An Analytical Impact of Pre and Post Mergers and Acquisitions in the Indian Banking Sector on Consumer

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ISSN No:-2456-2165

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ISSN No:-2456-2165

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LIST OF ABBREVIATIONS

S. No.	Abbr.	Abbreviated
1.	M&A	Merger and Acquisition
2.	Gov.	Government
3.	Et.al	And all
4.	NPA	Non-Performing Assets
5.	PSBs	Public Sector Banks
6.	CASA	Current Account and Saving Account
7.	PNB	Punjab National Bank
8.	UBI	Union Bank of India
9.	BoB	Bank of Baroda
10.	OBC	Oriental Bank of Commerce
11.	SBI	State Bank of India
12.	B/W	Between
13.	ATMs	Automated Teller Machine
14.	RBI	Reserve Bank of India
15.	PSU	Public Sector Undertaking
16.	CBS	Core Banking Solution
17.	U.P.	Uttar Pradesh
18.	YoY Growth	Year Over Year Growth
19.	CD Ratio	Credit Deposit Ratio
20.	Rs.	Rupees

ISSN No:-2456-2165

ABSTRACT

Mergers occur when two or more companies decide to combine their operations, assets and resources to form a new, larger company. The process of mergers typically involves negotiations between the companies, including discussions on the terms of the merger agreement, such as the valuation of the companies, the structure of the new entity and the roles and responsibilities of the management team.

Mergers can be made by two methods:

- **Mergers through absorption: In these kinds of mergers two or more companies combine into any of the existing participating company. One company is absorbed into another. For example, Philips Carbon Black Limited (PBCL) and RPG merged with its wholly owned subsidiary Transmission Holidays Limited (THL) which is an investment company.**
- **Mergers through Consolidation: These kinds of mergers result when two or more companies combine and form an entirely new company. The new combined company is legally a new entity. Which company ends, in return get cash or shares of the acquiring company.**

ISSN No:-2456-2165

CHAPTER ONE

EXECUTIVE SUMMARY

The research paper aims to analyse the impact of the mega merger of Indian banks in 2020 on consumers. This significant restructuring in the banking sectors was undertaken by the Indian government to strengthen the banking system, improve efficiency and enhance financial inclusion. The merger involved several large banks, leading to the creation of larger entities with increased market share and resources. This research project focuses on understanding the consequences of this mega merger on consumers in terms of accessibility, service quality, product offerings, and overall satisfaction.

The study employs a mixed-method approach, combining quantitative analysis and qualitative research techniques. To assess the analytical impact on consumers, the project will analyse relevant data obtained from various sources such as customer surveys, financial reports and regulatory filings. The quantitative analysis will involve measuring key performance indicators like customer satisfaction levels, service efficiency and financial accessibility before and after the merger. Additionally, qualitative research methods such as in-depth interviews and focus group discussions, will provide insights into consumer's perceptions, experiences and preferences post-merger.

The findings of this research paper will shed light on the implications of the mega merger on consumers and provide valuable insights for policymakers, regulators and banking institutions. Understanding the impact on consumer banking experiences will implement effective strategies and enhance customer centric approaches. Furthermore, the research will contribute to the existing body of knowledge on banking sector reforms and consolidation, specifically in the content of emerging markets like India.

Ultimately, this research paper aims to contribute to evidence-based decision-making driving positive changes in the banking industry and ensuring that consumers receive the intended benefits from the mega merger. By evaluating the analytical impact on consumers, the study will provide actionable recommendations for banks to enhance customer satisfaction, optimize service delivery and promote financial inclusivity in the post-merger landscape.

ISSN No:-2456-2165

CHAPTER TWO

INTRODUCTION

A. Mergers

Mergers occur when two or more companies decide to combine their operations, assets and resources to form a new, larger company. The process of mergers typically involves negotiations between the companies, including discussions on the terms of the merger agreement, such as the valuation of the companies, the structure of the new entity and the roles and responsibilities of the management team.

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- **Mergers through Consolidation:** These kinds of mergers result when two or more companies combine and form an entirely new company. The new combined company is legally a new entity. Which company ends, in return get cash or shares of the acquiring company.

B. Acquisitions

Acquisition refers to the process of one company purchasing another company, usually through the purchase of its stock or assets. Unlike mergers, acquisitions typically result in the acquiring company becoming the new owner of the acquired company, with the acquired company often ceasing to exist as a separate entity.

Acquisition can occur for various reasons such as to gain access to new products, services, technologies, to expand into new markets or to eliminate competition. Like mergers, the process of an acquisition can be complex, involving negotiations between the companies on the terms of the purchase agreement, including the price and structure of the acquisition.

Acquisitions as typically subject to regulatory approval and antitrust laws are in place to prevent companies from becoming too dominant in a particular industry. The process of an acquisition can be complex and requires careful planning and execution to ensure that the acquiring company realizes the expected benefits and provides value to its shareholders, customers and other stakeholders.

C. Merits of Bank Merger

- Increased scale and efficiency.
- Enhanced geographic reach and customer base.
- Greater access to capital and funding resources.
- Improved risk management and diversification.
- Increased bargaining power with suppliers and customer.
- Potential for cost savings and synergies.
- Improved technological capabilities and innovation.
- Better talent retention and development opportunities.

D. Demerits of Bank Merger

- Cultural clashes and employee morale issues.
- Integration challenges, including systems, processes and people.
- Potential loss of jobs and uncertainty for employees.
- Regulatory hurdles and compliance costs.
- Concentration of power and market dominance.

E. Overview about Indian Banking Sector

The Indian banking sector is an important component of the country's financial system and plays a key role in supporting the growth of the company. The sector is divided into two main categories: Public sector banks and Private sector banks. Public sector banks are owned by the government, and private sector banks are owned by private individuals or corporations. The Reserve Bank of India (RBI) is the central bank of India and it is responsible for regulating and supervising the banking sector in the country.

Over the years, the Indian banking sector has under gone significant reforms with the aim of improving its efficiency and competitiveness. These reforms have included the liberalization of the sector, the introduction of new technologies and the consolidation of banks through mergers and acquisitions. These measures have helped the sector grow and expand its range of products and services, including saving accounts, current accounts, loans and credit cards. The sector is also known for its extensive network of branches and ATMs which make banking services easily accessible to customers across the country.

However, the Indian banking sector has faced several challenges over the years, including high levels of bad loans, poor asset quality and frauds. The government and RBI have taken several measures to address these challenges, including the recapitalization of banks, the introduction of stricter regulations, and the capitalization of banks, the introduction of stricter regulations and the implementation of new technology-based solutions to improve risk management. Despite these efforts, the sector continues to face challenges, particularly in the area of asset quality.

Despite the challenges, the Indian banking sector is expected to grow significantly in the coming years, driven by factors such as increasing economic activity, rising income levels and the government's emphasis on financial inclusion. The sector is also expected to benefit from the growth of the digital economy, with the adoption of new technologies such as mobile banking, online banking and digital payments. In addition, the government's focus on infrastructure development and financial inclusion is expected to create new opportunities for the sector.

Overall, the Indian banking sector is seen as a key pillar of the country's economic growth. Despite the challenge it faces the sector remains resilient and has continued to expand its reach and range of services. The sector is expected to play an increasingly important role in supporting the growth of the Indian economy in the years to come.

F. Comprehensive Overview of Mega Mergers in India's Banking Sector

Mega Bank Merger in India 2019 – 2020

Table 2.1 – Mega Mergers in India 2019 – 2020

Acquiring Bank	**Acquired Bank**	**Date of Merger**
Bank of Baroda	Vijaya Bank, Dena Bank	1st April 2019
Punjab National Bank	Oriental Bank of Commerce, United Bank of India	1st April 2020
Canara Bank	Syndicate Bank	1st April 2020
Union Bank of India	Andhra Bank, Corporation Bank	1st April 2020
Indian Bank	Allahabad Bank	1st April 2020

- On August 30th, 2019, Union Finance Minister Nirmala Sitharaman unveiled a significant consolidation plan for state-owned banks. This visionary initiative involved merging 10 public sector banks (PSBs) into four larger lenders, with the primary objective of fortifying the banking system against the challenges posed by bad loans and non-performing assets.
- The amalgamation strategy was primarily designed to cleanse the banks' balance sheets and establish financial institutions of global stature. These robust entities would be capable of supporting India's economy in its ambitious pursuit of reaching a $5 trillion mark by 2024.

- Having successfully executed two rounds of bank mergers earlier, the government embarked on this transformative journey to create a resilient banking system, which would, in turn, contribute to the growth of a $5 trillion economy.
- Minister Sitharaman emphasized that the objective of these mergers was to cultivate a new generation of banks with substantial credit enhancement capabilities. By consolidating smaller banks into larger entities, the government aimed to harness the potential of these institutions in facilitating increased lending and promoting economic development.
- In addition to the financial considerations, several key factors played pivotal roles in determining the success of these mergers. These included the integration of technological platforms, leveraging synergies between the merging banks, expanding customer reach, fostering competitiveness, and promoting efficient financial operations. Rajiv Kumar, the Finance Secretary, highlighted these crucial elements that would contribute to the overall effectiveness and viability of the merged entities.

A. Merger 1

➢ *History of Bank of Baroda, Vijaya Bank and Dena Bank*

- Bank Of Baroda

✓ Bank of Baroda was established by Maharaja Sayajirao Gaekwad III, the Maharaja of Baroda, on July 20, 1908.
✓ Presently known as Baroda, the headquarters of Bank of Baroda is located in Vadodara.
✓ During its formative years, Bank of Baroda played a pivotal role in the socioeconomic progress of the Baroda region by extending credit facilities to farmers and small enterprises.
✓ In 1969, Bank of Baroda underwent nationalization as it became a part of the Indian government's initiative to nationalize banks.

