

Research Article

A Study on the Impact of International Capital Raising by Companies on Economy: Evidence from India

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Abstract

India has been thriving towards the international capital markets to meet its growing financial needs. The impact of such corporate strategy on India's economic growth has been a subject of significant interest to the government, economists, and investors. This article aims to analyse the trends in international capital raising made by Indian companies and also investigates the linkage between the international capital raisings by Indian companies and India's economic performance, using Gross Domestic Product (GDP) as an indicator of economic performance. The study uses time series data collected from secondary sources spanning the period from 1992-93 to 2023-24 and finds a fluctuating trend of international capital raising made by Indian companies, indicating that they are highly influenced by global economic conditions, with a total of Rs. 12,68,165 crores raised across 1,043 issues. The study also reveals that the mode of international capital raising by Indian companies has seen a gradual shift from the international equity market to the debt market. The independent t-test shows a statistically significant difference in the mean value of capital raised in the international equity and debt markets. Further to investigate the linkage of international capital raising by Indian companies with economic performance, in the short-term Granger Causality Test and Simple OLS regression have been used. The Augmented Dickey-Fuller (ADF) test is used to check the presence of the unit root and confirms that both variables are stationary at the first difference. The Granger causality test finds a unidirectional causality between international capital raising by Indian companies and GDP, indicating that an increase in international capital raising will lead to an increase in GDP. The study also finds that a strong positive correlation ($r = 0.68$) between the two variables and the OLS regression model confirms a positive impact of international capital raising on economic performance in India. The study recommends SEBI and the Government of India to continue fostering a conducive environment for international capital raising while balancing associated costs and benefits.

Keywords

International Capital Markets, GDP, Globalisation, Economic Performance, Indian Economy

1. Introduction

Nowadays, raising funds from international markets has become a common phenomenon in the corporate world, not only in developed countries like the USA, UK, and Germany but also in emerging countries. In emerging economies like

India, where the economy is growing at a rapid rate, international capital raising by Indian companies can act as a strategic tool that can enhance the global competitiveness of Indian companies, thereby contributing to India's broader economic

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development goals. By accessing international capital markets, Indian companies can drive growth, innovation, and economic resilience, aligning with India's vision of becoming the third-largest economy in the world.

With the introduction of the new economic reforms in the 1990s, several Indian firms expanded globally [1]. The liberalisation of foreign policies, deregulation of financial markets, a growing number of international mergers & acquisitions, and internationalisation of Indian IT companies paved the way for Indian companies to enter the international arena to meet their financial needs [2]. Indian companies can raise funds internationally through equity or debt markets. In the equity market, companies issue Depositary Receipts (DRs), such as American Depositary Receipts (ADRs) in the USA or Global Depositary Receipts (GDRs) in Europe, to get cross-listed on foreign exchanges [3]. In the debt market, common instruments include Foreign Currency Convertible Bonds, Eurobonds, and Masala Bonds. Foreign Currency Convertible Bonds offer conversion to equity, and Masala Bonds are rupee-denominated bonds issued abroad to avoid foreign exchange risks [4].

The purpose of the study is to analyse the trends in international capital raising made by Indian companies post-new economic reforms from 1992-93 to 2023-24. An attempt has also been made to investigate the linkage between international capital raising made by Indian companies and India's economic performance, using GDP as a proxy measure. This paper is divided into three sections. The first section of the paper is the introduction, which provides a brief overview and background of the topic, the objectives of the study, the related literature survey and the research methodology used for the study. The second session deals with the data analysis and its interpretation. Finally, the third session deals with discussions and the conclusion of the study, followed by references.

1.1. Literature Survey

The relationship between international capital raising and economic growth has been widely examined through both theoretical and empirical lenses. Theories of international finance and endogenous growth provide a foundational basis for understanding how access to international capital markets can influence the economic performance of any country. As per the International Capital Flow Theory, capital naturally moves from countries with low returns to countries with high returns, thereby promoting growth and development in the borrowing country [20, 21]. The Endogenous Growth Theory further contributes by proposing that economic growth is driven through capital accumulation and innovations, which come from the international capital raising [22, 23]. Bernadine Ikwuagwu, E., Ugwuanyi, W., & Onyekachi Onyele, K. (2025), in their study conducted on Nigeria from 1986 to 2022, found that in the long run, financial globalisation has a positive and significant impact on economic development and increases the GDP per capita [27].

