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   INTRODUCTION

   REVIEW OF LITERATURE

   NEED/IMPORTANCE OF THE STUDY

   STATEMENT OF THE PROBLEM

   OBJECTIVES

   HYPOTHESES

   RESEARCH METHODOLOGY

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   CONCLUSIONS

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   ACKNOWLEDGMENTS

   REFERENCES

   APPENDIX/ANNEXURE

   It should be in a 8 point Calibri Font, single spaced and justified. The manuscript should preferably not exceed ***5000 WORDS***.

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- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

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- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

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- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

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- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–22 June.

UNPUBLISHED DISSERTATIONS AND THESES

- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, KurukshetraUniversity, Kurukshetra.

ONLINE RESOURCES

- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

WEBSITES

- Garg, Bhavet (2011): Towards a New Natural Gas Policy, Political Weekly, Viewed on January 01, 2012 http://epw.in/user/viewabstract.jsp

THE IMPACT OF MERGERS AND ACQUISITIONS ON THE FINANCIAL PERFORMANCE OF IDBI BANK

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ABSTRACT

The objective of present study is to investigate and analyze the impact of Mergers and Acquisitions on the financial performance of IDBI bank. This study has been undertaken to understand the fruitfulness of M&A's since the deals have been roaring in current scenario. The main aim of the study was to know the ultimate result of M&A undertaken by the IDBI bank. IDBI as a development bank in India have made deals with IDBI commercial bank and United Western Bank. Whether the impacts of these deals were positive or negative? To find out this we have gone through both primary and secondary data, mainly we chose the bank's ratios to analyze before merger period and after merger period performance of the bank, total of 10 years. Despite the many obstacles including the poor performance of United Western Bank and its huge debts IDBI has succeeded to show positive performance. Mainly the deal was very much helpful to IDBI to access the acquired banks network. The study has showed that impact of M&A deals were positively affected the bank's financial performance. Despite the positive results by the M&A's, bank has to prove consistent performance and should give more importance on liquidation.

KEYWORDS

M And A Concept, Importance Of M And A, Ratio Analysis, Financial Statement Analysis.

INTRODUCTION

Banking industry is one of the vital sectors of Indian economy. Banking business extended from small savings to biggest business deals. Banking business is not like what it was a few decades ago. Banking, banking industry and their priorities have undergone too many changes right from their beginning to till now. Today the banking industry is really in transition phase on the one hand, public sector banks and development banks facing a cut-throat competition from the private sector banks on the other hand. PSBs (public sector banks) and development banks were not like what they are today. The concept of globalization influenced much on PSBs and development banks. There are so many issues, challenges threats; they are facing for their survival in the era of globalization[1]. However, they struggled hard to retain themselves to keep their business alive. From the past two decades the heat to become leading bankers has doubled, which resulted in the fundamental changes of what they had believed as their principles.The LPG heat much influenced on 'development banks' rather than PSBs and private sector banks. As India opened its economy to the whole world, number of private banks entered the economy with the globalised and sophisticated service. The Development banks were established by the government of India for the purpose of making revolution in the industrial sector, the objectives, and the fundamental principles, however, sought to be unsuccessful and threatened much from the changes. Now the development banks are in the threshold of 'change' to serve and to enhance their business across the national boundaries. It is the only choice they left with.The concept of 'development banks' and their establishment was basically initiated by the world bank. However, 'building up of a structure for financial institution began with the establishment of ICFI in 1948'[2]. They are protected and funded by their regional governments. These banks were specially meant to under developed and developing countries, when they were badly in need of rapid establishment and growth of industries. Today situation is different, most of the countries emerging with huge economic power. As a result development banks are losing their fundamental business principles, even though they are in use and need. They silently change their business face.IDBI (Industrial Development Bank of India) is one of the predominant development bank of India is too in the transition phase. It is quite necessary to IDBI to interface with the overall banking industry, to keep their performance in upward direction. IDBI often many a times updated itself whenever it felt threatened by other banks.

NEED FOR THE STUDY

As there are number of changing factors influencing on the performance of IDBI bank ltd, it is essential to bring those changes into a frame. precisely M&A's and thereby analyzing the impacts of those changes is much useful to the concerned field of study. Whenever the study like this have been undertaken with a view to research, generally they reveal the valuable information to the industry, bank, researchers and students.Hence, there is a need to study the impact of changes and the performance indicators to broaden the performance of the bank at the globalised concept.

