

Navigating Merger and Acquisition: A Detailed Analysis of the Concept and Comparative Study of the Merger And Aquisition Law with Regards to Different Countries

Yashi and Prof. (Dr.) Bodhisatva Acharya

LLM Candidate, ICFAI University, Dehradun, India¹

¹Asst. Professor, ICFAI University, Dehradun, India²

Abstract: Merger clearly refers to when two or more than two companies join to form a new venture. Here, all the combining companies are dissolved in a new entity that continues to operate further. It has been segregated into three different forms that are horizontal, vertical and conglomerate. Horizontal is the kind of merger that happens when two competitors combine and it causes firms to experience and increase in market power. Vertical mergers turn out to be a combination of the companies where the buyer and seller relationship are present. Since liberalization in India has begun, M&A is undergoing drastic change. The MRTP act and the other legislation also got amended that paved a way for the large businesses and the group including the foreign companies to take the route of M&A for the growth.

I. INTRODUCTION

Acting as a solution for business failure, corporate restructuring acts as a boon for the business world. At present in the business topography this turns out to be an important plan of action to step ahead in a complete competitive marketplace. This works as an action which is taken by a corporate entity for modifying its capital structure or the operations significantly as a result of acknowledgment of companies value to shareholders and the creditor. Merger and acquisition has its own point of contribution is the development of the corporate field. Talking about the global basis more than 30,000 acquisitions were done in the year 2004. The popularity kept on increasing and this phenomenon gave way to the early stages of development. In India the phenomenon of merger and acquisition was introduced in 1988. Many of the negotiable deals. There were many provisions which allowed it to get into the regulation of merger along with it there were many prohibitory provisions as well such as the MRTP Act of 1969. With this Act it was quite clear that the company or form has to go through a long procedure for getting the approval of merger to perform any action related to it.

There are many legal landscapes which are also involved in this whole process for the sound performance of the doing that will help the professional of the business to achieve the goal within the legal framework. While making a note were the changes in the corporate structure operation and the ownership of a company that are several strategies that need to be involved for the healthy functioning of the setup. When the business faces a tussle on the front end there should be assurance of the long term sustainability which can only be achieved through restructuring and reorganization.

1.1 RECENT MERGER AND ACQUISITION TRENDS

The corporate restructuring that upholds the merger and acquisition has undergone drastic changes if seen in the past 40 years. The extreme wave of merger clearly emerged in the era of 1980 where we could clearly witness fascinating and hostile deals and almost after a decade the international scope of merger started. Thereafter merger on a global landscape started filling the corporate ones but unfortunately it was hindered by the recession and the subprime crisis. It was a desperate need of economic recovery which was initially very slow but slowly it started pacing up with the merger and acquisition activity. Talking about the year 2013 and 2014 the volume of merger and acquisition continued on a much stronger basis which is yet followed.

The beckons of merger have truly been noticed over the past quarter of century and have become a quarter frequent task to witness. When it comes to the modern world there has been a considerable increase in this activity as it truly initiates the corporate strategies and impacts the finance. This particular field continues to evolve with time and the rules and the techniques also come into effect. The new method or trends that take over is inspired from its previous one but clearly comes up in a modified way of the mistake of the prior periods making sure about the current economic and financial condition. For instance the failure of the last Merger is kept in mind along with all the foolish transactions so that it is not repeated in the next. The activities belonging to merger and acquisition have also given fuel to academic research. The perfect time when the merger and acquisition was taking a new rise was the era of early 2000s which was soon after the collapse of the prime crisis. To become more strong during the period of 2003-2007. It spread globally thereafter and was not just restricted to the United States. There came a time of great recession in the year 2008 which resulted in the cancellation of a number of tales that were planned. Excluding the USA from the channel throughout these years Europe felt a great rise in the volume of M&A and reached a level with the deal volume that was something unusual.

The rebound then started in the year 2010 of the USA that became a little more stronger in the year 2011. The American market was usually strong but it was quite different from Europe which two deferred from the market of Hong Kong and China. There were many restrictions that were imposed on the merger and acquisition in China which inhibited deal volume from rising to the level that would naturally occur in a less controlled environment. Nevertheless, in the past few years China has seen a major increase in the M&A business that is one of the highest levels. The number of deals is also seeing arise in Hong Kong that can also be compared to South Korea and Taiwan.

The Indian business of merger and acquisition is also seeing growth. The economy of the nation continues to grow under the leadership of the Prime Minister Narendra Modi studying the demographic of the Indian economy clearly reflects the growth.

