



COMPETITION COMMISSION OF INDIA

Case No. 27 of 2024

In Re:

Mr. Lalit Wadher

Informant

L14, Anupam Nagar, Near TV Tower,
Raipur Chhattisgarh 492007

And

Zomato Ltd.

Opposite Party

Ground Floor, Tower C, Vipul Tech Square,
Golf Course Road, Sector 43, Gurugram
Haryana, 122009

CORAM

Ms. Ravneet Kaur
Chairperson

Mr. Anil Agrawal
Member

Ms. Sweta Kakkad
Member

Mr. Deepak Anurag
Member

Order under Section 26(2) of the Competition Act, 2002

1. The present Information has been filed by Mr. Lalit Wadher (**‘Informant’**) under section 19(1)(a) of the Competition Act, 2002 (**‘Act’**) alleging contravention of the provisions of the Act by Zomato Ltd. (**‘Opposite Party’**/ **‘OP’**).
2. As per the Information, the Informant is a senior citizen and the OP is a mobile application (**‘app’**) based food delivery company, operating, out of Gurugram, Haryana. The app is *inter alia* used for ordering food online from restaurants and eateries.



3. As per the Informant, OP's app operates *inter alia* through following steps: (i) upon placing request by the user on app for a particular dish, (ii) the app suggests a list of restaurants showing availability of that dish, (iii) when consumer chooses a particular restaurant, menu of the restaurant opens up showing the dish and its price, (iv) upon selecting dish and its price, app directs customer to one of the available various payments methods for payment, and, (v) after the payment is made, the app shows the approximate time of delivery.
4. It has been submitted by the Informant that Zomato collects payment for the food ordered by the consumer and gets it delivered to the consumer through its delivery partners. It has been stated that the Informant has ordered food through the app three times in the past.
5. The Informant has alleged that OP's business practices are not in the interest of consumers as the prices charged by the OP are generally higher than the prices at restaurants by around 20-30%. It has been further alleged that the affiliated restaurants of the OP do not put stickers showing the price of ordered items as per the restaurant's menu, on the packing of the food items. Thus, preventing the consumer from knowing as to how much he/she is being overcharged by the OP. Further, it is alleged that the OP does not take any onus and/or responsibility for food items delivered by it to the consumer, who has recourse only to OP's customer care which redirects the such complainant to the restaurant. The Informant further alleged that OP does not take responsibility for purity, freshness or the age on the shelf, of the food delivered which may adversely affect the health and wellbeing of consumers. It has also been stated that OP does not disclose when it pays the restaurants for the food items ordered and supplied and is earning huge profits out of treasury operations.
6. The Informant has also alleged that in addition to the price of the ordered food and taxes thereon, the OP is levying other charges such as platform fee, delivery charges, packing charges, donations and tips which is stated to have been added by default and the Informant could not find a method, if any, to opt out of it on the OP's app.



7. OP is also stated to be operating as a duopoly with another similar company with no other competition, leading to levy of undue, excessive and monopolistic charges on the consumers. It is stated that, unlike other e-commerce companies, which offer their services free of charge, OP levies Rs.6.00 for the use of its app as platform charge which was previously Rs.5.00. OP is stated to offer free deliveries for those customers who buy subscription packages on the OP's app. It has been further alleged that the increase of 20 per cent in platform charge is not based on any improvement in the software, facilities added to the app or enhanced consumer experience.
8. As per the Informant, the OP delivers the food item to the consumer and receives payment for it, which makes it a seller. Thus, OP is required to undertake all the duties and responsibilities of a seller in terms of the Sale of the Goods Act, 1930 viz. disclosure, warranty, quantity & fitness and delivery.
9. The Commission considered the matter in its ordinary meeting held on 22.01.2025 and decided to pass an appropriate order in due course.
10. The Commission has perused the Information along with the attached documents. The Informant appears to be aggrieved by the conduct of OP which *inter alia* includes charging of inflated prices for food on OP's platform, charging of platform and other fees, not ensuring edibility of the delivered food, non-disclosure of timing of payment to restaurants, and thus earning profits from treasury operations. OP is also stated to be operating as a duopoly along with a similar company without any other competition.
11. The Commission notes that the Informant has not alleged violation of any specific provision of the Act. However, based on the facts and allegations presented in the Information which are largely related to unfair prices/charges, the conduct can be examined under Section 4 of the Act.
12. The Commission notes that the Informant has made an allegation that OP is running as duopoly along with a similar company without any other competition in the market, but has not provided any data/evidence in this regard. On perusal of the allegations, which largely pertain to levy of various kinds of charges viz. food charges, platform fees,



delivery fees, tip *etc.*, by OP; the Commission is of the view that these do not appear to be unfair and discriminatory in nature.

13. Further, the Informant also appears to be aggrieved that he could not find any option to opt out from default setting of payment of tips. The Commission noted that tip is not mandatory and there is option to not pay the same which is easily visible. In addition, the Informant has also made allegations related to edibility of the delivered food, non-disclosure of food prices as per restaurants' menus on the packaging and of timing of payments to restaurants by the OP. The Commission is of the view that in the facts of the present case these allegations do not appear to raise any competition concern.
14. Given the facts and circumstances of the matter, the Commission is of the view that there appears no requirement of delineating the precise relevant market.
15. The Commission finds that no *prima facie* case of contravention of the provisions of Section 4 of the Act is made out against the OP. Accordingly, the Information is ordered to be closed forthwith in terms of the provisions contained in Section 26(2) of the Act.
16. The Secretary is directed to communicate the decision of the Commission to the Informant, accordingly.

Sd/-
(Ravneet Kaur)
Chairperson

Sd/-
(Anil Agrawal)
Member

Sd/-
(Sweta Kakkad)
Member

Sd/-
(Deepak Anurag)
Member

New Delhi
Date: 06.03.2025