LITERATURE REVIEW

"The Impact of Mergers and Acquisitions on Acquirer Performance: Evidence from Turkey"[3]. The objective of this present study is to investigate the impact of Merger & Acquisition (M&A) deals on the performance of acquirer Turkish companies. A total of 62 companies involved in M&A deals between 2003 and 2007 were included in the sample. Analysis of both stock market and accounting data weakly support the hypothesis that acquirer companies are negatively affected by M&A activities.In recent years, mergers and acquisitions (M&As) have received a great deal of attention in Turkey. After long years, where total peak in 2007 and 2008. Last five years' M&A volume reached a level of USD 97 billion.

"Analyzing A Bank's Financial Statements"[4]. A careful review of a bank's financial statements can highlight the key factors that should be considered before making a trading or investing decision. Investors need to have a good understanding of the business cycle and the yield curve - both have a major impact on the economic performance of banks. Interest rate risk and credit risk are the primary factors to consider as a bank's financial performance follows the yield curve.

3. "The Value Effects of Bank Mergers and Acquisitions"[5]

Study extract: The literature on the value of bank mergers and acquisitions presents a clear paradox. Empirical evidence indicates clearly that on average there is no statistically significant gain in value o r performance from merger activity. On average, acquired firm shareholders gain at the expense of the acquiring firm. This is documented over the course of many studies covering different time periods and different locations. It is true whether one looks a t accounting data or the market value of equity. Even more disturbing is that the market is unable to accurately forecast the ultimate success of individual mergers, as indicated by the absence of any correlation between changes in accounting - based performance measures and stock market returns around the merger announcement.

"IDBI merger with IDBI bank ltd."[6]. New Delhi - Industrial and Development Bank of India (IDBI) which has won the race for acquisition of ailing United Western Bank (UWB), held a board meeting on September 21 to discuss the Reserve Bank of India's (RBI) draft scheme for amalgamation, even as global rating agency Standard & Poor's has warned that UWB's huge bad loans may affect the acquirer's financial profile negatively.

7. Aharon David Y et al., (2010), analyzed the stock market bubble effect on Merger and Acquisitions and followed by the reduction of pre bubble and subsequent, the bursting of bubble seems to have led to further consciousness by the investors and provide evidence which suggests that during the euphoric bubble period investor take more risk. Merger of banks through consolidation is the significant force of change took place in the Indian Banking sector.

8. Sinha Pankaj & Gupta Sushant (2011) studied a pre and post analysis of firms and concluded that it had positive effect as their profitability, in most of the cases deteriorated liquidity. After theperiod of few years of Merger and Acquisitions(M&As) it came to the point that companies may have been able to leverage the synergies arising out of the merger and Acquisition that have not been able to manage their liquidity. Study showed the comparison of pre and post analysis of the firms. It also indicated the positive effects on the basis of some financial parameter like Earnings before Interest and Tax (EBIT), Return on share holder funds, Profit margin, Interest Coverage, Current Ratio and Cost Efficiency etc.

9 DeLong (2003), based on a sample of 54 bank mergers announced between 1991 and1995, tests several facets of focus and diversification. The study finds that uponannouncement, the market rewards the merger of partners that focus their geography andactivities and earning stream. Only one of these facets, focusing earning streamsenhances long-term performance.

10 Cornett and Tehranian (1992) and Spindit and Tarhan (1992) provided evidence for increase in post-merger operating performance.

12 Berger and Humphrey (1994) reported that most studies that examined pre-merger and post-merger financial ratios found no impact on operating cost and profit ratios.

11 Kuriakose Sony et al., (2009), focused on the valuation practices and adequacy of swap ratiofixed in voluntary amalgamation in the Indian Banking Sector and used swap ratio for valuationof banks, but in most of the cases the final swap ratio is not justified to their financials.

12 Mantravadi Pramod & Reddy A Vidyadhar (2007) evaluated that the impact of merger on theoperating performance of acquiring firms in different industries by using pre and post financial ratio to examine the effect of merger on firms. They selected all mergers involved in public limited and traded companies in India between 1991 and 2003, result suggested that there werelittle variation in terms of impact as operating performance after mergers. In different industriesin India particularly banking and finance industry had a slightly positive impact of profitability on pharmaceutical, textiles and electrical equipments sector and showed the marginal negative impact on operative performance. Some of the industries had a significant decline both in terms of profitability and return on investment and assets after merger.

