

**CAPITAL STRUCTURE DECISIONS IN CROSS-BORDER MERGERS AND
ACQUISITIONS: AN EMPIRICAL ANALYSIS**

AKANKSHA JAIN



**DEPARTMENT OF MANAGEMENT STUDIES
INDIAN INSTITUTE OF TECHNOLOGY DELHI
APRIL 2026**

© Indian Institute of Technology Delhi (IITD), New Delhi, 2026

**CAPITAL STRUCTURE DECISIONS IN CROSS-BORDER MERGERS AND
ACQUISITIONS: AN EMPIRICAL ANALYSIS**

by

AKANKSHA JAIN

Department of Management Studies

Submitted

in fulfillment of the requirements of the degree of Doctor of Philosophy

to the



Indian Institute of Technology Delhi

April 2026

Dedicated to my parents and my husband
for their endless love and constant support throughout the journey.

CERTIFICATE

The thesis titled, “Capital Structure Decisions in Cross-Border Mergers and Acquisitions: An Empirical Analysis”, being submitted by Ms. Akanksha Jain to the Indian Institute of Technology Delhi, for the award of the degree of Doctor of Philosophy is a record of bonafide research work carried out by her. She has worked under our guidance and supervision and has fulfilled all the requirements for the submission of this thesis, which has attained the standard required for a Ph.D. degree at this institute. The results presented in this thesis have not been submitted elsewhere for the award of any degree or diploma.

Dr. Smita Kashiramka
Professor
Department of Management Studies
Indian Institute of Technology
Delhi

Dr. Sonali Jain
Associate Professor
Department of Management Studies
Indian Institute of Technology
Delhi

ACKNOWLEDGEMENTS

The whole life turns around when I start recounting the blessings of God all throughout in enabling me reach this milestone of submission of my doctoral thesis at the prestigious Department of Management Studies in Indian Institute of Technology, Delhi. The divine blessings and the drive of the family, academic professionals, senior and fellow research scholars, and friends, have given me the passion to navigate this path in a seamless manner.

My dream of pursuing research under the able guidance of accomplished scholars and academicians, unfolded into reality as I stepped under the skilled guidance of my learned research supervisors – Prof. Smita Kashiramka and Prof. Sonali Jain. I fall short of words in expressing my heartfelt gratitude to my research supervisors for laying a well-crafted steady path of my holistic learning in this journey. They instilled in me the spirit to focus on each step along the way for achieving the objectives of this research. The vision and consistent motivation of Prof. Smita Kashiramka and Prof. Sonali Jain have indeed shaped up my instinct of study and analysis towards a tangible outcome.

I earnestly thank Prof. Shveta Singh (Chairperson, SRC), Prof. Amlendu Kumar Dubey (Internal Expert, SRC) and Prof. Ankush Agrawal (HUSS) (External Expert, SRC) for their perspective insight and invaluable advice to facilitate a focused presentation of my research work.

I have been privileged in getting fatherly guidance from Prof. P.K. Jain – a highly renowned financial expert, for his proficient insights for meaningful financial analysis in streamlining the orientation of my research work. I shall always be indebted to respected Sir for my professional grooming.

This journey would have been an arduous task but for the generous support of my Senior Researchers – Dr. Samta Jain, Dr. Dhulika Arora, Dr. Yukti Bajaj and Dr. Juhi Gupta. I am

eternally grateful to all of them for the wisdom shared by them in understanding the concepts and deliberating the possible solutions of the challenges encountered in pursuance of the subject research. In fact, Dr. Juhi Gupta has been my mentor in this professional pursuit. She has done my handholding since day one. I am also obliged to Dr. Neeraj Jain, senior researcher, for his insight on the basics in drafting of research papers. There has been immense support from Dr. Sugandh Ahuja in extending her help for understanding the concepts of econometrics with reasoning. I also extend my thanks to Dr. Bhavya Srivastava for her unwavering help in guiding through the processes at every stage of my research activity.

I also take this opportunity to heartily appreciate my friends and peers/fellow Researchers – Ms. Priyam Mendiratta, Dr. Tusharika Mahna, Dr. Diksha Lalwani and Ms. Neha Gupta, who have always extended their supportive hand and to guide me out of the darkness of despair and navigating through challenging times.