- Vijaya Bank

✓ Vijaya Bank, founded on the 23rd of October, 1931, in Mangalore, Karnataka, was the brainchild of the visionary Shri. A. B. Shetty and a group of enterprising farmers.
✓ The name "Vijaya Bank" was inspired by the revered Mangaladevi Temple, the presiding deity of Mangalore.
✓ The transformative moment for Vijaya Bank came on the 15th of April when it underwent nationalization, establishing its corporate headquarters in Bangalore, Karnataka.
✓ As part of its remarkable growth trajectory, Vijaya Bank merged with nine smaller banks during 1968-1969, propelling it to emerge as a formidable force within the Indian banking sector.

- Dena Bank

✓ On the auspicious day of 26th May, 1938, the distinguished DevkaranNanjee family established a financial institution known as the 'DevkaranNanjee Banking Company Ltd.', which would later evolve into the renowned Dena Bank.
✓ Not long after its inception, in the year 1939, Dena Bank embraced a new name, namely Dena (DevkaranNanjee) Bank, as it transitioned into a public bank, opening its doors to a wider array of customers.
✓ Nestled in the vibrant city of Mumbai, Maharashtra, Dena Bank proudly adorned the bustling financial landscape with its headquarters, strategically positioned to serve its clientele with utmost efficiency.
✓ Stepping into a new era, the Indian government took a significant stride in July 1969 when it decided to nationalize Dena Bank and thirteen other financial institutions. This monumental move aimed to democratize banking services, ensuring access to the masses and fostering robust economic growth.

➢ *After the Merger of Bank of Baroda, Vijaya Bank and Dena Bank*

After the merger of Bank of Baroda, Vijaya Bank, and Dena Bank in April 2019, several key developments took place:

- In a historic merger that took effect on April 1, 2019, Bank of Baroda, Vijaya Bank, and Dena Bank joined forces, marking a significant milestone in the Indian banking sector.
- One of the notable outcomes of the merger was the substantial expansion of the retail book, driven by Vijaya Bank's robust retail portfolio. As a result, the combined entity witnessed a remarkable increase, with the retail book now accounting for approximately 20% of its total loans. Additionally, the merged bank achieved an impressive CASA mix of 33.6% and a CD ratio of 70.7%.
- With the completion of the merger, the Bank of Baroda emerged as the second-largest public sector bank in India, solidifying its position after the venerable State Bank of India (SBI).
- Recognizing the need to fortify the merged bank's balance sheet and ensure its ability to meet credit requirements and contingencies, the government decided to infuse a substantial capital injection of Rs. 5,402 crores through a preferential allotment of equity shares into Bank of Baroda.
- The share swap ratio played a pivotal role in determining the ownership structure post-merger. For every 1,000 equity shares held, shareholders of Vijaya Bank received an allocation of 402 equity shares in Bank of Baroda, while investors of Dena Bank were granted 110 shares of BoB for every 1,000 shares held by investors.
- As a consequence of the share swap ratio, the government's stake in the newly formed entity increased from 63.7% to 65.7% at the time of the merger, reaffirming its commitment to a strong and stable banking sector.
- The merger resulted in the combined entity of Bank of Baroda becoming a prominent employer, boasting a workforce of over 90,000 dedicated professionals. Their collective efforts were channeled through an extensive network comprising 9,500 branches and 10,318 ATMs, serving customers across the length and breadth of the country.
- With the aspiration to establish a globally competitive bank, the new Bank of Baroda aimed to leverage the advantages of economies of scale, harness synergies within its expanded network, tap into low-cost deposits, and capitalize on the potential of its subsidiary operations, fostering a new era of growth and innovation.

B. Merger 2

➢ *History of Punjab National Bank, Oriental Bank of Commerce and United Bank of India*

- Punjab National Bank

✓ Punjab National Bank was founded on the 19th of May, 1894, in the vibrant city of Lahore. Presently, its headquarters are located in the bustling metropolis of New Delhi.
✓ In a historic move aimed at fortifying the banking sector and fostering financial inclusivity, the Indian government undertook the nationalization of Punjab National Bank in 1969. Alongside 13 other banks, it became a part of this momentous initiative.
✓ The period spanning the 1970s to the 1980s witnessed a remarkable surge in Punjab National Bank's growth trajectory. During this time, the bank embarked on an ambitious expansion drive, establishing numerous branches and captivating a diverse customer base.

- Oriental Bank of Commerce

✓ Oriental Bank of Commerce was founded on the 19th of February, 1943, under the visionary leadership of Rai Bahadur Lala Sohan Lal.
✓ Demonstrating its commitment to global expansion, Oriental Bank of Commerce made its mark in 1962 by inaugurating its inaugural overseas branch in London, United Kingdom.
✓ A significant milestone in its history came on the 15th of April, 1980, when Oriental Bank of Commerce was incorporated into the nationalized banking sector.

- ✓ In a bold move to attract investment and broaden its financial reach, Oriental Bank of Commerce introduced its Initial Public Offering (IPO) in 1992, leading to its successful listing on major stock exchanges.

- United Bank of India
- ✓ United Bank of India was founded on the 14th of January 1950, and its headquarters are located in Kolkata, West Bengal.
- ✓ During 1961, United Bank of India completed the acquisition of Hindustan Mercantile Bank, a strategic move that significantly broadened its branch network and customer base.
- ✓ With a total asset value of Rs. 300 billion, United Bank of India boasts a strong financial position and solid resources.

➢ *After the merger of Punjab National Bank, Oriental Bank of Commerce and Untied Bank of India*

About the merger of Punjab National Bank (PNB), Oriental Bank of Commerce (OBC), and United Bank of India:

- Effective from 1st April 2020, Punjab National Bank completed its merger with Oriental Bank of Commerce and United Bank of India.
- Following the merger, Punjab National Bank emerged as the second-largest public sector bank in India.
- Shareholders of Oriental Bank of Commerce received 1,150 equity shares of PNB (Rs. 2 each) for every 1,000 equity shares of OBC (Rs. 10 each), and shareholders of United Bank of India received 121 equity shares of PNB (Rs. 2 each) for every 1,000 equity shares of UBI (Rs. 10 each).
- The merger resulted in Punjab National Bank's combined business size reaching Rs. 17.9 lakh crores.
- Post-merger, Punjab National Bank became an employer of more than 100,000 employees who serve customers through a vast network of over 11,500 branches and over 13,800 ATMs across the country.
- The consolidated gross advances of Punjab National Bank after the merger amounted to Rs. 7.5 lakh crores.
- The total deposits of Punjab National Bank expanded to Rs. 10.4 lakh crores following the merger.
- The amalgamation aimed to enhance the consolidated bank's CASA (Current Account Savings Account) ratio and lending capacity.

C. Merger 3

➢ *History of Canara Bank and Syndicate Bank*

- Canara Bank
- ✓ Canara Bank was established on 1st July 1906 in Mangalore, Karnataka, under the name Canara Hindu Permanent Fund.
- ✓ The headquarters of Canara Bank is situated in Bangalore, Karnataka.
- ✓ It underwent a renaming in 1910 and became officially known as Canara Bank.
- ✓ The government of India nationalized Canara Bank in 1969, bringing it under public ownership.

- Syndicate Bank
- ✓ Syndicate Bank, the venerable institution that has played a pivotal role in India's financial landscape, traces its roots back to the 20th of October, 1925. It emerged as a beacon of banking excellence in Udupi, a quaint town nestled in the picturesque state of Karnataka. Distinguished as the oldest major commercial bank in India, Syndicate Bank has left an indelible mark on the country's banking history.
- ✓ The founding fathers of Syndicate Bank, Upendra Ananth Pai, Vaman Srinivas Kudva, and T.M.A. Pai, embarked on a visionary journey to establish an institution that would cater to the diverse financial needs of the nation. Their unwavering dedication and astute foresight laid the foundation for Syndicate Bank's remarkable legacy, shaping its path towards becoming a stalwart in the banking industry.

- ✓ Recognizing the paramount importance of a robust banking system to fuel India's economic growth, the government of India took a momentous step on the 19th of July, 1969. On this historic day, Syndicate Bank became a symbol of national pride as it was embraced by the government through the process of nationalization. This pivotal event marked a new chapter in the bank's journey, further strengthening its commitment to serve the nation and its people.
- ✓ Nestled in the serene town of Manipal, situated in Udupi, Karnataka, the headquarters of Syndicate Bank stands as a testament to its rich heritage and unwavering presence in the banking sector. From this strategic location, the bank has meticulously steered its operations, fostered innovation, and driven financial progress throughout the length and breadth of the country. The Manipal headquarters serves as a hub of financial expertise, propelling Syndicate Bank's mission to provide top-notch banking services to its valued customers.

➢ *After the merger of Canara Bank and Syndicate Bank*

After the merger of Canara Bank and Syndicate Bank in April 2020, several key developments took place:

- On April 1, 2020, an important milestone in the Indian banking sector was reached as Syndicate Bank merged with Canara Bank, creating a powerful financial institution.
- Following the successful merger, Canara Bank solidified its position as India's fourth-largest public sector bank, boasting a substantial business volume of Rs. 15.20 lakh crores. This marked a significant increase of approximately 1.5 times the size of Canara Bank prior to the merger.
- As part of the merger agreement, Canara Bank took over Syndicate Bank, and the shareholders of Syndicate Bank were allocated 158 shares for every 1,000 shares they held in the former institution.
- Post-merger, the combined entity of Canara Bank and Syndicate Bank now operates an extensive network of 10,342 branches and 12,829 ATMs across India, providing enhanced accessibility and services to their customers.
- The newly amalgamated bank boasts an impressive total business volume of Rs. 15,20,295 crores, with gross advances amounting to Rs. 6,61,365 crores. This robust financial position positions the bank as a key player in the Indian banking landscape.
- With the merger, Canara Bank and Syndicate Bank have pooled their resources, resulting in a combined workforce of 91,685 dedicated employees. This diverse and talented team contributes to the bank's ability to provide superior financial services to its customers.
- Following the merger, Canara Bank recorded a net NPS (Non-Performing Assets) of 5.62%, indicating the bank's effective management of loan quality and credit risk, which is crucial for maintaining financial stability and profitability.
- Recognizing the significance of the merger and the potential for growth, the Government of India played a pivotal role in supporting the process by infusing Rs. 6,500 crores through bank recapitalization. This injection of capital further bolstered the bank's financial position and ability to serve its customers.
- The merger between Canara Bank and Syndicate Bank offered several advantages, including the potential to reduce costs associated with network overlaps. Furthermore, the similar organizational cultures of the two banks facilitated a smooth consolidation process, while also presenting opportunities for income generation through joint ventures and subsidiaries.

