

Comparison of Pre- Post financial performance – State Bank of India merger

Prakruthi B¹, Dr. Manoj kumara N V²

¹Research Student, Department of Management Science, Maharaja Institute of Technology, Mysore.
Visveshwaraiaha Technology University, Belgaum, Karnataka

²Associate Professor, Department of Management Sciences, Maharaja Institute of Technology Mysore.
Visveshwaraiaha Technology University, Belgaum, Karnataka

Abstract- In this decades merger and acquisition became more common for the company/ industry, companies are mainly concentrating on merger and acquisition because of expansion of their business, diversification of risk, to restructure the organizational activity and to acquire the better place in market. Technologies are rapidly changing and increases competition to the companies, the study focus on pre & post –merger financial performance of selected banks for the period 2015-2018, the study use secondary data and financial tool like liquidity ratio, profitability ratio, solvency ratio, and market efficiency ratio.

Index Terms- Merger, Acquisition, financial performance

1. INTRODUCTION

Merger and acquisition is the most powerful too available for the company to growth and expansion. Merger has become more advantage to the company to increase the shareholder value by combining two business activities. Acquisition can be in the form of entering into an agreement and in form of buying shares in stock exchange.

The Merger and Acquisition is help to companies to bring the companies strength, weakness and all other resource, to increase the market share, diversification of risk and also growth diversification. Many companies are looking to merger or acquire the other target firm to expand their business and acquire the better market place, The pre- post – merger is used to analyzed the impact of financial status of selected company.

2. CONCEPTUAL BACKGROUND

In India merger and acquisition not a new concept, merger and acquisition is used as strategic tool for the

corporate restructuring for improving the financial performance and to increase growth of business.

Merger refer to the combining two or more company to from a new company, where big company merger with small company. Acquisition is where one company acquire another company. Merger and acquisition consists of different transaction, like merger, acquisition, consolidation, tender offer, assets purchase.

3. BACKGROUND OF THE CASE

State bank of India merger its five associate banks – state banks of Bikaner & Jaipur (SBBJ), state bank of Hyderabad (SBH), state bank of Mysore (SBM), state bank of Patiala (SBP), state bank of Travancore (SBT), and the relatively- newer Bharatiya Mahila Bank (BMB) with itself. The BMB was created in 2013 by the UPA government.

The latest merger will create a financial behemoth with assets worth Rs. 37 lakh crore (\$550billion), including the fixed assets of associate bank worth about Rs. 4000 crore. If meregr goes through, the combined entity will be ranked as the 45th largest bank, post-merger, the cost – to – ratio will reduce to 100 basis point a year. SBI employee costs could increase by Rs 23 crore a month in post- merger. SBI has already sough “in- principle sanction” from the government to enter into negotiation with subsidiary banks to acquire their businesses. And analysts fear the move will lead to higher operating cost in the near- term for SBI.

4. LITERATURE REVIEW

Pradeep kumar guptha (2012), merger and acquisition as strategy concepts for rapid growth merger and acquisition suggest that the companies are spending time and money to acquire best target company to growth profit and wealth of shareholders in corporate world .A.sonam dubey (jan 2018), the merger and acquisition play impact role in value creation and in the process of re-organizing and operational success by efficiency improvement and reducing cost in the company Simon k. Harvey (2015), merger and acquisition shows positive improves compare pre-post- merger it indicates of profitability ratio decrease expect the gross operating margin decrease after the merger and increase in post merger thus indicate positive and upward trend in post- merger .Dr,k.A.Goyal (2011), banking company are used as strategy tool for expanding and strengthen their operational network across geographical boundary and improve customer business and market share .George Macharia Gathukes, and Dr Agnes Njeru (2013) merger effect on financial performance of commercial bank, it specifically evaluate the synergy to access the financial account and reduce cost on financial performance. Grace Melissa Akenga (2017), the merger and acquisition increases the financial performance on commercial bank and also firm assets growth and shareholders value and synergy are effect on financial performance.

K. Subhashree and M. Kannappan, (2018) ,In bank merger and acquisition improves the economic scale and it depends on the strategies and planning as resulted may be profit or loss. Kanchan jatkar (2012), bank centered towards merger that minimization of technology related expenses a main objective to increase the profitability and based on the strategic business and risk management merger.

