

## **MERGER AND ACQUISITIONS (M&AS) IN THE INDIAN BANKING SECTOR IN POST LIBERALIZATION REGIME**

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### **ABSTRACT**

The purpose of this paper is to explore various motivations of Merger and Acquisitions in the Indian banking sector. This includes the various aspects of banking Industry's Merger and Acquisitions. It also compares pre and post merger financial performance of merged banks with the help of financial parameters like Gross-Profit Margin, Net-Profit Margin, Operating Profit Margin, Return on Capital Employed (ROCE), Return on Equity (ROE) and Debt-Equity Ratio. Through literature review it comes to know that most of the work done high lightened the impact of Merger and Acquisitions on different aspects of the companies. The data of Merger and Acquisitions since economic liberalization are collected for a set of various financial parameters. This study also examines the changes occurring in the acquiring firms on the basis of financial ground and also the overall impact of Merger and acquisitions (M&As) on acquiring banks. The Researcher used independent t-test for testing the statistical significance and this test is applied not only for the ratio analysis but also to test the effect of Merger and Acquisitions on the performance of banks. This performance is being tested on the basis of two grounds i.e. Pre merger and Post merger. The result of the study indicates that the banks have been positively affected by the event of Merger and acquisitions (M&As). These results suggest that merged banks can obtain efficiency and gains through Merger and Acquisitions (M&As) and passes the benefits to the equity share holders' in the form of dividend.

**KEYWORDS:** Merger & Acquisitions, Banking, Financial parameters, Profitability, Indian Banks.