

# INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE & MANAGEMENT

I  
J  
R  
C  
M



A Monthly Double-Blind Peer Reviewed (Refereed/Juried) Open Access International e-Journal - Included in the International Serial Directories

*Indexed & Listed at:*

Ulrich's Periodicals Directory ©, ProQuest, U.S.A., EBSCO Publishing, U.S.A., Cabell's Directories of Publishing Opportunities, U.S.A., Google Scholar,

Open J-Gate, India [link of the same is duly available at Inlibnet of University Grants Commission (U.G.C)],

The American Economic Association's electronic bibliography, EconLit, U.S.A.,

Index Copernicus Publishers Panel, Poland with IC Value of 5.09 & number of libraries all around the world.

Circulated all over the world & Google has verified that scholars of more than 5555 Cities in 190 countries/territories are visiting our journal on regular basis.

Ground Floor, Building No. 1041-C-1, Devi Bhawan Bazar, JAGADHRI – 135 003, Yamunanagar, Haryana, INDIA

<http://ijrcm.org.in/>

# CONTENTS

Sr. No.	TITLE & NAME OF THE AUTHOR (S)	Page No.
1.	<b>MACRO ECONOMIC ANALYSIS OF DEMONETIZATION AND ITS ECONOMIC IMPLICATION</b> <i>PIYUSH KUMAR &amp; DR. DHANI SHANKER CHAUBEY</i>	1
2.	<b>WOMEN ENTREPRENEURSHIP: PROBLEM AND PROSPECTS: A STUDY OF CHITTOOR DISTRICT</b> <i>DR. A. B. SANTHI</i>	6
3.	<b>THE ROLE OF MANAGERIAL SKILLS IN SUCCESS OF AN ORGANIZATION</b> <i>DR. CHAMPA DEVI MAURYA &amp; MAJ. DR. ASHOK KUMAR SHARMA</i>	12
4.	<b>FACTORS AFFECTING CUSTOMER SATISFACTION: AN EMPIRICAL STUDY ON RETAIL STORES OF SHOPPING MALL, BHOPAL</b> <i>DR. ANKUR SAXENA</i>	15
5.	<b>MUTUAL FUNDS: A RIGHT SOURCE FOR SMALL INVESTORS</b> <i>G. ASHOK REDDY &amp; DR. S. RAGHUNATHA REDDY</i>	18
6.	<b>AN ANALYTICAL STUDY OF FACTORS AFFECTING EMPLOYEES' PERFORMANCE IN SARVA HARYANA GRAMIN BANK</b> <i>NEHA DANGI &amp; DR. MAHABIR NARWAL</i>	20
7.	<b>ESTIMATING INDIA'S AGGREGATE IMPORT DEMAND FUNCTION</b> <i>DR. AMAL SARKAR</i>	26
8.	<b>A STUDY OF FACILITY MANAGEMENT SERVICES AND ITS AUDIT IN INDIA</b> <i>DR. RAJENDRA SINGH, VINOD GUPTA &amp; DR. NINA JAIN</i>	31
9.	<b>IMPACT OF TAXATION ON FOREIGN DIRECT INVESTMENT</b> <i>JASLEEN KAUR</i>	38
10.	<b>AN INTRODUCTION TO GOODS AND SERVICES TAX 2017</b> <i>DR. PRERNA</i>	41
11.	<b>BRAND PERSONALITY AND BRAND LOYALTY</b> <i>RAMYA JAIN</i>	43
12.	<b>MOVING FROM EMPLOYEE SATISFACTION TO EMPLOYEE ENGAGEMENT</b> <i>SILKY MADAN</i>	46
13.	<b>CONSUMERS BUYING BEHAVIOUR AT SUPERMARKET IN TIRUVARUR DISTRICT</b> <i>DR. V. MURUGAN</i>	51
14.	<b>NON- FINANCIAL REPORTING: CORPORATE SOCIAL RESPONSIBILITY, EXECUTIVES AND MATERIALITY</b> <i>PRAKHAR WADHWA</i>	54
15.	<b>IMPACT OF FDI ON ENVIRONMENTAL QUALITY IN INDIA</b> <i>JASLEEN KAUR</i>	57
16.	<b>CORPORATE SOCIAL RESPONSIBILITY IN INDIA</b> <i>AARUSHI JAIN &amp; GURJOT KAUR</i>	60
17.	<b>SARIMA MODEL OF MALARIA IN NIGERIA: A CASE STUDY OF MALARIA CASES OF A TEACHING HOSPITAL IN NIGERIA</b> <i>ADEKANMBI, D.B</i>	63
18.	<b>UNDERSTANDING THE CONCEPT OF ENTREPRENEURIAL EDUCATION: CHALLENGES AND IMPLICATIONS</b> <i>AFIFA IBRAHIM</i>	70
19.	<b>MIGRATION TO CITIES REVS UP PROFITABILITY IN HOUSING SECTOR</b> <i>MANEESHA GAUR</i>	73
20.	<b>GOODS AND SERVICE TAX (GST): A BRIEF INTRODUCTION</b> <i>SAPNA</i>	75
	<b>REQUEST FOR FEEDBACK &amp; DISCLAIMER</b>	80

