An Overview of Foreign Direct Investment in India (2000-2017)

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Abstract-Foreign Direct investment plays a crucial role in the development of the nation. Past 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. The present study has centred on the trends of FDI Flow in India during 2000 to 2017 (up to Sept, 2017). The work also highlights country wise approvals of FDI inflows to India and the FDI inflows in different sector for the period April 2000 to Sep 2017. 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. The study concludes that Mauritius emerged as the most dominant source of FDI contributing. It is because the India has Double Taxation Avoidance Agreement (DTAA) with Mauritius and most of the foreign countries like to invest in service sector.

Keywords: Foreign Direct Investment, Savings, RBI, Taxation. Inflow

I) Introduction

Foreign Direct Investment (FDI) is a process which enables the residents of one country to directly invest their funds in another country and acquire ownership of assets and exercise control over the investment in terms of production, management, distribution, effective decision making, employment etc.—FDI is an international financial flow with the intension of controlling or participating in the management of an enterprise in a foreign country. Foreign investment is a means of making foreign resources available to a developing country. Such investments can take place for many reasons, including to take advantage of cheaper wages, special investment privileges offered by the country. The entry of Foreign Direct Investment (FDI) in the retail sector seems to have become the next frontier for conquest by the pro-MNC forces of liberalization. A former director of the giant UK retailer TESCO has said, "Indian retail business should not be fooled by partnership offers by global retail giants because they want 100 per cent control and eventual ownership". He also urged the government to retain strict FDI regulations; global retail giants are very smart and clever to tackle local cultural and political obstacles. Of late, the retail industry in India has often been hailed as one of the sunrise sectors in the economy. AT Kearney has recognized India as the 'second most attractive retail destination' globally. With a contribution of 14 percent to the national GDP and employing 7 percent of the total workforce in the country, the retail industry is definitely touted as one of the pillars of the Indian economy. With huge growth potential, Indian retail industry has been touted as one of the sunrise sectors. However, in spite of the recent advancements in retailing and its huge contribution to the economy, retailing is still among the least evolved sectors and the growth of organized retailing is immensely slower compared to the rest of the world. Food retail trade accounts for 63 per cent of total retail sales in the economy and thus, is a very large segment of the total economic activity of India. Enhancing the efficiency and improving the food retail sales would have a cascading effect on employment and economic activity in the rural areas for the marginalised workers. Even without any significant involvement of FDI, the corporate owned sector in retailing is expanding ferociously at a high rate.

The Industrial policy 1991 had crafted a trajectory of change whereby every sectors of Indian economy at one point of time or the other would be embraced by liberalization, privatization and globalization.FDI in multi-brand retailing is in that sense a steady progression of that trajectory. But the government has by far cushioned the adverse impact of the change that has ensued in the wake of the implementation of Industrial Policy 1991 through safety nets and social safeguards. But the change that the movement of retailing sector into the FDI regime would bring about will require more involved and informed support from the government. One hopes that the government would stand up to its responsibility, because what is at stake is the stability of the vital pillars of the economy- retailing, agriculture, and manufacturing

