Journal for Re Attach Therapy and Developmental Diversities
eISSN: 2589-7799
2023 August; 6 (1): 2401-2408

Overseas Direct Investment - A Study Of Stakeholder Perception In India

Sakshi Parihar[1*], Dr. Komal Singh[2]

[1*,2]Indira School of Business Studies, Savitribai Phule Pune University, Pune

Abstract

This study examines Overseas Direct Investment (ODI) from India, focusing on stakeholder awareness, investment determinants, risk perception, and government support. Utilizing John Dunning's Eclectic Paradigm and other internationalization theories, the research explores the impact of macroeconomic variables such as exchange rate, interest rates, GDP, and trade on ODI from India. A structured survey of 400 respondents, including bankers, corporate professionals, and academicians, reveals that ODI awareness is high, with equity investment being the preferred mode. The United States and Europe emerge as the most favored destinations, while agriculture, mining, and IT-enabled services lead sectoral preferences. The findings indicate that international trade relationships significantly drive ODI decisions, surpassing macroeconomic factors like exchange rates and GDP. However, a perception of high risk and insufficient government support persists among stakeholders. Statistical analysis, including reliability tests and regression models, highlight the moderate explanatory power of macroeconomic variables, suggesting the need for further investigation into firm-level and geopolitical factors. The study emphasizes policy recommendations such as streamlining regulatory frameworks, enhancing government support, and fostering a conducive environment for Indian firms to expand globally. Future research can explore sector-specific ODI trends and qualitative determinants influencing investment decisions.

Keywords: Overseas direct investment, India, international trade, exchange rate, interest rate, GDP

Introduction

Jean Paul Getty, British petrol industrialist and one of the richest man in the world at one point in time, said –"*Money is like manure. You have to spread it around or it smells*".
Individuals as well as corporates engage in investments using surpluses or by raising money through the equity or debt route. These investments can be domestic as well as overseas. In terms of Foreign Exchange Management (Overseas Investment) Rules, 2022[1], issued under Foreign Exchange Management Act, 1999 by the Reserve Bank of India **"Overseas Direct Investment (ODI)** means (i) acquisition of any unlisted equity capital or subscription as a part of the Memorandum of Association of a foreign entity, or (ii) investment in 10% or more of the paid-up equity capital of a listed foreign entity, or (iii) investment with control where investment is less than 10% of the paid-up equity capital of a listed foreign entity"

A few recent examples of ODI from India clearly show the geographical breadth of Indian investment overseas in different forms like joint ventures and wholly owned subsidiaries, and through different modes like equity, loans, and guarantees.

- "Adani Harbour Services Limited extended a loan to its WOS, Adani Harbour International in DMCC, UAE under the Transport, Storage and Communication category
- 3D Hospicare LLP made an equity investment in Aster Healthcare Limited JV in Kenya under the Community, social and personal services category
- Aarati Drugs Ltd, Pinnacle extended a guarantee to Chile Spa, its JV in Chile under the Manufacturing category
- Ace Pipeline Contracts Private Limited made an equity investment in Ace Global Ltd, its WOS in UAE under the Construction category
- Agastya Aeroworks Private Limited made an equity investment in Oxair Gas Systems Australia Pty Ltd, its JV in Australia under the Electricity, Gas and Water category
- Advait Minerals LLP made an equity investment in Khingan Minerals, its JV in Norway under the Agriculture and Mining category"[2]

This research focuses on understanding the awareness level of stakeholders regarding ODI, the determinants of ODI, sources of information & guidance, sectoral preference, risk perception, preferred modes of investment and level of Government support.

