Revisiting and Reinforcing the Farmers Fox Theory: A Study (Test) of Three Cases in Cross-border Inbound Acquisitions

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Abstract

This paper aims to revisit and reinforce the early-development of Farmers Fox theory (Reddy *et al.* 2014a) through analyzing three cases in cross-border inbound acquisitions stream. A qualitative case method is adopted to explore findings from sampling cases include Vodafone-Hutchison telecom deal, Bharti Airtel-MTN broken telecom deal and Vedanta-Cairn India oil deal. We have highlighted discussions on organizational factors, due diligence issues, deal characteristics and country-specific determinants. Importantly, we have tested various theories propounded in economics and organization's literature, and thereby established an interdisciplinary setting both to redefine the theory and to reframe the propositions. We thus propose that the government officials' erratic nature and ruling political party influence was more in foreign inward deals that characterize higher bid value, listed target company, cash payment, and stronger government control in the industry. Lastly, the findings from this case research not only help researchers in strategy and international business but also help multinational managers participating in cross-border negotiations.

Keywords: Cross-border mergers and acquisitions, Foreign market entry strategies, Farmers fox theory, Institutional theory, Liability of foreignness, Internationalization, Emerging economies.

1 Introduction

1.1 Theoretical underpinnings

From the lens of development economics theory, international organizations and economic researchers have classified the given economic condition into two groups such as developed and developing countries. While supporting this streak, scholars from sociology, political and legal studies have improved the definition of economy based on regulatory governance and political institutions. The two approaches suggested that developed economies have better quality of laws, regulations and institutions, which result in rich economic performance. By contrast, developing economies characterize poor economic result, less quality of institutions, no significant expertise in public administration, highly corrupted government officials, erratic behavior of institutions and high political intervention. In this vein, Lucas (1990) postulated "why capital does not flow from rich to poor countries" in which he suggested weak institutional environment is one of the important determinants that result in insufficient capital flows from rich to poor nations. We believe this is an institutional dichotomous characteristic of developing economy and scholars coined this problem as "Lucas paradox" (Alfaro *et al.* 2008). Theoretically, a given country has two investment options to do business in other countries, namely direct international investment and portfolio investment. Direct investment allows the investor to entry in foreign country through greenfield investment, and/or mergers and acquisitions. Conversely, alternative entry mode choices include exporting, franchising, and licensing, just to mention a few.

Because of 1985-1991 economic and institutional policy reforms, developing countries have improved their economic indicators, regulatory laws and business culture, and thereby attracted significant overseas investment in various industries. In other words, a great deal of financial and non-financial benefits have engulfed from developed to developing economies due to overseas investment reforms. For instance, the benefits include business models, education, management expertise, technology, culture, living standards, and so forth. Following the globalization and liberalization programs, the distance between countries has reduced, markets have integrated, and communication cost has declined sharply, together lead to the closer integration of societies (Stiglitz 2004). At the same time, multinational corporations (MNCs) from developed economies have increased their investment in developing countries through a preferred method of foreign market entry that is mergers and acquisitions (M&As) [besides, greenfield investment]. This method offers numerous benefits ranging from ownership to location advantages, while it attracts significant risks, especially economic, regulatory and political shocks (Bris and Cabolis 2008; Kiymaz 2009; Meschi and

Métais 2006; Rossi and Volpin 2004). For instance, the extant M&A research reported that 83% of deals failed to create shareholder value and 53% actually destroyed value (ac cited in Marks and Mirvis 2011:162). In case of international deals, the failure rate ranges from 45% to 67% (Mukherji *et al.* 2013). Albeit, the world market for corporate control activities has substantially improved during 1991-2012 period, particularly from the sixth merger wave started in 2003 (Feito-Ruiz and Menéndez-Requejo 2011). For example, worldwide number of cross-border deals (deal value) have increased at a massive growth rate of 241% (1360%) from 1,582 (US$21.09 billion) in 1991 to 5,400 (US$308.06 billion) in 2012. In case of Asian market, sales, in terms of number of deals (deal value) have notably improved at a significant growth rate of 908% (1,818%) from 79 (US$1.54 billion) in 1991 to 796 (US$29.48 billion) in 2012. Conversely, purchases, in terms of number of deals (deal value) have drastically increased at a considerable growth rate of 833% (3,521%) from 82 (US$2.20 billion) in 1991 to 765 (US$79.78 billion) in 2012. While percentage of value of cross-border deals out of foreign direct investment (FDI) inflows for the period 1991-2012, reported an average annual growth rate of 37% for worldwide countries and 13% for Asian market (UNCTAD 2013).

Herewith, we postulate that cross-border inward investment has shockingly declined for both Asian and India market, while outward investment has massively increased due to lower asset valuations in developed markets as well as to escape from home country institutional barriers (Reddy *et al.* 2014b; Witt and Lewin 2007). Besides, mounting overseas acquisitions in emerging markets we have noticed that both inbound and outbound deals often litigate, or induce by institutional shocks of the host country when deals characterize higher valuation, cash payment and strong government control over the industry. For instance, Zhang *et al.* (2011:226) reported that 68.7% of worldwide acquisition attempts have completed for the period 1982-2009 in which 210,183 deals found to be uncompleted (460,710 deals completed) out of 670,893 acquisition events. Thus, we are interested to analyze those litigated inbound deals associated to Asian emerging market-India.

Extant international business (IB) and finance studies found that a country's constitutional framework, political and legal environment, bilateral trade relations and culture play an important role in cross-border trade and investment deals both at ex-ante and at ex-post performance. For example, in Alguacil *et al.* (2011); Barbopoulos *et al.* (2012); Bris and Cabolis (2008); Erel *et al.* (2012), Francis *et al.* (2008); di Giovanni (2005); Huizinga and Voget (2009); Hur *et al.* (2011); and Rossi and Volpin (2004), the authors suggested that legal infrastructure, corporate governance practices, financial markets development, level of investor protection, quality of accounting and reporting standards and socio-cultural factors are being key determinants affecting the cross-border M&As completion. Further, macroeconomic factors include gross domestic product, tax system and tax incentives, exchange rate and inflation rate have significant impact on overseas acquisitions (Blonigen 1997; Hebous *et al.* 2011; Pablo 2009; Scholes and Wolfson 1990; Uddin and Boateng 2011). While, Moskalev (2010) found that number of overseas investment projects have significantly improved with respect to the progress in host country's legal enforcement for foreign investors. Importantly, local political events including general elections affect both inbound and outbound FDI flows (Ezeoha and Ogamba 2010; Schöllhammer and Nigh 1984, 1986), and physical distance has impact on foreign investments (Rose, 2000). Overall, value-creating strategies such as mergers, acquisitions and strategic joint ventures promote corporate governance and institutional development (Alba *et al.* 2009; Martynova and Renneboog 2008b).

With this in mind, we examine cross-border inbound acquisitions to the emerging country-India through a legitimate method of qualitative research, i.e. case study research. Thus, we deeply investigate why cross-border inbound deals frequently litigate in India. Prior to explain our research sketch, we would wish to present what factors determine the success of cross-border M&As. The extant literature on cross-border M&As suggested that firm-specific, deal-specific and country-specific determinants influence both negotiation process and post-merger integration. Then, we have carried out the research and drawn conclusions from broad research inquiry: how do host country characteristics affect the international acquisition completion. Altogether, it is an attempt at revisiting and reinforcing the Farmers Fox theory through an in-depth analysis (test) of three cases in cross-border inbound deals. Though, the earlier-development of this theory was propounded on the basis of single case evidence and inadequate theory testing.

The remaining paper is organized as follows. The outstanding part of Section 1 presents research motivation, research question, objectives, and scope and contribution. Section 2 describes research design with special emphasis to multiple case study method. Section 3 discusses key insights from cross-case analysis. Section 4 shows theory testing and case proofs. Section 5 outlines the major research task, that is, revisiting and reinforcing the Farmers Fox theory. Section 6 concludes the study.

1.2 Research motivation

A great extent of previous studies examined cross-border acquisitions through the lens of finance, economics and strategic management, while very few studies investigated the phenomenon of mergers and acquisitions in IB field. By and large, academic and industry researchers have analyzed stock returns around the announcement, post-merger operating performance and integration determinants. It infers that ongoing scholars have significant scope to study pre-merger negotiations, determinants of deal completion and influence of host country institutional attributes. Indeed, seven tracks that appeared in the cross-border M&A stream motivated us to pursue this research. At the outset, foreign market entry choices are an important research focus in IB and strategy fields (Chapman 2003; Hopkins 1999). First, cross-border M&A stream largely remain underexplored compare to domestic M&As, and more theoretical and empirical research is needed for improving the current state of literature (Bertrand and Betschinger 2012; Hur *et al.* 2011; Shimizu *et al.* 2004). Second, there is inadequate research on deal completion in which one can study factors affecting the cross-border inbound acquisitions success (Ahammad and Glaister 2013; Reis *et al.* 2013; Zhang *et al.* 2011). Third, most of the existing literature has built-up on the developed economies setting- US and UK (Bertrand and Zuniga 2006) in which deals with emerging economies need to be investigated both to support the existing theory and to add new streaks to the literature (Barbopoulos *et al.* 2014; Bertrand and Betschinger 2012; Francis *et al.* 2014; Kim 2009; Malhotra *et al.* 2011; Zhu 2011). Fourth, M&A stream is one of the prominent research areas that attract scholars from various disciplines such as economics, management, accounting, sociology, law and politics. However, the field needs to be deeply analyzed through creating an "interdisciplinary" environment than that of doing "multidisciplinary research" (Bengtsson and Larsson 2012; Cantwell and Brannen 2011). Fifth, a vast quantity of M&A research has empirically driven and ignored qualitative research approaches. For example, Haleblian *et al.* (2009) reviewed the M&A research published between 1992 and 2007 and found that only 3% of research publications out of 167 articles have used case study method. We thus adopted the qualitative case study method in our research setting. Sixth, most of the existing theories were developed on the basis of advanced country' behaviour, but one should also test of those theories in emerging markets phenomenon and develop new theory in the given setting (Hoskisson *et al.* 2000).

Finally yet importantly, recent studies have focused on institutional distance, economic nationalism, and political behaviour and thereby analyzed how these determinants affect cross-border acquisitions completion (Geppert *et al.* 2013; Lin *et al.* 2009; Serdar Dinc and Erel 2013; Wan and Wong 2009; Zhang and He 2014; Zhang *et al.* 2011). In a recent survey paper, Ferreira *et al.* (2014) showed bibliometric results for the extant strategy and IB studies on M&A research during 1980-2010 period. They mentioned that "institutional theory has been remarkably absent from M&A research …, and suggested that emerging markets institutional authorities' behaviour and government intervention in overseas acquisitions" could be most relevant for further research. In addition, analysis of deals with emerging market country-India is important for several reasons (Mukherji *et al.* 2013; Peng *et al.* 2008; Reddy *et al.* 2013). For example, emerging markets provide unique setting (Bruton *et al.* 2008) to test existing theories because they characterize growing markets, improving economic performance, cheap labor and some extent of liberalized regulations and governance standards [high level of politicking, social crime, corruption, erratic nature of government officials, and other foreignness issues]. In short, they behave differently from developed markets in many aspects such as culture, technology, quality of law, income, living standards and status of economy (Stiglitz 2004). Importantly, we found an emergent research interest in emerging countries like China and India. For instance, a recent article by Xu and Meyer (2013) found that a total of 161 emerging economy-related papers published during 2006-10 compare to 99 in 2001-05 (63% overall increase). Their results infer that stylish theoretical and empirical research is required in (on) India, which may shed light on strategies of emerging market firms include outbound acquisitions, internationalization and direct international investments, just to name a few. In sum, we have aimed to accomplish research goals that would fairly recognize the high-impact research in management studies (Alvesson and Sandberg 2013).

1.3 Research synthesis

Qualitative case study investigation in M&A stream is scanty, in which the subject has largely dominated by quantitative research. At the same time, analyzing cases between different borders or cross-border acquisitions require adequate time and expertise, which depends upon researcher quality. In this study, we have adopted multi-case research both to test existing theories responsible for M&A stream and to build new theory from emerging markets phenomenon. Nevertheless, we found very few studies that examine international acquisitions involving emerging market enterprises but they largely used empirical research tools (Agbloyor *et al.* 2013; Al Rahahleh and Wei 2012; Chen *et al.* 2009; Francis *et al.* 2014; Malhotra *et al.* 2011). Indeed, we found a small number of studies that analyze international acquisition cases (primary/secondary data) in both developed and emerging markets (Geppert *et al.* 2013; Halsall 2008; Meyer and Altenborg 2007, 2008; Wan and Wong 2009). Importantly, there is significant knowledge gap in M&A stream where scholars have opportunity to investigate international acquisition process and completion, especially when firms from developed markets wish to acquire firms in developing countries (Bertrand and Betschinger 2012; Epstein 2005; Reis *et al.* 2013; Serdar Dinc and Erel 2013; Zhang *et al.* 2011). Therefore, we have chosen the Asian emerging market-India as a sophisticated research setting for many reasons. We have developed three cases in cross-border inbound acquisitions hosting India based on archival data, and thereby designed a conjectural framework for cross-case analysis. The cases selected in our research meet the criteria of case study research, for instance, cases should answer either why/how, or both (Yin 2003).

