Cross-Border Merger and Acquisitions and Cash Flow Positions: A Study on Statement of Cash Flows of Indian Acquirers of Foreign Targets as per IAS – 7

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Abstract:
Statement of cash flow is a financial statement that shows how changes in balance sheet accounts and income affect cash and cash equivalents, and breaks the analysis down to operating, investing and financing activities. The statement captures both the current operating results and the accompanying changes in the balance sheet. As an analytical tool, the statement of cash flows is useful in determining the short-term viability of a company, particularly its ability to pay bills. The cash flow statement is partitioned into three segments, namely: Cash flow resulting from operating activities, Cash flow resulting from investing activities, Cash flow resulting from financing activities. The money coming into the business is called cash inflow, and money going out from the business is called cash outflow. The importance of cash flow statement lies in the fact that it explains the changes in cash and gives insight to the company's operating, investing and financial activities. In this paper, we have made an attempt to analyse the cash positions of the companies who went for cross-border mergers acquisitions through statement of cash flows by using 90 randomly selected companies from 2007 to 2017 and applying one way ANOVA. It is found that all the three activities has a significant differences in their net cash flows.
Key Words: Cash flows, Operating, Investing and Financing Activities

I. Introduction

Mergers & Acquisitions (M&A's) are transactions whereby the possession of firms, different business organisations or their in operation units are transferred or combined. M&A's facilitate business enterprises grow, expand and alter the character of their business or competitive position. By effort associate existing business, a corporation needn't pay time and resources on getting licenses, fitting production facilities, endeavor promoting activities, etc., of these problems are taken care of because the company is absolutely practical and therefore don't necessitate any major activities to be concerned by the acquirer. These advantages supply inorganic growth opportunities to business enterprises, so creating M&A's enticing to them.

The two main participants in an M&A deal are the:
• **Acquirer:** this is often the enterprise that signs the acquisition agreement, pays the acquisition worth and owns or controls the target's business once the acquisition.
• **Target:** This refers to the corporate that is noninheritable in an M&A dealing.
Corporate mergers could also be geared toward reducing market competition, cutting prices (by losing staff, creating use of economies of scale, etc.), getting tax edges, empire building, etc. These might not essentially be according to the aim of public welfare. Thus, they'll be heavily regulated. for instance, M&A's in Asian nation are primarily supervised by the High Courts and also the Ministry of Company Affairs and the SEBI (for listed companies).

Several studies are showing that originally firms in developing countries were targets for mergers and acquisitions by companies within the developed countries. currently the situation is simply opposite that the businesses within the developing countries became acquirers of companies in the developed countries. Cross border merger and acquisition may be a way to attract FDI in developing countries. Most of the businesses within the worldwide prefer to have simple convenience of resources, extremely developed technology, low cost labor etc. are a number of the explanations why firms like cross border mergers and acquisitions.

Cross-Border Mergers & Acquisitions:
Cross-Border Mergers & Acquisitions (CBM&As;) are deals between foreign firms and domestic companies within the target country. The trend of accelerating CBM&As; has accelerated with the globalisation of the planet

economy. The 1990's were extraordinarily vital for CBM&As; with nearly a 200% jump within the volume of such deals in the Asia Pacific region. the explanation for the prominence of this region was the gap up and relief of states there, that provided a significant boost to such deals.

Statement of Cash Flows

An examination of a company's cash inflows and outflows throughout a particular period is termed as analysis of cash flow statement. The analysis begins with a gap balance and generates a closing balance when accounting for all money receipts and paid expenses throughout the period. The statement of cash flow is commonly used for monetary reportage functions. In financial accounting, a income statement, conjointly referred to as statement of cash flows, may be a financial statement that shows however changes in record accounts and financial gain have an effect on money and cash equivalents, and breaks the analysis all the way down to operating, investing and financing activities. The statement captures each this operative results and therefore the incidental to changes within the record. As associate degree analytical tool, the statement of cash flows is beneficial in decisive the short-run viability of an organization, significantly its ability to pay bills.

International accounting standard 7(IAS 7) Statement of cash Flows needs associate degree entity to present a statement of cash flows as an integral a part of its primary financial statements. cash flows are classified and given into operating activities (either exploitation the 'direct' or 'indirect' method), investing activities or financing activities, with the latter 2 classes usually given on a gross basis.