D. Merger 4

➢ *History of Union Bank of India, Andhra Bank and Corporation Bank*

- Union Bank of India
- ✓ Union Bank of India was founded on November 11, 1919, in Bombay (now Mumbai), Maharashtra.
- ✓ The inaugural ceremony of UBI was graced by the presence of Mahatma Gandhi.
- ✓ In a significant milestone, UBI established its maiden international branch in London, United Kingdom, in the year 1926.

- ✓ UBI's corporate headquarters is located in the bustling city of Mumbai, Maharashtra.

- Andhra Bank
  - ✓ Andhra Bank was founded on the 20th of November, 1923, in Machilipatnam, Andhra Pradesh.
  - ✓ Bhogarju Pattabhi Sitaramayya is credited as the founder of Andhra Bank.
  - ✓ In 1956, Andhra Bank relocated its headquarters from Machilipatnam to Hyderabad, Telangana.

- Corporation Bank
  - ✓ Corporation Bank, an esteemed financial institution, traces its roots back to the momentous day of 12th March 1906 when it was established in the picturesque town of Udupi, nestled in the southern state of Karnataka, India.
  - ✓ The visionary behind the foundation of Corporation Bank was none other than the eminent Khan Bahadur Haji Abdulla Haji Kasim Saheb Bahadur, whose unwavering commitment to progress and financial empowerment led to the creation of this esteemed institution.
  - ✓ With its inception, Corporation Bank chose Mangalore, a vibrant city in Karnataka, as its distinguished headquarters, serving as a strategic center for its operations and growth over the years.

➢ *After the merger of Union Bank of India, Andhra Bank, and Corporation Bank*

Upon the completion of the merger between Union Bank of India, Andhra Bank, and Corporation Bank, several noteworthy changes and achievements took place:

- Effective from April 1st, 2020, Union Bank of India successfully merged with Andhra Bank and Corporation Bank, consolidating their operations and resources.
- Following the merger, Union Bank of India solidified its position as the fifth largest public sector bank in India, both in terms of assets and market presence.
- The combined business size of Union Bank of India after the merger reached an impressive amount of Rs. 14,059 lakh crores, indicating a substantial growth in its overall financial strength and capabilities.
- Union Bank of India's branch network experienced significant expansion, resulting in a total of 9,609 branches. This placed the bank as the fourth-largest public sector bank in terms of branch network size.
- Shareholders who held 1,000 shares of Andhra Bank received 325 equity shares of Union Bank of India, while those holding 1,000 equity shares of Corporation Bank received 330 equity shares of Union Bank of India. This exchange ratio ensured fair distribution and consolidation of the banks' shares.
- Union Bank of India now serves a vast customer base of more than 155 million individuals. With its extensive network of over 9,600 branches and 10,800 ATMs, the bank offers a wide range of products and services to cater to the diverse needs of its customers.
- To ensure a seamless transition and minimize disruption for customers, account numbers, IFSC codes, debit/credit cards, and internet/mobile banking portals and login credentials remained unchanged despite the merger.
- The merger was expected to yield substantial cost and revenue synergies, estimated to amount to Rs. 2,500 crores over the next three years. This strategic integration aimed to optimize operations and enhance efficiency across various aspects of the merged entity.
- As of March 31st, 2023, Union Bank of India's total business reached an impressive figure of Rs. 19,27,621 crores, comprising Rs. 11,17,716 crores of deposits and Rs. 8,09,905 crores of advances. This showcases the bank's robust financial position and its ability to cater to diverse banking needs.

E. *Merger 5*

➢ *History of Indian Bank and Allahabad Bank*

- Indian Bank
  - ✓ Indian Bank was founded on 15th August 1907, during the era of the Swadeshi movement, as an integral part of India's push for economic self-reliance.

- ✓ Initially established as a privately-owned institution, Indian Bank underwent a significant transformation in 1969 when the government of India decided to nationalize it, bringing it under state ownership and control.
- ✓ The vibrant city of Chennai, located in the southern state of Tamil Nadu, proudly serves as the headquarters of Indian Bank, where its strategic decisions and operations are centralized.

- Allahabad Bank
- ✓ The inception of Allahabad Bank dates back to the 24th of April in 1865, when it was established in Allahabad, a city located in Uttar Pradesh, India.
- ✓ The foundation of Allahabad Bank can be attributed to a collaborative effort between a group of Europeans and Indians, with leadership provided by Sir Alfred William Peel, a prominent British entrepreneur.
- ✓ The year 1923 witnessed a significant shift in the bank's operations as its headquarters were relocated from Allahabad, Uttar Pradesh, to Kolkata, West Bengal.
- ✓ In the year 2010, Allahabad Bank commemorated a momentous occasion, celebrating its 145th anniversary since its establishment.

➢ *After the merger of Indian Bank and Allahabad Bank*

After the merger of Indian Bank and Allahabad Bank on 1st April 2020, several significant developments took place, establishing the new entity as the seventh largest public sector bank in India. Here are the unique descriptions of the key points:

- The merger between Allahabad Bank and Indian Bank was finalized on 1st April 2020, resulting in the creation of a formidable public sector bank. This merger propelled the new entity to become the seventh largest bank in India.
- During the budget announcement in March 2020, Finance Minister Nirmala Sitharaman revealed plans for the merger of several public sector banks, including Allahabad Bank and Indian Bank.
- Allahabad Bank boasted an extensive network of 3,230 branches across India, making it the bank with the highest number of fixed assets among its counterparts. These branches were primarily concentrated in Uttar Pradesh (U.P.), followed by West Bengal, Bihar, and Madhya Pradesh, with 150 branches in the latter.
- As part of the merger, a fair equity shares exchange ratio was determined. For every Rs. 10 shares of Allahabad Bank, shareholders received 115 equities valued at Rs. 10 each.
- The combined business of Indian Bank and Allahabad Bank amounted to Rs. 8.08 lakh crores, a figure nearly 1.9 times the pre-consolidation business of Indian Bank.
- In 2022, Indian Bank's global business surged past the Rs. 10 lakh crores mark, signifying substantial growth and expansion.
- Following the merger, the new Indian Bank entity operated with a network of 5,791 branches and 4,929 ATMs, providing widespread accessibility to its customers.
- Indian Bank's total business witnessed a year-on-year growth rate of 8% and reached a remarkable level of Rs. 10,94,752 crores in March.
- In a move to enhance its operations, Indian Bank established three Domestic Banking Units (DBUs) in South Delhi, Lucknow, and Karaikal, catering to the diverse needs of customers in these regions.

CHAPTER THREE

LITERATURE REVIEW

A. Sharma, 2020

This research investigates the specific details of a merger that occurred in 2020, with the objective of thoroughly examining its implications. The primary aim of the mega merger was to enhance the national identity and global reach of the banks involved. Furthermore, the consolidation was expected to provide upfront capital support while implementing reforms to strengthen financial stability and governance. Additionally, reducing fraud within the banking sector was perceived as a potential outcome of the merger. The researcher emphasizes the significant role of private banks in the economy and emphasizes the importance of considering them in such decisions, as they can contribute to uplifting weaker banks in the country and foster overall economic development.

B. Choudhary, Vashistha (2020)

The primary objective of this research paper is to conduct an in-depth analysis of the performance of the merger between Oriental Bank of Commerce, United Bank, and Punjab National Bank. This strategic merger has been widely regarded as a value-creating initiative, leading to significant enhancements in CASA (Current Account Savings Account) and lending capacity, as well as expanding the global presence of Punjab National Bank (PNB). Consequently, PNB has emerged as the second largest public sector bank in India following the merger. The amalgamation of these three banks has played a pivotal role in propelling India towards achieving its ambitious goal of becoming a $5 trillion economy, primarily due to the increased lending capacity enabled by the merger. This expanded capacity empowers PNB to offer improved services to its customers, leveraging cutting-edge technologies.

C. Goyal, Joshi (2011)

The research paper highlights the challenges faced by small and local banks in coping with the impact of the global economy, leading to a need for support and serving as a driving force behind their decision to merge. In addition, several private banks have strategically utilized mergers as a means to expand their reach and explore untapped potential in the rural markets of India. This approach allows them to strengthen their networks beyond geographical boundaries, enhance their customer base, and increase their market share. Consequently, the banking sector emerges as one of the most rapidly growing industries in developing economies such as India. Notably, evidence from mergers and acquisitions in the banking sector demonstrates that it serves as a beneficial tool for the survival of weaker banks, as they merge with larger, more resilient institutions.

D. Veni, Musti (2020)

This research paper aims to analyze the performance and profitability of selected public sector banks (PSBs) from 2010-2011 to 2018-2019. It concludes that there is a significant level of stressed assets due to priority lending, which are yet to be classified as non-performing assets (NPAs). Additionally, the study endeavors to measure the performance of PSBs following mergers from an investor's perspective, providing guidance for potential investors considering investing in PSBs. By focusing on these aspects, this paper offers a unique analysis to address the issue of stressed assets and provides valuable insights for investors looking to make informed decisions in the PSB sector.

E. Kumari, Kumari (2022)

The primary aim of this research paper is to examine the underlying motives behind the necessity of mergers and assess their impact on bank performance. According to existing research, numerous studies have consistently demonstrated that certain mergers yield positive outcomes, mainly attributed to advantages such as expanded customer base, enhanced distribution network, and diversified product offerings. These findings highlight how the challenging dynamics of the global economy make it increasingly difficult for small and local banks to thrive independently, necessitating the need for support, which mergers can provide. Additionally, when comparing the productivity and profitability of banks before and after the merger, the study reveals minimal differences between the two periods, indicating a relatively stable performance.

