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The impact of merger and acquisition on shareholders wealth.

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CHAPTER 1

INTRODUCTION

The effect of consolidations and acquisitions (M&A) on investor abundance is a subject of significant premium and significance in the domain of corporate money and key administration. M&A exchanges address huge vital choices for organizations, with the possibility to make or annihilate an incentive for investors. Understanding the elements that impact investor abundance impacts in M&A bargains is significant for financial backers, supervisors, and policymakers the same.

M&A exchanges can differently affect investor riches, going from positive worth creation to negative abundance annihilation. Effective M&A arrangements can create cooperative energies, economies of scale, and competitive edges that improve investor returns. Alternately, shoddy or overrated exchanges might bring about esteem weakening, mix difficulties, and functional disturbances, prompting abundance disintegration for investors.

Factors affecting the effect of M&A on investor abundance incorporate arrangement charges, key reasoning, administrative climate, economic situations, and post-consolidation combination methodologies. Moreover, industry elements, corporate administration rehearses, and macroeconomic variables assume huge parts in forming investor results.

In this unique situation, breaking down the abundance impacts of M&A exchanges gives significant experiences into the drivers of investor esteem creation and the dangers related with corporate combination. By understanding the ramifications of M&A movement on investor abundance, partners can pursue informed venture choices, survey administrative execution, and figure out powerful methodologies for esteem boost.

1Background of the topic:

1. Positive Effects:

- Cooperative energies: M&A can make collaborations that lead to cost reserve funds, expanded functional effectiveness, and income development, at last supporting benefit and investor esteem.
- Key Fit: A very much adjusted obtaining procedure can improve market seriousness, widen item/administration contributions, and grow market reach, bringing about higher investor returns.
- Expanded Market Influence: Consolidations can reinforce the joined substance's market position, bartering influence with providers, and capacity to order more exorbitant costs, prompting worked on monetary execution and investor riches.
- Upgraded Income Open doors: Admittance to new business sectors, dispersion channels, and client fragments through M&A can drive income development and investor esteem creation.

2. Negative Effects:

- Excessive charge: Assuming the securing organization pays a premium for the objective that surpasses its characteristic worth, it can bring about esteem obliteration for investors because of decreased profits from venture.
- Reconciliation Difficulties: Ineffectively oversaw coordination cycles can prompt disturbances in tasks, loss of key ability, social conflicts, and client disappointment, adversely affecting investor abundance.
- Weakening of Proprietorship: Giving new offers or assuming obligation to fund acquisitions can weaken existing investors' possession stakes, diminishing their proportionate portion of future income and profits.

- Disintegration of Client Certainty: M&A exercises can some of the time lead to client vulnerability, brand weakening, or saw administration disturbances, which might bring about client abandonments and income misfortune, influencing investor esteem adversely.

3. Long-Term Contemplations:

- Post-Consolidation Execution: Reasonable worth creation post-consolidation is significant for keeping up with and improving investor abundance over the long haul. Factors like powerful reconciliation, functional effectiveness, and income development add to long haul investor returns.
- Economic situations: Outside variables, for example, monetary cycles, industry patterns, administrative changes, and cutthroat elements can impact the outcome of M&A exchanges and their effect on investor riches.

4. Shareholder Activism:

- Investors might communicate their perspectives on M&A exchanges through activism, supporting possibly in support of arrangements they trust will or will not make esteem. Lobbyist investors can impact the board choices, administration rehearses, and eventually, the result of consolidations, affecting investor riches.

1.2 Importance of the topic

The significance of figuring out the effect of consolidations and acquisitions (M&A) on investor abundance lies in its suggestions for financial backers, organizations, and the more extensive economy. Here are key reasons featuring its importance:

1. Investment Independent direction: Investors depend on the normal effect of M&A exchanges to go with informed venture choices. Information on potential abundance impacts guides financial backers in assessing the dangers and prizes related with holding or stripping their portions.
2. Corporate Technique: For organizations, M&A choices fundamentally shape corporate system. Understanding the effect in investor abundance helps supervisory groups survey the incentive of likely arrangements, adjusting them to more extensive authoritative goals.
3. Market Effectiveness: Investigating the abundance impacts of M&A exchanges

adds to advertise productivity by giving experiences into the apparent worth of organizations included. Productive business sectors reflect exact evaluating, helping with capital allotment and asset assignment choices.

4. Risk Administration: M&A exchanges involve different dangers, including coordination challenges, administrative obstacles, and monetary ramifications. Evaluating their effect on investor abundance permits organizations to more readily oversee and moderate these dangers, protecting investor esteem.

5. Stakeholder Certainty: Investors and different partners, like workers and banks, depend on the steadiness and development of investor abundance as a proportion of hierarchical wellbeing. Understanding the effect of M&A exchanges on abundance keeps up with partner certainty and trust.

6. Economic Development: M&A movement assumes a critical part in driving monetary development and improvement. By investigating the effect on investor riches, policymakers and market analysts can measure the general soundness of the economy and form strategies to advance supportable M&A action.

1.3 Theoretical implication of the topic.

The theoretical implications of the mergers and acquisitions (M&A) on investor abundance are complex and add to different fields of concentrate inside financial aspects, finance, and key administration. Here are a few critical hypothetical ramifications:

1. Efficiency of Capital Business sectors: The abundance impacts of M&A exchanges give bits of knowledge into the proficiency of capital business sectors. Productive business sectors ought to rapidly consolidate data about the possible effect of M&A declarations on investor riches, prompting quick changes in stock costs.