There are different ways through which the business can predict its growth which can be both organic and inorganic. The former can be counted among the traditional approach which is generally based on the figure of sale, the number of revenue and the profit margins but the latter can put up as an accelerated velocity which recognises the opportunities of the work culture today and other enterprises and eventually leads to make a change in the corporate entity. However with all of these set up it is not necessary that the business will showcase an ample growth as expected therefore to cope up with such failure and collapse it's very important to have a corporate restructure with all the strategies embedded to salvage the loss.

There can be different forms of restructuring such as contraction, that results in the reduction into the size of the firm and this takes place in the form of split off, Disinvestment, equity carve out and spin off. Secondly, change in ownership is one of the different structural changes which involves the control over the management of the firm or business through which time influence can be made. Thirdly, expansion results and the increase of the size of the business takes place in the form of merger, acquisition, tender offer or a joint. Therefore, corporate restructuring is a comprehensive process through which a company consolidates its business operation and strengthens its position for achieving short term and long term corporate objectives. Therefore it plays a major role in achieving the economies of scale, right size, reduction of operational cost, Global competitiveness and administrative cost.

This act to address challenges and also increase the value for the stakeholders. When different strategies are implemented to achieve a common goal. Therefore when a struggling company works to turn around their situation financially enabling the growth and expanding the value of shareholders. There are many ways of corporate restructuring like Merger and acquisition, legal restructuring, cost reduction, strategic alliance, joint venture, corporate takeover, recapitalization, and transfer of assets.

To understand the corporate restructure in a better way let's hop on to the case of **ion exchange India Ltd. In re (2001)** in this case it was said that the corporate restructure is a means through which the employed meet the challenges and the coming problem that confronts the business. The area of amalgamation and Merger has also evolved in terms of law and is recognised by the importance of court.

1.2 TERMINOLOGY

There is a difference between consolidation and Merger. Merger clearly refers to when two or more than two companies join to form a new venture. Here, all the combining companies are dissolved in a new entity that continues to operate further. Taking an example in 1986 a consolidation occurred between the computer manufacturer Burroughs and Sperry combined. Sighting a recent example of 2014 kindermorgan consolidated his large gas and oil empire. Talking about the consolidation is when the original company ceases to exist and their stockholder becomes the stockholder in a new company.

1.3 TYPES OF MERGER AND OTHER CRITERIAS

It has been segregated into three different forms that are horizontal, vertical and conglomerate. Horizontal is the kind of merger that happens when two competitors combine and it causes firms to experience and increase in market power. Vertical mergers turn out to be a combination of the companies where the buyer and seller relationship are present. The conglomerate merger occurred where the companies are not the competitors of one another and they do not share the relationship of a buyer in seller.

Merger Consideration: these are paid in several years and the transactions that are used can be the security, cash or combination of security and cash. The stock of the acquirer can be used during the security transaction that can be debentures; the stock can either be preferred or a common stock. These might be registered or can be freely traded on an organised exchange although the private transaction among an unlimited number of buyers such as institutional investors are permissible.

Merger Professionals: when a company decides towards or acquires another form it often goes to the accountant or the attorney to prepare the valuation report. When it comes to the smaller deals they usually are the business broker who represents the seller to the company and in case of the larger deals both the buyer and the seller can employ the investment bankers who provide a variation in their service.

Investment Bankers: The investment bankers play a crucial role during the M&A process; they are on the sell side or the buy side during the transaction. They play the role of assisting their client while developing their proposal that forms a deal structure. They perform the initial Communications with the representatives and form a valuation with their due diligence. While Consulting to the client they also developed the Memorandum of acquisition that may be distributed to the qualified and potential buyers.

Legal M&A advisors: There is a different legal environment which surrounds the merger and acquisition and therefore the attorneys have to play a crucial role to make a successful acquisition. The filing of with the security is an exchange commission may also need the guidance of an expert.

Corporate Restructuring: It refers to the asset set off. Companies which have acquired the firm and have developed the division through various activities or desire to sell part of a company may come from poor performance of a division. There are different forms of a corporate sell off with the divestitures being only kind.

1.4 DEAL STRUCTURE: ASSETS AND EQUITY DEAL

It turns out to be crucial for an acquisition or Merger deal to have the best structure for a continuous success as these transactions are quite compound in nature and having only one way strategy tends to favour only one party and not both. Therefore both of the parties need to consider their legal heads for taking any step forward who may consider the respect tax, legal and other business issues that craft a mutual benefit.

