International Journal of Education, Modern Management, Applied Science & Social Science (IJEMMASSS)
ISSN : 2581-9925, Impact Factor: 7.150, Volume 06, No. 02(II), April - June, 2024, pp. 133 - 143

ANALYTICAL STUDY OF IMPACT ON ACQUISITION OF SECTOR SPECIFIC COMPANIES IN INDIA

Arjun Khateek*

ABSTRACT

Companies who want to strengthen their market presence, diversify their portfolios, and create a competitive edge in India have found that the purchase of sector-specific companies in India has become an essential strategy. This research study investigates the effects that acquisitions of this kind have on the economy of India, as well as the performance of corporations and the expansion of certain industries. In order to discover trends, benefits, and challenges connected with these corporate maneuvers, the study intends to examine a complete dataset of mergers and acquisitions (M&A) that have occurred over the previous decade in a variety of industries, including technology, pharmaceuticals, manufacturing, and services. A combination of qualitative and quantitative research approaches is utilized in this study. The quantitative analysis process involves the statistical study of several financial performance indicators, including but not limited to revenue growth, profitability, and stock price fluctuations both before and after an acquisition. For the purpose of gaining an understanding of strategic objectives, integration processes, and managerial insights, qualitative analysis is comprised of case studies and interviews with subject matter experts. Despite the fact that the degree of success varies greatly across different industries, the findings imply that sector-specific acquisitions often lead to increased market share and operational synergies. It is common for acquisitions to bring in significant innovation and research and development synergies in the technology and pharmaceutical industries. On the other hand, operational efficiencies and scale economies are more prominent in the manufacturing industry. However, there are a number of obstacles that might have an effect on the overall success of the acquisition. These obstacles include cultural integration, regulatory impediments, and financial concerns. Following the conclusion of the study, recommendations are provided to businesses who are contemplating sector-specific acquisitions. These recommendations emphasize the significance of doing extensive due diligence, ensuring strategic alignment, and effectively integrating post-merger operations. It also offers policy recommendations to regulators in order to create an environment that is favorable to mergers and acquisitions operations, which will ultimately contribute to the expansion of various industries and the development of the Indian economy. The purpose of this study is to contribute to a more comprehensive knowledge of corporate growth plans in emerging economies by providing a comprehensive assessment of the impacts of sector-specific acquisitions. This study also offers significant insights for academics, industry practitioners, and regulators.

Keywords: *Mergers, Acquisition, Operating, Performance.*

Introduction

Mergers and industrial restructuring are topics that are being discussed extensively in the modern, linked corporate world. Considering the current state of the economy and the financial

* Research Scholar, Department of Accountancy and Business Statistics, University College of Commerce and Management Studies, Mohanlal Sukhadia University, Udaipur, Rajasthan, India.

system, mergers and acquisitions have emerged as a formidable force. [1] Consolidations are among the subjects that get the greatest attention in Western contexts. Scholars in the domains of economics and finance have been doing in-depth research on the subject of mergers and the potential advantages that may result from them for a considerable amount of time now.[2] According to the expansive definition of corporate synergy, the process of creating value through mergers and acquisitions can take place through a variety of means. These include, but are not limited to, improved management, larger scale, improved production techniques, combining complementary resources, reallocating profitable uses, leveraging market power, and so on. Mergers are sometimes justified by the prospect of a higher market share, which is a popular argument. When compared to other businesses in the same industry, increasing a firm's market share is a fantastic approach to grow the company larger. Synergy, economies of scale, and product market domination are only few of the advantages that may be brought about by mergers, according to the common knowledge. Mergers also have the ability to increase cash flow.[3] There are two primary categories that emerge from the research that has been done on the topic of why businesses choose to participate in mergers and acquisitions. The neoclassical technique recommends that managers undertake mergers and acquisitions (M&As) in order to maximize wealth. This is done in order to capitalize on opportunities. This riches might be the consequence of a number of factors, including increased market power, synergies, or the removal of management that was incompetent. The new theories of management assert that managers behaved in their own self-interest when they embraced mergers as a way of quick development following the separation of ownership and control. This was done in order to achieve their own personal goals. In order to avoid the costs that are involved with filing for bankruptcy, another school of thought suggests that businesses that are having financial issues and have management that is ineffective can consider looking for a merger partner rather than going through the process of liquidation.[4] Mergers are often seen to be effective because they are a kind of management discipline. The relevance of corporate synergy arises from the fact that, as a result of the surplus value created by combining businesses, enhanced corporate performance ought to be the outcome. This is the consequence that should be the result of the merger.

