

## **Stock Price Behavior in Merger and Acquisition: The Case of India**

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### **ABSTRACT**

*In the present paper, an effort is made to deal with the question as to whether the valuation of equity holdings increases as a result of M&As or not. This event study analysis and unveils the market reaction during the post M&As period both in the short-run and in the long-run. Effort has been made to cover all the inbound and outbound deals in India during the period from 2000 to 2007. M&As have signaling effect on the share price movement during the short-run. Whereas, long-run response is mix. For most of the firms, appreciation in stock value gained immediately during the first month of M&A, was lost in the subsequent long run.*