

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

**UNSTARRED QUESTION NO. 4129.  
TO BE ANSWERED ON TUESDAY, THE 25<sup>TH</sup> MARCH, 2025.**

**IMBALANCE IN TRADE**

**4129. SHRI RAJESH RANJAN:**

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

**वाणिज्य एवं उद्योग मंत्री**

- (a) whether it is a fact that due to the bulk buying power, aggressive pricing and wide reach of the big firms, small retailers are suffering serious losses, leading to imbalance in trade, closure of small businesses and increase in unemployment;
- (b) if so, whether the Government has formulated any plan or policy to solve such problem; and
- (c) if so, the details thereof?

**ANSWER**

**वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्री जितिन प्रसाद)**

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY  
(SHRI JITIN PRASADA)**

**(a) to (c):** Pricing and discounting of products are business decisions driven by market forces. However, imposition of unfair or discriminatory prices (including predatory pricing) by a dominant enterprise or group is prohibited under provisions of Section 4 of the Competition Act, 2002. The Competition Commission of India (CCI) established under the said Act decides matters of anti-competitive practices, including, inter-alia, predatory pricing, on a reference by the aggrieved party. Action is taken as and when such allegations of anomalies and violations of existing laws are brought to the notice of the Government.

DPIIT Press Note 3 of 2016 having Guidelines for FDI on e-commerce was issued on 29 March, 2016. Press Note 2(2018) was issued by DPIIT on 26 December, 2018 to provide further clarification on FDI policy in relation to e-commerce. Clause (ix) of Press Note 2(2018) stipulates that e-commerce entities providing market place will not directly or indirectly influence the sale price of goods or services and shall maintain level playing field. Services should be provided by e-commerce marketplace entity or other entities in which e-commerce marketplace entity has direct or indirect equity participation or common control, to vendors on the platform at arm's length and in a fair and non-discriminatory manner. Such services will include but not be limited to

fulfilment, logistics, warehousing, advertisement/ marketing, payments, financing etc. Cash back provided by group companies of marketplace entity to buyers shall be fair and non-discriminatory. For the purposes of this clause, provision of services to any vendor on such terms which are not made available to other vendors in similar circumstances will be deemed unfair and discriminatory. Any violation of FDI regulations is covered by the penal provision of FEMA, 1999. RBI administers FEMA and Directorate of Enforcement (ED) is the authority for enforcement action under FEMA.

Government has been focusing on protection of the interest of small retailers and distributors. Various measures in the form of Acts, Rules and Policies have been put in place to ensure a level playing field and act against practicing of anti-competitive conduct by big e-commerce platforms. In addition to the Competition Act, 2002, the e-commerce sector is governed by a comprehensive legislative framework consisting of the Acts, Rules and Policies such as Consumer Protection Act, 2019; Central Goods and Services (CGST) Act, 2017; Information Technology Act, 2000; Payment and Settlement Systems Act, 2007; Income Tax Act, 1961; Companies Act, 2013; Copyright Act, 1957 etc.

The Department for Promotion of Industry and Internal Trade (DPIIT) has also pioneered the initiative of Open Network for Digital Commerce (ONDC). The initiative aims at promoting open networks for all aspects of exchange of goods and services over digital or electronic networks. ONDC makes e-Commerce more inclusive wherein small and medium-sized businesses can use any ONDC compatible applications instead of being governed by specific platform centric policies. This provides multiple options to them to be discoverable over network and conduct business. It also encourages easy adoption of digital means by the small retailers and distributors, who may be currently not on digital commerce networks.

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