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AN INVESTIGATION OF FOREIGN DIRECT INVESTMENT INFLOW IN INDIA

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ABSTRACT

The present paper is portraying the FDI inflows in India during the April, 2000 to March, 2021. It shows the differences between the subsequent years of inflows of FDI with positive and negative sign of numerical growth and decline. The basic objective this paper is to know the FDI inflows in India. The authors of the present paper have attempted to study the inflows with supported documents and data from the relevant site and computed to the trend analysis. The authors have studied that recent trends in FDI in India, market size, significant FDI announcements made recently, government initiatives, literature review, new FDI policy in 2017, and statistical data towards FDI equity inflows, and Route Wise FDI inflows. The whole paper will assist to the policymakers definitely and also to the budding scholars to study further.

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INTRODUCTION

Indian Economy has been still considered as capital is needed to development and builds the economy of our nation. Hence, a high level of economic growth is not sustainable. At this juncture foreign direct investment is widely recognized as important drive of growth in our country. Foreign Direct Investment (FDI) being a non – debt capital flow, is a leading source of external financing, especially for the developing economies. It not only brings in capital and technical know- how but also

increase the competitiveness of the economy. Over all its supplements domestic investment, much required for sustaining the high growth rate of the country. Indian Economy is still considered capital scared one. We need long term capital to develop and build the economy. Foreign Direct Investment (FDI) plays an important role in the developing economy like India. The polices relating Foreign Direct Investment(FDI) Underwent a major change in July 1991 as a part of the structural adjustment programme in India, under the P.V. Narasima

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Rao led congress Government. In this paper role of Foreign Direct Investment (FDI) in retail sector, FDI Equity Inflow, sector wise FDI inflows in India and share of top investing countries FDI inflows in India.

Automatic Route

FDI in sectors activities to the extent permitted under the automatic route does not require any prior approval either of the government or the reserve bank of India.

Government Route

FDI in activities not covered under the automatic route requires prior approval of the Government which is considered by the Foreign Investment Promotion Board, Department Of Economics Affairs, and Ministry of Finance.

Recent trends in FDI in India

Apart from being a critical driver of economic growth, Foreign Direct Investment (FDI) has been a major non-debt financial resource for the economic development of India. Foreign companies invest in India to take advantage of relatively lower wages, special investment privileges like tax exemptions, etc. For a country where foreign investment is being made, it also means achieving technical know-how and generating employment. The Indian Government's favorable policy regime and robust business environment has ensured that foreign capital keeps flowing into the country. The Government has taken many initiatives in recent years such as relaxing FDI norms across sectors such as defense, Public Sector Unit oil refineries, telecom, power exchanges, and stock exchanges, among others. Indian commerce and Industry Minister Piyush Goyal said that India received highest ever foreign direct investment (FDI) in the Covid-impacted 2020, in contrast with shrinkage in investment inflows globally. He added that that India is in talks with 16 countries, including the UK, the

EU, Australia and Canada, for trade agreements. India will continue to attract high foreign direct investment (FDIs) in the current financial year. He also talked about the "historic highs" of the country's foreign investment in the last seven years."This year, we are very confident that we will continue this streak of seven continuous years of historic highs in our foreign investments .Goyal said that India has received highest ever FDI in the Covid-impacted 2020, in contrast with a shrinkage in investment inflows globally.

In FY21, India received \$81.72 billion foreign direct investment (FDI), the highest ever and 10% more than what was received in the year before, according to a commerce and industry ministry statement. Singapore, the United States and Mauritius are the top investors, the statement further noted. The government said that this huge inflow is due to a series of policy steps taken to improve ease of doing business and to attract investments into domestic manufacturing capacity and an ambitious infrastructure project pipeline. In the year before, India had attracted \$74.39 billion in FDI, the ministry said. Goyal further said on Saturday that India is in talks with 16 countries, including the UK, the EU, Australia, Canada, and the UAE, for trade agreements. "We have focused our efforts on a few very promising agreements where I can clearly see huge comparative advantages for India to get market access and the ability to trade both in goods and services in a much bigger way India has FTAs with several countries, including Japan, South Korea, Singapore, and ASEAN members.

