.6	-0.060	6.280
638		4/20/2011	176.425	177	-3.695	2.584
639		4/21/2011	170.975	169.05	0.240	2.825
640		4/26/2011	171.825	172.95	0.619	3.443
641		4/27/2011	173.35	173	-0.878	2.565
642		4/28/2011	171.9	171.6	0.650	3.215
643		5/3/2011	173.2	172.3	-1.667	1.548
644		5/4/2011	169.7	169.3	0.786	2.334

Vodafone						
SR_No	Event No.	Date	Equity Price (Open)	Equity Price (Close)	Abnormal Returns	CAR
645		5/5/2011	169.825	169.25	-0.991	1.343
646		5/6/2011	168.15	167.6	0.539	1.882
647		5/9/2011	169.3	170.1	0.355	2.237
648		5/10/2011	170.3	169.6	-0.423	1.814
649		5/11/2011	169.91	169.82	-0.791	1.023
650		5/12/2011	168.05	167.75	0.120	1.143
651		5/13/2011	167.925	167.55	-0.118	1.025
652		5/16/2011	167.625	168.25	2.339	3.364
653		5/17/2011	171.1	172	0.123	3.487
654		5/18/2011	171.375	171.45	0.329	3.816
655		5/19/2011	172.775	172.75	0.379	4.195
656		5/20/2011	173.7	173.9	-0.543	3.653
657		5/23/2011	171.85	171.5	0.081	3.734
658		5/24/2011	171.325	171.5	-1.968	1.766
659		5/25/2011	168.3	168.6	-0.280	1.486
660		5/26/2011	168.075	167.45	0.542	2.028
661		5/27/2011	169.6	169.4	-0.833	1.196
662		5/31/2011	169.125	168.95	-3.982	-2.786
663		6/1/2011	162.375	161.55	-0.037	-2.824
664		6/2/2011	161.3	160.85	1.177	-1.647
665		6/3/2011	162.7	163.8	0.395	-1.252
666		6/6/2011	163.525	163.65	-0.054	-1.306
667		6/7/2011	163.575	164.15	-0.530	-1.836
668		6/8/2011	162.35	161.65	-0.554	-2.390
669		6/9/2011	161.45	161.4	-0.995	-3.385
670		6/10/2011	159.575	158.9	0.358	-3.027
671		6/13/2011	159.575	160.2	0.909	-2.118
672		6/14/2011	161.375	160.75	-0.680	-2.798
673		6/15/2011	160.1	159.65	0.292	-2.506
674		6/16/2011	159.825	160	0.033	-2.474
675		6/17/2011	159.725	159.65	0.723	-1.751
676		6/20/2011	160.9	162.3	1.267	-0.484
677		6/21/2011	163.475	164	0.094	-0.390
678		6/22/2011	164.325	164.4	-0.116	-0.505
679		6/23/2011	163.4	163	0.602	0.097
680		6/24/2011	163.85	163.1	-0.762	-0.665
681		6/27/2011	163.05	163.8	-0.107	-0.771
682		6/28/2011	163.49	162.48	-0.711	-1.483
683		6/29/2011	163.45	164.1	0.512	-0.971
684		6/30/2011	165.75	165.3	-1.183	-2.154
685	4	7/1/2011	164.9	164.5	-0.313	-2.467
686		7/4/2011	165	165	0.181	-2.286
687		7/5/2011	165.625	166.3	-0.017	-2.303
688		7/6/2011	165.55	164.8	0.001	-2.302
689		7/7/2011	165.85	166.25	0.319	-1.983
690		7/8/2011	166.35	165.3	-0.752	-2.735

Vodafone						
SR_No	Event No.	Date	Equity Price (Open)	Equity Price (Close)	Abnormal Returns	CAR
691		7/11/2011	164.2	163	-0.476	-3.211
692		7/12/2011	162.55	162.55	-0.461	-3.672
693		7/13/2011	161.69	161.38	-0.841	-4.513
694		7/14/2011	160.225	159.6	-0.507	-5.020
695		7/15/2011	159	159	-0.229	-5.249
696		7/18/2011	157.985	157.25	0.193	-5.055
697		7/19/2011	157.945	158.09	0.727	-4.328
698		7/20/2011	159.925	160.3	0.173	-4.154
699		7/21/2011	161.105	160.96	1.420	-2.735
700		7/22/2011	164.075	164.55	-0.585	-3.320
701		7/25/2011	163.375	162	0.078	-3.242
702		7/26/2011	163.525	164.95	0.849	-2.393
703		7/27/2011	164.45	164.05	0.137	-2.256
704		7/28/2011	164.3	165.4	4.987	2.731
705		7/29/2011	172.235	172.17	0.339	3.069
706		8/1/2011	172.075	169.6	-1.739	1.330
707		8/2/2011	168.35	168.5	1.415	2.746
708		8/3/2011	169.25	170.5	2.080	4.826
709		8/4/2011	170.125	168.3	-1.164	3.662
710		8/5/2011	165.3	165.6	0.447	4.109
711		8/8/2011	163.3	162.55	-1.066	3.043
712		8/9/2011	160.9	161.5	0.421	3.464
713		8/10/2011	161.1	160.2	-0.416	3.049
714		8/11/2011	160.475	161.65	-0.271	2.777
715		8/12/2011	162.85	163.5	1.696	4.474
716		8/15/2011	167.3	167	-0.325	4.149
717		8/16/2011	167.15	167.95	0.239	4.388
718		8/17/2011	167.45	168	-0.628	3.760
719		8/18/2011	164.15	162.45	-0.253	3.507
720		8/19/2011	161.25	159.95	-0.351	3.157
721		8/22/2011	160.775	163	1.791	4.948
722		8/23/2011	164.5	164.65	0.666	5.614
723		8/24/2011	166.65	168	1.197	6.811
724		8/25/2011	168.725	168.5	-3.467	3.343
725		8/26/2011	162.25	161.9	-0.616	2.727
726		8/30/2011	162.525	162.5	-1.809	0.918
727		8/31/2011	161.95	161	-0.266	0.652
728		9/1/2011	162.85	164.4	0.519	1.171
729		9/2/2011	162.9	162.4	-0.533	0.638
730		9/5/2011	159.42	159.84	0.516	1.154
731		9/6/2011	159.15	160.15	1.444	2.597
732		9/7/2011	163.375	163.2	-1.382	1.215
733		9/8/2011	162.775	163.9	0.366	1.581
734		9/9/2011	162.55	162	-1.788	-0.207
735		9/12/2011	157.9	158	1.349	1.143
736		9/13/2011	159.75	160	0.389	1.532

