“POST MERGER CHALLENGES: A CASE STUDY ON HDFC & CBoP MERGER”

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ABSTRACT

The literature review suggests that the most of the research work has been conducted on various reasons for merger failure, psychological impact of merger on individuals, effect of merger and acquisition on the morale and psychology of employees, motives of merger in Indian banking sector and post merger integration. However, there is scant number of studies related to these issues, in the Indian context. As the consolidation of banking industry in near future is inevitable, there would be lot of merger and acquisition in the industry. Research on the experiences of past mergers in the Indian banking industry can go a long way in smooth post merger integration in the future mergers and acquisitions in the Indian banking industry. However, there is a dearth of studies on M&A experiences in the Indian banking industry, as is evident from the survey of the literature. The proposed study endeavors to fill this gap. This paper has been divided in two parts. First part includes introduction, Merger motives, capital worth after post merger of both the banks. Second Part deals with the results obtained from the merger and challenges faced by both the banks. The current study strives to explore the impact of M&A in the banking industry in India and identify post merger integration issues in the bank mergers. The study draws from a mix of recent literature review and interpretations of observations of employees and managers. It evaluates various reasons for M&A, post merger integration problems and impact of merger and acquisition on employees in the context of CBoP and HDFC bank merger.