

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

STARRED QUESTION NO:42

ANSWERED ON:13.08.2012

FDI IN SINGLE BRAND

Das Gupta Shri Gurudas;Kateel Shri Nalin Kumar

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

- (a) whether any proposal is under consideration of the Government to modify the sourcing norms in respect of Foreign Direct investment (FDI) in single brand retail trading;
- (b) if so, the details thereof along with the steps/decision taken by the Government in this regard;
- (c) the details of proposals of multinational companies pending with the Government to start single brand retail trading;and
- (d) the decision taken/being taken by the Government thereon?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI ANAND SHARMA)

(a) to (d): A Statement is laid on the table of the house.

STATEMENT IN RESPECT OF PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 42, FOR ANSWER ON 13TH AUGUST, 2012, BY SHRIANAND SHARMA, HON'BLE MINISTER FOR COMMERCE & INDUSTRY, REGARDING FDI IN RETAIL TRADE

(a)&(b): As per extant FDI policy, as contained in Para 6.2.16.4 of 'Circular 1 of 2012- Consolidated FDI Policy', FDI, up to 100%, is permitted in Single Brand product retail trading, under the Government approval route, subject to the following conditions:

- (i) Products to be sold should be of a `Single Brand` only.
- (ii) Products should be sold under the same brand internationally i.e. Products should be sold under the same brand in one or more countries other than India.
- (iii) `Single Brand` product-retail trading would cover only products which are branded during manufacturing.
- (iv) The foreign investor should be the owner of the brand.
- (v) In respect of proposals involving FDI beyond 51%, mandatory sourcing of at least 30% of the value of products sold would have to be done from Indian `small industries/ village and cottage industries, artisans and craftsmen`.

Foreign Direct Investment (FDI) policy is reviewed on an ongoing basis, with a view to making it more investor friendly. No decision has been taken to modify the sourcing norms.

(c): Two proposals have been received (from M/s Pavers England and IKEA Group) for FDI up to 100% in single brand retail trading. Further, six proposals (from M/s Fapa Company Ltd., Samoa; M/s Promod S.A.S, France; M/s Tommy Hilffiger B.V, The Netherlands; M/s NA Pali Europe SARL; M/s Brooks Brother Group Inc., USA; and M/s Damiani International B.V, The Netherlands), have been received for single brand retail trading with up to 51% foreign equity participation.

(d): No decision has been taken on these proposals.