

Sectoral

Retail & E-commerce

1. Are we allowed to sell products of a sub brand if we have a Single Brand Retail Trade (SBRT) license?

No, any addition to the product/product categories to be sold under 'Single Brand' would require a fresh approval of the Government. For more information, [click here](#).

2. What are the rules 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. For more information, [click here](#).

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. Describe the term wholesale cash and carry as per the Foreign Direct Investment policy.

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. For more information, [click here](#).

5. What is a marketplace and inventory based model of e-commerce?

1) 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. 2) 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. For more information, click here.

6. Is there any condition for FDI under Single Brand Retail Trade?

1) 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. 2) ' Single Brand ' product-retail trading would cover only products which are branded during manufacturing. 3) 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. 4) 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 more information, click here.

7. 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, 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) For more information, click here.

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

100% FDI is allowed under single brand product retail via automatic route. For more information, click here.

9. What is the FDI policy for Duty free shops?

100% FDI is allowed under Duty free shops via automatic route. For more information, click here.

10. 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.

11. List the major benefits of E-commerce?

The major benefits of E-commerce are: 1) Overcomes geographical limitations 2) Eliminate travel time and cost 3) Remain open all the time 4) Enable Deals, Bargains, Coupons, and Group Buying For more information, click here.

12. What is Web Hosting?

Web hosting is a service that allows organizations and individuals to post a website or web page onto the Internet. For more information, click here.

13. Are there specific laws regarding the termination of employee contracts?

According to the Shops and Establishments Act, no employer shall dispense with the services of an employee who has been in their continuous employment for not less than three months, without giving at least one month's notice. However, if the notice period prescribed under the Employment Contract of the employee is more than one month, the Company will have to provide the notice period as prescribed under the Contract. Please refer to the Shops and Establishments Act of the respective state for further details.

14. Are there any legal requirements regarding apparel labelling?

There are legal labelling requirements regarding garments in loose form in retail stores, which can be found below through the Legal Metrology Rules, 2011. Name or Description of Product Size: Internationally recognizable size indicators - S, M, L, XL, etc. along with the details in metric notation in terms of cm or m as the case may be. Alternatively, the words ' TO FIT SIZE ' instead of only

‘ Size ’ on the label may be used. Maximum Retail Price Name, full address and customer care number of the manufacturer

15. Are there any required approvals and licenses or registrations that need to be procured in order to import apparel or other retail goods?

Approval or licensing requirements depend on the product proposed to be imported to India. Further, in the case of proposed foreign investment, compliance with relevant provisions of the FDI Policy 2017 will have to be ensured. Additionally, any person interested in importing goods into India must follow certain rules and guidelines as laid down by The Companies Act 2013, RBI guidelines etc. They must pay GST, Income Tax and other taxes as per state ruling. The Directorate General of Foreign Trade (DGFT) issues Import Export (IE) Codes which are required for importing or exporting goods. The issued IE Codes can be used by the entity throughout its existence and don't require any renewal or filing.

16. Can my company use plastic bags and plastic packaging?

According to the Plastic Waste Management Rules 2016, there is a complete ban of the manufacture, supply and storage of polythene bags and other plastic items such as cups, plates, spoons, and glasses in many states with a partial ban in some states like Maharashtra, West Bengal, Goa, Kerala etc. Some states permit polythene bags above 50 microns thickness. For more information, click [here](#).

17. Where can I find regulations in food safety?

Food Safety and Standards Authority of India is the regulatory authority and has created a comprehensive policy framework on food safety and standards in India. For more information, click [here](#).

18. Is physical presence mandatory for a single brand retail entity into B2C e-commerce? Is there any required number of stores for this?

Single brand retail entity willing to enter into B2C e-commerce in India is required to have a physical presence in India before entering the e-commerce business. Per se, there is no specific requirement on the number of physical stores to be maintained in India.

19. What is the government FDI policy to sell products online?

1) 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. 2) 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. 3) An e-commerce entity will not permit more than 25% of the sales affected through its marketplace from one vendor or their group companies For information, click here.

20. Is it possible to set up an online shop for an already existing SBRT?

Subject to the conditions mentioned in this Para, a single brand retail trading entity operating through brick and mortar stores, is permitted to undertake retail trading through e-commerce. For more information, click here.

21. What is refined buying?

An essential increase in consumption of more variety of products and services is inevitable in India. However, the consumers will prefer to check reviews and examine alternative options before any purchase, it is called refined buying.

22. What are the Aid drivers for growth of e-commerce?

The new generation of tech savvy consumers will have more aspiration (and income) to consume different products and use variety of services. Supported by offline partnerships (e.g. restaurants partnership with Zomato) and demand-aggregators, asset-light e-commerce models can provide an enhanced reach and broader market to the brands & businesses. For example, the model on which the app-based food delivery works.

23. What is the trend of consumerism in India?

Consumerism is a social and economic system that promotes an ever-increasing purchase of goods and services. There is a substantial growth in consumerism in India. Based on improved and high purchasing power, it is forecasted that middle class will drive 75% of consumer spending in 2030.

24. What is the digital influence on consumerism?

Consumer 's degree of connectedness to digital media and online platforms will decide drivers of preferences. A well-connected (to digital world) consumer will have broader array of products and will be aware of the brands which may serve his needs.

25. What is the PM Street Vendor ' s AtmaNirbhar Nidhi (PM SVANidhi) Scheme?

This is a Central Sector Scheme to facilitate street vendors to access affordable working capital loan for resuming their livelihoods activities, after easing of lockdown.

26. What is the rationale of the PM SVANidhi Scheme?

The COVID-19 pandemic and consequent lockdowns have adversely impacted the livelihoods of street vendors. They usually work with a small capital base, which they might have consumed during the lockdown. Therefore, credit for working capital to street vendors will be helpful to resume their livelihoods.

27. What are the objectives of the PM SVANidhi Scheme?

To facilitate working capital loan up to `10,000 at a subsidized rate of interest; To incentivize regular repayment of the loan; and To reward digital transactions

28. What are the salient features of the PM SVANidhi Scheme?

Initial working capital of up to `10,000/- Interest subsidy on timely/ early repayment @ 7% Monthly cash-back incentive on digital transactions Higher loan eligibility on timely repayment of the first loan.

29. Who is the target beneficiary for the PM SVANidhi Scheme?

Street vendors/ hawkers vending in urban areas, as on or before March 24, 2020, including the vendors of surrounding peri-urban and rural areas.

30. What is the tenure of the PM SVANidhi Scheme?

The Scheme shall be implemented up to March, 2022.