

THE WALL STREET JOURNAL

• [ASIAN BUSINESS NEWS](#)

India Clears Pavers's Proposal to Set Up Stores - Official

By

RAJESH ROY

Updated Oct. 19, 2012 8:22 a.m. ET

NEW DELHI--U.K.-based Pavers England Friday became the first foreign retailer to be allowed to set up wholly owned stores in India, with the government clearing a \$20 million investment proposal from the footwear company.

The application was approved by India's Foreign Investment Promotion Board Friday, said Economic Affairs Secretary Arvind Mayaram.

This comes after New Delhi last year allowed 100% foreign ownership in the single-brand retail sector, where a company sells only its own brand of goods. Previously, such foreign companies could own only up to 51% of their Indian operations.

Also Friday, the FIPB accepted an application by U.S. luxury-clothing retailer Brooks Brothers Group Inc., seeking permission to invest in a joint venture with [Reliance Industries](#) Ltd., a senior trade ministry official told Dow Jones Newswires.

According to the proposal, Brooks Brothers will invest \$1.15 million to own a stake of up to 51% of the joint venture, which will sell the U.S. company's brand of products in India.

Foreign retailers such as Pavers and Brooks Brothers are looking to set up operations in India at a time when the country's growing middle class is increasingly adapting to Western trends and tastes.

India is Asia's third-largest economy, and estimates show that, despite a current slowdown, its market growth will continue to outpace that of most other major economies for a while.