Trends and Flow of Foreign Direct Investment: An Indian Perspective

Vivek Rajbahadur Singh

Abstract

Foreign Direct investment plays a very important role in the economic development of the nation. Sometimes domestically available capital is inadequate for the purpose of overall development of the country. Foreign capital is seen as a way of filling in gaps between domestic savings and investment. India can attract much larger foreign investments than it has done in the past. To fully utilize the country's immense economic potential, the government launched Economic reforms in 1991. The new government policies are simple, transparent and promote domestic and foreign investment. India's abundant and diversified natural resources, its sound economic policy, good market condition and high skilled human resources make it a proper destination for FDI. The present study has focused on the trends of FDI Flow in India during 2000-01 to 2014-15. The study also highlights country wise approvals of FDI inflows to India and the FDI inflows in different sector for the period 2000 to 2015. The study based on secondary data which have been collected through reports of the Ministry of Commerce and Industry, Department of Industrial Promotion and Policy, Government of India, Reserve Bank of India, and World Investment Report.

Keywords: *Foreign direct investment (FDI) sectors, Sector-wise FDI, Economic development*

1. Introduction

Capital formation is an important determinant of economic growth. While domestic investments add to the capital stock in an economy, foreign direct investment (FDI) plays a complementary role in overall capital formation by filling the gap between domestic savings and investment. Foreign direct investment (FDI) is a direct investment into production or business in a country by a company in another country, either by buying a company in the target country or by expanding operations of an existing business in that country. FDI provides a win – win situation to the host and the home countries. Both countries are directly interested in inviting FDI, because they benefit a lot from such type of investment. India is perceived to be one of the most lucrative grounds for investing, in the eyes of the wealthy European as well as American investors.

The role of foreign direct investment (FDI) in stimulating economic growth is one of the controversial issues in the development literature. The great promise of foreign direct investment (FDI) by multinational corporations is that capital will stimulate dynamic growth. Beyond boosting income and employment, the hope is that manufacturing FDI

Vivek Rajbahadur Singh, Assistant Professor –Department of Commerce, Laxmichand Golwala College of Commerce & Economics – Mumbai. Mobile: +91- 9967462416. E-Mail: Viveksinghmumbai@gmail.com (Corresponding Author)

will bring knowledge that indirectly effect in building skill and technological capacities of local firms, catalysing broad-based economic growth. The part played by foreign direct investment (FDI) in the development process has undergone several changes. In the 1960s, FDI was seen in most countries as a partner in the development endeavors.

India adopted a regime that was perceived to be restrictive towards FDI. Explicit curbs on foreign investment were imposed through the introduction of the Foreign Exchange Regulation Act (FERA) in 1973 by restricting foreign ownership of shares in enterprises incorporated in India. At the same time, foreign firms operating in India were subjected to "local content" and "foreign exchange balancing" rules that curbed their freedom of operation. The Industrial Licensing System under the Industries Development and Regulation Act, 1951 and the Monopolies and Restrictive Trade Practices Act, 1969 sought to channelize their activities into high technology and export-oriented production.

The limits on foreign shares fostered joint ventures with Indian entrepreneurs. These policies continued until the policy of creeping liberalisation of the Indian economy was initiated in the 1980s. The fast-tracked liberalisation of the Indian economy introduced in 1991 brought with it a radical shift in the policy towards FDI. In fact, FDI policy reform formed part of the first package of industrial reforms in July 1991 and was reflected in the Industrial Policy announced in 1991.

Foreign investment would bring associated advantages of technology transfer, marketing expertise, introduction of modern managerial techniques and new possibilities for promotion of exports. The government will therefore welcome foreign investment which is in the interest of the country's industrial development. FDI is considered to be the most attractive type of capital flow for emerging economies as it is expected to bring latest technology and enhance production capabilities of the economy. Foreign investments mean both foreign portfolio investments and foreign direct investments (FDI). FDI brings better technology and management, access to marketing networks and offers competition, the latter helping Indian companies improve, quite apart from being good for consumers. This efficiency contribution of FDI is much more important.

The changes in the sentiments towards FDI were given effect to in the form of a series of changes in the policies. These included removing the ceilings on foreign equity imposed by the FERA, lifting of restrictions on the use of foreign brand names in the domestic market, removing restrictions on entry and expansion of foreign direct investment into consumer goods, abandoning the "local content" and "foreign exchange balancing" rules, among others. The parallel process of virtual withdrawal of the Industrial Licensing System and the retreating from the primacy given to public sector also enhanced the scope for FDI participation in India. Together with liberalizing the FDI regime, steps were taken to allow foreign portfolio investments into the Indian stock market through the mechanism of foreign institutional investors.

