

“Mergers and Acquisition in Indian Banking Sector”

**Akshat Bhala
Symbiosis Centre for Management Studies (SCMS)*

***Aman Kishore
Symbiosis Centre for Management Studies (SCMS)*

ABOUT

Before getting into the topic, we must first need to know what is mergers and acquisition, mergers and acquisition describes the unity of different companies through different types of financial transaction that include merger acquisition and management acquisition

Mergers: When two different companies(of same size) come together to join and work as a single new entity then it is known as mergers

Acquisition: When a company takes over another company and establishes themselves as a new owner then it's called as acquisition

In a merger board of directors of both the companies approve the merger and seek for shareholder's approval while in acquisition the acquired company's stake is taken over by the acquiring firm which does not change its name or alter its organizational structure.

A merger is an arrangement that joins two existing organizations into one new organization. There are a few kinds of mergers and additionally a few reasons why organizations complete mergers.

In simpler words Acquisition is when a company takes over another company and establishes themselves as the new owner of that company. An acquisition can be done by a company if they buy all of the other company's stocks or assets which will give the acquirer firm the freedom to make decisions for the acquired firm without incorporating with the investors of the acquired association. Acquisitions whose business is ordinary come up with the target organization's policy. With underwriting/policy, there is consistently a no-shop condition during the cooperation.

MERGER AND ACQUISITION IN INDIAN BANKING SECTOR

In the banking sector, M&A have been on the ascent both internationally and in India. Like any remaining organizations and areas, banks need to protect against risk and adventure accessible opportunities. The way things are today, the banking sector in India is mature in supply and item range, with banks having spotless, solid and straightforward asset reports. A portion of the

intentions behind solidification in financial areas in India incorporate development, cooperative energies, administrative productivity, vital thought processes, market section, charge safeguards and monetary protections, and administrative intercessions. Then again, the dangers implied in bank mergers and acquisitions incorporate the enormous size of another association, slack in productivity, absence of valuation framework, contrast in structure, frameworks and methods between the banks, absence of expert administration and others. The effect of consolidation and acquisition in the Indian financial industry incorporates making another huge element, giving gigantic scope economies and further developed dissemination in India. An illustration of this nature is the HDFC Bank obtaining Centurion Bank of Punjab in 2008. This consolidation made a substance with a resource size that was the seventh biggest in India and dispersion channels with 1,148 branches and 2,358 ATMs (the biggest as far as branches in the private area). The downsides of merger and acquisition in the Indian financial industry can incorporate a social rebel between the blending banks, mechanical issues and misalignment and slower development rate among others.

RESEARCH METHODOLOGY

Data collection

The chosen technique for collecting information is from secondary sources (on the internet). To direct a study properly, plotting the whole process is essential because consistency and authenticity of the results from the study relies upon the dependable information and data. In this connection, a few activities have been done to gather information and data. For research purposes information is gathered from mergers and acquisition of Indian Banking Industry.

The data that has been collected is through:-

1. Bank Website's
2. Annual reports of the Organization
3. Case studies on Merger and Acquisition
4. Online Survey

Methodology

To investigate the post and pre-consolidation financial performance of the bank's different financial statements of banks are utilized for comparison. Like: - ICICI bank's office organization would go up to 2,463. This is the third consolidation for the bank after it took over bank of Madura and Sangli Bank, PNB will be on the list of biggest bank in the public division of India with being on the second position subsequent to converging with Oriental Bank of Commerce and United Bank of India, the consolidation between Andhra Bank Corporation Bank and Union Bank of India

would make Union Bank of India fifth greatest Public Sector Bank and its net worth will be fourteen crores and fifty nine lac with the bank branches of nine thousand six hundred and nine.. The rigid business of Canara bank after the consolidation would be fifteen crores and twenty lacs with the total number of bank branches of ten thousand three hundred and forty-two, after Indian Bank was united with Allahabad Bank the total worth of the consolidated bank will be eight crores and eight lac and with the total bank branches of six thousand one hundred and four.

