Domestic Resilience in the Face of Global Competition: A Comparative Stock Price Analysis of Indian Companies and Foreign subsidiaries

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1. Abstract:

This study examines whether domestic Indian firms demonstrate greater resilience and competitiveness relative to foreign subsidiaries operating within the same industry, using stock price performance as the basis for comparison. Five sector pairs are analyzed: Britannia vs. Nestlé India (FMCG), Mahindra & Mahindra vs. Maruti Suzuki (Automobile), Bharti Airtel vs. Vodafone Idea (Telecom), Asian Paints vs. Kansai Nerolac (Paints), and Dr. Reddy's Laboratories vs. Pfizer India (Pharmaceuticals). Using daily NSE closing-price data spanning FY2021-22 to FY2025-26, the study computes yearly average price, mean monthly return, standard deviation, coefficient of variation, compound annual growth rate (CAGR), and Sharpe ratio for each firm, within an exploratory, descriptive research design grounded in the Efficient Market Hypothesis. The findings show that domestic firms recorded higher CAGR and mean monthly returns than their MNC counterparts in all five sectors studied, with lower volatility in four of the five sectors. Telecom emerged as the strongest case of domestic resilience on both return and risk, with Bharti Airtel substantially outperforming Vodafone Idea on every metric, while Automobile was the only sector where the domestic firm's return advantage came with marginally higher volatility. The Paints sector showed relative rather than absolute resilience, with the domestic firm recording smaller losses rather than outright growth. These results provide firm-level empirical evidence in support of the domestic resilience narrative within the Indian equity market, suggesting that domestic firms across a range of industries have been able to compete effectively and in these cases outperform their multinational counterparts on a risk-adjusted basis.

Keywords: domestic resilience, foreign subsidiaries, comparative analysis, stock price analysis, mean return, volatility, Compound Annual Growth Rate, standard deviation, coefficient of variation, Sharpe ratio

2. INTRODUCTION:

The introduction of Multinational competition has fundamentally altered the market landscape of the Indian economy, raising a critical question that has occupied researchers and investors for the past many decades - Have Indian Companies demonstrated resilience in the face of intensifying global competition? **(Ruhela and Banerjee, 2014)**

For the purpose of this study, a domestic company will be defined based on the **Companies Act, 2013** "An Indian domestic company is defined as a company incorporated in India whose ownership and management control rests primarily with Indian nationals or Indian institutional entities, as opposed to foreign-controlled enterprises." **(Ministry of Corporate Affairs, 2013).**

A foreign subsidiary can be defined - "A Foreign Subsidiary Company is an Indian company incorporated under the **Companies Act, 2013**, in which a foreign company controls the composition of the Board of Directors. A subsidiary incorporated in India is treated as a domestic company for taxation and compliance purposes, though it remains controlled by its foreign parent." **(Ministry of Corporate Affairs, 2013).**

India has been recognized as a country with immense market potential due to its consumer driven economy. Despite the pro-business environment there are several challenges faced by MNC's when trying to establish their business in this market. **(Ramachandran, 2000).**

This occurs due to changing demand patterns, diverse audience segments and a consumer mindset that looks for low budget, good quality and long lasting products.**(Majumdar, 2010, 2007)** Despite these challenges, MNC's which are usually characterized with extensive financial backing and heavy branding strategies manage to create their own presence in the market while actively competing with domestic giants , often creating a neck to neck rivalry. Few of the classic examples of MNC's that are performing exceptionally well in India are Apple, Microsoft, Nestle, CITI group, Coca-Cola, Sony corporations, IBM, Google.(**Tigari and Chandrashekhar, 2019)**

However, it has been observed that there are several examples of domestic companies who have dominated their industries with an innovative approach and customer is king mindset**(Singh and Wagner, 2019)**, even when being faced with multi-national competition. Examples being Tata Group, Reliance Industries, Infosys, Zomato, Rapido, Airtel, Godrej, Bajaj. Therefore, this study aims at assessing the resilience demonstrated by select Indian Companies against foreign subsidiaries. For this purpose, examples of domestic companies and foreign subsidiary companies across 5 different sectors have been taken to compare and analyze the stock price fluctuations along with mean returns, the stock volatility (Standard deviation) and per unit measures (Coefficient-variance), Compound Annual Growth Rate (CAGR) and Sharpe ratio (risk adjusted returns).

3. LITERATURE REVIEW:

There has been a long standing debate about the performance of domestic companies and MNC subsidiaries in the Indian market. **Ruhela and Banerjee, 2014**
The Indian market is one of the most dynamic and competitive business environments globally, shaped by a large and diverse consumer base and rapidly evolving demand patterns. Ramachandran, 2000 Several studies have used stock market data along with financial statements of companies for comparative analysis. The relationship between stock prices and a company's underlying financial position is grounded in the Efficient Market hypothesis, the semi strong form of this hypothesis depicts that stock prices fluctuate on the basis of all the financial data revealed by a company to the public affecting the investor mindset based on asset pricing and financial statements of the company along with larger economic factors. This makes comparative analysis of stock prices a credible method for assessing firms within the same sector. **Fama, 1970**
In addition to this statement, sector specific studies have been conducted comparing domestic Indian companies along with their foreign competitors. In the FMCG sector, it was found that Nestle, a foreign subsidiary, was one of the most reliable companies for long term investment as it gives good returns and is less volatile. **Patil and Jadhav, 2019** In the Automobile sector, Maruti Suzuki, an Indian brand, had occupied a large market share and dominated several other international competitors. **Mattoo, 2026** In the telecom industry, the entry of Jio by Reliance industries, an Indian giant has disrupted the market, causing the market share of existing competitors to fall leading to some foreign companies exiting the market entirely. **Barot and Japee, 2021** In the domestic paints sector, Asian paints was considered one of the best companies among the other select paint companies, with a rival of Kansai Nerolac whose values were compared on the basis of profit ratio, return on assets and return on equity etc. **Rajender, 2020**.In the Pharmaceutical industry, the coexistence of domestic and foreign firms with competitive attitudes was discovered and considered beneficial for the Indian economy. An analysis of the historical data shows multiple patterns in the profitability and volatility of stocks belonging to domestic and foreign companies. **Bhattacharyya and Chatterjee, 2025**.
In these researches, there are several notable gaps emerging from the existing literature. The majority of these studies are based on historical data covering a period before 2020, not providing insights about how domestic and foreign companies have performed in recent years. Another observation was that most of the research analysed companies which operated in the same single sector. This restricts the findings to only a single sector, not providing any generalisation for the broad Indian market. Most of the literature depicts multi-national competition primarily as a disruptive force, comparatively little research has been done on the counter-narrative where Indian companies successfully held their ground against multinational competitors, preserving their market position in key industries. The present study addresses these gaps by extending the case study examples each in a different sector

