

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 2771
ANSWERED ON MONDAY, THE 21ST MARCH, 2022
[PHALGUNA 30, 1943 (SAKA)]**

E-COMMERCE COMPANIES

QUESTION

2771. SHRI PARTHIBAN S. R.:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether a large number of e-Commerce companies have been found to be indulging in predatory prices;**
- (b) if so, the details thereof; and**
- (c) the remedial steps taken by the Government to protect millions of small retailers from this illegal practice?**

ANSWER

THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION; MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF PLANNING; AND MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS.

(RAO INDERJIT SINGH)

(a)&(b): The Competition Commission of India ('Commission') has received information against certain e-commerce companies alleging, *inter alia*, deep discounting/predatory pricing etc., which are in contravention of the provisions of Section 4 of the Competition Act, 2002 ('Act'). In some of these cases, the Commission found prima facie contravention of the Act and accordingly passed orders directing investigation in the matter.

(c): Section 4 of the Act prohibits abuse of dominant position by enterprises or their groups, including any deep discounting/predatory pricing. The e-Commerce companies are covered within the ambit of this provision of the Act.

The Commission has been undertaking various initiatives from time to time to ensure effective competition and fair play in the market. These, inter-alia, include conducting market studies on relevant sectors, advocacy outreach initiatives, conducting roadshows on competition laws & practices, upgradation of IT infrastructure and increased use of technology in functioning, opening of regional offices etc. The Commission in the recent past had undertaken a "Market Study on E-Commerce in India" to better understand the functioning of e-commerce and its implications for markets and competition. The Report enumerates certain areas for self-regulation by the e-commerce platforms. These include transparency in search ranking parameters, clear and transparent policy on the actual and potential use of data collected by platforms, adequate transparency over user review and rating mechanisms, notification to business users regarding proposed revision in contract terms, and clear and transparent policies on discounts including discount rate and participation in discount schemes. The report is publicly available on the website of the Commission at www.cci.gov.in.
