

Title: **“The Scenario of FDI in Infrastructure of India”**

Akinchan Buddhodev Sinha

Education Officer

Institute of Company Secretaries of India

New Delhi, India

Email: [akinchanbsinha@gmail.com](mailto:akinchanbsinha@gmail.com)

Contact No: + 91-9393709307

## Abstract

The relationship between infrastructure and economic development is not a one time affair. It is an ongoing process; and economic development invariably has to be preceded, accompanies and followed by progress in infrastructure.

There cannot be a second thought to the fact that a country's infrastructure development is directly linked to its economic growth and vice-versa. Spanning from roadways to airways, ports to airports and power generation facilities, the Indian infrastructure segment is the thrust for the development of the nation and therefore enjoys intense competition from top grade policy makers of the country.

There have been substantial inflows of FDI in various key sectors of infrastructure. Foreign direct investment (FDI) received in construction development sector from April 2000 to July 2013 stood at US\$22.44 billion, according to the Department of Industrial Policy and Promotion (DIPP). The cumulative FDI inflow into the railways related into the railways related components sector stood at US\$351.26 million from April 2000 to July 2013, according to the statistics published by DIPP. Likewise there have been surge in various other important sectors of infrastructure.

Thus, keeping in view the necessity of growth in infrastructure in order to maintain as well as accelerate the growth momentum, this article tries to delve into the current scenario of foreign direct investment in infrastructure, infrastructural sectors receiving massive foreign direct investment inflows, policy matters pertaining to FDI in infrastructure, impact of FDI in various sectors of infrastructure etc.

In order to understand the influence or impact of FDI in infrastructure of India, various papers and articles will be referred, relevant statistical tools will be used in order to derive conclusions, latest published data from relevant sources will be referred in order to understand the recent developments pertaining to flow of FDI in infrastructure.

**Keywords:** Current scenario; FDI scenario in various sectors of infrastructure; FDI in Roads & Highways; FDI in Telecommunications; FDI in Power

## **Full-length paper**

### **Introduction**

The past three decades have observed significant growth in global diversification by multinational corporations. From 1980 to 2007, FDI inflows globally rose by approximately 14% in real terms while real GDP growth and exports increased annually merely at 3.2% and 7.3% respectively. What is interesting to note is that substantial share of these inflows have taken place in developing countries, especially the BRIC economies. During 2000 and 2006, FDI inflows into BRIC economies grew annually at 41.3% in comparison to 24.1% in US, which is the single biggest recipient of FDI, and 22.7% in the EU, which is the biggest regional destination. Consequently, the inward flow of FDI in the BRIC countries enhanced from 8% to 13% of the global stock of FDI. Since MNCs pursue FDI to create shareholder value by diversifying internationally (Fatemi. 1984. Lins and Servaes, 1999 and Denis et al. 2002), the localization of FDI to a few countries displays a confusing aspect of this phenomenon.

Now focusing upon the key member of BRIC, i.e. India, it is an established truth that in recent years, India has re-emerged as one of the most fastest growing economies across the globe. India's growth especially in manufacturing and services has strengthened the sentiments, both within and outside the country. With an increase in investment and sound macroeconomic fundamentals, the future outlook for India is quite distinct from others. Moreover, what is encouraging is that in this process of development, India has not only actively enhanced public investment in infrastructure but also involved private sector in order to provide impetus to the infrastructural growth.

Projection states that India is going to grow at an average 9 percent per annum in next few years. Accompanying this growth will be an increase in demand for infrastructure services. The infrastructure investment has gone up in the past few years, driven by government initiatives and private participation, but that demands further acceleration in the near future. In order to address the growing demand for infrastructure, government is actively pursuing PPPs to bridge the infrastructure deficiency in the country. Numerous measures have been initiated in past recent years to encourage PPPs in sectors like power, ports, highways, airports, tourism and urban infrastructure.

