

FICCI Retail Committee Delegation to Mr. Anand Sharma, Hon'ble Commerce Minister on FDI in Multi-Brand Retail – 27th June 2013 – New Delhi

17 members FICCI Delegation met Mr Anand Sharma, Hon'ble Commerce Minister during a roundtable meeting convened by the Ministry on FDI in MBRT.

From the Ministry Shri Saurabh Chandra, Secretary; Mrs. Anjali Prasad, Joint Secretary and Shri Ishitiah Ahmed, Director were present to discuss and answer the queries of National & International Retailers. The FICCI delegation comprised of Mr. Rajan Bharti Mittal, Vice Chairman & MD, Bharti Enterprises Ltd. and Past President, FICCI; Mr. Bijou Kurein, Chair-FICCI Retail and CE, Reliance Retail; Mr. Jean Noel Bironneau, MD, Carrefour India; Mr. Sameer Barde, Director, Tesco, Mr. Atul Chand, CEO- Lifestyle Retailing, ITC Retail; Mr. Ramnik Narsey, Head, Walmart India; Mr. Atul Daga, CFO; Aditya Birla Retail, Mr. Viney Singh, MD, Max Hypermarket; Mr. Thierry Martin, Director-International Investments, Groupe Auchan; Mr. P Venkatasulu, CFO, Tata Trent; etc. The group deliberated upon not only the FDI Policy but primarily what all are the pain areas in foreign investment flows in the country.

Deliberations at the meeting were quite productive and the Hon'ble Minister very proactively listened to industry's concerns with regard to FDI policy.

According to the Minister, "It was important for the government to hear where the areas are or the issues which may require some more clarity... we have sufficient space to address those concerns, bring in the clarity and an early and appropriate view will be taken so that the guidelines can accordingly be given out".

Snapshot of key areas which FICCI had discussed with the Ministry are: State should not be given discretionary powers to impose conditions which contradict/change central policy; Multi Brand Retail entity can invest only in Greenfield assets and it will not be possible to acquire supply/chain/backend assets or stakes from an existing entity, this condition is to be re-looked; Whether mandatory investment in back-end infrastructure would need to be 50% of the cumulative investment or merely the first tranche of investment, clarification required; Restriction on Multi brand retailers to procure from wholesale cash and carry stores of the same group needs to be re-looked; Clarification is needed whether retailers could continue to source from such small industries after they outgrew the \$1-million maximum investment criterion and if so, for how long; The front end retail stores must also be set-up as additionality and not through acquisitions of existing stores – this needs to be re-looked.

Shri Anand Sharma urged the global retailers to start investing in India and the Government is open to discussions at any stage.