

The Impact of Demerger on the Corporate Financial Performance: A Study With Reference To India

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Abstract

Demergers of conglomerates are a prevalent phenomenon in financial markets across the world. Carried out with different motives generally, in a portion demerger program, the company distributes the portions of demerged entity to the subsisting shareholders without any consideration. Demergers in Indian companies are over a decennium old phenomenon, with many companies opting for equipollent.

In our study we examined the pre and post demerger financial performance of 11 companies which demerged in the year 2015-16. Sample paired t- test has been used as a statistical tool to find that whether there was significant impact of the demergers on the financial performance of those companies or not. We took ROI, RONW and EPS as the proxies of the financial performance which indicated the significant change after applying the said statistical tool.

Keywords: Demerger, ROI, RONW, EPS, sample paired t test

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I. Introduction

Demergers were an American engenderment in the 1920s and became customary since the 1950s. Corporate demerger is one of the numerous ways by which a firm may break up a division and amend its focus. A demerger is a pro-rata sharing of the quotas of a company's subsidiary to the shareholders of the company. There is neither a dilution of equity nor a transfer of ownership from the current shareholders. After the sharing, the management and operations of the subsidiary are disunited from those of the parent.

Demerger perpetuates to be a unique mode of divesting assets as they do not involve any mazuma (cash) transactions. Thus, they cannot be incentivized by a yearning to engender mazuma (cash) to pay off debt, as is often the case with other types of divestitures. In American English this process is termed as spin-off, in British English it's, demerger. This paper seeks to investigate the reasons why 'demerger' has become the prevalent form of corporate restructuring across sundry sectors economically and verbalizing out the benefits and perils which may accrue from the process.

For the purpose of flexibility, I would be using demergers, divestitures and split-offs interchangeably due to word limitations hindering me from stating the differences between them.

A demerger also called a divestiture can be involuntary or voluntary. An involuntary divestiture usually is the result of an antitrust ruling by the government while a voluntary divestiture is a wilful decision by management to divest. A Demerger or spin-off results in the transfer- by an organisation, of one or more of its activities to another organization. The company whose activities are transferred is called the Demerged company and the organisation (or the organisations) to which the activities/undertaking is transferred is referred to as the Resulting company.

There is a growing realization among companies that demerger could really allow them to re-establish their core competence and grasp the true worth of their business.

More preponderant fixate on each of the entities composed and unlocking of shareholder value are some reasons for demergers. Historical data of recent years suggests that the demergers have resulted in consequential value unlocking for both parent and demerged entities.

II. Literature Review

Krug and Aguilera (2005) reviewed the top management team-effects in mergers and acquisitions. They explored two areas – first, the role of incipiently hired executives, and second, the nature of director turnover. They considered once the target firm's top management team as a dependent variable to understand the determinants of top management turnover, and further as an independent variable to understand the effect of top

management turnover on post-acquisition integration and performance. The result exhibited high turnover rates up to nine years after acquisition. This suggests that acquisitions engender long-term leadership instability in acquired firms. The authors concluded that acquisitions appear to engender long periods of instability in the target company's top management team that commences with a high caliber of departures among incumbent executives immediately following the acquisition and perpetuates with high calibers of turnover among executives, who join the target firm after the acquisition.

Lundh (2007). Comparing a spinoff company with a parent company in a post-disruption situation can conclude that the most efficient company is a risky approach and spinoff works better than the pre-spinoff company 11 times out of 17. There is found a correlation between risk and recurrence, when high returns are visually tested and present significant risks, and this is true for all samples except one.

Veld and Merkoulova (2008) in their paper reviewed the factors that contribute to the economic outcomes associated with advertising for corporate demergers. They used meta-analyzes to summarize the findings of 26 events subject to spin-off announcements. They experienced an excellent eccentric return of 3.02% during the events. Reimbursements were even higher for larger extracts, tax breaks or legal controls and exceptions that lead to non-cognate segmentation. They have also found that completed spin-offs are associated with lower eccentric returns than unfinished demergers. They reviewed the studies on long-term stock price performance of spin-offs.

Meyer (2008) attempted to find out why the success of the merger and acquisition failed to please shareholders. From 1996 to 2006, he studied six mixing cases spanning ten years. The author has visually explored that the largest leakage of stock value is expected in multiple combinations, horizontal, and minimum value leverages in a single acquisition. Research has shown that shareholder interest rates are biased - firstly, profits are reduced by internal owners seeking to be paid off by shareholders, and secondly, costs are raised due to cuts or redistribution of resources. The author argued that joint ventures could be more committed to lower production than they would otherwise be, and exploit these extreme losses of profits compared to potential future partnerships.