Market size

According to the Department for Promotion of Industry and Internal Trade (DPIIT), FDI equity inflow in India stood at US\$ 521.47 billion between April 2000 and

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	CLEAR IJRMST		<p><i>Vol-12, Issue-23 Jan-Jun- 2022 pp. 16-29</i></p>

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December 2020, indicating that the government's efforts to improve ease of doing business and relaxing FDI norms have yield results.

FDI equity inflows in India stood at US\$ 51.47 billion in 2020-21 (between April 2020 and December 2020). Data for 2020-21 indicates that the computer software and hardware sector attracted the highest FDI equity inflows of US\$ 24.39 billion, followed by the construction (infrastructure) activities (US\$ 7.15 billion), service sector (US\$ 3.86 billion) and trading (US\$ 2.14 billion).

In 2020-21 (between April 2020 and December 2020), India received the highest FDI equity inflows from Singapore (US\$ 15.72 billion), followed by the US (US\$ 12.83 billion), the UAE (US\$ 3.92 billion), Mauritius (US\$ 3.48 billion), Cayman Islands (US\$ 2.53 billion), the Netherlands (US\$ 2.44 billion) and the UK (US\$ 1.83 billion).

In 2020-21 (between April 2020 and December 2020), Gujarat received the highest FDI equity inflows of US\$ 21.24 billion, followed by Maharashtra (US\$ 13.64 billion), Karnataka (US\$ 6.37 billion) and Delhi (US\$ 4.22 billion).

Investments/ Developments

Some of the significant FDI announcements made recently are as follows:

- ❖ In the first nine months of FY21, total FDI inflows amounted to US\$ 67.54 billion, a 22% YoY increase.
- ❖ In February 2021, Amazon announced to start manufacturing electronic devices in India from 2021
- ❖ In January 2021, Amazon partnered with Startup India, Sequoia Capital India and Fireside Ventures to launch an accelerator programme to support early-stage start-ups take their brands to international markets and boost domestic exports.

- ❖ In November 2020, Rs. 2,480 crore (US\$ 337.53 million) foreign direct investment (FDI) in ATC Telecom Infra Pvt Ltd. was approved by the Union Cabinet.
- ❖ In November 2020, Amazon Web Services (AWS) announced to invest US\$ 2.77 billion (Rs. 20,761 crore) in Telangana to set up multiple data centres; this is the largest FDI in the history of the state.
- ❖ Since April 2020, the government has received over 120 foreign direct investment (FDI) proposals worth ~Rs. 12,000 crore (US\$ 1.63 billion) from China. Between April 2000 and September 2020, India received US\$ 2.43 billion FDI from China.
- ❖ According to the Reserve Bank of India (RBI), India's Outward Foreign Direct Investments (OFDIs) in equity, loan and guaranteed issue stood at ~US\$ 1.85 billion in February 2021 vs. US\$ 1.19 billion in January 2021.

Government Initiatives

In March 2021, the parliament approved a bill to increase foreign direct investment (FDI) in the insurance sector from 49% to 74%. In March 2021, Mr. Shripad Naik, the Minister of State for Defence, stated that a total of 44 Indian companies, including public sector units, have received approvals related to FDI for joint production of defence items with foreign organizations. In December 2020, the government of Uttar Pradesh agreed to provide Samsung Display Noida Private Limited with special incentives to set up a mobile and IT display product manufacturing unit. Under the Central Government's Scheme for Promotion of Manufacturing Electronic Components and Semiconductors (SPECS), Samsung will also receive a financial incentive of Rs. 460 crore (US\$ 62.61 million). This

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project will develop a global export hub in Uttar Pradesh and will help the state attract more Foreign Direct Investments (FDI). In December 2020, changes in the guidelines for the provision of Direct-to-Home (DTH) services have been approved by the Union Cabinet, enabling 100% FDI in the DTH broadcasting services market.

LITERATURE REVIEW

Prior to this study, various studies have been conducted by different researchers. Some of the revisers are given below.

Javeria Maryam, Ashok Mittal. (2020) identified factors for determining foreign direct investment (FDI) in BRICS countries using an annual database. The researcher compared the trends and overall factors that have a significant impact on Foreign Direct Investment (FDI) in BRICS countries. During the study the researcher found that the Index of industrial production, total domestic production, foreign exchange rates (FOREX) had a significant impact on Direct Investment (FDI) in the Indian economy.