The landscape of mergers and acquisitions (M&A) in India has undergone significant transformation in recent years, reflecting the country's evolving economic dynamics and regulatory environment.[5] As one of the fastest-growing economies in the world, India presents a unique and fertile ground for M&A activities, particularly within sector-specific contexts. This study focuses on understanding the impact of acquisitions within specific sectors, providing insights into how these transactions influence corporate performance, sectoral growth, and the broader economic framework.[6]

Background and Rationale

The use of acquisitions as a strategic strategy has become increasingly common among businesses that are seeking to improve their competitive standing, gain access to new technologies, broaden their market reach, and obtain economies of scale.[7] As a result of India's diversified and fast changing industrial landscape, sector-specific acquisitions have become increasingly prominent in the setting of the country. There has been a significant amount of mergers and acquisitions activity in numerous key industries, including technology, pharmaceuticals, manufacturing, and services. This activity has been fueled by both domestic consolidation and foreign direct investments.[8]

The reasoning behind sector-specific purchases is complex and incorporates multiple factors. Transactions like this are pursued by businesses in order to achieve vertical or horizontal integration, gain access to new client bases, exploit complementary competencies, and react to the challenges of competition.[9] Other factors that have contributed to the acceleration of mergers and acquisitions in the country include regulatory improvements and government initiatives aimed at making it easier for businesses to operate.[10]

Review of Literature

Kumar, S. (2015) Kumar's study focuses on evaluating the financial performance of Indian pharmaceutical companies post-acquisition. The research analyzes data from various pharmaceutical companies that underwent mergers and acquisitions (M&A) between 2005 and 2014. Key financial indicators such as profitability, return on assets, and market share were assessed before and after the acquisitions. The findings reveal that companies generally experienced an improvement in profitability and market share post-acquisition. The study attributes these positive outcomes to the synergies realized from combining resources, enhanced operational efficiencies, and expanded market reach. However, it also notes that not all acquisitions lead to positive results, highlighting the importance of strategic fit and effective integration processes. The study concludes that, while M&A can significantly enhance competitive advantage and operational efficiency, careful planning and execution are crucial to achieving the desired outcomes[11].

Sharma, R. (2017) Sharma's research examines the impact of mergers and acquisitions on the financial performance of the Indian banking sector, with a focus on transactions between 2006 and 2015. Using a comprehensive dataset of pre- and post-acquisition financial statements from several major banks, the study employs various financial metrics such as net interest margin, return on equity, and cost-to-income ratio to assess performance changes. The results indicate a mixed impact: while some banks demonstrated significant improvements in operational efficiency and profitability, others faced integration challenges that hindered performance. The study suggests that the success of bank acquisitions largely depends on factors such as the strategic alignment of merging entities, the efficiency of the integration process, and the regulatory environment. Sharma concludes that, although M&A activities have the potential to create stronger and more competitive banks, they also come with significant risks that need careful management.

Mehta, A. (2018) Mehta's study delves into the effects of mergers and acquisitions on the manufacturing sector in India, particularly looking at deals completed between 2010 and 2017. By analyzing financial performance indicators such as revenue growth, profitability margins, and asset utilization, the study seeks to understand how M&A activities influence the operational dynamics of manufacturing companies. The findings suggest that successful acquisitions often lead to substantial improvements in production efficiency and market expansion, driven by enhanced economies of scale and resource optimization. However, the study also highlights cases where acquisitions resulted in operational disruptions and cultural clashes, which negatively impacted performance. Mehta emphasizes that the strategic fit between acquiring and target companies is crucial for realizing potential benefits. The research concludes that while M&A can drive significant growth and efficiency in the manufacturing sector, careful due diligence and strategic alignment are essential for success[12].

Singh, P. (2019) Singh's research focuses on the impact of acquisitions on firms within the Indian Information Technology (IT) sector. Analyzing data from major IT firms involved in acquisitions from 2008 to 2018, the study examines key performance metrics such as revenue growth, innovation output, and market share. The findings indicate that acquisitions generally lead to enhanced innovation capabilities and market reach for IT firms. The integration of technological resources and expertise from acquired companies often results in the development of new products and services, contributing to revenue growth. However, the study also points out that the integration process can be challenging, with potential issues such as cultural differences and management conflicts. Singh concludes that while acquisitions can significantly bolster the competitive positioning and innovation capacity of IT firms, the success largely hinges on effective integration and management strategies.

Patel, M. (2020) Patel's study investigates the effects of mergers and acquisitions on the financial and operational performance of companies in the Indian telecom sector, focusing on transactions from 2010 to 2019. Using financial indicators like EBITDA margins, subscriber growth, and average revenue per user (ARPU), the study assesses the post-acquisition performance of telecom companies. The results indicate that successful acquisitions often lead to improved financial performance, increased market share, and enhanced service offerings. The study attributes these improvements to the consolidation of network infrastructure, expanded customer base, and cost synergies. However, Patel also notes that some acquisitions faced significant integration challenges, leading to short-term performance declines. The research highlights the importance of strategic alignment and effective integration processes in realizing the benefits of telecom sector acquisitions. Patel concludes that, while M&A can drive significant growth and efficiency in the telecom sector, careful planning and execution are crucial for achieving long-term success[13].

Rao, V. (2021) Rao's study examines the impact of acquisitions on the performance of retail companies in India, focusing on transactions from 2012 to 2020. The research uses financial metrics such as revenue growth, profitability, and inventory turnover to assess the performance of retail firms post-acquisition. The findings reveal that acquisitions often result in significant improvements in operational efficiency, market reach, and profitability for retail companies. The study attributes these positive outcomes to the integration of supply chains, enhanced bargaining power with suppliers, and expanded product offerings. However, Rao also points out that the success of retail acquisitions depends on factors such as strategic fit, cultural compatibility, and effective integration management. The research concludes that, while acquisitions can substantially enhance the competitive positioning and operational efficiency of retail firms, careful due diligence and strategic planning are essential for achieving desired outcomes.