However, the choice of doing an asset deal usually has to do with how much the target is being sold. If the deal gets only align with the target business then usually an asset deal works the best. There are three different options that can be preferred when it comes to structure and acquisition or a Merger deal:

Stock Purchase: with this method the buyer gets to purchase the stock of the target companies from its stockholders. The target company on the other hand remains as it is and gets a new ownership. Representation and the warranties must be negotiated by the buyer as it concerns the business liabilities and the asset. Therefore, for ensuring an enhanced and accurate understanding of the target company it is necessary.

Asset Sale: when it comes to the buyer they purchased acid assuming the liability which is indicated during the purchase agreement. This structure is also used if the buyer consecutively wishes for acquiring a single business unit or a division in a company.

Merger: whenever two companies combine and form one legal entity and as a result the target company's stockholder receives a cash, buyer company's stock or a combination it tends to be called a Merger. Talking about the main factor of the merger it only requires a consent of the majority of the target company's stockholder.

1.5 CORPORATE RESTRUCTURING IN INDIA AS A POST GLOBAL FINANCIAL CRISIS

In order to enhance the financial and monetary environment of a business setup, corporate restructuring plays a major role. This is a first step towards a rearrangement of an organisation setup. Therefore, for the survival of the competitive environment in the industry, corporate restructuring is coming out as the biggest strategy to beat the global financial crisis. The corporate restructuring has been an elemental segment in the financial climate and the monetary policies in every corner of the world.

After the argument of the global financial crisis that happened between the years 2007-2008 which is also considered at the crisis that led to the economic depression it came as a need to revem the strategy for improvement of operation and Finance in the setup. Many companies found themselves at the world of breakdown as the phenomena of corporate restructuring came as redemption for protecting the same.

There is always a cloud that can leave the company struggling and in thrash but it is only the time to show critical leadership. As corporate restructuring gives a makeover to the business that reshapes the department, budget, assets making it ready for the upcoming waves. If the restructure is done in the right way then the company is clearly going to touch the new horizon.

Business comes as a ride of the ship where you have to suffer through all kinds of weather. There are certain reasons why you have to go towards a corporate restructure:

Industry Disruption: The new technology, innovation and the preference of the customer sometimes weaken the model of the business. The corporate restructuring allows the company to rebuild itself to meet the change that comes in the market.

Value Creation: When it comes to the strategic restructuring the companies become lean and efficient that eventually attracts the potential buyer and the investors. This process benefits the expansion of the sale.

Poor Performance: If the profit and the revenue are taking over, it bursts confidence, declining sales and the competitive disadvantage signal.

Catastrophic Events: The supply chain crisis, recession and the companies affected by any events. The winds of change blowing away tend to remain in the future storms.

The Indian corporate market is having drastic changes which also has an uncalled risk as India is an open economy. Therefore, the strategic dilemmas are also taking place which also comes with various reasons as, Low valuation of company, undoing flawed managerial decision, Investor pressure to deliver value to shareholder, market pressure to resolve the conflict, privatisation and disinvestment and regulatory changes. As Warren Buffet has rightly said 'risk comes from not knowing what you are doing' therefore the identification of potential targets with the due diligence and planning turns out really important.

The Indian economy market showed resilience to the global crisis of the economy that results in maintaining the highest growth rates in the world. India recorded a growth rate of around 6.7% in the year 2008-2009. This is 2.1% lower than the average growth rate of the last five years. One of the main chauffeurs of India's growth during the global economic crisis has been the service sector that finally accounted for 88% of the growth rate of the real gross domestic product (GDP) in 2008-2009. Talking about the service sector it grew at the rate of 9.3% as agriculture and industry recorded a steep decline in the growth rate. Restructuring enhances efficiency. This means the consolidation and the streamlining aims at the enhancement of efficiency. The improved company will be effective that will captivate the investor and the potential buyer.

There are various regulatory frameworks in relation to merger and amalgamations that come under purview of reconstruction. The companies Act 2013, Income tax act 1961, Listing Agreement, Indian Stamps Act 1899 and Competition Act 2002.

The act of 1956 clearly allows the consolidation of unfamiliar organizations and at the same time does not permit the opposite. In contrast the 2013 act presently allows the cross boundary consolidation where two consolidations unfamiliar organization into an Indian organization and consolidation of the Indian organization into an unfamiliar organization. The requirement of building a corporate restructuring emerges as the adjustment in the proprietorship design of an organization. This kind of change in an organization may be because of the consolidation, antagonistic financial condition, unfriendly change in business and take over. Restructuring can be understood with the two different views:

The very first one can be the microstructure in which can be identified with the speciality unit and clearly depend on the changes in the item blend.

