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BUSINESS SCHOOL

A STUDY ON THE IMPACT OF MERGER AND ACQUISITION ON THE PERFORMANCE OF SELECTED COMPANIES

by

M.TAMILVASANTH
Reg. No.1120400095

Under the guidance of

Prof.S.Swaminathan
Professor

A PROJECT REPORT
submitted

In partial fulfillment of the requirements for the award of the degree

of

MASTER OF BUSINESS ADMINISTRATION

Kumaraguru College of Technology
(An autonomous institution affiliated to Anna University, Chennai)
Coimbatore - 641 049

May 2013

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BONAFIDE CERTIFICATE

Certified that this project report titled **"A STUDY ON IMPACT OF MERGER AND ACQUISITION ON THE PERFORMANCE OF SELECTED COMPANIES"** is the bonafide work of **Mr.M.TamilVasanth, Reg no: 1120400095** who carried out the project under my supervision. Certified further, that to the best of my knowledge the work reported herein does not form part of any other project report or dissertation on the basis of which a degree or award was conferred on an earlier occasion on this or any other candidate.

Faculty Guide

Prof.S.Swaminathan

Professor

KCTBS

Director

Dr. Vijila Kennedy

KCTBS

Submitted for the Project Viva-Voce examination held on 09/05/2013

Internal Examiner

External Examiner 9/5/13

Angel Broking Pvt. Ltd.

TO,

THE HOD ,

KUMARAGURU COLEGE OF TECHNOLOGY,

KCT BUSINESS SCHOOL,

SARAVANAMPATTI,

COIMBATORE

SIR/MADAM,

SUB : REGARD PROJECT WORK OF MR.TAMILVASANTH (11MBA095)

MR.M.TAMILVASANTH (11MBA095) HAS DONE A PROJECT IN TITLE OF "A STUDY ON THE IMPACT OF MERGER AND ACQUISITION ON THE PERFORMANCE OF SELECTED COMPANIES AT ANGEL BROKING LTD,TIRUPUR" FOR THE PERIOD OF(26 JAN-2013 to 17 APR-2013) . MR.TAMILVASANTH (11MBA095). HAS COMPLETED THE PROJECT IN A SATISFACTORY & GOOD.

FOR ANGEL BROKING LIMITED

ANGEL BROKING PVT LTD
P. RAJASEKAR (E 37961)
RELATIONSHIP EXECUTIVE
+91 90036 73?17
0421 - 4302800

P. Rajasekar

Triupur Branch Office:18 A, PRS Towers, Kumaran Road, Triupur - 641 601.
Tel: (0421) 3982 691 / 4302 800.

CSO & Regd Office: G-1, Ackruti Trade Centre, MIDC, Road No -7, Andheri (E), Mumbai - 400 093.
Tel: (022) 3083 7700 Fax: (022) 2835 8811 E-mail: feedback@angelbroking.com, Website: www.angelbroking.com

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DECLARATION

I hereby declare that this project report entitled **"A STUDY ON THE IMPACT OF MERGER AND ACQUISITION ON THE PERFORMANCE OF SELECTED COMPANIES"** has been undertaken for academic purpose submitted to Anna University in partial fulfillment of the requirements for the award of degree Master of Business Administration. The project report is the record of the original work done by me under the guidance of Mr.S.Senthil kumar, Professor during the academic year 2012-2013

M.TamilVasanth

Signature of the Candidate

M.TAMILVASANTH

Register No: 1120400095

I certify that the declaration made above by the candidate is true.

Signature of the Guide

Prof.S.SWAMINATHAN

Professor

KCT Business School

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SYNOPSIS

One of the significant objectives of any corporate sector is to achieve high rate of economic growth. Mergers as a source for corporate growth have been studied in this paper. The main objective of the study is to evaluate the post-merger financial performance of the acquirer companies in India. The study has further attempted to investigate and evaluate the results achieved by merger and acquisition in different industry sectors in India, by analyzing sub-samples representing industry sectors.

The merger cases for the year 2009 have been taken for the analysis. The financial data has been collected for six years from 2006-2012.Totally 46 companies has been taken into account. The ratios like Operating profit margin, Gross profit margin, Net profit margin, Return on net worth, Return on capital employed, Debt equity ratio and Liquidity ratio are used to calculate the financial performance. Pre-merger and post-merger financial ratios have been examined using paired sample t test.

The results of the analysis reveal that there is a significant difference between the financial performance of the companies before and after the merger. Further, it has been found that the type of industry does seem to make a difference to the post-merger operating performance of acquiring firms. The results of this study show that management can't take it for granted that synergy will be generated and profits will increase simply by going for mergers and acquisitions.

CHAPTER I

INTRODUCTION

1.1 INTRODUCTION TO THE STUDY

The general rule of corporate synergy signifies that the value created by the combination of firms may result in more efficient management, economies of scale, improved production techniques, a combination of complimentary resources, the redeployment of profitable uses, and the exploitation of market power or any number of values creating mechanisms. Mergers and Acquisitions (M&As) are the dominant corporate strategies followed by organizations looking for enhanced value creation. The growing tendency towards M&As world-wide, has been driven by intensifying competition.

M&A deals in India for the time period of year 2009 have been considered for the study. The financial data has been collected for 6 years from 2006-2012. The merger completion year 2009 was denoted as year 0(Base year). Year 2006, 2007, 2008 are considered pre-M&A deal years; Year 2009 is considered as M&A deal year, and year 2010, 2011 and 2012 are taken as post-deal year. For the years prior to merger, The Financial ratios of the acquiring firms alone have been considered. Post merger, the financial ratios for the combined firm have been taken. The pre-merger and post-merger averages for a set of key financial ratios have been computed for 3 years prior to and 3 years after the year of merger completion. The post merger financial performance ratios have been estimated and the averages computed for sample and industry sub-samples have been computed.

THE FOLLOWING ARE THE COMPANIES INCLUDED IN THE STUDY

Acquirer Company	**Sector**	**Target Company**
Religare Enterprises	Bfsi	Maharishi Housing Development Finance Corporation (Mhdfc)
Reliance Capital	Bfsi	No 1 Currency
Williamson Magor And Company	Bfsi	Humboldt Wedag Coal & Minerals Technology
Tech Mahindra	Computer And It	Satyam Computer Services
Infosys	Computer And It	Mccamish Systems Llc
Wipro	Computer And It	Nokia Mobile Tv Broadcast Unit

3i Infotech	Computer And It	Elegon Infotech
Glodyne Technoserve	Computer And It	Broadllyne Technologies
Ybrant Digital	Computer And It	Max Interactive
Axis It&T	Computer And It	Cades Digitech
Logix Microsystems	Computer And It	Performance Drive Svc
Kpit Cummins Infosystems	Computer And It	Sparta Consultant
Oil And Natural Gas Corporation	Energy And Infrastructure	Imperial Energy
Gail India	Energy And Infrastructure	Ongc Petro Additions Ltd
Reliance Industries	Energy And Infrastructure	Reliance Petroleum
Indian Oil Corporation	Energy And Infrastructure	Bongaigaon Refinery And Petrochemicals Ltd
Hindustan Petroleum Corporation	Energy And Infrastructure	Oil
Ntpc	Energy And Infrastructure	Transformers And Electricals Kerala
Everest Kanto Cylinder	Energy And Infrastructure	Compressions & Liquefaction Engineering Pvt.
Suzlon Energy	Energy And Infrastructure	Re Power Systems
Gmr Infrastructure	Energy And Infrastructure	Homeland Energy Group
Nava Bharat Ventures	Energy And Infrastructure	Maamba Collieries Ltd
United Spirits	Fmcg	Tern Distilleries
Mcleod Russel (India)	Fmcg	Phu Ben Tea Co
Tata Global Beverage	Fmcg	Mount Everest Mineral Water Ltd
Cosmo Films	Fmcg	Gbc Commercial Printing Finishing
Fortis Healthcare	Health Care And Pharmaceuticals	Clinique Darne
Sun Pharmaceutical Industries	Health Care And Pharmaceuticals	Taro Pharmaceutical Industries
Lupin	Health Care And Pharmaceuticals	Philippines Inc
Aurobindo Pharma	Health Care And Pharmaceuticals	Trident Life Sciences
Hindalco Industries	Manufacturing	Coal Mine In Queenland
Tata Motors	Manufacturing	Hispano Carrocera

Motherson Sumi Systems	Manufacturing	Health Care
Apollo Tyres	Manufacturing	Vredestian Banden
Crompton Greaves	Manufacturing	Avantha Power & Infrastructure
Mcnally Bharat Engineering	Manufacturing	Humboldt Wedag Gmbh
Shri Lakshmi Cotsyn	Manufacturing	Acquired A Unit At Noida To Manufacture Comforters To Produce 3 Pieces
Ultratech Cement	Manufacturing	Samruddhi Cement
Sesa Goa	Manufacturing	Dempo Mining Corp. Pvt. Ltd
Pvr	Services	Dt Cinemas
Indian Hotels Company	Services	Orient Express Hotels (Oeh)
Bharati Shipyard	Services	Great Offshore
Sical Logistics	Services	Goodwill Travels And Cargo
Tata Communications	Telecom	Neotel
Kavveri Telecom Products	Telecom	Trackcom Systems International
Bharti Airtel	Telecom	Mtn

1.2 INDUSTRY PROFILE

MERGER AND ACQUISITION IN INDIA

The practice of mergers and acquisitions has attained considerable significance in the contemporary corporate scenario which is broadly used for reorganizing the business entities. Indian industries were exposed to plethora of challenges both nationally and internationally, since the introduction of Indian economic reform in 1991. The cut-throat competition in international market compelled the Indian firms to opt for mergers and acquisitions strategies, making it a vital premeditated option.

THE FACTORS RESPONSIBLE FOR MAKING THE MERGER AND ACQUISITION DEALS FAVOURABLE IN INDIA ARE:

Dynamic government policies, Corporate investments in industry ,Economic stability, “ready to experiment” attitude of Indian industrialists Sectors like pharmaceuticals, IT, ITES, telecommunications, steel, construction, etc, have proved their worth in the international scenario and the rising participation of Indian firms in signing M&A deals has further triggered the acquisition activities in India.

In spite of the massive downturn in 2009, the future of M&A deals in India looks promising. Indian telecom major Bharti Airtel is all set to merge with its South African counterpart MTN, with a deal worth USD 23 billion. According to the agreement Bharti Airtel would obtain 49% of stake in MTN and the South African telecom major would acquire 36% of stake in Bharti Airtel.

Ten biggest Mergers and Acquisitions deals in India:

- Tata Steel acquired 100% stake in Corus Group on January 30, 2007. It was an all cash deal which cumulatively amounted to $12.2 billion.
- Vodafone purchased administering interest of 67% owned by Hutch-Essar for a total worth of $11.1 billion on February 11, 2007.
- India Aluminium and copper giant Hindalco Industries purchased Canada-based firm Novelis Inc in February 2007. The total worth of the deal was $6-billion.
- Indian pharma industry registered its first biggest in 2008 M&A deal through the acquisition of Japanese pharmaceutical company Daiichi Sankyo by Indian major Ranbaxy for $4.5 billion.
- The Oil and Natural Gas Corp purchased Imperial Energy Plc in January 2009. The deal amounted to $2.8 billion and was considered as one of the biggest takeovers after 96.8% of London based companies shareholders acknowledged the buyout proposal.
- In November 2008 NTT DoCoMo, the Japan based telecom firm acquired 26% stake in Tata Teleservices for USD 2.7 billion.
- India's financial industry saw the merging of two prominent banks - HDFC Bank and Centurion Bank of Punjab. The deal took place in February 2008 for $2.4 billion.
- Tata Motors acquired Jaguar and Land Rover brands from Ford Motor in March 2008. The deal amounted to $2.3 billion.
- 2009 saw the acquisition Asarco LLC by Sterlite Industries Ltd's for $1.8 billion making it ninth biggest-ever M&A agreement involving an Indian company.

