

MERGERS AND ACQUISITIONS IN INDIAN BANKING INDUSTRY – A CASE STUDY

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Abstract

It has been realized globally Mergers and Acquisitions is the only way for gaining competitive advantage domestically and internationally and as such the whole range of industries are looking to strategic acquisitions within India and abroad. In order to attain the economies of scale and also to combat the unhealthy competition within the sector besides emerging as a competitive force to reckon with in the International economy. Consolidation of Indian banking sector through mergers and acquisitions on commercial considerations and business strategies – is the essential pre-requisite. Today, the banking industry is counted among the rapidly growing industries in India. It has transformed itself from a sluggish business entity to a dynamic industry. The growth rate in this sector is remarkable and therefore, it has become the most preferred banking destinations for international investors'. In the last two decade, there have been paradigm shift in Indian banking industries. The Indian banking sector is growing at an astonishing pace. A relatively new dimension in the Indian banking industry is accelerated through mergers and acquisitions. It will enable banks to achieve world class status and throw greater value to the stakeholders.

In this analytical research paper, an Attempt has been made to evaluate the effectiveness of mergers and acquisitions of the selected merged banks on the basis of selected variables prior and after mergers and acquisitions. For striving this objective, a case study of Global Trust Bank ltd. (GTB) merged with Oriental Bank of Commerce (OBC) has been taken.

Key Words: *Mergers, Acquisitions, GTB, OBC, Take over*