The objective was not only to facilitate non- debt creating foreign capital inflows but also to develop the stock market in India's FDI Inflows: lower the cost of capital for Indian enterprises and indirectly improve corporate governance structures. On their part, large Indian companies have been allowed to raise capital directly from international capital markets through commercial borrowings and depository receipts having underlying Indian equity. Thus, the country adopted a two-pronged strategy: one to attract FDI and to encourage portfolio capital flows which ease the financing constraints of Indian enterprises. As a result of the above-mentioned policy changes, India now follows an FDI-friendly regime that is quite comparable to that adopted by most countries.

Much of the foreign investment can now take advantage of the automatic approval route without seeking prior permission of the Central Government. Caps on FDI shareholding are now applied to only a few sectors, mainly in the services sector. Simultaneous steps have also been taken to remove the hurdles in the path of foreign investors both at the stage of entry and later in the process of establishing the venture. The policy changes were thus aimed at improving India's record in attracting FDI inflows, which was seen to be below its potential, particularly when compared with the massive inflows reported by other countries.

Following the commercial bank debt crisis and the aid fatigue, in the 1980s, FDI became the preferred source once again, as countries became more attracted towards non-debt creating sources of external private finance .Since then; more attention is being paid to the possible role of FDI in economic development. An extensive amount of literature on FDI has emerged regarding its role in not just augmenting domestic savings for investment but more as provider of technologies and managerial skills essential for a developing country to achieve rapid economic development.

Now Government of India allowed FDI (Foreign Direct Investment) in different sectors of economy. FDI includes mergers and acquisitions, building new facilities reinvesting profits earned from overseas operations and intra company loans. FDI is in dissimilarities to portfolio investment which is a passive investment in the securities of another country such as stocks and bonds. FDI is defined as the net inflows of investment to acquire a lasting management interest in an enterprise operating in an economy other than that of the investor. As per the data, the sectors that attracted higher inflows were services, telecommunication, construction activities and computer software and hardware. On 14 September 2012, Government of India allowed FDI in aviation up to 49%, in the broadcast sector up to 74%, in multi-brand retail up to 100%, the choice of allowing FDI in Multi-brand retailing up to 51% has been left to each state.

Sector Specific Limits of Foreign Investment in India			
Sector	FDI Cap/Equity	Entry Route	Other Conditions
A. Agriculture 1. Floriculture, Horticulture, Development of Seeds, Animal Husbandry, Pisciculture, Aquaculture, Cultivation of vegetables & mushrooms and services related to agro and allied sectors.	100%	Automatic	
2. Tea sector, including plantation	100%	FIPB	
(FDI is not allowed in any other agricultural sector /activity)			
B. Industry 1. Mining covering exploration and mining of diamonds & precious stones; gold, silver and minerals.	100%	Automatic	
2. Coal and lignite mining for captive consumption by power projects, and iron & steel, cement production.	100%	Automatic	
3. Mining and mineral separation of titanium bearing minerals	100%	FIPB	
C. Manufacturing 1. Alcohol- Distillation & Brewing	100%	Automatic	
2. Coffee & Rubber processing & Warehousing.	100%	Automatic	
3. Defence production	26%	FIPB	
4. Hazardous chemicals	100%	Automatic	
5. Industrial explosives – Manufacture	100%	Automatic	
6. Drugs and Pharmaceuticals	100%	Automatic	
7. Power including generation (except Atomic energy); transmission, distribution and power trading.	100%	Automatic	
(FDI is not permitted for generation, transmission & distribution of electricity produced in atomic power plant/atomic energy since private investment in this activity is prohibited and reserved for public sector.)			
D. Services 1. Civil aviation (Greenfield projects and Existing projects)	100%	Automatic	
2. Asset Reconstruction companies	49%	FIPB	

3. Banking (private) sector	74% (FDI+FII). FII not to exceed 49%	Automatic	
4. NBFCs : underwriting, portfolio management services, investment advisory services, financial consultancy, stock broking, asset management, venture capital, custodian, factoring, leasing and finance, housing finance, forex broking, etc.	100%	Automatic	s.t.minimum capitalisation norms
5. Broadcasting a. FM Radio b. Cable network; c. Direct to home; d. Hardware facilities such as up-linking, HUB. e. Up-linking a news and current affairs TV Channel	20% 49% (FDI+FII) 100%	FIPB	
6. Commodity Exchanges	49% (FDI+FII) (FDI 26 % FII 23%)	FIPB	
7. Insurance	26%	Automatic	Clearance from IRDA
8. Petroleum and natural gas : a. Refining	49% (PSUs). 100% (Pvt. Companies)	FIPB (for PSUs). Automatic (Pvt.)	
9. Print Media a. Publishing of newspaper and periodicals dealing with news and current affairs b. Publishing of scientific magazines / speciality journals/periodicals	26% 100%	FIPB FIPB	S.t. guidelines by Ministry of Information & broadcasting
10. Telecommunications a. Basic and cellular, unified access services, national / international long-distance, V-SAT, public mobile radio trunked services (PMRTS), global mobile personal communication services (GMPCS) and others.	74% (including FDI, FII, NRI, FCCBs, ADRs/GDRs, convertible preference shares, etc.	Automatic up to 49% and FIPB beyond 49%.	