across 5 sectors which are FMCG, Automobile, Telecom, Paints, & Pharma, using consistent stock price analysis and returns based comparison rather than confining to a single sector. It utilizes a time frame which captures stock price behaviour over a period of 5 recent years, with a focus on examples that highlight domestic companies which have remained resilient when faced with Foreign subsidiary competition in the dynamic Indian market.

4. RESEARCH OBJECTIVES:

- To assess the Indian Companies which have demonstrated resilience in the face of intensifying global competition and showcase corresponding examples.
- To compare and analyse stock price movements of the selected companies across 5 sectors in order to assess resilience.
- To evaluate the companies on both risk and return driven metrics for comparison.

5. RESEARCH METHODOLOGY:

This study takes a descriptive and exploratory research design and is quantitative in nature. It is exploratory in the sense that focuses on relatively undermined comparison between the domestic and foreign subsidiary companies operating in the same sector. While this is also a descriptive paper in situations where it compares the stock price behaviour with secondary data from NSE (National Stock Exchange), where we calculate the central tendencies, standard deviation, coefficient of variance, CAGR and Sharpe ratio.

The structure of this study is based on an efficient capital market **(Fama, 1970)**, which says stock prices reflect all information, to showcase how the market perceives each company's resilience and competitive positioning.

5.1Sampling method:

This study follows a Stratified and Random sampling method. For this we have taken one Domestic company and one foreign subsidiary company from 5 different sectors on the basis of prominence in the Indian market and listing on NSE/BSE. The following is the sample size of the data:

Sectors	**Domestic company**	**Foreign company**
FMCG	Britannia industries	Nestle India
Automobile	Mahindra & Mahindra (M&M)	Maruti Suzuki (MS)
Telecom	Bharti Airtel	Vodafone Idea (VI)
Paints	Asian paints	Kansai Nerolac
pharmaceuticals	Dr Reddy's	Pfizer

5.2 Data sources:

- This research is wholly based on secondary data sources.
- Historical stock prices taken from NSE
- Verified by google finance

5.3 Period of study:

- This study covers a period of 5 years from April 2021 - March 2026

5.4Statistical Tools:
For this study we have used Excel for statistical analysis and Power BI for visualization.

6. Data Analysis & Findings:

6.0 Overview:

This section presents a comparative analysis of stock price performance between selected Indian domestic companies and their multinational counterparts across five sectors over the study period April 2021 to March 2026. The analysis is structured sector-wise, with each sector examined through two visualizations, a monthly average price trend chart and an average returns chart, followed by a statistical summary table presenting the statistics. The data analysis uses the closing prices of stocks on a daily basis, calculating monthly average prices and returns, finally average yearly prices, average returns, standard deviation, Coefficient of Variation, CAGR and Sharpe ratio.

6.1 Sector wise analysis

6.1.1 FMCG SECTOR : BRITANNIA VS NESTLE

Britannia Industries Limited, is one of India's oldest and most recognized domestic food companies, primarily known for its biscuits, dairy, and bakery products**(Bagchi, 2023)**. Nestlé India Limited, a subsidiary of Swiss multinational Nestlé S.A, competes in the packaged foods segment with products spanning dairy, confectionery, and beverages**(Nagarajan and Prabhakaran, 2013)**. Both companies are among the most prominent players in India's FMCG sector and are actively listed on the NSE and BSE.

In January 2024, Nestle went through a stock split of 1:10, which showed a false plummet of the prices. To account for this, the prices before the split have been adjusted by a factor of 0.1.

The following figure 1.1 depicts the monthly averages of daily closing prices over the span of 5 financial years.

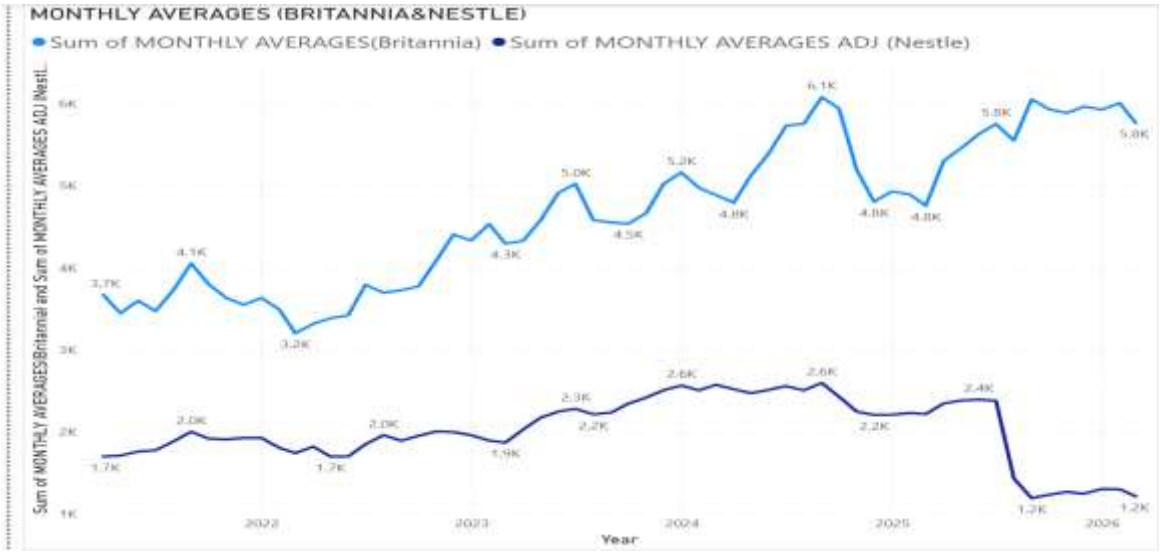


Fig 1.1(Source: NSE data)

The following figure 1.2 depicts the yearly averages of returns of both companies.