According to Reserve Bank of India, infrastructure covers the following: Power, Telecommunications, Railways, Roads including bridges, Sea port and airport, Industrial parks, Urban infrastructure (water supply, sanitation and sewage projects), Mining, exploration and refining, and Cold storage and cold room facility, including for farm level pre-cooling for preservation of storage of agricultural and allied produce, marine products and meat.

## **Review of literature**

In the developing countries, traditionally infrastructure was under the exclusive jurisdiction of the public sector, with big state owned enterprises (SOEs) being responsible for investment and service delivery. Typically, SOEs were costly and inefficient providers of infrastructure services in majority of the developing economies. Since the mid-1980s, however, governments across the globe have adhered policies to include the private sector in the delivery and financing of infrastructure services. Motivated by the international organizations like the World Bank, privatization has been a major ingredient of the economic reform programs pursued by several developing countries over the past two decades (Parker and Kirkpatrick 2004). Privatization was thought to promote more efficient operations, expand service delivery, reduce the financial burden on government and increase the level of foreign and domestic private investment (World Bank, 1995). Early privatization measures were, on the whole, concentrated in the manufacturing sector but, in recent years, the private sector has become increasingly involved in the financing and delivery of infrastructure services.

Rudra Prakash Pradhan, ICAFI Journal of Financial Economics, June 2008, Vol.6 Issue 2- The paper investigates the determinants of Foreign Direct Investment (FDI) in India, with particular reference to infrastructure. Covering the period from 1970 to 2004, the empirical investigation confirmed that infrastructure has a significant negative impact on FDI inflows in India. This is mostly due to stagnant infrastructure investment in the economy. On the other hand, FDI inflows are positively determined by trade openness in the country. The paper suggests that to make our economic policy more effective towards integrating inflows of FDI must be well-integrated with the policy of globalization and infrastructural development.

Tien Quang Tran, ASEAN Economic Bulletin, April 2009, Vol. 26 Issue 1- Through examining trends and patterns of foreign direct investment (FDI) in Vietnam over the twenty years of reform (1986-2008), this paper found a big increase in registered FDI recently. This is not in accordance with the increase in actual capital disbursement because of low absorptive capacity of the economy in terms of poor infrastructure, restricted and unstable policy, and weak competitive capacity of the domestic firms. Moreover, newly massive flows of FDI brought an explosion to infrastructure development in the form of office buildings, hotels, industrial zones, resident parks and ports.

According to investment banking company Goldman Sachs, India's infrastructure sector will require US\$1.7 trillion investment in the next 10 years. With an objective of streamlining and simplifying the appraisal and approval process for public private partnership (PPP) projects, a Public Private Partnership Appraisal Committee (PPPAC) has been formulated under the chairmanship of Secretary, Department of Economic Affairs and Secretaries of Planning Commission, Department of Expenditure, Department of Legal Affairs and the concerned Administrative Department as its members. The project proposals are appraised by the Planning Commission and approved by PPPAC. Moreover, India needs to incur US\$ 1.7

trillion by 2030 to meet the projected demand of its cities, according to McKinsey Global Institute Report.

### **Objectives of the study**

- 1) To understand the FDI scenario in various infrastructure sectors.
- 2) To understand the FDI scenario in key sub-sectors of infrastructure sector, i.e. Roads & Highways, Telecommunications and Power.
- 3) To understand whether there is a significant difference or not with reference to the FDI equity inflows to Roads & Highways, Telecommunications and Power.

### **Research Methodology**

1) F-test (One Factor Model): It is used to ascertain that whether there is a significant difference or insignificant difference with reference to FDI equity inflows to the sectors of infrastructure, viz; Roads & Highways, Telecommunications and Power.

### **Limitations of the study**

- 1) The study is based on secondary data.