***CHIEF PATRON*****Prof. (Dr.) K. K. AGGARWAL**

Chairman, Malaviya National Institute of Technology, Jaipur  
 (An institute of National Importance & fully funded by Ministry of Human Resource Development, Government of India)  
 Chancellor, K. R. Mangalam University, Gurgaon  
 Chancellor, Lingaya's University, Faridabad  
 Founder Vice-Chancellor (1998-2008), Guru Gobind Singh Indraprastha University, Delhi  
 Ex. Pro Vice-Chancellor, Guru Jambheshwar University, Hisar

***FOUNDER PATRON*****Late Sh. RAM BHAJAN AGGARWAL**

Former State Minister for Home & Tourism, Government of Haryana  
 Former Vice-President, Dadri Education Society, Charkhi Dadri  
 Former President, Chinar Syntex Ltd. (Textile Mills), Bhiwani

***FORMER CO-ORDINATOR*****Dr. S. GARG**

Faculty, Shree Ram Institute of Business & Management, Urjani

***ADVISOR*****Prof. S. L. MAHANDRU**

Principal (Retd.), Maharaja Agrasen College, Jagadhri

***EDITOR*****Dr. R. K. SHARMA**

Professor & Dean, Bharti Vidyapeeth University Institute of Management & Research, New Delhi

***CO-EDITOR*****Dr. BHAVET**

Faculty, Shree Ram Institute of Engineering & Technology, Urjani

***EDITORIAL ADVISORY BOARD*****Dr. CHRISTIAN EHIUBUCHE**

Professor of Global Business/Management, Larry L Luig School of Business, Berkeley College, USA

**Dr. JOSÉ G. VARGAS-HERNÁNDEZ**

Research Professor, University Center for Economic & Managerial Sciences, University of Guadalajara, Guadalajara, Mexico

**Dr. M. N. SHARMA**

Chairman, M.B.A., Haryana College of Technology & Management, Kaithal

**Dr. TEGUH WIDODO**

Dean, Faculty of Applied Science, Telkom University, Bandung Technoplex, Jl. Telekomunikasi, Indonesia

**Dr. M. S. SENAM RAJU**

Professor, School of Management Studies, I.G.N.O.U., New Delhi

**Dr. KAUP MOHAMED**

Dean & Managing Director, London American City College/ICBEST, United Arab Emirates

**Dr. ANIL K. SAINI**

Professor, Guru Gobind Singh Indraprastha University, Delhi

**Dr. ARAMIDE OLUFEMI KUNLE**

Dean, Department of General Studies, The Polytechnic, Ibadan, Nigeria

**Dr. SYED TABASSUM SULTANA**

Principal, Matrusri Institute of Post Graduate Studies, Hyderabad

**Dr. MIKE AMUHAYA IRAVO**

Principal, Jomo Kenyatta University of Agriculture &amp; Tech., Westlands Campus, Nairobi-Kenya

**Dr. NEPOMUCENO TIU**

Chief Librarian &amp; Professor, Lyceum of the Philippines University, Laguna, Philippines

**Dr. ANA ŠTAMBUK**

Head of Department of Statistics, Faculty of Economics, University of Rijeka, Rijeka, Croatia

**Dr. FERIT ÖLÇER**

Professor &amp; Head of Division of Management &amp; Organization, Department of Business Administration, Faculty of Economics &amp; Business Administration Sciences, Mustafa Kemal University, Turkey

**Dr. SANJIV MITTAL**

Professor &amp; Dean, University School of Management Studies, GGS Indraprastha University, Delhi

**Dr. SHIB SHANKAR ROY**

Professor, Department of Marketing, University of Rajshahi, Rajshahi, Bangladesh

**Dr. NAWAB ALI KHAN**

Professor &amp; Dean, Faculty of Commerce, Aligarh Muslim University, Aligarh, U.P.

**Dr. SRINIVAS MADISHETTI**

Professor, School of Business, Mzumbe University, Tanzania

**Dr. ABHAY BANSAL**

Head, Department of Information Technology, Amity School of Engg. &amp; Tech., Amity University, Noida

**Dr. KEVIN LOW LOCK TENG**

Associate Professor, Deputy Dean, Universiti Tunku Abdul Rahman, Kampar, Perak, Malaysia

**Dr. OKAN VELI ŞAFAKLI**

Associate Professor, European University of Lefke, Lefke, Cyprus

**Dr. V. SELVAM**

Associate Professor, SSL, VIT University, Vellore

**Dr. BORIS MILOVIC**

Associate Professor, Faculty of Sport, Union Nikola Tesla University, Belgrade, Serbia

**Dr. N. SUNDARAM**

Associate Professor, VIT University, Vellore

**Dr. IQBAL THONSE HAWALDAR**

Associate Professor, College of Business Administration, Kingdom University, Bahrain

**Dr. MOHENDER KUMAR GUPTA**

Associate Professor, Government College, Hodal

**Dr. ALEXANDER MOSESOV**

Associate Professor, Kazakh-British Technical University (KBTU), Almaty, Kazakhstan

**RODRECK CHIRAU**

Associate Professor, Botho University, Francistown, Botswana

**Dr. PARDEEP AHLAWAT**

Associate Professor, Institute of Management Studies &amp; Research, Maharshi Dayanand University, Rohtak