The second one is the Macro restructuring which is identified with the exercises of the state that prompt speed and increase in the improvement of gathering of items area of the economy improvement of items which will be detrimental to others that builds intensity in the market worldwide.

The corporate restructuring can be differentiated into two three different parts that is expansion, contraction and corporate control.

Expansion	Contraction	Corporate Control
Amalgamation	Sell-off	Going Private
Absorption	Spin-off	Equity Buy Back
Tender offer	Splits-ups	Going public
Asset	Equity carve outs	Joint ventures
Acquisition	MBO & MBIs	

1.6 OBJECT OF STUDY

The business environment is changing with a rapid speed and there always has been a gush in the merger and acquisition. When it comes to India the M&A has emerged as an upshot. As it also gives way to defined issues that certainly need to be investigated.

The classic approach to corporate restructuring suggests that the primary objective of a restructuring programme should be to ensure the survival of the company by overcoming its financial crisis. The above mentioned primary objective of the restructuring process has dominated the subject literature for some time. This concept of corporate restructuring has been well known by Polish entrepreneurs since the end of last century. At that time, the concept of restructuring mostly concerned the narrow definition described above, based on a financial perspective which was focused on the restructuring of assets and liabilities, with a short-term planning horizon. It is fortunate that this concept of the restructuring process cannot be applied any longer, since it will not bring a company success, especially in dynamic and turbulent markets. First of all, the actual corporate objective has to be developed in different dimensions. A narrow financial approach to restructuring represented mostly by a downsizing strategy is not effective in relation to the long-term criteria.

1.7 RESEARCH METHODOLOGY

The present study of research uses a doctrinal research method which is prominently relied on the library based research of collection of data from the primary sources and secondary sources that involves case laws, international document articles, academic monographs, analysis of data, news articles, paper briefs and internet sources.

The research process began with an understanding of the concept of restructure and reorganization in a corporate setup and then it's need and implementation in the Indian framework identifying its causes, effect and process.

This study uses a doctrinal approach that allows in depth analysis of all the primary and secondary materials available. The case study approach also examines significant Landmark cases that are related to the corporate restructure. Thereafter, it initiates a deeper understanding and the role of legal landscape in it. The proposed research methodology is designed in a systematic process. It begins with the identification and selection of the relevant cases through purposive sampling. Data will be collected through the deep research of primary and secondary sources of data. A content analysis approach will be applied to the data. The validity and reliability will be ensured by following a structured research pattern the finding will be evaluated against documented legal cases, statutes and various laws that are made.

HISTORY OF MERGERS

When it comes to finance, Acquisition and Merger there is less attention paid to the history of the field rather the focus usually goes on the latest innovation and the developments in this field. This whole concept moreover comes from the United States and it has clearly influenced and inspired this to be followed by other existing capable nations as well. There were many failed deals which occurred in the earlier basis but also has been repeated at the later stages and this is precisely because the heed has not been paid to history. The market also tends to have a short memory therefore, the pattern of the flawed merger and acquisition tends to re-occur and it is for that very reason the awareness about the history of this field will truly fill the gap about the type of deal that have been problematic in the past and could be in the future as well.

Merger and acquisition has its own point of contribution is the development of the corporate field. Talking about the global basis more than 30,000 acquisitions were done in the year 2004. The popularity kept on increasing and this phenomenon gave way to the early stages of development. In India the phenomenon of merger and acquisition was introduced in 1988. Many of the negotiable deals. There were many provisions which allowed it to get into the regulation of merger along with it there were many prohibitory provisions as well such as the MRTP Act of 1969. With this Act it was quite clear that the company or form has to go through a long procedure for getting the approval of merger to perform any action related to it.

During 1988 the Indian corporate world experienced one of the largest acquisitions or mergers of the company. The escorts Ltd acquired DCM Limited and it is an unfriendly takeover that the world has ever witnessed. Post world War two, these two have been a prominent tool for the industrial sector. During the time of the war many of the businessmen from India amassed the income from black money, high profit that caused infiltration of businessmen in the industry. There were many regulatory changes and the economic reforms which have always been a prominent reason for uplifting the merger and acquisition in India.

2.1 MERGER WAVES

The combination of economic activities are being regulated by the coming of the merger waves; it leads to economic expansion and also motivates the companies for the expansion. Through M&A you can face a speed up expansion. There are different layers of merger activity which have been called as merger waves that have taken place in history. The Indian Enterprises were under strict control during the 1990s and all of this contributed to the haphazard situation and growth of the corporate enterprises during that period. It was the time when the reform was needed at its utmost. Therefore, in the year 1991 the government initiated and influenced the functioning and governance of the Indian enterprises that resulted in adoption of different strategies for expansion. In all of the strategies that included, merger and acquisition became the most common phenomena. Though, it was not new to the economy of India and talking about the earlier past the corporate enterprises also focused on the share Global competitiveness competence and consolidation. That process was now re-focused and it added fuel in making the process a little hasetend for the arrival of foreign competitors.