- In May 2007, Suzlon Energy obtained the Germany-based wind turbine producer Repower. The 10th largest in India, the M&A deal amounted to $1.7 billion.

RECENT TRENDS IN MERGER AND ACQUISITION:

The value of announced mergers & acquisition (M&A) deals involving Indian companies stood at $43.4 billion last year, a 12 per cent rise compared to 2011. M&A volume in the quarter ended December stood at $17 billion, a rise of 99 per cent from the quarter ended September and a 362 per cent rise from the year-ago period. The average deal size for disclosed values rose to $91 million, compared with $76.6 million in 2011, according to a Thomson Reuters research report.

The volume of domestic M&As stood at $12.3 billion, up 69.4 per cent over the year-ago period---the highest annual volume since 2010 ($13.6 billion). Of this, the financial sector accounted for $3 billion, a rise of 54 per cent from 2011. The materials sector accounted for $1.9 billion (15.8 per cent market share), a 116 per cent rise over 2011. Total cross-border deals stood at $26.9 billion, a fall of 11.6 per cent compared to 2011, despite the 177 per cent sequential rise in deal value at $12.5 billion during the quarter ended December, from $4.5 billion in the previous quarter.

The volume of completed M&A deals involving Indian companies, however, declined 62 per cent to $18.3 billion compared to last year, the lowest annual volume since 2005, when it stood at $17.9 billion. Total inbound M&A activity for Brazil, Russia, India and China stood at $97.4 billion. India accounted for 15.7 per cent ($15.3 billion) of this. China's share stood at 36.9 per cent ($35.9 billion).

The materials sector dominated the industry breakdown, accounting for 22.8 per cent of India-involved acquisitions worth $9.9 billion, a 52 per cent rise from 2011. This was primarily driven by the merger of Sesa Goa, a 55.1 per cent-owned unit of Vedanta Resources, with Sterlite Industries (India) in a deal valued at $3.9 billion, the largest M&A deal involving India this year.

M&A activity targeting India slowed last year, with a deal value of $4 billion, a 22 per cent decline from 2011.

With a volume of $1.1 billion, the energy & power sector accounted for 28.8 per cent of private equity-backed M&A activity in India, a 92 per cent rise from the year-ago period. This was driven by the acquisition of Transocean's 38 water drilling rigs by the UAE's Shelf Drilling International Holdings, in a deal valued at $1.05 billion.

The acquisition of Indian companies by foreign firms slowed, with 307 announced deals worth $15.3 billion, down 23.8 per cent from 2011 and the lowest since 2009 ($7.4 billion).

Indian acquisitions abroad rose 12 per cent, with deal value at $11.6 billion, a 12 per cent rise over last year. In the quarter ended December, deal value jumped 442 per cent compared to the previous quarter and 376 per cent compared to the year-ago period.

The energy & power industry accounted for 43 per cent of India's outbound activity, with $5 billion worth of transactions, up eight times from 2011. This was driven by ONGC Videsh's announced stake acquisitions in Atyrau-based North Caspian Operating Co BV from ConocoPhillips. The deal also made Kazakhstan the most targeted nation for India's outbound activity in terms of deal value, with a 43 per cent market share. The US accounted for 15.5 per cent ($1.8 billion), recording the higher number of acquisitions from Indian acquirers.

1.3 INDUSTRY PROFILE

ANGEL BROKING PVT LTD

Nature of Business

The Angel Group has emerged as one of the top 3 retail broking houses in India. Incorporated in December 1997 in Mumbai, India, Angel Broking provides retail related services encompassing E-broking, Investment Advisory, Portfolio Management Services, Wealth Management Services and Commodities Trading. It is a member of Bombay Stock Exchange and National Stock Exchange. It is also a registered depository participant with CDSL.

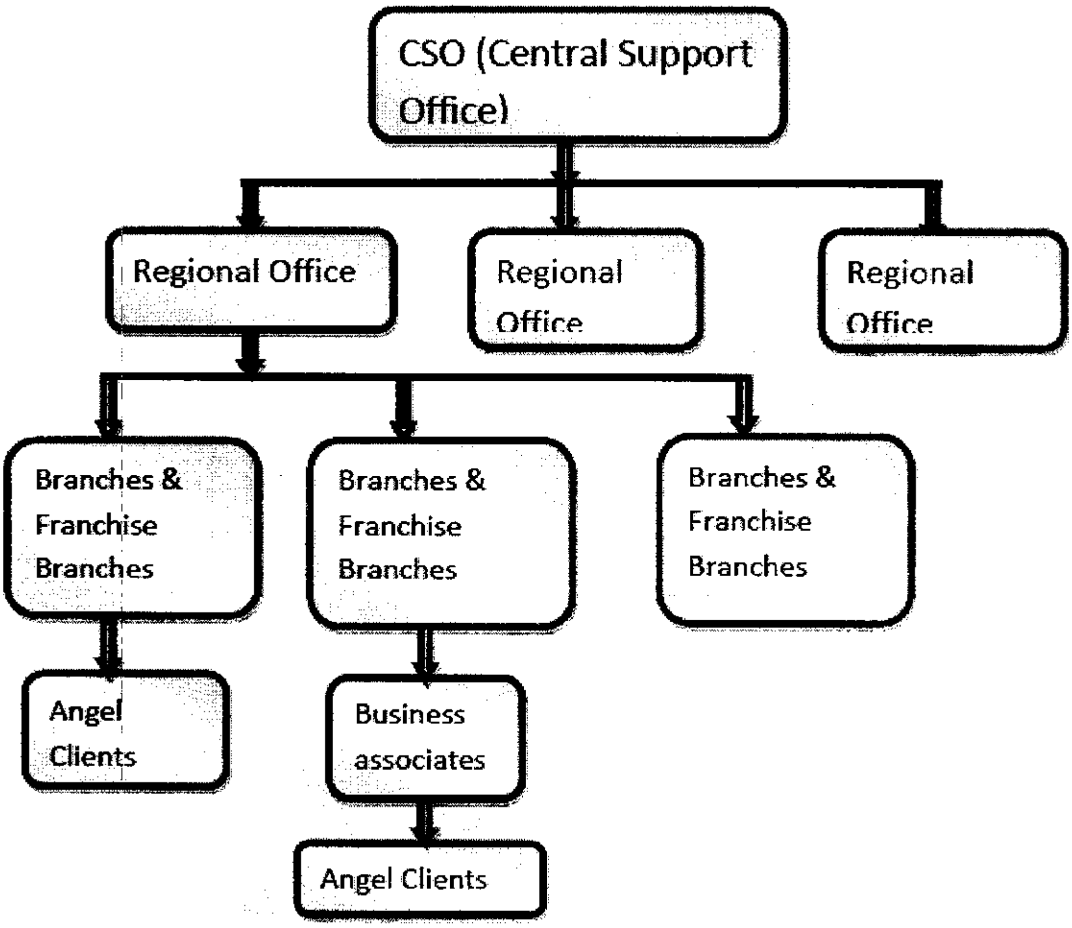
History & Milestones

Angel Broking's tryst with excellence in customer relations began in 1987. Today, Angel has emerged as one of the most respected Stock-Broking and Wealth Management Companies in India. With its unique retail-focused stock trading business model, Angel is committed to providing 'Real Value for Money' to all its clients. The Angel Group is a member of the Bombay Stock Exchange (BSE), National Stock Exchange (NSE) and the two leading Commodity Exchanges in the country: NCDEX & MCX. Angel is also registered as a Depository Participant with CDSL.

Awarded with 'Broking House with Largest Distribution Network' and 'Best Retail Broking House' at Dun & Bred street Equity Broking Awards 2009· August, 2008 Crossed 500000 trading accounts

- November, 2007 'Major Volume Driver' for 2007
- December, 2006 Created 2500 business associates
- September, 2006 Launched Mutual Fund and IPO business
- July, 2006 launched the PMS function
- October, 2005 'Major Volume Driver' award for 2005
- September, 2004 Launched Online Trading Platform
- April, 2004 Initiated Commodities Broking division
- April, 2003 first published research report
- November, 2002 Angel's first investor seminar
- March, 2002 developed web-enabled back office software
- November, 1998 Angel Capital and Debt Market Ltd. Incorporated
- December, 1997 Angel Broking Ltd. Incorporated

1.3.3 Organization Structure



S.No Name Designation & Department

1. Mr. Dinesh Thakkar Founder Chairman & Managing Director

2. Mr. Lalit Thakkar Director – Research

3. Mr. Amit Majumdar Executive Director – Strategy and Finance

4. Mr. Rajiv Phadke Executive Director – HR & Corp

5. Mr. Vinay Agrawal Executive Director – Equity Broking

6. Mr. Nikhil Daxini Executive Director - Sales and Marketing

7. Mr. Hitungshu Debnath Directors - Distribution Management

8. Mr. Mudit Kulshreshtha Executive Director – Op

Turnover of the company Legal Status of Firm	:	Limited Liability/Corporation (Privately Held)
Nature of Business	:	Service Provider
Turnover	:	US$ 0.25-1 Million (or Rs. 1-4 Crore Approx.)
Major Markets	:	Indian Subcontinent

Product Profile:

- Online Trading
- Commodities
- DP Services
- PMS (Portfolio Management Services)
- Insurance
- IPO Advisory
- Mutual Fund
- Personal loans
- Quality Assurance

ONLINE- TRADING:

Specially designed for the net savvy traders and investors who prefer operating from their home or office through the internet. The investor can access state of the art Technology with three different e-broking products and voila trading on BSE, NSE, F &O, MCX and NCDEX.

COMMODITIES:

A commodity is a basic good representing a monetary value. Commodities are most often as inputs in the production of other goods or services. With the advent of new online Exchange, commodities can now be traded in futures markets. When they are traded on an Exchange, Commodities must also meet specified minimum standards known as basic grade.

TYPES OF COMMODITIES

- Precious Metals: Gold and Silver
- Base Metals: Copper, Zinc, Steel and Aluminium
- Energy: Crude Oil, Brent Crude and Natural Gas
- Pluses: Chana, Urad and Tur
- Spices: Black Pepper, Jeera, Turmeric, Red Chili
- Others: Guar Complex, Soy Complex, Wheat and Sugar

IPO DISTRIBUTION AND ADVISORY:

✔ Wide network of branches for better customer reach

✔ Dedicated Research Teams generating sector related reports.

✔ Ease in investing with informed decision making.

✔ Advisory Help Desk for all IPO related queries.

CORE COMPETENCIES:

To provide best value for money to investors through innovative products, trading/investments strategies, state of the art technology and personalized service.

QUALITY MGMT:

We are committed to providing world-class products and services which exceed the expectations of our customers, achieved by teamwork and a process of continuous improvement.

1.3.4 SWOT Analysis

A SWOT analysis focuses on the internal and external environments, examining strengths and weaknesses in the internal environment and opportunities and threats in the external Environment.

STRENGTH

- Service
- Distribution network
- Marketing
- Products

WEAKNESS

- Customer Satisfaction
- Branding
- Competition from Banks

OPPORTUNITIES

- Ever increasing market
- Improving technology
- Unfulfilled needs of Customers
- Education level

THREATS

- New competitors
- Technology based business

FUTURE OUTLOOK

Angel broking Limited has to decrease its margin money up to Rs. 3000 it Attracts more new clients and for sub-brokership company should decrease its Security up to Rs. 50,000 Company has to more aggressive toward its existing client's feedback and for their services after giving them products because it can increase company loyalty as well its brand name.

1.4 Statement of the problem:

The study helps to evaluate the financial performance of the firm which is going through merger and acquisition. In the recent years, the firms gone through merger and acquisitions are ended up in loss. This study investigates to find out the financial performance of the companies which are going through the merger and acquisition in the year 2009. The study has further attempted to investigate and evaluate the results achieved by merger and acquisition in different industry sectors in India.