### **FDI scenario in various infrastructure sectors**

Major infrastructure development demands a great amount of influx of investment capital. The policies of the Government of India emphasize investments in domestic infrastructure from both local and foreign private capital. The country is already an attractive destination for foreign investors. According to the World Investment Report of the UNCTAD, India was rated the second most attractive location after China for global FDI in 2007. Presently India has FDI of nearly US\$21 per year, well below the targeted US\$30 billion. In order to enhance FDI inflows, especially with an objective of catalyzing investment and increasing infrastructure, the Indian Government has initiated important policy reforms. For instance, it now allows 100% FDI under the automatic route for a broad range of sectors (please refer exhibit 1). For FDI in a few sectors, a prior approval is needed, which consumes roughly 6-8 weeks. As part of policy reforms, the Indian Government is continuously simplifying the approval route process, including establishing of many agencies to accelerate FDI approval.

At this juncture it is important to undertake a brief discussion on various key sub sectors of infrastructure, i.e. Roads and highways, Power and Telecommunications. However, it does not mean the other sub-sectors of the infrastructure are of less significance but the mentioned three sub-sectors plays a pivotal role in providing fillip to the economic growth of a country.

#### **Roads and highways**

India's road network of 3.34 million km make it the second largest in the world and so it offers immense opportunities for foreign direct investment. The government provides various incentives for private and foreign sector investment in the roads sector. Foreign direct investment to the extent of 100% under the automatic route is permitted for support services to land transport like operation of highway bridges, toll roads, and vehicular tunnels; services incidental to transport such as cargo handling; construction and maintenance of roads and highways offered on build-operate-transfer (BOT) basis, including collection of toll.

Highway-broadening projects qualify for the 10-year tax break under Section 80 IA of the Income Tax (IT) Act. Other policy measures for luring private investment are government to provide capital grant to the extent of 40% of project cost to increase viability on a case-to-case basis, 100% tax exemption for five years and 30% relief for next five years, which may be availed of in 20 years and concession period allowed up to 30 years.

FDI in construction activities (including roads and highways) sector from April 2000 to July 2011 in India registered USD9.3 billion. This amounted to 6.4% of the total FDI inflows, according to the data released by Department of Industrial Policy and Promotion (DIPP), which frames the FDI policy and is part of the Ministry of Commerce & Industry.

With government opening the FDI doors (100%) in the roads sector, majority of the foreign investors in the Indian roads sector have constituted consortium with Indian companies to participate in the development of road projects in the country. Consequently, construction companies are now being rewarded with large order books and portfolios of BOT projects.

In addition to the policy benefits, the government has come up with various incentives to inveigle private sector participation. These comprises of government to bear the cost of project feasibility study, land for the right of way and way side facilities, shifting of utilities, environment clearance, cutting of trees etc; duty free import of high capacity and modern road construction equipments; declaration of the road sector as an industry; simpler external commercial borrowing rules; right to retain toll; enhancement in the overseas borrowing amount of infrastructure sectors to USD 500 million from USD 100 million; and complete exemption from basic customs duty to bio-asphalt specified machinery for application in the construction of national highways.

### Telecommunications

India has the globe's second largest mobile phone users with more than 903 million users as of January 2012. It has the world's third largest internet users with more than 121 million as of December 2011. India has become the world's most competitive and one of the rapidly growing telecom markets. With an addition of 18 million subscribers every month and continuing to approximately 2% of Indian GDP, telecom sector is poised to growth at a phenomenal rate in the near future. Driven by wireless communication, the telecommunications industry is recognized as an important component to the development for a nation. This sector possess tremendous potential in creating employment opportunities for our youths. The total revenue of Indian telecom sector rose by 7% to 283,207 crore (\$56.5 billion) in 2011, while revenues from telecom equipment segment stood at 117,039 crore (\$23.35 billion).

One of the key feature of Indian telecom sector is that, it is highly capital intensive and demands high value investments. India's telecommunication sector has witnessed substantial changes through considerable policy reforms, especially commencing with the announcement of NTP 1994 and was consequently re-emphasized and carried forward under NTP 1999 and NIP 2012. Determined by various policy initiatives, the Indian telecom sector undergone a complete transformation in the last decade. It has attained a remarkable development during the last few years and will continue to do so in the near future.