LITERATURE REVIEW

We have gone through the various research papers and case studies to know more about the mergers and acquisition of banking sector of India gone through their performances in pre- and post-merger and acquisition of banks

Review-:

The research done by **Aloke Ghosh** in the year **2001** he found out that the merged banks has performed better than the industries and firms over the years prior to the acquisition this has been done by him by doing a comparison between operating cash flow prior to acquisition and after the acquisition of the merging banks for 3-year merger

The research done by **Pawaskar** in the year **2001** he examined the operating performance of total of thirty-six acquisition banks both prior to merger and after the merger in between the year 1992 to year 1995 with his analysis he discovered that the merged banks have better performance than the other in profit earned by them this analysis is done by him using different measure of profit

In the year **2007** research done by **Varsha Virani** on the effect of merger and acquisition of the private banks of India with which she analyzed that corporate restructuring became the plan for growth. In the research analysis done on the consolidation of HDFC bank with the time bank and the ICICI bank with the Bank of Madura in the study they came on to the result that the impact of net benefit or the profit ends the value esteem ensuring to the consolidation. She contends that consolidation is just one of the choices for rebuilding the monetary area there can be more favorable alternatives for the ideal use of corporate assets

In the year **2008** a study done by **Amitabh Gupta** on the reaction of market on the declaration of consolidation examined the stock value execution of target organizations The research discovered critical positive profits when the merger of banks was declared . An accrue in costs was likewise seen when merger was declared, which demonstrated that this information about merger was already known by the market. the month before the declaration of merger there was gain in the profit for the first twenty days and a turn down in gain for the last ten days. Notwithstanding, post declaration of merge the gain in the profit was for fewer days for only thirteen while the negative

gain was for seventeen days. In the research it is also found out that profit that was gained before the consolidation was lost instantly after declaration.

In the year **2008 Ramachandran and Kavitha** studied the drawn-out post-consolidation execution of the banks in India on an example of eighty-seven homegrown consolidations approved the speculation. he contended that the effectiveness seems to have further developed post-consolidation loaning combined advantages to the consolidated banks. These combined advantages seem to have gathered because of the change of the up until recently uncompetitive, diverse identity of the organizations prior to the consolidation, into combined and functionally more feasible specialty units.

In the year **2008 Remya RM** did the research study that This new professional condition has given the Indian bank a chance to have a worldwide recognition through merger and acquisition. He recommends that the consolidation in India is growing at a fast rate in the year 2008 in comparison with earlier times. Evidently, mergers and acquisition were seen to be favorable for profit.

FINDINGS

We did an online survey in which we posted questionnaires and gave some alternatives which helped us in our review and in getting more information on mergers and acquisition we started the survey with the age so that we can get to know how a teen mindset is different from older people how does he sees these mergers and acquisition of banks

- 1- From the survey we came to know that more than half(69.9%)believes that the current environment with regards to mergers and acquisition of banks is more favorable for deals.17.4% people believes that its less favorable for deals and 13% people believe that is no more or less favorable for deals in the current time.
- 2- 65.2% people believe that the reason the current environment is more ideal for banks M&As is due to strong market potential through network building, 17.4% people think it's because of more bank capital and the other 17.4% people think it's because of compliance and risk consistency.
- 3- 39.1% people thinks that the main barrier for a bank to make an acquisition in today's time is the price expectation of the potential target while 21.7% thinks its cause of demand on banks' capital and the other 21.7% thinks it's because of concern about the asset quality of potential target and the last 17.4% thinks that the lack of suitable target in the desired market is the main barrier.
- 4- On inquiring why, a bank would make an acquisition in today's time 56.5% believes that they want to expand into a new market while 34.8% people think that they want to acquire

an attractive deposit base and the last 8.6% thinks it's because they want to rationalize operating cost over wider base.

- 5- 56.5% people thinks that the main reason that drives a bank to sell itself in today's time is the inability to operate effectively while 47.8% thinks it's because of too much competition in the market and 30.4% thinks it's the inability to keep pace with digital evolution the rest 21.7% thinks it's the inability to provide competitive return to shareholder and the last 13% thinks it's the regulatory compliance burden than causes a bank to sell itself in today's time.
- 6- Of all the people we inquired 34.8% people have their bank merged with other bank and from those 34.8% 66.7% people thinks it has a positive impact on them as a customer while 16.7% people think it doesn't affect them and the last 16.7% people think that it has a positive impact but not much.