Theoretical construct

- John Dunning's Eclectic Paradigm (OLI Model)[3] is a comprehensive framework that explains Foreign Direct Investment (FDI) and, by extension, ODI. ODI occurs when all three conditions are met – **O**wnership advantages such as technology, brand, patents that allow firms to compete in foreign markets; **L**ocation advantages in the host country, such as labour costs, market size, resources that make investment attractive and finally **I**nternalization advantages which portend benefits of controlling operations rather than licensing or outsourcing.
- Raymond Vernon's Product Life Cycle Theory**[4]** explains ODI as firms expanding internationally as their products mature.
  - In the *introduction stage*, firms produce in their home country.
  - In the *growth stage*, they start exporting.
  - In the *maturity stage*, production shifts to lower-cost countries.
  - In the *decline stage*, firms relocate production to emerging markets, leading to ODI.
- Stephen Hymer's Market Imperfections Theory**[5]** suggests that firms engage in ODI when market imperfections (e.g., trade barriers, monopolistic advantages) prevent them from simply exporting or licensing. Instead, they invest directly to exploit their competitive advantages in foreign markets.
- Internalization Theory by Buckley & Casson[6] argues that firms engage in ODI to internalize transactions that would otherwise be conducted through the market. Firms prefer direct investment over outsourcing or licensing when there are high transaction costs (e.g., intellectual property risks), they want control over supply chains or they seek to avoid tariffs or quotas in international trade.

Literature review

Various papers examine determinants of ODI from India, other emerging economies, and advanced countries. "Factors such as economic growth, market size, resource endowments, and institutional factors such as host country institutional quality and investment regulations, influence Chinese ODI. (Torres Oliveira, R., Menzies, J., Borgia, D., & Figueira, S., 2017)[7]. Chinese firms are likely to engage in ODI because these firms possess high absorptive capacities. ODI can give the companies new technology, knowledge, and management skills that are applied in quality upgradation and innovation. (Hongfeng Peng, Jingwen Yu, 2021)[8]. Chinese firms are more likely to invest in greenfield investments instead of M&A when going global; they opt for investments in countries sharing similarities in culture and institutions. (In Eunsuk Hong & Laixiang Sun, 2006)[9]. During the last few years, Chinese ODI in the EU has been growing very fast, especially in M&A and greenfield investments direction (Clegg, J., Voss, H., 2014)[10,11].

Foreign institutional investments are influenced by exchange rates, equity market returns, and inflation (Srinivasan Palamalai & M. Kalaivani, 2014)[12].

According to B. Iqbal et al. (2018)[13], the scale of a market and the degree of trade openness play a crucial role in driving ODI. Similarly, Asongu et al. (2018)[14] identify that both market size and infrastructure development are important factors in attracting ODI, particularly in BRICS and MINT countries. Vijayakumar et al. (2008)[15] identify several key factors influencing ODI flows to BRICS countries, including the size of the market, labor costs, infrastructure quality, and the level of gross capital formation. Foreign institutional investments are influenced by exchange rates, equity market returns, and inflation (Srinivasan Palamalai & M. Kalaivani, 2014)[16]. For foreign direct investment, market size and trade openness are key factors (B. Iqbal et al., 2018)[17]. China's "Go Global" strategy and "Belt and Road Initiative" have significantly promoted ODI by domestic enterprises (Pan & Al-Tabbaa, 2021)[18]. In Singapore, ODI was found to promote merchandise trade but not services trade (Wong & Goh, 2013)[19]. For banks, off-balance sheet activities are determined by regulatory factors, bank-specific characteristics, and macroeconomic conditions (D. Nachane & Saibal Ghosh, 2007)[20]. Exchange rates, equity market returns, and US market conditions also influence foreign institutional investment in India (Palamalai & Kalaivani, 2014)[21].

Rienda et al. (2013)[22] suggest that the level of technological advancement within an industry, along with specific attributes of the host country, influences whether Indian firms opt for acquisitions or Greenfield investments in foreign markets. Similarly, Nayyar (2008)[23] highlights that Indian firms expand internationally due to factors such as economic liberalization, improved access to financial markets, and the competitive advantages they have built over time.

