



Impact of Foreign Direct Investment (FDI) In Select Indian Retail Companies - With Respect To Equity Investment

P. Chellasamy¹ and N. Ponsabariraj²

Introduction

Retailing may be defined as the buying and selling of goods and services demanded by consumers at prices that are competitive, affordable and available under one roof. Retailing involves a direct interface with the customer and the coordination of business activities from end to end (Manufactures to Consumers) right from the concept or design stage of a product or offering, to its delivery and post-delivery service to the customer (*Janardhan and Feroz Zaheer, 2006*). The overall business environment in India during the last decade has changed the face of every business activity with a paradigm shift in the volume and quality (Branded). The Indian industrial activity especially in retail sector is an important contributor to the developed economy. In the same aspect, retailing is considered, one of the largest industries in India. It has emerged as one of the most dynamic and fast-paced industries with several players entering the market. Generally the retail business growth has been considered in service quality, supply chain, customer perception, attitude of buying behavior, opportunities, issues and challenges, profit, operational performance, growth and changing lifestyle. The recent decade of retail industry growth has highly contributed to the organized retailing sector when compare with unorganized retail sector in India. One of the biggest opportunities and challenges that characterize the Indian retail sector is its structure. The retailing industry is the

¹ Faculty, School of Commerce, Bharathiar University, School of Commerce, Coimbatore-641046. Tamil Nadu, India. E.mail:drchellamsamy@gmail.com

² Ph.D Research Scholar, Bharathiar University, Coimbatore-641046. Tamil Nadu, India. E.mail:ponsabariraj@gmail.com

promising sectors in India that has been still highly fragmented, with an estimated 12 to 15 million outlets. Its overall size is estimated to be Rs 31 trillion (USD 534 billion) in 2013-2014, with a CAGR of 15 per cent over the last five years, which is much higher than the growth of the Indian GDP in the same period. Going forward, the overall retail sector growth is likely to witness a CAGR of 2012-2013 per cent, which would be worth Rs. 55 trillion (USD 948 billion) in 2018-19. With over 92 per cent of the business coming from the fragmented unorganized sector, such as traditional family run mom and pop stores and corner stores, the Indian retail sector offers immense potential for growth and consolidation. The revenue generated from organized retail (or modern retail) was Rs. 0.9 trillion (USD 15.5 billion) in 2009, Rs. 2.4 trillion in 2012(USD 41.4 billion), and is expected to continue growing at an impressive rate to a projected INR 5.5 trillion (USD 94.8 billion) by 2019. (*The Indian Retail the Next Growth Story, KPMG, 2014*)

Sample of Earlier Studies

Anusha Chari and Madhav Rahavan (2011), in their work on “*Foreign Direct Investment in India’s Retail Bazaar: Opportunities and Challenges*”, they forecasted the growth of retail segments in India during from 2005-2006 to 2008-2009 and also analyzed the retail contribution of employment in rural and urban areas. From the analysis, authors conclude that FDI opens door for large-scale investment and adds benefits to these sectors. It could help to tackle inflation in wholesale prices, technical know-how from foreign firms, employment opportunities, advanced technologies in ware housing and distribution systems to end users.

Manikandan. M.K.M., (2012), from his study entitled “*Factors influencing Consumers on shopping in a mall based store- An Empirical Study*”, measures the factors that are highly influencing on shopping mall culture awareness of consumers. The study obtained 150 respondents from a store located in Brook field’s mall at Coimbatore city, Tamil Nadu. The author carried out factor analysis in his study and the result implies that lower prices, product is available when consumer needed, store offers high quality of products, convenient in purchase and customer services are the factors that are highly influenced. The author also found that consumer expectation of good quality product, convenient shop for convenient time and services rendered by retail shops are the other factors affecting consumers buying behavior in shopping mall.