Numerous studies have analysed the impact of international capital inflows on economic performance across the globe. Talwar & Srivastava, (2018) in their study, investigated the linkage between GDP and FDI for six countries divided into three groups based on stage of economic development from 1987-2016 using the VEC model and the Johansen co-integration test. They found a linkage between the two variables in the long run only for the UK, Ethiopia and India. However, they did not find any linkage between the stage of economic development and the integration of FDI [5]. Alemu, (2017) in a similar study, found a positive linkage between foreign aid, economic growth and FDI using the GMM model for 39 African countries for a period of 15 years from 1998 to 2013 by dividing the sample countries into middle-income countries and low-income countries [6]. Encinas-Ferrer & Villegas-Zermeño, (2015) conducted a cross-country study on Brazil, Peru, South Korea, China and Mexico and found a causal linkage between GDP growth and FDI only for China [7]. Izevbogie & Michael, (2023) also found a statistically significant relationship between FDI and economic growth for Nigeria using the Error correction mechanism and co-integration in the short run and long run [8]. Wójcik & Burger, (2010) found that high GDP growth, capital-intensive and export-oriented companies tend to cross-list more from emerging countries, and one fifth of them were from BRIC countries by 2008 [9]. Ozdilek Kırca, E., & Canbay, S. (2025) conducted a similar study on Mexico, Indonesia, Nigeria and Türkiye (MINT countries) from 1970 to 2023 using the Bootstrap Panel Causality test, a statistically significant and positive causality relationship from economic growth to FDI in all countries except Mexico was found [24]. Egbunike, F. C., Oranefo, P. C., & Onyali, C. I. (2025) examined a relationship between FDI and GDP in OECD countries from 2008 to 2022 using multiple linear regression analysis and found that FDI inflows have a positive effect on GDP and it acts as a catalyst for economic growth in those countries and FDI outflows have negative impact on GDP [25]. Allen, D. (2024) investigates the relationship between FDI and economic development in Indonesia. The study was conducted from 2000 to 2023 using Vector Auto regression (VAR) and Vector Error Correction Model (VECM) and found that Indonesia's economic growth is significantly influenced by FDI [26].

Similarly, in the Indian context, Sethi, (2013) investigated the causal relation between economic growth and private foreign inflows in India using the Granger causality test and found a positive impact of FDI and FPI on economic growth using GDP as a proxy [10]. Bhattacharya & Bhattacharya, (2012) in their study, found a positive impact of capital inflow on economic growth in the short run by using FDI, FPI, external assistance, NRI investment and other modes as the indicators of capital inflows and GDP as an indicator of economic growth. Bidirectional causality was also found between economic growth and FDI [11]. Kumari et al., (2023) analysed the causal linkage between economic growth, FDI and trade openness in India using the VAR model and the

Johansen co-integration test from 1985 to 2018 and found similar bidirectional causality in their study [12].

Contrary to this, an ambiguous relationship was found between the FDI and the growth of the economy, depending upon the sector. FDI had a positive effect on manufacturing sector growth, a negative effect on the primary sector and had an ambiguous effect on the service sector [13]. Likewise, Rao et al., (2023) also found a negative relationship between foreign aid and economic growth in South Asia and South East Asia [14].

Kohli (2003) in her study found foreign inflows' impact on the stock market growth, liquidity, volatility and domestic money supply in its financial market in India [15]. International capital raising aids in capital formation, boosts investments in productive sectors, generates employment, advances technology, and improves the balance of payments through increased foreign exchange inflows [16, 17]. For companies, easier access to cheaper capital, a broader investor base, enhanced global visibility and credibility, increased liquidity, expansion opportunities, and better valuations are the key motives to raise funds from international equity markets [18, 19].

After going through the exhaustive review of literature, the researcher finds that several studies have investigated the impact of FDI and FPI on economic growth in India; however, no study was found on the impact of international capital raising made by Indian companies on India's economic performance. Therefore, to fill this research gap, the present study has been undertaken.

1.2. Research Methodology

The study uses the data collected from secondary sources. The data on international capital raisings made by Indian companies have been collected from the Prime Database, and the data on GDP is collected from the Reserve Bank of India database. The study makes use of time series data collected for 32 years, spanning from 1992-93 to 2023-24. The reason for collecting the data from 1992-93 was the key changes in

the policy made by the Indian government in 1991-92, which opened the doors of the Indian economy to the global markets.

