Vidhyayana - ISSN 2454-8596
An International Multidisciplinary Peer-Reviewed E-Journal
www.vidhyayanaejournal.org
Indexed in: Crossref, ROAD & Google Scholar

A Comparative Study on Mergers and Acquisitions in the Banking Sector- Case of ICICI Bank and Yes Bank

Huda Hasan

arhudahasan142202@gmail.com

Dr. Shivani Mehta

Assistant Professor

Amity School of Economics

Doi: 10.58213/vidhyayana.v8i5.690

ABSTRACT

Business transactions known as mergers and acquisitions (M&A) occur when ownership of a company, another business organisation, or one of its operating divisions is transferred to or combined with another company or business organisation. As a tool for strategic management, M&A enables companies to expand or contract as well as alter the nature of their industry or competitive position (RF Bruner, JR Perella – 2004). It is a well-liked business strategy for consolidating and restructuring corporations in order to increase market share, long-term profitability, penetrate new markets, take advantage of economies of scale, and other objectives.

The 1991 reforms led to a large rise in the number of private banks entering the Indian banking sector. By extending into new areas, the banks tried to maintain their expansion, which considerably boosted competition in the banking sector. In order to defend themselves, banks have started to take market share away from their competitors. This signalled the beginning of the merger era in the banking sector.

Hence, using important performance metrics including capital adequacy, asset quality, managerial efficiency, profitability, and earnings, this study investigates the extent of mergers in the Indian banking sector. The T-test was used to assess the significance of the ratio changes between the merger and prior. Using data from the relevant banks' official websites, two banks—ICICI bank (merge with bank of Rajasthan) and Yes bank—were selected as the study's sample. The results of the analysis show that ICICI Bank's financial performance has greatly improved since the merger. It has been decided that the combination has given them evidence of growth and expansion. In order to help banks realise synergistic gains in terms of equality and financial outcomes, the study also analyses policy implications for the reform of the Indian banking system.

Key words: Mergers and Acquisitions, Banking, Financial Performance, Financial Ratios, expansion, growth

I. Introduction and Conceptual framework

1.1 Introduction

In today's world of fierce competition, growth is the rule. Both internally, by expanding operations and establishing new divisions, and externally, through takeovers, mergers and acquisitions (M&As), amalgamations, joint ventures, etc., a firm can grow. The most common long-term approach for company restructuring and strengthening in the contemporary globalised world is mergers and acquisitions as the degree of competition rises daily. The primary basis for mergers and acquisitions is the mathematical formula one plus one equals greater than two.

The banking industry is essential to a country's economic development. The banking landscape has undergone an enormous change as a result of economic deregulation, globalisation, and technological advancement. The banking industry is turning to the process of consolidation, corporate restructuring, and strengthening in order to stay effective and viable in the face of the rapidly changing environment. Because of this, mergers and acquisitions have emerged as the go-to method for increasing the size of banks, which in turn significantly affects their ability to enter the global financial market. Additionally, mergers and acquisitions are frequently used to increase market share, overall productivity, and profitability, strengthen capital bases, rationalise costs, achieve economies of scale, and improve manpower efficiency.

In response to the various economic reforms implemented by the Indian government since 1991, in its move towards liberalisation, privatisation, and globalisation, mergers and acquisitions have been started in the banking sector of India. The Indian banking sector underwent a number of reforms on the advice of the Narshimam Committee I (1991), Narshimam Committee II (1997), and Verma Committee (1999). These reforms' primary goals were to boost a competitive and diversified financial system as well as the efficiency of Indian banks.

In order to provide credit, banks must expand as economies do. In 2014, SBI Chairman Arundhati Bhattacharya emphasised that "India will need bigger banks as its economy grows. Now, it is very challenging to organically grow larger banks. So, the best course of action will probably be to take an inorganic approach by teaming up with some of the banks." India's banks are still very small in comparison to their international rivals. The largest bank in the nation, SBI, is ranked 16th, while Bank of Baroda is ranked 32nd in Asia. As a result, m&a are seen as a tactic for developing huge banks with a presence throughout India. In order to build considerably stronger financial institutions, the finance ministry is now exploring various options for merging the nation's main state-run banks. M&A originated in the United States and Europe before spreading to other nations. The United States and Europe have been the focus of the majority of studies on bank mergers and acquisitions. In light of this, I will use important performance ratios in my research to examine the extent of mergers in the Indian banking industry.

1.2 Concept and Definition

A merger is referred to as the amalgamation of two or more businesses into a single entity, one of which continues to operate while the others are dissolved. The surviving business or businesses take on the obligations and assets of the merged business or businesses. A merger occurs when two businesses come together, and one is entirely swallowed up by the other. The smaller business loses its identity when it combines with the bigger business, which keeps it. After a merger, the combined business is dissolved, and all of its obligations, rights, and liabilities are transferred to the remaining business. A consolidation is not the same as a merger since a consolidation takes place when two corporations combine to form a brand-new corporation and lose their individual identities.

The rules of successful acquisition given by Peter F. Drunker are as follows: -

(1) Consider what you could contribute to the enterprise you're considering purchasing, rather than what the acquirer enterprise will contribute to the accumulated.

(2) Shared core or entity: The two businesses must share a market or technology.

(3) Temperament fit: No acquisition will be successful unless people within the acquiring corporation recognise the product, the market, and the buyer of the enterprise being acquired.

(4) Within a year or so, the purchasing business must be able to supply top management for the organisation it acquires.

(5) It is crucial that a variety of individuals in the management groups of both companies obtain major promotions across the line that connects one of the former companies to the other within the first year of a merger.

1.3 Statement of Problem

M&A is essential for saving struggling banks. Banks are using a variety of strategic alternatives, such as mergers and acquisitions, strategic alliances, joint ventures, and more, to address the difficulties and explore the potential. It helps people reach their objectives and become financially stable. For banks that are about to fail, mergers are one of the best and safest moves. In order to get a competitive edge over their rivals, banks frequently turn to mergers and acquisitions. In order to get a competitive edge in the fast-moving market climate, mergers and acquisitions are projected to take place on a far larger scale than ever before due to the growing rivalry in the globalised economy. Many studies have been done to look at the profitability and efficiency ratios of companies engaged in M&A, especially those that are international. In-depth studies have not been carried out in the Indian context, according to the literature. As a result, this study looks at how ICICI Bank profited from the merger and sheds light on how the bank's performance improved as a result.

1.4 Need of the Study

Any organization's ultimate goal is survival, and m&a are one type of survival strategy. The combination of firms is the quickest way to mergers, acquisitions, takeovers, and so on. The Indian government has consistently made deliberate efforts to achieve higher economic growth. While the Income Tax Act of 1961 provides some benefits to merged firms, the Indian Companies Act of 1956 provides the procedure for amalgamation. The merger has likely piqued the interest of all professionals, consultants, finance managers, bankers, and merchant bankers who advise and advise corporate clients. At the same time, Indian firms face competition from MNCs. This poses a significant problem for all industries, including the banking sector. Their reorganisation via M&A could assist them in re-establishing themselves as viable units of optimal size. As a result, the success of reorganisation must be scrutinised. Therefore, study aims to investigate the success of m&a following merger efforts in the banking sector.

1.5 RESEARCH GAP

Research Gap: It is being identified that the national and international literature did not perform any comparative analyses between a merged bank and a non-merger bank to check the significance of mergers and acquisitions.

