Chapter-VI

SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION
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CONCLUSION

Mergers and acquisitions have increased significantly in India in recent times. A number of established, recognized and published sources were used to collect the required data and analysis undertaken with well established methodologies. This chapter summarizes the major findings from this process of analysis and results and draws conclusions on the achievement of objective of creating shareholder wealth. We further provide suitable suggestion based on our findings and the direction for future research in the area.

Company-wise Findings and Suggestions

Summary of findings and suggestions of selected Tata group companies under study is discussed below.

Findings:

Tata Motors Company Limited

1. (A) It was found that the overall Profitability position of the company is not satisfactory to the present study. Operating profit margin was the highest figure 13.25% in the year 2004 and lowest figure 4.94% in 2001, compared to other years during the before merger. During after merger it was highest figure 11.40% in 2010 and lowest figure 6.71% in
the year 2009, after the merger of operating profit margin fluctuating
trend for the ten years period of the study. The result shown by paired
‘t’ test reveals that there is not significant at 5% level of significance in
the company for the period of pre and post merger. After merger
operating profit margin is not improved in the form of merger.

(B) Gross profit margin was the highest figure 10.32% in 2004, and
lowest negative figure -0.25% in the year 2001, pre merger period.
While after mergers it was the highest figure 8.47% in the year 2010
and the lowest figure 3.30% in 2009, compared to other years, after
mergers the financial performance of the company was decreased trend.
The result shown by paired ‘t’ test clears that the difference in Gross
profit margin was not significant at 5% level of significance and not
improved in the company after the merger.

(C) It was found that Net profit margin was the highest negative figure -
7.28% in the year 2001 and the lowest negative figure -0.84% in 2002.
While after merger it was the highest figure 7.35% in 2006 and the
lowest figure 3.77% in the year 2009, after mergers the financial
performance of company was mixed (increase and decrease) trend. The
result shown by paired ‘t’ test observed that the difference in Net profit
margin was not significant at 5% level of significance and not improved
in the company after the merger.
2. (A) It was found that the above analysis of liquidity ratios fluctuating trend year-to-year and the overall liquidity position of the company was not satisfactory to the present study.

(B) It was found that during the study period Current ratio of the company was highest 0.73 times in the year 2001 and the lowest 0.61 times in 2000, it is better compared to other years, before merger. After merger it was the highest figure 3.81 times in the year 2006, it shows that this is the acceptable current ratio and the lowest figure 0.91 times in 2007; it is less than acceptable ratio to the company after the merger. Post merger of current ratio was decreased trend during the period of the study. The result shown by paired ‘t’ test depicts that the difference in Current ratio was not significant at 5% level of significance and not improved in the company after the merger.

(C) Quick ratio was decreased trend during the pre merger period of the study, it was highest figure 0.45 times and the lowest figure 0.30 times, a company with a quick ratio of less than 1 cannot currently pay back its current liabilities. During the post merger of Quick ratio was increased trend, it was the highest figure 3.52 times in the year 2006, higher the ratio is better to the company, and lowest figure 0.57 times in 2007. The result shown by paired ‘t’ test depicts that the difference in
Quick ratio was not significant at 5% level of significance and not improved in the company after the merger.

3. It was found that Total risk (combined leverage) was Highest figure Rs.12.89 crore in the year 2000, it shows that high level of combined leverage shows the risk involved in the company as there are more fixed costs in the company, the lowest figure with (negative) Rs.-1.12 crore in 2001, before merger. During post merger it was highest figure Rs.2.60 crore in the year 2009 and the lowest figure Rs.1.43 crore in the year 2007, low combined leverage (total risk) would mean better for the company. The result shown by paired ‘t’ test reveals that the difference in Total risk (combined leverage) was not significant at 5% level of significance and not improved in the company after the merger, overall performance of the company was riskless for the period.

4. It also found that the Sustainable growth increased trend except two years, it was highest figure Rs.13.89% in the year 2004 and the lowest figure Rs.0% in 2001 & 2002 due to retention rate loses during the pre merger. During post merger it was the highest figure Rs.16.77% in 2007, a business grows too fast and then there might not be enough equity to sustain the growth and the lowest figure Rs.4.57% in 2010, a business grows too slow and then it may begin to become stagnate. The result shown by paired ‘t’ test reveals that the difference in Sustainable
growth was not significant at 5% level of significance and not improved in the company after the merger, overall performance of the company was not growth for the period.