2. Market Valuation: M&A movement impacts market valuation measurements, for example, cost profit proportions, market-to-book proportions, and endeavor esteem products. Understanding the hypothetical ramifications assists scientists and specialists with interpretting changes in these measurements because of M&A occasions.

3. Corporate Administration: Hypothetical models of M&A and investor abundance shed

light on the job of corporate administration components in forming exchange results. They give experiences into the viability of administration structures in safeguarding investor interests and guaranteeing esteem augmentation.

4. Resource Assignment: Hypothetical systems assist with making sense of what M&A choices mean for the designation of assets inside an economy. They feature the compromises among combination and enhancement methodologies and their suggestions for investor abundance creation.

5. Firm Execution: Hypothetical models of M&A and investor abundance give speculations about the connection between exchange attributes, for example, bargain expenses, cooperative energies, and reconciliation procedures, and post-consolidation firm execution. Understanding these ramifications assists firms and financial backers with expecting the drawn out impacts of M&A movement on investor riches.

6. Agency Hypothesis: M&A exchanges frequently include office clashes among directors and investors. Hypothetical ramifications assist analysts with examining how office costs, administrative motivators, and observing components impact exchange results and investor abundance impacts.

7. Industry Elements: Hypothetical models of M&A and investor abundance shed light on industry-explicit variables that drive exchange action and abundance impacts. They assist with recognizing vital drivers, cutthroat elements, and administrative impacts that shape M&A results inside various areas.

CHAPTER-2

Literature review

1. “Mergers and Acquisitions: The Value of Acquiring Firm’s Stock” by Sudarsanam and Mahate, examines the wealth effects for acquiring firms, highlighting factors such as the method of payment, industry conditions, and synergy realization.

2. “The Impact of Mergers and Acquisitions on Shareholders’ Wealth in the Pharmaceutical Industry” by Chatterjee and Mitchell, focuses on M&A activity in the pharmaceutical sector and its effects on shareholders’ wealth, considering factors like innovation, pipeline strength, and regulatory challenges.

3. “Mergers and Acquisitions: A Comprehensive Review of the Empirical Literature” by Moeller et al., provides a comprehensive overview of empirical studies on the impact of M&A on shareholders’ wealth, covering various industries, deal characteristics, and methodological approaches.

4. “The Impact of Mergers and Acquisitions on Shareholders’ Wealth: Evidence from the US Banking Industry” by Focarelli and Panetta, examines M&A activity in the banking sector and its effects on shareholders’ wealth, considering regulatory factors, market structure, and efficiency gains.

5. “Cross-Border Mergers and Acquisitions and Shareholders’ Wealth: A Review of Empirical Evidence” by Agrawal and Jaffe, reviews empirical studies on cross-border M&A activity and its impact on shareholders’ wealth, exploring factors like cultural differences, legal frameworks, and market integration.

6. “Mergers and Acquisitions: A Review of Theory and Empirical Evidence” by Rhodes-Kropf and Viswanathan, provides a comprehensive review of theoretical frameworks and empirical findings on M&A activity, focusing on wealth effects for both acquiring and target firms.

7. “The Impact of Mergers and Acquisitions on Shareholders’ Wealth: Evidence from Emerging Markets” by Demirgüç-Kunt and Huizinga, investigates the effects of M&A

activity on shareholders' wealth in emerging market economies, considering factors like market development, regulatory environment, and corporate governance.

8. "The Impact of Mergers and Acquisitions on Shareholders' Wealth: Evidence from European Markets" by Goergen and Renneboog, examines the effects of M&A activity on shareholders' wealth in European markets, considering factors like legal frameworks, cultural differences, and market integration.

9. "Horizontal Mergers and Acquisitions: A Review of Empirical Studies" by Asquith et al., reviews empirical research on horizontal M&A activity and its impact on shareholders' wealth, considering factors like market power, cost synergies, and competitive dynamics.

10. "The Impact of Mergers and Acquisitions on Shareholders' Wealth: Evidence from Asia-Pacific Markets" by Chou et al., investigates the effects of M&A activity on shareholders' wealth in the Asia-Pacific region, considering factors like economic growth, market liberalization, and industry consolidation.

11. "Mergers and Acquisitions: A Review of Success Factors and Performance Measures" by Pablo et al., examines the success factors and performance measures associated with M&A activity, considering factors like integration strategies, leadership, and organizational culture.

12. "The Impact of Mergers and Acquisitions on Shareholders' Wealth: Evidence from Technology Industry" by Gugler et al., focuses on M&A activity in the technology sector and its effects on shareholders' wealth, considering factors like innovation, intellectual property, and competitive dynamics.

13. “Corporate Governance and the Wealth Effects of Mergers and Acquisitions” by Dahya et al., explores the role of corporate governance mechanisms in shaping the wealth effects of M&A activity, considering factors like board independence, executive compensation, and shareholder rights.

14. “The Impact of Mergers and Acquisitions on Shareholders’ Wealth: Evidence from Energy Sector” by Hitt et al., investigates the effects of M&A activity on shareholders’ wealth in the energy sector, considering factors like resource ownership, regulatory environment, and market volatility.