Objective of IAS 7

The objective of IAS 7 is to require the presentation of data concerning the historical changes in cash and cash equivalents of an entity by means that of a statement of cash flows, that classifies cash flows throughout the period consistent with operative, investing, and financing activities.

Presentation of the Statement of money Flows

Cash flows should be analysed between operating, investing and financing activities.

Key principles such that by IAS seven for the preparation of a statement of money flows are as follows:

1. operating Activities are the most revenue-producing activities of the entity that aren't investment or financing activities, therefore operative money flows embody cash received from customers and cash paid to suppliers and staff.

2. investing Activities are the acquisition and disposal of long-run assets and different investments that aren't thought-about to be money equivalents.

3. funding Activities are activities that alter the equity capital and borrowing structure of the entity.

- ✓ Interest and dividends received and paid is also classified as operative, investing, or financing cash flows, given that they're classified systematically from period to period.
- ✓ Cash flows arising from taxes on financial gain are unremarkably classified as operative, unless they will be specifically known with funding or investment activities.
- ✓ For operative cash flows, the direct methodology of presentation is encouraged, however the indirect methodology is suitable.

The statement of cash flow is ready mistreatment the direct methodology or indirect method. The direct methodology shows every major category of gross cash receipts and gross cash payments. Whereas the indirect methodology adjusts accounting profit or loss for the results of non-cash transactions.

II. Review of Literature

Rabi Narayan Kar, Munim Kumar Barai, Yasushi Suzuki, Minakshi (2015)[1] explored and documented evolution and trends of CBM&A's and necessary factors in them, and additionally analysed the explanations for CBM&A's in rising economies. A hybrid methodology i.e. survey of relevant content and different ways for various knowledge were used on a sample comprising CBM&A's in india between 1990 to 2011. The study found that the most outgoing deals from india head to developed capital markets. In arriving deals, cash-rich companies are targeted. the most motive of Indian CBM&A's is to look for high line revenue growth by adding new capabilities and assets, product diversification and market entry.

P.C. Narayan, M. Thenmozhi (2014)[2] investigated whether or not CBM&A's involving rising markets either as acquirers or as targets produce worth, and the way the performance outcome in such acquisitions is compact by deal-specific characteristics. They used Wilcoxon Signed Rank check and OLS regression. The sample comprised cross border acquisition transactions between 1999 to 2007 listed in SDC Pt information, wherever the domicile country of either the acquirer or target belongs to "Emerging and Developing countries" list in International Bank for Reconstruction and Development web site. The study found terribly pronounced worth destruction once rising market companies acquire targets in developed markets. this might flow from to the restricted expertise among rising market companies to undertake cross border acquisitions. However, once developed market companies acquire targets from rising markets, there's a 50% likelihood of value-creation, the result being favourable influenced by pre-acquisition performance of the 2 companies, relative size of target and cash (not stock-swap) as mode of payment.

Erik Devos, Palani-Rajan Kadapakkam, Srinivasan Krishnamurthy (2009)[3] examined the worth creation in mergers through comparison taxes, market power and potency, for this study they thought-about mergers happened between 1980 to 2004, with a internet of 264 mergers covering eight industries, by adopting worth line forecast of money flows to the exploit, target and combined companies, they finished voice communication tax saving contributes for one.64% in extra worth and remaining eight.38% were through in operation synergies. Overall this analysis recommend that mergers generate gains by up resource allocation instead of by reducing tax payments or increasing market power of the combined firm.

Devan Mescall (2011)[4] investigated the results of tax advantages and prices on acquisition premia, the importance of tax risk and uncertainty encompassing tax prices associated with transfer valuation on the valuation of a target and its future cash flows and the role of tax social control across tax authorities on the behavior of multinationals. multivariate analysis is used for this study. Responses from forty five partners and thirty one managers for a complete sample of seventy six transfer valuation specialists were incorporated. investigator found that the acquirers cut back the premia on their bid to mirror the magnified transfer valuation risk related to the longer term operations of the target. This result seems to be stronger in companies with larger transfer valuation uncertainty, specifically targets with high levels of holding. It suggests that the primary repository proof that acquirers take into account the danger and uncertainty of tax prices on future operations once estimating the worth of a target to the firm.