Liberalization Era (1990): the Indian economic era of early 1900 that was filled with liberalization and clearly led to the merger and acquisition activity as the government was lenient on the restriction of foreign investment and privatized their own held enterprises. This era witnessed many of the significant mergers from the sectors of manufacturing, telecommunication and banking as the companies became more competitive in the open environment.

Boom of IT and telecom(1900-2000): it was the time of late 1990 and early 2000 when the merger wave brought about a rapid change in the information and technology industry and sectors related to the telecommunication the company sort to expand the presence of market and acquired new technology for achieving the economy of sale in response to increase competition and Changing of the consumer demand.

Real estate and Infrastructure(2000): In the mid 2000 India was experiencing a merger wave in the real estate sector. The infrastructure was booming and the government clearly focused on industrialisation, urbanization and the development in the infrastructure. The companies capitalized themselves as the demands increased for commercial real estate and the urban services.

Financial service consolidation(2000-2010): it was the time of late 2000 and early 2010 when the world witnessed a consolidation of the financial sector that was particularly related to insurance and banking. There were many regulatory reforms that encouraged the expansion of the financial institution. The acquisition and Merger were driven by the need for achieving the economies of scale that enhance the market share and complied with the regulatory requirement.

E commerce and technology(2010): Rapid growth game was seen in the field of startups. Digital Innovation and Technology during the period and there were a large amount of merger and acquisition that happened in the field of software, food delivery, E-Commerce, fintech, where the company expanded their market presence for acquiring the new technology gaining a competitive edge in the digital economy.

Consolidation in Traditional industries(Ongoing): Talking about the present year, India witnessed major transition in terms of these activities sectors like manufacturing, banking, telecommunication and the companies as such streamline their operation improving the efficiency and strengthening the position in market all of this increased the regulatory landscape.

2.2 MERGER AND ACQUISITION IN INDIA

India has clearly witnessed some of the crucial merger and acquisition activity across various sectors that is driven by market consolidation, regulatory reform, globalization and economic growth. M&A has played a key role in alteration of the industrial sector since the point of the Second World War. The political and the economic conditions during the pre-war period and the post war period gave a cluster of M&A. The situation of the war time also enabled many of the businessmen of India to stockpile their income by way of higher profit, black money and the dividend (Kothari 1967). All of this process led to the wholesale infiltration of businessmen in the industry during the World War period that gave rise to a hectic activity in the stock exchanges. There was a huge grace and the Businessman wanted to have control over the industrial units in spite of having or paying price for the share. It was an open economy back then and the practice of the concerned share of the managic agency that had a view to acquire control in the management and the establishment of the reputed companies was light. There were two methods which were prominent for acquiring control over the management: the first was acquiring ownership of the companies and the second was acquiring control over the management agency.

After the second world war the picture for India getting Independence became very clear and the managing agencies that were controlled by the britishers started liquidating gradually with a fabulous price that was offered to the Indian Business community. When it comes about the history of the legacy of M&A in India, the period during world war 2 cannot be ignored. As the industries like banking, cotton textile, sugar, jute electricity and tea-plantation suffered a large number of M&A. During the early independence period the big government policies and regulation of the 1960s and the 70s seriously discouraged M&A. These did not impact or regulate M&A in any way as there were many combinations that occurred. The formation of LIC (Life Insurance Corporation) and its nationalization business in the year 1956 clearly resulted in the takeover of almost 243 insurance companies and the similar development also accompanied the general insurance business. Not just the LIC but the NTC (National Textile Corporation) also took over many of the sick textile industry units.

There are several Trends that has clearly emerged in the merger and acquisition landscape of India:

Consolidation in traditional industries: the telecommunications banking Pharmaceuticals are some of those technical sectors who have seen a greater number of consolidation through M&A activity. Several mergers have been organized in banking by the government for strengthening the financial sector and to address the non performing assets.

Therefore, it proves quite beneficial at times when it comes to the market of telecommunication. This industry has also given way to several mergers for increasing market share and enhancing competitiveness.

Foreign Investment: India has always been that market where foreign investments come at a larger rate as everyone wants to invest here seeing the growth and the opportunity. The foreign direct investment has also increased in recent years and M&A deals have also involved many of the companies from outside to gain good access and expand their footprint globally.