13 R. Srivassan et al., (2009) gave the views on financial implications and problem occurring inMerger and Acquisitions (M&As) highlighted the cases for consolidation and discussed thesynergy based merger which emphasized that merger is for making large size of the firm but noguarantee to maximize profitability on a sustained business and there is always the risk ofimproving performance after merger.

14 in a related study of the Chilean banking industry, Kwan(2002) found that the high rate of economic activities experienced in Chile was mainly from productivity's improvement from the large banks formed as a result of mergers and acquisitions.

SCOPE OF THE STUDY

Each and every study along with its certain set of objectives has the scope for the future study. And this study further gives a helping hand to the researchers and students who undertakes the related study/research concerning to this topic with a new scope.The scope of this study further may also extent to; financial statement information users, for bank in order to formulate the strategies and for information seekers.The scope of this study has been confined to analyze the performance of IDBI bank ltd impacted by the changes.

OBJECTIVES OF THE STUDY

- To understand the conceptual frame work of development banking.
- To know the bank profile, its objectives, area of operation strength and weaknesses.
- To know the changes those are impacting on performance of the bank.
- To study and evaluate the bank financial performance through financial tools
- To suggest the remedies if any, to improve the financial performance of the bank.

HYPOTHESIS OF THE STUDY

A test of hypothesis is a process that focuses on making a decision between two hypothesis and two hypothesis is formulated to test one of them as true.

H_1- positive impact of mergers and acquisitions on the financial performance of IDBI bank.

H_0 – null hypothesis is negative impact on financial performance of idbi bank.

Null hypothesis is accepted if only the bank's performance is negatively affected by M&A. otherwise, alternative hypothesis will be accepted.

RESEARCH METHODOLOGY

The study is based on both the primary as well as secondary data. However, much importance is given to secondary data as a source of the study.

- **PRIMARY DATA**

Primary data is the first hand data and to extent it is accurate relevant and unbiased. This includes personal interaction with the authorized officials, senior managers and other officials of idbi bank ltd.

- **SECONDARY DATA**

Secondary data has been collected from the official report and publishes of the bank. In addition to that, data is also collected from reports and statements of annual reports & magazines, journals, internet and text book and others

DISCUSSION OF FINANCIAL PERFORMANCE ANALYSIS

In order to know to which extent the mergers and acquisition affected on the performance of idbi bank, it is essential to analyze its financial statements. Since financial statements indicate the overall information, and it has greater importance in taking precise decisions, it has been chosen to show the impact of M&A on idbi. For the purpose of analysis the chapter has been divided into two major aspects i.e. financial statement analysis which includes balance sheet and profit and loss account and Ratio analysis.

1. FINANCIAL STATEMENT ANALYSIS

➢ **Balance Sheet**

BALANCE SHEET OF IDBI BANK LTD FOR LAST FIVE YEARS (Rs in crores)

	Mar '06	Mar '07	Mar '08	Mar '09	Mar '10
Capital and Liabilities:					
Total Share Capital	723.79	724.35	724.76	724.78	724.86
Equity Share Capital	723.79	724.35	724.76	724.78	724.86
Share Application Money	0.00	0.00	0.00	0.00	0.00
Preference Share Capital	0.00	0.00	0.00	0.00	0.00
Reserves	5,648.26	5,511.60	6,075.13	6,719.52	7,502.26
Revaluation Reserves	0.00	2,063.91	2,022.07	1,979.56	1,937.72
Net Worth	**6,372.05**	**8,299.86**	**8,821.96**	**9,423.86**	**10,164.84**
Deposits	26,000.92	43,354.04	72,997.98	112,401.01	167,667.08
Borrowings	47,530.21	42,404.38	38,612.55	44,417.04	47,709.48
Total Debt	**73,531.13**	**85,758.42**	**111,610.53**	**156,818.05**	**215,376.56**
Other Liabilities & Provisions	8,661.60	9,781.05	10,261.89	6,160.40	8,030.62
Total Liabilities	**88,564.78**	**103,839.33**	**130,694.38**	**172,402.31**	**233,572.02**
Assets					
Cash & Balances with RBI	2,680.09	5,406.47	6,694.83	8,590.82	13,903.47
Balance with Banks, Money at Call	2,682.69	1,504.62	2,063.94	2,628.50	679.36
Advances	52,739.07	62,470.82	82,212.69	103,428.34	138,201.85
Investments	25,350.53	25,675.31	32,802.93	50,047.60	73,345.46
Gross Block	2,306.30	3,856.40	3,894.76	3,873.95	4,085.27
Accumulated Depreciation	1,503.79	1,089.08	1,173.59	1,127.40	1,250.35
Net Block	802.51	2,767.32	2,721.17	2,746.55	2,834.92
Capital Work In Progress	8.40	11.05	44.80	77.56	162.04
Other Assets	4,301.50	6,003.73	4,154.02	4,882.96	4,444.91
Total Assets	**88,564.79**	**103,839.32**	**130,694.38**	**172,402.33**	**233,572.01**
Contingent Liabilities	71,190.85	100,300.28	89,811.14	96,523.34	101,597.45
Bills for collection	7,348.64	8,227.54	14,226.75	20,053.80	26,695.59
Book Value (Rs)	88.04	86.09	93.82	102.71	113.50

