A STUDY ON MERGERGRAPHICS OF INDIAN CORPORATE SECTOR: JOURNEY OF PAST ONE DECADE (2012-22)

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ABSTRACT

This paper attempts to get an in-depth understanding of merger scenario as evolved in India in recent past, by examining the merger graphics of domestic corporate merger deals in India in the past one decade (2012-22). Prowess database was used to find out the details of domestic corporate mergers that took place between April 1, 2012 and March 31, 2022 in India. It was evident from the analysis that number of mergers had been fluctuating year on year basis in sync with various national (e.g. introduction of IBC, Covid induced lockdown etc.) and international events (e.g. Brexit, US-Iran tensions, rising oil prices, US-China trade war, Russia-Ukraine conflict, rising inflation and tightening of rates across the world). Maximum number of acquirers were from manufacturing sector, while maximum number of targets were from services sector. Group-domination feature of Indian corporate segment got reflected in merger scenario also, as over three-quarter deals were in the "within the group" category. Analysis highlighted that age of the firm was found to be positively related with the probability of being acquirer, but negatively related with probability of being a target. Diversification, competition elimination and creating forward/backward linkages were found to be important objectives for merger deals in India.

Keywords: Merger, Acquisition, Corporate Sector, Domestic Corporate Merger, Trend Analysis

INTRODUCTION

The era of volatility has made inorganic growth a compulsion rather than a choice for businesses around the world. India remains no exception. Mergers and Acquisitions (M&A) have emerged as important vehicles for corporates to avail inorganic growth. Long gestation period and compliance requirements associated with the greenfield projects make M&A an attractive option. Competition, both from domestic as well as international players, also compels businesses to conduct M&A deals to gain bigger size and ensure survival in tough times (Agarwal & Mittal, 2014; Kumar & Bansal, 2008). Economies of scale, economies of scope (Vyas *et al.*, 2012), value creation, improvement in efficiency, market leadership (Tripathi and Lamba, 2015), achieving operational, collusive and financial synergies (Barai and Mohanty, 2010; Jain *et al.*, 2019) are some of the other reasons identified behind these deals.

Though the terms “mergers” and “acquisitions” are used together and sometimes considered synonyms, these carry different meanings. The term “merger” is defined neither in Companies Act, 2013 nor in Income Tax Act, 1961 explicitly. However, as a concept, “merger” is a clubbing of two or more companies into one company, whereby there is a fusion of not only assets and liabilities of involved entities, but also all aspects of business at every level. Thus, in case of merger, the objective is to organize two or more businesses into one single entity. On the other hand, “acquisition” involves a transfer of controlling stakes of one entity to the other. In case of acquisition, usually the businesses continue their separate existence.

Based on the nature of industries of companies involved in a deal, mergers can be of 4 types: Horizontal, Vertical, Co-generic and Conglomerate. A merger is said to be ***horizontal*** when the involved entities belong to competing businesses or are at the same stage of industrial process. Merger of Idea and Vodafone is an example of horizontal merger. The objective of such merger is eliminating competition and cost-cutting through economies of scale. These deals are usually subject to heavy scrutiny by the Competition Commission of India because of possibility of monopoly creation. The main challenge for the management here is to manage multiple products which often are competing as well. A merger is said to be ***vertical*** when the involved entities are at different stages of industrial process, e.g. merger of eBay and PayPal. These mergers are resorted to with an objective of inorganically acquiring key customers (forward integration) or key suppliers (backward integration), and thus are targeted at achieving greater self-dependence. The management of back-end supplier is usually more focused on cost-cutting while management of front-end company is often more concerned with sales and marketing. Thus, a vertical merger requires a recalibration of attitude of management to ensure success. In a ***co-generic merger***, involved entities belong to same industries/markets, but deal in different products. Aims of such merger are to ensure expansion of product lines and to expand market shares. ***Conglomerate mergers*** take place between two entities involved in unrelated industries. Diversification and achieving financial synergy are two important motives behind these types of mergers. Diversification is considered to be an important factor in eliminating risk in investment decisions. However, making diversification successful becomes challenging for management in such mergers for want of expertise in other industry.