OBJECTIVES

1.To study and understand the merger technique and their benefit in Indian banking sector it includes a 10 steps M&A deal process:

1.Develop an acquisition strategy:- in order to make a good strategy for acquisition of the firm the acquirer should have a clear thought about the gain from the acquisition of that company like for what goals they are making an acquisition of some company(e.g. entering into new market)

2.Setting up of M&A search standards:-to decide the important standards which are used for finding out the possible target association e.g. increasing the customer base or for more profit

3.Looking for possible acquisition:- the acquiring company will use the standards for looking and evaluating target association

4.Start acquisition planning:- the acquiring company will contact with some companies that are eligible with their standards and will meet them and try to make a good offer, the main reason behind this meeting is to get more information about that company and how much controllable the consolidating company is

5.Execute valuation analysis:-after the first meeting presuming that the conversation between them is on good term then the acquirer will ask the target association for more information like financial as well as personal this will help the acquiring company to evaluate more about the company

6.Negotiation:-after making some price models of the target association the acquiring company has enough knowledge that they can put up a good reasonable offer, ones the offer is on the table both the parties can negotiate about it

7.M&A due diligence:- it is a comprehensive process that starts once the offer has been accepted by the target company with conducting a detailed analysis due diligence target to correct the acquirer's assessment of the value of the target company, the analysis should include everything for e.g. asset liabilities, capital financial figures etc.

8.Purchase and sale contact:-when everything has been done all information has been gathered then the final offer is been made for acquiring both the companies will make the final choice on the type of purchase agreement whether it is an asset purchase or share purchase

9.Financing strategy for the acquisition:-after the deal has been signed by both the parties then comes the detail for financing this information is already explored by the acquirer

10.Closing and integration of acquisition:-the deal of acquisition end and both the parties the target association and the acquirer work together for the process of consolidating the two firms

2.To study the arising situation of mergers and acquisition in Indian banking sector:

1. Working in a Global Environment -The merger and acquisition are by and large and generally done between the organizations having headquarters in various countries. This confounds the exchange of training as administrators for the most part accept that their insight is ideal and applies all around and they neglect to understand that performance drivers fluctuate from one culture to another.

2. Language Barrier - The communication between the employees is seen as the biggest challenge. As the combined organizations are from different countries and language utilized among is unique and when such various organizations meet up the workers appear to confine them from interacting. Representatives of various societies should be given satisfactory training about other languages earlier with the goal that the correspondence between workforce can be enforced effectively.

3. Vital Planning – Regularly HR specialists are not satisfactorily drawn in with the evaluation of target associations before deals are settled upon. If they are not individuals in the improvement of a M&A technique and the screening of capacity and culture at a beginning phase, they should look into later on, fixing issues that might have been avoided had they been incorporated from the get go.

4. Arranging Integration - A significant challenge is to guarantee that the new business substance isn't influenced by the M&As exercises. And investigate worker's exhibition to guarantee that client prerequisites keep on being met. Coordination, arranging and activity should start before time as plausible before the arrangement closes.

3.To study the cause and effect of bank mega mergers on the Indian economy:

CAUSE(MEGA MERGER OF INDIAN BANK):

- United Bank and Oriental Bank of Commerce is converged with Punjab National Bank, making the proposed substance the second biggest public area manage an account with a total business of eighteen lac crores.
- Canara bank is consolidated with the partner banks. The combined Canara Bank will be the fourth biggest to manage an account with the total worth of fifteen lac twenty thousand crores
- With the consolidation of Allahabad bank and the Indian bank it will become one of the biggest state banks with ranking at 7 with the total worth of eight lac crores
- After the consolidation of Andhra and corporation bank with the union bank of India the consolidated bank will be one of the biggest banks to be managed with ranked at 5 and the total worth of fifteen lacs crores.