1.4 Research question

The objective of research should be a multilevel, multidiscipline "unified" theory (Buckley and Lessard 2005:595). Indeed, matching the methodology to the research question is central to any research effort (as cited in Nicholson and Kiel 2007). Qualitative researchers suggested that formulation of research question is the most crucial phase in studies that employ case study research (Tsang 2013; Yin 2003). While supporting this streak, we also postulate that a given research question should be accompanied by some research arguments that are unexplored in the literature. On the other hand, finding a research gap or formulating a research question in M&A subject is really not an easy task due to its massive size and extensive coverage of literature since its unveil in the 19th Century (Martynova and Renneboog 2008a). Albeit, we found significant knowledge gaps when scholars have started drawing attention to the emerging markets behavior and such attention has appreciably risen after the special issue publication in the *Academy of Management Journal* (Hoskisson *et al.* 2000). In particular, two another special issues sequel to this, have found that scholars from developed and emerging markets are keen to examine different strategies affecting firm performance through the lens of different theories, namely resource-based-view, transaction cost economics, eclectic paradigm and institutional theory (Wright *et al.* 2005; Xu and Meyer 2013). Importantly, recent studies have examined institutional distance, political intervention and nationalism in cross-border M&As (Ferreira *et al.* 2014; Meyer *et al.* 2009; Reis *et al.* 2013), and this research trend/focus will improve and attract other emerging markets scholars too. For instance, Meyer *et al.* (2009) pointed that because of institutional differences "how do foreign firms adapt entry strategies when entering emerging countries". Similarly, Serdar Dinc and Erel (2013) raised a research query: "do governments really resist the acquisition of domestic companies by foreign companies". Xu and Meyer (2013) also discussed institutional aspects and linking theory to emerging markets context. In sum, we have approached emerging markets through a qualitative case study research that develop better sponsorship in formulating the following research question.

> How (does) host country institutional framework influence the cross-border inbound acquisition completion focusing the "success of negotiations and the time it requires to be finished"?

The then, in turn

> How (does) national' weak regulatory and legal framework affect overseas inbound acquisitions, both referring to "acquirer/target and host country's sovereign income"?

Taking forward, the study posits

> Do we need a new theory to explain the statutory behavior of emerging economies around inbound investments/acquisitions and its effect on their sovereign revenue?

1.5 Research objectives

The focal objective of our multi-case study research is to "build new theory". To accomplish this goal, we have set secondary or prerequisite tasks based on extant literature addressing cross-border M&As, phenomenon relating to emerging market-India, and the cases chosen for research.

- ♦ To examine the host country's institutional laws that uncover international taxation plea in a completed cross-border inbound acquisition.
- ♦ To investigate the impact of financial markets regulations and provisions on border-crossing inbound deals resulting delayed, then completed or unsuccessful.
- ♦ To study the adverse behavior of public administration and political intervention in overseas inbound deals that became delayed, then completed or unsuccessful.
- ♦ To test existing theories propounded in various disciplines while supporting adequate case(s) evidences.

Besides reinforcing the theory, we also suggest testable propositions for initiating further research on cross-border M&As, in other emerging market settings.

1.6 Research scope and contribution

It is worth stating that M&A field is an interdisciplinary event, which allows a scholar to study particular knowledge gap with in-depth focus that enriches the literature by focusing on different disciplines. The scope of our research is broad that study from the lens of different disciplines- economics, corporate finance, strategic management, organization studies, sociology, law, and importantly IB. For example, we have tested sophisticated theories propounded in various disciplines like resource-based-view theory, liability of foreignness, information asymmetry theory, market efficiency theory, institutional theory and organizational learning theory, just to cite a few. Because of the widespread theoretical backdrop, our research contribution is significant and vital to the current state of knowledge. Thus, we have examined the impact of host country institutional environment (e.g. financial markets, and taxation, and political involvement) on cross-border inbound acquisitions for various reasons: deals characterize higher valuation, cash payment, acquirer belongs to developed country and industry largely controls by public-sector enterprises. We also postulate how does weak regulatory system adversely affect a given host country sovereign revenue whilst promise benefit to acquirer and/or target firm in overseas inbound deals.

This is a unique effort of using qualitative case research to analyze the impact of institutional determinants on cross-border inbound acquisitions when hosting by an emerging market-India. Nevertheless, we are among the few to examine Indian M&A deals (domestic/ overseas) through case study research for two reasons: testing existing theory and building new theory. Further, it is exceptional in the extensive M&A literature due to interdisciplinary setting as well as theory building through new procedure of multi-case research. Therefore, contribution of our research is four fold. First, we consider emerging market behaviour of India as a potential research setting to study the impact of institutional and legal environment on cross-border deals. Second, multi-case investigation enhances the current knowledge on pre-merger negotiation (deal completion) when transactions occur between developed and developing country, and deals with higher valuation, cash payment, and more government control in the industry. Third, we discover new method of multi-case research design both to overcome research obstacles (e.g. data collection) and to study the emerging markets phenomenon. Lastly, we propose new theory and suggest propositions for enhancing current knowledge and initiating further research on ‘impact of institutional distance and political intervention in cross-border deals’, which in turn should explain the ‘host or home country economic benefits’. In addition, findings of the research hold strategic implications for multinational managers, economic policy, legal framework and society.

2 Research design: Multiple case study method

Unlike empirical studies, qualitative research has been markedly a different methodological rhythm for various reasons including rigor and quality. Indeed, qualitative researchers review exhaustive literature in the given field and thereby strengthen research argument. Qualitative research is a form of scientific inquiry, which aims at understanding "complex social processes … and characterizes organizational processes, dynamics, and describes social interactions and elicits individual attitudes and preferences" (Curry *et al.* 2009:1442-1443). It is helpful in business research to analyze critical issues that remain unclear in quantitative research (Eriksson and Kovalainen 2008). However, it has been underutilized in the management discipline. For instance, regrettably, IB is still depicted as an "empirically driven, a theoretical field that fails to go much beyond the descriptive" (Shenkar 2004:165).

We therefore chose a qualitative case study research to accomplish research goals. Case study research (CSR) aims to investigate and analyze the unique nature of organizational environment in a real-life setting, based on single or multiple cases that carefully bounded by time and place (Conrad and Serlin 2006; Miles and Huberman 1994; Stake 1995; Yin 1994, 2003). While commenting on sampling, Yin (1994) suggested that case researchers may use single case or multiple cases that depends on the purpose of research whether theory is testing or theory is developing. The problem of single cases is limitations in generalizability and several information-processing biases (Eisenhardt 1989). The author also described that case studies provide rich and in-depth evidence to build theories, and to offer theoretical constructs and testable propositions in an emergent research area, subsequent studies have advanced his idea (Bengtsson and Larsson 2012; Eisenhardt and Graebner 2007; Hoon 2013). Whereas, theory building from multiple cases typically yield more robust, generalizable and testable than single-case research … "theory-building research using cases typically answers questions addressing 'how' and 'why' in unexplored research areas" (Eisenhardt and Graebner 2007). It has become an increasingly popular and relevant research strategy in business management studies (Hoon 2013). In sum, we found case study method is the best-recognized and highly motivated approach that allows a researcher to deeply-study and 'lookup' the critical and complicated business transactions, for instance, failure M&A deals in business discipline. For example, Fang *et al.* (2004), and Meyer and Altenborg (2007, 2008) analyzed the failed merger between two Scandinavian telecom companies: Telia of Sweden and Telenor of Norway. Wan and Wong (2009) analyzed an unsuccessful takeover of Unocal (USA) by CNOOC's (China). Conversely, few studies examined multiple cases using various theoretical frameworks (Geppert *et al.* 2013; Liu and Zhang 2014; Riad and Vaara 2011).

At the outset, the extant social sciences and management' theoretical concepts and empirical literature has been largely determined on the basis of western (developed) economies institutional context. In the recent past, many researchers argued that the western theories are inadequate to study the emerging markets phenomenon, described the problems relating to data collection, data analysis and theory development. We also (experienced) found that major problems exist in emerging markets (e.g. India, Pakistan) accountable for data collection, especially primary data (interview/survey) (Dieleman and Sachs 2008; Dhanaraj and Khanna 2011; Hoskisson *et al.* 2000; Malik and Kotabe 2009). The quality of either qualitative research or quantitative research depends upon rigor (or, approachability) of the research carried out by the researcher in a given setting (Yin 1994, 2003).

In sum, qualitative case researchers argued that sampling cases or unit of analysis should offer sophisticated research setting to test extant theory as well as to improve/build theory. Indeed, we understood that multi-case research design provides a great extent of theoretical backdrop than single case environment. We therefore adopted multi-case research (three sampling cases), and developed some 'special' tasks to build new theory as well as to enhance the knowledge on M&A field.

2.1 Sampling cases

The focal research question in the study is - does a host-country's weak regulatory system benefit both the acquirer and the target firm in cross-border (inbound) acquisitions? Captivating this, we derive two equated sub-research questions, i.e. why and how, as discussed in case study research design that single or multiple cases should answer both of them (Yin 2003). In our setting, why were cross-border inbound acquisitions deals delayed or called-off? In the same vein, how does host country's regulatory system affect the acquirer and the target firm involved in cross-border inbound transactions? To examine the research questions, we use interdisciplinary theoretical background. Following the pattern matching observations of cases, we have selected three deals, which were particularly affected by the host country's institutional laws refer to mergers, acquisitions, listing norms and international taxation. The cases include *Vodafone-Hutchison* tax litigation deal and *Bharti Airtel-MTN* broken deal in telecom sector, and *Vedanta-Cairn India* delayed deal in oil and gas business. Thus, the common pattern in all three cases is regulatory laws and provisions, and political intervention. To the best of our media knowledge, two of three cases were highly represented in all leading TV channels (e.g. CNBC, TV18, and ET Now) and finance-related daily news (e.g. Economic Times, Business Standard, Business Line, and Financial Express). Further, they had appeared in international finance-related dailies include Financial Times, Reuters, and leading accounting agencies such as KPMG, Deloitte, and other host-country registered trading brokers' official reports. Finally yet importantly, one of three cases had been long-time awaited and challenged tax petition in the apex court of given economy.

Moreover, emergent research on cross-border M&As "completion" in emerging markets (Muehlfeld *et al.* 2012; Zhang and He 2014; Zhang *et al.* 2011), and economic nationalism and institutional factors around international direct investments (Dikova *et al.* 2010; Serdar Dinc and Erel 2013), have been stimulated us to investigate 'complex, intercultural, institutional and cross-border negotiations' both for new knowledge creation and for theory development. In fact, studying merger/acquisition failure deals in the international setting provide unique setup to perform in-depth and systematic analysis of single case or across cases. For example, Fang *et al.* (2004), and Meyer and Altenborg (2007, 2008) explored the problems of incompatible strategies (national cultures) and disintegrating effects of equality in foreign mergers using a failed merger between two state-owned telecom firms in the Scandinavian countries, i.e., Telia of Sweden and Telenor of Norway. Wan and Wong (2009) investigated the economic impact of political barriers in which they deeply analyzed the changes in stock price of other US oil firms due to CNOOC's (China) unsuccessful takeover of Unocal (USA). Similarly, we have been critically examined three cross-border inbound acquisitions in light of the host country institutional setup as well as acquiring firms' behaviour.

Unlike previous studies, the specialty of deals in our research include (i) a deal that was completed, but litigated for long-time in the sampling country's jurisdiction due to international taxes, and succeed in favor of the acquirer, (ii) a deal that was extended merger talks in the first round, renegotiated in the second-round, and then called-off due to deal structure, national identity and dual listing norms, and (iii) a deal that was delayed and slowly materialized because of contract laws and open offers issues. In particular, two deals were belonging to telecom business and the remaining was associated with oil and gas industry. A common thread in all three inbound-acquisition deals was weak institutional laws, procedures and erratic government officials' behaviour. In essence, big-capitalists, politicians, and government closely influence telecom and capital goods industries compared to other businesses, which usually captures a great deal of asymmetric information. In this vein, Wan and Wong (2009) mentioned that 'barriers are particularly high in energy sector but low in sectors not involving critical infrastructure'. We strongly believe that the sampling cases provide rich setting to study the institutional laws, political intervention and government involvement in inbound direct investment deals.

The main characteristics of sampling cases include (a) cross-border inbound acquisitions involving India as host country, (b) two cases related to telecom business and remaining case related to oil and gas exploration, (c) one case found to be successful out of two delayed-cases, and remaining case legally challenged after deal completion, (d) all cases were publicly attentive (paying special attention), and (e) all cases injected by host country's institutional, legal, political and financial markets environment.

2.2 Sampling time

The sampling time of cases is as follows.

- Case 1: Starting date December 2006 – Closing date March 2012, then the total sampling time represents 64 months (backward search and observation).
- Case 2: Starting date February 2008 – Closing date November 2009, then the total sampling time equals to 22 months (backward search).
- Case 3: Starting date August 2010 – Closing date December 2011, then the total sampling time represents to 17 months (forward search and observation).