Looking back at my life, I feel proud to be blessed with the consistent support and motivation of my parents – Mr. Hemant Jain (father) and Ms. Loveleen Jain (mother). I always bank on my father as my eternal pillar of strength and my mother has ever been relieving me of the stress while backing me on all fronts of life.

I understand that my teachers and guides in my academic journey have given a definitive positive direction in my life, and I shall ever remain grateful to all of them.

My marital bond during the journey of my research has also been one of the challenging phase, but my husband – Mr. Sanchit Jain and all family members – Mr. Sanjeev Jain (father-in-law), Ms. Seema Jain (mother-in-law), Mr. Shubham Jain (brother-in-law) and his wife – Ms. Twinkle Jain, with the blessings of Dadi Maa, have been extremely supportive to instill the drive and passion in me for consistent pursuit of my dreams. I have been given my space to think and follow my passion with all my vigour and strength. Their firm support and co-

operation at all times have been the key factor in my achievement. I wholeheartedly wish to dedicate my thesis to all my family members.

Last but not the least, I am thankful to all the faculty members and research scholars of the Department for always maintaining a conducive interactive research environment and the administrative staff for their positive support.

As I express my gratitude to all who have been part of my professional journey, I realize that the highest appreciation can be not to utter words but to live with what I have been imparted as lessons of life.

I once again express my gratitude to everybody for every small step taken forward in my professional path.

ABSTRACT

Flexible and liberal trade practices, conducive regulatory framework and institutional environment of ease of doing business coupled with technological interventions and global integration, have paved the way for cross-border mergers and acquisitions (CBMA), gaining pre-eminence as a significant component of internationalization process. Over the years, mergers and acquisitions (M&A) have emerged as an important component of a firm's strategy for success and growth (Hitt et al., 2001). Cross-border mergers and acquisitions are identified as a direct mode of investment wherein two or more companies from different native countries come together, leading to the combination of firms (Lee, 2018). It is well known that the capital structure of a firm affects a company's long-term growth and value for the shareholders. This decision is quite significant in CBMA due to additional complexities (like political risk, currency risk, differences in institutional environment, cultural differences etc.) involved arising out of activity in another nation.

The present study is undertaken to examine the interplay of capital structure dynamics in CBMA undertaken by firms from emerging nations. There is a dearth of studies that investigate the impact of capital structure in cross-border mergers and acquisitions carried out by firms belonging to emerging nations. The analysis covers four aspects: firstly, estimating the capital structure and its speed of adjustment post the CBMA; secondly, examining the role of leverage in the choice of mode of financing, thirdly, investigating the impact of ownership structure on leverage, and finally, exploring the impact of leverage on performance and assessing post-acquisition performance of acquiring firms.

The ambit of the study is cross-border mergers and acquisitions undertaken by acquiring firms belonging to the top 20 emerging nations of the world. This classification of emerging nations is taken from IMF (International Monetary Fund). The period of the research work extends from 2009 to 2021. The final sample comprises of 1817 cross-border deals carried out by all

the emerging economies in the sample period. The secondary data utilized for the study is extracted from Refinitiv Eikon, Centre for Monitoring Indian Economy (CMIE) and World Development Indicators (WDI) (provided by World Bank). Multiple research techniques for the analysis have been used. These include system generalized method of moments to estimate capital structure speed of adjustment, logistic regression to probe the interrelationship between mode of payment and leverage, ordinary least squares regression to gauge the effect of leverage on performance and paired t-test to compare the pre- and post-acquisition financial performance of the firms.

The findings suggest that acquiring firms exhibit an adjustment mechanism towards their target debt ratio and emphasize the existence of dynamic trade-off theory for firms from emerging economies. Further, the speed of adjustment towards target capital structure is reported to be higher for firms belonging to market-based economies in relation to those belonging to bank-based economies. Next, we observe that high leverage ratios dissuade the firms from going for an all-cash financed deal. It is interesting to witness that firm size and liquidity exhibit a negative relationship with all-cash financed deals. Despite being large-sized and having adequate liquidity, a large set of acquirers from emerging nations demonstrate prudent behaviour while evaluating their financing decisions by paying heed to several critical factors like tax consideration, future investment opportunities, financial flexibility, and information asymmetry. Further, the study reveals that leverage has a significant negative impact on the post-acquisition performance of the acquirer, measured using ROA and ROE. Cultural differences are seen to hinder performance in the post-acquisition period. Additionally, it is observed that the post-acquisition performance for acquirers from emerging markets deteriorates, hinting towards failure in capturing synergistic gains in the time period of three years post-acquisition. Finally, we take the case of Indian acquirers to examine the impact of shareholding on capital structure. Promoter ownership is seen to have a positive impact on