Satish Kumar, Lalit K. Bansal (2008)[5] analysed whether or not the businesses whereas going for mergers and acquisitions (M&A) management smell money natural action or/and in operation synergy in numerous ways that. They additionally tried to come up with that potential natural action or not, is that the necessary issue. The aim of this study is to search out out whether or not the claims created by the company sector whereas going for M&As; to come up with natural action, are being achieved or not in Indian context. This empirical study is predicated on secondary money knowledge and tabulation, magnitude relation analysis, correlation etc. is being employed for analysis. This study is an extension of M&A performance analysis, that has been conducted principally in developed nations on their companies, to Indian companies by taking considerably sizable amount of cases. The results indicate that in several cases of M&As;, the exploit companies were able to generate natural action in long-standing time, which will be within the variety of higher income, a lot of business, diversification, value cuttings etc.

Anirban Ghatak (2012)[6] studied however way M&A's within the post-reform era helped Indian companies improve their money performance, by exploitation the mounted Effects Model and Random Effects Model (REM). The sample comprised fifty two listed medicine and pharmaceutical firms that incorporated over the amount from 2005 to 2010. He found that profitableness of companies depended directly on their size, commerce efforts and exports and imports intensities, however reciprocally on market share and demand for his or her product. The analysis finished by suggesting that the M&A's don't have a major impact on profitableness within the long-term probably because of the resultant unskillfulness and entry of recent companies in the market.

Wang, Daojuan; Moini, Hamid (2012)[7] determined the motives of cross-border M&A's, and the way external and internal factors influence companies' selections of selected Danish firms, they used survey form and multiple case-study techniques. high Executives of one hundred forty Danish firms (29 skilled the questionnaire) that were concerned in cross border M&A's between 2001 to 2011 were studied. the most motives were found to be increasing geographically, up product combine, achieving a lot of zoom, gaining economies of scale and exploit technical experience. Finally, they ended by stating the character of firms' business determined the motives for cross border M&A's.

Research Gap:
From the Review of Literature, it is evident that many researchers analysed only free cash flows in valuing the deal rather than analysing the cash positions of the companies, hence there is a need to examine such cash flow positions of those companies who went for CBM&As in India. It is also important to identify the effect of such CBM&As on different cash generating activities in a long run.

Statement of Problem:
Despite the rapid growth in CBM&As, it is necessary to study the cash flows of the companies on different activities. This will help Indian firms to decide the reserves that they should have in cash and the amount to be generated and effectively maintain there cash positions in future as well and also helps while taking financial and operating decisions.

Need & Importance of the Study:
Cross-Border Mergers & Acquisitions have become an increasingly popular trend adopted by companies all over the world due to the inorganic growth opportunities they provide. India has emerged a hotspot for CBM&As with the number of deals going up rapidly over the years. As a result of this phenomenal increase in the global presence

of Indian companies, it becomes vital to measure the cash flow positions before and after the CBM&As, in order to understand whether the companies have sufficient funds to meet short term obligations and also to safeguard their solvency positions. This study will also help the policy maker to take better decisions for their business.

III. Research Methodology

Research Objective:
The primary objective of the study is to find out the cash flow position after CBM&As through analysing the statement of cash flows of selected companies who went for CBM&As. In order to facilitate this primary objective following specific objectives are framed:
1. To evaluate the cash flows from operating activities
2. To compare the cash flows from financing activities
3. To analyse the cash flows from investing activities

Type of Research:
This research is a descriptive one as it studies the characteristics of the sample of companies identified. It aims to analyse the cash positions of the companies due to CBM&As through three different heads mentioned as per IAS - 7.

Sources of Data:
The data used for this study has been obtained from secondary sources. The following sources have been tapped into to obtain details regarding CBM&As and research articles related to the same:
- ✓ CMIE Prowess database
- ✓ Proquest and JSTOR databases
- ✓ Moneycontrol website
- ✓ BSE website

Sampling Technique:
For the purpose of this study, simple random sampling has been used. In statistics, a simple random sample is a subset of individuals (a sample) chosen from a larger set (a population). Each individual is chosen randomly and entirely by chance, such that each individual has the same probability of being chosen at any stage during the sampling process. In this study, the sample has been chosen randomly from different industries. Preference has not been given to any specific industry or company.

