POST-MERGERS AND ACQUISITIONS
STRATEGIES TO CREATE SHAREHOLDERS VALUE: AGENCY PROBLEM AND GOVERNANCE

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ABSTRACT

The competitive economic environment has been providing numerous opportunities to business to increase the wealth of shareholders, like, corporate restructuring. Corporate restructuring includes mergers, acquisitions, spin-off and joint ventures etc. The changing corporate structure and thrust to increase value of shareholders has been increasing the role of corporate governance in mergers and acquisitions through maintaining profitability to the company. The collaboration between two companies could give positive results which depend upon inclusion of financial and non-financial assets of the both company, for example, effectiveness of technologies being used in production, and motivation of board of directors. The board of directors has an inevitable role in M&A deal starting from planning pre M&A strategies to implementation and governance of post M&A strategies. The literature on corporate restructuring has augmented various reasons of mergers and acquisitions. The present paper draws a sketch the major concerns of corporate governance during M&A deal.

KEY WORDS: Mergers and Acquisitions, Corporate Governance, Value Creation, Corporate Restructuring, Board of Directors, Culture and Style.

Abbreviations: M&A (Mergers and Acquisitions), BOD (Board of Directors), MBI (Management Buy In).