REVIEW OF LITERATURE

While contrasting M&A scenario in India with that of other developed countries, Popli and Sinha (2014) demonstrated that while cross-border mergers and acquisitions in developed countries were triggered by industry specific technological shock, in India it was encouraged by favourable financial policies. Mergers and acquisitions scenario shows highly elastic behaviour with the changes in government policies in India (Pandya, 2018). Liberalization reforms introduced by the Indian government in 1991 are considered to be the beginning of M&A era in India, not only for domestic deals but also the cross-border deals (Sun *et al*., 2012; Reddy *et al*., 2019; Mann & Kohli, 2011; Fuad & Gaur, 2019). Liberalization in Indian economy has resulted in cut throat competition for Indian firms which in turn prompted them to turn to M&A deals to ensure cost effectiveness and survival (Agarwal & Mittal, 2014; Kumar & Bansal, 2008). Easing of compliance norms by RBI (Popli & Sinha, 2014), allowance of automation route (Banerjee *et al*., 2014; Fuad & Gaur, 2019), greater access to financial markets (Nayyar, 2008) and lesser government control (Kumar & Bansal, 2008) have all provided the required impetus to M&A activities in India. Fuad and Gaur (2019) further found a positive impact of implementation of FEMA and relaxations related to neutrality conditions upon cross border merger deals in India. Xie *et al*. (2017) have demonstrated a positive relationship between a country’s institutional laws, taxation policies and corporate governance norms on the one hand and smooth conduct of M&A deals on the other. Similarly, Deng and Yang (2015) highlighted that availability of resources and markets in a country increase the intensity of mergers and acquisitions in that country. At the same time, Bhalla (2014) stated that uneven magnitude of mergers across different sectors is guided by the difference among the sectors in terms of existing level of growth, future growth potential, taxation and other reforms. For example, M&A in pharmaceutical industry gained momentum because of modification of drug policy of 1986 in 1994 and amendment of patent laws in Jan, 2005 (Sahu & Agarwal, 2017). Few studies consider 2003-04 as the beginning of rise in number of M&A cases (Rao-Nicholson & Ayton, 2016; Banerjee *et al*., 2014; Kohli & Mann, 2012). Rao-Nicholson and Ayton (2016) considered the publication of Goldman Sachs Report of 2003 as a "legitimacy building event" for Indian firms abroad. Xie *et al.* (2017) showed that merger activities shifted from developed countries to emerging economies in the aftermath of financial crisis of 2008-09.

Kar and Soni (2008) concluded that first wave of M&A in India (from 1996-97 to 2000-01) was a result of mix of certain events such as industrial slowdown since 1996, relatively lesser deprecation of Indian rupee in comparison to East-Asian currencies since 1997 and slew of simplification measures taken by SEBI in 1997 and by the government in 1999-2000. They explained while industrial slowdown forced the companies to secure cost effectiveness through M&A, relatively lesser depreciation in Indian currency rendered the Indian products uncompetitive in international markets. Nicholson and Salaber (2013) propounded that India's cultural closeness with foreign countries, because of use of English language and feminine culture, enhances the prospects for cross border deals. While selecting location for cross border acquisition, Indian firms tend to avoid countries with significant cultural distance and high political risks (Quer *et al*., 2017). Munjal and Pereira (2015) are of the view that cultural differences have decreased over time between developed and developing economies. However, Jain *et al*. (2019) differ on this and stated that cultural distance results in lower acceptance of cross border merger deals among employees in India.

Some studies have tried to find out the factors that act as impediments in M&A deals in emerging markets, particularly India. Reddy *et al*. (2016) and Reddy (2016) put the onus on erratic bureaucratic behaviour, competition regulation and high political intervention. Xie *et al*. (2017) added higher level of corruption and weak governance structure to the list. However, Yen and Andre (2019) questioned the intelligence of treating all emerging economies to be example of weak governance structure. Fuad and Gaur (2019) stated that acquisitions announced in a merger wave are less likely to be completed.

RELEVANCE OF STUDY

The review of literature brings out the fact that most of the studies have not considered the difference between mergers and acquisitions. Seeing the level of involvement and changes affected into business operations, mergers are riskier as compared to acquisitions. Merger decisions, therefore, require more due diligence than acquisition decisions. Mergers deals also differ from acquisitions because the former are stock-financed, unlike the latter which are cash-financed in India (Barai and Mohanty, 2010). Also, since the number of acquisitions in all M&A deals account for lion's share, these get disproportionate attention in research too. Because of these factors, it is important to study the merger deals differently from acquisition deals. This paper, therefore, deals with merger deals only.