1.6 Objectives of the Study:

The research objectives are-

- To understand the impact of ICICI and Rajasthan bank's merger on the performance of ICICI bank through key performance ratios.
- To compare the performance ratios of ICICI and Yes bank to explain the scope of mergers in Indian Banking System
- Suggest policy Implication for strengthening of Indian Banking System.

1.7 Significance of this Study

The most important component of the Indian financial system is banking. It is critical to improve the competitiveness and quality of the banking system in order to achieve efficiency in performance. Mergers taking place in India are consistent with the consolidation trend that has characterised the financial services and banking industries. The ambition to achieve operational synergies, realise economies of scale, and offer one-stop services to a more demanding customer has led to an alarming number of bank mergers throughout the world. As a result, there is a desire to expand swiftly through mergers as opposed to the difficult and slow process of typical business expansion. Mergers appear to result in financial and strategic growth. The financial and strategic management aspects of the merger must be examined from a variety of perspectives. The current study examined the financial implications of banking mergers before and after they occurred.

II. Review of Literature

2.1 Introduction:

The liberalisation policy has exposed Indian companies, including banks, to both local and international competition (Agarwal, R. N, 2003; Lawrence, Peter and I. Longjam, 2003; Sen, Kunal and R. Vaidya ,1997). This liberalisation has compelled banks to restructure their operations and portfolios in order to compete on a national and international scale (Prasad, 2007; Selvam et al, 2009). (Pamarty, M.,2011). Corporate restructuring in India is still in its infancy (Economy Watch, 2010). Globally, corporate restructuring (Donaldson, G.,1994) through mergers and acquisitions has gained traction (Pinto, Prakash, and Balakrishna C.H., 2006; Prasad,2007) and has become a key technique of corporate restructuring (B.K. Bhoi,2000; Shirai, Sayuri, 2002), particularly in the financial services industry, which has experienced merger waves (Mallikarjunappa,T and Nayak.P. (Bhattacharya, A., Lovell, C.A.K., and Sahay, P., 1997). Several heartening reasons have been noted by (Hawawini and Swary, 1990; Khemani, 1991 quoted in Kar, R. N. and Soni, A.) as to why institutions in the financial services industry engage in mergers and acquisitions. According to (Pinto, Prakash, and Balakrishna C.H., 2006), some of these are: access to information and proprietary know-how (Yadav, A. K. and Kumar B.R., 2005,), achieve economies of scale and scope (Mantravadi, P and Reddy, A., 2007), augment market power (Shirai, Sayuri, 2001), realise diversification (Pearson,1999), achieve certain tax related benefits (S (Mantravadi,P. and Reddy, A., 2001). According to (Khan Azeem Ahmad, 2011), one of the primary reasons for restructuring activity in the financial services industry (Kaushik, KP. and Chaudhary, T., 2010; Pamarty, M., 2010) is to capture significant 63 economies of scale and scope (Wang, J., 2007), both domestically and internationally (Pinto, Prakash and Balakrishna C.H., 2006).

(Chatterjee Sayan, 2009) contend that mergers increase value by creating synergies (Theory of Coase, 1937). According to the study, synergies include economies of scale, more efficient management, and improved production procedures (Prasuna D G, 2013). (Ghosh, A., 2001;

Shanmugam, K.R., Das, A., 2004). Due to the presence of these synergies (Satish Kumar, Bansal Lalit K.,2008), mergers and acquisitions are increasingly being used the world over (Prasad,2007), to improve competitiveness by gaining greater market share (Ghosh, A. and Das,B. ,2003), to broaden the portfolio so as to reduce business risk, to enter new markets and geographies (Prabhudeasi, A.,2008), and capitalise on economies of scale etc (Devos, E., Kadapakkam, P.R., and Krishnamurthy, S.,2008).(Pamarty.M., 2011). The first and most important reason frequently cited in literature is the achievement of synergies ((Hoang, Thuy Vu Nga Lapumnuaypon, Kamolrat, 2007): financial (DePamphilis,2005 ; Handa Rajan, 2007; P. M. Healy, K.G. Palepu, and R. S. Ruback,1992) operational (Porter, 1985; Handa Rajan, 2007; P. M. Healy (Kaur Pardeep, Kaur Gian,2010). The second reason is that earnings and market share have increased (Prajapati, S., 2010). Similar findings were found in studies examining the motivations for mergers in the Indian banking sector (Mehta Jay and Kakani Ram Kumar, 2006), which stated that merger and acquisition are necessary for the state to create a few large banks (Prajapati, S., 2010).

Merged banks may be better positioned to compete globally (Jagdish R. Raiyani, 2010; Suchismita Mishra, Arun.J, Gordon and Manfred Peterson, 2005;). Mergers may also result in lower operating expenses (Kukalis S., 2007). Merger of two weaker banks or merger of one healthy bank with one weak bank can be considered the quickest and least expensive way to improve 64 profitability and stimulate growth (Franz, H. Khan cited in The Free Library by Farlex, 2010). Apart from synergy and improved performance, the primary motivation for mergers and acquisitions in the banking industry is to increase customer base (Egl Duksait and Rima Tamosiunien, 2009; Morrall, K.,1996). From the perspective of the customer, bank mergers can result in more services, such as higher loan limits, more branches, and more Automated Teller Machines (Sureshchandar, G.S., Rajendran, C., and Anantharaman, R.N., 2002). (Shashidhar, Mishra, 2006). The merged bank can provide better services to the end user by bringing together a variety of services such as traditional banking, merchant banking, mutual funds, and insurance products under one roof, leading to innovation and the emergence of new products such as bank assurance (Rehana Kouser and Irum Saba, 2011). (Deolalkar, G.H. 1999; Rehana Kouser and Irum Saba, 2011).

Vidhyayana - ISSN 2454-8596
An International Multidisciplinary Peer-Reviewed E-Journal
www.vidhyayanaejournal.org
Indexed in: Crossref, ROAD & Google Scholar

Mergers and acquisitions have long been a significant phenomenon in the economies of the United States and the United Kingdom (ASSOCHAM study 2009; European Central Bank, 2000). It is gaining traction in India as well (Goyal, K. A. and Joshi, V., 2011). In India, competition among banks is the primary motivator for bank mergers (Srinivasan, R. Chattopadhyay, G., and Sharma, R., 2008), with an emphasis on economies of scale, cost efficiency, and profitability (Kumar Suresh, 2013; Mehta Jay and Kakani Ram Kumar , 2006;. Prajapati, S.,2010). In some countries, weak banks are forced to merge in order to avoid the problem of financial misery (Chong, Beng-Soon, Ming-Hua Liu, and Kok-Huai Tan.,2006; Cole, R.A., and J.W. Gunther, 1998; Jaffe, Dwight, and Levonian, M.E, 2001). This was also a common feature in India prior to liberalisation (Srinivasan, R. Chattopadhyay, G. and Sharma, R., 2008). However, once commercial and business aspects for restructuring became the focal point for banking acquisitions (B.K. Bhoi, 2000), voluntary acquisitions gained traction (Khan Azeem Ahmad, 2011). Synergies resulting from increased efficiency (Dewan Astha, 2007), cost savings (Kaur, P. and Kaur, G., 2010), economies of scale, and other factors became the primary drivers of voluntary amalgamations in the Indian banking sector (Dilip Kumar Chanda,2005). 'India is gradually but steadily transitioning from a regime of a large number of small banks to a regime of a small number of large banks' (Mohan.K.,2006; Prajapati, S., 2010). The current review of literature addresses both the national and international scenarios. Three sections make up the literature review. The first section deals with the concept, the second with the pre-merger and post-merger performance of banks globally, and the third with the pre-merger and post-merger performance of banks in India:

2.2 Concept:

The Indian banking sector is the crown jewel of the Indian economy (Duvvuri Subbarao, 2013). A study by (Agarwal,J., 2000) emphasised the need for systematic growth of the Indian economy and emphasised the importance of Indian banks (Dhawal Mehta, Samanta Suni,1997) in meeting the challenges of this economic growth (Ram Mohan,.T.T.,2007). The study emphasised that because India is a developing country (Lawrence, Peter, and I. Longjam, 2003), the Indian banking sector has the potential to propel India into the top three economies in the world (Shirai, Sayuri, 2001). The study also discussed financial issues and

Vidhyayana - ISSN 2454-8596
An International Multidisciplinary Peer-Reviewed E-Journal
www.vidhyayanaejournal.org
Indexed in: Crossref, ROAD & Google Scholar

emphasised mergers and acquisitions in the Indian banking sector (Paul,2002) to encourage financial performance and development of Indian banks (Kumar, S. and Bansal, L. K.,2008) (Aggarwal A.K. ,2006; Goyal K.A. and Joshi Vijay, 2011; Panwar, S., 2011). From the beginning of the financial services sector in India, the banking sector in particular has seen a lot of mergers and acquisitions (Lakshminaryanan ,P.,2005). According to (Shashidhar, Mishra, 2006), the current economic and banking environment is vastly different from what it was four decades ago (Goyal K.A. and Joshi Vijay, 2011), when the merger movement was at its peak. When the weaker banks were on the verge of extinction, it was the move to consolidate the base (Sathye, Milind, 2003). The current trend is for younger generation banks to take over smaller banks in order to grow larger quickly (Akhil Bhan, P.,2009 ;Kar, R. N. and Soni, A.,2008). Historically, mergers and acquisitions activity began in 1920, when three presidency banks (Bank of Bengal, Bank of Bombay, and Bank of Madras) were reorganised to form a single banking entity, which was later known as State Bank of India (Ravichandran, Nor and Said, 2010). (K, Mohan, 2006) expressed concern that the Indian market was overbanked but underserved. As a result, Indian banks clearly lacked global scale (Deolalkar, G.H., 1999). The study also revealed that, from the standpoint of the financial system, bank consolidation was essential (K. Mohan, 2006). The primary goal of consolidation would be to strengthen banks, achieve economies of scale, increase global competitiveness, provide lower-cost financial services, and retain employees in order to improve management efficiency (Sharma Manoranjan, 2011). The study also demonstrated how consolidation would provide banks with new entry barriers, ensure immediate entry into new markets, and lower operating costs through resource consolidation (Duvvuri Subbarao, 2013; Swain B.K., 2005). According to this , domestic banking m &a. The research also demonstrated how consolidation would provide banks with new entry barriers, ensure immediate entry into new markets, and lower operating costs through resource consolidation (Duvvuri Subbarao, 2013; Swain B.K., 2005). According to the study, market-related parameters such as size and scale, geographic and distribution synergies, and skill and capacity would drive mergers and acquisitions in the domestic banking sector (Mehta Jay and Kakani Ram Kumar, 2006). The view about the relative small size of Indian banks was supported by (Vidyakala, k., Madhuvanthi, S., 2009), who stated that the size of the banking firm is the focal point of interest. He believed that the larger the bank, the greater its competitiveness and chances of survival (Kumar, S., and Bansal, Lalit. K., 2008). Due to their small size, Indian banks were unable to compete for international business in terms of fund mobilisation, credit disbursement, capital, and financial service provision (Franz. H. Khan, 2007), A similar problem was predicted in a study by (Prasuna D G, 2013), who examined the Narsimhan Committee Reports from 1991 to 1998 and concluded that the emerging scenario pointed to SBI and its Associates forming a single entity in the coming years (Kaur, P. and Kaur, G., 2010).

2.3 Literature review of bank performance before and after mergers in a worldwide context:

From the standpoints of strategy and finance, the topic of mergers and acquisitions is current. It is regarded as an important strategy for rapid growth and increased market share (Bruner, 2004; Egl Duksait and Rima Tamosiunien, 2009; Sharma. P, 2012) and has been extensively researched globally over the past few decades (Bhagaban Das and Alok Kumar Pramanik., 2007), particularly in the USA and UK markets (Cartwright, 2005; Barr, Richard S. et al. , 2002). It has been an intriguing question that has piqued the interest of researchers all over the world (Grant Thornton, International Business Report 2008). Studies conducted in the United States and the United Kingdom to determine whether mergers and acquisitions achieve the synergies intended reveal three approaches to the study (Kukalis S., 2007; Kumar Raj, 2009): I Event-based studies, which look into the change in the company's value at the time of the announcement. ii) Accounting-based approach: This method looks at how certain accounting relationships—like operating cash flows, earnings, or assets—change over time—typically over a period of three to five years. Clinical approach (case-based approach). Each of these methods has advantages and disadvantages. However, the method has a disadvantage that may result from inefficient and weak markets, where share prices may not adequately reflect the company's value (Ravichandran K., Khalid Abdullah & Residah Mohd-Said, 2009). Furthermore, share prices may be affected by other macroeconomic factors such as taxes, foreign exchange rates, interest rates, and a variety of other macroeconomic variables. (Healey, P. M., Palepu, K. G., and Rubeck, R. S., 1992) examined post-acquisition accounting data for the 50 largest US mergers between 1979 and mid-1984 and discovered

Vidhyayana - ISSN 2454-8596
An International Multidisciplinary Peer-Reviewed E-Journal
www.vidhyayanaejournal.org
Indexed in: Crossref, ROAD & Google Scholar

that announcement returns based on stock price changes of the merging firms are significantly associated with post-merger operating performance, indicating that the expected gains in the merger drive the share price on announcement. (Ma, J., Pagán, J. A., et al., 2009) investigated abnormal returns to bidder firm shareholders on the day of merger and acquisition announcement in ten emerging Asian markets: China, Hong Kong, India, Indonesia, Malaysia, Philippines, Singapore, South Korea, Taiwan, and Thailand. Using a sample of 1,477 trades from eleven emerging Asian countries, the study found that stock markets exhibit predictable positive cumulative anomalous returns in three separate event windows. The findings confirmed that information revealed during the transaction is significant to shareholder gain and that 72 shareholders of the target firm benefit financially during the merger and acquisition transaction. (Ravenscraft, D., and F.M. Scherer, 1987) investigated 471 acquisitions between 1950 and 1977. Their main finding is that acquirers have 1 to 2 percent lower profitability than target firms. A similar study in the European banking industry by (McKinnon, Ronald, 1991) concluded that there are significant abnormal returns to shareholders, and these returns differ from bank to bank. The study also concluded that because these returns are significant, the European banking industry has the potential to capitalise on economies of scale and scope. Mantravadi, P., and A. Reddy (2007) (Cybo-Ottone and Murgia, 2000). The impact of merger announcements on shareholder wealth has also been studied using event study methodology. (Godlewski, C., 2003) used event study methodology to study the market reaction to mergers and acquisitions in the Italian banking sector from 1994 to 2003. This study was done to show how merger transactions significantly impacted shareholder wealth in Europe, especially in Italy. The announcement returns gave considerable evidence about the acquisition's subsequent success, according to the empirical research. A similar study by (Kaplan and Weisbach, 1992) used market-based variables to investigate synergy gains that influenced the capitalization of the merged firm. The total acquisition announcement returns are strongly positively correlated with deal success, the research shows.

