CHAPTER IX
AMALGAMATIONS AND ECONOMIC CONCENTRATION

After discussing the role of various institutions created for regulating amalgamations in India, we turn to the reasons given for amalgamations by various parties involved in these moves. It may be pointed out in the beginning that the reasons or objects of amalgamations cited in applications made to the various legal/quasi legal authorities are misleading to certain extent and deep down the motivations for mergers/acquisitions and takeovers may be different. We largely focus on the consequences of amalgamation for economic concentration of power and as such our study is limited to the orders passed by the Central Government, under Section 23 of MRTPA, 1969.

9.1. REASONS FOR AMALGAMATION.

We made a study of the various orders passed by the Central Government from 1971 onwards and in all, we have analysed 103 cases approved under Section 23 of MRTP Act. The responses on the basis of analyses of the orders have been grouped under various reasons for amalgamation in the table 9.1.
Table 9.1.

**Reasons For Amalgamations.**

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Reasons</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Expansion of capacity for economies of scale.</td>
<td>22</td>
</tr>
<tr>
<td>2.</td>
<td>Acquiring the Shares of MNC's.</td>
<td>20</td>
</tr>
<tr>
<td>3.</td>
<td>Diversification/Conglomerate Growth.</td>
<td>19</td>
</tr>
<tr>
<td>4.</td>
<td>Takeover of Sick Units for Tax Planning.</td>
<td>18</td>
</tr>
<tr>
<td>5.</td>
<td>Utilization of Compensation on Nationalisation.</td>
<td>17</td>
</tr>
<tr>
<td>6.</td>
<td>Concentric Diversification.</td>
<td>15</td>
</tr>
<tr>
<td>7.</td>
<td>Amalgamation for export promotion.</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>121*</td>
</tr>
</tbody>
</table>

*Note: The cases studied are only 103, in some cases multiple reasons for amalgamation have been taken into account.*
It may be noted from the table that the total of reasons for amalgamations is 121 rather than 103, i.e., it is more than the number of cases studied. In fact, it is very difficult to assign single reason for certain amalgamations. So some amalgamations have been classified as being taken up for more than one reasons. We discuss these reasons as per the frequency of classifications of reasons given in the table.

1. Expansion of capacity for economies of scale

In 22 cases, expansion of the manufacturing capacities for manufacturing a particular product has been mentioned as motivation for taking up amalgamations. It is contended that this will achieve a greater economy of production, larger production and better rationalisation. It is also maintained that combined business can be carried on more advantageously to combat the competition in the market. There is also a considerable reduction in the cost of management because management overheads get spread over larger number of units of production. In this context, we may observe that some of the amalgamations had the effect of creating product monopolies. A classical instance of this type being the product monopoly created in "threading tools" on the amalgamations of M/s. Forbes, Forbes Campbell & Co.
Ltd., M/s. Warrior (India) Ltd. and M/s. Auto Accessories (India) Limited. All these companies, ultimately, came under the control of TATA (Sons) Pvt. Ltd., the holding company of TATA group. In this context, the authorities of Company Law and Industrial Licensing Enquiry Committee have been quoted to buttress the case of those applying for the amalgamations, yet the fact remains that such amalgamations may not lead to creation of country-wide monopolies but these do lead to the creation of product monopolies. Various takeover exercises of Hindustan Levers to bring under their control manufacturing facilities controlled by diverse corporate entities can also be cited as an example of this type of merger/takeover. The amalgamation of Mahindra and Mahindra Limited with International Tractor Company can also be categorised under the same head of amalgamations, as far as the reasons prompting these moves are concerned.

In nutshell, it can be stated that despite the claims to the contrary in the MRT PA, 1969, the orders under Section 23 proved that Central Government has aided the creation of product monopolies in various product lines. Sometimes, detailed report of MRTPC have also not been asked for. However, any business management expert shall maintain that since growth is
synonymous with survival of expansion of capacity by creating new manufacturing facilities or by acquiring the existing manufacturing facilities, this type of amalgamations is the legitimate pursuit of all forward looking corporate entities.

