



# **MERGERS AND ACQUISITIONS – AN INTROSPECTIVE ANALYSIS ON THE EXTERNAL INTERFERENCE ON IT IN INDIA**

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## **ABSTRACT**

In today's corporate environment, the deals of merger and acquisition (M&A's) have drastically surged up. Mergers and Acquisitions are quite often considered as one of the best strategic methods to confront the competitive market. These deals are usually undertaken with the aim of creating synergy and maximising shareholders wealth.

The process of M&A's in India is usually court driven and hence problematic and time consuming at the same time. The process may be initiated through written agreements between the two parties of merger, but that does not finalise the process as it is not sufficient enough to provide a legal cover to the merger. For bringing the agreement into effect, the sanction of High Court or National Company Law Tribunal (NCLT) is required.

**Keywords:** National Company Law Tribunal, Merger and acquisition, Corporate environment, Amalgamation, Reconstruction

## **INTRODUCTION**

The Companies Act, 2013 includes provisions relating to M&A's and other related issues of compromises, arrangements, and reconstructions. The entire process must be to the satisfaction of the Court, and this sometimes results in delays. This report aims to analyse the kind of impact that the interference of government and court has on Mergers and Acquisitions while providing general knowledge about the overall concept of M&A's in India.

Mergers and Acquisitions have been a part of the business world for centuries. In today's dynamic environment, companies are often faced with

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decisions concerning these actions with the aim of maximising shareholder value by developing a competitive advantage over other.

Amalgamation differs from Acquisitions in the sense that Acquisition is usually driven by the buyer company with or without consent of the acquired company and Amalgamation is initiated by both the companies with equal interest.

Justice Dhananjay Y Chandrachud has put forth the approach of the judiciary in the matters of mergers and amalgamations - "Corporate restructuring is one of the means that can be employed to meet the challenges and problems which confront business"<sup>2</sup>.

The primary legislation governing Mergers and Acquisitions in India is the Companies Act, 2013. However, several other Acts and Regulations evolve into picture, namely<sup>3</sup>:

- The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011,
- The SEBI (Delisting of Equity Shares) Regulations, 2009,
- Foreign Exchange Management Act (FEMA), 1999,
- Competition Act, 2002,
- Income Tax Act, 1961,
- Insolvency and Bankruptcy Code, 2016<sup>4</sup>

Mergers and acquisitions (M&A) in India have been on the rise in recent years, with the number of deals increasing significantly. However, these transactions are not always smooth, and external interference can play a significant role in the success or failure of an M&A deal. In this article, we will discuss the various forms of external interference

that can impact M&A in India and ways to mitigate them.

One of the most significant forms of external interference in M&A in India is regulatory intervention. The Indian government has a significant say in M&A deals, particularly when it comes to deals that involve strategic sectors such as defence, telecommunications, and banking. The government can influence M&A deals by changing regulations, imposing conditions, or even blocking the deal. For example, in 2016, the Indian government blocked the merger of Vodafone India and Idea Cellular, citing concerns about competition.

While tracking the impact of government intervention, a noteworthy effect has been on M&A due to the recent change in the FDI policy that impacted investments from nearby countries, i.e., sharing a land border with India, specifically China. The covid pandemic has also brought a significant effect on the mergers as many companies were shut down and closed as a result of losses and economic backwardness. This made the M&A's in India to surge down comparing to the last decades.

## **MERGERS AND AMALGAMATIONS**

The term 'merger' is not defined in particular in any of the acts. In simple language, merger is a combination of two or more entities into one rather being as two separate or individual entities. The desired effect of such merger not just the accumulation of assets and liabilities of the two different companies, but organization of such entity into one single business.

