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**LONG RUN FINANCIAL PERFORMANCE  
OF CROSS BORDER ACQUISITIONS OF  
INDIAN ACQUIRING COMPANIES**

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*The present study seeks to assess the acquiring company announcement gains, and determinants thereof, in domestic and cross border acquisitions in India. For this purpose, 268 acquisitions comprising of 202 cross border acquisitions and 66 domestic acquisitions constitute the sample set. Standard event study methodology has been employed for computing the announcement returns. Further, regression analysis has been conducted to assess the sources of wealth gains in domestic and cross border acquisition. The results of event study indicate that cross border acquisitions have created significantly higher wealth gains than the domestic ones. Further, the results of regression analysis highlight that cross border acquisitions, pursued by the acquiring companies in technology intensive sector, for the target companies also in technology intensive sector, create superior wealth gains. The reason being, such cross border acquisitions provide an opportunity to the acquiring company to combine and judiciously utilize intangible resources of both the companies on a broader scale across new geographies. Thus, the study contributes to the existing literature on internalization theory by extending it to an emerging market like India.*

**Keywords:** *Mergers and acquisitions, Cross border acquisitions; Domestic acquisitions; Market imperfections; Bid specific factors; Internalization; India*

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