For India specifically, market-related factors, diaspora presence, and resilience to weak institutions influence ODI (Nunnenkamp et al., 2012)[24]. For Indian ODI, financing constraints play a significant role, with internal finance impacting the likelihood of overseas investment (Sasidharan & Mishra, 2018)[25]. Industry factors such as size and growth rate influence ODI financing by Indian multinationals (Tripathi & Thukral, 2020)[26]. Institutional strategies, including substitution and signalling, positively affect ODI decisions and volume (Nayyara & Maityb, 2021)[27]. However, the surge in Indian ODI may not be an unmixed blessing due to remaining distortions in the domestic investment climate

(Athukorala, 2009)[28]. Other studies have explored ownership choices of Indian direct investors (Nunnenkamp & Andrés, 2014)[29] and determinants of intercorporate investments by Indian firms (Saxena & Sahoo, 2020)[30].

Literature Gap

The existing literature provides substantial insights into the determinants of Overseas Direct Investment (ODI) from both emerging and advanced economies. However, most studies concentrate on China and specific studies on India are limited. Significant gaps remain in the current understanding of how specific macroeconomic factors—such as exchange rate volatility, interest rate movements, and changes in GDP—impact the volume of ODI from India. While some studies have addressed financing constraints (Tripathi & Thukral, 2020) and institutional strategies (Nayyara & Maityb, 2021), there is limited empirical evidence on the direct effect of trade variables, including export and import fluctuations, on ODI. Furthermore, research on how these determinants interact in the context of Indian multinational firms is lacking. This study seeks to bridge these gaps by examining the relative importance of these macroeconomic variables in shaping India's ODI trends.

Research methodology

Descriptive and qualitative research was undertaken through a Structured Questionnaire. Primary survey was done using Simple Random Sampling Technique. Sample institutions encompassed Banks, Corporates, Government offices, and Management institutes. Sample Size was 400. IBM Statistical Package for the Social Sciences Program (SPSS)[31] version 30.0 was used. Validation was done through a statistician (Associate Professor of Statistics, University of Mumbai) and subject matter experts at the Ministry of Finance[32] (Joint Director) and Reserve Bank of India[33] (Assistant General Manager).

The Questionnaire contained 5 demographic questions and 12 Overseas Direct Investment (ODI) related questions. It was shared in person, via email, and through WhatsApp with bankers, academicians, and corporates.

Objectives of the study

- To analyze the impact of exchange rate volatility on the volume of Overseas Direct Investment (ODI) from India.
- To assess the relationship between interest rate movements and the volume of ODI from India.
- To examine how changes in GDP influence the volume of ODI from India.
- To evaluate the effect of changes in the absolute value of exports on the volume of ODI from India.
- To investigate the impact of changes in the absolute value of imports on the volume of ODI from India.

Hypothesis of the study

- H1: Exchange rate volatility has a significant impact on the volume of ODI from India.
- H2: Interest rate movement has a significant impact on the volume of ODI from India.
- H3: Change in GDP has a significant impact on the volume of ODI from India.
- H4: Change in the absolute value of exports has a significant impact on the volume of ODI from India.
- H5: Change in the absolute value of imports has a significant impact on the volume of ODI from India.

Data analysis

Table 1 Demographic information of Survey participants

Category	**Subcategory Names**	**Percentage**
Education	MBA, Bachelors, Any other Masters, PhD	68%, 19%, 6%, 7%
Occupation	Academician, Banker, Corporate employee, Others	24%, 35%, 28%, 13%
Experience	0-5 years, 6-15 years, More than 15 years	33%, 32%, 35%
Sector	Academia, BFSI, IT & ITES, Manufacturing, Others	24%, 54%,6%,7%,8%