Section 230<sup>5</sup> - 234<sup>6</sup> of the Companies Act, 2013 contains provisions for mergers and deals with the schemes of arrangement or compromise between

2. Siddharth Singh, Corporate Restructuring: Compromise, Arrangement, Mergers and Amalgamation, Volume 4 Issue 5, Journal on Contemporary Issues Of Law [JCIL], 45-46.  
3. Jay Bhavesh Parekh, Understanding Legalities - Mergers, Acquisitions and Combinations, ICSI, 67-69, May 2023.  
4. *Id.*  
5. Companies Act, 2013, S.230, Acts of Parliament, 2013 (India)  
6. Companies Act, 2013, S.234, Acts of Parliament, 2013 (India)

a company, its shareholders, and its creditors. Generally, in a merger, the merging entities would cease to exist and would merge into a single surviving entity.

The possible objectives of mergers are<sup>7</sup>:

- Increased size - economies of scale
- Reduction of competition
- Increase in resources and power
- acquisition of technologies
- access to varied sectors / markets etc<sup>8</sup>.

### Merger:

A full joining together of two previously separate corporations<sup>9</sup>. A true merger in the legal sense occurs when both businesses dissolve and fold their assets and liabilities into a newly created third entity. This entails the creation of a new corporation and ownership.

### Amalgamation:

An amalgamation is a combination of two or more companies into a new entity<sup>10</sup>. Amalgamation is distinct from a merger because neither company involved survives as a legal entity. Instead, a completely new entity is formed to house the combined assets and liabilities of both companies.

A & B being two different entities: (A + B = A; A + B = B; A+B = C)

## TYPES OF MERGERS

### Horizontal Merger

A merger that takes place between two companies dealing in the same product or services is called a Horizontal Merger<sup>11</sup>. Horizontal merger helps the company by eliminating a competitor and establishing a stronger presence in the market. This type of merger allows to expand the market reach and acquire a dominant position, thereby reducing competition. For example: Hindustan Unilever and Patanjali; Brooke Bond and Lipton India.

### Vertical Mergers

A merger between two entities who are involved in the dealing of complementary goods and services<sup>12</sup>. Companies stand to gain the benefits of lower transaction costs and self-sufficiency. For example: Reliance and FLAG Telecom group.

### Conglomerate Mergers

A conglomerate merger takes place between two unrelated companies that deal in different types of business<sup>13</sup>. The principal reason for a conglomerate merger is utilisation of financial resources, enlargement of debt capacity, and increase in the value of outstanding shares. For example: L&T and Voltas Ltd.

### Co-Centric Mergers

A merger between two companies which are in the related in the same business or market having similar target consumers. It is also referred as congeneric merger or product extension merger. The merging companies can also be indirect

7. Corporate finance institute, <https://corporatefinanceinstitute.com/resources/valuation/motives-for-mergers/> (last visited on August 20, 2023)

8. *Id.*

9. Cambridge Dictionary, <https://dictionary.cambridge.org/dictionary/english/merger>, (last visited on August 20, 2023)

10. *Id.*

11. Singhania & Partners LLP, Solicitors and Advocates, Types Of Merger & Acquisition, Mondaq, (August 20, 2023), <https://www.mondaq.com/india/corporate-and-company-law/1240290/types-of-merger--acquisition>.

12. *Id.*

13. *Id.*

competitors. In this type of merger, the companies may share similar distribution channels, providing synergies for the merger. This type of merger is often resorted to by entities who intend to increase their market shares or expand their product lines. For example: Citi Group acquiring Salomon Smith Barney; Axis Bank acquiring Freecharge; Flipkart acquiring Walmart.

