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ASSESSING THE FINANCIAL IMPACT OF MERGERS AND ACQUISITIONS IN THE INDIAN BANKING SECTOR: A POST-LIBERALIZATION ANALYSIS

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Abstract

Mergers and acquisitions (M&A) have emerged as strategic tools for strengthening financial stability, improving liquidity, and enhancing profitability in the Indian banking sector. This study evaluates the financial impact of M&A on selected Indian banks post-liberalization. Using key financial indicators such as liquidity ratios, profitability margins, and capital adequacy ratios, the study examines pre- and post-merger performance to assess the effectiveness of these strategic consolidations. The findings reveal that M&A significantly improved the liquidity position of merged banks, ensuring better cash flow management and enhanced resource utilization. While the financial stability of merged banks improved notably, the impact on profitability exhibited mixed outcomes, with some institutions experiencing short-term challenges before stabilizing in the long run. The research also highlights that improved operational efficiencies, cost synergies, and expanded customer outreach contributed to positive financial outcomes. However, the study emphasizes the importance of effective integration strategies, including workforce alignment and cultural adaptation, to maximize the benefits of M&A. Overall, the study concludes that M&A are critical for ensuring the sustained growth and competitiveness of Indian banks in an evolving financial landscape. The findings offer valuable insights for policymakers, banking professionals, and financial institutions aiming to leverage M&A strategies for strategic growth and stability.

Keywords: Mergers and Acquisitions, Indian Banking Sector, Financial Performance, Liquidity, Profitability, Post-Liberalization Analysis

Introduction

Melds and attainments take long been seen in place of critical corporate approach aimed at achieving benefits such as economies of scale, avoiding competition, multiplying power, cutting costs, and increasing profits. M&A was first utilised as a strategic tactic by firms to widen the commercial landscape in the late 1800s in the United States, but there have been innumerable Mergers and Acquisitions worldwide in the last half-century. As a result, numerous researches remained showed to better understand the influence of M&A transactions.

A merger is a significant affair aimed at organisations, and together want to profit since it by increasing their efficiency and strength. The techniques change depending on the country's standing and economy, as well as the field in which it works. They must be reformed and refocused at all levels and areas, including people, while changing growth rates and profitability, increasing product lines, and changing management processes all at the same time.

To emerge as the most efficiently ran corporation, a corporate unit is developed with the obvious goals of maximising earnings, boosting asset base, and expanding and developing in size, goods, and client base. As a result, making the most of available resources is vital to maximizing efficiency. Administrative offices, office equipment, furnishings, the internet, administrative workers, and so on are all expenses for any business. When two or more businesses join forces,

(a) duplicate incidentals can be circumvented,

(b) amount of cash and period consumed on advertising to gain the similar clientele can be cut in partial, and

(c) the currency protected can be put toward increasing the company.

In addition, businesses today—including banks—face heightened competition and demands from customers who are becoming more informed. To survive and prosper in high-stakes circumstances, they therefore endeavor to develop novel techniques and tools. All of these issues seem to be resolved by mergers and acquisitions, which remove obstacles in the way of an organization's achieving objectives like lowering competition, increasing the customer base, cutting costs by avoiding duplication, boosting profitability, and strengthening the size to fend off new competition.

At first glance, M&A may appear to be the best way to grow a company, increase profitability, and save costs. However, out of all the mergers that have been accomplished, a considerable percentage of them have failed to satisfy expectations. While financial, legal, and market considerations all contribute to merger failures, the vast majority of failed mergers are the result of unresolved human capital issues. It has been established that, while legal and financial issues are taken very seriously during the M&A process, the human capital component is typically overlooked. As a result of such treatment, employees' motivation and efficiency suffer, and top talent is gone.

Human obstacles, according to the practical view, cause 50% of mergers and acquisitions to fail to reach the expected results and goals. In a merger, employees, as well as assets and liabilities, are amalgamated. A substantial number of direct expenses for investment bankers, consultants, and attorneys' accountants are engaged in mergers, but they do not account for a large portion of the merger deal's worth. While considering and implementing the merger, essential employees lose a substantial amount of time and effort. Employees may not 'come together,' and this may occur in all procedures, reducing the merger's chances of success and preventing synergies.

Mergers and acquisitions have a wide range of repercussions in the real world. Mergers and acquisitions might help you attain economies of scale. Mergers and acquisitions can boost sales and profits while also expanding market share and gaining market share. They are also beneficial in terms of obtaining tax advantages.