II) An Overall View of FDI

Most Countries of the World which embarked on the road to economic development had to depend on foreign capital to some extent. But until the early 1990s India's approach towards foreign capital as an instrument of growth and development in an overall sense was rigid, restrictive and selective. Things, however, changed with the Industrial Policy 1991.Coming on the heels of the macro –economic and balance of payment crisis of late 1980s, it ushered in a paradigm shift in the Indian economy and over bent to cajole foreign capital to come to India. The beginning made by the Industrial Policy 1991 in the direction of inviting foreign capital has increasingly been gaining momentum with new sectors being made eligible, with almost each subsequent year, for foreign capital. The most important channel through which foreign capital flows into the country is Foreign Direct Investment (FDI). FDI as defined in Dictionary of Economics (Graham Bannock et.al) is ―investment in a foreign country through the acquisition of a local company or the establishment there of an operation on a new (Greenfield) site. International Monetary Organization (IMF) and Organization for Economic Cooperation and Development (OECD) define FDI as a category of cross border investment made by a resident in one economy (the direct investor) with the objective of establishing a ‗lasting interest'in an enterprise (the direct investment enterprise) that is resident in an economy other than that of the direct investor. The motive of the direct investor is a strategic long term relationship with the direct investment enterprise to ensure significant degree of influence in the management of the direct investment enterprise .Besides, International Bank for Reconstruction and Development (IBRD) and United Nations Conference on Trade and Development (UNCTAD) also provide definition of Foreign Direct Investment. To put in simple words, FDI refers to capital inflows from abroad that is invested in or to enhance the production capacity of the economy. It is preferred over other source of foreign capital because it is non-volatile, non-debt creating and results in economic development, modernization and employment generation in the economy. Foreign Direct Investment under the Industrial Policy 1991 and thereafter under different Foreign Trade Policies is being allowed in different sectors of the economy in different proportion under either the Government route or Automatic Route. In Retailing, presently 51 per cent FDI is allowed in single brand retail through the Government Approval route while 100 per cent FDI is allowed in the cash-and carry (wholesale) formats under the Automatic route. Under the Government Approval route, proposal for FDI in ‗Single Brand Product Retailing'are received in the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry. Automatic route dispenses with the need of multiple approvals from Government and/or regulatory agencies (Government of India or the RBI). Investors are required only to notify the concerned Regional offices of RBI within 30 days of receipt of inward remittances and file required documents with that office within 30 days of the issue of shares to foreign investors The legal regimes that controls FDI in India and to that extent FDI in retailing includes Press Notes by Department of Industrial Policy and Promotion, Foreign Exchange Management Act 1999, Guidelines of Reserve Bank of India(RBI) and Security and Exchange Board of India, besides, of course, the Constitution of India. India's large and ever growing population coupled with a paucity of profitable economic opportunities make ―labor intensive‖ activities like Agriculture and Retailing a major source of subsistence for the teeming millions especially the poor unskilled labor, superfluous labor and the educated unemployed. Therefore, any change that tend to disturb the existing configuration of these two sectors have a bearing on the lives of millions of these people and raises sharp public outcry and to that extent FDI in Agriculture and Retailing has always been a contentious issue. Of late, the Government of India has expressed its desire to bring the Multi-Brand retailing within the ambit of FDI, and in the process has put in train a debate on its possible outcome.

Types of FDI

There are two main types of foreign investment:

1. Portfolio investments - Portfolio investments are investments in purely financial assets such as bonds, stocks denominated in national currency. Portfolio or financial investments take place primarily through financial institution such as banks investment funds.

2. Direct investments - These investments are the real investments in factories, capital goods, land and inventories where both capital and management are involved and the investors retains control over use of the invested capital. Foreign direct investment (FDI) is investment directly into production in a country by a company located in another country, either by buying a company in the target country or by expanding operations of an existing business in that country.

FDI Policy Framework in India

Policy regime is one of the key factors driving investment flows to a country. Apart from underlying overall fundamentals, ability of a nation to attract foreign investment essentially depends upon its policy regime - whether it promotes or restrains the foreign investment flows. This section undertakes a review of India‗s FDI policy framework. There has been a sea change in India‗s approach to foreign investment from the early 1990s when it began structural economic reforms about almost all the sectors of the economy.

Pr-Liberalisation Period:

Historically, India had followed an extremely careful and selective approach while formulating FDI policy in view of the governance of „import-substitution strategy" of industrialization. The regulatory framework was consolidated through the enactment of Foreign Exchange Regulation Act (FERA), 1973 wherein foreign equity holding in a joint venture was allowed only up to 40 per cent. Subsequently, various exemptions were extended to foreign companies engaged in export oriented businesses and high technology and high priority areas including allowing equity holdings of over 40 per cent. Moreover, drawing from successes of other country experiences in Asia, Government not only established special economic zones (SEZs) but also designed liberal policy and provided incentives for promoting FDI in these zones with a view to promote exports.

The announcements of Industrial Policy (1980 and 1982) and Technology Policy (1983) provided for a liberal attitude towards foreign investments in terms of changes in policy directions. The policy was characterised by de-licensing of some of the industrial rules and promotion of Indian manufacturing exports as well as emphasizing on modernisation of industries through liberalized imports of capital goods and technology. This was supported by trade liberalization measures in the form of tariff reduction and shifting of large number of items from import licensing to Open General Licensing (OGL).