Vodafone						
SR_No	Event No.	Date	Equity Price (Open)	Equity Price (Close)	Abnormal Returns	CAR
737		9/14/2011	161.275	162.3	0.266	1.798
738		9/15/2011	163.175	163.35	-0.187	1.611
739		9/16/2011	164.15	163.9	-0.989	0.621
740		9/19/2011	161.925	161.3	0.649	1.271
741		9/20/2011	163	164	0.377	1.648
742		9/21/2011	163.925	163.3	-1.055	0.593
743		9/22/2011	159.5	159.15	2.362	2.955
744		9/23/2011	161.425	161.6	-0.751	2.204
745		9/26/2011	160.7	162.5	1.687	3.891
746		9/27/2011	165.475	166.2	-0.152	3.738
747		9/28/2011	166.425	166	0.611	4.349
748		9/29/2011	166.65	167.15	0.272	4.621
749		9/30/2011	166.375	166.25	0.555	5.176
750		10/3/2011	166.275	168.55	1.341	6.517
751		10/4/2011	166.9	166.65	0.786	7.304
752		10/5/2011	168.525	168.55	-0.982	6.321
753		10/6/2011	170.175	170.5	-0.235	6.086
754		10/7/2011	171.675	171.35	-0.721	5.365
755		10/10/2011	171.475	172.6	0.020	5.385
756		10/11/2011	172.4	172.5	-0.750	4.635
757		10/12/2011	171.555	171.66	0.399	5.034
758		10/13/2011	172.375	173.6	0.545	5.580
759		10/14/2011	173.6	173.75	-0.008	5.572
760		10/17/2011	173.95	173.4	-0.400	5.172
761		10/18/2011	172.825	172.45	0.310	5.481
762		10/19/2011	173.55	173.55	0.251	5.732
763		10/20/2011	173.825	174.65	0.729	6.461
764		10/21/2011	175.5	175.55	-0.520	5.942
765		10/24/2011	176.125	175.85	-1.119	4.822
766		10/25/2011	174.55	174.1	0.379	5.201
767		10/26/2011	175.325	176.7	0.284	5.485
768		10/27/2011	177.55	177.1	-1.761	3.724
769		10/28/2011	175.8	174.3	-0.705	3.019
770		10/31/2011	173.175	172.85	0.224	3.243
771		11/1/2011	171.225	171.8	1.449	4.692
772		11/2/2011	173.25	173.4	-0.888	3.803
773		11/3/2011	172.875	173.65	0.235	4.038
774		11/4/2011	173.725	172.95	-0.123	3.915
775		11/7/2011	173.275	173	1.100	5.015
776		11/8/2011	175.6	176	1.125	6.141
777		11/9/2011	177.2	176.7	-0.084	6.057
778		11/10/2011	176.025	177.85	1.217	7.274
779		11/11/2011	179	180.05	1.024	8.298
780		11/14/2011	181.575	182.7	-0.174	8.124
781		11/15/2011	181.075	180.6	-3.923	4.201
782		11/16/2011	173.95	173.9	0.106	4.307

Vodafone						
SR_No	Event No.	Date	Equity Price (Open)	Equity Price (Close)	Abnormal Returns	CAR
783		11/17/2011	173.375	173.5	-0.276	4.032
784		11/18/2011	171.675	170.8	-0.329	3.702
785		11/21/2011	169.4	168.8	0.369	4.071
786		11/22/2011	168.7	167.9	-0.975	3.095
787		11/23/2011	166.375	166.3	0.357	3.452
788		11/24/2011	166.325	166	-0.429	3.023
789		11/25/2011	165.9	166.35	0.165	3.188
790		11/28/2011	167.9	168.55	-0.211	2.977
791		11/29/2011	169.15	169.8	-0.499	2.478
792		11/30/2011	170.075	172.2	0.487	2.966
793		12/1/2011	172.3	173.15	0.434	3.400
794		12/2/2011	173.525	172.1	-0.609	2.791
795		12/5/2011	173.225	173.05	-0.049	2.742
796		12/6/2011	173.35	174.45	0.384	3.126
797		12/7/2011	173.9	172	-0.232	2.894
798		12/8/2011	172.825	172.45	0.224	3.118
799		12/9/2011	173.125	174.15	0.518	3.636
800		12/12/2011	173.6	173.15	1.182	4.818
801		12/13/2011	175.375	177.2	0.586	5.404
802		12/14/2011	175.925	174.2	-0.264	5.140
803		12/15/2011	174.725	174.95	0.928	6.068
804		12/16/2011	176.6	177.15	-0.831	5.237
805		12/19/2011	174.875	176	-0.692	4.545
806		12/20/2011	174.025	174.3	-0.181	4.364
807		12/21/2011	174	173.05	-0.605	3.759
808		12/22/2011	173.35	173.55	0.714	4.473
809		12/23/2011	175.75	176.3	0.559	5.031
810		12/28/2011	177.25	176.5	0.238	5.269

CASE - 3

MERGER OF RIL AND BHARTI AXA LIFE INSURANCE COMPANY LIMITED

Reliance Industries: The Reliance Group, established by Dhirubhai H. Ambani, is India's largest private sector enterprise, with businesses in the energy and materials value chain. Group's annual revenues were in excess of US$ 66 billion[52] in the year 2011-2012. It is a Fortune 500 company and is the largest private sector company in India. Backward vertical integration has been the strategy of the evolution and growth of Reliance Industries. Started with textiles in the late seventies, it practiced a strategy of backward vertical integration - in polyester, fibre intermediates, plastics, petrochemicals, petroleum refining and oil and gas exploration and production.

Overall Operation in 2011-12: Revenue crossed ₹330000 crores mark (₹3,39,792 crores), net profit crossed ₹20,000 crores mark (₹20,040 crores), total assets crossed ₹2,95,000 crores mark (₹2,95,140 crores), and declared dividend of 85%, payout of ₹2531 crores, unmatched in the Indian Private sector. Turnover increased by 31.4% compared to 2010-11, export increased by 41.8% compared to 2011 (i.e. ₹2,08,042 crores), 14% of India’s total export[53].

Bharti-AXA: Bharti AXA Life is a Life Insurance company that was started in 2006 as joint venture between Bharti Enterprise and AXA Asia Pacific Holdings Ltd (APH). It brings all together strong financial proficiencies of the Paris-headquartered AXA Group, and Bharti Enterprises - one of India's leading business groups with interests in telecom, agricultural business, financial services, and retail. The company started national operations in December 2006. Today, Bharti AXA Life has a countrywide footprint of distributors trained to provide quality financial advice and insurance solutions to the large customer base of India.

[52]http://www.ril.com/html/aboutus/aboutus.html accessed on 1st June 2012
[53]http://www.ril.com/downloads/pdf/PR20042012.pdf accessed 2nd June 2012

Since December 2006 to August 2008, have paid over 100,000 claims, sold over 1 million policies, have 3500+ dedicated agents, 3500 hospital and 2000+ car garages tie-ups for cashless claims settlement and have more than 150 branches across India. It differentiates, in comparison to other service providers, through unique offerings and offer 24x7 claims services to keep in line with motto of Fast, Fair & Friendly services. It is one of the fastest growing insurance companies in India and awarded the "Personal Lines Growth Leadership" award at the India Insurance Review Awards 2011[54].

First case for the approval of Competition Commission of India (CCI) under Combination (section 6) was between Reliance Industries Limited (RIL) and Reliance Industrial Infrastructure Limited (RIIL) proposed to acquire 74% share capital of each in the Joint venture companies i.e. Bharti AXA Life Insurance Company Limited (BAL) and Bharti AXA General Insurance Company Limited (BAG) from Bharti Ventures Limited (BVL), Bharti Enterprises Limited (BEL) and Bharti Overseas Private Limited (BOPL), collectively referred as "Bharti Entities". CCI passed order on 26th July 2011 and approved combination under the Competition Act, 2002.

On 8th July 2011, CCI received a notice from RIL and RIIL (Acquirers) relating to a proposed combination under of section 6 (2) of the Competition Act, 2002. The Commission considered the matter in its meeting held on July 26, 2011. The proposed combination relates to the acquisition of 74% of the share capital each in the joint venture companies i.e. BAL and BAG (joint venture between Bharti Entities and AXA SA, headquartered in Paris, France (AXA)) by the Acquirer. Therefore, the proposed combination falls under section 5(a) of the Competition Act, 2002.

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[54]http://www.bharti-axagi.co.in/ accessed on 2nd June 2012

The acquisition by the Acquirers of the entire 74% share capital held by Bharti Entities in each of the Acquired Enterprises is pursuant to bidding share purchase agreement dated 10 June 2011 executed between AXA, Bharti Entities, and RIL which triggered the filling requirement under section 6(2) of the Competition Act, 2002.

BAL and BAG are joint venture between Bharti Entities and AXA Group of France in which Bharti Entities directly or indirectly hold 74% shareholding and the AXA directly or indirectly holds the remaining 26% shareholding. BAL was incorporated in 2005 while BAG was incorporated in 2007 under Companies Act, 1956. BAL is a Life Insurance company and BAG is a General Insurance company and both were registered with Insurance Regulatory Development Authority (IRDA). Therefore, in adherence to sub-regulation of Regulation 9(4) of the Combination Regulations, a single notice was filed with the Commission in relation to both the transactions.

