

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:309
ANSWERED ON:16.04.2010
MERGERS & ACQUISITIONS
Ponnam Shri Prabhakar

Will the Minister of FINANCE be pleased to state:

(a) whether the effect of mergers and acquisitions on the competitiveness in the market and the Indian economy as a whole has been or is being assessed; and

(b) if so, the details thereof and if not, the reason therefor?

Answer

FINANCE MINISTER(SHRI PRANAB MUKHERJEE)

(a) & (b): A Statement is placed on the Table of the House.

Statement referred to in reply to Lok Sabha Starred Question No. 309 by Shri Ponnam Prabhakar for answer on April 16, 2010 regarding Mergers & Acquisitions.

(a) & (b): No Sir. The Government has not assessed independently the effect of mergers and acquisitions on the competitiveness of market and the economy as a whole. The Government deals with only amalgamations/ arrangements of Government companies under Sections 391-394 and Section 396 of the Companies Act, 1956. As far as amalgamations of private companies are concerned, the same is dealt by the High Courts. Overall market assessment and competitiveness is within the purview of the Competition Commission. The Competition Commission of India has now become operational. However, Section 5 of the Competition Act, 2002 relating to mergers/amalgamations of the companies is yet to be notified.