2. Acquiring the Shares of Multinationals.

With the pronouncement of 1956 Industrial Policy Resolution, the Western multinationals operating in India had assumed that the industrial climate in India is hostile to the foreign investments. Later, a more express statement of diluting foreign interests in Indian industry were made in the FERA, 1973. After 1973, we watch a wave of disinvestments by the foreign equity holders to their Indian counterparts in various corporations, which have been set up either on the basis of foreign technology or foreign investments. A classical example of this is disinvestment of foreign equities of Lipton India, a subsidiary of Unilevers. The approval granted in the matter of amalgamation of M/s. Lipton (India) Ltd., M/s. Campbell & Co. (South India) Ltd. and M/s. Lipton Tea (India) Limited shows the pattern in which the non-resident interests diluted their equity interest to 40 per cent. Lipton Tea (India) Limited was going to have a paid up capital of Rs. 400 lakhs under this arrangement, out of which the
holding of non-residents, i.e., Unilevers, U.K. was to be restricted to Rs. 160 lakhs. The subsequent arrangements worked between Hindustan Levers and Lipton Tea (India) Limited show that the Indianisation proposals of Government of India were dealt with very efficiently by the Anglo-Dutch conglomerate. It is interesting to note that the major gainers of the disinvestments by the multinationals were the big business in India. Thapars availed of this opportunity to such an extent that they acquired the number four position in the big business houses of India and are still maintaining the rank. In all, in 20 per cent of the cases we have watched that these provisions of Foreign Exchange Regulation Act, 1973 have been availed of by the Indian corporate interests to further consolidate their hold on the private corporate sector. Of late, this process has been reversed and many Indians who acquired their wealth in their non-resident status by acquiring control of some established business groups. The case of Swaraj Paul's attempt to takeover D.C.M. and Escorts was a manifestation of this reversal of roles where the Indian big business have been on the receiving end of amalgamation moves.

3. Diversification/Conglomerate Growth:

In 19 per cent of the cases studied for the companies registered under MRTPA 1969, the amalgamations
have been taken up to add new product lines or diversify into unrelated activities of business. The example of Modis and Goenkas entering the Tyre business are recent examples of such diversification ventures. The entry of Thapars into Fisheries business was one of the cases of conglomerate growth noted in early 70's. Greaves Cotton and Company Limited took over M/s. New India Fisheries Limited by acquiring 55 per cent of the capital in the company in 1973. Karam Chand Thapars, (Coal Sales) Company invested in sugar mills under this drive for diversification/conglomerate growth.

It may be noted, in this context, that such exercises are taken up solely on management/financial considerations and do result in increasing the country-wide hold of big business in India without having any technological explanation for planning such growth. MRTPa, 1969 has failed to check the growth of concentration of economic power in this limited area of amalgamations. Amalgamations of this type can be cited as the most unhealthy nexus between business and politics in India.

4. Takeover of Sick Units for Tax Planning.

The takeover of sick units has been the practice with the Indian corporations, right since the managing agency system appeared on the scene. The
resultant effect of these amalgamations is that unabsorbed depreciation losses and development benefits of transferor company are availed of by the transferee company. Seeing the increasing incidence of sickness in Indian industry, the Government of India has come up with fresh guidelines, which were promulgated, initially, in October 1977 and made more attractive in February 1981. A specified authority has been created to grant concession from income tax and use of development rebate for the companies which takeover sick units. Various tax concessions on merger have been announced.

In order to harness the available financial and managerial resources of healthy units for revival of sick units, Government announced in 1977 a scheme of tax benefit which is available when healthy units takeover sick units by amalgamation with a view to reviving the latter. Section 72A was inserted in the Income Tax Act by which the accumulated business loss and unabsorbed depreciation allowance of the amalgamated company can be absorbed by the transferor company if the requirements of the Section are satisfied. Government received 51 effective applications during 1978-1981. Taking into account the magnitude of the sick industries, the scheme cannot be said to have been as popular as
was expected. Various factors can be responsible for it, an important one being the time required to go through the procedures for amalgamation. Time element is of crucial importance to sick units, as the magnitude of sickness can increase considerably between the time the amalgamation scheme is conceived and by the time the amalgamation is actually effected. Generally, this time has varied between one to four years, depending on various factors, among which objective of the amalgamation is very important. The following objectives may be noted in this context:

"(i) If a company is implementing a project involving considerable risk, it may initially set up a subsidiary for the purpose. After the project has been implemented and the subsidiary has stabilised at a profitable level, the two companies may then find it desirable to amalgamate with a view to saving on the overheads and marketing costs.  