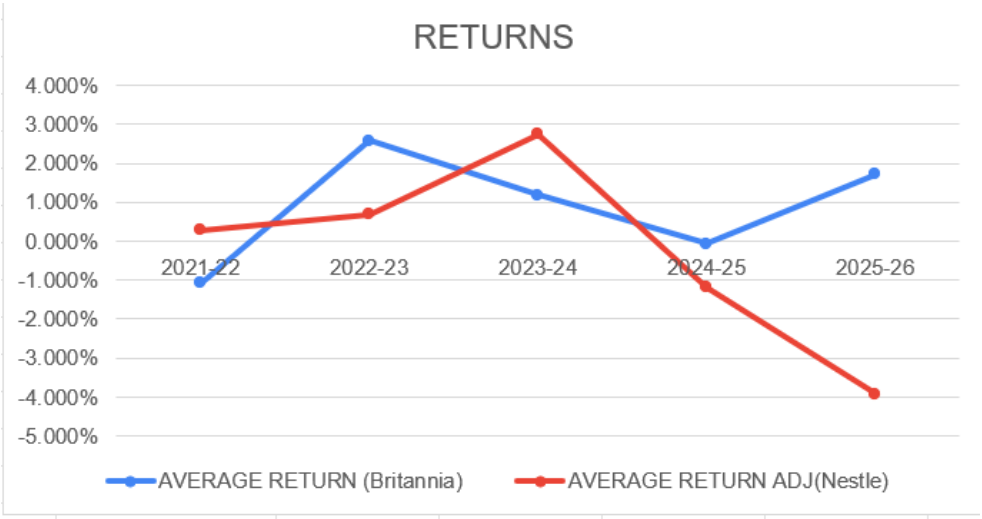


Fig 1.2(Source: NSE data)

The following figure 1.3 depicts all the statistical measures of both companies.

Measure	BRITANNIA	NESTLE
Standard Deviation	5.173%	6.831%
Mean return	0.900%	-0.29%
Co-efficient of variation	5.75%	-23.81%
CAGR	9.85%	-2.25%
Sharpe ratio	0.09	-0.11

Fig 1.3(Source: calculated based on NSE data)

- It is evident in Fig 1.1, The stock price of Britannia has averaged higher compared to Nestle. In April 2021 Britannia averaged around ₹3600 and grew to approximately ₹5700 by March 2026, prices hitting their peak at ₹6100 in September 2024. In comparison to this Nestle started at an average of ₹1700 in April 2021 and dropped to ₹1200 in March 2026 after hitting its peak at around ₹2600 in FY 2024-25.
- In the figure 1.2, The returns of both companies have shown an equal area of competition with Britannia dominating Nestle by a close margin. As we can see that both Britannia and Nestle had their peak year respectively during the FY 2023-24 and FY 2024-25, but in recent years Nestle has fallen below the baseline.
- The Standard deviation of Britannia is lesser compared to Nestle meaning its less volatile with a comparatively higher mean return while Nestle's returns fell to negative. Britannia experienced a growth rate of 9.85% while Nestle's stock prices (adjusted) reduced over the years.
- The coefficient of Variation of Britannia is 5.75% while it is not applicable for Nestle due to negative mean return. Similarly, the Sharpe ratio of Britannia is higher compared to Nestle, showing that it is better adjusted for risk.
- In this sector specific case study, Britannia (Domestic Indian company) outperformed Nestle (Foreign subsidiary) and demonstrated true resilience.

6.1.2 AUTOMOBILE SECTOR : MAHINDRA & MAHINDRA(M&M) VS MARUTI SUZUKI(MS)

Mahindra & Mahindra Limited (M&M) is one of India's leading domestic automobile manufacturers, primarily known for its sport utility vehicles (SUVs), tractors, and commercial vehicles, alongside a growing presence in electric vehicles**(Chakraborty and Dhingra, 2024)**. Maruti Suzuki India Limited, a subsidiary of Japanese multinational Suzuki Motor Corporation, holds a majority 56.2% equity stake, making it an Indian subsidiary of a foreign company, competes primarily in the passenger and entry-level car segment, sedans, and compact SUVs**(Simlai and Guha,**

2019). Both companies are among the most prominent players in India's automobile sector and are actively listed on the NSE and BSE.

The following figure 2.1 depicts the monthly averages of daily closing prices over the span of 5 financial years.