Naganathan Venkatesh, (2013) the author discussed in his study entitled “*Indian Retail Industries Market analysis: Issues, Challenges and its Opportunity for the 21st Century*”, about the growth, awareness and brand consciousness among the people across different socio-economic classes. The study was conducted in Chennai and Bangalore city, total of 200 respondents was selected using convenience sampling method. From the analysis the author concludes that the urban and semi-urban retail markets are witnessing a significant growth due to change in consumer needs and preference, this has been one of the strength of Indian industry but one of the biggest challenges of the country is that majority of retail segments is unorganized.

Moloy Ghoshal (2014) conducted a study on “*Impact of Foreign Direct Investment on Unorganized Retail Sector of India- A Research Report*”, the author discussed about the FDI impact on unorganized retailers in Asahsol and Durpur urban areas at West Bengal. The study considers a sample of 150 retailers in various segments like kirana (grocery), garments, electronics appliance and vegetable vender. The primary data related to impact of mall culture in their cities were collected from the retailers. The study highlights that FDI supports the growth of organized retail environment positively when compared to unorganized retail sector. In her study the author concluded that in the current scenario an unhealthy trend exist in unorganized retailers due to the impact of FDI. The unorganized retail segments cannot compete with organized since they follows traditional conditions, lacks supply chain system, lacks investment avenues, manpower, skill development and prompt services.

Problem That Has Been Focussed In the Study

Retail industry in India is an attractive and creates much more competitive participant (Marketer) who wants to enter and develop retail marketing to market its own product. Indian has been still highly dominated by the unorganized retail sector. India is a developing country includes modernization of each and every sectors or industry. In order that the retail sector is also developing into new formats such as hypermarkets which includes departmental stores, discount stores, malls, etc., now the customers wants to meet their needs and wants to be through affordable price, quality of products, demand on branded items, service quality, freedom in choosing products and customer relationship are the reason for consumers preferring Hypermarket. So, the Indian Government feel that the retail sector is expected to grow in future since there has been demand on branded items but, at the same time Indian retail sector

having the unprecedented poor investment, struggle of operating and non- operating performance, insufficient infrastructure facility, uncertainty of raw material, obsolete technology, lack of research and development, high cost of production and following the traditional market conditions that hamper the growth of retail industry. Hence Indian Government permitted in the year of mid 2006 for FDI in retail industry for sustained development in India. The Foreign Direct Investment enters through the way investment in equity capital. It creates a new path for multinational brands to enter in India to make investment. With this background, the current research work aspires to analyze the equity investment of select retail companies in India, before and after the permission of Foreign Direct Investment (FDI). Based on the above issues the researcher has probed the following research question:

- Whether there is any impact of Foreign Direct Investment(FDI) in Equity of select retail companies in India?

Study Objective

- To validate the impact of Foreign Direct Investment (FDI) in select retail companies in India.

Research Design Applied

Sources of data and Framework of Analysis

The study obtained through secondary data. The required data for the study were collected from CMIE data base. The study covers a period of ten years from 2001-2002 to 2010-2011. In addition, the other required data were collected from various journals, magazines and report. The collected data have been analyzed with the help of statistical tools namely, descriptive analysis, Compound Annual Growth Rate (CAGR) and paired sample t-test analysis.

Sample Selection and Sample of select Retail Companies in India

The samples for this study were selected based on purposive sampling method, among the retail industry from NSE and BSE both stock exchanges of India. The following sample companies were selected for the study based on average of total capital and sales turnover namely, Archies, Bata, Bombay Swadeshi retail store, Heritage Food India Ltd., Pantaloon Retail shop, Paramount Cosmetics, Provogue Retail shop, Shoppers Stop, Sun and Shine Ltd., and Value Mart.

Hypothesis Developed

The following hypothesis has been developed in the present study.

- **H₀₁**: There is no significant impact on pre and post period Foreign Direct Investment (FDI) in equity of select retail companies in India.