Post-Liberalization Period:

A major shift occurred when India embarked upon economic liberalization and reforms program in 1991 aiming to raise its growth potential and integrating with the world economy. Industrial policy reforms slowly but surely removed restrictions on investment projects and business expansion on the one hand and allowed increased access to foreign technology and funding on the other. A series of measures that were directed towards liberalizing foreign investment included: 1) Introduction of dual route of approval of FDI–RBI" s automatic route and Government's approval (SIA/FIPB) route. 2) Automatic permission for technology agreements in high priority industries and removal of restriction of FDI in low technology areas as well as liberalisation of technology imports. 3) Permission to Non-resident Indians (NRIs) and Overseas Corporate Bodies (OCBs) to invest up to 100 per cent in high priorities sectors. 4) Hike in the foreign equity participation limits to 51 per cent for existing companies and liberalisation of the use of foreign —brands name‖. 5) Signing the Convention of Multilateral Investment Guarantee Agency (MIGA) for protection of foreign Investments. These efforts were boosted by the enactment of Foreign Exchange Management Act (FEMA), 1999 [that replaced the Foreign Exchange Regulation Act (FERA), 1973] which was less stringent. In 1997, Indian Government allowed 100% FDI in cash and carry wholesale and FDI in single brand retailing was allowed 51% in June, 2006. After a long debate, further amendment was made in December, 2012 which led FDI to 100% in single brand retailing and 51% in multiple brand retailing.

Need For FDI in India

As India is a developing country, capital has been one of the scare resources that are usually required for economic development. Capital is limited and there are many issues such as Health, poverty, employment, education, research and development, technology obsolesce, global competition. The flow of FDI in India from across the world will help in acquiring the funds at cheaper cost, better technology, employment generation, and upgraded technology transfer, scope for more trade, linkages and spillovers to domestic firms. The following arguments are advanced in favour of foreign capital.

1) Sustaining a high level of investment: As all the under-developed and the developing countries want to industrialize and develop themselves, therefore it becomes necessary to raise the level to investment substantially. Due to poverty and low GDP the saving are low. Therefore there is a need to fill the gap between income and savings through foreign direct investments.

2) Technological gap: In Indian scenario we need technical assistance from foreign source for provision if expert services, training of Indian personnel and educational, research and training institutions in the industry. It only comes through private foreign investment or foreign collaborations.

3) Exploitation of natural resources: In India we have abundant natural resources such as coal, iron and steel but to extract the resources we require foreign collaboration.

4) Understanding the initial risk: In developing countries as capital is a scare resource, the risk of investments in new ventures or projects for industrialization is high. Therefore foreign capital helps in these investments which require high risk.

5) Development of basic economic infrastructure: In the recent years foreign financial institutions and government of advanced countries have made substantial capital available to the under developed countries. FDI will help in developing the infrastructure by establishing firm's different parts of the country. There are special economic zones which have been developed by government for improvising the industrial growth.

6) Improvement in the balance of payments position: The inflow FDI will help in improving the balance of payment. Firms which feel that the goods produced in India will have a low cost, will produce the goods and export the same to other country. This helps in increasing the exports.

7) Foreign firm's helps in increasing the competition: Foreign firms have always come up with better technology, process, and innovations comparing with the domestic firms. They develop a completion in which the domestic firms will perform better it survive in the market.

III) Objectives and Methodology

- To Study the trends of FDI Flow in India during 2000-01 to 2017-18(up to Sep, 2017).
- ToAnalysis the FDI flows as to identify country wise approvals of FDI inflows to India.
- ToAnalysis sector wise inflow of FDI in India.

IV) Review of literature

Bhavani (2013) has undertaken a study to identify the emerging trends in Indian retail sector. The data is secondary in nature. The study concluded that as consumer behaviour and life style have changed, the buying pattern of the consumer also changed. The Technology used in retail helps in reducing costs, increasing efficiency and giving value added services to customers. The retailers also trigger the visitors' sensory experiences (smell, sight, and sound) to the hilt. The selling ambience has become a key strategic element for effective differentiation. This will facilitate retailers to achieve the advantage. Retailers may develop customized retail formats and deal with customized products suitable for consumers. Singh and Gupta (2013) discussed India's foreign capital policy since 1947. They concluded that the policy framework in India dealing with foreign private investment has changed from cautious welcome policy during 1948-66 to selective and restrictive policy during 1967 to 1979. In the decade of eighties, it was the policy having partial liberalization with many regulations. Liberal investment climate has been created only since 1991.Boopath (2013) revealed that the Press Council of India has commented on synergic alliance‟ or equity participation by way of Foreign Direct Investment. The council opined that Foreign Direct Investment should be allowed to break or halt the growing monopoly of a few media giants in India who offer uneven playground and unhealthy competition to small and medium papers. Jampala, Lakshmi and Srinivasa (2013) discussed Foreign Direct Investment Inflows into India in the Post-reforms period. They concluded that "as far as the economic interpretation of the model is concerned; the size of domestic market is positively related to Foreign Direct Investment. The greater the market, the more customers and more opportunities to invest."Bhattacharyya Jita, Bhattacharyya Mousumi (2012), "Impact of Foreign Direct Investment and Merchandise and Services Trade of the Economic growth in India: an Empirical study", the study revealed that there was a long term relationship between FDI, merchandise, service trade and economic growth of India. Bi-directional causality is observed between merchandise trade and economic growth, services trade and economic growth. Unidirectional causality is observed from FDI to economic growth and FDI to merchandise trade. A unidirectional causality is also observed from merchandise trade to services trade. Abdul A., Morris R. (2011), "Ease of doing business and FDI inflow to Sub-Saharan Africa and Asian countries" The study found that two factors, "registering property" and "trading across borders", were found to be related to FDI over all six years of the study (2000-2005) for the combined sample. Also, several factors were found to be related to FDI received by SSA and Asian countries during various years. Singh S.,

