



# Paper Title: Mergers & Acquisitions of 2022

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**Abstract:** The purpose of this research paper is to analyze the role of mergers and acquisitions. In Indian context, this research paper aims at analyzing the number of deals and the value of deals in India between 2021 and 2022. The reasoning behind M&A generally given is that two separate companies together create more value compared to being on an individual stand. The study begins with the concept of merger & acquisition, benefits, drawbacks types of mergers and acquisitions and due diligence. The idea behind this research paper is to know whether the mergers and acquisition activities in India have shown upward trend or downward trend. The main purpose of M&A activity is to increase the value or accelerate the growth of a business.

**Keywords:** Merger and acquisition, management acquisition, Biggest M &A in India in recent time, Advantages of merger and acquisition.

## Introduction:

“Our business is really simple, when you look at deal and its structure look like on octopus on spider, just don't do it.”  
- Timothy Slogan (CFO of Wells Fargo)

The term mergers and acquisitions (M&A) refers to the consolidation of companies or their major business assets through financial transactions between companies. A company may purchase and absorb another company outright, merge with it to create a new company, acquire some or all of its major assets, make a tender offer for its stock, or stage a hostile takeover.

The term M&A also is used to describe the divisions of financial institutions that deal in such activity. When one company takes over another and establishes itself as the new owner, the purchase is called an acquisition.

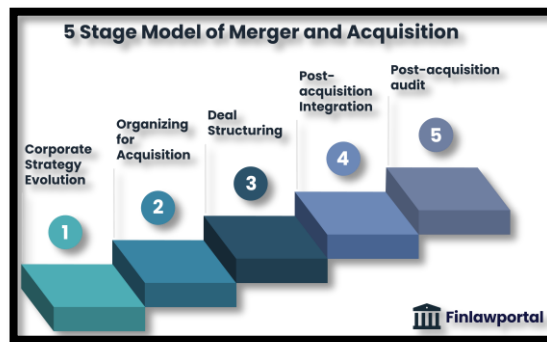
On the other hand, a merger describes two firms, of approximately the same size, that join forces to move forward as a single new entity, rather than remain separately owned and operated. This action is known as a merger of equals. Case in point: Both Daimler-Benz and Chrysler ceased to exist when the two firms merged, and a new company, DaimlerChrysler, was created. Both companies' stocks were surrendered, and new company stock was issued in its place. In a brand refresh, the company underwent another name and ticker change as the Mercedes-Benz Group AG (MBG) in February 2022.

A purchase deal will also be called a merger when both CEOs agree that joining together is in the best interest of both of their companies.

Unfriendly or hostile takeover deals, in which target companies do not wish to be purchased, are always regarded as acquisitions. A deal can be classified as a merger or an acquisition based on whether the acquisition is friendly or hostile and how it is announced. In other words, the difference lies in how the deal is communicated to the target company's board of directors, employees, and shareholders.

### According to CCPC report regarding Merger & Acquisition of 2022:

“CCPC member **Brian McHugh** commented: “Although the total number of notified mergers was lower than 2021, we saw increasingly complex mergers notified, as evidenced by the unprecedented number of mergers which were subject to Phase 2 merger investigations.”



## Literature Review:

1. **Author of the paper: Florian Bauer and Martin Friesl:**

**Title of the Research Paper:** Synergy evolution in mergers and acquisition.

**Year of publication:** February 21, 2022

**Objective of the study:**

- I) This article aims to understand the allocation of attention towards specific types of synergies by investigating the practices through which they are constituted.
- II) These will have implications for future research but also for management practice.

**Research Methodology:**

- i) This article aims to understand and the allocation of attention towards specific types of synergies by investing at the practice through which they are constituted.
- ii) On the firm side, strategic M &A decisions are usually made by the top management team.

**Outcome of the study:**

- i) The pursuit of goals is central to management and organisation theory.
- ii) Here, focus on synergies in the context of M&A as a particularly relevant.
- iii) Focus is also an attention towards practices that ultimately constitute and favour different synergy types.

**2. Author of the paper: Nazia Naeem, IIF (International institute of Islamic economics) Abdul Rashid, IIIE.**

**Title of Research paper:** Effects of mergers on corporate performance.

**Publication:** September 05, 2016.

**Objectives:**

- i) We empirically examine the impact of mergers on corporate financial performance in Pakistan.
- ii) To provide or analyse merger effects on profitability, leverage, liquidity position.
- iii) To analyse both positive and negative impact of merger and acquisition.

**Research methodology:**

- i) We considered 25 merged and acquired non-financial companies.
- ii) Used three-year pre and post-merger average of financial ratios in our empirical analysis.

