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## Global Expansion through Cross-Border Mergers and Acquisitions: Navigating Regulatory Landscapes and Governance Practices

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*Corporate governance dictates the terms of M&A transactions and is thus one of the key links in ensuring that the processes are done fairly and transparently, to the advantage of the shareholders. This paper provides a comprehensive understanding of corporate governance as a significant concept in these transactions. It discusses how it is one of the best business practices that involves the strict screening of products and staff, and it also includes board oversight, regulatory compliance, and strategic alignment. The efficient corporate governance in the case of the merger and acquisition process is the basic foundation for getting things done by set criteria. It is the main tool to manage and control risks, work with our partners, share profits, and get rid of concerns that may arise during the process. Through the identification and evaluation of synergies, risk management, communication with the stakeholders, and compliance with the laws, governance ensures that M&A moves from an uncertain step to a strategic move. The article studies the different strategic paths, such as mergers, demergers, and restructuring. However, mergers and acquisitions implemented by international non-local companies aim at entering the international markets quickly and obtaining resources exempt from barriers. A comparative analysis of the regulatory frameworks of India, the US, and the UK brings to light the complexity as well as the inefficiency of regulations that may arise from overlapping reviews and/or national security concerns. In addition, the paper covers the comparison of cross-border and domestic acquisitions, indicating how cross-border M&As are facilitative of global expansion and the transfer of knowledge, but still require effective management of the risks that arise from integration and the differences in the markets.*

**Keywords:** *mergers and acquisitions, demergers, cross-border competition, ethical business, corporate restructuring.*

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## INTRODUCTION

The process of mergers and acquisitions is more of a process rather than an art or a science. Techniques that are adopted by companies to achieve M&A include strategies such as enhanced competitiveness, boosting revenue, and growth regardless of the capital structure for long-term survival. Most times, however, M&A transactions not only yield higher sales, but they also allow businesses to partner with new companies and stretch their operational capabilities to include new products in different markets. Instead of buying a company, its assets or shares of the company is merged with another to form a new company. This action involves both companies putting resources and assets together to make a single organisation, combining their strengths, enhancing their competitiveness, and working more effectively.

Unlike in a merger, acquisition is a process in which one company obtains a majority stake in another company, and it does so by either buying its share capital or taking on the other's assets, and at the end of this process, each company can operate under its name. Because mergers and acquisitions often aim at increasing sales and improving the wealth of shareholders, through cost reduction and increasing operational efficiency, mergers don't imply that it is the only way to do it.

They also make possible economies of scale and help to gain a greater market share, which is very important to companies working within sectors of fierce competition. Inward mergers & Acquisitions (M&AS) are the appropriate mechanisms for the inflow of Foreign Direct Investment (FDI), and hence, M&AS and FDI link companies to international expansion.

Cross-border M&AS pave the way for Foreign Direct Investment (FDI), a critical component of global economic growth. FDI and cross-border M&AS are essential for companies aiming to expand internationally. However, these processes present a range of challenges, including cultural differences, political and economic risks, and regulatory hurdles. Many countries have specific regulatory bodies that oversee foreign investment, particularly in industries deemed critical for national security.

By balancing the influx of foreign investment with appropriate regulatory frameworks, countries protect domestic interests while reaping the economic benefits of global business integration and expansion. Overall, M&A is what helps to join the global economy together, and as a result, companies can both enhance their competitive position and obtain mutual advantages between developed and emerging markets. The effect of the breakdown of national barriers will be that cross-border M&AS will go a long way in the growth and modernisation of the economy; hence, a more connected and secure world will be the offshoot of this.

### CONCEPT OF MERGERS AND ACQUISITION CROSS-BORDER DEALINGS

A country that is developing may try to grow internationally by capitalising the cross cross-border mergers and acquisitions (M&AS) to access the cutting-edge technologies, new markets, and resources that would otherwise be encumbered. Such arrangements serve as a short route to international expansion by surpassing the necessity of starting operations afresh.

The cross-border M&A has already proved to stimulate economic development for companies in the developing world like India, by bringing local firms into contact with global markets and investors, with innovative avenues for competition and innovation. Foreign direct investment (FDI), which has been facilitated largely by cross-border M&AS, is one of the most potent forces catalysing change in the economy of India.