It was asserted in the notice that according to law, within the period of 4 years from the date of investment, the acquirers and AXA have agreed to have equal shareholding in each of the acquired enterprises. RIL and AXA have also issued a press release dated June 10, 2011 stating therein that on completion of proposed transaction, RIL and RIIL would effectively own 57% and 17% respectively in each of the acquired enterprises. It was also specified that an option by which AXA would acquire from RIL and RIIL up-to 24% shareholding in each of the acquired enterprises in accordance with the applicable regulations as and when Foreign Direct Investment (FDI) regulations permit such holding by AXA. The Commission was of the view that such acquisition by AXA at a later stage and is not a part of the present determination and shall be dealt accordingly as per applicable laws at that time.

For the period ending March 2011, market shares (based on the first year renewal premium) of BAL was 0.29% and for BAG is 1.30%. The top five companies in the life insurance business in India account for around 87% of market share, 69% market share acquired by Life Insurance Corporation of India (LIC) being one of the key player in insurance business. Similarly, in the general insurance business, the top 5 companies account for around 69% market share. The acquirers do not directly operate either in life insurance or in general insurance business. BAL and BAG also do not operate in the business in which the Acquired operate[55].

It is also to be noted that one of the subsidiary companies of RIL i.e. Reliance Retail Insurance Broking Limited (RIB) is registered as a direct broker under IRDA Regulation 2002. RIB has no broking relationship with BAG but has in the past engaged a business with BAL. Therefore, there exists a vertical relationship between RIL and the acquired enterprises. As on 30th June 2011, there were 312 registered IRDA brokers in India. RIB is a somewhat new participant in the insurance broking business, it is improbable that RIB as a broker in the downstream market, can pose any competitive constraint post combination. It is also important to note that IRDA issued a memorandum on March 18, 2008 on the subject of "corporate house promoting insurance broking companies in addition to doing business", expecting that "the broker shall ensure that not more than 25% of the insurance handled by it in any financial year is placed with the insurance company within the promoter group separately for life and for general insurance business. The broker shall establish internal machinery to monitor this on an ongoing basis".

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[55] CCI website, http://www.cci.gov.in/index.php?option=com_content&task=view&id=171 accessed on 01/11/ 11

In the light of the above details filled by the Acquirers, it may be inferred that the Acquirers and the Acquired Enterprises don't operate in interchangeable or substitutable products. It means there is no horizontal overlap as well as no significant vertical relationship found in the proposed combination which could pose any competitive constraints in the life and general insurance business as there were many competitors in the both sectors i.e. life insurance and general insurance and having due regard to the factors given in section 20 (4) of the Act, the Commission was of the opinion that the proposed combination is not likely to have an appreciable adverse effect on competition.

Based on the facts on record and notice filed by the acquirers under subsection (2) of Section (6) of the Act and the assessment of proposed combination, The Commission approved the proposed combination as it was not likely to have an appreciable adverse effect on competition. The approval was without any prejudice to compliance of any other statutory obligations as applicable and an order shall stand revoked if, at any stage, the information given in the notice is found to be incorrect.

On 25th November 2011, Bharti Enterprises and Reliance Industries terminated discussion for the stake sale in Bharti AXA insurance companies due to differences on long term vision and joint governance issues[56].

Analysis of Wealth Effect of key events:

Reliance Group announced to acquire 74% equity share capital of Bharti AXA Life Insurance from Bharti Enterprises and stock market reaction captured by event study for RIL is reported in Table – 6:7. CAR of RIL showed negative CAR for all windows except for CAR (0, +180) i.e. 6.7% profit noticed while loss by 7.8%

[56]http://articles.economictimes.indiatimes.com/2011-11-26/news/30444526_1_bharti-axa-life-ceo-amarnath-ananthanarayanan-insurance-regulator accessed on 10th June 2012

showed in window (-180, 0) on 10th June 2011, where RIL announced acquisition of 74% equity share of Bharti AXA Life Insurance from Bharti Enterprise and AXA SA. However, positive CAR noticed for all windows on 8th July 2011 where RIL and RIIL given a notice to CCI relating to a proposed combination under sub-section (2) of section 6 of the Competition Act, 2002.

On 26th July 2011, CCI passed order and approved combination under the Competition Act, 2002 where positive CAR noticed for CAR (-11, 0), CAR (-11, +11), CAR (0, +11), CAR (-5, +5) and CAR (0, +180) while negative CAR showed for CAR (-1, +1) and CAR (-180, 0). On 25th November 2011 when Bharti Enterprises and Reliance Industries terminated discussion for the stake sale in Bharti AXA Life Insurance companies due to differences on long team vision and joint governance issues where negative CAR noticed for all event windows. The Highest CAR is noticed for CAR (0, +180) on 8th July 2011 where RIL given application to CCI for approval of acquisition of 74% equity share of Bharti AXA Life Insurance company while lowest CAR is showed for CAR (-180, 0) on 26th July 2001, where CCI passed order and approved combination under the Competition Act, 2002.

Conclusion:

After reviewing the case and critically analyzing, it was found that RIL showed positive CAR in all the event windows during the M & A of Bharti AXA Life Insurance Company. This event had happened after the establishment of CCI, which was the monitoring authority for ensuring consumer welfare and restricting domination in the local market by M & A. The role of CCI in this process is highly significant.

6.3. APPENDIX

Table - 6:7 Presents the Cumulative Abnormal Returns (CAR) of Reliance Industries

Announcement Date	CAR (-11, 0)	CAR (-11, +11)	CAR (0, +11)	CAR (-1, +1)	CAR (-5, +5)	CAR (-180, 0)	CAR (0, +180)
10-Jun-11	-0.941	-6.000	-6.170	-0.849	-2.358	-7.855	6.744
08-Jul-11	5.036	16.751	12.899	1.689	8.856	95.653	128.580
26-Jul-11	3.745	10.288	5.713	-1.832	4.149	-14.640	13.809
25-11-11	-3.675	-5.150	-2.103	-1.855	-1.815	-1.207	0.580

Table - 6:8 Summary of Major Events in RIL and Bharti AXA Takeover

SR_No	Event Date	Event Narration
1	10.06.2011	RIL and AXA have issued a press release staring that on completion of proposed transaction, RIL and RIIL would effectively own 57% and 17% respectively in each of the Acquired Enterprises
2	30.06 2011	there were 312 registered IRDA brokers in India
3	8.07.2011	CCI received a notice from RIL and RIIL (Acquirers) relating to a proposed combination under sub-section (2) of section 6 of the Competition Act, 2002
4	26.07.2011	The Commission considered the matter in its meeting of CCI
5	25.11.2011	Bharti Enterprises and Reliance Industries terminated discussion for the stake sale in Bharti AXA insurance companies due to differences on long term vision