Anand and Singh (2008) used an event-based approach to analyzing five mergers in the Indian Banking Sector in order to obtain compensation to shareholders due to merger information during 1999 to 2005. They are examining the effects of a temporary shareholding wealth on the merger of the Bank of India. Integration of Times Bank with HDFC Bank (1999), The Bank of Madura and ICICI Bank (2000), ICICI Ltd. and ICICI Bank (2001), Ecumenical Trust Bank (GTB) and Oriental Bank of Commerce (OBC) (2004), and mergers of Punjab Bank (BOP) and Centurion Bank (2005) have been studied. The findings of the study were consistent with the merger and acquisition of European and US banks, with the exception of the number of shareholders in bidding banks being tarnished in the US context. From the study, it emerged that the announcement of mergers in the Indian banking industry has a wealth of good and valuable shareholders that affects both bids and targeted banks.

Mann and Kohli (2008) they experimentally assessed the synergistic picks up from bank mergers by isolating them into two categories of coerced mergers and showcase driven mergers. The observational comes about indicated that markets had responded contrarily to the proclamation of coerced mergers whereas the response has been positive to that of showcase driven mergers. In line with advertise prospect, coerced mergers had not coordinates any esteem to both the adjust sheet and productivity variable of consolidated banks have not coordinates any esteem to showcase driven mergers had not instantly corrected the productivity of consolidated banks, but they had corrected the adjust sheet factors of consolidating banks and had given these banks an edge over the competitors in terms of geographic scattering, impact in early districts where the combining substance needed nearness and stretched item portfolio and hence given distant better, higher, stronger, and improved- an improved movement for amplification.

Francesco (2012), Subeniotis, Ioannis, and Markos (2011), the research study identified the employment effects be speakers of mergers and acquisitions in the manufacturing, financial and accommodation sectors of the US economy. Incidentally, albeit this corporate control market doesn't appear to play a paramount job in Indian M&A, its paramourncy is incrementing as the quantity of M&As between companies belonging to sundry amassments of advertisers develops. In integration, international residential acquisitions will lead to a progressively vibrant and solemn corporate control market. M&As including bidder and target venture amalgamations, each of which is owned by separate advertisers, would likely lead to a perception of better bidder management on the financial exchange, superseding wasteful or supplementing less prosperous target management. These could withal lead to prospects of better future prospects for the amalgamated firm.

Vyas Pavak (2015) concludes with its assessment of demergers and the timing of the announcement of the pricing of the judges' response in 2012-2014. He thoroughly studied the total number of demergers of 51 companies listed in India and tried to find out that those who were lagging behind led to a refund of confidential funds to shareholders in the parent company. Using an event-reading method, the authors analyzed the performance price of the day-to-day advertising effect of the 10-day demerger announcement. You got the following security performance in addition to the announcement of the index demmarkger release from the 1.74% surpris-

ing return of the demerger announcement to the 0.16% eccentric Return 10 days following the announcement.

Abubakar Abdullahi Radda, Samuel Akanno, Ifeatu Uzodinma, S. Abba ; Demerger or Break-up of Companies: A Management Strategy or Tragedy (2015)- The dynamics of a business environment require that instruments be turned into organizations, corporate management supervisors and affiliate philomaths to research research that will promote solutions in a dynamic business environment. This meta-analysis focused on investigating a strategy or catastrophe caused by the democrats or the separation of several cases taken from the oil and gas and gas industries and telephones. A review of existing literature has revealed the concept of embracing change and building strategies (strategies) to meet and beat existing competitions and threats to intruders or to stay the same.

Padmanabhan P.A (2018) analysed that demergers rise as one of the most means of corporate re-building. Whereas there are broad records of anglers overseas, there are documents banned by demergers within the Indian setting. examined the effect of demerger announcement on shareholders' economy being analysed utilizing the occasion think about. It has taken declarations of diminishment made by 63 companies spread over 11 a long time from 2003 to 2014. He has utilized two diverse sorts, to be specific, implies a altered returns model and a advertise demonstrate. Logging is utilized within the study. The adequacy of the Indian stock advertise is additionally being tried within the consider. Comes about appear positive mistake returns inside the occasion window beneath both well-adjusted and market-based recovery modes. The comes about appear that the Indian stock showcase is appearing great shape execution.