V) Trends and Patterns of FDI Inflows

Fact sheet on foreign direct investment (FDI)

Table No. 1

Total FDI Inflows (From April, 2000 to Sep, 2017)

1.CUMULATIVE AMOUNT OF FDI INFLOWS (Equity inflows + 'Re-invested earnings' +'Other capital')	-	US$ 518,100 Million
2.CUMULATIVE AMOUNT OF FDI EQUITY INFLOWS (excluding, amount remitted through RBI's NRI Schemes)	Rs. 1,950,051 Crore	US$ 357,345 Million

Source: FDI Statistics, Department of Industrial Policy& Promotion, Ministry of Commerce & Industry, Government of India, 2017.

Table 1 shows the amount of FDI inflows from April, 2000 to June, 2017. It shows the cumulative amount of FDI Inflows both in terms of Crore and in US $ million.

Point 1 shows the sum of equity inflows, reinvested earnings and other capital. Cumulative amount of inflows are 518,100 in US $ million. Other than this, cumulative FDI equity inflows which excludes amount remitted through RBI's-NRI schemes are 1,950,051 in Crore and 357,345 in US $ million.

Table No. 2

FDI Inflows during Financial Year (From April, 2000 to Sep, 2017)

1. TOTAL FDI INFLOWS INTO INDIA (Equity inflows + 'Re-invested earnings' + 'Other capital') (as per RBI's Monthly bulletin)s	-	US$ 19,047 Million
2. FDI EQUITY INFLOWS	Rs. 95,942 Crore	US$ 14,946 Million

Source: FDI Statistics, Department of Industrial Policy& Promotion, Ministry of Commerce & Industry, Government of India, 2017.

Table 2 shows the amount of FDI inflows during the Financial Year, 2017(Sep). It shows the total amount of FDI Inflows both in terms of Crore and in US $ million.

Point 1 shows the sum of equity inflows, reinvested earnings and other capital. Total amount of inflows are 19.047 in US $ million. Point 2 shows the FDI equity inflows amounted 95,942 in Crore and 14,946 in US $ million.

Table No. 3

FDI Equity Inflows (Month-Wise) During the Financial Year 2017-18:

Financial Year 2017-18 (April-March)	*Amount of FDI Equity inflows*		
	(*In Rs. Crore*)(In US$ mn)		
1.	April, 2017	20,826	3,229
2.	May, 2017	26,159	4,060
3.	June , 2017	20,101	3,119
4.	July, 2017	31,112	4,827
5.	August, 2017	51,198	8,004
6.	September, 2017	13,632	2,115
2017-18 (form April, 2017 to September , 2017) #		163,028	25,354
2016-17 (form April, 2016 to September , 2016) #		144,674	21,624
%age growth over last year		(+)13%	(+)17%

Source: FDI Statistics, Department of Industrial Policy& Promotion, Ministry of Commerce & Industry, Government of India, 2015.

The above Table 3 shows the amount of FDI inflows during Financial Year from April, 2017 to March, 2018 (up to Sep, 2017). It shows the amount in Rs Crore and in US $ mn. The highest FDI inflows in the country is in the month of August 2017 i.e. 51,198 in Rs Crore and 8,004 in US $ mn. Followed by July, 2017 and May, 2017 with inflows 20,826 in Rs. Crore (3,229 in US$ mn) and 20,101 in Rs. Crore (3,119 in US$ mn) respectively. It can also be observed that there is 13% growth over last year.

