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- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio," Ohio State University.

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- Garg Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–22 June.

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- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

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MERGERS & ACQUISITIONS: AN EMPIRICAL STUDY ON THE SHORT-TERM POST- MERGER PERFORMANCE OF CORPORATE FIRMS IN INDIA

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ABSTRACT

*Mergers and acquisitions **(M&A)** become the major force in the changing environment. The policy of liberalization, decontrol and globalization of the economy has exposed the corporate sector to domestic and global competition. It is true that there is little scope for firms to learn from their past experience. Therefore, to determine the success of a merger, it is to be studied if there is financial gain from mergers. The present study is carried out with a sample of 20 firms listed in one of the leading Indian stock exchanges namely **Bombay Stock Exchange** out of 52 manufacturing firms which have undergone **M&A** in the same industry during 2007. It was aimed at to compare the liquidity performance of the sample acquirer firms using ratio analysis and t-test during the study period of three years before and after the period of mergers. Some measures of corporate performance such as **current ratio, quick ratio, working capital ratio, net profit ratio, operating profit ratio, return on investment ratio, net worth ratio, debtors turnover ratio, fixed assets turnover ratio, total assets turnover ratio, working capital turnover ratio, debt equity ratio, interest coverage ratio and total borrowing and equity to EBITD** are used. The study proves that merging firms which were merged with reputed and good management appear to have been financially benefitted in short run period in India.*

KEYWORDS
acquisition; business restructuring; business risk; corporate restructuring; merger.

JEL CLASSIFICATION
G34; L25; M40

INTRODUCTION

India has acquired the status of one of the biggest merger and acquisition (***M&A***) markets in the recent past. Indian corporate world is continuously engaged in strategic ***M&A*** deal growing at an annual rate of 28 per cent since 2002. India ranks eight in terms of the number and volume of ***M&A*** deals undertaken and it has to surpass markets like France, Italy and Germany. [1]Introduction of deregulatory policy measures in general and competition policies in particular since 1991 have resulted in a significant increase in the number of ***M&As*** in Indian corporate sector (e.g., Khanna, 1997; Venkiteswaran, 1997; Chandrasekhar, 1999; Roy, 1999; Basant, 2000; Beena, 2000, 2004 & 2008, Das, 2000; Kumar, 2000; Agarwal, 2002; Dasgupta, 2004; Mishra, 2005; Agarwal and Bhattacharya, 2006; Mantravadi and Reddy, 2008). While majority of these deals are horizontal in nature (Khanna, 1997; Beena 2000 & 2008; Mishra, 2005), the number vary significantly across the industries (Basant, 2000; Das, 2000; Dasgupta, 2004; Agarwal, 2002; Mishra, 2005). The broad industry groups that experienced a large number of ***M&A*** include financial and other services, chemicals including drugs and pharmaceuticals, electrical machinery, electronics and beverages including spirits and vinegars, etc. (Basant, 2000; Das, 2000; Agarwal, 2002, Mishra, 2005).

There are two broad theories explaining why firms acquire other firms or merge with other firm. The monopoly theory postulates that the firms use the route ***M&A*** to rise their market power (Steiner, 1975, Chatterjee, 1986), whereas, according to the efficiency theory, ***M&A*** are planned and executed to reduce costs by achieving scale economies (Porter, 1985; Shelton, 1988). Either way firms are expected to have better financial performance following ***M&A***. Many of the existing studies (Healy *et al*. 1992; Grabowski *et al*. 1995; Switzer, 1996; Waldfogel and Smart, 1994; Vander, 1996) empirically support the proposition that ***M&A*** lead to better financial performance of the firms. Contrary to this, there are also studies (Dickerson *et al*. 1997; Ravenscraft and Scherer, 1987a and 1987b; Mueller, 1985; Ghosh, 2001) that report results at odds with the view that ***M&A*** improve corporate performance. Further, Ikeda and Doi (1983), Cosh *et al.* (1984), Kumar (1984), Geroski (1988), Odagiri (1992) also found either negative results or little changes in operating performance following ***M&A***.

Thus, the existing literature report mixed impact of ***M&A*** on financial performance of the firms, with the findings ranging from slightly positive improvement to significantly negative or no improvement. This raises an important question; has the wave of ***M&A*** in the post-reform era helped Indian firms in improving their financial performance? While addressing this question it is very important to understand the implications of the wave of ***M&A***, the research on financial performance following ***M&A*** in India so far is very limited. Besides, most of these existing studies (Pawaskar, 2001; Beena, 2004; Mantravadi and Reddy, 2008) found decline or very little increase in post-merger profitability, their empirical testing is based on either small sample of deals (Pawaskar, 2001) or shorter time-frame (Beena, 2004).

M&A IN INDIA – A REVIEW

M&A[2] has played an important role in the transformation of the industrial sector in India since the World War I. Similarly, the economic and political environments during the Second World War and Post-War periods gave a tremendous impetus to a spate of ***M&A*** activities. The high inflationary situation during the war time paved the way for many Indian businessmen to accumulate income by way of high profits. Further, there was a craze to acquire control over industrial unites in spite of swollen pricing of shares. The other practices are acquiring shares (takeover) in the open market with a view to a acquire control over the management of well established and reputed firms. But, after gaining independence, British managing agency houses gradually liquidated their holdings at low prices offered by Indian business community. Further, at that time, it was a glamorous attitude of obtaining control over insurance firm for the purpose of utilizing the fund to acquire substantial holdings in other firms. The big industrialists also floated banks and investment firms for the objective of acquiring control over established firms.

During this period a large ***M&A*** deals occurred in *jute, cotton textile, sugar, insurance, banking, electricity and tea plantation industry*. A number of government regulations came in the way of ***M&A***, which include Industrial Development and Regulations Act, 1951, Import Control Order, 1957-58, Monopoly and Restrictive

Trade Practice Act, 1969 and Foreign Exchange Regulation Act, 1973. These, however, did not deter the Indian corporate enterprises from indulging in ***M&A*** deals. Most of the ***M&A*** was in the nature of government induced ***M&A*** deals. For instance, ***M&A*** cover was given by the government to take over sick industrial units; the formation of the Life Insurance Corporation (LIC) and nationalization of Life Insurance business in 1956 resulted in the takeover of as many as 243 insurance firms. The National Textiles Corporation (NTC) also took over a large number of sick textile units. In the sixties a number of ***M&A*** occurred in the Indian Banking industry. In 1961 Bank of Baghelkhand merged with State Bank of India; in 1962 Bhor State Bank Ltd with SBI, in 1963 State Bank of Jaipure with SBI; and in 1964 Coimbatore Varthaka Vridhi Bank Ltd merged with Srinivasperumal Bank Ltd. But, after the nationalization of 14 commercial banks in July 1969, ***M&A*** came down to a large extent in Indian Banking industry. However, in the post-liberalization era, there has been a total transformation in the Indian corporate world as brought about by the ***M&A*** wave. Several measures were initiated by the government after liberalization, which include deli censing, diversification, MRTP Act relaxations, liberalization of policy towards foreign capital and technology, etc. This Industrial transformation provided the much needed thrust to allow the Indian corporate to embark on the path of growth and diversification through ***M&A.*** During this period the heads of corporate groups like R.P. Goenka (RPG), Vijay Mallaya (UB) and Manu Chabria had employed ***M&A*** strategy aggressively to grow. Other groups whose growth has been significantly contributed by ***M&A*** included Hindustan Lever, Ranbaxy, Glaxo India and Sun Pharmaceuticals Limited.

REVIEW OF LITERATURE

Harris. J. and Ozcan (2000)[3] examined the impact of horizontal mergers of US hospital's technical efficiency before and after merger, the findings of the study revealed that mergers do increase a hospital's level of efficiency constant returns-to-scale model indicated an overall reduction in input utilization after merger, compared to variable returns-to-scale model. **Sydney and Jerayr (2002)**[4] found positive and negative transfer effects in the organizations' acquisition; acquirer-to-target similarity was positively and significantly associated with acquisition performance. **Dash (2004)**[5] examined the economic consequences of mergers on the shareholders of the acquirer firms. The event study methodology which was employed to assess the extent of value creation by mergers indicates that on an average mergers lead to value destruction, irrespective of their pattern over a long period of time and the destruction is relatively greater in case of unrelated mergers. **Moeller and Sehlingemam (2005)**[6] analyzed the performance of acquirer firms through two major merger waves that occurred during that period. They found that even when the target shareholder benefits were taken into account the net impacts were still negative $134 billion. **Jarrod McDonald, Max Coulthard, and Paul de Lange (2005)**[7] used semi-structured interviews to: identify the relation between corporate strategic planning and ***M&A*** strategy; examined the due diligence process in screening a merger or acquisition; and evaluated previous experience in successful ***M&As***. The study found that there was a clear alignment between corporate and ***M&A*** strategic objectives but that each organization had a different emphasis on individual criterion. Due diligence was also critical to success; its particular value was removing managerial ego and justifying the business case. Finally, there was mixed evidence on the value of experience, with improved results from using a flexible framework of assessment.

David (2006)[8] analyzed the prices paid by foreign firms for acquisitions in the United States ***(US)*** relative to the price paid by US firms for mergers. The findings indicate that foreign firms do pay more for US acquisitions, and that this does result in significantly lower returns on ***M&As*** investment in the US by foreign firms. **Vanitha. S., and M. Selvam (2007)**[9] analyzed to compare the financial performance of the pre and post – merger, and found that in India merging firms were taken over by firms with reputed and good management. **Pramod Mantravadi, and Vidyadhar Reddy. A. (2008)**[10] analyzed the impact of mergers on the operating performance of acquiring corporate in different industries, and found that there are minor variations in terms of impact on operating performance following merger, in different industries in India. In particular, mergers seem to have had a slightly positive impact on profitability of firms in the banking and finance industry, the pharmaceuticals, textiles and electrical equipment sectors saw a marginal negative impact on operating performance (in terms of profitability and returns on investment (***ROI***)). For the Chemicals and Agri-products sectors, mergers had caused a significant decline, both in terms of profitability margins and ***ROI*** on assets. **Isabel Feito-Ruiz (2010)**[11] analyzed family versus nonfamily firm returns under different legal environments when a ***M&A*** is announced. The findings show that family ownership has a significant positive influence on acquirer shareholder ***M&A*** valuation. However, a major shareholder ownership of 32% has a negative impact. **Indhumathi (2011)**[12] analyzed to compare the performance of the acquirer and target corporate firms before and after the period of mergers by using ratio analysis and t-test during the study period. The study found that the acquirer corporate firms increased their financial performance after the merger event.

STATEMENT OF THE PROBLEMS AND SCOPE OF THE STUDY

When the firm gets merged with other or acquired by the profit making firm, it benefits for both the firms, hence now-a-days all firms are interested in resorting to corporate restructuring in the form of ***M&A***. However, the question often arises whether all the firms that are merged / acquired are ending up with maximization of shareholders' wealth and improved operating performance? In some firms, the shareholders' wealth gets reduced after it get merged / acquired. Hence, the present study is proposed to seek answers to the stated question by analyzing the impact of ***M&A*** on the firms' performance of selected corporate firms in Indian corporate considering *three years period before and three years period after* the process of ***M&A.*** The period of the study is from 2004 to 2010. i.e., pre merger period from 2004-2006; post merger period from 2008-2010.

RESEARCH METHODOLOGY AND SAMPLING

The study used secondary sources of data. The required data for the study were collected from the capital market database called ***Centre for Monitoring Indian Economy Private Limited (Prowess CMIE).*** The sample units (firms) drawn are based on the list of firms that ventured into the ***M&As*** process with the help of the comprehensive list provided by the Third Annual Issue 2007 © Grant Thornton India 2008.

OBJECTIVES OF THE STUDY AND HYPOTHESES DEVELOPMENT

The study is primarily designed to examine the impact of relevant benefits expected by the Indian manufacturing firms after ***M&A***, thereby tries to measure the operating performance of selected sample corporate firms in India. More specifically, the present study is proposed to:

- study the impact of ***M&A*** on liquidity, profitability, operating performance and leverage of firms across industries in India after ***M&A***.

Based on the objectives the following hypotheses are developed:

Ho#1-There is no significant improvement on the liquidity of acquirer firms across industries in India after ***M&A.***

Ho#2- There is no significant improvement on the profitability of acquirer firms across industries in India after ***M&A.***

Ho#3- There is no significant improvement on the operating performance of acquirer firms across industries in India after ***M&A.***

Ho#4- There is no significant decline in financial risks of acquirer firms across industries in India after ***M&A.***

ANALYSIS, RESULTS AND DISCUSSION

PLAN OF ANALYSIS

To study the impact of ***M&A*** on the overall performance of acquirer firms, the analysis has been made focusing on four elements viz *liquidity, profitability, operating performance and financial risks*. Appropriate ratios viz., **current ratio, quick ratio, working capital ratio, net profit ratio, operating profit ratio, return on investment ratio, net worth ratio, debtors turnover ratio, fixed assets turnover ratio, total assets turnover ratio, working capital turnover ratio, debt equity ratio, interest coverage ratio and total borrowing and equity to EBITD** are used to measure the impact of ***M&A*** on the specific element. To measure the impact of ***M&A*** on various dimensions (elements) parametric statistical tool, viz., t test has been extensively used by use of the following formula.

Paired t test for difference of two means is

$$t = \frac{|\,\overline{d}\,|}{S/\sqrt{n}} \sim t_{n-1}\,dt$$

Where $\overline{d} = \Sigma d/n$ and $d = x - y$ or $y - x$

$$S = \sqrt{\frac{\Sigma (d - \overline{d})^2}{n - 1}}$$

TABLE 1: LIST OF DEALS ANNOUNCED DURING THE CALENDAR YEAR 2007

SI.No.	Acquirer Firms	Target Firms	Sector
1.	3i Infotech ltd	SDG Software Technologies Ltd	IT & ITeS
2.	Aftek ltd	C2Silicon software solutions pvt ltd	IT & ITeS
3.	Aurobindo pharma ltd	APL Life Sciences ltd	Pharma, health& biotech
4.	Consolidated finvest and holdings	Rishi trading firm	Banking & fin. services
5.	Coromandel fertilisers ltd	Godavari fertilisers and chemicals ltd	Agri. & agro products
6.	Dabur India ltd (DIL)	Dabur foods ltd (DFL)	FMCG, food &beverages
7.	Datamatics technologies Ltd	Datamatics ltd	IT & ITeS
8.	Emami	J B marketing finance	Banking & fin. services
9.	Excel crop care ltd	Business units of excel industries ltd	Plastic & chemicals
10.	Hindalco industries ltd	indian aluminum firm ltd (indal)	Aluminum
11.	Indian oil corporation	IBP's petroleum retail business	Oil& gas
12.	Phoenix mills ltd	Ashok Ruia Enterprisespvt ltd	Others
13.	Reliance Industry Ltd	Indian Petrochemicals Corpn. Ltd.	Oil& gas
14.	Regency ceramics ltd	Regma ceramics ltd	Others
15.	SB&T international	Mimansa jewellery	Others
16.	Satyam computer services ltd	Nipuna	IT & ITeS
17.	State bank of India (SBI)	State Bank of Saurashtra	Banking & fin. services
18.	Texmaco ltd	Shree export house ltd	Power &energy
19.	TV today network ltd	Radio today broadcasting ltd	Media, ent, & publishing
20.	VIP industries	Aristocrat luggage ltd	FMCG, food &beverages

Source: Complied & edited from the financial statements of selected firms listed-CMIE-prowess package.

ANALYSIS AND RESULTS

The performance of the selected acquirer firms in respect of their liquidity, operating performance, profitability and leverage after merger has been compared to that of the before merger using t-test and the results of the analysis are presented from *tables 1 to 14*. *Table 1* shows the list of deals announced for ***M&A*** during the calendar year 2007.