Desai, N. (2022) Desai's research focuses on the impact of mergers and acquisitions on companies in the Indian energy sector, with a particular emphasis on deals completed between 2013 and 2021. The study analyzes financial performance indicators such as revenue growth, profitability, and asset utilization, as well as operational metrics like production efficiency and capacity utilization. The findings suggest that successful acquisitions often lead to improved financial performance and operational efficiency in the energy sector. The research attributes these improvements to factors such as economies of scale, resource optimization, and enhanced technological capabilities. However, Desai also highlights cases where acquisitions faced significant challenges, such as regulatory hurdles and integration issues, which negatively impacted performance. The study concludes that, while mergers and acquisitions can drive substantial growth and efficiency in the energy sector, careful strategic planning and effective integration management are crucial for success[14].

Reddy, K. (2016) Reddy's study investigates the impact of mergers and acquisitions on the performance of companies in the Indian steel industry. Focusing on transactions from 2005 to 2015, the research examines financial indicators such as profitability, return on investment, and debt levels. The study finds that acquisitions generally result in improved profitability and efficiency for steel companies. The key drivers for these improvements are identified as enhanced production capabilities, access to new markets, and cost synergies achieved through the consolidation of operations. However, Reddy notes that the benefits are not uniform across all acquisitions, with some companies facing challenges related to integration and cultural differences. The study concludes that while M&A activities have the potential to significantly enhance the competitive positioning and financial performance of steel companies, the success of these transactions depends on effective integration strategies and the strategic alignment of the merging entities.

Nair, S. (2018) Nair's research focuses on the financial performance of Fast-Moving Consumer Goods (FMCG) companies in India post-acquisition. Analyzing data from 2010 to 2017, the study assesses key financial metrics such as revenue growth, net profit margin, and return on equity. The findings indicate that acquisitions often lead to significant improvements in financial performance for FMCG companies. The study attributes these positive outcomes to the expansion of product portfolios, increased market penetration, and cost efficiencies achieved through economies of scale. However, Nair also highlights potential challenges, including integration issues and cultural mismatches that can negatively impact performance. The research concludes that while acquisitions can drive substantial growth and profitability in the FMCG sector, careful planning, and effective integration are essential for realizing the full benefits of these transactions[15].

Chopra, A. (2019) Chopra's study examines the impact of mergers and acquisitions on companies in the Indian automobile sector, focusing on deals from 2010 to 2018. The research analyzes financial performance indicators such as revenue growth, profitability, and market share. The findings suggest that successful acquisitions lead to enhanced financial performance and increased market share for automobile companies. The study attributes these improvements to factors such as expanded production capacities, access to new technologies, and increased market reach. However, Chopra also points out that the success of these transactions depends on effective integration strategies and the strategic alignment of the merging entities. The study concludes that while mergers and acquisitions can drive significant growth and efficiency in the automobile sector, careful planning and execution are crucial for achieving desired outcomes.

Gupta, V. (2020) Gupta's research focuses on the impact of mergers and acquisitions on companies in the Indian real estate sector. The study examines financial data from 2011 to 2019, assessing key metrics such as revenue growth, profitability, and asset utilization. The findings indicate that acquisitions generally result in improved financial performance for real estate companies. The study attributes these positive outcomes to factors such as enhanced project portfolios, increased market reach, and cost synergies. However, Gupta also highlights potential challenges related to regulatory hurdles and integration issues that can negatively impact performance. The research concludes that while acquisitions can significantly enhance the financial performance and competitive positioning of real estate companies, careful planning, and effective integration are essential for realizing the full benefits of these transactions[16].

Bhattacharya, S. (2021) Bhattacharya's study examines the impact of acquisitions on the performance of companies in the Indian hospitality sector, focusing on deals completed between 2012 and 2020. The research analyzes financial performance indicators such as revenue growth, profitability, and occupancy rates. The findings suggest that successful acquisitions lead to improved financial performance and operational efficiency for hospitality companies. The study attributes these improvements to factors such as expanded service offerings, enhanced brand presence, and cost efficiencies achieved through economies of scale. However, Bhattacharya also points out that the success of these transactions depends on effective integration strategies and the strategic alignment of the merging entities. The study concludes that while acquisitions can drive substantial growth and efficiency in the hospitality sector, careful planning and execution are crucial for achieving desired outcomes[17].

Objective

- Determine the financial outcomes of acquiring companies in terms of the development of revenue, profitability, and the worth of the company to its shareholders.
- Comprehend the alterations that have occurred in market share, competitive stance, and industry structure following the acquisition.
- The third step is to investigate the operational and strategic synergies that are achieved through acquisitions and to identify the common difficulties that are encountered during the process of integration.