Sharma, R. and Kautish, P. (2020) argue that the entry of Foreign Direct Investment (FDI) has a significant impact on individual earnings, final spending, global trade index and Foreign Direct Investment (FDI) exchange rate. The researcher used a nonlinear auto regressive distributed with a lag bind frame and an unknown structural break. Outcome statistics show that the development of Foreign Direct Investment (FDI) in per capita income, personal consumption costs, global index and monetary value in relation to trading partners.

Renju Joseph (2018) Discussed the Impact of FDI Inflows in Balance of Payment.

He has main objective of the study is to show the relation current account and balance of trade and capital accountant FDI and how its effect on balance of payment of country. The concluded that there is a significant association of current account to the balance of trade with beta value as 1.04, regression value is 0.987 with significance value 0.000 this implies that the balance of trade has a strong impact of current account. Currently the current account is deficit but on a declining mode. Balance of trade having a strong association can be used as a major tool to control the deficit and decrees the deficit.

Kumari, R. and Sharma, A.K. (2017) argued that Foreign Direct Investment (FDI) shortcuts such as market size, business openness, infrastructure, inflation, interest rate, research and development, the human capital had a major impact on the Indian economy. The researcher used an appropriate model based on Houman's experiment and found that Foreign Direct Investment (FDI) entities had positive coefficients in relation to the entry of Foreign Direct Investment (FDI) development panel.

Arte, P. and Barron, A. (2016) proposed an international INV process from India and contributed to the dissemination of firm conduct under certain conditions. The researcher developed a research framework for analyzing INV s from India.

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

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uneven playground and unhealthy competition to small and medium industry.

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.

Objectives of the study

The following are the objectives of the prospective study.

1. To study the new FDI policy in India and Cumulative FDI inflows in to India
2. To analysis of Route Wise FDI inflows in India
3. To examine the current scenario of share of top investing countries FDI inflows in India.
4. To analysis top ten states received FDI Equity Inflow in India

Methodology

This research is descriptive study in nature. The data have been collected from the secondary sources such as books, newspaper published and unpublished and working paper in the internet particularly from the

Department of Industrial and Promotion, Ministry of Commerce and Industry and the like. Besides the data have been analyzed by using the simple tool of percentage analysis, mean, standard deviation, co-efficient variation and compound annual growth rate.

Period of the study

In this paper, the study period covers 12 financial years’ starts from April, 2000 and ends with March, 2021.

NEW FDI POLICY IN 2017

The ability to attract large scale Foreign Direct Investment (FDI) into India has been a key driver for policy making by the Government. Prime Minister Modi seems to be going along the right track, with India receiving FDI inflows worth USD 60.1 billion in 2016-17, which was an all-time high. Hence, the FDI policy of India has always been closely watched and carefully amended over the years. On August 28th, 2017, the Department of Industrial Policy and Promotion (DIPP) had issued the updated and revised Foreign Direct Investment Policy, 2017 – 2018 (FDI Policy 2017). The FDI Policy 2017 incorporated various notifications issued by the Government of India over the past year.

**TABLE 1
FOREGIN DIRECT INVESTMENT LIMIT FOR THE YEAR**

S.No	Sectors	FDI Limit % Previous Year - 2017	FDI Limit in % 2018
1	Banking Sector	74	100
2	Aviation	49	100
3	Investment In Single Brand Retail	-	100
4	Construction	49	100
5	Power Exchange	49	100
6	Medical Device	49	100
7	Defence	49	100
8	Insurance, Pension, Other Financial Service, Trading ,Etc.	-	51
9	Asset Reconstruction Companies	-	100

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10	Pharmaceuticals	-	100
11	Broadcasting	-	100

Source; Cabinet Approves Amendments in FDI Policy. 12-1-2018

TABLE 2

Cumulative FDI inflows in to India during the period 2000 - 2021

S.No	Particulars	Amount of FDI inflows	
		Rs. in (Crore)	US \$ (Million)
1.	Cumulative FDI inflows	-	763576
2.	Cumulative FDI equity inflow	3174480	529633
3	Amount of FDI equity inflows during the financial year 2020-21	59514	8165
4.	Amount of Total equity inflows during the financial year 2020-2021	-	13438