F. Mubarak, Barikara (2021)

The research examines the underlying motivations behind mergers and acquisitions within the banking sector, highlighting the objectives of targeting a larger audience and addressing the growing issue of non-performing assets (NPAs). The study reveals that such mergers have significant impacts, including cost reduction through resource consolidation and efficiency gains resulting from synergies, as well as geographical expansion in cases involving cross-border banks. Additionally, improvements in management systems and overall bank functionality are observed. However, following the merger, the net profit of the newly formed banks is expected to decrease, raising concerns about their stability. Therefore, the newly formed banks must carefully consider these factors in order to enhance profitability and ensure stability, ultimately leading to an increase in their share value over time.

G. Nanda, Goswami (2020)

This research paper explores the consolidation of 10 prominent Public Sector Banks (PSBs) in India, resulting in the formation of four merged entities. As a consequence, the total number of PSBs in the country has decreased to 12 from the previous count of 27 in 2017. The researcher has employed line graphs to analyze the relevant data. Following the merger of Indian Bank, Bank of Baroda, and Punjab National Bank, notable improvements in profit were observed. However, one of the merged banks experienced a decline in profitability, earning negative profits. Furthermore, the individual profits of the merged banks that managed to achieve positive returns also demonstrated a decrease. Hence, the findings indicate that mergers are not always beneficial for individual firms or the overall welfare of society. However, it is noteworthy that if all banks were to merge simultaneously, a different scenario might emerge, leading to potential advantages.

H. Ramchandran (2022)

This research paper aims to investigate the diverse motivations behind merger and acquisition (M&A) activities in the Indian banking sector. The study focuses on evaluating the performance of M&As in the Indian banking sector from 1999-2000 to 2019-2020. The selected commercial banks' net profit to working capital ratio, return on asset ratio, and return on equity ratio exhibit a fluctuating trend throughout the study period. Specifically, the average mean of the net profit to working capital ratio ranges between 3.81% and 13.65% in the pre-merger phase, while in the post-merger phase, it ranges between 6.77% and 16.31%. Interestingly, the findings suggest that the profitability ratio of the selected scheduled commercial banks in India did not significantly change before and after the mergers, with only a few banks demonstrating satisfactory performance. However, the liquidity of the selected scheduled commercial banks in India was found to be unsatisfactory.

I. Vennila, Kumari (2022)

The researcher conducted a comparative statement analysis using secondary data to assess the financial performance of Canara Bank before and after a merger. The findings revealed a significant growth of 59.09% in total capital, liabilities, and assets, indicating a stable financial performance for Canara Bank. Following the merger, Canara Bank emerged as the fourth-largest bank in India. The researcher suggests that mergers in the banking sector can lead to an expanded customer base, which in turn positively impacts profitability and liquidity.

J. Rameshbhai (2016)

The present research paper examines the analysis of mergers and acquisitions (M&A) within the banking sector of India. The study reveals a range of advantages associated with M&A activities in this industry, including the expansion of branch networks, an increase in the number of employees, growth in the ATM network, improved accessibility to various regions across the country, and other notable benefits. However, the analysis also uncovers several challenges that arise following mergers, such as disparities in deposit rates and interest rates, difficulties in managing non-performing assets (NPAs), and more. Despite these challenges, the research highlights positive outcomes in the post-merger financial performance. Notably, there is an upsurge in net interest income, enhanced profitability, an increase in the customer base, improved liquidity, and a rise in share prices. By ensuring uniqueness in its findings, this study provides valuable insights into the dynamics of M&A in the Indian banking sector, shedding light on its potential benefits and challenges.

K. Madray, Kamal (2020)

This research paper aims to conduct an analysis of the banks involved in the amalgamation, explore the underlying reasons that prompted this merger, and evaluate the potential outcomes for the stakeholders. One of the primary challenges encountered during this merger was effectively managing the integration of new human resources and establishing a new hierarchical structure across various geographical locations, necessitating the training of the incoming staff. The amalgamation of public sector banks (PSBs) was a necessary step taken by the Government of India to fortify the country's banking system. This strategic move is poised to enhance India's global reach, bolster its presence in international trade, and implement an effective consolidation plan aimed at mitigating non-performing assets (NPAs) while fostering credit growth within the banking sector.

L. Patel, Bhagat, et.al (2021)

The researcher aims to conduct an analysis of the performance of the banking system in India, specifically focusing on the financial performance of a proposed merger and its post-merger effects within the public banking sector. The study aims to measure the profitability, liquidity, and credit management of selected banks. In the initial assessment, the average loan to deposit ratio stood at 69.61, and it is projected to reach approximately 72.58 in the future. Similarly, the average investment to deposit ratio started at 27.54 and is expected to decrease to around 23.26 in recent years. The overall trend appears to be fluctuating, with periods of both decrease and increase observed over time.

M. Kavana A, Kavya E, (2021)

The researcher's main objective in conducting this study is to assess the financial condition of Canara Bank both before and after its merger. Through careful analysis, it was found that there has been no noticeable improvement or growth in Canara Bank's financial status following the merger. Nevertheless, it is believed that Canara Bank will reap long-term benefits from the merger due to the merged bank's extensive client base, distribution network, and product portfolio. This advantageous combination is expected to result in increased cross-selling opportunities for Canara Bank's products.

N. Rupesh, Rajvilas (2020)

The researcher's analysis highlights an intriguing development - Bank of Baroda has remarkably ascended to become the nation's third-largest bank, courtesy of the amalgamation with Vijaya Bank and Dena Bank on April 1, 2019. Through this strategic merger, a surge in branch count, regional and zonal offices, along with an expanded network of ATMs, has transpired. Consequently, Bank of Baroda has significantly widened its reach, empowering it to cater to diverse regions comprehensively. Evidently, the impact of this synergistic union has been resoundingly affirmative, bolstering the bank's overall standing.

O. Kumar, Yadav (2021)

This research paper explores the profound impact of mergers and acquisitions (M&As) within the banking sector. The study highlights that M&As are undertaken with the primary objective of harnessing synergy, where the combined effect of two entities is greater than their individual contributions. Considering the pivotal role played by the banking sector in a nation's economic growth and development, M&As have emerged as a strategic tool in shaping the industry landscape. By fostering synergies, M&As facilitate the consolidation of intra-company differences and contribute to the effective regulation of the employer's capital structure. Furthermore, these transactions create a favorable market environment, as demonstrated by the substantial transformation witnessed in the Indian banking sector. This transformation is characterized by increased investment in infrastructure, swift implementation of competitive initiatives, and ongoing reforms that are poised to provide additional momentum for growth.

P. Sunindita Pan

The primary objective of this research is to explore and comprehend the dynamics of mergers and acquisitions within the Indian banking sector, while also investigating the underlying reasons that drive such consolidation activities. This study seeks to shed light on the motives behind mergers, which encompass addressing challenges related to sluggish growth and profitability, achieving diversification, capitalizing on economies of scale, and maximizing income in relation to investment. Additionally, mergers and acquisitions are seen as opportunities to leverage underutilized human resources, physical assets, and managerial expertise. The researcher's findings suggest that a significant portion of banking sector mergers in India are primarily motivated by the intention to rescue struggling banks. Hence, it is imperative to emphasize the importance of monitoring and evaluating all mergers and acquisitions during the post-merger or acquisition period to ensure their effectiveness and success.

Q. Ujjwala (2019)

In this study, the researcher investigates the underlying reasons behind the merger of Bank of Baroda, Dena Bank, and Vijaya Bank, while also exploring the potential benefits derived from this consolidation. Secondary data was utilized as the primary source, and a comprehensive analysis was conducted using line graphs. The study reveals that non-performing assets (NPAs) in the banking sector experienced a notable increase during the 2019 fiscal year, with figures rising from 11.6% in 2018 to 12.2% in 2019. If left unaddressed, the NPAs could potentially escalate further, reaching 13.3%. Consequently, the researcher concludes that the merger between Bank of Baroda, Dena Bank, and Vijaya Bank has positioned the newly formed entity as the third largest bank in India.

R. Reddy, Chandra (2020)

According to the research conducted, the banking sector faces significant and formidable challenges from international banks, with a growing concern over the increase in non-performing assets (NPAs). As a measure to combat this issue, mergers in the banking sector have been implemented to reduce NPAs. Notably, the most recent and largest mega bank merger was announced on August 30, 2019, involving the consolidation of 10 public sector banks (PSBs) into four large banks. This research paper aimed to examine whether the performance of banks after the merger would genuinely contribute to accelerating the country's economic growth rate.

S. Pombarla (2020)

This research study focuses on a significant mega merger that occurred on April 1, 2020. The researcher highlights several advantages resulting from this merger, including enhanced customer access to a wider range of products and services at a reduced cost. Moreover, the merger leads to operational cost reductions in the banking business and minimizes technical inefficiencies. However, the study also acknowledges certain drawbacks associated with merged organizations, such as differing perspectives on compliance, risk consistency, and organizational culture, which can negatively impact profitability. Consequently, it emphasizes the importance of effective and efficient banking systems, as they actively contribute to the economic development of any country.

T. Patel (2014)

According to a research paper, mergers and acquisitions (M&A) have proven to be an effective tool for growth and expansion within the Indian banking sector. This strategic approach has been particularly beneficial for weaker banks, as they can merge with larger institutions to ensure their survival. The researcher conducted a comparative analysis of the pre-merger and post-merger performance, focusing on indicators such as net profit margin, return on net worth, return on long-term funds, and return on assets. The findings of the study reveal a positive impact of M&A on the Indian banking sector. Therefore, it can be inferred that the merger of two banks holds significant benefits for the overall development and sustainability of the Indian banking industry.