1.5 Scope of the study:

The study was conducted only for the companies which are gone through merger and acquisition in the year 2009 and have been analyzed only for 3 years before and after. This study can be further developing by increasing the number of samples by increasing the number of years. Three years before and after the M and A have been taken into account. A future study can be extended by increasing the number of years before and after the merger.

CHAPTER II

REVIEW OF LITERATURE

Vardhana Pawaskar[1] said, this study compared the pre and post-merger operating performance of the corporations involved in merger between 1992 and 1995 to identify their financial characteristics. The study identified the profile of the profits. The regression analysis explained that there was no increase in the post-merger profits. The study of a sample of firms, restructured through mergers, showed that the merging firms were at the lower end in terms of growth, tax and liquidity of the industry. The merged firms performed better than industry in terms of profitability.

Astha Dewan[2] said, that mergers as a source for corporate growth have been studied in this paper. The main objective of the study is to evaluate the post-merger financial performance of the acquirer companies in India. The merger cases for the year 2003 have been taken for the analysis. The financial data has been collected for six years from 2000-06. Pre-merger and post-merger financial ratios have been examined using paired sample t test. The results of the analysis reveal that there is significant difference between the financial performance of the companies before and after the merger. Further, it has been found that the type of industry does seem to make a difference to the post-merger operating performance of acquiring firms. The results of this study show that management can't take it for granted that synergy will be generated and profits will increase simply by going for mergers and acquisitions.

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[1]VARDHANA Pawaskar, "Effect of Mergers on Corporate Performance in India", vikalpa Vol. 26(1), January-March 2001.

[2]Ms. Astha Dewan, "Effect of Mergers and Acquisitions on Operating Performance: A Study of Acquiring Firms in India", Shri Ram College of Commerce, University of Delhi.

Kumar[3], Examined the post-merger operating performance of a sample of 30 acquiring companies involved in merger activities during the period 1999-2002 in India. The study attempts to identify synergies, if any, resulting from mergers. The study uses accounting data to examine merger related gains to the acquiring firms. It was found that the post-merger profitability, assets turnover and solvency of the acquiring companies, on average, show no improvement when compared with pre-merger values.

[3]Kumar.R. "Post-Merger Corporate Performance: an Indian Perspective", Management Research News 32

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Research Methodology:

M&A deals in India for the time period of year 2009 have been considered for the study. The financial data has been collected for 6 years from 2006-2012. The merger completion year 2009 was denoted as year 0(Base year). Year 2006, 2007, 2008 are considered pre-M&A deal years; Year 2009 is considered as M&A deal year, and year 2010, 2011 and 2012 are taken as post-deal year. For the years prior to merger, The Financial ratios of the acquiring firms alone have been considered. Post merger, the financial ratios for the combined firm have been taken. The pre-merger and post-merger averages for a set of key financial ratios have been computed for 3 years prior to and 3 years after the year of merger completion. The post merger financial performance ratios have been estimated and the averages computed for sample and industry sub-samples have been computed.

3.2 Objective Of The Study:

PRIMARY OBJECTIVE

The main objective of the study is to evaluate post merger financial performance of the acquirer companies in India. The study endeavours to analyse performance of acquirer firms after merger and acquisitions in Indian industry. The study will help in scrutinising the success/failure of mergers and acquisitions in India.

SECONDARY OBJECTIVE

The study has further attempted to investigate and evaluate the results achieved by merger and acquisition in different industry sectors in India, by analysing sub-samples representing industry sectors.

3.3 Data Collection:

The study is based on the secondary data. A list of companies involved in mergers and acquisitions during year 2009 have been compiled from several sources like financial websites, company websites, newspapers, magazines and data bases. Cases where only cash is paid as consideration have not been included in the study. The companies with required data have been included in the study. The company should be listed either in NSE or BSE.

The companies are divided into eight sectors. these industries are bfsi, computer and it, energy and infrastructure, fmcg, health care and pharmaceuticals, manufacturing, services, and telecom. The screening criteria described earlier were applied to such a list to arrive at the final sample. Out of which, 46 companies have been selected on the basis of the required available financial data. The industry-wise break-up of the sample is given below.

INDUSTRY	NO. OF M AND As
BFSI	3
COMPUTER AND IT	9
ENERGY AND INFRASTRUCTURE	10
FMCG	4
HEALTH CARE AND PHARMACEUTICALS	4
MANUFACTURING	9
SERVICES	4
TELECOM	3

3.4 PROPOSEDTOOLS

The following financial ratios are have been used in the study:

- Operating profit margin (PBDIT/net sales)
- Gross profit margin (PBIT/net sales)
- Net profit margin (PAT/net sales)
- Return on net worth (PBIT/net worth)
- Return on capital employed (PAT/capital employed)
- Debt equity ratio (Book value of debt/book value of equity)
- Liquidity ratio (Current assets/Current liabilities)

3.5 STATISTICAL TOOLS USED:

The post-merger performance have been compared with the pre-merger performance and test for significant differences, using PAIRED SAMPLE T TEST at confidence level of 0.05

3.6 REASEARCH HYPOTHESIS:

To test the objectives, the following null and alternate hypothesis has been formulated.

Ho: There is no significant difference between the financial performance of the companies before and after the merger.

Ha: There is a significant difference between the financial performance of the companies before and after the merger.

3.7 LIMITATION OF THE STUDY

Every live and non-live factor has its own limitations which restrict the usability of that factor. The same rule applies to this research work. The major limitations of this study are as under:

- This study is mainly based on secondary data derived from the annual reports of industry. The reliability and the finding are contingent upon the data published in annual report.
- The study is limited to three years before merger and three years after merger only.
- Accounting ratios have its own limitation, which also applied to the study.
- Financial analysis does not replicate those facts which cannot be expressed in terms of money, for example – efficiency of workers, reputation and prestige of the management.

CHAPTER 4

DATA ANALYSIS AND INTERPRETATION

4.1 Analysis Of All Mergers And Acquisitions In The Sample

The table 4.1 shows the pre- and post-merger ratios of all mergers in the sample.

4.1.1 PRE AND POST MERGER AND ACQUISITIONS RATIOS (ALL ACQUSITIONS):

RATIOS	PRE-MERGER(3 YEARS BEFORE)	POST-MERGER(3 YEARS AFTER)
OPERATING PROFIT MARGIN	23.155	20.258
GROSS PROFIT MARGIN	19.146	15.719
NET PROFIT MARGIN	16.819	8.792
RETURN ON CAPITAL EMPLOYED	20.292	14.607
RETURN ON NETWORTH	20.525	12.843
DEBT-EQUITY RATIO	1.037	1.198
CURRENT RATIO	2.083	1.445

4.1.1 Calculation Of Paired Sample T-Test

RESEARCH HYPOTHESIS

To test the HYPOTHESIS, the following null and alternate hypothesis have been formulated.

Ho: There is no significant difference between the financial performance of the companies before and after the merger and acquisition.

Ha: There is a significant difference between the financial performance of the companies before and after the merger and acquisition.

OPERATING PROFIT MARGIN

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PREALL - POSTALL	2.89681	17.20409	1.46451	.00084	5.79278	1.978	137	.050

GROSS PROFIT MARGIN

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PREALL - POSTALL	3.42696	17.60528	1.49866	.46346	6.39046	2.287	137	.024

NET PROFIT MARGIN

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PREALL - POSTALL	8.02703	31.97092	2.72155	2.64536	13.40870	2.949	137	.004

RETURN ON CAPITAL EMPLOYED

Paired Samples Test									
		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PREALL - POSTALL	5.68442	16.00980	1.36284	2.98949	8.37935	4.171	137	.000

RETURN ON NETWORTH

Paired Samples Test									
		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PREALL - POSTALL	7.68159	17.67191	1.50433	4.70688	10.65631	5.106	137	.000

DEBT-EQUITY RATIO

Paired Samples Test									
		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PREALL - POSTALL	-.16130	1.21074	.10307	-.36511	.04250	-1.565	137	.120

CURRENT RATIO

Paired Samples Test									
		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PREALL - POSTALL	.63812	4.67523	.39798	-.14887	1.42510	1.603	137	.111

4.1.2 PAIRED SAMPLE T-TEST FOR PRE AND POST MERGER AND ACQUISITIONS RATIOS (ALL ACQUSITIONS):

The table 4.2 shows the paired sample t-test for pre and post merger and acquisitions ratios (all acqusitions):

RATIOS	PRE-MERGER(3 YEARS BEFORE)	POST-MERGER(3 YEARS AFTER)	PAIRED SAMPLE T-TEST	RESULT
OPERATING PROFIT MARGIN	23.155	20.258	0.050	H0 ACCEPTED
GROSS PROFIT MARGIN	19.146	15.719	0.024	Ha ACCEPTED
NET PROFIT MARGIN	16.819	8.792	0.004	Ha ACCEPTED
RETURN ON CAPITAL EMPLOYED	20.292	14.607	0.000	Ha ACCEPTED
RETURN ON NETWORTH	20.525	12.843	0.000	Ha ACCEPTED
DEBT-EQUITY RATIO	1.037	1.198	0.120	H0 ACCEPTED
CURRENT RATIO	2.083	1.445	0.111	H0

				ACCEPTED

Interpretation:

The decline in the gross profit margin, net profit margin, return on capital employed and return on networth are statistically significant. However, decline in the mean operating profit margin is not statistically significant. The results suggest that operating financial performance of all mergers in the sample from Indian industry has declined significantly following mergers and acquisitions. But the result of debt equity ratio suggests that there is a reduction in debt and current ratio was declined for all the companies in the sample from the Indian industry following merger and acquisition which are not statistically significant.

INDUSTRY WISE ANALYSIS

4.2. BFSI

4.2.1 PRE AND POST MERGER RATIOS OF BFSI SECTOR

The following table 4.2.1 shows the pre- and post-merger ratios of the sample of BFSI.

RATIOS	**PRE-MERGER(3 YEARS BEFORE)**	**POST-MERGER(3 YEARS AFTER)**
OPERATING PROFIT MARGIN	43.119	37.576
GROSS PROFIT MARGIN	40.832	35.477
NET PROFIT MARGIN	84.311	5.970
RETURN ON CAPITAL EMPLOYED	8.800	5.510
RETURN ON NETWORTH	15.521	0.064
DEBT-EQUITY RATIO	1.898	1.901
CURRENT RATIO	8.376	1.322

4.2.1 CALCULATION OF PAIRED SAMPLE T-TEST

OPERATING PROFIT MARGIN

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	pre - post	5.54333	36.39742	12.13247	-22.43420	33.52087	.457	8	.660

GROSS PROFIT MARGIN

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	VAR00001 - VAR00002	5.35556	38.02421	12.67474	-23.87244	34.58355	.423	8	.684

NET PROFIT MARGIN

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE – POST	7.83411E1	99.24837	33.08279	2.05206	154.63016	2.368	8	.045

RETURN ON CAPITAL EMPLOYED

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower	Upper			
Pair 1	PRE – POST	3.29000	4.18300	1.39433	.07466	6.50534	2.360	8	.046

RETURN ON NETWORTH

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower	Upper			
Pair 1	PRE – POST	1.54567E1	5.42769	1.80923	11.28458	19.62876	8.543	8	.000

DEBT EQUITY RATIO

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower	Upper			

Paired Samples Test									
		Paired Differences							
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower	Upper	t	df	Sig. (2-tailed)
Pair 1	PRE – POST	-.00333	1.97076	.65692	-1.51819	1.51153	-.005	8	.996

CURRENT RATIO

Paired Samples Test									
		Paired Differences							
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower	Upper	t	df	Sig. (2-tailed)
Pair 1	PREBFSI - POSTBFSI	7.05333	17.11959	5.70653	-6.10595	20.21262	1.236	8	.252

4.2.2 PAIRED SAMPLE T-TEST FOR PRE AND POST MERGER AND ACQUISITIONS RATIOS FOR THE SAMPLE OF BFSI SECTOR

The following table 4.3 shows the paired sample t-test for pre and post merger and acquisitions ratios for the sample of bfsi sector

RATIOS	PRE-MERGER(3 YEARS BEFORE)	POST-MERGER(3 YEARS AFTER)	PAIRED SAMPLE T-TEST	RESULT
OPERATING PROFIT MARGIN	43.119	37.576	0.66	H0 ACCEPTED
GROSS PROFIT MARGIN	40.832	35.477	0.684	H0 ACCEPTED

NET PROFIT MARGIN	84.311	5.970	0.045	Ha ACCEPTED
RETURN ON CAPITAL EMPLOYED	8.800	5.510	0.046	Ha ACCEPTED
RETURN ON NETWORTH	15.521	0.064	0	Ha ACCEPTED
DEBT-EQUITY RATIO	1.898	1.901	0.996	H0 ACCEPTED
CURRENT RATIO	8.376	1.322	0.252	H0 ACCEPTED

Interpretation:

The comparison of the pre-merger and post-merger operating performance ratios for the sample of BFSI industries showed that operating profit margin, gross profit margin, net profit margin ratios, net worth, return on capital employed showed a decline in the post-merger period. The decline in the net profit margin, return on capital employed and return on networth are statistically significant. However the decline in the Operating profit margin and gross profit margin are not statistically significant. There is an increase in the debt which is not statistically significant. The increase in current ratio is also not statistically significant. The results suggest that financial performance of sample of BFSI had declined following mergers.