Vidhyayana - ISSN 2454-8596
An International Multidisciplinary Peer-Reviewed E-Journal
www.vidhyayanaejournal.org
Indexed in: Crossref, ROAD & Google Scholar

2.4 Literature review of bank performance before and after mergers in an Indian context:

The banking sector in India, in particular (Pinto, Prakash, and Balakrishna C.H., 2006), has seen numerous mergers and acquisitions since its inception (Bhide, M.G., Prasad, A., and Ghosh, S., 2001). (Chaudhuri, 2002). Historically, mergers and acquisitions activity began in 1920, when three presidency banks (Bank of Bengal, Bank of Bombay, and Bank of Madras) were reorganised to form a single banking entity, which was later known as State Bank of India (Joshi and Little, 1997; Kumbhakar and Sarkar, 2003; Rao and Rao, 1988). However, during the pre-liberalized era, there were far-reaching severe regulatory policies, such as the Industrial licencing policy, MRTP Act, 1969, Industries Development and Regulation Act, and FERA Act-1973, that discouraged Indian companies, including banks, from expanding their operations (Arun and Turner, 2002; Mc. Kinnon, Ronald, 1991). As a result, only regulatory authorities-initiated mergers and acquisitions (Agarwal, Manish, 2002; Joshi and Little, 1997; Rao, P.V.S. Jagan Mohan, 2001). Although many mergers occurred prior to liberalisation, these mergers were directed by the RBI (Chaudhuri, 2002). These were generally mergers in which a weak bank was taken over by a strong bank on the direction of the RBI in 1981. (Franz, H. Khan 2007; Mehta and Samantha, 1997). However, in the modern era, competitive market dynamics are driving today's mergers. (Beena, 2000) investigated merger trends in India over a longer period spanning 1973-1995, which included both the pre- and post-liberalization eras. The study revealed that, while the majority of mergers occurred in the different sectors the banks were on the rise.

The start of banking sector reforms in 1991 (Chatterjee, G.,1997), which coincided with economic reforms in 1991 (Bhattacharyya, A., Lovell, C., and Sahay, P., 1997; Kamesam, Vepa, 2002), set the tone for banking sector expansion (Bhide, M. G.,Prasad, A.,Ghosh, Saibal, 2001; Deolalkar, G.H.,1999;). Several researchers attempted to study mergers and acquisitions in India after the reform period ended in 1991. Among the notable studies are: (Beena P.L, 1998, 2000, 2004, 2008; Das,A., 1997; Kumar Raj, 2009; Pawaskar.V, 2001; Sharma, P., 2012; Mantravadi,P and Reddy, A., 2008).

(Beena, 2004) emphasised that the current environment in India is favourable for mergers and acquisitions, and thus the study discovers evidence of a rising trend in the number of mergers in India since the implementation of economic reforms. Finally, (Aggarwal R.N., 2003) concluded that financial sector reforms aided the banking industry in increasing profitability and productivity. Because the banking sector is critical to sound economic growth, it is critical to improve the range and quality of the banking system in order to stimulate the efficiency of several other sectors as well (Mohan, K.,2006). Due of increased worldwide rivalry, M&A has gained importance (Shobhana V.K. and N. Deepa, 2011). This strategy has helped banks gain competitive market power and competitive advantage (Duksait, E., & Tamoinien, R., 2009) both domestically and internationally by significantly reducing costs and improving brand image (Agarwal, Manish,2002).

The banking sector has undergone significant transformation over the last two decades and is now on par with the global banking sector (Madgavkar, Anu, Puri, Leo and Sengupta, Joydeep, 2001). 82 The Indian banking system has undergone a seismic shift (D. Subharao, 2012). This technological revolution addressed a number of issues, such as expanding client reach and modernising the product and service mix. Banking customers' expectations have risen in tandem with advances in technology and sophistication (Humphrey, Willeson, Bergendahl ,and Lindblom,2006).Customers now have several banks to choose from, thanks to increased competition brought on by the arrival of foreign banks on the Indian banking platform (Schneider, B. and Bowen, D.E., 1985). As a result, bank survival is becoming a major challenge in the arena of global competition (Khan Azeem Ahmad, 2011).

Statistically negligible differences between pre- and post-merger financial performance were observed in a small number of research studies that assessed post-merger financial performance. This was confirmed by (Kumar Raj, 2009), who observed that the changes in the operating performance of the merged entity during the pre-merger and post-merger period as reflected in their profitability; asset efficiency and solvency position were statistically insignificant. (Mantravadi, P and Reddy, A., 2007)analyzed Indian companies for the period 1991 to 2003, to study the impact of mergers on their operating performance. According to the study's findings, there is no significant difference in the operating performance of companies in India before and after mergers. (Pawaskar V., 2001) examined pre- and post-

Vidhyayana - ISSN 2454-8596
An International Multidisciplinary Peer-Reviewed E-Journal
www.vidhyayanaejournal.org
Indexed in: Crossref, ROAD & Google Scholar

merger financial performance from 1992 to 1995 using an accounting-based approach and regression analysis, analysing five significant ratios on growth, returns, leverage, and liquidity, and discovered that acquiring firms outperformed industry standards in terms of returns and profitability. The results of the regression analysis indicated that, in comparison to the acquirer's competitors, post-merger profitability had not increased. A similar study conducted by (Ravichandran, Nor, and Said, 2010) attempted to assess the pre- and post-merger efficiency and performance of selected public and private banks in voluntary mergers initiated for business and commercial reasons. A factor analysis was used to achieve the study's results.

2.5 Variables Identified:

Variables

NET PROFIT MARGIN

RETURN ON ASSETS

NET INTERESTMARGIN

CAPITAL EMPLOYED

RETURN ON EQUITY

CAR

CREDIT DEPOSIT RATIO

CASA%

COST TO INCOME

ADVANCES

DEPOSITS

III. Research Methodology

3.1 RESEARCH GAP

Research Gap: It is being identified that the national and international literature did not perform any comparative analyses between a merged bank and a non-merger bank to check the significance of mergers and acquisitions. It has been discovered that there haven't been any national or international comparative studies comparing merged banks to unmerged banks to determine the importance of M&A. With a focus on the Indian banking industry in the post-liberalization era, the current study will investigate the particulars of M & A

3.2 Significance of the Study

The most important component of the Indian financial system is banking. It is critical to improve the competitiveness and quality of the banking system in order to achieve efficiency in performance. Mergers taking place in India are consistent with the consolidation trend that has characterised the financial services and banking industries. The ambition to achieve operational synergies, realise economies of scale, and offer one-stop services to a more demanding customer has led to an alarming number of bank mergers throughout the world. As a result, there is a desire to expand swiftly through mergers as opposed to the difficult and slow process of typical business expansion. Mergers appear to result in financial and strategic growth. The financial and strategic management aspects of the merger must be examined from a variety of perspectives. The current study examined the financial implications of banking mergers before and after they occurred.