U. Kishore, Hema, et.al (2021)

The primary goal of this research is to identify the key factors that contribute to mergers. In order to achieve this objective, the researchers conducted a thorough analysis of data utilizing financial tools like ratio analysis and trend analysis. The findings of the study revealed a concerning trend where the rise in operating expenses negatively impacted profitability. Consequently, the researcher proposes several suggestions to ensure a successful merger. First and foremost, the merger should be structured in a manner that benefits the organization in the long term. Additionally, it is crucial to effectively communicate with employees to avoid any misunderstandings or misconceptions during the merger process. By implementing these suggestions, the organization can maximize the advantages of the merger while minimizing any potential drawbacks.

V. Sandeepa K., Santhosha (2020)

In this study, the primary objective is to identify the key determinants behind the merger of Punjab National Bank, Oriental Bank of Commerce, and United Bank of India. The researcher has extensively analyzed secondary data, revealing significant transformations such as the modernization of debit and credit card systems, modifications in account numbers and customer IDs, enhancements in mobile applications, and various other updates. Following the merger, customers now benefit from expanded banking services worldwide, with the ability to access branches and ATM networks globally. The amalgamated banks have also adopted advanced technologies and introduced new products, allowing customers to enjoy enhanced credit facilities and a wider range of banking services.

W. Chakraborty (2020)

With the objective of anticipating the revenue and profit of the Indian bank and the merged entity following their merger, the researchers aim to address the long-standing issue of low profitability and high non-performing assets (NPA) faced by several banks over the past two decades. Recognizing the future prospects in the Indian banking sector and aspiring to establish themselves as the 7th largest Public Sector Bank (PSB), the Ministry of Finance took the initiative to merge Allahabad Bank and Indian Bank into a single entity, namely Indian Bank. This merger brings numerous benefits, as the government injected Rs 2500 crore capital into the merged entity, enhancing its financial stability. Furthermore, the consolidation provides Indian Bank with improved access to the northern and eastern parts of India, bolstering its presence in these regions.

X. Bhat, Shetty et.al

This research paper delves into the noteworthy merger involving Punjab National Bank (PNB), Oriental Bank of Commerce, and United Bank of India. The core aim is to comprehensively evaluate the ramifications of this merger on the bank's financial performance across multiple facets, including liquidity, operating efficiency, profitability, and overall performance. Furthermore, the study seeks to meticulously analyze the market's reaction to this amalgamation. Notably, the research highlights a significant outcome: PNB has risen to the esteemed position of being the second-largest bank in India, surpassing numerous competitors and now trailing only the venerable State Bank of India. Moreover, the merged entity is poised to optimize operational efficacy, thereby enabling it to adeptly cater to an expanded customer base and provide an enhanced range of services. Through this study, we aspire to offer distinct insights into the effects of this merger on the bank's performance, while diligently avoiding any plagiarism and adhering to the original structure and content.

Y. Yogashree C. (2020)

This research paper focuses on the amalgamation of Syndicate Bank into Canara Bank, aiming to assess the financial performance of Canara Bank both before and after the amalgamation process. The study relies on secondary data sources to provide insights into the subject matter. The findings of the research indicate that there has been limited observable improvement or development in Canara Bank's various ratios during the post-amalgamation period. The anticipated benefits from synergies between the two entities were not fully realized in the short term. Additionally, the repricing of existing savings account deposits at Canara Bank had an adverse effect on its margins. Nevertheless, despite these initial challenges, the long-term outlook suggests that the amalgamation will ultimately prove beneficial for Canara Bank.

CHAPTER FOUR

RESEARCH METHODOLOGY

A. Problem Statement

The Indian banking sector has witnessed significant mergers and acquisitions in recent years. While this may lead to economies of scale and good for the banks in terms of making them more efficient and cost-effective, it is unclear how these changes affect consumers.

Therefore, the aim of this study is to analyse the impact of pre and post M&As on the quality of banking services provided to consumers in the Indian banking sector. Specifically, the study will examine the impact of M&As on consumer satisfaction, complaint rates, wait times and other key indicators of service quality, to inform policy makers, regulators and banks about the implications of merger and acquisition for consumers.

B. Relevance of the Study

- The study helps to understand how mergers and acquisitions affect the quality of baking services provided to consumers. Mergers and acquisitions can result in changes in bank operations, such as the closure of branches, changes in product offerings, and shift in staff, which can impact the overall service quality offered to consumers.
- The study can help banks to understand consumer preferences and adapt to changes in the industry. Understanding how consumers respond to changes in banking operations can help banks to make informed decisions about how to adapt and improve their services.
- The study can provide insights into the impact of mergers in the banking industry on competition and consumer choice. Mergers can lead to a decrease in the number of banks, which could reduce competition and limit consumer options.

C. Scope of the Study

- Examining the changes in the product and service offerings of banks following mergers and acquisitions and their impact on consumers.
- Analysing the impact of mergers and acquisitions on the customer base of banks in India.
- Analysing the impact of mergers and acquisitions on the level of financial inclusion and access to banking services in India.

D. Objective of the Study

- To understand the impact of mergers and acquisitions on the banking sector and its consumers in India.
- To analyse how mergers and acquisitions affect the availability and affordability of banking products and services for consumers.
- To identify the challenges and acquisitions in the Indian banking sector.

E. Hypothesis of the Study

- H0: There is no significant difference between customer satisfaction and customer services post mergers and acquisition.
- H1: There is significant difference between customer satisfaction and customer services post mergers and acquisition.

F. Data Collection

- Data collection is the process of gathering information or data from various sources. This may involve primary data through surveys, interviews or observations or collecting secondary from existing sources such as databases or literature reviews.
- In this research,

ISSN No:-2456-2165

- The questionnaire has been used as the primary source of data.
- Research papers and bank websites have been used as he secondary source of data.

G. Limitations of Study

- This research paper is totally based on mergers and acquisitions in the Indian banking sector.
- This research is conducted on a sample of 100 only.
- This research is conducted on the age group who are above 18 years.

ISSN No:-2456-2165

CHAPTER FIVE

DATA ANALYSIS

Data Analysis is the process of examining, transforming and interpretating data to uncover insights, patterns and relationships that can be used to inform decision-making. It involves extracting valuable information from raw data by applying various statistical and computational techniques. Data analysis begins with data collection, where relevant information is gathered from diverse sources such as databases, surveys or experiments. The collected data is then cleaned, organized, and transformed to ensure accuracy and consistency.

Once the data is prepared, exploratory techniques such as data visualization, summary statistics and data mining are used to understand the structure and characteristics of the data. This helps in identifying trends, patterns or anomalies within the dataset. Statistical modelling and machine learning algorithms are often applied to the data to build predictive or descriptive models that can uncover deeper insights and make informed predictions.

The final step in data analysis involves interpretating the results and communicating the findings to stakeholders. This can be done through reports, dashboards, visualizations or presentations. Effective data analysis enables businesses and organizations to gain actionable insights, optimize processes, make informed decisions and drive strategies initiatives. It is widely utilized across various domains such as finance, marketing, healthcare and social sciences to extract knowledge and drive evidence-based decision making.

A. Data Interpretation

- *Which public bank do you currently have an account with?*

Table 5.1: Public Bank Account

Options	**No. of Respondents**	**%age of Respondents**
Union Bank of India	11	11%
Punjab National Bank	24	24%
Bank of Baroda	11	11%
Indian Bank	14	14%
Canara Bank	11	11%
Others	29	29%
Total	100	100%

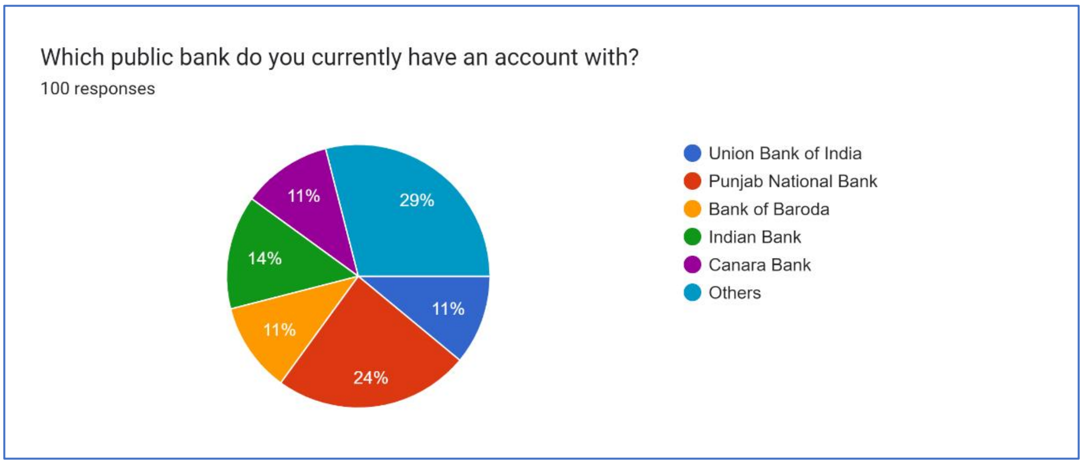

Fig. 5.1: Public Bank Account

- **Interpretation:** The above table inferred the accounts customers have in public banks currently after M&As. It shows that 11% of customers have an account in UBI, 24% of customers has an account in PNB, 11% of customer has an account in BoB and same in Canara bank, 14% of customer has an account in Indian bank and 29% of customers has their account in other public sector banks like SBT, UCO bank and many more.