Supply chains, product offerings, and market position improve the acquisition or merger processes that are done with a foreign company with those of firms that are based in India. In response, the foreign companies take advantage of India's huge consumer base, value-driven labour, and rapidly expanding middle class. They also benefit due of the exposure to leading-edge technology and professional knowledge that leads to the ability to innovate and invent ways to use goods and services.<sup>1</sup> Another paramount benefit of cross-border M&AS is being able to access cutting-edge technologies and specialised knowledge for being enables innovation and the creation of new goods and services.

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<sup>1</sup> Faizan Malik, 'Mergers and Acquisitions: A Conceptual Review' (2014) 4(2) International Journal of Accounting and Financial Reporting  
<[https://www.researchgate.net/publication/283044556\\_Mergers\\_and\\_Acquisitions\\_A\\_Conceptual\\_Review](https://www.researchgate.net/publication/283044556_Mergers_and_Acquisitions_A_Conceptual_Review)>  
accessed 28 February 2025

For example, foreign businesses can help local businesses increase their operational efficiency by bringing with them advanced technology, R&D capabilities, and management techniques. In industries with intense global competition where staying ahead of technological trends is critical, such as manufacturing, information technology, and pharmaceuticals, this knowledge transfer is particularly important.

### **CORPORATE GOVERNANCE CONSIDERATIONS IN M&A: A PATHWAY TO ETHICAL AND FINANCIAL SUCCESS**

In M&A, corporate governance refers to the setup in terms of principles and processes governing decision-making, oversight, and accountability about both the acquiring and the target company. Good governance during these transactions would entail putting strong due diligence, active involvement of boards, transparent communication with the shareholders, adherence to regulatory standards, as well as a clear alignment with long-term corporate strategy.

Each of these elements plays an important role in risk management and maintaining the integrity of the process. Due diligence and accountability in corporate governance, as far as M&A is concerned, can be considered crucial in revealing the risks, obligations, and synergetic possibilities present that are going to assist the companies involved in making their decisions.

This is the phase in which the acquiring firm gets to ascertain the financial, operational, and strength or weakness position of the target before going all the way with it. Corporate governance also directs boards to undertake adequate due diligence, which is likely to result in the identification of unforeseen liabilities that harm the value of the shareholders. Companies might face operational and/or financial setbacks, leading to a loss of shareholder confidence due to a lack of due diligence management.

The board of directors plays a crucial role in upholding the standards of governance in the M&A transactions, providing oversight and aligning decisions with the company's strategic goals and shareholder interests. Independent experienced members on the boards should bring impartial perspectives and solve possible conflicts of interest, especially when

executives may lend favour to personal gains. This process goes beyond determining estimated synergies to looking at the risk that could jeopardise the success of a transaction.

Consequently, while corporate governance serves as a vehicle for maximising shareholder interests, transparency in mergers and acquisitions ensures the same protection. Most corporate governance frameworks point to constant communication with shareholders, informing them of the strategic value, risks, and anticipated results of the transaction. Most importantly, it is effective in managing investor confidence because the absence of transparency results in information asymmetry, meaning that shareholders feel that decisions are more beneficial to them.<sup>2</sup>

Regulatory compliance and adherence to ethical standards are other important aspects of corporate governance regarding M&A activities. The geographical location of two companies in different states creates a multitude of regulations that do not cover specific national boundaries. Good corporate governance will ensure that both bodies are compliant with these laws to prevent breaches of statutory or ethical violations that may ruin one's reputation and come with costly penalties.

Above all, strategic alignment with long-term value creation is the core objective in terms of corporate governance for mergers and acquisitions. Assessment of whether an acquisition or merger is in line with the vision and long-term goals of a company should be made by the board. With thorough oversight, transparency, compliance with regulations, and strategic alignment, corporate governance is very rewarding in making a successful M&A process that would eventually promote an environment in which growth is possible alongside value creation.