3.3 Objectives of the Study:

The research objectives are-

- To understand the impact of ICICI and Rajasthan bank's merger on the performance of ICICI bank through key performance ratios.
- To compare the performance ratios of ICICI and Yes bank to explain the scope of mergers in Indian Banking System
- Suggest policy Implication for strengthening of Indian Banking System.

Vidhyayana - ISSN 2454-8596
An International Multidisciplinary Peer-Reviewed E-Journal
www.vidhyayanaejournal.org
Indexed in: Crossref, ROAD & Google Scholar

3.4 Hypothesis of the Study

- Hypothesis for first objective are as follows:
- Ho: There is no significant difference in the financial performance of the banks before and after the merger
- H1: There is a significant difference in the financial performance of the banks before and after the merger.
- Hypothesis for second objective are as follows.
- Ho: The performance ratios of ICICI Bank and Yes Bank do not significantly differ from one another.
- H1: The performance ratios of ICICI Bank and Yes Bank do significantly differ from one another.

3.5 Research Design

Personally, I believe that research design is an important process. The researcher used the study design as a framework to choose the methods and tools that would be applied to the investigation. The hypothesis testing research design is used in this study. This research strategy was chosen primarily because the data was collected in a fairly succinct and systematic manner, allowing for easy analysis and factual results. The major goal of the study was to determine whether there were any notable differences between pre- and post-merger data. So, one of the greatest options for this kind of research is hypothesis testing.

3.6 Research Variable

Changing, measurable characteristics are referred to as variables. It might change over time inside a single person or even between individuals, groups, or even between them.

3.7 Data Collection

Secondary data collection and information gathering methods were applied in this investigation. Secondary data are ones that have been statistically analysed and have already been gathered by another party. Journals, journals, newspaper articles, books, periodicals, annual reports, company circulars, government publications, websites, industry associations, libraries, e-libraries, university data bases, and search engines are a few examples of secondary data sources. The acquiring banks' official websites are where information is collected. Examining financial data from before and after three years of mergers. Secondary sources such annual reports, press announcements, and the Securities and Exchange Board of India were used to acquire financial information.

3.8 Data Analysis

The research's participating banks' merger data was obtained and edited. Only the information and details necessary to achieve the goals have been collected. Second, all relevant data is entered into an Excel spreadsheet. Data entry has been completed on all of the parameters chosen for the study. An Excel Spreadsheet is the primary place where data is entered, saved, and analysed for later use. These data was analysed using the t test and hypothesis testing.

3.8.1 Tools Analysis

Data analysis employs the paired-t test. A statistical method called the paired t-test is employed when there are two correlated samples to compare the means of two populations. Case control studies, "before-after" or "matched pairs" studies, and paired sample t-tests are all examples of this. What the importance of a sample means is being considered, as well as an acceptable judgement test. Additionally, it can be used to evaluate the importance of partial and simple correlation coefficients. Calculated from the sample data, the pertinent test statistic is then compared to its problem value using the T-distribution at a predetermined level of significance for accepting or rejecting the null hypothesis.

IV. Analysis and Interpretation

For the purposes of this study, two cases were chosen: the August 2010 merger of ICICI Bank and Bank of Rajasthan, and a case of Yes Bank and ICIC Bank. The financial performance of the selected banks is assessed by calculating various financial and accounting metrics.

For Objective first: In first objective we tried to check whether banks have improved after merging with another bank, and for this, the two banks mentioned above are used. Their key performance ratios are compared and analysed and according to that interpretations are made.

Table 1: The past profiles of ICICI Bank and Bank of Rajasthan are displayed in Table 1.

Table 2: The financial results of ICICI Bank following the merger are shown in Table 2.

Table 3: The Bank of Rajasthan and ICICI bank, the combined entities, as well as the acquiring bank, ICICI bank, are shown in Table 3 along with their respective mean pre-merger and post-merger ratios.

Table 1: Performance ratios of the Bank of Rajasthan and ICICI Bank prior to the merger for three fiscal years (in percentages)

Performance Ratios	**ICICI Bank**			**Bank of Rajasthan**		
	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10
Net Profit Ratio	9.76	7.9	-6.78	11.51	10.74	11.17
Return on Assets	0.78	0.67	-0.45	1.19	0.88	10.13
Interest Margin	2.94	2.45	2.104	2.30	2.30	12.50
Capital Employed	8.3	9.13	7.3	11.6	8.9	8.09
Return on Equity	15.4	11.08	-11.3	12.7	6.83	7.10
CAR (Capital Adequacy Ratio)	11.12	11.22	6.52	15.9	11.5	10.4
Credit Deposit Ratio	54.370	51.6	46.36	62.76	75.42	71.16
CASA%	29.45	27.24	22.79	36.10	18.70	21.70
Cost to Income	61.10	61.19	116	40	53. 40	57

Source: Annual Reports of ICICI Banks And Bank of Rajasthan

Vidhyayana - ISSN 2454-8596
An International Multidisciplinary Peer-Reviewed E-Journal
www.vidhyayanaejournal.org
Indexed in: Crossref, ROAD & Google Scholar

Table 2: ICICI Bank's Performance Ratios for the Three Fiscal Years Following the Merger (in Percentages)

Performance Ratios	ICICI Bank		
	2011-12	2012-13	2013-14
Net Profit Ratio	16.7	17.1	17.9
Return on Assets	1.80	1.66	1.7
Interest Margin	5.30	5.30	6.2
Capital Employed	10.8	10.7	8.5
Return on Equity	11.3	26.7	19.6
CAR (Capital Adequacy Ratio)	18.4	16.2	15.5
Credit Deposit Ratio	65.12	76.27	79.6
CASA%	53.50	51.90	52.90
Cost to Income	52.91	43.50	48.20

Source: Annual Reports of ICICI Bank

Table 3: Mean and t ratios of Pre-merger and Post-merger Ratios of combined (The Bank of Rajasthan & ICICI Bank) and Acquiring Bank (ICICI Bank)

Ratios	Mean 1 (X1)	Mean 2(X2)	t value	Significance
NET PROFIT MARGIN	6.9	16.94	6.66	Significant
RETURN ON ASSETS	0.75	1.64	6.12	Significant
NET INTERESTMARGIN	2.25	3.05	5.4	Significant
CAPITAL EMPLOYED	9.36	9.42	0.32	Not Significant
RETURN ON EQUITY	7.25	12.72	1.95	Not Significant
CAR	13.24	18.78	33.57	Significant
CREDIT DEPOSIT RATIO	61.9	66.63	2.97	Significant
CASA%	30.95	42.76	6.5	Significant

COST TO INCOME	58.47	40.49	-6.05	Significant

Source: Compilation by the researcher based on Tables 1 and 2

The pre- and post-merger financial performance of the Bank of Rajasthan and the ICICI Banks has been compared using key ratios.

With a t-value of 6.66, which is statistically significant at the 5% level of significance because the critical t-value is 2.365, the mean value of the net profit margin improved from 6.98% to 16.94% following the merger. With a t-value of 6.12, the mean value of return on assets dramatically rose from 0.75% to 1.64% during the post-merger period. In the post-merger period, net interest margin also dramatically rose, rising from 2.25% to 3.05% with a t-value of 5.4. The increase in each of the three measures shows that since the merger, the bank's profitability has greatly increased. Accepting H1, we can say that pre- and post-merger performance in terms of net profit margin, return on assets, and net interest margin differed significantly from one another.