Significance of the Study

This study highlights entrance of FDI equity investment in the retail companies in India. This may create interest for the respective companies in the field of retail industry. The study is important to the management people and proprietors of retail industry to realize the FDI impact on retail sector and also help in decision making and to identify the growth pattern of FDI in select retail companies. The impact of FDI in retail companies are analyzed with pre and post period from 2006-2007 of foreign equity investment pattern based.

Empirical Discussion

Total Equity Investment in Select Retail Companies

Table 1 indicates the total equity investment of select retail companies in India during the pre and post period of FDI inflow from 2001-2002 to 2005-2006 and 2006-2007 to 2010-2011. The average total equity investment shows a fluctuating trend during the study period since there was no impact on equity investment before inflow of FDI. During the pre-period the Bata India Ltd has the highest average investment of 28.28 per cent. The Bombay Swadeshi Ltd has the lowest average total equity investment of 0.63 per cent. The standard deviation of Provogue Ltd is the highest with 5.88 per cent whereas Archies Ltd, Bombay Swadeshi Ltd, Paramount Cosmetics Ltd and Value Mart Retail Ltd shows lowest standard deviation of 0.01 per cent and it is found that total equity investment is unstable. The coefficient of variation of Provogue Ltd is the highest with 82.34 per cent, but for the Archies Ltd, Bombay Swadeshi Ltd, Paramount Cosmetics Ltd and Value Mart Retail Ltd, coefficient of variation is lower with value 0.01 per cent and it is found that there is more consistency in total equity investment compared to other retail companies. The Provogue Ltd has a positive compound annual growth rate of 0.37 per cent. Rest of the companies shows a negative compound annual growth rate on total equity investment.

Table 1 Company wise Total Equity Investment in the Select Retail Companies in India during the Pre - Inflow of FDI in 2001-2002 to 2005-2006 (In Percentage)

Year	Archies	Bata	Bombay Swadeshi	Heritage	Pantaloon	Paramount Cosmetics	Provogue	Shoppers Stop	Sun and Shine	Value Mart
2001-2002	6.51	25.71	0.63	10.8	13.32	4.85	2.37	26.3	6.56	0.93
2002-2003	6.51	25.71	0.63	10.78	17.32	4.85	2.5	26.3	6.92	0.93
2003-2004	6.51	25.71	0.63	9.99	18.18	4.85	2.5	26.47	6.92	0.93
2004-2005	6.51	32.13	0.63	9.99	19.14	4.85	12.15	27.42	10	0.93
2005-2006	6.51	32.13	0.63	9.99	22	4.85	16.2	27.42	10	0.93
Mean	6.51	28.28	0.63	10.31	17.99	4.85	7.14	26.78	8.08	0.93
SD	0.01	3.15	0.01	0.39	2.82	0.01	5.88	0.52	1.57	0.01
CV	0.01	11.12	0.01	3.8	15.66	0.01	82.34	1.96	19.47	0.01
CAGR	-0.80	-0.75	-0.80	-0.82	-0.67	-0.80	0.37	-0.79	-0.70	-0.80
Company wise Total Equity Investment in the Select Retail Companies in India during the Post - Inflow of FDI in 2006-2007 to 2010-2011										
2006-2007	6.51	32.13	0.91	11.53	29.35	4.86	20	34.83	10	0.93
2007-2008	6.76	32.13	0.99	11.53	29.35	4.86	20	34.83	10	0.93
2008-2009	6.76	32.13	0.99	11.53	31.86	4.86	23.28	34.86	10	0.93
2009-2010	6.76	32.13	0.99	11.53	38.06	4.86	22.87	34.87	10	0.93
2010-2011	6.76	32.13	0.99	11.53	41.23	4.86	22.87	34.91	50	0.96
Mean	6.71	32.13	0.96	11.22	33.48	4.86	21.62	34.77	18.00	0.94
SD	0.1	0.01	0.06	0.62	5.37	0.01	1.72	0.2	16.00	0.01
CV	1.49	0.01	6.25	5.49	16.05	0.01	7.97	0.57	88.89	1.28
CAGR	-0.79	-0.80	-0.76	-0.77	-0.69	-0.80	-0.76	-0.80	0.01	-0.79