**Dr. DEEPANJANA VARSHNEY**

Associate Professor, Department of Business Administration, King Abdulaziz University, Saudi Arabia

**Dr. BIEMBA MALITI**

Associate Professor, School of Business, The Copperbelt University, Main Campus, Zambia

**Dr. KIARASH JAHANPOUR**

Research Adviser, Farabi Institute of Higher Education, Mehrshahr, Karaj, Alborz Province, Iran

**Dr. SAMBHAVNA**

Faculty, I.I.T.M., Delhi

**YU-BING WANG**

Faculty, department of Marketing, Feng Chia University, Taichung, Taiwan

**Dr. MELAKE TEWOLDE TECLEGHIORGIS**

Faculty, College of Business & Economics, Department of Economics, Asmara, Eritrea

**Dr. SHIVAKUMAR DEENE**

Faculty, Dept. of Commerce, School of Business Studies, Central University of Karnataka, Gulbarga

**Dr. THAMPOE MANAGALESWARAN**

Faculty, Vavuniya Campus, University of Jaffna, Sri Lanka

**Dr. JASVEEN KAUR**

Head of the Department/Chairperson, University Business School, Guru Nanak Dev University, Amritsar

**SURAJ GAUDEL**

BBA Program Coordinator, LA GRANDEE International College, Simalchaur - 8, Pokhara, Nepal

**Dr. RAJESH MODI**

Faculty, Yanbu Industrial College, Kingdom of Saudi Arabia

**FORMER TECHNICAL ADVISOR**

**AMITA**

**FINANCIAL ADVISORS**

**DICKEN GOYAL**

Advocate & Tax Adviser, Panchkula

**NEENA**

Investment Consultant, Chambaghat, Solan, Himachal Pradesh

**LEGAL ADVISORS**

**JITENDER S. CHAHAL**

Advocate, Punjab & Haryana High Court, Chandigarh U.T.

**CHANDER BHUSHAN SHARMA**

Advocate & Consultant, District Courts, Yamunanagar at Jagadhri

**SUPERINTENDENT**

**SURENDER KUMAR POONIA**

## CALL FOR MANUSCRIPTS

We invite unpublished novel, original, empirical and high quality research work pertaining to the recent developments & practices in the areas of Computer Science & Applications; Commerce; Business; Finance; Marketing; Human Resource Management; General Management; Banking; Economics; Tourism Administration & Management; Education; Law; Library & Information Science; Defence & Strategic Studies; Electronic Science; Corporate Governance; Industrial Relations; and emerging paradigms in allied subjects like Accounting; Accounting Information Systems; Accounting Theory & Practice; Auditing; Behavioral Accounting; Behavioral Economics; Corporate Finance; Cost Accounting; Econometrics; Economic Development; Economic History; Financial Institutions & Markets; Financial Services; Fiscal Policy; Government & Non Profit Accounting; Industrial Organization; International Economics & Trade; International Finance; Macro Economics; Micro Economics; Rural Economics; Co-operation; Demography; Development Planning; Development Studies; Applied Economics; Development Economics; Business Economics; Monetary Policy; Public Policy Economics; Real Estate; Regional Economics; Political Science; Continuing Education; Labour Welfare; Philosophy; Psychology; Sociology; Tax Accounting; Advertising & Promotion Management; Management Information Systems (MIS); Business Law; Public Responsibility & Ethics; Communication; Direct Marketing; E-Commerce; Global Business; Health Care Administration; Labour Relations & Human Resource Management; Marketing Research; Marketing Theory & Applications; Non-Profit Organizations; Office Administration/Management; Operations Research/Statistics; Organizational Behavior & Theory; Organizational Development; Production/Operations; International Relations; Human Rights & Duties; Public Administration; Population Studies; Purchasing/Materials Management; Retailing; Sales/Selling; Services; Small Business Entrepreneurship; Strategic Management Policy; Technology/Innovation; Tourism & Hospitality; Transportation Distribution; Algorithms; Artificial Intelligence; Compilers & Translation; Computer Aided Design (CAD); Computer Aided Manufacturing; Computer Graphics; Computer Organization & Architecture; Database Structures & Systems; Discrete Structures; Internet; Management Information Systems; Modeling & Simulation; Neural Systems/Neural Networks; Numerical Analysis/Scientific Computing; Object Oriented Programming; Operating Systems; Programming Languages; Robotics; Symbolic & Formal Logic; Web Design and emerging paradigms in allied subjects.

Anybody can submit the **soft copy** of unpublished novel; original; empirical and high quality **research work/manuscript** **anytime** in **M.S. Word format** after preparing the same as per our **GUIDELINES FOR SUBMISSION**; at our email address i.e. [infoijrcm@gmail.com](mailto:infoijrcm@gmail.com) or online by clicking the link **online submission** as given on our website ([FOR ONLINE SUBMISSION, CLICK HERE](#)).

## GUIDELINES FOR SUBMISSION OF MANUSCRIPT

### 1. **COVERING LETTER FOR SUBMISSION:**

DATED: \_\_\_\_\_

#### **THE EDITOR**

IJRCM

**Subject:** SUBMISSION OF MANUSCRIPT IN THE AREA OF \_\_\_\_\_.

**(e.g. Finance/Mkt./HRM/General Mgt./Engineering/Economics/Computer/IT/ Education/Psychology/Law/Math/other, please specify)**

#### **DEAR SIR/MADAM**

Please find my submission of manuscript titled ' \_\_\_\_\_ ' for likely publication in one of your journals.