leverage, while foreign ownership exerts a negative influence on leverage. The results show the capital structure speed of adjustment of around 30%-40% annually for Indian acquiring firms.

The findings have important implications for various stakeholders. Investors should ascertain the capital structure dynamics while giving due consideration to macro-level and firm-level factors to make a prudent financial decision before getting associated with any desired corporate firm, as it affects the returns available to them. The management of the acquiring companies must look at long-term growth trajectory and other benefits (apart from financial returns) arising out of the CBMA as performance deterioration in three years post-acquisition is observed for acquirers in emerging markets. The study further encourages financial managers to account for macroeconomic environment along with factors of size, tangibility, growth opportunities etc. while designing the capital structure of the firm and deciding upon the mode of payment in the deal. Policymakers in emerging economies must focus on improving the conduciveness and attractiveness of such nations to captivate more FDI flows to maximize benefit to the firm.

सार

लचीली और उदार व्यापार प्रथाओं, अनुकूल नियामक ढांचे और तकनीकी हस्तक्षेपों और वैश्विक एकीकरण के साथ मिलकर व्यापार करने में आसानी के संस्थागत वातावरण ने सीमा पार विलय और अधिग्रहण (CBMA) का मार्ग प्रशस्त किया है, जो अंतर्राष्ट्रीयकरण प्रक्रिया के एक महत्वपूर्ण घटक के रूप में पूर्व-प्रतिष्ठा प्राप्त कर रहा है। इन वर्षों में, विलय और अधिग्रहण (M&A) सफलता और विकास के लिए एक फर्म की रणनीति के एक महत्वपूर्ण घटक के रूप में उभरा है (हिट एट अल, 2001)। सीमा पार विलय और अधिग्रहण को निवेश के प्रत्यक्ष मोड के रूप में पहचाना जाता है जिसमें विभिन्न मूल देशों की दो या दो से अधिक कंपनियां एक साथ आती हैं, जिससे फर्मों का संयोजन होता है (ली, 2018)। यह सर्वविदित है कि एक फर्म की पूंजी संरचना शेयरधारकों के लिए कंपनी के दीर्घकालिक विकास और मूल्य को प्रभावित करती है। सीबीएमए में यह निर्णय अतिरिक्त जटिलताओं (जैसे राजनीतिक जोखिम, मुद्रा जोखिम, संस्थागत वातावरण में अंतर, सांस्कृतिक अंतर आदि) के कारण काफी महत्वपूर्ण है, जो किसी अन्य राष्ट्र में गतिविधि से उत्पन्न होता है। वर्तमान अध्ययन उभरते देशों की फर्मों द्वारा किए गए सीबीएमए में पूंजी संरचना गतिशीलता की परस्पर क्रिया की जांच करने के लिए किया जाता है। ऐसे अध्ययनों की कमी है जो उभरते देशों से संबंधित फर्मों द्वारा किए गए सीमा पार विलय और अधिग्रहण में पूंजी संरचना के प्रभाव की जांच करते हैं। विश्लेषण में चार पहलुओं को शामिल किया गया है: सबसे पहले, पूंजी संरचना का अनुमान लगाना और सीबीएमए के बाद समायोजन की इसकी गति; दूसरे, वित्तपोषण के तरीके की पसंद में उत्तोलन की भूमिका की जांच करना, तीसरा, उत्तोलन पर स्वामित्व संरचना के प्रभाव की जांच करना, और अंत में, प्रदर्शन पर उत्तोलन के प्रभाव की खोज करना और अधिग्रहण करने वाली फर्मों के अधिग्रहण के बाद के प्रदर्शन का आकलन करना। अध्ययन का दायरा दुनिया के शीर्ष 20 उभरते देशों से संबंधित फर्मों का अधिग्रहण करके किए गए सीमा पार विलय और अधिग्रहण है। उभरते देशों का यह वर्गीकरण आईएमएफ (अंतर्राष्ट्रीय मुद्रा कोष) से लिया गया है। शोध कार्य की अवधि 2009 से 2021 तक फैली हुई है। अंतिम नमूने में नमूना अवधि में सभी उभरती अर्थव्यवस्थाओं द्वारा किए गए 1817 सीमा पार सौदे शामिल हैं। अध्ययन के लिए उपयोग किए गए द्वितीयक डेटा को रिफाइनिटिव ईकॉन, सेंटर फॉर मॉनिटरिंग इंडियन इकोनॉमी (CMIE) और विश्व विकास संकेतक (WDI) (विश्व बैंक द्वारा प्रदान किया गया) से निकाला गया है। विश्लेषण के लिए कई शोध