III. Objectives Of The Study

There have been various studies conducted relating to the topic of impact of spin-off on the financial performance. Those studies have been focused on various aspects of spin-offs but in this paper, we would be focusing our research on points mentioned below:

- To assess whether there is any significant impact of spin off on ROI of the companies.
- To investigate whether there is any significant effect of spin off on RONW of the companies.
- To determine the impact of spin off on the EPS of the companies

IV. Research Methodology

The data from on we have applied statistical methodology is secondary data. The data we collected for the companies is from Capitaline Database. The statistical method that we would apply to observe if there is any significant impact of the demergers which took place in the year 2015-16 on the ROI, RONW and EPS of the companies was Sample paired t-test.

To have uniformity in our data we would be taking the data from the financial year 2011-12 to 2014-15 for the period **before** the demerger and financial year 2016-17 to 2019-20 for the period **after** the demerger.

Number of companies used are 11 as only 11 companies have demerged in 2015-16.

V. Data Analysis And Findings

The paired sample t test hypotheses are described below:

H₀- There is no statistical significance of demerges on ROI or RONW or EPS. (p-value>0.05)

H_a- There is statistical significance of demerges on ROI or RONW or EPS. (p-value<0.05)

Assuming the significance level of 5%

- The null hypothesis (**H₀**) assumes that the true mean difference (**μ_d**) is equal to zero.
- The two-tailed alternative hypothesis (**H₁**) assumes that **μ_d** is not equal to zero.

1) ARVIND LTD.

a) ROI

	<i>BEFORE</i>	<i>AFTER</i>
Mean	9.83	13.4525
Variance	12.36166667	3.229958333
Observations	4	4
P(T<=t) two-tail	0.064286427	
t Critical two-tail	3.182446305	

In the above table, As the p-value is more than 0.05 (that is, $p > .05$), it can be concluded that there is NO statistically significant difference between our two variables.

$0.064286427 > 0.05$, Not Significant

b) RONW

	<i>BEFORE</i>	<i>AFTER</i>
Mean	16.685	7.1875
Variance	31.6305	6.031158333
Observations	4	4
P(T<=t) two-tail	0.03286613	
t Critical two-tail	3.182446305	

In the above table, As the p -value is less than 0.05 (that is, $p < .05$), it can be concluded that there is a statistically significant difference between our two variables.
0.03286613 < 0.05, Significant

c) EPS

	<i>BEFORE</i>	<i>AFTER</i>
Mean	13.3625	9.15
Variance	8.863158333	15.66526667
Observations	4	4
P(T<=t) two-tail	0.183555655	
t Critical two-tail	3.182446305	

In the above table, As the p -value is more than 0.05 (that is, $p > .05$), it can be concluded that there is NO statistically significant difference between our two variables.
0.183555655 > 0.05, Not Significant

2) **Balkrishna Industries Ltd.**

a) ROI

	<i>BEFORE</i>	<i>AFTER</i>
Mean	11.86	24.2625
Variance	0.5022	3.604558333
Observations	4	4
P(T<=t) two-tail	0.002037346	
t Critical two-tail	3.182446305	

In the above table, As the p -value is less than 0.05 (that is, $p < .05$), it can be concluded that there is a statistically significant difference between our two variables.
0.002037346 < 0.05, Significant

b) RONW

	<i>BEFORE</i>	<i>AFTER</i>
Mean	23.565	18.505
Variance	3.642766667	2.400966667
Observations	4	4
P(T<=t) two-tail	0.040860381	
t Critical two-tail	3.182446305	

In the above table, As the p -value is less than 0.05 (that is, $p < .05$), it can be concluded that there is a statistically significant difference between our two variables.
0.040860381 < 0.05, Significant

c) EPS

	<i>BEFORE</i>	<i>AFTER</i>
Mean	40.4175	41.2
Variance	110.778425	33.15333333
Observations	4	4
P(T<=t) two-tail	0.851251211	
t Critical two-tail	3.182446305	

In the above table, As the p -value is more than 0.05 (that is, $p > .05$), it can be concluded that there is NO statistically significant difference between our two variables.