The FDI inflow in telecommunication sector has increased with fluctuations during the study period. The FDI in telecommunication sector was Rs.784.16 crores in 2000-01 and enhanced to Rs.3,938.46 crores in 2001-02. But it suddenly took a nose dive in 2002-03 and 2003-04, investments being abysmally low, i.e. Rs.907.73 crores and Rs.408.78 crores. But scenario improved substantially after 2005-06, as investments increased to Rs.2774.18 crores because of government increasing the FDI limit from 49 percentages to 74 percentages (please refer exhibit 2).

In terms of country-wise FDI in telecommunication, it was observed that Mauritius has been investing more than 66.28 percentage followed by Singapore 14.32 percentage. Out of top five countries, the USA had lowest (2.35%) in terms of flow of FDI in telecommunications (please refer exhibit 3).

Now the good news for the sector is that in a major reform push government has given nod for 100 percent foreign direct investment in the telecom sector, thereby addressing the issue of fund shortage, which have been plaguing the telecom industry for a long time. Currently in Basic and Cellular Services (fix phone and mobile services), investments limit through automatic route is 49 percent and through FIPB route is 74 percent. Now there is an increasing of the cap from 74 to 100 percent in basic and cellular services. Up to 49 percent remains under automatic route and 49-100 percent through FIBP route. The idea behind to raise the FDI limit in telecom sector is to assist the industry in receiving fresh funds to reduce the financial burden. This key step brings relief for foreign partners in telecom companies as they can have complete ownership of the business. Foreign investors will no longer need to partner with Indian investors in order to adhere the regulatory requirements. According to 100 percent Telecom giant, Reliance Communications, "100 percent FDI in telecom will increase value for its stakeholders".

Liberalization of FDI cap to 100 percent, establishing Telecom Finance Corporation, and award of infrastructure status will go a long way in bringing down the gigantic debt burden of the service providers.

### Power

India has the world's fifth-largest power generation capacity and demand is expected to increase in the coming years owing to burgeoning economic growth. India has abundant sources of power production. Thermal power in India accounts for nearly two-thirds of the power produced in India which comprises of gas, liquefied fuel and coal. Reserves for thermal power generation include 59 billion tonnes of mineable coal, 775 million metric tonnes of oil reserves and natural gas reserves of 1,074 billion cubic meters. Other important

and fast growing sources of power are hydro, wind, solar, nuclear, biomass and industrial waste, etc. Currently, out of the total power being produced, 54.8% is coal based, 9.75% is gas based and 0.66% is oil based, hydro contributes for 21% of power, while nuclear production is 2.63% and the balance 11.1% is collectively generated by renewable energy sources like small hydro power project, biomass gasifier, biomass power, urban and industrial waste power and wind energy.

For nuclear power, India possess one of the world's largest reserves of nuclear fuel thorium. According to the Ministry of Atomic Energy, nuclear power generation in 2009-10 was estimated at 13,543 million units. The government has aimed for installation of nuclear power capacity 20 GW by 2020 and 63 GW by 2032. For water based power, India has an untapped hydro potential worth 150,000 MW, only 25% of which has been explored until now. Likewise, solar power, biomass and wind power too have high potential for future development. India has one of the world's fourth biggest wind energy installations. According to the Ministry of New and Renewable Energy (MNRE), wind energy is one of the rapidly growing renewable energy sectors in the country. With a cumulative deployment of over 13,000 MW, wind energy accounts for approximately 70% of the installed capacity in the renewable energy sector in the country.

What is providing impetus to the growth of this sector is allowing of 100% foreign direct investment under the automatic route for:

- a) Generation and transmission of electric energy produced in hydro-electric, coal/lignite-based thermal, and oil-and gas-based thermal power plants.
- b) Non-conventional energy generation and distribution.
- c) Distribution of electric energy to households, industrial, commercial and other users.
- d) Power trading.