2. Review of literature

Jha (2003) analyses the recent trends in FDI flows in India. He finds that FDI flows to India have not been commensurate with her economic potential and performance. The GOI revised its computation of FDI figures in line with the best international practices, which has led to a substantial improvement in FDI figures. The quality of FDI as manifest in technological spillovers, export performance etc. is more important than its quantity.

Banga (2003) found that FDI has not played a significant role in exports of the Indian manufacturing sector in the post reform period and concludes that FDI in India has led to export diversification. Siddharthan and Lal (2004) argues in favour of using an unbalanced panel that takes into account the entry and exit of the firms. Firms with better endowments in terms of productivity and technology benefited from liberalization and MNC presence. Firms with large productivity gaps became the victims.

Menon and Sanyal (2004) investigate how labour conflict, credit constraints and indicators of a state's economic health influence location decisions of the foreign firms. Results indicate that labour unrest is highly endogenous across the states of India, and has a strong negative impact on foreign investment. Singh (2005) reveals that while FDI shows a gradual increase and has become a staple of success in India, the progress is hollow. He finds that in the comparative studies the notion of infrastructure has gone a definitional change. FDI in sectors is held up primarily by telecommunications and power and is not evenly distributed.

Guruswamy and Sharma (2005) discusses the retail industry in India in their study on FDI in the retail sector. They focus on the "labour displacing" effect on employment due to FDI in the retail sector. The primary task of the Government in India is still to provide livelihood and not create so called efficiencies of scale by creating redundancies. Abraham and Pradhan (2005) examine the patterns and motivations behind the overseas mergers and acquisitions by Indian enterprises. It is found that the main motivation of Indian firm's overseas acquisitions have been to access international markets and overcome constraints from limited home market growth.

Peng Hu (2006) analyses various determinants that influence FDI inflows to India. Analyzing the new findings it is interesting to note that India has some competitive advantage in attracting FDI inflows, like a large pool of high quality labour force. In consequence this study argues that India is an ideal investment destination for foreign investors. Hay (2006) finds that the FDI from the Indian firms were principally addressed to the developing countries and Russia, however, the share of the industrialized countries was on the rise and the manufacturing and non-financial sectors accounted for the bulk of it.

Chakraborty and Nunnenkamp (2006) assess the growth implication of FDI in India. They find that the growth effects of FDI vary widely across sectors and only transitory effects of FDI on output in the services sector which attracted the bulk of FDI in the post-reform

period. Bajpai and Jeffrey (2006) stated attempted the paper on "Foreign Direct Investment in India: Issues and Problems", to identify the issues and problems associated with India's current FDI regimes, and also the other associated factors responsible for India's unattractiveness as an investment location. Despite India offering a large domestic market, rule of law, low labour costs, and a well working democracy, her performance in attracting FDI flows have been far from satisfactory. The conclusion of the study is that a restricted FDI regime, high import tariffs, exit barriers for firms, stringent labour laws, poor quality infrastructure, centralized decision making processes, and a very limited scale of export processing zones make India an unattractive investment location.

Balasubramanyam and Sapsford (2007) stated in their article "Does India need a lot more FDI" compared the levels of FDI inflows in India and China, and found that FDI in India is one tenth of that of china. The paper also concluded that India may not require increased FDI because of the structure and composition of India's manufacturing, service sectors and her endowments of human capital and the country is in a position to unbundle the FDI package effectively and rely on sources other than FDI for its capital requirements .

Singh (2009) stated in their study that foreign direct investment (FDI) policies play a major role in the economic growth of developing countries around the world. Attracting FDI inflows with conductive policies has therefore become a key battleground in the emerging markets. The paper highlighted the trend of FDI in India after the sector-wise economic reforms. Kumar and Karthika (2010) found out in their study that Foreign Direct Investment has a major role to play in the economic development of the host country. Most of the countries have been making use of foreign investment and foreign technology to accelerate the pace of their economic growth. FDI ensures a huge amount of domestic capital, production level and employment opportunities in the developing countries, which a major step towards the economic growth of the country.

Agarwal and Khanin (2011) in their the study found that 1% increase in FDI would result in 0.07%increase in GDP of China and 0.02% increase in GDP of India. We also found that China's growth is more affected by FDI, than India's growth. Chien and Zhang(2012) focused in their study the problems related to FDI in the North Central Area and South Central Area of Vietnam in the period 2000-2010. The paper found out that FDI and GDP have close relationship with each other. Both FDI and GDP have contributed importantly and positively in the interpretation of each other in the provinces having extremely difficult socio- economic conditions, but this is especially true in localities with better socio-economic conditions.