0.851251211 > 0.05, Not Significant

3) **CG Power and Industrial Solutions Ltd.**

a) ROI

	<i>BEFORE</i>	<i>AFTER</i>
Mean	3.0275	-2.4275
Variance	16.024025	118.163225
Observations	4	4
P(T<=t) two-tail	0.288446643	
t Critical two-tail	3.182446305	

In the above table, As the p -value is more than 0.05 (that is, $p > .05$), it can be concluded that there is NO statistically significant difference between our two variables.

0.288446643 > 0.05, Not Significant

b) RONW

	<i>BEFORE</i>	<i>AFTER</i>
Mean	4.145	-15.13
Variance	28.3515	135.7519333
Observations	4	4
P(T<=t) two-tail	0.059159192	
t Critical two-tail	3.182446305	

In the above table, As the p -value is more than 0.05 (that is, $p > .05$), it can be concluded that there is NO statistically significant difference between our two variables.

0.059159192 > 0.05, Not Significant

c) EPS

	<i>BEFORE</i>	<i>AFTER</i>
Mean	3.115	-15.445
Variance	7.142766667	163.3203667
Observations	4	4
P(T<=t) two-tail	0.063310528	
t Critical two-tail	3.182446305	

In the above table, As the p -value is more than 0.05 (that is, $p > .05$), it can be concluded that there is NO statistically significant difference between our two variables.

0.063310528 > 0.05, Not Significant

4) Mastek Ltd.

a) ROI

	<i>BEFORE</i>	<i>AFTER</i>
Mean	4.6825	11.255
Variance	11.781825	22.92203333
Observations	4	4
P(T<=t) two-tail	0.013223131	
t Critical two-tail	3.182446305	

In the above table, As the p -value is less than 0.05 (that is, $p < .05$), it can be concluded that there is a statistically significant difference between our two variables.

$0.013223131 < 0.05$, Significant

b) RONW

	<i>BEFORE</i>	<i>AFTER</i>
Mean	4.685	11.8075
Variance	15.9611	11.044625
Observations	4	4
P(T<=t) two-tail	0.009224495	
t Critical two-tail	3.182446305	

In the above table, As the p -value is less than 0.05 (that is, $p < .05$), it can be concluded that there is a statistically significant difference between our two variables.

$0.009224495 < 0.05$, Significant

c) EPS

	<i>BEFORE</i>	<i>AFTER</i>
Mean	10.5675	32.88
Variance	77.10715833	204.8426
Observations	4	4
P(T<=t) two-tail	0.023707224	
t Critical two-tail	3.182446305	

In the above table, As the p -value is less than 0.05 (that is, $p < .05$), it can be concluded that there is a statistically significant difference between our two variables.

$0.023707224 < 0.05$, Significant

5) Adani Enterprises Ltd.

a) ROI

	<i>BEFORE</i>	<i>AFTER</i>
Mean	2.3425	9.8425
Variance	0.080425	0.909091667
Observations	4	4
P(T<=t) two-tail	0.000342529	
t Critical two-tail	3.182446305	

In the above table, As the p -value is less than 0.05 (that is, $p < .05$), it can be concluded that there is a statistically significant difference between our two variables.

$0.000342529 < 0.05$, Significant

b) RONW

	<i>BEFORE</i>	<i>AFTER</i>
Mean	8.4625	5.89
Variance	1.136625	1.231933333
Observations	4	4
P(T<=t) two-tail	0.040317109	
t Critical two-tail	3.182446305	

In the above table, As the p -value is less than 0.05 (that is, $p < .05$), it can be concluded that there is a statistically significant difference between our two variables.

0.040317109 < 0.05, Significant

c) EPS

	<i>BEFORE</i>	<i>AFTER</i>
Mean	17.3225	8.185
Variance	5.257158333	3.256166667
Observations	4	4
P(T<=t) two-tail	0.009117174	
t Critical two-tail	3.182446305	

In the above table, As the p -value is less than 0.05 (that is, $p < .05$), it can be concluded that there is a statistically significant difference between our two variables.

0.009117174 < 0.05, Significant

6) Tinna Rubber

a) ROI

	<i>BEFORE</i>	<i>AFTER</i>
Mean	11.245	3.6
Variance	97.88283333	28.77393333
Observations	4	4
P(T<=t) two-tail	0.192275836	
t Critical two-tail	3.182446305	

In the above table, As the p -value is more than 0.05 (that is, $p > .05$), it can be concluded that there is NO statistically significant difference between our two variables.

