

2. Review of Literature:

In order to find out the gaps in research, the literature already available pertaining to Mergers & acquisitions has been reviewed. The literature includes books, compendia, thesis, dissertations, study reports and articles published by academicians and researchers in different periodicals. The review of this literature gives an idea to concentrate on the unexplored area and to make the present study more distinct from other studies. The literature available is presented below:

- 2.1 Pablo Fernandez, (2002) in his book-“Valuation Methods and Shareholder Value Creation” has provided a comprehensive examination of valuation tools and guidance for analyzing and valuing a business. It covers the basics of valuation methods and shareholder value creation in addition to rigorous approaches to discounted cash flow valuation and real options for valuing a company. It highlights quantitative analyses of firm value; emphasizes qualitative management assessments; and integrates data from international companies. By examining eight different methods of discounted cash flow valuation and discussing the pros and cons of each method, the book offers thorough, accessible coverage of corporate valuation.
- 2.2 Luc Keuleneer and Willem Verhoog, (2005) in their book "Recent Trends in Valuation" follows past, current and potential future valuation techniques and discusses current trends in this area in the light of the ever-increasing desire to assess and manage risk.
- 2.3 Jarrod McDonald, Max Coulthard, and Paul de Lange, (2005), Mergers and acquisitions (M&As) continue to be a dominant growth strategy for companies worldwide. This is in part due to pressure from key stakeholders vigilant in their pursuit of increased shareholder value. It is therefore timely to identify key planning steps that will assist CEOs and company boards to achieve M&A success. This study used semi-structured interviews to, identify the link between corporate strategic planning and M&A strategy, examine the due diligence process in screening a merger or acquisition, and evaluate previous experience

in successful M&As. The study found that there was a clear alignment between corporate and M&A strategic objectives but that each organisation had a different emphasis on individual criterion. Due diligence was also critical to success; its particular value was removing managerial ego and justifying the business case. Finally, there was mixed evidence on the value of experience, with improved results from using a flexible framework of assessment.

- 2.4 Manish Agarwal, Harminder Singh, (2006), this paper examines the stock price effects and trading volume pattern for the possible existence of informed trading prior to merger announcement. The investigation is based on a database of companies for which merger announcement date has been announced during 1996-2000. The analysis is based on the examination of the pattern of stock prices and trading volume of the sample companies. For examining the pattern of stock prices, average residuals (AR) and Cumulative Average Residuals (CAR) have been calculated for the sample. The analysis examines the abnormal returns prior to merger announcement, trading volume prior to merger announcement and immediate market reaction to the merger news in terms of abnormal returns and trading volume. In case of six companies, our investigation infers possible insider trading.
- 2.5 Astha Dewan (2007), in her paper observed this study was undertaken to test whether the industry type has an impact on the outcome of merger for the merging firm, in terms of impact on operating performance. The results from the analysis of pre and post-merger operating performance ratios for the acquiring firms in the sample showed that there was a differential impact of mergers, for different industry sectors in India. Type of industry does seem to make a difference to the post-merger operating performance of acquiring firms. The results of this study shows that management can't take it for granted that synergy will be generated and profits will increase simply by going for merger and acquisitions.
- 2.6 B Rajesh Kumar and Prabina Rajib (2007), analysed that a merger can be termed as an investment alternative in the context of scarce fund resources. The financial

characteristics of a firm have a critical role in the merger decision process. They are either explicit decision variables or directly reflect the non-financial reasons for acquisition characteristics. The purpose of this study was to analyse the distinctive financial characteristics of the acquirer and the target firms in the period of merger. The study suggests that smaller firms with lower Price-earnings ratio are more likely to be acquired. The acquired firms may also be undervalued by the stock market. There is a possibility that the acquirer firms with higher price-earnings ratios may get instantaneous gains from acquisitions of low P/E targets due to the market's tendency to value the combined firm at the acquirer's original price.

