

ABSTRACT

The objective of this study is to analyse the drivers of Foreign Direct Investment of Multinational Corporations in Research and Development in India. The data used for this study is from 2008-2012. The study shows that subsidiaries of foreign enterprises with higher export and R&D propensities are investing in India with motive of knowledge augmentation. Absorption of advantages of agglomeration adds to this intent towards increasing the innovativeness of the established affiliates here. This result is indicative of India's transition from a manufacturing base to an innovative hub.