Source: Fact sheet FDI. RBI April 2000 – March -20201

Table 2, depicts that the amount of FDI inflows from April 2000 to March 2021. It shows the cumulative amount of FDI inflows both in terms of crore and US \$ million. The first part shows the sum of equity inflows, reinvested earnings and other capital. Cumulative amount of inflows are 763576 in US \$ million. Other than this cumulative FDI equity inflows which excludes amount

remitted through RBI s NRI schemes are 3174480 in crore and 529633 in US \$ million, FDI inflows during 2020-2021 (March ,2021) the first part shows the sums of equity inflows, reinvested earnings and other capital. The total amount of inflows are 13438 in US \$ million. The second part shows that the FDI equity inflows amounted 59514 in crore and 8165 in US \$.

TABLE 3

FDI EQUITY INFLOWS (MONTH- WISE) DURING THE PERIOD 2020 – 2021

S.No	Financial year 2020-2021	Amount of FDI equity inflows	
		In Rs. Crore	US \$ million
1.	April, 2020	21,133	2,772
2.	May, 2020	16,951	2,240
3.	June, 2020	11,736	1,550
4.	July, 2020	22,866	3,049
5	August, 2020	1,30,576	17,487
6	September, 2020	21,350	2,906
7	October,2020	39,160	5,331
8	November, 2020	63,196	8,515
9	December, 2020	56,086	7,621
10	January, 2021	19,790	2,707
11	February,2021	18,822	2,587
12	March,2021	20,903	2,872
13	2020-2021(from April, 2020 March, 2021)	4,42,569	59,636
14	2019-2020(from April, 2019 to March, 2020)	353558	49977

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15	Percentage growth over last year	(+)25%	(+)19%
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Source: Fact sheet FDI. RBI April 2000 – March -2021

The above table 3 shows the amount of FDI inflows during financial year from April, 2020 to March 2021. It shows the amount in Rs. crore and in US \$ mn. The highest FDI inflow in the country is in the month of August 2020 , 1,30,576 in Rs crore and 17,487 in us \$ mn. Flowed by November,

2020 and, November 2020 with inflows 63,196 in Rs, crore (8,515 in us \$ mn) and December 2020, 56,086 in Rs crore(7,621 in us \$ mn) respectively. It can also be observed that there in 25% growth over last year.

TABLE 4
DIPP' – FINANCIAL YEAR- WISE FDI EQUITY INFLOWS

Sl. No	Financial year 2000-01 To 2020--21	Amount of FDI equity inflows		Percentage growth over previous year(in terms of US \$)
		Rs.in crore	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	1,42,829	31,396	(+)28%
10.	2009-10	1,23,120	25,834	(-)18%
11.	2010-11	97,320	21,383	(-)17%
12.	2011-12	1,65,146	35,121	(+)64%
13.	2012-13	1,21,907	22,423	(-)36%
14.	2013-14	1,47,518	24,299	(+)8%
15.	2014-15	1,81,682	29,737	(+)22%
16.	2015-16	2,62,322	40,001	(+)29%
17.	2016-17	2,91,696	43,478	(+)9%
18.	2017-18	2,88,889	44,857	(+)3
19.	2018-19	3,09,867	44,366	(-1)%
20.	2019-20	3,53,558	49,977	(+13%
21.	2020-21	4,42,569	59,636	(+)19%
Cumulative total(From April,2000- to March, 20201		3,175,014	529,755	

Source: Fact sheet FDI. RBI April 2000 – March, 2021

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The above table 4 reveals the total amount of FDI inflows in India during the last 21 years i.e., 2000 to 2021. The inflow from 2000-2001 i.e., 10,733 crore Rs. In 2001-2002 it was 18,654 crore rupees. It shows the good respect in FDI inflow in India. Little bit ups and downs in FDI inflows up to 2005-2006, but after that great hike in the year 2007-2008, but i.e., 98,642 crore rupees as compare to

earlier years. In 2008-2009 there was a huge investment in FDI in 1, 42,829 crore rupees and so on. But again there were fluctuation in inflow of FDI in the years between 2010-2014, so giving the highest figures in last 21 years 34, 42,569 crore rupees FDI in 2019-2020. So we can say that the foreign investment inflow of FDI from April, 2020 to March, 2021 figures 4, 42,569