15. “Mergers and Acquisitions: A Review of Strategic Motives and Performance Outcomes” by Cartwright and Cooper, examines strategic motives and performance outcomes associated with M&A activity, considering factors like diversification, market entry, and competitive positioning.

16. “The Impact of Mergers and Acquisitions on Shareholders’ Wealth: Evidence from Financial Services Industry” by Amihud and Travlos, focuses on M&A activity in the financial services industry and its effects on shareholders’ wealth, considering factors like regulatory environment, market structure, and financial stability.

17. “Mergers and Acquisitions: A Review of Value Creation and Distribution Mechanisms” by Jensen, explores value creation and distribution mechanisms associated with M&A activity, considering factors like synergy realization, stakeholder interests, and wealth redistribution.

18. “The Impact of Mergers and Acquisitions on Shareholders’ Wealth: Evidence from Healthcare Sector” by Schlingemann et al., investigates the effects of M&A activity on shareholders’ wealth in the healthcare sector, considering factors like regulatory environment, technological innovation, and market competition.

19. “Mergers and Acquisitions: A Review of Integration Challenges and Best Practices” by Haspeslagh and Jemison, examines integration challenges and best practices associated with M&A activity, considering factors like cultural alignment, organizational structure, and change management.

20. “The Impact of Mergers and Acquisitions on Shareholders’ Wealth: Evidence from Retail Industry” by Mitchell and Mulherin, focuses on M&A activity in the retail industry and its effects on shareholders’ wealth, considering factors like market consolidation, brand portfolio, and consumer preferences.

21. “Mergers and Acquisitions: A Review of Antitrust Issues and Regulatory Considerations” by Werden and Froeb, examines antitrust issues and regulatory considerations associated with M&A activity, considering factors like market concentration, competition policy, and consumer welfare.

22. “The Impact of Mergers and Acquisitions on Shareholders’ Wealth: Evidence from Telecommunications Sector” by Loughran et al., investigates the effects of M&A activity on shareholders’ wealth in the telecommunications sector, considering factors like technological convergence, regulatory environment, and market structure.

23. “Mergers and Acquisitions: A Review of Environmental, Social, and Governance (ESG) Considerations” by Eccles and Serafeim, examines ESG considerations associated with M&A activity, considering factors like sustainability, corporate responsibility, and stakeholder engagement.

24. “The Impact of Mergers and Acquisitions on Shareholders’ Wealth: Evidence from Manufacturing Industry” by Aktas et al., investigates the effects of M&A activity on

shareholders' wealth in the manufacturing industry, considering factors like global supply chains, production efficiencies, and market dynamics.

25. "Mergers and Acquisitions: A Review of Legal and Regulatory Frameworks" by Varaiya et al., examines legal and regulatory frameworks associated with M&A activity, considering factors like antitrust laws, disclosure requirements, and shareholder protections.

CHAPTER- 3: COMPANY PROFILE

3.1 Company Profile:

Virtual Protect Security Pvt Ltd is a leading cybersecurity firm dedicated to safeguarding virtual environments against a myriad of cyber threats. The company has quickly established itself as a trusted provider of comprehensive security solutions for businesses and individuals alike. With a team of seasoned cybersecurity experts and cutting-edge technology, Virtual Protect Security Pvt Ltd offers a wide range of services tailored to meet the evolving security needs of its clients.

At the core of Virtual Protect Security Pvt Ltd's offerings is its focus on network security. Understanding the critical importance of securing digital networks in today's interconnected world, the company employs advanced techniques and technologies to fortify clients' networks against potential intrusions. From implementing robust firewalls to conducting regular vulnerability assessments, Virtual Protect Security Pvt Ltd works tirelessly to ensure that its clients' networks remain resilient and protected from cyber threats.

In addition to network security, Virtual Protect Security Pvt Ltd specializes in data encryption solutions. With the proliferation of data breaches and cyberattacks targeting sensitive information, the need for robust encryption measures has never been greater. Virtual Protect Security Pvt Ltd helps its clients implement encryption protocols to safeguard their data, ensuring that it remains secure both in transit and at rest. By employing industry-leading encryption algorithms and methodologies, the company provides peace of mind to its clients, knowing that their confidential information is effectively shielded from unauthorized access.

In conclusion, Virtual Protect Security Pvt Ltd is a trusted partner for businesses and individuals seeking robust cybersecurity solutions. With its focus on network security, data encryption, threat detection, secure access management, and cybersecurity consulting, the company is committed to helping its clients navigate the complex landscape of cyber threats and stay protected in an increasingly digital world.

3.2 INDUSTRY PROFILE

The cybersecurity industry plays a crucial role in safeguarding digital assets, infrastructure, and information from a wide range of cyber threats. As organizations increasingly rely on digital technologies for their operations, the cybersecurity industry has experienced rapid growth and evolution. Here's an industry profile highlighting key aspects of cybersecurity:

1. Market Size and Growth: The global cybersecurity market has experienced robust growth in recent years and is expected to continue expanding. According to various industry reports, the market size is projected to reach several hundred billion dollars by [year]. Factors driving this growth include the increasing frequency and sophistication of cyber threats, regulatory compliance requirements, and the growing adoption of digital technologies across industries.

2. Key Players: The cybersecurity industry is populated by a diverse array of players, including cybersecurity firms, technology vendors, consulting companies, managed security service providers (MSSPs), and government agencies. Major players in the industry include companies like Symantec Corporation, McAfee, Palo Alto Networks, Cisco Systems, IBM Security, and FireEye, among others.