I hereby affirm that the contents of this manuscript are original. Furthermore, it has neither been published anywhere in any language fully or partly, nor it is under review for publication elsewhere.

I affirm that all the co-authors of this manuscript have seen the submitted version of the manuscript and have agreed to inclusion of their names as co-authors.

Also, if my/our manuscript is accepted, I agree to comply with the formalities as given on the website of the journal. The Journal has discretion to publish our contribution in any of its journals.

#### **NAME OF CORRESPONDING AUTHOR**

Designation/Post\* :

Institution/College/University with full address & Pin Code :

Residential address with Pin Code :

Mobile Number (s) with country ISD code :

Is WhatsApp or Viber active on your above noted Mobile Number (Yes/No) :

Landline Number (s) with country ISD code :

E-mail Address :

Alternate E-mail Address :

Nationality :

\* i.e. Alumnus (Male Alumni), Alumna (Female Alumni), Student, Research Scholar (M. Phil), Research Scholar (Ph. D.), JRF, Research Assistant, Assistant Lecturer, Lecturer, Senior Lecturer, Junior Assistant Professor, Assistant Professor, Senior Assistant Professor, Co-ordinator, Reader, Associate Professor, Professor, Head, Vice-Principal, Dy. Director, Principal, Director, Dean, President, Vice Chancellor, Industry Designation **etc.** The qualification of author is not acceptable for the purpose.

**NOTES:**

- a) The whole manuscript has to be in **ONE MS WORD FILE** only, which will start from the covering letter, inside the manuscript. **pdf. version is liable to be rejected without any consideration.**
  - b) The sender is required to mention the following in the **SUBJECT COLUMN of the mail:**  
**New Manuscript for Review in the area of** (e.g. Finance/Marketing/HRM/General Mgt./Engineering/Economics/Computer/IT/ Education/Psychology/Law/Math/other, please specify)
  - c) There is no need to give any text in the body of the mail, except the cases where the author wishes to give any **specific message** w.r.t. to the manuscript.
  - d) The total size of the file containing the manuscript is expected to be below **1000 KB.**
  - e) Only the **Abstract will not be considered for review** and the author is required to submit the **complete manuscript** in the first instance.
  - f) **The journal gives acknowledgement w.r.t. the receipt of every email within twenty-four hours** and in case of non-receipt of acknowledgment from the journal, w.r.t. the submission of the manuscript, within two days of its submission, the corresponding author is required to demand for the same by sending a separate mail to the journal.
  - g) The author (s) name or details should not appear anywhere on the body of the manuscript, except on the covering letter and the cover page of the manuscript, in the manner as mentioned in the guidelines.
2. **MANUSCRIPT TITLE:** The title of the paper should be typed in **bold letters, centered and fully capitalised.**
  3. **AUTHOR NAME (S) & AFFILIATIONS:** Author (s) **name, designation, affiliation (s), address, mobile/landline number (s), and email/alternate email address** should be given underneath the title.
  4. **ACKNOWLEDGMENTS:** Acknowledgements can be given to reviewers, guides, funding institutions, etc., if any.
  5. **ABSTRACT:** Abstract should be in **fully italic printing**, ranging between **150 to 300 words**. The abstract must be informative and elucidating the background, aims, methods, results & conclusion in a **SINGLE PARA. Abbreviations must be mentioned in full.**
  6. **KEYWORDS:** Abstract must be followed by a list of keywords, subject to the maximum of **five**. These should be arranged in alphabetic order separated by commas and full stop at the end. All words of the keywords, including the first one should be in small letters, except special words e.g. name of the Countries, abbreviations etc.
  7. **JEL CODE:** Provide the appropriate Journal of Economic Literature Classification System code (s). JEL codes are available at [www.aea-web.org/econlit/jelCodes.php](http://www.aea-web.org/econlit/jelCodes.php). However, mentioning of JEL Code is not mandatory.
  8. **MANUSCRIPT:** Manuscript must be in **BRITISH ENGLISH** prepared on a standard A4 size **PORTRAIT SETTING PAPER. It should be free from any errors i.e. grammatical, spelling or punctuation. It must be thoroughly edited at your end.**
  9. **HEADINGS:** All the headings must be bold-faced, aligned left and fully capitalised. Leave a blank line before each heading.
  10. **SUB-HEADINGS:** All the sub-headings must be bold-faced, aligned left and fully capitalised.
  11. **MAIN TEXT:**

**THE MAIN TEXT SHOULD FOLLOW THE FOLLOWING SEQUENCE:****INTRODUCTION****REVIEW OF LITERATURE****NEED/IMPORTANCE OF THE STUDY****STATEMENT OF THE PROBLEM****OBJECTIVES****HYPOTHESIS (ES)****RESEARCH METHODOLOGY****RESULTS & DISCUSSION****FINDINGS****RECOMMENDATIONS/SUGGESTIONS****CONCLUSIONS****LIMITATIONS****SCOPE FOR FURTHER RESEARCH****REFERENCES****APPENDIX/ANNEXURE****The manuscript should preferably be in 2000 to 5000 WORDS, But the limits can vary depending on the nature of the manuscript.**