Even if the average capital employed and return on equity have increased, their respective t-values of 0.32 and 1.95 make them statistically inconsequential. Ho is therefore accepted, suggesting that the pre- and post-merger capital employed and return on equity ratios are not statistically different. The capital adequacy ratio's mean value grew from 13.24% to 18.78% following the merger, with a statistically significant t value of 33.57. As a result, H0 is disregarded, which permits H1 to be approved. One of the most crucial measures of a bank's health, solvency, and capacity for expansion is having higher capital adequacy ratios.

With a t value of 2.97, the efficiency of the credit deposit ratio has grown from 61.90% to 66.63%. The statistical significance of the increase shows that there is a significant change in the credit deposit ratio between pre- and post-merger performance, which led to the acceptance of H1. With a t value of 6.5, which is statistically significant, the bank's performance has also improved in terms of CASA, which increased from 30.95% prior to the merger to 42.76% after the merger. As a result, Ho (null hypothesis) is rejected and H1 (alternate hypothesis) is accepted at the 5% level of significance. A greatly improved stable low-cost deposit base is indicated by CASA rises. Between before and after the merger, the typical cost-to-income ratio decreased from 58.47% to 40.49%. The change is considerable

Vidhyayana - ISSN 2454-8596
An International Multidisciplinary Peer-Reviewed E-Journal
www.vidhyayanaejournal.org
Indexed in: Crossref, ROAD & Google Scholar

with a t value of -6.05, leading to the rejection of H0 (null hypotheses). This ratio has significantly decreased, demonstrating that the bank is being operated more profitably and efficiently after the merger as evidenced by the bank's declining costs relative to income.

Thus, analysis demonstrates that the merger approach was advantageous for both Bank of Rajasthan and ICICI Bank as most financial metrics greatly increased as a result of the merger

For the second objective

In second objective we tried to check whether banks who have merged are in a better position as compared to the ones who have not merged for this, the two banks mentioned above are used (the ICICI Banks and Yes banks' financial performance has been compared based on key ratios). Their key performance ratios are compared and analysed and according to that interpretations are made.

Table 4: The past profiles of ICICI Bank and Yes Bank are displayed.

Table 5: Performance ratios of Yes Bank no -merger for three fiscal years.

Table 6 displays the mean of ratios, for ICICI bank and Yes Bank along with significance t-test value.

Table 4: Performance ratios of ICICI Bank post-merger for three fiscal years.

Performance Ratios	ICICI Bank		
	2011-12	2012-13	2013-14
Deposits	3615.63	4900.39	5609.75
Return on Assets	1.5	1.66	1.7
Return on Equity	15.4	11.08	-11.3
CAR (Capital Adequacy Ratio)	11.12	11.22	6.52
Interest Margin	16.3	16.7	18.6
Advances	4642.32	5123.95	5866.97

Source: Annual Reports of ICICI Bank

Vidhyayana - ISSN 2454-8596
An International Multidisciplinary Peer-Reviewed E-Journal
www.vidhyayanaejournal.org
Indexed in: Crossref, ROAD & Google Scholar

Table 5: Performance ratios of Yes Bank no -merger for three fiscal years.

Performance Ratios	Yes Bank		
	2011-12	2012-13	2013-14
Deposits	45935	46956	54192
Return on Assets	1.58	1.57	1.6
Return on Equity	20.71	20.89	22.4
CAR (Capital Adequacy Ratio)	16.5	18.3	14.4
Interest Margin	2.7	2.8	2.9
Advances	34364	47000	55633

Source: Annual Reports of Yes Bank.

Table 6: displays the mean of ratios, for ICICI bank and Yes Bank along with significance t-test value.

Ratios	Mean1(X1)	Mean2(X2)	T value	Significance
Deposits	3902.9	6211.08	3.66	SIGNIFICANT
Returns on assets	1.583	1.64	5.30	SIGNIFICANT
Returns on equity	11.33	12.75	2.62	SIGNIFICANT
CAR	16.4	18.78	4.21	SIGNIFICANT
Net interest Margin	2.8	3.05	5.16	SIGNIFICANT
Advances	4566.67	4708.59	0.20	NOT SIGNIFICANT

Source: Compilation by the researcher based on Tables 1 and 2

Here, the ICICI Banks and Yes banks' financial performance has been compared based on key ratios.

The critical t-value is 2.365, making the mean value of the advances, which climbed from 4566.67 to 4708.59, statistically inconsequential at the 5% significance level. With a t-value of 5.3, the mean asset return has grown dramatically from 1.5% to 1.64%. The net interest margin for ICICI Bank improved dramatically, going from 2.8% to 3.05% with a t-value of

Vidhyayana - ISSN 2454-8596
An International Multidisciplinary Peer-Reviewed E-Journal
www.vidhyayanaejournal.org
Indexed in: Crossref, ROAD & Google Scholar

5.16. The two ratios are rising, which suggests that ICICI Bank is more profitable than Yes Bank. In light of the acceptance of H1, we draw the conclusion that ICICI Bank and Yes Bank's performance ratios differ significantly from one another.

The mean values, however, have risen and are statistically significant for deposits (t-values of 3.66). Hence, Ho (null hypothesis) is disproved, indicating that there is a significant distinction between deposits made with ICICI bank and Yes Bank. With a mean increase from 16.40% to 18.78% and a statistically significant t value of 4.21, ICICI Bank's capital adequacy ratio has improved. Due to the rejection of Ho (null hypothesis), H1 is accepted (alternate hypotheses). One of the most critical measures of a bank's health, solvency, and growth potential is higher capital adequacy ratios.

Returns on equity have increased from 11.33% to 12.75% in terms of efficiency, and t value 2.62 indicates a significant performance difference between ICICI Bank and Yes Bank in terms of returns on equity, prompting the acceptance of H1 as the baseline.

Thus, analysis shows that because most financial parameters have significantly improved in the situation of ICICI bank (after its merger with Bank of Rajasthan) especially in comparison with Yes Bank.

V. Conclusion and Recommendations

5.1 Conclusion

Mergers and acquisitions are two of the most common corporate strategies used by companies looking to increase value creation. It is a well-liked business strategy for consolidating and restructuring corporations in order to increase market share, long-term profitability, penetrate new markets, take advantage of economies of scale, and other objectives.

The goal of the current study was to look into how mergers and acquisitions affected a sample of Indian banks' financial performance. The analysis shows that the merger approach was advantageous for both Bank of Rajasthan and ICICI Bank as most financial metrics greatly increased as a result of the merger. This was the first objective, where we tried to determine whether banks have improved after merging with another bank. For this, the two banks mentioned above are used and their key performance ratios are compared and analysed, and then interpretations are made. This indicates that after the Bank of Rajasthan and ICICI Bank merged, the performance of banks in terms of their financial parameters dramatically improved. So, we can conclude that combining is one of the most effective strategies for banks to survive in this cutthroat industry.

The two banks listed above are used in the second objective, which compared the financial performance of ICICI Banks and Yes Banks based on key ratios in order to determine if banks that have merged are in a better position than those that have not. The investigation reveals that because most financial indicators have greatly improved in the circumstances of ICICI bank (after its merger with Bank of Rajasthan), especially when compared with Yes Bank, and conclusions are drawn based on comparisons and analyses of their key performance ratios. So, we can draw the conclusion that bank mergers can help them perform even better than before. Also, such banks have advantage over the ones who haven't merged and thus they perform better than them.