0.192275836 > 0.05, Not Significant

b) RONW

	<i>BEFORE</i>	<i>AFTER</i>
Mean	13.68	-7.53
Variance	123.8253333	40.9248
Observations	4	4
P(T<=t) two-tail	0.023463624	
t Critical two-tail	3.182446305	

In the above table, As the p -value is less than 0.05 (that is, $p < .05$), it can be concluded that there is a statistically significant difference between our two variables.

0.023463624 < 0.05, Significant

c) EPS

	<i>BEFORE</i>	<i>AFTER</i>
Mean	10.485	-5.63
Variance	111.7319	19.83586667
Observations	4	4
P(T<=t) two-tail	0.025899266	
t Critical two-tail	3.182446305	

In the above table, As the p -value is less than 0.05 (that is, $p < .05$), it can be concluded that there is a statistically significant difference between our two variables.
 0.025899266 < 0.05, Significant

7) **Sri Adhik. Bros.**

a) ROI

	<i>BEFORE</i>	<i>AFTER</i>
Mean	-1.0525	-14.4075
Variance	30.06829167	12850.24029
Observations	4	4
P(T<=t) two-tail	0.829813832	
t Critical two-tail	3.182446305	

In the above table, As the p -value is more than 0.05 (that is, $p > .05$), it can be concluded that there is NO statistically significant difference between our two variables.
 0.829813832 > 0.05, Not Significant

b) RONW

	<i>BEFORE</i>	<i>AFTER</i>
Mean	-2.6475	-280.545
Variance	113.081625	245438.1878
Observations	4	4
P(T<=t) two-tail	0.347075893	
t Critical two-tail	3.182446305	

In the above table, As the p -value is more than 0.05 (that is, $p > .05$), it can be concluded that there is NO statistically significant difference between our two variables.
 0.347075893 > 0.05, Not Significant

c) EPS

	<i>BEFORE</i>	<i>AFTER</i>
Mean	-1.1425	-9.7875
Variance	30.91009167	61.26669167
Observations	4	4
P(T<=t) two-tail	0.279032977	
t Critical two-tail	3.182446305	

In the above table, As the p -value is more than 0.05 (that is, $p > .05$), it can be concluded that there is NO statistically significant difference between our two variables.
 0.279032977 > 0.05, Not Significant

8) Adani Power

a) ROI

	<i>BEFORE</i>	<i>AFTER</i>
Mean	-2.3225	2.8675
Variance	5.877825	119.3394917
Observations	4	4
P(T<=t) two-tail	0.455391511	
t Critical two-tail	3.182446305	

In the above table, As the p -value is more than 0.05 (that is, $p > .05$), it can be concluded that there is NO statistically significant difference between our two variables.
 0.455391511 > 0.05, Not Significant

b) RONW

	<i>BEFORE</i>	<i>AFTER</i>
Mean	-19.22	-110.5725
Variance	541.4408667	16458.06983
Observations	4	4
P(T<=t) two-tail	0.215033532	
t Critical two-tail	3.182446305	

In the above table, As the p -value is more than 0.05 (that is, $p > .05$), it can be concluded that there is NO statistically significant difference between our two variables.
 0.215033532 > 0.05, Not Significant

c) EPS

	<i>BEFORE</i>	<i>AFTER</i>
Mean	-3.6975	-8.6675
Variance	16.057225	41.377625
Observations	4	4
P(T<=t) two-tail	0.333309253	
t Critical two-tail	3.182446305	

In the above table, As the p -value is more than 0.05 (that is, $p > .05$), it can be concluded that there is NO statistically significant difference between our two variables.
 0.333309253 > 0.05, Not Significant

9) Jindal Photo

a) ROI

	<i>BEFORE</i>	<i>AFTER</i>
Mean	-0.235	0.685
Variance	0.344366667	3.077633333
Observations	4	4
P(T<=t) two-tail	0.421609903	
t Critical two-tail	3.182446305	

In the above table, As the p -value is more than 0.05 (that is, $p > .05$), it can be concluded that there is NO statistically significant difference between our two variables.
 0.421609903 > 0.05, Not Significant

b) RONW

	<i>BEFORE</i>	<i>AFTER</i>
Mean	-9.695	-7.1575
Variance	170.5603667	78.21209167
Observations	4	4
P(T<=t) two-tail	0.736800911	
t Critical two-tail	3.182446305	

In the above table, As the p -value is more than 0.05 (that is, $p > .05$), it can be concluded that there is NO statistically significant difference between our two variables.

