

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:7207

ANSWERED ON:12.05.2000

JOINT VENTURE BETWEEN SPENSER & COMPANY AND DAIRY FARM INTERNATIONAL, HONG KONG
S.P. LEPCHA

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the Government have accorded approval for a joint venture between Spenser and Company and Dairy Farm International, Hong Kong;
- (b) if so, whether the Government are aware that this Joint Venture Company (JVC) will eventually set up 23 cash and carry wholesale centres in 23 major cities and towns;
- (c) if so, whether the Government have imposed any condition that the proposed JVC will not undertake any local trading and will comply with the condition of dividend blancing;
- (d) if not, the reasons therfor; and
- (e) the steps taken by the Government to impose such conditions on such joint ventures?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN SINGH)

(a) to (e):M/s Spencer and Company Ltd. Has been granted foreign collaboration approval on 10-3-2000 to set up a JVC with M/s. DFI Mauritius Ltd., Member of Dairy Farm International Group, Hong Kong, to undertake cash and carry whosesale operations in India i.e. for building a chain of large distribution infrastructure to facilitate manufacturers to cut the length of supply chain by dealing directly and efficiently with the small and dispersed community of retailers as their customers with M/s DFI Mauritius., Member of Dairy Farm International Group, Hong Kong.The company has proposed to set up 23 cash and carry wholesale centres in 23 major cities and towns. The approval has been issued subject to the following conditions as per extant policy on trading :-

- (i) the company will carry on cash and carry wholesale operation in India and not engage in any retail trading;
- (ii) the company will comply with the condition of dividend balancing; and
- (iii) the activities of the company should be restricted to exports, bulk imports of permissible items ex-port and ex-bonded warehouses to be set up by the company in accordance with customs regulations and investments into productive joint ventures.