CROSS BORDER MERGERS AND ACQUISITIONS: EVOLUTION OF AN EMERGING TREND

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ABSTRACT

From a small town trader running a family business, to the fearless and braving entrepreneur negotiating high value corporate deals with multinational corporate entities to attract investment in his Indian businesses, or acquiring foreign competitors and raring to compete in the international arena, the image of the corporate Indian has undergone a sea change in the past few decades. Surely the founding fathers of the TATA Group would not have dreamt about acquiring Ford, Jaguar Land Rover or cracking the deal with Corus. Ever since the cross border mergers and acquisitions activity in India grew at an exponential rate in the last decade, the stage has been set for several smaller business enterprises to take cue from their larger compatriots and enter into this emerging bandwagon. Hence, in the changed socio-economic scenario it would be highly interesting to see how the government of India reacts to this change. The purpose of this article is to trace the government’s action in regulating effectively this hitherto new form of legal transaction and the consequences such regulations have on the feasibility and sustainability of cross border mergers and acquisitions in the country.

KEYWORDS: Mergers, Acquisitions, Cross Border M&A, Foreign Direct Investment, American Depository Receipts, Global Depository Receipts, Competition Act, Competition Commission of India.