

Government of India  
Ministry of Commerce & Industry  
Department for Promotion of Industry & Internal Trade

**Clarification on FDI Policy on Single Brand Retail Trading (SBRT)**

This Department has received representations from various business entities regarding clarification on FDI Policy on Single Brand Retail Trading (SBRT) as contained in para 5.2.15.3 of Press Note 4 (2019).

In this regard, it is hereby clarified that:

S. No	Issue	Clarification
1	Whether sourcing of goods from units located in Special Economic Zone (SEZ) would qualify as sourcing from India, as per FDI Policy.	<p>As per the extant FDI Policy, in respect of proposals involving foreign investment beyond 51%, sourcing of 30% of the value of goods procured, will be done from India.</p> <p>As regards, sourcing of goods from units located in SEZs in India, it is clarified that sourcing of goods from such units would qualify as sourcing from India for the purpose of 30% mandatory sourcing from India for proposals involving FDI beyond 51%, subject to Special Economic Zones Act, 2005 (as amended from time to time) and other applicable laws/ rules/ regulations.</p> <p>It is further clarified that goods which are proposed to be sourced by an SBRT entity from such units have to be manufactured in India.</p>

FDI in Single Brand Retail Trading (SBRT) is governed by provisions of in para 5.2.15.3 of Press Note 4 (2019). However, compliance with all the conditions enumerated in the FDI Policy and as notified under FEMA would continue to be responsibility of the manufacturing entity.

  
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