TABLE 2: IMPACT OF MERGER ON CURRENT RATIO OF ACQUIRER FIRMS

SI.No.	Name of the firms	Pre-Merger		Post-Merger			t-value	p-value
		Mean	SD	Mean	Impact	SD		
1.	3I Infotech Ltd.	2.21	.89	2.23	+	.49	-.02	.98
2.	Aftek Ltd.	13.88	4.19	11.84	-	4.16	.46	.69
3.	Aurobindo Pharma	1.40	.06	1.46	+	.21	-.56	.63
4.	Consolidated Finvest	2.11	.74	6.07	+	6.29	-1.11	.38
5.	Coromandel Fer.	1.43	.02	1.40	-	.26	.21	.84
6.	Dabur India Ltd.	.90	.08	.96	+	.05	-1.78	.21
7.	Datamatics Tech.	2.79	.98	2.89	+	.60	-.11	.91
8.	Emami Ltd.	4.34	2.09	1.69	-	.64	2.43	.13
9.	Excel Crop Care Ltd.	1.21	.01	1.24	+	.05	-.76	.52
10.	Hindalco Industries	1.82	.23	1.08	-	.07	6.25	.02**
11.	Indian Oil Corpn.	1.38	.02	1.15	-	.16	2.17	.16
12.	Phoenix Mills Ltd.	2.77	2.23	1.49	-	.96	.74	.53
13.	Reliance Industries	1.20	.11	1.81	+	.21	-8.80	.01**
14.	Regency Ceramics Ltd	1.44	.20	.68	-	.22	6.10	.02**
15.	S B & T International	4.64	1.34	2.29	-	.32	3.92	.05*
16.	Satyam Computer Ser	7.00	.83	2.17	-	2.25	4.31	.05*
17.	State Bank Of India	1.56	.24	1.46	-	.11	.81	.50
18.	Texmaco Ltd.	1.86	.34	1.46	-	.16	1.42	.29
19.	TV Today	.79	.03	1.27	+	.24	-3.30	.08*
20.	V I P Industries Ltd.	1.22	.18	1.25	+	.09	-.18	.87

*Source: Complied & Edited from the financial statements of selected firms listed-CMIE-prowess package. Degree of freedom is 8 for all t-values. *significant at 10% level **Significant at 5% level; ***Significant at 1% level.*

A. IMPACT OF MERGER ON LIQUIDITY OF ACQUIRER FIRMS

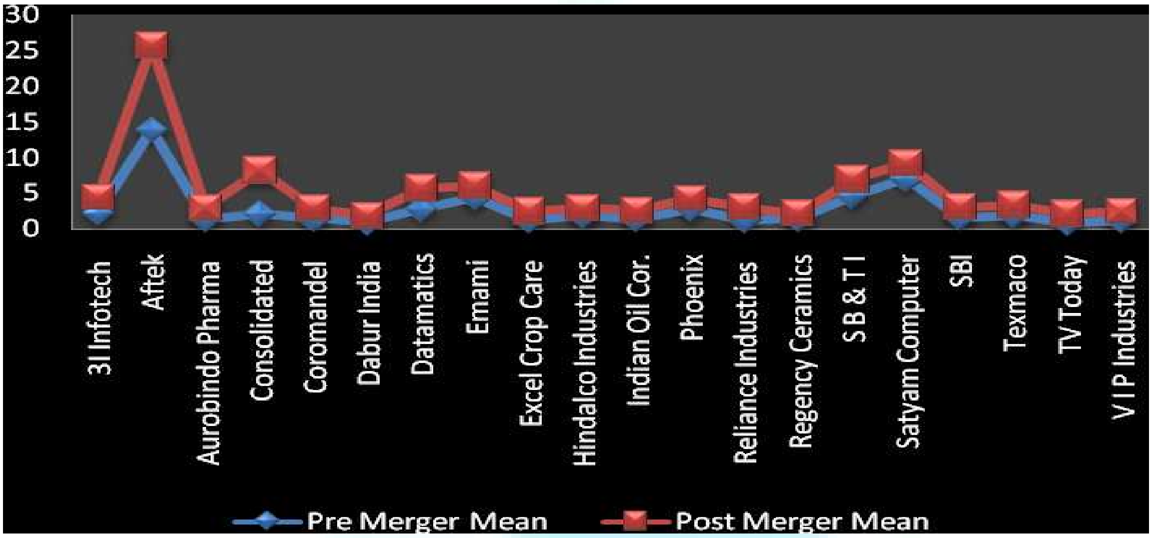
The liquidity ratios used for studying the impact of merger are current ratio **(*CR*),** quick ratio (***QR***) and working capital ratio (***WCR***).

I. Current Ratio: The current ratio ***(CR)*** is the most commonly used ratio for measuring liquidity position of firms of manufacturing sector, which is also called '*working capital ratio'*. It expresses the relationship between *current assets* and *current liabilities*.

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

Table 2 reports the mean ***CRs*** before and after merger of the selected acquirer firms. The average ***CR*** varies between minimum of 0.79 (TV Today) and maximum of 13.88 (Aftek Ltd.) in the pre-merger period. The average ***CR*** ranges from 0 .68 (Regency Ceramics Ltd) to 11.84 (Aftek Ltd.) in the post-merger period. The mean ***CRs*** in post-merger period are more than that of the pre-merger period for nine out of 20 acquirer firms. For the other 11 acquirer firms, the ***CR*** has declined during the post-merger period. From p-values, it is inferred that the ***CR*** position of Reliance Industry (t = -8.80, P < 0.01), Regency Ceramics Ltd (t = 6.10, P< 0.05), Hindalco Industries (t = 6.25, P< 0.05) S B & T International (t = 3.92, P< 0.10), Satyam Computer (t=81, P< 0.10) and TV Today (t= -3.30, P<.10) increased significantly after ***M&A*** process. Overall, it is found from the comparison of ***CRs*** between pre and post merger periods that the liquidity position in terms of ***CR*** has improved for six out of 20 firms after merger. Though 14 firms have experienced with decline in ***CR*** position after merger, the decline has been significant for just three firms only. On the whole, it is inferred that ***M&A*** process has remarkable impact on ***CR*** of acquirer firms in India.

CHART A: IMPACT OF MERGER ON CURRENT RATIO OF ACQUIRER FIRMS

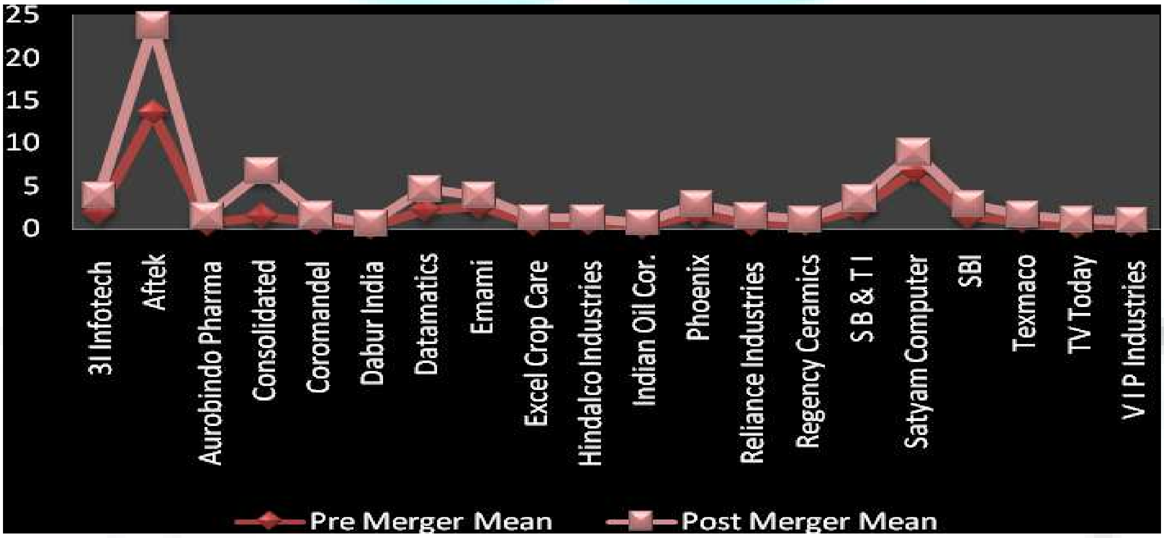


Source: Complied & Edited from the financial statements of selected firms listed-CMIE-prowess package.

II. Quick Ratio: The *quick ratio* is also known as *liquid ratio, acid test ratio* or *near money ratio*, which is the relationship between quick or liquid assets and quick liabilities.

$$\text{Quick Ratio} = \frac{\text{Quick (or) Liquid Assets}}{\text{Liquid Liabilities}}$$

CHART B: IMPACT OF MERGER ON QUICK RATIO OF ACQUIRER FIRMS



Source: Complied & edited from the financial statements of selected firms listed-CMIE-prowess package.

TABLE 3: IMPACT OF MERGER ON QUICK RATIO OF ACQUIRER FIRMS

SI.No.	Name of the firms	Pre-Merger		Post-Merger		t-value		p-value
		Mean	SD	Mean	Impact	SD		
1.	3I Infotech Ltd.	2.03	.91	1.89	-	.47	.17	.876
2.	Aftek Ltd.	13.63	4.18	10.11	-	3.08	.89	.466
3.	Aurobindo Pharma	.72	.08	.76	+	.15	-.32	.776
4.	Consolidated Finvest	1.50	.69	5.20	+	6.29	-1.00	.420
5.	Coromandel Fert.	.83	.05	.75	-	.08	.99	.424
6.	Dabur India Ltd.	.30	.05	.34	+	.01	-1.24	.339
7.	Datamatics Tech.	2.29	.95	2.34	+	.44	-.12	.915
8.	Emami Ltd.	2.76	1.40	1.10	-	.40	1.94	.191
9.	Excel Crop Care Ltd.	.66	.04	.64	-	.03	.76	.524
10.	Hindalco Industries Lt	.76	.13	.55	-	.03	2.12	.167
11.	Indian Oil Corpn. Ltd.	.37	.07	.34	-	.03	.65	.580
12.	Phoenix Mills Ltd.	1.75	1.64	1.12	-	.87	.47	.680
13.	Reliance Industries	.61	.12	.90	+	.23	-4.07	.055*
14.	Regency Ceramics	.71	.18	.33	-	.18	1.80	.213
15.	S B & T International	2.36	.84	1.18	-	.13	2.52	.128
16.	Satyam Computer Ser	6.87	.82	2.06	-	2.21	4.39	.048**
17.	State Bank Of India	1.49	.23	1.41	-	.11	.69	.561
18.	Texmaco Ltd.	.93	.36	.68	-	.05	1.08	.391
19.	TV Today	.36	.03	.74	+	.18	-4.15	.053*
20.	V I P Industries Ltd.	.51	.24	.50	-	.07	.07	.949

*Source: Complied & edited from the financial statements of selected firms listed-CMIE-prowess package. Degree of freedom is 8 for all t-values. *significant at 10% level **Significant at 5% level; ***Significant at 1% level.*

Quick ratio (***QR)*** is increased after merger for six out of 20 firms (*see table 3*), Only in the case of Reliance Industries, Satyam Computer and TV Today, there has been a increase in the ***QR*** after merger with t value = -4.07, P < 0.10; 4.39, P< 0.10 and -4.15, P< 0.10 respectively, which are significant for three acquirer firms. Hence, it is inferred that there has been a significant increase in ***QR*** of three acquirer firms after merger.

III. Net Working Capital Ratio (*NWCR*): The net working capital refers to the difference between current assets and current liabilities. There is always a time gap between the receipt of cash and repayment of loan; hence working capital is required for the intervening period in order to sustain the activities.

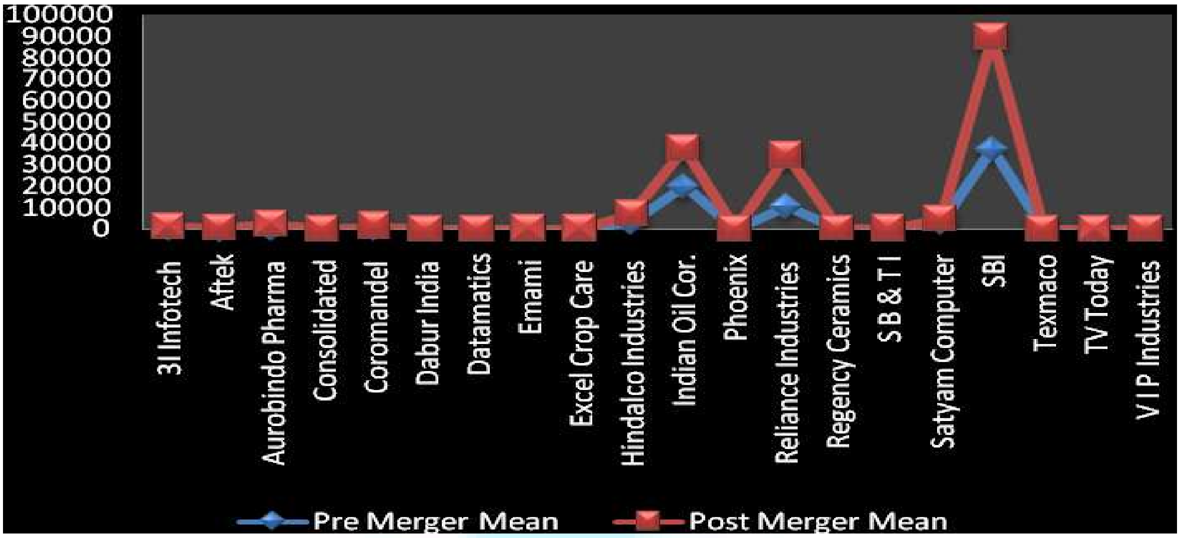
Net Working Capital = Current Assets – Current Liabilities

TABLE 4: IMPACT OF MERGERS ON NETWORKING CAPITAL RATIO OF ACQUIRER FIRMS

SI.No.	Name of the firms	Pre-Merger		Post-Merger			t-value	p-value
		Mean	SD	Mean	Impact	SD		
1.	3I Infotech	205.79	165.74	853.51	+	129.63	-6.52	.023**
2.	Aftek Ltd.	301.86	113.61	396.59	+	25.54	-1.28	.329
3.	Aurobindo	884.24	172.86	1669.28	+	130.36	-6.14	.026**
4.	Consolidate	57.72	80.08	31.16	-	37.91	.43	.707
5.	Coromandel	351.34	141.03	1120.29	+	406.40	-2.81	.106
6.	Dabur India	121.05	185.74	117.63	-	73.41	.02	.984
7.	Datamatics	43.70	5.13	77.35	+	26.20	-2.40	.138
8.	Emami Ltd.	86.70	9.83	172.61	+	102.90	-1.44	.284
9.	Excel Crop	131.39	38.82	198.51	+	31.32	-1.67	.236
10.	Hindalco	3190.35	969.51	4038.43	+	1049.21	-4.53	.045**
11.	Indian Oil	19866.66	12372.18	17897.40	-	5913.73	.39	.734
12.	Phoenix	3.42	31.76	42.07	+	148.16	-.40	.726
13.	Reliance	10793.74	6726.59	23666.09	+	3415.86	-3.55	.071*
14.	Regency	62.35	5.14	380.50	+	48.93	-10.28	.009***
15.	S B & T Int	124.90	8.58	178.14	+	25.39	-3.67	.067*
16.	Satyam	3102.39	670.55	1707.93	-	3879.21	.56	.627
17.	SBI	37228.46	32973.26	52569.24	+	9933.91	-.78	.515
18.	Texmaco	63.91	50.35	73.84	+	87.14	-.12	.911
19.	TV Today	11.30	35.57	48.66	+	42.16	-1.71	.229
20.	V I P Indu	73.88	36.15	150.42	+	2.76	-3.86	.061*

*Source: Complied & edited from the financial statements of selected firms listed-CMIE-prowess package. Degree of freedom is 8 for all t-values. *significant at 10% level **Significant at 5% level; ***Significant at 1% level.*

CHART C: IMPACT OF MERGER ON NETWORKING CAPITAL RATIO OF ACQUIRER FIRMS



Source: Complied & edited from the financial statements of selected firms listed-CMIE-prowess package.

The working capital ratio (***WCR***) is increased after merger for 18 out of 20 firms (*see table 4*), however, the increase in ***WCR*** is statistically significant for three firms only at 10 per cent level; (Reliance Industries, S B & T Internatio and VIP Industries Ltd with t value = -3.55, P < 0.10; -3.67, P< 0.10 and -3.86, P< 0.10 respectively; for three firms at 5 per cent level (3I Infotech Ltd., Aurobindo Pharma and Hindalco Industries with t value = -6.52, P< 0.05; -3.67, P< 0.05 and -3.86, P< 0.05 respectively and for Regency at one per cent level (t value = -10.28, P< 0.01). Hence, it is inferred that there has been a significant increase in ***WCR*** of seven acquirer firms after merger.

B. IMPACT OF MERGER ON PROFITABILITY OF ACQUIRER FIRMS

To measure the impact of ***M&A*** on the profitability, i.e. to what extent the profitability of the acquirer firms was affected due to their ***M&As*** activities an attempt has been made by comparing mean profitability between pre and post merger periods using t-test. The profitability measures considered for the analysis are: net profit ratio **(*NPR*),** operating profit ratio **(*OPR*),** return on investment ratio **(*ROIR*)** and net worth ratio **(*NWR*).**

IV. Net Profit Ratio (*NPR*): Net profit ratio establishes a relationship between net profit (after tax) and income. It indicates overall efficiency of the firms of manufacturing sector. If the profit is not sufficient, the firm will not be able to achieve satisfactory ***ROI***.

