

Sectoral

Retail & E-commerce

1. Can I sell products of a sub brand if I already have an SBRT license?

No, any addition to the product/ product categories to be sold under 'Single Brand' would require a fresh approval/ license from the Government.

2. What is the 25% rule for sale of goods in online e-commerce?

An e-commerce entity will not be permitted more than 25% of the sales affected through its marketplace from one vendor or their group companies.

3. If I want to set up online and I already operate as an SBRT, do I need special permission?

Subject to the conditions of SBRT under the FDI policy ([link](#)), a single brand retail trading entity operating through brick and mortar stores, is permitted to undertake retail trading through e-commerce.

4. What is the definition on wholesale cash and carry as defined by the Govt.?

As per the FDI Policy, 2017 ([link](#)) Cash & Carry Wholesale trading/ Wholesale trading, would mean sale of goods/merchandise to retailers, industrial, commercial, institutional or other professional business users or to other wholesalers and related subordinated service providers. Wholesale trading would, accordingly, imply sales for the purpose of trade, business and profession, as opposed to sales for the purpose of personal consumption. The yardstick to determine whether the sale is wholesale or not would be the type of customers to whom the sale is made and not the size and volume of sales. Wholesale trading would include resale, processing and thereafter sale, bulk imports with ex-port/ex-bonded warehouse business sales and B2B e-Commerce.

5. What is a marketplace and inventory based model?

- Marketplace based model of e-commerce means providing an information technology platform by an e-commerce entity on a digital & electronic network to act as a facilitator between the buyer and seller.
- Inventory based model of e-commerce means an e-commerce activity where inventory of goods and services is owned by e-commerce entity and is sold to the consumers directly.

6. How can we sell products online in India and what are the rules?

- 100% Equity/ FDI Cap is permitted under automatic entry route, it is only applicable for marketplace model of e-commerce and not inventory based model.
- Subject to provisions of FDI Policy, e-commerce entities would engage only in Business to Business (B2B) e-commerce and not in Business to Consumer (B2C) e-commerce.
- An e-commerce entity will not permit more than 25% of the sales affected through its marketplace from one vendor or their group companies

7. Are there any specific conditions for FDI under SBRT?

- Products to be sold should be of a 'Single Brand' only i.e. sold under the same brand internationally; products should be sold under the same brand in one or more countries other than India except for undertaking SBRT of Indian brands.
- 'Single Brand' product-retail trading would cover only products which are branded during manufacturing.
- A non-resident entity or entities, whether owner of the brand or otherwise, shall be permitted, directly or through a legally tenable agreement with the brand owner for undertaking single brand product retail trading.
- The investing entity shall provide evidence to this effect at the time of seeking approval, including a copy of the licensing/franchise/sub-license agreement etc. For addition information on conditions, eligibility, please access the FDI policy 2017 at the following link.

8. What are the different states that allow Multi Brand Retail Trading (MBRT) and are there any clauses under the rule?

As per para 5.2.15.4 of the FDI Policy, 2017 ([link](#)) the following states allow MBRT subject to the conditions mentioned in the policy: i) Andhra Pradesh ii) Assam iii) Delhi iv) Haryana v) Himachal Pradesh vi) Jammu & Kashmir vii) Karnataka viii) Maharashtra ix) Manipur x) Rajasthan xi) Uttarakhand xii) Daman & Diu and Dadra and Nagar Haveli (Union Territories)

9. How much FDI is allowed under single brand product retail?

100% FDI is allowed under single brand product retail via automatic route.

10. How much FDI is allowed under Duty free shops?

100% FDI is allowed under Duty free shops via automatic route.

11. What percentage of profit can I make on one sale online?

There are many factors to consider when it comes to selling online and because of these factors, most of which are peculiar to different businesses, the percentage of profit on one sale online is not fixed and it varies. The percentage of profit you can make from one sale online can be significantly higher than what you would make from the same sale offline. That is due to the fact that online, the cost of providing the product/service is significantly lower than the cost of providing it offline. Thus, the percentage of profit one can make from one sale online, depends from on the nature of business.

12. List the major benefits of E-commerce?

The major benefits of E-commerce are: 1. Secure - More secure than a cheque. 2. Fast - The transactions take not more than a few seconds 3. Always on - The purchases can be made 24/7 4. Convenient - Ease of purchasing 5. Reduced cost price - Reduction of Marketing and Advertising Costs

13. Explain the term "Web Hosting?"

A Remote Sensing satellite is intended for natural resource monitoring and management and operates from a Sun Synchronous Polar Orbit (SSPO).