

However, his assurances have not convinced all investors or analysts. HDFC Bank shares shot up 10 per cent to Rs1,722 (\$22.56) after the merger was announced on April 4 but have since fallen 15 per cent to close at Rs1,464 on Wednesday, the last day of trading before markets were shut for public holidays.

"This merger ain't going to be easy with the Reserve Bank of India," said Ajay Mahajan, chief executive at Care Ratings. Regulations around creating a new bank from existing businesses had become "very structured and slightly onerous".

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"It's not going to be so easy as the news made it first appear," he added.