A STUDY OF DRIVING FORCES TOWARDS MERGERS AND ACQUISITIONS

Dr. Sarita Bahl
Associate Professor
P. G. Department of Commerce & Management
Arya College, Ludhiana (Punjab)

ABSTRACT

The practice of corporate restructuring through Mergers and Acquisitions has attained much significance in post-liberalization era. The financial features of a firm play a crucial role in the merger decision process. The functional importance of M&A is undergoing a sea change since liberalisation in India. The MRTP Act and other legislations have been amended paving way for large business groups and foreign companies to resort to the M&A route for growth. The decision of the Government to allow companies to buy back their shares through the promulgation of buy back ordinance, all these developments, have influenced the market for corporate control in India. The present paper aims to enlist driving forces towards merger and acquisition. Efforts have also been made to seek the factors responsible for failure of merger and acquisition in companies. Further, an attempt has been made to highlight Indian industry’s competitive edge in global scenario.
INTRODUCTION

The global perspective has changed drastically especially after the liberalization and privatization in India. The rapid growing technology has made the globe smaller. The recent acquisition of Axon – A British Company by Infosys has boosted the morale of the Indian industry. The research paper focuses on the fundamentals of mergers and acquisitions and the related terminology. The merits of M&As, the importance of multi-cultural skills and India’s competitive strength are highlighted. It also dwelt at length about the M&As at the global level backed with statistical facts and figures. At the end it concluded that we can expect many more M&A as Indian economy is becoming robust. With a rapidly growing Indian economy, a spirited private sector and a strong industrial strength, Indian companies are increasingly seeking help in identifying and acquiring appropriate domestic and abroad targets. According to Wikipedia, “The phrase mergers and acquisitions (M&A) refers to the aspect of corporate strategy, corporate finance and management dealing with the buying, selling and combining of different companies that can aid, finance, or help a growing company in a given industry grow rapidly without having to create another business entity.” Now days, there is too much talk of Indian companies taking over the companies in abroad. Infosys’s initiative to acquire Axon, and sometime back, Tata Steel’s takeover of Corus has hit the headlines. It was a very bold initiative by Ratan Tata. Of course, there was a talk of paying too much price for the acquisition of Corus by the critics. Over all it has demonstrated and displayed the leadership capabilities of Indian business leaders. The takeover era was inaugurated way back in the early eighties, when Swaraj Paul brought his boisterous and street smart ways to shake up the quiet world of Indian board rooms and launched his bid for Escorts and DCM. Many other take-over artistes followed in his
footsteps. R.P. Goenka cobbled together an industrial empire by taking over companies like Ceat and CESC. So did Manu Chhabra, buying companies like such as Shaw Wallace and Dunlop. The Ambanis almost succeeded in taking control of Larsen and Toubro (L&T) but were eventually checkmated by the government of the day, which instructed the Financial Institution (FI's) to keep their distance during take-over struggles. Many global MNCs used to take over Indian companies in the past. During the pre-liberalisation era foreign companies were on the offensive mode to take over Indian companies. In post liberalization, things have changed better for the Indian industry. The Indian economy has looked up and is becoming a robust economy. As a result, the Indian industry changed its stance from being defensive to offensive. In this context, let us briefly define ‘merger’, ‘demerger, ‘reverse merger’ ‘reverse takeover’ and ‘acquisition’. Merger is the combining of two or more entities into one, through a purchase acquisition or a pooling of interests. It differs from a consolidation in that no new entity is created from a merger. On the contrary, demerger is a corporate restructuring in which one part of a company is spun off as a new company, often with quoted status of its own. Examples in the UK include Zeneca, which was spun out of ICI, and Argos, which was spun out of British American Tobacco. Reverse takeover (reverse IPO) is the acquisition of a public company by a private company to bypass the lengthy and complex process of going public. The transaction typically requires reorganization of capitalization of the acquiring company. Acquisition is the acquiring control of a corporation, called a target, by stock purchase or exchange, either hostile or friendly. Acquisition is also called takeover. The Oxford dictionary defines an acquisition as ‘an outright gain of something (especially useful)’ and a merger, less insatiably as: ‘the joining or gradually blending of two formerly disconnected entities’. To put it concisely, Merger refers to the process of two business units becoming one. On the other hand, takeover refers to the process of taking over of one unit by a relatively stronger business unit.
OBJECTIVES OF THE STUDY

1. To enlist and rank driving forces towards merger and acquisition.
2. To highlight Indian industry at global level.

RESEARCH METHODOLOGY

The present empirical study has incorporated the collection of both primary and secondary data for the in-depth investigation. All the information, data and opinion are collected which have a direct or indirect relevance to the information. An intensive desk research has been undertaken to collect published data. For collecting primary data, structured questionnaire has been used and 100 academicians were surveyed after pilot survey.