The demographic profile of the respondents highlights key characteristics in terms of education, occupation, experience, and sector of employment. The majority of participants (68%) hold an MBA, followed by 19% with a bachelor's degree, while 7% have a PhD, indicating a well-educated respondent base. In terms of occupation, bankers constitute the largest group (35%), followed by corporate employees (28%) and academicians (24%), reflecting a mix of professionals with financial expertise and industry experience. Experience distribution is relatively balanced, with 35% having over 15 years of experience, while 33% and 32% have 0–5 and 6–15 years, respectively. The sectoral distribution shows a dominant representation from the finance industry (approximately 200 participants), while academia accounts for around 100

participants. IT & ITES, manufacturing, and other sectors are relatively underrepresented, with about 20 respondents each. This diverse composition ensures a well-rounded perspective on Overseas Direct Investment (ODI) determinants.
Table 2 Survey findings

Category	Subcategory Names	Percentage/Outcome
ODI Awareness	Scale of 1, 2, 3, 4, 5 with 1 being lowest and 5 signifying high level of awareness	32, 57, 67, 131, 113
Regional Preference	United States, Europe, Asia except China, China, Africa, Oceania (Australia & New Zealand)	32.75%, 28.25%, 17%,14%, 8%,
Guiding Institutions	Exim Bank of India, Own Bank, UN Institutions, Other references	Exim Bank dominates, followed by Own Bank and UN Institutions
Preferred Investment Mode	Guarantees, Equity, Debt	Equity most preferred, followed by Debt and Guarantees
Perception of Risk	Higher, Same, Lower	67.7%, 22.6%, 9.7%
Government Support	Yes, No	77%, 23%
Knowledge of ODI Firms	Yes, No	67%, 33%
Information Sources	Domestic Trade Partners, International Trade Partners, Professional Network, Online Research, Investment Firms, Govt Reports, Financial News	Professional Network most used, followed by Financial News, Online Research
Sector Preference	BFSI, Manufacturing, Electricity-Gas-Water, ITES, Real Estate, Wholesale, Agriculture-Mining	Agriculture & Mining, ITES, and BFSI most preferred

Findings of the survey

- A significant portion of the surveyed group has a strong understanding of ODI, suggesting that ODI is gaining recognition as a key aspect of India's economic expansion.
- Higher number of respondents seek insights from industry peers, business contacts, and professional associations, highlighting the importance of personal connections and experienced guidance in making ODI decisions rather than formal reports or generalized research.
- The United States and EU are the most favored destination, reflecting strong economic ties, access to advanced technology, and a stable business environment that attracts Indian investors. Smaller but notable portions of investment preferences are directed toward China, Africa, and Oceania (Australia & New Zealand).
- Agriculture and mining emerge as the most preferred sector for high-level investment, reflecting India's growing interest in securing raw materials, food security, and resource-based assets in international markets. Other highly preferred sectors include Information Technology Enabled Services (ITES) and electricity, gas, and water, which align with India's global leadership in technology and infrastructure development. The emphasis on these sectors suggests that Indian companies are prioritizing strategic industries that offer long-term growth and global competitiveness.

The Exim Bank of India emerges as the most preferred institution for guidance, reflecting its importance in facilitating global trade and investment through financial assistance, risk mitigation, and advisory services. A large number of respondents also rely on their own banks, suggesting that companies seek familiarity and trust when accessing financial support for overseas ventures.
The preference for equity as mode of investment suggests confidence in long-term growth and an interest in establishing a firm foothold in foreign markets by Indian entities rather than engaging in short-term financial commitments.
A significant 67.7% of participants believe that ODI carries a higher risk, indicating concerns about uncertainties in foreign markets. Factors such as political instability, fluctuating exchange rates, unfamiliar regulatory environments, and differences in business cultures could contribute to this perception.
77% of participants believe that the Indian government does not provide sufficient support for ODI, highlighting concerns about policy frameworks, financial assistance, and institutional backing for businesses looking to expand globally.

Statistical Analysis of Overseas Direct Investment

Reliability tests such as Cronbach's alpha & P value; Measure of distortion like Skewness; Normality Test such as Kurtosis & Shapiro Wilk Test; Tests of significance such as Friedman Test - Chi Square, df and Asymptomatic significance were conducted.