Source: Compiled and Calculated from the data published in CMIE

In the post-period the average total equity investment shows a fluctuating trend during the study period. This fluctuation indicates that FDI has highly influenced on equity Investment of select retail Companies. The Shoppers Stop has the highest

average total equity investment of 34.77 per cent. The Value Mart retail Ltd has the lowest average investment of 0.94 per cent. The Sun and Shine Ltd has the highest standard deviation of 16.00 per cent. The total equity investment of Archies Ltd, Bata Ltd, Paramount Cosmetics Ltd and Value Mart Retail Ltd has the lowest standard deviation of 0.01 per cent and it is found that total equity investment is varying. The Sun and Shine Ltd has the highest coefficient of variation of 88.89 per cent, The Bata Ltd and Paramount Cosmetics Ltd have the lowest coefficient of 0.01 per cent and it is found that there is more stability in total equity investment when compared to other retail companies. The Sun and Shine Ltd has a positive compound annual growth rate of 0.01 per cent. Rest of the companies shows a negative compound annual growth rate on total equity investment.

Indian Equity Investment in Select Retail Companies

Table 2 Companywise Indian Equity Investment in the Select Retail Companies in India during the Pre-Inflow of FDI in 2001-2002 to 2005-2006 (In Percentage)

Year	Archies	Bata	Bombay Swadeshi	Heritage	Pantaloon	Paramount Cosmetics	Provogue	Shoppers Stop	Sun and Shine	Value mart
2001-2002	5.02	19.80	0.49	8.32	10.26	3.74	1.83	20.26	5.06	0.72
2002-2003	5.02	19.80	0.49	8.31	13.34	3.74	1.93	20.26	5.33	0.72
2003-2004	5.02	19.80	0.49	7.70	14	3.74	1.93	20.39	7.70	0.72
2004-2005	5.02	24.75	0.49	7.70	14.74	3.74	5.85	21.12	7.70	0.72
2005-2006	5.02	24.75	0.49	7.70	16.94	3.74	12.48	21.12	7.70	0.72
Mean	5.02	21.78	0.49	7.95	13.86	3.74	4.80	20.63	6.70	0.72
SD	0.01	2.42	0.01	0.30	2.17	0.01	4.13	0.40	1.23	0.01
CV	0.01	11.13	0.01	3.79	15.65	0.01	86.02	1.95	18.37	0.01
CAGR	-0.80	-0.75	-0.80	-0.81	-0.67	-0.80	0.36	-0.79	-0.70	-0.80
Company wise Indian Equity Investment in the Select Retail Companies in India during the Post - Inflow of FDI in 2006-2007 to 2010-2011										
2006-2007	5.02	24.75	0.65	7.7	20.7	3.75	14.71	26.37	7.7	0.72
2007-2008	5.21	24.75	0.77	8.88	22.6	3.75	15.4	26.82	7.7	0.72
2008-2009	5.21	24.75	0.77	8.88	24.53	3.75	17.93	26.85	7.7	0.72
2009-2010	5.21	24.75	0.77	8.88	29.31	3.75	17.61	26.85	7.7	0.72

2010-2011	5.21	24.75	0.77	8.88	31.75	3.75	17.61	26.85	38.5	0.74
Mean	5.17	24.75	0.75	8.64	25.78	3.75	16.65	26.75	13.86	0.72
SD	0.08	0.01	0.05	0.47	4.14	0.01	1.33	0.19	12.32	0.01
CV	1.47	0.01	6.43	5.46	16.05	0.01	7.97	0.71	88.89	1.10
CAGR	-0.79	-0.80	-0.76	-0.77	-0.69	-0.80	-0.76	-0.80	0.10	-0.79