Strategic Partners and the Joint venture: the Indian companies have already seen many of the partnerships and the alliances for the achievement of business objectives. Henceforth, the collaborations have also allowed the company to share the risk and access to the new market complimenting the strength and the resource in an effective way.

Regulatory Environment: the Indian regulatory landscape has played a crucial role and shaped up the merger and acquisition activity. There are many regulatory reforms and the process that has simplified and made an ease on the restriction on the foreign investment that clearly promoted the ease of doing business making a conducive environment for the merger transactions.

Emphasis on ESG: ESG stands for environmental, social and governance therefore these are the considerations that should be kept in mind while you are in a path to make a M&A transaction in India. The companies clearly evaluate the target based on their potential and financial performance and sustainability practices to give a social impact.

Digital and technology: There should be a great focus kept on the digital and Technology driven deals in India. The companies which are acquiring the digital forms and the technology will start up have a capability in the area like fintech, health care, software development and E-Commerce. Therefore, the first page adoption of the services and the push of the government for Digital transformation initiative fuels the trend even more.

2.3 RECENT DEVELOPMENT IN MERGER AND ACQUISITION

Since liberalization in India has beg, M&A is undergoing drastic change. The MRTP act and the other legislation also got amended that paved a way for the large businesses and the group including the foreign companies to take the route of M&A for the growth. The SEBI (substantial acquisition of shares) and take over regulations of 1994 and 1997 also got notified and the decision that came from the government allowed the companies to buyback the shares through an ordinance of the promulgation and all these developments have greatly influence the market for the corporate control of India.

The strategy of merger and acquisition also influenced many of the corporate groups like Manu Chhabria and Vijay Mallya, which resulted in the expansion of the Empire in India during the 80's. Talking about the post liberalization period Hindustan Unilever Limited also embedded M&A strategy for growth. The Ajay Piramal group is entirely built by the merger and acquisition. When it comes to the South, Murugappa group has built their entire empire by employing M&A day in their master plan. Therefore M&A has happened in almost every sector of the industry no matter its big or small. In fact, Tata group, Reliance Group, Birla group have also engaged themselves in many of the big deals.

The market of merger and acquisition has entered a completely New Phase this year and it will surely differ in the upcoming years as well. The dealing making activity that has been followed in the year 2020 has seen a record breaking trend in the next year. There is a completely different condition when it comes to 2024. There are many variations of sectors where the merger and acquisition has completely rebounded and started to be followed in the industries such as Pharma, technology and energy. The recent financial market has been impoverished. It provides a clear back drop of the healthier merger and acquisition market. There has been a repeat number of hikes in the rate of interest from the past two years, but the financial environment has become even more stable and it has not become easy to make deals planned.

Keeping your eye in the realm of the acquisition and Merger and increasing your focus on the digital transformation and the technology tremendels is always going to benefit you. If you are a company and looking for the opportunities that help you acquire the startups related to technology and the digital forms which will enhance your capability related to the cyber security data analytics intelligence in the cloud Computing then the recent trend of merger and acquisition is of great help. This trend has acted as a catalyst for the rapid digitalization that is clearly up-front after the covid 19 pandemic hit. Sustainability of the environment has become one of the important considerations and the factors that

need to be considered while taking the decision which is related to M&A. The merger and acquisition deals are increasingly being scrutinized not only for the viability of finance but also for the alignment of the broader sustainable goal.

The regulatory changes, political tension impact the landscape of aims at a greater height. The sanctions create a speed and the investment that is coming from foreign also influence the deal related to strategies and potentially alter the geography of the activities overall. There is always a strategy that is growing and pays emphasis on the partnership and the alliance as an alternative or complements to the traditional M&A transaction. Rather than the outright acquisition companies form the strategic alliance joint venture for the partnership to have access to the new market share the resource and mitigate the risk these kinds of collaboration clearly allow the companies to liberate each other's strength while maintaining autonomy and flexibility.

This landscape continues to evolve and is a great response to technological advancement with an imperative of sustainability, geo political dynamic and shifting of the market condition. The companies are also adopting these strategies to capitalize on emerging opportunities and address emerging challenges in the pursuit of growth and competitiveness.

2.4 MERGER WAVES IN UNITED STATES

Mergers have always been a crucial interest in the United State. Most of the mergers have been influenced by the waves that kept on coming. It was the time between the years 1897-1904. The very first merger occurred after the time of depression that was your 1883 and it clearly pic between the years of 1899-1902.