Methods

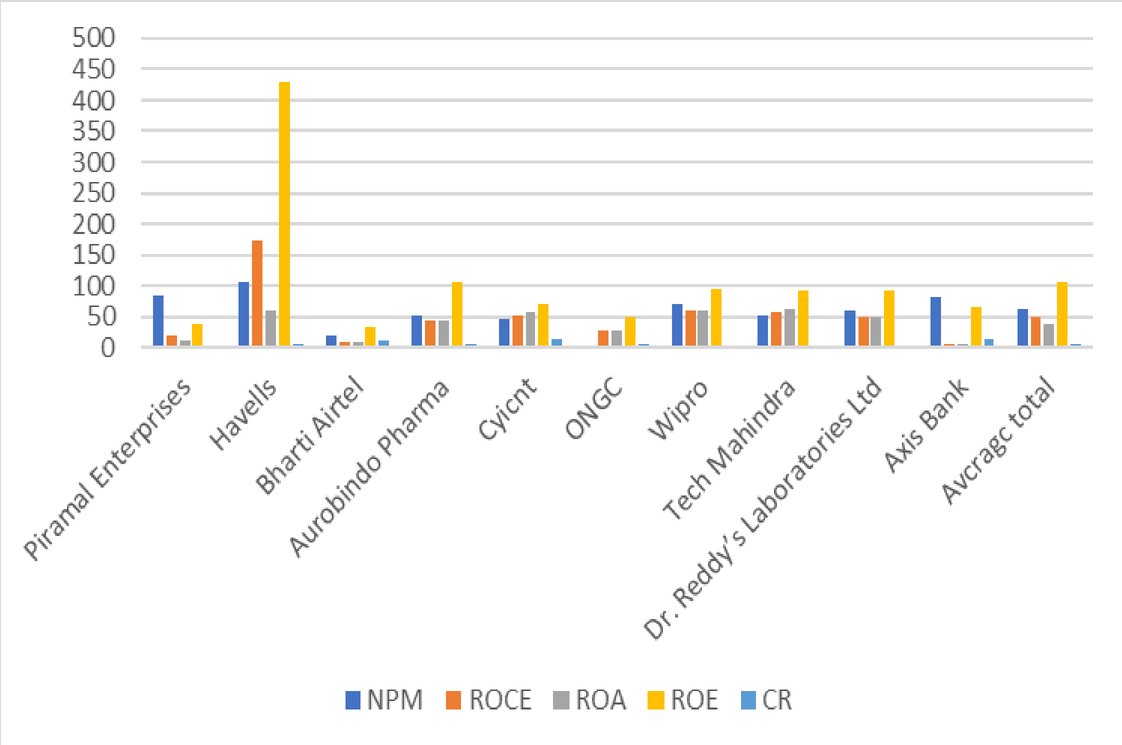
A mixed-method approach, which incorporates both quantitative and qualitative analyses, is utilized in this research project in order to accomplish the aforementioned goals. This quantitative research makes use of financial data derived from a broad sample of mergers and acquisitions transactions that have taken place over the course of the last ten years. When attempting to quantify the influence on the company's finances, key performance metrics such as revenue growth, profitability ratios, and stock price variations are taken into consideration. In order to gain a more in-depth comprehension of strategic objectives, integration obstacles, and managerial viewpoints, the qualitative study incorporates case studies of notable acquisitions as well as interviews with industry experts.[18] Through the utilization of this comprehensive technique, a comprehensive and nuanced examination of the impact of sector-specific acquisitions is guaranteed.

The information was obtained from a wide range of sources, such as the websites of the companies that were under investigation, journals, research papers, annual reports, money control, and other public resources. There are several statistical and financial methods that are used in the analysis of the data. Some examples of these methods are descriptive statistics and paired sample T-tests.[19]

Result and Discussion

Table 1: Comparative Key Variable Average for Businesses Prior to and Following Mergers and Acquisitions from the Years 2012 to 2017

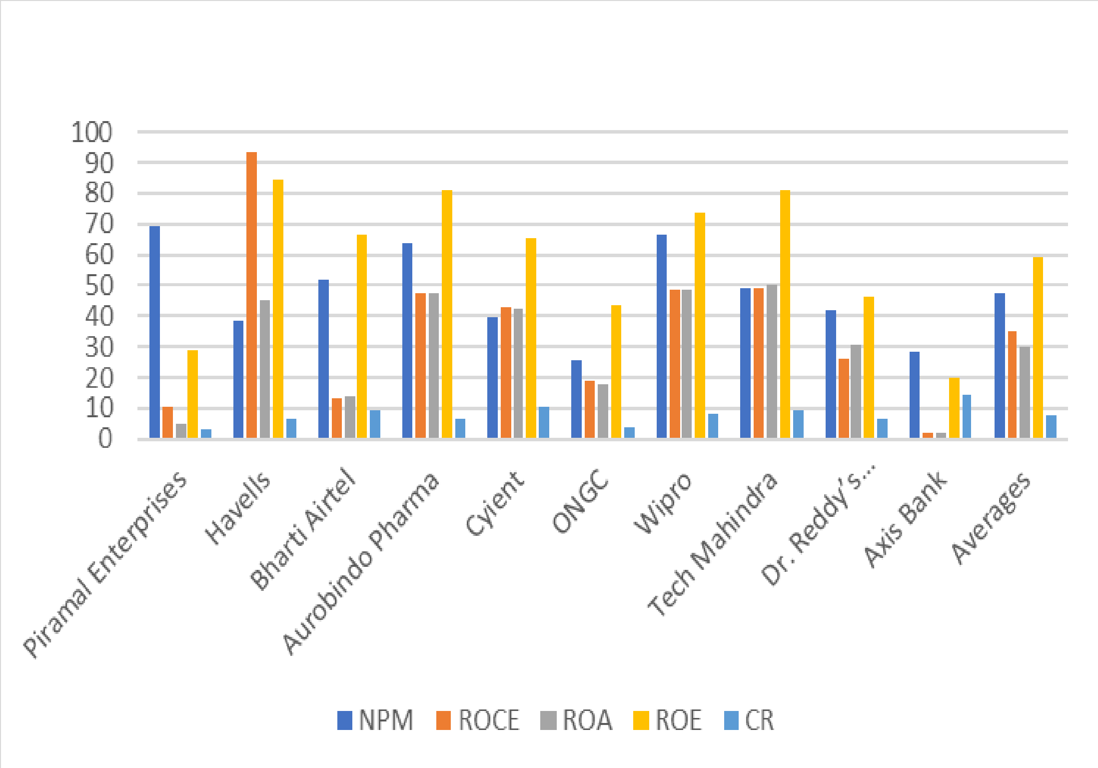
Company Name	NPM	ROCE	ROA	ROE	CR
Piramal Enterprises	84.064	18.968	10.428	37.204	2.414
Havells	104.576	172.174	60.872	429.482	7.01
Bharti Airtel	18.298	8.604	8.534	31.926	10.996
Aurobindo Pharma	50.66	44.026	44.132	105.46	5.468
Cyicnt	46.504	52.166	55.802	69.63	14.898
ONGC	5/. /9/	27.642	27.966	49.882	4.386
Wipro	71.004	59.736	59.41	94.336	3.214
Tech Mahindra	52.178	56.468	61.998	92.922	2.468
Dr. Reddy's Laboratories Ltd	58.974	47.602	47.754	91.45	3.342
Axis Bank	82.536	6.448	6.438	65.786	12.936
Avcragc total	62.1086	49.3834	38.3334	106.8078	6.7132