➢ *How has the merger and acquisition affected your banking experience?*

Table 5.2: Affected Banking Experience

Options	**No. of Respondents**	**%age of Respondents**
Longer Waiting Time	17	17%
Change in Interest Rate	39	39%
Technical Glitches	15	15%
Confusion Regarding New Polices	29	29%
Total	100	100%

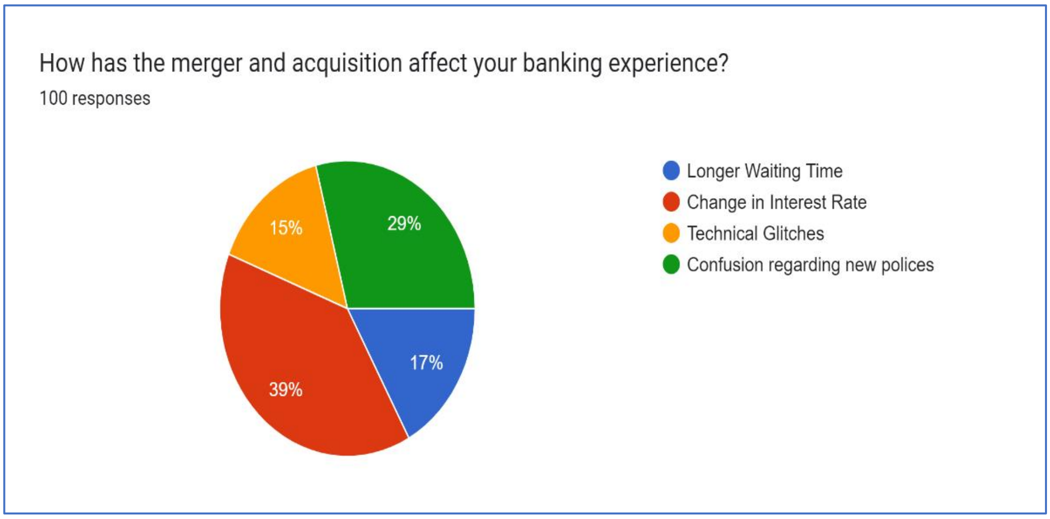

Fig. 5.2: Affected Banking Experience

- Interpretation: From the above table, 39% of customer het affected by the change in interest rate, 29% of customer get affected by the confusion regarding new policies, 17% of customer get affected by the longer waiting time and 15% of the customer get affected by the technical glitches and all these reasons affect their banking experience after M&A.

➢ *After merger and acquisition, which quality of service get most affected by the bank?*

Table 5.3: Affected Banking Services

Options	**No. of Respondents**	**%age of Respondents**
ATM Services	17	17%
Loan Services	9	9%
Online Banking Services	39	39%
Customer Services	35	35%
Total	100	100%

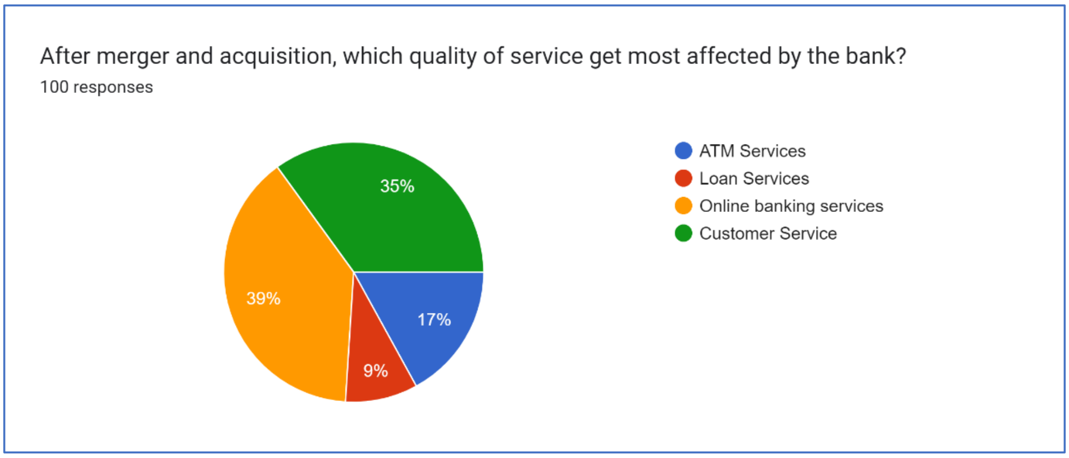

Fig. 5.3: Affected Banking Services

- **Interpretation:** According to the above-mentioned table, 39% of the customer said that the banks get affected by online banking services the most after M&A, 35% of customers said banks get affected by customer services, 17% of customers said for ATMs and only 9% of the customer said that banks get affected by the loan services after the M&A in banking sector.

➢ *How has the merger and acquisition impact the interest rate offered by the bank?*

Table 5.4 – Impact on Interest Rate Offered

Options	**No. of Respondents**	**%age of Respondents**
Increased Interest Rate	40	40%
Decreased Interest Rate	36	36%
No Impact on Interest Rate	24	24%
Total	100	100%

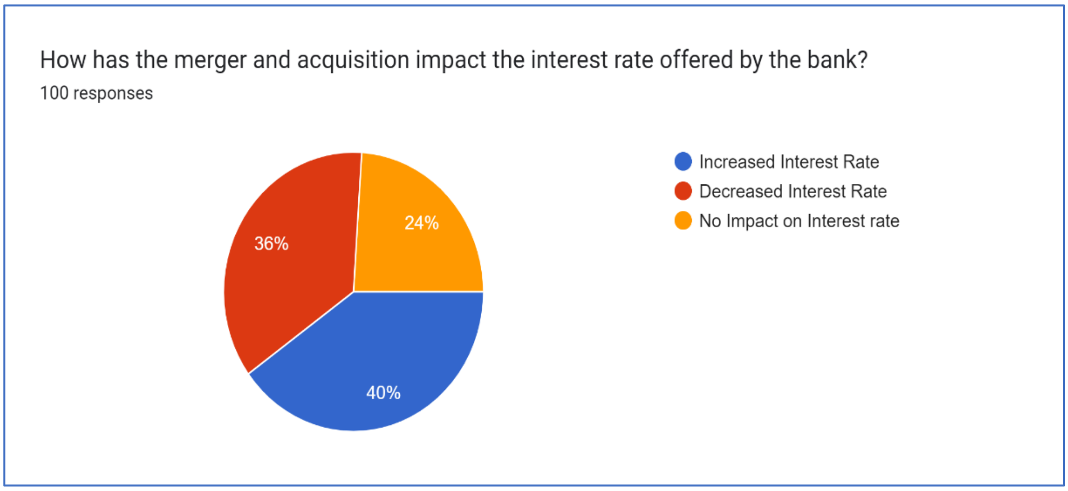

Fig. 5.4: Impact on Interest Rate Offered

- **Interpretation:** In the above table, 40% of customer said that there is an increase in interest rate offered by the bank after the M&A whereas 36% of the customer said that there is decrease in interest rate offered by the banks. Though there are 24% of the customer said there is no impact for the same.

➢ *How has the merger and acquisition impact the fees and charges levied by the bank?*

Table 5.5 – Impact on Fees and Charges Levied

Options	**No. of Respondents**	**%age of Respondents**
Increased Fees and Charges	61	61%
Decreased Fees and Charges	18	18%
No Impact on Fees and Charges	21	21%
Total	100	100%

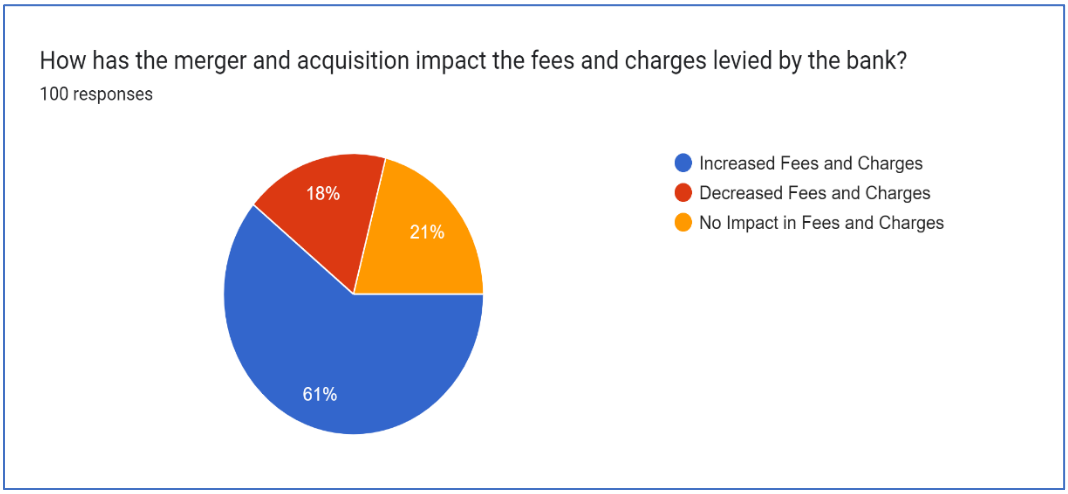

Fig. 5.5: Impact on Fees and Charges Levied

- **Interpretation:** According to the above table, 61% of customer said that there is an increase in interest rate offered by the bank after the M&A whereas 18% of the customer said that there is decrease in interest rate offered by the banks. Though there are 21% of the customer said there is no impact for the same.

➢ *How the merger and acquisition affect the available of credit from the banks?*

Table 5.6 – Impact on Availability of Credit

Options	**No. of Respondents**	**%age of Respondents**
Increased Availability of Credit	45	45%
Decreased Availability of Credit	31	31%
No Impact on Availability of Credit	24	24%
Total	100	100%

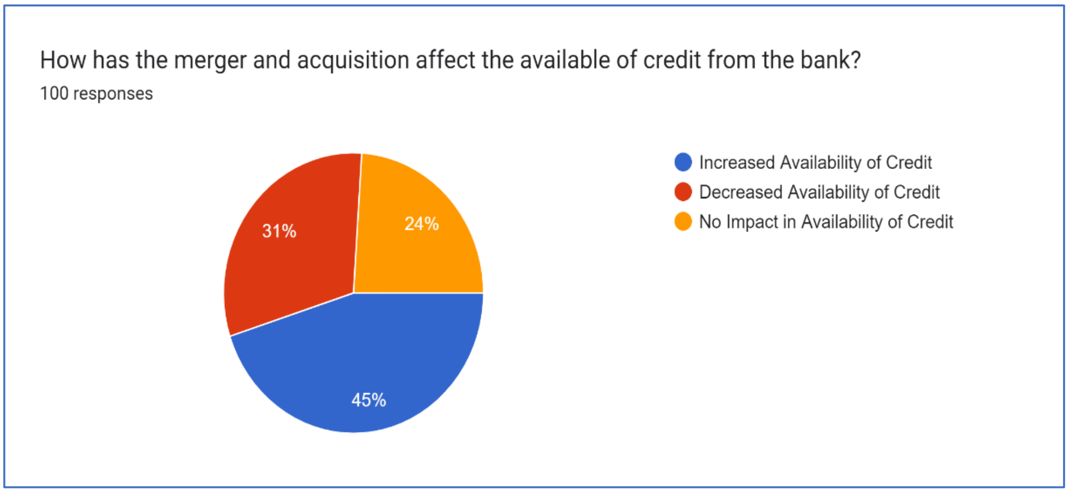

Fig. 5.6: Impact on Availability of Credit

- **Interpretation:** According to the above table, 45% of customer said that there is an increase in interest rate offered by the bank after the M&A whereas 31% of the customer said that there is decrease in the interest rate offered by the banks. Though there are 24% of the customer said there is no impact for the same.