Moreover, there is no need of licenses to establish new power plants, though FDI is not permitted in the nuclear segment. The power sector received FDI to the extent of USD 6,545 million between April 2000 and July 2011, which was 5% of the total FDI inflows achieved, according to the Department of Industrial Policy and Promotions, which frames the country's FDI policy and is part of the Ministry of Commerce and Industry. An income tax holiday for 10 years in the first 15 years of operation and waiver of capital goods import duties on mega power projects, above 1,000 MW generation capacity, is offered as incentive for investing in the sector.

In order to foster the power sector, 49% FDI and FII is permissible for power exchanges, under the Power Sector's investment policy. FDI investment will be subject to the government approval. Other conditions pertaining to FDI are: a) Such foreign investment would be subject to and FDI limit of 26% and FII limit of 23% of the paid up capital; b) FII investments would be permitted under the automatic route and FDI would be permitted under the automatic route and FDI would be permitted under the government approval route; c) FII purchases shall be limited to secondary market only; d) No non-resident investor/equity, including persons acting in concert, will hold more than 5% of the equity in these companies



and e) The foreign investment would be in compliance with SEBI regulations; other applicable laws/regulations; security and other conditionalities.

The Union Ministry of New and Renewable Energy (MNRE) has launched a scheme to attain the objectives of assisting new and young entrepreneurs to foray into the renewable energy business and make renewable energy products easily available, besides providing after-sales service, repair and maintenance. In a boost to power firms with plans to set up units in Special Economic Zones (SEZs), the Government has exempted them from the positive net foreign exchange (NFE) obligation applicable to regular units in such enclaves.

The Cabinet Committee on Economic Affairs (CCEA) has sanctioned foreign direct investment proposals worth US\$ 1322.4 million of two power sector entities. The CCEA gave nod to Grid Equipment for bringing in FDI to the tune of US\$ 915.5 million. It also sanctioned Energy Grid Automation Transformers and Switchgears India's proposal for a US\$ 406.9 million FDI. These proposals are for downstream investments and transfer of the complete equity shares of Grid Equipment and Energy Grid would be transferred to Alstom Grid Finance and other foreign collaborations and their nominees.

### **FDI in Roads & Highways, Telecommunications & Power- Significant or Insignificant difference?**

In order to understand that whether there is a significant or insignificant difference of foreign direct investments on the aforesaid sectors, i.e. whether there is a significant or insignificant difference of FDI in equity inflows to the mentioned sectors, a F-test (One Factor Model) is conducted. The data considered for equity inflows are as follows:

**Null Hypothesis (H0): There is no significant difference of FDI equity inflows to Telecommunications, Power and Roads & Highways.**

**Alternative Hypothesis (H1): There is a significant difference of FDI equity inflows to Telecommunications, Power and Roads & Highways.**

Telecommunications (please refer exhibit 4, Telecommunications)

Years	Net Equity Inflow (Rs in crores)
2009-10	9731
2010-11	5877
2011-12	7015

Note: *The net equity inflows have been derived by taking out the difference between figures provided for each year, i.e. figures without brackets and within brackets.*

Power (please refer exhibit 4, Power)

Years	Net Equity Inflows (Rs in crore)
2009-10	4866
2010-11	4524
2011-12	6026

Note: The net equity inflows have been derived by taking out the difference between figures provided for each year, i.e. figures without brackets and within brackets

Construction activities, including Roads & Highways (please refer exhibit 4, Construction activities

Years	Net Equity Inflows (Rs in crore)
2009-10	10617
2010-11	3876
2011-12	10876

Note: The net equity inflows have been derived by taking out the difference between figures provided for each year, i.e. figures without brackets and within brackets

(Rs in crore)

