

## DIPP APPROVES 100% FDI IN SINGLE BRAND RETAIL

The Department of Industrial Policy and Promotion (DIPP) vide its press note dated 10<sup>th</sup> January 2012 has permitted 100% Foreign Direct Investment (FDI) in single brand retail with immediate effect. 100% FDI is permitted in single brand retail subject to compliance with the following conditions:

1. Products to be sold should be of a 'Single Brand' only
2. 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
3. 'Single Brand' product-retail trading would cover only products which are branded during manufacturing
4. The foreign investor should be the owner of the brand
5. In respect of proposals involving FDI beyond 51%, at least 30% of the value of products sold should be sourced from Indian 'small industries/ village and cottage industries, artisans and craftsmen'

'Small industries' are defined as industries which have a total investment in plant & machinery not exceeding US \$ 1,000,000/- . This valuation refers to the value of the company at the time of installation, without providing for depreciation. However if at any point in time, the industry in question breaches the said valuation, it shall not qualify as a 'small industry' for this purpose. The compliance of this condition will be ensured through self-certification by the company which will subsequently be checked by statutory auditors from the duly certified accounts, which the company will be required to maintain.

Application seeking permission of the Government for FDI in retail trade of 'Single Brand' products would be made to the Secretariat for Industrial Assistance (SIA) in the Department of Industrial Policy & Promotion. The application would specifically indicate the product/product categories which are proposed to be sold under a 'Single Brand'. Any addition to the product/product categories to be sold under 'Single Brand' would require a fresh approval of the Government.



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