The above findings suggested that for the BFSI sector, merger and acquisition had caused significant decline in both profitability and returns on investment.

4.3 IT AND COMPUTER

4.3.1 PRE- AND POST-MERGER RATIOS OF THE SAMPLE OF IT AND COMPUTER.

The following table 4.5 shows the pre- and post-merger ratios of the sample of IT AND COMPUTER.

RATIOS	PRE-MERGER(3 YEARS BEFORE)	POST-MERGER(3 YEARS AFTER)
OPERATING PROFIT MARGIN	23.843	19.419
GROSS PROFIT MARGIN	20.635	15.344
NET PROFIT MARGIN	12.700	10.542
RETURN ON CAPITAL EMPLOYED	30.444	20.343
RETURN ON NETWORTH	24.237	17.434
DEBT-EQUITY RATIO	0.442	0.642
CURRENT RATIO	1.982	1.819

4.3.1 CALCULATION OF PAIRED SAMPLE T-TEST

OPERATING PROFIT MARGIN

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower	Upper			
Pair 1	PRE - POST	4.42444	16.54560	3.18420	-2.12078	10.96967	1.389	26	.176

GROSS PROFIT MARGIN

Paired Samples Test									
		Paired Differences							
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference		t	df	Sig. (2-tailed)
					Lower	Upper			
Pair 1	PRE - POST	5.29111	17.86446	3.43802	-1.77584	12.35806	1.539	26	.136

NET PROFIT MARGIN

Paired Samples Test									
		Paired Differences							
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference		t	df	Sig. (2-tailed)
					Lower	Upper			
Pair 1	PRE - POST	2.15778	10.16859	1.95695	-1.86478	6.18034	1.103	26	.280

RETURN ON CAPITAL EMPLOYED

Paired Samples Test									
		Paired Differences							
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference		t	df	Sig. (2-tailed)
					Lower	Upper			
Pair 1	PRE - POST	1.01019E1	26.13629	5.02993	-.23732	20.44102	2.008	26	.055

RETURN ON NETWORTH

Paired Samples Test									
		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE - POST	6.80333	21.12015	4.06457	-1.55152	15.15819	1.674	26	.106

DEBT EQUITY RATIO

Paired Samples Test									
		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE - POST	-.20037	.52059	.10019	-.40631	.00557	-2.000	26	.056

CURRENT RATIO

Paired Samples Test									
		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE - POST	.16259	1.08464	.20874	-.26648	.59166	.779	26	.443

4.3.2PAIRED SAMPLE T-TEST FOR PRE AND POST MERGER AND ACQUISITIONS RATIOS FOR THE SAMPLE OF COMPUTER AND IT

The following table 4.3.2 shows the paired sample t-test for pre- and post-merger ratios for the sample of IT and computer.

RATIOS	PRE-MERGER(3 YEARS BEFORE)	POST-MERGER(3 YEARS AFTER)	PAIRED SAMPLE T-TEST	RESULT
OPERATING PROFIT MARGIN	23.843	19.419	0.176	H0 ACCEPTED
GROSS PROFIT MARGIN	20.635	15.344	0.136	H0 ACCEPTED
NET PROFIT MARGIN	12.700	10.542	0.28	H0 ACCEPTED
RETURN ON CAPITAL EMPLOYED	30.444	20.343	0.055	H0 ACCEPTED
RETURN ON NETWORTH	24.237	17.434	0.106	H0 ACCEPTED
DEBT-EQUITY RATIO	0.442	0.642	0.056	H0 ACCEPTED
CURRENT RATIO	1.982	1.819	0.443	H0 ACCEPTED

Interpretation

The table shows the pre- and post-merger ratios of the sample of computer and IT sector. The comparison of the pre-merger and post-merger operating performance ratios for the sample of IT and computer sector showed that operating profit margin ratio, gross profit margin, net profit margin, return on capital employed and return on networth showed a decline in the post-merger period which are not statistically significant. The debt-equity ratio showed increase in the post merger period which is not statistically significant. The current ratio showed a decline in the post merger which is not statistically significant.

The above results suggested that for the computer and IT in india, merger and acquisition caused a marginal decline in the profit margins and returns on net worth and also there is marginal increase in debt though not substantiated statistically.

4.4 ENERGY AND INFRASTRUSTURE

4.4.1 PRE- AND POST-MERGER RATIOS OF THE SAMPLE OF ENERGY AND INFRASTRUSTURE:

The following table 4.4.1 shows the pre- and post-merger ratios of the sample of energy and infrastructure.

RATIOS	PRE-MERGER(3 YEARS BEFORE)	POST-MERGER(3 YEARS AFTER)
OPERATING PROFIT MARGIN	23.410	18.152
GROSS PROFIT MARGIN	18.127	12.516
NET PROFIT MARGIN	13.231	8.275
RETURN ON CAPITAL EMPLOYED	18.569	12.112
RETURN ON NETWORTH	19.660	9.642
DEBT-EQUITY RATIO	0.840	1.175
CURRENT RATIO	1.543	1.397

4.4.1CALCULATION OF PAIRED SAMPLE T-TEST

OPERATING PROFIT MARGIN

Paired Samples Test

		Paired Differences					t	Df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE - POST	5.25767	8.78136	1.60325	1.97865	8.53668	3.279	29	.003

GROSS PROFIT MARGIN

Paired Samples Test

		Paired Differences					t	Df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE - POST	5.61167	10.07685	1.83977	1.84891	9.37443	3.050	29	.005

NET PROFIT MARGIN

Paired Samples Test

		Paired Differences					t	Df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			

Paired Samples Test									
		Paired Differences					t	Df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE - POST	4.95600	9.84394	1.79725	1.28021	8.63179	2.758	29	.010

RETURN ON CAPITAL EMPLOYED

Paired Samples Test									
		Paired Differences					t	Df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE - POST	6.45700	8.76075	1.59949	3.18568	9.72832	4.037	29	.000

RETURN ON NETWORTH

Paired Samples Test									
		Paired Differences					t	Df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE - POST	1.00177E1	12.54921	2.29116	5.33171	14.70362	4.372	29	.000

DEBT EQUITY RATIO

Paired Samples Test									
		Paired Differences							
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower	Upper	t	Df	Sig. (2-tailed)
Pair 1	PRE - POST	-.33500	.89959	.16424	-.67091	.00091	-2.040	29	.051

CURRENT RATIO

Paired Samples Test									
		Paired Differences							
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower	Upper	t	Df	Sig. (2-tailed)
Pair 1	PRE - POST	.14567	.51137	.09336	-.04528	.33661	1.560	29	.130

4.4.2 PAIRED SAMPLE T-TEST FOR PRE AND POST MERGER AND ACQUISITIONS RATIOS OF THE SAMPLE OF ENERGY AND INFRASTRUCTURE:

The following table 4.4.2 shows the paired sample t-test for pre- and post-merger ratios for the sample of energy and infrastructure

RATIOS	PRE-MERGER(3 YEARS BEFORE)	POST-MERGER(3 YEARS AFTER)	PAIRED SAMPLE T-TEST	RESULT
OPERATING PROFIT MARGIN	23.410	18.152	0.003	Ha ACCEPTED
GROSS PROFIT MARGIN	18.127	12.516	0.005	Ha ACCEPTED
NET PROFIT MARGIN	13.231	8.275	0.010	Ha ACCEPTED
RETURN ON CAPITAL EMPLOYED	18.569	12.112	0.000	Ha ACCEPTED
RETURN ON NETWORTH	19.660	9.642	0.000	Ha ACCEPTED
DEBT-EQUITY RATIO	0.840	1.175	0.051	H0 ACCEPTED
CURRENT RATIO	1.543	1.397	0.130	H0 ACCEPTED

Interpretation

The table shows the pre- and post-merger ratios of the sample of energy and infrastructure sector. The comparison of the pre-merger and post-merger operating performance ratios for the sample of energy and infrastructure showed that operating profit margin, gross profit margin, net profit margin, return on capital employed and return on networth showed a decline in the post-merger period which are statistically significant. However there is a decline in the debt-equity ratio and current ratio which are not statistically significant.

The above findings suggested that for the energy and infrastructure sector, merger and acquisition caused a decline in the profit margins and returns on investments and also there is a slight increase of debt and current ratio.

4.5 FMCG

4.5.1 PRE- AND POST-MERGER RATIOS OF THE SAMPLE OF FMCG

The following table 4.5.1 shows the pre- and post merger ratios of the sector FMCG

RATIOS	PRE-MERGER(3 YEARS BEFORE)	POST-MERGER(3 YEARS AFTER)
OPERATING PROFIT MARGIN	14.293	15.773
GROSS PROFIT MARGIN	11.462	13.480
NET PROFIT MARGIN	10.403	8.061
RETURN ON CAPITAL EMPLOYED	11.314	13.976
RETURN ON NETWORTH	19.343	12.934
DEBT-EQUITY RATIO	1.307	0.853
CURRENT RATIO	0.875	1.156

4.5.1CALCULATION OF PAIRED SAMPLE T-TEST

OPERATING PROFIT MARGIN

Paired Samples Test									
		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE - POST	-1.48000	11.86255	3.42442	-9.01710	6.05710	-.432	11	.674

GROSS PROFIT MARGIN

Paired Samples Test									
		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE - POST	-2.01833	10.87097	3.13818	-8.92542	4.88875	-.643	11	.533

NET PROFIT MARGIN

Paired Samples Test									
		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE - POST	2.34250	11.83999	3.41791	-5.18027	9.86527	.685	11	.507

RETURN ON CAPITAL EMPLOYED

Paired Samples Test									
		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE - POST	-2.66167	10.69267	3.08671	-9.45547	4.13213	-.862	11	.407

RETURN ON NETWORTH

Paired Samples Test

		Paired Differences					t	Df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower	Upper			
Pair 1	PRE - POST	6.40917	18.20547	5.25547	-5.15803	17.97637	1.220	11	.248

DEBT-EQUITY RATIO

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower	Upper			
Pair 1	PRE - POST	.45333	.73137	.21113	-.01135	.91802	2.147	11	.055

CURRENT RATIO

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower	Upper			
Pair 1	PRE - POST	-.28083	.42290	.12208	-.54953	-.01214	-2.300	11	.042

4.5.2 PAIRED SAMPLE T-TEST FOR PRE AND POST MERGER AND ACQUISITIONS FOT THE SAMPLE OF FMCG:

The following table 4.5.2 shows the paired sample t-test for pre- and post-merger ratios for the sample of FMCG

RATIOS	PRE-MERGER(3 YEARS BEFORE)	POST-MERGER(3 YEARS AFTER)	PAIRED SAMPLE T-TEST	RESULT
OPERATING PROFIT MARGIN	14.293	15.773	0.674	H0 ACCEPTED
GROSS PROFIT MARGIN	11.462	13.480	0.533	H0 ACCEPTED
NET PROFIT MARGIN	10.403	8.061	0.507	H0 ACCEPTED
RETURN ON CAPITAL EMPLOYED	11.314	13.976	0.407	H0 ACCEPTED
RETURN ON NETWORTH	19.343	12.934	0.248	H0 ACCEPTED
DEBT-EQUITY RATIO	1.307	0.853	0.055	H0 ACCEPTED
CURRENT RATIO	0.875	1.156	0.042	Ha ACCEPTED

Interpretation

The comparison of the pre-merger and post-merger operating performance ratios for the sample of FMCG showed that operating profit margin, gross profit margin and return on capital employed showed a marginal increase in the post merger period which is not statistically significant. The net profit margin and return on networth showed a decline in the post-merger period which is not statistically significant. There is a reduction in debt level and an increase in current ratio. However the above mentioned ratios are not statistically significant.