Where, starting date means when the deal announcement was *first* appeared in any one of the national finance dailies (e.g. Economic Times, Business Line, Financial Express or Business Standard). It is to be noted that news might have appeared before acquirer made a formal announcement. Closing date denotes when the negative news/final decision was published in any one of the above finance dailies. To be safe from our side, we check the news with respected company's web news, notices or reports (e.g. annual report). In fact, we have created "Google Alerts" to get the news immediately about specific deal as soon as it appears on the World Wide Web. Thus, the interval time of news delivery is "daily". Total sampling time represents 'five years and four months".

2.3 Case study protocol

The idea of case study protocol is to record a set of actions and procedures adopted in the given case method, which holds trustworthiness of findings. For example, Yin (1994:41) suggested that researchers should develop a well-considered set of actions, rather than using ''subjective'' judgments. It helps like an acknowledgement to the mail, particularly in qualitative research environment (Gibbert and Ruigrok 2010). We have recorded every event of the doctoral research cautiously in electronic files, for example, sampling cases, case development, sampling time, data source, data collection, case writing and case publication, among others (Appendix A).

3 Cross-case analysis: Key discussions

Based on the extant literature and multiple case analyses, we would wish to discuss key factors determining the success or failure of an international acquisition. However, we notice that some findings are common across nations irrespective of developed or developing status of the host country while few observations are "special" if acquisitions are hosted by emerging economies like India. Therefore, acquiring firm' managers and M&A advisory firms should pay more attention to those special factors when target firm is associated to the developing nation. We have discussed both common and special determinants in four tasks: organizational issues, deal characteristics, due diligence and external barriers (Figure 1).

[Insert Figure 1 about here]

3.1 Organizational issues

Earlier researchers suggested that deal completion also influenced by firm-specific variables like relevant business, firm size, management expertise and previous acquisition experience. We support the theoretical notion that overseas acquisition success not only depends upon firm size and related business, but also depends upon firm's previous acquisition experience in the related business, market and level. For example, Bharti Airtel-MTN telecom deal has been called-off due to both external and internal factors. The internal factors such as international outlook of the firm and prior deal experience might cause the deal to be delayed-uncompleted. Besides deep pockets and business expertise in telecom business, the deal became unsuccessful due to lack of professionalism in deal making. On the other hand, Vedanta-Cairn India deal has delayed, but later completed after obtaining all government approvals. We found that deals also become delay if acquiring firm has no experience in the relevant business of the target firm. However, diversified business groups achieve deal success due to their conglomerate diversification, size of the group and availability of cash reserves. It infers that big companies can sustain their life both in related and unrelated businesses. More importantly, we argue that firms participating in overseas acquisitions involving emerging economies will - gain relevant experience in deal making, acquire additional skills to complete proposed deals, and learn from failure- and success-of negotiations. Further, the experience gained in emerging economies would positively result in future acquisitions performance. In sum, acquiring firm that has prior acquisition experience, international outlook, related business and deep pockets possibly will record the success-mark in subsequent deals, for example, Vodafone-Hutchison deal. In this case, we suggest that because of international outlook, management expertise, organizational learning and prior overseas-deal experience, Vodafone has successfully completed the Hutchison acquisition to prepare for entry in India, and win over the tax plea even after long delay in judgment. Nevertheless, organizations do not stop their learning due to success or failure, but they learn and gain knowledge continuously to overcome various obstacles in the future.

3.2 Deal-specific issues

Few studies suggested that deal structure in terms of type of deal, payment structure and M&A advisors expertise affect the deal completion. We would wish to answer why (how) deal structure determine the deal success? From the case analysis, we found that deal structure has largely been discussed as “ownership strategy” in finance than “general strategy” in strategic management or IB. We have two reasons for this, firstly how much percentage of equity should acquire to gain control over target firm? Secondly, what payment mode (cash, stock or both) should adopt by acquiring firm without diluting ownership and control benefits? Further, payment mode is influenced by accounting and taxation laws in the given host economy (Epstein 2005). Logically, if acquiring firm wants to hold full control over target firm, then it should pay cash to the target firm shareholders. Assuming that the acquiring firm paid or issued stock to target firm shareholders, then one can see the dilution in ownership that leads to question–who has better control over the target firm? Who will enjoy firm earnings? For example, Bharti Airtel-MTN telecom deal has uncompleted due to deal structure. Here, both firms wanted to control the post-merger firm by making the company as dual listing entity in India and South Africa. Besides dual listing benefits, both firms will face agency and information asymmetry problems. Because of dual listing impact, payment options have changed and thereby attracted regulatory obstacles (e.g. open offers) and other issues (e.g. political intervention). If they could have perceived acquisition strategy than merger, the deal would have completed with better ownership and control mechanism, cash payment, non-compete agreement, etc. Conversely, because of prior international deal experience in developed economies, Vodafone has escaped from paying capital gain taxes to the Indian government after acquiring Hutchison equity stake in CGP Investments, thus controlled the Hutchison-Essar Ltd. From these observations, we suggest that good deals save significant amount on transaction cost, while bad deals create numerous inherent problems that lead to break the pre-merger negotiations or post-merger integration. Following the Vodafone strategy, Vedanta Resources has obtained controlling rights in Cairn India through acquiring Cairn Energy's equity stake. Hence, Vedanta could not escape from paying taxes to the government, because of greenfield investment made by Cairn Energy when entered India. Finally, we suggest that acquiring firm managers and M&A advisory firms should aware of deal characteristics such as ownership and control benefits, payment mode, non-compete agreement, cross-listing, break-up fee, and so forth of qualitative attributes. In addition, M&A advisors should work toward deal completion that leads to obtain significant amount of advisory fee and commission.

3.3 Due diligence issues

In our survey and reading, we understood that due diligence issues also determine the success of deals at domestic and overseas settings. Thus, due diligence refers to examine the business of target firm for various reasons include capital structure, ownership rights, product profile, contingent contracts, legal disputes, taxation disputes and financial performance (Epstein 2005). In the given research, we noticed that Vedanta-Cairn India deal has attracted the attention of due diligence problems, especially royalty payment controversy between Cairn Energy, ONGC and Ministry of Petroleum. Further, deal had delayed, because ONGC has pre-emptive rights in one of the oil fields owned by Cairn India. For the reason that, Cairn Energy has strived to obtain approval from the respective government departments and the petroleum ministry. We therefore suggest that acquiring firm managers should not exploit the funds at the expense of shareholders commitment. In other words, M&A advisory team and due diligence team of acquitting firm should inspect and make out clear any issues before finalizing, agreeing and transferring the payment.

3.4 Country-specific determinants

Accessible literature on direct international investments and overseas M&As performed in various national settings found that economic, financial, legal, regulatory, governmental, political, cultural and geographical factors affect both pre-acquisition completion and post-acquisition integration. In particular, host country's government authorities behaviour, strong political institutions cum political stability, rule of law, control of corruption and white collar crimes and regulatory quality, together create favorable institutional environment that allow foreign firms to invest in the given economy (Reis *et al.* 2013; Stein and Daude 2001). At the same time, it lets foreign firms to reduce transaction cost during market entry process. Reis *et* *al.* (2013) suggested that developed country MNCs have to face institutional difficulties (law, corruption, crime, political intervention) when making deals with target firm located in developing country. For instance, a typical case in the Indian court system would take roughly 20 years to make final decision (as cited in Armour and Lele 2008). Regarding our research, we have examined foreign acquisitions at the acquisition process or deal completion stage. For example, two out of three cases: Vodafone-Hutchison and Vedanta-Cairn India deals have faced external difficulties such as underdeveloped laws, legal formalities, erratic behaviour of government officials and political intervention. This streak supports the empirical finding of Reis *et al.* (2013) in which both Vedanta and Vodafone were based in developed country-UK and then invested in developing economy-India. Owing to international outlook, prior deal experience and management expertise, Vodafone and Vedanta have triumphed over the regulatory hurdles and then successfully completed their deals. By and large, Bharti Airtel-MTN deal has also been faced severe institutional hurdles such as open offers program, dual listing norms and shareholder rights. The deal has been called-off "twice" and thereby companies have decided not to renegotiate in the future. In this vein, we are not convinced that cultural distance between India and South Africa really influences the merger negotiations (since two countries have good economic and social relations). If so, the deal should cancel in the first-innings. Due to home country's strict regulations, Bharti Airtel has acquired Kuwait-based Zain Telecom that resulted in gaining business opportunity over African market. When we deeply study the cases, we found that government officials' erratic nature and ruling political party influence would be more in foreign inward deals that characterize higher bid value, listed company, and cash payment. We postulate that the strong reason behind such influence is "personal financial and/or non-financial benefit", which is behind the screen, under the table. Because of institutional dichotomous, inward acquisitions, usually get delay and/or break without making any public announcement. Lastly, bidding managers and M&A advisors should give more attention to host country's ruling political party and other institutional factors when making long-term investment in countries like India and China. While, geographical factors such as distance and culture do not explain the sampling cases.

4 Theory testing and case illustrations

Strategy, IB and finance researchers explored that a firm reports significant growth while choosing a corporate inorganic model compared to an organic model. For instance, growth can be seen in terms of market share, profitability, competitive advantage, economies of scale, new market experience, and so forth of synergies. The model that we indentified in our research is an 'acquisition' and it is a cross-border deal. In addition, it is evidenced that U.S. and UK based, and other developed-country multinationals have internationalized their operations, corporate ownership, and products and services through mergers/acquisitions. Similarly, recent research on emerging economies showed that emerging-market firms are being adopting and thereby following both past and current strategies of developed-country MNCs.

This section aims to test 17 theories propounded in different business research disciplines, for instance, Caves and Hymer's theory of FDI, Dunning's eclectic theory, Uppsala theory of firm internationalization, Penrose's RBV theory, North's institutional theory, Zaheer's theory of liability of foreignness, Jensen and Meckling's agency theory, and Fama's market efficiency theory, just to cite a few (Table 1). We also look up an important theorem "learning-by-doing" in organization studies. We strongly suggest that special tasks such as pre-testing (Reddy *et al.* 2014a), and revisiting post-testing task and reinforcing theoretical constructs in this paper will improve the current knowledge refers to the impact of institutional distance on cross-border M&As completion.

[Insert Table 1 about here]

5 Farmers Fox theory: Revisited and reinforced

As pointed out in earlier sections, few recent studies have tested and advanced the knowledge on resource-based view, transaction cost economics, agency and institutional theories (Xu and Meyer 2013). Albeit, scholars have suggested that emerging markets are a unique setting, which offer the ability to obtain fresh insights to expand theory (Bruton *et al.* 2008), and to build new theory and testable propositions. For example, Wright *et al.* (2005:24) suggested an important research argument: "to what extent do problems arising from institutional differences increase transaction and agency costs and lead to exit by foreign entrants?" Similarly, Xu and Meyer (2013) also stressed the importance of studying the institutional perspectives in foreign market entry strategies in emerging markets whilst linking theory to the context. Further, recent papers published in leading finance and IB journals have discussed the significance of institutional distance and economic nationalism in cross-border M&As (Barbopoulos *et al.* 2014; Hur *et al.* 2011; Reis *et al.* 2013; Serdar Dinc and Erel 2013; Wan 2005; Wang 2013). We therefore realize that new theories developing based on emerging markets phenomenon should draw more attention to the institutional environment and its impact on internationalization process. In this vein, Hur *et al.* (2011) tested the hypothesis "the quality of host countries' institutions positively affects the cross-border M&A inflows". Nagano (2013) also tested the hypothesis "an enhancement of IPR protection law in the host-country encourages inward greenfield FDI and that of SHR protection law promotes cross-border M&A". Reis *et al.* (2013) propounded few testable propositions in light of institutional distance and cross-border M&As completion.

With this in mind, we establish a triangular association between systemic multi-case analysis, extant CB-M&A literature and theory testing. Before introducing new theory, it is the case study protocol to disclose what missing threads are in the existing literature. We found few interesting research questions, but largely unexplored in emerging markets phenomenon that raised new avenues to enhance the literature in IB, strategy and economics. For example, Lucas (1990) argued "why does not capital flow from developed (rich) to developing (poor) countries", and developed his theorem using Indian setting. Lucas postulated that because of weak regulatory laws (e.g. investor protection, financial disclosures, ownership rights) and their poor implementation in developing countries, there were no overseas capital flows from rich to poor countries. Lucas mainly argued that sovereign risk[1] (e.g. political) and asymmetric information will be higher in poor countries due to improper laws and less regulatory enforcement that negatively affect foreign inflows when coming from rich nations. Further, Lucas also discussed about external advantages of human capital (labor), technology transfer and imperfect market conditions. While empirically testing it, Alfaro *et al.* (2008) considered a sample of 50 countries during 1971-1998 period and suggested that institutional quality has been a major determinant explaining the Lucas paradox. In such cases, we argue that poor countries are losing significant economic (e.g. taxes) and non-economic incentives (e.g. skills and expertise) due to their erratic nature of administration, political intervention and unsecured investor rights. Here, the missing link is that besides weak governance, poor countries are allowing foreign investment, but severely losing economic benefits like revenue taxes, capital gains taxes and border taxes. This streak seems to be an old argument but no previous study postulated that a given country's government needs facing economic (revenue) risk because of weak institutional laws. Then, we wish to develop new theory based on research question- how (does) a poor county hosting foreign investment' undergo economic loss while profiting to host party (acquirer or target)? Indeed, we acknowledge some important arguments raised by previous scholars that will also support the research question. For instance, Reis *et al.* (2013) developed few theoretical constructs explaining how institutional distance (government, political and social) affects the likelihood of completing an overseas deal. We propound this as “Farmers Fox theory”, which postulates

“*a given country’s weak (loopholes in) financial and tax regulatory system benefits both the acquirer and the target firm in cross-border acquisitions based on two assumptions: first, one must have some experience within the given economic and regulatory environment or some kind of alliance with a local firm; second, other one should new to the economy where the target firm is registered or associated. At the same time, this economic behavior adversely affects that country’s fiscal income or revenue*”.