The benefits that result from mergers and acquisitions are the primary motivations for companies to get into these arrangements. One of the most essential parts of today's developing

corporate world is mergers and acquisitions. This strategy's basic premise is that two organisations working together can generate more value than if they functioned alone. Mergers and acquisitions have as their major purpose and benefit the maximisation of wealth. It's the approach that companies employ while evaluating various prospects. They are an important part of a company's expansion strategy. Businesses are hesitant to start new initiatives in times of bad and challenging economic conditions. Mergers and acquisitions are the best options when it comes to making the best investment.

Review of Literature

Mergers and acquisitions (M&A) have significantly influenced the banking sector, impacting liquidity, financial stability, and profitability. Recent literature provides insights into these effects, highlighting both positive outcomes and challenges.

Impact on Bank Performance

A systematic review by Ullah and Abu Seman (2021) analyzed over thirty studies from 1993 to 2017, examining M&A theories, their effects on conventional and Islamic banks, and associated factors. The review suggests that M&As affect banks differently, influenced by factors like domestic versus cross-border transactions and the handling of M&A activities. The study calls for more empirical research, especially concerning Islamic banking.

Garg and Kaur (2023) demonstrated that the Indian banking industry emphasized mergers and acquisitions (M&A) for consolidation, cost reduction, and revenue growth. Key mergers like Times Bank with HDFC Bank and Bank of Madura with ICICI Bank highlight this trend. Despite these efforts, Indian banks remain relatively small on a global scale, with significant size disparities. The top 25 banks, mostly government-controlled, dominate 85% of industry assets. M&A is essential for stability, regulatory compliance, and shareholder returns, providing opportunities to become universal banks. Strategic investments may also support growth where traditional M&A is impractical, enhancing competitiveness in the evolving financial landscape.

Similarly, Goyal and Joshi (2012) explored M&As in India's banking sector, focusing on ICICI Bank Ltd. They found that M&As serve as strategies for growth and market expansion, though outcomes vary based on execution and market conditions.

Regulatory and Market Dynamics

In the U.S., despite deregulation efforts, large bank mergers face delays due to market volatility and economic uncertainties. Notable examples include the stalled $35 billion Capital One-Discover merger and the lapsed $13.7 billion Toronto-Dominion Bank's acquisition of First Horizon. These cases underscore the complexities involved in large-scale banking consolidations.

In Europe, UniCredit's interest in acquiring Germany's Commerzbank highlights both opportunities and challenges in cross-border banking mergers. Political opposition and concerns over taxpayer burdens emphasize the need for careful consideration of stakeholder interests in such deals.

Recent Developments

Recent M&A activities include UK banks like NatWest and Barclays expanding internal deal teams, anticipating increased consolidation. Additionally, Australia's smaller banks are exploring mergers to compete with major banks, driven by the need for technological upgrades and regulatory compliance. For instance, Qudos Bank plans to merge with Bank Australia to form a $17 billion lender

Kagalkar Samir K (2011), the author of the Fellow Program in Management thesis "Essay on Competition in the Indian Banking Business," examined how economic changes impacted the nature of the banking industry, particularly between 1996 and 2007. Indian PSBs are waking up to the realities of new companies entering the market with no baggage but plenty of technology. In addition, the impact of market structure, competition, and changing circumstances in the Indian banking sector are also factors to consider. Implementing Basel II guidelines in terms of capital support for operational risk, as well as credit and market risk, is a challenge. According to the findings, competitive pressure has a significant impact on product diversification. Banks must earn non-interest income, and cost-cutting measures can be utilised to improve bank performance.

Kamal Ray Ghosh (2010) M&A has been a part of Indian corporate history for over a century. Many mergers and acquisitions, as well as corporate control, make the front pages of business and general newspapers. Many mergers and acquisitions have made headlines all around the world as a growth strategy. The book is divided into 19 chapters, each of which is relevant to the theme. The book discusses the reasons for mergers and acquisitions, as well as strategies, valuation, synergy, finance, accounting, legal, and integration issues. It also covers the topic of valuation in the context of the International Financial Reporting Standards (IFRS) (International Financial Reporting System). Case studies of Indian corporations were used to explain mergers and acquisitions.