To get an in-depth understanding of merger scenario as evolved in India in recent past, an attempt is made to examine the particulars of domestic corporate merger deals (termed here as "Mergergraphics") in India in the past one decade (2012-22). Domestic merger deals imply acquirer and target both are Indian companies. Financial sector was excluded from the study because of different accounting and regulation policies. Studying and understanding particulars/trends of a business activity/phenomenon/strategy unfolds many dimensions attached to it. For example, year-wise numbers of mergers highlight the attitude of managers towards using merger as a tool to corporate restructuring. Frequency of merger deals conducted by one firm is also an indicator of prevalence of monopolist tendencies in economy. This becomes even more relevant in an economy dominated by group-led companies, like India. Similarly, density of merger activities in a particular sector can also be seen as a reflection of dynamism in that sector. Nature of deals highlights the risk-perception of managers in general as these decisions involve huge amount of money and risk.

DATA COLLECTION AND METHODOLOGY

Prowess database was used to find out the domestic corporate mergers that took place between April 1, 2012 and March 31, 2022 in India. Total 1908 deal proposals were identified initially. however, 941 proposals were deleted as these were not completed yet (as on March 31, 2022) or plans to pursue the deal were dropped due to any reason. As this study is targeted towards non-financial sectors, 158 deals where both target and acquirer belonged to financial sector were eliminated. However, deals where only one of the involved entities belonged to financial sector were not eliminated so as to capture diversification-targeted deals properly. This led us to a total of 809 deals. 23 deals were also deleted as High Court/ National Company Law Tribunal (NCLT) approval dates were not available for these. Further, 40 more deals were eliminated for non-availability of data. Final sample, after all this filtering, came to 746 merger deals (Table 1).

Table 1: Computation of Final Sample

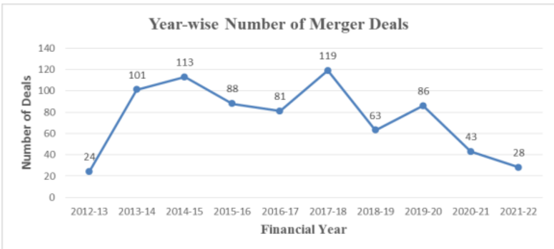
Description	No of Mergers
No of deals announced/considered between April 1, 2012 and March 31, 2022	1908
Less:	
Proposals dropped/ deals not finalized up to Mar 31, 2022	941
Deals exclusively from financial sector	158
Non-availability of HC/NCLT approval date	23
Non-availability of other data	40
Final Sample	**746**

Source: Authors' own compilation

Data related to High Court/NCLT approval dates of deal, incorporation year, NIC code, name of industries etc. were also collected using Prowess database. For classifying deals according to years, High Court/ National Company Law Tribunal Approval dates were used as a basis. For calculating age of the firm, incorporation year was deducted from the year in which merger deal was conducted. For checking the listing status of companies, BSE listing date of companies was considered. A company was classified at listed only if it was listed at the time of merger. Descriptive statistics were used for the purpose of conducting trend analysis. Tables and charts were used as and when required for better presentation of data.

ANALYSIS AND DISCUSSION

The year-wise details of number of merger deals conducted are highlighted through Fig 1. As discussed earlier, High Court/ NCLT approval dates were used to categorize deals year-wise. It is evident from the figure that number of mergers have increased steeply in 2013-14 possibly on account of recovery from economic recession of 2008. From 2013-14 to 2017-18, the number of merger deals have been consistently high though with minor fluctuations, implying increasing acceptance of mergers as a tool of corporate consolidation. Year 2017-18 saw highest number of deals in the sample period. Insolvency and Bankruptcy Code, 2016 (IBC) has worked as a catalyst for mergers and acquisition deals in India. "Pre-requisite under IBC to provide for a resolution or long-term sustainability of distressed assets has provided a lucrative option for companies eyeing inorganic growth through acquisition of stressed assets." (Financial Express, July 31, 2021). As IBC provides for a resolution in case of distressed assets, this opened up fresh avenues for companies to indulge in merger and acquisition deals to achieve inorganic growth. Again, magnitude of deals saw a downturn 2018-19 onwards, which is also the period marking various international events, such as Brexit, US-Iran tensions, rising oil prices, US-China trade war etc. Number of deals have declined substantially post 2020-21. This decline is likely because of two reasons. First, uncertainty on account of Covid-19 pandemic might have refrained firms from engaging in (risky) merger deals. Another possible reason is closure of High Courts/Tribunals, again on account of pandemic, leading to lesser number of deals being able to get approval. Expected recession on account of Russia-Ukraine conflict, rising inflation and tightening of rates across the world could possibly be reasons for companies to avoid risky ventures in FY 2021-22. However, how far the multinational events affect domestic merger deals can be ascertained only through comprehensive research.