- 2.7 Shashank, Agarwal, (2007), observe that Mergers and Acquisitions are the most important components of modern corporate finance. The growing tendency of capital concentration and company's preference for external expansion, rather than internal way of development, determines the significance of mergers and acquisitions within the bounds strategic planning of company's development. About the Tetley's acquisition, it could be said that given the intensity of competition and fast changing business environment in the tea segment, the world over, it, undoubtedly, is a strategic fit for Tata Tea in the driving seat in world's two largest markets, the UK and US, but should also make it inroads in other lucrative markets like Middle East and the rest of Europe.
- 2.8 Orley, Ashenfelter, (2008), finally, examined a complete evaluation of optimal enforcement behavior must be based on a consideration of all these issues. We also think that our results suggest the outline of much further additional research. First, it seems that the evaluation of merger simulation models by a comparison of predicted and actual outcomes is in its infancy. In view of the extensive use to which these models are put, a careful evaluation of their effectiveness seems long overdue. Second, the advent of the wide availability of scanner and other proprietary price data could, with some organizational effort, be far more widely exploited by the research community. In principle, the

companies that collect and sell these data have a natural interest in their wider use.

- 2.9 Hoang, Thuy Vu Nga, & Lapumnuaypon, Kamolrat, (2008), accordingly three major project success criteria were found, (1) The deal is actually closed, (2) The client's objectives are achieved and the client is satisfied with the result of the deal and (3) The accomplishment per se of complex transactions including coordination, tactics, and negotiations. Problems or issues emerging throughout the M&A projects may come from within the project team, the client and their counterparty, or from the business environment. Among others are heavy workload for the projective, different perspectives on enterprise value and price, and uncertainties.
- 2.10 Daniel Hosken, (2008), in this paper we propose a method to evaluate the effectiveness of U.S. horizontal merger policy and apply it to the study of five recent consumer product mergers. We selected the mergers from those that, from the public record, seemed to be most problematic for the antitrust agencies. Thus we estimate an upper bound on the likely price effect of completed mergers. Our study employs retail scanner data and uses familiar panel data program evaluation procedures to measure price changes. Our results indicate that four of the five mergers resulted in some increases in consumer prices, while the fifth merger had little effect.
- 2.11 Ashish S. Joshi, (2008), this article has presented an overall picture of the legal paradigm of India's M&A activity. This is an oversimplified and generalized view of India's laws and regulations concerning mergers and acquisitions. India has a labyrinth of laws and regulations that need to be carefully navigated as M&A activities are directly linked to international equity markets. The Indian government and its regulatory bodies are making attempts to simplify the laws and make the working of its regulatory agencies transparent. In the recent Companies Bill, it has been proposed to provide a single forum for approval of scheme of mergers and acquisitions in a time bound manner.

- 2.12 Vyas, Vijay H, (2008), The findings of the study are discussed under three major heads, vis., a) post-merger performance evaluation in terms of value addition of shareholders, b) merger scheme analysis and c) competitive pre-and post-merger motives' analysis. As stated earlier, post-merger performance of fifty six sample merged firms was examined with the help of value added metrics, namely, EVA, RONW, and MVA. Statistical techniques of clustered analysis were employed to analyze and interpret the results. The null hypothesis that mergers do not result in value addition to shareholders has been accepted and alternate hypothesis that mergers add to shareholders' value has been rejected.
- 2.13 Casper Flugt, (2009), finding that it has been demonstrated that the premium paid statistically depends on the location of the target. When a UK target is involved, the abnormal returns to target shareholders are substantially higher than those of deals involving a Continental European target. The evidence suggests that differences in corporate governance regulations, shareholder protection, and legal origin have a large impact on the premium paid in M&A to targets. The difference between the announcement effect to shareholders of UK bidders and their Continental European counterparts is not statistically significant.
- 2.14 Helene, Jo Bjerre stergard, (2009), the overall result is that management is essential through the entire acquisition process and can be perceived as the crossbar of the whole exercise. Thorough integration, financial evaluation of synergies, and extensive planning are additional key elements of synergy realization. It is the result of the examination of synergy realization in the acquisition process that the realization and hunt for synergies should be in focus throughout the process. The outcome of the discussion of insights of professionals resulted in a set of key elements of value creation through M&A, underlying assumptions of the deal, management, communication, people, and a thoroughly planned integration process. The professional insights were as such

highly correlated with theoretical key elements of a successful outcome of a transaction.