Parveen Kumari (2014), merger and acquisition not only create brand names new geographies, complementary product offering and also opportunities to cross sell to new accounts acquired ,and also it helps to know the reason behind the merger and acquisition. Komal Gupta (2015), many bank involved in the merger and acquisition to improve value creation in merger synergy gain are enhanced in the long run as it improves the performance and efficiency of the bank. Dr. Manoj kumara N V (2017), incorporate merger and acquisition used as strategic tool and focus on the

evaluation of capital structure and its profitability of merger firm. Dr. Manoj kumara N V (2018), it aims to increase assets expansion and growth , the performance of bank in pre-post is not much change observed .Daniya Adeiza Abdulazeez & ontu Suleiman and Abdulrahman yahaya, (2016) it analyze the performance of bank before and after consolidation and resulted to improves the efficiency of owning merger activities. Igbokwe martins chibuzor (2016), merger and acquisition acts as important tool to achieve organizational goal and increase financial performance, it analysed the positive effect on the firms. Rasidha mohd said, fayzias mat nor soo wah low and Aisyah Abdul rahman (2008), many bank analyze the pre-post acquisition consolidation and help to improve productivity, efficiency of the bank.

5. RESEARCH GAP

Form the few author stated, merger means combing of two company to form a new company or to run with same entity, acquisition means acquire another company. Many of the author restricted their study period to 4 to 5 year, maximum 6 year in Indian study paper whereas global wise merger and acquisition paper are considering study period up to 7 to 10 year, many authors are concentrated on secondary data for their study and restricted the tool to profitability ratio and CAMEL variable.

6. STATEMENT OF PROBLEM

From the above literature the researcher found that the mergers and acquisitions results in both positive and negative by considering different study period and methodology. Therefor the present study mainly focuses on evaluating the financial performance in pre and post-acquisition period.

7. OBJECTIVE OF THE STUDY

Examine the post –acquisition of biding company.

8. SCOPE OF THE STUDY

The study focused on analyzing the effect financial performance of SBI integration in post- merger period considering the study period of 4year from

2015-2018, as 2015-2016 pre and 2017-2018 post, the study also confines to use the financial tools which are used ratio analyzed that solvency ratio, liquidity ratio and profitability ratio and the study is confined based on the secondary source of data by the collected annual reports of the SBI.

9. RESEARCH METHODOLOGY

9.1 Type research:

The study use descriptive research method
Descriptive research method is used to explain the characteristics of the population, and it cannot be used as the basis of causal relationship, where one variable affect the another.

9.2 Collection of data:

The study use secondary data

9.3 Secondary data:

Secondary data are the data which is already exists and used for some other purpose. For the study secondary data are collected through the bank website, money.com. journal, articles other internet site, SBI balance sheet and profit and loss account.

9.4 Statistical tools:

Descriptive statistics, T-test and correlation

9.4.1 Descriptive statistics:

A descriptive statistics is a collection of quantitative information, and it describes the data used for the study.

The study uses the Mean and Standard deviation in descriptive statistics.

Mean:

The mean is the average some of its numbers, it also called as arithmetic mean.

To find the mean, it adds all the number and divide by total number of element. It is mainly used to measure central tendency.

$$\bar{X} = \sum X/N$$

9.4.2 Standard deviation:

The standard deviation is used to measure dispersion of the set of data in mean. The square root of the number results to variance.

$$Sd = \sqrt{(X-\bar{X})/n}$$

9.4.3 T-test:

T test is an statistical test, which is help to analyzed the difference in mean of two groups. And it allows population on assumption for testing, the degree of freedom analyzed the probability of distinction of two set data.

9.4.4 Correlation:

Correlation is a statistical tool that can show whether and how paired variables are strongly related.

9.5 Financial tool:

Financial tool is used to analyze the market condition and regarding the investment made, and to know the internal and external information of any organization. In financial tool many ratio and other type of tool are available. This study mainly used

Solvency ratio, liquidity ratio, profitability ratio, market efficiency ratio, and turnover ratio

9.6 Hypothesis:

There is no significant relationship between pre and post financial performance

10. DATA ANALYSIS

Liquidity ratio:

Table 10.1 Current ratio

Year	Current assets	Current liabilities	Current ratio
2015	1756510	235601	7.46
2016	1913996	271966	7.04
2017	2009065	285272	7.04
2018	2004638	290238	6.91

Source: money control database- Author calculation

From the above graph it found that current ratios for the years 2015, 2016, 2017, and 2018 are 7.46, 7.04, 7.04 and 6.91 respectively.

