

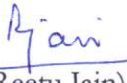
Government of India
Ministry of Commerce & Industry
Department of Industrial Policy & Promotion

FDI Policy Clarification on After-Sale/Repair Services

This Department has been receiving references seeking clarification on the FDI policy provisions governing the treatment of after-sale/repair services. In this regard, it is hereby clarified that:

“After-sale/Repair services are covered under Para 5.2 (a) of Consolidated FDI Policy Circular of 2017, as amended from time to time, wherein 100% FDI under automatic route is permitted in sectors/activities which are not specifically mentioned in the extant policy, subject to applicable laws/regulations; security and other conditionalities. After-sale/Repair services involve a combination of a service component and goods component, and include activities which are naturally combined/bundled in the ordinary course of business. The defining characteristic of such after-sale/repair services shall be that any sale of goods such as spare parts/accessories etc. is naturally bundled together in the ordinary course of service provision.

It is further clarified that any standalone sale of spare parts/accessories etc. shall be construed as retail trading for the purposes of FDI policy.”


(Reetu Jain)
Director

DIPP. File No. 12/14/2010-FC-1, dated 22.12.2017