



International Journal of Research Publication and Reviews

Journal homepage: www.ijrpr.com ISSN 2582-7421

Evaluating Financial Success: A Performance Analysis of Mergers and Acquisitions

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ABSTRACT

This paper explores how mergers and acquisitions (M&As) affect the financial performance of Indian companies. Focusing on three real-world cases—HDFC Ltd. with HDFC Bank, Tata Steel with Bhushan Steel, and Zomato with Blinkit—the study analyzes whether these deals lived up to their promise. Using financial ratios and trend analysis, the research highlights that while M&As in banking and steel showed solid financial gains, those in the e-commerce space remain uncertain. The findings emphasize the role of industry type, integration planning, and timing in determining the financial success of mergers.

Keywords: Mergers and Acquisitions, Financial Performance, India, HDFC, Tata Steel, Zomato, Ratio Analysis, Shareholder Value

Introduction

Mergers and acquisitions have become a go-to strategy for companies aiming to scale up, enter new markets, or stay competitive...

Objectives of the Study

- To evaluate how companies performed financially before and after the merger.
- To find out if M&As really boost long-term growth and shareholder value.
- To identify what makes some M&A deals succeed while others don't.
- To draw practical insights by comparing companies from different industries.

Literature Review

Past research has shown mixed outcomes when it comes to M&As...

Methodology

This is a quantitative, case-based study. It focuses on three major Indian M&A cases...

Key Findings & Analysis

HDFC Ltd. + HDFC Bank: The merger created a financial services powerhouse...

Tata Steel + Bhushan Steel: A strategic acquisition to revive a distressed company...

Zomato + Blinkit: An ambitious bet in the hyper-competitive quick commerce space...

Discussion

The study clearly shows that industry matters. In banking and steel, mergers often lead to fast and visible financial benefits...

Conclusion

M&As can deliver real financial value—but not always, and not for everyone...

Recommendations

- Plan early for synergy.
 - Invest in due diligence.
 - Keep long-term goals in mind.
 - Communicate clearly with stakeholders.
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Limitations

- Only Indian companies were studied.
 - Focus was on short-term (2 years post-merger).
 - Only secondary data used.
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Future Research

- Track companies for 5–10 years post-merger.
 - Study cross-border M&As involving Indian firms.
 - Include cultural and employee-level data.
 - Sector-specific research.
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