VOLUME NO. 5 (2015), ISSUE NO. 08 (AUGUST) ISSN 2231-4245

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, ECONOMICS & MANAGEMENT

IJRCM

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., Open J-Gage, India [link of the same is duly available at Inflibnet 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 4255 Cities in 176 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

CALL FOR MANUSCRIPTS

We invite unpublished novel, original, empirical and high quality research work pertaining to recent developments & practices in the areas of Computer Science & Applications;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 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 entitled '____' for possible publication in one of your journals.

I hereby affirm that the contents of this manuscript are original. Furthermore, it has neither been published elsewhere in any language fully or partly, nor is it 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 their inclusion of 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 :

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 :

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 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) **Abstract alone 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 manuscript, within two days of 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 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 **bold typed**, **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 italicized text**, ranging between **150** to **300 words**. The abstract must be informative and explain 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.

7. **JEL CODE**: Provide the appropriate Journal of Economic Literature Classification System code (s). JEL codes are available at www.aeaweb.org/econlit/jelCodes.php, however, mentioning 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 range from ***2000 to 5000 WORDS***.

12. **FIGURES & TABLES**: These should be simple, crystal **CLEAR**, **centered**, **separately numbered** & self explained, and **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, horizontally centered with equation/formulae number placed at the right. The equation editor provided with standard versions of Microsoft Word should 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: 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 are supposed to follow Harvard Style of Referencing. **Also check to make sure 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 italics. 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 after 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

AN ANALYTICAL STUDY ABOUT FDI IN INDIAN RAILWAYS

ANUPAMA. K
LECTURER
JYOTI NIVAS COLLEGE (AUTONOMOUS)
COLLEGE OF EXCELLENCE
BANGALORE

KOSHY C.J
ASST. PROFESSOR
DEPARTMENT OF COMMERCE
PAZHASSIRAJA COLLEGE
PULPALLY

ABSTRACT

Foreign Direct Investment (FDI) is considered to be the lifeblood of economic development especially for the developing and underdeveloped countries. India looks all set to throw open its doors to foreign investors in railway infrastructure and partially in operations, as the nation seeks to help improve the creaky transportation facility. The department of industrial policy & promotion (DIPP) has circulated the final proposal on FDI in railways for the Union Cabinet's consideration, which is aimed at attracting overseas funds for modernization and expansion of the sector that faces a cash crunch. Currently, there is a complete ban on FDI in the railway sector, except for mass rapid transport systems. According to the proposal, foreign investment will be allowed in all public-private partnership (PPP) projects and in infrastructure such as signaling, high-speed tracks, electrification, dedicated freight corridors and suburban networks. Investments are needed to improve India's railway tracks, rolling stock and delivery times. Indian Railway is lagging behind other developing nations in overcoming capacity constraints, and keeping pace with technological improvements. The FDI in railway sector will have a positive impact in terms of creation of new lines and capacity. This will help in achieving better road versus rail ratio for freight movement, thereby reducing logistics cost for the industry, especially for commodity players. The present study aims at throwing light on the following issues namely to bring about the need for FDI in Indian Railways, to analyse the performance of FDI in other sectors of economy, to evaluate the implications of allowing FDI in railway sector.

KEYWORDS

FDI, Sectoral Analysis, FDI Inflow, Development, Infrastructure, Indian Railways.

INTRODUCTION

Foreign Direct Investment (FDI) is a fund flow between the countries in the form of inflow or outflow by which one can gain some benefit from their investment whereas another can exploit the opportunity to enhance the productivity and find out better position through performance. The effectiveness and efficiency depends upon the investors perception, if investment with the purpose of long-term then it contributes positively towards economy on the other hand if it is for short-term purpose of making profit then it may be less significant. Depending on the industry sector and type of business, a FDI may be an attractive and viable option. Any decision on investing is thus a combination of an assessment of internal resources, competitiveness, and market analysis and market expectations. The FDI may also affect due to the government trade barriers and policies for the foreign investments and leads to less or more effective towards contribution in economy as well as GDP of the economy. FDI up to 100% is allowed on the automatic route in most sectors/activities, subject to applicable laws/ regulations; security and other conditionality's. FDI is prohibited in Lottery Business including Government/private lottery, online lotteries, etc.; Gambling and betting including casinos etc.; chit funds; Nidhi company; trading in Transferable Development Rights(TDRs); Real Estate Business or Construction of Farm Houses; Manufacturing of Cigars, cheroots, Cigarillos and cigarettes, of tobacco or of tobacco substitutes; activities/sectors not open to private sector investment e.g. Atomic Energy and Railway Transport (other than Mass Rapid Transport Systems)The studies try to find out the implications of FDI in one of the sectors namely Indian Railways which has not witnessed the light of FDI so far which affect the economic scenario.