Sample Size:
The sample chosen for this study includes Ninety CBM&As undertaken by different Indian companies belonging different industries. All the acquiring companies are listed on the BSE.

Scope of Study:
All the deals studied in this paper have taken place between December, 2009 and June, 2017 and relating to Indian acquirers of foreign targets. Also the study restricted to the data available in CMIE Prowess database.

Limitations of the Study:
- ✓ Presence of time constraint in completion of the project
- ✓ Study of a limited number of companies undertaken
- ✓ Insufficiency of data

Statistical Tools Used:
One-way ANOVA has been used for this study. The One-way ANOVA helps to compare the means of two or more independent groups in order to determine whether there is statistical evidence that the associated population means are significantly different. We also used Standard Deviation in order to compare the deviation of selected company’s cash flows in different activities.

The hypotheses in this study are as follows:
Null Hypothesis 1: There is no significant difference in the Net Cash Flow from Operating Activities of the companies under the study.
Null Hypothesis 2: There is no significant difference in the Net Cash Flow from Investing Activities of the companies under the study.
Null Hypothesis 3: There is no significant difference in the Net Cash Flow from Financing Activities of the companies under the study.

IV. Data Analysis And Interpretations

Table 1: Net Cash Flows from Operating, Investing and Financial Activates (Rs. In Millions)

Name of the Company	Cash Flows (as per Statement of Cash Flows)					
	Operating Activities		Investing Activities		Financing Activities	
	Variance	S.D	Variance	S.D	Variance	S.D
Apollo Tyres Ltd.	4,653,041.41	2157.09	28,475,936.68	5336.28	11,662,875.39	3415.10
Air Works India Engg. Pvt ltd	39,162.80	197.90	853,232.77	923.71	352,968.46	594.11
Ashok Leyland Ltd.	33,226,400.15	5764.23	11,224,836.15	3350.35	29,154,590.24	5399.50
Avantha Business Solutions Ltd	432.79	20.80	195,523.40	442.18	6.02	2.45
Banco Products (India) Ltd.	43,300.71	208.09	131,537.09	362.68	202,421.46	449.91
Bharat Forge Ltd.	7,960,306.97	2821.40	7,578,300.10	2752.87	7,848,601.74	2801.54
Bharat Heavy Electricals Ltd	296,339,617.69	17214.52	30,873,255.54	5556.37	21,161,862.92	4600.20
Birlasoft (India) Ltd.	66,964.90	258.78	60,953.82	246.89	30,251.93	173.93
C G Power & Indl. Solutions Ltd.	3,603,699.31	1898.34	384,588.17	620.15	4,387,635.22	2094.67
C H L Ltd.	3,884.93	62.33	15,056.48	122.70	1,438.50	37.93
Cambridge Technology Entps. Ltd.	9,092.37	95.35	10,137.32	100.68	18,830.79	137.23
Camlin Fine Sciences Ltd.	5,481.95	74.04	8,506.66	92.23	2,167.28	46.55
Cigniti Technologies Ltd.	14,920.04	122.15	176,840.83	420.52	48,338.47	219.86
Covidh Technologies Ltd.	162.53	12.75	1,283.00	35.82	531.33	23.05
Cox & Kings Ltd.	2,457,235.56	1567.56	24,147,511.49	4914.01	18,835,186.27	4339.95
Crisil Ltd.	239,212.92	489.09	552,554.16	743.34	442,369.18	665.11
Datamatics Global Services Ltd.	15,755.43	125.52	55,046.27	234.62	72,685.98	269.60
Dion Global Solutions Ltd.	44,336.59	210.56	314,985.26	561.24	299,756.01	547.50
Dr. Reddy'S Laboratories Ltd.	35,642,878.57	5970.17	2,226,670.24	1492.20	40,360,453.16	6352.99
Eclerx Investments Ltd.	0.85	0.92	0.98	0.99	0.11	0.33
E I D-Parry (India) Ltd.	1,723,188.92	1312.70	3,968,085.05	1992.01	1,748,014.33	1322.12
Elgi Equipments Ltd.	102,877.33	320.74	8,368.54	91.48	71,420.75	267.25
Eveready Industries (India) Ltd.	131,604.65	362.77	236,859.95	486.68	98,771.49	314.28
G V K Biosciences Pvt. Ltd.	72,745.07	269.71	370,463.04	608.66	235,799.29	485.59
Gemini Communication Ltd.	179,133.87	423.24	676,233.49	822.33	102,619.09	320.34
Gemmia Oiltech (India) Ltd.	844.29	29.06	1,148,455.12	1071.66	1,140,346.44	1067.87
Geodesic Ltd.	3,235,245.41	1798.68	3,999,480.93	1999.87	3,999,480.93	1999.87
Gitanjali Gems Ltd.	86,291,421.24	9289.32	43,247,645.60	6576.29	5,697,896.49	2387.03
Godrej Consumer Products Ltd.	7,273,884.89	2697.01	13,000,924.24	3605.68	15,713,461.89	3964.02
Gravita India Ltd.	8,340.60	91.33	41,519.26	203.76	9,758.51	98.79