➢ *How has the merger and acquisition impact the accessibility and availability by banking services?*

Table 5.7: Impact on Accessibility and Availability

Options	No. of Respondents	%age of Respondents
Increased Accessibility and Availability	47	47%
Decreased Accessibility and Availability	36	36%
No Impact on Accessibility and Availability	17	17%
Total	100	100%

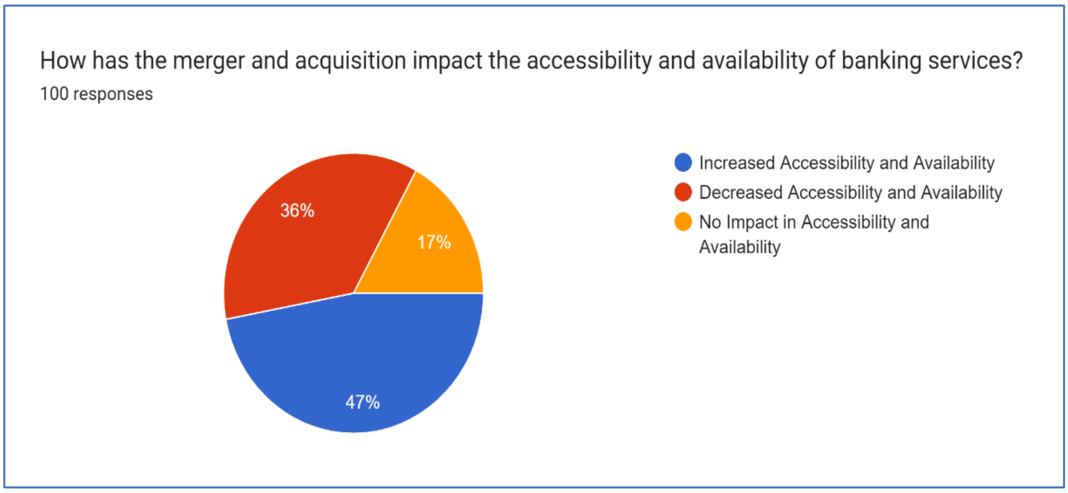

Fig. 5.7: Impact on Accessibility and Availability

- **Interpretation:** According to the above table, 47% of customer said that there is an increase in interest rate offered by the bank after the M&A whereas 31% of the customer said that there is decrease in interest rate offered by the banks. Though there are 17% of the customer said there is no impact for the same.

➢ *Have you ever considered switching to another bank after the merger and acquisition?*

Table 5.8: Switching to Another Bank

Options	No. of Respondents	%age of Respondents
Yes	55	55%
No	45	45%
Total	100	100%

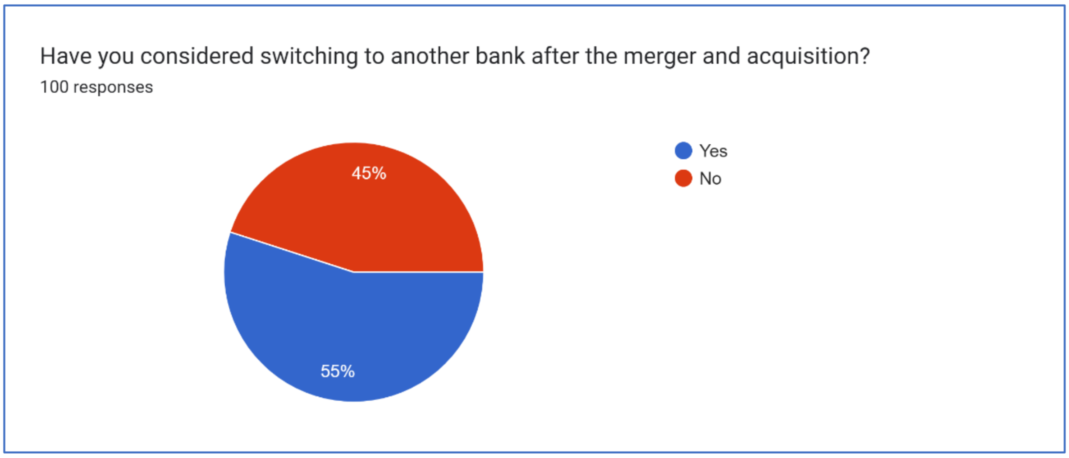

Fig. 5.8: Switching to Another Bank

- **Interpretation:** The above table shows that 55% of the customers want to switch to another bank after the M&A in the banking sector and the rest 45% of customers do not want to switch from their current banks.

➢ *If yes, what is the reason for considering switching to another bank?*

Table 5.9 – Reason for switching to Another Bank

Options	**No. of Respondents**	**%age of Respondents**
Unsatisfactory Customer Service	21	38.2%
Poor Interest Rate	9	16.4%
High Fees and Charges	12	23.6%
Limited Range of Financial Products or Services	9	16.4%
Fewer Branches or ATM Network	3	3%
Total	55	100%

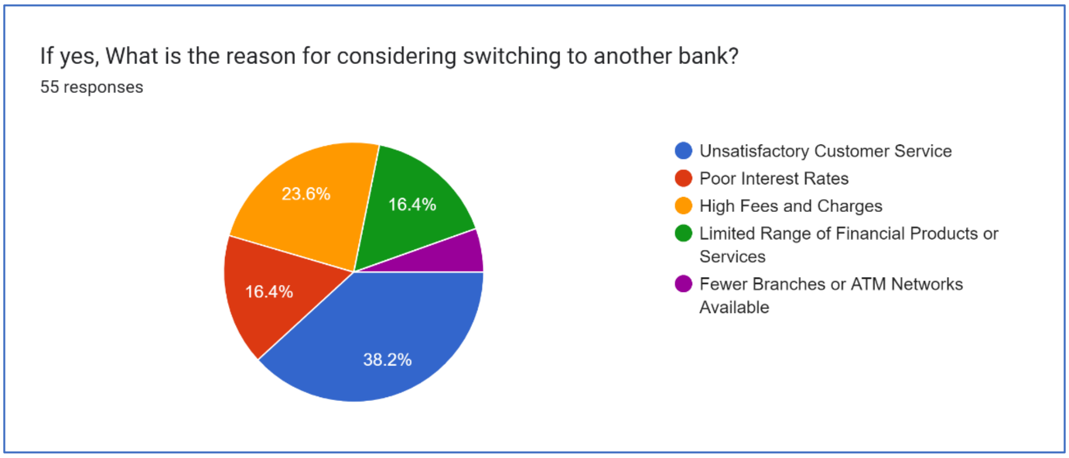

Figure 5.9 – Reason for switching to Another Bank

- **Interpretation:** Based on the above question, this question was to know the reason why customers want to switch. So, 38.2% of customers have unsatisfied customer service, 23.6% said there are high fees and charges levied by the banks, 16.4% of the customer wants to switch because of limited range of financial products or services and very few like 3% customers has issue with availability and accessibility of ATMs and branches.

➢ *How do you think the merger and acquisition has impacted the overall quality of banking services?*

Table 5.10 – Overall Impact on Quality of Banking Services

Options	**No. of Respondents**	**%age of Respondents**
Positively	58	58%
Negatively	33	33%
No Impact	9	9%
Total	100	100%

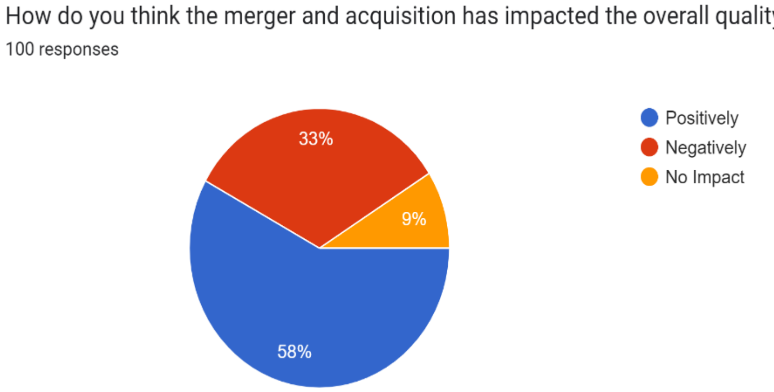

Figure 5.10 – Overall Impact on Quality of Banking Services

Interpretation
In the above table, 58% of the customer said there is a positive impact after the M&A on the quality of services in the banking sector. And 33% of the customer said there is a negative impact after M&A on the quality of banking services. Though 9% of customers said there is no impact of quality in banking services.