$$\text{Net Profit (NP)} = \frac{\text{EBIT}}{\text{Income}}$$

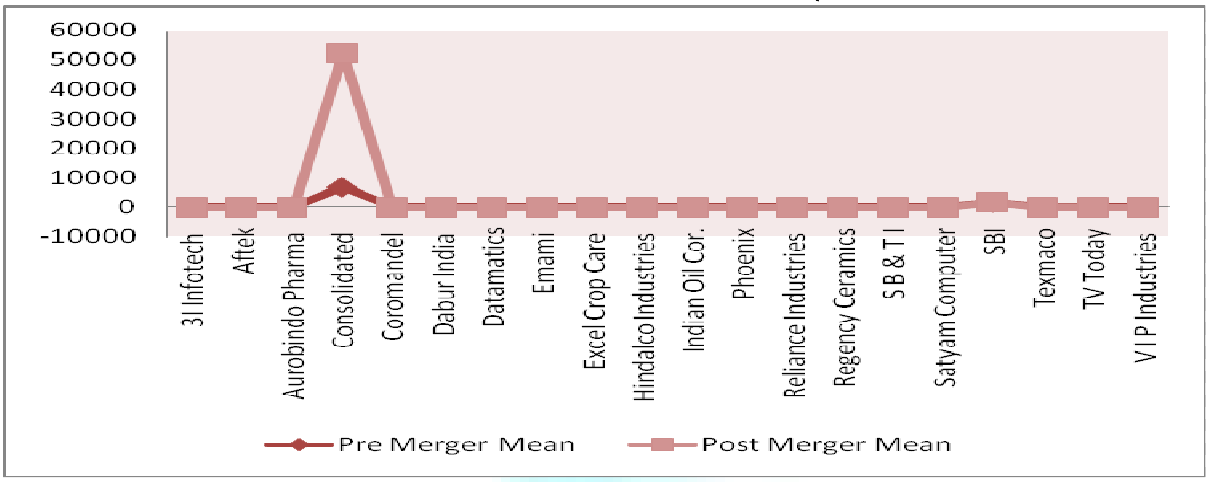
TABLE 5: IMPACT OF MERGER ON NET PROFIT RATIO OF ACQUIRER FIRMS

Sl. No.	Name of the firms	Pre-Merger		Post-Merger			t-value	p-value
		Mean	SD	Mean	Impact	SD		
1.	3I Infotech Ltd.	6.58	10.25	9.78	+	7.39	-.33	.768
2.	Aftek Ltd.	31.72	1.95	3.34	-	9.29	5.71	.029**
3.	Aurobindo Pharma	3.43	3.83	9.29	+	6.12	-2.15	.164
4.	Consolidated Finvest	6841.74	12387.97	45344.44	+	5047.14	-4.20	.052*
5.	Coromandel Ferti.	4.15	.57	6.18	+	.95	-4.56	.045**
6.	Dabur India Ltd.	9.88	1.56	14.05	+	.51	-5.71	.029**
7.	Datamatics Tech.	19.40	6.50	7.99	-	1.46	2.50	.129
8.	Emami Ltd.	12.87	3.14	10.83	-	4.40	.46	.687
9.	Excel Crop Care Ltd.	4.41	1.11	4.94	+	.62	-.96	.438
10.	Hindalco Industries	11.64	.45	3.78	-	3.23	4.37	.048**
11.	Indian Oil Corpn.	4.11	1.57	2.66	-	1.67	1.05	.402
12.	Phoenix Mills Ltd	27.20	3.53	59.57	+	15.10	-3.68	.066*
13.	Reliance Industries	9.67	.74	11.60	+	2.02	-1.20	.351
14.	Regency Ceramics	22.54	.66	-4.02	-	17.37	2.74	.111
15.	S B & T International	2.27	2.14	.68	-	1.46	.76	.523
16.	Satyam Computer	21.67	1.99	-24.94	-	59.53	1.37	.304
17.	State Bank Of India	1620.00	1561.13	61.00	-	89.35	1.83	.208
18.	Texmaco Ltd.	8.26	4.65	8.48	+	1.11	-.06	.952
19.	TV Today	6.39	7.72	2.92	-	.35	.78	.513
20.	V I P Industries Ltd.	1.56	.53	2.81	+	4.84	-.44	.702

*Source: Complied & edited from the financial statements of selected firms listed-CMIE-prowess package. Degree of freedom is 8 for all t-values. *significant at 10% level **Significant at 5% level; ***Significant at 1% level.*

The net profit ratio (***NPR)*** is increased after merger for 10 out of 20 firms (*see table 5*). However, the increase in ***NPR*** is significant a positive for six firms only (Consolidated Finvest and Phoenix Mills at 10 per cent level with t value = -4.20, P< 0.10 and -3.68, P< 0.10 respectively); at five per cent level for four firms, (Aftek Ltd., Coromandel Ferti., Dabur India Ltd. and Hindalco Industries with t value = 5.71, P< 0.05; -4.56, P< 0.05; -5.71, P< 0.05 and 4.37, P< 0.05 respectively). Hence, it is inferred that there has been a significant increase in ***NPR*** of six acquirer firms after merger.

CHART D: IMPACT OF MERGER ON NET PROFIT RATIO OF ACQUIRER FIRMS

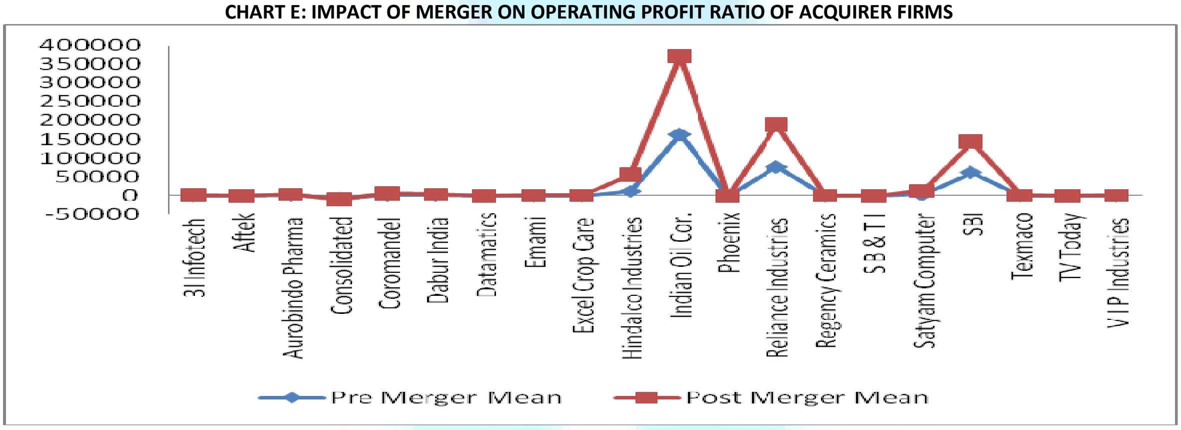


Source: Complied & edited from the financial statements of selected firms listed-CMIE-prowess package.

V. Operating Profit Ratio (*OPR*): The operating profit or loss is made by a manufacturing sector from its business activities in a given period. This is further reduced or augmented by adding the business overheads and any ancillary investments to arrive at the profit (loss) before interest and tax (PBIT). The net operating income includes net interest income and non-interest income and non- interest expenses.

$$\text{Operating Profit Ratio} = \frac{\text{Profit}}{\text{Income}}$$

CHART E: IMPACT OF MERGER ON OPERATING PROFIT RATIO OF ACQUIRER FIRMS



Source: Complied & edited from the financial statements of selected firms listed-CMIE-prowess package.

TABLE 6: IMPACT OF MERGER ON OPERATING PROFIT RATIO OF ACQUIRER FIRMS

Sl. No.	Name of the firms	Pre-Merger		Post-Merger			t-value	p-value
		Mean	SD	Mean	Impact	SD		
1.	3I Infotech Ltd.	345.69	42.19	1801.22	+	1036.32	-2.49	.130
2.	Aftek Ltd.	189.79	24.09	418.27	+	312.76	-1.37	.304
3.	Aurobindo Phar	1614.63	113.33	2165.81	+	1599.04	-.57	.626
4.	Consolidated Fin	-7657.21	13553.01	-2300.76	+	4086.11	-.57	.622
5.	Coromandel Ferti.	1588.38	291.81	4808.59	+	4929.97	-1.11	.381
6.	Dabur India Ltd.	1589.86	244.62	1884.58	+	1449.46	-.30	.787
7.	Datamatics Tech.	119.28	66.87	203.66	+	146.94	-1.80	.213
8.	Emami Ltd.	223.37	9.41	535.12	+	365.99	-1.51	.269
9.	Excel Crop Care	393.23	64.96	475.45	+	370.86	-.42	.711
10.	Hindalco Industr	11923.55	2007.71	45337.08	+	36408.37	-1.52	.268
11.	Indian Oil Corpn	163494.39	29666.78	208602.08	+	1.52	-.43	.706
12.	Phoenix Mill Ltd	15.00	57.18	115.75	+	60.59	-9.05	.012**
13.	Reliance Industr	76813.95	17432.28	112885.11	+	81830.43	-.64	.584
14.	Regency Ceramic	91.80	53.61	619.36	+	327.75	-3.27	.082*
15.	S B & T Internat	132.85	82.05	165.75	+	129.17	-1.20	.350
16.	Satyam Comput	3965.76	1223.68	8688.03	+	7955.26	-.93	.450
17.	State Bank Of	61987.49	1735.35	81776.20	+	58466.67	-.57	.625
18.	Texmaco Ltd.	234.19	92.99	691.68	+	488.18	-1.40	.295
19.	TV Today	99.75	65.77	546.33	+	409.79	-2.03	.179
20.	V I P Industries	306.49	40.56	416.03	+	308.18	-.69	.557

*Source: Complied & edited from the financial statements of selected firms listed-CMIE-prowess package. Degree of freedom is 8 for all t-values. *significant at 10% level **Significant at 5% level; ***Significant at 1% level.*

The operating profit ratio (***OPR***) is increased for all the 20 firms after merger (*see table 6*). However, the increase in ***OPR*** is significant only for two firms only viz., Phoenix Mill Ltd and Regency Ceramic with t value -9.05, P< 0.05 and -3.27, P< 0.10 at five per cent level and 10 per cent level respectively. Hence, it is inferred that there has been a significant increase in ***OPR*** of two acquirer firms only after merger.

VI. Returns on Investment Ratio (*ROIR*): This ratio is one of the most significant ratios used for measuring the overall efficiency of firms of manufacturing sector. As the primary objective of a manufacturing sector is to maximize its earnings, this ratio indicates the extent to which the primary objective of manufacturing sector is being achieved. This ratio is of great importance to the present and prospective shareholders as well as the management of the manufacturing sector, which reveals how well the resources of a manufacturing sector are being used. "The thumb rule is higher the ratio, better the results". The investment is compared with the returns and net investment refers to ***ROA***.

$$\text{Returns on Investment (ROI)} = \frac{\text{EBIT}}{\text{Net Investment}}$$

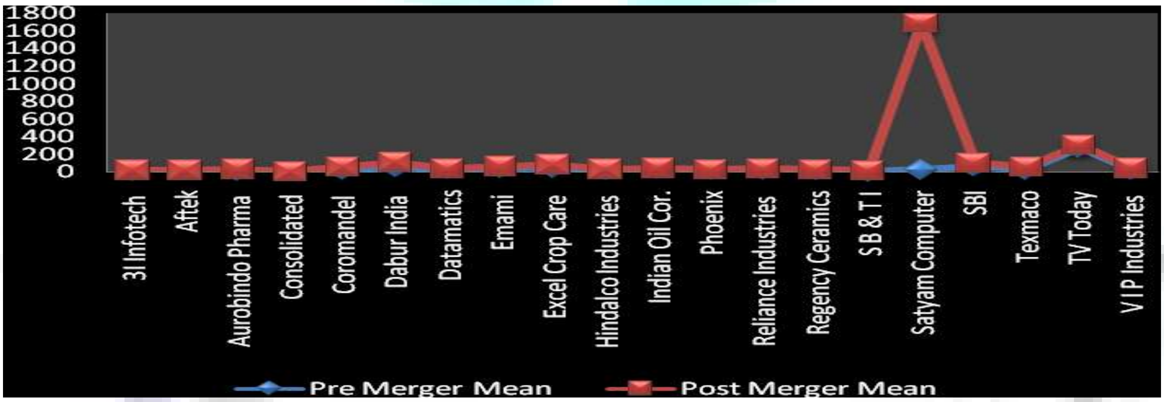
TABLE 7: IMPACT OF MERGER ON RETURN ON INVESTMENT RATIO OF ACQUIRER FIRMS

SI.No.	Name of the firms	Pre-Merger		Post-Merger			t-value	p-value
		Mean	SD	Mean	Impact	SD		
1.	3I Infotech Ltd.	6.56	6.04	10.67	+	3.92	-.81	.499
2.	Aftek Ltd.	14.21	2.14	3.43	-	5.34	5.69	.030**
3.	Aurobindo Pharma	10.57	6.26	17.58	+	10.67	-1.11	.381
4.	Consolidated Finv	2.13	2.31	2.22	+	.33	-.06	.953
5.	Coromandel Ferti	19.70	2.36	33.55	+	8.67	-3.77	.064*
6.	Dabur India Ltd	44.82	5.17	61.68	+	4.51	-4.09	.055*
7.	Datamatics Tech.	23.62	16.82	10.57	-	3.56	1.12	.379
8.	Emami Ltd.	36.11	6.99	22.77	-	4.08	2.23	.155
9.	Excel Crop Care	41.08	7.51	40.53	-	4.34	.14	.897
10.	Hindalco Industries	16.51	1.21	10.36	-	7.52	1.22	.347
11.	Indian Oil Corpn.	22.45	8.51	16.89	-	5.41	1.26	.335
12.	Phoenix Mills Ltd.	21.01	2.51	4.37	-	.61	10.25	.009***
13.	Reliance Industries	17.51	1.52	15.51	-	4.10	.61	.599
14.	Regency Ceramics	19.70	12.47	3.43	-	4.55	3.53	.072*
15.	S B & T Internation	5.44	3.38	5.10	-	2.27	.11	.922
16.	Satyam Computer	26.73	3.83	1661.59	+	2859.10	-.99	.427
17.	State Bank Of India	56.56	11.96	43.84	-	2.15	1.67	.237
18.	Texmaco Ltd.	19.82	4.12	35.19	+	7.65	-2.72	.112
19.	TV Today	274.95	121.63	27.74	-	2.81	3.56	.070*
20.	V I P Industries Ltd.	14.62	.41	24.21	+	22.20	-.75	.531

*Source: Complied & edited from the financial statements of selected firms listed-CMIE-prowess package. Degree of freedom is 8 for all t-values. *significant at 10% level **Significant at 5% level; ***Significant at 1% level.*

The return on investment ratio (***ROIR)*** is increased after merger in eight out of 20 firms (*see table 7)*. For the other firms, there is a decrease in the mean ***ROIR.*** The increase in ***ROIR*** is significant for four firms only (Coromandel Ferti, Dabur India Ltd, Regency Ceramics and TV Today with t value = -3.77, P< 0.10; -4.09, P< 0.10; 3.53, P< 0.10 and 3.56, P< 0.10 respectively). The decrease in ***ROIR*** is significant with t value = 5.69, P< 0.05 for Aftek Ltd. For Phoenix Mills Ltd. the decrease in ***ROIR*** is significant with t value = 10.25, P< 0.01. Among the firms with increase in ***ROIR,*** it has been statistically significant for two acquirer firms only. Hence, it is inferred that there has been a significant increase in ***ROIR*** of two acquirer firms after merger.

CHART F: IMPACT OF MERGER ON RETURN ON INVESTMENT RATIO OF ACQUIRER FIRMS



VII. Net worth Ratio (*NWR*): The term 'net worth' refers to the total share capital and reserves or the difference between the total assets and external liabilities. This is one of the most important ratios used for measuring the overall efficiency of the firm. The thumb rule is *greater amount of net worth is good for shareholders as well as management* of the manufacturing sector.

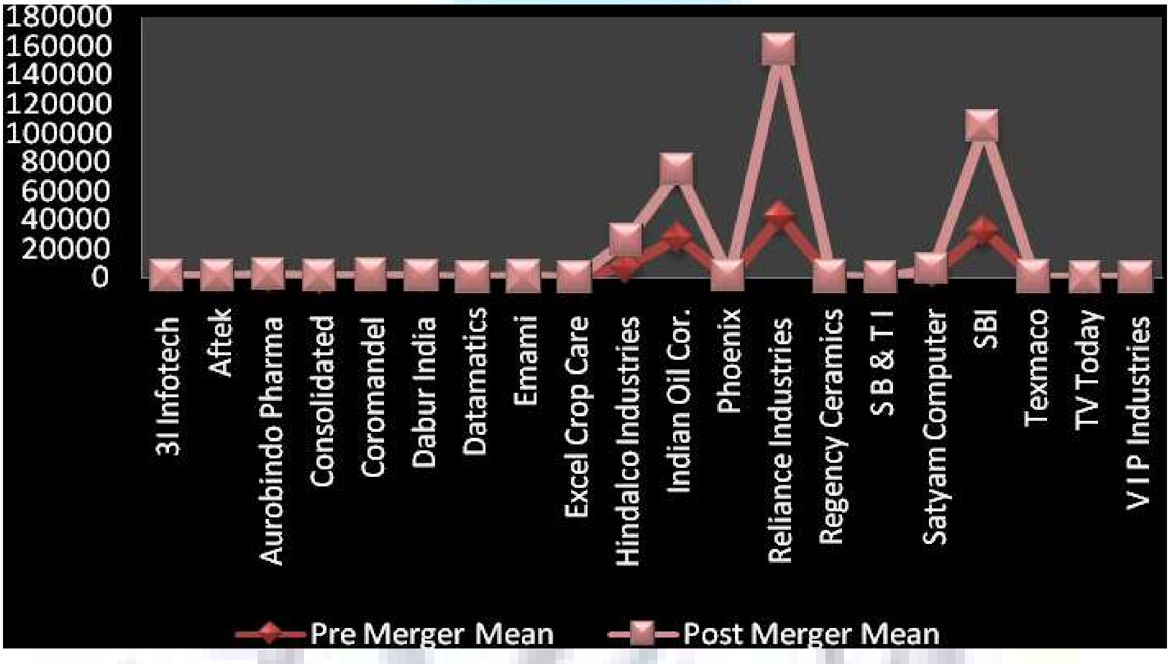
Net Worth = Share Capital + Reserve and Surpluses.
Or
= Total Assets – External Liabilities.