5. From the analysis it was found that economic value addition it was the highest Rs.775.11 in 20004, positive EVA value might increase company values. In the year 2002, the figure of EVA was negative value Rs. -170.28 crore negative EVA values might decrease company values during the pre merger. During the post merger increased trend except one year i.e., 2009 lowest figure Rs. 870.24 crore. The result shown by paired ‘t’ test reveals that the difference in EVA was significant at 5% level of significance and improved in the company after the merger, overall performance of the company was good for the period.

6. It was found that the figure of MVA was Rs.22751.51 crore in 2004 being highest for the study period. The reason for better performance was improved customer service and better market condition. It was the lowest figure Rs.574.47 crore in the year 2002, this is not better to the company during the pre merger period of the study. During post merger of MVA the highest figure Rs.15844.77 crore in the year 2010, in the year 2007 the lowest with negative figure Rs.-943.60 crore, due to decline in market price of the share. The result shown by paired ‘t’ test
reveals that the difference in EVA was not significant at 5% level of
significance and not improved in the company after the merger, overall
performance of the company was not good for the period.

Tata Metaliks Company Limited

1. (A) It was found that the overall Profitability position of the company is
satisfactory, it was found that during pre acquisition period, Operating
profit margin it was the highest figure Rs. 37.2% in the year 2005,
higher the percentage is better compared to other years and the lowest
figure Rs. 19.95% in 2003. During post acquisition period it was
highest (negative) figure Rs. -12.11% in 2009 and the lowest figure Rs.
3.77% in the year 2011 lower the percentage is not better, pre
acquisition is better compared to post acquisition. Paired ‘t’ test for
operating profit margin showed that the difference in operating profit
margin of the company is significant at 5% level, it is improved and
overall performance of the company is good after the acquisition.

(B) It was found that Gross profit margin was the highest figure Rs.
37.49% in 2005, higher the gross profit margin is better, and the lowest
figure Rs. 2.48% in the year 2011 during the pre and post acquisition
period, Paired ‘t’ test for Gross profit margin showed that the difference
in operating profit margin of the company is significant at 5% level, it
is improved and change in the performance and better to the company.
(C) Net profit margin was found that increased trend up to last year in the pre acquisition period, the highest figure Rs.22.37% in the year 2005, higher net profit margin means that a company is more efficient at converting sales into actual profit and the lowest figure Rs.1.74% in 2011; it is better compared to other years. The result shown by paired ‘t’ test observed that the difference in Net profit margin was significant at 5% level of significance and improved in the company after the acquisition.

2. (A) It was found that mixed trend during the pre and post acquisition period of the study. Current ratio was highest figure Rs.1.45 times in the year 2001, the value is greater than 1, and it means the short term obligations are fully covered, and the lowest figure Rs. 0.65 times in the year 2009, current ratio below 1 shows critical liquidity problems because it means that total current liabilities exceed total current assets. Paired ‘t’ test for Current ratio showed that the current ratio of the company is significant at 5% level, it is improved and change in the performance and better to the company.

(B) Quick ratio was found that fluctuating trend throughout the period of the study; it was the highest figure Rs. 1.16 times in 2009, higher the quick ratio, the better the position of the company. The lowest figure Rs. 0.23 times in the year 2004, quick ratio of less than 1 cannot
currently pay back its current liabilities. The result shown by paired ‘t’ test depicts that the difference in Quick ratio was not significant at 5% level of significance and not improved and overall performance of the company was not good after the acquisition.

3. It was found that total risk (Combined leverage) decreased trend throughout the period of the study. The highest figure Rs. 2.65 crore in the year 2011, high level of risk is not good for the company and the lowest figure Rs. 0.67 crore in 2009, while low combined leverage would mean better for the company. Overall performance of the company is not good , Paired ‘t’ test for total risk (Combined leverage) showed the company is not significant at 5% level, it is not improved and no change in the performance and not better to the company.