In other words, a country that characterizes weak institutional laws, high level of corruption, severe politicking (ruling political party intervention), hosting foreign direct investment or inviting foreign MNCs through acquisition method may have to record loss of such economic incentives like international taxes, cross-listing fee, and taxes on overseas revenues. In that case, acquirer and/or target should enjoy such economic benefits without paying it to the sovereign of the host country. It means that there is economic loss (profit) to the host country (acquirer, target, or both). In fact, economic loss will be more if acquirer or target firm is associated with developed country. Albeit, we acknowledge some important limitations that should be checked by the future scholars before testing this theory (refer to Reddy *et al.* 2014a:61-62).

5.1 Building testable propositions

We suggest testable propositions for future research in cross-border M&A stream, emerging markets, which will advance the current knowledge on foreign acquisitions when a researcher empirically tests on a large sample. The constructs developed on the basis of research argument that overseas inbound investment deals in the form of acquisitions or mergers will be delay, then become success or fail because of two important reasons, which responsible for host country: (i) erratic behavior of sovereign (government officials, ruling political party), and (ii) weak institutional laws relating to financial markets and taxation. Following this streak, the proposed theory pointed that acquirer or target firm will enjoy economic benefits whilst host country government will result in economic loss that is supposed to be lawful revenue.

Based on our understanding and research experience, we would wish to present what a weak regulatory system is along with some evidences responsible for international organizations such as the World Bank, the World Economic Forum, The Heritage Foundation, the Transparency International, just to cite a few. In this vein, Lucas (1990) also postulated that developing countries characterize poor economy and do not have sound institutional laws relating to investor protection, intellectual property rights, ownership pattern, listing procedure, and so forth of legal, administration and policy-implementation issues. In addition, few scholars have argued that developing economies (so called emerging markets) do not have sophisticated laws relating to anti-corruption, crime, social welfare, judgment delivery, etc. Most economic and law scholars suggested that corruption is one of the major economic barriers adversely affecting the economic development of a country, for example, wasteful of government spending and discourages foreign inward investment (Tanzi and Davoodi 1998). According to Transparency International[2]-CPI report-2011, Russia found to be most corrupt country (2.4) among BRIC group, followed by India (3.1), China (3.6) and Brazil (3.8). In particular, the degree of corruption in India has declined in terms of CPI from 2.7 in 2001 to 3.1 in 2011. The World Economic Forum (WEF) defined financial development in its report Financial Development Report (WEF-FDR 2012)- "as the factors, policies, and institutions that lead to effective financial intermediation and markets, as well as deep and broad access to capital and financial services" (p. xiii). It is measured by factors such as size, depth, access, and the efficiency and stability of a financial system, which includes its markets, intermediaries, range of assets, institutions and regulations (p. 4). The report developed based on seven pillars such as institutional environment, business environment, financial stability, banking financial services, non-banking financial services, financial markets and financial access. To our research, institutional environment refers to financial sector liberalization, corporate governance, legal and regulatory issues, and contract enforcement. The rank for India based on Financial Development Index found to be 40 in 2012 from 36 in 2011 compared to other BRIC economies, Brazil (32 from 30), China (23 from 19) and Russia (39). It infers that lesser the rank the more the development. For example, Hong Kong secured 1st rank, followed by US, UK and so forth. In terms of institutional environment, India placed 56 compared to Brazil (46), China (35), and Russia (59). In particular, the Heritage Foundation publishes Index of Economic Freedom and for the year 2012 report, it has included a sample of 184 countries (THF and WSJ 2012). The objective of the index is "to evaluate the rule of law, the intrusiveness of government, regulatory efficiency, and the openness of markets". It usually grade and rank based on 10 pillars of freedom such as Property Rights, Freedom from Corruption, Fiscal Freedom, Government Spending, Business Freedom, Labor Freedom, Monetary Freedom, Trade Freedom, Investment Freedom, and Financial Freedom. It reported that India ranked by 123, Brazil (99), China (138) and Russia (144).

An official reference of Doing Business 2012/2013 Report, a copublication of The World Bank and the International Finance Corporation, presented quantitative indicators on business environment and regulations covered for 185 countries (The World Bank and IFC 2013). The report computes an index value on the basis of 11 topics such as starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts, resolving insolvency, and employing workers. The given economy, India was found to a lower middle-income category and its rank for easy of doing business somewhat improved by seven points from 139 in 2011 to 132 in 2012 and 2013, which can be compared to Brazil (126 to 130), China (91) and Russia (120 to 112). Further, indicators are as follows: starting a business (166 to 173), dealing with construction permits (181 to 182), getting electricity (98 to 105), registering property (97 to 94), getting credit (40 to 23), protecting investors (46 to 49), paying taxes (147 to 152), trading across borders (109 to 127), enforcing contracts (182 to 184) and resolving insolvency (128 to 116). For instance, to enforce a contract one should wait at least 1420 days compared to Brazil (731), China (406) and Russia (281 to 270) and get approval from 46 departments (procedures). Further, India ranked 166 for starting a business when compared to Brazil (120 to 121), China (151) and Russia (111 to 101). On the other hand, the World Economic Forum also publishes Global Competitiveness Report every year in which it defined competitiveness as the set of institutions, policies, and factors that determine the level of productivity of a country. Global Competitiveness Index (GCI) computes based on the 12 pillars of competitiveness include institutions, infrastructure, macroeconomic environment, health and primary education, higher education and training, goods market efficiency, labor market efficiency, financial market development, technological readiness, market size, business sophistication, and innovation. For the year 2013-14 Global Competitiveness Report (WEF-GCR 2013), India found to be factor-driven economy out of 38 economies in factor-driven group (other two groups include efficiency-driven and innovation-driven). Based on the sample of 148 countries, India ranked by 60 for competitiveness, Brazil (56), China (29), and Russia (64). In case of institutions, macroeconomic environment, and financial market development, India ranked 72, 110, 19 compared to Brazil (80, 75, 50), China (47, 10, 54), and Russia (121, 19, 121). The above indicators suggested that India, somehow, improved the economic performance but largely affected by weak institutional framework including higher levels of corruption.

The major theoretical foundation is that "in a given period, when a country's regulatory system fails to improve in line with similar group of countries, or fails to amend specific rules and guidelines for a public good, and when a system is highly corrupted by the known political instability and bureaucrats inefficiency, together leads to delay or break both public and business-purpose legal procedures–is described as weak regulatory system"; and this institutional dichotomy attribute adversely affects government fiscal income whilst benefiting other stakeholders (as mentioned in Reddy *et at.* 2014a:62).

Herewith, propositions are redefined as follows. Firstly, we derive few insights on the behavior of ruling political party and ministries who are in service around cross-border inbound acquisition announcements. In our research, we found that two out of three cases (Bharti Airtel-MTN and Vedanta-Cairn India) have interfered by service ministries and ruling political party officials. It is observed that they usually involve if an overseas inbound acquisition characterizes high bid value and cash payment. In fact, the level of intervention will be more if deal found to be higher valuation, cash payment, acquiring firm is operating from developed country, and the industry is largely accounted for government-owned companies. It is central that many industries in India are controlled by public-sector undertakings, for instance, oil, gas, petroleum, power, railways, telecommunications, and so forth. Further, ownership in public and private limited companies is greatly owned by family members. We found that Bharti Airtel-MTN deal valued about US$23 billion and Vedanta-Cairn India deal valued about US$8.67 billion. While supporting politicking attribute, Chairman of Bharti Airtel and top-level managers of MTN have had negotiation with ruling political party officials, telecom ministry and other bureaucratic administrators. Besides, Chairman of Vedanta Resources also met officials who have control on government approval issues relating to Cairn India deal. The common finding is that all three deals were bigger in terms of deal value, which influenced by ruling party politicians for their self-benefit (e.g. corruption). With this consistency, we put forward our proposition for encouraging research on the market for overseas investments and acquisitions around political uncertainty, host country's domestic elections.

Proposition 1.1 Host country's ruling political party and respected service ministries interfere in foreign inward acquisitions or investments that characterize high bid value, cash payment.

Proposition 1.2 Host country's ruling political party and respected service ministries intervention will be 'more active' in foreign inward acquisitions or investments when flowing from developed countries that characterize high bid value, cash payment.

Proposition 1.3 Host country's ruling political party and respected service ministries intervention will be 'more active' in foreign inward acquisitions or investments that characterize high bid value, if that industry is largely controlled by government-owned or public-sector enterprises.

In addition to the ruling political party and respected service ministries interfere, a given host country's government officials and respected service institutions behavior also influence the deal completion. It is common practice in any country that government officials (e.g. department of revenue, central board of direct taxes) and regulatory authorities receive applications regarding overseas investment, and thereby responsible for inspecting and approving such proposals. Interestingly, we found that all three deals have injected by the erratic behavior of regulatory agencies and governmental officials. For example, Vodafone-Hutchison deal had litigated for roughly five years, and then finally Vodafone win over the tax plea case in the apex court. Conversely, Vedanta-Cairn India deal had been delayed due to open offers program under the SEBI's takeover code[3] and Cairn Energy's production sharing contract with public-sector undertaking of ONGC (of course, royalty payments), and then finally completed after 16months of acquisition announcement. Further, we found that institutional officers behave intermittently in overseas inward acquisitions featuring higher bid value, cash payment, and it will be more if an acquirer belongs to developed country and the industry greatly controls by public-sector undertakings. Following this, we build our next proposition for initiating new research on institutional distance (e.g. working culture among government departments) around overseas acquisition announcements.

Proposition 2.1 Host country's government officials and respected service institutions show erratic behavior in foreign inward acquisitions or investments that characterize high bid value, cash payment.

Proposition 2.2 Host country's government officials and respected service institutions' erratic behavior will be 'more' in foreign inward acquisitions or investments when flowing from developed countries that characterize high bid value, cash payment.

Proposition 2.3 Host country's government officials and respected service institutions' erratic behavior will be 'more' in foreign inward acquisitions or investments that characterize high bid value, if that industry is largely controlled by government-owned or public-sector enterprises.

Based on the above constructs, one might argue that border-crossing inward deals usually take more time compared to the actual time required for government approval. In other words, deals featuring higher valuation become delay due to improper laws (e.g. cross-listing, open offers, ownership rights, investor protection, accounting standards). In effect, inconsistent behavior of government officials affects such deals. In some instances, such deals require more time for obtaining sovereign approval, when the investment is coming from developed country. This is found to be true in our case research. For instance, Bharti Airtel and MTN Group could have created a consolidated entity if the Indian government has legal update on dual listing or cross listing. In a realistic nature, no government wanted to lose their control on any business or trade. Hence, Indian government has deregulated many industrial policies and thereby disinvested significant number of public sector undertakings. For example, Vedanta acquired full control on Bharat Alluminium Company Limited, which was a loss-making unit, and then turned to be a profit-making unit after few years of integration. In this vein, we found an interesting finding- an overseas deal characterizes higher bid value, cash payment, becomes delay if that business is largely proclaimed by government enterprises. Though, such deals require more time when an acquirer comes from developed country. We found that Vodafone-Hutchison and Vedanta-Cairn India deals (including legal issues) severely delayed, and then became success, because both acquiring firms registered in an advanced country-UK. To the best of our information, Vodafone-Hutchison was one of the worst long-time delayed cross-country deals in the world economy. The deal initiated in December 2006, announced in the media in February-2007, completed in May-2007, tax authorities filed a petition in the given country's state jurisdiction [...] and finally, Supreme Court of India provided the judgment in January-2012. In sum, the transaction has consumed in the account of Vodafone approximately 62 months. On the other hand, firstly, Bharti Airtel wanted to merge with South African-based MTN Group. The deal had delayed and then cancelled during two-round negotiations (2008-2009) because of regulatory hurdles that largely controlled by the SEBI and the Ministry of Finance. For instance, the hurdles refer to dual listing norms and complex deal structure involving open offers. The reality of the case lies here- "the given country's regulatory system does not define what dual listing is". With these insightful evidences, we suggest a set of constructs for further investigation on "deal announcement to deal completion (number of days)" between domestic and overseas acquisitions in developed and developing nations.

Proposition 3.1 Cross-border inward acquisitions (time to be required to get approval from the government) delay, then complete or break due to weak institutional laws relating to investor protection, cross-listing and intellectual property rights, and institutional officials erratic behavior, if such deals characterize higher valuation.

Proposition 3.2 Cross-border inward acquisitions expense more time in obtaining approvals from necessary government departments and such deals delay, then complete or break due to weak institutional laws relating to investor protection, cross-listing, and intellectual property rights and institutional officials erratic behavior, if that deals characterize high bid value, investment is flowing from developed countries.