TABLE 8: IMPACT OF MERGER ON NETWORTH RATIO OF ACQUIRER FIRMS

Sl.No.	Name of the firms	Pre-Merger		Post-Merger			t-value	p-value
		Mean	SD	Mean	Impact	SD		
1.	3I Infot	239.48	111.41	924.85	+	158.06	-7.99	.015**
2.	Aftek	358.67	108.24	614.90	+	5.59	-3.92	.059*
3.	Aurobi	727.43	75.92	1398.12	+	377.79	-3.81	.062*
4.	Consol	561.81	9.75	710.65	+	67.08	-3.69	.066*
5.	Coroma	398.75	60.64	1169.66	+	354.90	-4.52	.046**
6.	Dabur	382.36	106.68	790.59	+	160.76	-10.56	.009***
7.	Datam	135.91	60.92	224.79	+	32.67	-5.15	.036**
8.	Emami	310.10	28.46	404.84	+	192.39	-.95	.439
9.	Excel	76.28	16.66	151.59	+	28.12	-11.35	.008***
10.	Hindalc	8050.45	1238.80	18160.44	+	3033.49	-8.67	.013**
11.	Indian	27347.49	3345.86	47195.40	+	4657.63	-18.19	.003***
12.	Phoeni	39.77	11.12	1468.04	+	165.17	-15.95	.004***
13.	Reliani	42379.75	8082.34	115362.53	+	29039.57	-5.87	.028**
14.	Regenc	188.97	133.00	529.53	+	157.49	-2.09	.171
15.	S B	98.04	12.43	116.96	+	10.80	-5.66	.030**
16.	Satyam	3423.02	838.78	2746.70	-	4128.26	.25	.824
17.	SBI	32398.30	4886.94	72254.12	+	10950.24	-11.33	.008***
18.	Texma	121.61	21.97	371.55	+	164.67	-2.97	.097*
19.	TV	1.96	2.87	129.69	+	56.97	-4.08	.055*
20.	V I P	58.61	2.31	128.26	+	17.59	-7.52	.017**

*Source: Complied & edited from the financial statements of selected firms listed-CMIE-prowess package. Degree of freedom is 8 for all t-values. *significant at 10% level **Significant at 5% level; ***Significant at 1% level.*

CHART G: IMPACT OF MERGER ON NETWORTH RATIO OF ACQUIRER FIRMS



Source: Complied & edited from the financial statements of selected firms listed-CMIE-prowess package.

The net worth ratio (***NWR***) is increased in nineteen out of 20 firms after merger (*see table 8*), however, the increase in ***NWR*** is significant for 17 firms only; at one per cent level for five firms (Dabur India Ltd., Excel Crop Care, Indian Oil Corpn, Phoenix Mills and State Bank of India) with t values -10.56, P< 0.01; -11.35, P< 0.01; -18.19, P< 0.01; -15.95, P< 0.01 and -11.33, P< 0.01; at five per cent level for seven firms (3I Infotech Ltd., Coromandel Ferti, Datamatics Tech., Hindalco Industr, Reliance Industry, S B & T Internat and V I P Industries) with t value -7.99, P< 0.05; -4.52, P< 0.05; -5.15, P< 0.05; -8.67, P< 0.05; -5.87, P< 0.05; -5.66, P< 0.05 and -7.52, P< 0.05; and at 10 per cent level for five firms (Aftek Ltd., Aurobindo Pharm, Consolidated Fin., Texmaco Ltd. and TV Today) with t value -3.92, P< 0.10; -3.81, P< 0.10; -3.69, P< 0.10; -2.97, P< 0.10 and -4.08, P< 0.10 respectively. It is inferred that there has been a significant increase in the mean ***NWR*** of seventeen acquirer firms after merger. On the whole, it is found that the ***M&A*** process has significant impact on the profitability position of acquirer firms in India.

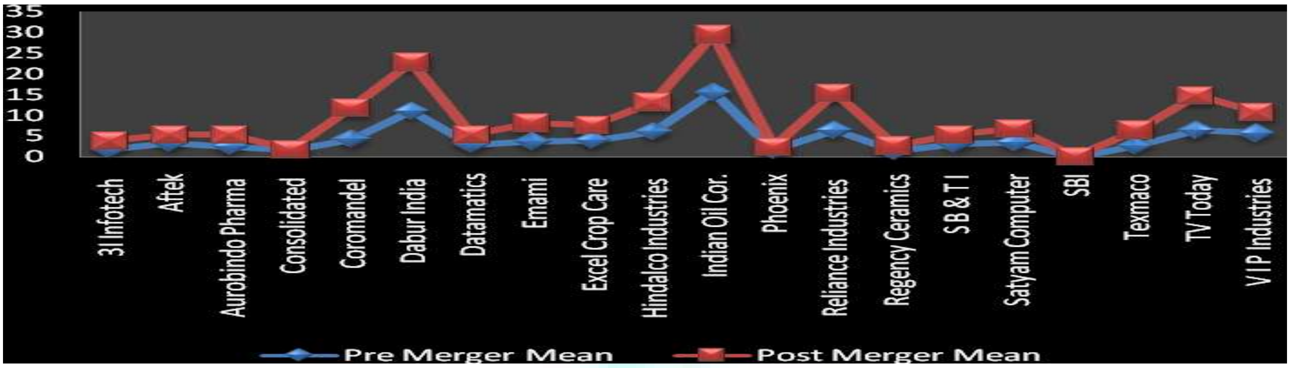
C. IMPACT OF MERGER ON OPERATING PERFORMANCE OF ACQUIRER FIRMS

In order to analyze the impact of merger on operating performance of acquirer firms, four measures are used viz; *debtors' turnover ratio **(DTR)**, fixed assets turnover ratio **(FATR)**, total assets turnover ratio **(TATR)*** and *working capital turnover ratio **(WCTR)**.*

$$\text{Debtors Turnover Ratio} = \frac{\text{Total sales}}{\text{Account receivable}}$$

VIII. Debtors Turnover Ratio (*DTR*): ***DTR*** is the relationship between total sales and account receivables. This ratio is an indication of the number of times debtors' turnover on an average in each year.

CHART H: IMPACT OF MERGER ON DEBTORS TURNOVER RATIO OF ACQUIRER FIRMS



Source: Complied & edited from the financial statements of selected firms listed-CMIE-prowess package.

The debtors turnover ratio (***DTR***) is increased after merger in 10 out of 20 firms (*see table 9*). Only in the case of Aftek Ltd and Hindalco Industries Ltd there has been an increase in the ***DTR*** after merger at 10 per cent level (t value = 3.23, P< 0.10 and -3.61, P< 0.10 respectively). Only in the case of Phoenix Mills Ltd. there has been a increase in the ***DTR*** after merger at five per cent level (t value = 9.78, P< 0.05). Among the firms with increase/decrease in ***DTR***, it has been statistically significant for ten acquirer firms only. Hence, it is inferred that there has been a significant increase in ***DTR*** of three acquirer firms after merger.

TABLE 9: IMPACT OF MERGER ON DEBTORS TURNOVER RATIO OF ACQUIRER FIRMS

SI.No.	Name of the firms	Pre-Merger		Post-Merger			t-value	p-value
		Mean	SD	Mean	Impact	SD		
1.	3I Infotech Ltd.	1.88	.23	1.98	+	.26	-.35	.755
2.	Aftek Ltd.	3.29	.98	1.95	-	.99	3.23	.084*
3.	Aurobindo Pharma	2.53	.27	2.76	+	.12	-1.15	.368
4.	Consolidated Finvest	1.69	2.91	.00	-	.00	1.00	.421
5.	Coromandel Ferti.	4.28	.68	7.43	+	1.62	-2.91	.100
6.	Dabur India Ltd.	11.10	1.77	11.65	+	2.76	-.87	.475
7.	Datamatics Tech.	2.96	.52	2.35	-	.18	2.24	.154
8.	Emami Ltd.	3.69	.33	4.40	+	1.65	-.92	.454
9.	Excel Crop Care Ltd.	3.99	.51	3.56	-	.52	1.10	.385
10.	Hindalco Industries Lt	6.14	.39	6.96	+	.43	-3.61	.069*
11.	Indian Oil Corpn. Ltd.	15.62	2.72	13.82	-	2.58	.61	.599
12.	Phoenix Mills Ltd.	1.68	.29	.69	-	.13	9.78	.010**
13.	Reliance Industries Ltd	6.46	1.49	8.92	+	3.22	-1.86	.203
14.	Regency Ceramics	1.43	.80	1.19	-	.38	.34	.760
15.	S B & T International	3.08	1.14	2.15	-	.30	1.14	.370
16.	Satyam Computer Ser	3.47	.30	3.23	-	.54	1.48	.276
17.	State Bank Of India	.02	.01	.04	+	.05	-.53	.646
18.	Texmaco Ltd.	2.71	.34	3.71	+	.79	-1.64	.241
19.	TV Today Network	6.37	3.05	8.38	+	1.69	-2.35	.143
20.	V I P Industries Ltd.	5.76	1.24	4.90	-	.88	1.08	.393

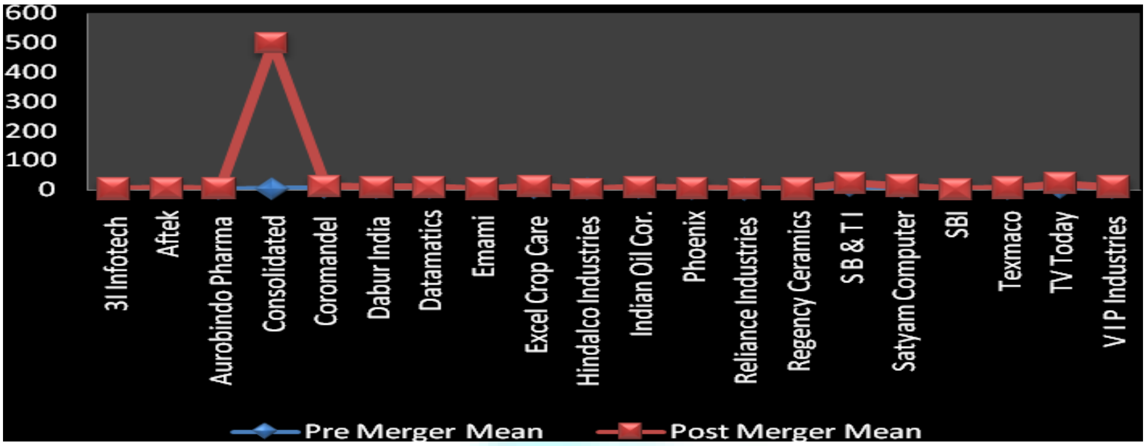
*Source: Complied & edited from the financial statements of selected firms listed-CMIE-prowess package. Degree of freedom is 8 for all t-values. *significant at 10% level **Significant at 5% level; ***Significant at 1% level.*

TABLE 10: IMPACT OF MERGER ON FIXED ASSETS TO TURNOVER RATIO OF ACQUIRER FIRMS

SI.No.	Name of the firms	Pre-Merger		Post-Merger			t-value	p-value
		Mean	SD	Mean	Impact	SD		
1.	3I Infotech Ltd.	1.36	.04	1.04	-	.07	9.23	.012**
2.	Aftek Ltd.	3.79	2.55	.64	-	.11	2.23	.155
3.	Aurobindo Pharma	1.48	.27	1.27	-	.59	.41	.718
4.	Consolidated Finvest	3.04	5.26	495.11	+	857.55	-1.00	.423
5.	Coromandel Ferti.	4.12	.97	6.32	+	5.93	-.69	.561
6.	Dabur India Ltd.	4.75	.90	3.45	-	2.82	.66	.574
7.	Datamatics Techno.	4.60	.80	2.25	-	1.74	3.34	.079*
8.	Emami Ltd.	1.17	.30	1.05	-	.84	.32	.775
9.	Excel Crop Care Ltd.	6.34	.74	4.53	-	3.85	.95	.441
10.	Hindalco Industries Lt	1.24	.10	1.44	+	.73	-.53	.644
11.	Indian Oil Corpn. Ltd.	4.11	.41	3.25	-	2.75	.54	.639
12.	Phoenix Mills Ltd.	.46	.14	3.42	+	5.81	-.90	.461
13.	Reliance Industries	1.69	.36	.95	-	.21	2.48	.131
14.	Regency Ceramics Ltd	.86	.42	1.33	+	1.31	-.65	.581
15.	S B & T International	13.14	6.01	8.95	-	7.77	.53	.646
16.	Satyam Computer Ser	8.75	.50	4.28	-	3.66	2.38	.140
17.	State Bank Of India	.16	.11	1.21	+	.26	-10.67	.009***
18.	Texmaco Ltd.	2.91	1.08	2.78	-	2.21	.18	.870
19.	TV Today Network	7.02	2.96	13.84	+	12.33	-1.25	.335
20.	V I P Industries Ltd.	4.57	.20	4.94	+	4.27386	-.15	.892

*Source: Complied & edited from the financial statements of selected firms listed-CMIE-prowess package. Degree of freedom is 8 for all t-values. *significant at 10% level **Significant at 5% level; ***Significant at 1% level.*

CHART I: IMPACT OF MERGER ON FIXED ASSETS TO TURNOVER RATIO OF ACQUIRER FIRMS



Source: Complied & edited from the financial statements of selected firms listed-CMIE-prowess package.

IX. Fixed Assets Turnover Ratio (*FATR*)

Assets are used to generate sales. Therefore, a firm should manage its assets efficiently to maximize its sales. The relationship between sales and assets is called assets turnover ratio. A firm's ability to produce a large volume of sales for a given amount of net sales is the most important aspect of its operating performance. The firm can compute fixed assets turnover simply by dividing sales by fixed assets.

$$\text{Fixed Assets Turnover Ratio} = \frac{\text{Sales}}{\text{Fixed Assets}}$$

The fixed assets turnover ratio (***FATR***) is increased after merger in eight out of 20 firms (*see table 10*). However, the increase in ***FATR*** is significant for State Bank of India with t value = -10.67, P< 0.01 at one per cent level. The decrease in ***FATR*** is also significant for two firms 3I Infotech Ltd. and Datamatics Techno. With t value = 9.23, P< 0.05 and 3.34, P< 0.10 at five per cent level and 10 per cent level respectively. Hence, it is inferred that there has been a significant increase in ***FATR*** of one acquirer firm only after merger.

TABLE 11: IMPACT OF MERGER ON TOTAL ASSETS TO TURNOVER RATIO OF ACQUIRER FIRMS

SI.No.	Name of the firms	Pre-Merger		Post-Merger			t-value	p-value
		Mean	SD	Mean	Impact	SD		
1.	3I Infotech Ltd.	.65	.12	.59	-	.04	.67	.568
2.	Aftek Ltd.	.43	.08	.29	-	.04	5.44	.032**
3.	Aurobindo Pharma	.72	.12	.64	-	.19	.41	.716
4.	Consolidated Finvest	.22	.39	.02	-	.03	1.00	.422
5.	Coromandel Ferti.	1.31	.12	1.21	-	.87	.21	.851
6.	Dabur India Ltd.	1.79	.12	1.18	-	.74	1.32	.318
7.	Datamatics Techno.	.86	.20	.69	-	.43	.48	.675
8.	Emami Ltd.	.67	.07	.65	-	.43	.07	.950
9.	Excel Crop Care Ltd.	1.60	.16	1.11	-	.77	1.36	.305
10.	Hindalco Industries Lt	.65	.01	.81	+	.27	-.99	.423
11.	Indian Oil Corpn. Ltd.	1.86	.06	1.40	-	.94	.81	.501
12.	Phoenix Mills Ltd.	.29	.05	.18	-	.23	1.11	.380
13.	Reliance Industries Ltd	.87	.08	.70	-	.10	3.64	.068*
14.	Regency Ceramics Ltd	.36	.20	.41	+	.09	-.64	.583
15.	S B & T International	1.03	.31	.61	-	.46	.99	.424
16.	Satyam Computer Ser	.90	.04	1.10	+	1.02	-.34	.766
17.	State Bank Of India	.00	.00	.01	+	.00	-28.54	.001***
18.	Texmaco Ltd.	.82	.27	.81	-	.41	.03	.974
19.	TV Today Network	1.94	.82	1.85	-	1.55	.19	.861
20.	V I P Industries Ltd.	1.50	.06	1.22	-	.87	.53	.644

*Source: Complied & edited from the financial statements of selected firms listed-CMIE-prowess package. Degree of freedom is 8 for all t-values. *significant at 10% level **Significant at 5% level; ***Significant at 1% level.*

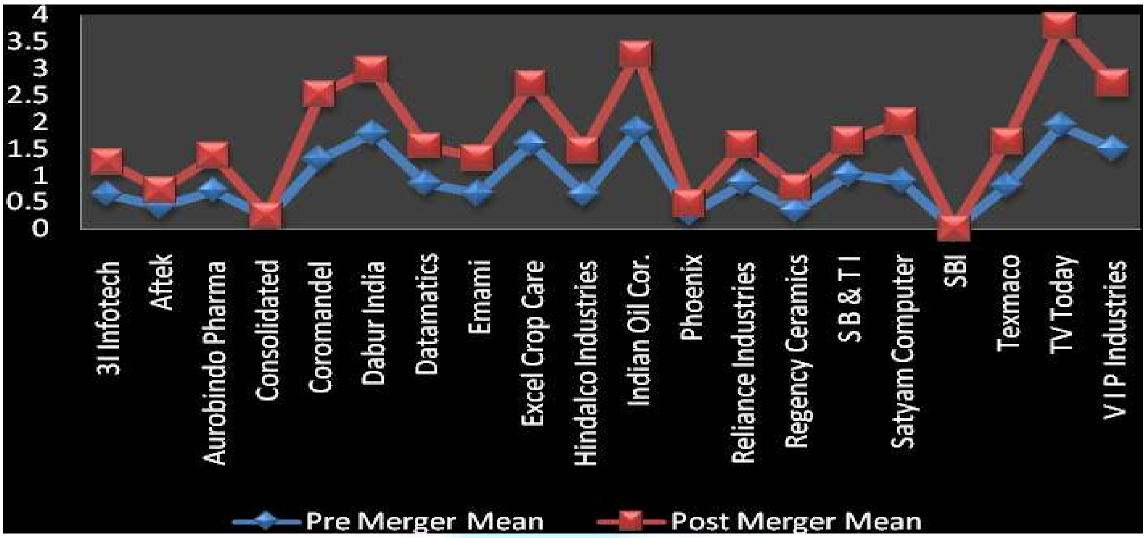
X. Total Assets Turnover Ratio (*TATR*)

The financial analysts normally like to compute the total assets turnover in addition to or instead of the fixed assets turnover. This ratio shows the firm's ability to generate sales from all financial resources committed to total assets. Total assets (***TA***) include net fixed assets (***NFA***) and current assets (***CA***) (***TA=NFA+CA***).

$$\text{Total Assets Turnover Ratio} = \frac{\text{Sales}}{\text{Total Assets}}$$

The total assets turnover ratio (***TATR***) is increased after merger in four out of 20 firms (*see table 11*). However, the increase in ***TATR*** is significant for State Bank of India only with t value = -28.54, P< 0.01. The decrease in ***TATR*** is also significant for two firms (3I Aftek Ltd and Reliance Industries Ltd) with t value = 5.44, P< 0.05 and 3.64, P< 0.10 at five per cent level and 10 per cent level respectively. Hence, it is inferred that there has been a significant increase in ***TATR*** of one acquirer firm only after merger.