- 2.15 Ganesh Chand, (2009), suggested that Post-merger integration (PMI) should be considered very early on in the M&A process – already the strategy development phase has implications on the integration, namely which PMI approach might work best. Basically each step during that process later on should be oriented toward PMI. Even if everything is done correctly up and to the integration, PMI will be the decisive instance to finally make a transaction a success or failure. The closer a company comes to an acquisition or merger, the more concrete and detailed PMI preparations should become. This is why the M&A process should be redesigned in a way that the actual PMI stream is a process which rather. Accompanies or drives all other activities. PMI does not only require professional project management, but also the necessary management capabilities and resources. Companies should arrange to have enough own resources available, especially generalists with the capability to handle the complete M&A process.
- 2.16 Jim Hsieh, Evgeny Lyandres and Alexei Zhdanov, (2009), the resulting comparative statics generate several novel qualitative and quantitative predictions, which complement the predictions of other theories linking IPOs and M&As. For example, the time it takes a newly public firm to attempt an acquisition of another firm is expected to increase in the degree of valuation uncertainty prior to the firm's IPO and it is expected to decrease in the valuation surprise realized at the time of the IPO. We test these and other empirical predictions of the model and find strong support for them.
- 2.17 B Rajesh Kumar and S Panneerselvam, (2009), this paper present a comparative study of the effect of mergers and acquisitions (M&A) on the wealth of shareholders of acquirer and target firms. The study is based on four subsets of a sample consisting of 252 acquirer and 58 target firms involved in acquisitions, and 165 acquirer and 18 target firms involved in mergers during the period

1998–2006. The results indicate that M&As are positive net present value activities for bidding and target firms. The average announcement day excess returns was found to be highest for target firms involved in mergers, followed by acquirer firms involved in mergers.

- 2.18 Malcolm Baker, Xin Pan and Jeffrey Wurgler, (2009), the use of judgmental anchors or reference points in valuing corporations affects several basic aspects of merger and acquisition activity including offer prices, deal success, market reaction, and merger waves. Offer prices are biased toward the 52-week high, a highly salient but largely irrelevant past price, and the modal offer price is exactly that reference price. An offer's probability of acceptance discontinuously increases when the offer exceeds the 52-week high, conversely, bidder shareholders react increasingly negatively as the offer price is pulled upward toward that price. Merger waves occur when high recent returns on the stock market and on likely targets make it easier for bidders to offer the 52-week high.
- 2.19 Sidharth Saboo and Sunil Gopi, (2009), This research study was aimed to study the impact of mergers on the operating performance of acquiring firms by examining some premerger and post-merger financial ratios of these firms and to see the differences in the pre-merger and post-merger ratios of the firms that go for domestic acquisitions and the firms that go for the international/cross-border acquisitions. The results suggest that there are variations in terms of impact on performance following mergers, depending on the type of firm acquired – domestic or cross-border. In particular, mergers have had a positive effect on key financial ratios of firms acquiring domestic firms while a slightly negative impact on the firms acquiring cross-border firms.
- 2.20 Ransariya, Shailesh N., (2010), finds that Ratio analysis is one of the most important techniques to measure the profitability and liquidity. It measures efficiency of asset management and efficiency of expense control.
- 2.21 David Makarechian, Rufus Gandhi, Anirudh Rastogi and Sandeep Uberoi, (2010), India has a developed significant body of laws in the area of mergers and

acquisitions. However, the laws and regulations can be complex. In addition, with the advent of the Competition Act, the approvals required for mergers and acquisitions may become even more complicated. India has a stated policy of maintaining an annual growth rate of at least 7%.⁷² Growths on that scale will require market participants to seek efficiency through mergers and acquisitions, and will require the continued involvement of non-Indians engaged in cross border transactions. It is yet to be seen whether Indian laws will continue to evolve to enable and encourage such investments by offshore investors and acquirers.

2.22 Beena Saraswathy, (2010), It is clear that the number and value of cross-border deals is increasing year after year with a major share of it owned by the developed nations. USA was the major seller country whereas the major purchaser was UK. Likewise, the difference between purchases and sales were mostly favorable to 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 top ten purchasers and sellers in the world contributed more than 75 percent of the cross-border transactions.

