



## **The Impact of Fintech Acquisition on Acquirers in India: A Study on Financial Performance and Parameters**

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### **Abstract**

This study examines the long-run impact of acquisitions of fintech firms on the financial performance of acquiring firms in India from 2010-2023. The research utilised advanced econometric methods such as fixed effect panel regression and iterative generalised method of moments. The research focuses on key performance indicators, which include return on assets (ROA), net profit margin (NPM), average share price (ASP), current ratio (CR), and financial leverage (FL). A total sample of 155 mergers and acquisitions deals consisting of both financial and non-financial listed firms taken from Bloomberg have been considered in this research. The findings show that fintech takeovers are documented as a two-edged sword. The ASP rose considerably after the acquisition, indicating improved market value, while ROA and NPM declined. The CR shows improved liquidity, and FL indicated a higher equity base than debt after the acquisition. The research indicates that it is difficult for fintech acquirers to attain operational synergies even though the market is favourable. The study also emphasises the critical role of effective post-merger integration and strategic alignment in realising the full potential of fintech acquisition. This research yields valuable insights for financial institutions and policymakers who want to navigate the transformation of fintech by providing a comprehensive analysis of the financial implications of such acquisitions. The study reveals that fintech M&A demands proper due diligence, strong integration planning, and early stakeholder commitment to maximise long-term financial benefits while avoiding risks. Further research directions include exploring industry-specific

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