Source: Compiled and Calculated from the data published in CMIE

Table 2 reveals the Indian Equity investment of select retail companies in India during the pre and post period of FDI inflow from 2001-2002 to 2010-2011. The average Indian equity investment shows a fluctuating trend during the study period. This fluctuation indicates the insufficient of the company's equity investment. During the pre-period the Bata India Ltd has the highest average investment of 21.78 per cent. The Bombay Swadeshi Ltd has the lowest average investment of 0.49 per cent. The Provogue Ltd has the highest standard deviation of Indian equity investment of 4.13 per cent whereas the Archies Ltd, Bombay Swadeshi Ltd, Paramount Cosmetics Ltd and Value Mart Retail Ltd have the lowest standard deviation of 0.01 per cent and it is found to be unstable. The Provogue Ltd has the highest coefficient with 86.02 per cent, but for the Archies Ltd, Bombay Swadeshi Ltd, Paramount Cosmetics Ltd and Value Mart Retail Ltd have the lowest coefficient of investment of 0.01 per cent and it is found that there is more consistency when compared to other retail companies. The Provogue Ltd has the positive compound annual growth rate of 0.36 per cent. Rest of the companies shows the negative compound annual growth rate on Indian equity investment.

In the post-period the average Indian equity investment shows a fluctuating trend during the study period. This fluctuation indicates that FDI has more investment on equity of select retail Companies in India. The Shoppers Stop has the highest average Indian equity investment of 26.75 per cent. The Value Mart retail Ltd has the lowest average investment of 0.72 per cent. The Sun and Shine Ltd has the highest standard deviation of 12.32 per cent. Whereas the Bata Ltd, Paramount Cosmetics Ltd and Value Mart Retail Ltd have the lowest standard deviation of 0.01 per cent and it is found to be unstable. The Sun and Shine Ltd has the highest coefficient of 88.89 per cent, The Bata Ltd and Paramount Cosmetics Ltd have the lowest coefficient of 0.01 per cent and it is found that there is more consistency in Indian equity investment compared to other retail companies. The Sun and Shine Ltd has the positive compound

annual growth rate of 0.10 per cent. Rest of the companies shows the negative compound annual growth rate on Indian equity investment.

Foreign Equity Investment in Select Retail Companies

Table 3 observed the foreign equity investment of select retail companies in India during the pre and post period of FDI inflow from 2001-2002 to 2010-2011. The average foreign equity investment shows a fluctuating trend during the study period. This fluctuation indicates that lowest investment capabilities on foreign equity capital in retail companies. During the pre-period the Shoppers Stop has the highest average investment of 6.15 per cent. The Bombay Swadeshi Ltd has the lowest average investment of 0.14 per cent. The Provogue Ltd has the highest standard deviation of 1.35 per cent whereas the Archies Ltd, Bombay Swadeshi Ltd, Paramount Cosmetics Ltd and Value Mart Retail Ltd have the lowest standard deviation of 0.01 per cent and it is found to be instable. The Provogue Ltd has the highest coefficient of 82.58 per cent, The Archies Ltd, Bombay Swadeshi Ltd, Paramount Cosmetics Ltd and Value Mart Retail Ltd have the lowest coefficient of 0.01 per cent and it is found that there is more consistency when compared to other retail companies. The Provogue Ltd has the positive compound annual growth rate of 0.38 per cent. Rest of the companies shows the negative compound annual growth rate on foreign equity investment

In the post-period the average foreign equity investment shows a fluctuating trend during the study period. This fluctuation indicates that FDI has more investment on equity of select retail Companies in India. The Shoppers Stop has the highest average foreign equity investment of 7.99 per cent. The Bombay Swadeshi retail store and Value Mart retail Ltd has the lowest average investment of 0.21 per cent. The Sun and Shine Ltd has the highest standard deviation of 3.68 per cent. Whereas the Bata Ltd, Bombay Swadeshi Ltd, Paramount Cosmetics Ltd and Value Mart Retail Ltd have the lowest standard deviation of 0.01 per cent and it is found to be unstable. The Sun and Shine Ltd has the highest coefficient of 88.89 per cent, The Bata Ltd and Paramount Cosmetics Ltd have the lowest coefficient of 0.01 per cent and it is found that there is more consistency compared to other retail companies. The Sun and Shine Ltd has the positive compound annual growth rate of 0.01 per cent. Rest of the companies shows the negative compound annual growth rate on foreign equity investment.