Foreign Direct Investment (FDI) is considered to be the lifeblood of economic development especially for the developing and underdeveloped countries. FDI is a tool for jump-starting economic growth through its strengthening of domestic capital, productivity and employment through the upgrading of technology, skills and managerial capabilities in various sectors of the economy. The present paper attempts to analyze significance of the FDI Inflows in various Indian sectors from 2006-2013. The Sector-wise Analysis of FDI Inflow in India reveals that maximum FDI has taken place in the service sector including the telecommunication, information technology, travel and many others. The service sector is followed by the manufacturing sector in terms of FDI.

CONTEXTUAL BACKGROUND

After independence in India 1947, FDI gained attention of the policy makers for acquiring advanced technology and to mobilize foreign exchange resources. In order to boost the FDI inflows in the country Indian government allowed frequent equity participation to foreign enterprises apart from providing many incentives such as tax concessions, simplification of licensing procedures and de-reserving some industries like drugs, fertilizers, aluminium, etc. But due to significant outflow of foreign reserve in the form of remittances of dividends, profits, royalties, etc., in 1973 government of India set up Foreign Investment Board and enacted Foreign Exchange Regulation Act in order to regulate flow of FDI to India. Further Government of India set up Foreign Investment Promotion Board (FIPB) for processing of FDI proposals in India. The Board is the apex inter-ministerial body of the Central Government that deals with proposals relating to FDI into India for projects or sectors that do not qualify for automatic approval by the Reserve Bank of India (RBI) or are outside the parameters of the existing FDI policy. Foreign Direct Investment in Indian Railways was thought about from many years but initiatives to allow FDI in the discussed sector has not gained any momentum.

PRESENT SCENARIO

When the bill for free foreign participation up to 49% in aviation sector was passed in September 2012 at the parliament session of India, it became a topic of debate with roaring objections from the opposition parties to obstruct any further FDI reforms. However the leading congress party won the retail FDI battle on 5 December 2012 with 253 votes, where PM Manmohan Singh quoted, "The policy will introduce new technology and investment in marketing agricultural produce and will create revenue model for farmers." The present ceilings on investment in various sectors are: Hotel and tourism - 100% (AR)*, Private sector NBFC's - 49% (AR), Insurance – 49% (AR), Telecommunications - 49% (AR), Trading business – 51% (AR), Power and electricity – 100% (AR), Drugs and pharmaceuticals – 100%(AR), Roads and transport – 100% (AR), Pollution control and management – 100% (AR), Call centres and BPO – 100% (AR), Pension industry –26 % (AR), Commodity exchange – 26% FDI and 23% FII, Mining (titanium) – 100%, etc to mention a few. An observation in this context is that Indian Railways have not been included in this FDI bracket.

MODES OF FDI

A foreign company planning to set up business operations in India may:

- Incorporate a company under the Companies Act, 1956, as a Joint Venture or a Wholly Owned Subsidiary.
- Set up a Liaison Office / Representative Office or a Project Office or a Branch Office of the foreign company which can undertake activities permitted under the Foreign Exchange Management (Establishment in India of Branch Office or Other Place of Business) Regulations, 2000.

RESEARCH METHODOLOGY

OBJECTIVES

- To bring about the relevance of FDI in Indian Railways.
- To analyse the performance of FDI in other sectors of economy.
- To evaluate the implications of allowing FDI in Indian railway sector.