0.736800911 > 0.05, Not Significant

c) EPS

	<i>BEFORE</i>	<i>AFTER</i>
Mean	-16.3425	-1.3825
Variance	580.136025	2.937891667
Observations	4	4
P(T<=t) two-tail	0.297369071	
t Critical two-tail	3.182446305	

In the above table, As the p -value is more than 0.05 (that is, $p > .05$), it can be concluded that there is NO statistically significant difference between our two variables.

0.297369071 > 0.05, Not Significant

10) Gokul Refoils

a) ROI

	<i>BEFORE</i>	<i>AFTER</i>
Mean	-5.36	16.0825
Variance	208.2716667	4.283358333
Observations	4	4
P(T<=t) two-tail	0.045348292	
t Critical two-tail	3.182446305	

In the above table, As the p -value is less than 0.05 (that is, $p < .05$), it can be concluded that there is a statistically significant difference between our two variables.

0.045348292 < 0.05, Significant

b) RONW

	<i>BEFORE</i>	<i>AFTER</i>
Mean	-6.1975	3.725
Variance	272.0140917	5.415366667
Observations	4	4
P(T<=t) two-tail	0.268299497	
t Critical two-tail	3.182446305	

In the above table, As the p -value is more than 0.05 (that is, $p > .05$), it can be concluded that there is NO statistically significant difference between our two variables.

0.268299497 > 0.05, Not Significant

c) EPS

	<i>BEFORE</i>	<i>AFTER</i>
Mean	-1.62	0.8175
Variance	19.28926667	0.298425
Observations	4	4
P(T<=t) two-tail	0.307933381	
t Critical two-tail	3.182446305	

In the above table, As the p -value is more than 0.05 (that is, $p > .05$), it can be concluded that there is NO statistically significant difference between our two variables.
 0.307933381 > 0.05, Not Significant

11) JSW Energy

a) ROI

	<i>BEFORE</i>	<i>AFTER</i>
Mean	5.0725	5.6475
Variance	9.144891667	24.074225
Observations	4	4
P(T<=t) two-tail	0.80934412	
t Critical two-tail	3.182446305	

In the above table, As the p -value is more than 0.05 (that is, $p > .05$), it can be concluded that there is NO statistically significant difference between our two variables.
 0.80934412 > 0.05, Not Significant

b) RONW

	<i>BEFORE</i>	<i>AFTER</i>
Mean	11.7425	5.5175
Variance	41.107225	13.00429167
Observations	4	4
P(T<=t) two-tail	0.177007943	
t Critical two-tail	3.182446305	

In the above table, As the p -value is more than 0.05 (that is, $p > .05$), it can be concluded that there is NO statistically significant difference between our two variables.
 0.177007943 > 0.05, Not Significant

c) EPS

	<i>BEFORE</i>	<i>AFTER</i>
Mean	4.845	3.82
Variance	8.812833333	6.542666667
Observations	4	4
P(T<=t) two-tail	0.572018022	
t Critical two-tail	3.182446305	

In the above table, As the p -value is more than 0.05 (that is, $p > .05$), it can be concluded that there is NO statistically significant difference between our two variables.
 0.572018022 > 0.05, Not Significant

VI. Conclusion And Recommendations

This study conducted by us has brought forth many distinct conclusions regarding the impact of spin-off in the year 2015–16. This paper has taken very basic Statistical methodology, which is sample paired t-test to showcase how spin-off / Demergers can impact ROI, RONW, and EPS of companies. We got to understand how the sample paired t- test is used and how it is observed to find an understandable conclusion. After applying sample paired t-test on ROI, RONW and EPS of the 11 companies from financial year 2011-12 to 2014-15 for the period before the demergers and financial year 2016-17 to 2019-20 for the period after the demergers, we can say that, for,

- Arvind Ltd., change in ROI was not significant, change in RONW was significant, and change in EPS was not significant.
- Balkrishna Industries, change in ROI was significant, change in RONW was significant, and change in EPS was not significant.
- CG Power & Industries., change in ROI was not significant, change in RONW was not significant, and change in EPS was not significant.
- Mastek, change in ROI was significant, change in RONW was significant, and change in EPS was significant.
- Adani Enterprises., change in ROI was significant, change in RONW was significant, and change in EPS was significant.
- Tinna Rubber, change in ROI was not significant, change in RONW was significant, and change in EPS was significant.
- Sri Adhik. Bros., change in ROI was not significant, change in RONW was not significant, and change in EPS was not significant.
- Adani Power, change in ROI was not significant, change in RONW was not significant, and change in EPS was not significant.
- Jindal Photo, change in ROI was not significant, change in RONW was not significant, and change in EPS was not significant.
- Gokul Refoils, change in ROI was significant, change in RONW was not significant, and change in EPS was not significant.
- JSW Energy, change in ROI was not significant, change in RONW was not significant, and change in EPS was not significant.