2.23 David Frykman and Jacob Tolleryd, (2010) in their book *Corporate Valuation* covers the most commonly used valuation methods in a quick, easy, yet comprehensive way, using a step-by-step running case study. Coverage includes: scenarios for valuing companies; ratio-based and DCF methods, including an adapted DCF model for growth and/or knowledge companies; and techniques for reflecting industry structure and intellectual capital in your analyses.

2.24 Pulak, Mishra & Tamal Chandra, (2010), found that the profitability of a firm depends directly on its size, selling efforts and exports and imports intensities but inversely on their market share and demand for the products. In other words, firms larger in size or having greater selling efforts or higher presence in the international market or larger proportion of imported goods in the selling basket experience greater profitability. On the other hand, the firms with greater demand

for products or larger dominance in the domestic market record lower profitability in the long-run. However, M&A does not have any significant impact on profitability of the firms in the long run possibly due to the resultant X-inefficiency and entry of new firms into the market.

2.25 Vivi bagterp Jogensen, & Irene bach Jorgensen, (2010) observed that M&A within the Danish banking sector during the financial crisis have been important and attracted much focus. It has been an important tool for the banks during the financial crisis in order to survive. Even though it has been important with M&A within the banking sector during the financial crisis it does not necessarily mean that it has been creating value. It has been important in the way that healthy banks have been able to survive the financial crisis in spite of the liquidity and solvency. M&As has given many banks the opportunity to fulfill requirements they were not able to fulfill on their own. It can be concluded that M&A have had an important factor within the Danish banking sector in order for the banks to make it through the financial crisis best possible.

2.26 Irum Saba & Rehana Kouser, (2011), on the basis of findings above, our all alternate hypothesis is rejected because t-value is less than p-value. The results recommend that operating financial performance of all commercial bank's mergers and acquisitions included in the sample from banking industry had declined after mergers and acquisitions. The results shows that there is a decline in all 6 ratios profitability ratios, return on net worth ratios & invested capital, and debt to equity ratios, so we concluded that there is a negative impact of mergers and acquisitions on bank's performance after mergers and acquisitions.

2.27 Tariq H. Ismail, Abdulati A. Abdou, and Radwa M. Annis., (2011), In light of reviewing leading studies in the literature that discusses the effects of M&A on the financial performance of companies, prior studies can be categorized according to measures used to test such effects into four categories as follows: (i) market measures-based studies, (ii) accounting measures based studies, (iii)

mixed measures-based studies, and (iv) qualitative measures-based studies. Analysis of previous studies reveals: This paper sheds light on the importance of mergers and acquisitions decisions, where they impact the future consequences that may lead to success/failure of businesses. Managers should consider relevant information that helps in rationalizing their decisions. A sound investment decision on M&A should be relied on a wide spectrum of relevant data and analysis tools that reflect the expected post mergers and acquisitions corporate performance. The results of the paper contribute to understanding of M&A and ultimately help in understanding how mergers and acquisitions can be more successful.

2.28 Michail Pazarskis, Dr. Alexandros Alexandrakis and Dr. Theofanis Karagiorgos, (2011), The results revealed that the international M&As activities of the Greek listed sample firms in the selected countries of this research have not lead them to enhanced post-merger performance, but, in general, to an accounting performance deterioration that also have a negative impact on three profitability examined ratios. Also, the most interesting that is revealed is that the worsening of the two years after the M&As is greater in the next period (three years after the examined event) and there is no negative or positive ratio significant change in the first year after the international M&As. Last, the study further analyses these ratio results with the method of payment of the acquiring firms, cash and stock exchange (with minor cash amounts), the conclusion for this is that the method of payment has no impact on the post-merger accounting performance of the examined firms.

2.29 Dipali krishnakumar, (2011), suggest that expect to be able to identify key determinants that prompt Indian firms to undertake acquisitions either domestic or cross border, and further determinants for cross border acquisitions. We would identify the factors that determine direction of flow of capital for outward cross border acquisitions from India. We would evaluate

cross border acquisition performance to measure if they are value enhancing or destructive on the basis of short term event studies and operating performance results.

