ABSTRACT
FDI in retail sector, especially multi brand retail, has been a much debated issue since the government has passed the law. There are supports to this move of government on grounds of it being beneficial for farmers, consumers and other stakeholders. The issue note suggests that with the instruments of public policy in its hands, government should allow FDI in retail but can slow down its process and should not leave everything on foreign players in retail.

Keywords---- Retailer, FDI, Growth and Trend

I. INTRODUCTION
Retail comes from the Old French word tailer (compare modern French retailler), which means "to cut off, clip, pare, divide" in terms of tailoring (1365). It was first recorded as a noun with the meaning of a "sale in small quantities" in 1433 (from the Middle French retail, "piece cut off, shred, scrap, paring"). Like the French, the word retail in both Dutch and German (detaillandel and Einzelhandel, respectively) also refers to the sale of small quantities of items. Retail consists of the sale of physical goods or merchandise from a fixed location, such as a department store, boutique or kiosk, or by mall, in small or individual lots for direct consumption by the purchaser. Retailing may include subordinated services, such as delivery.

Purchasers may be individuals or businesses. In commerce, a "retailer" buys goods or products in large quantities from manufacturers or importers, either directly or through a wholesaler, and then sells smaller quantities to the end-user. After farming, retailing is India’s major occupation. It employs 40 million people. A sizeable majority of owner/employees are in the business because of lack of other opportunities. The decade of liberalisation has so far been one of jobless growth. It is no wonder that retail has become there fuge of these millions. Lopsided economic development is transforming India from an agrarian economy directly to a service oriented post-industrial society. Even though organized retail sector in India is at the infant stage, India has today become a budding target for FDI.

India today offers the most persuasive investment opportunity for mass merchants and food retailers looking to expand overseas as Indian economy is growing at a rapid pace with consumers having high purchasing power. With a robust economy experiencing unrelenting growth, India has exerted a pull and an irresistible enticement to companies looking to expand their scope of operations. FDI is a sturdy source for the intensification of retailing and will create enormous opportunities for innovation in retail sector in India but at the same time it is quite likely that a section of the domestic retailing industry will be severely hurt due to the entry of foreign retailers. In this paper researchers have tried to accentuate both the thoughts in detail and concluded the most constructive view on FDI in Indian retailing

II. REVIEW OF LITERATURE
Retail modernization: Retail modernization in developing countries and its effect on the broader food system has been a major focus of research since the early 2000s. The most visible banner for this work has been the supermarket revolution. Supermarkets existed in Latin America from at least the 1960s, but began to grow much more rapidly in that region during the economic boom and opening to Foreign Direct Investment (FDI) of the 1990s. Growth began later in East/Southeast Asia and Central Europe, followed by selected countries of Africa (Reardon et al, 2004). This growth, together with new procurement practices that the firms work to apply, has lead to a rash of studies attempting to document and anticipate the impacts of these firms on existing actors in the food system, and to draw policy implications for governments and donors. In India, market reform and opening to FDI, along with prospects for 7% yearly growth in retail sales in a market of 1.2 billion people have generated billions of dollars of planned investment in supermarkets by local and multinational firms, including Wal-Mart and Carrefour. Yet supermarket shares in India are currently very low (around 2%), due to the country's massive and complex small retail commerce.
sector. Supermarkets there face the 20/20/20 challenge: they must grow their food sales by 20% a year for 20 years just to reach a 20% market share. Such unprecedented growth would still leave more traditional channels holding 80% of the food market.

III. GROWTH AND TREND OF INDIAN RETAILING

In the year 1997, 100% FDI was permitted in cash and carry wholesale trading. Indian government announced a number of reforms in the process of liberalization of the economy. Since its inception there has been a remarkable surge in the FDI inflows in the country. There was retail business of 201, 204, 238, 278, 321, 368 and 421 billion $ in the year 1998, 2000, 2004, 2008 and 2010 respectively. (Kearney) Turnover and trend of retailing is shown in following table

