

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE
LOK SABHA**

**UNSTARRED QUESTION NO. 4809.
TO BE ANSWERED ON WEDNESDAY, THE 24TH MARCH, 2021.**

CHANGE IN FDI POLICY

4809. SHRI DUSHYANT SINGH:

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

वाणिज्य एवं उद्योग मंत्री

- (a) whether the Government is contemplating change in FDI policy for e-commerce entities and if so, the details thereof;
- (b) whether e-commerce marketplaces will be allowed to have an indirect stake through their parent companies and if so, the details thereof and if not, the reasons therefor;
- (c) the amount of FDI that will be affected by pursuing the changes of the policy and whether the Government has received any complaints from domestic 'brick and mortar' retailers on the existing FDI policy and if so, the details thereof;
- (d) whether the new companies which are planning to invest in India, will be affected by the proposed changes in FDI policy;
- (e) if so, the amount that will be affected due to the change in policy and if not, the reasons therefor; and
- (f) whether the Government is planning to apply such a policy to other retail businesses and if so, the details thereof and if not, the reasons therefor?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्री सोम प्रकाश)

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY
(SHRI SOM PARKASH)**

- (a): There is no proposal to bring in changes in FDI policy for e-commerce sector in India, presently.
- (b): Does not arise.
- (c): As there is no proposal to bring in changes to FDI policy for e-commerce sector in India, at present, the question of amount of FDI affected does not arise. The Government has received representations from traders' bodies/ associations whereby it has been alleged that certain marketplace entities have created complex ownership structures to circumvent the FDI policy provisions and are engaging in Inventory-based model of e-commerce through controlled vendors/preferred sellers. Further, there are allegations regarding deep discounting, predatory pricing, exclusive arrangements, etc.
- (d) to (f): Do not arise.