Reliance						
SR_No	Event No.	Date	Equity Price (Open)	Equity Price (Close)	Abnormal Returns	CAR
1		12/13/2010	1024.15	1041.8	0.670	0
2		12/14/2010	1044	1052.6	0.742	1.412
3		12/15/2010	1056	1051.9	-0.463	0.950
4		12/16/2010	1052	1055.8	-0.631	0.319
5		12/20/2010	1044.95	1057.45	0.283	0.602
6		12/21/2010	1058.5	1071.45	-0.604	-0.002
7		12/22/2010	1071.3	1057.05	-0.456	-0.458
8		12/23/2010	1056.15	1058.15	0.050	-0.407
9		12/24/2010	1055.9	1059.55	-0.505	-0.912
10		12/27/2010	1058.25	1055.1	-0.604	-1.516
11		12/28/2010	1055.1	1047.15	-0.997	-2.514
12		12/29/2010	1048.95	1048.3	-0.851	-3.365
13		12/30/2010	1051.1	1050.6	-0.118	-3.483
14		12/31/2010	1058.1	1058.25	-0.831	-4.315
15		1/3/2011	1062	1054.15	1.038	-3.276
16		1/4/2011	1060	1076.55	1.415	-1.861
17		1/5/2011	1077.55	1073.9	1.082	-0.780
18		1/6/2011	1079.65	1084	1.058	0.278
19		1/7/2011	1081	1064.9	0.186	0.465
20		1/10/2011	1066	1031.05	-0.943	-0.478
21		1/11/2011	1037.15	1014.3	-1.323	-1.802
22		1/12/2011	1020	1030.6	0.268	-1.534
23		1/13/2011	1030	1015.25	0.299	-1.235
24		1/14/2011	1015.3	1001.15	-0.021	-1.256
25		1/17/2011	1003.9	997.8	-1.019	-2.275
26		1/18/2011	1004.7	994.6	-1.119	-3.394
27		1/19/2011	1000	981.5	-1.170	-4.564
28		1/20/2011	978.45	969.75	0.417	-4.147
29		1/21/2011	975	986.5	-0.376	-4.523
30		1/24/2011	997.45	971.05	-1.527	-6.050
31		1/25/2011	978	958.55	-0.184	-6.233
32		1/27/2011	966.5	943	-0.665	-6.899
33		1/28/2011	945	914.5	-0.019	-6.918
34		1/31/2011	909	919.25	-0.022	-6.940
35		2/1/2011	926	895.65	0.981	-5.959
36		2/2/2011	910	921.4	1.302	-4.658
37		2/3/2011	926	943.5	0.084	-4.574
38		2/4/2011	945.7	919.5	0.290	-4.284
39		2/7/2011	925	929.3	0.639	-3.645
40		2/8/2011	936	915.5	0.244	-3.400
41		2/9/2011	909.45	911.85	0.440	-2.960
42		2/10/2011	914.8	899.75	-0.699	-3.660
43		2/11/2011	901.45	910.6	-2.101	-5.760
44		2/14/2011	910	915.2	0.467	-5.293
45		2/15/2011	913.9	941.75	1.371	-3.922
46		2/16/2011	939.4	944	0.090	-3.832

Reliance						
SR_No	Event No.	Date	Equity Price (Open)	Equity Price (Close)	Abnormal Returns	CAR
47		2/17/2011	947.9	953.5	-0.260	-4.092
48		2/18/2011	955.1	937.35	0.291	-3.801
49		2/21/2011	936.1	956.5	4.387	0.586
50		2/22/2011	991.5	985.05	1.029	1.615
51		2/23/2011	985	996.35	0.895	2.510
52		2/24/2011	995	965.85	-0.046	2.464
53		2/25/2011	977	965.95	-0.865	1.599
54		2/28/2011	971.7	964.95	-1.308	0.291
55		3/1/2011	971.5	988.95	-1.472	-1.181
56		3/3/2011	977	978.4	-0.412	-1.593
57		3/4/2011	984.4	981.75	0.763	-0.830
58		3/7/2011	974.8	976.15	0.188	-0.642
59		3/8/2011	979	984.4	0.077	-0.564
60		3/9/2011	988.5	993.9	0.360	-0.204
61		3/10/2011	992.15	984.45	0.756	0.552
62		3/11/2011	980.7	991.6	1.264	1.816
63		3/14/2011	991.8	1017.65	2.029	3.844
64		3/15/2011	995.25	1036.3	1.654	5.499
65		3/16/2011	1043.5	1044.6	-0.095	5.403
66		3/17/2011	1041	1031.45	-1.424	3.980
67		3/18/2011	1035.9	993.15	-1.120	2.859
68		3/21/2011	1000	988.55	-0.115	2.744
69		3/22/2011	993.75	999.5	0.056	2.800
70		3/23/2011	999.15	1012.65	-0.854	1.946
71		3/24/2011	1014.5	1010.1	-1.179	0.767
72		3/25/2011	1017	1026.05	-1.060	-0.294
73		3/28/2011	1027.05	1023.4	-1.388	-1.681
74		3/29/2011	1021	1022.65	-0.552	-2.234
75		3/30/2011	1025.1	1032.9	0.230	-2.004
76		3/31/2011	1035.65	1047.8	-0.342	-2.346
77		4/1/2011	1048.95	1035.3	-0.761	-3.106
78		4/4/2011	1038.1	1049.85	-0.456	-3.562
79		4/5/2011	1050	1044.95	-0.133	-3.695
80		4/6/2011	1044	1043.85	0.055	-3.639
81		4/7/2011	1045	1040.15	-0.599	-4.238
82		4/8/2011	1041	1024.25	-0.837	-5.075
83		4/11/2011	1018.4	1007.15	-0.896	-5.971
84		4/13/2011	1001.2	1021.7	0.244	-5.727
85		4/15/2011	1021	1018.4	1.121	-4.605
86		4/18/2011	1020	1010.15	0.068	-4.537
87		4/19/2011	1005.9	1011.35	-0.467	-5.005
88		4/20/2011	1015	1025.7	0.180	-4.824
89		4/21/2011	1032	1039.95	-2.247	-7.072
90		4/25/2011	1014.5	1009.1	-0.860	-7.932
91		4/26/2011	1008	1000.75	-0.707	-8.639
92		4/27/2011	1006	985.15	-0.607	-9.246

Reliance						
SR_No	Event No.	Date	Equity Price (Open)	Equity Price (Close)	Abnormal Returns	CAR
93		4/28/2011	993	973.85	0.592	-8.655
94		4/29/2011	975	981.95	0.120	-8.535
95		5/2/2011	983.7	964.7	0.005	-8.529
96		5/3/2011	964.9	943.95	0.551	-7.978
97		5/4/2011	945.1	947	1.206	-6.772
98		5/5/2011	946.7	949.5	0.383	-6.389
99		5/6/2011	955	955.4	-0.702	-7.091
100		5/9/2011	959.45	958.35	-0.064	-7.155
101		5/10/2011	961	951.5	-0.415	-7.569
102		5/11/2011	955	954.7	0.223	-7.347
103		5/12/2011	952.5	944.85	-0.314	-7.661
104		5/13/2011	945	948.65	0.281	-7.380
105		5/16/2011	951.8	944.3	-0.662	-8.042
106		5/17/2011	944.7	920.4	-1.433	-9.475
107		5/18/2011	922.45	901.8	-0.288	-9.763
108		5/19/2011	906.35	914.9	0.232	-9.532
109		5/20/2011	916.05	921.4	0.295	-9.237
110		5/23/2011	919.85	908	0.593	-8.644
111		5/24/2011	910	915.25	0.385	-8.259
112		5/25/2011	913.6	906.8	1.086	-7.173
113		5/26/2011	914.5	933.25	0.540	-6.633
114		5/27/2011	935	946.3	-0.281	-6.914
115		5/30/2011	947	939.7	-0.417	-7.331
116		5/31/2011	940	951.75	-0.843	-8.173
117		6/1/2011	950.5	946.75	0.347	-7.826
118		6/2/2011	940	951.85	0.177	-7.649
119		6/3/2011	960	936.15	-0.835	-8.484
120		6/6/2011	933	938.1	0.818	-7.666
121		6/7/2011	935	956.5	0.502	-7.164
122		6/8/2011	953.5	947.35	0.158	-7.006
123		6/9/2011	946.5	954.1	0.262	-6.744
124		6/10/2011	955	944	-1.111	-7.855
125		6/13/2011	942.9	926.65	-1.699	-9.554
126		6/14/2011	928.8	913.55	-1.176	-10.731
127		6/15/2011	911.1	900.75	-0.112	-10.843
128		6/16/2011	900	888	-1.041	-11.884
129		6/17/2011	894	868.4	-1.423	-13.307
130		6/20/2011	874.5	834.6	-0.201	-13.507
131		6/21/2011	839.85	848.5	0.593	-12.914
132		6/22/2011	854.9	846.1	0.818	-12.096
133		6/23/2011	845.35	870.65	-0.775	-12.871
134		6/24/2011	874.3	870.4	-1.970	-14.841
135		6/27/2011	865	871.5	-0.612	-15.454
136		6/28/2011	877.8	870.55	-0.076	-15.529
137		6/29/2011	874.6	885.3	0.588	-14.942
138		6/30/2011	889.9	897.6	-1.836	-16.778

