The sweeping wave of globalization and liberalization has changed the face of business world. Companies have started to alter their strategies so as to compete in the global arena. Cross-border Merger and Acquisition has lately become the key mode for firms to extend their foot space geographically. Hence this research tries to reason out whether Cross-border Merger and Acquisitions have proved to be the best option for expansion for companies.

This research focuses on Cross-Border Acquisitions made by Indian firms around the 2007 US credit crisis. The deals selected for study dated back to 2007 as the crisis increased the investment potential of developing countries like India. Further, this research tries to gauge the efficiency of the acquisition decision taken by Indian firms when there was abundance of investment opportunity. In this regard, change in financial performance of the Indian acquirers post-acquisition was compared with the pre-acquisition period. Wilcoxon Signed Rank Test was used to compare the financial performance based on ratios. Financial efficiency of the Indian acquirers after acquisition was measured using Independent sample t – test. Event study methodology was performed to examine the acquiring company’s stock price reactions to the acquisition announcement. Regression was run to identify the macro economic factors that influenced Indian cross-border acquisitions since 1992.

In addition, an opinion survey was conducted to analyze the employee’s perception regarding the implications of cross border acquisitions. Percentage analysis was used to rate the organizational and strategic changes experienced by the employees post acquisition and results were represented graphically. The sample comprised of 36 senior level and 143 junior level employees employed in top three IT companies based in Chennai.

In brief, it is concluded that the Indian companies acquired foreign companies when India’s GDP is high; the value of Indian rupee is more which means when the rupee is appreciated in the Forex market, and when the inflationary rate is low. In the post-acquisition period, the organization can have better performance purely based on their financial position and their strategic decisions. Updation in technology and infrastructure facility is the major priority of Indian acquirer’s in the IT and ITES sector to go for cross-border acquisitions and the impact of the acquisition on the acquirer’s employees was found to be minimal.

Keywords: Cross-Border Acquisitions, Financial Assessment, Event study Methodology, Employee Perception.