Proposition 3.3 Cross-border inward acquisitions (time to be required to get approval from the government) delay, then complete or break due to weak institutional laws relating to investor protection, cross-listing and intellectual property rights, and institutional officials erratic behavior, if such deals characterize high bid value, industry is largely controlled by government-owned firms.

Proposition 3.4 Cross-border inward acquisitions expense more time in obtaining approvals from necessary government departments and such deals delay, then complete or break due to weak institutional laws relating to investor protection, cross-listing and intellectual property rights, and institutional officials erratic behavior, if that deals characterize high bid value, investment is flowing from developed countries and industry is largely controlled by government-owned enterprises.

Following the previous argument, we explain how an acquisition cost behaves due to delay in deal completion or due to deal unsuccessful. Acquiring a publicly-listed firm result in more acquisition cost than that of acquiring a privately-held firm. Indeed, acquiring a firm in foreign country also result in significant higher costs (e.g. border taxes, legal fee, registration fee, advisory fee, corporate gains tax, etc.) compared to costs involved in domestic deals. In our case research, all three deals were overseas inbound deals connected to India, which was a host country. In a practical sense, acquiring firm is responsible, bearing a great extent of acquisition cost that ranges between 2 and 5 per cent of the deal value. Of course, this cost has direct association with deal completion process that is time to be required to get approval from the government. In other words, acquiring firm has to bear all transaction costs until obtaining approval from government authorities such as high court, ministry (e.g. telecom) and regulatory body (e.g. SEBI, CCI). It means acquisition cost will increase when deal becomes delay or unsuccessful due to weak laws relating to securities markets and investor protection, and inconsistent behavior of sovereign departments, supposing higher valuation, cash payment. In some instances, acquiring firms have to allocate more funds for acquisition when an investment is flowing from developed country, industry is largely controlled by government firms. While supporting this streak, we acknowledge that because of delay in providing judgment, Vodafone had expensed lots of costs like communication cost, legal proceedings cost and other associated costs during 2007-2012 period. Conversely, both Bharti Airtel and MTN Group have spent significant cash during two innings, but such expenses have to be recorded as “sunk cost” due to unsuccessful negotiations. We therefore suggest our proposition for initiating further investigation on transaction-costs around delayed, successful and incomplete deals between domestic and overseas settings.

Proposition 4.1 Acquiring firms acquisition cost increases with proportion to deal completion process (time to be required to get approval from the government) due to weak institutional laws relating to investor protection, cross-listing, and intellectual property rights, and institutional officials erratic behavior, if that deals characterize high bid value.

Proposition 4.2 Acquiring firms acquisition cost will be "more" (more than the proportion to deal completion process) due to weak institutional laws relating to investor protection, cross-listing, and intellectual property rights, and institutional officials erratic behavior, if that deals characterize high bid value, investment is flowing from developed countries and industry is largely controlled by public-sector enterprises.

Finally, we have reached the focal point – how does unsuccessful deals affect the given host country's revenue or income. The extant studies suggested that an international direct investment coming from developed economies largely benefits the host country economy in terms of new capital creation, industrial development, new jobs creation, supply of goods, better utilization of resources, enhances skills and expertise, transfer of technology and revenue to the sovereign and so forth of incentives. At the same time, it adversely affects market conditions, pricing of goods and services, competition, survival of local firms and other uncertainties. Based on multiple case research, we argue that a country invites foreign investment (FDI or acquisition route) will lose economic benefits such as taxes on revenues, border taxes, capital gains tax on cash deals, and other non-economic benefits such as technology transfer when number of incomplete deals or withdrawals increases due to weak institutional laws, politicking and irrational behavior of government officials. In other words, the increase in number of incomplete deals adversely affects fiscal revenue of the country inviting foreign investment. Furthermore, the economic loss will be high if an acquisition characterizes higher valuation, cash payment, acquirer belongs to developed nation and industry largely directs by state-owned enterprises. We noticed that Vodafone has benefitted in the form of capital gains tax that the India's apex court has given its landmark judgment by stating that the existing tax guidelines do not allow tax authorities to impose capital gains tax on Vodafone in the Vodafone-Hutchison deal. As a result, Vodafone has benefited approximately 20 per cent on a given deal amount (US$10.9 billion), which is equal to US$2.18 billion. By and large, Hutchison Whampoa had also benefited in the form of premium value that has paid by the Vodafone. In reality, HWL has invested approximately

US$2.6 billion in India since 1995 and sold to Vodafone for US$10.9 billion, which benefited US$8.3 billion, per se. In the paradigm of international laws, it is said that only an acquirer is liable to pay tax and not the target firm. In sum, both acquirer and target were benefited because of loopholes in the given country's institutional setting. On the other hand, sovereign might have lose fiscal revenue in the form of corporate tax, listing fees, cross-listing fee, border taxes because of unsuccessful deal between Bharti Airtel-MTN Group. Both cases found to be true due to weak laws relating to securities markets, investor protection and border taxes. Besides losing capital inflow to India, there was capital outflow when Bharti Airtel acquired Kuwait-based Zain Telecom [after breakup-talks with MTN]. With this constructive arguments, we suggest proposition for improving the current knowledge on "nationalism and institutional dichotomy" in cross-border inbound investments.

Proposition 5.1 A country's sovereign expected revenue declines with proportion to increase in number of unsuccessful international deals.

Proposition 5.2 A country's sovereign expected revenue will decline "more" than the proportion to increase in number of unsuccessful international deals, if such deals characterize high bid value, cash payment, investment is flowing from developed countries and industry is largely controlled by public-sector enterprises.

Proposition 5.3 Acquirer and/or target firm benefits (e.g., undervaluation of domestic firms, capital gains tax on cash acquisitions) in cross-border inbound acquisitions due to host country's weak financial markets and tax regulatory environment.

In addition, this construct would make stronger if future scholars undertake the composite proposition put forwarded by Reis *et al.* (2013). "A greater difference between acquirer and target nations' (i) economic institutions; (ii) political distance; (iii) social institutions- (a) reduces the likelihood of completing an announced M&A deal, (b) lengthens the period from announcement to completion/withdrawal of the M&A deal".

Lastly, we would wish to propose that developed country based firms such as Vodafone, Vedanta and Cairn Energy have acquired sophisticated knowledge on a given country's constitutional system, weakness of the regulatory setting, approaching public administration authorities and bureaucrats, relation between politicians, bureaucrats, industry associations, jurisdictions, media and public, and market potential for its survival. Thus, acquiring a firm in developing countries, as India, would be a learning experience for developed-country MNCs while making future deals in that country or other nations. Researchers in IB, strategy, finance, accounting and economics are suggested to test the above theoretical propositions that will advance the understanding of theory.

In sum, we proposed new theory that addresses the impact of institutional environment on cross-border M&As completion. We suggest that a given country's weak institutional and legal framework and political intervention adversely result in deal completion featuring higher valuation, cash payment, acquiring firm with developed country and when the industry is largely controlled by host country government. Hence, such institutional dichotomous attributes benefit acquirer, target, or both, whereas host country government loses the economic benefit out of international investments.

6. Concluding remarks

We have reached at concluding the research for various reasons include research learning and highlights of the research. We also make clear of hidden limitations of the research, followed by a closing note.

On one hand, the learning from this multiple case research is as follows. (i) We understood that tax, taxation and tax exemption attributes significantly influence overseas acquisitions completion. The influence will be more when deals characterize higher levels of valuation, cash payment and industry is largely controlled by government undertaking firms of that host country. Certainly, it has been evidenced that host country government loose economic benefit (capital gain tax) due to weak institutional policies covering tax provisions. (ii) We suggested that overseas acquisitions often become delay and/or unsuccessful due to strict/weak financial markets and regulations addressing open offers program, takeover guidelines, dual listing and ownership rights. (iii) We gained knowledge of IB environment that political intervention and erratic behavior of bureaucratic administration adversely affect cross-border acquisitions completion. Indeed, the pressure will be more when deals mark higher valuation, cash payment and industry is largely controlled by public-sector firms of that host country. (iv) We tested extant theories in various management-related disciplines, and thereby proposed new theory/testable propositions, together improve the perceptive on role of institutional distance in cross-border acquisitions success.

On the other hand, major highlights of this study include- (a) we reported that a significant number of Indian-based multinationals have made investments in other countries due to home country institutional constrains. This streak supports the empirical analysis where "firms invest outside the country as an escape response to home country rigid laws and less investor protection" (Witt and Lewin 2007). Indian companies have chosen countries that have better legal systems, advanced accounting standards, strong investor protection, or countries that have similar legal quality and standards. (b) we revealed that incompatible strategies, national governance structures, culture clashes and lengthy negotiations, together leads to break the deal or delay the deal that influence the deal value and make transaction cost higher in the account of acquirer. (c) cross-border deals that characterize higher valuation, cash payment, target listed firm and industry is largely controlled by government enterprises were found to be delayed, litigated by government influence, ruling political party pressure and erratic behavior of institutional authorities, which make more public-attention through print and electronic media. (d) we also suggested that the liability of foreignness and liability of localness was found to be severe in Indian-hosted deals that characterize higher valuation and cash payment. (e) we argued that a given country's weak regulatory system (financial markets regulations, tax environment) benefits bidding firm, target firm, or both; in unison, this economic behavior adversely affects that host country's fiscal income.

Yet, this research has been carried out based on few limitations. The central limitation of the research is referred to data reliability and data transferability. It is because of two reasons- (a) significant proportion of data was collected from registered finance dailies, and (b) no qualitative research software was used to analyze sampling cases. Albeit, we have carefully recorded the events of cases and arranged them in chronological order and systematically analyzed in retrospective manner. We therefore admit the jeopardy that cross-case analysis discussions might be inclined by untrue memories, personal bias (Choi and Brommels 2009) and sampling time. While, the proposed theory and propositions would motivate researchers to do similar investigations in other institutional settings. Last but not least, what are the dramatic macroeconomic changes noticed in both developed and emerging economies around the recent global financial crisis and their impact on overseas investments and acquisitions. Do successful and unsuccessful cross-border acquisitions produce similar shareholders earnings around announcement? Altogether, more research needs to be done on pre-merger and post-merger integration phases in cross-border acquisitions between developed and emerging markets. Nevertheless, it will also motivate and guide emerging-markets based scholars in various levels of research activities: doctoral, post-doctoral and project works.

The closing note of this case research puts forward that qualitative research takes much longer time compared to empirical research, which importantly needs thick data, rigorous analysis of all dimensions, time and energy. We found that the government officials' erratic nature and ruling political party influence was more in foreign inward deals that characterize higher bid value, listed target company, cash payment, and stronger government control in the industry. We also suggested that a given country's weak institutional and regulatory environment benefits acquirer, target firm, or both; at the same time, this economic behavior negatively affects its fiscal income. Therefore, multinational firms from developed countries should be cautious prior to sign any direct investment proposal or to acquire a firm located in developing countries that characterize higher levels of corruption, government and political intervention, and poor judicial system. Conversely, it is a policy indication where developing countries are needed to work seriously on policies relating to foreign direct investments, technology transfer, and border-crossing taxes and subsidies.

Endnotes

[1]Sovereign risk is defined as "any situation, where a sovereign defaults on loan contracts with foreigners, seizes foreign assets located within its borders, or prevents domestic residents from fully meeting obligations to foreign contracts" (Alfaro *et al.* 2008).

[2]TI is an international nongovernment organization was setup in 1990s, headquartered in Berlin that aimed to report corruption perception index (CPI) for world economies since 1995. The index, CPI is being developed for every year on the scale of 0 to 10, 0 refers to highest measure of corruption and 10 refer to lowest (source: http://www.transparency.org).

[3]Refer to the review of Indian takeover code (Reddy *et al.* 2011).

Competing interests

I hereby declare that I do not have any financial or non-financial competing interests to disclose.

