



Notice for the PhD Viva Voce Examination

Ms Saina Baby (Registration Number: 1630072), PhD scholar at the School of Social Sciences, CHRIST (Deemed to be University), Bangalore will defend her PhD thesis at the public viva-voce examination on Monday, 22 July 2024 at 11.00 am in Room No. 044, Ground Floor, R & D Block, CHRIST (Deemed to be University), Bengaluru - 560029.

- Title of the Thesis** : **Determinants and Impacts of Mergers and Acquisitions in the Drugs and Pharmaceutical Industry in India**
- Discipline** : **Economics**
- External Examiner (Outside Karnataka)** : **Dr Gopal Sarangi**
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- External Examiner (Within Karnataka)** : **Dr Krishna Raj**
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The members of the Research Advisory Committee of the Scholar, the faculty members of the Department and the School, interested experts and research scholars of all the branches of research are cordially invited to attend this open viva-voce examination.

Place: Bengaluru
Date: 12 July 2024



Registrar

ABSTRACT

Mergers and Acquisitions (M&As) are inorganic growth strategies adopted by firms for achieving the objective of long-term growth maximization. Compared to other inorganic growth strategies like joint ventures and strategic alliances, M&As offer deeper restructuring opportunities and better control over business over a long-term basis. During the third wave of globalization which started in early 1990s, M&As became a popular strategy for firms to expand their businesses beyond the national boundaries. Indian economy has been witnessing buzzing activity in the M&A landscape. A sectoral analysis of M&A trends identifies Pharmaceutical sector as one of the top 5 sectors with the highest M&A deal values during the period 2013-2016. Though Pharma sector has witnessed a decline in deal values during few years in the recent past, the resilience of the sector is visible through its ability to bounce back with record breaking deal values. This study explores how the firms in the pharmaceutical sector use M&A as a strategy to navigate through the dynamic competitive landscape.

The objectives of this research are threefold – developing an understanding of the motives behind M&A decisions of the pharma firms, identification of the firm level determinants of acquisition probability and assessment of impact of M&As. This study uses qualitative content analysis for identification of M&A motives. The firm level determinants of acquisition probability have been explored using Random Effect Logistic (REL) regression using panel data. Case study approach has been employed to assess the M&A impact by comparing the M&A motives with the post M&A outcomes. This study identifies corporate restructuring, expansion of manufacturing capacity and expansion of product portfolio as the main motives behind pharmaceutical M&A deals. Firm size, Tobin's q, cash balance and capacity utilisation are the significant determinants of acquisition probability in the pharmaceutical sector. Firms which are bigger in size, larger in market values i.e. Tobin's q, lower in cash balance and lower in capacity utilisation tend to have a higher acquisition probability. Multiple case study analysis used in this research could successfully map the M&A outcomes in the post M&A period with the motives mentioned during the pre-M&A phase.

This study adds value to the existing literature by providing comprehensive understanding of the M&A dynamics in the Indian pharmaceutical sector by assessing the M&A motives, determinants and impact. The comparison of motives with outcomes gives a thorough understanding of the M&A process. Insights from this study could be useful for managers to understand the purposes for which M&A can be used. It will also help them to comprehend how firms are using M&As to navigate through the uncertainties created due to regulatory changes occurring at the national and global levels. This study also recommends few policy interventions by the government to support the pharma sector to remain competitive.

Keywords: Mergers and Acquisitions, motives, determinants, acquisition probability, qualitative content analysis, panel logistic regression, random effects, case study approach, outcome mapping

Publication:

1. Baby, S., & Adaina, K. C. (2022). Examining the Impact of TRIPS Agreement on Innovation: A Review and Research Agenda. *Journal of Interdisciplinary Economics*
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