Years / Sectors	Telecommunications	Power	Construction Activities (Roads & Highways)
2009-10	9731	4866	10617
2010-11	5877	4524	3876
2011-12	7015	6026	10876
Total	22,623	15,416	25,369
	$X^{-1} = 7,541$	$X^{-2} = 5,139$	$X^{-3} = 8,456$

$$\text{Grand Mean} = 7,541 + 5,139 + 8,456/3 = 7,045$$

### Variation Between Samples

$(X^{-1} - \text{Grand Mean})^2$	$(X^{-2} - \text{Grand Mean})^2$	$(X^{-3} - \text{Grand Mean})^2$
246,016	3,632,836	1,990,921
246,016	3,632,836	1,990,921
246,016	3,632,836	1,990,921
738,048	10,898,508	5,972,763

$$\text{SSC} = \text{Sum of squares between samples} = 738,048 + 10,898,508 + 5,972,763 = 17,609,319$$

### Variation Within Samples

X1	$(X1 - \bar{X}^{-1})^2$	X2	$(X2 - \bar{X}^{-2})^2$	X3	$(X3 - \bar{X}^{-3})^2$
9731	4,796,100	4866	74,529	10617	4,669,921
5877	2,768,896	4524	378,225	3876	20,976,400
7015	276,676	6026	786,769	10876	5,856,400
	78,41,672		12,39,523		3,15,02,721

$$\text{SSE} = \text{Sum of squares within samples} = 78,41,672 + 12,39,523 + 3,15,02,721 = 40,583,916$$

### ANOVA Table

Source of variation	Sum of squares	v	Mean squares
SSC = Between samples	17,609,319	2	8,804,660
SSE = Within samples	40,583,916	6	6,763,986
Total		8	

Test statistic:  $F = \text{Explained Variance} / \text{Unexplained Variance} = \text{MSC} / \text{MSE}$

Therefore, F-statistic or F-value =  $8,804,660 / 6,763,986 = 1.302$

For  $v_1=2$ ,  $v_2=6$  and for  $\alpha=0.05$ , the table value of F is  $F_{0.05} = 5.14$

Since the calculated value of  $F=1.302$  is less than the tabled value F at a 5% level of significance, i.e. 5.14, so we accept the null hypothesis. Hence, there is no significant difference in the FDI equity inflows in Telecommunications, Power and Roads & Highways.

### Conclusion

More than sixty years have elapsed after independence, but India is still often termed as a developing country and its long-term growth seems to stagnate. A direct result of this arrested growth in the Indian economy has been the enhancement in the inequality between modern, urban India and backward rural India. If India could capitalize on its vast resources, including an integration of its rural, urban and coastal areas, India would be well placed to increase the pace of its economic growth to a great extent. The reality remains that any such integration will only be possible if there is a substantial improvement in the infrastructure. There is a great need for improved rail, road, port, electricity and telecommunication links. It is no secret that the Indian infrastructure holds tremendous potential, not because of the serious

need to bring Indian roads, ports and airports up to global standards but also because of the keen national interests in the sector. However, the silver lining is that in order to provide fillip to the infrastructure sector recent annual budgets of the Indian Government supported by different State Governments have provided due emphasis to the growth of the mentioned sector. Various infrastructure projects are being implemented on PPP model (public-private partnership).

But we should not feel satiated and more needs to be done in order to ensure that in the years ahead, India possess a world-class infrastructure.