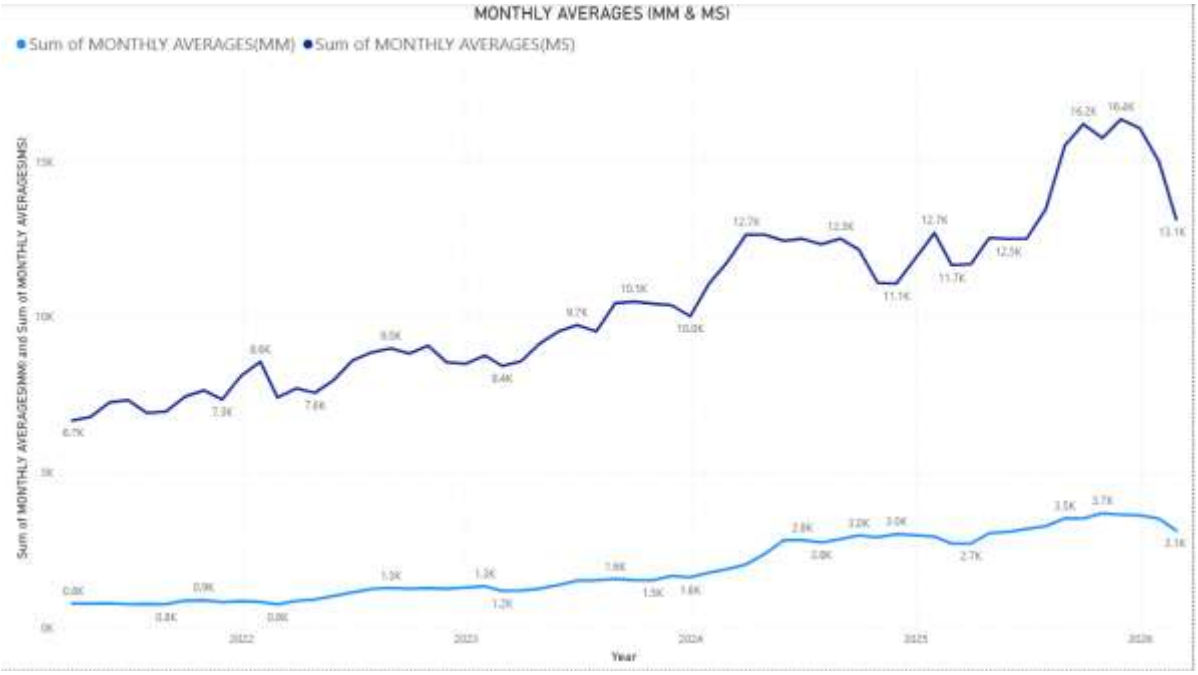


Fig 2.1(Source: NSE data)

The following figure 2.2 depicts the yearly averages of returns of both companies.

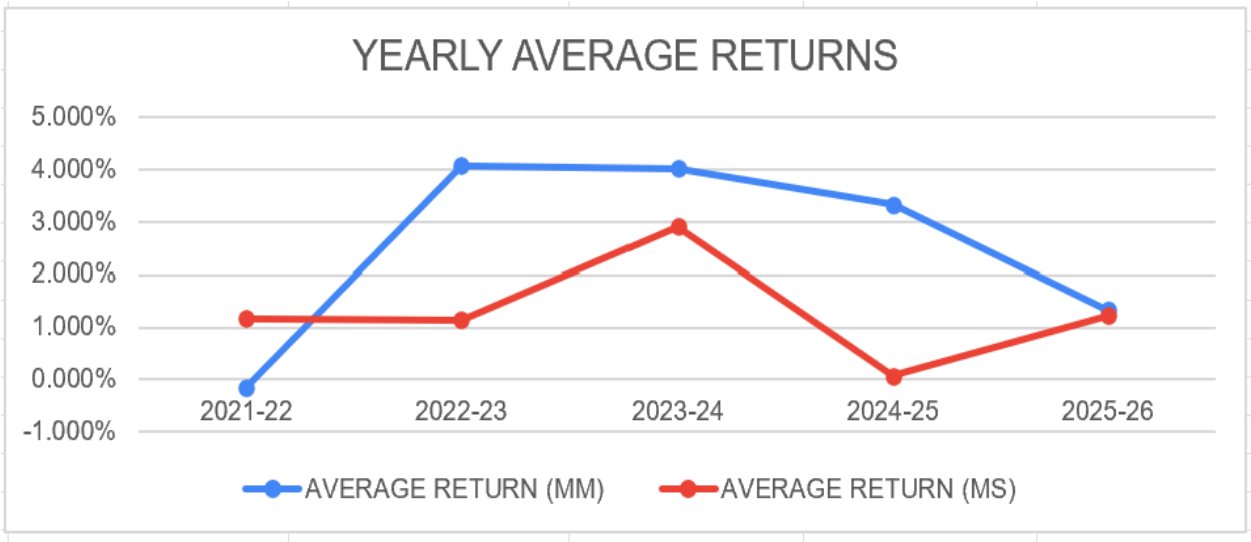


Fig 2.2(Source: NSE data)

The following figure 2.3 depicts all the statistical measures of both companies.

Measure	**MAHINDRA&MAHINDRA**	**MARUTI SUZUKI**
Standard Deviation	6.550%	5.560%
Mean return	2.568%	1.31%
Co-efficient of variation	2.55	4.25

CAGR	32.59%	14.07%
Sharpe ratio	0.32	0.16

Fig 2.3(Source: calculated based on NSE data)

- It is evident in Fig 2.1, the stock price of Mahindra & Mahindra has averaged significantly lower in terms than Maruti Suzuki, though it grew at a much faster pace. In April 2021, Mahindra & Mahindra averaged around ₹800 and grew steadfast to approximately ₹3100 by March 2026, prices hitting their peak at ₹3700 in Nov 2025. Whereas, Maruti Suzuki began at an average of ₹6700 in April 2021 and rose to a peak of around ₹16400 in December 2025, before falling back to approximately ₹13100 by March 2026.
- In Fig 2.2, the returns of both companies trended positively throughout the period, with M&M consistently outpacing Maruti Suzuki. Both companies posted their strongest annual average returns around the financial year 2022-23 to 2023-24 window (M&M peaking near 4.1% in FY2022-23, Maruti Suzuki near 2.9% in FY2023-24), before returns moderated in FY2024-25. Maruti Suzuki's average return nearly flattened to 0.07% that year, while M&M's return held comparatively firm at 3.33%. In addition, M&M's shows lower CV compared to Maruti Suzuki 2.55 vs 4.26 shows it delivered more return per unit of risk than Maruti Suzuki, despite carrying slightly higher volatility.
- The standard deviation of M&M is comparatively higher, indicating that the domestic firm had slightly more risk (6.55% vs. 5.56%). At the same time, it also shows higher returns compared to Maruti Suzuki (2.57% vs. 1.31%). M&M experienced a growth rate (CAGR) of 32.59%, more than double Maruti Suzuki's 14.07%, indicating that the extra volatility was well compensated by the additional return.
- M&M's lower Coefficient of Variation (2.55 vs. 4.26) shows it delivered more return per unit of risk than Maruti Suzuki, despite carrying slightly higher volatility. From observation M&M has a higher Sharpe ratio compared to Maruti Suzuki by a difference of 0.16, making it better adjusted for risk.
- In this sector-specific case study, Mahindra & Mahindra (domestic Indian company) outperformed Maruti Suzuki (foreign subsidiary) on both return and CAGR, demonstrating resilience. Though, this outperformance came with marginally higher risk, making it a return-driven case of domestic resilience.