Systematic analysis of the data is performed using appropriate statistical tools. Descriptive analysis of the variables was conducted using statistical tools like mean, median, standard deviation, minimum, maximum and growth percentage. An Independent t-test is performed to find whether any significant difference exists between the international capital raised through the debt and equity modes. The ADF test is used to check the presence of the unit root and confirm whether the data is stationary. The Granger Causality test is used to find out the causal linkage between GDP and International capital raising by Indian companies. To test the impact of international capital raising on economic performance, an OLS regression analysis was performed by taking GDP as a proxy for economic performance.

2. Data Analysis and Interpretation

The data analysis section is divided into two parts. Part one deals with the trends and descriptive analysis of international capital raising made by Indian companies. In the second part, we investigate the linkage between international capital raising made by Indian companies and economic performance using the Granger Causality test and OLS regression analysis.

2.1. Trends in Capital Raised by Indian Companies in International Capital Markets

The year-wise issues and amount of capital raised by Indian companies in the international market from 1992-93 to 2023-24, along with their annual growth/ decline percentage, are presented in Table 1. The annual growth/decline indicates the year-on-year increase/decrease in the amount raised and issues made by Indian companies. It is calculated using the formula.

$$\text{Annual growth} = \frac{\text{Amount raised/issues in Year}_t - \text{Amount raised/issues in Year}_{t-1}}{\text{Amount raised in Year}_{t-1}} \times 100$$

Table 1. Capital raised by Indian Companies in International Markets from 1992-93 to 2023-24, along with their growth rate.

Year	Amount (Rs. in Cr)	Annual Growth/Decline Percentage	No. of issues	Annual Growth/Decline Percentage
1992-93	690	-	2	-
1993-94	7,889	1043.33	27	1250.00
1994-95	7,608	-3.56	34	25.93
1995-96	5,339	-29.82	14	-58.82
1996-97	10,993	105.90	25	78.57

Year	Amount (Rs. in Cr)	Annual Growth/Decline Percentage	No. of issues	Annual Growth/Decline Percentage
1997-98	8,634	-21.46	19	-24.00
1998-99	1,138	-86.82	3	-84.21
1999-00	6,024	429.35	10	233.33
2000-01	1,684	-72.05	5	-50.00
2001-02	2,384	41.57	5	0.00
2002-03	1,079	-54.74	7	40.00
2003-04	7,045	552.92	18	157.14
2004-05	25,973	268.67	50	177.78
2005-06	48,292	85.93	133	166.00
2006-07	64,415	33.39	108	-18.80
2007-08	74,149	15.11	99	-8.33
2008-09	1,412	-98.10	14	-85.86
2009-10	45,299	3108.14	53	278.57
2010-11	48,722	7.56	60	13.21
2011-12	20,655	-57.61	28	-53.33
2012-13	77,004	272.81	45	60.71
2013-14	52,716	-31.54	25	-44.44
2014-15	1,16,791	121.55	39	56.00
2015-16	45,754	-60.82	15	-61.54
2016-17	70,189	53.41	38	153.33
2017-18	74,864	6.66	35	-7.89
2018-19	70,366	-6.01	23	-34.29
2019-20	1,42,989	103.21	49	113.04
2020-21	67,079	-53.09	18	-63.27
2021-22	1,00,389	49.66	21	16.67
2022-23	15,592	-84.47	3	-85.71
2023-24	45,008	188.66	18	500.00
Total	12,68,165		1,043	

Source: Prime Database

Table 1 exhibits the trends in the capital raised (Rs. in Crores) by Indian companies in international capital markets from 1992-93 to 2023-24. A sudden growth can be seen in the early years, particularly in 1993-94 (1043.33%), followed by periods of decline and volatility for the next ten years. A continuous growth in the amount raised was observed from

2003-04 to 2007-08. The global financial crisis in 2008-09 led to a sharp decline (-98.10%) in the capital raised, but it was strongly recovered in 2009-10 (3108.14%). Since then, a high volatility can be seen in the issues and capital raised to 2023-24. Overall, the data shows the fluctuating trend of international capital raising made by Indian companies, in-

dicating that they are highly influenced by global economic conditions, with a total of Rs. 12,68,165 crores raised across 1,043 issues.