Gujarat N R E Coke Ltd.	2,831,581.50	1682.73	3,649,147.93	1910.27	2,716,643.38	1648.22
Hanung Toys & Textiles Ltd.	3,573,820.42	1890.46	2,649,133.56	1627.62	757,444.79	870.31
H C L Technologies Ltd.	373,875,416.62	19335.86	135,507,176.87	11640.75	209,495,186.97	14473.95
Hindalco Industries Ltd.	136,142,697.50	11668.02	915,210,094.99	30252.44	636,508,642.94	25229.12
Hinduja Global Solutions Ltd.	44,993.52	212.12	458,018.11	676.77	153,970.08	392.39
Hindustan Construction Co. Ltd.	9,175,134.17	3029.05	17,860,684.26	4226.19	7,195,566.70	2682.46
Hindustan Unilever Ltd.	77,732,904.10	8816.63	105,892,159.27	10290.39	42,597,013.91	6526.64
I C R A Techno Analytics Ltd.	2,183.50	46.73	30,742.46	175.34	22,581.16	150.27
Indian Hotels Co. Ltd.	3,126,001.79	1768.05	21,787,263.49	4667.68	16,956,462.80	4117.82
International Conveyors Ltd.	13,989.93	118.28	9,206.42	95.95	16,251.85	127.48
I T C Ltd.	626,368,301.64	25027.35	256,702,472.36	16021.94	182,749,915.62	13518.50
J K M Erla Automotive Ltd.	1,399.82	37.41	92,359.24	303.91	46,644.72	215.97
Jain Irrigation Systems Ltd.	3,271,889.97	1808.84	8,045,895.01	2836.53	2,623,507.27	1619.72
Kaashyap Technologies Ltd.	4,529.36	67.30	145,973.85	382.07	61,973.65	248.95
Kanoria Chemicals & Inds. Ltd.	272,850.92	522.35	1,043,538.03	1021.54	1,426,259.51	1194.26
Kansai Nerolac Paints Ltd.	455,276.16	674.74	52,050.86	228.15	1,113,787.44	1055.36
Kiri Industries Ltd.	486,580.30	697.55	829,480.99	910.76	349,945.99	591.56
Larsen & Toubro Ltd.	193,303,603.31	13903.37	381,996,868.80	19544.74	406,438,172.08	20160.31
L T Foods Ltd.	650,704.27	806.66	931,224.87	965.00	73,388.99	270.90
Lupin Ltd.	65,599,400.84	8099.35	10,073,141.01	3173.82	5,874,458.26	2423.73
N I I T Technologies Ltd.	1,146,366.75	1070.69	24,444.53	156.35	663,675.30	814.66
Nitin Fire Protection Inds. Ltd.	135,624.82	368.27	160,296.99	400.37	51,321.49	226.54
N M D C Ltd.	79,923,787.75	8940.01	320,370,919.05	17898.91	429,024,606.77	20712.91
Opto Circuits (India) Ltd.	639,466.92	799.67	4,763,778.44	2182.61	4,869,832.84	2206.77
Orbit Exports Ltd.	8,111.05	90.06	5,991.53	77.40	10,293.84	101.46
Parekh Aluminex Ltd.	833,872.93	913.17	1,468,093.93	1211.65	667,020.09	816.71
Phoenix Lamps Ltd.	44,668.41	211.35	61,644.75	248.28	10,700.56	103.44
Piramal Enterprises Ltd.	292,322,532.16	17097.44	428,526,652.82	20700.89	1,168,423,162.74	34182.21
Polaris Consulting & Services Ltd.	1,225,425.39	1106.99	403,606.51	635.30	496,667.85	704.75
Prime Focus Ltd.	79,465.68	281.90	1,262,240.32	1123.49	752,913.49	867.71
Prithvi Information Solutions Ltd.	1,041,366.30	1020.47	1,658,350.29	1287.77	241,693.07	491.62
Prodapt Solutions Pvt. Ltd.	6,514.81	80.71	27,729.96	166.52	15,166.42	123.15
Punjab National Bank	6,990,304,752.45	83608.04	3,155,672,351.85	56175.37	4,570,699,105.50	67606.95