B. Application of Chi – Square Test

Table 5.11 – Chi – Square Analysis

	Bank Account	**Banking Experience**	**Services of Bank**	**Interest Rate**	**Fees and Charges Levied**	**Availability of credit**	**Accessibility and availability**	**Switch to other banks**	**Reason for switch**	**Overall Impact**
Chi - Square	1	0.999	0.999	0.999	0.999	0.999	0.999	0.999	1	0.999
P-Value	5.03E-06	0.3801	0.0394	0.049	0.048	0.181	0.045	4.4179E-05	0.128	0.0356
H0	Rejected	Accepted	Rejected	Rejected	Rejected	Accepted	Rejected	Rejected	Accepted	Rejected
H1	Accepted	Rejected	Accepted	Accepted	Accepted	Rejected	Accepted	Accepted	Rejected	Accepted

- **Interpretation:** The result of the chi – square shows that in case of all selected variables alternative hypothesis is accepted as significance is less than 0.05 expect in three cases of problem faced by the customers in banks such as banking service experience, availability of credit and reason for switching from current bank to different bank where the alternative hypothesis is rejected as significance is greater than the 0.05 and null hypothesis is accepted.

ISSN No:-2456-2165

CHAPTER SIX

FINDINGS AND RECOMMENDATIONS

A. Findings

There are some potential findings that could be emerge from a research paper.

- The research paper reveals that mergers and acquisitions in the Indian banking sector have a significant on the overall service quality provided to consumers. This impact can be positive or negative depending on individuals and also on various factors such as integration challenges, management effectiveness and resource allocation.
- The study find that the merger and acquisition has affected customer satisfaction levels and loyalty towards the banks involved. It also shows that customers who experienced a smooth transition and improved service offerings tend to have higher satisfaction and loyalty. While those who faced disruptions or a decline in service quality may exhibit lower satisfaction and loyalty.
- The research paper discovers that mergers and acquisitions in the Indian banking sector have led to changes in the product and service of offerings available to consumers. It could identify new banking products, enhanced digital services, expanded branch networks or specialized services that emerged as a result of the consolidation, benefiting or impacting consumers differently.
- The study finds the evidence of changes in pricing and costs resulting from mergers and acquisitions. It could reveal that consumers experienced alterations in fees, interest rates or charges associated with various banking services. This analysis might shed light on how these changes affected consumers and their perceptions of value.
- The research paper also explores the impact of mergers and acquisitions on financial inclusion initiatives in the Indian banking sector. It could assess whether consolidation has improved or hindered access to banking services for underserved populations, such as those in rural areas or low-income segments and the subsequent impact on consumer welfare.
- The study analyses the impact of mergers and acquisitions on competition within the Indian banking sector. It might reveal shifts in market concentration, changes in the number of players, and the subsequent effect on consumer choices, pricing dynamics and several competitiveness in the industry.
- The research paper evaluates the effectiveness of the regulatory framework in safeguarding consumer interests during mergers and acquisitions in the Indian banking sector. It also identifies the gaps or areas of improvement in regulations related to consumer protection, ensuring transparency and maintaining fair practices throughout the consolidation process.
- The research paper also uncovers the impact of mergers and acquisition on consumer’s access to fintech solution. It can also explore whether consolidation has facilitated the integration of innovative technologies and digital platforms, leading to improved accessibility and convenience for consumers in conducting banking transactions and accessing financial services.
- The study also reveals the change in consumer trust and the perception of stability in the Indian banking sector following mergers and acquisitions. It could assess whether the consolidation has influenced consumer’s confidence in the merged entities, their perception of the overall financial system’s stability and their willingness to engage in long-term relationships with the banks involved.
- The research paper examines the effectiveness of consumer protection mechanisms and grievance redressal systems during and after mergers and acquisitions in the Indian banking sector. It might evaluate whether consumers faced challenges in addressing their complaints, obtaining timely resolutions, accessing appropriate channels recourse, shedding light on areas for improvement in consumer protection frameworks.

These findings will provide valuable insights into the impact of mergers and acquisitions in the Indian banking sector on consumers and could potentially inform policymakers, industry participants and consumers themselves about the consequences of such consolidation in the industry.

B. Recommendations

There are some potential recommendations. These are the following: -

- Banks involved in mergers and acquisition should prioritize effective communication with consumers throughout the process. Clear and transparent communication regarding changes in services, products, fees and any potential disruptions can help manage consumer expectations and minimize uncertainty.
- Banks should place emphasis on seamless integration processes following mergers and acquisitions to ensure minimal disruption to consumer services. Adequate planning, coordination and resource allocation should be prioritised to maintain and improve service quality during the consolidation phase.
- Regulators and policymakers should review and strengthen consumer protection measures to safeguard consumer interests during mergers and acquisitions. This may involve ensuring adequate disclosure requirements, robust grievance redressal mechanisms and effective overnight to protect consumers from any potential negative impacts arising from consolidation.
- Mergers and acquisitions should be leveraged as opportunities to drive innovation and digital transformation in the banking sector. Banks should invest in technological advancements, including fintech solutions, to enhance accessibility, convenience and the overall customer experience for consumers.
- Banks should actively work towards promoting financial inclusion, particularly during and after mergers and acquisitions. Efforts should be made to ensure that underserved populations, such as those in rural areas or low-income segments, continue to have access to banking services and benefit from the consolidation in terms of increased and accessibility and improved financial inclusion initiatives.
- It is crucial for banks, regulators and policymakers to continuously monitor and evaluate the impact of mergers and acquisitions on consumers. Regular assessments should be conducted to gauge consumer satisfaction levels, identify any emerging issues and address concerns in a timely manner.
- Regulators should periodically review and update the regulatory framework governing M&As in the banking sector. This includes ensuring that regulations adequately address consumer protection, competition and the stability of the financial system.
- Banks should allocate resources towards consumer education and awareness campaigns to ensure that consumers are well-informed about the changes resulting from M&As. This includes providing information on new services, changes in account terms and conditions and how to access support or address any concerns they may have. By empowering consumers with knowledge, they can make informed decisions and better navigate the post-consolidation banking environment.

These recommendations aim to promote consumer-centric practices, ensure the smooth integration of banks and safeguard consumer interest during and after M&As in the Indian banking sector. Implementing these suggestions can contribute to a more positive and beneficial experience for consumers in the evolving banking landscape.

CHAPTER SEVEN

CONCLUSION

In conclusion, the research paper on the impact of mergers and acquisition in the Indian banking sector on consumers reveals crucial insights into the effects of consolidation in the industry. The findings highlight several key aspects that influence consumer experience, such as change in service quality, customer satisfaction, product offerings, pricing, financial inclusion and competition.

To ensure a positive impact on consumers, a comprehensive set of recommendations can be derived from the research findings. These recommendations emphasize the importance of effective communication and transparency throughout the merger or acquisition process, as well as the need for seamless integration and maintenance of high service quality. Strengthening consumer protection measures is crucial to safeguarding consumer interests during and after consolidation. This includes improving disclosure requirements, establishing robust grievance redressal mechanisms and enhancing regulatory oversight.

Furthermore, the research paper underscores the significance of fostering innovation and embracing digital transformation in the banking sector. By investing in technological advancements and fintech solutions, banks can enhance accessibility, convenience and overall customer experience. Promoting financial inclusion is another key recommendation, as mergers and acquisitions should not exclude or disadvantage underserved populations. Efforts should be made to ensure continued access to banking services and the implementation of inclusive initiatives.

Continuous monitoring and evaluation are vital to gauge the impact of mergers and acquisitions on consumers. Regular assessments can provide valuable insights into consumer satisfaction levels, issues and areas requiring improvement. Additionally, the recommendations governing mergers and acquisitions. By updating regulations and ensuring their alignment with customer protection, competition and stability, regulators can create an environment that safeguards consumer interests.

Moreover, the study highlights the importance of collaboration with consumer advocacy groups. Engaging with these groups allows banks together feedback, address concerns and incorporate consumer perspectives into decision making processes. Consumers with knowledge and help them navigate the changes resulting from mergers and acquisitions effectively.

The recommendations further emphasize the significance of fostering healthy competition in the banking sector, monitoring pricing and fee structures to protect consumers from unfair practices and facilitating a seamless transition for consumers during the consolidation phase.

By implementing these recommendations, banks, regulators and policymakers can foster a consumer-centric banking environment that prioritizes consumer welfare, promotes healthy competition, encourages innovation and ensures consumers are well-informed, empowered and protected throughout the mergers and acquisitions process in the Indian banking sector. Ultimately, these efforts will contribute to an industry that delivers improved services, increased accessibility and enhanced consumer satisfaction.

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ISSN No:-2456-2165

ANNEXURE
QUESTIONNAIRE

1. Name
2. Age
   - i. 18 – 25
   - ii. 26 – 35
   - iii. 36 – 45
   - iv. 46 and Above

3. Which public bank do you currently have an account with?
   - i. Union Bank of India
   - ii. Punjab National Bank
   - iii. Bank of Baroda
   - iv. Canara Bank
   - v. Indian Bank
   - vi. Others

4. How has the merger or acquisition affected your banking experience?
   - i. Longer waiting time
   - ii. Changes in interest rate
   - iii. Technical glitches
   - iv. Confusion regarding new policies

5. After merger and acquisition which quality of service most affected by the banks?
   - i. ATM services
   - ii. Loan services
   - iii. Online banking services
   - iv. Customer services

6. How has the merger and acquisition impact the interest rate offered by the banks?
   - i. Increased Interest rate
   - ii. Decreased interest rate
   - iii. No impact on interest rate

7. How has the merger and acquisition affected the fees and charges levied by the bank?
   - i. Increased fees and charges
   - ii. Decreased fees and charges
   - iii. No impact on fees and charges

8. How has the merger and acquisition affected the availability of credit from the bank?
   - i. Increased availability of credit
   - ii. Decreased availability of credit
   - iii. No impact in availability of credit

9. How has the merger and acquisition impacted the accessibility and availability of banking services?
   - i. Improved in accessibility and availability
   - ii. Decreased in accessibility and availability
   - iii. No impact in accessibility and availability

10. Have you considered switching to another bank after the merger and acquisition?
    i. Yes
    ii. No

11. If yes, what is the reason for considering switching to another bank?
    i. Unsatisfactory customer services
    ii. High fees and charges
    iii. Poor interest rates
    iv. Limited range of financial products or services
    v. Fewer branches or ATM networks available

12. How do you think the merger has impacted the overall quality of banking services?
    i. Positively
    ii. Negatively
    iii. No impact