2.2. International Capital Raising Made by Indian Companies Through Different Modes

Funds in international equity markets are raised by issuing depositary receipts, and funds in international debt markets

can be raised by issuing Convertible bonds, Masala bonds, Eurobonds, etc. The independent t-test is applied to test whether any significant difference exists in the amount raised by the Indian companies in the international equity market and international debt market. The null hypothesis is:

H_0 : There is no significant difference in the mean value of the amount raised by Indian companies in the international equity market and international debt market across the period of the study.

Table 2. Instrument-wise Issues and Amount of Capital Raised from 1992-93 to 2023-24.

Year	International Equity Offerings		International Debt Offerings				Total	
	No. of Issues	Amount (Rs. in Cr)	Convertible Bonds		Other Bonds		No. of Issues	Amount (Rs. in Cr)
			No. of Issues	Amount (Rs. in Cr)	No. of Issues	Amount (Rs. in Cr)		
1992-93	2	690	0	0	0	0	0	0
1993-94	17	4,779	10	3,110	0	0	10	3,110
1994-95	29	6,275	2	298	3	1,035	5	1,333
1995-96	7	2,083	0	0	7	3,256	7	3,256
1996-97	8	5,107	6	1,827	11	4,059	17	5,886
1997-98	4	2,159	0	0	15	6,475	15	6,475
1998-99	3	1,138	0	0	0	0	0	0
1999-00	8	5,475	1	115	1	434	2	549
2000-01	5	1,684	0	0	0	0	0	0
2001-02	5	2,384	0	0	0	0	0	0
2002-03	6	467	1	612	0	0	1	612
2003-04	8	695	7	2,727	3	3,623	10	6,350
2004-05	14	4,435	30	12,670	6	8,868	36	21,538
2005-06	56	15,896	71	22,590	6	9,806	77	32,396
2006-07	21	4,923	72	25,433	15	34,059	87	59,492
2007-08	33	30,949	60	24,235	6	18,965	66	43,200
2008-09	12	893	1	52	1	467	2	519
2009-10	32	18,739	15	13,058	6	13,501	21	26,559
2010-11	35	4,957	9	4,899	16	38,866	25	43,765
2011-12	13	1,844	7	2,357	8	16,454	15	18,811
2012-13	4	899	13	6,375	28	69,730	41	76,105
2013-14	2	219	3	294	20	52,203	23	52,497

Year	International Equity Offerings		International Debt Offerings					
			Convertible Bonds		Other Bonds		Total	
	No. of Is-sues	Amount (Rs. in Cr)	No. of Is-sues	Amount (Rs. in Cr)	No. of Is-sues	Amount (Rs. in Cr)	No. of Is-sues	Amount (Rs. in Cr)
2014-15	3	10,157	5	1,521	31	1,05,113	36	1,06,634
2015-16	1	399	1	2,005	13	43,350	14	45,355
2016-17	0	0	2	2,099	36	68,090	38	70,189
2017-18	0	0	0	0	35	74,864	35	74,864
2018-19	1	12,441	1	108	21	57,817	22	57,925
2019-20	0	0	1	7,104	48	1,35,884	49	1,42,988
2020-21	0	0	1	1,091	17	65,988	18	67,079
2021-22	0	0	1	1,217	20	99,172	21	1,00,389
2022-23	0	0	0	0	3	15,592	3	15,592
2023-24	0	0	0	0	18	45,008	18	45,008
Total	329	1,39,687	320	13,57,97	394	9,92,679	714	11,28,476

Source: compiled by researcher using data available from Prime Database

Table 2 provides a summary of international debt and equity offerings made by Indian companies from 1992-93 to 2023-24. A total of 329 international equity issues amounting to Rs. 1,39,687 crore and 714 international debt issues amounting to Rs. 11,28,476 crore were made by Indian companies since 1992-93 in the international capital market.