Table No. 4

SHARE OF TOP INVESTING COUNTRIES FDI EQUITY INFLOWS *(Financial years)*

Amount Rupees in Crores (US$ in Million)

Ranks	***Country***	***2015-16 (April – March)***	***2016-17 (April – March)***	***2017-18 (April,17– September,17)***	***Cumulative Inflows (April, 00 - September,17)***	***%age to total Inflows (in terms of US $)***
1.	**MAURITIUS**	54,706 **(8,355)**	105,587 **(15,728)**	73,589 **(11,466)**	659,539 **(123,104)**	34%
2.	**SINGAPORE**	89,510 **(13,692)**	58,376 **(8,711)**	34,105 **(5,294)**	349,147 **(59,885)**	17%
3.	**JAPAN**	17,275 **(2,614)**	31,588 **(4,709)**	6,118 **(950)**	148,378 **(26,626)**	7%
4.	**U.K.**	5,938 **(898)**	9,953 **(1,483)**	1,920 **(298)**	127,465 **(24,889)**	7%
5.	**NETHERLANDS**	17,275 **(2,643)**	22,633 **(3,367)**	12,526 **(1,945)**	129,692 **(22,627)**	6%
6.	**U.S.A.**	27,695 **(4,192)**	15,957 **(2,379)**	8,544 **(1,327)**	119,075 **(21,650)**	6%
7.	**GERMANY**	6,361 **(986)**	7,175 **(1,069)**	6,020 **(934)**	58,065 **(10,633)**	3%
8.	**CYPRUS**	3,317 **(508)**	4,050 **(604)**	1,429 **(222)**	48,160 **(9,379)**	3%
9	**FRANCE**	3,937 **(598)**	4,112 **(614)**	1,962 **(305)**	32,599 **(6,030)**	2%
10.	**UAE**	6,528 **(985)**	4,539 **(675)**	1,581 **(245)**	27,768 **(4,950)**	1%
TOTAL FDI INFLOWS FROM ALL COUNTRIES *	262,322 **(40,001)**	291,696 (43,478)	163,028 **(25,354)**	1,950,584 **(357,466)**	-	

The above Table No.4 depicts the country having the highest FDI in India. The report shows that the MAURITIUS country has the highest foreign investor in India with 34%. After Mauritius, Singapore invest the highest FDI in India with 17%.Followed by Japan and U.K.7% with FDI in India.

Table No. 5

SECTORS ATTRACTING HIGHEST FDI EQUITY INFLOWS:

Amount in Rs. Crores (US$ in Million)

Ranks	*Sector*	*2015-16 (April – March)*	*2016-17 (April – March)*	*2017-18 (April,17– September ,17)*	*Cumulative Inflows (April, 00 - September , 17)*	*% age to total Inflows (In terms of US$)*
1.	**SERVICES SECTOR ****	45,415 **(6,889)**	58,214 **(8,684)**	18,788 **(2,917)**	335,356 **(62,393)**	17 %
2.	**TELE COMMUNICATIONS**	8,637 **(1,324)**	37,435 **(5,564)**	38,926 **(6,084)**	169,090 **(30,030)**	**8 %**
3.	**COMPUTER SOFTWARE & HARDWARE**	38,351 **(5,904)**	24,605 **(3,652)**	19,616 **(3,045)**	156,405 **(27,715)**	8 %
4.	**CONSTRUCTION DEVELOPMENT: TOWNSHIPS, HOUSING, BUILT-UP INFRASTRUCTURE**	727 **(113)**	703 **(105)**	2,338 **(363)**	116,977 **(24,656)**	**7 %**
5.	**AUTOMOBILE INDUSTRY**	16,437 **(2,527)**	10,824 **(1,609)**	7,942 **(1,235)**	100,160 **(17,908)**	5 %
6.	**TRADING**	25,244 **(3,845)**	15,721 **(2,338)**	9,358 **(1,453)**	93,916 **(15,664)**	4 %
7.	**DRUGS & PHARMACEUTICALS**	4,975 **(754)**	5,723 **(857)**	5,565 **(863)**	81,385 **(15,570)**	4 %
8.	**CHEMICALS (OTHER THAN FERTILIZERS)**	9,664 **(1,470)**	9,397 **(1,393)**	5,779 **(896)**	74,731 **(14,190)**	4 %
9.	**POWER**	5,662 **(869)**	7,473 **(1,113)**	4,578 **(712)**	64,665 **(12,301)**	3 %
10	**CONSTRUCTION (INFRASTRUCTURE) ACTIVITIES**	29,842 (4,511)	12,478 **(1,861)**	5,688 **(883)**	66,063 **(10,701)**	3 %

The above Table No.5 depicts the sector having the highest FDI equity inflow in India. The report shows that Service sector has the highest FDI Equity inflow 17%, followed by Computer Software Hardware and telecommunication carries 8%. Construction development Townships, Housing, Built-Up Infrastructure 7%.Automobile Industry sector having 5%.Other sectors like Drugs & Pharmaceuticals Chemicals (other than fertilizers)and Trading Industries carries 4% ,whereas the least is of Power and construction industries 3%.