तकनीकों का उपयोग किया गया है। इनमें पूंजी संरचना का अनुमान लगाने के लिए क्षणों की प्रणाली सामान्यीकृत विधि, समायोजन की गति, भुगतान के तरीके और उत्तोलन के बीच अंतर्संबंध की जांच करने के लिए लॉजिस्टिक प्रतिगमन, प्रदर्शन पर उत्तोलन के प्रभाव को मापने के लिए साधारण कम से कम वर्ग प्रतिगमन और फर्मों के पूर्व और अधिग्रहण के बाद वित्तीय प्रदर्शन की तुलना करने के लिए युग्मित टी-टेस्ट शामिल हैं।

निष्कर्ष बताते हैं कि अधिग्रहण करने वाली कंपनियां अपने लक्षित ऋण अनुपात के प्रति एक समायोजन तंत्र प्रदर्शित करती हैं और उभरती अर्थव्यवस्थाओं की फर्मों के लिए गतिशील व्यापार-बंद सिद्धांत के अस्तित्व पर जोर देती हैं। इसके अलावा, बैंक आधारित अर्थव्यवस्थाओं से संबंधित फर्मों की तुलना में बाजार आधारित अर्थव्यवस्थाओं से संबंधित फर्मों के लिए लक्षित पूंजी संरचना के प्रति समायोजन की गति अधिक बताई गई है। इसके बाद, हम देखते हैं कि उच्च उत्तोलन अनुपात फर्मों को ऑल-कैश फाइनेंस डील के लिए जाने से रोकते हैं। यह देखना दिलचस्प है कि फर्म का आकार और तरलता सभी नकद वित्तपोषित सौदों के साथ नकारात्मक संबंध प्रदर्शित करती है। बड़े आकार के होने और पर्याप्त तरलता होने के बावजूद, उभरते देशों के अधिग्रहणकर्ताओं का एक बड़ा समूह कर विचार, भविष्य के निवेश के अवसरों, वित्तीय लचीलेपन और सूचना विषमता जैसे कई महत्वपूर्ण कारकों पर ध्यान देकर अपने वित्तपोषण निर्णयों का मूल्यांकन करते समय विवेकपूर्ण व्यवहार प्रदर्शित करता है। इसके अलावा, अध्ययन से पता चलता है कि आरओए और आरओई का उपयोग करके मापा गया अधिग्रहणकर्ता के अधिग्रहण के बाद के प्रदर्शन पर उत्तोलन का महत्वपूर्ण नकारात्मक प्रभाव पड़ता है। अधिग्रहण के बाद की अवधि में सांस्कृतिक अंतर प्रदर्शन में बाधा डालते हैं। इसके अतिरिक्त, यह देखा गया है कि उभरते बाजारों से अधिग्रहणकर्ताओं के लिए अधिग्रहण के बाद का प्रदर्शन बिगड़ता है, जो अधिग्रहण के बाद तीन साल की अवधि में सहक्रियात्मक लाभ प्राप्त करने में विफलता की ओर इशारा करता है। अंत में, हम पूंजी संरचना पर शेयरधारिता के प्रभाव की जांच करने के लिए भारतीय अधिग्रहणकर्ताओं के मामले को लेते हैं। प्रमोटर स्वामित्व को उत्तोलन पर सकारात्मक प्रभाव पड़ता है, जबकि विदेशी स्वामित्व उत्तोलन पर नकारात्मक प्रभाव डालता है। परिणाम भारतीय अधिग्रहण फर्मों के लिए सालाना लगभग 30% -40% के समायोजन की पूंजी संरचना की गति दिखाते हैं। निष्कर्षों के विभिन्न हितधारकों के लिए महत्वपूर्ण निहितार्थ हैं। निवेशकों को किसी भी वांछित कॉर्पोरेट फर्म के साथ जुड़ने से पहले विवेकपूर्ण वित्तीय निर्णय लेने के लिए मैक्रो-लेवल और फर्म-स्तरीय कारकों पर उचित विचार करते हुए पूंजी संरचना की गतिशीलता का पता लगाना चाहिए, क्योंकि यह उनके