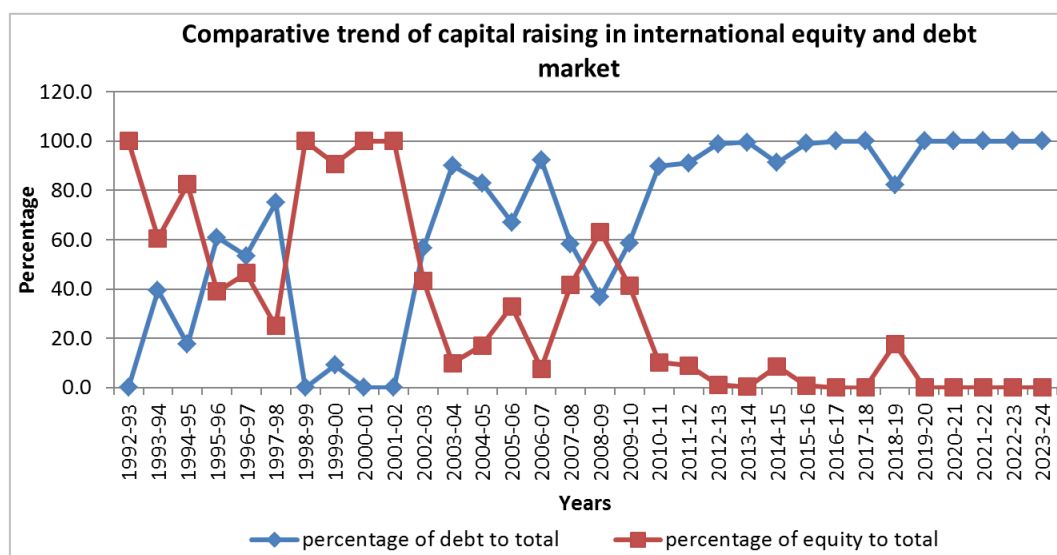
Table 3. Results of Independent t-Test: Assuming Equal Variances.

	International Equity Offerings	International Debt Offerings
Mean	4,365.21	35,264.87
Variance	4,58,64,702.82	1,39,97,42,313
Observations	32	32
Pooled Variance	72,28,03,508.1	
Df	62	H ₀ Rejected
t-stat	-4.5973070	
P-value	0.0000215	
t Critical Value	1.9989714	

Source: compiled by researcher using data available from Prime Database

The independent t-test results in Table 3 indicate a significant difference in the mean value of capital raised in the international equity and debt markets, as the computed p-value (0.0000215) is less than 0.05. The mean value of

capital raised in the international equity market is Rs. 4,365.21 cr, and the mean value of the amount raised through the international debt market is Rs. 35,264.87 cr.



Source: Prepared by researcher

Figure 1. Comparative Trend of Capital Raising in International Equity and Debt Markets.

Figure 1 depicts the comparison of the percentage of the amount raised in the international equity and debt market to the total amount raised in the international market by Indian companies from 1992-93 to 2023-24. The chart clearly shows a notable change in the mode of capital raising from the international equity market to the debt market. The international equity market was the prominent choice of Indian companies from 1992-93 to 2002-03, but from 2009-10, raising funds from the international debt market became the prominent choice of Indian companies.

2.3. Linkage Between International Capital Raising and India's Economic Performance

To test this linkage, GDP at constant price or real GDP is used as an indicator of India's economic performance, as it measures the economic activities of the nation from both expenditure and income perspectives. The year-wise GDP value with its growth rate and the capital raised along with its growth from 1992-93 to 2023-24 is presented in Table 4.

Table 4. Descriptive Statistics of GDP and International Capital Raising.

Year	GDP (Rs. In cr)	Annual Growth/ Decline in Percentage	International Capital Raising (Rs. in Cr)	Annual Growth/Decline Percentage
1992-93	26,80,437.6	-	690	-
1993-94	28,07,779.2	4.75	7,889	1043.33
1994-95	29,94,747.1	6.66	7,608	-3.56
1995-96	32,21,584.0	7.57	5,339	-29.82
1996-97	34,64,798.2	7.55	10,993	105.90
1997-98	36,05,116.3	4.05	8,634	-21.46
1998-99	38,28,071.7	6.18	1,138	-86.82
1999-00	41,66,693.6	8.85	6,024	429.35
2000-01	43,26,735.9	3.84	1,684	-72.05
2001-02	45,35,456.2	4.82	2,384	41.57
2002-03	47,07,983.8	3.80	1,079	-54.74
2003-04	50,78,049.3	7.86	7,045	552.92
2004-05	54,80,380.0	7.92	25,973	268.67