2.30 Mital Menapara, and Dr. Vijay Pithadia., (2011), Examined that it is evident from the above analysis both the hypothesis are not fully accepted. The conclusion emerging from the point of view financial evaluation is that the merging companies were takeover by companies with reputed and good management. Therefore, it was possible for the merged firms to turnaround successfully in due course. However it should be tested with a bigger sample size before coming to a final conclusion.

2.31 Dr. V. K. Shobhana & Dr. N. Deepa, (2011), suggest that Efficiency levels of the individual merged entities comprising of 5 public sector banks and 4 private sector banks, all select public sector and private sector banks have been analyzed by employing stochastic production frontier approach. The resultant technical efficiency scores of the pre and post-merger periods were compared and the comparison revealed that the post-merger efficiency levels of public sector banks such as BOB, PNB, SBI and UBI presented improvement over the pre-merger efficiency levels, while that of Oriental Bank of Commerce declined. With respect to the private sector Indian and foreign banks, it is found that HDFC Bank, HSBC and SCB achieved higher efficiency levels during post merger than the pre merger periods. However, the improvement stood statistically insignificant. Technical efficiency analysis for all select private sector banks showed remarkable and significant improvement in the post-merger efficiency.

2.32 P. Natarajan, (2011), This paper explores the sense-making of the existing employees of a merger bank in an attempt to understand the formation and maintenance of perceptual image o identify the context of the formation and maintenance of perception about their organizations at a rich at a rich micro-level during a pre and post merger period. Mergers and Acquisitions (M&A) is

emerging as an important strategy for consolidating financial gains, more particularly in the banking industry. In India, banks of public, private as well as foreign institutions are evincing more interests on M & A, today more than ever, as an attempt in creating an environment to survive the challenges imposed on them by the dynamic business climate that prevails. Lowering their costs by enhancing operational efficiency has been their important focus in gaining competitive advantage.

2.33 K.A. Goyal & Vijay Joshi (2011), found that banking sector is one of the fastest growing areas in the developing economies like India. M&A is discussed as one of the most useful tool for growth, which has evoked the interest of researchers and scholars. Indian economy has witnessed fast pace of growth post liberalization era and banking is one of them. M&A in banking sector has provided evidences that it is the useful tool for survival of weak banks by merging into larger bank. It is found in our study that small and local banks face difficulty in bearing the impact of global economy therefore, they need support and it is one of the reasons for merger. Some private banks used mergers as a strategic tool for expanding their horizons.

2.34 Vikas Garg and Satish Kr., (2011) focuses on mergers considered as an important tool by companies for purpose of expanding their operation and increasing their profits, which in façade depends on the kind of companies being merged. Indian markets have witnessed burgeoning trend in mergers, which may be due to business consolidation by large industrial houses, consolidation of business by multinationals operating in India, increasing competition against imports and acquisition activities. Therefore, it is ripe time for business houses and corporate to watch the Indian market, and grab the opportunity.

2.35 Sourav, Roy, (2011), suggests that going forward, acquisition led growth will become an increasingly complex but attractive option for businesses in India. The key to success will, however, rest in keeping the basics in place - align acquisitions to the overall business strategy, plan and execute a robust integration process and take adequate cognizance of all relevant regulatory norms.

Acquisition led growth will become an increasingly attractive option for businesses in India and will serve them well to keep the basics in place – align acquisitions to the overall business strategy, plan and execute a robust integration process and take adequate cognizance of all relevant regulatory norms.

2.36 S. Revathy, (2011), evaluated that like all business entities, banks want to safeguard against risks, as well as exploit available opportunities indicated by existing and expected trends. M&As in the banking sector have been on the rise in the recent past, both globally and in India. In this backdrop of emerging global and Indian trends in the banking sector, this article illuminates the key issues surrounding M&As in this sector with the focus on India. It seeks to explain the motives behind some M&As that have occurred in India post- 2000, analyse the benefits and costs to both parties involved and the consequences for the merged entity. A look at the future of the Indian banking sector, and some key recommendations for banks, follow from this analysis. In the past, the mergers were initiated by regulator (RBI) to protect the interest of depositors of weak banks but the market led mergers have been gaining momentum in the present day context and these cannot be seen as a means of bailing out weak banks any more.