Quess Corp Ltd.	31,875.48	178.54	793.29	28.17	57,448.37	239.68
R S B Transmissions (I) Ltd.	172,190.67	414.96	206,263.56	454.16	70,502.35	265.52
Rain Industries Ltd.	1,112,935.43	1054.96	2,963,390.42	1721.45	1,743,311.93	1320.35
Reliance Industries Ltd.	6,767,768,364.95	82266.45	11,252,649,569.29	106078.51	9,226,159,110.99	198055.95
T V S Logistics Services Ltd.	53,425.91	231.14	8,425,611.78	2902.69	4,042,941.62	2010.71
Sabero Organics Gujarat Ltd.	29,044.92	170.43	82,264.17	286.82	45,686.95	213.75
Serum Institute Of India Pvt. Ltd.	53,831,065.10	7336.97	4,976,660.22	2230.84	32,796,459.25	5726.82
Spectacle Ventures Ltd.	157.68	12.56	421.65	20.53	44.06	6.64
Strides Shasun Ltd.	420,667.68	648.59	201,976,006.59	14211.83	221,872,342.96	14895.38
Sun Pharmaceutical Inds. Ltd.	142,609,840.28	11941.94	153,254,334.90	12379.59	244,998,897.40	15652.44
Superhouse Ltd.	9,686.49	98.42	6,247.76	79.04	22,469.87	149.90
Symphony Ltd.	133,361.90	365.19	212,133.54	460.58	162,083.35	402.60
T V S Logistics Services Ltd.	60,078.60	245.11	159,581.71	399.48	80,933.84	284.49
Tata Chemicals Ltd.	19,185,899.33	4380.17	62,617,462.26	7913.12	45,167,380.70	6720.67
Tata Consultancy Services Ltd.	3,033,303,013.44	55075.43	1,866,270,999.41	43200.36	518,955,903.03	22780.60
Tata Motors Ltd.	458,616,364.40	21415.33	2,257,466,670.09	47512.81	2,080,481,851.33	45612.30
Tata Technologies Ltd.	362,905.81	602.42	2,116,386.44	1454.78	1,488,850.87	1220.18
Tech Mahindra Ltd.	79,204,383.38	8899.68	40,431,132.54	6358.55	95,584,904.32	9776.75
Tega Industries Ltd.	46,022.92	214.53	36,617.92	191.36	26,028.48	161.33
Thermax Ltd.	2,932,688.67	1712.51	1,471,153.32	1212.91	3,214,272.04	1792.84
Time Technoplast Ltd.	130,592.76	361.38	317,397.46	563.38	97,196.30	311.76
U P L Ltd.	20,941,356.73	4576.17	55,388,617.29	7442.35	22,310,682.51	4723.42
Ultratech Cement Ltd.	102,274,189.14	10113.07	23,156,309.12	4812.10	189,623,103.06	13770.37
Voltas Ltd.	5,200,251.79	2280.41	435,508.47	659.93	1,386,779.46	1177.62
W P I L Ltd.	20,274.35	142.39	40,042.81	200.11	12,937.42	113.74
Wipro	305,530,515.14	17479.43	187,294,262.90	13685.55	944,854,236.46	30738.48
Zydus Animal Health Ltd.	2,269.95	47.64	6,233.71	78.95	135.67	11.65

(Source: Authors Compilation)

The Variance and Standard Deviation of net cash flows from Operating, Investing and Financial Activities of selected Ninety companies after CBM&As are presented above in Table 1. It is clear from the above table that

for Cash Flows from Operating Activities: Eclerx Investments Ltd. has less fluctuation since its standard deviation is 0.92 with a variance of 0.85 and Punjab National Bank had highest fluctuation with a standard deviation of 83608 with a variance of 6990304752.

