FDI Policy Clarification on Food Product Retail Trading (FPRT)*

The extant FDI Policy on FPRT provides for 100% FDI under Government approval route for retail trading, including through e-commerce, in respect of food products manufactured and/or produced in India. In this regard, it is hereby clarified that:

"Business of food product retail trading is required to be kept distinct and separate from other businesses, if any, of the Investee Company by way of maintenance of separate books of accounts and records (including sales records), separate bank accounts, and separate invoicing. Similarly, whether in the front end or in the warehouse, inventory of the business of food product retail trading should be kept physically separated and readily distinguishable from inventory for any other business of the investee company. However, this requirement does not preclude usage of the same storage/warehousing facility and associated infrastructure/manpower for different businesses of the investee entity."

*FDI in FPRT is governed by provisions of Para 5.2.5.2 of Consolidated FDI Policy Circular of 2017, as amended from time to time.

(Rajiv Aggarwal)
Joint Secretary

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