Table: I. Future Turnover and Share of Retailing in India (crore Rupees)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Retailing turnover</th>
<th>*Growth over last year, in %</th>
<th>Organised sector turnover</th>
<th>Growth over last year, in %</th>
<th>Market share in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>23,35,000</td>
<td>10.82</td>
<td>7,500</td>
<td>25.00</td>
<td>8</td>
</tr>
<tr>
<td>2012</td>
<td>26,40,000</td>
<td>12.10</td>
<td>2,200</td>
<td>25.71</td>
<td>9</td>
</tr>
<tr>
<td>2013</td>
<td>29,50,000</td>
<td>11.74</td>
<td>2,750</td>
<td>25.00</td>
<td>11</td>
</tr>
<tr>
<td>2014</td>
<td>32,65,000</td>
<td>10.67</td>
<td>3,450</td>
<td>25.45</td>
<td>12</td>
</tr>
<tr>
<td>2015</td>
<td>36,25,000</td>
<td>11.02</td>
<td>4,250</td>
<td>23.18</td>
<td>13</td>
</tr>
<tr>
<td>2016</td>
<td>39,95,000</td>
<td>10.20</td>
<td>5,300</td>
<td>24.70</td>
<td>14</td>
</tr>
<tr>
<td>2017</td>
<td>44,95,000</td>
<td>12.51</td>
<td>6,700</td>
<td>26.41</td>
<td>15</td>
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<tr>
<td>2018</td>
<td>30,35,000</td>
<td>12.01</td>
<td>8,400</td>
<td>25.37</td>
<td>17</td>
</tr>
<tr>
<td>2019</td>
<td>36,15,000</td>
<td>11.51</td>
<td>10,500</td>
<td>25.00</td>
<td>19</td>
</tr>
<tr>
<td>2020</td>
<td>62,40,000</td>
<td>11.13</td>
<td>13,000</td>
<td>24.76</td>
<td>21</td>
</tr>
</tbody>
</table>

(Source: Verendra Talegaonkar, Lonkat, Mumbai, 9/12/2011, pp. 11.) *# compiled by researchers.

IV. FDI POLICY WITH REGARD TO RETAILING IN INDIA

It will be prudent to look into Press Note 4 of 2006 issued by DIPP and consolidated FDI Policy issued in October 2010 which provide the sector specific guidelines for FDI with regard to the conduct of trading activities. a) FDI up to 100% for cash and carry wholesale trading and export trading allowed under the automatic route. b) FDI up to 51% with prior Government approval (i.e. FIPB) for retail trade of ‘Single Brand’ products, subject to Press Note 3 (2006 Series) c) FDI is not permitted in Multi Brand Retailing in India.

V. FDI IN MULTI BRAND RETAIL

The government has also not defined the term Multi Brand. FDI in Multi Brand retail implies that a retail store with a foreign investment can sell multiple brands under one roof. In July 2010, Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce circulated a discussion paper on allowing FDI in multi-brand retail. The paper doesn’t suggest any upper limit on FDI in multi-brand retail. If implemented, it would open the doors for global retail giants to enter and establish their footprints on the retail landscape of India. Opening up FDI in multi-brand retail will mean that global retailers including Wal-Mart, Carrefour and Tesco can open stores offering a range of household items and grocery directly to consumers in the same way as the ubiquitous ‘kirana’ store.

VI. ADVANTAGES AND DISADVANTAGES

Advantages
- Increase economic growth by dealing with different international products
- 1 million (10 lakh) employment will create in three years - UPA Government
- Billion dollars will be invested in Indian market
- Spread import and export business in different countries
- Agriculture related people will get good price of their goods

Disadvantages
- Will affect 50 million merchants in India
- An economically backward class person suffers from price raise
- Retailer faces loss in business
- Market places are situated too far which increases traveling expenses
- Workers safety and policies are not mentioned clearly
- Inflation may be increased
- Again India become slaves because of FDI in retail sector
- Profit distribution, investment ratios are not fixed
VII. CONCLUSION

The retail market in India offers an opportunity for large player to operate in retail business spanning multiple categories. Little wonder that large domestic business houses and international retailers have expressed a keen interest to enter the retail sector in India. To capitalize on the opportunity, however, players need to be aggressive in outlook and build scale quickly. FDI in retail will have a far-reaching impact on various aspects of the economy. If rolled out in phases and with proper checks and balances, it will give a boost to the economy. Customers will get a wide assortment of quality goods at reasonable prices. They will be able to buy the best brands across various categories. Large investments in infrastructure would lead to a rise in farm productivity, manufacturing and food processing as well as cold storage facilities. This would cut down wastage and spur growth in employment, exports and GDP. It can also help revive the textile and handicrafts sector. With appropriate controls in place, our exports can double in three years. The introduction of technology and good management practices will improve product availability, reduce wastage and improve quality and customer satisfaction. China is an example of successful execution of FDI in retail in a phased manner. After FDI in retail, Chinese retailers still hold a majority of retail share. The number of small retailers has doubled. Also, exports and GDP growth has continued unabated in that country. China continues to dominate global trade through large-scale FDI investment in the country. So it can be concluded that FDI is a double edged sword which if not handled well can harm the Indian economy and if handled well can act as a panacea for economy.

REFERENCES

[5] Economic times
[6] Mint newspaper