(ii) If the subsidiary is found a losing concern but the losses are relatively much less than the profits earned by the holding company, the two may propose to amalgamate with a view to reducing income tax liability
of the resulting company on the one hand, and reducing the overhead costs on the other.

(iii) MRTP companies cannot diversify to industries outside the appendix 'I' of the 1973 Industrial Policy Resolution. MRTP companies can, however, enter into the non appendix 'I' fields if they are able to amalgamate a company manufacturing non appendix 'I' item.

(iv) Similar considerations are relevant for FERA companies.

(v) Some of the mergers are on account of various commercial considerations. 

If the proposal is to merge a subsidiary with a holding company, normally there are no dissants and the amalgamation goes through quickly. If an MRTP company is proposing merger of another company with a view to expanding its activities or to diversify to other fields, it is normally prepared to offer attractive terms to the amalgamating company's members and creditors. Such amalgamations can go through rather quickly, except when the controlling group in the MRTP company is not able to take the other members
along with it. There may also be delay when the proposal does not satisfy conditions required under the MRTF Act or FERA.

Apart from the time factor, there have been some specific issues that have arisen in the context of provision of tax benefit under Section 72A of the Income Tax Act. The following may be mentioned in particular:

"(i) Definition of amalgamation requires that at least 9/10th of the shareholders of the amalgamating company, in terms of value, other than the amalgamated company or its nominees, should become shareholders of the amalgamated company subsequent on amalgamation. This requires that if any large house, or a foreign collaborator, or a promoter owns more than 10 per cent shares in the amalgamating company, they will have necessarily to be issued shares by the amalgamated company and cannot be paid in cash. Some of the amalgamated companies hesitate to issue shares to such parties.

(ii) Definition of amalgamation also requires that all the liabilities of the amalgamating company should be taken over by the amalgamated
company. Thus if banks and financial institutions agree to write off some of the liabilities of the amalgamating company with a view to giving additional incentive for amalgamation, will not be eligible for consideration under the Income Tax Act.

(iii) View on financial non-viability of the amalgamating company has necessarily to be subjective in nature. In some cases financial non-viability is of temporary nature, and in other cases it is due to the initial teething troubles of a new project. Certain amalgamating companies are really sick, but still the amalgamation schemes provide for exchange ratio of 1:1.

(iv) Unless a company transacts business in an assessment year its business losses do not get carried forward. Thus if a sick unit is closed for a number of years and the owning company has no other business, the approval of amalgamation under the Income Tax Act is of no avail as there is no accumulated business loss which can be carried forward to the amalgamated company.
(v) When the MRTP amalgamated company is taking over a sick unit manufacturing a non-appendix 'I' item, it creates problems vis-a-vis the industrial licensing-cum-MRTP policy. Magnitude of the problem increases considerably if the amalgamating company is manufacturing an item reserved for small scale sector.

(vi) If the amalgamation has been approved under sub-Section (3) and considerable time has elapsed till amalgamation has been effected through High Court procedures, the conditions some times change materially requiring a fresh examination when application is submitted under sub Section (1). In one case the date of amalgamation was postponed and in the meanwhile the amalgamated company was revived. Thus tax benefit was not available under the new circumstances even though revival might be as a result of amalgamation.

(vii) Unprovided depreciation and the unabsorbed business loss of the amalgamating company can be carried forward only after the
Specified Authority has been a certificate that steps for revival have been taken by the amalgamated company. More often the steps for revival have been taken by the amalgamated company. More often the steps for revival are not as per the scheme earlier submitted to and approved by the Specified Authority. This creates complications. Special reference may be made to the overdues of banks and financial institutions repayment of which is a part of the revival scheme. Quite often the banks and financial institutions agree to re-schedule such overdue loans at much more favourable terms as compared to the scheme submitted by the amalgamated company to the Specified Authority, and convert scheme by which irregular portion was to be regularised by cash payment. This amounts to non-compliance in terms of the approved scheme and creates difficulties in grant of a certificate. Non disclosure of the approved scheme by the amalgamated companies while seeking concessions from the financial institutions might be responsible for this.\(^2\)

A large number of cases were reported by the MRTPC, about takeover of sick units. In 1977 Duncans
Agro Industries Limited acquired a cigarette factory from National Tobacco Company of India on the plea of saving Indian company from the competition of foreign companies in cigarette industry. Scindias acquired a large number of shipping companies under the same plea of nursing sick units to turn the amalgamated corporate entity M/s. Scindia Navigation Company Limited into a viable corporate entity reaping economies of scale. The amalgamation of large number of tea gardens is also a case of this type.