The present study is an attempt to analyze various driving forces towards merger and acquisition. To find out the most significant driving force towards merger and acquisition in India, Garrett’s ranking technique was used. As per the method, respondents have been asked to assign the rank for all the parameters and outcome of such ranking have been converted into score value with the help of the following formula:

\[
\text{Percent Position} = \frac{100(Rij - 0.5)}{Nj}
\]

where

- \( Rij \) = Rank given for ith item by the jth respondents
- \( Nj \) = Number of items ranked by jth respondents.
The present position of each rank thus obtained was converted into scores by referring to the table given by Henry Garrett. Then for each factor the scores of individual respondents were added together and divided by the total number of respondents. These mean scores for all the parameters were arranged in the order of their ranks and inferences were drawn.

**REVIEW OF LITERATURE**

The 1995 Business Week/Merger Consulting analysis mentioned at the start of this paper indicates that, while the 1990s deals were performing better than the deals in the 1980s, most of the 1990s deals have not worked. The analysis method used the S&P industry indexes three months before the deal and up to 36 months after. They used techniques to alter out impacts of other events. While not a perfect methodology, it is one used by many to determine the impact of M&A performance. The study (Zweig, 1995) claims that the major reasons merger and acquisitions do not work is because of:

— Inadequate due diligence by the acquirer or merger partner

— Lack of compelling strategic rationale

— Unrealistic expectations of possible synergies

— Paying too much

— Conflicting corporate cultures

— Failure to quickly meld the two companies.

Towers Perrin and the SHRM (Society for Human Resource Management) Foundation did more current research regarding the key issues that trip up mergers. They interviewed 600 top HR executives and CEOs. They reported the following as key reasons for problems in the performance of the combined organization (Rubis, 2001):

— inability to sustain financial performance (65 per cent)
— loss of productivity (60 per cent)
— incompatible cultures (55 per cent)
— clash of managerial styles or egos (53 per cent)
— slow decision making (51 per cent)
— wrong people selected for key jobs (50 per cent).

The results of the study were published in Schmidt (2002).

From another perspective, the comment by Ed Liddy, CEO of Allstate’s, in the above-mentioned Harvard Business Review (2000) article is probably held by many CEOs: ‘one more thing about the bad rap on M&A. I think one of the reasons for it is that acquisitions are so visible. When they fail, they draw intense notice. But a lot of things in business fail; we’ve all started projects that did not work out. The internal failures simply don’t get as much attention. These findings fall into natural categories having to do with selecting and negotiating the right deal and effectively implementing the merger or acquisition. All experts would tend to agree that, if the right deal is not struck, effective implementation is not going to matter.

Merger and acquisition literature suggests that managers will have various motives for mergers (Trautwein, 1990). The form of these motives can be from purely financial to personal. In addition there exists the traditional cost efficiency theory based on the notion of economies of scale and scope, as well as the resource-based view based on enhanced utilization of core competences and resources (Prahalad and Hamel 1990). Our aim is to examine both of these two main classes of theories by proposing a model, looking into the pre-acquisition/merger and post-acquisition performance of the target and acquiring firms (Singh and Montgomery 1987) and by investigating the post-acquisitions actions in terms of asset divestiture and resource redeployment and their impact on the long-term performance of acquisitions (Capron 1999). Our work follows Newbert’s (2007) and
Armstrong & Shimizu (2007) suggestions. According to RBV, managers are able to recognize these negative resources but are daunted by the task of removing them. Resources that have a positive effect on competitive advantage are usually accumulated over time and can be multifaceted, while causality can be ambiguous (Dierickx & Cool, 1989; Reed & DeFillipi, 1990; Kogut & Zander, 1995). According to Leonard-Barton (1992), when a firm changes operating environments then it needs to make a swift reformulation to its strategy and that is when previously valuable resources are hard to identify and therefore become a source of “core-rigidities”. Therefore, when competitors of the firm do not have to cope with such resources, the focal firm can be subject to a competitive disadvantage and can result in a negative performance. It is our intention to demonstrate along with the positive effects of a firm’s resources on competitiveness and performance, the negative effects that might exist from that reallocation of resources.