4. Sustainable growth of the company mixed trend throughout the period of the study, the highest figure Rs.51.04% in the year 2010, higher the growth a company can potentially generate internally given its level of profitability. The lowest figure Rs.0% in the year 2009, it shows that no growth of the company. The result shown by paired ‘t’ test reveals that the difference in Sustainable growth was not significant at 5% level of significance and not improved in the company after the acquisition, overall performance of the company was not good during this period.
5. It was found that economic value addition of the company increased trend thereafter mixed trend throughout the period of the study. It was the highest with negative figure Rs. -151.16 crore it shows that the company should increase NOPAT through operational efficiency or decrease cost of capital employed through availing capital at lower cost or disinvesting the excess capital, the lowest figure Rs.8.10 crore in 2001. Paired ‘t’ test for economic value addition showed that the company was not significant at 5% level of significance, it is not improved and no change in the performance of the company.

6. Market value addition of the company fluctuating trend throughout the period of the study, the highest with negative figure Rs. -151.46 crore in the year 2008, due to decline in market price of the share and overall recession in market. The lowest figure Rs. 2.37 crore in the year 2005, due to depressed market value of share and followed by fall in market price of the share. The result shown by paired ‘t’ test reveals that the difference in market value addition was not significant at 5% level of significance and not improved in the company after the acquisition, overall performance of the company was not good for the period.
Tata Steel Company Limited

1. (A) It was found that the overall Profitability position of the company is not satisfactory. Operating profit margin of the company was found that the highest figure Rs.41.94% in the year 2008, and the lowest figure of Rs. 15.69% in 2002, during pre and post acquisition period and there was increased trend for the period of the study, increasing profits are the best indication that a company can pay dividends and that the share price will trend upward. The result shown by paired ‘t’ test depicts that the difference in Operating profit margin was not significant at 5% level of significance and not improved in the company after the acquisition, overall performance of the company was not good for the period.

(B) It was found that the gross profit margin of the company the highest figure Rs. 40.17% in 2005 and the lowest figure Rs. 7.76% in the year 2002, compared to other years and fluctuating trend during before and after acquisition period. Paired ‘t’ test for Gross profit margin showed the company was not significant at 5% level of significance, it is not improved and no change in the performance of the company.

(C) Net profit margin was found that the highest figure of Rs. 23.72% in 2005, and the lowest figure 2.78% in the year 2002 very low margin compared to other years, pre acquisitions are better compared to post
acquisition. The result shown by paired ‘t’ test observed that the difference in Net profit margin was not significant at 5% level of significance and no improved in the company after the acquisition.

2. (A) It was found that the current ratio mixed trend during the period of the study, the highest figure Rs. 3.81 times in the year 2008, the higher the current ratio, the more capable the company is of paying its obligations, and the lowest figure Rs. 0.61 times in the year 2002, below 1 shows critical liquidity problems because it means that total current liabilities exceed total current assets. Paired ‘t’ test for Current ratio showed that the company was not significant at 5% level of significance, it is not improved and no change in the performance of the company.

(B) Quick ratio was found that decreased and increased trend throughout the period of the study the highest figure Rs. 3.52 times in 2008, more than 1 indicates that most liquid assets of a business exceed its total debts and the lowest figure Rs. 0.30 times in the year 2006, less than one indicates that a business would not be able to repay all its debts by using its most liquid assets, post acquisition is better compared to pre acquisition. Paired ‘t’ test for Quick ratio showed that the company was not significant at 5% level of significance, overall performance of the company is not improved and not better.
3. It was found that the total risk (combined leverage) decreased and slightly increased the highest figure Rs. 4.77 crore in the year 2002, high level of combined leverage shows the risk involved in the company as there are more fixed costs in the company and the lowest figure Rs. 1.15 crore in the year 2005, low combined leverage would mean better for the company. The result shown by paired ‘t’ test depicts that the difference in total risk (combined leverage) was not significant at 5% level of significance and not improved in the company after the acquisition, overall performance of the company was not good for the period.