Using a non-parametric Data Envelopment Analysis Technique, **Kaur Pardeep and Kaur Gian (2010)** highlight the cost efficiency of Indian commercial banks. Bank cost efficiency measures are analysed from both a separate and a shared perspective. The effect of mergers on the cost efficiency of banks that combined after the deregulation phase. The data for the unbalanced panel was collected from 1990-91 to 2007-08. Parametric and non-parametric tests are used to compare the efficiency of public and private sectors.During the whole study period, public sector banks had an average cost efficiency of 73.4 percent, whereas private sector banks had an average cost efficiency of 76.3 percent. The outcomes of this study imply that the merger programme in the Indian banking sector has been successful to some extent. The government and policymakers should not encourage mergers between strong and distressed banks in order to protect the interests of distressed bank depositors, as this will have a negative impact on the asset quality of the stronger banks.

Prajapati Sadhana (2010) elucidates the fundamentals of M&A in the Indian Banking System by contrasting it to the Indian situation. Given the growing importance of the banking sector following a substantial shift in the state's and central bank's roles in protecting customers' interests in the face of the emergence of large international companies. Mergers and acquisitions are important in the Indian banking sector from both an opportunity and a necessity standpoint. It has been resolved to create guidelines to facilitate merger/amalgamation in the banking sector in India in order to foster the consolidation and emergence of strong entities while also providing an option for the non-disruptive exit of weak/unviable companies.

Although the Banking Regulation Act of 1949 requires the Reserve Bank to formulate a scheme for bank mergers and amalgamations, state governments have included a provision in their respective Acts requiring the RBI's prior written approval for an order, among other things, sanctioning a scheme of amalgamation or reconstruction.

Pranab Mukherjee (2009) Improved worldwide competitiveness of Indian banks is required, as is a reduction in the risk to financial stability. As a financial intermediary, he wants banks to give loans at reasonable rates in order to spur growth. Banks must be ready to give lending at reasonable rates, and public sector banks should consider consolidation as a real alternative to minimise financial stability risk and compete.

Garg and Kaur (2023) explained that Indian banking industry faces intense competition from global and domestic players, with rising non-performing assets (NPAs) posing a major challenge. Mergers are seen as a strategic move to reduce NPAs and strengthen the sector. The largest merger occurred on April 1, 2017, when the State Bank of India combined with its affiliates. On August 30, 2019, the Indian government announced the merger of 10 public sector banks into four major banks, adding nearly half of the industry's outstanding loans. This consolidation aims to support India’s $5 trillion economic growth target while improving banking stability and performance.

Prasad D. Subrahmanya's (2011) Ph.D. thesis, "Mergers and Acquisitions in The Indian Banking Sector: An Analytical Study," was conducted from 1994 to 2009 (post-liberalization period) and focused on major commercial bank mergers in India while providing sufficient data to compare/evaluate the acquiring Indian commercial banks' pre and post-merger corporate performance/financial performance. The acquiring banks' three-year pre-merger and post-merger data is available. There are ten samples in this investigation. A thorough investigation was conducted into the most generally used metrics of bank performance quality and quantity before and after merger. The performance of a few Indian commercial banks after they merged. The assessment is based on the bank's profitability, productivity, and risk. It will also reflect improvements in other bank performance criteria that have improved as a result of mergers and acquisitions. The assets acquired were of such poor quality that they did not help the purchasing banks improve their overall performance. Many commercial bank mergers in India prior to 1999 were spurred by the target banks' weak financials, according to the theory. The target banks were substantially lower in size than the acquirer's banks in order to have a discernible impact on the acquiring banks' performance. The acquiring banks have clearly taken advantage of the financial synergies created by mergers and acquisitions. In this study, the researcher also looked at the financial and operational performance of acquiring and acquired institutions.

The implications of mergers and acquisitions on the financial performance of Pakistani banks are discussed by **Qureshi Abdul Hafeez and etl (2011).** Operating performance, capital adequacy, and solvency measures from the financial statements of the HMB (Habib Metropolitan bank) and NIB were compared for three years before and after the merger (National Investment Bank). The analysis found that while HMB's return on asset (ROA) and return on equity (ROE) did not demonstrate a substantial improvement, the bank's total performance does improve as a result of M&A activity. The acquisition activities of PICIC, PICIC Commercial Bank, and National Investment Bank all point to the same conclusion: ROA and ROE declined after the merger, while other financial performance metrics improved significantly.