## **MERGERS, DEMERGERS, AND CORPORATE RESTRUCTURING: STRATEGIC PATHWAYS FOR CORPORATE DIVERSIFICATION THROUGH M&AS**

This strategy helps companies adopt specific measures, adapt to competing environments, or increase operational focus and shareholder value from cross-border strategic corporate restructuring techniques like mergers, demergers, and spin-offs. Mergers would be a

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<sup>2</sup> Rui Albuquerque et al., 'International Corporate Governance Spillovers: Evidence from Cross-Border Mergers and Acquisitions' (2018) 32(2) Oxford Academic  
<[https://research.unl.pt/ws/portalfiles/portal/14312068/International\\_Corporate\\_Governance\\_Spillover\\_2018\\_03\\_26.pdf](https://research.unl.pt/ws/portalfiles/portal/14312068/International_Corporate_Governance_Spillover_2018_03_26.pdf)> accessed 28 February 2025

preferred approach for high-level cross-border transactions, as they enable rapid and efficient market, scale, and resource technology or operations pooling. However, whereas mergers primarily create shareholder value by generating synergies in terms of cost savings and increasing market access, they also bring with them the potential liability of foreignness. Collins and O'Connor, alluded to by the above-mentioned statement, denote foreignness liability to the potential problems any company might meet while integrating and operating in new foreign terrains, thus offsetting potential gains.

This is a demergers approach when companies want to focus their operations and make these operations more efficient. It can be especially useful to a company that is required to be compliant with multiple regional laws or even wants to set up operations specific to a given region to take such a targeted approach to cross-border demergers. Research has shown that such separation into entities has tended to increase the value of shareholders, since the entities can pursue their issues and objectives independently, and such an approach is much more self-reliant compared to complex conglomerates.

Corporate diversification by mergers or by demergers, such as internal company restructuring, provides a useful modality to resource consolidation and sharpening corporate portfolios. Mergers and acquisitions enable firms to cover a large expanse of ground in new markets fast, enhance product lines by diversifying inputs, and develop new technologies, thus becoming less reliant on single streams of revenue while opening doors for others.

It improves the sharing of knowledge and alignment of resources, thereby making the entire entity strong and flexible. In contrast, demergers and spin-offs serve to purify companies by separating disparate units of business to give more attention to the respective core operations and better utilisation of resources according to their requirements.

Such a separation allows every entity to refine its competitive position and appeal to specific targeted investors, and provides better flexibility in case of market fluctuations. Streamlining can also create synergies further from risky elements and align it according to regional rules

to provide some insulation of the core business from compliance issues.<sup>3</sup> Thus, from all these incoming approaches, corporate diversification through mergers, demergers, and restructuring adds to its agility and quality of the overall organisation in general. This is not just a firm endeavour towards sustainable growth, but also tremendous value to shareholders on a long-term basis.

## **KEY CONSIDERATIONS IN CROSS-BORDER M&A: DUE DILIGENCE, VALUATION, AND REGULATORY COMPLIANCE**

Global mergers and acquisitions (M&A) can be a challenge for finance, law, and operations professionals. The process of investigation, estimation, and accounting is the most important part to evaluate the financial state of the target company, discover the risks and make sure that the deal corresponds to the strategic goals of the company. They provide acquirers with a systematic procedure of risk identification, accurate cost assessment of the target, and compliance with accounting standards and regulations in all jurisdictions.<sup>4</sup>

There needs to be a coordinated compliance strategy that includes any external advisers and involves all compliance teams, alongside compliant processes, to perform due diligence on every aspect of the target country's operation: regulatory and financial, cultural and operational. However effective this may be in lowering the risks, it also introduces delays and hurdles that can impede the process. To satisfactorily address the issues of regulatory and compliance complexities, organisations often establish dedicated teams focusing solely on cross-border M&As. In addition to that, they will conduct further regulatory investigations on a case-by-case basis in the target country on other issues such as foreign investments, antitrust laws, labour standards, and environmental policies.<sup>5</sup>

The engagement of outside consultants, especially highly qualified legal and accounting firms that offer specialist knowledge, is common due to the complex nature of cross-border M&As. Standardisation processes in due diligence are proven to effectively improve the wealth and stability of companies. Such a standardisation framework that assesses possible