Source : Dion Global Solutions Limited

Balance sheet of idbi for the last five years, the period which witnessed the mergers and acquisition has considerably impacted. It increased both assets and liabilities gradually though, there was a slight decrease in 2008. It could be the result of amount spent on new M&A.

➢ **Profit and loss account**

PROFIT AND LOSS ACCOUNT IDBI BANK LTD FOR LAST FIVE YEARS (Rs in crores)

Particulars	**Mar '06**	**Mar '07**	**Mar '08**	**Mar '09**	**Mar '10**
Income					
Interest Earned	5,380.72	6,345.42	8,020.84	11,631.63	15,272.63
Other Income	1,280.45	1,046.74	1,751.26	1,475.72	2,341.96
Total Income	**6,661.17**	**7,392.16**	**9,772.10**	**13,107.35**	**17,614.59**
Expenditure					
Interest expended	5,000.82	5,687.49	7,364.41	10,305.72	13,005.22
Employee Cost	318.51	282.90	384.61	569.24	756.99
Selling and Admin Expenses	317.16	404.42	365.50	504.21	720.90
Depreciation	143.55	122.00	83.50	52.70	90.98
Miscellaneous Expenses	320.24	265.05	844.62	816.93	2,009.37
Preoperative Exp Capitalized	0.00	0.00	0.00	0.00	0.00
Operating Expenses	1,033.27	1,013.90	1,092.36	1,481.66	2,067.76
Provisions & Contingencies	66.19	60.47	585.87	461.42	1,510.48
Total Expenses	**6,100.28**	**6,761.86**	**9,042.64**	**12,248.80**	**16,583.46**
Net Profit for the Year	**560.89**	**630.31**	**729.46**	**858.54**	**1,031.13**
Extraordinary Items	-0.11	0.00	0.00	0.00	0.00
Profit brought forward	787.45	1,030.71	1,314.90	21.04	71.20
Total	**1,348.23**	**1,661.02**	**2,044.36**	**879.58**	**1,102.33**
Preference Dividend	0.00	0.00	0.00	0.00	0.00
Equity Dividend	108.57	108.65	144.95	181.20	217.46
Corporate Dividend Tax	15.23	18.47	22.27	30.79	31.47
Per share data (annualized)					
Earnings Per Share (Rs)	7.75	8.70	10.06	11.85	14.23
Equity Dividend (%)	15.00	15.00	20.00	25.00	30.00
Book Value (Rs)	88.04	86.09	93.82	102.71	113.50
Appropriations					
Transfer to Statutory Reserves	-198.28	217.31	256.10	346.39	283.00
Transfer to Other Reserves	392.00	1.69	1,600.00	250.00	100.00
Proposed Dividend/Transfer to Govt.	123.80	127.12	167.22	211.99	248.93
Balance c/f to Balance Sheet	1,030.71	1,314.90	21.04	71.20	470.40
Total	**1,348.23**	**1,661.02**	**2,044.36**	**879.58**	**1,102.33**

Source : Dion Global Solutions Limited**

Mergers and acquisitions have greater impact on the overall performance of the company. In order to show the difference of performance it has been divided into before merger and after merger for the purpose of analysis.

COMPARATIVE ANALYSIS

a) Before merger period:

TABLE NO. 1: SHOWING THE NET PROFIT FOR BEFORE MERGER

Year	Mar '01	Mar '02	Mar '03	Sep '04	Mar '05
Net profit **(Rs in crores)**	**690.97**	**424.29**	**473.59**	**570.90**	**415.52**

Source: Bank's Financial Statements.