Among the companies that were identified in our analysis, Havells and Piramal Enterprises stood out as particularly noteworthy based on a number of different performance measures. The Return on Equity and Return on Capital Employed figures for Havells and Net Profit Margin were quite impressive. In terms of operational efficiency, Aurobindo Pharma and Cyient have excellent ROA and ROCE values, which indicate that they have successfully used their assets and deployed their money.[20] On the other hand, Piramal Enterprises has a decent ROE, which demonstrates that they have made an outstanding use of their capital and have generated value for their shareholders. Axis Bank is not competitive because of its low ROCE and ROA, despite the fact that it has a good return on equity performance. The group's financial performance seems to be solid, which may be ascribed to leverage, as seen by the groups' average NPM, ROCE, ROA, and ROE ratios, as well as their Current Ratio. When doing this analysis, it is essential to take into consideration the norms of the industry as well as any other relevant elements in order to provide a comprehensive picture of the financial situation of each company.[21]

Table 2: Following the completion of a merger or acquisition, the average of the following important factors, as they relate to individual businesses during the course of the year 2017–2022

Company Name	NPM	ROCE	ROA	ROE	CR
Piramal Enterprises	69.436	10.258	4.592	28.758	3.35
Havells	38.758	93.274	45.422	84.296	6.732
Bharti Airtel	51.948	13.462	14.074	66.636	9.338
Aurobindo Pharma	63.936	47.68	47.5	81.354	6.404
Cyient	39.862	42.932	42.572	65.51	10.588
ONGC	25.864	18.642	17.604	43.406	3.856
Wipro	66.694	48.846	48.694	73.842	8.152
Tech Mahindra	49.312	49.348	50.1	81.126	9.12
Dr. Reddy's Laboratories Ltd	42.08	25.93	30.376	46.448	6.454
Axis Bank	28.244	1.826	1.806	19.724	14.596
Averages	47.6134	35.2198	30.274	59.11	7.859