The first step into examining the phenomenon of mergers and acquisitions is to understand why it occurs in the first place. What is the driving force behind it? Looking into the mergers and acquisition literature, merger motives do not play a substantial role and have sparked less theoretical effort than merger consequences (Trautwein, 1990). Taking into account Neary’s (2007) work in cross-border mergers, we find that according to him, because of the vast literature that exists in the industrial organization (IO), two areas of motives are suggested, namely an efficiency motive and a strategic motive. As far as efficiency gains are concerned, they can be developed from various sources, such as managerial synergies or even the use of firm specific assets. On the other hand mergers according to Neary (2007) can raise costs, because different managerial and production capabilities and dissimilar corporate cultures have to be integrated. He continues by stating that empirical evidence on efficiency gains is far from conclusive. Moving on to the broader area of the strategic motive, Switzer and Reynolds (1983) contends that mergers between identical firms are without profit, but for the case that merged firms produce a high proportion of pre-merger industry output. In fact, taking into consideration the work of Allen et al (2002) that was
Based on Trautwein (1990) findings and assumptions, we believe that, mergers are motivated by a complex form of motives and that no single motive or method can provide a full explanation. In our effort to look into merger motives we summarize the motives for mergers into four broad categories, namely economic motives, synergy motives, strategic motives and managerial motives.

**DRIVING FORCES TOWARDS MERGERS AND ACQUISITION**

Many debates have been observed about whether the goal of maximizing shareholder wealth intervenes with the aim of developing new products. One thought is whether the acquisitions are made to expand and develop their business and improve research or to maximize shareholder wealth. Some investigations imply that large mergers or acquisitions in the past have not resulted in any or few new drugs, since a consolidation may disrupt ongoing research, and only resulted in reducing costs (Chemical & Engineering news, 2002). Another factor is that company has limited profit due to restriction in product pricing, so they have to think for other strategies. At present the Merger and acquisitions are used as strategic tool for success. As the whole world is moving towards globalization and liberalization is spreading its wings then in future after 10 or 15 years merger and acquisition will become a tool to survive. Industry is currently the most aggressive overseas investors of all Indian industries. They are pursuing foreign acquisitions due to their need to:

1. **Develop worldwide competitiveness**

All the economies above created through a combination and exploitation of common resources can also be called structural economies (Shepherd, 1985). By reorganization we mean a dynamic process reappraising, or even destroying the last structure for a new one.
Global competitiveness has increased. To survive on the world platform the companies are using merger and acquisition as a strategic tool.

2. Move up the value chain
The strategic decision of acquiring a firm is thus based on the strong will to create value. Facing such a matter, company's managers and board members need to understand the distinct concept of the value when judging a proposed acquisition. Mergers Acquisitions are motivated generally by two kinds of incomes: the cost savings (or economy of cost) and the increased revenues.

3. Generate and enter new markets
Both multinational companies (MNCs) and domestic players are also examining the prospects offered by the local market as the government moves forward with initiatives aimed at providing India's more than one billion inhabitants, for the first time, with access to the life-saving drugs they need. A further huge boost to the local market is coming from the rise of India's new affluent consumers, who lead more Western-style lives and are demanding innovative products. India's leading manufacturers are becoming global players, utilizing both organic growth, through the gradual development of their business, and mergers and acquisitions.