## PROCEDURE OF MERGERS

The steps involved in the procedure of merger are as follows<sup>14</sup>:

- 1. Examine MOA of the Company:** The first and the foremost step in an M&A deal is to duly examine the company's MOA (Memorandum of Association). The same is done to confirm whether the object clause of the company grants the power of merger or not.
- 2. Notify the Stock Exchange:** In the next step, the companies which are going to enter in an M&A deal, must inform the recognised stock exchange about the same. Moreover, they need to send copies of orders, notices, and resolutions to the stock exchange within a prescribed period.
- 3. Drafting of Merger Proposal:** After that, the Boards of the Director (BOD) of both the companies need to confirm the drafting of the merger proposal. Moreover, they are also required to pass a special resolution (SR) to authorise its KMP (Key Managerial Personnel) to carry out the matter.
- 4. Filing of Application to the High Court:** After obtaining the confirmation from the Boards of Directors, both the companies are required to apply to the High Court of the respective state, where the company's registered office is located.

- 5. Dispatching of Notice to Stakeholders:** If the High Court approves the application, the company is required to send a notice regarding a meeting to all the stakeholders, i.e., shareholders and creditors. The notice must be sent at least twenty-one days before the date of the meeting. Moreover, the notice must also be published in two newspapers, i.e., in English and Vernacular newspapers.
- 6. Filing of orders with the ROC:** Thereafter, the company needs to file a certified copy of the order passed by the High Court with the ROC (Registrar of Companies) within the stipulated period as prescribed by the High Court.
- 7. Merging of Assets and Liabilities:** The concerned companies can then combine their assets and liabilities as per the stipulations mentioned in the merger proposal to complete the process of merger.
- 8. Listing of Shares:** Lastly, when both the companies have been combined as one and received the status of a separate legal entity, the company formed is qualified to list its shares on the recognised stock exchange<sup>15</sup>.

## IMPORTANT MERGERS

### Vodafone-Idea Merger

This merger between Vodafone Idea is valued at \$23 billion<sup>16</sup>. It is notable to say that the two companies were pushed to do so due to the entry of Reliance Jio and the price war that followed. Both companies struggled amidst the growing competition in the telecom industry. Later, Vodafone Idea unveiled its brand-new identity 'Vi' which marked the completion of the integration of the 2 companies.

14. SWARIT ADVISORS, <https://swaritadvisors.com/mergers-and-acquisitions/>, (last visited on August 21, 2023)

15. *Id.*

16. FINTRAKK, <https://fintrakk.com/top-biggest-mergers-acquisitions-india/>, (last visited on August 21, 2023)

## RIL-RPL Merger

Reliance Industries Limited (RIL) is an Indian Conglomerate holding company headquartered in Mumbai, India. Reliance is the most profitable company in India, the second largest publicly traded company in India by market capitalisation. Reliance Petroleum Limited was set up by Reliance Industries Limited (RIL), one of India's largest private sector companies based in Ahmedabad. Currently, Reliance Industries taking over Reliance Petroleum Limited (RPL) for the price of 8500 crores or \$1.6 billion<sup>17</sup>.

## Arcelor-Mittal Merger

This was a biggest merger valued at \$38.3 billion and also it is a hostile merger. In 2006, Mittal Steel announced its initial bid of \$23 billion for Arcelor which was later increased to \$38.3 billion<sup>18</sup>. The then Indian commerce minister Kamal Nath even warned that any attempt by France to block the deal would lead to a trade war between India and France. The Arcelor board finally gave in to the deal in June for the improved Mittal offer. This resulted in the new company Arcelor-Mittal controlling 10% of global steel production.

## ACQUISITION

Taking possession of another business is an Acquisition. It is also called a takeover or buyout. It may be share purchase where the buyer buys the shares of the target company or asset purchase where the buyer will take on the company with all its assets and liabilities<sup>19</sup>.

Take-over is a form of acquisition where the acquiring firm is much larger than the target

company. The term is sometimes used to designate hostile transactions.

Reverse take-over refers to an operation where the target company is bigger than the acquiring company. However, mergers of equals (in size or belonging to the same sector of activity) may also result in a hostile take-over.