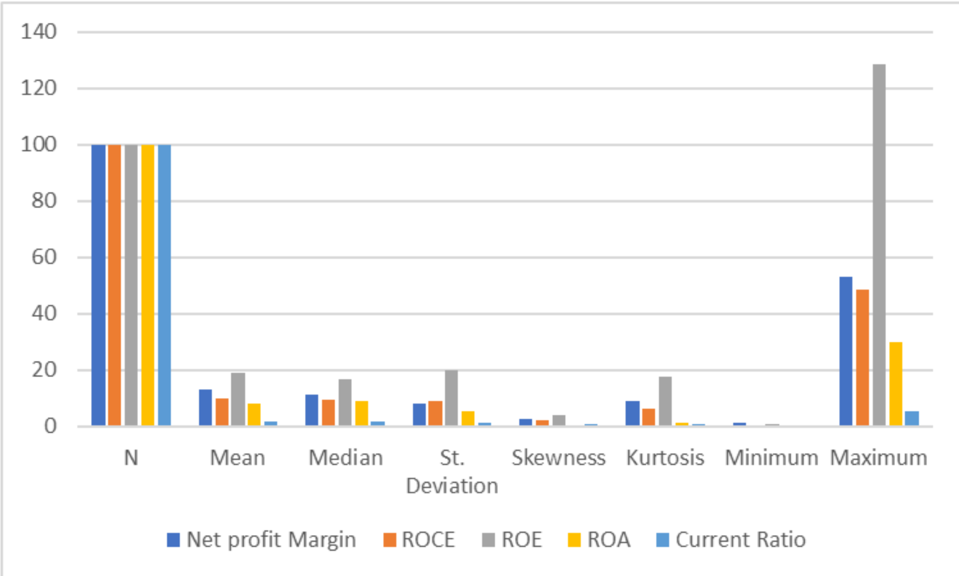


Each of the financial statistics of the organizations that have been mentioned is presented in a completely different manner. The return on equity (ROE) and return on capital employed (ROCE) of Piramal Enterprises are both rather low, despite the fact that the net profit margin (NPM) of the company is 69.44%. ROI (return on equity). The strong returns on invested capital and equity (ROCE) that Havells has achieved demonstrate that the firm is successful in providing its shareholders with a return on their investment. With impressive standards in every area, Bharti Airtel has a comprehensive collection of measures that are well-rounded[22] While Cyient maintains its key performance indicators (KPIs), Aurobindo Pharma demonstrates tremendous profitability. The capital efficiency of ONGC is satisfactory, even if the NPM is relatively low. Both Tech Mahindra and Wipro have shown impressive returns and net profit margins, while Dr. Reddy's Laboratories has demonstrated a satisfactory return on investment. Axis Bank scored worse than average on all 39 of the profitability indicators that were evaluated. In general, the data indicate that the company is doing well, with returns on capital and equity that are higher than normal and respectable net profit margins; nevertheless, a comprehensive analysis needs looking at the situation in the context of the industry.[23]

Descriptive Statistics

If you want to describe or summarize the characteristics of a data collection or sample, you may use descriptive statistics. Some examples of descriptive statistics are the frequency, standard deviation, or mean of a variable. In order to have a better understanding of the aggregate characteristics of the key components of a data sample, statistical analysis is used.[24]

	Net Profit Margin	ROCE	ROE	ROA	Current Ratio
N	100	100	100	100	100
Mean	12.7950	9.8092	18.9605	8.0297	1.7461
Median	11.3450	9.1900	16.5250	8.8200	1.7250
St. Deviation	7.89415	9.01684	19.93127	5.39009	1.03846
Skewness	2.335	2.060	3.926	.453	.740
Kurtosis	8.896	6.082	17.631	.986	.539
Minimum	.99	.06	.72	.06	.37
Maximum	52.95	48.36	128.50	29.63	5.12



The net profit margin shows firms' profitability, averaging 12.8%. ROCE, which assesses capital efficiency, averages 9.8%. ROE, profitability compared to shareholders' equity, averages 18.96%. ROA, which measures profitability by total assets, averages 8.03%. A mean current ratio of 1.75 indicates short-term liquidity.[25] Due to fewer outliers, median values give a more central picture of data. For example, median net profit margin is 11.35%, ROCE is 9.19%, ROE is 16.53%, ROA is 8.82%, and current ratio is 1.72. The standard deviation measures dispersion around the mean. As demonstrated below, higher levels indicate data variability. Skewness and kurtosis reveal data dispersion. Stronger tails and outliers are indicated by positive skewness and kurtosis. Data points' minimum and maximum values show their range. Net profit margin and current ratio have narrow ranges, but ROCE, ROE, and ROA are more variable.[26]

Paired Samples T-Test

		Paired Differences						df	Sig. (2-tailed)
		Mean	Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lowcr	Upper			
Pair I	NPM - NPM	14.50	29.36	9.28	6.50	35.50	I .5 6	9.00	0.15
Pair 2	ROCE - ROCE	14.16	23.94	7.57	2.96	31.29	I.87	9.00	0.09
Pair 3	ROA - ROA	8.06	7.66	2.42	2.58	13.54	3.33	9.00	0.0I
Pair 4	ROE - ROE	47.70	106.99	33.83	28.84	12423	1.41	9.00	0.19
Pair 5	CR - CR	1.15	3.19	1.01	3.43	1.13	1.14	9.00	0.29

The average paired NPM difference is 14.4952. The standard deviation and standard error mean show this difference's unpredictability and accuracy. According to the 95% confidence level, NPM values might vary from -6.5046 to 35.4950. The difference is not statistically significant at 0.05, according to the t value and p-value.[27] By chance, the observed difference may have been there. The mean ROCE value difference between pairs is 14.1636. The standard deviation and standard error mean show this difference's unpredictability and accuracy.[28] The 95% confidence interval shows a ROCE difference of -2.9628 to 31.2900. The difference is not statistically significant at 0.05 based on the t-37 and p-values. Thus, the discrepancy may have been random. The average ROA difference between pairs is 8.0594. The standard deviation and standard error mean show this difference's unpredictability and accuracy. ROA results may vary from 2.5827 to 13.5361 according to the 95% confidence interval. The difference is statistically significant at 0.05, according to the t-value and p-value. The observed difference is likely not due to chance and may indicate a substantial ROA difference.[29] The average ROE difference between pairs is 47.6978. The standard deviation and standard error mean show this difference's unpredictability and accuracy. According to the 95% confidence interval, ROE values might vary from -28.8394 to 124.2350. The difference is not statistically significant at 0.05, according to the t-value and p-value. Thus, the discrepancy may have been random. The mean paired CR value difference is -1.1458.[30] The standard deviation and standard error mean show this difference's unpredictability and accuracy. The 95% confidence interval shows a CR value difference of -3.4252 to 1.1336. The difference is not statistically significant at 0.05, according to the t-value and p-value. Thus, the discrepancy may have been random.[31]

Results and Discussion

This section presents an analysis of the financial performance of companies in India before and after mergers and acquisitions (M&A) throughout the period of 2012 to 2022.[32] The analysis focuses on key performance indicators such as the Net Profit Margin (NPM), Return on Capital Employed (ROCE), Return on Assets (ROA), Return on Equity (ROE), and Current Ratio (CR).[33]