## Exhibit 1

Approval Route – Permission required	Automatic Route – Freely permissible (100%)
<ul style="list-style-type: none"><li>• Existing Airports – beyond 74%</li><li>• Atomic Minerals</li><li>• In case of joint venture or technology collaboration agreement in the same field</li></ul>	<ul style="list-style-type: none"><li>• Greenfield airports</li><li>• Construction &amp; maintenance of infrastructure like ports, harbors, roads and highways</li><li>• Power generation, transmission and distribution and power trading (atomic energy not permitted)</li><li>• Mass rapid transport systems</li><li>• Townships, housing, built-up infrastructure and construction-development projects</li></ul>

Source: [http://www.pwc.in/en\\_IN/in/assets/pdfs/infrastructure-in-india.pdf](http://www.pwc.in/en_IN/in/assets/pdfs/infrastructure-in-india.pdf)

## Exhibit 2

### Year-wise FDI inflows in Telecommunication Sector

<b>S No</b>	<b>Year</b>	<b>In Rs Crore</b>	<b>AGR (%)</b>
1	2000-01	784.16	
2	2001-02	3938.46	4.02
3	2002-03	907.73	-0.77
4	2003-04	408.78	-0.55
5	2004-05	569.54	0.39
6	2005-06	2774.18	3.87
7	2006-07	2155.08	-0.22
8	2007-08	5102.61	1.37
9	2008-09	11726.87	1.3
10	2009-10	12338.32	5

**Source:** investindiatele.com

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**Exhibit 3**

**Top five country-wide inflow of FDI in Telecommunication- 2000-2010**

S No	Name of the Country	Amount of Foreign Direct Investment Inflows		%age with Inflows
		(In Rs. crore)	(In US\$ million)	
1	Mauritius	29,883.09	6,617.66	66.28
2	Singapore	6,642.95	1,430.13	14.32
3	Russia	1,902.39	394.48	3.95
4	Japan	1,533.44	313.92	3.14
5	U.S.A.	1,059.76	234.71	2.35

Source: investindiatele.com

#### Exhibit 4

#### Sectors attracting highest FDI equity inflows

Ranks	Sector	Amount in Rs. crores (US\$ in million)				% age to total Inflows (In terms of US\$)
		2009-10 (April-March)	2010-11 (April-March)	2011-12 (April-March)	Cumulative Inflows (April '00 - March '12)	
1.	<b>SERVICES SECTOR</b> (financial & non-financial)	19,945 (4,176)	15,053 (3,296)	24,656 (5,216)	145,764 (32,351)	19 %
2.	<b>TELECOMMUNICATIONS</b> (radio paging, cellular mobile, basic telephone services)	12,270 (2,539)	7,542 (1,665)	9,012 (1,997)	57,078 (12,552)	7 %
3.	<b>CONSTRUCTION ACTIVITIES</b> (including roads & highways)	13,469 (2,852)	4,979 (1,103)	13,672 (2,796)	52,253 (11,433)	7 %
4.	<b>COMPUTER SOFTWARE &amp; HARDWARE</b>	4,127 (872)	3,551 (780)	3,804 (796)	50,118 (11,205)	7 %
5.	<b>HOUSING &amp; REAL ESTATE</b>	14,027 (2,935)	5,600 (1,227)	3,443 (731)	49,717 (11,113)	7 %
6.	<b>CHEMICALS (OTHER THAN FERTILIZERS)</b>	1,726 (366)	1,812 (398)	36,227 (7,252)	47,904 (9,844)	6 %
7.	<b>DRUGS &amp; PHARMACEUTICALS</b>	1,006 (213)	961 (209)	14,605 (3,232)	42,868 (9,195)	5 %
8.	<b>POWER</b>	6,138 (1,272)	5,796 (1,272)	7,678 (1,652)	33,214 (7,299)	4 %
9.	<b>AUTOMOBILE INDUSTRY</b>	5,893 (1,236)	5,864 (1,299)	4,347 (923)	30,785 (6,758)	4 %
10.	<b>METALLURGICAL INDUSTRIES</b>	1,999 (420)	5,023 (1,098)	8,348 (1,786)	26,936 (6,041)	4 %

**Note:** (i) Cumulative Sector- wise FDI equity inflows (from April 2000 to March, 2012) - Annex-'B'.  
(ii) FDI Sectoral data has been revalidated in line with that of RBI, which reflects minor changes in the FDI figures (increase/decrease) as compared to the earlier published sectoral data.

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