12. **FIGURES & TABLES:** These should be simple, crystal **CLEAR, centered, separately numbered** & self-explained, and the **titles must be above the table/figure. Sources of data should be mentioned below the table/figure. It should be ensured that the tables/figures are referred to from the main text.**
13. **EQUATIONS/FORMULAE:** These should be consecutively numbered in parenthesis, left aligned with equation/formulae number placed at the right. The equation editor provided with standard versions of Microsoft Word may be utilised. If any other equation editor is utilised, author must confirm that these equations may be viewed and edited in versions of Microsoft Office that does not have the editor.
14. **ACRONYMS:** These should not be used in the abstract. The use of acronyms is elsewhere is acceptable. Acronyms should be defined on its first use in each section e.g. Reserve Bank of India (RBI). Acronyms should be redefined on first use in subsequent sections.
15. **REFERENCES:** The list of all references should be alphabetically arranged. **The author (s) should mention only the actually utilised references in the preparation of manuscript** and they may follow Harvard Style of Referencing. **Also check to ensure that everything that you are including in the reference section is duly cited in the paper.** The author (s) are supposed to follow the references as per the following:
- All works cited in the text (including sources for tables and figures) should be listed alphabetically.
  - Use (ed.) for one editor, and (ed.s) for multiple editors.
  - When listing two or more works by one author, use --- (20xx), such as after Kohl (1997), use --- (2001), etc., in chronologically ascending order.
  - Indicate (opening and closing) page numbers for articles in journals and for chapters in books.
  - The title of books and journals should be in italic printing. Double quotation marks are used for titles of journal articles, book chapters, dissertations, reports, working papers, unpublished material, etc.
  - For titles in a language other than English, provide an English translation in parenthesis.
  - **Headers, footers, endnotes and footnotes should not be used in the document. However, you can mention short notes to elucidate some specific point**, which may be placed in number orders before the references.

**PLEASE USE THE FOLLOWING FOR STYLE AND PUNCTUATION IN REFERENCES:**

**BOOKS**

- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

**CONTRIBUTIONS TO BOOKS**

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

**JOURNAL AND OTHER ARTICLES**

- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

**CONFERENCE PAPERS**

- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–23

**UNPUBLISHED DISSERTATIONS**

- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

**ONLINE RESOURCES**

- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

**WEBSITES**

- Garg, Bhavet (2011): Towards a New Gas Policy, Political Weekly, Viewed on January 01, 2012 <http://epw.in/user/viewabstract.jsp>



## IMPACT OF FDI ON ENVIRONMENTAL QUALITY IN INDIA

**JASLEEN KAUR**  
**ASST. PROFESSOR**  
**SGTB KHALSA COLLEGE**  
**UNIVERSITY OF DELHI**  
**DELHI**

### ABSTRACT

*Foreign-direct-investment is the most important source of foreign capital for developing countries. It acts as a driver for economic development by bringing technology, employment, capital and access to new markets. However, with increased flow of FDI, the status of environmental quality has also degraded which is one of the reason for making India, the fourth largest polluting country in the world. The aim of the present study is to review the relation between the growth of FDI and rising environmental degradation in India. The study reveals that FDI in India has an adverse impact on environment and it is responsible for worsening the environment quality.*

### KEYWORDS

economic growth, environmental quality, foreign direct investment, pollution.

### 1. INTRODUCTION

FDI can be defined as an investment made by a foreign entity to acquire a long term interest with the aim of having effective voice in the management. It may include cross border acquisition, setting up of a new production facility, green field investment or purchasing share of an existing foreign firm (Bjorvatn, 2000). It plays an important role in overall capital formation of the country and helps in economic growth at both macro and micro levels. It serves as a non-debt creating source of external finance at macro level whereas at micro level, it uplifts employment, technology, skills level, output and other sectors of the host country (Ncaer, 2009).

FDI policy in India is governed under the provision of Foreign Exchange Management Act (FEMA 1999). It is notified through press notes by department of industrial policy and promotion (DIPP) (Gola, Dharwal, Aggarwal, 2013). The government of India has taken various initiatives to attract more FDI flows. For example, in the construction sector, the government has reduced minimum capitalization and relaxed various terms to exit from the project (V. Prabhakaran, 2015). India stood as the tenth most attractive destination for FDI in the world. The top most source of FDI inflows in India during April – December period was Mauritius with inflows of 12.8 billion followed by Singapore with inflows of 7.1 billion (live mint e paper, 2017).

However, increase in FDI has given equal rise in environmental unfavorable activities which cause pollution. The emissions of Sulfur dioxide between 1980 and 2000 increased by 110% in India. The release of Carbon dioxide from industries and depletion of natural resources has led to environmental mismanagement (G. Tripathi and Yogesh Tripathi, 2000). The present study attempts to find the impact of FDI on environmental quality in India.

### 2. LITERATURE REVIEW

FDI is considered as an important tool for the development of a nation. The study by D. Ramesh and Packia Lashmi mentions various advantages of FDI such as upgrading the existing technical knowhow in the host country, providing greater access of global market, increasing competition in domestic economy of the host country, boosting the human resources by upgrading skills and training (D Ramesh, S. Packia Lashmi, 2014). The study by Selma, 2013 points out the impact of FDI on balance of payment. It has mention that FDI can increase initial capital inflow to the host country if an MNE establishes a foreign subsidiary, improve current account of balance of payment of the host country by substituting imports of goods and services (Selma et al 2013).