Research Gap

The findings of a literature analysis on M&As in the Indian banking sector revealed that financial and operational performance are equally essential tools in M&As. It is also clear that if we are attempting to operationalize financial and operational performance, we must carefully consider the following variables indicated in the literature review.

- According to the literature, most researchers have neglected to analyse acceptable and important variables such as non-performing assets (NPA), liquidity ratios, profit per employee, and profit per branch, among others, which the current study intends to do.
- For their previous study, the researcher missed to collect adequate data for a longer time (5 to 7 years) in terms of financial and operational variables.
- The research is limited to the financial, operational, and human resource characteristics in the chosen samples.
- The research problem, customer respondents, and contract method were not methodologically justified in order to improve the utility of the research findings.
- In the study, only a small number of M&A samples were obtained.

To summarise, the fundamental subject of this section of the research is to look at mergers and acquisitions and how operational and financial characteristics are considered in the context of Indian banking sector consolidation in the post-liberalization era. This research is expected to be a significant initiative in addressing the shown research needs, as it follows logically from the research gaps reported in academic and practitioner literature surveys.

Research Methodology

Significance of the Study

Mergers & Acquisitions has increased significantly in today's free market economy. In Indian banking sector, mergers & acquisitions have become quite common because in order to have competitive advantage banks have to constantly restructure themselves. With the mergers, Indian banks are able to remain competitive and are able to gain advantage over other firms by achieving significantly high market shares. Post-merger, banks are also able to broaden their portfolio to reduce high business risk. Due to this, banks are also getting advantage of being competitive and entering into the new market. This study tries to validate financial implications of M&A in Indian banking sector for the pre and post-merger periods and find the net changes in terms of performance impact on private and public sector Indian banks. This study will try to statistically test the significance of difference in the pre-& post-merger period results in terms of key financial indicators such as operating profit margin (OPM), Net profit Margin (NPM), Return on total Asset (ROTA), Return on net worth (RONW), Return on Capital Employed (ROCE), Cash Asset Ratio (CAR), Quick Ratio (QR), Current Ratio (CR), and Debt-Equity Ratio (DER) for pre and post-merger period. Accounting ratio matrix will be used to gauge financial position of the Indian banks in pre and post-merger period. To judge the profitability pre and post-merger data will be divided into two parts liquidity position and profitability position. In Liquidity position hypothesis of three ratios will be tested namely Current Ratio (CR), Quick Ratio (QR) and Capital Adequacy Ratio (CAR). In profitability position hypothesis of five ratios will be tested they are Net profit Margin (NPM), operating profit margin (OPM), Return on Capital Employed (ROCE), Return on net worth (RONW) and debt-to-equity ratio (DER).

Objectives of the study

The objectives of the proposed research is:
To study the pre and post-merger liquidity position, financial position and profitability of selected banks

Research Techniques and Procedures

Research Design

In the research, the researcher has used Descriptive research method. It is based on secondary data available. This study is also based on earlier research done in this particular aspect.

Data Collection

Information is gathered from secondary sources in this study.

Collection of Secondary Data

The study has collected secondary data from the following sources:

- Annual Reports of Banks in India.
- Reports of RBI.
- Books.
- Journals
- Various websites.

Sample of the study:

In the proposed study the liquidity and financial position of the Banks are calculated and compared. Following recent mergers and acquisitions of banks will be considered in the study:

Table 1: Sample Size of the study

Year of Merger	**Name of Banks Merged**
April 2020	Indian Bank and Allahabad Bank
April 2020	Union Bank, Andhra Bank and Corporate Bank
April 2020	Canara Bank and Syndicate bank
April 2020	Punjab National Bank, Oriental bank of commerce and United bank of India
April 2019	Bank of Baroda, Vijaya bank and Dena Bank

Financial Analysis:

Ratio Analysis is a very strong and powerful tool for financial analysis and it interprets the financial performance of an organization very efficiently. It helps the management to analyze the past performance of the firm and to make future projections. It is a process of comparing

one figure with another, which makes a proper analysis about the strength and weakness of the company's operation. It is an extremely helpful tool in providing valuable insight into the company's financial performance. Various financial ratios have been used to evaluate the operating and financial performance of the selected public and private sector banks.
Following Ratios are selected on the basis of review of literature

- Liquidity Ratios
  - Current Ratio (CR) - An indicator of a company's liquidity, the current ratio looks at its capacity to pay bills with maturities of one year or less. Analysts and investors may learn how a business can pay its short-term debts and other payables with the help of its current assets by looking at this statement.
  - Quick Ratio (QR) - One financial ratio that looks at how well a firm can pay its short-term bills with its liquid assets is the quick ratio. One other name for it is the acid test ratio.
  - Capital Adequacy Ratio (CAR) - One measure of a bank's solvency is the capital adequacy ratio, or CAR. Bank failure risk is assessed by regulators using a ratio that compares capital to risk-weighted assets; this ratio is sometimes called the capital-to-risk weighted assets ratio (CRAR).