Table 3 Reliability tests for ODI data

Variable	Cronbach's alpha	Skewness	Kurtosis	Shapiro-Wilk Test: Statistic	p-value
Overseas Direct Investment	0.953	0.265	0.963	0.756	0.362

Cronbach's alpha of 0.953 shows excellent internal consistency, suggesting that the survey items measuring these constructs are highly reliable. Data has slight positive skewness (0.265), but the values are close to zero, indicating a fairly symmetric distribution. Kurtosis of 0.963 indicates mesokurtic distributions, meaning their shape is close to a normal bell curve. As, Shapiro-Wilk Test for Normality Statistic is 0.756 and p-value of 0.362, we fail to reject the null hypothesis, meaning the data is approximately normal. This confirms that normality assumptions hold, making parametric tests appropriate for further analysis.

Table 4 Test Statistics – Friedman Test

N	400
Chi-Square	114.687
df	4
Asymp. Sig.	0.000

A large number of observations (400) increases statistical power. The Friedman test indicates that there are significant differences among the ranked factors affecting ODI from India, suggesting not all factors are equally important in influencing ODI decisions. Wilcoxon signed-rank test was conducted to determine factors that may play a significantly greater role than others.

Table 5 Mean Rank of Factors Influencing ODI

Variable for ODI Data	Mean Rank
GDP of target country	4.86
Exchange Rate	5.27
Interest rate in India	5.01
International trade (exports and imports between two countries)	5.62

International Trade (5.62) ranks highest, suggesting that Indian investors consider bilateral trade volumes and trade agreements when expanding abroad. Countries with strong trade ties with India are likely preferred ODI destinations. Prevalent Exchange Rate (5.27) and Interest Rate in India (5.01) have relatively lower mean ranks, implying that macroeconomic factors are important but not as critical as governance-related variables. GDP of the Target Country (4.86) has the lowest mean rank, suggesting that economic size alone is not the primary determinant for Indian ODI.

Table 6 Model Summary – ODI Data

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.0563[a]	0.452	0.416	1.33113
a. Predictors: (Constant), exchange rate, GDP of target country, import and export, Interest rate				

45.2% of the variance in ODI decisions is explained by the included predictors. This suggests that there are other unexplored factors (54.8%) impacting investment decisions. The difference between R^2 (0.452) and Adjusted R^2 (0.416) is small, indicating that the model is not heavily over fitted, but adding more relevant predictors could improve its accuracy.

Table 7 ANOVA test

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	14.410	4	1.441	90.520	.006[b]
	Residual	668.010	377	1.772		
	Total	682.420	387			
a. Dependent Variable: ODI						
b. Predictors: (Constant), exchange rate, GDP of target country, import and export, Interest rate						

The low regression sum of squares (14.410) compared to the high residual sum of squares (668.010) suggests that the model explains only a modest proportion of the variation in ODI. The ANOVA test confirms that the regression model is **statistically significant** ($p = 0.006$), confirming that macroeconomic factors impact ODI decisions. However, since the R^2 value from the model summary (0.452) is moderate, it indicates that other unexplored variables might influence ODI, such as firm-level capabilities, industry-specific risks, or geopolitical factors.

Policy recommendations

Addressing awareness gap of ODI through targeted communication, business forums, and educational initiatives could help enhance understanding of India's global economic influence. Educational initiatives focusing on ODI regulations, including the Foreign Exchange Management Act (FEMA) provisions, RBI guidelines, benefits under trade agreements such as EFTA, India-UAE CEPA, and tax implications under DTAA treaties, would enable more strategic overseas investments by Indian corporations.

When businesses, policymakers, and stakeholders recognize the importance of ODI, they can better leverage opportunities and address challenges associated with international investments.