4. Sustainable growth of the company found that the highest figure Rs. 37.46% in 2005, the sustainable growth rate is a measure of how much a firm can grow without borrowing more money and the lowest figure Rs. 0.52% in the year 2002 during the pre and post acquisition period. Paired ‘t’ test for sustainable growth showed that the company was not significant at 5% level of significance, overall performance of the company is not improved and not better.

5. It was found that the acquisition of the economic value addition increased and decreased trend with positive value the highest figure Rs. 6378.87 crore in the year 2011, it is the value generated from funds invested in a business, and the lowest Rs. 159.29 crore in the year 2002,
the company added sufficient economic value which is in favour of the company, during pre and post acquisition period. The result shown by paired ‘t’ test depicts that the difference in economic value addition was significant at 5% level of significance and improved in the company after the acquisition, overall performance of the company was good for the period.

6. Market value addition found that increased trend with negative value the highest figure (negative) Rs. -42757.5 crore in the year 2012, and the lowest figure (negative) Rs. -898.19 in the year 2002, negative MVA means that the value of management's actions and investments are less than the value of the capital contributed to the company by the capital market (or that wealth and value have been destroyed). The result shown by paired ‘t’ test reveals that the difference in market value addition was significant at 5% level of significance and improved in the company after the acquisition, overall performance of the company was good for the period.

Tata Power Company Limited

1. (A) Operating profit margin was found that the highest figure of Rs.30.23% in the year 2004, A high operating profit margin means that the company has good cost control and/or that sales are increasing faster than costs, which is the optimal situation for the company and the
lowest figure Rs. 15.49% in 2009, it indicates that not desirable to the company. The result shown by paired ‘t’ test observed that the difference in operating profit margin was not significant at 5% level of significance and not improved in the company after the acquisition.

(B) It was found that the highest figure of operating profit margin Rs. 26.26% in the year 2004, a company with a high gross margin ratios mean that the company will have more money to pay operating expenses like salaries, utilities, and rent, and the lowest figure Rs. 10.64% in 2008, it reveals that low gross profit margin ratio means that the business generates a low level of revenue to pay for operating expenses and net profit. Paired ‘t’ test depicts that the difference in gross profit margin was significant at 5% level of significance and improved in the company after the acquisition, overall performance of the company was good for the period.

(C) Net profit margin found that the higher value Rs. 14.35% in the year 2008, higher the margin is the more effective the company is in converting revenue into actual profit. The lower value Rs. 11.72% in 2004, a low profit margin can indicate pricing strategy and/or the impact competition has on margins. The result shown by paired ‘t’ test observed that the difference in Net profit margin was not significant at
5% level of significance and not improved in the company after the acquisition.

2. (A) It was found that the current ratio of higher value Rs. 2.18 times in the year 2006, a high ratio indicates "safe" liquidity, but also it can be a signal that the company has problems getting paid on its receivable or have long inventory turnover, both symptoms that the company may not be efficiently using its current assets. The lower value Rs. 1.30 times in the year 2004, low values do not indicate a critical problem but should concern the management. Paired ‘t’ test depicts that the difference in current ratio was not significant at 5% level of significance and not improved in the company after the acquisition, overall performance of the company was not good.

(B) Quick ratio found that the higher value of Rs. 2.17 times in the year 2010, higher quick ratios are more favorable for companies because it shows there are more quick assets than current liabilities. The lower value of Rs. 1.10 times in the year 2004, lower quick ratios are may indicate that the company relies too much on inventory or other assets to pay its short-term liabilities. The result shown by paired ‘t’ test observed that the difference in quick ratio was not significant at 5% level of significance and not improved in the company after the acquisition.
3. It was found that the total risk (combined leverage) of higher value Rs. 2.10 crore in the year 2003, a high level of combined leverage shows the risk involved in the company as there are more fixed costs in the company, the lowest value of Rs. 1.45 crore in 2008, low combined leverage would mean better for the company. Paired ‘t’ test for total risk (combined leverage) showed that the company was not significant at 5% level of significance, it is not improved and no change in the performance of the company.

4. Sustainable growth found that the highest value of Rs. 8.41% in 2002, higher growth is not sustainable and, hence, there may be a substantial decline in growth ahead because the company is depleting its financial resources, and the lowest value of Rs. 4.28% in the year 2009, it indicate how fast a company can grow given its current profitability, dividend policy, and debt levels. The result shown by paired ‘t’ test observed that the difference in Sustainable growth was not significant at 5% level of significance and not improved in the company after the acquisition.