Author's contributions

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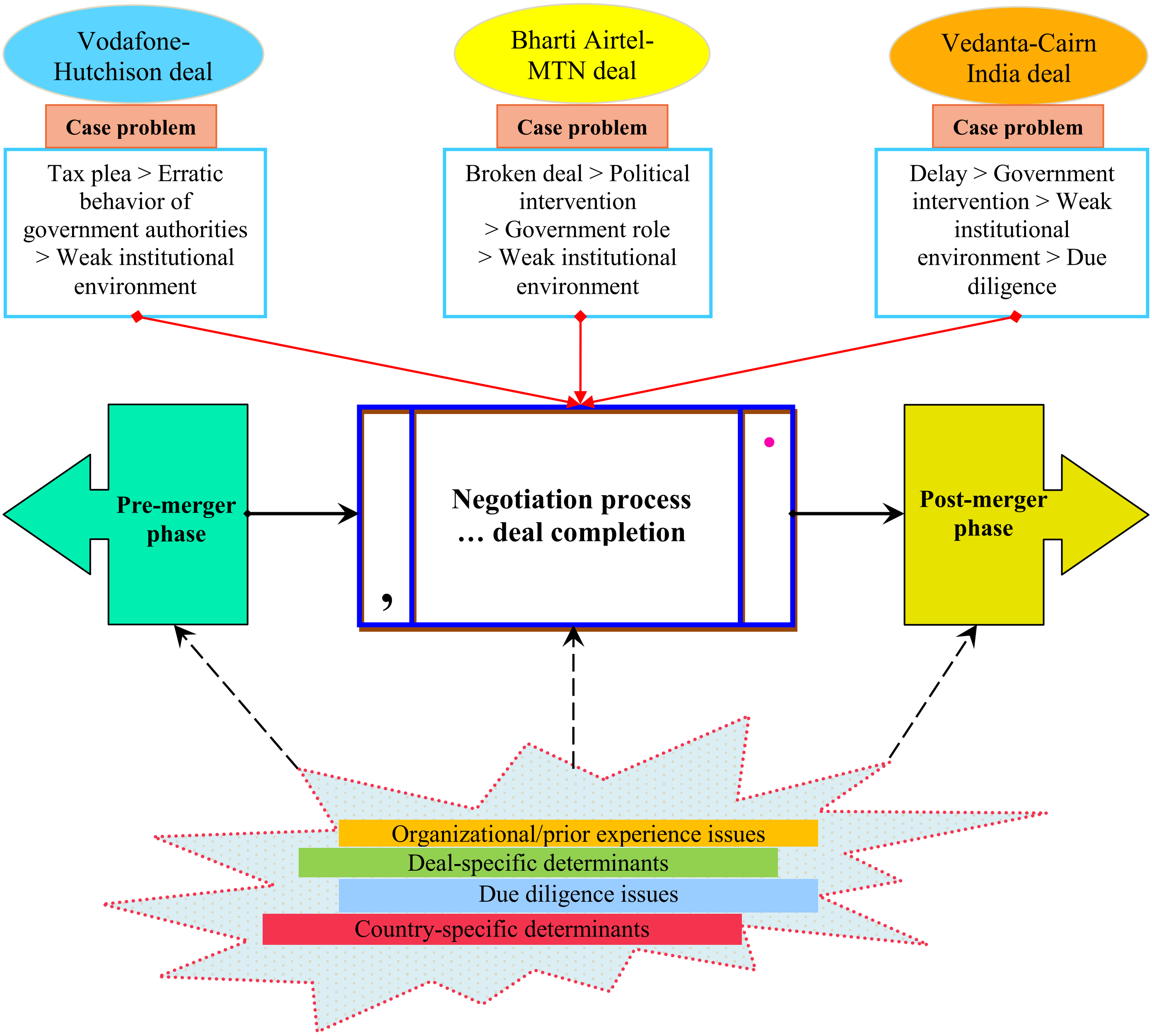

Fig. 1 Determinants of the cross-border inbound deal completion across cases

Table 1. Theory testing and case illustrations

Theory	*Theoretical construct*	*Vodafone-Hutchison deal*	*Bharti Airtel-MTN deal*	*Vedanta-Cairn India*
Theory of foreign direct investment (Hymer 1970; IMF)	A foreign national enterprise acquiring 10%, or more of the ownership control in a firm targeted in host country that result in capital and other resources transfer.	Vodafone Group Plc is Britain's diversified telecom MNC that has an offshore subsidiary 'VIH' located in the Netherlands. On the other hand, Hutchison Whampoa Limited (HWL) is Hong Kong's largest conglomerated MNC, which has an on-shore Asian subsidiary firm 'HTIL' headquartered in Hong Kong. Thus, HTIL has 100% equity stake in CGP Investments (Holdings) Limited located in Cayman Islands. Both MNCs have significant equity interest in their respective subsidiaries. The key point is that CGP owns a 51.95% indirect shareholding in Hutchison Essar Limited (an Indian-listed entity). Vodafone bought HTIL's holdings in CGP Investments through its subsidiary firm VIH for US$10.9 billion.	Bharti Airtel is India's leading telecom company and MTN is a principal telecom company in African market based in South Africa. Both had planned to merge and create a consolidated firm through cross-country dual listing. It had been resulted where Bharti Airtel would get 49% of ownership rights in the newly consolidated firm while MTN shareholders would get around 36% equity interests, which result in US$23 billion. Thus, deal structure in terms of ownership rights, or equity interest (10%) supports the theory of FDI.	Vedanta Resources Plc is an Indian origin, operating from its headquarters located in London, UK. Cairn Energy is UK origin firm, has significant equity stake in Indian-based firm- Cairn India Ltd, and does oil exploration. Following the FDI theory, it observed that Vedanta Resources has acquired about 58.5% equity stake in Cairn India Ltd for US$8.67 billion. We therefore suggest this acquisition is more than the minimum equity stake of 10% as put forwarded by IMF and other notable novel authors like Hymer.

Market imperfections theory (Hymer 1970; Rugman *et al.* 2011)	Markets or industries become imperfect due to information asymmetry and uncertainty decisions taken by the government.	Indian telecommunications sector is one of the imperfect markets in Asia. In this case, Vodafone has indirectly invested in a given economy through the direct acquisition of HTIL stake in CGP Investments. More notably, when Hutchison entered in India was a single entity that a globally diversified and telecom MNC, which has experienced in providing multi-utilized and differentiated services in European market. In fact, both Vodafone and Hutchison have better understanding terms and cooperative agreements in most European markets. As of acquisition, Vodafone would gain mobile subscription base, market share and revenue during the post-acquisition. To our knowledge, this deal has been augmented the Vodafone's market strength and international business network.	It was fact that Indian telecom market largely controlled by government controlled firms while mobile communications market significantly shared by private players such as Bharti Airtel, Reliance, Idea, BSNL, etc. Because of heavy control by the government, market became imperfect in terms of pricing and packages. If the deal could have been successful, combined entity would benefit in terms of subscriber base, market share, pricing control, competitive advantage, together enhances revenue and brand recognition in India and South Africa.	In countries like India, oil and gas industry is largely controlled by government-owned enterprises. Moreover, the industry is an imperfect market in terms of production norms, trade dealings and pricing control. Importantly, ruling and opposition political parties play vital role in fixing oil and gas prices. Altogether, defines the imperfect market. We understood that Vedanta Resources has to bare some kind of additional transaction cost in the acquired business, location due to no previous experience in the relevant business. However, they can manage all costs due to the origin of business group and nationality.
Theory of transaction cost economics (Coase 1937;	The cost of business activity directly proportionate to the degree of firm knowledge on	Regarding this theory, we use the present case 'Vodafone-Hutchison deal' as a transaction	This theory directly explains the Bharti Airtel–MTN deal. The deal had been called-off in two	We critically examined the case using secondary info and news broadcasted in electronic

Williamson 1981)	various internal and external resources with host country, especially it results in higher cost when a local firm acquires a firm with foreign national due to information spillover.	cost. In particular, cost of deal depends on what method that they (buyer and seller) use in doing valuation of Hutchison (HTIL and its share in Indian joint venture business), and market potential. (It falls into the corporate finance – valuation theory or accounting going-concern concept.) However, we argue that the transaction cost of the deal is increased significantly due to delay in court proceedings and judgment. For example, cost of legal proceedings, legal documentation, court charges and fees, cost of media, and other related costs. Moreover, it is difficult to predict or estimate the trade-off between the deal value, market potential and uncommon regulatory shocks (costs). It is fact that one cannot imagine the affect of government unusual behaviors or actions. In a time-bound, one has to face these challenges when entering in countries like India.	successive negotiations occurred in 2008 and 2009, and finally both parties have agreed not to materialize the deal because of regulatory hurdles. Further, both parties did not discuss about deal break-up fee. It is worth mentioning that both companies have spent significant amount for transactions like M&A advisory fee, legal fee and other deal logistics including overseas conveyance cost. We thus support this theory, which refers to companies may need to spend some amount on deal completion or incompletion that directly affect the income statement of involving firms.	media. The deal between Vedanta and Cairn India had been delayed due to external factors and some internal factors like due diligence. Hence, it became delay due to open offers program, government approval and political intervention. We thus suggest that both Vedanta and Cairn India might have spent significant amount on deal completion. This cause adversely affects the accounting earnings and further, shareholders showed disagreement against the deal consequences. If the deal could have been successful within the time, Vedanta would have saved some deal expenses and focused on post-merger integration without spending additional transaction costs.
Internalization	An international firm buying a	We strongly believe that size and	Internalization helps companies	Multinational firms experience

theory (Hymer 1970; Buckley and Casson 2009)	firm located in other country can enhance market opportunities as well as minimize costs by integrating target resources or target operations across various markets.	ownership structure of a corporate headquarter in multinationals play a key role in internalization process that to be effective or worse (Collis *et al.* 2012). In other words, there is a great deal of coordination, cooperation and control between Vodafone group and its subsidiary firm VIH. Similarly, there must be good understandings on ownership transfer between Hutchison Whampoa and its all subsidiaries especially HTIL, and CGP Investments Holdings. In sum, such business relations across the national-borders would help while entering in third-party country locations like India. We suggest that internalization has played an important role both in completion of deal and in winning tax controversies against Indian courts. In fact, transaction cost was reduced because of no capital gains tax.	doing business in telecom services to minimize the cost by integrating products offered in different markets. If the deal could have been completed within the period, the newly consolidated entity would have been gained market resources by integrating telecom services in India and South Africa. For example, post-merger firm will have new market opportunity to expand into other Asian economies like Sri Lanka, Pakistan, Bangladesh, etc. At the same time, they will gain some market in African region. Altogether, they can integrate markets through technology and human capital that would reduce transaction costs, improve revenues and profits, and average revenue per user.	internalization advantages through integrating various resources or products in different markets. Vedanta is an Indian origin diversified business group, operating business in zinc, alluminium, and iron ore. We strongly believe that Vedanta-Cairn India Ltd can save significant amount of transaction costs by integrating various interlinked operations involved in various business in India. The greater internalization advantage is human resources employed in the diversified group of business activities. This would positively affect the financial statements, e.g., reducing market integration costs, improving earnings.
Eclectic paradigm, or OLI framework	A firm acquiring other firm largely seeks to benefit from	Ownership advantages: Vodafone Group Plc is a parent corporation,	Ownership advantages: Bharti Airtel and MTN have decided to	Ownership advantages: Vedanta Resources was one of

(Dunning 1977, 1980)	corporate ownership and control, location and internalization that positively improve firm value.	through its subsidiary VIH, has acquired Hutchison Whampoa's subsidiary HTIL 100% equity stake in CGP Investments. As a result, Vodafone has become the major partner by 51.95% equity holdings in the Indian-based joint venture Hutchison-Essar (HEL). Further, it acquired an additional 22% equity stake in Vodafone India Limited (VIL) from its joint venture partner Essar Group. <u>Location advantages</u>: From a post-acquisition decision, we strongly believe that Vodafone can experience the market scope with their service differentiation. Thus, it is an accomplishment of market seeking motive thus meets the criteria of Dunning's eclectic paradigm. <u>Internalization advantages</u>: Because of global giant in telecom business, Vodafone will save various costs in transactions by integrating services offered in different markets. It is possible	create new combined entity by making the firm with dual listing option. If the proposed deal could have been successful in second innings, Bharti Airtel would hold 49% in post-merger firm while MTN hold 36%. Because of significant ownership interests, there can be lesser agency problems if they operate in India through Bharti Airtel – MTN, and in South Africa through MTN – South Africa. <u>Location advantages:</u> Many researchers postulated that India and South African markets have significant potential in telecom services business. If the deal could have been triumph, the post-merger firm would have been gained by market share, sales, average revenue per user, profits and competitive advantage, together, supports the notion of Dunning's theory. <u>Internalization advantages</u>: It	the leading business groups registered in UK, and has both ownership control and significant experience in materials business. Through this deal, Vedanta has own about 58.5% equity interests that leads to create additional rights in board formation and long-term strategic dictions. Further, it can gain better experience in new business 'oil exploration'. <u>Location advantages:</u> As discussed, Vedanta Resources was an Indian origin, operate business in iron ore, zinc, etc. both in India and overseas. We strongly believe that Vedanta's business value will improve due to their location experience and management expertise including the advantage of nationality. Following this advantage, Vedanta can ensure their presence in the oil business and will create value to the

		through internalization of technology and human capital.	refers to the firms reduce various transaction costs by integrating the internalized operations (technology, human capital) occur in different markets. We believe that this deal would achieve internalization advantages if they could make success in the second innings.	shareholders. Internalization advantages: In addition to the newly acquired business in oil exploration, Vedanta has been doing the trade in other diversified business segments include zinc, iron ore, etc in India. By integrating various business operations within the business group, Vedanta will enjoy the internalization benefits.
Uppsala theory of internationalization (Johanson and Wiedersheim-Paul 1975; Johanson and Vahlne 1977, 2009)	Organizations doing business in other countries through incremental stages (exports to production facility) can increase their overall business value while hedging the foreignness and newness risks with host country.	The case does not support the theoretical construct of Uppsala theory due to direct foreign investment. However, Vodafone is not new in internationalizing their operations, for instance, the company's global presence in terms of number of markets has increased dramatically at three-fold from 12 in 1998 to 38 in 2007, and thereafter, augmented to 40 in 2011. We understood that Vodafone is a globally diversified telecommunications MNC, offers various premium services in different markets.	The case does not support the theoretical construct of Uppsala theory due to direct foreign investment. Moreover, foreign acquisition is not a series of incremental process of doing business abroad, while it is an inorganic strategy to gain direct market control and ownership impact. However, we accept that the newly combined entity will gain all advantages as per the fourth step of theory (offering services by creating own company) if deal completed.	The case does not support the theoretical construct of Uppsala theory due to direct foreign investment. Moreover, foreign acquisition or merger is not a series of incremental process of doing business abroad, while it is an inorganic strategy to gain direct market control and ownership impact. In case of oil business, acquiring firm can earn significant revenues through minimizing costs at the plant level than the decision "built and own the plant" (fourth step

		According to theory, the company has entered across the developed and developing economies through incremental decision-making. Of course, this decision made the company as world's second largest telecom operators based on subscribers scale. As of the deal that would help the company for further diversification in other South Asian and East Asian countries.		of the theory). Because of previous experience in Indian businesses and international management expertise, Vedanta's business value will improve with proportionate to the acquired oil business.
Long-purse (deep pockets) theory (Hymer 1970; Montgomery 1994)	A firm featuring higher levels of cash flows, reserves, or deep pockets actively participates in inorganic growth strategies such as mergers, acquisitions, joint ventures, etc.	Because of internalization advantages and international experience in various global markets, Vodafone has gained significant cash flows through minimizing costs by integrating services and operations in different markets. As a result, their accounting statements have improved in terms of revenue, profits that lead to have more deep pockets. For this reason that Vodafone acquired Hutchison by making cash offer. In addition, they get easy deal financing from global investment banks due to their strong equity claim.	Based on the financial statements, we understood that both Bharti Airtel and MTN companies own significant cash reserves to make strategic investments for long run success. We believe that both companies wanted to improve their cash flows by following the internalization strategy in which they can minimize the cost and improve sales by integrating various services in India and South Africa. Apart from the Cash mode in deal payment, they got financing option from investment banks.	It is evidenced in accounting and strategy literature that big businesses or diversified groups maintain sufficient cash reserves or deep pockets. In particular, business groups can arrange the finance quickly through their wholly owned subsidiaries both for organic and inorganic growth of the business. Thus, Vedanta acquired Cairn Energy's stake in Cairn India, and arranged the payment through its deep pockets, and stock options offered by its Indian-based subsidiaries.