CHART J: IMPACT OF MERGER ON TOTAL ASSETS TO TURNOVER RATIO OF ACQUIRER FIRMS



Source: Complied & edited from the financial statements of selected firms listed-CMIE-prowess package.

XI. Working Capital to Turnover Ratio (*WCTR*): This ratio shows the number of times the working capital results in sales. In other words, this ratio indicates the efficiency or otherwise in the utilization of short term funds in making sales. Working capital means *the excess of current assets over the current liabilities*. A careful handling of the short term assets and funds will mean reduction in the amount of capital employed, thereby improving turnover.

$$\text{Working capital turnover ratio} = \frac{\text{Cost of goods sold (or) sales}}{\text{Networking capital}}$$

It can be seen from *table 12* that the working capital turnover ratio (***WCTR***) is increased after merger in fourteen out of 20 firms. Only in the case of Hindalco Industries the increase in the ***WCTR*** has been significant after merger at 5 per cent level (t value = -4.97, P< 0.05). Hence, it is inferred that there has been a significant increase in ***WCTR*** of one acquirer firm after merger.

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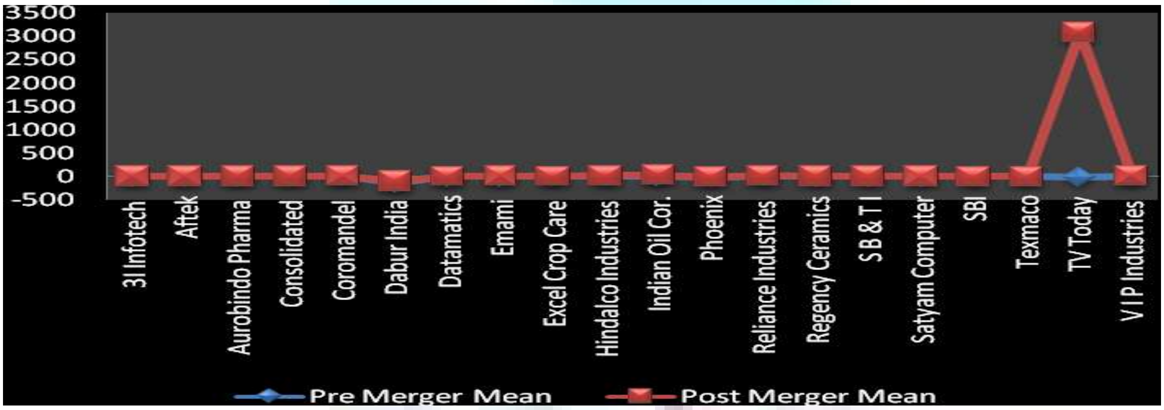
CHART K: IMPACT OF MERGERS ON WORKING CAPITAL TO TURNOVER RATIO OF ACQUIRER FIRMS



Source: Complied & edited from the financial statements of selected firms listed-CMIE-prowess package

TABLE 12: IMPACT OF MERGER ON WORKING CAPITAL TO TURNOVER RATIO OF ACQUIRER FIRMS

Sl.No.	Name of the firms	Pre-Merger		Post-Merger			t-value	p-value
		Mean	SD	Mean	Impact	SD		
1.	3I Infotech Ltd.	2.00	1.10	2.27	+	.49	-.38	.740
2.	Aftek Ltd.	.63	.15	.66	+	.24	-.67	.570
3.	Aurobindo Pharm	1.80	.22	1.86	+	.18	-.35	.759
4.	Consolidated Fin	1.05	1.81	.00	-	.00	1.00	.419
5.	Coromandel Ferti	5.11	2.53	6.10	+	2.52	-.91	.457
6.	Dabur India Ltd.	-135.76	291.71	35.95	+	27.97	-1.05	.402
7.	Datamatics Tech.	3.02	.68	3.05	+	.37	-.12	.909
8.	Emami Ltd.	2.96	.82	6.69	+	5.60	-1.11	.380
9.	Excel Crop Care	3.38	1.28	3.35	-	.35	.02	.981
10.	Hindalco Industr	3.73	1.45	16.78	+	5.70	-4.97	.038**
11.	Indian Oil Corpn.	10.29	5.56	17.84	+	8.77	-1.70	.230
12.	Phoenix Mills	-12.29	20.44	2.05	+	3.95	-1.25	.335
13.	Reliance Industr	8.95	5.12	7.21	-	1.21	.76	.522
14.	Regency Ceramic	1.68	.51	1.53	-	.48	1.60	.249
15.	S B & T Internati	1.33	.28	1.35	+	.10	-.12	.910
16.	Satyam Compute	1.15	.14	3.77	+	11.98	-.37	.741
17.	State Bank Of	.03	.02	.04	+	.054	-.23	.839
18.	Texmaco Ltd.	7.02	6.43	-10.57	-	32.64	1.08	.391
19.	TV Today	-12.04	11.78	3091.50	+	5336.25	-1.00	.420
20.	V I P Industries	5.27	2.35	4.13	-	.32	.86	.478

*Source: Complied & edited from the financial statements of selected firms listed-CMIE-prowess package. Degree of freedom is 8 for all t-values. *significant at 10% level **Significant at 5% level; ***Significant at 1% level.*

D. FINANCIAL RISK OF ACQUIRER FIRMS AFTER MERGER

The condition of financial risk of the firms involved in ***M&As*** activities after merger is analyzed. In order to study the impact of merger on financial risk of the acquirer firms, three measures namely *ratio of long-term debt to equity* (***LTD_E***) or (***DER)***, *interest coverage ratio* (***EBI_I***), *total borrowing and equity to EBITD* (***TB&E_ EBITD***) have been used.

XII. Debt-Equity Ratio (*DER*): The relationship describing the lenders' contribution for each rupee of the owners' contribution is called *debt-equity ratio*. ***DER*** is computed by dividing the total debt by net worth.

$$\text{Debt- Equity Ratio} = \frac{\text{Total Debt}}{\text{Net worth}}$$

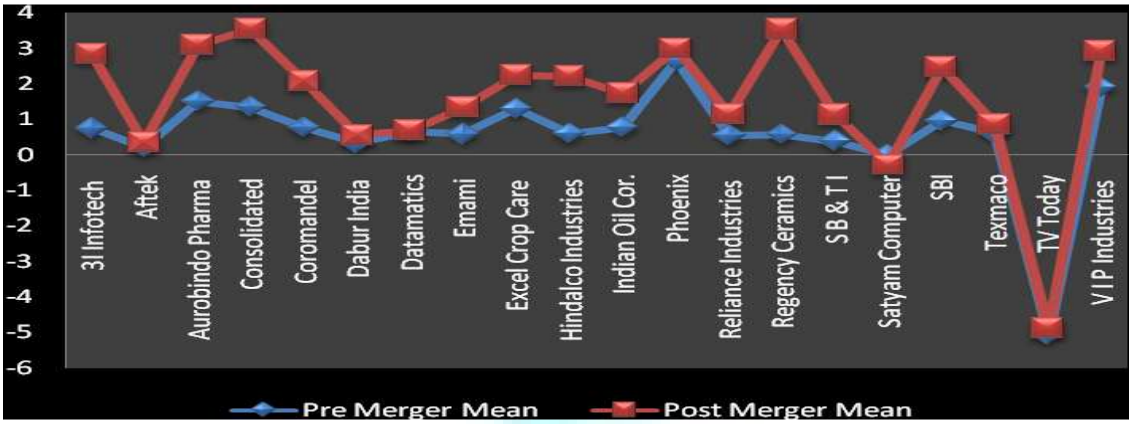
TABLE 13: IMPACT OF MERGER ON DEBT EQUITY RATIO OF ACQUIRER FIRMS

Sl.No.	Name of the firms	Pre-Merger		Post-Merger			t-value	p-value
		Mean	SD	Mean	Impact	SD		
1.	3I Infotech Ltd.	.76	.17	2.09	+	.29	-17.61	.003***
2.	Aftek Ltd.	.21	.15	.15	-	.03	.61	.600
3.	Aurobindo Pharma	1.51	.21	1.59	+	.36	-.25	.826
4.	Consolidated Finvest	1.35	1.28	2.19	+	.74	-.73	.540
5.	Coromandel Fertilisers	.78	.12	1.29	+	.09	-4.43	.047**
6.	Dabur India Ltd.	.35	.11	.21	-	.06	2.00	.184
7.	Datamatics Tech.	.67	.63	.02	-	.01	1.75	.221
8.	Emami Ltd.	.59	.37	.76	+	.60	-.36	.752
9.	Excel Crop Care Ltd.	1.31	.38	.93	-	.10	2.25	.153
10.	Hindalco Industries Lt	.61	.07	1.60	+	.42	-3.58	.070*
11.	Indian Oil Corpn. Ltd.	.78	.17	.95	+	.07	-1.61	.248
12.	Phoenix Mills Ltd.	2.67	.27	.33	-	.08	11.78	.007***
13.	Reliance Industries Ltd	.55	.09	.60	+	.10	-.68	.566
14.	Regency Ceramics Ltd	.58	.69	2.95	+	1.90	-3.31	.080*
15.	S B & T International	.39	.10	.74	+	.06	-8.66	.013**
16.	Satyam Computer Ser	.01	.01	-.29	-	.54	.95	.442
17.	State Bank Of India	.97	.23	1.50	+	.08	-3.27	.082*
18.	Texmaco Ltd.	.63	.23	.24	-	.04	3.39	.077*
19.	TV Today Network	-5.06	5.10	.18	+	.15	-1.82	.210
20.	V I P Industries Ltd.	1.91	.18	1.02	-	.38280	3.95	.058*

*Source: Complied &edited from the financial statements of selected firms listed-CMIE-prowess package. Degree of freedom is 8 for all t-values. *significant at 10% level **Significant at 5% level; ***Significant at 1% level.*

The debt equity ratio (***DER***) is increased in 12 out of 20 firms after merger (*see table 13*), however, the increase in ***DER*** is significant for six firms only; at one per cent level for one firm (3I Infotech Ltd) with t value -17.61, P< 0.01; at five per cent level for two firms (Coromandel Fertilisers and S B & T International) with t value = -4.43, P< 0.05 respectively; and -8.66, P< 0.05; and at 10 per cent level for three firms (Hindalco Industries Ltd, Regency Ceramics Ltd and State Bank of India) with t value = -3.58, P< 0.10), -3.31,P< 0.10) and -3.27, P< 0.10 respectively. Hence, it is inferred that there has been a significant increase in ***DER*** of six acquirer firms after merger.

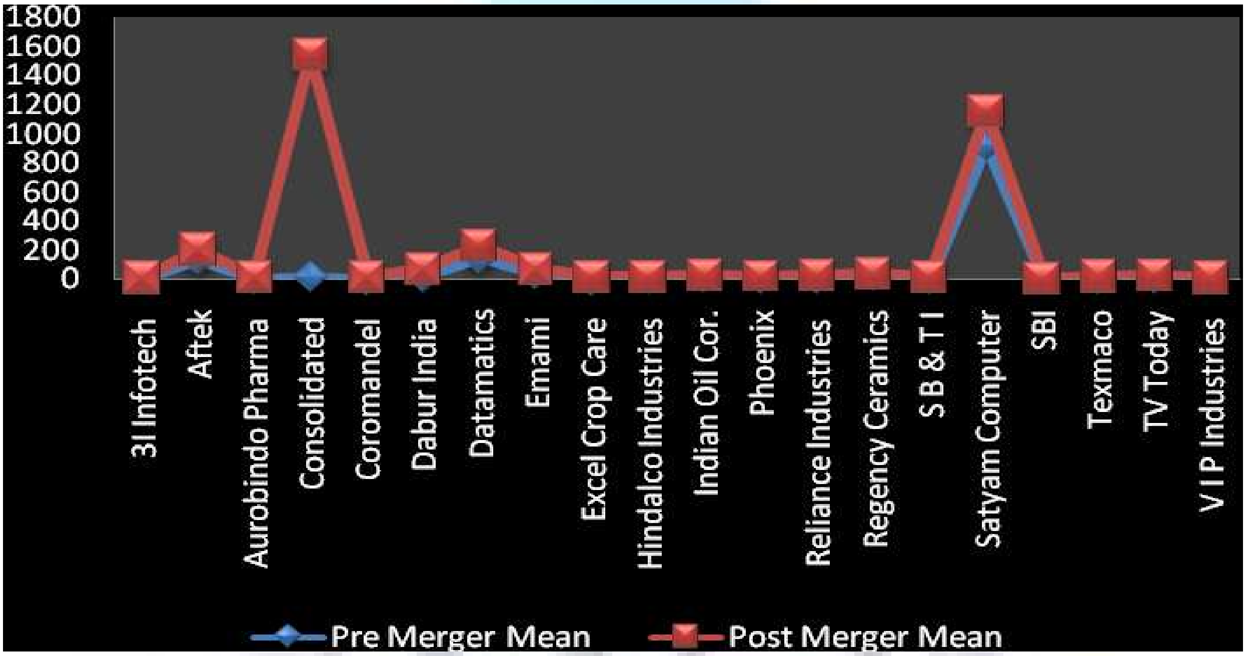
CHART L: IMPACT OF MERGERS ON DEBT EQUITY RATIO OF ACQUIRER FIRMS



XIII. Interest Coverage Ratio (*ICR*):

The interest coverage ratio (*ICR*) indicates the number of times interest is covered by the profits available to pay the interest charges. The long term creditors of manufacturing sector are much interested in knowing the ability of manufacturing sector to pay interest on long term borrowing. The thumb rule is *higher the ratio, safer is to long-term creditors* because even if the earnings of the manufacturing sector fall, the corporate firm may be able to meet their commitment of fixed interest charges. But too high a ratio may not be good for the firm because it may imply that the firm is not using debt as a source of finance in order to increase the earnings per share (***EPS***). The ***ICR*** does not take into consideration the other fixed obligations like payment of preference dividend and repayment of loan installments.

CHART M: IMPACT OF MERGER ON INTEREST COVERAGE RATIO OF ACQUIRER FIRMS



Source: Complied &edited from the financial statements of selected firms listed-CMIE-prowess package.

TABLE 14: IMPACT OF MERGER ON INTEREST COVERAGE RATIO OF ACQUIRER FIRMS

SI.No.	Name of the firms	Pre-Merger		Post-Merger			t-value	p-value
		Mean	SD	Mean	Impact	SD		
1.	3I Infotech Ltd.	1.52	2.41	5.33	+	2.74	-1.30	.323
2.	Aftek Ltd.	139.53	1.51	61.42	-	58.87	2.34	.143
3.	Aurobindo Pharma	2.71	2.44	6.77	+	5.49	-.93	.448
4.	Consolidated Finve	13.85	2.62	1529.54	+	256.08	-10.35	.009***
5.	Coromandel Ferti.	5.13	1.40	7.09	+	2.26	-1.65	.239
6.	Dabur India Ltd	19.16	5.91	49.40	+	37.19	-1.54	.262
7.	Datamatics Tech.	146.63	89.76	80.43	-	18.36	1.53	.266
8.	Emami Ltd.	48.63	55.35	16.93	-	17.31	1.41	.293
9.	Excel Crop Care	4.79	1.95	5.72	+	1.24	-.87	.475
10.	Hindalco Industries	7.74	.56	5.18	-	2.41	1.56	.258
11.	Indian Oil Corpn.	14.34	6.25	7.89	-	1.58	1.46	.280
12.	Phoenix Mills Ltd.	8.16	1.22	10.43	+	4.49	-1.09	.387
13.	Reliance Industries	6.52	1.13	16.52	+	5.06	-3.98	.058*
14.	Regency Ceramics	23.40	.72	10.41	-	14.95	1.43	.288
15.	S B & T Internatio	6.55	7.46	1.82	-	.64	1.02	.412
16.	Satyam Computer	919	473	234.23	-	298.86	3.08	.091*
17.	State Bank Of India	1.32	.00	1.29	-	.01	2.77	.109
18.	Texmaco Ltd.	3.78	1.39	12.02	+	5.25	-3.48	.073*
19.	TV Today	1.35	1.09	18.36	+	25.07	-1.20	.352
20.	V I P Industries Ltd.	2.15	.075	3.97	+	2.68099	-1.15	.368

*Source: Complied & edited from the financial statements of selected firms listed-CMIE-prowess package. Degree of freedom is 8 for all t-values. *significant at 10% level **Significant at 5% level; ***Significant at 1% level.*

$$\text{Interest Coverage Ratio } (\boldsymbol{ICR}) = \frac{\text{EBI}}{\text{Interest}}$$

The ***ICR*** is increased after merger in 11 out of 20 firms (*see table 14*), however, the increase in ***ICR*** after merger is statistically significant for three firms only (Consolidated Finve with t value = -10.35, P< 0.10; Reliance Industries and Texmaco Ltd with t value = -3.98, P< 0.10 -3.48, P< 0.10 respectively). For the other nine firms the ***ICR*** is declined though it is statistically significant for one firm only (Satyam Computer) with t value 3.08, P<0.10 respectively. Hence, it is inferred that there has been a decrease in ***ICR*** for nine acquirer firms after merger. This is a good significant positive impact of ***M&A*** of the acquirer firms after merger.

