Introduction

The Indian story of growth in the post liberalization era has been overshadowed by multiple issues connected to the world economy at large. Globalization, liberalization, industrialization and privatization led to tremendous economic growth. In 1991, the government of India introduced economic reforms. Macro finance issues have been addressed by the national policies in several ways so as to give an impetus to growth and development of the nation at large. It has been effectively used as tool to utilize scarce resources and to increase the pace of development. Foreign direct investment has been one of the issues on which there is lot of debate and confusion on the effective use of the same for the growth of the nation.

Foreign direct investment (FDI) refers to long term participation by country A into country B. The process of making a physical investment into another country is known as foreign direct investment (FDI).

It usually involves participation in management, joint-venture, transfer of technology and expertise. There are three types of FDI: inward foreign direct investment and outward FDI, resulting in a net FDI inflow (positive or negative) and "stock of foreign direct investment", which is the cumulative number for a given period. Direct investment excludes investment through purchase of shares. As such, FDI relationship mainly comprises a parent enterprise and a foreign affiliate that together form a multinational company (MNC). FDI can be categorized by direction (inward or outward), by target (horizontal or vertical) and by motive (resource-, market-, efficiency-, or strategic asset-seeking).

The focus of the empirical research is to determine

- The trends and development of FDI in India from the year 2000 to 2010, and compare it with the trends and development of FDI in BRICS nations
- The effects of FDI on gross domestic product of India
Over a long period of time FDI creates many externalities in the form of benefits available to the whole economy which the TNCs cannot appropriate as part of their own income. These include transfers of general knowledge and of specific technologies in production and distribution, industrial upgrading, work experience for the labour force, the introduction of modern management and accounting methods, the establishment of finance related and trading networks, and the upgrading of telecommunications services. FDI in services affects the host country's competitiveness by raising the productivity of capital and enabling the host country to attract new capital on favourable terms. It also creates services that can be used as strategic inputs in the traditional export sector to expand the volume of trade and to upgrade production through product and process innovation.

This study helps to understand the trends and development of FDI in India and BRICS. This study helpful in analyzing the causes of increasing or decreasing the FDI in India and to understand the different measures adopted by the BRICS nation to increase the FDI inflow. Therefore the findings of this study will helpful for the government, policy makers, businessman to adopt the good measures to increase the FDI inflow in India. This study analyzes the effects of FDI on GDP and relationship between FDI and GDP, it also analyzes the share of FDI in different sectors and it’s impact on GDP share of that sector. Thus, the findings of this study will also helpful for the government, businessmen, policy makers, and other commercial professional to understand the causes of low FDI inflow or no FDI inflow in some sectors like earth moving machine sector, sugar sector, scientific instrument sector, so the corrective measures can be taken to increase the FDI inflow in these sectors. It will helps in increasing the FDI inflow in those sector also in which the FDI inflow is high like service sector, computer hardware
and software sector etc. So the GDP growth rate of the country will also increase rapidly.

The findings of this study will helpful for the government and policy makers to analyse the old policies and frame the new policy or amendment in the existing policy to accelerate the FDI inflow in India, so the economy of the country will develop.

In short, this study will help a lot in

1. Framing the positive policy to accelerate FDI
2. To adopt the corrective measures to increase the FDI rapidly
3. To understand the relationship between the GDP and FDI, so the GDP growth rate will increase with the help of FDI
4. To develop the different sectors to obtain maximum FDI and
5. To increase the shares of different sectors in FDI
6. To develop the economy of the country.

In this field few studies were conducted in India. The researcher reviewed many research conducted in India and abroad to find out the correct area to carry out the research work, which will be fruitful for the professionals and country.