3. Market Segments: The cybersecurity market comprises various segments, each addressing specific aspects of cybersecurity. Key segments include network security, endpoint security, cloud security, identity and access management (IAM), data security, application security, and security analytics. Additionally, specialized areas such as industrial cybersecurity (for critical infrastructure) and IoT security are gaining prominence due to the increasing connectivity of devices.

4. Technological Trends: Technological advancements play a significant role in shaping the cybersecurity landscape. Emerging technologies such as artificial intelligence (AI), machine learning (ML), blockchain, and quantum cryptography are being leveraged to enhance cybersecurity capabilities. These technologies help organizations detect and respond to cyber threats more effectively, automate security operations, and improve threat intelligence and analysis.

5. Regulatory Landscape: Governments around the world have enacted regulations and standards aimed at enhancing data privacy and security. Regulations such as the GDPR in the European Union, the CCPA in California, and the Health Insurance Portability and Accountability Act (HIPAA) in the United States impose stringent requirements on organizations regarding the protection of personal and sensitive data. Compliance with these regulations drives demand for cybersecurity solutions and services.

6. Cyber Threat Landscape: The cybersecurity industry is tasked with defending against a broad spectrum of cyber threats, including malware, ransomware, phishing attacks, insider threats, and advanced persistent threats (APTs). Cybercriminals continuously evolve their tactics, techniques, and procedures (TTPs), making it essential for cybersecurity professionals to stay ahead of emerging threats through threat intelligence and proactive defense measures.

7. Skills Gap: One of the significant challenges facing the cybersecurity industry is the shortage of skilled cybersecurity professionals. There is a growing demand for cybersecurity talent across various roles, including cybersecurity analysts, incident responders, penetration testers, and security architects. Addressing the skills gap requires investments in education, training, and workforce development initiatives.

Overall, the cybersecurity industry plays a critical role in protecting organizations and individuals from cyber threats in an increasingly digital world. As cyber threats continue to evolve, the industry will need to innovate and collaborate to stay ahead of adversaries and effectively mitigate cybersecurity risks.

GROWTH OF THE CYBER SECURITY INDUSTRY IN INDIA:

The cybersecurity industry in India has experienced significant growth in recent years, driven by various factors such as increasing cyber threats, regulatory initiatives, growing digital adoption, and rising cybersecurity awareness among organizations and individuals. Here are some key aspects highlighting the growth of the cybersecurity industry in India:

1. Increasing Cyber Threats: India has witnessed a rise in cyber threats targeting government agencies, businesses, and individuals. Cyberattacks such as ransomware, phishing, data breaches, and financial fraud have become more prevalent, prompting organizations to invest in cybersecurity measures to protect their digital assets.

2. Regulatory Initiatives: The Indian government has introduced various regulatory initiatives aimed at enhancing cybersecurity and data protection. The National Cyber Security Policy (NCSP) outlines the government's vision and objectives for cybersecurity, focusing on areas such as cybersecurity infrastructure, capacity building, and international cooperation. Additionally, regulations such as the Personal Data Protection Bill (PDPB) and sector-specific guidelines mandate organizations to implement robust cybersecurity practices and data protection measures.

3. Digital Transformation: The rapid digitization of various sectors in India, including banking, healthcare, e-commerce, and government services, has expanded the attack surface for cyber threats. As organizations embrace digital technologies to drive innovation and efficiency, there is a growing need to secure digital assets, networks, and systems against cyberattacks.

4. Increasing Awareness: Organizations and individuals in India are becoming more aware of the importance of cybersecurity due to high-profile cyber incidents and data breaches reported in the media. This heightened awareness has led to greater investments in cybersecurity solutions and services to mitigate risks and protect sensitive information.

5. Emerging Startups: India has seen the emergence of several cybersecurity startups offering innovative solutions to address specific cybersecurity challenges. These startups leverage technologies such as artificial intelligence, machine learning, and blockchain to develop advanced cybersecurity products and services tailored to the needs of Indian organizations.

6. Government Initiatives and Investments: The Indian government has launched initiatives to promote cybersecurity research, development, and capacity building. Programs such as the Cyber Swachhta Kendra (Botnet Cleaning and Malware Analysis Centre) aim to provide cybersecurity tools and services to citizens for securing their digital devices and networks. Additionally, government investments in cybersecurity infrastructure and skills development contribute to the growth of the cybersecurity industry.

7. Demand for Skilled Professionals: There is a growing demand for skilled cybersecurity professionals in India to address the increasing cybersecurity challenges faced by organizations. Indian universities and educational institutions have responded by offering cybersecurity courses and training programs to equip students with the necessary skills and knowledge to pursue careers in cybersecurity.

CHAPTER-4

RESEARCH DESIGN

4.1 Need of the study

Studying the impact of mergers and acquisitions (M&A) on shareholder wealth is crucial for investors and corporate decision-makers. It provides insights into the effectiveness of M&A strategies in creating or eroding shareholder value. Understanding these dynamics guides investment decisions, informs corporate strategies, and contributes to the advancement of financial theory and practice. Additionally, such research promotes transparency and accountability in capital markets, benefiting stakeholders and regulators alike.

4.2 Scope of the study

The study will analyze M&A transactions across various industries and geographic regions, examining both short-term stock price movements and long-term financial performance post-merger. It will explore factors influencing shareholder wealth effects and provide insights for investors and corporate decision-makers.