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<sup>3</sup> Arnab Sarangi and Amrisha Mitra, 'Cross Border Mergers' (2025) 8(1) International Journal of Law Management and Humanities <<https://ijlmh.com/wp-content/uploads/Cross-Border-Mergers.pdf>> accessed 28 February 2025

<sup>4</sup> Alan M. Rugman and Alain Verbeke, 'Extending the Theory of the Multinational Enterprise: Internalisation and Strategic Management Perspectives' (2003) 34 (2) Journal of International Business Studies <<http://dx.doi.org/10.1057/palgrave.jibs.8400012>> accessed 28th February 2025

<sup>5</sup> *Ibid*

acquisitions from financial, legal, operational, and cultural viewpoints allows businesses to identify and mitigate risks, speed up the decision-making process, and optimise resources.<sup>6</sup>

These structured methodologies can ensure the highest standards in deal evaluations, minimise chances of extremely expensive after-the-merger hiccups, and set down the rules of engagement to avoid legal and financial risks. Smoother integration after the merger is now a reality with standardisation, enabling operational gains and increased revenue. Meanwhile, transparent and reliable due diligence processes build investor trust and create shareholder value to improve the company's image and long-term financial health.<sup>7</sup> Quite simply, this means that standardised due diligence allows companies to make informed acquisition decisions at lower risk, thus ensuring sustainable growth and strong economic performance.

### **CROSS-BORDER M&AS AS A MODE OF ENTRY IN A FOREIGN MARKET**

For internationalisation, the world is becoming very famous for cross-border mergers and acquisitions (M&A) enterprises. With this, firms can invest in a market-formed company with the required knowledge and other market assets and distribution networks rather than establishing a new market with greenfield investment. Thus, it is the most accepted way to internationalise quickly and within a short period, as it helps overcome entry barriers.

A cross-border M&A is mainly strategic for big firms. It also enables them to find a competitive edge when seeking to penetrate international markets. International expansions through M&A are meant to achieve synergies in resources, capabilities, and market positioning, according to Hitt.<sup>8</sup>

Cross-border merger and acquisition (M&A) strategy also holds several strategic benefits for such companies looking forward to global expansion. For example, they get direct access to new markets and customers. Companies quickly penetrate the foreign market and avail their

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<sup>6</sup> 'Legal Aspects of Cross-Border Mergers and Acquisitions (M&As) in India' (King Stubb & Kasiva, 22 July 2024) <<https://ksandk.com/mergers-acquisition/legal-cros-mergers-and-acquisitions/>> accessed 27 February 2025

<sup>7</sup> Andrew Sherman, *Mergers and Acquisitions from A to Z* (HarperCollins Leadership 2018)

<sup>8</sup> Michael A. Hitt, *Strategic Management: Concepts and Cases: Competitiveness and Globalization* (Cengage Learning 2013)



brands to existing customers in that territory without investing heavily in infrastructure before recognition of brands takes place.

Mostly, it is important in some industries where it is paramount that a company should become the first one in the market, or even if the company tries to enter the market, it faces legal or structural barriers or strong local competition. Another important issue to look at is resource and knowledge acquisition.

Through M&AS and alliances, companies would be able to acquire some of the super valuable resources, technologies, or expertise that would otherwise have taken them long or may have proved impossible to develop internally.<sup>9</sup>

As Chakrabarti states, firms engaged in cross-border M&AS can gain technological know-how, management practices, or intellectual property, which helps them boost their innovation capabilities and operational efficiencies. On the other hand, cross-border M&AS are a supplementary diversification avenue, that is, geographical and product diversification.<sup>10</sup>

According to Caves, such transactions make it possible for firms to lower their risk exposure through diversification across different markets and regions, offering a hedge against economic volatility in their home markets.<sup>11</sup> However, the influence of strategic assets and competitive positioning is indeed very important in cross-border M&A. Acquiring foreign companies with strong strategic assets, e.g., a well-loved brand, cutting-edge tech, or exclusive patents, puts the buyer ahead of the global competition curve.