Resource-based-view theory (Penrose 1959; Wernerfelt 1984)	A bidder having sophisticated resources actively participates in inorganic strategies both to internalize target resources and to improve its firm value.	We test this theory at ownership view and profit (growth) view. As of March 31, 2012, Vodafone had a 64.4% interest in VIL through its wholly owned subsidiaries, and a further 20.1% indirect holding giving an aggregate 84.5% equity interest or capital control (VGP-AR 2012:118). On the other hand, Vodafone's subscriber-base in India has considerably increased from 22.31 million in 2006 at a massive growth rate 534% to 147.75 million in 2011. We believe that this momentous market growth help the Vodafone to acquire an additional 22% equity stake in VIL from its joint venture partner 'Essar Group' for £2.6 billion on July 1, 2011. It is worth stating that Vodafone has increased their ownership in VIL very cleverly with subsequent to their progress in Indian subscriber-base.	Previous researcher tested this theory using successful merger or acquisition deals and found that acquiring firm can build empire network and improve financial performance with the help of target firm resources. However, the broken telecom deal between Bharti Airtel and MTN is not appropriate to examined from the lens of RBV theory. Hence, the post-merger combined firm would have reported significant growth in financial indicators (e.g. revenue, profit, stock earnings, cash flows) if the proposed deal could have been successful in the second innings. Moreover, both firms have potential market benefits, technology transfer advantages, and management expertise in the given telecom business.	At the outset, we argue that Vedanta has no previous experience in oil business, which would give negative signal to the market and affect the business performance unfavorably. Because of diversified business group, international outlook and location experience, Vedanta's business value will significantly improve due to better utilization of target firm resources such as technology, human capital, and oil exploration expertise. Moreover, Cairn Energy's oil business expertise and technology advantage would help Vedanta-Cairn India while doing resource allocation and management. Thus, Vedanta has a great deal of opportunity to improve its firm value.
Resource dependence theory (Pfeffer and Salancik 1978)	A strong motive behind acquiring a firm located in other countries is to reduce	From the lens of theory, we found that Vodafone has international outlook,	We admit that this broken deal between Bharti Airtel and MTN Group is not rational to test this	Because of no prior experience in oil business, Vedanta may not hold better control both on

	resource dependence at the expense of target resources that significantly improve business experience and value.	management expertise and sophisticated experience in telecom business, together, improve the business value and positively affect the Indian-based business. In particular, Vodafone can save significant amount on various internal costs and gain internalization advantages through integrating various services in different markets. It can compete with both Indian and international players in the telecom market. Albeit, it may not control the external resources in India, because telecom market is one of the highly regulated business and imperfect market. In other case, it has to follow the principle–better use of every opportunity while overcoming external obstacles. Vodafone has increased their ownership stake, gained full control and thereby created the Indian-based firm as a wholly owned subsidiary.	theory. If the proposed deal could have been successful, the post-merger firm would have gained market advantages through service integration in India and South Africa. Both companies might be having better control on internal resources such as human capital, cash flows and technology, but they may not manage the external resources in the form of market, pricing and taxation opportunities. The strong reason is that telecom services business is one of the highly regulated sectors in India and characterizes the imperfect market.	internal resources and on external resources. In fact, oil and gas industry is mostly controlled by government-firms in India, and this creates imperfect problems relating pricing, supply and contracts. However, due to location advantage and Indian origin business group, Vedanta will have better opportunity to use both internal and external resources efficiently. Primarily, the diversified business experience would help to get quick control on resources related to oil exploration like operational activities and transaction cost. Thereafter, it will have control on external resources through sharing contracts and projects with other companies that ensure the further opportunities in the given market.
Theory of competitive advantage (Porter	Acquiring firm's market share or competitive advantage increases when target's	We test this theory from two perspectives, namely Vodafone's view and a given country's view.	It is found that Bharti Airtel was a leading telecom company in India with reference market	Based on the theory, a firm should gain competitive advantage by acquiring the

1985, 1990)	business characterizes competition.	On the one hand, prior to enter in the Indian-landscape Vodafone has gained worth-full competitive advantage in European market. In particular, competitive advantage in terms of low-cost service provider, service differentiation (for instance, one can watch recent innovative advertisements on Vodafone services), and focus market, for example, semi-urban and rural markets. Akdoğu (2009) suggested that telecom firms gain a competitive edge through acquisitions. Indian telecom consumers would experience advanced services like 3G, 4G and other allied products. Since 1994, Indian mobile customers have attracted mostly by different mobile specifications and features, and service differentiation.	share and subscriber base. Similarly, MTN Group was also a top player in telecom services in African region. If the proposed deal could have been successful, the post-merger firm would have been gained two emerging markets opportunities that enhance the subscriber base and market share. Because of potential in the telecom business in India and African regions, the combined entity would gain competitive advantage in terms of technology transfer, cost reduction, average revenue per user, service delivery, customer retention, etc.	business of target firm in the given industry, country. Hence, because of no previous experience in oil business, Vedanta will strive to gain competitive advantage against established-local companies like ONGC, Reliance, etc. However, Vedanta can save significant amount on various logistics costs and gain internalization advantages through market integration in the long-run. The cost leadership advantages usually based at operational-level in which a firm can acquire such skills in the long-run by following the principle 'learning-by-doing'.
Organizational learning theory (Penrose 1959; Cangelosi and Dill 1965; Hymer 1970; Francis *et al.* 2014)	Firms gain and store knowledge from their previous experience and others experiences, which positively result in future attempts related to negotiations,	This case is the best example to explain what Vodafone and Hutchison have experienced so far in the given economic setting. We found factors like stress, control of internal factors,	The broken deal in telecom business gives a great deal of acquisition experience to the managers of Bharti Airtel and MTN Group. In addition, M&A advisors could learn how to	While supporting the case proofs to the organizational learning theory, we found that Vedanta gained some experience in overseas deal making, especially in

	acquisition, integration, etc.	experience of external shocks, patience and other associated knowledge factors. We believe that Vodafone can strengthen their future internationalization plans through the experiences at (with) India (government officials). They might have improved the knowledge, for instance, liability of foreignness, liability of localness, liability of newness, informal relationships that exist in the current Indian public administration and judicial system; telecom market potential; and so forth of economic, legal and administrative behaviors. It is too difficult to measure the knowledge/experience. We suggest that both institutional and regulatory, and economic system that exhibited in India would adversely affect MNCs (if establish for short-term) and benefit MNCs (if establish for long run).	negotiate and formulate deal structure that associated with developing countries like India and Africa. Both firms have faced serious regulatory hurdles relating to open offers and deal listing and this experience will enhance the chances of deal completion in future strategies. For this reason, Bharti Airtel has acquired Kuwait-based Zain Telecom for US$10.1 billion after deal failed. This infers that previous acquisition experience (success or failure) influence the future deal making in overseas markets. Briefly, both organizations could learn good lessons from these broken talks noticed in two successive innings.	conglomerate deals, developing countries like India. Besides Vedanta's experience in Indian business and prior acquisition experience, managers and M&A advisors have faced new challenges in foreign acquisition negotiations that include institutional barriers, regulatory hurdles related to open offers and ownership, due diligence and political intervention. We therefore postulate that this experience improves the organizational learning of the Vedanta and its managers learn how to overcome various external barriers, while making investments in developing countries.
Learning-by-doing (Collins *et al.* 2009; Aktas *et al.* 2013)	Organizations not only learn from their previous experiences, but also learn	As mentioned in the Vodafone profile, in 2000 it has acquired Germany's Mannesmann for	It is found that Bharti Airtel does not have international outlook and prior acquisition	In addition to the organizational learning context, we also study the case

	(gain and store knowledge) by doing things in the current setting that positively result in future attempts related to acquisitions.	US$186 billion, which was the biggest deal in Vodafone's corporate history. In 2006, it has sold its Japanese unit to Softbank and Swedish unit to Telenor. […] more recently, its Netherlands-based firm, Vodafone Libertel BV has acquired Telespectrum-DJ. Thus, we understand that Vodafone has a great amount of inorganic-strategy experiences like alliances, network coordination, mergers, acquisitions, joint ventures and sell-offs prior to acquire Hutchison stake for Indian operations. We therefore agree with Collins *et al.* (2009) theorem that "firms learn (acquire) new knowledge (Indian operations), and firm's prior acquisition experience increases the chances of subsequent overseas deals.	experience while MTN Group has global outlook, but it has no previous experience in deal making. We thus put forward a comment that both companies could learn from the broken deal that would improve the chances of successful participation in future deal making. The managers can learn relating to deal structure, payment mode, non-compete fee, break fee, experience with government officials and politicians, and regulatory hurdles. The ongoing experience also reduces the liability of localness and improves the deal expertise.	from the lens of learning-by-doing. We found one important finding - Vedanta's experience in overseas deal making and new opportunity in oil exploration business would positively affect the business value and learning curve. Because of conglomerate acquisition, Vedanta would acquire new skills relating to management expertise both at corporate and operational level, cost leadership, technology transfer, together enhance the group business value in terms of sales, earnings and stock price. This streak supports the construct 'learning-by-doing'.
Bargaining power theory (Luo 2001)	A bidding firm acquires a target registered in other country by making better negotiations with host country government, which eventually	This postulates that a foreign MNC can success in the given host economy if that company managers choosing better market entry mode whilst bargaining	We argue that improvement in bargaining power of the acquiring firm is directly proportionate to its prior experience in deal making.	Besides no prior experience in oil exploration business, Vedanta has acquired significant ownership rights in Cairn India Ltd. Hence, we do

	reduces the information asymmetry and cost of doing business in that country.	with the government. In the given case, the deal occurred outside the territory of Indian government in which Vodafone has no tax liability. Besides no proper law, government officials and tax departments have filed tax plea on Vodafone regarding capital gains tax on the Hutchison acquisition. Albeit, Vodafone has been attended and answered all tax allegations both in state-level high court and in apex court of the country during 2007-2012. We suggest that because of better bargaining power (gained through previous international acquisition experience), Vodafone acquired significant ownership rights, saved corporate gains tax about INR 20,000 crore, and finally win over the tax plea.	Because of no international outlook and no acquisition experience, Bharti Airtel has been failed to materialize the deal with MTN Group. We also understood that both companies have simply developed deal structure without lasting goals towards bargaining in the deal making. If they better bargained in the second innings, the deal structure (e.g. ownership control, payment mode, stock options) would have altered and result in deal successful. One might argue that 'the more the bargaining (not lengthy or unfruitful discussions) in deal making, the more the chances of deal completion. In fact, bargaining power determine the business valuation of a target.	not comment on the valuation of assets or shares of target firm. From the lens of bargaining power theory, we suggest that Vedanta will - acquire new experience in oil business, gain management expertise, and improve its diversified business value. In particular, Vedanta own Cairn Energy's stake due to their prior acquisition experience and location advantage cum ongoing businesses in India. We therefore argue that the better bargaining power of acquiring firm could make the deal happen in unrelated business. In fact, Vedanta got all government approvals due to good negations, transaction handling and location experience.
Information asymmetry theory (Akerlof 1970; Spence 1973)	A firm having better information about target firm and host country government experiences success in cross-border acquisition negotiations.	Vodafone (may be its M&A advisors) has better information on Indian legal framework than that of government officials (revenue department and tax authorities). This information	From the lens of information asymmetry theory, we argue that neither Bharti Airtel nor MTN Group have adequate information about deal making and external determinants of	We strongly argue that because of "newness" to the oil and gas exploration business, Vedanta–Cairn India deal has been delayed, but later completed after obtaining government