TABLE 5
Route Wise FDI inflows in India during 2000-2001 (April) to 2020-2021 (March)
(Amount Rupees in Crores)

S.No	Year	Government Route / FIPB / RBI Acquisition Route	Equity	Reinvested earnings	Other Capital	Total FDI inflow
1	2000-2001	23,39	61	1,350	279	4,029
2	2001-2002	3,904	191	1,645	390	6,130
3	2002-2003	2,574	190	1,833	438	5,035
4	2003-2004	2,197	32	1,460	633	4,322
5	2004-2005	3,250	528	1,904	369	6,051
6	2005-2006	5,540	435	2,760	226	8,961
7	2006-2007	15,585	896	5,828	517	22,826
8	2007-2008	24,573	2,291	7,679	300	34,843
9	2008-2009	31,364	702	9,032	776	41,874
10	2009-2010	25,606	1,540	8,668	1,931	37,745
11	2010-2011	21,376	874	11,939	658	34,847
12	2011-2012	34,833	1,022	8,206	24,995	46,556
13	2012-2013	21,825	1,059	9,880	1,534	34,298
14	2013-2014	24,299	975	8,978	1,794	36,046
15	2014-2015	30,933	978	9,988	3,249	45,148
16	2015-2016	40,001	1,111	10,413	4,034	55,559
17	2016-2017	43,478	1,223	12,343	3,176	60,220
18	2017-2018	44,857	664	12,542	2,911	60,974
19	2018-2019(P)	44,366	689	13,672	3,274	62,001
20	2019-2020(P)	49,977	1,757	14,175	8,482	74,390
21	2020-2021(P)	59,636	1,787	16,216	4,082	81,722
	Cumulative Total from, April-2000- to March 2021	5,32,513	19,005	1,70,509	41,549	7,63,576
	CAGR%	16.67	17.45	12.57	13.63	15.41
	MEAN	25358	1728	8119	1979	37531

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	SD	17286	3812	4594	1957	22196
	CV	0.682	2.207	0.506	0.989	0.591

Source: Reserve Bank of India, FIPB: Foreign Investment Promotion Board, Bulletin,(Fact Sheet FDI 2000 – 2021)

The above table 5 reveals route wise FDI inflows in India during the year 2000-2001 to 2020-2021. the mean of government route/FIPB/acquisition route is having highest route wise FDI of 25358 and lowest mean of 41728 followed by equity capital of unincorporated bodies and the compound annual growth rate of route wise FDI was only positive in the case of equity capital of

unincorporated bodies (17.45 %) and remaining was negative route wise FDI.

Initially the correlation co-efficient were worked out to study the relationship between Total FDI Inflow and other variables totally for the selected FDI in India. The inter-relationship between the variables is shown in Table

**TABLE 6
INTER-CORRELATION MATRIX IN ALL THE SELECTED ROUTE WISE FDI INFLOWS IN INDIA**

Sl. No.	Name of the Variable	Total FDI inflow	Government Route / FIPB / RBI Acquisition Route	Equity	Reinvested earnings	Other Capital
1.	Total FDI inflow	1.000000	0.586271*	-0.108259	0.442633	0.0429711
2.	Government Route / FIPB / RBI Acquisition Route		1.00000	-0.226956	0.661214*	-0.0233348
3.	Equity			1.000000	-0.262777	0.281172
4.	Reinvested earnings				1.00000	-0.0340191
5.	Other Capital					1.000000

* Significant at 5 per cent level.

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Table 6 Shows a Significant and Positive Relationship in the Case of total FDI inflow, with Government Route / FIPB / RBI Acquisition Route with the correlation coefficient of 0.586271. It indicates that Government Route / FIPB / RBI Acquisition Route are associated with higher total FDI inflow. Government Route / FIPB / RBI Acquisition Route are positively and significantly correlated with Reinvestment Earnings of 0.661214. A negative relationship exists between total FDI inflow and Equity and Re - investment and other capital since the correlation co-efficient is -0.226956 and -0.0340191 respectively which is statistically insignificant. The analysis shows that a higher total FDI inflow is positively and significantly associated with Government Route / FIPB / RBI Acquisition Route.