4. Increase their product contribution
As already explained, the R&D function is extremely expensive and the company's size will determine the possible amount of investment. Likewise the marketing, R&D is a supporting function, but is able to create a long term competitive advantage. The merging of R&D will concerns particularly the means at disposal and the resources in term of competencies. Thus they can increase their product offering by utilising the various synergies.
5. Strengthen their market shares

The market share growth results on the transfer of the market share from the target to the bidder. The market share of a firm corresponds to the proportion of production volume or the turnover the firm possess in a given sector of a global market in relation to the rest of competitive companies concerned. The growth concept is relative to a quantitative increase of its turnover or its production. If the company growth is higher than the competitor’s one, the growth concept means that the company has a market share growth, but if all the competitors increase their turnover, there is not an increase of the market share. Thus, an entity expands its market share when their turnover volume (sales) increases compared to its competitors.

6. Compensate for determined lack of interest in their home market.

While the Indian sector represents just 8 percent of the global industry total by volume, putting it in fourth place worldwide, it accounts for 13 percent by value.

7. Obtaining a Good purchase

While acquiring firm "obtaining a good purchase" as a reason for their acquisitions, the underlying implication that markets may consistently undervalue corporate assets, is questionable. If all potential acquirers have similar perceptions about the value of potential targets and the market for corporate control is competitive, then the potential acquirers would bid up the price of targets which appeared to be bargains until the acquiring firms would, at the margin, expect to receive only.

8. To Improve the Efficiencies

Firms may combine their operations through mergers and acquisitions of corporate assets to reduce production costs, increase output, improve product quality, obtain new
technologies, or provide entirely new products. The potential efficiency benefits from mergers and acquisitions include both operating and managerial efficiencies.

9. Financial and Tax Benefits

The companies as limited profit margins due to its governing legal framework Mergers and acquisitions may lead to financial efficiencies. Firms may diversify their earnings by acquiring other firms or their assets with dissimilar earnings streams. Earning diversification within firms may lessen the variation in their profitability, reducing the risk of bankruptcy and its attendant costs.

Table 1 Academicians’ Views regarding Driving Forces towards Merger and Acquisition (% of respondents)

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Driving Forces</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Develop worldwide competitiveness</td>
<td>25</td>
<td>12</td>
<td>5</td>
<td>18</td>
<td>4</td>
<td>11</td>
<td>9</td>
<td>1</td>
<td>15</td>
</tr>
<tr>
<td>2.</td>
<td>Move up the value chain</td>
<td>19</td>
<td>8</td>
<td>24</td>
<td>10</td>
<td>6</td>
<td>3</td>
<td>21</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>3.</td>
<td>Generate and enter new markets</td>
<td>20</td>
<td>14</td>
<td>3</td>
<td>22</td>
<td>17</td>
<td>1</td>
<td>2</td>
<td>12</td>
<td>9</td>
</tr>
<tr>
<td>4.</td>
<td>Increase their product contribution</td>
<td>30</td>
<td>10</td>
<td>2</td>
<td>11</td>
<td>9</td>
<td>8</td>
<td>4</td>
<td>5</td>
<td>21</td>
</tr>
<tr>
<td>5.</td>
<td>Strengthen their market shares</td>
<td>18</td>
<td>15</td>
<td>22</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>12</td>
<td>20</td>
<td>7</td>
</tr>
<tr>
<td>6.</td>
<td>Compensate for determined lack of interest in their home market.</td>
<td>16</td>
<td>13</td>
<td>8</td>
<td>5</td>
<td>12</td>
<td>23</td>
<td>9</td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td>7.</td>
<td>Obtaining a good purchase</td>
<td>7</td>
<td>2</td>
<td>4</td>
<td>26</td>
<td>11</td>
<td>6</td>
<td>8</td>
<td>14</td>
<td>22</td>
</tr>
<tr>
<td>8.</td>
<td>To improve the efficiencies.</td>
<td>9</td>
<td>12</td>
<td>3</td>
<td>15</td>
<td>6</td>
<td>10</td>
<td>14</td>
<td>24</td>
<td>7</td>
</tr>
<tr>
<td>9.</td>
<td>Financial and Tax benefits</td>
<td>16</td>
<td>1</td>
<td>5</td>
<td>4</td>
<td>12</td>
<td>25</td>
<td>2</td>
<td>17</td>
<td>18</td>
</tr>
<tr>
<td>Garret Table Value</td>
<td></td>
<td>81</td>
<td>69</td>
<td>62</td>
<td>56</td>
<td>50</td>
<td>44</td>
<td>38</td>
<td>31</td>
<td>19</td>
</tr>
</tbody>
</table>