XIV. Total Borrowings and Equity to EBITD: The ratio of total borrowings and equity to EBITD examines the relationship between earnings available before interest, tax and depreciation to the repaying obligations of a manufacturing sector. *This ratio should be positive; higher the ratio, better for the acquirer firms.*

$$\text{Total Borrowings and Equity to EBITD} = \frac{\text{EBITD}}{\text{Total Borrowing and Equity}}$$

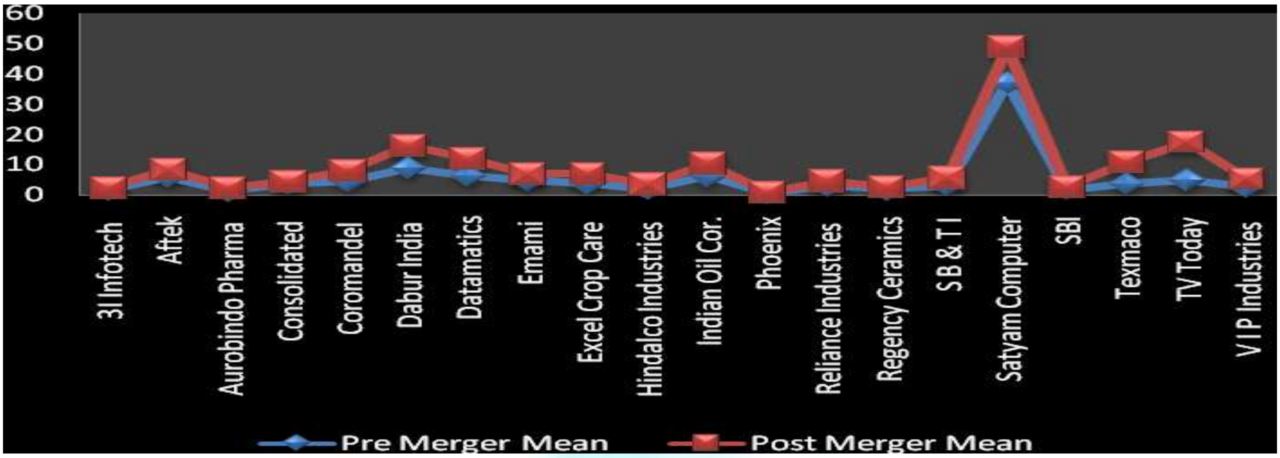
TABLE 15: IMPACT OF MERGERS ON TOTAL BORROWINGS AND EQUITY TO EBITD OF ACQUIRER FIRMS

SI.No.	Name of the firms	Pre-Merger		Post-Merger			t-value	p-value
		Mean	SD	Mean	Impact	SD		
1.	3I Infotech Ltd.	1.51	.38	.61	-	.47	9.12	.01**
2.	Aftek Ltd.	6.08	6.94	2.27	-	1.94	1.12	.37
3.	Aurobindo Pharma	1.34	.29	.88	-	.75	1.25	.33
4.	Consolidated Finv	3.71	5.41	.67	-	.28	.94	.44
5.	Coromandel Ferti.	4.66	.85	3.19	-	2.90	.99	.42
6.	Dabur India Ltd.	8.89	1.56	7.39	-	6.42	.32	.77
7.	Datamatics Tech.	6.43	1.92	5.46	-	3.97	.33	.77
8.	Emami Ltd.	4.88	1.40	1.95	-	2.08	1.49	.27
9.	Excel Crop Care	3.92	.72	2.87	-	2.48	.62	.59
10.	Hindalco Industries	2.07	.14	1.40	-	1.23	1.01	.41
11.	Indian Oil Corpn.	6.30	.91	3.95	-	3.38	1.50	.27
12.	Phoenix Mills Ltd.	.59	.12	.20	-	.14	8.04	.01**
13.	Reliance Industries	2.97	.55	1.55	-	1.35	1.38	.30
14.	Regency Ceramics Ltd	1.99	1.52	.45	-	.11	6.38	.09*
15.	S B & T Internatio	3.26	1.30	2.33	-	.25	3.25	.19
16.	Satyam Computer S	37.11	6.57	11.69	-	12.19	3.81	.06*
17.	State Bank of India	1.82	.52	.65	-	.56	6.43	.02**
18.	Texmaco Ltd.	3.67	1.77	7.12	+	6.09	-.78	.51
19.	TV Today Network	4.82	2.01	12.67	+	10.35	-1.22	.34
20.	V I P Industries Ltd.	2.85	.33	2.44	-	1.90	.34	.76

*Source: Complied & edited from the financial statements of selected firms listed-CMIE-prowess package. Degree of freedom is 8 for all t-values. *significant at 10% level **Significant at 5% level; ***Significant at 1% level.*

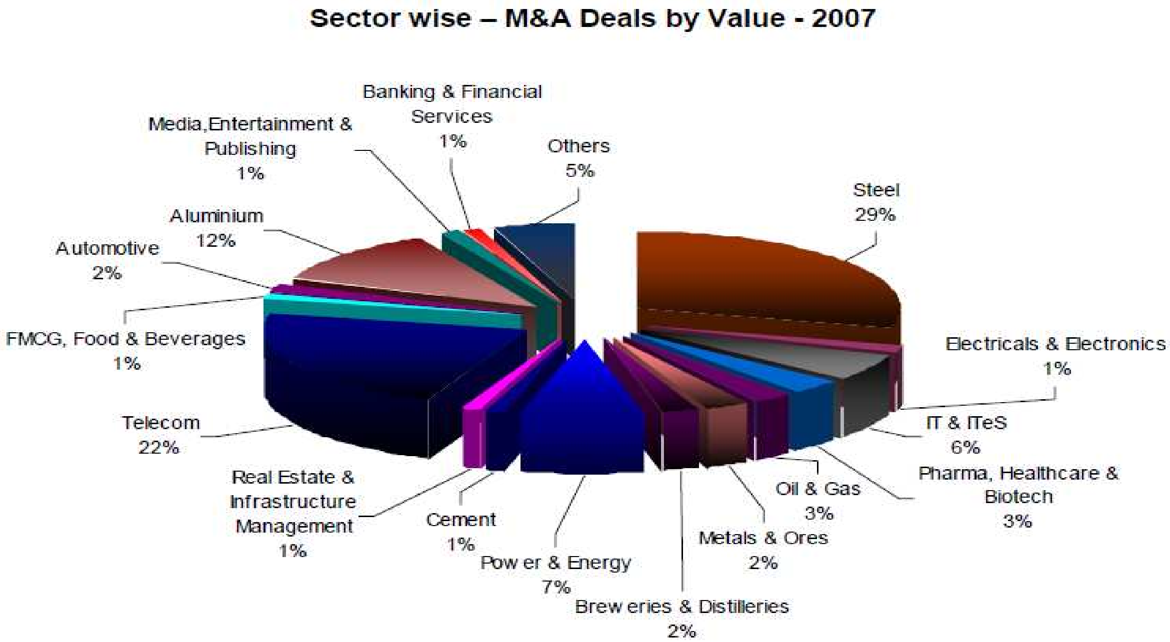
The total borrowings and equity to EBITD (***TBE _ EBITD***) is increased in two out of 20 firms after merger (*see table 15*). However, the increase in ***TBE _ EBITD*** is not significant. For the other 18 firms, the ***TBE _ EBITD*** is decreased, but only for five firms (firms against serial numbers 1, 12, 14, 16, & 17) it is statistically significant with t value 9.12, P< 0.05; 8.04, P< 0.05; 6.38, P< 0.05; 3.81, P< 0.05 and 6.43, P< 0.05 respectively. The decrease in ***TBE _ EBITD*** is good for the firms. Hence, there is a positive impact of ***M&A*** on the performance of acquirer firms in respect of profitability. Hence, it is inferred that there has been a decrease in ***TBE _ EBITD*** for 18 acquirer firms after merger. On the whole, it is found that the ***M&A*** process has significant positive impact on financial risk position of acquirer firms in India.

CHART N: IMPACT OF MERGER ON TOTAL BORROWINGS AND EQUITY TO EBITD OF ACQUIRER FIRMS



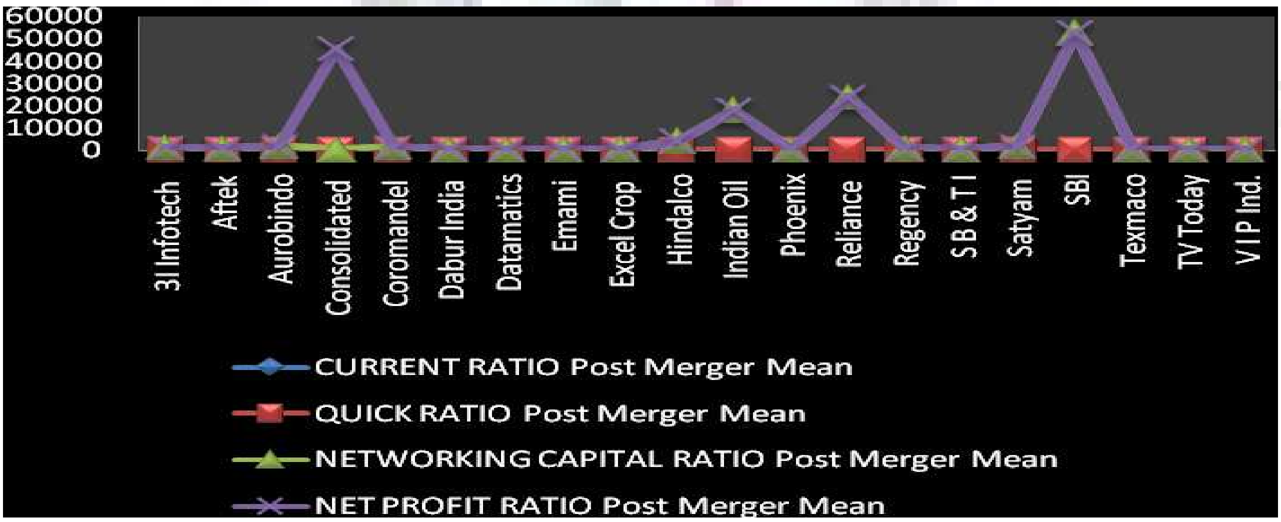
Source: Complied & edited from the financial statements of selected firms listed-CMIE-prowess package

CHART O



Source: © Grant Thornton India 2008

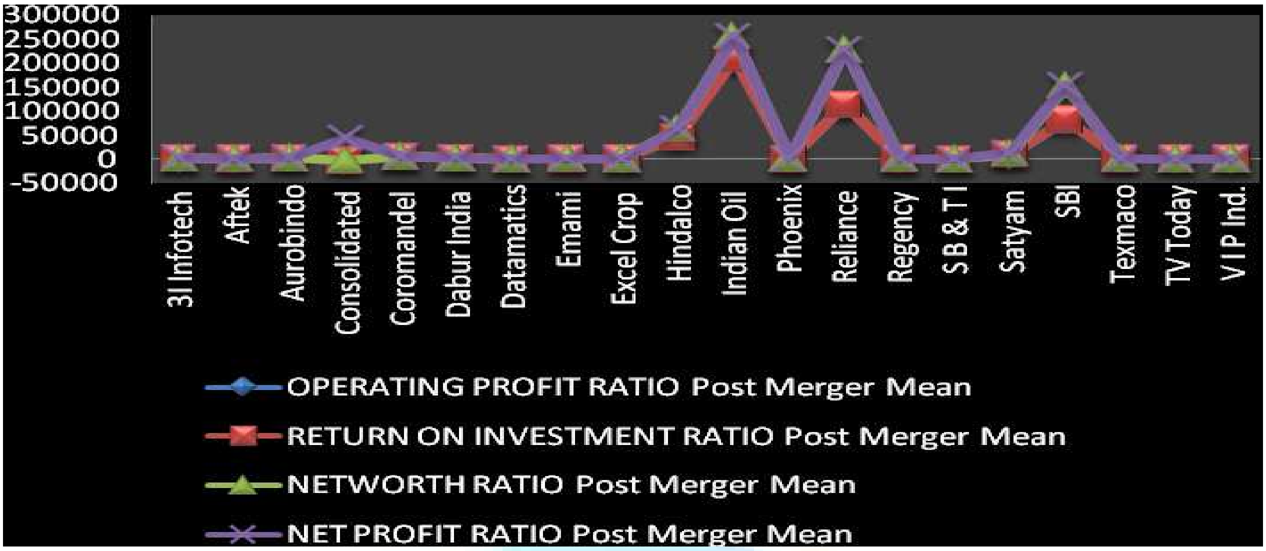
CHART P



Source: Complied & edited from the financial statements of selected firms listed-CMIE-prowess package

The ***M&A*** process has significant impact on ***CR*** of acquirer firms in India, the ***QR*** is significant for three acquirer firms only. It is also inferred that there has been a significant increase in ***QR*** of acquirer firms after merger and it is inferred that there has been a significant increase in ***WCR*** of seven Indian acquirer firms after merger process in India.

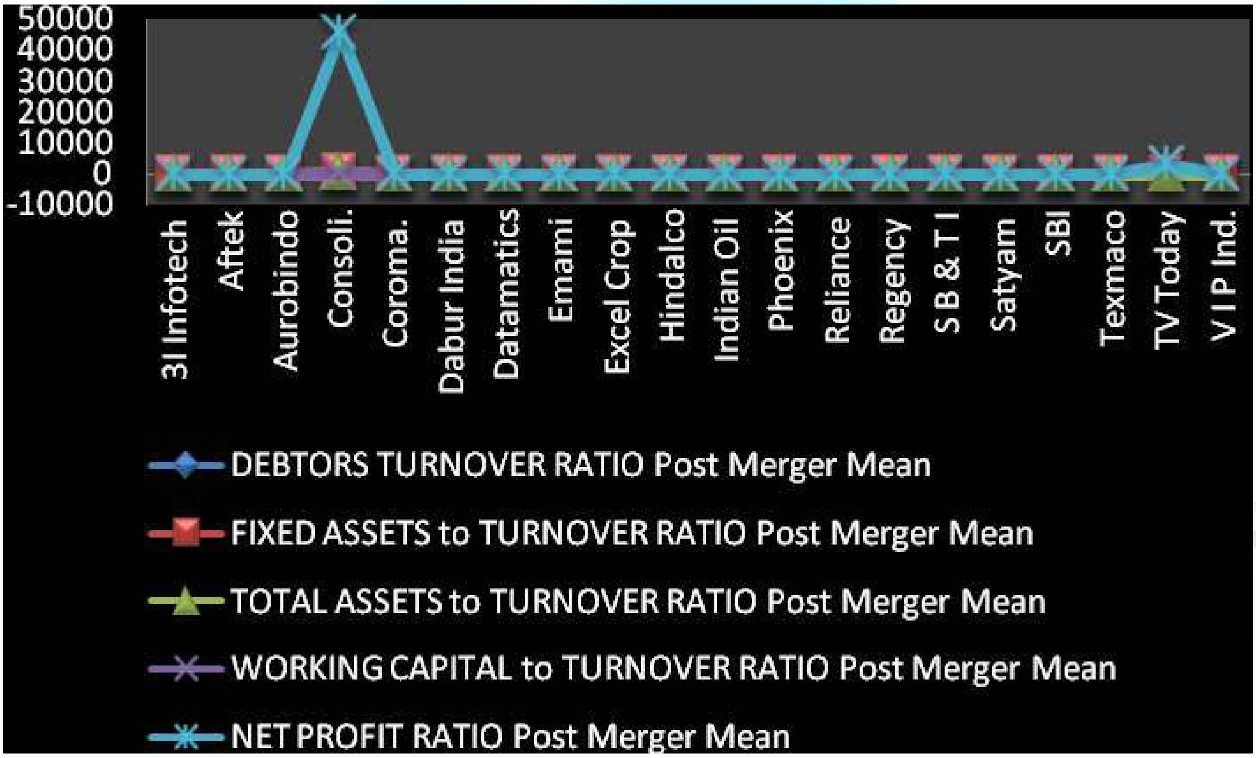
CHART Q



Source: Complied & edited from the financial statements of selected firms listed-CMIE-prowess package

The merger activity has a significant impact on net profit ratio (***NPR).*** It is inferred that there has been a significant increase in ***NPR*** of six acquirer firms after merger. For all firms the increase in operating profit margin (***OPR)*** has been statistically significant. It is inferred that there has been a significant increase in ***OPR*** of two acquirer firms after merger. Among the firms with increase in return on investment ratio (***ROIR)***, it has been statistically significant for eight acquirer firms only; there has been a significant increase in ***ROIR*** of six acquirer firms after merger; there has been a significant increase in the mean ***NWR*** of seventeen acquirer firms after merger; on the whole, the ***M&A*** process has significant impact on the profitability position of acquirer firms in India.