5. It was found that the economic value addition of highest figure Rs. 1048.16 crore in 2012, exceeded the target set for the year reason being the greater degree of operational efficiency and commitment on the part of employees and management. The lowest figure Rs. 420.77 in the
year 2002, due to dual effect of decrease in NOPAT and increase in cost of capital employed for the year. Paired ‘t’ test for economic value addition showed that the company was significant at 5% level of significance; it is improved in the performance of the company during the period.

6. Market value addition found that the higher with negative value Rs. -10240.50 crore in the year 2011, and lower value of Rs. 1260.59 crore in 2003, substantial decline in market value of the share and due to depressed market value of share, under the study period. The result shown by paired ‘t’ test observed that the difference in market value addition was significant at 5% level of significance and improved in the company after the acquisition.

**Suggestions:**

**Tata Motors company ltd.**

1. Profitability ratios are very essential for the company to make sufficient profits. The profitability of the company was very good after the merger, but before the merger it was fluctuated. So this company requires Increasing profits are the best indication that a company can pay dividends and that the share price will trend upward and concentrating on cost reduction system.
2. Liquidity ratios are declining trend throughout the period of the study. So, it suggests that this company should try to improve liquidity position because liquid ratios like current ratio and Quick ratios are too low and the company required improving its Quick ratio.

3. Total risk (Combined leverage) was fluctuating trend with negative value throughout the period of the study, so it suggests that company should try to reduce the total risk, because it is better understanding of the position of the company and minimizing the risks of the company.

4. Sustainable growth was mixed trend (increase and decrease) during the period of the study. So, it suggests that in order to grow faster, the company would have to invest more equity capital, increase its financial leverage or increase the target profit margin and the maximum growth rate that a firm can sustain without having to increase financial leverage.

5. Economic value addition was fluctuating with increased trend throughout the period of the study for that it suggests that the company should try to improve its EVA by controlling the cost of debt and positive value of EVA, so borrowing money increases value of the business.

6. Market value addition was increased trend with negative value for the period of the study, the company should focus on value added products and the company should focus on value added products and positive
value of MVA to the company has created substantial wealth for the shareholders.

**Tata Metaliks Company ltd.**

1. (A) Before acquisition of operating profit margin increasing trend and after acquisition it was decreasing trend, so it suggests that after acquisition should try to increase and improve the trend during the period of the study, the company has to increase the profit maximization and has to decrease the operating expenses. Company has good cost control and/or that sales are increasing faster than costs, which is the optimal situation for the company.

(B) Gross profit margin was increased trend during pre acquisition and after acquisition there was decreasing trend; it recommends that there are two key ways for you to improve the gross profit margin. First, increase the prices. Second, decrease the costs to produce the goods and it should try to increase the gross profit margin it is better to the company.

(C) It is often used to compare companies within the same industry, net profit margin increased trend thereafter decreased trend during the pre and post acquisition period, it suggests that the company should try to increase and improve the trend and it is an indicator of how efficient a company is and how well it controls its costs, higher the margin is,
the more effective the company is in converting revenue into actual profit.

2. (A) It is always more useful to compare companies within the same industry, current ratio was increased trend before the acquisition it recommends that the more capable the company is of paying its obligations and after the acquisition declining trend and ratio under 1 suggests that the company would be unable to pay off its obligations. A decreasing trend in the current ratio may suggest a deteriorating liquidity position of the business or a leaner working capital cycle of the company through the adoption of more efficient management practices.

(B) Quick ratio was decreased trend and thereafter mixed trend during the throughout the period of the study, low or decreasing quick ratios generally suggest that a company is over-leveraged, struggling to maintain or grow sales, paying bills too quickly or collecting receivables too slowly and it should try to increase the ratio of the company. The quick ratio is more conservative than the current ratio and focuses on cash, short-term investments and accounts receivable.

3. Total risk (combined leverage) decreased trend thereafter exhibited increased trend during the before and after acquisition period of the
study, it suggests that the company to maintain the degree of combined leverage so as to minimize the risks involved in the business and it should try to reduce the high level of risk and it recommends that improve the level of risk in the company.