2.37 Mahesh R. & Daddikar Prasad, (2012), the result shows that there is insignificant improvement in return on equity, expenses to income, earning per share and dividend per share post-merger. The result from paired sample t-test at significant level of 99% illustrated that there is no significance difference in the defined financial performance standards between pre-merger and post-merger due to the significance value is greater than 0.01. Hence, this study has not rejected the null hypotheses which consider that there are no significant improvements in surviving company's performance post-merger and acquisition and rejected the alternative hypothesis which considers that there is significance improvement in surviving company's Performance post-merger and acquisition activity for the sample under consideration.

- 2.38 Devarajappa S, (2012), the purpose of the present paper is to explore various motives of merger in Indian banking industry. This includes various aspects of bank mergers. It also compares pre and post-merger financial performance of merged banks with the help of financial parameters like, Gross Profit margin, Net Profit margin, operating Profit margin, Return on Capital Employed, Return on Equity, and Debt Equity Ratio. Through literature Review it comes know that most of the work done high lightened the impact of merger and Acquisition on different companies. The data of Merger and Accusations since economic liberalization are collected for a set of various financial parameters. Independent T-test used for testing the statistical significance and this test is applied not only for ratio analysis but also effect of merger on the performance of banks. This performance being tested on the basis of two grounds i.e., Pre-merger and Post-merger. Finally the study indicates that the banks have been positively affected by the event of merger.
- 2.39 Dr. Partap Singh, (2012), M&As have been found to be beneficial in the sense that Indian companies grew in size, and attain better market share which is substantiated by empirical analysis. Throughout the period of study, turnover increased after the companies experienced an M&A. Further, M&As did not have any impact on return on net worth for the period of study. The nature and pattern of M&As strategies adopted by the Indian companies reveal mostly horizontal and vertical types. This gives strength to the argument that Indian companies are focusing on their core areas and expanding mostly in related areas of strength which is helpful in realization of synergistic benefits.
- 2.40 Mishra Pulak & Jaiswal Neha, (2012), suggested that in the context of economic reforms in general and subsequent wave of M&A in particular, this paper attempts to examine the impact of M&A on the export competitiveness of firms in the Indian manufacturing sector. By using a panel dataset of 33 industries from the period of 2000-01 to 2007-08, it is found that, the wave of M&A has enhanced the export competitiveness of firms. The industries with larger number of M&A have greater penetration in the international market. The other factors that have

significantly contributed to export competitiveness include the presence of MNCs and import of foreign technology. Export competitiveness is higher in the industries that have larger presence of MNCs and greater foreign technology purchase intensity. On the other hand, industries with higher capital intensity or greater selling efforts by firms have limited penetration in the international market. However, this paper did not find any significant influence of market concentration, competition from imports, in-house efforts, or profitability on export competitiveness of firms.

2.41 Govind M. Dhinaiya, (2012), this paper is an attempt to evaluate the Performance Analysis of Mergers & Acquisition of different Companies. Theories of mergers assumed that the performance of companies increase after mergers & acquisitions due to gaining market share, synergy creation, diversification, cross selling, resource transfer etc. The objective of this study was to analyse operating performance of companies who involved in mergers & acquisitions using various ratios. The analysis was done using the data of two years before & after mergers & acquisitions with help of paired sample t-test. The results suggest that there were minor variations in the performance after M&A. but it was not statistically significant.

2.42 Neelam Rani, Surendra S. Yadav & P. K. Jain., (2013), the present paper aims at analysing the operating performance of corporate involved in M&A in India. The major hypothesis is that acquiring firms have improved post-M&As operating performance. The empirical evidence validates the hypothesis that Indian acquirers have performed better after M&A, compared to their performance in pre-M&A period. The study indicates that M&A appear to have been beneficial for the acquiring companies in the long-run with regard to their operating performance. The findings suggest that profitability of acquiring firms has improved during post-M&A phase. Mergers and acquisitions have resulted to better and improved performance.