Most financial variables improved significantly after the merger in both cases, while others did not, but it is possible that these ratios will improve in future years because only three years of financial ratios are compared. In the long run, synergy gains are created when dealing with mergers and acquisitions, resulting in an improvement in bank efficiency and performance. As a result, mergers and acquisitions improve bank financial performance.

5.2 Suggestions:

The following are the study's suggestions:

- To increase the number of bank mergers and acquisitions, which increases bank profitability, the Reserve Bank of India and the Government of India should liberalise its mergers and acquisitions rules.
- The general public must be informed about mergers and acquisitions by banks. It must intensify its management-specific training programmes in order to increase productivity.
- After the merger, the banks ought to concentrate on liquidity. The banks must put the right plans in place if they are to sustain their liquidity position..

- A bank merger enables the company to rapidly build up and attract a sizable number of new clients. An acquisition not only gives your bank greater resources to lend and invest with, but it also gives it a larger geographic operating area.
- Through improved efficiency, mergers and acquisitions in India seek to boost shareholder value and competitiveness, enabling you to meet your growth goals more quickly. In the marketplace, the strongest survive. India has experienced a wave of mergers in recent years.
- • Consolidation is a difficult and drawn-out process. Contrarily, it seems as though the banks' game of waiting and watching is ended. The industry's companies appear to be combining as a result of increased competition and tighter prudential rules from the top bank.
- These banks are under the control of the government. Most of these financial institutions are working to change how the public views them. Recent efforts to cut down on government stakes, VRS, and NPA settlement are all positive measures. On the other hand, if the government reduces its interest and re-evaluates the need for a merger, true consolidation is feasible. According to the government, consolidation is necessary to keep a bank from failing.
- The merger must increase shareholder value and be profitable. It ought to increase the bank's capital sufficiency and net worth. More business prospects for both banks should result from the combination.
- Combining powerful banks is a way to strengthen the base while maintaining competition. The public sector banking business is now again hungry for mergers.

References:

Acharya, Shankar (2002), "India: Crisis, Reforms and Growth in the Nineties", Working Paper Stanford University, Volume 139, pp. 1-40.

Adrian Gourlay, Geetha Ravishankar, Tom Weyman-Jones (2006), "Non-Parametric Analysis of Efficiency Gains from Bank Mergers in India", Discussion paper series, Department of Economics, Loughborough's Institutional Repository.

Agarwal, Manish (2002) "Analysis of Mergers in India", M Phil Dissertation submitted to the Delhi School of Economics.

Agarwal, R. N. (2003), "Capital Market Development, Corporate Financing Pattern and Economic Growth in India", Asian Economic Review, Volume 45, Issue1, pp. 23- 34.

Ahmad Ismail, Ian Davidson & Regina Frank (2009), "Operating performance of European bank mergers", The Service Industries Journal, Volume 29, Issue 3, pp. 345.

Akhil Antony K. (2011), "post-merger profitability of selected banks in India", International Journal of Research in Commerce, Economics and Management, Volume 1, Dec. 2011, Issue 8, pp. 133-135. 7.

Allen David E and Parwada Jerry T, (2006), "Investors' Response to Mutual Fund Company Mergers", International Journal of Managerial Finance, Emerald Group Publishing Ltd, Volume 2, Issue 2, pp. 121-135.

Anand, M., and Singh, J. (2008), "Impact of merger announcements on shareholders wealth: Evidence from Indian private sector banks", Vikalpa, Volume 33, Issue 1, pp. 35– 54.

Anand Rajan, Kumar Anil, Kumar Gautam & Padhi Asutosh, (1998), M&As in Asia, The McKinsey Quarterly, Issue 2, pp. 64-75.

Andre, P., M. Kooli and J. L'Her (2004), "The Long-Run Performance of Mergers and Acquisitions: Evidence from the Canadian Stock Market", Financial Management, Volume 33, Issue 4, pp. .27-43.

Arora, S and Kaur, S. (2008), "Diversification by Banks in India: What are the Internal Determinants?", The Indian Banker, Volume III, Issue 7, pp. 37-41.

Arunava Bhattachrya, C.A.K Lovell, Pankaj Sahay (1997), "The impact of liberalization on the productive efficiency of Indian Commercial banks", European Journal of Operational Research, Volume98, pp 332-34

Arun, T.G. and Turner, J.D. (2002a), "Financial liberalization in India", Journal of International Banking Regulation, Volume 4, Issue 2, pp. 183-188.

Arun, T.G. and Turner, J.D. (2002b)," Financial Sector Reforms in Developing Countries: The Indian Experience", World Economy, Volume 25, Issue 3, pp. 429-445.

Arun, T.G. and Turner, J.D. (2002c), "Public Sector Banks in India: Rationale and Prerequisites for Reform", Annals of Public and Cooperative Economics, Volume 73, Issue 1, pp. 89-109.

ASSOCHAM Report, (2012), Merger and Acquisition Newsletter, ASSOCHAM National M&A Council, Volume 1, pp. 1-10.

Banker, Rajiv D., Natarajan, Ram (2004),"Statistical Tests Based on DEA Efficiency Scores", in W.W.Cooper, L. Seiford and J. Zhu (eds) Handbook of Data Envelopment Analysis, Boston, KluwerAcademic Publishers, 2004.

Bashir, A., Sajid, M.R. and Sheikh, S.F. (2011), "The Impact of Mergers and Acquisitions on Shareholders Wealth: Evidence from Pakistan", Middle –East Journal of Scientific Research, Volume 8, Issue 1, pp.261-264.

Beena, P.L. (2004), "Towards understanding the merger wave in the Indian corporate sector – acomparative perspective", working paper 355, February, CDS, Trivandrum, pp 1-44.

Berger A.N., Humphrey D.B. (1992), "Measurement and efficiency issues in commercial banking", In Griliches Z. (Ed.), National bureau of economic research, studies in income and wealth, Volume 56, pp. 24–79, Chicago: University of Chicago Press

Bhaskar A Uday, Ratnam C. S Venkata and Bhal Kanika T. (2009), "Role of Communication and HR Integration: A Study of a Bank Merger", retrieved from Http://Www.Ilera-Online.Org / 15thworldcongress / Files / Papers / Track_1 / Poster / Cs1w_13_Bhaskar.Pdf, last accessed on 21st April 2012. 98

Bhattacharya, A., Lovell, C.A.K., and Sahay, P. (1997), “The impact of liberalization onthe productive efficiency of Indian commercial banks”, European Journal of OperationalResearch, Volume 98, Issue 2, pp.250-268.

Bhattacharyya Surajit and Chatri Ankit (2012) “Efficiency of Indian Commercial Banks: Post Reform Experience from Mergers and Acquisitions”, The Indian Economic Journal, Volume 60, Issue 3, October –December-2012.pp 1-28.

Bhayani, S. (2006), “Performance of the New Indian Private Sector Banks: A Comparative Study”, Journal of Management Research, Volume 5, Issue 11, pp. 53-70.

Bhide, M.G., Prasad, A. and Ghosh, S. (2001), “Banking sector reforms: a critical overview”, Economic and Political Weekly, Volume 36, Issue 1, pp. 399-408.

B.K. Bhoi (2000), "Mergers and Acquisitions: An Indian Experience" RBI, OccasionalPapers Volume 21, Issue 1, pp. 133-166.