Table No. 6

***FINANCIAL YEAR-WISE FDI INFLOWS DATA*AS PER INTERNATIONAL BEST PRACTICES:**

(Data on FDI have been revised since 2000-01 with expended coverage to approach International Best Practices)

(Amount US$ Million)

No.	*Financial Year (April-March)*	*Equity* *FIPB Route/ RBI's Automatic Route/ Acquisition Route*	*Equity capital of unincorporated bodies #*	*Re-invested earnings +*	*Other capital +*	*Total FDI Flows*	*%age growth over previous year (in US$ terms)*	*Investment by FII's Foreign Institutional Investors Fund* (net)
		FOREIGN DIRECT INVESTMENT (FDI)						*FDI FLOWS INTO INDIA*
FINANCIAL YEARS 2000-01 TO 2017-18								
1.	**2000-01**	2,339	61	1,350	279	**4,029**	-	**1,847**
2.	**2001-02**	3,904	191	1,645	390	**6,130**	**(+) 52 %**	**1,505**
3.	**2002-03**	2,574	190	1,833	438	**5,035**	**(-) 18 %**	**377**
4.	**2003-04**	2,197	32	1,460	633	**4,322**	**(-) 14 %**	**10,918**
5.	**2004-05**	3,250	528	1,904	369	**6,051**	**(+) 40 %**	**8,686**
6.	**2005-06**	5,540	435	2,760	226	**8,961**	**(+) 48 %**	**9,926**
7.	**2006-07**	15,585	896	5,828	517	**22,826**	**(+)155 %**	**3,225**
8.	**2007-08**	24,573	2,291	7,679	300	34,843	**(+) 53 %**	**20,328**
9.	**2008-09**	31,364	702	9,030	777	41,873	**(+) 20 %**	**(-) 15,017**
10.	**2009-10**	25,606	1,540	8,668	1,931	**37,745**	**(-) 10 %**	**29,048**
11.	**2010-11**	21,376	874	11,939	658	**34,847**	**(-) 08 %**	**29,422**
12.	**2011-12**	34,833	1,022	8,206	2,495	**46,556**	**(+) 34 %**	**16,812**
13.	**2012-13**	21,825	1,059	9,880	1,534	**34,298**	(-) 26%	**27,582**
14	**2013-14**	24,299	975	8,978	1,794	**36,046**	**(+) 5%**	**5,009**
15.	**2014-15 (P)**	30,933	978	9,988	3,249	**45,148**	**(+) 25%**	**40,923**
16.	**2015-16 (P)**	40,001	1,111	10,413	4,034	**55,559**	**(+) 23%**	**(-) 4,016**
17.	**2016-17 (P)**	**43,478**	**1,227**	**12,176**	**3,201**	**60,082**	**(+) 8%**	7,735
18	**2017-18 (P) (upto September – 17)**	**25,354**	**542**	**5,792**	**2,060**	**33,749**	**-**	**14,359**
CUMULATIVE TOTAL (from April, 2000 to September , 2017)		**359,031**	**14,654**	**119,529**	**24,885**	**518,100**	**-**	**208,669**

Source: *(i) RBI's Bulletin November, 2017 dt.08.11.2017*

Table No. 7

DIPP'S – FINANCIAL YEAR-WISE FDI EQUITY INFLOWS:

(As per DIPP's FDI data base – equity capital components only):