The merger dynamically affected the mining and the industry of manufacturing and as per National Bureau of economic research industries of Petroleum, chemical, metal transportation, equipment and certain other industries experienced a great activity related to Merger. About two third of mergers were undertaken by these Industries during the period. By the end of 1909 around 100 largest corporations of the industrial unit controlled nearly 18 to 19% of the assets from all the Corporation. The first takeover battle began in 1868. It describes the conflict which is among the take over of the firm.

The second wave of merger consolidated many of the industries and this pattern was established as the second period of merger. When it comes to the USA , the economy developed and evolved at its peak after World War 1 as it provided the capital for investment for the security market. The anti trust environment was a way ahead strictly during the period of 1920 as it used to prevail during the first wave of merger. The government initially became troubled when an act was passed which reinforced the anti Monopoly provision of the Sherman act.

The third merger wave considerably started in 1965 and ended in 1969 which included a lot of merger activity. The third merger wave or the conglomerate merger period is relatively not common for the small firms as they target straight away the larger companies which are up for the acquisition process. The mergers that got involved in the third wave were basically involved in the formation of the conglomerates rather than being horizontal and the vertical Merger.

The fourth wave of merger emerged in the era of 1984 and ended by 1989. It took the page and slowed down a bit later. This merger wave was quite different from the last three mergers, the volume of the acquisition and Merger was greater in other industries. For instance, the oil industries experienced many mergers that clearly resulted in greater degree of concentration in that industry. The corporate raider also made a way into corporate finance and the main source of its income comes from the attempt to take over. There were many unique characteristics that were present in the fourth wave which include, the aggressive role of the investment banker, the increased sophistication of the takeover strategy, more aggressive use of the legal and political strategy and role of Deregulation. This wave of merger ended due to the mild recession that came in the period of 1990.

The fifth merger wave started in 1992 and remained till 2001. In this period many mergers and acquisitions happened somewhere of smaller size and somewhere of larger size. During this era the economy of the USA entered itself in the longest post expansion and the company started to throw their reaction and the demand for merger and acquisition increased. The economy that was expanding needed few adjustments to gain profitability. The markets of high level were difficult to understand at that point but the efforts were put on. There were many deals of profit that happened but the 1990 to 1991 was a period of recession where companies began to merge and expand once again at a quick rate and

in an efficient manner. The Deals that happened were not financed like the fourth Merger rather it resulted in heavy leveraged combinations.

After the end of the fifth wave of merger and acquisition the economy turned down a bit and there was a recession period of 8 months. The sixth wave started in 2004 and ended by 2007.

2.5 WHY DO FIRMS MERGE

One of the most prominent reasons why mergers happen is growth. There are many perspectives which are clearly related to the growth of the form and the four most is the internal growth. The merger and acquisition has always been a faster alternative that includes all the sources which are necessary to achieve the goal which is competitive. To acquire the new technology and expertise and to stand the change the industry is going through. It is very important to adapt to the transition and therefore AI comes into picture. AI has become the future now and Google has almost acquired over 25 artificial intelligence startups to range into the capability and be into the business more strongly. Economies of scale is also one of the crucial factors behind the merger motive. The large companies tend to have more cost saving than the smaller companies which can be pretty much seen in the airline industry where we can take the example of British Airway which has merged with a different airline group to conglomerate the airline and get control over the sky in a more dominant manner. To expand the share in the market and get over all the transactions the companies can have a constant look at where they are standing in the industry which is relative to their peers so that the share acquisitions are not far from the thought of any CEO. The best example would be the retail banks which are big enough and has become big through the process of acquisition and acquiring small banks which have given them power for things. Synergies which are more or less like a value creation, geographical diversification is also a huge value driver when it comes to merger and acquisition over the year. The idea behind all of this is there is no need to build a company from the beginning to acquire a revenue generating entity if you can already acquire a platform that can give you good growth through a small shift. Apart from all of this the cross selling is also a powerful way through which the revenue synergies can be delivered very well. Taxation is also surprisingly one area that is a good reason why merger and acquisition comes into picture and gives way to many of the financial opportunities that can be achieved.

2.6 INSTANCES OF M&A

Walt Disney Merger with ABC

One of the most crucial mergers and acquisitions was between Walt Disney and American Broadcasting Company which is widely known as ABC in 1995 and the value of the merger went up to 19 billion dollars. The Walt Disney company merged with ABC and came across to do a successful business later becoming a giant in it. Disney already has its great library when it comes to consuming content based on entertainment and on the other hand ABC has a great television market and capability of broadcasting. Therefore, Disney got to have a good profit and this Merger and reached a larger audience and on the other hand ABC also got the benefit from the rich library that Disney holds and the viewership and the revenue tend to increase even more.

