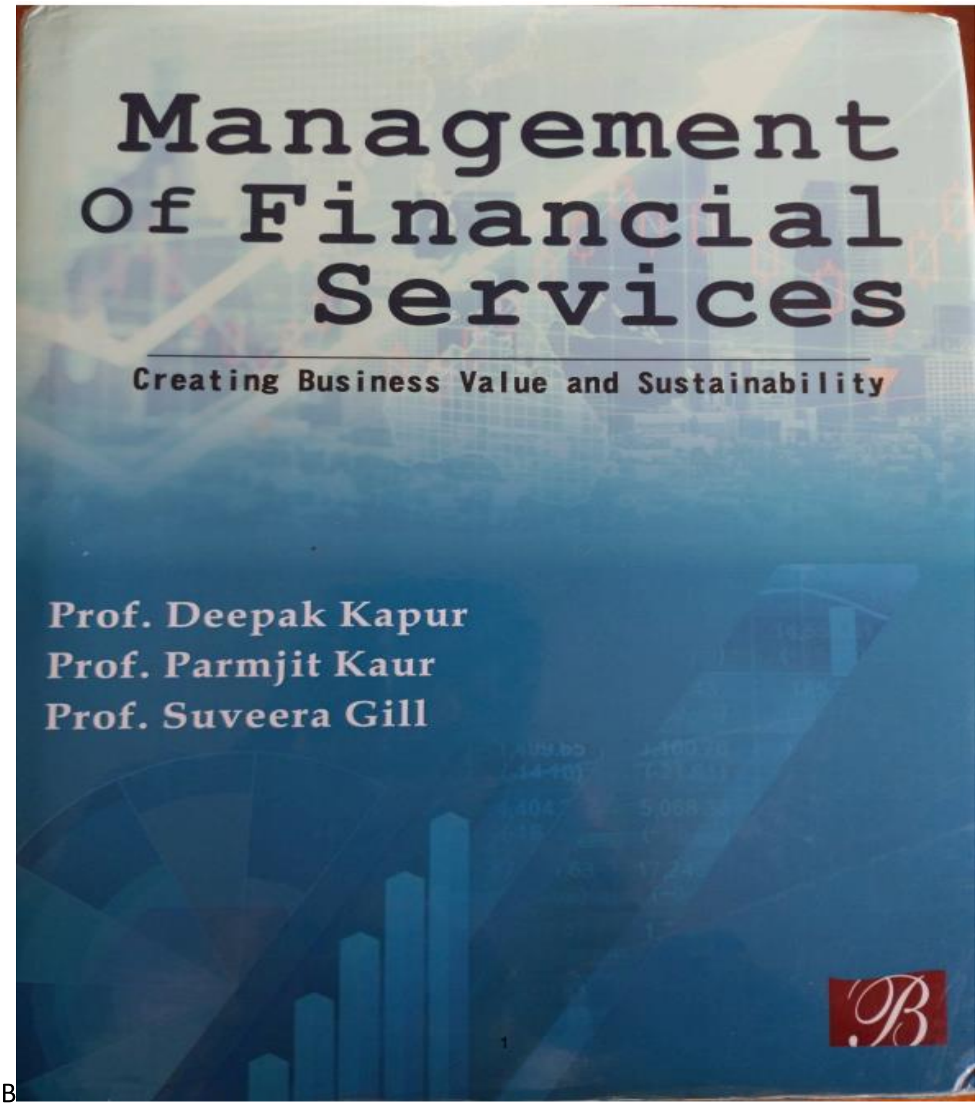
BOOK CHAPTER: Mergers and Acquisitions Consultancy, a new feather in Financial Service : Evidences from 2017 Deals.



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Mergers and Acquisitions Consultancy, a New Feather in Financial Services: Evidences From 2017 Deals (From Economic Times)

Dr. Manpreet Arora*

Mergers and acquisition is a complex transaction that involves various activities which may range from one year to many. They can be certain parties which are associated with a single merger activity like lawyers, bankers, consultants, and accountants etc. who ultimately affect all these transactions. Each party has an important role to play in the process. In order to go for a merger and an acquisition be there must be some benefit for the firm whether it is financial or strategic. Even if merger and acquisition is taken as a strategy in the end it should result in certain financial benefits, of course to the consultants and the merging entities. There have been various studies that have seen the impact of mergers and acquisitions on the financial gains which reaped the synergies received from mergers and acquisition is terms of money. But rarely people see the lucrative business which banks, financial advisors, consultancy firms, asset management companies get due to these deals. Various parties on the merger and acquisition deals have direct immeasurable financial impact. Many factors affect the market values of both equity and debt including interest rates and risk for the firm and changes in the stock market. Every merger and acquisition deal acts as an underlying driver which is in the form of cash flow for the firm as well as the other stake holders who play a key role in getting the ultimate deal done. Therefore it becomes very important to measure that whether the combined entity after the merger or acquisition will generate more cash flow than the standalone firm would have on its own.Only then the consulting firms can earn big fat money in terms of the financial services provided to them.

The benefits of mergersare manifold. Mergers and Acquisitions can generate cost efficiency through economies of scale, can help the organization to enhance the revenue through a gain in market share and can even generate tax gains.

The principal benefits from mergers and acquisitions can be listed as increased enhanced value generation, improved cost efficiency and can also lead to increase in market share.Benefits of Mergers and Acquisitions are the main reasons for which the companies enter into these deals. Depending upon the regulatory bodies or even the political environment of the country Mergers and Acquisitions may generate tax gains, can increase revenue and can reduce the cost of capital. Companies have taken mergers and acquisition to be the growth strategy which helps them to reap strategic gains in short period of time. They work a lot on the synergies. The financial synergies, the operational synergies and the managerial synergies.

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