TYPE OF STUDY

Conceptual study

DATA COLLECTION

This study is based on secondary data. The required data have been collected from various sources, i.e., World Investment Reports, Asian Development Bank's Reports, various Bulletins of Reserve Bank of India, publications from Ministry of Commerce, Govt. of India, Economic and Social Survey of Asia and the Pacific, United Nations, Asian Development Outlook, Statistical Reports on Indian Railways.

IMPLICATION OF FDI INITIATIVES IN INDIAN RAILWAY SECTOR

With the government planning to allow 100 percent foreign direct investment in several areas of Indian Railways, the cash-strapped behemoth could well is on the track to reforms. With the recent initiative by the Cabinet for FDI liberalisation in the Indian Railway sector would help in modernisation and expansion of railway projects. It will give boost to infrastructure development and generate jobs. It is to be noted that the growth of the sector relies heavily on capital investment. Opening gates to FDI will provide necessary impetus to the sector and encourage private participation. Another point of deliberation would be the development of Dedicated Freight Corridor has a direct positive influence on the creation of more industrial corridors. Importantly, it will also help railways add capacity and help flourish business.

A Hindrance that has to be dealt with is that India has a huge array of ageing locomotives: Indian Railways has been trying to work through new loco manufacturing projects by attracting FDI through a PPP model. However, these projects have not seen the light of the day causing capacity and network velocity constraints. There is an immediate need to improve the railway infrastructure and FDI will only help in speeding up the process. Once the issue of infrastructure is tackled it immediately has a direct impact on operations and safety. Fast decisions on implementation of projects would also help in improving operations and safety standards.

Despite public-private partnership projects announced in several rail budgets, the investment since 2000 has been merely Rs 3,000 crore, of which less than 10 per cent has come from private firms. Rail transport is a broad term encompassing rolling stock, the rail network and operations. Once replaced by railway operations, the other areas will be out of their current restrictions. Private companies, including foreign ones, were allowed to invest in railway infrastructure and connectivity projects after approval from Cabinet.

TABLE NO. 1.1: FDI INFLOW FOR THE PERIOD 2012-2015 [Amount in Rs. crores (US$ in million)]

Sr. No.	Sector	2012-13 (April -March)	2013-14 (April- March)	2014-15 (April-May, 2014)	Cumulative Inflows (April '00 - May '14)	% age to total Inflows (In terms of US$)
1.	SERVICES SECTOR	26,306 (4,833)	13,294 (2,225)	3,445 (574)	189,015 (40,034)	18 %
2.	CONSTRUCTION DEVELOPMENT:	7,248 (1,332)	7,508 (1,226)	1,317 (221)	109,874 (23,527)	11 %
3.	TELECOMMUNICATIONS	1,654 (304)	7,987 (1,307)	8,966 (1,512)	75,685 (15,675)	7 %
4.	COMPUTER SOFTWARE & HARDWARE	2,656 (486)	6,896 (1,126)	668 (112)	60,339 (12,929)	6 %
5.	DRUGS & PHARMACEUTICALS	6,011 (1,123)	7,191 (1,279)	4,031 (680)	60,101 (12,277)	6 %
6.	AUTOMOBILE INDUSTRY	8,384 (1,537)	9,027 (1,517)	436 (73)	48,632 (9,885)	4 %
7.	CHEMICALS (OTHER THAN FERTILIZERS)	1,596 (292)	4,738 (878)	563 (94)	45,797 (9,762)	4 %
8.	POWER	2,923 (536)	6,519 (1,066)	876 (147)	43,531 (9,047)	4 %
9.	METALLURGICAL INDUSTRIES	7,878 (1,466)	3,436 (568)	690 (115)	38,940 (8,190)	4 %
10	HOTEL & TOURISM	17,777 (3,259)	2,949 (486)	1,378 (230)	37,587 (7,348)	3 %

Even as the government is looking to increase the foreign direct investment (FDI) caps in several sectors, its recent reforms on this front could not draw a rapid response in 2012-13. For example, Government of India has liberalised the FDI regime in about a dozen sectors, including telecom, power etc. and have also relaxed investment norms in multi-brand retailing. The much-touted FDI reforms could not set the tone for higher inflows in 2012-13 as most sectors in the economy—Computer & Hardware, Automobile, power— attracted lower overseas funds than a year earlier.