(Source – Primary Data)
Table 2 Academicians ranking regarding Driving Forces towards Merger and Acquisition according to Henry Garret Table

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Driving Forces</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>Garret Total Score</th>
<th>Average Rank</th>
<th>RANK</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Develop worldwide competitiveness</td>
<td>202 5</td>
<td>828</td>
<td>310</td>
<td>1008</td>
<td>200</td>
<td>484</td>
<td>342</td>
<td>31</td>
<td>285</td>
<td>5513</td>
<td>55.1</td>
<td>III</td>
</tr>
<tr>
<td>2</td>
<td>Move up the value chain</td>
<td>153 9</td>
<td>552</td>
<td>148 8</td>
<td>560</td>
<td>300</td>
<td>132</td>
<td>798</td>
<td>217</td>
<td>38</td>
<td>5884</td>
<td>58.8</td>
<td>I</td>
</tr>
<tr>
<td>3</td>
<td>Generate and enter new markets</td>
<td>162 0</td>
<td>966</td>
<td>186</td>
<td>1232</td>
<td>850</td>
<td>44</td>
<td>76</td>
<td>372</td>
<td>171</td>
<td>5517</td>
<td>55.1</td>
<td>II</td>
</tr>
<tr>
<td>4</td>
<td>Increase their product contribution</td>
<td>243 0</td>
<td>690</td>
<td>124</td>
<td>616</td>
<td>450</td>
<td>352</td>
<td>152</td>
<td>155</td>
<td>399</td>
<td>5368</td>
<td>53.6</td>
<td>IV</td>
</tr>
<tr>
<td>5</td>
<td>Strengthen their market shares</td>
<td>145 8</td>
<td>103</td>
<td>136 4</td>
<td>56</td>
<td>100</td>
<td>132</td>
<td>456</td>
<td>620</td>
<td>133</td>
<td>5354</td>
<td>53.5</td>
<td>V</td>
</tr>
<tr>
<td>6</td>
<td>Compensate for determined lack of interest in their home market.</td>
<td>129 6</td>
<td>897</td>
<td>496</td>
<td>280</td>
<td>600</td>
<td>101 2</td>
<td>342</td>
<td>124</td>
<td>190</td>
<td>5237</td>
<td>52.3</td>
<td>VI</td>
</tr>
<tr>
<td>7</td>
<td>Obtaining a good purchase</td>
<td>567</td>
<td>138</td>
<td>248</td>
<td>1456</td>
<td>550</td>
<td>264</td>
<td>304</td>
<td>434</td>
<td>418</td>
<td>4379</td>
<td>43.7</td>
<td>1X</td>
</tr>
<tr>
<td>8</td>
<td>To improve the efficiencies.</td>
<td>729</td>
<td>828</td>
<td>186</td>
<td>840</td>
<td>300</td>
<td>440</td>
<td>532</td>
<td>744</td>
<td>133</td>
<td>4732</td>
<td>47.3</td>
<td>VII</td>
</tr>
<tr>
<td>9</td>
<td>Financial and Tax</td>
<td>129</td>
<td>69</td>
<td>310</td>
<td>224</td>
<td>600</td>
<td>110</td>
<td>76</td>
<td>527</td>
<td>342</td>
<td>4544</td>
<td>45.4</td>
<td>VIII</td>
</tr>
</tbody>
</table>
As depicted by Table 1 & 2, academicians consider move up the value chain as most important driving force leading to merger and acquisition of companies with highest average Garret score 58.84. Mergers and acquisitions motivated generally by two kinds of income: the cost savings and increased revenues, leading to value creation. Generate and enter new markets has been observed as second important factor leading to merger and acquisition with 55.17 average Garret score. A huge boost to the local market is seen due to rise of India’s new affluent consumers, who lead more Western-style lives and are demanding innovative products. India’s leading manufacturers are becoming global players through the gradual development of their business and mergers and acquisitions. Academicians are of the opinion that merger can be used as a strategic tool to develop global competitiveness and rank it as third prominent factor with 55.13 average Garrett score for happening of Mergers and Acquisitions. By dynamic process reappraisal global competitiveness can be increased. Moreover, by merging R & D, concerns can increase their product offering by utilizing the various synergies. Academicians consider that market share can be increased by merger. Firms may go for mergers and acquisitions of corporate assets to reduce production costs, increase output, improve product quality, obtain new technologies, or provide entirely new products may lead to financial efficiencies. Firms may diversify their earnings by acquiring other firms or their assets with dissimilar earnings stream. Earning diversification within firms may lessen the variation in their profitability. However getting good purchase value has been rated as least significant factor causing mergers and acquisitions with 43.79 average Garret score. If all potential acquirers have similar perceptions about the value of potential targets and the market for corporate control is competitive, then the potential acquirers would bid up the price of targets which
indicated to be bargains until the acquiring firms would, at the margin, look ahead to accept merely.