EFFECT:

Terrible Loans/NPAs are maybe the most difficult issue of our monetary structure which are also the hurdle for the advancement of the Indian economy all things considered. These loans have been increasing at an upsetting cost which has taken a chance with the money related game plan of the country. By joining moderately more fragile keeps money with the more grounded banks. And the consolidation of the banks will lead to decrease in the legitimate value and other costs

With the consolidation of the banks, they will extend and be superior as it requires an immense part of customers when it appears differently in relation with its position currently. Instead of pushing toward different banks, organizations will be open to their customers through a single bank. Bigger customer base will assist in setting aside cash with having incredible usefulness as the joined bank will see the value in agreeable energies. Business portfolios, quality of assets, market capitalization, risk wanting and danger the leader's strategies will be the part of the merged bank. There will be less consequences that the consolidation will fail

Before the time of consolidation, the reserve bank of India was expected to look out for the greatest number of banks which became an unmanageable task. But in today's time of merged banks RBI

has less banks to be controlled with this they have more time to focus on the financial norms and in this way aligning Indian keeps money with the banks having International presence.

Distinctive inside conflicts and questions may arise concerning advancement and other possible problems. Every individual has emphasized that their circumstances are going to be lost notwithstanding the way that those hesitations have been settled by the respected Finance Minister.

Consolidation will almost certainly bring interest and welfare which are numerous, however particular executions are going to be a deary assignment in itself. Every bank uses a particular programming stage so the consolidation of banks will be a difficult problem to get rid of. Fiscal associations close to other money related issues ought to be considered upon. Notwithstanding the way that the public authority has assigned extra funds plus they are forcing for advancement, in acknowledging advancement there's going to be a break or interval as seen in before consolidations too which can't be satisfactory when liquidity stream is genuinely constrained.

SOME CASE STUDIES ON MERGERS AND ACQUISITION OF INDIAN BANKS

Case Study 1: Merger of PNB+OBC+UBI

The amalgamation of Punjab national bank with the OBI and UI is a part of mega merger which was declared in the year 2019 this was the one of the four part of the mega merger the consolidated bank would be named as Punjab national bank only the biggest bank in the public area is SBI after which PNB is going to be the in the list with the figure of eleven thousand four hundred and thirty-seven branches in total.

When the consolidation of PNB is done with the UBI and UBI then the customer base of OBC bank will go on to the core banking of Punjab National Bank where they can carry out dependably with all the prior branches and can proceed with the fiscal channels such as web banking etc.

MICR AND IFSC CODE

After the consolidation, in the year 2021 both ifsc as well as the micr code of the bank are changed Punjab national bank moreover taught their customer about the codes that those old codes are change and will not be in working funds flow cannot be accessed with old codes and

Summary

Consolidation of these three banks had a positive impact toward the firm because of this amalgamation Punjab national bank is now the second on the list of top banks in the public sector moreover it also has huge increase in branches with total of eleven thousand four hundred and

thirty-seven and the total worth of Punjab national bank is one thousand seven hundred and ninety-five lac crores

Case Study 2: Syndicate and Canara bank consolidation

The entity has received correspondence from the Ministry of Finance, Government of India that the Alternative Mechanism (AM) after discussion with Reserve Bank of India (RBI), has concluded that Canara Bank and Syndicate Bank might consider combining the amalgamation of both the banks.

Both the banks were amalgamated and the impact started from first April 2020, as indicated by Reserve Bank of India's (RBI) orders. Notwithstanding, to give support time to clients, the bank's IFSC code continued as before for longer than a year. Yet, that will change, as Syndicate Bank's more established IFSC Code will work just till 30 June 2021.

Change in the IFSC code

The new IFSC codes of the bank will be material from July 1, 2021. Clients should take note that they need to get the subtleties of the new IFSC and MICR codes to work with banking exchanges without running into any inconveniences.

Canara Bank has likewise said to add 10000 to the recent IFSC of Syndicate Bank. For instance, if the old IFSC was SYNB0003687, presently the new IFSC will be CNRB0013687 in its place.