#### Outcome of the study:

- i) Here, we empirically examine the impact of mergers on corporate financial performance in Pakistan.
- ii) Here, OLS regression analysis is carried out using data on the deals occurred during the period 1995-2012.
- iii) The estimates suggest that the merger deals have a negative and statistically significant impact on the quick ration of merger/acquirer firms.

### 3. Author of the paper: Natika Podder

**Title of the paper:** Mergers and acquisition and its impact on operating efficiency of Indian acquiring company.

#### Objectives:

- i) To analyse the impact of M&A on the acquirer's operating efficiency.
- ii) To understand macro-economic environment besides the effects of the merger, which impacts the performance of the acquire.

#### Research Methodology:

- i) The corporate deals selected for analysis are mergers and acquisitions that are cross border in nature.
- ii) The acquiring company is an Indian company.
- iii) 2012-2013 were the period where major deals took place. Hence the 2 years were selected for the study.

#### Outcome of the study:

The period under study reveals that the whole M&A deals appears to have added less than expected value to the acquirer company. It appears that there are some overarching factors leading to constrain the performance of the Indian acquirer companies, global financial crisis.

### Objectives of the study:

- Exponential growth.
- Customers through mergers.
- Greater market control.
- The acquisition and merging of skills and technology.
- Improving the industry overall.
- Unlocking value in a merger or acquisition with pricing.
- To understand meaning and types of mergers.
- To know the benefits and drawbacks of mergers.
- To analyse the trends in mergers and acquisitions in India, how to manage pricing throughout the merger or acquisition.

**Need of the study:** First of all, we need to understand meaning and types of mergers, we have to know the benefits and drawbacks of mergers. We want to objectify why companies are getting merger in India. Merger and acquisition may extend an organization geologically which would expand its capacity to disperse labour and products on a more extensive scale. This can permit an organisation to arrive at a more extensive market of customers. This can assist with growing memorability and increment deals.

### Research Methodology:

- **Sources of data:** For this study, I had referred to the books of Research methodology – (Methods and techniques) CR- Kothari and Gaurav Garg. Aayushi international interdisciplinary Research journal, an empirical study on mergers and acquisition trends in India- Ramnath HR (Associate Professor, institute of management Christ, Bangalore)

### The characteristics of empirical Research are as follows:

Making strategic business decisions requires reliable data, data sound analysis and experience in applying strategic decision-making tools.

- i) This project is done by going through several questionnaires.
- ii) To understand the fact that why companies are getting merged. Is it because to increase the profit/ to reduce the risk/ to increase the share market values.
- iii) Googling various information to get a wide knowledge about this particular topic.
- iv) By competitive market analysis – A merger or acquisition is a tactic, not a strategy. It means to an end and typically, the end is top-line and bottom-line growth.
- v) By valuation methods – Valuing a private company is a critical but elusive process.

## Conclusion:

Recent two to three years, or more than that we see 50+ or more merge and acquisition in our country. I have made this dissertation that's why not the only one reason behind that, why those companies are getting merged, are they trying to reduce their Tax, are they trying to increase their profit, are they trying to increase their share price in share market.

At the end, we want to emphasize the importance of M&A to the development of corporations. M&A is really confirmed to be one of the most useful methods to overcome current difficulties and improve the development of companies. M&A really support for the growth of global economics, for it make companies in crisis become, bigger in capitals, human resource, therefore the competition advantages of companies bring them to success and prosperity M&A are extremely noticeable way to tackle with difficulties in the 21<sup>st</sup> century.

Merger and acquisition (M&A) activity in India has been steadily increasing in recent years, driven by factors such as favorable government policies, growing investor interest, and the need for companies to expand their businesses and gain a competitive edge in the market. While there have been several challenges to M&A activity in India, Including regularly hurdles, cultural differences, and the complexity of deal structure companies continue to see the potential for growth and expansion in the country's economy. While there are challenges to M&A activity in India, such as regulatory and legal hurdles, cultural differences and complex business environments, companies are increasingly finding ways to overcome these challenges and pursue strategic acquisitions and partnerships. The recent big deals in M&A in India highlight the growing interest of domestic and international players in the country's economy and its potential for growth.

Looking ahead, the future of M&A activity in India looks promising, with opportunities across a wide range of sectors and industries. As the Indian economy continues to grow and evolve, companies will be looking to acquire new technologies, expand their product portfolios and gain access to new markets. Additionally, the government's push for infrastructure development. Digital India initiative is expected to drive more M&A activity in the years to come.

Overall, the potential for M&A activity in India is significant and companies will need to be strategic in their approach to deal making, taking into account the unique challenges and opportunities that the country presents with the right approach and the right partners, M&A activity in India can be a powerful tool growth and success in the dynamic and fast-growing economy.



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