लिए उपलब्ध रिटर्न को प्रभावित करता है। अधिग्रहण करने वाली कंपनियों के प्रबंधन को सीबीएमए से उत्पन्न होने वाले दीर्घकालिक विकास प्रक्षेपवक्र और अन्य लाभों (वित्तीय रिटर्न के अलावा) को देखना चाहिए क्योंकि उभरते बाजारों में अधिग्रहणकर्ताओं के लिए अधिग्रहण के बाद तीन वर्षों में प्रदर्शन में गिरावट देखी गई है। अध्ययन आगे वित्तीय प्रबंधकों को फर्म की पूंजी संरचना को डिजाइन करते समय और सौदे में भुगतान के तरीके पर निर्णय लेते समय आकार, मूर्तता, विकास के अवसरों आदि के कारकों के साथ-साथ व्यापक आर्थिक वातावरण के लिए प्रोत्साहित करता है। उभरती अर्थव्यवस्थाओं में नीति निर्माताओं को ऐसे देशों की अनुकूलता और आकर्षण में सुधार करने पर ध्यान केंद्रित करना चाहिए ताकि फर्म को अधिकतम लाभ पहुंचाने के लिए अधिक एफडीआई प्रवाह को आकर्षित किया जा सके।

TABLE OF CONTENTS

Certificate	i
Acknowledgements	ii
Abstract	v
List of Figures	xv
List of Tables	xvi
List of Appendices	xviii
Abbreviations	xix
Chapter 1: Introduction to the study	1
1.1 Introduction	1
1.2 Overview of Mergers and Acquisitions (M&A)	6
1.2.1 Merger waves	6
1.2.2 M&A theories	6
1.3 Capital structure theories	8
1.4 Research gaps and relevance of the study	9
1.5 Scope of the study	11
1.6 Motivation and significance of the study	14
1.7 Organization of thesis	17
Chapter 2: Literature review	18
2.1 Estimation of capital structure and speed of adjustment	18
2.2 Capital structure and method of payment	21
2.3 Capital structure and firm performance	26
2.4 Capital structure and ownership structure	29
2.5 Research gaps	38
2.6 Concluding observations	42
Chapter 3: Research Methodology	43
3.1 Hypotheses development	43
3.1.1 Estimation of capital structure	43
3.1.2 Capital structure and method of payment	45
3.1.3 Capital structure and firm performance	47
3.1.4 Capital structure and ownership structure	49
3.2 Research questions	50

3.3 Research objectives	51
3.4 Sample selection	51
3.5 Data screening	53
3.6 Categorization of sample	54
3.7 Deal attributes	57
3.8 Variable construction	59
3.9 Research methodology and econometric framework	68
3.9.1 Standard partial adjustment mechanism	69
3.9.2 System generalized method of moments (System GMM)	70
3.9.3 Diagnostic tests for GMM	71
3.9.4 Statistical software	72
3.10 Concluding observations	72
Chapter 4: Determinants of capital structure in CBMA	74
4.1 Adjustment mechanism	74
4.2 Distribution of deals	75
4.3 Variables and expected relationship	76
4.4 Model specification and econometric technique	81
4.5 Empirical findings	82
4.5.1 Summary statistics	82
4.5.2 Estimates of capital structure and its speed of adjustment	83
4.6 Additional analysis	88
4.6.1 Measurement of SOA of capital structure across different time periods	88
4.6.2 Disaggregate analysis based on the financial system	90
4.7 Robustness tests	92
4.7.1 Alternate measures of leverage	93
4.7.2 Alternate estimation techniques	95
4.8 Concluding observations	97
Chapter 5: Capital structure and method of payment in CBMA	104
5.1 Method of payment in CBMA	104
5.2 Methodology	106
5.3 Empirical findings	109
5.3.1 Summary statistics	109