Bodla, B.S. and Verma, R. (2006), “Evaluating Performance of Banks through CAMEL Model: A Case Study of SBI and ICICI”, The ICFAI Journal of Bank Management, Volume 5, Issue 3, pp. 49-63.

Burki, A and Niazi (2006), “Impact of Financial Reforms on efficiency of state-owned, private and foreign banks in Pakistan” CMER working paper no. 06-49, Lahore university of Management Sciences.

Capron Laurence (1999), “The Long-Term Performance of Horizontal Acquisitions”, Strategic Management Journal, John Wiley & Sons Publication, Volume 20, Issue 11, pp. 987-1018.

Cartwright, S. (2005). “Mergers and acquisitions: An update and appraisal.” in G. P. Hodgkinson and J. K. Ford (eds), International review of industrial and organizational psychology, Volume 20, Chichester, UK, Wiley, pp 1-38.

Chakrabarti, R., (2008). “Do Indian acquisitions add value?”, Money and Finance ICRA Bulletin, pp. 61–73. Available at http: // www.ibef.org / industry / financialservices. aspx, last accessed in April 2012.

Vidhyayana - ISSN 2454-8596
An International Multidisciplinary Peer-Reviewed E-Journal
www.vidhyayanaejournal.org
Indexed in: Crossref, ROAD & Google Scholar

Chatterjee, G. (1997) "Scale Economies in Banking – Indian Experience in Deregulated Era", Reserve Bank of India Occasional Papers, Volume 18, Issue 1, pp. 37-59. 99

Chatterjee Sayan (2009), "The Keys to Successful Acquisition Programmes, Long Range Planning", Elsevier Publication Ltd, Volume 42, pp. 137-163.

Chaudhry, Sahila and Singh, Sultan (2012), "Impact of Reforms on the Asset Quality in Indian Banking", International Journal of Multidisciplinary Research, Volume 5, Issue 2, pp.13-31.

Chong, Beng-Soon, Ming-Hua Liu and Kok-Huai Tan. (2006), "The Wealth Effect of Forced Bank Mergers and Cronyism", Journal of Banking and Finance, Volume 30, Issue 11, November 2006, Pages 3215-3233.

Chowdhury Subroto (2011), An Inquiry Into The Financial Soundness of Commercial Banks in India Using the 'CAMEL Approach" , Journal of Banking Financial Services and Insurance Research, Volume 1, Issue 1 , pp. 88-121.

Coase, R H (1937), "The Nature of the Firm", Economica, New Series, Volume 4, Issue 16, November 1937, pp. 386-405. 38. Cole, R.A., and J.W. Gunther, (1995), "A CAMEL Rating's Shelf Life". Available at SSRN:

Cole, R.A., and J.W. Gunther (1998), "Predicting Bank Failures: A Comparison of Onand Off-Site Monitoring Systems." Journal of Financial Services Research, Volume 22, Issue 1, pp. 103-117.

Cybo-Ottone A., Murgia M. (2000), "Mergers and shareholder wealth in European banking", Journal of Banking and Finance, Volume 24, Issue 6, pp.831–859.

Das, A. (1997) "Measurement of Productive Efficiency and its decomposition in Indian banking firms", Asian Economic Review, Volume 39, Issue 3, pp. 422-39.

Das, A.K., Misra, A.K., January, (2005), "Bank Scale Economies, Size and Efficiency: TheIndian Experience", Special Issue, Indian Banks Association Bulletin, Indian Banks Association, pp. 145-149.

Dash, M. and Das, A. (2009), "A CAMELS analysis of the Indian banking industry",. Retrieved from http://ssrn.com/abstract=1666900.

Delaney Frank T and Wamuziri Sam C (2004), "The Impact of Mergers and Acquisitions on Shareholder Wealth in the UK Construction Industry", Engineering, Construction and Architectural Management, Emerald Group Publishing Limited, Volume 11, Issue 1, pp. 65-73.

Derviz, A., and Podpiera, J. (2008). "Predicting Bank CAMEL and S&P Ratings: The Case of the Czech Republic. Emerging Markets", Journal of Finance & Trade, Volume 44, Issue 1, pp.117.

Devarajappa S. (2012), "Mergers in Indian Banks- A study of merger of HDFC bank ltd. and Centurian Bank of Punjab ltd." International Journal of Marketing, Financial Services & Management Research, Volume 1, Issue 9, September 2012, pp.33-41.

Devos, E., Kadapakkam, P.R., & Krishnamurthy, S. (2008), "How Do Mergers Create Value? A Comparison of Taxes, Market Power, and Efficiency Improvements and Explanations for Synergies", The Review of Financial Studies, Volume22, Issue 3, March 27, 2008, pp.1179-1211, downloaded from http://rfs.oxfordjournals.org/content-/22/3/1179.full.pdf+html, accessed in June 2012.

Dewan Astha (2007), "Effect of Mergers and Acquisitions on Operating Performance: A Study of Acquiring Firms in India" accessed at http://www.wbiconpro.com/302-%20Astha.pdf, accessed in April 2012.

Dhawal Mehta, Sunil Samanta (1997), "Mergers and Acquisitions: Nature andSignificance", Vikalpa the Journal for Decision Makers, Volume 22, Issue 4, pp. 31- 38.

Dilip Kumar Chanda (2005), "Bank Mergers in India: A Critical Analysis" IASSI Quarterly, Volume 23, Issue 4, pp. 107-123.

Dilshad, M. N. (2013), "Profitability Analysis of Mergers and Acquisitions: An Event Study Approach". Business and Economic Research, Volume3, Issue 1, pp. 89-125.

Donaldson, G. (1994) Corporate Restructuring, Harvard Business School Press, Boston, MA. 101

Duksait, E., & Tamošiūnien, R. (2009), "Why Companies decide to participate in mergers and acquisition transactions", Mokslas-Lietuvos Ateitis Science- Future of Lithuania, Volume 1, Issue 3, pp.21-25.

Eccher, E. A., Ramesh K., and Thiagarajan S. R. (1996), "Fair value disclosures by bank holding companies", Journal of Accounting and Economics, Volume 22, Issue 1, pp. 79-117

Economy Watch (2011), "Mergers and Acquisitions in Banking Sector", Available at: http:// www.economywatch.com / mergersacquisitions / international / bankingsector.html, last accessed on 23rd April 2011.

Elliott, J. A., Douglas, H. L. J., and Shaw, W. H. (1991), "The Evaluation by the Financial Markets of Changes in Bank Loan Loss Reserve Levels", The Accounting Review, Volume 66, Issue 4, pp. 847-861.

Focarelli, D. F. Panetta and C Salleo; "Why do banks merge?" Journal of Money, Credit, and Banking; Volume 34, Issue 4, 2002, pp. 1047-1066.

Hirtle and Lopez (2008), "ABA Banking Journal, Banks performance evaluation by camel model", Finance Trade Publications, Volume 4, Issue 4, pp. 9-14.

George E Halkos, Dimitrios S Salamouris (2004), "Efficiency measurement of the Greek commercial banks with the use of financial ratios: a data envelope analysis approach", Management Accounting Research. Volume 15, Issue 2, pp. 201-224.

Ghosh, A., (2001), "Does operating performance really improve followingcorporate acquisitions?" Journal of Corporate Finance, Volume 7, Issue 2, pp. 151-178.