4. Sustainable growth was fluctuated (mixed) trend during the period of the study, it recommends that the maximum growth rate that a company can sustain without having to increase financial leverage. It is the realistically attainable growth that a company could maintain without running into problems, the more equity the business has, the more potential the business has for growth.

5. Economic value addition attempts to capture the true economic profit of a company, the company should try to improve the value addition. It is essential to review all of the components of this measurement to see which areas of a business can be adjusted to create a higher level of economic value added. Either cost of capital should be controlled or earnings should be increased in order to improve the figure of EVA.

6. Market value addition fluctuating trend with negative value throughout the period of the study, it recommends that company should try to positive MVA indicates the company has created substantial wealth for the shareholders; the company should encourage team work and co-operation for the achievement of corporate goal. It is suggested that the
company should focus on technology and efficiency improvement to create value for its shareholders.

**Tata Steel Company Ltd.**

1. (A) Operating profit margin was increased and decreased (mixed) trend throughout the period of the study. It recommends that improving operating profit margin can involve either bringing in more money or spending less. Often these two approaches to improving profit margins are interrelated: increasing sales can enable a company to achieve efficiencies through economies of scale, lowering production costs while simultaneously bringing in extra revenue.

(B) Gross profit margin was fluctuating trend during the period of the study, it suggests that company should increase and improve the trend; it serves as the source for paying additional expenses and future savings. Without an adequate gross margin, a company will be unable to pay its operating and other expenses and build for the future, companies that are operating more efficiently usually show higher profit margins.

(C) Net profit margin was decreasing trend throughout the period of the study, it recommends that companies that are able to expand their net margins over time will generally be rewarded with share price growth,
as it leads directly to higher levels of profitability, company is more efficient at converting sales into actual profit.

2. (A) Current ratio was mixed trend throughout the period of the study, it suggests that company should try to improve the trend, for improving current ratio; the management needs to focus on various strategies including its current liabilities and assets which is not a onetime activity. It has to be monitored throughout the year, faster conversion cycle of debtors or accounts receivables; it gives an idea of company's operating efficiency.

(B) Quick ratio was decreasing trend during the period of the study, it recommends that company should try to increase the ratio, it suggest that a company is over-leveraged, struggling to maintain or grow sales, paying bills too quickly or collecting receivables too slowly, the company can try to increase its quick assets like-cash, accounts receivable and marketable securities.

3. Total risk (Combined leverage) fluctuating trend throughout the period of the study, it suggests that company maintaining the risk and not increasing it from where it is, the business should try to lower or minimize the financial leverage in order to balance the operating leverage and by minimizing the operating leverage when the financial leverage is to be balances. It helps in ascertaining the best possible
financial and operational leverage that is to be used in any firm or business.

4. Sustainable growth was increase and decreasing trend for the period of the study, the company suggests that maintain and improve the trend, increasing its financial leverage increases its sustainable growth the company generates and retain earnings, hence increase its owners equity, Companies primed for growth lay the twin foundations of infrastructure and knowledge, and avoid the pitfalls of undisciplined growth that can dissipate quickly.

5. Economic value addition was increased trend with positive value throughout the period of the study, the company recommends that try to maintain the value added products and the company has added significant value to its products and shareholders fund, the best measure of the true profitability of an enterprise, and is tied to cash flow and not to earnings per share (EPS), the company should disclose EVA in their annual report.

6. Market value addition was increased trend with negative value during the period of the study; it suggests that try increase positive value during the period, MVA assesses increase in value with regard to the capital invested. Increase the market price of the share, the value is estimated in the terms of benefit that the investment can generate. It is
sustained addition to market capitalization that increases shareholders value.

**Tata Power Company Ltd.**

1. (A) Operating profit margin was increased trend for the first four years thereafter decreased trend for the period of study, it recommends that greater potential to derive profits and more cushion against any increase in competition or costs, a business which is more efficient is controlling its overall costs will have higher operating margin ratio. Low operating margins in certain industries may also indicate cost controls (if implemented) could lead to better operating income.