5.3.2 Effect of acquirer's leverage, size, and liquidity on method of financing in CBMA	111
5.4 BRICS Sub-sample analysis	116
5.5 Disaggregate analysis	119
5.5.1 Financial system of the acquirer country	119
5.5.2 Development status of the target country	122
5.6 Effect of covid period on payment mode in CBMA	125
5.7 Robustness Checks	128
5.7.1 Alternate techniques for regression model	128
5.7.2 Alternative measure of the dependent variable	132
5.8 Concluding observations	135
Chapter 6: Capital structure and firm performance in CBMA	139
6.1 Background	139
6.2 Variable description	141
6.3 Model specification and econometric technique	142
6.4 Empirical findings on impact of leverage on performance	144
6.4.1 Summary statistics	144
6.4.2 Results of the regression model	145
6.4.3 Disaggregate analysis	147
6.5 Evaluation of long-run performance of acquirers	150
6.6 Concluding observations	152
Chapter 7: Capital structure and ownership structure: A case of India	156
7.1 Ownership pattern: Indian context	156
7.2 Data description and variables used	158
7.2.1 Data description	158
7.2.2 Variable description	160
7.3 Econometric model and regression equations	163
7.4 Empirical findings	164
7.4.1 Summary statistics	164
7.4.2 Impact of ownership structure on capital structure	166
7.5 Additional analysis	170
7.5.1 Impact of ownership structure on leverage across different time periods	170
7.6 Robustness tests	173

7.6.1 Alternate measures of leverage	174
7.6.2 Alternate measure of ownership structure	176
7.7 Concluding observations	179
Chapter 8: Conclusions and recommendations	183
8.1 Key findings of the study	183
8.1.1 Estimation of capital structure and its speed of adjustment	183
8.1.2 Influence of leverage on mode of financing the deal	184
8.1.3 Impact of leverage on acquirer's performance and assessment of long-run post-acquisition performance	186
8.1.4 Impact of form of ownership on capital structure choice for Indian acquirers	186
8.2 Recommendations	187
8.3 Contributions, limitations, and future scope	189
8.3.1 Contribution of the study	189
8.3.2 Limitations and future scope of work	191
8.4 Concluding observations	192
References	193
Curriculum Vitae	231

LIST OF FIGURES

Figure Number	Title	Page
Figure 1.1	Tata Steel's acquisition of Corus Group Plc.	2
Figure 1.2	Cross-border mergers and acquisitions by emerging nations	12
Figure 1.3	GDP of the sample emerging countries from 2009 to 2021	13
Figure 1.4	Country-wise number of articles on CBMA	14
Figure 2.1	Keyword co-occurrence network on cross-border mergers and acquisitions	39
Figure 3.1	Outline of research methodology	73
Figure 5.1	Comparison of GDP growth rates of BRICS nations with the world	117
Figure 5.2	Number of CBMA from emerging nations from 2009 to 2021 on the basis of target country's development status	122
Figure 7.1	Outbound FDI (as a % of GDP) for India and world	159
Figure 7.2	Sector-wise classification of acquiring firms	159
Figure 7.3	Promoter ownership pattern of Indian acquirers from 2010 to 2023	166
Figure 7.4	Foreign ownership pattern of Indian acquirers from 2010 to 2023	166
Figure 7.5	Non-promoter ownership pattern of Indian acquirers from 2010 to 2023	177