Source: Authors' own compilation

Fig. 1: Year-wise Number of Merger Deals

Mergers can also be categorized according to the ownership of involved entities, into mergers within the group and mergers outside the group. While the former means deals where both acquirers and targets belong to same business group/house; in case of latter, involved entities hail from different business groups/houses. As is evident from table 2, mergers within the group account for more than three quarters of all deals conducted in the last decade, portraying the group-dominated corporate market of India. This also highlights that administrative and managerial cost-cutting is an important motive behind corporate mergers in India. Two years registering highest number of deals (2014-15 and 2017-18) present stark contrast, with former registering 91% of deals in within group category, while the latter accounted for only 68% deals in this category.

Table 2: Mergers within and Outside Group

Financial Year	No. of Merger-Outside Group	No. of Merger-Within Group
2012-13	7 (29)	17 (71)
2013-14	13 (13)	88 (87)
2014-15	10 (9)	103 (91)
2015-16	16 (18)	72 (82)
2016-17	15 (19)	66 (81)
2017-18	38 (32)	81 (68)
2018-19	18 (29)	45 (71)
2019-20	22 (26)	64 (74)
2020-21	9 (21)	34 (79)
2021-22	12 (43)	16 (57)
TOTAL/AVERAGE	**160 (21)**	**586 (79)**

Source: Authors' own compilation
(**Note:** Figures in parentheses show the percentage of mergers deals within the group and outside the group out of total number of deals in that particular financial year.)

Frequency of merger deals conducted by one company are presented through Table 3. Overall, 437 acquirers have conducted 746 deals. Out of these, 67% companies have entered into only one deal between 2012 and 2022; highlighting that mergers are not so frequent affairs for most of the companies and they don't venture into mergers easily. Only 22 acquirers have concluded 5 or more merger deals within the given period. These 22 companies have contributed to 147 deals in total, out of which only 10 have been "outside the group" deals. Macrotech Developers Ltd. (13 mergers) tops the list followed by Delta Corp. Ltd. (11 mergers); with all deals being "within the group." Out of these 22 companies, only Mahindra CIE Automotive Ltd. and Concast Steel & Power Ltd. have conducted deals where average age of targets exceeded that of acquirer. It is also noteworthy that companies making multiple mergers, prefer to conduct deals in same year, further substantiating infrequent nature of merger decisions in Indian corporate sectors.

Table 3: Frequency of Merger-deals

Frequency of Merger Deals Conducted	Number of Companies
1	294
2	74
3	31
4	16
5	7
6	6
7	5
8	1
9	1
10	0
11	1
12	0
13	1

Source: Authors' own compilation

The age of acquirers and targets at the time of merger deals are highlighted in Table 4. Mean age of target and acquirer came out to be at 17 years and 29 years respectively. Nearly 60% of targets were below the age of 15 years, while around 70% acquirers are above the age of 15 years. Thus, we can say that age of the firm is negatively related with the possibility of being a target and positively related to the possibility of being an acquirer. Very few acquirers and targets are above 45 years of age. This shows that merger is not a preferable tool to acquire growth for older firms.

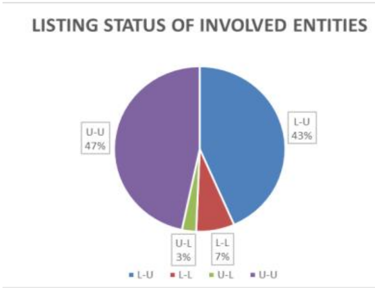
In 180 cases, the age of acquirer is lesser than that of target. Out of these 180 deals, 70% belong to "within the group" category. Another interesting thing to note is that whenever an acquirer is below the age of 5 years, the age of target has been more than that of acquirer except one case. It implies that companies citing inorganic growth in the initial years of establishment tend to capture established firms. Average age of acquirer is nearly same in both "within the group" and "outside the group" categories, i.e. 29 years. But average age of target companies is much less in "within the group" category (16 years) than that of "outside the group" (22 years). Average age of acquirers and targets have seen an increase in last 2 years of sample-period signaling that in the wake of pandemic, merger activity is being dominated by matured firms.