5. Utilization of Compensation on Nationalisation.

From time to time Government of India has nationalised banks and other corporate entities by paying suitable compensation to the private shareholders. These banks initially were inter-connected undertakings of certain established business groups. On receiving the compensation the owners of the business house allotted shares to the Bank shareholders in one of their flag companies. The exercise was normally named as merger. For example, Union Bank of India Limited merged with Mahindra and Mahindra Limited vide the order of Central Government dated 4th March 1972. The arrangement worked out was as follows:

"One equity share of Rs.10/- of M & M was allotted in exchange for 2 shares of Rs.5/-
in UBI. In addition, a convertible bound of Rs.6/- was issued by M & M for every 2 shares of the bank. The bound carried an interest of 8 per cent per annum and was convertible at the end of 5 years."

Almost every big business house in India had to take up this kind of merger. Similar exercises have also been taken up in the case of takeover of Coal and Textile Industries from time to time. At least, these types of mergers in 17 cases were subject to the orders of Central Government under Section 23 of MRTPA, 1969.

6. Concentric Diversification.

The considerations regarding the supply of raw materials, use of end products and use of existing technological competence for completing the product line or for developing new products are the most legitimate reason for amalgamations. As we observed in the case of TISCO, the users of TATA Steel like Indian Tube Company and Tinplate Company, ultimately amalgamated into the raw materials supplying company TISCO. Similar cases of bringing the forward or backward linkages of the business of the company under the control of same management can be cited. Acquisition
by Duncan Brothers of Birpara Tea Company, takeover of various sugar companies by the distilleries are the cases of controlling forward linkages of business. Similar is the case of merger of M/s. Khatau Holdings, Private Limited and M/s. Khatau International Private Limited. By bringing the suppliers of raw materials and users of end products, the company can overcome the inventory problem resulting from shortage of raw materials or the vagaries of market. However, the scheme of amalgamation of M/s. TATA Fison Industries Limited, Bombay with M/s. Pallis India Limited, Bombay is a case of different genre. Completing the product line in terms of supplying the farmers a kit of fertilizers, pesticides and weedicides was object of this merger. Sometimes, one company was supplying technology to another and later took over the company which till that particular point was receiving only technological knowhow. These takeovers are prompted by the fact that the receiver of technology is not able to utilize it to generate profits enough to carry on business independently. The amalgamation of M/s. India Carbon Limited to acquire 50 per cent equity capital of a new company proposed to be incorporated with the name of M/s. Amines and Plasticizers Limited is a case of this type.
8. Amalgamations for Export Promotion:

The large business houses in India have considerable experience in taking up exports of various items. These also make use of the import-replenishment arrangements offered as a package for boosting Indian exports. With the recent balance of payment crisis, apart from inviting the NRI's investments in India, amalgamations are allowed in the name of promoting exports. At least 10 cases of export promotion have been reported in the amalgamation bids we studied. Export promotion was usually the additional reason given for allowing amalgamation proposals by most of the applicants. Macneill & Barry Limited amalgamated with Williamson Magor & Co. Ltd. on this plea. Similar was the case with amalgamation of M/s. Sahyadri Dyestuffs and Chemicals Ltd. and M/s. Mafatlal Industries Limited. In recent times, the Government has favoured the takeover bids of Chhabrias, considering the fact that they have an international network of trading companies and shall help the Indian companies taken over by them in exporting more. Hindustan Levers has also escaped the provisions of FERA 1973 through its reconstruction on somewhat similar plea of being in hi-tech field of activity especially meant for taking up manufacturing
for exports. In the times to come, we may watch more companies proposing amalgamations with export promotion as the sole consideration. Export houses run independently by the business may be attached to the manufacturing companies or independent exporting business may be allowed to be taken over by some flag companies of these business houses. The scare of the Indian industrial climate among the managers of multinationals may also vanish and these companies shall also be prompted to expand their business empires through amalgamations.