		helps Vodafone to win against the counter arguments and penalties put forwarded by the tax officials. Finally, Supreme Court of India has delivered its judgment in favor of Vodafone by stating, "existing book of law does not allow tax authorities to ask or impose the capital gains tax on Vodafone-Hutchison deal". It is fact that Vodafone has experienced many difficulties for making a foreign market entry into an unethical and drama-oriented politician nation. We strongly believe that this information would help Vodafone in future decision making while staying or doing operations for Indian consumers.	overseas deal. In fact, M&A advisors have failed to know the existing laws relating to foreign deals, dual listing, etc. If they could have known these institutional difficulties prior to first innings (or, before commencing in second innings), the deal would have been completed within the period set by the companies. In other case, the M&A advisors could have developed alternative deal structures both to satisfy the merging parties and to meet the institutional requirements without political intervention. It supports that merging parties do not have expertise in knowing the regulatory hurdles or information on overseas deals.	approvals. Here, newness refers to the business, but not to the location. In the given case, either Vedanta or Cairn Energy has better information on deal completion mechanism in India. In fact, both firms have faced severe approval issues relating to open offers program with Security Exchange Board of India, and production sharing contracts with Ministry of Petroleum. We also believe that M&A advisors have no prior experience in oil industry, especially in India. We understood that both newness and no prior experience in the oil exploration created information asymmetry problems that adversely affect the deal completion.
Agency theory (Jensen and Meckling 1976)	Acquiring firm managers participate in acquisitions and make attempt to buy other companies at the expense of target shareholders (the expense will be more in higher	According to agency theory, assumed that managers do not perform things in timely-manner and they exploit the shareholders funds. This theory somewhat explains some issues involved in	With the consistence of agency theory construct, we argue that managers of both Bharti Airtel and MTN Group were found be expensive at the cost of shareholders funds. The strong	From the lens of agency theory, we argue that managers of acquiring firm have not exploited the shareholders funds. On one hand, because of newness to the oil business

	levels of valuation that leads to destroy shareholders funds).	our case. For example, managers and M&A advisory firms could have gained significant incentives from this deal, which were paid by Vodafone and Hutchison. On the one hand, Vodafone has entered in a potential market, thus paid the massive amount or premium. On the other hand, HWL has been recovered from the existing loss position. As of mentioned in previous sections, Whalley and Curwen (2012) argued that HTIL could have represented loss in 2007 when no sale of its 100% equity interest in Cayman Islands based CGP Investments (Holdings) Limited to Vodafone. It is worth mentioning that HTIL has invested roughly US$2.6 billion in India since 1995. In this regard, one can estimate that Li Ka-shing has outstandingly gained about US$8.3 billion for the period stayed in India (1995-2006).	reason is that both companies have spent significant amount on deal making, which related to M&A advisory fee, application fee and other deal logistics. If managers could have been proactive in knowing the regulatory hurdles, both companies would have saved many transaction costs. Due to this effect, shareholders were experience negative returns around two successive talks, but gained after the deal unsuccessful. Thus, the transaction cost adversely affect on accounting performance that refers to sunk cost in deal making.	Vedanta's managers have strived to seek approvals from the concerned government departments. On the other hand, M&A advisors seem to be exploited the funds of Vedanta in terms of charging higher deal fee and due diligence expenses. Because of two reasons, the deal has delayed, but later completed due to location advantage of the Vedanta firm, which was an Indian origin diversified business group. Thus, the delay in terms of time proportionately increases the transaction costs incurred in the deal (other than, deal value) that adversely affect the acquiring firm financial earnings in that year.
Institutional theory (Selznick 1948; Meyer	A country's formal institutional rules, regulations,	This theory fairly supports our case study observations. While	It is found that economic, financial, regulatory and socio-	Researchers in sociology suggested that institutions

and Rowan 1977; Zucker 1987; North 1990; Scott 1995)	laws, guidelines, conduct and political environment and other constitutional factors significantly affect businesses in that country (the influence will be more in international trade and investment decisions due to institutional distance between host and home country).	testing this theory, most previous studies do not reveal the conclusions or findings at foreign market entry level especially cross-border acquisitions. In fact, previous scholars investigate the given sample from the ‘firm’s view-point’ and not the ‘nation’s perspective’. On the one hand, we agree that Indian institutional framework is rigid, complexity, controversy and frustrated bureaucratic capital and unethical political behavior, no meaning of accountability or responsibility. However, this theory does not explain whether these institutional behaviors affect the given economy’s fiscal revenue or budget.	cultural factors determine the success of merger negotiations, especially in overseas M&As. In the given case, we argue that the deal has been unsuccessful due to regulatory hurdles (e.g. dual listing, open offers program), erratic behavior of government authorities (e.g. telecom regulatory), and political intervention for personal benefits (e.g. various ministries and secretaries). We therefore suggest that institutional determinants play key role in overseas deal completion. On the other hand, cultural issues between India and South Africa, and incompatible national strategies between Bharti Airtel and MTN group might explain the causes behind the broken overseas telecom deal.	define rules, regulations, procedures and norms that require making good economy. At the same time, institutions that include government, political, justice and cultural groups influence both economic and non-economic activities. In the given case, Vedanta – Cairn India deal has been delayed due to institutional dichotomous problems (e.g. open offers in the view of cross-ownership), erratic behavior of government officials and ruling political party intervention. Hence, we do posit that culture between India and UK affected the deal. This case proofs supports the institutional theory construct that institutions like government and political groups influence the business transactions both in domestic and in overseas.
Liability of foreignness-LOF (Caves 1971; Hymer	A bidding firm participating international acquisitions experiences information	Unfortunately, most LOF studies examine or investigate the MNCs and its subsidiaries performance	Liability of foreignness is one of the crucial factors to be studied by corporate professionals while	When we study this case through the lens of liability of foreignness, we do not find

1976; DiMaggio and Powell 1983; Zaheer 1995; Cuervo-Cazurra *et al.* 2007)	asymmetry induced by knowledge spillover and higher levels of transaction cost due to foreignness that attributed by newness to the host country.	during the post-entrance or post-setup of units in a given economy and compare those results with local firms. Unlike these studies, our case shows the legitimate evidence at the foreign market entry-level especially in developing economies. Thus, India's frustrated and rigid regulatory behavior, and tax framework are the root causes behind world's long-time delayed cross-country acquisition. To support this line, we present the time line of the deal. Vodafone has faced various government allegations at two jurisdictions, namely Bombay high court (a state-level jurisdiction) and supreme court (apex court of a given country). During these five years (2007-2011, Vodafone might have spent at least two per cent of the deal amount, which is an additional transaction cost to the company. One cannot focus on the company operations and the top-level management must answer various queries raised by	making foreign investments, particularly in developing countries. We thus support that the deal has been called-off in the second innings due to underestimation of foreignness problems relating to regulatory issues and ruling political party intervention. Further, transaction costs associated to deal making become sunk recording expenses that adversely affect the accounting earnings. This streak also infers that transaction cost of deal increases due to foreignness issues in the given host country. However, we believe MTN Group has spent significant amount on deal making due to LOF problems in the given host country, India. Since the existing theory largely supports the MNEs operating strategies in host countries, but not at the pre-merger negotiations. It is understood that LOF theory has partially supported by the case evidences.	any coexisting case proof that supports the theoretical construct. Hence, we argue that because of "newness" to the oil exploration business Vedanta has strived to face foreignness problems in deal making, but not in the location. Moreover, Cairn Energy also experienced the foreignness problems relating to production sharing contracts with its joint venture partner ONGC and other government approvals. If Vedanta has some prior experience in oil business, the deal would have completed within the period with all necessary government approvals. Thereafter, they could have focused on post-acquisition integration strategies that significantly reduce the transaction cost of the deal in terms of deal logistics and advisory fee. In sum, there were no significant LOF problems connected to the deal.

		the directors in board meetings. Indeed, this issue again raises the controversies inside the board; however, they have managed well in a given situation.		
Market efficiency theory (Fama *et al.* 1969; Fama 1970)	Capital markets react to new information [e.g. stock prices fully reflect available information and the reflection appear in weak, strong and semi strong market efficiency.	*Deal announcement*: Vodafone shareholders received significant higher returns about 1.34% on the announcement day. Therefore, the change in stock price was due to new information addressing acquisition decision, which eventually supports the theory "semi strong". *Vodafone won the tax plea case*: Stock price declined by 2.51% after the immediate day (win over tax plea case). Hence, we argue that decline in stock price does not explain this reason. The reflection has not been sufficient to explain the market efficiency.	*First innings*: Bharti Airtel stock price declined by 5.32% on the announcement day due to cross-border merger negotiations. *Second innings*: Bharti Airtel stock price again crashed by 4.83% on the announcement day in which shareholders were unhappy with managerial decisions. *Deal cancellation*: Bharti Airtel stock price rose by 3.90% on the day after the announcement of unsuccessful negotiations with MTN. We therefore suggest that Bharti Airtel stock price fully reflected due to the new information that resulted in market efficiency as "strong thread".	Vedanta Resources and Cairn Energy shareholders experienced significant higher return on the announcement day (4.87%, 5.32%), while Cairn India stock price declined by 6.36%. We thus suggest that new information (acquisition announcement by Vedanta) has resulted in significant stock price returns, which supports the "strong" thread of market efficiency.

Note: Reddy *et al.* (2014a) tested theory of FDI, eclectic framework, Uppsala theory, LOF, institutional theory and information asymmetry for single case, that is, Vodafone-Hutchison deal (pp. 66-67), which is reproduced (improved) in this paper.

Appendix A. Case study protocol

Task	Time and performance
Research area	Cross-border mergers and acquisitions involving Indian deals
Research setting	Interdisciplinary framework
Research scope	International business, economics, strategic management, organization studies, corporate finance, accounting, sociology and law.
Research objective	Impact of host country institutional environment on overseas inbound acquisitions completion
Research contribution	> Methodological contribution – New typology of multi-case research > Theoretical contribution – New theory with testable propositions > Implications – New foreign market entry model
Research method	Qualitative study: Case study research – Multi-case approach
Sampling region	Emerging Markets – Asian region
Sampling place	South Asia – India
Motivation	> Growing research interest in emerging markets > Knowledge gaps addressing institutional role in cross-border M&As performance and its behavior around announcements > To propose new business model for easing business-entry in emerging markets
Sampling cases	o Vodafone-Hutchison deal in telecommunications o Bharti Airtel-MTN Group deal in telecommunications o Vedanta Resources-Cairn India deal in oil and exploration
Case development	First case: Bharti Airtel-MTN Group deal Second case: Vedanta Resources-Cairn India deal Third case (pre-testing and development): Vodafone-Hutchison deal
Sampling time	▪ Vodafone-Hutchison deal (December,2006-January, 2012) ▪ Bharti Airtel-MTN Group deal (February, 2008-October, 2009) ▪ Vedanta Resources-Cairn India deal (August 2010-December, 2011)
Data source	> Indian registered finance dailies (online) such as Business Line, Business Standard, Economic Times, Financial Express, Hindu, Hindustan Times, and Times of India. > Other online sites include Live mint and The Wall Street Journal and Reuters. > Consultants official sites include Deloitte, KPMG, E&Y, Grand Thornton, Corporate Professionals-Takeovercode.com, BMG advisory firm, Angel Broking. >Regulatory sites include RBI, CCI, SEBI, TRAI, FIPB, Ministry of Finance, Ministry of Petroleum, Ministry of Corporate Affairs, Department of Economic Affairs and Department of Disinvestment. > Official sites of firms involved as acquirer and target in sampling cases. > International organizations include the World Bank and UNCTAD. > Extant literature related to cross-border investments and acquisitions > News Videos from You Tube for Bharti Airtel-MTN deal.
Data collection	Bharti Airtel-MTN Group deal – Retrospective method (March, 2010) Vedanta Resources-Cairn India deal – Direct observation and immediate reaction (initiated August, 2010; closed December, 2011)

	Vodafone-Hutchison deal – Retrospective method (July, 2012)
Case writing	Bharti Airtel-MTN Group deal (July, 2010) Vedanta Resources-Cairn India deal (January, 2011) Vodafone-Hutchison deal (October, 2012)
Investigator	Number of principal supervisors – 02 [internal] Editors and anonymous reviewers
Case publication	✓ Vedanta Resources-Cairn India deal (*Emerald Emerging Markets Case Studies* [after one revision] in the first-half, 2011) [Nangia *et al.* 2011] ✓ Bharti Airtel-MTN Group deal (*Journal of the International Academy for Case Studies* [after two revisions] in the second-half, 2011) [Reddy *et al.* 2012] ✓ Vodafone-Hutchison deal (*International Strategic Management Review* [after two revisions], in the second-half, 2013) [Reddy *et al.* 2014a]
Literature review and understanding of the case method	Literature review – February, 2011 to April, 2014 Methodological review – November, 2010 to August, 2011; July, 2012 to February, 2014
Developing new multi-case research design	October, 2013 to February, 2014
Theory testing	October, 2013 to May, 2014
Theory development	October, 2013 to May, 2014