

A Critical Study on the Significance of FDI in Flows in Indian Context

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Abstract: *The Foreign Direct Investment (FDI) is cogitated as an imperative factor contributing to economic growth because it brings capital for investment as well as new technologies from abroad to expand the production capabilities of the economy. That is why, countries seek to increase FDI inflows for their economies and in order to do that they change their foreign investment policies on regular basis. The GoI (Government of India) also adopted the same pattern. But when India suffered from a “balance of payment (bop) crisis” in the year 1991, because of its heavy reliance on external debts, the then Indian Finance Minister Dr. M. Singh had initiated new liberalization policies that brought the country out of the crisis. Thus, the main concern of this work is to critically analyse significance of FDI inflows for the growth of Indian economy. To do so, the work will use qualitative method of research which will descriptive and exploratory in nature*

Keywords: FDI inflows, Indian economy, growth rate, positive linkage

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