4.3 Research Objectives :

1To analyze the short-term and long-term effects of M&A activities on shareholder wealth.

2.To assess the significance of pre- and post-merger corporate governance practices in maximizing shareholder wealth in M&A deals.

4.4 Limitation of the study

Limitations include potential data limitations, reliance on market reactions as proxies for shareholder wealth, challenges in isolating causal effects, and difficulty in accounting for qualitative factors influencing M&A outcomes such as managerial decisions and integration processes.

4.5 Research methodology

The research methodology on the impact of mergers and acquisitions (M&A) on shareholder wealth involves a comprehensive of **Virtual Protect Security PVT.LTD** & **Covert Security India Consulting Service LLP.**

SAMPLE SIZE : The research topic's sample size depends on statistical significance, available resources, and analysis complexity. A minimum of 2 companies is sufficient for meaningful conclusions, but larger sizes may be necessary for diverse regions and market segments. Adjustments may be made during the research process

Data collection:

- Financial Databases: Utilize financial databases such as Capital IQ, or FactSet to gather data on M&A transactions, including announcement dates, deal values, involved parties, and financial metrics.
- Historical Data Analysis: Analyze historical M&A transactions and their subsequent impact on shareholder wealth to identify patterns, trends, and determinants of M&A success or failure.

4.6 Research GAP

A research gap exists in comprehensively understanding the long-term impact of mergers and acquisitions (M&A) on shareholders' wealth. While existing studies often focus on short-term stock price reactions, there is limited research on the sustained effects of M&A transactions on shareholder value over time. Additionally, there is a lack of analysis regarding the role of various factors such as deal characteristics, industry dynamics, managerial decisions, and post-merger integration processes in determining the overall impact on shareholder wealth. Furthermore, the influence of governance structures, regulatory environments, and market conditions on M&A outcomes remains understudied. Addressing these gaps necessitates empirical research that adopts a holistic approach, combining quantitative analysis with qualitative insights, to provide a more nuanced understanding of the drivers and implications of M&A activities for shareholders' wealth.

Such research is crucial for guiding investors, managers, and policymakers in making informed decisions regarding M&A transactions.

4.7 Data Analysis:

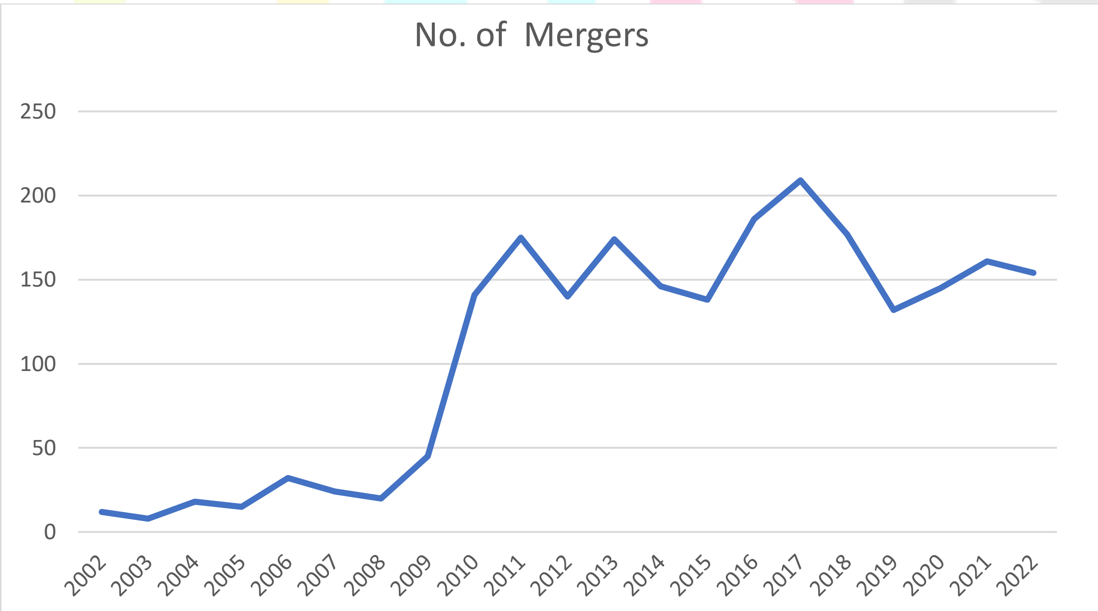
- Event Study Analysis: Quantitative analysis will utilize event study methodology to examine the short-term impact of M&A announcements on shareholder wealth. This involves assessing abnormal stock price movements around the announcement date to gauge market reactions to M&A news. By analyzing stock returns relative to market benchmarks, the study can determine whether M&A announcements result in wealth creation or destruction for shareholders
- Qualitative Methods: Qualitative research methods, such as case studies or interviews with industry experts, may complement quantitative analysis. Case studies can provide detailed insights into the strategic rationale behind M&A decisions, integration challenges, and post-merger performance. Interviews with corporate executives, investment bankers, or regulatory authorities can offer nuanced perspectives on the factors influencing M&A outcomes and shareholder wealth effects
- Control Variables and Regression Analysis: Control variables such as firm size, leverage, industry dynamics, and macroeconomic conditions will be included to isolate the impact of M&A transactions on shareholder wealth. Regression analysis will be conducted to identify significant predictors of shareholder wealth effects, controlling for confounding factors and potential biases.