LIST OF TABLES

Table Number	Title	Page
Table 1.1	List of sample countries	11
Table 2.1	Summary of select studies	33
Table 3.1	Research questions, objectives, and testable hypotheses	51
Table 3.2	Acquirer country classification based on financial structure	55
Table 3.3	Sector-wise classification of CBMA deals	56
Table 3.4	Sample classification based on deal attributes	58
Table 3.5	Variables used in the study	64
Table 3.6	Method of testing the hypotheses	69
Table 4.1	Country-wise classification of CBMA deals in the sample	76
Table 4.2	Variables used to determine the capital structure	79
Table 4.3	Descriptive statistics	83
Table 4.4	Post-acquisition SOA of acquirers	85
Table 4.5	Estimation of capital structure speed of adjustment	86
Table 4.6	Post-acquisition SOA of acquirer across different time periods	89
Table 4.7	Heterogeneity of SOA across market-based and bank-based economies	91
Table 4.8	Robustness tests using alternate proxies of leverage	94
Table 4.9	Robustness tests using alternate estimation techniques	96
Table 5.1	Method of payment used in CBMA deals from 2009 to 2021	105
Table 5.2	Variables used to determine the mode of payment at the time of deal	108
Table 5.3	Summary Statistics	110
Table 5.4	Regression results for the effect of leverage, size, and liquidity on payment mode in CBMA	112
Table 5.5	Regression results for the effect of leverage, size, and liquidity on payment mode in CBMA by BRICS nations	118

Table 5.6	Regression results for the effect of leverage, size, and liquidity on payment mode based on financial structure	120
Table 5.7	Regression results for the effect of leverage, size, and liquidity on payment mode based on the development status of target nations	123
Table 5.8	Regression results for the effect of leverage, size, and liquidity on payment mode while considering covid effect	126
Table 5.9	Regression results for the effect of leverage, size, and liquidity on payment mode using alternate techniques	128
Table 5.10	Regression results for the effect of leverage, size, and liquidity on payment mode using alternate dependent variable	133
Table 6.1	Variables used to test the relationship between firm performance and capital structure	143
Table 6.2	Summary statistics	144
Table 6.3	OLS regression results	146
Table 6.4	OLS regression results based on development status of target nations	148
Table 6.5	Post-acquisition performance of acquirers from emerging nations	150
Table 6.6	Change in performance of acquirers from emerging nations	151
Table 7.1	Variables used in testing the relationship between ownership structure and leverage in India	160
Table 7.2	Summary Statistics	165
Table 7.3	Impact of promoter and foreign ownership on leverage in Indian firms	167
Table 7.4	Impact of promoter and foreign ownership on leverage across different time periods in Indian firms	171
Table 7.5	Results for robustness across different measures of leverage	174
Table 7.6	Impact of non-promoters' shareholding on capital structure in Indian firms	179

APPENDICES

Appendix Number	Title	Page
Appendix 4A	VIF results for independent variables	98
Appendix 4B	Correlation matrix	99
Appendix 4C	Leverage statistics	100
Appendix 4D	Principal component analysis for institutional environment variable	101
Appendix 4E	Values for institutional environment variable	103
Appendix 5A	Odds ratio for the effect of leverage, size, and liquidity on payment mode	137
Appendix 5B	Correlation matrix	138
Appendix 6A	VIF values for independent variables	153
Appendix 6B	Correlation matrix	154
Appendix 6C	Diagnostic tests	155
Appendix 7A	VIF values	181
Appendix 7B	Correlation matrix	182

ABBREVIATIONS

BRICS	Brazil, Russia, India, China and South Africa
CBMA	Cross-border mergers and acquisitions
CMIE	Centre for Monitoring Indian Economy
CPI	Consumer Price Index
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortization
FDI	Foreign direct investment
FM	Fama-MacBeth
FRM	Fractional regression model
GDP	Gross Domestic Product
GFC	Global Financial Crisis
GLM	Generalized linear model
GMM	Generalized Method of Moments
HL	Hosmer-Lemeshow
IMF	International Monetary Fund
INR	Indian rupee
LBOs	Leveraged buy-outs
M&A	Mergers and acquisitions
MNCs	Multinational corporations
OECD	Organization for Economic Cooperation and Development
OFDI	Outward foreign direct investment
OLI	Ownership- Location- Internalization
OLS	Ordinary Least Squares

PCA	Principal Component Analysis
PPP	Purchasing Power Parity
ROA	Return on assets
ROE	Return on equity
SEBI	Securities and Exchange Board of India
SIC	Standard industrial classification
SOA	Speed of adjustment
UNCTAD	United Nations Conference on Trade and Development
USA	United States of America
USD	United States dollar
VIF	Variance Inflation Factor
WDI	World Development Indicators
WHO	World Health Organization