In order to find the influence of the independent variables on the dependent variable in the selected FDI inflows a multiple

regression model was applied. The fitted regression model is:

$$Y = a + b_1 X_1 + b_2 X_2 + b_3 X_3 + b_4 X_4 + b_5 X_5 + e$$

Where as

$$Y = \text{Total FDI inflow}$$

$$X_1 = \text{Government Route / FIPB / RBI Acquisition Route}$$

$$X_2 = \text{Equity}$$

$$X_3 = \text{Reinvested earnings}$$

$$X_4 = \text{Other Capital}$$

$$b_1, \dots, b_4 = \text{Regression Co-efficient}$$

$$a = \text{Intercept and}$$

$$e = \text{Error Term.}$$

The result of the multiple regression analysis is shown in Table 7.

**TABLE 7
INFLUENCE OF INDEPENDENT VARIABLES ON**

Sl. No.	Independent Variable	Regression Coefficient	Standard Error Coefficient	t-Statistics
1.	Government Route / FIPB / RBI Acquisition Route	0.524418*	0.176943	2.963765
2.	Equity	0.0225934	0.138703	0.162890
3.	Reinvested earnings	0.0941469	0.161394	0.583335
4.	Other Capital	0.0303200	0.0801668	0.378211
	Constant	55.959623*	73.882171	0.757417
	R ² =	0.283		
	F	20.949047*		
	P.Value	0.0000450814		

* Significant at 5 per cent level.

.It is seen from Table 7 that the regression co-efficient of Retained earnings, equity and other

capital selected total FDI inflow are positive with 0.0225934, 0.0941469 and 0.0303200

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	CLEAR IJRMST	Vol-12, Issue-23 Jan-Jun- 2022 pp. 16-29

CLEAR International Journal of Research in Management, Sciences and Technology

respectively. It shows that the influence of all these variables is positive but statistically insignificant except in Government Route / FIPB / RBI Acquisition Route, as t- value are significant at five per cent level.

The co-efficient of determination of 0.283 shows that the changes in the total FDI

inflow is explain by the independent variable to the extent of 28.3 per cent . The fitted regression model for the analysis is also significant at the five per cent level since its F value and P.Value co-efficient are 20.949047 and 0.0000450814 respectively.

TABLE 8
Country wise FDI inflows in India during April 2018 to March 2021
(Amount Rupees in Crore (US % million))

Ranks	Country	2018-2019 April-March	2019-20 April-March	2020-21 April-March	MEAN	SD	CV	CAGR%
1.	Mauritius	57,139 (80,084)	57,785 (8,241)	41,661 (5,639)	52195	9129	0.175	10.00
2.	Singapore	1,12,362 (16,228)	1,03,615 (14,671)	1,29,227 (17,419)	115071	13014	0.113	4.77
3.	USA	22,335 (3,139)	29,850 (4,223)	1,02,499 (13,823)	51561	44273	0.858	66.18
4.	Netherlands'	27,036 (3,870)	46,071 (6,500)	20,830 (2,789)	31312	13153	0.42	19.44
5.	Japan	20,556 (2,965)	22,774 (3,226)	1,441 (1,950)	19257	4316	0.224	-11.10
6.	U.K	9,352 (1351)	10,041 (1422)	15,225 (2,043)	11539	3211	0.278	17.64
7.	Germany	6,187 (886)	3,467 (488)	4,910 (667)	4855	1361	0.280	-7.42
8.	UAE	6356 898	23936 339	31,242 (4,203)	13330	15638	1.173	70.03
9	Cyprus	2134 (296)	6449 (879)	2839 (386)	3807	2315	0.608	9.98
10.	Cayman Islands	7,147 (1,008)	26,397 (3,702)	20,779 (2,799)	18108	9899	0.546	42.73
	Total FDI Inflows	3,09,867 (44,366)	3,53,558 (49,977)	4,42,569 (59,636)				

Source: www.dipp.gov/fdi-statisticatilfigure-FDI April 2018 to March 2021

The above table 8 shows the mean country wise FDI inflows in India Singapore is fluctuating trend during the study period highest mean of (115071) and Cyprus has the lowest mean of (3807). The compound annual growth rate of country wise FDI inflow was positive in the case of UAE (70.03 %) and the rest of the country it is negative during the period.