The results suggest that the merger in the FMCG industry has caused marginal but statistically insignificant positive impact on the profitability margins and debt. While, there is a decline in returns on investment.

4.6 HEALTHCARE AND PHARMACEUTICALS

4.6.1 THE PRE AND POST-MERGER RATIOS OF THE SECTOR HEALTHCARE AND PHARMACEUTICALS

The following table4.6.1 shows the pre and post-merger ratios of the sector healthcare and pharmaceuticals.

RATIOS	PRE-MERGER(3 YEARS BEFORE)	POST-MERGER(3 YEARS AFTER)
OPERATING PROFIT MARGIN	18.657	21.272
GROSS PROFIT MARGIN	14.148	16.965
NET PROFIT MARGIN	13.533	14.711
RETURN ON CAPITAL EMPLOYED	13.580	15.296
RETURN ON NETWORTH	10.187	15.996
DEBT-EQUITY RATIO	1.936	1.239
CURRENT RATIO	1.956	2.379

4.6.1CALCULATION OF PAIRED SAMPLE T-TEST

OPERATING PROFIT MARGIN

Paired Samples Test									
		Paired Differences							
					95% Confidence Interval of the Difference				
		Mean	Std. Deviation	Std. Error Mean	Lower	Upper	t	df	Sig. (2-tailed)

Paired Samples Test									
		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE - POST	-2.61500	5.56200	1.60561	-6.14892	.91892	-1.629	11	.132

GROSS PROFIT MARGIN

Paired Samples Test									
		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE - POST	-2.81667	6.22679	1.79752	-6.77298	1.13965	-1.567	11	.145

NET PROFIT MARGIN

Paired Samples Test									
		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE - POST	-1.17750	10.48354	3.02634	-7.83842	5.48342	-.389	11	.705

RETURN ON CAPITAL EMPLOYED

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE - POST	-1.71583	4.83153	1.39474	-4.78564	1.35398	-1.230	11	.244

RETURN ON NETWORTH

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE - POST	-5.80917	30.66145	8.85120	-25.29052	13.67219	-.656	11	.525

DEBT-EQUITY RATIO

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE - POST	.69667	2.31928	.66952	-.77693	2.17027	1.041	11	.320

CURRENT RATIO

Paired Samples Test									
		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower	Upper			
Pair 1	PRE - POST	-.42333	1.74821	.50466	-1.53409	.68742	-.839	11	.419

4.6.2 PAIRED SAMPLE T-TEST FOR PRE AND POST MERGER AND ACQUISITIONS RATIOS FOR THE SAMPLE OF HEALTHCARE AND PHARMACEUTICALS:

The following table 4.6.2 shows the paired sample t-test for pre- and post-merger ratios for the sample of healthcare and pharmaceuticals

RATIOS	PRE-MERGER(3 YEARS BEFORE)	POST-MERGER(3 YEARS AFTER)	PAIRED SAMPLE T-TEST	RESULT
OPERATING PROFIT MARGIN	18.657	21.272	0.132	H0 ACCEPTED
GROSS PROFIT MARGIN	14.148	16.965	0.145	H0 ACCEPTED
NET PROFIT MARGIN	13.533	14.711	0.705	H0 ACCEPTED
RETURN ON CAPITAL EMPLOYED	13.580	15.296	0.244	H0 ACCEPTED
RETURN ON NETWORTH	10.187	15.996	0.525	H0 ACCEPTED
DEBT-EQUITY RATIO	1.936	1.239	0.320	H0 ACCEPTED

CURRENT RATIO	1.956	2.379	0.419	H0 ACCEPTED

Interpretation

The table shows the pre- and post-merger ratios of the sample of healthcare and pharmaceuticals sector. The comparison of the pre-merger and post-merger operating performance ratios for the sample of healthcare and pharmaceuticals sector showed a marginal increase in the profitability ratios and also in the return on investment. However the increase in the profitability and return on investments are not statistically significant. There is also a reduction in the ratio of debt-equity and an increase in the current ratio which are not statistically significant.

The above findings suggested that for the healthcare and pharmaceuticals sector had caused marginal but statistically insignificant positive chane on the profitability margins, returns on capital deployed in the business and debt level. The results seem to indicate that for this industry, the consolidations through mergers are positively reflected.

4.7 MANUFACTURING

4.7.1 THE PRE AND POST-MERGER RATIOS OF THE SECTOR MANUFACTURING:

The following table 4.7.1 shows the pre- and post-merger ratios of the sector manufacturing.

RATIOS	**PRE-MERGER(3 YEARS BEFORE)**	**POST-MERGER(3 YEARS AFTER)**
OPERATING PROFIT MARGIN	19.214	16.571
GROSS PROFIT MARGIN	16.420	13.736
NET PROFIT MARGIN	9.978	9.207
RETURN ON CAPITAL EMPLOYED	27.903	20.209
RETURN ON NETWORTH	27.676	22.665
DEBT-EQUITY RATIO	1.031	1.234

CURRENT RATIO	1.709	1.083

4.7.1 CALCULATION OF PAIRED T-TEST:

OPERATING PROFIT MARGIN

Paired Samples Test

		Paired Differences					T	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE - POST	2.64333	8.03391	1.54613	-.53478	5.82144	1.710	26	.099

GROSS PROFIT MARGIN

Paired Samples Test

		Paired Differences					T	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE - POST	2.68407	7.94907	1.52980	-.46047	5.82862	1.755	26	.091

NET PROFIT MARGIN

Paired Samples Test									
		Paired Differences							
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference		T	df	Sig. (2-tailed)
					Lower	Upper			
Pair 1	PRE - POST	.77111	5.43941	1.04682	-1.38065	2.92287	.737	26	.468

RETURN ON CAPITAL EMPLOYED

Paired Samples Test									
		Paired Differences							
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference		T	df	Sig. (2-tailed)
					Lower	Upper			
Pair 1	PRE - POST	7.69444	19.94454	3.83833	-.19535	15.58424	2.005	26	.056

RETURN ON NETWORTH

Paired Samples Test									
		Paired Differences							
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference		T	df	Sig. (2-tailed)
					Lower	Upper			
Pair 1	PRE - POST	5.01074	14.74527	2.83773	-.82229	10.84378	1.766	26	.089

DEBT-EQUITY RATIO

Paired Samples Test									
		Paired Differences							
			Std.	Std. Error	95% Confidence Interval of the Difference				Sig. (2-
		Mean	Deviation	Mean	Lower	Upper	T	df	tailed)
Pair 1	PRE - POST	-.20333	.91205	.17552	-.56413	.15746	-1.158	26	.257

CURRENT RATIO

Paired Samples Test									
		Paired Differences							
			Std.	Std. Error	95% Confidence Interval of the Difference				Sig. (2-
		Mean	Deviation	Mean	Lower	Upper	T	df	tailed)
Pair 1	PRE - POST	.62630	2.35297	.45283	-.30451	1.55710	1.383	26	.178

4.7.2 PAIRED SAMPLE T-TEST FOR PRE AND POST MERGER AND ACQUISITIONS RATIOS FOR THE SAMPLE OF MANUFACTURING:

The following table 4.7.2 shows the paired sample t-test for pre- and post-merger ratios for the sample of Manufacturing

RATIOS	PRE-MERGER(3 YEARS BEFORE)	POST-MERGER(3 YEARS AFTER)	PAIRED SAMPLE T-TEST	RESULT
OPERATING PROFIT MARGIN	19.214	16.571	0.099	H0 ACCEPTED
GROSS PROFIT	16.420	13.736	0.091	H0

MARGIN				ACCEPTED
NET PROFIT MARGIN	9.978	9.207	0.468	H0 ACCEPTED
RETURN ON CAPITAL EMPLOYED	27.903	20.209	0.056	H0 ACCEPTED
RETURN ON NETWORTH	27.676	22.665	0.089	H0 ACCEPTED
DEBT-EQUITY RATIO	1.031	1.234	0.257	H0 ACCEPTED
CURRENT RATIO	1.709	1.083	0.178	H0 ACCEPTED

The comparison of the pre-merger and post-merger operating performance ratios for the sample of manufacturing sector showed that operating profit margin, gross profit margin, net profit margin, return on capital employed and networth showed a decline in the post-merger period, which is not statistically significant. And there is also a marginal increase in debt and a decline in the current ratio which are not statistically significant.

The results suggest that the merger and acquisition in the manufacturing industry had caused marginal but statistically insignificant negative impact on the profitability margins, returns on capital deployed and debts in the business.

4.8 SERVICES

4.8.1 THE PRE AND POST-MERGER RATIOS OF THE SECTOR SERVICES

The following table 4.8.1 shows the pre and post-merger ratios of the services sector:

RATIOS	PRE-MERGER(3 YEARS BEFORE)	POST-MERGER(3 YEARS AFTER)
OPERATING PROFIT MARGIN	26.051	23.649
GROSS PROFIT MARGIN	20.145	15.428
NET PROFIT MARGIN	12.658	4.995
RETURN ON CAPITAL EMPLOYED	13.803	7.462
RETURN ON NETWORTH	16.521	2.510
DEBT-EQUITY RATIO	1.052	1.770
CURRENT RATIO	1.783	1.416

4.8.1 CALCULATION OF PAIRED T-TEST:

OPERATING PROFIT MARGIN

Paired Samples Test									
		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE - POST	4.27417	37.80370	10.91299	-19.74516	28.29349	.392	11	.703

GROSS PROFIT MARGIN

Paired Samples Test									
		Paired Differences							
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference		t	df	Sig. (2-tailed)
					Lower	Upper			
Pair 1	PRE - POST	6.39667	36.46942	10.52781	-16.77490	29.56823	.608	11	.556

NET PROFIT MARGIN

Paired Samples Test									
		Paired Differences							
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference		t	df	Sig. (2-tailed)
					Lower	Upper			
Pair 1	PRE - POST	1.04508E1	16.26530	4.69539	.11636	20.78531	2.226	11	.048

RETURN ON CAPITAL EMPLOYED

Paired Samples Test									
		Paired Differences							
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference		t	df	Sig. (2-tailed)
					Lower	Upper			
Pair 1	PRE - POST	6.61750	5.75323	1.66081	2.96207	10.27293	3.984	11	.002

RETURN ON NETWORTH

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower	95% Confidence Interval of the Difference Upper			
Pair 1	PRE - POST	1.41217E1	9.56398	2.76088	8.04500	20.19833	5.115	11	.000

DEBT-EQUITY RATIO

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower	95% Confidence Interval of the Difference Upper			
Pair 1	PRE - POST	-.55750	1.13182	.32673	-1.27663	.16163	-1.706	11	.116

CURRENT RATIO

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower	95% Confidence Interval of the Difference Upper			
Pair 1	PRE - POST	.36667	.89842	.25935	-.20416	.93749	1.414	11	.185

4.8.2 PAIRED SAMPLE T-TEST FOR PRE AND POST MERGER AND ACQUISITIONS RATIOS FOR THE SAMPLE OF SERVICES:

The following table 4.8.2 shows the paired sample t-test for pre- and post-merger ratios for the sample of services

RATIOS	PRE-MERGER(3 YEARS BEFORE)	POST-MERGER(3 YEARS AFTER)	**PAIRED SAMPLE T-TEST**	**RESULT**
OPERATING PROFIT MARGIN	29.603	25.328	0.703	H0 ACCEPTED
GROSS PROFIT MARGIN	25.212	18.815	0.556	H0 ACCEPTED
NET PROFIT MARGIN	14.807	4.356	0.048	Ha ACCEPTED
RETURN ON CAPITAL EMPLOYED	12.478	5.861	0.002	Ha ACCEPTED
RETURN ON NETWORTH	15.773	1.651	0.000	Ha ACCEPTED
DEBT-EQUITY RATIO	1.353	1.911	0.116	H0 ACCEPTED
CURRENT RATIO	1.783	1.416	0.185	H0 ACCEPTED

Interpretation

The comparison of the pre-merger and post-merger operating performance ratios for the sample of services sector showed that net profit margin, return on capital employed and networth showed a decline in the post-merger period and statistically significant. The operating profit margin and gross profit margin are not statistically significant and showed a decline in the post-merger period. There is a increase in debt level and a decline in the current ratio in the post merger period which are not statistically significant.