Summary

The syndicate bank was amalgamated with Canara bank. Canara bank after the amalgamation will be on the rank 4 in the list of biggest banks in the public division of India. The amalgamation results with the increase in the branches with a total number of ten thousand three hundred and forty-two and the total net worth of one thousand five hundred and twenty lac crores

The amalgamation will lessen the expense of tasks inferable from system covers. Both of these banks have a comparative work culture which is the reason it promotes work with eve changes

Case Study 3: Andhra Bank Corporation Bank and Union Bank of India

On first April 2020 the Andhra Bank and Corporation Bank were merged into Union bank of India. The IT combination of both the banks have been finished without changing the Account number of clients however IFSC codes have been changed. The clients of past Andhra and of Corporation

Bank will partake in a similar record number with no change along these lines working with smooth exchanges in the branches.

Change in IFSC code

The IFSC code of e-Andhra will start with UBIN08 and e-Corporation Bank with UBIN09 and the client should get a new check book with changed IFSC and MICR codes.

Summary

The amalgamation has a positive impact on the banks, with the consolidation of Andhra and corporation bank with the UBI, UBI makes it to the list of biggest banks in the public division of India ranking at 5. Post consolidation there is increase in the number of bank branches with the total of nine thousand six hundred and nine and with the worth of one thousand four hundred and fifty-nine lac crore

Case Study 4: Allahabad bank merger with the Indian bank

Allahabad Bank, one of the most seasoned public area banks in India, was converged with Indian bank on February 15. As the consolidation got finished, new standards had been given by the bank with respect to its administrations. Sharing the report on Twitter, existing clients were approached to get another Indian Financial System Code (IFSC) code and were additionally educated on different administrations like net banking, versatile banking among others. The bank has effectively finished the course of specialized relocation of CBS/ITMS programming of both Allahabad Bank and the Indian bank.

Change in IFSC code

After this, clients can connect with the branches in their home city or get another IFSC code by signing into the website of Indian bank to know their new IFSC code

Allahabad Bank's checkbook will keep on working for the following a half year or till the check is finished. Notwithstanding the check book, ATMs will likewise be dynamic for a half year as in the past.

Summary

In this consolidation, Indian bank and Allahabad bank were amalgamated. Following the consolidation, Allahabad bank makes to the list of top 10 biggest banks in India with ranking at 7.

Following the consolidation with the worth of eight hundred and eight lac crores plus increase in the bank branches with a total of 6,104. this merger would help the bank to increase their business and would also help them to have a worldwide competition.

Case Study 5: Merger of Five SBI partner banks and Bharatiya Mahila Bank

Under this consolidation five of the SBI partner banks are merged with the Bharatiya Mahila bank. Those five partner banks are:-

State Bank of Bikaner and Jaipur
State Bank of Hyderabad
State Bank of Mysore
State Bank of Patiala
State Bank of Travancore

These banks are consolidated with BMB in the fiscal year 2017 monetary supporters applauded the consolidation move Heaps of the accomplice banks climbed firmly when the authority slack for the move came in June. This consolidation is a clear-cut example of why State bank of India is the number 1 bank in India because it has the ability to advance itself

Summary

This consolidation makes the amalgamated bank one of top banks in the world with the total net worth of thirty-seven trillion rupees and the total store value of twenty-six lac crores and with the total advance of one thousand eight hundred and fifty crores

Case Study 6: Consolidation of Punjab National Bank and New Bank of India (1993-94)

Fourteen Banks including the Punjab National Bank Ltd. were nationalized by The. Banking Companies Act, 1970. Six additional banks were nationalized by The Banking Companies Act, 1980x'. The New Bank of India was one of the six banks which were nationalized by the Act. In the year 1980 the new bank of India was nationalized by the Indian government. In the year 1993 the new bank of India was acquired by the Punjab national bank. From there on 16-9-1993 P.N.B. outlined rules for sending of the officials and workers staff of N.B.I. In accordance with the said rules a number of requests were given moving the workers staff of N.B.I. to different parts of P.N.B.