Year	GDP (Rs. In cr)	Annual Growth/ Decline in Percentage	International Capital Raising (Rs. in Cr)	Annual Growth/Decline Percentage
2005-06	59,14,614.0	7.92	48,292	85.93
2006-07	63,91,375.0	8.06	64,415	33.39
2007-08	68,81,007.0	7.66	74,149	15.11
2008-09	70,93,403.0	3.09	1,412	-98.10
2009-10	76,51,078.0	7.86	45,299	3108.14
2010-11	83,01,235.0	8.50	48,722	7.56
2011-12	87,36,328.8	5.24	20,655	-57.61
2012-13	92,13,016.8	5.46	77,004	272.81
2013-14	98,01,369.8	6.39	52,716	-31.54
2014-15	105,27,673.6	7.41	1,16,791	121.55
2015-16	113,69,493.1	8.00	45,754	-60.82
2016-17	123,08,193.2	8.26	70,189	53.41
2017-18	131,44,582.1	6.80	74,864	6.66
2018-19	139,92,913.9	6.45	70,366	-6.01
2019-20	145,34,640.8	3.87	1,42,989	103.21
2020-21	136,94,869.2	-5.78	67,079	-53.09
2021-22	150,21,846.3	9.69	1,00,389	49.66
2022-23	160,71,428.6	6.99	15,592	-84.47
2023-24	173,81,721.9	8.15	45,008	188.66

Descriptive Statistics				
	GDP	GDP Growth	International Capital Raising	Growth
Mean	80,91,519	6.25	39,630.15	187.99
Median	69,87,205	6.99	35,490.5	15.11
Standard Deviation	44,60,750	2.82	38,061.59	589.44
Minimum	26,80,438	-5.78	690	-98.10
Maximum	173,81,722	9.69	1,42,989	3108.14
Observations	32	31	32	31

Source: Computed by the researcher using MS Excel

Table 4 exhibits a descriptive summary of growth in India's GDP and international capital raising made by Indian companies from 1992-93 to 2023-24. India's GDP grew steadily at a mean growth rate of 6.25 percent from Rs. 26,80,437.6 cr to 173,81,721.9 cr in the past three decades, with a mean and standard deviation of Rs. 80,91,519 cr and 44,60,750 cr, respectively. All the years showed a positive growth in GDP except 2020-21, which showed a negative growth of -5.78 percent because of the COVID-19 pandemic.

The maximum growth rate was observed in the year 2021-22 (9.69).

The international capital raising, however, did not show consistent growth. The mean amount of capital raised by Indian companies is Rs. 39,630.15 cr with a standard deviation of Rs. 38,061.59 cr. The maximum amount of capital raised in a year was Rs. 1,42,989 cr, and the minimum value was Rs. 690 cr. A high standard deviation of 589.44 percent for the growth rate indicates the volatility in the amount of

international capital raised, which is highly influenced by changes in domestic economic policies and global economic conditions.

2.4. Granger Causality Test

This test is used to trace the direction of causality between the time series variables. The causality can be unidirectional, bidirectional or can have no functional relationship. We use

this test to examine the linkage between the international capital raising by Indian companies and India's economic performance. Before using this test, the data have to be checked for stationarity to avoid spurious regressions. To check this, we make use of the Augmented Dickey-Fuller test (ADF) at level, at the first difference, and at the second difference to find the presence of unit roots. The null hypothesis for this is:

H_0 : The series are non-stationary/ variables have a unit root

Table 5. Results of the ADF test.

Series	At level I (0)		At First difference I (1)	
	t-statistic	Prob	t-statistic	Prob
GDP	3.2714	1.000	-3.8711	0.0061***
ICR	-1.6434	0.4487	-11.2018	0.0000***

Note: *** denotes significant at 1 percent

Source: Computed by the researcher using E-views 12

The test results show that the GDP and International Capital Raising (ICR) are non-stationary at level I (0) as the p-value of both variables is greater than 0.05, indicating the presence of a unit root. Both variables were further tested at

first difference and found to be stationary at 1 percent significance level, as the p-value is less than 0.01 for both variables. This indicates that there is some integration between the GDP and international capital raising made by Indian firms.

Table 6. Results of the Granger Causality test.