Moreover, they serve as a source of growth through innovative products and services, new customer segments, and increased market access, thereby creating entry barriers for competitors. Thus, the acquirer company significantly consolidates its influence in the global sales. The positioning in the international marketplace made possible by mergers and

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<sup>9</sup> Gautam Ahuja and Riitta Katila, 'Technological acquisitions and the innovation performance of acquiring firms: A longitudinal study' (2001) 22(3) Strategic Management Journal

<<https://web.stanford.edu/~rkatila/new/pdf/Katilaacquisitions.pdf>> accessed 1 March 2025

<sup>10</sup> Cioli Valentina et al., 'Cross-Border M&A and Financial Performance: Empirical Evidence on Bidder/Target Companies' (2020) 15(4) International Journal of Business and Management

<<http://dx.doi.org/10.5539/ijbm.v15n4p67>> accessed 26 February 2025

<sup>11</sup> Richard E Caves, *Multinational Enterprise and Economic Analysis* (Cambridge University Press 1982)

acquisitions will help the company take full advantage of the market and the assets of the target company, thus leading to overall competitiveness in the global market.

## COMPARATIVE ANALYSIS OF REGULATORY FRAMEWORKS FOR CROSS-BORDER MERGERS AND ACQUISITIONS IN INDIA, THE US, AND THE UK

Cross-border mergers and acquisitions (M&A) are essential for the promotion of global economic integration, but are also guided by diverse regulatory frameworks that, in their way, can significantly impact their operational ease and efficiency. About their regulatory frameworks, India, the United States, and the United Kingdom present different perspectives on cross-border mergers and acquisitions, albeit the major objectives for investor protection, competition, and national security remain the same. The specifics of the legal regime, transparency, and enforcement bodies, however, differ.<sup>12</sup>

India has Complex and Intertwined regulations. By way of various sets of norms, Indian law governs cross-border mergers and acquisitions assigned to a complex and regulatory structure. The Companies Act, 2013 (Section 234) enables merging Indian companies with foreign companies after obtaining consent from the Reserve Bank of India (RBI) and other authorities, rendering the process too lengthy and enduring.

The SEBI (SAST) Regulations protect shareholders through mandatory open offers and disclosure of information, and the apparatus of foreign investment and capital flows is governed under the Foreign Exchange Management Act (FEMA). In cases concerning foreign investment in defence and sensitive areas such as telecom, investors may be restricted on the grounds of national security.

Some of the challenges include the complicated nature of the approval process, whereby several regulatory bodies must pass the proposal, and sectoral restrictions discouraging foreign investors; cumbersome compliance arising from regulations like SAST open offer requirements; and sectoral restrictions may be warranted.

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<sup>12</sup> *Ibid*

It is pertinent to bring reforms whereby India will streamline approval processes and align regulations across different agencies while providing clarity to foreign investors regarding these guidelines for enhancing transparency and reducing any uncertainty.

The UK's M&A regime is one of the more flexible ones in comparison with others, with strong anti-competition and national security scrutiny. The measures are intended to optimise common shareholder rights, transparency, and national security concerns.

Major regulations applicable to the conduct of M&A transactions include Companies Act 2006, representing the very legal foundation for the corporate merger and shareholders rights; the Takeover Code administered by the Panel on Takeovers and Mergers (PTM) covering fair and transparent conduct into the field of takeover; and Competition and Markets Authority (CMA) reviews of big merger transactions from the standpoint of anti-competitive considerations.<sup>13</sup>

The National Security and Investment Act 2021 has initiated a remarkable shift in how foreign investments are assessed in the UK, particularly concerning sectors deemed important for national security. Very high are reflections on assumptions bound to foreign interest impacting industries associated with national security, defence, energy, and critical national infrastructure.<sup>14</sup>

There is a high degree of reflection about growing apprehensions over foreign influence on national security-sensitive industries, mainly defense, energy, and critical infrastructure; however, one essential factor impeding smooth functioning within the UK regulatory framework is the overlap between the CMA and the National Security and Investment Act that deal with anti-competitive questions as well as with issues of national security.