Table 3 Companywise Foreign Equity Investment in the Select Retail Companies in India during the Pre-Inflow of FDI in 2001-2002 to 2005-2006 (In Percentage)

Year	Archies	Bata	Bombay Swadeshi	Heritage	Pantaloon	Paramount Cosmetics	Provogue	Shoppers Stop	Sun and Shine	Value mart
2001-2002	1.49	5.91	0.14	2.48	3.06	1.11	0.54	6.04	1.5	0.21
2002-2003	1.49	5.91	0.14	2.47	3.98	1.11	0.57	6.04	1.59	0.21
2003-2004	1.49	5.91	0.14	2.29	4.18	1.11	0.57	6.08	1.59	0.21
2004-2005	1.49	7.38	0.14	2.29	4.4	1.11	2.79	6.3	2.3	0.21
2005-2006	1.49	7.38	0.14	2.29	5.06	1.11	3.72	6.3	2.3	0.21
Mean	1.49	6.50	0.14	2.36	4.14	1.11	1.64	6.15	1.86	0.21
SD	0.01	0.72	0.01	0.09	0.65	0.01	1.35	0.12	0.36	0.01
CV	0.01	11.08	0.01	3.84	15.70	0.01	82.58	1.98	19.61	0.01
CAGR	-0.80	-0.75	-0.80	-0.82	-0.67	-0.80	0.38	-0.79	-0.69	-0.80
Company wise Foreign Equity Investment in the Select Retail Companies in India during the Post - Inflow of FDI in 2006-2007 to 2010-2011										
2006-2007	1.49	7.38	0.19	2.29	6.18	1.11	4.39	7.9	2.3	0.21
2007-2008	1.55	7.38	0.22	2.65	6.75	1.11	4.6	8.01	2.3	0.21
2008-2009	1.55	7.38	0.22	2.65	7.33	1.11	5.35	8.01	2.3	0.21
2009-2010	1.55	7.38	0.22	2.65	8.75	1.11	5.26	8.02	2.3	0.21
2010-2011	1.55	7.38	0.22	2.65	9.48	1.11	5.26	8.02	11.5	0.22
Mean	1.54	7.38	0.21	2.58	7.70	1.11	4.97	7.99	4.14	0.21
SD	0.02	0.01	0.01	0.14	1.23	0.01	0.4	0.05	3.68	0.01
CV	1.56	0.01	5.61	5.59	16.04	0.01	7.97	0.58	88.89	1.89
CAGR	-0.79	-0.80	-0.77	-0.77	-0.69	-0.80	-0.76	-0.80	0.01	-0.79

Source: Compiled and Calculated from the data published in CMIE

Total Equity Investment of Select Retail Companies

H₀₁: There is no significant impact on total equity inflows of pre and post period foreign equity investment (FDI) in select retail companies in India.

It is observed from the table 4, the total equity inflow of select retail companies in India from 2001-2002 to 2010-2011. The result shows that the p-value of Bombay Swadeshi retail store, Pantaloon Retail shop, Paramount Cosmetics Ltd and Provogue Retail shop Ltd is less than the 0.05 level of significance. Hence, the hypothesis is rejected. Thus, it can be inferred that there is a significant impact on total equity in pre and post period of FDI. The Archies Ltd, Bata India Ltd, Heritage Ltd, Shopper Stop Ltd, Sun Shine Ltd and Value Mart Retail Ltd are having p- value greater than the 0.05 level of significance. Hence, the hypothesis is accepted. Thus, it can be implied that there is no significant impact on total equity in pre and post period of FDI.