CHART R



Source: Complied & edited from the financial statements of selected firms listed-CMIE-prowess package

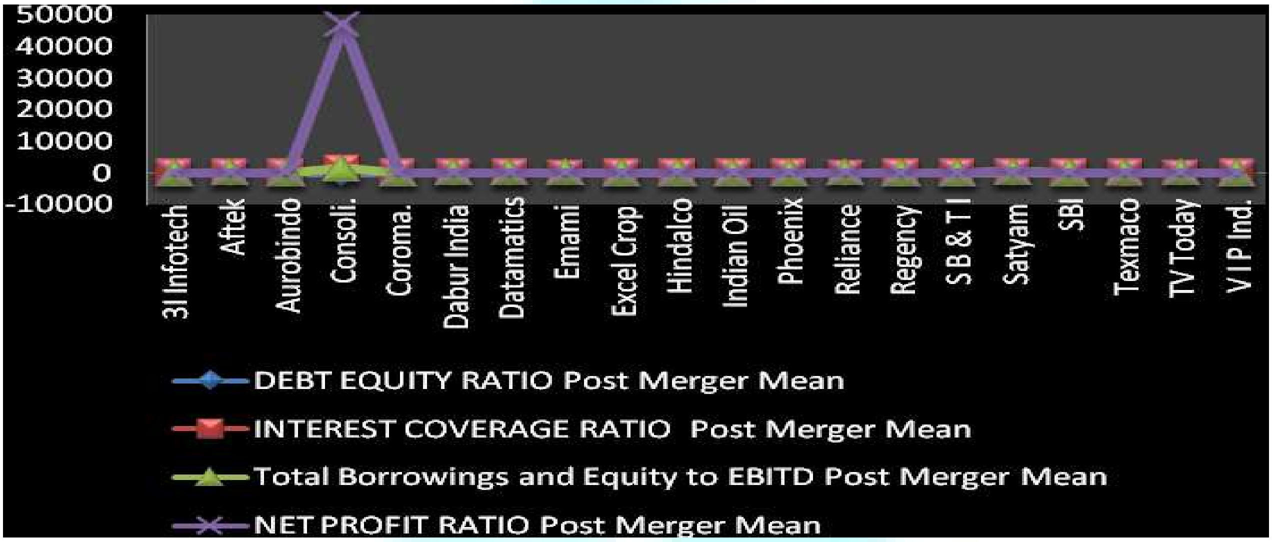
The merger activity has a significant impact on ***DTR***, it has been statistically significant for 10 acquirer firms; there has been a significant increase in ***DTR*** of three acquirer firms after merger. The ***FATR*** is increased after merger in eight out of 20 firms; there has been a significant increase in ***FATR*** of one acquirer firm only after merger. The ***TATR*** is increased after merger in four out of 20 firms; there has been a significant increase in ***TATR*** of one acquirer firm only after merger. The ***WCTR*** is increased after merger in fourteen out of 20 firms, which is statistically significant for 14 acquirer firms; there has been a significant increase in ***WCTR*** of one acquirer firm after merger.

The merger activity has a significant impact on ***DER; the DER*** is increased in 12 out of 20 firms after merger; it is inferred that there has been a significant increase in ***DER*** of six acquirer firms after merger. The ***ICR*** is increased in 11 out of 20 firms after merger; there has been a decrease in ***ICR*** for 10 acquirer firms after merger, which is a good significant positive impact of M&A of the acquirer firms after merger. The ***TBE _ EBITD*** is increased in two out of 20 firms after merger; there has been a decrease in ***TBE to EBITD*** for 18 acquirer firms after merger. On the whole, it is found that the ***M&A*** process has significant impact on financial risk position of acquirer firms in India.

CONCLUSION

In the context of introduction of large-scale deregulatory policy measures in the 1990s in general and three important amendments made to the Indian Patent Act (1970) in 1999, 2002 and 2005 in particular, the present paper makes an attempt to examine the impact of ***M&A*** on the Short-Term Post-Merger Performance of Corporate Firms in India. A merger can be termed as an investment alternative in the context of scarce fund resources. The financial characteristics of a firm have a critical role in the merger decision process. They are either explicit decision variables or directly reflect the non-financial reasons for acquisition characteristics. The present study measured the financial performance of sample firms from the viewpoint of *liquidity, profitability, operating performance and financial risks*. The study proves that merging corporate firms in India appear to have performed better financially after the merger, as compared to their performance in the pre-merger period. This improvement in performance can be attributed to the merger. Enhanced efficiency of utilization of their assets by the merged firms appears to have led to the generation of higher operating cash flows. Synergistic benefits appear to have accrued to the merged entities due to the transformation of the uncompetitive, fragmented nature of Indian corporate firms before merger, into consolidated and operationally more viable business units. What this study thus indicates is that in the short run, mergers appear to have been financially beneficial for Indian corporate firms, which underwent the ***M&A*** process during 2007..

CHART S



Source: Complied & edited from the financial statements of selected firms listed-CMIE-prowess package

LIMITATIONS OF THE STUDY

The study is mainly based on secondary data. The study is confined to Indian corporate firms that are categorized into Agri. & Agro Products, Aluminium, Automotive, Aviation, Banking & Financing Services, Cement, FMCG, Food &Beverages, Hospitality, IT & ITeS, Manufacturing, Media, Entertainment & Publishing, Metals & Ores, Oil & Gas, Pharm, Health & Biotech, Plastic & Chemicals, Power & Energy, Real Estate & Infrastructure, Steel and Textiles & Apparels only. The study is limited to 20 Indian corporate firms only out of 52, which have undergone mergers and acquisitions during 2007. In the absence of more reliable data, CMIE data on ***M & As*** are used in this study. The study is undertaken only for the pre merger period of three years and post merger period of three years, leaving a lengthy coverage of period for want of studying the immediate impact of merger as it was intended for short- run analysis.

A small sample generally fails to capture adequately the variations in impact of ***M&A***, especially when the sample is drawn from diverse product groups/industries (Mantravadi and Reddy, 2008). Further, a shorter timeframe, on the other hand, undermines the process of adjustment and the conclusion on impact therefore may be misleading. Besides, a better understanding of the impact of ***M&A*** on financial performance also requires controlling for the influence of various structure, conduct (other than ***M&A***) and policy related variables.

SCOPE FOR FURTHER STUDIES

- Studies with similar objectives could be attempted with reference to other sectors like banking, insurance, IT sector etc.
- The study with similar objectives could be made from time to time covering a lengthy period.
- The stock index price improvement could be analyzed for pre merger and post merger period.
- Impact of ***M&A*** on financial performance and shareholders' wealth of acquirer firms may be studied.
- Important implication for research concerning ***M&As*** is to take the integration issues into consideration along with the human factors.

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APPENDIX

APPENDIX A - LIST OF FIRMS UNDERGONE MERGER DURING THE CALENDAR YEAR 2007

Sl.No.	Acquirer Firms	Target Firms	Sector
1.	Shiva fertilizers ltd	Parvati fertilizers ltd	Agri. & agro products
2.	Coromandel fertilisers ltd	Godavari fertilisers and chemica ltd	Agri. & agro products
3.	Khaitan chem.& fertlizers ltd	Shobhan enterprisesprivate ltd	Agri. & agro products
4.	Hindalco industries ltd	Indian aluminium co. ltd (indal)	Aluminium
5.	ANG auto ltd	ANG Auto tech pvt ltd	Automotive
6.	Jamna auto industries	Jai parabolic springs	Automotive
7.	Air India	Indian airlines	Aviation
8.	Emami	J B marketing &finance (JB)	Banking & fin. services
9.	Cosmos cooperative bank	Manasa cooperative bank	Banking & fin. services
10.	Almondz global securities ltd	Almondz capital markets pvt ltd	Banking & fin. services
11.	State bank of India (SBI)	State Bank of Saurashtra	Banking & fin. services
12.	Consolidated finvest & hol.	Rishi trading firm	Banking & fin. services
13.	Rain commodities	Rain calcining ltd	Cement
14.	VIP industries ltd	Blow plast ltd	FMCG, food &beverages
15.	Dabur India ltd (DIL)	Dabur foods ltd (DFL)	FMCG, food &beverages
16.	Dhunseri tea &industries ltd	Tezpore tea firm ltd	FMCG, food &beverages
17.	GL hotels	Mayfair banquets private ltd	Hospitality
18.	Datamatics technologies Ltd	Datamatics ltd	IT & ITeS
19.	Satyam computer services ltd	Nipuna	IT & ITeS
20.	Aftek ltd	C2Silicon software solution pvt ltd	IT & ITeS
21.	Mistral solutions	Mistral software and mistral	IT & ITeS
22.	Axon infotech ltd.	Quasar innovations	IT & ITeS
23.	Locuz enterprise solutions ltd	Choice solutions ltd	IT & ITeS
24.	3i Infotech ltd	SDG Software Technologies Ltd	IT & ITeS
25.	Eveready industries India	Powercell battery India	Manufacturing
26.	VIP industries	Aristocrat luggage ltd	Manufacturing
27.	PG foils	Prem cables	Manufacturing
28.	Adlabs films	Katch 22 entertainment	Media, ent, & publishing
29.	TV today network ltd	Radio today broadcasting ltd	Media, en. &publishing
30.	Gujarat NRE coke ltd	India NRE minerals ltd	Metals & ores
31.	Reliance industries ltd	IPCL	Oil & gas
32.	Goa carbon ltd (GCL)	Paradeep carbons ltd	Oil & gas
33.	Indian oil corporation	IBP's petroleum retail business	Oil & gas
34.	Regency ceramics ltd	Regma ceramics ltd	Others
35.	Mahindra forgings ltd	Mahindra forgings Mauritius ltd	Others
36.	SB&T international	Mimansa jewellery	Others
37.	Jay engineering works	Usha International	Others
38.	Indoco remedies	La nova chem India pvt ltd	Pharma, health& biotech
39.	Bodal chemicals ltd	Milestone organic ltd (MOL)	Pharma, health& biotech
40.	Aurobindo pharma ltd	APL Life Sciences ltd	Pharm, health & biotech
41.	Excel crop care ltd	Business units of excel industries ltd	Plastic & chemicals
42.	Texmaco ltd	Shree export house ltd	Power & energy
43.	KEC international ltd	RPG transmission ltd	Power & energy
44.	Texmaco ltd	Evershine merchants pvt ltd	Real estate & infrast.
45.	Phoenix mills ltd	Ashok Ruia Enterprisespvt ltd	Real estate & infrast.
46.	Nitco tiles	Shark properties (SPPL)	Real estate & infrast.
47.	Nitco realties (NRPL)	Motivation properties(MPPL)	Real estate & infrast.
48.	Radhe developers India ltd	Radhe Infrastructure & Projects (India) ltd	Real estate & infrast.
49.	Shree precoated steels	Anik development corporation	Steel
50.	JSW steel ltd	Southern iron &steel firm ltd	Steel
51.	Kamadgiri synthetics	Stripes apparels	Textiles & apparels
52.	Maxwell industries	Microtex India	Textiles & apparels

Source: © Grant Thornton India 2008

APPENDIX B - "T" VALUE OF IMPACT OF M & A ON VARIOUS DIMENSIONS (VARIABLES)

Sl.No.	Acquirer Firms	Liquidity Statistics			Profitability Statistics				Operating Performance Statistics				Financial Risk Statistics		
		CR	QR	NWCR	NPR	OPR	ROIR	NWR	DTR	FATR	TATR	WCTR	DER	ICR	TB&E_ EBITD
1.	3I Infotech	*NS*	*NS*	**	*NS*	*NS*	*NS*	**	*NS*	**	*NS*	*NS*	***	*NS*	**
2.	Aftek Ltd.	*NS*	*NS*	*NS*	**	*NS*	**	*	*	*NS*	**	*NS*	*NS*	*NS*	*NS*
3.	Aurobindo	*NS*	*NS*	**	*NS*	*NS*	*NS*	*	*NS*	*NS*	*NS*	*NS*	*NS*	*NS*	*NS*
4.	Consolidated	*NS*	*NS*	*NS*	*	*NS*	*NS*	*	*NS*	*NS*	*NS*	*NS*	*NS*	***	*NS*
5.	Coromandel	*NS*	*NS*	*NS*	**	*NS*	*	**	*NS*	*NS*	*NS*	*NS*	**	*NS*	*NS*
6.	Dabur India	*NS*	*NS*	*NS*	**	*NS*	*	***	*NS*	*NS*	*NS*	*NS*	*NS*	*NS*	*NS*
7.	Datamatics	*NS*	*NS*	*NS*	*NS*	*NS*	*NS*	**	*NS*	*	*NS*	*NS*	*NS*	*NS*	*NS*
8.	Emami Ltd.	*NS*	*NS*	*NS*	*NS*	*NS*	*NS*	*NS*	*NS*	*NS*	*NS*	*NS*	*NS*	*NS*	*NS*
9.	Excel Crop	*NS*	*NS*	*NS*	*NS*	*NS*	*NS*	***	*NS*	*NS*	*NS*	*NS*	*NS*	*NS*	*NS*
10.	Hindalco	**	*NS*	**	**	*NS*	*NS*	**	*	*NS*	*NS*	**	*	*NS*	*NS*
11.	Indian Oil	*NS*	*NS*	*NS*	*NS*	*NS*	*NS*	***	*NS*	*NS*	*NS*	*NS*	*NS*	*NS*	*NS*
12.	Phoenix	*NS*	*NS*	*NS*	*	**	***	***	**	*NS*	*NS*	*NS*	***	*NS*	**
13.	Reliance	**	*	*	*NS*	*NS*	*NS*	**	*NS*	*NS*	*	*NS*	*NS*	*	*NS*
14.	Regency	**	*NS*	***	*NS*	*	*	*NS*	*NS*	*NS*	*NS*	*NS*	*	*NS*	*
15.	S B & T	*	*NS*	*	*NS*	*NS*	*NS*	**	*NS*	*NS*	*NS*	*NS*	**	*NS*	*NS*
16.	Satyam	*	**	*NS*	*NS*	*NS*	*NS*	*NS*	*NS*	*NS*	*NS*	*NS*	*NS*	*	*
17.	SBI	*NS*	*NS*	*NS*	*NS*	*NS*	*NS*	***	*NS*	***	***	*NS*	*	*NS*	**
18.	Texmaco	*NS*	*NS*	*NS*	*NS*	*NS*	*NS*	*	*NS*	*NS*	*NS*	*NS*	*	*	*NS*
19.	TV Today	*	*	*NS*	*NS*	*NS*	*	*	*NS*	*NS*	*NS*	*NS*	*NS*	*NS*	*NS*
20.	V I P	*NS*	*NS*	*	*NS*	*NS*	*NS*	**	*NS*	*NS*	*NS*	*NS*	*	*NS*	*NS*

NS – Not significant; **Significant at 10% level; **Significant at 5% level; ***Significant at 1% level.*

APPENDIX C - DESCRIPTION OF VARIOUS MEASURES USED FOR ANALYSIS

No.	Element Dimension	Ratios	Measure	Description
1.	**Liquidity**	a. Current ratio	Current assets / Current liabilities	Relation between current assets to current liabilities
		b. Quick Ratio	Liquid assets / Liquid liabilities	Relationship between liquid assets to liquid liabilities
		c. working capital ratio	Current Assets-Current Liabilities	Relation between current assets to current liabilities
2.	**Profitability**	d. Net Profit Ratio	EBIT / Income	Relationship between EBIT to total income
		e. Operating Profit Ratio	Profit / Income	Relationship between profit to total income
		f. Return on Investment Ratio	EBIT / Net Investment	Relationship between EBIT to net investment
		g. Net Worth Ratio	Share Capital +Reserve and Surplus or Total Assets-External Liabilities	Relationship between owners funds
3.	**Operating Performance**	h. Debtors Turnover Ratio	Total Sales / Account Receivables	Relationship between total sales to account receivable
		i. Fixed Assets Turnover Ratio	Sales / Fixed Assets	Relationship between sales to fixed assets
		j. Total Assets Turnover Ratio	Sales / Total Assets	Relationship between sales to total assets
		k.Working Capital Turnover Ratio	Cost of Goods Sold or Sales / Networking Capital	Relationship between cost of goods sold to networking capital
4.	**Financial Risk**	l. Debt-Equity Ratio	Total debt / Net worth	Relationship between total debts to net worth
		m. Interest Coverage Ratio	EBI / Interest	Relationship between EBI to interest
		n. Total Borrowing and Equity to EBITD	EBITD / Total Borrowing and Equity	Relationship between EBITD to total borrowing and equity

APPENDIX D - LIQUIDITY RATIOS OF SELECTED CORPORATE FIRMS MERGED DURING 2007

Sl.No.	Acquirer Firms	Prior to Merger									Post Merger								
		CR			QR			NWCR			CR			QR			NWCR		
		04	05	06	04	05	06	04	05	06	08	09	10	08	09	10	08	09	10
1.	3I Infotech	1.70	1.69	3.24	1.48	1.52	3.09	132	89.76	395.62	2.76	2.15	1.78	2.4	1.83	1.45	703.99	934.38	922.16
2.	Aftek Ltd.	16.98	15.56	9.11	16.85	15.16	8.9	171.17	357.29	377.13	7.04	14.02	14.48	6.59	11.43	12.31	408.68	413.85	367.25
3.	Aurobindo	1.45	1.33	1.42	0.74	0.64	0.8	949.19	688.31	1015.23	1.7	1.38	1.3	0.93	0.71	0.64	1524.78	1705.04	1778.04
4.	Consolidated	1.31	2.27	2.77	0.83	1.47	2.22	150.17	13.59	9.42	2.17	13.33	2.72	1.35	12.47	1.78	5.65	74.74	13.11
5.	Coromandel	1.44	1.45	1.41	0.81	0.9	0.8	485.92	204.63	363.47	1.71	1.23	1.26	0.8	0.65	0.81	740.51	1071.46	1548.91
6.	Dabur India	0.94	0.81	0.96	0.31	0.25	0.35	334.57	-3.27	31.85	0.94	0.92	1.02	0.36	0.35	0.33	35.29	141.35	176.25
7.	Datamatics	1.71	3.04	3.64	1.41	2.15	3.31	42.04	39.6	49.46	3.38	2.22	3.07	2.39	1.88	2.77	47.69	87.03	97.35
8.	Emami Ltd.	6.55	4.08	2.39	4.32	2.38	1.59	97.89	82.82	79.4	2.28	1	1.81	1.22	0.66	1.44	201.35	58.4	258.1
9.	Excel Crop	1.22	1.22	1.2	0.72	0.63	0.65	176.22	109.64	108.33	1.19	1.24	1.29	0.63	0.61	0.68	163.88	206.79	224.87
10.	Hindalco	2.04	1.58	1.85	0.92	0.66	0.72	3646.62	2076.88	3847.57	1.08	1.02	1.16	0.51	0.58	0.57	4167.61	2930.62	5017.08
11.	Indian Oil	1.39	1.41	1.36	0.43	0.4	0.29	34134.22	12101.5	13364.27	1.29	0.97	1.21	0.37	0.31	0.35	22881.07	11362.73	19448.41
12.	Phoenix	5.3	2	1.03	3.62	1.15	0.49	37.23	-1.16	-25.8	0.6	2.52	1.37	0.37	2.08	0.92	-93.05	200.52	18.76
13.	Reliance	1.09	1.32	1.21	0.53	0.76	0.56	18477.58	5968.95	7934.69	1.66	2.06	1.72	0.8	1.17	0.73	24622.18	19874.06	26502.05
14.	Regency	1.42	1.65	1.25	0.51	0.87	0.75	68.02	61.08	57.96	0.9	0.71	0.45	0.55	0.27	0.19	324.62	415.67	401.23
15.	S B & T	3.21	5.89	4.82	1.44	3.1	2.56	121.75	118.33	134.62	1.99	2.63	2.26	1.18	1.31	1.05	149.03	195.77	189.62
16.	Satyam	7.6	7.37	6.05	7.47	7.22	5.93	2593.11	2851.94	3862.13	4.77	0.67	1.09	4.61	0.57	1	6088.6	-1292.1	327.3
17.	SBI	1.3	1.79	1.6	1.24	1.7	1.55	75062.85	14615.88	22006.66	1.45	1.58	1.35	1.4	1.53	1.3	54464.52	61418.98	41824.23
18.	Texmaco	1.48	2.15	1.96	0.53	1.03	1.24	121.54	41.79	28.41	1.64	1.44	1.32	0.73	0.63	0.7	-19.61	88.26	152.89
19.	TV Today	0.83	0.76	0.79	0.4	0.36	0.33	52.37	-10.34	-8.11	1.36	1.47	1	0.83	0.86	0.53	76.1	69.78	0.11
20.	V I P	1.44	1.16	1.08	0.8	0.35	0.39	115.01	47.09	59.54	1.22	1.18	1.36	0.42	0.53	0.55	152.23	147.24	151.8

Source: Complied & edited from the financial statements of selected firms listed-CMIE-prowess package.