Given the high-risk perception of overseas investments, there is a ripe market to launch more insurance products that cover global risks. The Insurance Regulatory and Development Authority of India[34] (IRDAI) could work with entities like Export Credit Guarantee Corporation (ECGC) to encourage the design and development of such products at competitive pricing.

As many investors and companies feel that ODI is not receiving enough Government support, there is scope for better facilitation, clearer regulations, and stronger diplomatic engagement to ease their entry into foreign markets.

The Government's recent thrust on self-sufficiency and promoting 'Make in India' through incentive schemes like PLI is laudable. However, as India ascends global GDP ranks, it is imperative that Indian corporations become global too. There is a thought process in some places within the system to believe that FDI (incoming forex) is good, but ODI (forex outflow) is bad. This ignores the significance of ODI in bringing high-end technology home and also forex eventually through dividends, profit repatriation, and eventual sale.

The complex regulatory framework, with its numerous amendments, circulars, and notifications, has created a labyrinth of requirements that even seasoned financial professionals struggle to navigate effectively. Rationalizing of FEMA's ODI regulations by RBI would streamline processes, reduce compliance costs, and eliminate conflicting or redundant provisions that currently impede efficient implementation.

Conclusion

Awareness level for ODI is high, but there is scope to raise further awareness.

Agriculture and mining were the preferred sector for ODI, with IT &ITES services as a close second. Equity emerges as a choice mode of investment over debt and guarantees. US & EU are favoured destinations owing to the presence of good companies with high governance standards and growth potential. Exim Bank and insights from industry peers are sought while making ODI decisions, as well as industry peers rather than Government reports.

International trade between countries is the biggest predictor for ODI, implying that trade is the first step companies take to understand a new country, its customers, and companies to acquire in the future. Prevalent Exchange Rate and Interest Rate in India have a moderate impact. These represent the cost of acquisition for the Indian company and a depreciating currency adds to the purchase price. However, if opportunities are good, these do not deter Indian companies from venturing abroad. GDP of the Target Country is the lowest predictor, suggesting that economic size alone is not the primary determinant for Indian ODI.

Significance

Forex reserves are very precious for a country's financial stability. Currently, India's reserves are around $650bn. Indian entities can invest abroad up to 400% of the entity's net worth. ODI involves huge outflows from India. Since 2000 till 2023, Indian companies and resident individuals have deployed $668.46 billion with actual outflows amounting to $292.11 billion. Hence, it is important to research ODI and monitor the transactions therein.

Nearly half of the existing research on ODI has primarily concentrated on China and hence there is a need for further study on factors affecting ODI from emerging countries, especially India. Macroeconomic variables like international trade, exchange rate, interest rate, and GDP influence ODI decisions and hence, it was important to understand first-hand how companies and bankers make these decisions and their overall approach.

The research can encourage corporations to explore overseas options and become more global in their operations.

The research aims to change the perception of policymakers to look at ODI beyond the outflow of forex reserves of the country and to implore them to look at it as a brand building exercise of the company and gain access to global customers.

This can lead to provision of additional support, incentives from the Government, and simplification and rationalization of existing regulations and reporting requirements.

Limitation

List of Authorized Dealer Bankers was sourced through the RBI website - FEMA reporting point of contact. However, emails were not delivered or accessible to quite a few bankers. Many banks have prohibited external links, including Google docs. The authors would have liked to interview more bankers as all ODI transactions are routed through them and the customers consult them before engaging in such transactions, so they have a ringside view of the whole process and ODI transaction trends.

As there was a lack of funding, respondents were from Mumbai, Delhi, and Pune only. Though the majority of respondents who work in foreign exchange and ODI, including forex department heads, operate out of these cities, coverage was quite adequate.

Given that it was a unique research topic, people in non-finance domains were not aware of the term, limiting participation. Even professionals in finance and corporates are aware of trade and FDI, but not so much knowledge about ODI. As awareness is an issue, highlighting the need for building awareness. As this is the first phase of the study, only the primary survey was conducted.