According to OECD, FDI can be used as a tool by the authorities for enterprise development and restructuring. FDI can spur enterprise development in host country by achieving synergies, rising efficiencies and developing new activities (OECD, 2002).

Other than merits of FDI there are also some costs borne by host countries. FDI harms the host country's economy by crowding out domestic investment. Domestic investors may find it difficult to compete with foreign investors due to lack of high level of technology and effective operations (Mamma Dova, 2015). Foreign investors may sell off less profitable parts of the company to the local investors (Amadeo, 2017).

Study by Loungani and Razin points out that FDI can cause foreign investors to obtained information about productivity of enterprise under their control, which can give them advantage over uninformed domestic savers. Using the information, they retain high productivity firms under their control.

Lannuzzi identified volatility in exchange rates as the major disadvantage that benefits the investing country but detrimental for the host country.

Further, several studies have been conducted to find out the impact of FDI on environmental quality. Study by Avazalipour et al. finds the relationship between FDI and quality of environment taking selected countries from non OECD for the period 1996-2007 using penal data method. The study revealed positive relationship between FDI and the amount of water pollution (Avazalipour et al, 2013).

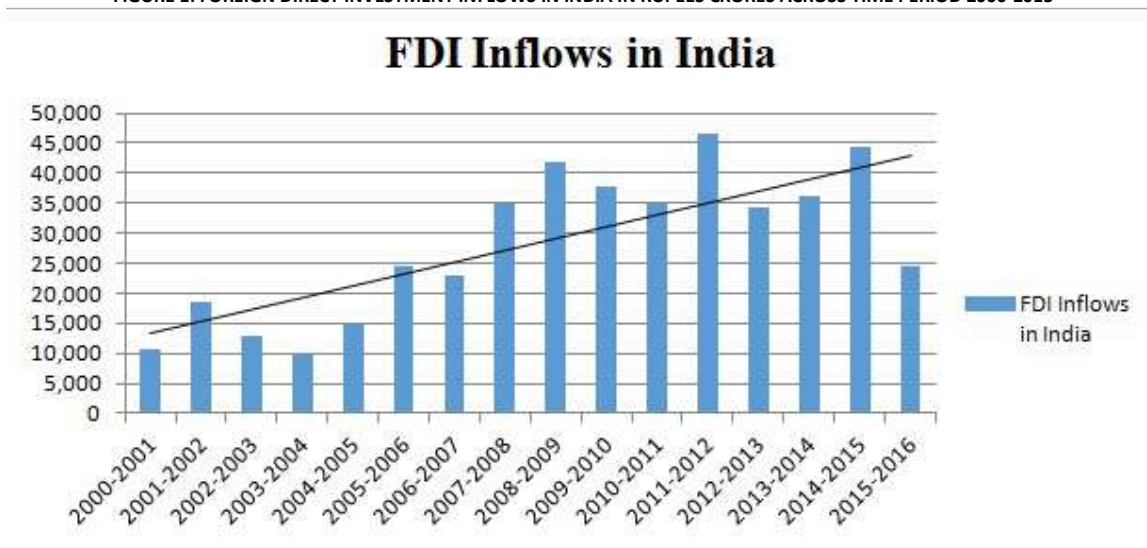
For establishing relationship between Foreign Direct Investment and Environmental degradation Hitam and Borham applied nonlinear model. The study also examines positive relationship stating that increasing in Foreign Direct Investment, causes increase in environmental degradation (Hitam and Borhan, 2012).

### 3. DISCUSSION

The Deterioration of environment and increasing environmental pollution due to FDI has become an important issue in the economic growth of the country. Many studies have been postulated describing the relation between these two variables. Baek and W.koo applied cointegration analysis and vector correction model (VEC) to examine the environmental impact of foreign-direct-investment both in the short run and in the long run in India and China. With pollution haven hypothesis, it found that FDI inflows have detrimental effect on environmental quality in both long run and short run. It further concluded that there is unidirectional link between FDI and SO<sub>2</sub> emissions in India and China, showing that change in FDI causes change in environmental quality but vice versa does not hold true.

