ABSTRACT

In today’s globalised economy, mergers and acquisitions (M&A) are being increasingly used the world over, for improving competitiveness of companies through gaining greater market share, broadening the portfolio to reduce business risk, for entering new markets and geographies, and capitalizing on economies of scale etc. This research study was aimed to study the impact of mergers on the operating performance of acquiring banks, by examining some pre-merger and post-merger financial ratios, in India between 1990 and 2010. The results suggest that there are minor variations in terms of impact on operating performance following mergers, in different banks in India. In particular, mergers seem to have had a slightly positive impact on profitability in the banking and finance industry.