6.1.3 TELECOM SECTOR: AIRTEL VS VODAFONE IDEA

Airtel and VI had one of the most well known rivalries of the Indian telecom industry in the 1990' s. Bharti Airtel Limited is India's largest telecom operator with a complete domestic origin and a widespread network of services**(Bhange, 2022)**. Vodafone Idea Limited, formed through the merger of Vodafone India (a subsidiary of UK-based Vodafone Group) and Idea Cellular. During its prime, VI was neck to neck with airtel, bringing global technology to the highly competitive Indian telecommunications market. Airtel dominated this rivalry and in the current market, VI does not have a prominent position, leading to the company almost leaving the country.**(Mendes and Lodhi, 2016)**

The following figure 3.1 depicts the monthly averages of daily closing prices over the span of 5 financial years.

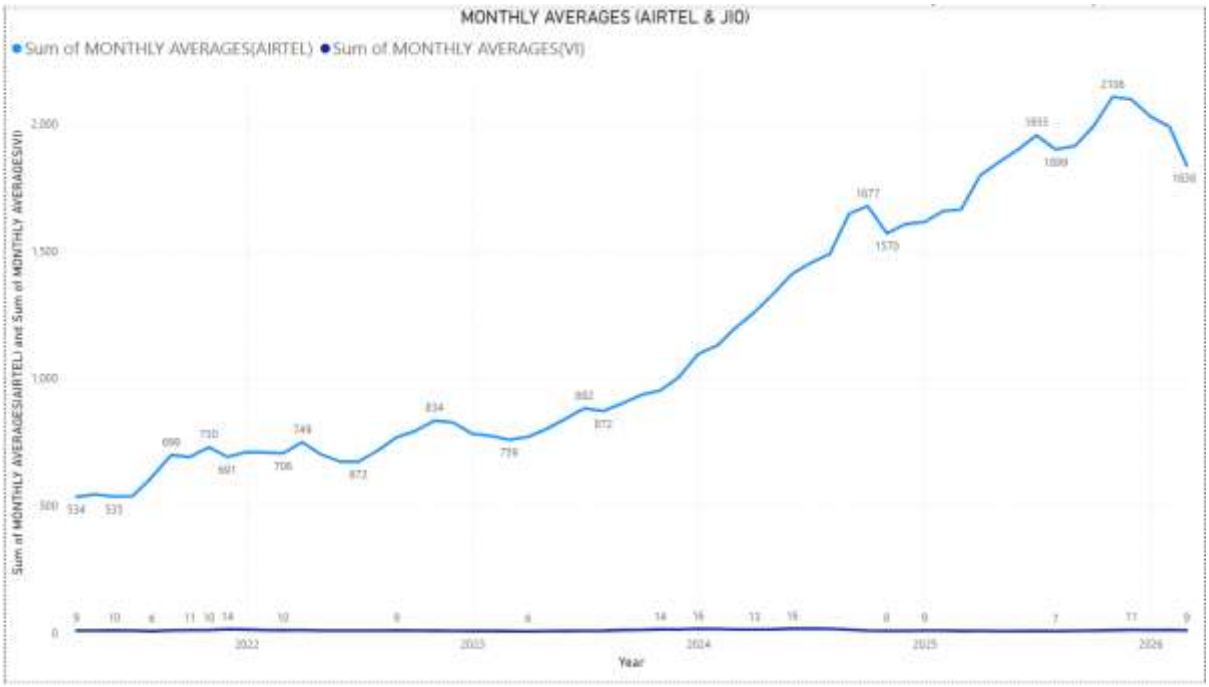


FIG 3.1(Source: NSE data)

The following figure 3.2 depicts the yearly averages of returns of both companies.



FIG 3.2(Source: NSE data)

The following figure 3.3 depicts all the statistical measures of both companies.

Measure	BHARATI AIRTEL	VODAFONE IDEA
Standard deviation	4.544%	14.214%
Mean Return	2.215%	1.04%
Coefficient of Variation	2.05	13.73
CAGR	24.86%	-2.81%
Sharpe ratio	0.39	0.04

FIG 3.3(Source: calculated based on NSE data)

- In the figure 3.1, Airtel stock price shows steady growth starting at an average of ₹500 and grew to approximately ₹1800 over the period hitting its peak in November 2025 at ₹2100. On the contrary, VI's stock prices averaged between ₹6-10 over the entire observation period, indicating negligible to no growth showcasing its sustained financial distress.
- The figure 3.2 depicts that, Airtel recorded positive average yearly returns in four out of five financial years, while Vodafone Idea showed inconsistent performance. At the same time VI had negative returns 2 out of 5 years, showcasing its inability to keep up the positive momentum.
- When looking at the statistics in figure 3.3, we can see that airtel has moderate volatility and VI is a highly volatile stock despite its low pricing which is indicated by the standard return measure. In addition, Airtel's CV of 2.05 confirms it as the most risk-efficient stock studied, far ahead of Vodafone Idea's 13.73. VI is extremely sensitive to market shocks and the risk is not compensated by the return. Airtel achieved a growth rate of 24.86% while VI resulted in a negative return of -2.81% over the entire study period.
- From analysis it is found that Airtel has a higher sharpe ratio compared to VI by a difference of 0.35, making it better adjusted for risk.
- Airtel (Domestic Indian company) dominated Vodafone Idea (foreign linked subsidiary) through dominant long-term price appreciation and returns compared to the high risk low return stock of VI.