Future scope

A secondary study can be carried out to understand the various factors affecting ODI from India and compare it with the results of the Primary survey.

Interactions with participants elicited that non -quantitative factors like rule of law, governance, regulatory quality, type of government – democratic or authoritarian, tax incentives also play an important role in decision-making. Future research can concentrate on the role of these parameters for the Indian ODI.

Authors have surveyed overall ODI trends. However, there are huge sectoral differences in how companies make these decisions and ODI activity is stronger in some sectors than others. Sectors like manufacturing, agriculture, mining, construction, real estate, pharmaceuticals, BFSI, IT and IT enabled services, etc. may be studied in depth to find variances and causal factors.

Case studies exploring successful as well as failed ODI ventures from India like TCS, Dr. Reddy's, Adani, Byju's can be undertaken to provide an end-to-end understanding of the process, issues faced and lessons learned.

Reference

1. https://rbidocs.rbi.org.in/rdocs/content/pdfs/GazetteRules23082022.pdf
2. Data source - Reserve Bank of India - Data on Overseas Investment
3. Dunning, J. Toward an Eclectic Theory of International Production: Some Empirical Tests. *J Int Bus Stud* **11**, 9–31 (1980). https://doi.org/10.1057/palgrave.jibs.8490593
4. Vernon, R. (1966). International investment and international trade in the product cycle. *The Quarterly Journal of Economics, 80*(2), 190–207
5. Hymer, S. H. (1976). *The international operations of national firms: A study of direct foreign investment*. MIT Press
6. Buckley, P. J., & Casson, M. C. (1976). *The future of the multinational enterprise*. Book by Macmillan.
7. Torres de Oliveira, Rui & Menzies, Jane & Borgia, Daniel & Figueira, Sandra. (2017). Outward Foreign Direct Investment from Emerging Countries: Theoretical Extension and Evidence from China. The International Trade Journal. 10.1080/08853908.2017.1358679.
8. Absorptive capacity and quality upgrading effect of OFDI: Evidence from China. Hongfeng Peng, Jingwen Yu.2021. https://doi.org/10.1111/1468-0106.12355
9. Dynamics of Internationalization and Outward Investment: Chinese Corporations' Strategies. Eunsuk Hong, Department of Financial and Management Studies, SOAS, University of London, UK. Laixiang Sun, International Institute for Applied Systems Analysis, Laxenburg, Austria RP-07-009 December 2007 Reprinted from The China Quarterly, 187: pp. 610–634 (2006).
10. Buckley, P. J., L. Jeremy Clegg, Adam R. Cross, Liu, X., Hinrich Voss, & Ping Zheng. (2007). The Determinants of Chinese Outward Foreign Direct Investment. *Journal of International Business Studies*, *38*(4), 499–518. http://www.jstor.org/stable/4540439
11. https://www.granthaalayahpublication.org/Arts-Journal/ShodhKosh/article/view/3729
12. Srinivasan, P., & Kalaivani, M. (2015). Determinants of Foreign Institutional Investment in India: An Empirical Analysis. Global Business Review, 16(3), 364-376. https://doi.org/10.1177/0972150915569925