The above results suggested that for the services in India, mergers had caused a decrease in the profit margins and return on investment and increase in debt.

4.9TELECOM

4.9.1PRE- AND POST-MERGER RATIOS OF THE SECTOR TELECOM:

The following table 4.9.1 shows the pre- and post-merger ratios of the sector TELECOM:

RATIOS	**PRE-MERGER(3 YEARS BEFORE)**	**POST-MERGER(3 YEARS AFTER)**
OPERATING PROFIT MARGIN	21.316	21.409
GROSS PROFIT MARGIN	13.390	10.912
NET PROFIT MARGIN	9.792	5.847
RETURN ON CAPITAL EMPLOYED	15.569	9.597
RETURN ON NETWORTH	17.519	3.654
DEBT-EQUITY RATIO	0.651	1.583
CURRENT RATIO	1.196	0.867

4.9.1 CALCULATION OF PAIRED T-TEST:

OPERATING PROFIT MARGIN

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE - POST	-.09333	6.30398	2.10133	-4.93900	4.75234	-.044	8	.966

GROSS PROFIT MARGIN

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE - POST	2.47778	7.34034	2.44678	-3.16451	8.12006	1.013	8	.341

NET PROFIT MARGIN

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE - POST	3.94556	8.26256	2.75419	-2.40561	10.29672	1.433	8	.190

RETURN ON CAPITAL EMPLOYED

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE - POST	5.97222	8.35048	2.78349	-.44652	12.39097	2.146	8	.064

RETURN ON NETWORTH

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE - POST	1.38644E1	14.88108	4.96036	2.42584	25.30305	2.795	8	.023

DEBT-EQUITY RATIO

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE - POST	-.93222	1.44276	.48092	-2.04122	.17678	-1.938	8	.089

CURRENT RATIO

Paired Samples Test									
		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower	Upper			
Pair 1	PRE - POST	.32889	1.32818	.44273	-.69204	1.34982	.743	8	.479

4.9.2 PAIRED SAMPLE T-TEST FOR PRE AND POST MERGER AND ACQUISITIONS RATIOS FOR THE SAMPLE OF TELECOM:

The following table 4.9.2 shows the paired sample t-test for pre- and post-merger ratios for the sample of telecom

RATIOS	PRE-MERGER(3 YEARS BEFORE)	POST-MERGER(3 YEARS AFTER)	PAIRED SAMPLE T-TEST	RESULT
OPERATING PROFIT MARGIN	21.316	21.409	0.966	H0 ACCEPTED
GROSS PROFIT MARGIN	13.390	10.912	0.341	H0 ACCEPTED
NET PROFIT MARGIN	9.792	5.847	0.190	H0 ACCEPTED
RETURN ON CAPITAL EMPLOYED	15.569	9.597	0.064	H0 ACCEPTED
RETURN ON NETWORTH	17.519	3.654	0.023	HA ACCEPTED
DEBT-EQUITY RATIO	0.651	1.583	0.089	H0 ACCEPTED

CURRENT RATIO	1.196	0.867	0.479	H0 ACCEPTED

Interpretation

The comparison of the pre-merger and post-merger operating performance ratios for the sample of services sector showed a marginal increase in the operating profit margin in the post merger period which is not statistically significant. The gross profit margin, net profit margin and return on capital employed showed a decline in the post-merger period which is not statistically significant. The decline in the return on networth is statistically significant. There is an increase in the debt and a decline in the current ratio in the post merger period and not statistically significant.

The above findings suggested that for the services sector, mergers had caused insignificant decline in profitability, returns on investment and an increase in depth.

ANALYSIS OF COMPANY WITH INDUSTRY

4.10 COMPARISON OF BFSI SECTOR WITH RELIANCE CAPITAL:

4.10.1 CALCULATION OF PAIRED T-TEST FOR RELIANCE CAPITAL

OPERATING PROFIT MARGIN

Paired Samples Test

		Paired Differences					T	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	POSTRELIANCE - PRERELIANCE	-3.52000	34.49434	19.91532	-89.20870	82.16870	-.177	2	.876

GROSS PROFIT MARGIN

Paired Samples Test

		Paired Differences					T	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	POSTRELIANCE - PRERELIANCE	-4.32000	33.45182	19.31342	-87.41893	78.77893	-.224	2	.844

NET PROFIT MARGIN

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE – POST	3.14400E1	20.15711	11.63771	-18.63303	81.51303	2.702	2	.114

RETURN ON CAPITAL EMPLOYED

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE – POST	4.46333	3.39780	1.96172	-3.97727	12.90393	2.275	2	.151

RETURN ON NETWORTH

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower	Upper			
Pair 1	PRE – POST	1.00000E1	1.79786	1.03799	5.53387	14.46613	9.634	2	.011

DEBT-EQUITY RATIO

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower	Upper			
Pair 1	PRE – POST	-1.37333	1.27947	.73870	-4.55170	1.80504	-1.859	2	.204

CURRENT RATIO

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower	Upper			
Pair 1	PRE – POST	1.94667	3.41078	1.96922	-6.52619	10.41952	.989	2	.427

4.10.1 COMPARISON OF BFSI SECTOR WITH RELIANCE CAPITAL

The following table 4.10.1 shows the comparison of bfsi sector with reliance capital

RATIO		PRE-MERGER(3 YEARS BEFORE)	POST-MERGER(3 YEARS AFTER)	PAIRED SAMPLE T-TEST	RESULT
OPERATING PROFIT MARGIN	BFSI	43.119	37.576	0.684	H0
	RELIANCE CAPITAL	32.390	35.910	0.876	H0
GROSS PROFIT MARGIN	BFSI	40.832	35.477	0.684	H0
	RELIANCE CAPITAL	30.640	34.960	0.844	H0
NET PROFIT MARGIN	BFSI	84.311	5.970	0.045	Ha
	RELIANCE CAPITAL	37.933	6.493	0.114	H0
RETURN ON CAPITAL EMPLOYED	BFSI	8.800	5.510	0.046	Ha
	RELIANCE CAPITAL	12.797	8.333	0.151	H0
RETURN ON NETWORTH	BFSI	15.521	0.064	0.000	Ha
	RELIANCE CAPITAL	14.170	4.170	0.011	Ha
DEBT-EQUITY RATIO	BFSI	1.898	1.901	0.996	H0
	RELIANCE CAPITAL	0.570	1.943	0.204	H0

CURRENT RATIO	**BFSI**	8.376	1.322	0.252	H0
	RELIANCE CAPITAL	3.627	1.680	0.427	H0

Interpretation

Compared to BFSI sector with reliance capital, there is a decline in the net profit margin. Operating profit margin is negatively correlated with industry average. However both are not statistically significant. Gross profit margin of reliance capital is increased while industrial average is declined. However both are not statistically significant. Return on investments are declined and correlated with industry. There is a marginal increase in the debt and current ratio of industry while threefold increase of debt and current ratio of reliance capital.

4.11COMPARISON OF IT AND COMPUTER SECTOR WITH INFOSYS

4.11.1 CALCULATION OF PAIRED T-TEST FOR INFOSYS

OPERATING PROFIT MARGIN

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower	Upper			
Pair 1	PRE - POST	-1.17000	.85773	.49521	-3.30072	.96072	-2.363	2	.142

GROSS PROFIT MARGIN

Paired Samples Test									
		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower	Upper			
Pair 1	PRE - POST	-1.85000	.76622	.44238	-3.75341	.05341	-4.182	2	.053

NET PROFIT MARGIN

Paired Samples Test									
		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower	Upper			
Pair 1	PRE - POST	1.79667	2.64795	1.52879	-4.78120	8.37454	1.175	2	.361

RETURN ON CAPITAL EMPLOYED

Paired Samples Test									
		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower	Upper			
Pair 1	PRE - POST	3.43000	3.21467	1.85599	-4.55568	11.41568	1.848	2	.206

RETURN ON NETWORTH

Paired Samples Test									
		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE - POST	7.28667	1.28103	.73960	4.10442	10.46892	9.852	2	.010

CURRENT RATIO

Paired Samples Test									
		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE - POST	-.88000	.60655	.35019	-2.38675	.62675	-2.513	2	.129

4.11.1 COMPARISON OF IT AND COMPUTER SECTOR WITH INFOSYS

The following table 4.11.1 shows the comparison of IT and computer sector with infosys

RATIO		PRE-MERGER(3 YEARS BEFORE)	POST-MERGER(3 YEARS AFTER)	PAIRED SAMPLE T-TEST	RESULT
OPERATING PROFIT MARGIN	IT AND COMPUTER	23.843	19.419	0.176	H0
	INFOSYS	31.820	32.990	0.142	H0

GROSS PROFIT MARGIN	IT AND COMPUTER	20.635	15.344	0.136	H0
	INFOSYS	27.863	29.713	0.053	H0
NET PROFIT MARGIN	IT AND COMPUTER	12.700	10.542	0.28	H0
	INFOSYS	26.377	24.580	0.361	H0
RETURN ON CAPITAL EMPLOYED	IT AND COMPUTER	30.444	20.343	0.055	H0
	INFOSYS	39.103	35.673	0.206	H0
RETURN ON NETWORTH	IT AND COMPUTER	24.237	17.434	0.106	H0
	INFOSYS	33.980	26.693	0.010	Ha
DEBT-EQUITY RATIO	IT AND COMPUTER	0.442	0.642	0.056	H0
	INFOSYS	0.000	0.000	0.000	Ha
CURRENT RATIO	IT AND COMPUTER	1.982	1.819	0.443	H0
	INFOSYS	3.443	4.323	0.129	H0

Interpretation

Compared to IT and computer sector with infosys, there is a marginal increase in the Operating profit margin and gross profit margin while decline in the industry. However both are not statistically significant. Net profit margin of reliance capital is declined as like industry. However both are not statistically significant. Return on investments are declined and correlated with industry. There is a marginal increase in the debt for industry but there no debt for Infosys along the years and decline in current ratio of industry while a marginal increase in the current ratio of infosys. Both are not statistically significant.