So, both CMA and the government's national security teams consider the same transaction concerning anti-competitive or national security-related risks, causing inefficiencies, delays, and complications for foreign investors. Such overlap in assessments creates duplication and

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<sup>13</sup> Dr. Subhash Kumar, 'Insights of cross-border mergers and acquisition in India' (2023) 9(4) International Journal of Law <<https://www.lawjournals.org/assets/archives/2023/vol9issue4/9085-1689419918562.pdf>> accessed 08 March 2025

<sup>14</sup> Ayush Tiwari, 'A Critical Appraisal of Cross-Border Mergers and Acquisitions in India' (2022) 4(3) Indian Journal of Law and Legal Research <<https://archive.ijlrr.com/post/a-critical-appraisal-of-cross-border-mergers-and-acquisitions-in-india>> accessed 01 March 2025

conflicting opinions, consequently rendering the process less transparent and increasing the burden of regulations on foreign companies.

The U.S. regulatory framework for cross-border mergers and acquisitions (M&AS) is market-driven and ceaselessly looks at competition with national security as an afterthought. It now boasts of two important enforcement tools: the Hart-Scott-Rodino Antitrust Improvements Act (HSR Act), which requires pre-merger notifications for large transactions to assess anti-competitive risks, and the SEC rules that ensure transparency and fairness in disclosures; CFIUS is concerned with the screening of foreign investments in specific sensitive sectors concerning national security, while the enforcement of antitrust law is in the domain of the FTC. However, which inefficiencies and delays have arisen due to the overlap of review by the FTC with that of CFIUS?

While fair and equitable in operation in cross-border M&AS, they still have room for improvement in India, the US, and the UK. In India, there is a need to simplify and harmonise regulatory processes across the agencies to cut delays and compliance burden. The US stands to gain from some predictability in the CFIUS review process and streamlining antitrust review for smaller transactions.

The UK could more efficiently resolve regulatory processes by addressing overlap issues between national security and anti-competition reviews. A far more coordinated and transparent process across these jurisdictions concerning cross-border M&A regulation would enhance predictability, reduce transaction costs, and provide incentives for other cross-border investments to flow in.

## **CROSS-BORDER AND DOMESTIC ACQUISITIONS: A COMPARATIVE STUDY ON MARKET ENTRY APPROACHES**

Understanding cross-border and domestic acquisitions as entry strategies requires an appreciation of all the differences they embody. Domestic acquisitions are those by which firms can grow in familiar markets and thus reduce the complexities of cross-cultural integration or regulatory hurdles.<sup>15</sup> Here, the firm usually benefits from established

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<sup>15</sup> En Xie et al., 'Country-specific determinants of cross-border mergers and acquisitions: A comprehensive review and future research directions' (2017) 52(2) *Journal of World Bussiness*  
<<https://doi.org/10.1016/j.jwb.2016.12.005>> accessed 3 March 2025

relationships, common legal frameworks, and similar market dynamics. Companies involved in domestic acquisitions could otherwise gain efficiencies through economies of scale, perhaps give themselves a better-for-market stature, and reduce risk regarding cultural misalignment. According to the scholars, domestic acquisitions are more predictable and easier to integrate since the companies are in a known environment, where they are much less likely to face local governance, regulatory, or cultural issues.

Cross-border acquisitions offer a very tempting option in situations that are fairly complex from an international perspective.<sup>16</sup> For firms intending to accomplish their expansion into global markets or pursue portfolio diversification.<sup>17</sup> Cross-border acquisitions allow firms to enter foreign markets, access resources, and tap into growth opportunities arising in particular from emerging economies.

For entering a fast-moving market, this offers strategic advantages, such as reaching new consumer bases and attaining local talent or production capabilities. Gubbi & Zaheer state that challenges such as regulatory mismatches, cultural differences, and foreign legal requirements complicate the integration process and affect long-term success.<sup>18</sup>

An acquisition in a high-risk or emerging market would expose the company to substantive currency risks, affecting its return on investment.<sup>19</sup> As Eun and Resnick suggest, foreign exchange risk is one major challenge for international acquirers in that exchange rate movements would unpredictably affect the expected financial results of the acquisition.<sup>20</sup>

Having understood these risks, the subsequent opportunities of cross-border acquisitions provide global market or innovation access and strategic diversification, which would be invaluable. Thus, companies wishing to diversify their reliance on a single market or diversify their revenue streams would find immense benefits in foreign acquisition. Entering