Devajit (2012) conducted the study to find out the impact of foreign direct investments on Indian economy and concluded that Foreign Direct Investment (FDI) as a strategic component of investment is needed by India for its sustained economic growth and development through creation of jobs, expansion of existing manufacturing industries, short and long term project in the field of healthcare, education, research and

development. Sharma and Khurana (2013) in their study on the sector-wise distribution of FDI inflow to know about which has concerned with the chief share, used a data from 1991-92 to 2011-2012 (post-liberalization period). This paper also discusses the various problems about the foreign direct investment and suggests the some recommendations for the same. In this study found that, Indian economy is mostly based on agriculture. So, there is a most important scope of agriculture services. Therefore, the foreign direct investment in this sector should be encouraged.

3. Objectives

- To know the sector-wise flow of the foreign direct investment in India
- To study the trend of FDI Flow in India during 2000-01 to 2014-15.
- To suggest some recommendations with reference to this study.

4. Nature and sources of data

The present study is based on secondary data. The relevant secondary data has been collected from reports of the Ministry of Commerce and Industry, Department of Industrial Promotion and Policy, Government of India, Reserve Bank of India, and World Investment Report. The time period of the study has been take April 2000 to November 2014.

Table 1: Cumulative FDI flows into India (2000-2015), total FDI inflows (From April, 2000 To June, 2015)

1.	Cumulative amount of FDI inflows		US$
	(Equity inflows + 'Re-invested earnings' +'Other capital')	-	380,215
			Million
2.	Cumulative Amount of FDI equity inflows	Rs.	US$
	(excluding, amount remitted through RBI's NRI Schemes)	1,293,303	258,020
		Crore	Million

Table no 1 depicts that flows of FDI received in India from the tear 2000 to 2015 i.e. 3,80,215 US$ million. From the year 2000 to 2002 FDI inflow in India has shown an increasing trend. This may be the result of Foreign Exchange Management Act (FEMA) which is introduced in 1999. The highest FDI inflows growth in the country in 2006-2007 year was 146%. Further, FDI inflows rose by 34 % to US$ 46,556 million during 2011-12. Last year April 2014-15 has shown negative growth rate i.e. 23% to US$ 44,291 million while the cumulative amount of FDI equity inflows from April 2000 to June 2015 stood at US$ 3,80,215 million, according to the latest data released by the Department of Industrial Policy and Promotion (DIPP).

5. Financial Year-Wise FDI inflows data

Table 2: Financial years wise FDI

Financial Years Wise FDI Flow From 2000-01 to 2014-15 (up to June, 2015) Financial Years 2000-01 to 2013-14 (up to November, 2013)			
S. No.	Financial Year (April To March)	Total FDI flow in US$ Million	Total FDI Flows % Growth Over Previous
1.	2000-01	4,029	-
2.	2001-02	6,130	(+) 52 %
3.	2002-03	5,035	(-) 18 %
4.	2003-04	4,322	(-) 14 %
5.	2004-05	6,051	(+) 40 %
6.	2005-06	8,961	(+) 48 %
7.	2006-07	22,826	(+) 146 %
8.	2007-08	34,843	(+) 53 %
9.	2008-09	41,873	(+) 20 %
10.	2009-10 (P)	37,745	(-) 10 %
11.	2010-11 (P)	34,847	(-) 08 %
12	2011-12 (P)	46,556	(+) 34 %
13	2012-13 (P)	34,298	(-) 26%
14	2013-14 (P)	36,046	(+) 5%
15	2014-15 (P)	44,291	(+) 23%
16	2015-16 (P) (Apr-June-2015)	12,362	-
Cumulative Total (from April, 2000 to June, 2015)		380,215	-