Current ratio is resulted more than the standard (2:1) in the overall study period. it also found that current ratio is decline from 7.46 to 6.91.

Table 10.2 Quick ratio

Year	Quick assets	current liabilities	Quick ratio
2015	1692211	235601	7.18
2016	1870261	271966	6.88
2017	1896887	285272	6.65
2018	1960119	290238	6.75

Source: moneycontrol database- Author calculation

Above graph shows that quick ratio in 2015, 2016, 2017 and 2018 are 7.18, 6.88, 6.65 and 6.75 respectively.

Quick ratio is resulted more than standard (1:1) in the overall study period. The study found that quick ratio decline from 7.18 to 6.75.

Solvency ratio:

Table 10.3 Debt equity ratio

Year	Debt	Equity	Debt Equity Ratio
2015	2297624	161388	14.24
2016	2512072	180592	13.91
2017	2936176	217192	13.52

2018	3091258	230322	13.42
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Source: moneycontrol database- Author calculation
 From the above graph its found that Debt Equity Ratio in the year 2015, 2016, 2017 and 2018 are 14.24, 13.91, 13.52, and 13.42 respectively.
 Debt Equity Ratio is resulted more than standard (1:2) or (0.5:1) in the study period. Further study found that Debt Equity Ratio decrease from 14.24 to 13.42.

Table 10.4 Proprietary Ratio

Year	Equity	Total assets	Proprietary ratio
2015	161388	2700110	0.060
2016	180592	2970898	0.061
2017	217192	3445122	0.063
2018	230322	3616433	0.064

Source: moneycontrol database- Author calculation
 From the above graph its found that Debt Equity Ratio in the year 2015, 2016, 2017 and 2018 are 14.24, 13.91, 13.52, and 13.42 respectively.
 Debt Equity Ratio is resulted more than standard (1:2) or (0.5:1) in the study period. Further study found that Debt Equity Ratio decrease from 14.24 to 13.42.

Table 10.5 Fixed assets ratio

Year	Fixed assets	Debt +Equity	Fixed Ratio Assets
2015	103620	2464509	0.04
2016	191288	2698932	0.07
2017	247757	3159849	0.08
2018	277231	3326195	0.08

Source: moneycontrol database- Author calculation
 From the above graph it found that Fixed Assets Ratio in 2015, 2016, 2017 and 2018 are 0.04, 0.07, 0.08 and 0.08.respectively.
 Fixed Assets Ratio is resulted less than standard (1:1) or > 1, in the overall study period. The study also found that Fixed Assets Ratio increased from 0.04 to 0.08 in 2015 to 2018.

Profitability ratio

Table 10.6 Gross profit ratio

Year	Gross profit	Net sales	Gross profit ratio
2015	78807.5	272871	28.88
2016	74795.7	257290	29.07
2017	81332.8	298640	27.23
2018	82367.3	306528	26.87

Source: moneycontrol database- Author calculation
 From the above graph it found that gross profit ratio in the year 2015, 20 to 16, 2017 and 2018 are 28.88, 29.07, 27.23 and 26.87 respectively.
 The study analyzed that Gross Profit Ratio is decreases from 29.07 to 26.87

Table 10.7 Net profit ratio

Year	Net profit	Net income	Net profit ratio
2015	12743.3	272871	4.67
2016	17517.4	257290	6.81
2017	-390.67	298640	-0.13
2018	-4187.4	306528	-1.37

Source: moneycontrol database- Author calculation
 From the above graph it found that Net Profit Ratio in 2015, 2016, 2017 and 2018 are 4.67, 6.81, -0.13 and -1.37.

The study also found that Net Profit ratio is decline from 4.67 to -1.37.

Table 10.8 Operating ratio

Years	Operating profit	Net income	Operating profit ratio
2015	150390	272871	55.11
2016	135708	257290	52.75
2017	146072	298640	48.91
2018	135921	306528	44.34

Source: moneycontrol database- Author calculation
 From the above graph it shows Operating Profit Ratio in 2015, 2016, 2017 and 2018 are 55.11, 52.75, 48.91, and 44.34 respectively.

The study found that Operating Profit Ratio decrease from 52.75 to 44.34.

Table 10.9 Return on investment

Year	Earning before income and tax	Capital employed	Return on investment
2015	199154	2459012	8.10
2016	183442	2692664	6.81
2017	211350	3153368	6.70
2018	210373	3321580	6.33

Source: moneycontrol database- Author calculation
 From the above graph it shows Return on Investment in 2015, 2016, 2017 and 2018 are 8.10, 6.81, 6.70 and 6.33 respectively.