Summary

The first merger between the nationalized banks happened in the year 1993 with the Punjab national bank and new bank of India because at that time the new bank of India was not in a good condition and wasn't doing well

Case Study 7: Consolidation of State Bank of India and State Bank of Saurashtra (2008)

In the year 2007 state bank of India came to the conclusion to merge themselves with the State bank of Saurashtra. The total number of bank branches at the time of consolidation were four hundred and twenty-three which all were outspread in the Daman and Diu fifteen states and union territory

State bank of Saurashtra is most likely the smallest bank that lies under the shed of state bank of India in terms of money and worth plus the amalgamation with this bank is easier as it is not listed and also closer to the administrative center of the SBI

SBS along with other remarkable state bank will be controlled under the SBI under the SBI act of the year 1959. Additionally, it will be simpler as it is not listed and closer to the state bank of India's administrative center.

The proposed consolidation will, as it may, be dependent upon the leeway from the public authority, that is additionally state bank of India's critical investor and the financial controller RBI. While incorporating the tasks of SBS with SBI will be simpler, however winning the certainty from the Left for this situation might require some investment. Following the consolidation of state bank of India and state bank of Saurashtra, the merged banks would have joined resources of more than 5 lac crores

Summary

Now, the absolute number of parts of the bank is 24, with stores worth of 13 crores, full scale facility of seven crore and ninety-three lacs , and a theory course of action of rupees eight crores and eight lacs. With the full capital of one crore and fifty lac and has total of eight hundred and sixty-six representative

Case Study 8: Consolidation of Bank of Baroda, Dena Bank and Vijaya Bank (2019)

In the year 2019 Bank of Baroda declared that they had completed the amalgamation of their three thousand eight hundred and ninety-eight parts with the Dena and Vijaya bank

After the amalgamation the total number of bank branches were eight thousand two hundred and forty-eight in India with a total of ten thousand three hundred and eighteen ATMs in homegrown

Clients including investors of Vijaya Bank and Dena Bank will be treated as clients of Bank of Baroda with impact from April 1, 2019.

According to the Amalgamation, for each 1000 offers of bank of Baroda investors of Vijaya Bank will get 402 of it and the investors of Dena bank for each 1000 offer will get 110 of it.

Summary

After the consolidation Bank of Baroda became second biggest bank in public sector in India. After the consolidation with 2 banks

Total worth of Bank of Baroda was more than 14 lac crores with the Gross advances of more than 6 lac crores. Total Deposits were worth more than 8 lac crores with total branches of 9490. The consolidation had a negative effect on NPA as it increased by 0.31% and the CASA ratio was also negative as it reduced by 1.46%.

Case Study 9: Consolidation OF HDFC AND CBOP

HDFC Bank was searching for a suitable consolidation opportunity that would add scale, topography, and experienced staff to its establishment. The bank accepts that CBOP Bank of geographic region would be the right opening as far as culture, key goal, and way to deal with business. Subsequently, in the year 2008 HDFC bank of India acquired the centurion bank of Punjab for a total of nine thousand five hundred and ten crores which is the biggest amalgamation in India

The consolidated element would have a cross-country organization of 1,148 branches, the biggest among private area banks.

Summary

The consolidated bank of HDFC and CBOP would have a cross-country organization with a total of one thousand one hundred and forty-eight branches and with 1.2 lac crore store ground and with net advance of 85 thousand crores. The accounting report of the merged bank is more than 1.5 lac crores.

Case Study 10: Merger of ICICI bank and Sangli bank

ICICI Bank, the biggest private area bank in the nation, is good to go to secure the capital starved Sangli Bank. This will be the bank's second procurement in the wake of taking Bank in Madura in 2000.

According to the plan, the offer trade proportion was fixed at 100 equity shares of the ICICI Bank for each 925-equity share of Sangli Bank. The combination will bring about issuance of around 34 lakh extra portions of ICICI Bank, comparable to about 0.4% of its current value share capital. Considering the offer trade bargain ICICI Bank will pay Rs 302 crore to procure the Maharashtra based Bank.

To make it happen, the consolidation proposition will be introduced to the particular banks investors for their assent following which it is shipped off RBI for leeway.