However, economists felt that it is too early to judge those numbers on the basis on the reforms taken by the government in the recent times. Reforms don't mean that investment scenario will suddenly change. It would take time to reflect as it is a gradual process. In next 3-4 years, we could witness an increase of around five billion FDI inflows.

The Table depicting sectoral analysis determines that service sector (financial and non-financial), has been the hotspot for past years (2009-2013), by still managing to be the hot sector for FDI, in spite of the recent downfall in the percentage 21% to 19%. The reason behind is the rupee depreciation occurred in India, which created doubt in the minds of foreign investors and resulted in pulling back of investment. European crisis and US crisis were the major reason for the lower investment in service sector in India, which were previously the major investors of this sector. But to the fortune of India in spite being lower investment from the major investors USA and European countries , The investment from the other countries Mauritius, Singapore, Japan etc. India's service sector has maintained its importance in the Indian economy. FDI in Telecom sector which faced rough times due to cancellation of telecom services last year in 2G spectrum case and government's harsh policies on investors such as retrospective tax laws affected percentage share decrease by 8 to 7 % from 2009-11 to 2011-2013.Although, these sectors witnessed some decrease in their percentage share, they have maintained their importance in the Indian economy. And overall these both sectors are major pillars of Indian economy and will maintain their charm for FDI investors.

The Indian construction industry is an integral part of the economy and is poised for solid growth due to industrialisation, urbanisation and economic development together with people's expectations of improved living standards. The construction sector employs approximately 31 million people, accounts for some 6-8% of GDP and, after agriculture, is the largest employment sector in the country. The boost to this sector is also because of the increased levels of investment – especially by the Government – in infrastructure and real estate projects. And today it is expected that growth rates for the construction industry sectors exceed overall GDP growth over the next 2 years, underlying a continued strong demand of this sector. The construction industry in general has been growing primarily due to the strength of increased domestic and international manufacturing activities and industrial growth. Today in India, major construction projects are expected to be at the hike by, the continued growth of the economy, foreign direct investment and an influx of international businesses and corporations. The increasing presence of international firms in the financial services sector is also driving forward the real estate market in India. The above all reasons associated explains that why the construction sector attracts FDI inflow in India. The same growth of construction sector can be reflected in figures in table 1 and 2 showing specially that, at the time when every sector of FDI inflow was affected and seen a downfall, construction was one of those sectors which saw 4% growth, increased from 7% to 11%. India, today Indian is technology advanced nation and people are techno-savvy. This can be seen in consumer as well as industrial market and products, with consideration of the fact that India is rich in natural resources. Synergy of natural resources abundance and latest technologies has given a Metallurgical sector a boom in India.

And the growth of Metallurgical Industries in India has led to the development, expansion, and growth of allied industries. This gives a platform to foreign investors to invest in this upcoming sector in India. Looking at the benefits with this sector more and more FDI's are increasing in this sector. Further the increased FDI inflows to Metallurgical Industries in India have led to the development, expansion, and growth of the industries. All this has helped in improving sectoral growth of FDI in this sector from 3% - 4%.FDI inflows in Chemicals industry in India has increased over the last few years from 2% to 5% due to the several incentives that have been provided by the government of India. The increased FDI Inflows to Chemicals industry in India has helped in the growth and development of the sector. 100% FDI is allowed in chemicals under the automatic route in India. In 2009-11, housing and real estate was in the good books of FDI in India. FDI inflows in the real estate sector in India have helped to develop this sector. The increased flow of foreign direct investment in the real estate sector in India has helped in the growth, development, and expansion of the Indian economy.

The Indian Government's decision to allow 100% Foreign Direct Investment (FDI) in the real estate industry stimulated construction activities throughout the country. This can be seen with the presence of the housing and real estate in the top 10 FDI inflow sector in the Table 1. However, figures for 2009-11(7%) indicate a slowdown later on, with making it out of top ten FDI sectors contributing in Indian economy. From the table 1, it appears that India has received less FDI in 2010-11 than in the previous year. Government policies to develop construction mainly in the infrastructure has boosted the construction activities but the housing and real estate has not been taken care of and hence the foreign investors have pulled their investments from this sector and diverted to other sectors such as retail, insurance etc. To attract foreign investment in the Petroleum & Natural Gas sector various policy initiatives have been taken in recent years. The present Foreign Direct Investment (FDI) policy for petroleum & natural gas sector allows 100% automatic route for exploration activities of oil and natural gas fields, infrastructure related to marketing of petroleum products and natural gas, marketing of natural gas and petroleum products, petroleum product pipelines, natural gas/pipelines, LNG re-gasification infrastructure, market study and formulation and Petroleum refining in the private sector, subject to the existing sectoral policy and regulatory framework in the oil marketing sector.