APPENDIX E – PROFITABILITY RATIOS OF SELECTED CORPORATE FIRMS MERGED DURING 2007

SI. No.	Acquirer Firms	Prior to Merger												Post Merger											
		NPR			OPR			ROIR			NWR (cores)			NPR			OPR			ROIR			NWR		
		04	05	06	04	05	06	04	05	06	04	05	06	08	09	10	08	09	10	08	09	10	08	09	10
1	3I Infotech	-5.15	11.1	13.8	231.3	577.3	423	-0.42	10.07	10.02	168.1	182.5	367.9	15.19	12.79	1.36	1215	2308	191.3	12.93	12.94	6.13	744.1	1037	993.5
2	Aftek Ltd.	32.25	29.56	33.36	140.8	395.9	211.5	16.68	13.13	12.82	273.1	322.6	480.4	13.8	-3.96	0.17	393.1	315.8	21.15	9.55	-0.35	1.1	621.1	613.3	610.3
3	Aurobindo	6.84	-0.71	4.18	1507	2635	1607	17.02	4.5	10.19	689.2	678.2	814.9	9.31	3.16	15.42	2533	3229	60.94	15.02	8.42	29.29	1124	1241	1829
4	Consolidated	1.73	21142	-618	424.4	49.6	0.7	1.73	4.62	0.04	570.5	551.3	563.7	51133	41867	43033	16.33	16.29	32.54	2.59	2.11	1.95	650.5	698.5	783
5	Coromandel	3.48	4.53	4.42	1213	3081	1869	17.62	22.27	19.19	339.5	396.1	460.7	5.45	5.83	7.25	3839	9714	30.81	24.95	42.3	33.4	795.5	1212	1502
6	Dabur India	8.19	10.17	11.28	1174	2761	1731	39.42	45.32	49.73	286.1	363.9	497.1	13.81	13.69	14.64	2384	2843	94.17	64.26	56.47	64.3	617.6	818.8	935.4
7	Datamatics	26.85	16.52	14.83	106.9	310.1	152	42.96	15.59	12.32	65.79	166.1	175.9	6.36	9.17	8.45	153.4	310.4	31.85	6.63	13.58	11.51	187.4	247.9	239.1
8	Emami Ltd.	9.69	12.94	15.97	200.6	400.8	281.8	31.7	32.44	44.18	279	316.5	334.8	15.31	10.69	6.5	571.4	740.6	19.65	27.36	21.41	19.54	286.4	301.3	626.8
9	Excel Crop	3.12	5.08	5.04	313.6	818.5	414.4	32.7	47.24	43.3	60.06	75.43	93.36	4.55	4.61	5.66	512.4	718.5	8.53	39.18	45.39	37.01	123.5	151.6	179.7
10	Hindalco	11.14	11.74	12.03	8555	20654	12375	16.46	17.75	15.33	7050	7665	9436	3.73	0.58	7.04	60471	67304	-96.9	11.64	2.28	17.17	17147	15763	21571
11	Indian Oil	5.79	3.89	2.65	1E+05	3E+05	2E+05	32.05	19.54	15.77	23952	27450	30641	3.29	0.75	3.92	2E+05	3E+05	2343	20.98	10.75	18.94	43620	45504	52462
12	Phoenix	23.39	27.85	30.37	38.65	84.84	54.08	23.79	18.89	20.35	29.8	37.74	51.77	51.96	76.96	49.78	103.4	148.3	27.93	4.3	5.02	3.79	1285	1515	1605
13	Reliance	8.87	10.34	9.8	52709	1E+05	80806	15.91	18.96	17.67	35018	41094	51028	13.67	9.63	11.5	1E+05	2E+05	3989	19.25	11.11	16.16	83828	1E+05	1E+05
14	Regency	23.17	22.58	21.85	75.15	196.9	132.5	25.48	28.25	5.38	105.5	119.1	342.4	14.9	-7.72	-19.3	355.9	719.2	29.82	6.15	5.98	-1.82	689.6	524.2	374.8
15	S B & T	4.73	0.83	1.24	172.3	370.9	138	9.28	2.88	4.17	84.6	100.4	109.1	-0.99	1.35	1.69	219.4	249.4	15.96	2.74	5.28	7.28	104.6	124.5	121.8
16	Satyam	20.55	20.48	23.97	2696	7222	5124	23.77	25.35	31.06	2654	3298	4317	19.91	-92.5	-2.25	8730	8838	279.1	26.39	4963	-4.55	7239	-880	1881
17	SBI	3408	924.4	527.6	51246	1E+05	59177	69.19	55.1	45.4	27436	32552	37207	164.2	9.97	8.85	89675	1E+05	1020	41.82	46.11	43.6	61236	72390	83136
18	Texmaco	13.57	6.31	4.9	137.4	483.3	371	22.16	15.05	22.24	97.76	126.1	141	7.34	8.54	9.57	841.9	1012	16.79	41.12	37.9	26.56	244.4	312.6	557.6
19	TV Today	15.3	1.6	2.26	65.82	323.2	153.8	313.3	372.8	138.8	-0.75	1.66	4.98	3.03	2.53	3.2	711.2	812.2	49.95	25.77	30.97	26.48	88.95	105.3	194.8
20	V I P	2.17	1.37	1.15	278.4	616.7	331.8	14.18	14.68	15	56.63	58.05	61.15	3.82	-2.46	7.07	576.7	565.9	35.59	28.15	0.3	44.18	127	111.3	146.5

Source: Complied & edited from the financial statements of selected firms listed-CMIE-prowess package.

APPENDIX F – OPERATING PERFORMANCE RATIOS OF SELECTED CORPORATE FIRMS MERGED DURING 2007

SI.No.	Acquirer Firms	Prior to Merger (TIMES)												Post Merger											
		DTR			FATR			TATR			WCTR			DTR			FATR			TATR			WCTR		
		04	05	06	04	05	06	04	05	06	04	05	06	08	09	10	08	09	10	08	09	10	08	09	10
1	3I Infotech	2.14	1.82	1.69	1.33	1.33	1.41	0.72	0.71	0.51	1.73	3.22	1.05	1.7	2.23	2.01	1.07	0.95	1.09	0.55	0.58	0.63	1.71	2.44	2.65
2	Aftek Ltd.	4.05	3.64	2.17	3.03	6.65	1.71	0.52	0.42	0.36	0.81	0.54	0.53	3.1	1.47	1.28	0.63	0.76	0.53	0.33	0.3	0.25	0.95	0.53	0.51
3	Aurobindo	2.81	2.49	2.27	1.8	1.27	1.37	0.86	0.66	0.63	1.67	2.06	1.67	2.75	2.63	2.88	0.59	1.63	1.6	0.41	0.75	0.76	1.67	1.85	2.05
4	Consolidated	5.05	0.08	0.01	9.12	0.01	0.02	0.68	0.02	0.01	3.15	0.08	0.01	0.07	0.02	0.03	1485	0.07	0.01	0.06	4.32	3.84	0.05	0.04	0.02
5	Coromandel	4.39	4.9	3.55	3.18	4.07	5.12	1.22	1.45	1.25	2.54	7.61	5.19	5.55	8.3	8.44	0.19	12	6.72	0.26	1.98	1.38	5.2	8.95	4.15
6	Dabur India	9.85	10.3	13.1	5.33	5.23	3.71	1.86	1.65	1.86	3.98	-471	59.8	9.21	11.1	14.7	0.19	5.09	5.06	0.32	1.53	1.68	68.3	20.2	19.5
7	Datamatics	3.45	3.04	2.4	3.99	5.51	4.3	1.09	0.8	0.7	2.45	3.79	2.81	2.31	2.56	2.19	0.27	3.57	2.91	0.19	0.95	0.92	3.02	3.44	2.69
8	Emami Ltd.	3.35	3.68	4.02	0.95	1.03	1.52	0.66	0.6	0.75	2.27	2.73	3.88	2.54	4.95	5.71	0.16	1.18	1.83	0.16	0.82	0.98	2.92	13.1	4.02
9	Excel Crop	3.4	4.29	4.29	5.75	7.17	6.1	1.41	1.69	1.69	1.89	4.08	4.16	3.47	4.13	3.09	0.16	7.41	6.04	0.24	1.73	1.36	3.4	3.68	2.99
10	Hindalco	5.96	6.6	5.88	1.12	1.27	1.33	0.66	0.66	0.63	2.45	5.31	3.43	7.22	7.2	6.46	0.6	1.95	1.77	0.51	1.04	0.89	14.8	23.2	12.3
11	Indian Oil	14.5	13.7	18.7	3.91	3.82	4.59	1.89	1.79	1.9	3.96	12.5	14.4	13	16.7	11.7	0.18	5.48	4.09	0.34	2.17	1.67	11.3	27.8	14.4
12	Phoenix	1.45	1.59	2.01	0.62	0.43	0.34	0.35	0.28	0.25	1.09	-35.8	-2.15	0.62	0.6	0.84	10.1	0.07	0.07	0.45	0.04	0.04	-0.88	0.49	6.55
13	Reliance	5.18	6.1	8.1	1.6	2.09	1.39	0.78	0.9	0.93	3.05	12.3	11.5	5.2	10.7	10.9	0.79	0.86	1.19	0.65	0.63	0.81	5.8	7.83	7.98
14	Regency	2.34	1.14	0.81	0.99	1.21	0.39	0.51	0.45	0.12	1.16	1.67	2.2	0.74	1.41	1.43	2.85	0.63	0.52	0.52	0.39	0.33	0.99	1.69	1.92
15	S B & T	3.97	3.48	1.78	19.1	13.3	7.02	1.29	1.11	0.68	1.4	1.56	1.02	1.81	2.27	2.38	0.08	12.2	14.6	0.07	0.85	0.9	1.47	1.25	1.34
16	Satyam	3.33	3.82	3.27	8.33	9.31	8.6	0.85	0.94	0.93	0.98	1.23	1.24	2.79	3.84	3.06	0.15	7.13	5.56	0.14	2.18	0.98	1.39	-6.84	16.8
17	SBI	0.08	0.02	0.03	0.04	0.16	0.26	0.05	0.01	0.03	0.02	0.04	0.04	0.11	0.02	0.03	0.9	1.34	1.38	0.01	0.01	0.01	0.1	0.01	0.03
18	Texmaco	2.36	3.05	2.73	1.74	3.11	3.88	0.55	0.8	1.1	1.14	6.01	13.9	4.56	3.58	2.99	0.23	3.89	4.21	0.34	1.12	0.97	-48.2	10.1	6.39
19	TV Today	2.85	7.96	8.31	3.67	9.28	8.13	0.99	2.49	2.33	1.36	-16.8	-20.7	6.52	8.79	9.83	0.05	23.8	17.7	0.14	3.18	2.22	9.5	11.7	9253
20	V I P	4.37	6.74	6.19	4.44	4.8	4.46	1.54	1.43	1.54	2.65	7.21	5.96	4.49	4.29	5.91	0.15	6.32	8.36	0.23	1.57	1.88	3.94	3.94	4.5

Source: Complied & edited from the financial statements of selected firms listed-CMIE-prowess package

APPENDIX G – FINANCIAL RISK RATIOS OF SELECTED CORPORATE FIRMS MERGED DURING 2007

SI.No.	Acquirer Firms	Prior to Merger									Post Merger								
		DER			ICR			TB&E_EBITD			DER			ICR			TB&E_EBITD		
		04	05	06	04	05	06	04	05	06	08	09	10	08	09	10	08	09	10
1	3I Infotech	0.57	0.81	0.91	-1.26	2.92	8.29	1.82	1.64	1.08	1.75	2.23	2.3	4.87	3.92	2.85	0.84	0.93	0.06
2	Aftek Ltd.	0.13	0.4	0.12	141.28	138.66	119.22	14.06	1.36	2.82	0.13	0.15	0.19	63.51	35.35	1.53	3.93	2.76	0.13
3	Aurobindo	1.28	1.58	1.69	5.53	1.3	1.96	1.68	1.2	1.13	1.7	1.89	1.18	5.6	2.44	12.76	1.29	1.34	0.01
4	Consolidated	2.83	0.49	0.74	11.55	15.87	7.58	9.96	0.89	0.3	1.38	2.36	2.84	1503	1508	1519	0.5	0.5	1
5	Coromandel	0.84	0.64	0.86	3.51	5.95	5.9	3.96	5.61	4.42	1.2	1.38	1.3	5.68	10.79	9.7	3.89	5.69	0.01
6	Dabur India	0.43	0.4	0.22	12.34	22.58	22.55	7.94	8.03	10.69	0.16	0.28	0.19	33.8	26.34	91.86	12.87	8.99	0.33
7	Datamatics	0.14	0.49	1.38	42.99	198.46	218.93	4.22	7.64	7.45	0.01	0.04	0.02	38.85	45.53	99.26	7.49	8.02	0.88
8	Emami Ltd.	1.02	0.43	0.33	112.55	16.68	36.26	3.82	4.35	6.47	0.43	1.46	0.4	11.7	2.95	2.84	4.18	1.63	0.05
9	Excel Crop	1.71	1.27	0.95	2.54	5.92	5.15	3.09	4.22	4.43	1.01	0.98	0.81	4.87	4.09	7.15	3.93	4.65	0.03
10	Hindalco	0.53	0.64	0.66	7.09	8.07	7.13	2.23	2.05	1.94	1.89	1.8	1.11	2.48	0.48	5.93	1.85	2.35	0.03
11	Indian Oil	0.63	0.74	0.98	21.57	10.73	6.37	7.25	6.22	5.42	0.89	1.04	0.94	7.76	1.74	9.54	5.81	6.01	0.04
12	Phoenix	2.84	2.83	2.36	6.74	8.87	6.26	0.73	0.55	0.49	0.24	0.36	0.41	15.19	18.47	9.84	0.31	0.25	0.04
13	Reliance	0.66	0.49	0.51	5.22	7.18	12.4	2.33	3.33	3.25	0.63	0.7	0.49	22.18	11.07	14.98	2.66	1.97	0.04
14	Regency	0.14	0.23	1.38	22.56	23.82	27.51	3.15	2.57	0.26	1.34	2.47	5.05	3.95	0.49	-0.23	0.37	0.54	0.01
15	S B & T	0.28	0.42	0.49	15.17	2.24	1.26	4.57	3.24	1.96	0.68	0.8	0.76	2.53	1.73	1.68	2.51	2.15	0.15
16	Satyam	0.01	0.01	0.02	3727.6	11927	568.57	37.24	43.62	30.48	0.03	- 0.92	0.02	141.14	- 53.16	-7	24.88	9.34	0.84
17	SBI	0.81	0.86	1.24	1.32	1.33	1.31	2.32	1.87	1.26	1.6	1.45	1.47	1.29	1.28	1.28	0.9	1.05	0.05
18	Texmaco	0.91	0.5	0.49	2.18	4.59	6.72	1.82	3.84	5.36	0.29	0.23	0.21	12.12	11.12	17.22	10.93	10.34	0.09
19	TV Today	- 1.88	- 2.36	- 10.96	0.09	1.98	2.09	2.49	6.11	5.85	0.36	0.15	0.05	5.77	11.95	47.24	17.11	20.07	0.84
20	V I P	2.13	1.8	1.82	2.24	2.11	2.09	2.47	3.1	2.98	1.14	1.34	0.6	2.78	-0.74	7.04	3.64	3.44	0.24

Source: Complied & edited from the financial statements of selected firms listed-CMIE-prowess package.

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