Reliance						
SR_No	Event No.	Date	Equity Price (Open)	Equity Price (Close)	Abnormal Returns	CAR
139		7/1/2011	900	862.15	-1.013	-17.790
140		7/4/2011	873.95	868.15	-1.151	-18.941
141		7/5/2011	868.3	846.15	-0.353	-19.294
142		7/6/2011	848.15	852.65	0.560	-18.734
143		7/7/2011	858.9	870.35	-0.407	-19.141
144		7/8/2011	871.2	854.4	0.230	-18.911
145		7/11/2011	855	853.2	1.165	-17.745
146		7/12/2011	847.8	848.5	1.013	-16.733
147		7/13/2011	853.7	864.55	0.398	-16.335
148		7/14/2011	863.1	866.9	10.448	-5.887
149		7/15/2011	1040.25	873.3	-8.624	-14.512
150		7/18/2011	872.9	867.1	0.085	-14.427
151		7/19/2011	865.35	879.15	0.771	-13.656
152		7/20/2011	886.1	875.3	-0.428	-14.083
153		7/21/2011	876	860.75	-0.764	-14.848
154		7/22/2011	866.6	873.6	1.045	-13.803
155		7/25/2011	892.9	882.15	-0.209	-14.012
156		7/26/2011	888.5	871.15	-0.035	-14.047
157		7/27/2011	875.75	860.7	-0.987	-15.033
158		7/28/2011	855	837.35	-1.066	-16.099
159		7/29/2011	839.05	827.7	-0.682	-16.781
160		8/1/2011	837	830.9	0.751	-16.030
161		8/2/2011	829.8	835.1	0.876	-15.154
162		8/3/2011	827.95	825.15	0.157	-14.997
163		8/4/2011	829.4	812.5	0.256	-14.741
164		8/5/2011	799.95	791.65	0.334	-14.406
165		8/8/2011	775	780.6	-0.053	-14.459
166		8/9/2011	759.95	765.4	-1.068	-15.527
167		8/10/2011	786.45	771	-0.143	-15.670
168		8/11/2011	766.1	773.4	0.461	-15.208
169		8/12/2011	781.6	760.8	-0.109	-15.317
170		8/16/2011	761.8	759	0.331	-14.986
171		8/17/2011	761.9	754.8	-0.333	-15.319
172		8/18/2011	756.5	739.95	1.279	-14.041
173		8/19/2011	731	731.2	1.548	-12.493
174		8/22/2011	731.2	756.25	1.297	-11.196
175		8/23/2011	761	765.55	0.723	-10.473
176		8/24/2011	765	760.95	0.589	-9.884
177		8/25/2011	762.6	754.3	-1.085	-10.969
178		8/26/2011	752.9	719.5	-0.712	-11.681
179		8/29/2011	730	754.05	1.713	-9.967
180		8/30/2011	763.95	781.5	1.999	-7.968
181		9/2/2011	795.55	805.4	0.433	-7.535
182		9/5/2011	795.9	788.9	1.015	-6.520
183		9/6/2011	784.9	820.85	1.765	-4.755
184		9/7/2011	825	831.7	0.927	-3.828

Reliance						
SR_No	Event No.	Date	Equity Price (Open)	Equity Price (Close)	Abnormal Returns	CAR
185		9/8/2011	833.05	853.5	0.238	-3.590
186		9/9/2011	851.5	825.1	-0.458	-4.048
187		9/12/2011	812.6	805.85	0.655	-3.393
188		9/13/2011	811.6	810.8	0.695	-2.698
189		9/14/2011	814.45	825.3	0.188	-2.510
190		9/15/2011	832.5	835.15	-0.364	-2.874
191		9/16/2011	847.35	827.45	-0.653	-3.528
192		9/19/2011	821	820.85	1.137	-2.390
193		9/20/2011	821.25	851.5	-0.116	-2.507
194		9/21/2011	849.2	838.1	-1.118	-3.625
195		9/22/2011	824.95	786.45	-1.335	-4.959
196		9/23/2011	773.25	770.75	-0.323	-5.282
197		9/26/2011	770.5	759.2	0.996	-4.286
198		9/27/2011	773.7	797.85	1.654	-2.632
199		9/28/2011	814	797	-0.468	-3.100
200		9/29/2011	792	808.1	0.828	-2.272
201		9/30/2011	801.1	808.3	0.658	-1.615
202		10/3/2011	794.4	788.2	0.175	-1.440
203		10/4/2011	785.4	772.4	-0.250	-1.690
204		10/5/2011	773.9	767.25	0.726	-0.964
205		10/7/2011	786	801.45	1.611	0.647
206		10/10/2011	803.25	827.9	0.711	1.358
207		10/11/2011	836	825.85	-0.297	1.061
208		10/12/2011	829	849.5	0.139	1.200
209		10/13/2011	850	846.85	0.801	2.001
210		10/14/2011	841.6	866.8	-1.221	0.781
211		10/17/2011	869	833.2	-1.200	-0.420
212		10/18/2011	825	820	0.113	-0.307
213		10/19/2011	824.9	842.3	0.774	0.467
214		10/20/2011	833.5	838.4	0.533	1.000
215		10/21/2011	839	835.4	0.644	1.644
216		10/24/2011	847.9	846.25	1.031	2.676
217		10/25/2011	853	875	0.186	2.862
218		10/26/2011	877	873.35	-0.156	2.706
219		10/28/2011	897	898	-1.120	1.586
220		10/31/2011	898.6	877.75	-1.050	0.536
221		11/1/2011	869	860.55	0.551	1.087
222		11/2/2011	855	871.45	1.282	2.369
223		11/3/2011	868.45	884.6	0.584	2.953
224		11/4/2011	901.1	879.6	-0.787	2.165
225		11/8/2011	880	881.85	0.144	2.309
226		11/9/2011	890.1	864.55	1.367	3.676
227		11/11/2011	858.9	883.85	1.032	4.709
228		11/14/2011	889.55	875.15	-0.077	4.632
229		11/15/2011	871	862.7	-0.307	4.325
230		11/16/2011	860.3	848.95	-1.624	2.701