Source: DIPP, Federal Ministry of Commerce and Industry, Govt of India - 2014-15

Figure 1: Year-wise FDI flow in India & growth percentage

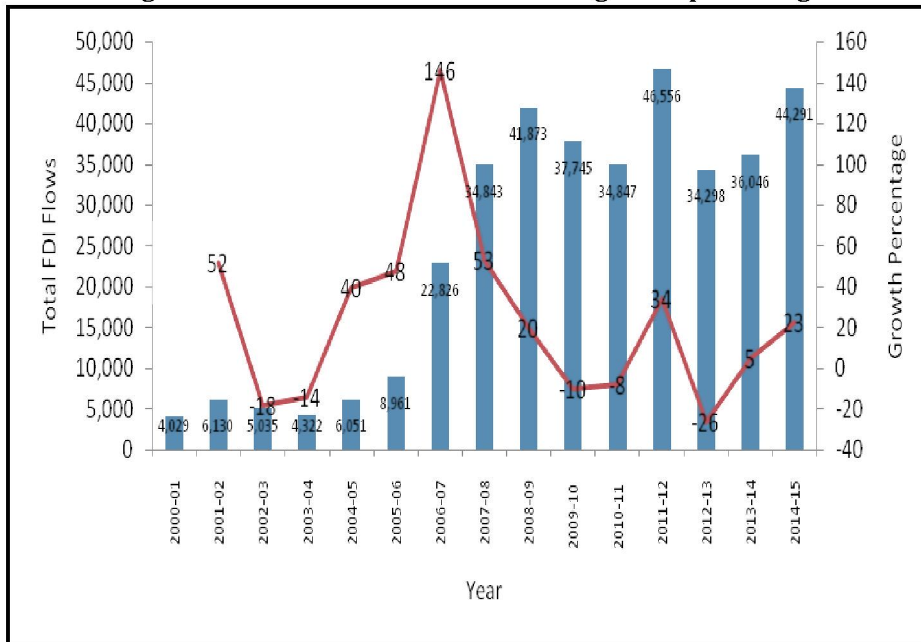
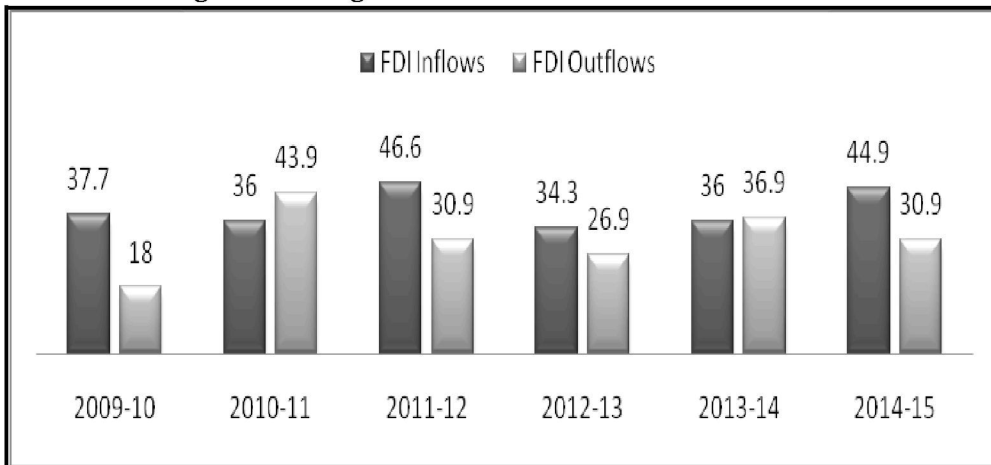


Figure 2: Foreign direct investment inflows & outflows



Source: Reserve Bank of India (RBI)

Figure 2 shows that FDI inflow into India increased to US$ 45bn in 2014-15, as compared to US$ 36 bn in 2013-14. FDI outflow from India stood at US$ 30.9 bn in 2014-15, against US$ 36.9 bn in 2013-14

Table 3: Country-wise FDI inflows from April 2000 to June, 2015

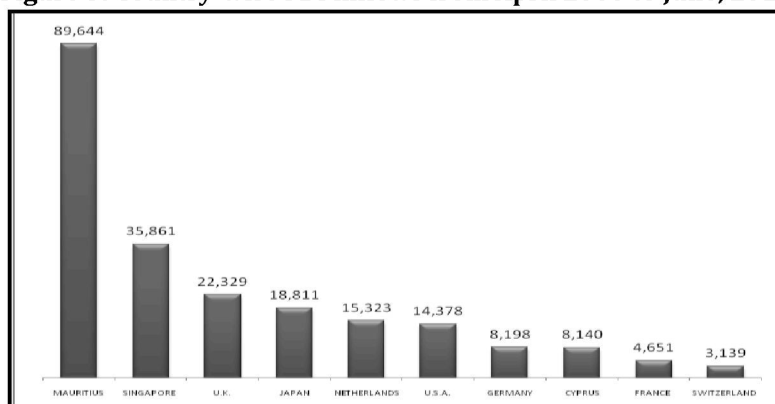
S.No	Name of the country	Amount of Foreign Direct Investment Inflows		%age to total Inflows (in terms of US $)
		(In Rs crore)	*(In US$ million)*	
1	Mauritius	438,892.83	89,644	34.74
2	Singapore	190,477.19	35,861	13.90
3	U.K.	110,409.19	22,329	8.65
4	Japan	96,312.05	18,811	7.29
5	Netherlands	81,381.00	15,323	5.94
6	U.S.A.	70,838.85	14,378	5.57
7	Germany	42,006.79	8,198	3.18
8	Cyprus	39,971.34	8,140	3.15
9	France	23,464.77	4,651	1.80
10	Switzerland	15,812.31	3,139	1.22
Total FDI Inflows		1,293,835.81	258,141	85.44

