

Questions Asked on PLIS FPI Category III & Replies there on

(Based on industry interaction on 18.05.2021)

Contents

1. Can Branding and marketing expenditure abroad be carried out by an agency abroad too? 2
2. Which entities are eligible for incentive for Branding & Marketing under the scheme and the explain the Brands eligible to be promoted? What's meant by an Indian Brand? 2
3. Please clarify whether Indian subsidiaries of Multi-National/Foreign Companies are permitted to avail incentive for Branding & Marketing abroad?..... 2
4. Are limited liability companies allowed to apply?..... 2
5. Maximum Grant of 3% sales of food products is on overall turnover or exports turnover? .. 2
6. Does the branding and marketing expenditure cover domestic expenditure as well? 2
7. What all restrictions are there in terms of eligible food products for branding and marketing abroad? 2
8. Can a company apply under Category I & Category III or Category II & Category III simultaneously? 2

1. **Can Branding and marketing expenditure abroad be carried out by an agency abroad too?**

Branding & Marketing shall be undertaken either by the Applicant directly or through its subsidiary or any other Agency India/ Abroad.

2. **Which entities are eligible for incentive for Branding & Marketing under the scheme and the explain the Brands eligible to be promoted? What's meant by an Indian Brand?**

Incentive under the Scheme for Branding & Marketing is extended to Indian companies for the promotion of only Indian Brands abroad. Indian brands are those which are owned by Indian Companies and are registered in India.

3. **Please clarify whether Indian subsidiaries of Multi-National/Foreign Companies are permitted to avail incentive for Branding & Marketing abroad?**

Indian subsidiaries of Multi-National/Foreign Companies are permitted to avail incentive under the scheme for promotion of Brand which are owned by these subsidiaries. However, their coverage under the scheme would be considered on case-by-case basis and require specific approval of MoFPI.

4. **Are limited liability companies allowed to apply?**

Yes, limited liability companies are allowed to apply under Category III.

5. **Maximum Grant of 3% sales of food products is on overall turnover or exports turnover?**

3% sales of food products is on the sales of all food products including excluded products mentioned in **Appendix B**.

6. **Does the branding and marketing expenditure cover domestic expenditure as well?**

The scheme permits support to Applicants for undertaking Branding & Marketing activities of food products only abroad and not for domestic market (Clause 3.12.3 and 7.10 of the Guidelines).

7. **What all restrictions are there in terms of eligible food products for branding and marketing abroad?**

The restrictions in terms of coverage of food products mentioned in **Appendix B** of the guidelines are not applicable to **Category II** and **Category III** Applicants of the scheme. Hence, the **Category III** applicants can apply for undertaking Branding & Marketing activities abroad of any of the food products.

8. **Can a company apply under Category I & Category III or Category II & Category III simultaneously?**

There is no restriction in submitting application by an Applicant for coverage under **Category I & Category III** or **Category II & Category III simultaneously**. However, as per clause 7.3, If an Applicant is selected in **Category-I**, the application in **Category- III** would become infructuous. If that applicant is not selected in **Category-I**, the application under **Category-III** would be considered.

On the other hand, an applicant can apply for both **Category II** & **Category III** simultaneously as **Category II** does not incentivize for branding and marketing abroad.

9. Private labels/ brand of retailers would be covered under the scheme?

Brand should be owned by the Applicant and should not be owned by retailer for claiming of incentives under **Category III**
