

Press Note 3 (2006 Series)

Subject: Guidelines for FDI in Retail Trade of 'Single Brand' Products

The Government has decided to allow FDI up to 51%, with prior Government approval, in retail trade of 'Single Brand' products. This is, inter alia, aimed at attracting investments in production and marketing, improving the availability of such goods for the consumer, encouraging increased sourcing of goods from India, and enhancing competitiveness of Indian enterprises through access to global designs, technologies and management practices.

2. FDI up to 51% in retail trade of 'Single Brand' products would be 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.
- iii. 'Single Brand' product-retailing would cover only products which are branded during manufacturing.

3. FDI would be allowed only with prior approval of the Government. 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.

4. Applications would be processed in the Department of Industrial Policy & Promotion, to determine whether the products proposed to be sold satisfy the notified guidelines, before being considered by the FIPB for Government approval.

5. These guidelines would come into force with immediate effect.

(Umesh Kumar)
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