There are many ways in which control over a target company can be acquired, which are<sup>20</sup>:

- by acquiring, i.e., purchasing a substantial percentage of the voting capital of the target company.
- by acquiring voting rights of the target company through a power of attorney or through a proxy voting arrangement.
- by acquiring control over an investment or holding company, whether listed or unlisted, that in turn holds controlling interest in the target company.
- by simply acquiring management control through a formal or informal understanding or agreement with the existing person(s) in control of the target company.

Also, depending upon the commercial objective and considerations, an acquirer may opt for<sup>21</sup>:

- An asset purchase, whereby one company purchases all or part of the assets of the other company; or
- A slump sale, whereby one company acquires the 'business undertaking' of the other company on a going concern basis i.e., acquiring all assets and liabilities of such business.

17. *Id.*

18. *Id.*

19. Shardul Amarchand Mangaldas & Co, Mergers And Acquisitions In India – A Brief Overview, Mondaq, (August 22, 2023), <https://www.mondaq.com/india/corporate-and-company-law/1210798/mergers-and-acquisitions-in-india--a-brief-overview>.

20. *Id.*

21. *Id.*



## PROCEDURE OF ACQUISITION

A typical Acquisition procedure includes the following steps<sup>22</sup>:

1. **Develop an acquisition strategy** - Developing a good acquisition strategy revolves around the acquirer having a clear idea of what they expect to gain from the acquisition.
2. **Set the M&A search criteria** - Determining the key criteria for identifying potential target companies (e.g., profit margins, geographic location, or customer base).
3. **Search for potential acquisition targets** - The acquirer uses their identified search criteria to look for and then evaluate potential target companies.
4. **Begin acquisition planning** - The acquirer contacts one or more companies that meet its search criteria and appear to offer good value.
5. **Perform valuation analysis** - Assuming initial contact and conversations go well, the acquirer asks the target company to provide substantial information (current financials, etc.) that will enable the acquirer to further evaluate the target, both as a business on its own and as a suitable acquisition target.
6. **Negotiations** - After producing several valuation models of the target company, the acquirer should have sufficient information to enable it to construct a reasonable offer; Once the initial offer has been presented, the two companies can negotiate terms in more detail<sup>23</sup>.
7. **M&A due diligence** - Due diligence is an exhaustive process that begins when the offer has been accepted; due diligence aims to confirm or correct the acquirer's assessment of the value of the target

company by conducting a detailed examination and analysis of every aspect of the target company's operations.

8. **Purchase and sale contract** - Assuming due diligence is completed with no major problems or concerns arising, the next step forward is executing a final contract for sale. The parties make a final decision on the type of purchase agreement, whether it is to be an asset purchase or share purchase.
9. **Financing strategy for the acquisition** - The acquirer will, of course, have explored financing options for the deal earlier, but the details of financing typically come together after the purchase and sale agreement has been signed.
10. **Closing and integration of the acquisition** - The acquisition deal closes, and management teams of the target and acquirer work together on the process of merging the two firms<sup>24</sup>.

## IMPORTANT ACQUISITIONS

### Vodafone-Hutchison Essar

Vodafone India Ltd. is the 2<sup>nd</sup> largest mobile network operator in India on considering the subscriber base, after Airtel. Hutchison Essar Ltd (HEL) was also one of the leading mobile operators in India. In the year 2007, Vodafone made a major entry into the Indian telecom sector by acquiring a solid 52% stake in HEL for about \$ 10 billion, a deal with the Hong Kong based Hutchison Telecomm International Ltd. Essar group holds 32% in the Joint venture.

### Tata Motors-Jaguar Land Rover

Tata Motors Limited (TELCO) is an Indian multinational automotive manufacturing company headquartered in Mumbai and a subsidiary of the

22. Wall Street Mojo, <https://www.wallstreetmojo.com/ma-process/>, (last visited on August 23, 2023)

23. *Id.*

24. *Id.*

Tata Group and the Jaguar Land Rover Automotive PLC is a British multinational automotive company headquarters in Whitley, Coventry, United Kingdom, and now a subsidiary of Indian automaker Tata Motors. Tata Motors acquisition of luxury car maker Jaguar Land Rover was for the price of \$2.3 billion.