INTERPRETATION

We can clearly see that the performance of IDBI bank is quite inconsistent, it is very important to consider the threatens faced by the bank during the period of 2001 to 2005. The net profit fall suddenly in 2002 because the bank spent much amount on acquisition of IT related firms. In 2004 bank earned substantial income due to the announcement of idbi and idbi bank merger. However in this phase we can see many variations in the performance.

b) After merger period:

TABLE NO. 2: SHOWING THE NET PROFIT FOR AFTER MERGER

Year	Mar '06	Mar '07	Mar '08	Mar '09	Mar '10
Net profit **(Rs in crores)**	**560.89**	**630.31**	**729.46**	**858.54**	**1,031.13**

Source: Bank's Financial Statements.

INTERPRETATION

After the merger, performance has been considerably increased due to the merger and acquisitions effect. We can clearly see the impact of M and A on the financial performance of the bank. Merger of idbi and idbi bank have grabbed the synergistic effects subtly. After the acquisition of United Western Bank the net profit earning went up, it is continued up to the year 2010. During the late 2006-07 idbi bank acquired TATA home finance which had also boosted up the banks performance.

2 RATIO ANALYSES

a) Liquidity Ratios, b) Leverage Ratios, c) Profitability Ratios, d) Activity Ratio, e) Market ratio, f) Statement of cash flow/ Cash flow ratios.

A. LIQUIDITY RATIOS

- **Current Ratio:**

TABLE NO. 03: SHOWING THE CURRENT RATIO OF IDBI.

Year	Mar '06	Mar '07	Mar '08	Mar '09	Mar '10
Current ratio	0.49	0.61	0.40	0.79	0.55

Source: Bank's Financial Statements.

- **Quick ratio:**

TABLE NO. 04: SHOWING QUICK RATIO OF IDBI

Year	Mar '06	Mar '07	Mar '08	Mar '09	Mar '10
Quick ratio	6.89	7.55	9.07	18.98	19.49

Source: Bank's Financial Statements.

B. LEVERAGE RATIOS

- **Debt to Equity Ratio:**

TABLE NO. 05: SHOWING TOTAL DEBT EQUITY RATIO OF IDBI

Year	Mar '06	Mar '07	Mar '08	Mar '09	Mar '10
Total debt/equity	4.08	6.95	10.74	15.10	20.38

Source: Bank's Financial Statements.

- **Fixed asset turnover ratio:**

TABLE NO. 06: SHOWING FA TURNOVER RATIO OF IDBI

Year	Mar '06	Mar '07	Mar '08	Mar '09	Mar '10
Fixed assets turnover ratio	2.77	1.81	2.35	3.27	4.18

Source: Bank's Financial Statements.

C. PROFITABILITY RATIOS

- **Net Profit Margin:**

TABLE NO. 07: SHOWING NP MARGIN RATIO OF IDBI

Year	Mar '06	Mar '07	Mar '08	Mar '09	Mar '10
N P Margin ratio	8.47	8.74	7.84	6.71	5.95

Source: Bank's Financial Statements

- **Return on Assets:**

TABLE NO. 08: SHOWING ROA OF IDBI

Year	Mar '06	Mar '07	Mar '08	Mar '09	Mar '10
(ROA)	0.63	114.58	121.72	130.02	140.23

Source: Bank's Financial Statements.

D. ACTIVITY RATIOS:

TABLE NO. 09: SHOWING TOTAL ASSETS TURNOVER RATIO

Year	Mar '06	Mar '07	Mar '08	Mar '09	Mar '10
Total Assets Turnover Ratios	0.08	0.07	0.08	0.08	0.08

Source: Bank's Financial Statements.

E. MARKET RATIO

- **Dividend per Share – DPS:**

TABLE NO. 10: SHOWING DPS OF IDBI

Year	Mar '06	Mar '07	Mar '08	Mar '09	Mar '10
Dividend per share	1.50	1.50	2.00	2.50	3.00

Source: Bank's Financial Statements.

- **Earnings Per Share- EPS:**

TABLE NO. 11: SHOWING EPS OF IDBI

Year	Mar '06	Mar '07	Mar '08	Mar '09	Mar '10
EPS	7.75	8.70	10.06	11.85	14.23

Source: Bank's Financial Statements.