9.2. **Amalgamations and Concentration of Economic Power.**

A study of an impact of amalgamations can be made on the basis of the orders passed by the Central Government under Section 23 of the MRTPA, 1969. The act originally applied to business undertakings having economic influence over business entities controlling more than 20 crores. The limits were revised to Rs. 100 crores in recent years. Out of the 77 orders passed by the Central Government till 1979, eight cases pertained to house of Thapars, four to house of L & T, 3 to house of J.K. Synthetics, Tatas and Mafatlals, 2 each to Scindias, Birlas and Duncan and Shaw Wallace groups. Besides, there were three cases
of British India Corporation and Macneill & Barry. 
As we have seen in the successful cases of amalgamation, 
TISCO has grown partly on account of amalgamations 
effected in 1980's. Similarly, Hindustan Levers has 
also taken over a large number of small undertakings. 
Only 6 of 77 cases were referred to MRTPC and out of 
these two amalgamation bids were foiled. But one of 
these which was initially rejected by MRTPC was approved 
by the Central Government. Out of the 77 proposals only 
7 were rejected and one was amended.

Housewise details of amalgamations approved 
by Central Government, based on sample study of large 
allogamations (ref. Table 9.2) shows that TATAs got 
approval for 4 cases involving control over 107.2 
crores, followed by Birlas who got approval for 3 
cases involving 51.72 crores and Thapars got approval 
for 7 cases involving 14.27 crores. We can thus 
maintain that the big business houses have been able 
to consolidate their empires using this strategy of 
growth. The major gainers of amalgamations are 
shown in Table 9.3.
Table 9.2

Amalgamation as a Strategy of Growth

Growth in Assets and Turnover of Business Houses (Rs. in Crores)

<table>
<thead>
<tr>
<th>Name of the House</th>
<th>1972</th>
<th>1980</th>
<th>1985</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rank</td>
<td>Assets</td>
<td>Turnover</td>
</tr>
<tr>
<td>Tatas</td>
<td>1</td>
<td>642</td>
<td>642</td>
</tr>
<tr>
<td>Thapars</td>
<td>5</td>
<td>136</td>
<td>155</td>
</tr>
<tr>
<td>Mafatlal</td>
<td>3</td>
<td>184</td>
<td>389</td>
</tr>
<tr>
<td>J.K.Singhania</td>
<td>4</td>
<td>121</td>
<td>121</td>
</tr>
<tr>
<td>Hindustan Lever</td>
<td>16</td>
<td>58</td>
<td>188</td>
</tr>
<tr>
<td>Mahindra &amp; Mahindra</td>
<td>15</td>
<td>58</td>
<td>58</td>
</tr>
<tr>
<td>Year</td>
<td>Transferor Company</td>
<td>Assets (In Lakhs)</td>
<td>Transferee Co.</td>
</tr>
<tr>
<td>------</td>
<td>------------------------------------</td>
<td>-------------------</td>
<td>---------------------------------------</td>
</tr>
<tr>
<td>1981</td>
<td>M/s. Hindustan Polymers Ltd.</td>
<td>970.46</td>
<td>M/s. McDowell &amp; Co. Ltd.</td>
</tr>
<tr>
<td></td>
<td>-do- M/s. Kalinga Tubes Ltd.</td>
<td>774.45</td>
<td>M/s. Indian Metal &amp; Fellow Alloys Ltd.</td>
</tr>
<tr>
<td>1982</td>
<td>M/s. Texmaco Co. Ltd.</td>
<td>3816.15</td>
<td>M/s. Birla Cotton &amp; Spinning &amp; Weaving Mills Ltd.</td>
</tr>
<tr>
<td>1983</td>
<td>M/s. Fallis India Ltd.</td>
<td>5736.30</td>
<td>M/s. Protein Products of India Ltd.</td>
</tr>
<tr>
<td></td>
<td>-do- M/s. Uttar Pradesh Steel Ltd.</td>
<td>205.50</td>
<td>M/s. Saraswati Industrial Syndicate Ltd.</td>
</tr>
<tr>
<td></td>
<td>-do- M/s. Indian Tool Manufactures Ltd.</td>
<td>1307.79</td>
<td>M/s. Zenith Steel Pipes &amp; Industries Ltd.</td>
</tr>
<tr>
<td>1984</td>
<td>M/s. Centron Industrial Alliance Ltd.</td>
<td>2295.03</td>
<td>M/s. Brooke Bond India Ltd.</td>
</tr>
<tr>
<td></td>
<td>-do- M/s. Utkal Machinery Ltd.</td>
<td>2949.11</td>
<td>M/s. Larsen &amp; Toubro Ltd.</td>
</tr>
<tr>
<td>1985</td>
<td>M/s. Karnataka Scooters Ltd.</td>
<td>402.68</td>
<td>M/s. Brooke Bond India Ltd.</td>
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<tr>
<td></td>
<td>-do- M/s. Reliance Textiles Industries Ltd.</td>
<td>11016.97</td>
<td>M/s. Union Carbide India Ltd.</td>
</tr>
<tr>
<td></td>
<td>-do- M/s. Modern India Construction Co. Ltd.</td>
<td>433.46</td>
<td>M/s. General Industrial Society Ltd.</td>
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<tr>
<td></td>
<td>-do- M/s. India Foils Ltd.</td>
<td>660.25</td>
<td>M/s. Metal Box India Ltd.</td>
</tr>
</tbody>
</table>