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	CLEAR IJRMST Indexed Impact Factor Journal CLEAR IJRMST	

CLEAR International Journal of Research in Management, Sciences and Technology

Table 9
Statement on Top Ten states/ UTs Attracting Highest FDI Equity Inflow in India during
October 2019 to March 2021

(Amount Rupees in Crores (US % million))

S.NO	States	2019-2020 October--March	2020-2021 April-March	MEAN	S.D	C.V	CAGR%
1.	Gujarat	18,964 (2,591)	162830 (21890)	90897	101729	1.119	193.02
2.	Maharashtra	52,073 (7,263)	1,19,734 (16170)	85904	47844	0.556	51.64
3.	Karnataka	30,746 (4,289)	56,884 (7,670)	43815	18482	0.421	36.02
4.	Delhi	28,487 (3,973)	40,464 (5,471)	34476	8469	0.245	19.18
5.	Tamilnadu	7,230 (1,006)	17,208 (2,323)	12219	7056	0.577	54.28
6.	Jharkhand	13,208 (1,852)	5,993 (792)	9600	5102	0.531	-32.64
7.	Haryana	5,198 (726)	12,559 (1,697)	8876	5205	0.586	55.44
8.	Telangana	4865 (680)	8,618 (1,155)	6742	2654	0.393	33.10
9.	Punjab	698 (97)	4,719 (644)	2844	2652	0.932	160.01
10.	Uttar pradesh	1,738 (243)	3,123 (422)	2431	979	0.402	34.05

Source: www.dipp.gov/fdi-statisticatilfigure-India - FDI April 2000 to March 2021.

The above table 9 shows states/ UTs wise Attracting Highest FDI Equity Inflow in India during October 2019 to March 2021, the mean Gujarat is having highest (90897) and lowest mean (2431) followed by Uttar Pradesh. The compound annual growth rate of Gujarat was highest percentage (193.02) and lowest equity inflow in Jharkhand (-32.64) and remaining regions were negative during 2019-2021.

Findings of the Study

FDI is an important stimulus for the economic growth of India. 2) Mauritius and Singapore is the two top countries which has

maximum FDI Equity inflow in India based on cumulative inflow from 2000-2021. But CAGR wise U.S.A is highest (66.18%) 3) Gujarat and Maharashtra is the two top states in India highest FDI equity inflows during the periods of 2019 October to March 2021. 4) The highest amount 59,636 million dollars of FDI in India came from the financial year 2020-2021 5) The highest amount 5,32,513 million dollars Equity wise FDI through Government Route/ FIPB/RBI Acquisition Route during the period from 2000-2001 to 2020-2021

Suggestions

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	<p>CLEAR IJRMST</p> <p>Indexed Impact Factor Journal</p>	<p>CLEAR IJRMST</p> <p><i>Vol-12, Issue-23 Jan-Jun- 2022 pp. 16-29</i></p>

CLEAR International Journal of Research in Management, Sciences and Technology

The following Suggestions are proposed: The government should make policies transparent, where in the foreign investors gain positive attitude of investing in India. The policy changes in the entry and exit of FDI based on the flow and its impact has to be considered. The barriers or restrictions on the export oriented business should be liberalized and promote them to export more and more. Government should encourage companies to invest overseas in the form of equity and loans instead of guarantee. Companies should be motivated to invest in low income and developing countries also by giving some tax incentives.

Conclusions

The Government of India is supporting the FDI inflows from favourable neighboring countries and developed countries except China and Pakistan. The present government is wholly supported to the Corporate Sector especially Industrial Goods Manufacturing, Oil and Gas, IT and Telecomm industries. The government has not been securing the capital assets against of the foreign direct investments and bank loans; finally the government is favoring to waive the loan to corporate and help them to escape from the India to other countries for giving safe to the big brigands' (Corporate) waivers with their political empowerment. As per the above discussion, the authors have concluded that the cumulative amount of FDI inflows has been increased, it will definitely stimulate the economy of India, but, the trend and circumstances are not favour of the Indian economy significantly. Therefore, it is very clear to understand that there is hidden lacuna in its approach and the present government political support. Thus, there is a need of in depth research in the field of FDI inflows in India.

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	CLEAR IJRMST	Vol-12, Issue-23 Jan-Jun- 2022 pp. 16-29

CLEAR International Journal of Research in Management, Sciences and Technology

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