Table 4 Total equity inflow of select retail companies in India from 2001-2002 to 2010-2011

Company Name	Before FDI	After FDI	Mean Different	S.D	t	Sig. (2-Tailed)	S/Ns
Archies	6.51	6.71	-0.20	.11	-4.00	0.16	NS
Bata	28.28	32.13	-3.85	3.51	-2.44	0.07	NS
Bombay Swadeshi	0.63	0.96	-0.34	0.03	-21.50	0.00	S
Heritage	10.31	11.22	-1.22	.43	-6.22	0.33	NS
Pantaloon	17.99	33.48	-15.97	3.16	-11.28	0.00	S
Paramount Cosmetics	4.85	4.86	-14.66	5.78	-5.67	0.05	S
Provogue	7.14	21.62	-8.07	.55	-32.36	0.00	S
Shoppers Stop	26.78	34.77	-9.92	16.87	-1.31	0.25	NS
Sun and Shine	8.08	18	-.006	.01	-1.00	0.37	NS
Value Mart	0.93	0.94	-.00	.008	-1.00	3.74	NS

Source: Compiled and Calculated from the data published in CMIE
S-Significant, NS- Not Significant at 5 per cent level of significance

Indian Equity Investment of Select Retail Companies-

H₀₂: There is no significant impact on Indian equity inflows of pre and post period foreign equity investment (FDI) in select retail companies in India.

Table 5 reveals that the Indian equity inflow of select retail companies in India from 2001-2002 to 2010-2011. The result shows that the p-value of Bata India Ltd, Heritage Food India Ltd, Shoppers Stop and Sun and Shine Ltd is having p- value greater than the 0.05 level of significance. Hence the hypothesis is accepted. Thus, it

can be implied that there is no significant impact on total equity in pre and post period of FDI. The Archies Ltd, Bombay Swadeshi retail store, Pantaloon Retail shop, Paramount Cosmetics Ltd, Provogue Retail shop Ltd and Value Mart retail Ltd is less than the 0.05 level of significance. Hence, the hypothesis is rejected. Thus, it can be inferred that there is a significant impact on total equity in pre and post period of FDI.

Table 5 Indian equity inflow of select retail companies in India from 2001-2002 to 2010-2011

Company Name	Before FDI	After FDI	Mean Different	S.D	t	Sig- (2-Tailed)	S/Ns
Archies	5.02	5.17	-.15	.08	-4.00	.01	S
Bata	21.78	24.75	-2.97	2.71	-2.44	.07	NS
Bombay Swadeshi	0.49	0.75	-.25	.05	-10.66	.00	S
Heritage	7.95	8.64	-.69	.78	-1.99	.11	NS
Pantaloon	13.86	25.78	-11.92	2.57	-10.34	.00	S
Paramount Cosmetics	3.74	3.75	-11.84	4.06	-6.51	.00	S
Provogue	4.8	16.65	-6.11	.39	-34.93	.00	S
Shoppers Stop	20.63	26.75	-7.16	13.27	-1.20	.29	NS
Sun and Shine	6.7	13.86	-.00	.00	-1.00	.37	NS
Value Mart	0.72	0.72	-.15	.08	-4.00	.01	S

Source: Compiled and Calculated from the data published in CMIE
S-Significant, NS- Not Significant at 5 per cent level of significance

Foreign Equity Investment of Select Retail Companies

Table 6 shows the Company wise Foreign Equity Investment in the Select Retail Companies in India during the Pre - Inflow of FDI in 2001-2002 to 2010-2011.

H₀₃: There is no significant impact on foreign equity inflows of pre and post period foreign equity investment (FDI) in select retail companies in India.