Source: DIPP, Federal Ministry of Commerce & Industry, Government of India-2015

Table 3 depicts the country wise FDI inflow in India during April 2000–June 2015. The analysis indicates that large part of FDI in India is contributed by 10 countries which is. 2,58,141 US $ million while remaining by rest of the world. Mauritius emerged as the most dominant source of FDI contributing 89,644 US$ million of the total investment in the country. It is because the India has Double Taxation Avoidance Agreement (DTAA) with Mauritius. This (DTAA) type of taxation treaty has been made out with Singapore. So Singapore is second largest Investor of FDI inflow in India. The other major countries are U.K with a relative share 35,861 US$ million followed by U.K.

Figure No 3 represent the percentage (%) of total FDI inflow in India by different countries. 85.54 percent total FDI inflow in the India by fifteen countries in which Mauritius contribute 34.74 percentage of the total investment in country followed by Singapore, United Kingdom, Japan etc.

Figure 3: Country-wise FDI inflows from April 2000 to June, 2015



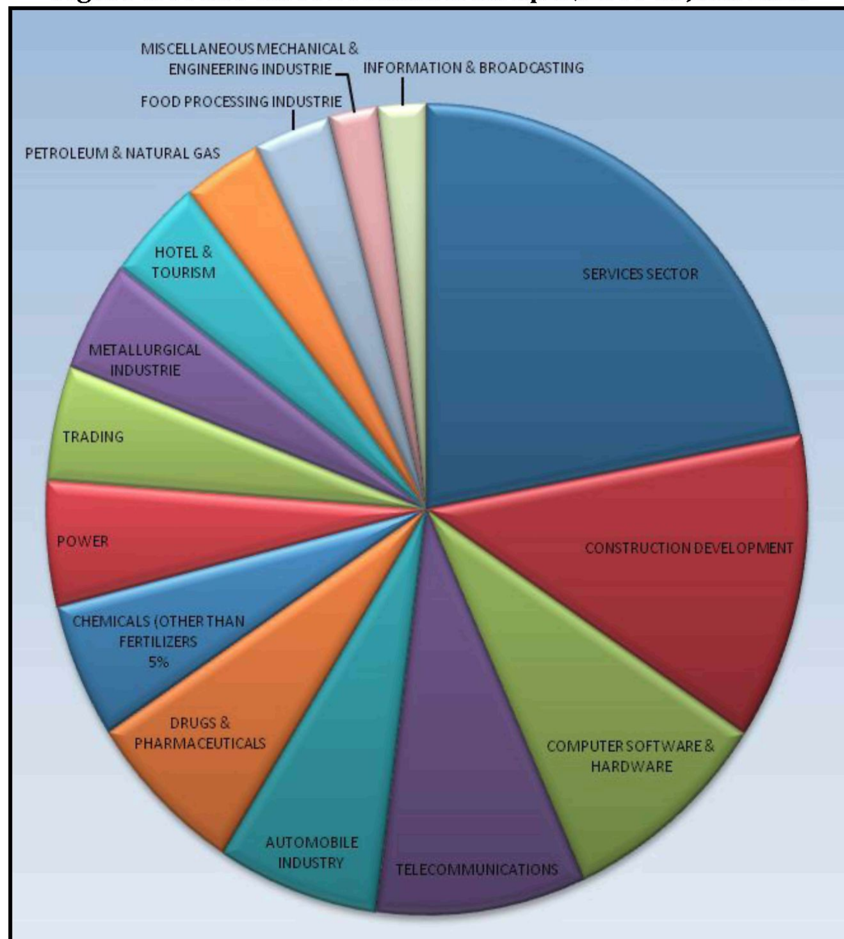
Source: DIPP, Federal Ministry of Commerce & Industry, Government of India

Table 4: Sector -wise FDI inflow from April, 2000 to June 2015

S. No	Sectors	Amount of FDI Inflows (In US$ million)		%age with total FDI Inflows
		(In Rs. Crore)	(In US$ million)	
1	Services sector	209,577.79	43,350.23	16.80
2	Construction development	113,355.15	24,097.91	9.34
3	Computer software & hardware	89,481.30	17,575.15	6.81
4	Telecommunications	86,608.94	17,452.60	6.76
5	Automobile industry	70,905.48	13,476.99	5.22
6	Drugs & pharmaceuticals	66,651.66	13,335.88	5.17
7	Chemicals (other than fertilizers	50,908.61	10,588.22	4.10
8	Power	48,357.00	9,828.08	3.81
9	Trading	49,478.98	8,957.62	3.47
10	Metallurgical industries	41,991.80	8,679.72	3.36
11	Hotel & tourism	42,506.04	8,140.10	3.15
12	Petroleum & natural gas	32,003.14	6,575.97	2.55
13	Food processing industries	37,706.54	6,429.15	2.49
14	Miscellaneous mechanical & engineering industries	21,237.99	4,053.72	1.57
15	Information & broadcasting	20,162.06	4,050.58	1.57
	Grand total	1,293,835.81	258,141.43	