for Cash Flows from Investing Activities: Here also Eclerx Investments Ltd. has less fluctuation since its standard deviation is 0.99 with a variance of 0.98 and Reliance Industries Ltd. had highest fluctuation with a standard deviation of 106078 with a variance of 11252649569.

for Cash Flows from Financing Activities: Here also Eclerx Investments Ltd. has less fluctuation since its standard deviation is 0.33 with a variance of 0.11 and Rain Industries Ltd. had highest fluctuation with a standard deviation of 198055 with a variance of 39226159110.

V. Testing Of Hypothesis

Table 2: One-way ANOVA test for Net Cash Flow from Operating Activities

Source of Variation	*SS*	*D.f*	*MS*	*F*	*P-Value*	*F-Critical*
Between Groups	991,678,980,443.99	96	10,329,989,379.62	**42.8111**	**0.0000**	**1.2728**
Within Groups	158,529,009,298.18	657	241,292,251.60			
Total	1,150,207,989,742.1	753				

(Source: Authors Compilation)

One-way ANOVA test result for net cash flow from operating activities are presented in Table 2. According to the table the F statistics at 5% level of significance for net cash flow from operating activities is 42.8111 and F-critical is 1.2728. Since the F statistic is greater than the F-critical, the Null Hypothesis should be rejected.

Table 3: One-way ANOVA test for Net Cash Flow from Investing Activities

Source of Variation	*SS*	*D.f*	*MS*	*F*	*P-Value*	*F-Critical*
Between Groups	60,416,888,450.32	94	642,732,855.85	**2.3569**	**0.0000**	**1.2751**
Within Groups	180,798,958,523.68	663	272,698,278.32			
Total	241,215,846,974.00	757				

(Source: Authors Compilation)

One-way ANOVA test result for net cash flow from Investing activities are presented in Table 3. According to the table the F statistics at 5% level of significance for net cash flow from investing activities is 2.3569 and F-critical is 1.2751. Since the F statistic is greater than the F-critical, the Null Hypothesis should be rejected.

Table 4: One-way ANOVA test for Net Cash Flow from Financing Activities

Source of Variation	*SS*	*D.f*	*MS*	*F*	*P-value*	*F-Critical*
Between Groups	886909564836.85	96	9,238,641,300.38	**16.3920**	**0.0000**	**1.2680**
Within Groups	463,848,747,925.70	823	563,607,227.13			
Total	1,350,758,312,762.55	919				

(Source: Authors Compilation)

One-way ANOVA test result for net cash flow from Financing activities are presented in Table 4. According to the table the F statistics at 5% level of significance for net cash flow from financing activities is 16.3920 and F-critical is 1.2680. Since the F statistic is greater than the F-critical, the Null Hypothesis should be rejected.

VI. FINDINGS:

From the above analysis and one way ANOVA test following points were noted;

1. Eclerx Investments Ltd. has very less fluctuation in its financial position after CBM&As since its standard deviation is less than one in case of all the three cash flows activities.
2. Punjab National Bank had highest fluctuation in its operating cash flows after CBM&As and care should be taken by the policy makers while entering into such agreements in future.
3. Reliance Industries Ltd. had highest fluctuation in its investing cash flows after CBM&As and due care has to be taken by the policy makers while investing in CapExp. While entering into such agreements in future.
4. Rain Industries Ltd. had highest fluctuation in its financing cash flows after CBM&As and due care has to be taken by the policy makers while broadening their capital structure.
5. One-way ANOVA test rejects all the three hypothesis which shows that there is a significant differences in all the three cash flow activities of the company after CBM&As.

VII. CONCLUSION:

This study has helped draw conclusions with respect to cash flows position of major CBM&As took place in India between 2007 to 2017 and it is evident that only few companies could cope up with such expansion with less variability and most of the companies failed to handle their cash positions with less variability. It can be concluded that CBM&As undertaken by Indian acquirers of foreign targets leads to significant differences in their net cash flows of all the three activities i.e., Operating, Investing and Financial. Therefore policy makers should take a due care after such CBM&As to maintain a stable cash flow positions in order to safeguard their liquidity and solvency positions.

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