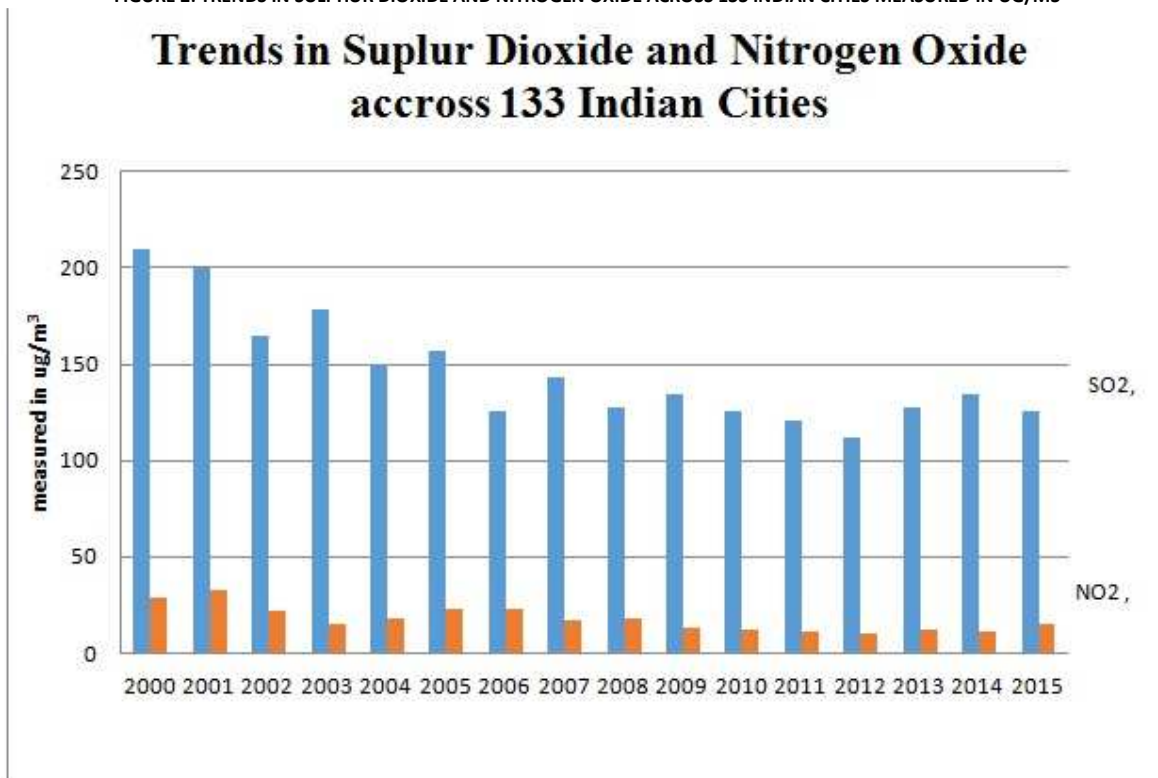
The study by Kaur examined the relationship between FDI, pollution and economic growth by using correlation analysis. While the study found moderate degree of negative correlation between FDI and Growth (-.32), it showed high degree of positive correlation between pollution and FDI concluding that increasing FDI can cause rise in the level of environmental pollution (Kaur,2014).

FIGURE 1: FOREIGN DIRECT INVESTMENT INFLOWS IN INDIA IN RUPEES CRORES ACROSS TIME PERIOD 2000-2015



Source: Factsheet of Department of Industrial Policy on Foreign Direct Investment in India

FIGURE 2: TRENDS IN SULPHUR DIOXIDE AND NITROGEN OXIDE ACROSS 133 INDIAN CITIES MEASURED IN UG/M<sup>3</sup>



Source: Green Growth and Air Pollution in India 2016 published by TERI Institute, Delhi

Rastogi and Sawhney conducted the analysis by categorizing pollution-intensive and less pollution industries and studied the effect of industry characteristics on FDI inflows. According to the study India's four largest source countries of FDI are US, Japan, Mauritius and Singapore. It concluded that India seeks to take advantage of labor intensive less polluting industries (Rastogi, Sawhney 2013).

Paper by Joysri Acharya examined the impact of FDI inflow on GDP and environmental degradation taking into account the period 1980-2003. The study found that rise in FDI is directly related to depletion of resources and the impact of FDI inflows on CO<sub>2</sub> emissions is quite large in the long run.

Relationship between Foreign Direct Investment and CO<sub>2</sub> emission has also been established in the paper by Kumar and Chander. The study examined the relationship between these two factors considering the period 1981 to 2011 using various tests such as Unit Root test, Granger- causality test and Co- integration test. It concluded that FDI has significant impact on air quality in India and suggested the need to establish environmental policy to meet environmental goals.

**4. CONCLUSION**

The above arguments represent two different sides of the impact of Foreign-direct-investment, that is, creating growth opportunities around the world and increasing environmental concerns in the form of pollution, health hazards and environmental degradation. It can be concluded that the impact of FDI on environmental quality is very significant and it is worsening the environment. The conclusion is based on the research conducted in the last few decades. The study draws the attention towards the problem caused by FDI through depletion of natural resources, use of energy and emission of pollutant. Many studies have supported the conclusion that the increase in pollution level can be positively linked to increase in FDI. Therefore, it is recommended that it is high time to curb down the level of emissions otherwise it will leave the future generations in a worse situation.