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<sup>16</sup> Bülent Aybar and Aysun Ficici, 'Cross-Border Acquisitions and Firm Value: An Analysis of Emerging-Market Multinationals' (2009) 40(8) *Journal of International Business Studies* <<https://www.jstor.org/stable/27752449>> accessed 03 March 2025

<sup>17</sup> Olivier Bertrand and Habib Zitouna, 'Domestic versus cross-border acquisitions: which impact on the target firms' performance?' (2011) 40(17) *Applied Economics* <<https://doi.org/10.1080/00036840600949397>> accessed 03 March 2025

<sup>18</sup> *Ibid*

<sup>19</sup> Aaliya Chug, 'AN EXPLORATORY STUDY ON MERGERS AND ACQUISITIONS OF MULTINATIONAL COMPANIES WITH SPECIAL REFERENCE TO INDIA AND THE LEGALITIES INVOLVED' (2023) 8(6) *International Journal of Social Science and Economic Research* <<http://dx.doi.org/10.46609/IJSSER.2023.v08i06.030>> accessed 08 March 2025

<sup>20</sup> Cheol S. Eun et al., *International Financial Management* (McGraw Hill LLC 2015)

new geographical areas could help companies balance their risk by distributing operations across various markets, thus tempering the effect of economic downturns in any one region.<sup>21</sup>

## SUGGESTIONS

They give the globalisation of mergers and acquisitions (M&AS); hence, the standard common, cross-jurisdictional due diligence frameworks could be developed by the companies for a convenient risk evaluation, reducing the chances of legal or financial complications and making M&A outcomes more predictable. At the same time, there needs to be an enhanced regional collaboration for countries to harmonise.

M&A regulation so that a cross-border approach becomes more predictable and streamlined. Through collaborative agreements, the governments could also work towards establishing uniform standards, particularly in the hot areas of national security and antitrust laws, thereby earning a reputation for bringing about greater investment confidence.

Such organisations operating in foreign markets have developed extremely active strategies for confronting the two most general forms of currency and market volatility, especially in foreign investments. Financial tools regarding hedging and long-term planning to prepare for economic transitions as savings in investment returns, besides contributing to overall financial adaptability, are important. Such actions will be very vital in ensuring that cross-border operations grow and are made even more resilient in a very intensely globalised economy.

## CONCLUSION

Mergers and acquisitions (M&AS), especially when multinational, have become the major engines for growth, global integration, and competitive positioning. For, indeed, what do M&AS offer in an economy today beyond immediate market access and the fast-tracking entry to the latest technologies, special technical know-how, and strategic resources that could otherwise be incredibly time-consuming and almost impossible to develop or glean within a company on its own?

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<sup>21</sup> Katsuhiko Shimizu et al., 'Theoretical foundations of cross-border mergers and acquisitions: A Review of Current Research and recommendations for the future' (2004) 10(3) *Journal of International Management* <<https://doi.org/10.1016/j.intman.2004.05.005>> accessed 04 March 2025

With these activities, firms can also capitalise on their competencies, expand their product lines, and enhance operational performance. Cross-border M&AS become increasingly important as they allow a company to avoid what would otherwise be very costly and time-consuming barriers to entry into new marketplaces, reducing all the overhead costs associated with organic growth options. Instead of creating a new business in a foreign country from scratch, an acquisition or merger allows companies to gain instant access to local customer bases, distribution networks, and recognised brand equity.

By taking a stake in or acquiring firms in mature markets, Indian manufacturers accrue specialised capacities not just in R&D but also in advanced production techniques—from capabilities that otherwise cannot be accessed in the homeland.

These foreign direct investments actualise the industrial development know-how created for great-impact locales in the country. They also understood that if they needed to invest in India, foreign enterprises would be attracted to India for profitable investment because of its huge consumer market, cheap labour, and its fast-growing middle class; thus, India is becoming more and more a destination of choice for their business expansion.

Overall, cross-border mergers and acquisitions are symbiotic for both the developed economies and the emerging economies in terms of modernisation. Thus, cross-border M&AS will remain a critical part of economic globalisation for all these reasons and provide a vehicle for integrating economies more closely around the world.