Reliance						
SR_No	Event No.	Date	Equity Price (Open)	Equity Price (Close)	Abnormal Returns	CAR
231		11/17/2011	845	810.65	-1.225	1.475
232		11/18/2011	800.05	808.05	0.633	2.108
233		11/21/2011	800.9	786.85	0.393	2.501
234		11/22/2011	786.6	795.05	0.323	2.824
235		11/23/2011	789	773.75	-0.369	2.455
236		11/24/2011	775	774.2	-1.181	1.274
237		11/25/2011	768.9	754	-0.301	0.973
238		11/28/2011	764	783	-0.340	0.633
239		11/29/2011	782.8	765	0.157	0.790
240		11/30/2011	756.6	778.8	0.525	1.315
241		12/1/2011	798.55	798.5	-0.149	1.166
242		12/2/2011	798	810.8	-0.414	0.752
243		12/5/2011	807.65	807.35	-0.075	0.677
244		12/7/2011	807.35	809.2	-0.610	0.067
245		12/8/2011	802.9	779.2	-0.398	-0.332
246		12/9/2011	769.7	755.45	-1.321	-1.653
247		12/12/2011	761.1	727.9	0.244	-1.410
248		12/13/2011	722.5	742.6	0.881	-0.529
249		12/14/2011	737.9	741.7	1.284	0.755
250		12/15/2011	732.3	748.7	0.551	1.307
251		12/16/2011	751.6	723	1.013	2.320
252		12/19/2011	719.9	735.85	0.843	3.163
253		12/20/2011	740	713.55	-0.583	2.580
254		12/21/2011	729	747.25	0.775	3.355
255		12/22/2011	742.05	754.75	-0.269	3.086
256		12/23/2011	759	746.45	-0.043	3.043
257		12/27/2011	765.1	753.25	-0.684	2.359
258		12/28/2011	751.4	738.55	-1.270	1.089
259		12/29/2011	733.9	712.9	-2.012	-0.923
260		12/30/2011	713	692.9	0.056	-0.866
261		1/2/2012	697.9	706.95	0.260	-0.606
262		1/3/2012	712	723.7	-0.335	-0.941
263		1/4/2012	727.9	716	-1.475	-2.416
264		1/5/2012	715.4	699.25	0.566	-1.850
265		1/6/2012	698	716.9	0.853	-0.996
266		1/10/2012	712	735.15	1.599	0.603
267		1/11/2012	738.6	748.35	0.838	1.441
268		1/12/2012	746	737.55	-0.946	0.495
269		1/13/2012	743.9	732.05	-1.982	-1.487
270		1/16/2012	730	713.4	-0.668	-2.155
271		1/17/2012	716.9	740.35	4.932	2.777
272		1/18/2012	762.15	776.9	1.369	4.146
273		1/19/2012	789	785.15	-0.314	3.832
274		1/20/2012	790.6	793.35	-3.251	0.581
275		1/23/2012	756.65	771	0.497	1.078
276		1/24/2012	772.55	783.15	0.369	1.447

Reliance						
SR_No	Event No.	Date	Equity Price (Open)	Equity Price (Close)	Abnormal Returns	CAR
277		1/25/2012	789.9	790.1	1.167	2.615
278		1/27/2012	796.6	817.6	1.429	4.043
279		1/30/2012	815.7	795.45	-0.072	3.971
280		1/31/2012	803.2	815.45	0.787	4.758
281		2/1/2012	819.5	830.3	-0.467	4.292
282		2/2/2012	836.5	828.6	-0.353	3.938
283		2/3/2012	832	837.75	-1.060	2.878
284		2/6/2012	843	832.75	0.647	3.526
285		2/7/2012	841	844.75	1.546	5.072
286		2/8/2012	848	858.05	-0.301	4.771
287		2/9/2012	856.9	852.65	-1.230	3.541
288		2/10/2012	851.9	842.15	-0.077	3.464
289		2/13/2012	842.8	848.15	-0.042	3.421
290		2/14/2012	847	848.15	-2.344	1.077
291		2/15/2012	854.4	836.05	-3.262	-2.184
292		2/16/2012	829.9	812.15	-1.030	-3.215
293		2/17/2012	824	817.9	0.727	-2.488
294		2/21/2012	817.9	841.8	1.691	-0.797
295		2/22/2012	848.9	833.2	0.876	0.079
296		2/23/2012	834	838.1	-0.311	-0.232
297		2/24/2012	834.7	820.35	-1.156	-1.387
298		2/27/2012	821	781.2	-0.405	-1.792
299		2/28/2012	790.7	796.05	1.035	-0.757
300		2/29/2012	805.9	818.65	1.254	0.497
301		3/1/2012	812.7	810.35	0.425	0.922
302		3/2/2012	815	814.35	0.216	1.139
303		3/5/2012	815	797.9	-0.928	0.210
304		3/6/2012	794.7	776.5	-1.242	-1.032
305		3/7/2012	775.65	761.45	-1.198	-2.230
306		3/9/2012	774.9	773.6	0.147	-2.083
307		3/12/2012	789.5	789.5	2.353	0.270
308		3/13/2012	804	818.65	-0.319	-0.049
309		3/14/2012	827.1	814.3	-0.551	-0.600
310		3/15/2012	815.05	798.05	-2.036	-2.637
311		3/16/2012	781	771.95	0.051	-2.586
312		3/19/2012	780	754.9	-0.353	-2.938
313		3/20/2012	757.75	760.4	-0.228	-3.166
314		3/21/2012	760	768.35	-1.593	-4.759
315		3/23/2012	743	744	-0.018	-4.777
316		3/26/2012	744.9	729.8	-0.410	-5.187
317		3/27/2012	737.9	730.7	-0.315	-5.502
318		3/28/2012	730.1	725.95	0.386	-5.116
319		3/29/2012	721	724.85	0.845	-4.270
320		3/30/2012	730	748.25	-0.419	-4.690
321		4/2/2012	750	740.8	-0.402	-5.092
322		4/3/2012	744.7	752.45	0.359	-4.733

Reliance						
SR_No	Event No.	Date	Equity Price (Open)	Equity Price (Close)	Abnormal Returns	CAR
323		4/4/2012	746.5	747.1	0.907	-3.826
324		4/9/2012	740.9	742.6	0.822	-3.004
325		4/10/2012	744	743	-0.312	-3.316
326		4/11/2012	738	732.9	-0.422	-3.738
327		4/12/2012	735	742.9	2.463	-1.276
328		4/13/2012	746	751.25	0.426	-0.850
329		4/16/2012	746.55	748.3	-1.234	-2.084
330		4/17/2012	747.9	746.4	-0.524	-2.608
331		4/18/2012	750.5	749.35	-0.698	-3.306
332		4/19/2012	751.1	741.75	-1.010	-4.316
333		4/20/2012	739	731.45	1.008	-3.307
334		4/23/2012	726.6	736.1	1.062	-2.246
335		4/24/2012	737.05	734.7	0.124	-2.122
336		4/25/2012	736	736.35	1.118	-1.003
337		4/26/2012	738.4	745.45	0.433	-0.570
338		4/27/2012	744	742.1	-0.858	-1.428
339		4/30/2012	739	745.2	0.103	-1.325
340		5/2/2012	749	743.35	0.186	-1.139
341		5/3/2012	741	738.85	0.580	-0.560
342		5/4/2012	731.8	726.45	-0.286	-0.846
343		5/7/2012	717	715.3	0.150	-0.696
344		5/8/2012	719.6	708.65	0.100	-0.596
345		5/9/2012	703	695.1	-0.292	-0.888
346		5/10/2012	697.7	694.65	1.142	0.254
347		5/11/2012	693	697.3	0.082	0.336
348		5/14/2012	701.4	681.15	-0.632	-0.296
349		5/16/2012	675	676.2	1.292	0.995
350		5/17/2012	681.8	685.1	0.858	1.853
351		5/18/2012	678	688.65	0.159	2.012
352		5/21/2012	689	695.5	0.965	2.977
353		5/22/2012	703.8	691.2	0.394	3.371
354		5/23/2012	687.5	687.2	-0.012	3.359

CHAPTER - 7
CONCLUSION

The study was carried out with a view to understand the rise of the M & A phenomena as also to reveal whether the wealth maximization proposition a guiding philosophy for financial function, leads to shareholders' wealth maximization or not. Hereunder, an attempt is made to present the summary of the findings though detailed analysis is given in the previous chapters and offers some suggestions. This chapter is divided into three parts. Part-1, narrates the summary of the finding while part-2 presents the recommendations and the last part presents the future areas for research.

7.1. Summary of Findings

Indian business enterprises were subjected to rigorous regulatory regime before 1990s. This has led to asymmetrical growth of Indian corporate enterprises during that period. The transformations initiated by the Government since 1991, has influenced the governance of Indian business enterprises. Indian corporate enterprises are refocusing on the lines of global competitiveness, market share, core competency, and consolidation. This process of refocusing has further been hastened by the arrival of foreign competitors. In this backdrop, both the foreign and Indian companies are engaging in mergers activities to scale up their operations.