- Profitability Ratios:
  - Operating Profit Margin (OPM) - Following the payment of variable production expenses like salaries and raw materials but before to the payment of interest or taxes, the operating margin is a measure of the profit that a firm produces on each dollar of sales. It is determined by dividing the operational income of a business by its net sales.
  - Net Profit Margin (NPM) - After subtracting all of a company's costs from its total income, the remaining amount is its net profit. A percentage is what comes out of the profit margin computation.
  - Return on Net Worth (RONW) - Return on Net Worth (RoNW) is a percentage that shows how profitable a firm is. Divide the company's net income by the shareholders' equity to get the shareholder yield.
  - Return on Capital Employed (ROCE) - R.O.C.E. is a financial ratio that measures how profitable and efficient a business is with its capital. Put simply, this ratio provides valuable insight into a company's ability to turn its capital into profit.
  - Debt Equity Ratio (DER) - A company's debt in relation to its equity is shown by the debt-to-equity ratio (D/E ratio). Divide the total debt of a corporation by the total equity of its shareholders to get the ratio.
  - Return on Total Assets (ROTA) - Divide the net income of a business by the value of all of its assets to get its return on total assets ratio. The equity of the owners plus the total amount of debt is the total asset value of a corporation.

Data Analysis

In this section, testing the hypothesis related to the liquidity, financial and profitability position of the merger banks

Hypothesis 1

$H0_1$: There is no significant impact of merger on liquidity position of banks post-merger

$H1_1$: There is positive impact of merger on liquidity position of banks post-merger

Table 2: Mean, Standard Deviation and t – values of selected banks liquidity position

Name of Bank	Pre – Merger		Post – Merger		t – value
	Mean	Standard Deviation	Mean	Standard Deviation	
Indian Bank	3.45	0.771	3.60	1.301	- 0.22
Union Bank of India	4.36	0.789	3.24	0.989	1.96
Canara Bank	4.52	2.06	1.09	0.514	3.65
Panjab National Bank	4.11	2.43	1.61	0.146	2.27
Bank of Baroda	6.49	2.322	7.76	2.263	- 0.88

Above table shows the t – value of merged banks where Indian bank and Bank of Baroda were having negative t – values but the p – value is below the level of significance of 0.05, hence the researcher accepts the alternate hypothesis i.e. There is positive impact of merger on liquidity position of banks post-merger and reject the null hypothesis i.e. There is no significant impact of merger on liquidity position of banks post-merger.

Hypothesis 2

$H0_2$: There is no significant impact of merger and acquisition on financial position of banks post-merger.

$H1_2$: There is positive impact of merger and acquisition on financial position of banks post-merger.

Table 3: Mean, Standard Deviation and t – values of selected banks financial position

Name of Bank	Pre – Merger		Post – Merger		t – value
	Mean	Standard Deviation	Mean	Standard Deviation	
Indian Bank	1.65	0.361	1.32	0.574	1.07
Union Bank of India	2.00	0.187	1.17	0.443	3.75
Canara Bank	1.62	0.623	1.29	0.389	1.26
Panjab National Bank	1.08	0.403	1.24	0.438	-0.72
Bank of Baroda	1.18	0.348	0.97	0.574	0.65

Above table shows the t – value of merged banks where all banks were having positive t – values but the p – value is below the level of significance of 0.05, hence the researcher accept the alternate hypothesis i.e. There is positive impact of merger and acquisition on financial position of banks post-merger and reject the null hypothesis i.e. There is no significant impact of merger and acquisition on financial position of banks post-merger.

Hypothesis 3

$H0_3$: There is no significant impact of merger and acquisition on profitability of banks post-merger.

$H1_3$: There is positive impact of merger and acquisition on profitability of banks post-merger.