Table 4: Age of Targets and Acquirers

Age Group	No of Targets	No of Acquirers
0-5	57	37
6-10	223	97
11-15	150	88
16-20	99	85
21-25	73	116
26-30	41	89
31-35	38	57
36-40	22	32
41-45	16	21
46-50	3	8
50+	24	116

Source: Authors' own compilation

Listing status of involved entities are depicted through a pie-chart in Fig.2. Here, "L" represents a company listed on Bombay Stock Exchange (BSE) at the time of merger, while "U" represents an unlisted company. Nearly 47% (348 in number) merger deals have taken place between unlisted companies. In merely 20 cases (3% of total), an unlisted company has acquired a listed company. 324 deals (43% of total) are there when acquirer is listed and target is unlisted. 54 merger cases (7% of total) have seen both acquirers and targets coming from listed segments.



[L-U: Listed Acquirer and Unlisted Target, L-L: Listed Acquirer and Listed Target, U-L: Unlisted Acquirer and Listed Target, U-U: Unlisted Acquirer and Unlisted Target]
Source: Authors' own compilation

Fig. 2: Listing Status of Involved Entities

Sector-wise magnitude of merger deals are presented through Table 5. Prowess database was used to classify the companies in various sectors. Acquirers' sectors are shown along the columns, while targets' sectors are shown along the rows. Asterisk mark (*) is used to denote exclusive financial sector deals which are excluded as being out of the scope of study. It is evident that maximum number of acquirers (325) are from manufacturing sector, while maximum number of targets (292) are from services sector. Companies belonging to electricity, mining and diversified industries registered least number of deals, both as acquirers as well as targets. Overall, 432 deals were intra-sector deals, which accounts for 58% of total. Mining and Diversified sector saw no intra-sector deals in the studied period.

Table 5: Sector-wise Classification of Merger Deals

ACQUIRER / TARGET	Manufacturing	Services	Financial Services	Construction and Real Estate	Electricity	Mining	Diversified	Total
Manufacturing	206	30	9	3	1	-	4	**253**
Services	61	169	52	7	2	1	-	**292**
Financial Services	49	42	*	12	-	-	2	**105**
Construction and Real Estate	2	7	5	55	-	-	4	**73**
Electricity	4	2	6	2	2	-	-	**16**
Mining	2	1	-	-	-	-	-	**3**
Diversified	1	2	1	-	-	-	-	**4**
TOTAL	**325**	**253**	**73**	**79**	**5**	**1**	**10**	**746**

Source: Authors' own compilation

Categorization of deals based on the industry to which acquirers and targets belong are shown through Table 6. Prowess database was used to classify the acquirers and targets into various industries, which uses revenue generation as the main criteria to classify a company under particular industry. Thus, a company raising maximum of its revenue from IT activities gets categorised under IT industry. In the table, acquirers' industries are shown along columns, while targets' industries are shown along rows. It is evident from this table that maximum number of targets are from Financial services (105), Miscellaneous services (102) and Wholesale and retail trading (76). On the other hand, least number of targets are from Mining and Diversified manufacturing industries (3 targets each). In case of acquirers, maximum numbers were from Construction and real estate (79), followed by Chemical & chemical products, Miscellaneous services and Financial services (73 acquirers each). Mining, Electricity and Diversified manufacturing ranked last in terms of number of acquirers with 1, 5 and 7 acquirers respectively. In terms of intra-industry deals (where acquirer and target belonged to the same industry), Construction and real estate topped the list with 55 deals, followed by Chemicals and chemical products (44 deals) and Information technology (36 deals). No intra-industry deals took place in Diversified manufacturing, Mining, Diversified non-financial services and Diversified activities industries.

A total of 417 deals were inter-industry deals (where acquirer and target are from different industries), while 329 deals were intra-industry deals. The basic purpose of inter-industry deals is diversification. The purpose of intra-industry deals may be either to eliminate competition or to create forward/backward linkage. To know the purpose of the above mentioned 329 intra-industry deals, 5-digit NIC code of both the acquirers and targets were considered. If the 5-digit NIC code for both acquirers and targets match exactly, the deal can be said to be for competition elimination purpose. However, if both of these differ, deal is likely to be for creating forward/backward linkages. Out of 329 deals, 176 deals were found to be for competition elimination purpose, while the remaining 153 deals were found to be for creating forward/backward linkage.