Null Hypothesis	F-Statistic	Prob	Result
D (GDP) does not Granger Cause D (ICR)	0.94359	0.4032	Accept H_0
D (ICR) does not Granger Cause D (GDP)	5.71038	0.0094	Reject H_0

Source: Computed by researcher using E-views 12

The results show that GDP does not the Granger cause the amount of International Capital Raising (ICR) in India as the calculated p-value is more than 0.05 resulting in acceptance of the H_0 (null hypothesis) whereas the amount of International Capital Raising Granger cause GDP as the p-value is less than 0.05 resulting in the rejection of H_0 (null hypothesis) at 5 percent. This implies a unidirectional causality between ICR and GDP in India, indicating that an increase in international capital raising will lead to an increase in GDP.

2.5. OLS Regression Analysis

To test the impact of international capital raising on the economic performance of India, the Ordinary Least Squares

Regression method has been used. GDP is taken as the dependent variable, and international capital raising made by Indian companies is taken as the independent variable. The following null hypothesis has been formulated:

H_0 : International capital raising made by Indian companies has no impact on India's economic performance.

The linear regression model is as follows:

$$GDP = \alpha + \beta * \text{International Capital Raising} + \varepsilon_t$$

Where α is the intercept, β is the beta coefficient of the independent variable, and ε_t is the error term.

The results of the OLS regression analysis have been presented in [Tables 7 and 8](#).

Table 7. Results of OLS Regression Analysis.

Model	Multiple R	Adj. R Square	R-Square	Standard Error	No of Observations	F-Statistic	p-value
GDP	0.683591	0.44954	0.467296	3309565	32	26.31651	0.0000

Table 8. Coefficients of simple OLS Regression Analysis and p-value.

	Coefficients	Std Error	t-stat	p-value
Intercept	4916525	851669.1	5.772811	0.0000
International Capital Raising	80.11563	15.6172	5.129962	0.0000

Source: Prepared by the researcher using MS Excel

The regression statistics revealed a strong positive correlation between international capital raisings and GDP, represented by an R-value of 0.68. Further, the model suggests an R-Square value of 0.47, indicating 47 percent of the variation in the GDP (Dependent Variable) is explained by the International Capital Raising (Independent Variable), which is confirmed by the p-value (0.0000). The coefficient value of the independent variable is 80.11563, which is statistically significant. The results revealed that the Model is a good fit, and International Capital Raising made by Indian companies has a positive impact on India's economic performance.

3. Discussions and Conclusion

The present study provides an overview of the role of international capital raising made by Indian companies on India's economic performance using GDP as a proxy measure. For achieving this objective, the study made use of annual GDP and international capital raising made by Indian companies from 1992-93 to 2023-24. The descriptive statistics of the study showed that GDP has grown at a mean rate of 6.25 percent in the last three decades, and the amount of capital raised in the international capital market had seen a gradual shift from the international equity market to the international debt market from 2009-10. To check the presence of unit roots in the time series data, the ADF test was used, and the results of the test found that both variables were stationary at the first difference. The Granger causality test found a unidirectional causality between international capital market raising and GDP, indicating that an increase in international capital raising will lead to an increase in GDP. A strong positive correlation ($r = 0.68$) was observed between the two variables. Finally, the OLS regression model found a positive impact of international capital raising by Indian companies on India's economic performance. These results are similar to the results found by Sethi (2013), Talwar & Srivastava, (2018), Izevbigie & Michael (2023) and Alemu (2017) in their study [5, 6, 8, 10].

As the study shows a positive impact of international capital

raising by Indian companies on India's economic development, it is suggested that SEBI, along with the Indian government, should continue to encourage a supportive environment for such corporate strategies by balancing the costs and benefits of such global access. Although a positive impact of international raising on GDP as a whole was found in the study, it provides a further scope for using the sub-components of GDP like consumption, investment, government purchase, exports and other macroeconomic parameters like employment generation, exchange rate volatility, industrial production, technological advancement, etc, to perform an in-depth analysis. As the present study is limited only to the Indian context, a cross-country analysis can also be done to investigate the causality between GDP and international capital raising of companies.

Abbreviations

ADR	American Depositary Receipts
GDR	Global Depositary Receipts
GDP	Gross Domestic Product
DRs	Depositary Receipts
ADF	Augmented Dickey-Fuller test
FDI	Foreign Direct Investment
FPI	Foreign Portfolio Investment
OLS	Ordinary Least Squares
ICR	International Capital Raising

Conflicts of Interest

The authors declare that they have no conflicts of interest.

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