### Tata Steel-Corus

Tata Steel is one of the biggest ever Indian's steel company and the Corus is Europe's second largest steel company. In 2007, Tata Steel's takeover European steel major Corus for the price of \$12.02 billion, making the Indian company, the world's fifth-largest steel producer<sup>25</sup>. Tata Sponge iron was a low-cost steel producer in the fast-developing region of the world and Corus was a high-value product manufacturer in the region of the world demanding value products. The acquisition was intended to give Tata steel access to the European markets and to achieve potential synergies in the areas of manufacturing, procurement, R&D, logistics, and back-office operations.

### IMPACT OF EXTERNAL INTERVENTION

We see that the government though brought several necessary provisions and acts for the benefits of the mergers and acquisition there exists a hurdle in every process of M&A. This is generally because of the impact it gets from the external circumstances which makes the laws stringent and not favourable to the mergers<sup>26</sup>.

For example, in each financial year the budget gets new amendments, and the taxes get raised thereby the company having to pay more which results in the reduction of the resources and wealth of the company which subsequently reduces the wealth of the shareholders. This reduces the chances of M&A as companies fear that they won't be able to achieve synergy efficiently.

The process of M&A on the other hand is also tedious considering the fact that it has to go through a long court process and the amount of time and resource it has to spent on it. Certain mergers take long and hectic court procedures and requiring of additional documents and formalities. This obstacle makes the companies rethink their decision. The approval of the court or NCLT is a mandate in the process of M&A and passing through this step might be a nightmare for some without proper documentation and resource.

Also, financially distressed businesses often look to sell their ownership interests to pay off their debts and whereas some businesses believe that they would be in a better position if they merged with a stronger partner and availing the benefits of vast resources pooling. In retrospect, in the current economic crisis - despite the government introducing reforms, providing liquidity, and maintaining the flow of credit to businesses - some businesses might still not be able to sustain these adversities, resulting in a significant rise in M&A activity.

Another form of external interference in M&A in India is political pressure<sup>27</sup>. Indian politics can be unpredictable, and politicians can use M&A deals as a tool to further their own agendas. For example, politicians may pressure companies to merge or acquire businesses in their constituencies, or they may use M&A deals as a way to gain political favours.

The labour unions can also be a form of external interference in M&A deals in India. During M&A transactions, labour unions may protest the deal, demand higher wages and benefits, or even go on strike. This can significantly delay the deal and add to the cost. The media can also play a significant role in external interference in M&A deals in India. Negative media coverage can create public

25. Ipleaders, <https://blog.ipleaders.in/tata-acquired-corus-steel/>, (last visited on August 24, 2023)

26. Dara Shareef, *EXTERNAL MARKET IMPACT ON M&A*, Benchmark International, (August 26, 2023), <https://blog.benchmarkcorporate.com/external-market-impact-on-ma>.

27. *Id.*

pressure on companies and government regulators to rethink or block a deal.

Cultural diversity and differences in general can also be a hurdle to the smooth process of mergers and acquisition, since they consist of long standing and hugely impacted share values, along with beliefs and assumptions that control and influence the mass through their behaviour, character, attitudes and meaning in an organisation<sup>28</sup>.

External interference can lead to the failure of a merger or acquisition if it causes delays, increases costs, or results in changes to the terms and conditions of the transaction. This can happen if the regulatory process is not clear, predictable or impartial, or if there is a lack of transparency and disclosure of information related to the transaction.

For example, if a regulatory body takes a long time to review and approve a merger or acquisition, this can delay the completion of the transaction and increase the costs for the companies involved. Additionally, if the regulatory body imposes conditions or changes to the terms of the transaction that are not acceptable to the companies involved, this can lead to the failure of the merger or acquisition.