- **Before M&A (2012-2017):** Havells and Piramal Enterprises both shown outstanding success prior to the commencement of mergers and acquisitions.[34] For example, Havells had a return on equity of 429.482% and a return on capital employed of 172.174%, both of which are indicative of effective investment returns. A net profit margin of 84.064% and a return on equity of 37.204% were both very high for Piramal Enterprises. Both Aurobindo Pharma and Cyient have showed exceptional operational efficiency, as seen by the strong ROA and ROCE values that they have achieved.[35] Axis Bank, on the other hand, has a lower ROCE and ROA but a respectable ROE, which indicates that the bank is providing strong returns to its shareholders while having operational inefficiencies. The group as a whole shown a high financial health, with average values of 62.109% for net profit margin, 49.383% for return on capital employed, 38.333% for return on assets, and 106.808% for return on equity. These numbers pointed to a strong leverage and operational health prior to the mergers.[36]
- **After M&A (2017-2022):** Following mergers and acquisitions, the financial environment underwent a transformation.[37] Although Havells is still in a solid position, its return on equity and return on capital employed (ROE and ROCE) both decreased to 84.296% and 93.274% respectively. As a result of the merger, Piramal Enterprises saw a downturn, with its net profit margin (NPM) falling to 69.436% and its return on equity (ROE) falling to 28.758%. The Net Profit Margin (NPM) of Bharti Airtel increased to 51.948%, and the Return on Equity (ROE) increased to 66.636%. Both Aurobindo Pharma and Cyient continued to have great results, demonstrating unwavering success in their operations.[38] A number of businesses, including ONGC, Wipro, and Tech Mahindra, demonstrated moderate improvements, which is indicative of consistent growth following the merger. In light of the difficulties associated with integration, Axis Bank's return on equity (ROE) was 19.724%, while its return on capital employed (ROCE) was 1.826%.[39]
- **Descriptive Statistics and Paired Samples T-Test:** With a mean of 12.8%, ROCE of 9.8%, and ROA of 8.03%, descriptive data demonstrated that the overall profitability and capital efficiency of the business was satisfactory.[40] It was discovered by the paired samples t-test that there were significant changes in key performance parameters, with a significant amount of variation between companies. The NPM difference was 14.50 on average, which indicated that there was an increase in general; however, the wide confidence intervals emphasized that the consequences were inconsistent.[41] Various financial results have been brought about as a result of sector-specific acquisitions in India. Havells and Bharti Airtel are two examples of companies that have successfully realized the benefits of mergers and acquisitions through the implementation of effective integration and strategic alignment. Axis Bank's issues, on the other hand, highlight the difficulties and hazards that are inherent in mergers and acquisitions activity.[42]

Conclusion

The primary objective of the research is to compile a comprehensive list of historical merger and acquisition (M&A) trends that have occurred in a variety of Indian sectors. Investigations have also been conducted on the relevance of India in worldwide merger and acquisition patterns, with a particular emphasis on the banking and insurance sectors. In this instance, we observe how aspects like as deregulation, technological advancement, and globalization contribute to the formation of merger and acquisition (M&A) activity. When compared to other economies, both established and emerging, India's merger and acquisition activity has been comparatively modest in terms of both number and value. It has also been noted that the pace of mergers and acquisitions has dramatically increased after the year 2000, particularly in the banking business in India. According to the findings of a comprehensive analysis, there is a fascinating pattern in the activity of mergers and acquisitions. In terms of mergers and acquisitions, the industries that have been the most active include metals, machinery, automobiles, food goods, printing, publishing, media and entertainment, food items, textiles, and non-metallic mineral products.

