

Chapter 7

FINDINGS, CONCLUSION AND SUGGESTION

Growth Analysis of Companies Before and After Merger and Acquisition from Various Sectors

In this last chapter of the thesis researcher made an attempt to form conclusion based on result of test applied namely findings. The researcher has also explained suggestion for future researcher.

7.1 – Findings

After applying statistical test namely paired T – Test on data collected based on objectives to test hypothesis and result of such test stated that null hypothesis has been accepted in majority cases individually as well as sector wise too. The cumulative summary table for hypothesis result is as follows;

Cumulative Summary of Hypothesis								
Test of all objectives								
H0- There is no significant effect of Merger and acquisition on of the acquiring entity before and after merger and acquisition								
Significance level @ 0.05								
Sector	Company Name	H0 1	H0 2	H0 3	H0 4	H0 5	H0 6	A/R
		Profitability	Turnover	Asset Utilization	Debt Utilization	Capital Structure	Shareholders Earnings	
Travel and Hospitality	Thomas Cook India Limited	Accepted	Rejected	Accepted	Accepted	Accepted	Accepted	5/1
	ANI Technologies Private Limited	Rejected	Rejected	Accepted	Accepted	Rejected	Rejected	2/4
	For Sector	Rejected	Accepted	Accepted	Accepted	Rejected	Accepted	4/2
Technology	Tata Consultancy Services Limited	Accepted	Rejected	Accepted	Accepted	Accepted	Rejected	4/2
	Sterlite Technologies Limited	Accepted	Accepted	Accepted	Accepted	Accepted	Rejected	5/1
	For Sector	Accepted	Accepted	Accepted	Accepted	Accepted	Accepted	6/0
E-Commerce	Flipkart Private Limited	Rejected	Rejected	Accepted	Accepted	Rejected	Accepted	3/3
	Snapdeal Private Limited	Accepted	Accepted	Accepted	Accepted	Accepted	Accepted	6/0
	For Sector	Accepted	Accepted	Accepted	Accepted	Accepted	Accepted	6/0
Pharmaceutical	Sun pharmaceutical Industries Limited	Accepted	Rejected	Accepted	Accepted	Accepted	Accepted	5/1
	Strides Pharma Science Limited	Accepted	Rejected	Accepted	Accepted	Accepted	Accepted	5/1
	For Sector	Accepted	Accepted	Accepted	Accepted	Accepted	Accepted	6/0
Real Estate	Prestige Estate Projects Limited	Accepted	Accepted	Accepted	Accepted	Accepted	Accepted	6/0
	DLF Limited	Accepted	Accepted	Accepted	Accepted	Accepted	Accepted	6/0
	For Sector	Accepted	Accepted	Rejected	Accepted	Accepted	Accepted	5/1

(Table 7.1 – Cumulative summary of Hypothesis test Result–Source: Computation by Researcher)

From the above table it has been observed that considering cumulative performance of the company before and after merger and acquisition along with the sectorial view point, there is no change in the performance of the company in majority cases of selected samples, due to Paired T-Test result has shown P value above the significant level of 0.05.

Company wise findings of hypothesis relating to objective has shown that, Thomas Cook India Limited except Turnover, ANI Technologies Private Limited other than Profitability, Turnover and Capital Structure, Tata Consultancy Services Limited except shareholders earnings, Sterlite Technologies Limited except shareholders earnings, Flipkart Private Limited other than profitability and capital structure, Sun pharmaceutical Industries Limited except Turnover, Strides Pharma Science Limited except Turnover has accepted null hypothesis framed and Prestige Estate Projects Limited, DLF Limited and Snapdeal Private Limited has accepted null hypothesis framed for all the objectives.

Further from sectorial view point, Travel and Hospitality other than profitability and capital structure and Real Estate except Asset Utilization has accepted null hypothesis framed and Technology, E-Commerce and Pharmaceutical, has accepted null hypothesis framed for all the objectives.

Overall, on the basis of six objectives cum hypothesis result has shown that except ANI Technologies Private Limited and Flipkart Private Limited, all other selected acquirer companies and all the selected sectors are accepting null hypothesis framed.

The research pathway of the researcher by applying Paired T-Test on mean value of ratios is in accordance of previous research has been done by Dr. Abhay Kant in 2020 from Dayalbagh University on the subject of Pre and Post Merger Performance of Commercial Banks in India. The sentence formation for explaining T-test and Comparative of before and after merger and acquisition is also justified from same thesis due to same objectives has been explained for selected samples. Further the selected research area by taking various sector has been justified by previous research has been made by G.Radhakrishnan in 2008 from University of Madras, however the said researcher has taken ANOVA test in consideration and did comparison with industry too by taking variance analysis. This thesis is partially agree or followed the previous researcher for making this research valuable.

The researcher had found that there is no significant effect on profitability, Turnover, Asset utilization, Debt utilization, Capital Structure and shareholders earning on the acquirer companies after merger and acquisition. The result has shown only financial view point of the selected sample however business has been affected by non-financial factors also.

7.2 – Conclusion

The analysis of financial data by applying statistical tool, it has been concluded that Indian corporates are eager to follow merger and acquisition route for expansion. Indian corporates are into domestic as well as cross border deals too, for attaining rapid growth and market competition, this type of corporate strategies are applied by highly ambitious corporate executives funded back by merchant bankers, Venture Capitals and legal advisors.

Merger and acquisition is nothing but modern monopolistic approach followed by throughout the world to eliminate other players from the market and doing business with ease of grace. Due to increasing in the number of merger and acquisition deal and volume, India is considered hot favorite country for the merger and acquisition.

It is concluded that after merger and acquisition period overall there is no significant change has been observed in selected acquirer companies and selected sectors. Even though merger and acquisition route has not performed well for the company, it remains always first choice for the corporate executive for applying restructuring or expansion strategy.

Merger and Acquisition is similar to saying ‘Together We Can’. It is always better to fight together than alone in highly competitive business market.

7.3 – Suggestion for future Research

The Merger and acquisition has been reached to extensive level of research in developed nations; however developing countries are yet to explore. The present research is an attempt to study financial performance before and after merger and acquisition. It can be worthwhile to do research in other than finance area i.e. Non-financial like Human Resource, Environment, Legal etc.

Further Merger and Acquisition has covered all the transactions namely transactions relating to the sale and purchase of subsidiaries, divisions, assets and entire company by way of takeover, spin-offs, management buyouts, demergers etc. These individual areas can be explored for research activity.

The research can be carried out for the cross border merger and acquisition to study penetration strategy of the company in new market.

The investigation on change in human resource or legal aspect due to merger and acquisition and whether it has significant effect can be studied.

The research in the area of taxation benefit can be done due to companies are having motive to gain benefit by acquiring sick companies or acquiring company by way of subsidiary or subsidiary of subsidiary or associate company.

The future research can be done by applying various statistical test namely ANOVA, Variance etc.