4.12 COMPARISON OF ENERGY AND INFRASTRUCTURE SECTOR WITH ONGC

4.12.1CALCULATION OF PAIRED T-TEST FOR ONGC:

OPERATING PROFIT MARGIN

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower	Upper			
Pair 1	PRE - POST	1.66000	1.16808	.67439	-1.24166	4.56166	2.461	2	.133

GROSS PROFIT MARGIN

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower	Upper			
Pair 1	PRE - POST	-1.15667	5.25413	3.03347	-14.20864	11.89530	-.381	2	.740

NET PROFIT MARGIN

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower	Upper			

Paired Samples Test									
		Paired Differences							
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference		t	df	Sig. (2-tailed)
					Lower	Upper			
Pair 1	PRE - POST	2.05333	.79952	.46160	.06721	4.03945	4.448	2	.047

RETURN ON CAPITAL EMPLOYED

Paired Samples Test									
		Paired Differences							
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference		t	df	Sig. (2-tailed)
					Lower	Upper			
Pair 1	PRE - POST	8.75333	4.49055	2.59262	-2.40181	19.90848	3.376	2	.078

RETURN ON NETWORTH

Paired Samples Test									
		Paired Differences							
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference		t	df	Sig. (2-tailed)
					Lower	Upper			
Pair 1	PRE - POST	6.76333	1.53168	.88431	2.95844	10.56823	7.648	2	.017

DEBT-EQUITY RATIO

Paired Samples Test									
		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower	Upper			
Pair 1	PRE - POST	-.03000	.07000	.04041	-.20389	.14389	-.742	2	.535

CURRENT RATIO

Paired Samples Test									
		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower	Upper			
Pair 1	PRE - POST	.18667	.10017	.05783	-.06216	.43549	3.228	2	.084

4.12.1 COMPARISON OF ENERGY AND INFRASTRUCTURE SECTOR WITH ONGC:

The following table 4.12.1 shows the comparison of energy and infrastructure sector with ongc

RATIO		PRE-MERGER	POST-MERGER	PAIRED SAMPLE T-TEST	RESULT
OPERATING PROFIT MARGIN	ENERGY AND INFRASTRUCTURE	23.410	18.152	0.003	Ha
	ONGC	43.177	41.517	0.133	H0

GROSS PROFIT MARGIN	ENERGY AND INFRASTRUCTURE	18.127	12.516	0.005	Ha
	ONGC	28.943	30.100	0.740	H0
NET PROFIT MARGIN	ENERGY AND INFRASTRUCTURE	13.231	8.275	0.010	Ha
	ONGC	20.387	18.333	0.047	Ha
RETURN ON CAPITAL EMPLOYED	ENERGY AND INFRASTRUCTURE	18.569	12.112	0.000	Ha
	ONGC	37.900	29.147	0.078	H0
RETURN ON NETWORTH	ENERGY AND INFRASTRUCTURE	19.660	9.642	0.000	Ha
	ONGC	26.600	19.837	0.017	Ha
DEBT-EQUITY RATIO	ENERGY AND INFRASTRUCTURE	0.840	1.175	0.051	H0
	ONGC	0.100	0.130	0.535	H0
CURRENT RATIO	ENERGY AND INFRASTRUCTURE	1.543	1.397	0.130	H0
	ONGC	1.063	0.877	0.084	H0

Interpretation

Compared to Energy and infrastructure sector with ongc, there is a marginal decrease in the Operating profit margin correlated a decline in the industry. However both are not statistically significant. Gross profit margin of ongc is marginally increased which is not statistically significant while there is significant decline in industry. There is a statistically significant decline in the net profit margin for both ongc and industry. Return on investments are declined and correlated with industry. There is a marginal insignificant increase in the debt and a decrease in the current ratio for both the company and industry.

4.13 COMPARISON OF FMCG SECTOR WITH UNITED SPIRITS

4.13.1 CALCULATION OF PAIRED T-TEST FOR UNITED SPIRITS

OPERATING PROFIT MARGIN

Paired Samples Test									
		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE – POST	1.58000	9.55366	5.51581	-22.15260	25.31260	.286	2	.801

GROSS PROFIT MARGIN

Paired Samples Test									
		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE – POST	1.49333	9.75398	5.63146	-22.73688	25.72355	.265	2	.816

NET PROFIT MARGIN

Paired Samples Test									
		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE – POST	7.05333	3.80680	2.19786	-2.40328	16.50995	3.209	2	.085

RETURN ON CAPITAL EMPLOYED

Paired Samples Test									
		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE – POST	2.36000	3.61204	2.08541	-6.61279	11.33279	1.132	2	.375

RETURN ON NETWORTH

Paired Samples Test									
		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE – POST	1.77000E1	9.17397	5.29659	-5.08940	40.48940	3.342	2	.079

DEBT-EQUITY RATIO

Paired Samples Test									
		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE - POST	.48333	1.09806	.63396	-2.24440	3.21106	.762	2	.525

CURRENT RATIO

Paired Samples Test									
		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE - POST	.03667	.43650	.25201	-1.04766	1.12100	.145	2	.898

4.13.1 COMPARISON OF FMCG SECTOR WITH UNITED SPIRITS:

The following table 4.14.1 shows the comparison of fmcg sector with united spirits.

RATIO		PRE-MERGER	POST-MERGER	PAIRED SAMPLE T-TEST	RESULT
OPERATING PROFIT MARGIN	FMCG	14.293	15.773	0.674	H0
	UNITED SPIRITS	16.387	14.807	0.801	H0
GROSS PROFIT MARGIN	FMCG	11.462	13.480	0.533	H0
	UNITED SPIRITS	14.807	13.313	0.816	H0

NET PROFIT MARGIN	FMCG	10.403	8.061	0.507	H0
	UNITED SPIRITS	10.130	3.077	0.085	H0
RETURN ON CAPITAL EMPLOYED	FMCG	11.314	13.976	0.407	H0
	UNITED SPIRITS	12.773	10.413	0.375	H0
RETURN ON NETWORTH	FMCG	19.343	12.934	0.248	H0
	UNITED SPIRITS	23.423	5.723	0.079	H0
DEBT-EQUITY RATIO	FMCG	1.307	0.853	0.055	H0
	UNITED SPIRITS	2.073	1.590	0.525	H0
CURRENT RATIO	FMCG	0.875	1.156	0.042	Ha
	UNITED SPIRITS	1.303	1.267	0.898	H0

Interpretation

Compared with industry, there is a marginal decrease in the Operating profit margin and gross profit margin in united spirits which is negatively correlated with an increase in the industry. However both are not statistically significant. Net profit margin is declined as like in industry both are not statistically significant. There is a decline in the return on capital employed for the company and not in the industry. However both are not statistically significant. Return on networth is declined and correlated with industry which is not statistically significant. There is a marginal insignificant decrease in the debt level for both company and industry. There is a marginal insignificant decrease in the current ratio which is not correlated with industry.

4.14 COMPARISON OF HEALTH CARE AND PHARMACEUTICALS SECTOR WITH FORTIS HEALTHCARE:

4.14.1 CALCULATION OF PAIRED T-TEST FOR FORTIS HEALTHCARE

OPERATING PROFIT MARGIN

Paired Samples Test									
		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE – POST	-2.70333	7.95420	4.59236	-22.46265	17.05598	-.589	2	.616

GROSS PROFIT MARGIN

Paired Samples Test									
		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE – POST	-3.97667	9.28763	5.36221	-27.04841	19.09508	-.742	2	.536

NET PROFIT MARGIN

Paired Samples Test									
		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE – POST	-8.36000	16.51386	9.53428	-49.38270	32.66270	-.877	2	.473

RETURN ON CAPITAL EMPLOYED

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower	Upper			
Pair 1	PRE – POST	-.51333	2.07462	1.19778	-5.66697	4.64030	-.429	2	.710

RETURN ON NETWORTH

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower	Upper			
Pair 1	PRE – POST	-4.38933E1	39.06303	22.55305	-140.93127	53.14461	-1.946	2	.191

DEBT-EQUITY RATIO

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower	Upper			
Pair 1	PRE – POST	2.17333	3.94150	2.27563	-7.61790	11.96457	.955	2	.440

CURRENT RATIO

Paired Samples Test									
		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE – POST	-2.19000	2.45098	1.41507	-8.27857	3.89857	-1.548	2	.262

4.15.1 COMPARISON OF HEALTH CARE AND PHARMACEUTICALS SECTOR WITH FORTIS HEALTHCARE

The following table 4.15.1 shows the comparison of health care and pharmaceuticals sector with fortis healthcare

RATIO		**PRE-MERGER**	**POST-MERGER**	**PAIRED SAMPLE T-TEST**	**RESULT**
OPERATING PROFIT MARGIN	HEALTH CARE AND PHARMACEUTICALS	18.657	21.272	0.132	H0
	FORTIS HEALTHCARE	7.883	10.587	0.616	H0
GROSS PROFIT MARGIN	HEALTH CARE AND PHARMACEUTICALS	14.148	16.965	0.145	H0
	FORTIS HEALTHCARE	0.137	4.113	0.536	H0
NET PROFIT MARGIN	HEALTH CARE AND PHARMACEUTICALS	13.533	14.711	0.705	H0

	FORTIS HEALTHCARE	-2.630	5.730	0.473	H0
RETURN ON CAPITAL EMPLOYED	HEALTH CARE AND PHARMACEUTICALS	13.580	15.296	0.244	H0
	FORTIS HEALTHCARE	1.840	2.353	0.710	H0
RETURN ON NETWORTH	HEALTH CARE AND PHARMACEUTICALS	10.187	15.996	0.525	H0
	FORTIS HEALTHCARE	-40.133	3.760	0.191	H0
DEBT-EQUITY RATIO	HEALTH CARE AND PHARMACEUTICALS	1.936	1.239	0.320	H0
	FORTIS HEALTHCARE	4.173	2.000	0.440	H0
CURRENT RATIO	HEALTH CARE AND PHARMACEUTICALS	1.956	2.379	0.419	H0
	FORTIS HEALTHCARE	0.993	3.183	0.262	H0

Interpretation

Comparing fortis healthcare with HEALTH CARE AND PHARMACEUTICALS, there is an increase in the Operating profit margin, gross profit margin, net profit margin and return on investments of the company as like an increase in the industry. However both are not statistically significant. There is an insignificant decrease in the debt level and an increase in the current ratio for both company and industry. Overall, fortis healthcare reflects the financial position of the whole industry.

4.16 COMPARISON OF MANUFACTURING SECTOR WITH TATA MOTORS

4.16.1 CALCULATION OF PAIRED T-TEST FOR TATA MOTORS

OPERATING PROFIT MARGIN

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE - POST	.36667	4.01662	2.31900	-9.61117	10.34450	.158	2	.889

GROSS PROFIT MARGIN

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE - POST	1.84667	4.13687	2.38843	-8.42990	12.12323	.773	2	.520

NET PROFIT MARGIN

Paired Samples Test

		Paired Differences				t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference			

					Lower	Upper			
Pair 1	PRE - POST	.55333	3.47917	2.00870	-8.08941	9.19607	.275	2	.809

RETURN ON CAPITAL EMPLOYED

Paired Samples Test									
		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE - POST	2.57333	12.60311	7.27641	-28.73453	33.88120	.354	2	.757

RETURN ON NETWORTH

Paired Samples Test									
		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE - POST	-1.32500E1	9.17850	5.29921	-36.05066	9.55066	-2.500	2	.130

DEBT-EQUITY RATIO

Paired Samples Test									
		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE - POST	-1.45000	2.03698	1.17605	-6.51015	3.61015	-1.233	2	.343

CURRENT RATIO

Paired Samples Test									
		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE - POST	.20333	.34078	.19675	-.64322	1.04989	1.033	2	.410

4.15.1 COMPARISON OF MANUFACTURING SECTOR WITH TATA MOTORS

The following table 4.16.1 shows the comparison of manufacturing sector with tata motors

RATIO		PRE-MERGER	POST-MERGER	PAIRED SAMPLE T-TEST	RESULT
OPERATING PROFIT MARGIN	MANUFACTURING	19.214	16.571	0.099	H0
	TATA MOTORS	11.873	11.507	0.889	H0

GROSS PROFIT MARGIN	MANUFACTURING	16.420	13.736	0.091	H0
	TATA MOTORS	9.543	7.697	0.520	H0
NET PROFIT MARGIN	MANUFACTURING	9.978	9.207	0.468	H0
	TATA MOTORS	6.677	6.123	0.809	H0
RETURN ON CAPITAL EMPLOYED	MANUFACTURING	27.903	20.209	0.056	H0
	TATA MOTORS	22.207	19.633	0.757	H0
RETURN ON NETWORTH	MANUFACTURING	27.676	22.665	0.089	H0
	TATA MOTORS	27.207	40.457	0.130	H0
DEBT-EQUITY RATIO	MANUFACTURING	1.031	1.234	0.257	H0
	TATA MOTORS	0.947	2.397	0.343	H0
CURRENT RATIO	MANUFACTURING	1.709	1.083	0.178	H0
	TATA MOTORS	0.997	0.793	0.410	H0

Interpretation

Comparing tata motors with manufacturing sector, there is decline in the Operating profit margin, gross profit margin, net profit margin and return on capital employed of the company as like in the industry. However both are not statistically significant. There is an insignificant increase in the return on networth while there is decline in the industry. There is an increase in the debt and a decline in the current ratio for tata motors correlated with the industry. Overall, tata motors are reflecting the declined profit margins of the industry.