Linkedin and Microsoft Merger

One of the most prominent mergers from the year 2016 that involved almost an asset of 26 billion is between Microsoft and LinkedIn which was a proper combination of Technology and productivity. The LinkedIn already has the user base in vast number that involved working professional and Microsoft on the other hand has the dynamic database therefore the merger was very seamless and the move was strategic that was strengthen to position Microsoft at a good enterprise software market.

RED HAT AND IBM MERGER

Year 2018 in world 34 billion dollar merger between IBM and Red Hat where the former is a multinational company that acquired Red Hat who is an app provider that leads in the open source software solution. The acquisition also had an aim to strengthen the cloud of IBM. This merger was done with an aim to provide business that was more comprehensive to IBM while when it comes to the experience that red had already had in the open source technology it

came to sort and as a catalyst to other AI strategies which enables the client for the modernisation of application and infrastructure.

2.7 BIGGEST ACQUISITION IN HISTORY

AOL AND TIME WARNER

The 2000 is a very famous merger of Time Warner and AOL. This deal therefore has been a prominent statute of example of how merger should not be conducted. As there was a huge difference in terms of culture of both the companies the media landscape suffered a huge downfall. This deal was regarded as something big in history but collapsed in 2009, almost after 9 years.

MANNESMANN AND VODAFONE

The largest acquisition of the Year 2000 was between Vodafone and mannesmann. It was a total asset of 2003 billion and Vodafone is already an operator based in United Kingdom who tended to acquire Management which is a German based industrial company and both of this has set a perfect example of how acquisition should be done because of this acquisition the Vodafone has already made a good footprint in the market becoming one of the largest operator and signing the mega deals in the company related to the mobile telecommunication. Therefore, there is no doubt that this has been one of the greatest and biggest acquisitions in history.

VODAFONE AND VERIZON

There have been many transactions between Verizon and Vodafone in the last 20 years. This deal was closed around 130 billion which Verizon paid to Vodafone. The time when this deal was closed is supposed to be one of the largest in history. Vodafone has got control over the wireless network that lasted for a decade and in the system of mobile network and such a busy market landscape. Considering the purview of Vodafone this acquisition did a lot in cutting the cost of the company and this business moved out to the second largest acquisition in the telecom sector.

UNITED TECHNOLOGIES AND RAYTHEON

One of the most traditional examples that could be set of merger and acquisition is United and Raytheon technology which has made an everlasting impact and this deal got closed in 2020. As per the Raytheon technologies the merger is the future of the upcoming industry of aerospace if you need to expand. After merging with the United technology the Raytheon got a wing in high temperature material for the jet engine and in the direction of an energy weapon. Talking about the current scenario, most of the investors seem to be disinterested as the share price is taking a great dip of around 25%.

EBay Acquiring Paypal

One of the prominent examples of vertical merger is that of eBay and PayPal. It turned out to be a great help for eBay to cater the online marketplace as it acquired PayPal that helped the user to transfer the money and generate payment on the app more easily. PayPal comes with an arena to transfer the payments therefore this deal became beneficial for both of them.

Monster and Coca Cola Deal

Coca Cola is already a recognized brand but it went through major transitions over the years. In the year 2015 it marketed itself as a brand that suffices thirst and provides energy and acquired its own stake in the energy drink called Monster which was already the second largest selling drink after Red Bull. Therefore, after the acceptance of this product line turned great that helped in building a brand portfolio.

MERGER OF ANDROID OF GOOGLE

Google has closed around hundreds of deals already but this deal of it coming together with Android seems to look for the interest in a great way. It was nearly 20 million years ago. This acquisition was done in 2005 for 50 million dollars. It was the time when for the first time Google looked upon this area of phone market for the first time.

**2.8 LATEST AND SUCCESSFUL MERGER AND ACQUISITION
FACEBOOK AND WHATSAPP ACQUISITION**

Facebook acquired WhatsApp in 2014 and the deal got sealed for 22 billion dollars. This clearly provided more potential to Facebook for flourishment and gave a much greater revenue and maximize profit.

CHARLES SCHWAB AND TD AMERITRADE MERGER

This merger was one of the long time trade generators and it happened in 2019. The stock prices increased considerably and reached a higher price on which the deal was told and announced. The company that got combined received a very strong online presence in this online industry.

TOP MERGER AND ACQUISITION TO BE KNOWN

BMO financial Group and bank of West (2021)

Walt Disney and 21 century Fox (2017)

Nvidia and Arm holding (2020)

Walt Disney and 21 century Fox.

Lionheart Acquisition Corp. and MSP Recovery (2021)