All the above mentioned sectors have been given due importance by considering them in FDI bracket except for Indian Railways when there is huge scope for innovation and development in this sector. Foreign participation could bring about a radical shift in the performance of rail network and improve the infrastructure which is a quality parameter concerning railway system.

CONCLUSION

The study of FDI in India railway sector concludes that India should welcome FDI as it has huge benefits for the Indian economy. The Sector wise Analysis of FDI Inflow in India reveals that maximum FDI has taken place in the service sector including the telecommunication, information technology, travel and many others keeping the railway sector in dark. The service sector is followed by the manufacturing sector in terms of FDI. High volumes of FDI take place in electronics and hardware, automobiles, pharmaceuticals, cement, metallurgical and other manufacturing industries.

FDI always faces problems in form of red-tapism, bureaucracy, lobbying, non-availability of credits, and rigid taxation policies. Many investors even after setting reforms in FDI in multi-brand retail are awaiting clarification from the government. The broader sense is that till the time there is no transparency in the reform measures, the investors can still be hesitant to invest in the country with respect to railway sector. India has tried to assist FDI by allowing low corporate tax, tax holidays, preferential tariffs, removing the sectoral caps, removing restrictions of customs, lowering the depreciation rate, etc. Being politically controversial, FDI has to be accepted in India for the innovations yet to come in railways, to overstep the sluggish growth. As FDI will always provide long term benefits, the public should hold their patience to witness the advent of FDI in Indian Railways

REFERENCES

1. Balasubramanyam VN, Sapsford David (2007) Does India need a lot more FDI, Economic and Political Weekly, pp.1549-55.
2. Basu P, Nayak N C and Vani A (2007), "*Foreign Direct Investment in India. Emerging Horizon*". Indian Economic Review, 42 (2).
3. Dr. Khan & Ahamed, (2011), *Foreign Direct Investment in India: Challenges and Opportunities in Multi-brand Retail Sector*, International Journal of Research In Commerce And Management, 2(1), pp 97-98.
4. Jasbir Singh, Sumita Chadha and Anupama Sharma (2012) *"Role of Foreign Direct Investment in India: An Analytical Study",* International Journal of Engineering and Science ISSN: 2278-4721, Vol. 1, Issue 5 (October 2012), PP 34-42 .
5. Ministry of Finance, *Report of the economic survey*, Government of India, New Delhi (2003-04).
6. Nayak D N (1999), "*Canadian Foreign Direct Investment in India: Some Observations*", Political Economy Journal of India, Vol. 8, pp. 51-56.
7. Nilanjana Kumari (2013) *"A study of FDI in India" . Journal of Economics and Sustainable Development"* ISSN 2222-1700 (Paper) ISSN 2222-2855 (Online) Vol.4, No.3, 2013
8. Nilofer Hussain (2011) "*Economic factors and Foreign Direct investment in India: A correlation Study"*, Asian Journal Of Management Research 348 , Volume 2 Issue 1, 2011 ISSN 2229 – 3795
9. Sahoo D Mathiyazhagan M K and Parida P (2002), "*Is Foreign Direct Investment an Engine of Growth?"* Evidence from the Chinese Economy, Savings and Development, Vol. 4, pp. 419-439.
10. Srivastava S (2003), "*What is the True Level of FDI Flows to India*?", Economic and Political Weekly, Vol. 19, pp. 1201-1209.

REQUEST FOR FEEDBACK

Dear Readers

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

I would like to request you tosupply 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** for further improvements in the interest of research.

If youhave any queries please feel free to contact us on our E-mail **infoijrcm@gmail.com**.

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

Looking forward 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