Similarly, if external parties such as activist shareholders or competitors intervene in a merger or acquisition and raise objections or concerns, this can also lead to delays, increased costs, or changes to the terms of the transaction, which can ultimately result in the failure of the merger or acquisition.

In general, external interference can have a significant impact on the execution of mergers and acquisitions in India. Some of the ways that external interference can impact M&A in India include:

**Delays in the regulatory process:** External interference can cause delays in the regulatory process for M&A transactions in India, which can make the transaction more costly and time-consuming for the companies involved.

**Changes to the terms and conditions of the transaction:** External interference can result in changes to the terms and conditions of the M&A transaction, which can make the deal less attractive to the companies involved.

**Increased costs:** External interference can increase the costs of M&A transactions in India, as companies may need to spend more time and money on legal and regulatory compliance.

**Reduced investor confidence:** External interference can reduce investor confidence in M&A transactions in India, as it can create uncertainty and unpredictability in the process.

**Reduced competitiveness:** External interference can reduce the competitiveness of Indian companies in the global M&A market, as it can make it more difficult and costly for them to participate in M&A transactions.

**Reduced economic growth:** If external interference makes it difficult for companies to participate in M&A transactions, it can reduce economic growth in India.

**Failure of the transaction:** In some cases, external interference can lead to the failure of a merger or acquisition if the parties are not able to reach an agreement or the regulatory process is not predictable.

However, it should be noted that external interference does not always lead to the failure of a merger or acquisition, it depends on the nature of the interference and the parties involved. Clear, transparent and predictable regulations, efficient dispute resolution mechanisms and proper communication can help to reduce the negative effects of external interference and ensure a smooth process.

28. Cultural issues in mergers and acquisitions, Deloitte, (August 26, 2023), <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/mergers-acquisitions/us-ma-consulting-cultural-issues-in-ma-010710.pdf>.



## HOW IS INVESTMENT BEING AFFECTED?

While tracing the impact of Government passed laws on Mergers & Acquisitions, it is important to consider the fact that the Government of India has reviewed the extant FDI policy for curbing opportunistic takeovers/acquisitions of Indian companies due to the COVID-19 pandemic and amended provisions of extant FDI policy as contained in Consolidated FDI Policy, 2017<sup>29</sup>. FDI from entities based out of Pakistan or Bangladesh were subject to government approval.

While the intention of the government behind this has been to “curb the opportunistic takeovers/acquisitions of Indian companies due to the current pandemic”, the primary intent is to stem any attempts by Chinese firms to take control of Indian firms which have been affected by COVID-19 related lockdowns. Presently, FDI applications seeking prior approval of the government may take anywhere between 6-10 months for approval. In case of sensitive sectors like defence, telecom, private security, information, broadcasting, and investments from China are subject to security clearance from the Ministry of Home Affairs which generally takes an additional two months.

## SUGGESTIONS & RECOMMENDATIONS

To mitigate the impact of external interference, companies should be proactive in engaging with stakeholders, including the government, labour unions, and the media. For example, companies can conduct public relations campaigns to educate the public about the benefits of the deal, and they can engage with labour unions to address concerns about job security and wages. Companies can also seek out legal counsel to navigate the regulatory landscape and anticipate potential roadblocks.

The mergers and acquisitions strengthen the economy as a whole, as these transactions improve products and services and fuel beneficial efficiencies and are the key of boosting the economy of a country and proper implementation of it without any unnecessary interference would really provide a substantial benefit to the overall economy as well.

This would be possible only if the whole process of Mergers and Acquisitions can be processed without much difficulty and tedious process of passing through the courts. The Mergers and Acquisitions in India generally should be allowed to pass after proper scrutiny and research by a specialised committee appointed by the NCLT for this purpose and shall not be awaited by the long-drawn court proceedings. The recommendations of the JJ Irani Report are of particular significance in this regard. The Report has recommended that legal recognition to ‘contractual merger’, i.e., mergers without the intervention of the court.