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ANNEXURE

S.NO.	COMPANY'S NAME	RATIO'S	2019-20	2018-19	2017-18	2016-17	2014-15	2013-14	2012-13	2011-12
1	Arvind Ltd.	ROI	11.17	14.4	12.96	15.28	8.01	8.74	7.52	15.05
		RONW	3.53	8.22	8.18	8.82	13.89	15.33	12.57	24.95
		EPS	3.7	8.75	11.97	12.18	13.21	13.71	9.63	16.9
2	Balkrishna Industries Ltd.	ROI	21.88	23.63	25.46	26.08	12.35	12.41	10.88	11.8
		RONW	19.16	16.62	18.01	20.23	20.76	25.04	24.24	24.22
		EPS	49.64	40.02	38.06	37.08	48.89	49.1	36.2	27.48
3	CG Power and Industrial Solutions Ltd.	ROI	-17.79	2.13	-1.46	7.41	0.34	4.33	-0.65	8.09
		RONW	0	-23.63	-24.93	-11.96	0.51	6.75	-1.02	10.34
		EPS	-34.45	-8.03	-11.47	-7.83	3.34	3.86	-0.56	5.82
4	Mastek Ltd.	ROI	11.97	16.98	10.75	5.32	2.75	8.83	6.02	1.13
		RONW	13.44	14.16	12.73	6.9	2.97	9.24	6.44	0.09
		EPS	45.21	42.61	29.74	13.96	7.94	21.08	13.06	0.19
5	Adani Enterprises Ltd.	ROI	10.57	10.74	8.84	9.22	2.21	2.72	2.06	2.38
		RONW	6.71	4.86	5.01	6.98	7.57	9.34	7.51	9.43
		EPS	10.35	6.52	6.89	8.98	17.71	20.19	14.67	16.72
6	Timna Rubber	ROI	3.95	9.92	3.73	-3.2	4.53	24.36	2.75	13.34
		RONW	-7.25	-0.05	-7.13	-15.69	7.36	28.9	3.74	14.72
		EPS	-5.66	-0.04	-5.88	-10.94	6.82	25.92	1.93	7.27
7	SriAdhik. Bros.	ROI	124.21	-148.53	-42.51	9.2	2.45	2.09	0.42	-9.17
		RONW	0	-	-	5.2	4.23	2.91	0.72	-18.45
		EPS	-10.54	-15.03	-15.09	1.51	2.51	1.93	0.36	-9.37
8	Adani Power	ROI	7.13	9.39	8.41	-13.46	-1.98	-0.71	-5.85	-0.75
		RONW	0	0	-	-	-14.24	-4.44	-53.45	-4.75
		EPS	-8.19	-3.21	-5.45	-17.82	-2.84	-1.04	-9.59	-1.32
9	Jindal Photo	ROI	-1.18	3.05	0.3	0.57	-0.53	-0.75	-0.25	0.59
		RONW	-14.01	1.07	-15.56	-0.13	-22.82	-17.68	-4.28	6
		EPS	-3.31	0.16	-2.34	-0.04	-30.02	-39.78	-10.34	14.77
10	Gokul Refoils	ROI	17.78	17.84	15.03	13.68	2.13	0.85	2.56	-26.98
		RONW	6.48	4.25	3.31	0.86	2.42	0.97	2.73	-30.91
		EPS	1.5	0.9	0.69	0.18	0.7	0.27	0.75	-8.2
11	JSW Energy	ROI	10.09	9.54	0.34	2.62	8.44	4.78	5.91	1.16
		RONW	9.44	5.87	0.7	6.06	17.95	11.48	14.56	2.98
		EPS	6.7	4.24	0.48	3.86	8.23	4.6	5.51	1.04

DATA ARRANGED FOR CALCULATIONS:

1. Arvind Ltd.

ROI		RONW		EPS	
BEFORE	AFTER	BEFORE	AFTER	BEFORE	AFTER
15.05	15.28	24.95	8.82	16.9	12.18
7.52	12.96	12.57	8.18	9.63	11.97
8.74	14.4	15.33	8.22	13.71	8.75
8.01	11.17	13.89	3.53	13.21	3.7

2. Balkrishna Industries Ltd.

ROI		RONW		EPS	
BEFORE	AFTER	BEFORE	AFTER	BEFORE	AFTER
11.8	26.08	24.22	20.23	27.48	37.08
10.88	25.46	24.24	18.01	36.2	38.06
12.41	23.63	25.04	16.62	49.1	40.02
12.35	21.88	20.76	19.16	48.89	49.64

3. CG Power and Industrial Solutions Ltd.

ROI		RONW		EPS	
BEFORE	AFTER	BEFORE	AFTER	BEFORE	AFTER
8.09	7.41	10.34	-11.96	5.82	-7.83
-0.65	-1.46	-1.02	-24.93	-0.56	-11.47
4.33	2.13	6.75	-23.63	3.86	-8.03
0.34	-17.79	0.51	0	3.34	-34.45

4. Mastek Ltd.

ROI		RONW		EPS	
BEFORE	AFTER	BEFORE	AFTER	BEFORE	AFTER
1.13	5.32	0.09	6.9	0.19	13.96
6.02	10.75	6.44	12.73	13.06	29.74
8.83	16.98	9.24	14.16	21.08	42.61
2.75	11.97	2.97	13.44	7.94	45.21

5. Adani Enterprises Ltd.

ROI		RONW		EPS	
BEFORE	AFTER	BEFORE	AFTER	BEFORE	AFTER
2.38	9.22	9.43	6.98	16.72	8.98
2.06	8.84	7.51	5.01	14.67	6.89
2.72	10.74	9.34	4.86	20.19	6.52
2.21	10.57	7.57	6.71	17.71	10.35

6. Tinna Rubber

ROI		RONW		EPS	
BEFORE	AFTER	BEFORE	AFTER	BEFORE	AFTER
13.34	-3.2	14.72	-15.69	7.27	-10.94
2.75	3.73	3.74	-7.13	1.93	-5.88
24.36	9.92	28.9	-0.05	25.92	-0.04
4.53	3.95	7.36	-7.25	6.82	-5.66

7. Sri Adhik. Bros.

ROI		RONW		EPS	
BEFORE	AFTER	BEFORE	AFTER	BEFORE	AFTER
-9.17	9.2	-18.45	5.2	-9.37	1.51
0.42	-42.51	0.72	-107.83	0.36	-15.09
2.09	-148.53	2.91	-1,019.55	1.93	-15.03
2.45	124.21	4.23	0	2.51	-10.54

8. Adani Power

ROI		RONW		EPS	
BEFORE	AFTER	BEFORE	AFTER	BEFORE	AFTER
-0.75	-13.46	-4.75	-205.83	-1.32	-17.82
-5.85	8.41	-53.45	-236.46	-9.59	-5.45
-0.71	9.39	-4.44	0	-1.04	-3.21
-1.98	7.13	-14.24	0	-2.84	-8.19

9. Jindal Photo

ROI		RONW		EPS	
BEFORE	AFTER	BEFORE	AFTER	BEFORE	AFTER
0.59	0.57	6	-0.13	14.77	-0.04
-0.25	0.3	-4.28	-15.56	-10.34	-2.34
-0.75	3.05	-17.68	1.07	-39.78	0.16
-0.53	-1.18	-22.82	-14.01	-30.02	-3.31

10. Gokul Refoils

ROI		RONW		EPS	
BEFORE	AFTER	BEFORE	AFTER	BEFORE	AFTER
-26.98	13.68	-30.91	0.86	-8.2	0.18
2.56	15.03	2.73	3.31	0.75	0.69
0.85	17.84	0.97	4.25	0.27	0.9
2.13	17.78	2.42	6.48	0.7	1.5

11. JSW Energy

ROI		RONW		EPS	
BEFORE	AFTER	BEFORE	AFTER	BEFORE	AFTER
1.16	2.62	2.98	6.06	1.04	3.86
5.91	0.34	14.56	0.7	5.51	0.48
4.78	9.54	11.48	5.87	4.6	4.24
8.44	10.09	17.95	9.44	8.23	6.7