From table 6 indicates the foreign equity inflow of select retail companies in India from 2001-2002 to 2010-2011. The result shows that the p-value of Archies Ltd, Bombay Swadeshi retail store, Pantaloon Retail shop, Paramount Cosmetics Ltd, Provogue Retail shop Ltd and Value Mart Retail Ltd is less than the 0.05 level of significance. Hence, the hypothesis is rejected. Thus, it can be inferred that there is a significant impact on total equity in pre and post period of FDI. The Bata India Ltd, Heritage Ltd, Shopper Stop Ltd and Sun Shine Ltd are having p- value greater than the 0.05 level of significance. Hence, the hypothesis is accepted. Thus, it can be implied that there is no significant impact on total equity in pre and post period of FDI.

Table 6 Foreign of select retail companies in India from 2001-2002 to 2010-2011

Company Name	Before FDI	After FDI	Mean Different	S.D	t	Sig. (2-Tailed)	S/Ns
Archies	1.49	1.54	-.04	.02	-4.00	.01	S
Bata	6.5	7.38	-.88	.80	-2.44	.07	NS
Bombay Swadeshi	0.14	0.21	-.07	.01	-12.33	.00	S
Heritage	2.36	2.58	-.21	.23	-2.00	.11	NS
Pantaloon	4.14	7.7	-3.56	.76	-10.39	.00	S
Paramount Cosmetics	1.11	1.11	-3.33	1.30	-5.71	.00	S
Provogue	1.64	4.97	-1.84	.11	-35.34	.00	S
Shoppers Stop	6.15	7.99	-2.28	3.87	-1.31	.25	NS
Sun and Shine	1.86	4.14	-.00	.00	-1.00	.37	NS
Value Mart	0.21	0.25	-.05	.02	-4.50	.02	S

Source: Compiled and Calculated from the data published in CMIE
S-Significant, NS- Not Significant at 5 per cent level of significance

Policy For Implication And Conclusion

The performance of FDI in retail sector and the company-wise equity investment is satisfactory during the study period and also the FDI has highly influenced on Indian and foreign equity investment in select retail companies in India. This can be reflected in the change of Indian traditional market into new formats such as departmental stores, hypermarkets, super markets and specialty stores in India. Hence, the study concludes that FDI is essential for Indian retail sector for sustaining modern market facilities and support huge investment avenues. In order to encourage the foreign investment, Government also should provide special investment privileges, tax exemptions, incentive to gain tariff-free access to the Indian markets to grow and attract more foreign equity investments in future.

REFERENCE:

- “*The Indian Retail the Next Growth Story*”, KPMG, 2014.
 Anusha Chari and Madhav Rahavan (2011), “*Foreign Direct Investment in India’s Retail Bazaar: Opportunities and Challenges*”, <http://www.unc.edu/~achari/retail.pdf>.
 Janardhan and Feroz Zaheer,(2006) “*FDI in Retail The Big Push*”, Chartered Financial Analyst, April, P 25.

- Manikandan. M.K.M., (2012), “***Factors influencing Consumers on shopping in a mall based store- An Empirical Study***”, International Journal of Marketing and Technology (IJMT), Vol.2, Issue-6, June, Pp. 158-166.
- Moloy Ghoshal (2014) “***Impact of foreign direct investment on unorganized retail sector of India- A research report***”, The SIJ Transactions on Industrial Financial and Business Management (IFBM), Vol.2, No-1, January-February, Pp. 1-8.
- Naganathan Venkatesh, (2013), “***Indian Retail Industries Market analysis: Issues, Challenges and its Opportunity for the 21st Century***”, international Journal of Application or Innovation in Engineering and Management (IJAIEM), Vol.2, Issue12, December, pp.164-174
<http://www.ijaiem.org/volume2issue12/IJAIEM-2013-12-20-050.pdf>.
- Secondary data retrieved from the: ***Centre for Monitoring Indian Economy (CMIE) data base.***