

ABSTRACT

ANALYSIS ON BANK OF BARODA, VIJAYA BANK AND DENA BANK MERGER

**** P.M.ARUN & M. SAI DEEKSHITHA**

The term merger is not defined under the Companies Act, 2013 or Income Tax Act, 1961 but Section 230 to 240 of the Companies act, 2013 states what amounts to merger. Merger means the combination two or more entities into one entity is called merger and where all the assets and liabilities of the merged companies will be transferred to one Company which has its legal existence and other companies losses its legal existence. In the same way the Merger between two banking companies is regulated under the section 44A of the Banking Regulation Act, 1949.

In Today's world the Merger of Banking companies has played a major role in reducing the cost of operation, lending and NPA and risk management. Merger may also help in financial inclusion and broadening the Geographical reach of the Banking Operation. The Government of India in August 2019, announced a mega-merger of 10 public sector undertaking (PSU) banks into four. This decision was conveyed to the cabinet's approval by India's Finance Minister Shri Nirmala Sitaraman. One of the merger under this scheme is Merger of Bank of Baroda with Dena Bank and Vijaya Bank.

On 1st April the Bank of Baroda merger has taken place and brought the combined employee count to 85,675 and total branches to 9500⁺¹. The main reason of this merger is to improve profitability, adopt best technology practices across amalgamating entities and improve cost efficiency, risk management and financial inclusion among the banks.

This Article will give a Bird Eye View on Merger of Bank of Baroda, type of merger, structure of the merger. How does the merger of Banking companies take place and theories applicable and the analysis of the merger whether it is successful or not based on the Pre-Merger and Post – Merger Data.

Key Words: Merger, Acquisition, Consolidation and Banking Companies.

¹Upstox, Banking Mergers In India, <https://upstox.com/saving-schemes/recent-list-of-banks-mergers-and-acquisitions-in-india/>, 2nd April 2023, (10:23pm).