PRE AND POST MERGER OPERATIONAL EFFICIENCY OF BANKS IN INDIA – A COMPARATIVE STUDY

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Abstract

The Economic reforms initiated by the Government of India during the mid of 1991 altered the business environment radically. The policy changes through LPG and IT helped our financial institutions for multifaceted growth. As a result financial awareness has contributed fuel to dynamism in the Indian economy. Banking sector is the most leading in India has been among the top performers in the markets. Banks being a front line financial institutions in our economy working under intense and healthy competition. Indian banks have opted for Mergers and Acquisitions (M&A) as a strategic tool for global entry mode and expansion in future. Mergers and Acquisitions is a pre-requisite that lead banks to the phase of consolidation amongst banks in future. This paper focuses on a comparison of pre and post merger of banks and its operational performance measured through selected 11 ratios.

Key Words: Bank Merger, Operational Efficiency, Ratio Analysis, Merged Bank’s Strength, Productivity of Merged Banks.