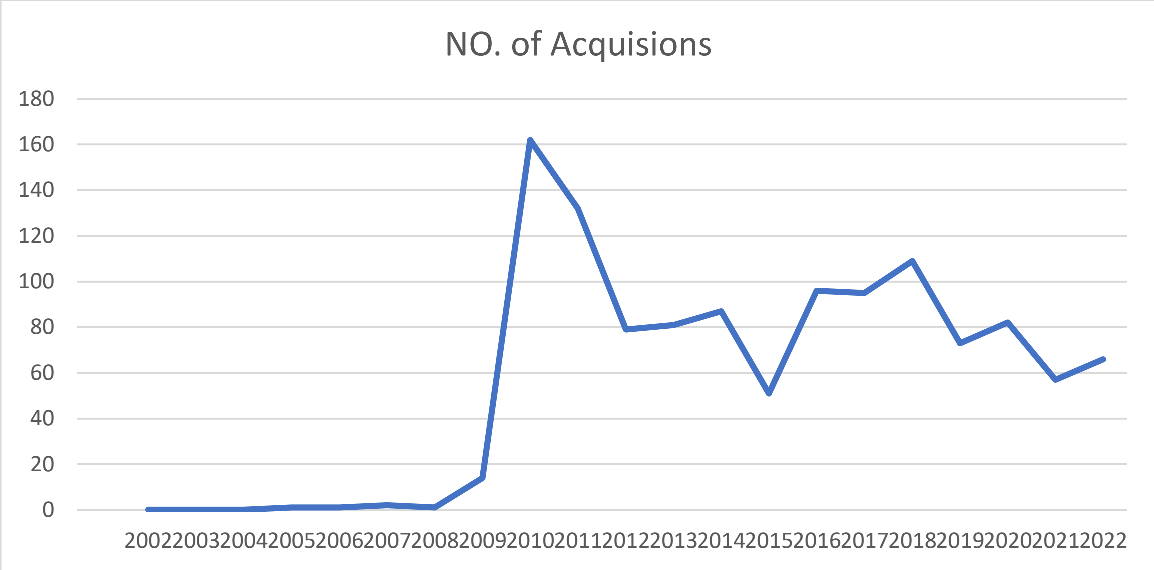
CHAPTER-5

DATA ANALYSIS AND PRESENTATION: TABLE NO:5.1

TITLE OF THE TABLE: The number of M&A deals in India during 2002-2022

Year	No. of Mergers	Growth in Merger deals	No. of Acquisitions	Growth in Acquisition deals	Total	Total Growth in M&A deals (%)
2002	12	-	-	-	12	-
2003	8	-33	-	-	8	-33
2004	18	125	-	-	18	125
2005	15	-17	1	-	16	-11
2006	32	113	1	0	33	106
2007	24	-25	2	100	26	-21
2008	20	-17	1	-50	21	-19
2009	45	125	14	1300	59	181
2010	141	213	162	1057	303	414
2011	175	24	132	-19	307	1
2012	140	-20	79	-40	219	-29
2013	174	24	81	3	255	16
2014	146	-16	87	7	233	-9
2015	138	-5	51	-41	189	-19
2016	186	35	96	88	282	49
2017	209	12	95	-1	304	8
2018	177	-15	109	15	286	-6
2019	132	-25	73	-33	205	-28
2020	145	10	82	12	227	11
2021	161	11	57	-30	218	-4
2022	154	-4	66	16	220	1
	2252		1189		3441	