Further study also found that Return on investment decline from 6.81 to 6.33.

Table 10.10 Return on assets

Year	Net profit	Total assets	Return on assets
2015	12743.3	2700110	0.47
2016	17517.4	2970898	0.59
2017	-390.67	3445122	-0.01
2018	-4187.4	3616433	-0.12

Source: moneycontrol database- Author calculation
 From the above graph it found that Return on Assets in 2015, 2016, 2017 and 2018 are 0.47, 0.59, -0.01 and -0.12 respectively.

The study also found that Return on Assets decline from 0.59 to -0.12.

Table 10.11 Return on equity

Year	Net profit	Equity	Return on equity
2015	12743.3	161388	7.90

2016	17517.4	180592	9.70
2017	-390.67	217192	-0.18
2018	-4187.4	230322	-1.82

Source: moneycontrol database- Author calculation

From the above graph it shows that, Return on Equity in 2015, 2016, 2017 and 2018 are 7.90, 9.70, -0.18 and -1.82 respectively.

The study found that Return on Equity decrease from 7.90 to -1.82.

Market efficiency ratio

Table 10.12 Price earning ratio

Year	Market price	Earning per share	Price Earning Ratio
2015	224.4	16	14.03
2016	249.75	23	10.86
2017	309.5	0	0.00
2018	295.65	-5	-59.13

Source: moneycontrol database- Author calculation

From the above graph it shows, Price Earning Ratio in 2015, 2016, 2017 and 2018 are 14.03, 10.86, 0.00, and -59.13 respectively.

The study determine the Price Earning Ratio is decline from 10.86 to -59.13 in 2016 to 2018

Table 10.13 Earning per share

Year	Net earning	No of outstanding share	Earning per share
2015	17517.4	180592	9.70
2016	-390.67	217192	-0.18
2017	-4187.4	230322	-1.82
2018	-4187.4	797	-5

	CR	QR	DER	PR	FAR	GPR	OPR	NPR	ROI	ROE	ROA	EPS	PER	MCAP
CR	R 1	0.89	0.89	-0.84	0.99	0.63	0.83	0.51	1.00	0.59	0.58	0.54	0.65	-0.79
	Sig.	0.11	0.11	0.16	0.01	0.37	0.17	0.49	0.00	0.41	0.42	0.46	0.35	0.21
QR	R 0.89	1	0.94	-0.86	0.95	0.76	0.78	0.66	0.91	0.73	0.72	0.67	0.48	-0.95
	Sig.	0.11	0.06	0.14	0.05	0.24	0.22	0.34	0.09	0.27	0.28	0.33	0.52	0.05
DER	R 0.89	0.94	1.00	-0.98	0.91	0.91	0.95	0.83	0.92	0.88	0.87	0.85	0.75	-0.96
	Sig.	0.11	0.06	0.02	0.02	0.09	0.05	0.17	0.08	0.12	0.13	0.15	0.25	0.04
PR	R -0.84	-0.86	-0.98	1.00	-0.83	-0.95	-0.98	-0.89	-0.86	-0.93	-0.93	-0.91	-0.84	0.93
	Sig.	0.16	0.14	0.02	0.17	0.05	0.02	0.11	0.14	0.07	0.07	0.09	0.16	0.07
FAR	R 0.99	0.95	0.91	-0.83	1.00	0.64	0.79	0.51	0.99	0.60	0.59	0.54	0.56	-0.84
	Sig.	0.01	0.05	0.09	0.17	0.36	0.21	0.49	0.01	0.40	0.41	0.46	0.44	0.16
GPR	R 0.63	0.76	0.91	-0.95	0.64	1.00	0.92	0.99	0.67	1.00	1.00	0.99	0.79	-0.91
	Sig.	0.37	0.24	0.09	0.05	0.36	0.08	0.01	0.33	0.00	0.00	0.01	0.21	0.09
OPR	R 0.83	0.78	0.95	-0.98	0.79	0.92	1.00	0.87	0.85	0.90	0.90	0.89	0.92	-0.85
	Sig.	0.17	0.22	0.05	0.02	0.21	0.08	0.13	0.15	0.10	0.10	0.11	0.08	0.15
NPR	R 0.51	0.66	0.83	-0.89	0.51	0.99	0.87	1.00	0.55	0.99	1.00	1.00	0.77	-0.84
	Sig.	0.49	0.34	0.17	0.11	0.49	0.01	0.13	0.45	0.01	0.00	0.00	0.23	0.16
ROI	R 1.00	0.91	0.92	-0.86	0.99	0.67	0.85	0.55	1.00	0.63	0.62	0.58	0.66	-0.82
	Sig.	0.00	0.09	0.08	0.14	0.01	0.33	0.15	0.45	0.37	0.38	0.42	0.34	0.18
ROE	R 0.59	0.73	0.88	-0.93	0.60	1.00	0.90	0.99	0.63	1.00	1.00	1.00	0.77	-0.89
	Sig.	0.41	0.27	0.12	0.07	0.40	0.00	0.10	0.01	0.37	0.00	0.00	0.23	0.11
ROA	R 0.58	0.72	0.87	-0.93	0.59	1.00	0.90	1.00	0.62	1.00	1.00	1.00	0.78	-0.88
	Sig.	0.42	0.28	0.13	0.07	0.41	0.00	0.10	0.00	0.38	0.00	0.00	0.22	0.12
EPS	R 0.54	0.67	0.85	-0.91	0.54	0.99	0.89	1.00	0.58	1.00	1.00	1.00	0.79	-0.85
	Sig.	0.46	0.33	0.15	0.09	0.46	0.01	0.11	0.00	0.42	0.00	0.00	0.21	0.15
PER	R 0.65	0.48	0.75	-0.84	0.56	0.79	0.92	0.77	0.66	0.77	0.78	0.79	1.00	-0.59
	Sig.	0.35	0.52	0.25	0.16	0.44	0.21	0.08	0.23	0.34	0.23	0.22	0.21	0.41
MCAP	R -0.79	-0.95	-0.96	0.93	-0.84	-0.91	-0.85	-0.84	-0.82	-0.89	-0.88	-0.85	-0.59	1
	Sig.	0.21	0.05	0.04	0.07	0.16	0.09	0.15	0.16	0.18	0.11	0.12	0.15	0.41