2.43 Pradeepkumar Gupta, (2012), suggested that Corporate Mergers and Acquisitions are very crucial for any country's economy. This is so because the

Corporate Mergers and Acquisitions can result in significant restructuring of the industries and can contribute to rapid growth of industries by generating Economies of Scale, increased competition in the market and raise the vulnerability of the stockholders as the value of stocks experience ups and downs after a merger or acquisition. Although the concept of Merger and Acquisition are different from one another but both can be used as engines of growth. As a result, M&As are considered as most strategic concepts to make sure growth for the companies in the Corporate world.

2.44 Sulaiman, L.A., (2012), indicated that corporate restructuring is aimed at increasing efficiency, enhancing competitive advantage, achieving synergy and improving firm value. Restructuring pursues the profitability, liquidity and solvency objectives of an organization. The study was carried out to determine whether improvements occur after restructuring was undertaken. The analysis and result shows that firms in the Oil and Gas sector performed better in the post-restructuring era compared to the pre-restructuring era. It was also realized that restructuring played a significant role on the profitability, liquidity and solvency position of these firms, thereby suggesting that there has been increase in management efficiency, improved capital adequacy, strengthened operational capacity and assurance of the continued existence of these firms.

2.45 Rajinder Kumar, (2013), Primary purpose of mergers and acquisition is to reduce competition and protect existing markets in the economy. Overall mergers and acquisitions have their own pros and cons. But mergers are good for the growth and development of country only when it does not give rise to competition issues. Mergers improve the competition edge of the industry in order to compete in the global market but mergers shrink the industry because number of firms reduces. Mergers help banks to strengthen their financial base and access tax benefits and direct access to cash resources. One striking feature which was noticed in comparison to domestic mergers and cross border mergers was that in domestic mergers if no competition issue were raised then cost will reduce because of

reduction in operating cost. But in case of cross border mergers it has been noticed that revenue tends to improve without imposing negative impact on consumers. Mergers and acquisition are done for consolidating strategies in order to expand the geographical area of operation but optimal level of cooperation should be allowed and followed so as to gain proper advantage of mergers.

- 2.46 Neha Verma, (2014), this research paper aims to study the impact of mergers and acquisitions on the performance of Indian Telecom industry, by examining some pre and post-merger financial and operating variables. For the purpose of the study, companies which have been merged or acquired during the period 2001-02 to 2007-08 have been selected. From the literature review, it is found that there is no decisive evidence about the impact of M&A on the firm's performance. The present study is thus, an attempt to find out the impact of M&A on the post-merger performance compared with pre-merger performance.
- 2.47 Priyanka, Khushboo Sagar and Richa Verma, (2014), the main objective of this research paper is to analyze the market growth of ecommerce which attracts the merger and acquisition in India. Through this paper we will try to find out reasons of merger and acquisition from the experience of Indian ecommerce sector. Internet growth has led to a host of new developments, such as decreased margins for companies as consumers turn more and more to the internet to buy goods and demand the best prices. However, industry experts believe this is just the start of the ecommerce wave in India. The growing penetration of technology facilitators such as Internet connections, broadband and third generation (3G) services, laptops, smart phones, tablets and dongles, coupled with increasing acceptance of the idea of virtual shopping, is set to drive the e-commerce eco-system. The e-commerce story in India would surely witness a new world of digitalization in the coming decade ,with a host of start-

ups emerging to compete with existing players in order to draw benefits from the new and existing markets.

2.48 Titman/Martin, (2016) in their book "The Art and Science of Corporate Investment Decisions" presents an integrated approach to both project and enterprise valuation, showing readers the economic realities that today's modern corporations face. This text also goes beyond standard DCF analysis by including additional valuation methods that are commonly used in practice, such as comparable, simulations, and real options.

2.49 Narayanswamy, (2017) opined that the acquiring firm always needed to check the financial performance of the target firm as merger affects the financial position and wealth of all stakeholders. Successful entry into new geographical markets by a firm may require M&A at some stages of firm's growth. Even though the strategy of M&A provides some quick benefits but if not implemented properly it can create some problems as well.

2.50 Martin and Butler, (2017) suggested that M&A are an outcome of managerial desire for power and higher salary. Post-acquisition uncertainty has been linked to job strain, increased employee absenteeism, turnover, and decreased job satisfaction.