Source: DIPP, Federal Ministry of Commerce & Industry, Government of India

Figure 4: Sector wise FDI inflow from April, 2000 to June 2015



Source: DIPP, Federal Ministry of Commerce & Industry, Government of India

Table 4 and Figure 4 clearly show the FDI inflows in different sector for the period April 2000 to June 2015 data reveals that most of the foreign countries like to invest in service sector. Services sector includes Financial, Banking, Insurance, Non-Financial / Business etc. Share of Service sector in total FDI is 16.80 percent. Second largest share of FDI is in the construction development. Large amount of FDI has also taken place in telecommunication sector. The telecom industry is now become one of the fastest growing industries in India. Some Sector like Information & Broadcasting, Electrical Equipment attracts less FDI in country.

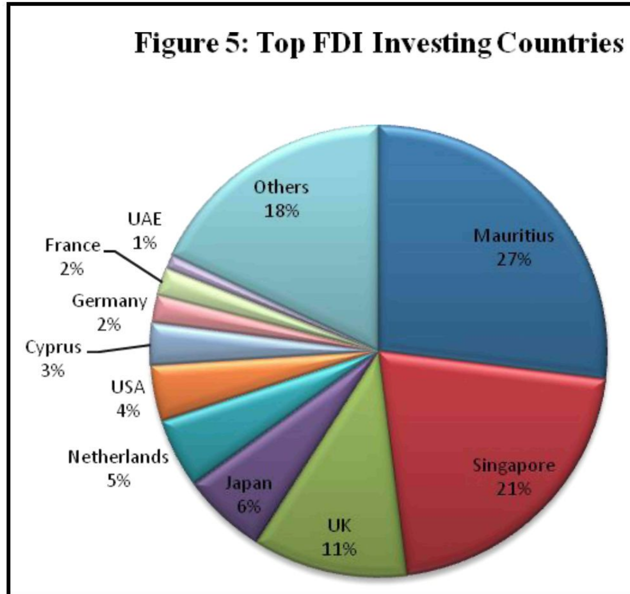


Figure 5: Top FDI Investing Countries

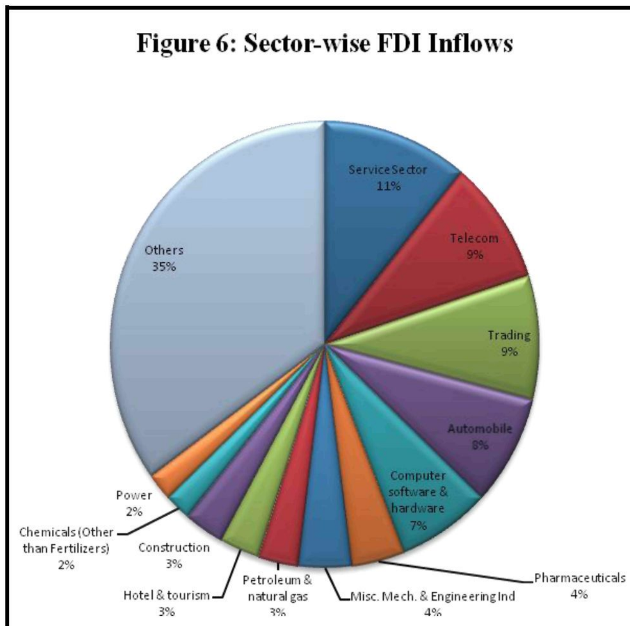


Figure 6: Sector-wise FDI Inflows

6. Findings

FDI is an important stimulus for the economic growth of India.FDI shown a tremendous growth in second decade (2000 -2015) that is three times then the first decade of FDI in services sector. Service sector is first and Construction and Computer software sector is second and third segment of which pick the growth in second decade of reforms. FDI

create high perks jobs for skilled employee in Indian service sector. Mauritius, Singapore and U.K. are the 3 top countries which has maximum FDI in India. FDI plays an important role in the development of infrastructure because many countries invest in the infrastructure sector and service and banking finance sectors. From the analysis, we can say that FDI has good future growth in Retailing and Real estate sector in India.

7. Conclusion

India emerges as the fifth largest recipient of foreign direct investment across the world. India is considered second largest country amongst all further developing countries and ranks fourth in the PPP in the world. So India has high potential to attract FDI inflow. The present study found that total FDI inflow in India from April 2000 to November 2013 is 311,398 US$ million. The study also reveals that Mauritius emerged as the most dominant source of FDI contributing 77,083.47 US$ million of the total investment in the country. Large part of FDI in India is contributed by fifteen countries which is 185506.59 US $ million. The services sector accounted for a steeply rising share of FDI stocks in India followed by construction development, Telecommunications and Computer Software & Hardwar.

