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# Mergers and Acquisitions - Current trends: Global vs Indian Corporate Scenario

27 AUG 2016 @ ANATAPUR CAMPUS

Department of **MANAGEMENT & COMMERCE**

## SSSIHL 2016/17

The one day workshop on **Mergers and Acquisitions - Current trends: Global vs Indian Corporate Scenario** was organized by the Dept. of Management & Commerce, Anantapur Campus, on 27 August 2016.

The day began with Veda chanting, lighting the lamp and formal welcome note by the director of the campus. By talking about the **fundamentals of mergers and few other related issues**, **Prof. Madhu Kapani** set the stage for commencement of the day's proceedings. This was followed by the introductory remarks by **Prof. Radhakrishana Nair**, Dean, Faculty of Management & Commerce who made his delivery suitable to the title of the workshop by appropriately bringing in his corporate experience from the angle of corporate mergers.

**Dr. B Sai Giridhar**, Head, Dept. of Management & Commerce set the stage for the sessions by emphasizing that directly or indirectly **people issues** are the main reason for takeover failures. And **communication** is central to the people issues. He further elaborated that McKinsey studies show that the management of the human side of a merger is the real key to maximizing the value of the deal. He further said that Watson Wyatt Worldwide found that cultural incompatibility was consistently the biggest barrier to integration. Mercer Human Resource Consultants found that out of three key merger factors – people, processes and systems – only people issues made a difference to the success of mergers in the corporate scenario.

The second session was handled by **Sri Chandra Mohan**, CFO, Tractors and Farm Equipment Limited (TAFE) on the topic, **Why mergers and acquisitions? A case study**. While narrating the detailed account of how TAFE acquired EICHER company, Mr. Chandra Mohan not only delivered the fundamental details of mergers and acquisitions but also made the talk very motivating by quoting factual information. This made the audience enjoy the lecture thoroughly.

The keynote speech was delivered by **Sri Raj Srivatsan**, Corporate and Securities Attorney, Delaware, USA, on the topic **Qualitative & Ethical Considerations in Mergers in an increasingly corporate centric global environment**. Sri Raj brought to light in his speech that with the recent rash of mergers and friendly and unfriendly takeovers, two important issues have not received sufficient attention as questionable ethical practices. One has to do with the rights of employees affected in mergers

and acquisitions and the second concerns the responsibilities of shareholders during these activities. Although employees are drastically affected by a merger or an acquisition because in almost every case a number of jobs are shifted or even eliminated, employees at all levels are usually the last to find out about a merger transaction and have no part in the takeover decision. Second, if shareholders are the fiduciary beneficiaries of mergers and acquisitions, then it would appear that they have some responsibilities or obligations attached to these benefits, but little is said about such responsibilities.

**Sri Raj Srivatsan** also delivered a second lecture on **Cost synergies in Mergers and Acquisitions**. Beginning with the delivery note that the primary objective of any takeover is to create value for shareholders that exceeds the cost of the acquisition, he went on to add that the synergies are fundamentally the only tangible justification for a takeover. Synergies represent the extra value that can be created from the takeover.

There was a special talk on the **The role of investment banks in the Corporate Merger Scenario** by **Mrs. Kunda Jadav**, Director and India Head for IB, Wealth & Investment Management Offshore Operations.

The workshop finally came to a close with **summary presentation** by students and formal **vote of thanks** delivered by **Prof. (Miss) Ch Radhakumari**, Professor, Dept. of Management & Commerce, SSSIHL.



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