4.16 COMPARISON OF SERVICES SECTOR WITH INDIAN HOTELS COMPANY

4.16.1 CALCULATION OF PAIRED T-TEST FOR INDIAN HOTELS COMPANY

OPERATING PROFIT MARGIN

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE – POST	1.33133E1	1.54403	.89145	9.47775	17.14892	14.935	2	.004

GROSS PROFIT MARGIN

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE – POST	1.49733E1	1.53930	.88871	11.14951	18.79716	16.848	2	.004

NET PROFIT MARGIN

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower	Upper			
Pair 1	PRE – POST	1.58233E1	3.57590	2.06454	6.94031	24.70635	7.664	2	.017

RETURN ON CAPITAL EMPLOYED

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower	Upper			
Pair 1	PRE – POST	9.97333	2.07861	1.20009	4.80977	15.13690	8.311	2	.014

RETURN ON NETWORTH

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower	Upper			
Pair 1	PRE – POST	1.85700E1	2.68844	1.55217	11.89155	25.24845	11.964	2	.007

DEBT-EQUITY RATIO

Paired Samples Test									
		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE – POST	-.44667	.79607	.45961	-2.42422	1.53089	-.972	2	.434

CURRENT RATIO

Paired Samples Test									
		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE – POST	.12333	.21127	.12197	-.40148	.64815	1.011	2	.418

4.16.1 COMPARISON OF SERVICES SECTOR WITH INDIAN HOTELS COMPANY:

The following table 4.17.1 shows the comparison of services sector with indian hotels company

RATIO		PRE-MERGER	POST-MERGER	PAIRED SAMPLE T-TEST	RESULT
OPERATING PROFIT MARGIN	SERVICES	29.603	25.328	0.703	H0
	INDIAN HOTELS COMPANY	29.140	15.827	0.004	Ha

GROSS PROFIT MARGIN	SERVICES	25.212	18.815	0.556	H0
	INDIAN HOTELS COMPANY	22.780	7.807	0.004	Ha
NET PROFIT MARGIN	SERVICES	14.807	4.356	0.048	Ha
	INDIAN HOTELS COMPANY	13.097	-2.727	0.017	Ha
RETURN ON CAPITAL EMPLOYED	SERVICES	12.478	5.861	0.002	Ha
	INDIAN HOTELS COMPANY	14.170	4.197	0.014	Ha
RETURN ON NETWORTH	SERVICES	15.773	1.651	0.000	Ha
	INDIAN HOTELS COMPANY	15.597	-2.973	0.007	Ha
DEBT-EQUITY RATIO	SERVICES	1.353	1.911	0.116	H0
	INDIAN HOTELS COMPANY	1.103	1.550	0.434	H0
CURRENT RATIO	SERVICES	1.783	1.416	0.185	H0
	INDIAN HOTELS COMPANY	0.883	0.760	0.418	H0

Interpretation

Comparing Indian hotels company with services sector, there is decline in the Operating profit margin, gross profit margin, net profit margin, return on investments of the company as like in the industry which are statistically significant expect the operating profit margin and gross profit margin of the industry. There is an increase in the debt and a decline in the current ratio of Indian hotels company correlated with the industry. Overall, Indian hotels company is reflecting the statistically significant decline in net profit, return on investments, decrease in debt and a increase in current ratio of the industry.

4.18 COMPARISON OF TELECOM SECTOR WITH BHARTI AIRTEL

4.17.1 CALCULATION OF PAIRED T-TEST FOR BHARTI AIRTEL

OPERATING PROFIT MARGIN

Paired Samples Test									
		Paired Differences							
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower	Upper	t	df	Sig. (2-tailed)
Pair 1	PRE – POST	3.60000	7.49434	4.32686	-15.01698	22.21698	.832	2	.493

GROSS PROFIT MARGIN

Paired Samples Test									
		Paired Differences							
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower	Upper	t	df	Sig. (2-tailed)
Pair 1	PRE – POST	6.70333	8.91978	5.14984	-15.45462	28.86129	1.302	2	.323

NET PROFIT MARGIN

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE – POST	8.60667	12.47934	7.20495	-22.39374	39.60708	1.195	2	.355

RETURN ON CAPITAL EMPLOYED

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE – POST	1.20300E1	10.46939	6.04450	-13.97740	38.03740	1.990	2	.185

RETURN ON NETWORTH

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE – POST	1.68000E1	10.88238	6.28295	-10.23334	43.83334	2.674	2	.116

DEBT-EQUITY RATIO

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE – POST	-.41000	.70150	.40501	-2.15262	1.33262	-1.012	2	.418

CURRENT RATIO

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE – POST	-.05333	.20984	.12115	-.57461	.46794	-.440	2	.703

4.17.1 COMPARISON OF TELECOM SECTOR WITH BHARTI AIRTEL

The following table 4.18.1 shows the comparison of telecom sector with bharti airtel

RATIO		PRE-MERGER	POST-MERGER	PAIRED SAMPLE T-TEST	RESULT
OPERATING PROFIT MARGIN	TELECOM	21.316	21.409	0.966	H0
	BHARTI AIRTEL	39.387	35.787	0.493	H0
GROSS PROFIT	TELECO	13.390	10.912	0.341	H0

MARGIN	M				
	BHARTI AIRTEL	26.440	19.737	0.323	H0
NET PROFIT MARGIN	TELECOM	9.792	5.847	0.190	H0
	BHARTI AIRTEL	20.877	12.270	0.355	H0
RETURN ON CAPITAL EMPLOYED	TELECOM	15.569	9.597	0.064	H0
	BHARTI AIRTEL	25.353	13.323	0.185	H0
RETURN ON NETWORTH	TELECOM	17.519	3.654	0.023	HA
	BHARTI AIRTEL	30.867	14.067	0.116	H0
DEBT-EQUITY RATIO	TELECOM	0.651	1.583	0.089	H0
	BHARTI AIRTEL	0.517	0.927	0.418	H0
CURRENT RATIO	TELECOM	1.196	0.867	0.479	H0
	BHARTI AIRTEL	0.437	0.490	0.703	H0

Interpretation

Comparing bharti airtel with telecom sector, there is decline in the Operating profit margin, in the company and a marginal increase in the industry. There is a decline in Gross profit margin, net profit margin, return on investments of the company as like in the industry which are not statistically significant except return on networth of industry. There is an increase in the debt for both company and industry. There is a marginal increase in the current ratio while there is a decline in the industry. Overall, bharti airtel is reflecting the decline in net profit, return on investments and an increase in debt of the industry.

CHAPTER 5

FINDINGS, SUGGESTIONS AND CONCLUSIONS

5.1 FINDINGS

In the overall sector analysis, there is a decline in the profitability and return on investments which are statistically significant. Overall, there is a slight increase in the level of debt

In BFSI sector, there is a heavy decline in the profitability and return on investments which are statistically significant. There is a marginal increase in the debt and current ratio which is not statistically significant following merger and acquisition.

In IT and computer sector, There is a decline in the profitability, return on investments and a marginal increase in the debt level which are not statistically significant following merger and acquisition.

In energy and infrastructure sector, the result suggests that financial performance of the companies in energy and infrastructure sector are declined following merger and acquisitions. And a marginal insignificant increase in the debt level following merger and acquisition.

In fmcg sector, there is a marginal decline in the financial performance and a decline in the debt level following merger and acquisition.

In healthcare and pharmaceuticals sector, there is a marginal increase in the financial performance and a reduction in the debt level which are not statistically significant following merger and acquisition.

In manufacturing sector, there is a decline in the financial performance and an increase in the debt level which are not statistically significant following merger and acquisition.

In services sector, there is a decline in the financial performance and a marginal insignificant increase in the debt following merger and acquisition.

In telecom sector, there is a decline in the financial performance and an insignificant increase in debt level following merger and acquisition.

Overall, the analysis of all mergers in the sample reveals that mergers were found to negatively impact the performance in terms of both profitability and returns on investment.

When analysis was done on industry basis, the findings pointed out that different result were obtained for merger samples in different industry sectors, in terms of the impact on operating performance.

The comparison of the pre-merger and post-merger financial performance of the entire sample set of mergers showed that financial performance of BFSI, energy and infrastructure, services and showed a decline in the post-merger period. The financial performance of sectors like fmcg, IT and computer, manufacturing and telecom are marginally declined. The healthcare and pharmaceuticals sector showed an increase in the financial performance following merger and acquisition. Overall, there is a marginal and insignificant decline in the debt level for the sectors like fmcg, healthcare and pharmaceuticals. There is a statistically insignificant increase in the BFSI, IT and computer, energy and infrastructure, manufacturing, services and telecom sector.

In company wise analysis, There is a insignificant decline in financial performance and an increase in debt for reliance capital as like BFSI sector following merger and acquisition.

There is marginal and insignificant decline in financial performance of Infosys correlated with IT and computer sector.

There is a significant decline in the financial performance and a marginal and insignificant increase in debt level of ongc correlated with the energy and infrastructure sector.

There is a decline in the net profit, return on networth and debt level of united spirits and fmcg which are not statistically significant. Other ratios are not correlated with the industry.

There is an increase in the financial performance and a decline in the debt level of fortis healthcare correlated with the industry following merger and acquisition.

There is a marginal and insignificant decline in the profitability ratios and return on capital employed and an increase in the debt level of tata motors which are correlated with the manufacturing sector.

The net profit turned negative following merger and acquisition for Indian hotels company. There is a significant decline in the financial performance and an insignificant increase in the debt for Indian hotels company as like the services industry.

There is an insignificant decline in the financial performance and an insignificant increase in the debt level for bharti airtel reflecting the telecom industry result following merger and acquisition.

5.2 SUGGESTIONS

The results of this study shows that management can't take it for granted that synergy will be generated and profits will increase simply by going for mergers and acquisitions. There should be a proper management and integration to ensure efficient operation. A company can attain a better financial position in a long term. A company should make a policy change and operational change to attain a better financial position.

5.3 CONCLUSION

This study was undertaken to test whether the industry type has an impact on the outcome of merger for the merging firm, in terms of impact on operating performance. The results from the analysis of pre- and post-merger operating performance ratios for the acquiring firms in the sample showed that there was a differential impact of mergers, for different industry sectors in India. Overall, the analysis of all mergers in the sample reveals that mergers were found to negatively impact the performance in terms of both profitability and returns on investment. Type of industry does seem to make a difference to the post-merger operating performance of acquiring firms. The results of this study shows that management can't take it for granted that synergy will be generated and profits will increase simply by going for mergers and acquisitions.

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