Analysing And Discussion on Merger of Banks In India

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Abstract- *Merging of banks means combination of two banks to forms a new bank with new structure and legal structure. The intention of taking this project work is to analyze and discuss the Pros and Cons of merging banks in India for last two decades.To know the objective of merging banks includes expanding the economic status, increasing market capitalization, valuations and demand and supply*

Keywords- Merger of Bank, the role of government in merger of bank, pros and cons of merger of Banks, How the merging of Banks in India affect the day to day life style of General Public to Industrialist in India

I. INTRODUCTION

This article guides a stepwise introduction and Decision of the study, Review of Literature, History and profile of the study, Analysis and Discussion of the study. In this study it measured the operating performance and shareholder value of acquiring their performance before and after the merger. The ratio analysis is used on the basis of operating profit margin, Gross operating margin, Net Profit Margin, Return on capital employed, Return on Net Worth, Debt-equity ratio, and EPS P/E. Mergers do not improve performance atleast in the immediate short term.

The intention of taking this project work is to analyze and discuss the Pros and Cons of merging banks in India for last two decades. It also discuss about How the merging of banks in India affect the day to day life style of general public to industrialist in India, the role of government in merger of banks.

II. IDENTIFY, RESEARCH AND COLLECT

In this research paper it considered the merger and acquisition of banks as strategic approach and told that the aim of the merger and acquisition of banks is increase credit creation and make progressive.

III. STUDIESANDFINDINGS

Mergers can strengthen the financial stability of banks by consolidating resources, diversifying risks, and creating larger and more resilient institutions. A larger bank may have a more robust capital base, better asset quality, and improved liquidity, which can contribute to overall financial stability in the banking sector.

Mergers often result in workforce rationalization, including layoffs, reassignments, and changes in job roles. This can create uncertainty, anxiety, and resistance among employees, leading to morale issues, talent attrition, and productivity declines.

IV. REVIEWS

Internet banking is beneficial to many customers but due to the merging of banks they face many technical issues in the portal. So I suggest to improve the efficiency with proper acknowledgement After merging of banks which pools the customers of both banks, it creates dissatisfaction among the customers as they can’t utilize the services offer by the bank Merger of banks results in facing difficulties in maintaining the documents of the clients

V. IMPROVEMENT

Despite careful planning and due diligence, mergers may encounter unforeseen risks, integration issues, and synergies that fail to materialize as expected. Strategic missteps, unforeseen liabilities, and integration complexities can undermine the success of the merger and result in financial losses.

VI. CONCLUSION

The primary purpose of the acquisition is to reduce the competition and protecting in existing market in economy. Merger is good for the growth and development of the country only when it does not give rise to the competition issues. Merger helps the banks to be strengthening their financial base and the access tax benefits and direct access to cash resources.

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