7.1.1. Mergers and Acquisitions in India

- In the earlier years, trend of cross-border M & A in terms of purchases by developed countries were marginally higher than their sales, indicating a small part of capital flowing into developing countries. On the contrary, cross-border M & A in terms of sales were slightly higher than the purchases in the developing countries whereas cross-border M & A in terms of sales were slightly lesser than the purchase in the developing countries. The share of developing countries in the total cross border M & A was lower, it has seen increase in their net purchases after 2009.

- Out of overall cross-border purchases, the share of two continents i.e. Europe (USD 129371million (50.35 per cent)) and North America (USD 98436million (38.31 per cent)) constituted 88.66 percent of the values in 2003 and their dominance has been continuing until 2011 as net purchases of two continents represented 90.02 per cent. However, the share was reduced substantially to 70.71 per cent in 2010. The average share of two continents was 87.78 per cent.
- Out of the overall cross-border purchases by countries from developing economies, the share of two continents i.e. Latin America & the Caribbean and the Asia constituted 92.62 per cent of the values in 2002 and their dominance has been continuing till 2011 as net purchases of two continents represented 86.94 per cent.
- The value of cross-border M & A of Indian companies reported a fluctuating trend from year 2002 until May 2011. In 2002, net sales and net purchase were $1698 million and $270 million respectively. However, in 2003, cross-border net purchases increased to $1362 million while net sales declined to $949 million. In 2007 total value of overseas net purchases were $29083 million while net sales were $4405 million, highest during the period under study. The cross border net purchases yet again picked up in 2010 as total value of overseas M & A was $26421

million but probably same trend was disrupted in the year 2011 with total value of M & A was $74 million. Whereas cross border net sales noticed decrease in 2010 and 2011.

- Interesting observation is that in maximum years, total values of cross-border purchases were higher than total value of sales except for the year 2002, 2004, 2009, and 2011. The difference between the net purchases and the net sales for the year 2005 was on account of only 4 deals but the value was $1351 million.
- Purchases of foreign companies by Indian companies were found to be increasing and same trend was noticed in global cross-border M & A and started reverse trend where purchases from developing countries was higher than their sales. This evidently points to the fact that Indian companies now have a preference to expand their market outside India adjacent to the domestic market.
- It is worth noting from the study that during the period 2002-03 to 2010-11, about 802 companies in India participated in M & A and of them majority were in Service sector. However, manufacturing sector is also in the direction of M & A, whereas finance and primary sectors had significantly low impact. The study revealed companies acquired by Indian and foreign companies, registered by SEBI have undergone significant structural changes in terms of financial management, change in control, and consolidation of holding in the target company. It also showed that individual business people did the majority of acquisitions but their equity share holding was critical in the change of control of the target company.
- Indian companies had 634 M&A and other continents companies purchased 168 Indian companies during the studied period.
- Around 79% companies acquired in India belongs to Indian company (it included companies registered in India) while 9%, 6%, 3% and 2.6%

companies belong to Europe, Africa, other Asian countries and North America respectively. The percentages of Asia-India continent is very high i.e. 79% as most of Indian campiness acquired by Indian companies or Indian Professional Individuals.

- In India, out of 802 acquisition deals, 528 (65.8%) numbers of acquisition deals completed with object of change in control while only 167 (20.8%) deals completed with objective of consolidation of holding and only 107 (13.3%) acquisition deals were successfully achieved objective of substantial acquisition.
- The Indian target companies acquired by Indian industrialists also witnessed similar trend as maximum acquisitions completed with intention of change in control i.e. 426 deals (67.2%). Whereas companies acquired with purpose of consolidation of holdings were 129 deals (20.3%) while Indian companies' under the objective of substantial acquisition concluded 79 deals (12.7%) in domestic market. The investment made by all the continent companies where maximum acquisitions successfully completed were with intent of change in control of target companies.
- No trend is visible during the period in India since M&A were showing up and down year on year. In the year 2008-09, 113 (16.1%) Indian companies acquired as compared to 58 (8.3%) in the year 2004-05. However, in the year 2009-10 M&A activities decreased to 10.8% (76 deals) but in the year 2010-11 again upward trend was noticed in Indian financial market i.e. 12.6% (101 deals). Around 50% difference observed between highest number of acquisitions and lowest number of acquisitions because of downfall in M&A activities by Indian companies in Indian market.
- Indian companies completed 64 deals (10.1%) in the year 2002-03 while decline was seen in the year 2003-04 by 8 deals and it further decreased by

13 deals in the year 2004-05. The increasing trend observed from 2006-07 onwards till 2008-09 as 86 deals (13.6%) and 90 deals (13.6%) were concluded respectively but decline was noticed in the year 2009-10 while increasing trend observed in 2010-11.

- The market value of shares acquired of target companies ranged from ₹1 to ₹7315. Of this 64.2% was accounted for by companies having market value of less than ₹50.
- The market value of shares acquired by Indian companies in the range of ₹1-199, approximately 92% (580 deals).

7.1.2. Literature Review

- Review of literature provides inconclusive evidence with regards to motives of takeovers. The agency theory, hubris, and synergy independently failed to provide clue to M & A activity.
- Presence of one motive is accompanied by another. Along with synergy, hubris or agency has been at work causing divestiture or spin-off at a later date.
- Sirower (1997) conducted study to examine whether M & A is good for shareholders or presumably for the economy. He concluded that synergies were only realized through post-merger integration of both processes and people, where a premium has been paid for the acquisition. The slower the integration the slower the recognition of synergies and was more expensive. Adding synergy means creating value that not only didn't yet exist but was not yet expected.
- Joseph (2001) tried to link strategic intent to the implications of integration that result. He stated that all M & A occur for either to deal with over-

capacity through consolidation in mature industries; to roll-up competitors in geographically fragmented industries; to extend into new products or markets; as a substitute for R&D; or to exploit eroding industry boundaries by inventing an industry.

7.1.3. Legal aspects of Merger and Acquisition

- Law concerning the takeover, amalgamation, and merger has evolved over a period of time in-line with changes in the economic environment both locally as well as globally. Competition Law is one such example, which has replaced the MRTP Act, 1969.
- The Committee was established by SEBI to recommend enhancements in the Takeover Code. The new amendments announced by SEBI have fundamentally been made on the basis of the report submitted by the Takeover Regulations Advisory Committee, under the chairmanship of Mr. C. Achuthan.
- The report formulated by committee taking into account the rapidly increasing level of M&A activity, the rising refinement of the takeovers Indian market, SEBI's decade-long regulatory proficiency in capital markets, and several legal verdicts concerning to the Takeover Code.
- On the basis of research and existing best procedures in other states jurisdictions, the Committee has recommended several amendments to the exiting Takeover (SAST) Regulation of 1997. The result of these

modifications has been to achieve the amended code considerably in line with worldwide takeover regulations.

- The objectives of SAST are to protect interest of the investors in security market for a listed company providing amongst others, a chance for the public shareholders to exit where there is a significant acquisition of equity shares or voting rights or control over a listed company, consolidation of holdings by dominant shareholders and associated disclosures and punishments for non-compliance.
- There are three major changes in the takeover code, which are different from the earlier takeover code, i.e., the Initial Threshold limit provided for open offer an obligation is increased from 15% to 25% of the voting rights of the target company. The increase in open offer increased from 20% to 26% and Abolition of Non-compete fees
- Practical experience has shown that the majority of M & A cases notified to the commission are cleared quite quickly. The Act, itself lays down stringent time lines - the Commission must take a view within 90 working days from the day it has obtained complete information failing which the combination is deemed to have been approved.
- Further global experience suggests that hardly four per cent of the all notified combinations are taken up for a detailed scrutiny by the competition authorities, of which 50% are approved, and a further 25% are approved with modifications. So far no case, has been rejected by CCI.