(B) Gross profit margin was mixed trend throughout the period of the study, it suggests that increase the ratio and it should be sufficient to cover all expenses and provide for profit, a company that boasts a higher gross margin than its competitors and industry is more efficient. Proper control over various expenses may increase the profit generation company.

(C) Net profit margin was fluctuating trend during the period of study, it recommends that try to increase the value of the ratio and maintain the value of the company, Companies that are able to expand their net margins over time will generally be rewarded with share price growth, as it leads directly to higher levels of profitability, increasing profits
are the best indication that a company can pay dividends and that the share price will trend upward.

2. (A) Current ratio was decrease and increased trend throughout the period of the study; it suggests that a decreasing trend in the current ratio may suggest a deteriorating liquidity position of the business or a leaner working capital cycle of the company through the adoption of more efficient management practices. Increase in current ratio over a period of time may suggest improved liquidity of the company or a more conservative approach to working capital management.

(B) Quick ratio was fluctuating trend during the period of the study; it may suggest that the company is investing too many resources in the working capital of the business which may more profitably be used elsewhere. Maintain a quick ratio that provides sufficient leverage against liquidity risk given the level of predictability and volatility in a specific business sector among other considerations, low or decreasing quick ratios generally suggest that a company is over-leveraged, struggling to maintain or grow sales, paying bills too quickly or collecting receivables too slowly.

3. Total risk (Combined leverage) was decrease and increased trend (mixed) throughout the period of the study, it recommends that maintaining the risk and not increasing it from where it is, the business
should try to lower or minimize the financial leverage in order to balance the operating leverage and by minimizing the operating leverage when the financial leverage is to be balances. Conservative firms choose lower level of degree of combined leverage and decreasing the risk it is better to the company.

4. Sustainable growth was fluctuating trend year-to-year throughout the period of the study, it suggest that try decrease the value of growth for improving the company, it is growth that is fundamentally not dependent on a creditor's willingness to supply the firm with additional capital. Growth strategy refers to that business plan that you so desperately need to have in place, unless you have both of these issues covered, long-term growth will be impossible.

5. Economic value addition was increase and decrease trend (mixed) during the period of the study, it suggests that increase the value of EVA the company should select investment project efficiently so that the investment produce better return and EVA can be increase. It should link with the performance of the managers; the company should try to improve its EVA by controlling the cost of debt, the company should concentrate on value added products.

6. Market value addition was recorded negative figure except two years throughout the period of the study; it suggests that increase the value of
MVA improve the efficiency higher yields and better price realization. It recommends that the company should focus on technology and efficiency improvement to create value for its shareholders and company should encourage team work and co-operation for the achievement of corporate goal.

**CONCLUSION**

One size doesn't fit all. Many companies find that the best way to get ahead is to expand ownership boundaries through mergers and acquisitions. For others, separating the public ownership of a subsidiary or business segment offers more advantages. At least in theory, mergers create synergies and economies of scale, expanding operations and cutting costs. Investors can take comfort in the idea that a merger will deliver enhanced market power. M&A comes in all shapes and sizes, and investors need to consider the complex issues involved in M&A. The most beneficial form of equity structure involves a complete analysis of the costs and benefits associated with the deals.

The rationale behind mergers and acquisitions is that the two companies are more valuable, profitable than individual companies and that the shareholder value is also over and above that of the sum of the two companies. Despite negative studies and resistance from the economists, M&A’s continue to be an important tool behind growth of a company.
Reason being, the expansion is not limited by internal resources, no drain on working capital - can use exchange of stocks, is attractive as tax benefit and above all can consolidate industry - increase firm's market power.

**SCOPE FOR FURTHER RESEARCH**

The researcher has covered most of the financial part of sampled units. However, there are more scopes for further study as follows:

1. This study is limited from the period five years before merger/acquirer and five years after merger/acquirer of selected Tata group companies. Still their financial performance can be continued for coming years. Thus this field is open for further research.

2. The study has assessed success or failure of mergers/acquisitions in financial terms. Human aspect of mergers/acquisitions has not been touched. Gauging the success of mergers through this aspect could be another area of research.

3. The study can be extended to more sectors based on availability of data in future.