6.1.4. PAINTS SECTOR: ASIAN PAINTS VS KANSAI NEROLAC

Asian Paints Limited, founded in 1942, is India's largest paint company and a homegrown enterprise with a dominant presence across decorative and industrial coatings**(Biswas, 2018)**. Kansai Nerolac Paints Limited, formerly Goodlass Nerolac, is a subsidiary of Japan-based Kansai Paint Co. Ltd. and ranks among India's leading paint manufacturers**(Dash et al., 2016)**. Both companies are listed on NSE and BSE and compete directly in India's decorative and industrial paints market.

The following figure 4.1 depicts the monthly averages of daily closing prices over the span of 5 financial years.

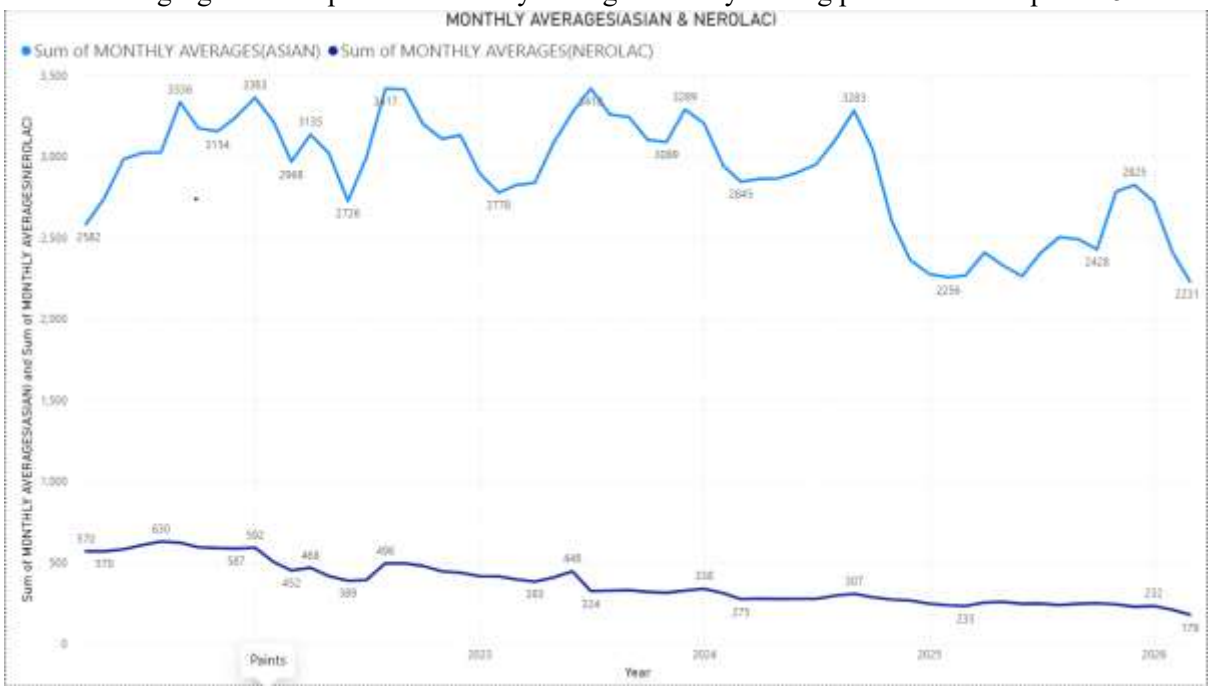


FIG 4.1(Source: NSE data)

The following figure 4.2 depicts the yearly averages of returns of both companies.



FIG 4.2(Source: NSE data)

The following figure 4.3 depicts all the statistical measures of both companies.

Measure	ASIAN PAINTS	KANSAI NEROLAC
Standard deviation	6.113%	7.247%
Mean Return	-0.064%	-1.68%
Coefficient of Variation	-95.50	-4.32
CAGR	-4.13%	-16.31%
Sharpe ratio	-0.08	-0.29

FIG 4.3(Source: calculated based on NSE data)

- As shown in Figure 4.1, Asian Paints began with an average of ₹2500 in April 2021 and had several fluctuations over the period, recording a latest average of ₹2200 in March 2026 showing a gradual correction from its peak levels averaging around ₹3300 at several points. At the same time Kansai Nerolac experienced a gradual fall in its stock price from ₹570 in April 2021 to ₹178 in March 2026, this shows that the stock lost its long term value.
- In the figure 4.2, it can be observed that both companies struggled to maintain consistent returns, Asian paints had positive returns in 3 years, falling to its lowest in the year FY2024-25 but later recovered in the year FY2025-26. Whereas, Kansai Nerolac had negative returns in all 5 years, observing the negative peak at -2.57% in the year FY2023-24.
- In the figure 4.3, standard deviation depicts that while both companies are volatile, Asian paints is comparatively less risky at 6.1% against Kansai Nerolac's 7.3%. The mean return is negative for both companies but Asian paints suffered lesser losses than Kansai Nerolac. Similarly, neither companies observed positive growth, but Asian paints controlled its fall at -4.13%, while Nerolac experienced a drastic fall with -16.31%.
- While evaluating the paints sector, we have identified that both Asian paints and Kansai Nerolac have a lower Sharpe ratio, however Asian paints has comparatively done well controlling its fall than Kansai Nerolac, making it better adjusted for risk.

- In the paints sector, Asian Paints (Domestic Indian company) has demonstrated resilience not through growth and high returns but by controlling its losses and limiting its fall, whereas Kansai Nerolac (Foreign subsidiary) failed to do so.