7.1.4. Wealth Effect of Mergers and Acquisitions: An Event Study

- On an average, M & A events involving the domestic as well as foreign acquirers were not value enhancing as average CAR (-180, +180) of total sample size for Indian as well as foreign companies were equals to 0%.
- Interestingly, at total sample size as well as at Indian and foreign companies level average CAR (-11, +11) is found to be negative i.e. -0.17%, -0.21% and -0.08% respectively. This finding is consistent with negative acquirer returns reported by Eger (1983).

A. <u>Industry Group Analysis</u>

- On an average for the 23 day CAR (-11, +11) the shareholders of acquirers company lost by 2.22% for Primary sector, 1.08% for Manufacturing sector, while shareholders of acquirers gained by 1.48% in Services sector but companies from Financial sector registered loss of 1.06%.
- In pre event window, shareholders of acquiring companies lost by 13.67% for Primary sector, 5.96% for Manufacturing sector while shareholders of Service sector had gained by 7.64% but shareholders of Financial sector had lost by 32.67%.
- The post event window i.e. CAR (0, +180) explained reverse trend compared to pre event window as shareholders from Primary sector gained by 11.69%, 5.55% for Manufacturing sector but shareholders

from Service sector lost by 7.82% but shareholders of Financial sector had gained by 32.86% and it was significant at 95% level compared to Service sector.

- The CAR (-180, +180) showed no gain or no loss as average CAR was close to 0% for Indian companies as well as for foreign companies and industries like Primary, Manufacturing and Service sector also highlighted average CAR tending to 0%. This finding is similar to hubris hypothesis (Roll, 1986).

B. <u>CAR of Acquiring Group</u>

- The median values of event window and post event window were negative i.e. CAR (-11, +11) for -0.4% and CAR (0, +180) for -1.33% while pre event window showed positive return (1.03%) although these values are having less than the mean values for the same event window period.
- The event window showed lost value by 4.5% for Primary sector, 1.18% for Manufacturing sector, while marginal gained by 0.12% notice in Services sector but companies From Financial sector registered loss of 0.33%.
- During the pre-event window i.e. CAR (-180, 0) the shareholders of acquiring companies lost by 14.2% for Primary sector, 0.45% for Manufacturing sector while shareholders of Service sector had gained by 3.19% but shareholders of Financial sector had lost by 28.49%.

- The post event window i.e. CAR (0, +180) explained reverse trend compared to CAR (-180, 0) as Primary sector gained by 11.97%, 0.67% for Manufacturing sector but Service sector lost by 3.57% whereas Financial sector had gained by 29.65%.

C. <u>CAR of Target Companies</u>

- The median values of event window and pre event window were positive i.e. CAR (-11, +11) for 0.27% and CAR (-180, 0) for 6.88% while post event window showed negative return (-7.13%) although these values are having less than the average values for the same event window period.
- The event window (-11, +11) showed loss of value by 3.44% for primary sector, 0.79% for manufacturing sector, while Service sector gained by 2.10% and companies from Financial sector registered gain of 1.78%.
- The pre event window i.e. CAR (-180, 0) the shareholders of target companies lost by 0.67% for Primary sector while shareholders of Manufacturing, Service and Finance sectors had shown gain of 9.32%, 7.00% and 15.35% respectively.
- The post event window noticed reverse trend compare to pre event window as Primary sector gained by 0.68% whereas Manufacturing, Service and Finance sectors had shown loss of 9.28%, 6.70% and 15.07% respectively.

D. <u>CAR of Indian and Foreign Companies:</u>

- The average values of event window and pre event window were negative (-0.21% and -2.2) while post event window showed positive return (1.82%) for Indian companies and same trend was also noticed for foreign companies i.e. event window (-0.08), pre event window (-4.86%) and post event window (4.6%).
- Companies from India showed loss of value by 3.16% for Primary sector, 0.91% for Manufacturing sector, while gained by 1.31% in Services sector but companies from Financial sector registered loss of 0.33% in event window. Whereas foreign companies gained for Primary and Service sectors by 0.59% and 1.79% but Manufacturing and Finance sectors shown loss by 1.48% and 1.81% respectively.
- In pre event window the shareholders of Indian acquiring companies lost by 19.93% for Primary sector, 4.05% for Manufacturing sector and 25.76% for Finance sector while shareholders of Service sector had gained by 7.59%. However, foreign companies lost by 10.52% in Manufacturing sector and 53.38% in Finance sector whereas shareholders shown gain for Primary, and Service sectors by 5.11% and 7.73% respectively.
- In post event window explained reverse trend compared to pre event window for foreign and Indian companies as Primary and Service sectors registered lost by 6.88% and 7.64% respectively but Manufacturing and Finance sectors noticed profit by 9.97% and 53.84% respectively for foreign companies. Whereas Indian companies noticed gain for Primary, Manufacturing and Finance sectors by

17.88%, 3.7% and 25.86% respectively while Service sector had lost by 7.59%.

E. <u>Measurement of Combined Value</u>

- The median values of event window and pre event window were positive return i.e. (0.09% and 6.45%) while post event window showed negative return i.e. -6.11.
- The event window showed loss of value by 7.94% for Primary sector, 0.6% for Manufacturing sector, and 0.6% for Finance sector while gained by 2.07% notice in Services sector.
- In pre event window, highlighted loss of value for Primary and Finance sectors by 16.1% and 19.88% while Manufacturing and Service sector noticed gain by 5.27% and 13.54% respectively.
- In post-event window explained opposite trend compared to pre event window as Primary and Finance sector noticed gain of value i.e. (14.26% and 20.88%) while Manufacturing and Service sectors noticed loss of value by 4.72% and 11.67% respectively.

The examination of behavior of CAR during pre and post event period suggests that market behaviour appears to be consistent with semi-strong form of market efficiency and that market does not reward the M & A. However, this remains inconclusive, as in case of financial services the shareholders have gained. This may be due to infirmities in the market. Hence, it would be safe to infer that market penalizes the takeover bid, as it does not put value on such activity.

7.1.5. Case studies

A. <u>An aborted takeover of L&T by RIL</u>

- RIL and L&T case appear to refute hubris hypothesis but it may be so due to weak regulatory regime and inefficient market institutions, which have been utilized effectively by the RIL management.

B. <u>Case of Hutch takeover by Vodafone</u>

- It was surprising to note that the value of wealth from the date of events decreased in maximum event windows for Vodafone. This may be due to the low profile of HTI in telecom business when compared to Vodafone.

C. <u>Case study of RIL and Bharti AXA Life Insurance</u>

- After reviewing, the third case of RIL and Bharti AXA Life Insurance Company showed positive CAR in all the event windows. The role of CCI in this process is highly significant.

7.2. Recommendations:

The outcomes of the reform initiated in different sectors have been to introduce new laws and setting-up of regularity institutions. Besides, liberalizing the extant regulations which in own way have created more ruffles then ironing-out the inefficiency in the market.

To ensure efficient and transparent working of the market for corporate control following suggestion are offered.

- M and A remains a matter of multiple regulatory agencies such as, CCI, SEBI, Court and Government of India which are require to be approach for multiple clearance and reporting. Therefore, there is a need to have one window clearance for M & A, which are not hostile.

- Tax law needs to be modified such that retrospective tax penalty is not imposed in M & A particularly when share-to-share deal is there.

7.3. Future Areas of Research

Since not many research efforts are seen in the area of M & A, it offers vital scope for further research. Following are the areas in Indian setting in future researchers.

- Corporate governance and M & A
- Cultural integration in M & A
- Corporate disclosure and M & A
- Analysis of value creation in domestic and cross-border M & A and their disparities, if any
- Relationship between outward FDI and cross-border M & A.
- Analysis of companies who have multiple cross-border M & A and their effects on profit and turnovers at company level and group level.

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