Other general suggestions would include:

**Develop clear and transparent rules and regulations:** Having clear and transparent rules and regulations in place can help to minimize external interference in M&A transactions<sup>30</sup>. This includes guidelines for the notification and review of cross-border M&A transactions, as well as rules for the protection of small shareholders and other stakeholders.

**Establish an independent regulatory body:** Setting up a dedicated M&A regulatory body can help to ensure that all transactions are reviewed and approved in a fair and impartial manner. This body should have the authority to review and approve M&A transactions, as well as the power to investigate and take action against any parties found to be engaging in illegal or unethical behaviour.

29. Nancysethia<sup>27</sup>, Impact Of Government Intervention On M&A, Legal Service India E-Journal, (August 27, 2023), <https://www.legalserviceindia.com/legal/article-8980-impact-of-government-intervention-on-m-a.html#:~:text=With%20some%20businesses%20shutting%20down,investments%20in%20businesses%20in%20India>.

30. Jeremy Parker, Four Key Tips to Ensure a Smooth M&A Integration Process, RTInsights, (August 28, 2023), <https://www.rtinsights.com/four-key-tips-to-ensure-a-smooth-ma-integration-process/>.

**Encourage alternative dispute resolution mechanisms:** Alternative dispute resolution mechanisms such as mediation and arbitration can help to resolve disputes related to M&A transactions in a timely and efficient manner, without the need for costly and time-consuming court proceedings.

**Promote transparency and disclosure:** Greater transparency and disclosure of information related to M&A transactions can help to increase investor confidence and reduce the potential for external interference. This includes providing detailed information on the financial and operational status of the companies involved, as well as the terms and conditions of the transaction.

**Continuously review and update the M&A framework:** The M&A framework in India should be continuously reviewed and updated to keep pace with global developments and best practices, in order to minimize external interference<sup>31</sup>.

**Increase domestic participation:** Encourage greater participation of domestic companies in M&A activities to promote economic growth and development.

**Address the concerns of small shareholders and other stakeholders:** Address the concerns of small shareholders and other stakeholders in M&A transactions to ensure their fair treatment.

**Provide tax incentives:** Provide tax incentives for companies involved in M&A transactions to encourage investment and economic growth.

## CONCLUSION

Many companies find that the best way to get ahead is to expand ownership boundaries through mergers and acquisitions. The common factors affecting the mergers are poor communication and integration, and cultural differences. If these issues are not addressed, it can be very difficult to make a merger or acquisition a success.

There must be right partner whom companies trust and the whole process thereby gets a lot easier and simple. Taking the experience from the previous mergers and acquisitions might be a good idea to cross the hurdles. Also, once the merger gets completed the work is not over as the main task of achieving the purpose of merger must also be satisfied which is acquired only through proper post-merger evaluations and management.

One of the major reasons for the increase in M&A activity in India can be attributed to the government's Make in India scheme, which has brought great benefits to domestic manufacturers as well as to their foreign partners who are willing to join hands in business. This is the reason why India is emerging as a top contender in attracting foreign investments in the business sector.

Mergers and Acquisitions are an effective tool to enjoy benefits of the advanced technical sector. It serves as a great way to attract financial resources of foreign businesses and coupled with the Indian manufacturers' deeper understanding of the local market, businesses are bound to boom with a wider network of customers and suppliers.

The biggest obstacle while successfully completing any Mergers and Acquisition is the long-drawn court procedures and on in certain circumstances, the government passed laws and notifications. In conclusion, the legal framework for M&A's must be easy and facilitative and not restrictive which would subsequently improve the overall scales of economy.

In conclusion, external interference in M&A deals in India is a significant concern for companies looking to do business in the country. However, with proper planning and engagement with stakeholders, companies can mitigate the impact of external interference and increase the chances of success for their M&A deals.

31. *Id.*