Source: SPSS database; Author calculation

Current ratio shows significant relation with fixed assets ratio, return on investment, and other ratios shows insignificant, quick ratio shows significant relation with debt equity ratio, fixed assets ratio, market capitalization and other ratio shows insignificant relation, debt equity ratio shows insignificant relation with current ratio, net profit

2015	12743.3	797	16
2016	17517.4	797	22
2017	-390.67	797	0
2018	-4187.4	797	-5

Source: moneycontrol database- Author calculation

From the above graph it shows Earning Per Share in 2015, 2016, 2017 and 2018 are 16, 22, 0, and -5 respectively.

The study also found that Earning per share decreased from 16 to -5 in 2016 to 2018

Table 10.14 Market capitalization

Year	Market price	No of outstanding share	Market capitalization
2015	224.4	797	178847
2016	249.75	797	199051
2017	309.5	797	246672
2018	295.65	797	235633

Source: moneycontrol database- Author calculation

From the above graph it represents Market capitalization in year 2015, 2016, 2017 and 2018 are 178846.8, 199050.75, 24667.15 and 2356330.5 respectively.

The study found that Market Capitalization is increase from 199050.75 to 235633.05 in 2016 to 2018.

Table 10.15 Correlation

ratio, return on equity, earning per share, price earning ratio, and other ratio shows significant relation. Proprietary ratio shows significant relation with debt equity ratio, gross profit ratio, return on equity, return on assets, earning per share, price earning ratio and rest all ratio shows insignificant relation. Fixed assets ratio shows all insignificant relation will ratio. Gross profit ratio shows

insignificant relation with current ratio, quick ratio, fixed assets ratio, return on investment, price earning ratio, and other ratio shows significant relationship. Operating ratio shows significant relation with debt equity ratio, proprietary ratio, gross profit ratio, price earning ratio and other ratio shows insignificant relation. Net profit ratio shows significant ratio Return on investment shows significant relation with current ratio, quick ratio, proprietary ratio and all other ratio shows insignificant relation. Return on equity shows significant relation with proprietary ratio, operating ratio, return on investment return on assets, earning per share and all other ratio shows insignificant relation. Return on assets shows significant relation proprietary ratio gross profit ratio, operating ratio, return on investment and return on assets and insignificant relation with other ratios. Earning per price shows significant relation with proprietary ratio, gross profit ratio net profit ratio, return on equity, return on assets, and other ratio shows insignificant relation. Price earning ratio shows insignificant relation with all ratio expect operating ratio. Market capitalization shows significant relation with quick ratio, debt equity ratio, proprietary ratio, gross profit ratio.