- **Dividend Payout Ratio:**

TABLE NO. 12: SHOWING DPR OF IDBI

Year	Mar '06	Mar '07	Mar '08	Mar '09	Mar '10
DP Ratio	22.07	20.16	22.92	24.69	24.14

Source: Bank's Financial Statements.

- **Book Value per Share:**

TABLE NO. 13: SHOWING BOOK VALUE OF IDBI

Year	Mar '06	Mar '07	Mar '08	Mar '09	Mar '10
Book Value	88.04	86.09	93.82	102.71	113.50

Source: Bank's Financial Statements.

F. STATEMENT OF CASH FLOW/ CASH FLOW RATIOS

- **Operating Cash Flow to Total Debt:**

TABLE NO. 14: SHOWING ADJUSTED CASH FLOW

Year	Mar '06	Mar '07	Mar '08	Mar '09	Mar '10
Adjusted cash flow time to total debt	37.25	75.57	89.88	125.17	149.23

Source: Bank's Financial Statements

FINDINGS, SUGGESTIONS AND CONCLUSION

IDBI Bank, with which the parent IDBI was merged, was a vibrant new generation Bank. Idbi is the fastest growing banking company in India. The bank had consequence much from its new M&As. The Bank also had the least NPA and the highest productivity per employee in the banking industry.

FINDINGS

- ✓ It is found in the study that bank performance before the merger and acquisition is not up to the mark. Bank was not effective in maintaining consistent earnings.
- ✓ It can be seen from the study, bank's financial performance is gradually increased and went up with a huge earnings in 2010.
- ✓ By analyzing the key financial ratios of idbi bank it is found that bank maintaining a moderate of liquidity position. Current ratio of the bank clearly indicates the position; however, bank's quick ratio is extremely good, which reveals the high quick liquidity of the bank.
- ✓ Bank is extremely good in leverage. Idbi bank's leverage goes on increasing; it is because of the reason that bank intended to acquire the new firms. However it is always associated with the risk. It is also an inkling that bank seeks to acquire the new firms in the later coming days. Bank's fixed asset turnover ratio indicates higher investments on fixed asset.
- ✓ Banks' profitability is considerably decreasing. It is due to high investment in new ventures. As it requires much time to adapt. Its new firms into its current business, net profit margin will performs moderate.
- ✓ The activity ratio of the bank reveals that the bank is maintaining evenly its total asset turnover, which has no impact on the performance of bank despite the mergers and acquisitions.
- ✓ Banks new acquisition did not affected negatively on Maintaining of DPS and EPS they been gradually increasing, it is a good sign to bank attract the shareholders.
- ✓ IDBI is maintaining a good dividend payout ratio, which is sign of banks financial performance. Book value of the bank is up to the mark.
- ✓ Banks operating cash flow to total debt is extremely good. Bank has better cash flows towards the total debt, which is highly necessary for such banks who involved in the activities of mergers and acquisitions.

SUGGESTIONS

- ✓ Banks performance compared to before merger has been improved. Hence, bank should maintain the same performance in future.
- ✓ Bank is better in quick liquidity, but it is moderate in maintaining overall liquidity position. I recommend bank has to improve the liquidity position which is highly necessary for the creditors point of view.
- ✓ As I found in earlier bank's profitability is considerably fell down during the last 5 years. Bank need to improve its operational aegis in this area.
- ✓ Bank is extremely good in maintaining the activity ratios as well as operating cash flows despite of the mergers and acquisitions. Bank should maintain the same in future
- ✓ Bank is presently good in financial performance though its new acquisitions may negatively affect in the later coming days.

CONCLUSION

It is very obvious that firms seek global identification when they reach maturity in business to some extent. Things are not different in case of idbi bank. After the voyage of 5 decades in development banking activities idbi bank desired to go near to the public, and eventually chose the retail banking by merging with its parent idbi. As far as mergers and acquisitions concerned to idbi bank, they were well planned and when the plannings are perfect success is obvious. By merging with its parent idbi, it has become possible to provide retail banking service along with development banking service. Merger with UWB bank provided the pave for accesing the advanced banking facilities like, ATMs, new branches, internet banking etc., Idbi acquired tata home finance to encroach in home finance business and to provide diversified service to its cutomers. IDBI has emerged to global standards by M&As with various concerns, of them is joint venture with Federal Bank to provide the insurance service.

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