S. Nos		Financial Year (April – March)	Amount of FDI Inflows	%age growth over previous year (in terms of US $)
FINANCIAL YEARS 2000-01 TO 2017-18		In Rs Crores		In US$ Million
1.	**2000-01**	10,733	**2,463**	-
2.	**2001-02**	18,654	**4,065**	**(+) 65 %**
3.	**2002-03**	12,871	**2,705**	**(-) 33 %**
4.	**2003-04**	10,064	**2,188**	**(-) 19 %**
5.	**2004-05**	14,653	**3,219**	**(+) 47 %**
6.	**2005-06**	24,584	**5,540**	**(+) 72 %**
7.	**2006-07**	56,390	**12,492**	**(+)125 %**
8.	**2007-08**	98,642	**24,575**	**(+) 97 %**
9.	**2008-09**	142,829	**31,396**	**(+) 28 %**
10.	**2009-10**	123,120	**25,834**	**(-) 18 %**
11.	**2010-11**	97,320	**21,383**	**(-) 17 %**
12.	**2011-12 ^**	165,146	**35,121**	**(+) 64 %**
13.	**2012-13**	121,907	**22,423**	(-) 36 %
14.	**2013-14**	147,518	**24,299**	**(+) 8%**
15.	**2014-15 #**	189,107	**30,931**	**(+) 27%**
16.	**2015-16 #**	262,322	**40,001**	**(+) 29%**
17.	**2016-17#**	291,696	**43,478**	**(+) 9%**
18.	**17-18# (upto September 2017)**	163,028	**25,354**	
CUMULATIVE TOTAL (from April, 2000 to September , 2017)		**1,950,584**	**357,467**	

The above Table No. 7 shows the total amount of FDI inflows in India during the last 15 years i.e. 2000 to 2017. The FDI inflow from 2000-2001 i.e. 10,733 Crore Rs. in 2001-02 it was 18,654 Crore rupees. It shows the Good result in the FDI inflows in India. Little bit ups and downs in FDI inflows up to 2005-06, but after that great hike in the year 2007-08 i.e. 98,642crore rupees as compare to earlier years. In 2008-2009 there was a huge investment in FDI in 142,829 Crore Rupees and so on. But again there were some fluctuations in inflow of FDI in the years between 2011-2016,soon giving the highest figures in last 15 years 291,696 Crore Rupees FDI in 2016-2017 So we can say that the foreign investment have been on rise in India. Currently the inflow of FDI from April, 2000 to September, 2017 figures 163,028.

Table No. 8

STATEMENT ON RBI'S REGIONAL OFFICES (WITH STATE COVERED) RECEIVED FDI EQUITY INFLOWS1 *(from April, 2000 to* September, 2017*):*

Amount Rupees in Crores (US$ in Million)

S. No.	***RBI's - Regional Office2***	***State covered***	***2015-16 (April – March)***	***2016-17 (April –*** March)	***2017-18 (April,17– September ,17)***	***Cumulative Inflows (April, 00 - September , 17)***	***%age to total Inflows (in terms of US$)***
1	MUMBAI	**MAHARASHTRA, DADRA & NAGAR HAVELI, DAMAN & DIU**	62,731 **(9,511)**	131,980 **(19,654)**	64,027 (9,982)	611,760 **(112,265)**	31%
2	NEW DELHI	**DELHI, PART OF UP AND HARYANA**	83,288 **(12,743)**	39,482 **(5,884)**	22,588 (3,506)	394,381 **(71,543)**	20%
3	BANGALOR E	**KARNATAKA**	26,791 **(4,121)**	14,300 (2,132)	30,420 (4,721)	153,633 **(27,095)**	8%
4	CHENNAI	**TAMIL NADU, PONDICHERRY**	29,781 (4,528)	14,830 (2,218)	13,898 (2,160)	147,276 **(25,921)**	7%
5	AHMEDAB AD	**GUJARAT**	14,667 (2,244)	22,610 **(3,367)**	3,104 **(482)**	94,178 **(17,133)**	5%
6	HYDERABA D	**ANDHRA PRADESH**	10,315 (1,556)	14,767 (2,195)	3,645 **(566)**	77,968 **(14,331)**	4%
7	KOLKATA	**WEST BENGAL, SIKKIM, ANDAMAN & NICOBAR ISLANDS**	6,220 **(955)**	332 **(50)**	559 **(87)**	21,738 (4,072)	1%
8.	KOCHI	**KERALA, LAKSHADWEEP**	589 **(90)**	3,050 (454)	930 **(145)**	10,719 **(1,900)**	1%
9	JAIPUR	**RAJASTHAN**	332 **(50)**	1,111 **(165)**	466 **(72)**	8,703 **(1,552)**	0.4%
10.	CHANDIGA RH	**CHANDIGARH, PUNJAB, HARYANA, HIMACHAL PRADESH**	177 **(27)**	39 (6)	696 (108)	7,273 **(1,472)**	0.4%
11	BHOPAL	**MADHYA PRADESH, CHATTISGARH**	518 **(80)**	515 (76)	125 (19)	7,254 **(1,391)**	0.4%
12	PANAJI	**GOA**	117 **(18)**	555 (83)	257 **(40)**	4,796 **(964)**	0.3%
13	KANPUR	**UTTAR PRADESH, UTTRANCHAL**	524 **(80)**	50 (8)	526 (82)	3,544 **(652)**	0.2%
14	BHUBANES HWAR	**ORISSA**	36 **(6)**	83 (12)	0.09 **(0.01)**	2,080 (416)	0.1%
15	PATNA	**BIHAR, JHARKHAND**	272	69	63	670	0.03%