References

Jha, R. (2003). "Recent Trends in FDI Flows and Prospects for India", Social Science Research Network, No. 431927.

Banga, R. (2003). "The Differential Impact of Japanese and US FDI on Exports of Indian Manufacturing", Indian council for research on International Economic Relations, Working paper 106, New Delhi.

Siddhartha. N. S., & Lal, K. (2004). "Liberalization, MNC and Productivity of Indian enterprises", *Economic and Political Weekly*, January 31, No: 12.

Menon, N., & Sanyal, P. (2004). "Labour conflicts and foreign investment: An Analysis of FDI in India", International Industrial Organization Conference, Brandeis University, USA.

Singh, K. (2005). "Foreign Direct Investment in India: A Critical Analysis of FDI from 1991-2005", Center for Civil Society, Research Internship Programme, New Delhi.

Guruswamy, M., Sharma, K., Mohanty, J. P., & Korah, J. T. (2005). "Foreign Direct Investment in India's Retail Sector: More Bad than Good?" Centre for Policy Alternatives, New Delhi.

Abraham, V., & Pradhan, P. (2005). "Overseas mergers and acquisitions by Indian enterprises: patterns and potivations", Indian Journal of *Economics*, 338: 365-386.

Hu, P. (2006). "India's Suitability for Foreign Direct Investment", Working Paper No.553, International Business with Special Reference to India, University of Arizona.

Chakraborty, C. & Nunnenkamp, P. (2006). "Economic Reforms, FDI and its Economic Effects in India", Working Paper No. 1272, The Kiel Institute of World economy, Germany.

Hay, F. (2006). "FDI and Globalization in India", International Conference on the Indian Economy in the Era of Financial Globalization, September28-29, Paris.

Agarwal, J., & Khan, M. A. (2011) Impact of FDI on GDP: A comparative study of China and India, Int. *J. Business Management 6(10)*:71-79.

Kumar G. L., & Karthika S (2010) Sectoral performance through inflows of foreign direct investment (FDI).

Singh, S (2009) Foreign direct investment (FDI) and growth of states of India. VISION 2020 - Managerial Strategies and Challenge, Wisdom Publications, Delhi.

Mahanta, D. (2012) Impact of foreign direct investments on Indian economy, *Research J. Management Sciences*, 1(2):29-31.

Sharma, R. K. (2006) FDI in Higher education: official vision needs corrections, *Economic and Political Weekly*, pp. 5036.

Balasubramanyam, V. N, & Sapsford, D. (2007) Does India need a lot more FDI, *Economic and Political Weekly*, pp.1549-55.

Bajpai, N., & Jeffrey, D. S. (2006) Foreign Direct Investment in India: Issues and Problems, Harvard Institute of International Development, Development Discussion Paper No. 759.

Sharma, R., & Khurana, N. (2013), Role of foreign direct investment (FDI) in different sectors, *International Journal of Advances in Management and Economics*, Page-14-19

Chien, N. D., & Kezhong, Z. (2012) FDI of Vietnam; two-way linkages between FDI and GDP, competition among provinces and effects of laws, iBusiness, 4:157-163.

Guruswamy, M., Sharma, K., Mohanty, J. P., & Korah, T. J. (2005) FDI in India's Retail Sector: More Bad than Good? *Economic and Political Weekly*, pp.619-623.

Singh, K. (2005) Foreign Direct Investment in India: A Critical analysis of FDI from 1991-2005, papers.ssrn.com/sol3/papers.cfm_id_822584.

Ministry of Finance (2003-04) Report of the economic survey, Government of India, New Delhi

Weisskof, T. E. (1972) The impact of foreign capital inflow on domestic savings in underdeveloped countries, *J. Int. Economics*, 25-38.

Sahoo, D., Mathiyazhagan, M. K, Parida, P. (2002) Is foreign direct investment an engine of growth? Evidence from the Chinese economy, *Savings and Development*, 419-439

Nayak, D. N. (1999) Canadian foreign direct investment in India: Some observations, *Political Economy J.* India, 8:51-56

Srivastava, S. (2003) What is the true level of FDI flows to India?, *Economic and Political Weekly,* 1201-1209

www.imf.org

www.rbi.org.

www.dipp.gov.in.

http:// *en.wikipedia.org/wiki/Foreign_direct_investment //*

www.ibef.org/india-at-a-glance/foreign-direct-investment.aspx

www.fdi.in/ https://www.iaccindia.com/userfiles/files/FDI%20Manual%20-%20Policy...

www.dipp.nic.in/English/Archive/FDI_Manual/FDI_Manual_text_Latest.pdf