Summary

The consolidation between ICICI bank and Sangli bank will provoke the investors of the Sangli bank to help ICICI bank in establishing them in their homegrown as well as worldwide. The consolidation will provide freedom to the employees and the workers of the Sangli bank and will also provide clients of Sangli bank admittance to ICICI organization with immense scope of items as well as administration with this consolidation ICICI bank will acquire Sangli bank and it's 190 branches with all of its client and workers

Case Study 11: Merger of ICICI bank and Bank of Rajasthan

The Reserve Bank of India (RBI) agreed to the consolidation of Bank of Rajasthan with ICICI Bank Ltd. All parts of Bank of Rajasthan will work as parts of ICICI Bank. The sheets of both the banks on May 23, 2010, supported the consolidation for an offer of twenty-five portions of ICICI Bank for one hundred eighteen shares (1:4.72) of the Bank of Rajasthan.

The characteristic expense of Rs 188 according to the proposition exchange would be a tricky jump stood out from the current market cost. The ICICI Bank scrip shut at Rs 889.35 on the Bombay Stock Exchange, some place close 1.45% while the Bank of Rajasthan scrip rose powerfully to Rs 99.5. The current market capitalization of the bank is around Rs 1,604 crore and an expense of Rs 188 would esteem Bank of Rajasthan at Rs 3,032 crore.

The market capitalization of the ICICI bank is Rs 99,125 crore, the bank should weaken its value by under 3%. ICICI Bank will propose an exchange trade with the Bank of Rajasthan.

Summary

As it is apparent that the Bank of Rajasthan had a profound entrance with tremendous brand esteem in Rajasthan with a total branch of 294 and with a piece of 9.3% in absolute stores of booked business banks. It was supposed that the consolidation will result in putting the bank in the top three banks in Rajasthan it will also add four hundred and sixty-three branches in ICICI banks branch organization plus increase in store base(retail) this would make ICICI bank in more powerful state and they'll have upper hand on their rival Indian banks

Toward the end of March, ICICI Bank had an increase in CASA proportion of 13% per year.

Case Study 12: Consolidation of Kotak Mahindra bank and ING Vysya bank

On November 20, 2014, Kotak declared the merger with ING Vysya in an all-stock arrangement worth of Rs. 148.51 billion

On body endorsement, all ING Vysya's branches and organizations would converge with Kotak. ING Vysya's investors would get zero.725 portion of Kotak stock for each offer of ING Vysya they command i.e., 725 parts of Kotak for everyone, 1000 parts of ING Vysya.

This trade proportion incontestable that the inferred value of every load of ING Vysya was Rs. 790 that trusted the traditional stock value of Kotak and ING Vysya for one month - from October 20, 2014, to November 19, 2014 - which came to Rs. 1089.50 and Rs. 682 severally.

Summary

This consolidation between Kotak bank and ING Vysya bank will make Kotak Mahindra bank the biggest private sector bank in India after ICICI bank, HDFC bank and axis bank the bank has a total branch of twelve hundred and fourteen in the entire nation

With all the guidelines given by the RBI this consolidation would result in decrease of the stake of the Kotak bank as the stake holding in the bank will be decreased by 6%.

Clients and workers will profit from the consolidated Kotak having a more extensive geographical spread, mastery across client portions, like SME, HNI, Corporates, and on items like private banking, resource the executives, protection, venture banking, NRI contributions and so forth

After the consolidation, the ING bunch, with a 6.4 percent stake, will turn into the second-biggest investor in the bank.

Case Study 13: Consolidation of Ganesh bank and the Federal Bank of India

Federal Bank would now be able to extend its impression in Maharashtra. The bank's arrangement to gain the Kolhapur-settled Ganesh Bank of Kurundwad.

The acquirer, Federal Bank, has not looked for any administrative abstinence for the takeover. This flagged the principal occurrence of a private area bank assuming responsibility for another private bank.

The extended tab for Federal Bank for the buyout could be near Rs 15 crore. This would incorporate the negative total assets of Rs 3.05 crore, and some other awful advances not considered. The Federal Bank scrip value fell insignificantly to close at Rs 188.25 on the Bombay Stock Exchange

Summary

Contrasted with Federal Bank's office organization of 475, Ganesh Bank has an organization limited to 32 branches. Be that as it may, these branches will help Federal in extending its impression in the sugarcane belt of Maharashtra and in acquiring a homestead area and SME base.