Sources: Company News & Notes.
In fact Thapars, especially their Ballarpur unit perfected the art of amalgamations. As a consequence of this strategy of growth they were able to expand their assets and turnover three-folds during the Seventies and subsequently rose to the level of third largest business group in India. In case of TISCO, we observe that the assets increased three times during the period 1981-87, and contribution of its amalgamation drives was not insignificant. Hindustan Levers too increased its turnover significantly during the Seventies (almost five times). However, through recent reconstruction in Unilever Companies, the sales of bulk items have been transferred to Liptons and thus, a reduction in turnover has taken place.

J.K. Singhanias were able to maintain their consistent 4th position even after the abolition of managing agency system. Similar is the case of Larsen and Toubro who have managed to stay in top twenty business houses, using amalgamations as their main growth strategy. Many authors like Rakesh Khurana have argued that MRTPC is turned into an ineffective forum as far as checking of economic concentration is concerned. Central Government has directly passed orders approving various amalgamation proposals from big business houses, which further confirms our earlier inference that the success/failure largely depends upon the patronage of state and state financed institutions.
While measuring the impact of amalgamations on concentration, it has to be observed that at company level, there may be growth in assets and turnover which can be directly attributed to mergers/takeovers, at house level, very significant changes have not been observed. In fact, the superstructure of managing agency system has been substituted with a wave of amalgamations. In fact, some of the mergers/acquisitions have been forced on the business houses by external circumstances like nationalisation of banks.

The old multinationals have disposed of their stakes to new category of investors, i.e., NRI's. These NRI's are the new tycoons emerging on the Indian corporate scene. As we have seen in cases involving NRI's, these investors have preferred to takeover well established companies in the Indian private sector and have not set up new companies. With their overseas resources flowing to India with the onset of world economic recession, we shall see the emergence of new NRI business groups in India. Some of the newly emerging Indian business houses like Reliance and Goenkas have also relied on this particular strategy of ensuring growth of their business empires.
Though the nominee directors of public financing institutions were a creation of commercial and financial dealings between these institutions and private sector, yet they can be used to exercise social control over various large private companies. Besides there are government nominees on the boards to oversee malpractices and frauds by the controlling groups of shareholders in various companies. ¹

If consortium approach among various financial institutions is used and a proportional representation commensurate with institutional shareholdings is secured on the board of directors, then the public nominees on the board can assert the goals of public policy forcefully in planning corporate growth. It has to be borne in mind that profitability and socially responsible behaviour by that corporations are not conflicting objectives of business. The nominees can assure that only those growth strategies and amalgamation moves are taken up or succeed which are in the interest of society at large. They can also promote inter-corporation economic relationships to prompt the healthy corporations in assisting sick ones.

A pool of professional managers should be created by the consortium to function as directors in various
With their own nominees ratifying amalgamation proposals, public agencies have no business in delaying the implementation of amalgamation schemes. Delays can be costly to the parties as well as the society, at large. However, the independent functioning of the nominee directors is hampered by the undue influence of big business houses on the functioning of Public Financing Institutions.
REFERENCES

1. Ahuja, P.K., Rehabilitation of Sick Units - Amalgamations and Mergers, New Delhi, Development Banking Centre, 1982.

2. Ibid.