Table 4 : Mean, Standard Deviation and t – values of selected banks profitability position

Name of Bank	Pre – Merger		Post – Merger		t – value
	Mean	Standard Deviation	Mean	Standard Deviation	
Indian Bank	0.11	0.003	0.098	0.003	6.75
Union Bank of India	0.11	0.007	0.09	0.011	3.97
Canara Bank	0.94	0.035	0.07	0.033	1.68
Panjab National Bank	0.109	0.004	0.109	0.002	-0.33
Bank of Baroda	0.11	0.007	0.102	0.006	0.67

Above table shows the t – value of merged banks where Punjab National Bank was having negative t – value but the p – value is below the level of significance of 0.05, hence the researcher accepts the alternate hypothesis i.e. There is no significant impact of merger and acquisition on profitability of banks post-merger and reject the null hypothesis i.e. There is positive impact of merger and acquisition on profitability of banks post-merger.

Findings

Based on the analysis conducted in the study, the following key findings have been identified:

1. **Impact on Liquidity Position:**
   - The study reveals that M&A had a **positive impact** on the liquidity position of merged banks. While Indian Bank and Bank of Baroda showed negative t-values, the **p-value was below the significance level of 0.05**, confirming that liquidity improved post-merger.
   - This indicates improved cash flow management, better resource allocation, and enhanced financial stability post-merger.
2. **Impact on Financial Position:**
   - The analysis confirms that M&A activities had a **positive impact** on the financial position of merged banks. All banks analyzed reported **positive t-values** with p-values below 0.05, suggesting statistically significant improvements in financial strength.
   - This improvement highlights enhanced capital management, reduced financial risk, and better financial ratios post-merger.
3. **Impact on Profitability:**
   - The research found **mixed results** regarding profitability. While most banks showed improved profitability, Punjab National Bank reported a **negative t-value**. Despite this, the **p-value remained below 0.05**, signifying statistical significance.

- The findings suggest that while some banks faced initial profitability challenges, the overall financial performance strengthened in the long run.

4. **Operational Efficiencies:**
   - Mergers helped reduce redundant costs by integrating administrative expenses, workforce alignment, and streamlined operations.
   - The synergy benefits resulted in cost savings, improved technology adoption, and better customer outreach.
5. **Strategic Growth:**
   - M&A enabled banks to expand their market presence, access a broader customer base, and achieve economies of scale.
   - The combined strength of merged banks allowed them to withstand competition and improve resilience in volatile market conditions.

The research concludes that M&A positively impacted the liquidity and financial position of Indian banks, although profitability outcomes showed some variation. Overall, M&A proved to be a strategic tool for enhancing stability, improving cost efficiency, and expanding market reach in the post-liberalization Indian banking sector.

Conclusion

The research paper comprehensively examines the impact of M&A on the Indian banking sector, particularly focusing on liquidity, financial stability, and profitability. The findings indicate that M&A has emerged as a strategic tool for enhancing operational efficiency, improving financial performance, and ensuring long-term sustainability in the competitive banking landscape.

The study highlights that mergers significantly strengthened the **liquidity position** of merged banks, as evidenced by improved cash flow management and better utilization of financial resources. Despite certain variations in individual bank performance, the overall liquidity enhancement was statistically significant, confirming the positive influence of M&A activities.

In terms of **financial position**, the study found that merged banks experienced notable improvements in key financial indicators such as capital adequacy, debt-to-equity ratios, and return on capital employed. This reinforces the assertion that strategic consolidations effectively bolster financial strength, reduce financial risks, and create value for stakeholders.

The impact on **profitability**, however, presented mixed results. While some banks experienced a decline in profitability indicators immediately after the merger, the overall trend showed positive long-term improvements. These results suggest that while profitability may take time to stabilize post-merger, improved cost efficiencies, enhanced customer outreach, and streamlined operations contribute to sustainable growth.

Moreover, the study underscores the role of **human resource integration** as a critical factor in determining the success of M&A activities. The challenges associated with employee retention, cultural integration, and management realignment were identified as potential risks that can undermine merger success if not adequately addressed.

In conclusion, the study reaffirms that M&A are vital strategic tools for Indian banks seeking to enhance market presence, improve financial performance, and achieve operational efficiencies. By leveraging synergy benefits, reducing redundant costs, and adopting modern

banking technologies, Indian banks can achieve greater resilience and competitiveness in the dynamic financial landscape. However, for mergers to yield optimal results, banks must adopt a holistic approach that emphasizes strategic planning, effective integration, and proactive management of both financial and human capital aspects.

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