**INDIAN INDUSTRY AT GLOBAL LEVEL**

India has much inherent strength as a result the Indian economy is all set to conquer the world. Presently Indian economy is impacted by US economy and whenever there are changes in the American economy the spill over is felt across Asian markets. And in the near future Indian economy will be independent and will be shielded from American economy.

“Throughout 2007, mainland China and India experienced a raging bull market and while the uncertainty in the financial markets has removed some of the shine, 2007 has left a public listing as an aspiration for many business owners in these countries.” Fiona Owen Grant Thornton, UK

Indian industry has huge appetite for mergers and acquisitions ever since the economy has been opened up due to liberalization, globalization and privatization. The world is watching Indian industry very closely and it seems that there would be too many M&A in the near future. Indian entrepreneurs are looking for North American and European markets to make their presence felt and also to en-cash the existing opportunities across the globe.

**Top 9 Acquisitions made by Indian companies worldwide**

<table>
<thead>
<tr>
<th>Acquirer Target Company</th>
<th>Country targeted</th>
<th>Deal value ($ ml)</th>
<th>Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tata Steel Corus Group plc</td>
<td>UK</td>
<td>12,000</td>
<td>Steel</td>
</tr>
<tr>
<td>Hindalco Novelis</td>
<td>Canada</td>
<td>5,982</td>
<td>Steel</td>
</tr>
<tr>
<td>Videocon Daewoo Electronics Corp.</td>
<td>Korea</td>
<td>729</td>
<td>Electronics</td>
</tr>
<tr>
<td>Dr. Reddy’s Labs Betapharm</td>
<td>Germany</td>
<td>597</td>
<td>Energy</td>
</tr>
</tbody>
</table>
Many companies across the world are coming to India and setting up their shops. It demonstrates and displays the strength of the Indian economy. In the past we have seen global MNCs and now we are witnessing Indian MNCs shopping across the globe and acquiring number of strategically significant companies. In the past, Indian companies fell prey to global predators and now there is a U turn where Indian companies have turned out to be predators.

Competitive advantages India has can be listed as:

1. Gateway to international markets in SAARC Countries.
2. Well-developed research and development (R&D) infrastructure.
3. Largest resources of untapped natural resources.
4. World’s largest democracy.
5. Information technology base, in terms of both software and hardware.
6. Technical and marketing expertise
7. English as the preferred business language.
8. A vibrant capital market with 25 stock exchanges with over 9,000 listed companies
10. Conducive environment for foreign investments by providing freedom of entry, investments, location, choice of technology and import and exports.
CONCLUSION

India has much intrinsic strength as a result the Indian economy is all set to get the better of the world. The Indian economy is optimistic with the GDP growing. The growing number of M&As is a sign of India’s economic strength. And the global economy began taking Indian economy seriously. Indians need not to go overseas to work. Rather they should work with in India itself so as to make Indian economy more vibrant. There are plenty of opportunities with in India itself. The foreign countries are getting more benefits by making use of Indian talent and expertise. What we get in return is far lesser than what we Indians invest in terms of abilities and capabilities to other countries. It is time Indians realized their inherent strengths and stayed in India itself.

BIBLIOGRAPHY


• DIPP (2008), Ministry of Commerce and Industry, Government of India.


• Jones (2005), Multinationals and Global Capitalism, Oxford University Press.


**WEBSITES**

2. www.Indian Econom