Table 10.16 Paired Samples Test

Pair	Comparison	Mean	SD	T	Sig.
1	PRCR – POCR	0.28	0.21	1.90	0.31
2	PRQR – POQR	0.33	0.28	1.65	0.35
3	PRDER – PODER	0.61	0.16	5.26	0.12
4	PRFAR – POFAR	6.57	6.31	1.47	0.38
5	PRGPR – POGPR	1.93	0.39	7.00	0.09
6	PROPR – POOPR	7.31	1.56	6.61	0.10
7	PRNPR – PONPR	6.49	2.39	3.84	0.16
8	PRROI – POROI	0.94	0.65	2.04	0.29
9	PRROE – POROE	9.80	2.43	5.70	0.11
10	PRROA – POROA	0.60	0.16	5.17	0.12
11	PREPS – POEPS	21.50	7.78	3.91	0.16
12	PRPER – POPER	42.01	39.57	1.50	0.37
13	PRMCAP – POMACP	-52203.50	22091.71	-3.34	0.19

Source: SSPS database; Author calculation

From the above calculation of paired samples test shows the pre and post comparison current ratio, mean is 0.28, quick ratio is .033, debt equity ratio is 0.61, fixed assets ratio is 6.57 gross profit ratio is 1.93, operating ratio is 7.31, net profit ratio is 6.49, return on investment is 0.94, return on equity is 9.80, return on assets is .060, earning per share is 21.50, price earning ratio is 42.01, market capitalization is – 5220.50.

Table 10.17 T- test

One-Sample Test			
Test Value = 0			
Ratios	T	Df	Sig. (2-tailed)
CR	59.36	3	0
QR	59.66	3	0
DER	73.14	3	0
PR	67.92	3	0
FAR	5.71	3	0.01
GPR	49.86	3	0
OPR	21.34	3	0
NPR	1.29	3	0.29
ROI	18.12	3	0
ROE	1.36	3	0.27
ROA	1.33	3	0.28
EPS	1.29	3	0.29
PER	-0.50	3	0.65
MCAP	13.62	3	0

Source: SSPS database; Author calculation

From the above table represents T- test calculation at 3 degree of freedom, all the ratios are shows significant relationship except price earning per ratio shows insignificant relation.

11. RESULTS AND DISCUSSION

- Liquidity ratio shows decline in the period from 2015 to 2018, it observed that in post – merger liquidity period has decline due to increase in current liabilities and increase in operational cost in post- merger period.
- The study found that gross profit ratio is increased in pre- acquisition period from 28.88 to 29.07 in 2015 to 2016, and decreased in post- acquisition period that is 27.23 to 26.87in 2017 to 2018, it shows that operating cost is high in post-acquisition period , gross profit resulted low in 2018.
- Net profit ratio is decreased from 4.67 to -1.37 in the study period 2015 to 2018, the study found that expenditure is more than the income, it resulted net loss.
- The study found that earning per share is increased in pre- acquisition from 16 to 22 in 2015 to 2016, and decreased in post- acquisition to -5 in 2018, because of decreased in net earning lead to decline in earnings per share in post-acquisition.
- Market capitalization is increased in the period from 17884 to 235633 in 2015 to 2018, where market price of share is increased in pre- acquisition and post- acquisition.

- It suggested that bank has to concentrate on minimize the expenditure by reduce the operation cost and increased the current assets.
- Bank need to concentrate on reduce the operational cost by implement policy like go green and adopting new technology and efficiently evaluate the target firm for business valuation decision.
- It suggested that bank has to look over his profitability position by increase the service offer to the customer and conversion rate that help to minimize the loss in post- acquisition period.
- Market capitalization is increased due to expansion of size of business in post-acquisition.

12. CONCLUSION

Merger and acquisition has become powerful tool for the company for its expansion and growth. The study use different ratio to know the financial performance in- post merger period from 2015- to 2018, It shows decline in the net earnings and negative impact and suggests to maximize the equity and net earnings.

The study focus on analyzing the effects of pre-post integration of SBI merger, in the company merger and acquisition takes some time to shows the actual performance and its take 6 to 7 year to show the positive impact in the company. The study observed that merger have negative performance in short run. It found that there is significant relationship between pre and post integration. It also observes that pre-merger performance is better than post -merger financial performance.

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