13. Iqbal, B. A., Rahman, M. N., & Yusuf, N. (2018). Determinants of FDI in India and Sri Lanka. Foreign Trade Review, 53(2), 116-123. https://doi.org/10.1177/0015732517734751
14. Asongu, Simplice and Akpan, Uduak S. and Isihak, Salisu, Determinants of Foreign Direct Investment in Fast-Growing Economies: Evidence from the BRICS and MINT Countries (January 2018). Forthcoming: Financial Innovation , Available at SSRN: https://ssrn.com/abstract=3266224 or http://dx.doi.org/10.2139/ssrn.3266224
15. Vijayakumar, N., Sridharan, P., & Rao, K. C. S. (2010). Determinants of FDI in BRICS countries: A panel analysis. *International Journal of Business Science and Applied Management*, *5*(3), 1–13. https://doi.org/10.69864/ijbsam.5-3.58
16. Srinivasan, P., & Kalaivani, M. (2015). Determinants of Foreign Institutional Investment in India: An Empirical Analysis. Global Business Review, 16(3), 364-376. https://doi.org/10.1177/0972150915569925
17. Iqbal, B. A., Rahman, M. N., & Yusuf, N. (2018). Determinants of FDI in India and Sri Lanka. Foreign Trade Review, 53(2), 116-123. https://doi.org/10.1177/0015732517734751
18. Peirong, P., & Al-Tabbaa, O. (2021). The effect of the Chinese government policies on outward foreign direct investment by domestic enterprises: A policy analysis. *Journal of Strategic Change*, *30*(6), 561–572. https://doi.org/10.1002/jsc.2469
19. Wong, K. N., & Goh, S. K. (2013). Outward FDI, merchandise and services trade: evidence from Singapore. *Journal of Business Economics and Management*, *14*(2), 276-291. https://doi.org/10.3846/16111699.2012.703964
20. Nachane, D. M., & Ghosh, S. (2007). An Empirical Analysis of the Off-Balance Sheet Activities of Indian Banks. Journal of Emerging Market Finance, 6(1), 39-59. https://doi.org/10.1177/097265270700600102
21. Srinivasan, P., & Kalaivani, M. (2015). Determinants of Foreign Institutional Investment in India: An Empirical Analysis. Global Business Review, 16(3), 364-376. https://doi.org/10.1177/0972150915569925
22. Rienda, L., Claver, E., & Quer, D. (2012). The internationalisation of Indian multinationals: determinants of expansion through acquisitions. *Journal of the Asia Pacific Economy*, *18*(1), 115–132. https://doi.org/10.1080/13547860.2012.742705
23. Nayyar, D. (2008). The Internationalization of Firms From India: Investment, Mergers and Acquisitions. *Oxford Development Studies*, *36*(1), 111–131. https://doi.org/10.1080/13600810701848219
24. Nunnenkamp, P., Andrés, M. S., Vadlamannati, K. C., & Waldkirch, A. (2012). What Drives India's Outward FDI? South Asian Journal of Macroeconomics and Public Finance, 1(2), 245-279. https://doi.org/10.1177/2277978712473402
25. Sasidharan, S., & Padmaja, M. (2018). Do financing constraints impact outward foreign direct investment? Evidence from India. *Asian Development Review*, *35*(1), 108–132. https://doi.org/10.1162/adev_a_00107
26. Tripathi, V., & Thukral, S. (2020). Role of Industry Factors in Financing the Outward Foreign Direct Investment by Indian Multinational Enterprises. Global Business Review, 21(1), 124-141. https://doi.org/10.1177/0972150919846815
27. Nayyar, R., & Maity, R. (2021). Overcoming institutional voids in the home country for internationalization: An exploratory examination of institutional strategies of Indian MNEs. *Transnational Corporations*, *28*(3), 97–126. https://doi.org/10.18356/2076099x-28-3-4
28. Athukorala, P.-C. (2009). Outward foreign direct investment from India. *Asian Development Review*, *26*(2), 125–153. https://doi.org/10.1142/S0116110509500139
29. Nunnenkamp, P., & Andrés, M. S. (2014). Ownership Choices of Indian Direct Investors: Do FDI Determinants Differ between Joint Ventures and Wholly Owned Subsidiaries? South Asian Journal of Macroeconomics and Public Finance, 3(1), 39-78. https://doi.org/10.1177/2277978714525310
30. Saxena, V., & Sahoo, S. (2021). Determinants of Intercorporate Investments: An Empirical Investigation of Indian Firms. *International Journal of Financial Studies*, *9*(1), 1. https://doi.org/10.3390/ijfs9010001
31. IBM SPSS Statistics
32. finmin.gov.in
33. Reserve Bank of India
34. Home - IRDAI