Table 6: Industry-wise Classification of Merger Deals

Acquire / Target	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	S1	S2	S3	S4	S5	S6	S7	FS	CRE	MN	EL	D	TOTAL
M1	24	-	5	1	-	-	-	-	-	-	-	1	-	-	-	-	-	2	1	-	-	1	**35**
M2	1	10	-	-	-	-	2	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	**14**
M3	-	1	44	2	1	1	-	2	3	-	-	3	-	-	-	1	-	3	-	-	-	-	**61**
M4	-	-	2	3	-	-	-	-	-	1	-	1	-	-	-	-	-	-	-	-	-	-	**7**
M5	-	-	-	-	7	-	-	-	1	-	-	-	-	-	-	-	1	-	-	-	-	-	**9**
M6	-	-	-	-	1	22	1	9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**33**
M7	1	-	-	-	-	2	10	3	3	3	-	1	-	-	-	3	-	-	-	-	1	1	**28**
M8	-	-	-	-	-	-	1	23	-	-	-	-	-	-	1	-	-	-	1	-	-	1	**27**
M9	1	-	-	-	1	1	-	2	7	-	1	6	1	1	1	7	1	4	1	-	-	1	**36**
M10	1	1	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**3**
S1	-	-	-	-	-	-	-	-	-	-	10	-	-	-	-	5	-	6	2	-	-	-	**23**
S2	3	2	7	3	-	7	2	5	-	-	-	23	-	-	-	6	-	16	1	-	1	-	**76**
S3	-	-	-	-	-	-	-	-	-	-	-	-	8	-	-	1	-	2	1	-	-	-	**12**
S4	-	-	-	-	-	-	-	-	-	-	-	1	2	13	-	-	-	-	-	-	-	-	**16**
S5	-	-	-	1	-	-	-	-	-	-	-	-	-	-	36	1	1	-	-	-	-	-	**39**
S6	1	2	7	2	-	5	3	3	-	-	-	7	2	2	7	32	-	25	3	1	-	-	**102**
S7	3	-	-	-	-	-	4	-	1	-	1	5	-	2	3	1	-	3	-	-	1	-	**24**
FS	2	4	7	3	1	6	6	14	5	1	5	8	4	2	10	8	5	*	12	-	-	2	**105**
CRE	-	-	-	-	-	1	-	-	-	1	1	1	-	-	-	5	-	5	55	-	-	4	**73**
MN	-	-	-	-	1	1	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	**3**
EL	1	1	1	-	-	1	-	-	-	-	-	-	-	-	-	2	-	6	2	-	2	-	**16**
D	-	-	-	-	-	-	1	-	-	-	-	1	-	-	-	1	-	1	-	-	-	-	**4**
TOTAL	**38**	**21**	**73**	**15**	**12**	**47**	**31**	**61**	**20**	**7**	**18**	**59**	**17**	**20**	**58**	**73**	**8**	**73**	**79**	**1**	**5**	**10**	**746**

[M1: Food and Agro-based Products; M2: Textiles; M3: Chemicals and Chemical Products; M4: Consumer Goods; M5: Construction Materials; M6: Metals and Metal Products; M7: Machinery; M8: Transport Equipment; M9: Miscellaneous Manufacturing; M10: Diversified Manufacturing; MN: Mining; EL: Electricity; S1: Hotels and Tourism; S2: Wholesale and Retail Trading; S3: Transport Services; S4: Communication Services; S5: Information Technology; S6: Miscellaneous Services; S7: Diversified Non-financial Services; CRE: Construction and Real Estate; FS: Financial Services; EL: Electricity; D: Diversified]
Source: Authors' own compilation

CONCLUSION

The above analysis helps in deciphering the corporate merger scenario in India so far as domestic mergers are concerned. This study revealed that number of mergers had been fluctuating year on year basis in sync with various national (e.g. introduction of IBC, Covid induced lockdown etc.) and international events (Brexit, US-Iran tensions, rising oil prices, US-China trade war, Russia-Ukraine conflict, rising inflation and tightening of rates across the world), though what has been the exact impact of international events is a thing to be researched further. It became evident from the above analysis that in Indian scenario, merger is not an easy and recurring decision for majority of firms. This is highlighted by the fact that few companies go into multiple mergers and even if they go, preference is to conduct multiple deals in one go rather than scattering it over years. Also, it was seen that young companies tend to capture established firms to avail inorganic growth. Group-domination has been a characteristic feature of Indian corporate sector and same holds true for mergers too. Over three-quarter deals were in the "within the group" category. Manufacturing sector accounted for maximum number of acquirers while Service sector accounted for maximum number of targets. Achieving diversification was the most sought-after objective of deals, followed by competition elimination and forward/backward linkage creation.

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