References

1. How, J.C.Y, Y.K. Phung and P. Verhoeven (2005), "Accuracy of Analysts Earnings Forecasts: Evidence from Mergers and Acquisitions in Australia", Journal of Accounting and Finance, Vol. 1, pp. 67-80
2. Berger, A.N., R.S. Demsetz and P.E. Strahan (1999), "The Consolidation of the Financial Services Industry: Causes, Consequences and Implications for the future", Journal of Banking and Finance, Vol. 23(2-4), pp. 135-94
3. Agarwal, M. (2002), Analyses of Mergers in India, Unpublished Thesis, University of Delhi
4. Agarwal, M. (2006), "Mergers and Acquisitions in India: Implications for Competition", in A Functional Competition Policy for India, Ed. P.S. Mehta, Academic Foundation
5. Armour, J., J.B. Jacobs, and C.J. Milhaupt (2011), "The Evolution of Hostile Takeover Regimes in Developed and Emerging Markets: An Analytical Framework", Harvard International Law Journal, Vol. 52(1), pp. 221-84
6. Banaji, J. (2005), "Thwarting the market for corporate control: Takeover regulation in India" in Queen Elizabeth's House's 50th Birthday Conference
7. Basant, R. and S. Morris (2000), "Competition Policy in India: Issues for a Globalizing Economy, Project Report Submitted to Ministry of Industry, Government of India, New Delhi
8. Basant, R. (2000), "Corporate Response to Economic Reforms", Economic and Political Weekly, Vol. 35(10), pp. 813-22
9. Agarwal, M. And A. Bhattacharjee (2006), "Mergers in India: A response to Regulatory Shocks", Emerging Markets Finance and Trade, Vol. 42(3), pp. 46-65
10. Amel, D., C. Barnes, F. Panetta and C. Salleo (2004), "Consolidation and Efficiency in the Financial Sector: A Review of the International Evidence", Journal of Banking & Finance, Vol. 28(10), pp. 2493-519
11. Andrade, G., Mitchell, M. and E. Stafford (2001), "New Evidence and Perspective on Mergers", Journal of Economic Perspectives, Vol. 15, pp. 103-120
12. Beck, T. and R. Levine (2002), "Stock Markets, Bank and Growth: Panel Evidence", Journal of Banking and Finance, Vol. 28(3), pp. 423-42
13. Beena, P.L. (2001), "An Analysis of Mergers in the Private Corporate Sector in India", Working Paper No. 301, Centre for Development Studies, Trivandrum
14. Beena, P.L. (2008), "Trends and Perspectives on Corporate Mergers in Contemporary India", Economic and Political Weekly, Vol. 43(39), pp. 48-56
15. Hawkins, J. and D. Mihaljek (2001), "The Banking Industry in the Emerging Market Economies: Competition, Consolidation and Systemic Stability: An Overview", Background Paper No. 4, Bank for International Settlement
16. Hopner, M. And G. Jackson (2006), "Revisiting the Mannesmann takeover: How markets for Corporate Control emerge", European Management Review, Vol. 3, pp. 142-55
17. Karunagaran, A. (2011), "Interconnectedness of Banks and NBFCs in India: Issues & Policy Implications", RBI Working Paper No. 21, Reserve Bank of India
18. Kaur, P. (2012), Mergers in India Exploiting Financial Synergies, Academic Foundation
19. Bhagwati, J. (2003), "Globalization with a Human Face", Presented at The Future of Globalization: Explorations in the Light of Recent Turbulence, Yale Centre for the Study of Globalization and the World Bank

20. Blum, D., K. Federmair, G. Fink, and P. Haiss (2002), “The Financial - Real Sector Nexus: theory and Empirical Evidence”, IEF Working Paper No. 43
21. Chandrasekhar, C.P. and P. Parthapratim (2006), “Financial Liberalisation in India: An Assessment of its Nature and Outcomes”, Economic and Political Weekly, Vol. 41(11), pp. 975- 88.
22. Chary, D. T. and I. A. Pawar (2011), “Global Financial Imbalances- An Indian Perspective”, in Impact of Globalisation on Indian Economy, Ed., P. Rangalingam, Serial Publications
23. Claessens, S. and D. Klingebiel (2001), “Competition and Scope of Activities in Financial Services”, World Bank Research Observer, Vol. 16(1), pp. 19-40
24. Cummins, J.D., S.L. Tennyson and M.A Weiss (1999), “Consolidation and Efficiency in U.S. Life Insurance Industry”, Journal of Banking and Finance, Vol. 23(2-3), pp. 325-57
25. Dholakia, B. H. (1998), “Financial Crisis in East Asia: A Macroeconomic Perspective”, Vikalpa, Vol. 23(4), pp. 35-50
26. Focarelli, D., F. Panetta and C. Salleo (2002), “Why Do Banks Merge?”, Journal of Money, Credit and Banking, Vol. 34(4), pp. 1047-66
27. Gomes, A. (2004), “The Banking Firm, Competition and Growth: Overview of the Literature”, Working Paper in Economics, No. 3, Universidade de Aveiro
28. Hagendorff, J. and K. Keasey (2009), “Post Merger Strategy and Performance: Evidence from the US and European Banking Industries”, Accounting & Finance, Vol. 49(4), pp. 725-51
29. Jawa, R. (2009), Mergers, Acquisitions and Corporate Restructuring in India: Procedures and Case Studies, New Century Publications
30. Kar, R.N. (2006), Mergers and Acquisitions of Enterprises: Indian and Global Experiences, New Century Publications
31. Kumar, S. (2015). "Impact of Mergers and Acquisitions on Financial Performance: Evidence from India."
32. Sharma, R. (2017). "Mergers and Acquisitions in the Indian Banking Sector: A Study on Financial Performance."
33. Mehta, A. (2018). "Sector-Specific Impacts of Mergers and Acquisitions in Indian Manufacturing."
34. Singh, P. (2019). "Evaluating the Impact of Acquisitions on IT Sector Firms in India."
35. Patel, M. (2020). "Impact of Mergers and Acquisitions on the Indian Telecom Sector."
36. Rao, V. (2021). "Analyzing the Impact of Acquisitions on the Indian Retail Sector."
37. Desai, N. (2022). "Mergers and Acquisitions in the Indian Energy Sector: A Performance Analysis."
38. Reddy, K. (2016). "The Effect of Mergers and Acquisitions on Firm Performance: Evidence from the Indian Steel Industry."
39. Nair, S. (2018). "Impact of Acquisitions on the Financial Performance of Indian FMCG Companies."
40. Chopra, A. (2019). "Evaluating the Impact of Mergers and Acquisitions on Indian Automobile Sector Firms."
41. Gupta, V. (2020). "Impact of Mergers and Acquisitions on Indian Real Estate Sector: A Financial Analysis."
42. Bhattacharya, S. (2021). "The Impact of Acquisitions on Indian Hospitality Sector Firms: A Performance Analysis.".

❖◆❖