

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF INDUSTRIAL POLICY & PROMOTION**

LOK SABHA

**UNSTARRED QUESTION NO. 2254.
TO BE ANSWERED ON MONDAY, THE 1ST JANUARY, 2018.**

VIOLATION OF FDI RULES BY e-COMMERCE COMPANIES

2254. SHRI P.C. MOHAN:

Will the Minister of **COMMERCE AND INDUSTRY** be pleased to state:

वाणिज्य एवं उद्योग मंत्री

- (a) whether the Government has noticed that e-commerce companies in the country have violated the Foreign Direct Investment (FDI) rules;
- (b) if so, whether the Enforcement Directorate has registered complaints before the Ministry in this regard;
- (c) if so, the details thereof and the action taken so far by the Government in this regard;
- (d) whether the Government has received complaints from the people against e-commerce companies; and
- (e) if so, the details thereof and the action taken by the Government in this regard?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्यमंत्री (श्री सी.आर. चौधरी)

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY
(SHRI C.R. CHAUDHARY)**

- (a): The Foreign Direct Investment (FDI) policy is notified across various sectors, including e-commerce, under Foreign Exchange Management Act (FEMA), 1999 and any violation of FDI regulations is covered by the penal provisions of the FEMA, 1999. Reserve Bank of India administers the FEMA and Directorate of Enforcement under the Ministry of Finance is the authority for the enforcement of FEMA. Thus, violations, if any, are to be dealt with by Enforcement Directorate and Reserve Bank of India.
- (b): No such complaints have been sent by Enforcement Directorate to this Ministry.
- (c): Question does not arise.
- (d) & (e): National Consumer Helpline (NCH) has been set up by the Department of Consumer Affairs to receive complaints from consumers. E-commerce sector contributed around 18% of the total complaints/ dockets registered at NCH in

the current year 2017-18. The details of complaints received at NCH in e-commerce sector are tabulated below:

Sector -E-commerce	
Year	Docket/ Calls Registered*
May 2014-March 2015	16919 (calls)
April 2015-March 2016	28331 (calls)
April 2016- Mar 2017	54872 (calls / Docket)
April 2017-Nov 2017	54114 (Docket)

* *Data includes repeat calls and enquires.*

Redressal Mechanism (Action Taken)

NCH had partnered with some companies to resolve their customer complaints received at NCH. This is the alternate grievance redressal method, and is a completely voluntary initiative taken up by these companies. As part of this 'Convergence' programme, NCH forwards/gives access to the individual Convergence Company to address/redress these complaints as per the Company's own internal grievance handling system. The redressal provided is communicated to the customer as well as to NCH by the company. From August 2016, the portal www.consumerhelpline.gov.in has also been developed to provide a platform to consumers to register their complaints. Companies which have voluntarily partnered with NCH as part of the 'Convergence' programme, directly respond to these complaints according to their redressal process and revert by providing a feedback to the complainant on the portal directly. Complaints regarding those companies which have not partnered with National Consumer Helpline are forwarded by NCH to the company for redressal.

As on date, 58 e-commerce companies are enrolled with NCH as convergence partners.