			(43)	**(10)**	**(10)**	(113)	
16	GUWAHATI	**ASSAM, ARUNACHAL PRADESH, MANIPUR, MEGHALAYA, MIZORAM, NAGALAND, TRIPURA**	66 **(10)**	15 **(2)**	25 **(4)**	487 **(100)**	0.03%
17	JAMMU	**JAMMU & KASHMIR**	11 **(2)**	2 (0.2)	**0** **(0)**	39 **(6)**	0.0%
18	REGION NOT INDICATED		25,886 **(3,936)**	47,909 (7,162)	21,699 (3,370)	403,553 (76,418)	**21%**
SUB. TOTAL			262,322 **(40,001)**	**291,696** (**43,478**)	**163,028** **(25,354)**	**1,950,051** **(357,345)**	
19	**RBI'S-NRI SCHEMES** ***(from 2000 to 2002)***		0	0	0	533 **(121)**	-
GRAND TOTAL			262,322 **(40,001)**	**291,696** (**43,478**)	**163,028** **(25,354)**	**1,950,584** **(357,466)**	-

The above table 8 represents region-wise FDI equity inflows from 2000-2017 both in terms of ` Crore and US $ million. Table shows that Mumbai has registered largest FDI inflow (611,760 Crore) amounting to 31% of total inflow received in last 15 years. New Delhi is the second preferred region for FDI inflow (394,381Crore) with 20% of total inflows received in last 15 years. This is due to good quality infrastructure and better quality of life provided in these cities.

Other regions like Bangalore (153,633 Crore), Chennai (147,276 Crore), Ahmedabad (94,178 Crore), Hyderabad (77,968 Crore) have also recorded FDI with 8% 7%, 5% and 4% of total FDI in the country respectively. Bangalore is the primary destination for property investment and the city has riding high on the Information Technology (IT). Other regions like Kolkata (21,738Crore), Chandigarh (7,273 Crore), Jaipur (8,703 Crore) and Bhopal (7,254 Crore) have been able to attract very less FDI because they lack in infrastructure and information technology (IT) developments. Sectors like service, construction developments, telecommunications and computer software & hardware have been registering highest FDI inflows in India. Therefore, Mumbai, New Delhi, Bangalore and Chennai are the favourite destinations for FDI in India.

VI) Findings

- FDI is an important stimulus for the economic growth of India.
- Service sector is first and banking and insurance sector is second segment of which pick the growth in second decade of reforms.
- FDI create high perks jobs for skilled employee in Indian service sector.
- Mauritius and Singapore is the 2 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.
- Atomic Energy and Railway Transport are some important and life line of any country. Therefore India also restricted FDI in this sector.

- FDI plays an important role in the development of infrastructure because many countries invest in the infrastructure sector and banking finance sector.

VII). Conclusion

FDI in India has a important role in the economic growth and development of India. FDI in India to various sectors can attain continuous economic growth and development through creation of jobs, expansion of existing manufacturing industries. The inflow of FDI in service sectors and construction and development sector, from April, 2000 to Sep, 2017 attained substantial sustained economic growth and development through creation of jobs in India. Computer, Software & Hardware and Drugs & Pharmaceuticals sector were the other sectors to which attention was shown by Foreign Direct Investors (FDI). The other sectors in Indian economy the Foreign Direct Investors interest was, in fact has been quite poor. FDI has helped to raise the output, productivity and employment in some sectors especially in service sector. Indian service sector is generating the proper employment options for skilled worker with high perks. On the other side banking and insurance sector help in providing the strength to the Indian economic condition and develop the foreign exchange system in country. So, we can conclude that FDI is always helps to create employment in the country and also support the small scale industries also and helps country to put an impression on the world wide level through liberalization and globalization.

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