6.1.5. PHARMA SECTOR: DR. REDDYS'S VS PFIZER:

Dr. Reddy's Laboratories Limited one of India's largest drug manufacturers, producing over 190 medications and operating across 80+ countries. primarily known for its generic drugs, active pharmaceutical ingredients (APIs), with a significant export presence in the US and other regulated markets**(Ravi, 2012)**. Meanwhile, Pfizer Limited operates in four core therapy areas focusing on Vaccines, Hospitals, Internal Medicine, and Immunology producing over a billion tablets annually**(Joe, 2004)**.Both companies are among the most prominent players in India's pharmaceutical sector and are actively listed on the NSE and BSE.

In October 2024, Dr. Reddy's went through a stock split of 1:5, which showed a false plummet of the prices. To account for this, the prices before the split have been adjusted by a factor of 0.2.

The following figure 5.1 depicts the monthly averages of daily closing prices over the span of 5 financial years.

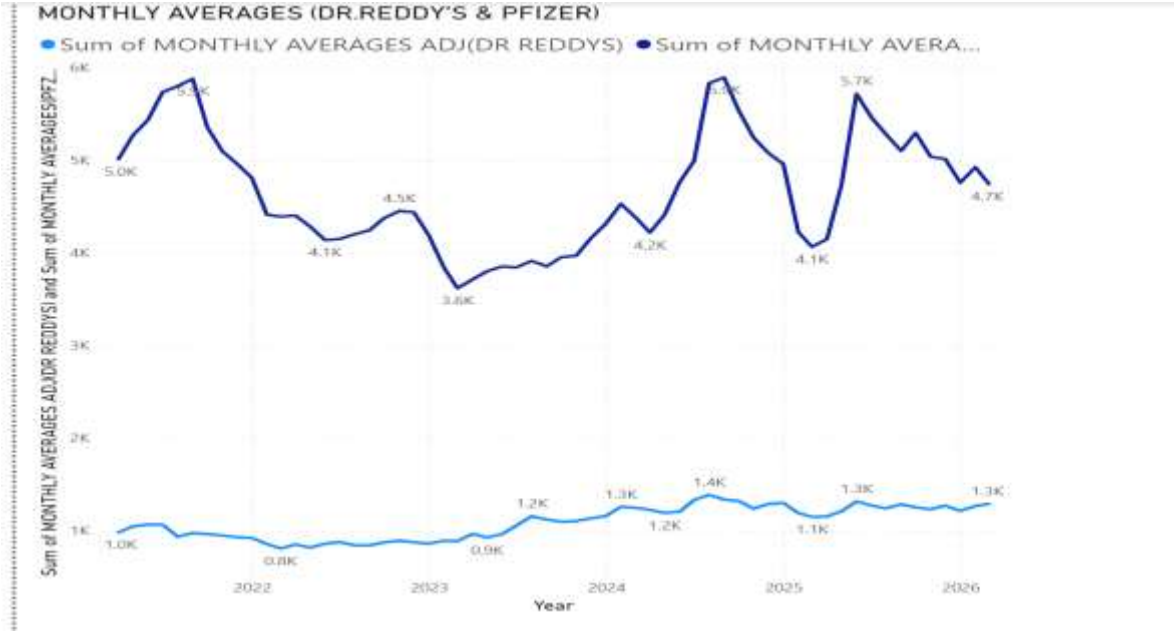


FIG 5.1(Source: NSE data)

The following figure 5.2 depicts the yearly averages of returns of both companies.

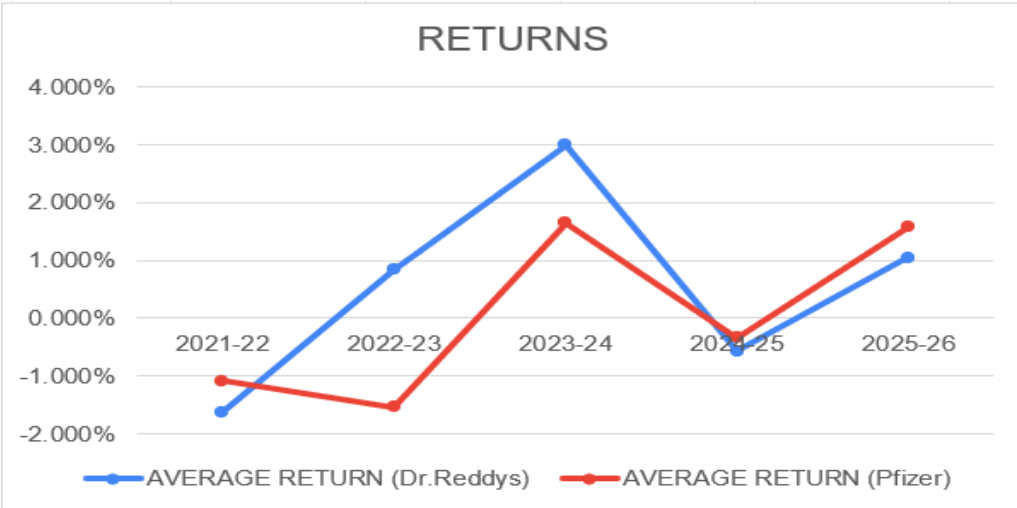


FIG 5.2(Source: NSE data)

The following figure 5.3 depicts all the statistical measures of both companies.