Case Study 14: United Western bank & IDBI bank

In October 2006 all parts of UWB started working as parts of IDBI. IDBI paid United Western Bank investors Rs 150.55 crore at rupees twenty-eight an offer, which comes out at thirty one percent premium over United Western Bank's end cost.

IDBI opens an "asset account" for crediting the worth of the resources of United Western Bank.

Summary

After the acquisition of the united western bank by the IDBI bank, IDBI bank increased their branches to four hundred and twenty-five from hundred and ninety-three. The consolidation will likewise extend IDBI resource base by 7,166 crores

Case Study 15: Consolidation of Nedungadi bank and the Punjab national bank

PNB assumed control over the Nedungadi Bank, the oldest private area bank in Kerala, with all its 174 branches filling in as PNB branches.

PNB said that they aren't inclined to assume control over liabilities of NBL, which surpass Rs 35 crore and will put its case before the Deposit Insurance and Credit Guarantee Corporation.

At the time of the consolidation with PNB, Nedungadi Bank's offers had zero worth, with the outcome that its investors got no installment for their offers.

Summary

PNB would have an aggregate of around 4,000 branches the nation over with the expansion of 174 parts of NBL. The consolidation of NBL with PNB will be useful to both the banks. PNB's organization is generally gathered in northern India. With the consolidation of NBL, it will actually want to contact the southern area.

Case Study 16: Consolidation of bank of Baroda and Benares State Bank

Benares state bank was acquired and controlled by the bank of Baroda. The resource base of BOB is Rs 624.62 billion. Conversely, Benares State Bank has resources worth Rs 11.34 billion. In March 2001, its store risk was to the tune of Rs 10.31 billion, progresses Rs 2.30 billion and speculations Rs 6.31 billion.

Summary

Benares State Bank is the second UP-based bank to be converged with BoB throughout the most recent couple of years and the third UP-based bank to be converged with state run banks in the course of the most recent multi decade. Bank of Baroda acquired 105 branches in the nation after this consolidation. It presently has a branch organization of more than 2,500.

CONCLUSION

Through this entire research we can conclude that the main reason for merger and acquisition is to expand into new markets, to gain efficiency, for acquiring a new deposit base, reduction of cost etc.

Merger and acquisition assist the institutions as well as the economy to work all the more proficiently on the grounds that it is helpful in the increment of the goods and the profit as well. To tolerate on the lookout and to decrease opposition, merger and acquisition is used. But the consolidation is only permitted when it doesn't affect the economy, organizations enjoy the advantages. One of the main reasons for the merger and acquisition is that it increases the skill capability as well as the profit for the institutions. Consolidation also helps in the protection of the merged organizations as well as in economizing of charges. Domestic consolidations are valuable when there is competition in the market and Cross-Border consolidations can be useful for bringing in more and more customers and to increase revenue. It likewise helps in extending the overall reach of the bank and other institutions and furthermore geological activity.

REFERENCES

- <https://www.dnaIndia.com/business/report-obc-and-ubi-merger-with-pnb-account-holders-beware-do-this-before-april-1-for-smooth-transactions-2872405>
- <https://economictimes.Indiatimes.com/industry/banking/finance/banking/state-bank-of-saurashtra-to-be-merged-with-sbi/articleshow/2310997.cms?from=mdr>
- <https://zeenews.India.com/Indian-allahabad-bank-merger-find-out-your-new-ifsc-code-mobile-banking-app-and-more-2342057.html>
- Syndicate Bank IFSC code will change from July 1 ... - Zee News
- https://www.business-standard.com/article/finance/hdfc-bank-cbop-seal-largest-merger-108022601071_1.html
- <https://economictimes.Indiatimes.com/industry/banking/finance/banking/bank-of-Rajasthan-to-merge-with-ICICI/articleshow/5947188.cms?from=mdr>
- <https://economictimes.Indiatimes.com/industry/banking/finance/banking/sc-clears-decks-for-fedbank-acquisition-of-ganesh-bank/articleshow/1933646.cms?from=mdr>
- http://cmrcetmba.in/SUMEDHA_ADMIN/journal_attachment/1548331632_1007989000.pdf
- Amalgamation of Syndicate Bank into Canara Bank
- <https://www.bankofbaroda.in/amalgamation.htm>