## REFERENCES

1. Allesandro Lannuzzi, 2013. Foreign direct investment - merits and demerits. *Linkedin*.
2. Bin, M. & Binti, H., 2012. FDI, Growth and the Environment: Impact on Quality of Life in Malaysia. *Procedia - Social and Behavioral Sciences*, 50(July), pp.333–342.
3. D Ramesh, S Packia Lakshmi, The Pros and Cons Of Foreign Direct Investment In India: [http://lfymag.com/admin/issuepdf/13-17\\_FDI\\_FFYJuly14.pdf](http://lfymag.com/admin/issuepdf/13-17_FDI_FFYJuly14.pdf)
4. Foreign Direct Investment for Development maximising benefits, minimising costs (OECD, 2002)
5. G. Tripathi, Yogesh Chandra Tripathi Current Status of Environmental Pollution in India: [https://www.researchgate.net/publication/237009335\\_Current\\_Status\\_of\\_Environmental\\_Pollution\\_in\\_India](https://www.researchgate.net/publication/237009335_Current_Status_of_Environmental_Pollution_in_India)
6. Gul Khanim Mammadova, 2015 Costs and Benefits of Foreign Direct Investment to Azerbaijan's Economy: The Case of Oil Sector <http://www.macrothink.org/journal/index.php/ajfa/article/viewFile/7260/6296>
7. Jasmeet Kaur: FDI and Sustainable development: Lessons to Draw for India <http://www.scmstpune.ac.in/chapter26/5.pdf>
8. Jungho Baek, Won W. Koo, 2008, A Dynamic Approach to the FDI-Environment Nexus: The Case of China and India <http://ageconsearch.umn.edu/bitstream/6508/2/467514.pdf>
9. Kali Ram Gola, Mridul Dharwal, Ankur Agarwal: Role of Foreign Direct Investment in the Development of Indian Economy <http://accman.in/images/feb13/Dharwal%20M.pdf>
10. Kimberly Amadeo: Foreign Direct Investment: Pros, Cons and importance <https://www.thebalance.com/foreign-direct-investment-fdi-pros-cons-and-importance-3306283>
11. Kjetil Bjorvatn: FDI in LDCs: Facts, theory and empirical evidence by Kjetil Bjorvatn [https://brage.bibsys.no/xmlui/bitstream/handle/11250/166018/A47\\_00.pdf?sequence=1](https://brage.bibsys.no/xmlui/bitstream/handle/11250/166018/A47_00.pdf?sequence=1)
12. Live mint e-paper FDI inflows into India jump 18% to a record \$46.4 bn in 2016 despite global fall <http://www.livemint.com/Politics/JV5cFZfUieY1Orp5bL8SqM/FDI-inflows-into-India-jumps-18-to-a-record-464-bn-in-2016.html>
13. Mizan Bin Hitam, Halimahton Binti Borhan: FDI, Growth and the Environment: Impact on Quality of Life in Malaysia
14. Mohammad Sadegh Avazalipour, Fatemeh Zandi, Reza Saberi, Nader Hakimi pour & Marjan Damankeshideh: The Impact of FDI on Environmental Resources in Selected Countries (Non-Oecd), 2013.
15. NCAER: FDI in India and its Growth Linkages. [http://dipp.nic.in/English/Publications/Reports/FDI\\_NCAER.pdf](http://dipp.nic.in/English/Publications/Reports/FDI_NCAER.pdf)
16. Selma, Kurtishi-Kastrati, 2013 Vol. 5: The Effects of Foreign Direct Investments for Host Country's Economy <http://www.ejist.ro/files/pdf/369.pdf>
17. Vinod Kumar & Rakesh Chander, 2016. Foreign Direct Investment and Air Pollution: Granger Causality Analysis. *IOSR Journal of Business and Management*, p.12.

## **REQUEST FOR FEEDBACK**

**Dear Readers**

At the very outset, International Journal of Research in Commerce & Management (IJRCM) acknowledges & appreciates your efforts in showing interest in our present issue under your kind perusal.

I would like to request you to supply your critical comments and suggestions about the material published in this issue, as well as on the journal as a whole, on our e-mail [infoijrcm@gmail.com](mailto:infoijrcm@gmail.com) for further improvements in the interest of research.

If you have any queries, please feel free to contact us on our e-mail [infoijrcm@gmail.com](mailto:infoijrcm@gmail.com).

I am sure that your feedback and deliberations would make future issues better – a result of our joint effort.

Looking forward to an appropriate consideration.

With sincere regards

Thanking you profoundly

**Academically yours**

Sd/-

**Co-ordinator**

## **DISCLAIMER**

The information and opinions presented in the Journal reflect the views of the authors and not of the Journal or its Editorial Board or the Publishers/Editors. Publication does not constitute endorsement by the journal. Neither the Journal nor its publishers/Editors/Editorial Board nor anyone else involved in creating, producing or delivering the journal or the materials contained therein, assumes any liability or responsibility for the accuracy, completeness, or usefulness of any information provided in the journal, nor shall they be liable for any direct, indirect, incidental, special, consequential or punitive damages arising out of the use of information/material contained in the journal. The journal, neither its publishers/Editors/ Editorial Board, nor any other party involved in the preparation of material contained in the journal represents or warrants that the information contained herein is in every respect accurate or complete, and they are not responsible for any errors or omissions or for the results obtained from the use of such material. Readers are encouraged to confirm the information contained herein with other sources. The responsibility of the contents and the opinions expressed in this journal are exclusively of the author (s) concerned.

## ABOUT THE JOURNAL

In this age of Commerce, Economics, Computer, I.T. & Management and cut throat competition, a group of intellectuals felt the need to have some platform, where young and budding managers and academicians could express their views and discuss the problems among their peers. This journal was conceived with this noble intention in view. This journal has been introduced to give an opportunity for expressing refined and innovative ideas in this field. It is our humble endeavour to provide a springboard to the upcoming specialists and give a chance to know about the latest in the sphere of research and knowledge. We have taken a small step and we hope that with the active co-operation of like-minded scholars, we shall be able to serve the society with our humble efforts.

### *Our Other Journals*