Measure	DR. REDDYS	PFIZER
Standard deviation	4.714%	5.888%
Mean Return	0.574%	0.07%
Coefficient of Variation	8.22	81.80
CAGR	5.47%	-0.63%
Sharpe ratio	0.03	-0.06

FIG 5.3(Source: calculated based on NSE data)

- It is understandable from the fig 5.1, The stock price of Dr.Reddy's has undergone a stock split and has grown significantly, whereas Pfizer has ended at lower level than where it began. In April 2021, Dr.Reddy's averaged in price around ₹982 and settled at price of ₹1291 in March of 2026. In comparison, Pfizer started markedly higher at ₹5014 in April 2021, reached to a peak of ₹5893 in September 2024, but eased back to ₹4745 by March 2026 ending at lower level.
- In Fig 5.2, both companies posted their strongest annual average return in the same year, FY2023-24, Dr. Reddy's 2.99%, Pfizer 1.65%, but Dr. Reddy's swung sharply negative the following year FY2024-25: -7.72%, before recovering to 1.05% in FY2025-26. Pfizer's returns stayed comparatively muted throughout and ended with 4.7k in March 2026.
- It is evident that from Fig 5.3, Dr.Reddys showcased a higher mean monthly return in comparison to Pfizer 0.57% vs 0.07%. Dr.Reddy's has also achieved a growth rate (CAGR) of 5.47%, while Pfizer's CAGR was -0.63%, a mild decline over the period. Note that Dr.Reddys went through a stock split by correction factor of 0.2 which is effective from October 2024, due to which the standard deviation of Dr. Reddy's is lower than Pfizer's. In addition, Dr. Reddy's CV of 8.22 vs Pfizer's inflated 81.81, driven by its near-zero mean return) indicates a far more efficient risk-return trade-off.
- It is observed that the Sharpe ratio of Dr.Reddy's is comparatively better than Pfizer (0.03 vs -0.06), making it better adjusted for risk.
- In this sector-specific case study, Dr. Reddy's outperformed Pfizer on both return and risk, demonstrating resilience consistent with the pattern seen in FMCG and Telecom.

6.2 CROSS SECTOR SYNTHESIS:

6.2.1 MEAN MONTHLY RETURN

For this metric, the domestic companies have outperformed their foreign counterparts across all 5 sectors. Mahindra & Mahindra recorded the highest mean return at 2.57%, followed by airtel with 2.2%. Both of these companies had nearly double mean returns compared to the respective foreign subsidiaries. While Britannia and Dr.Reddy's have relatively lower returns at 0.9% and 0.57%, they still managed to outperform Nestle and Pfizer. The only domestic company with negative mean return was Asian paints but it controlled its losses at -0.06% while its Kansai Nerolac fell to -1.68%.

6.2.2 STANDARD DEVIATION

For this research purpose, Standard deviation is the measure of volatility and risk. Domestic companies were less volatile in 4 out of 5 sectors which are FMCG, Telecommunications, Paints and Pharmaceuticals, the only exception being Automobile sector where Mahindra&Mahindra had more risk compared to Maruti Suzuki at 6.55% vs 5.56%, however the domestic company also recorded high returns meaning that the extra risk was well compensated with extra return.

6.2.3 COEFFICIENT OF VARIATION

In this research, Coefficient of Variation measures the ratio of the standard deviation to the mean. The lower the CV the better the risk return trade off. In this research, this metric cannot be used for comparison in 3 out of 5 sectors caused by negative or close to zero mean returns. In Automobile and Telecom sectors, where CV is applicable, domestic companies have relatively lower CV than the foreign subsidiary.

6.2.4 CAGR

The Compound Annual Growth Rate calculates how the value has grown from the initial investment over the period of observation. For this metric, the domestic companies have outperformed their foreign counterparts in all 5 sectors. The highest recorded CAGR is of Mahindra&Mahindra at 32.59%, followed by Airtel with 24.86%, Britannia with 9.85%, Dr.Reddy's with 5.47%. In the paints sector, Asian paints had a negative CAGR of -4.13% but is marginally better compared to Kansai Nerolac with a CAGR of -16.31%.

6.2.5 SHARPE RATIO

The Sharpe ratio measures the extra return you get for each unit of risk you take. For this metric, the domestic companies outperform the foreign subsidiaries in all 5 sectors with positive and relatively higher values in 4 sectors, the only exception being Paints where both companies have negative values, but the domestic company's value is comparatively better than the foreign subsidiary's.

7. OVERALL FINDINGS:

- Domestic firms won on a CAGR in all 5 of 5 sectors (FMCG, Automobile, Telecom, Paints, Pharma) once both split artifacts were corrected.
- Domestic firms won on mean monthly return in all 5 of 5 sectors, same pattern.
- Volatility favoured domestic firms in 4 of 5 sectors (FMCG, Telecom, Paints, Pharma); Automobile is the only sector where the domestic firm carried marginally more risk (6.55% vs. 5.56%).
- Domestic firms won on Sharpe ratio in all 5 of 5 sectors.
- Telecom remains the strongest piece of evidence for the domestic resilience thesis, the domestic firm won on both dimensions by the widest margin in the sample.
- During analysis it was found that Nestlé India underwent a stock split of 1:10 in January 2024. Pre-split historical prices have been adjusted by a factor of 0.1 to ensure comparability of data across the entire study period.
- Dr. Reddy's Laboratories underwent a stock split of 1:5 in October 2024.pre-split historical prices have been adjusted by a factor of 0.2 to ensure comparability of data across the entire study period.
- This depicts that Domestic Indian firms have demonstrated resilience across several sectors by various metrics in the observed time period (Apr 2021 - Mar 2026).

8. SCOPE:

This study can be extended further in research by taking a larger sample, extended time period and more number of companies in each sector to make it statistically generalizable across the Indian economy. Analytical metrics like financial ratios could be explored to improve understanding of cause and effect relationships in stock price fluctuations. Comparison could be done across portfolios instead of individual stock prices.

9. LIMITATIONS:

- Since a singular case study of one domestic company is compared against one Indian subsidiary of a foreign company in each sector, across only 5 sectors, the analysis is not statistically generalizable across the Indian stock market.
- The metric of Coefficient of variation cannot be used for comparison across 3 out of 5 sectors due to its negative values making it an unreliable measure for this specific study.
- Since the domestic companies outperformed foreign subsidiaries in only 4 out of 5 sectors in volatility, there is no generalisation that domestic company stocks are less volatile in the overall market.

- In this time period, the adjusted stock prices in case of Nestle and Dr.Reddy's due to the stock split alters the raw fact that these companies initially began with a much higher stock price.

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