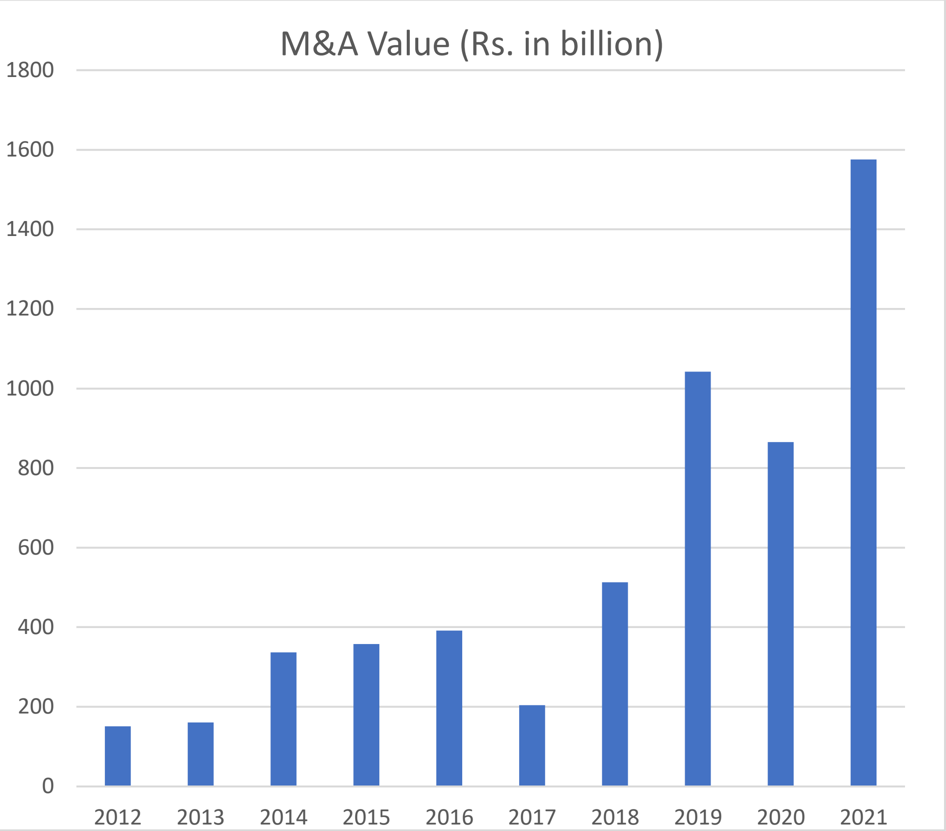


The mergers and Acquisition had boomed in early 2010's and until now the market and target companies are growing large numbers day by day, mergers and acquisition are make more companies for there growth example: Toyota and Maruti Suzuki merged in india for production of vehicle sharing strong and ideas to partners to compete the other companies .

DATA ANALYSIS AND PRESENTATION: TABLE NO:5.2

TITLE OF THE TABLE: The value of M&A deals in India during the period of 2012-2021

Year	M&A Value (Rs. in billion)
2012	151
2013	160.43
2014	336.62
2015	357.51
2016	391.62
2017	204.19
2018	513
2019	1042.02
2020	865
2021	1576

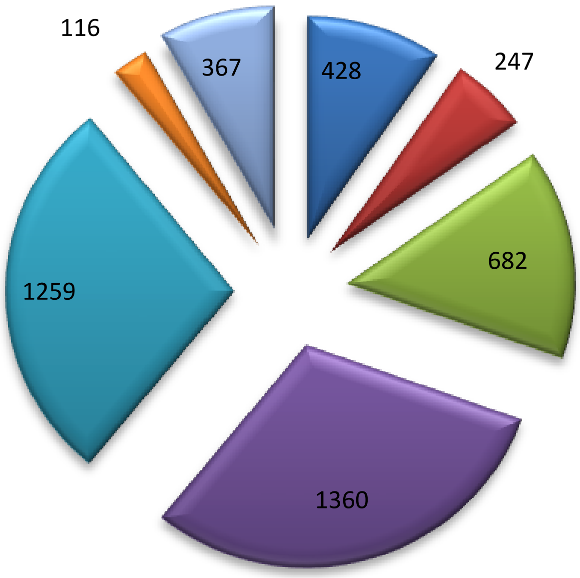


The mergers and acquisition has cross over borders and oceans day by day its increasing of mergers and acquisition ex: Walmart and flipkart etc.

DATA ANALYSIS AND PRESENTATION: TABLE NO:5.3

TITLE OF THE TABLE: Sector-wise number of domestic merger deals in India during 2002-2022

Sector	No. of Mergers (1992-2012)
Food and Beverages – Including Dairy, Tea, Coffee, Sugar, Vegetable Oils & Products and others (confectionery, bakery products, processed foods, starches, marine, poultry & meat products)	428
Textiles – Including Cotton and Blended Yarn, Cloth, Ready-made garments, man-made filament and fibers	247
Chemicals – Including Drugs/Pharmaceuticals, Plastic products, Petroleum Products, other chemicals	682
Financial Services – Including Banking Services, Investment Services, asset Financing Services, others	1360
Non-financial Services – Including Hotels and Tourism, Recreational Services, Health Services, Wholesale and Retail Trading, Communication Services, IT	1259
Transport Equipments – Including Automobiles	116
Construction and Real Estate	367



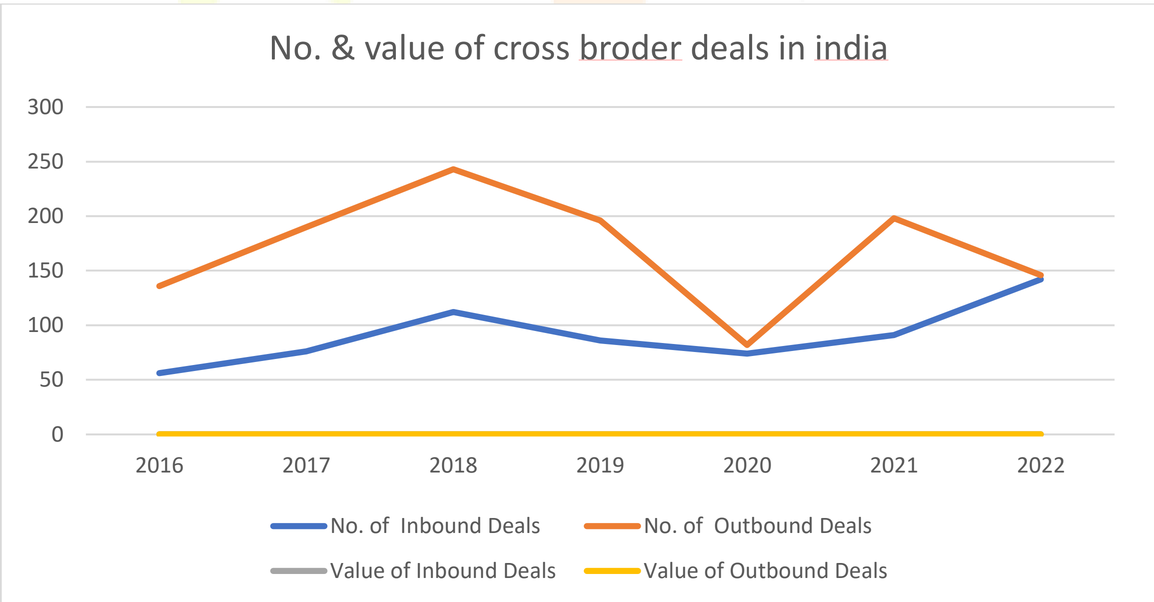
No. of Domestic Mergers (2002-2022)

As far as number is concerned the service sector and manufacturing sector are at par in terms of number of M&A deals. Under manufacturing, the sectors which have undertaken considerable amount of mergers are mainly chemicals, food and beverages and textiles. Again under the service sector, both financial as well as non-financial services both have undertaken substantial number of mergers. The sectors where merger activity is as good as nil are irrigation and agriculture.

DATA ANALYSIS AND PRESENTATION: TABLE NO:5.4

TITLE OF THE TABLE:: Number and value of Cross Border Deals in India (2016-2022)

Year	No. of Inbound Deals	No. of Outbound Deals	Total	Value of Inbound Deals	Value of Outbound Deals
2005	56	136	192	5173.93(US$ million)	4298.52 (US$ million)
2006	76	190	266	5399.75 (US$ million)	9914.15 (US$ million)
2007	112	243	355	15500.95 (US$ million)	32759.04 (US$ million)
2008	86	196	282	12.55 (US$ billion)	13.19 (US$ billion)
2009	74	82	156	3.88 (US$ billion)	1.38 (US$ billion)
2010	91	198	289	8.96 (US$ billion)	22.5 (US$ billion)
2011	142	146	288	28.73 (US$ billion)	10.84 (US$ billion)



DATA ANALYSIS AND PRESENTATION: TABLE NO:5.5

TITLE OF THE TABLE:Some of the largest outbound deals by India

Hindalco	Novelis	Aluminum	US	$ 3331 million
Suzlon Energy	Repower Systems	Energy	Germany	$ 1794 million
Bharti Airtel	Zain	Telecom	South Africa	$ 10700 million
Mahindra and Mahindra	Ssangyong Motor Company Limited	Automobiles	South Korea	$ 463 million
ONGC	Imperial Energy	Energy	Russia	$2.8 billion
Fortis Healthcare (India) Ltd	Fortis Healthcare International Pte Ltd	Healthcare	Singapore	
GVK Power	Hancock Coal	Power	Australia	1.26 billion dollars
Adani	Abbot Point Port	Ports	Australia	1.9 billion dollars
Reliance	BP	Energy	UK	7.2 billion dollars

The Acquisition of Covert security pvt.ltd.by Virtual protect security pvt.ltd. and impact after post merger and shareholder wealth.

	Virtual Protect Security PVT.LTD	Covert security PVT.LTD.
Profits after tax (PAT	Rs. 240 lakhs	Rs.120 lakhs
Number of shares Outstanding	5,00,000	3,00,000
SHARE PRICE	100	60

- What is the SWAP RATIO based on current prices?
- What is EPS after post merger and pre merger?
- Calculation of gain/loss for shareholders of the two companies, after acquisition?

1) 100:60->3:5 the swap ratio will 3:5->1:0.6 3,00,000*0.6=1,80,000
2) Pre merger

   Virtual protect security pvt.ltd.

   240,00,000/5,00,000

   =48 EPS

   Covert security pvt.ltd.

   120,00,000/3,00,000

   =40 EPS

   Post merger

   3:5 swap ratio

   5,00,000+(3,00,000*3/5)->5,00,000+1,80,000

   240,00,000+120,00,000/6,80,000

   360,00,000/6,80,000

   =52.94 EPS

   Therefore,The EPS has increased for both the company.so this acquisition good to both company and also shareholders.
3) Gains/loss from the mergers

   Expected MPS 52.94*1.8=95.292

Post merger market value of the firm

95.29*6,80,000 =647,97,200

Post merger market value of the firm (less: pre merger market value)	647,97,200
Virtual protect security pvt.ltd. (5,00,000*100)	500,00,000
Covert security pvt.ltd. (3,00,000*60)	18,00,000
Gain	129,97,200

Therefore: the acquisition gain both companies and and also for the shareholders .

CHAPTER -6

FINDINGS

Summary of findings;

After putting up the results and discussion of the results with respect to past relevant studies, this section of the report summarizes the major findings with respect to objectives. The study has been conducted from three aspects. The first objective analysed the operating performance of acquiring firms post merger, individually as well as industry adjusted. The objective also evaluates sector wise post merger operating performance, individually and industry adjusted. The second objective examined the post merger market price performance of acquiring entities in the long run for all firms and sector wise. The third objective attempted to measure the impact of macroeconomic factors during the post merger years on post merger operating performance.

CHAPTER-7

RECOMMENDATION

Recommendation:

Mergers and acquisitions being a vast area of research the present study tries to understand mergers and acquisitions from three angles. Because selecting one and skipping the others aspects would not have given justice to the thesis. At the end, the present study would like to conclude that mergers and acquisitions is a vast area and the present study is limited up to the three objectives of the study. The study has been able to give justice to the objectives in the best of its possibilities. Never the less, broad area of mergers and acquisitions activity has further chances of exploration from different angles.