



NRAI approaches Competition Commission of India (CCI) for resolving issues with the Food Aggregators

Monday, July 5, 2021: The National Restaurant Association of India (NRAI) espouses the cause of Restaurants in India and plays a leading role by engaging in discussion with the various stakeholders, other market participants and the Government of India, from time to time to highlight the concerns in the F&B industry. NRAI has played a leading role in shaping the policy discussions in the F&B space, especially during the pandemic where not only did it actively engage with the Government but also organised townhalls for the restaurant partners to apprise them about various developments within the food service ecosystem. NRAI understands and appreciates the concerns of its Restaurant Partners.

Since 2018 onwards, the restaurants have been facing numerous issues in their dealing with the marketplace platforms, Swiggy and Zomato. When these marketplace platforms started, they had certain advantages, however, over a period, their business practices started hurting the F&B industry massively. There have been multiple discussions / deliberations wherein Office Bearers of NRAI have reached out to these deep funded marketplace platforms highlighting their concerns on certain practices that adversely affect all restaurants, especially the budget restaurants within F&B sector.

As a part of the e-commerce study conducted by the Hon'ble Competition Commission of India (CCI) under their advocacy measures, NRAI also sent their recommendations to the CCI and participated in various workshops conducted under the aegis of CCI highlighting various practices which are conducted by these marketplace platforms (Swiggy & Zomato). NRAI played a leading role in highlighting the concerns of the restaurants to the CCI in the workshops.

During the pandemic, the magnitude of anti-competitive practices of Zomato & Swiggy have increased manifold and despite numerous discussions with them, these deep funded marketplace platforms are not interested to alleviate the concerns of the restaurants. In fact, during the pandemic, due to onerous terms imposed, a lot of our partners had to shut shop.

Thus, keeping the interest of restaurants in India in mind and how they have been affected by the inherently anti-competitive practices of Zomato & Swiggy, NRAI, on 1st July 2021, have filed an information with the CCI highlighting the following practices by Zomato & Swiggy which have an appreciable adverse effect on competition.

- a) Bundling of services, data masking and exorbitant commission charged.
- b) Price parity agreements.
- c) Deep discounting: forcing the restaurant partners to give discounts to maintain appropriate listing.
- d) Exclusivity of listed restaurants.
- e) Violation of platform neutrality, vertical integration and lack of transparency on platform.

Speaking on this, **Anurag Katriar, President of NRAI** commented, *“We have been in constant dialogue with the food service aggregators over last 15-18 months to resolve critical issues impacting the sector. However, despite all our efforts, we have unfortunately not been able to resolve them with the aggregators. The needle hasn’t moved much on these issues. We have therefore approached the CCI now to look into the matter and investigate them thoroughly.*

He further added that *“We are committed to the cause of our partners, and we will put our best efforts with the CCI to ensure that the practices of these marketplace platforms are aligned to the benefit of the entire F&B industry”.*

About National Restaurant Association of India (NRAI)

National Restaurant Association of India is the voice of the Indian Restaurant Industry. Founded in 1982, it represents the interests of 500000+ restaurants, an industry valued INR 4,23,865 crores.

Being the leading association of the Indian restaurant industry, NRAI aspires to promote and strengthen the Indian Food Service Sector. The Association in its 38th year has a pan India presence with members comprising of restaurants and suppliers.

NRAI is governed by a committee of members and led by a President and Office Bearers. The committee consists of over 35 Restaurant CEOs / Owners representing various national and international brands from the F & B sector. The association works closely with a network of State and City chapter partners in Mumbai, Gurugram, Bengaluru, Kolkata, Delhi, Noida and Chandigarh and will open new chapters in others cities soon. The Chapter activities include:

- Ground work and action pertaining to government issues and representations
- Facilitate the exchange of knowledge & experience
- Provide support in the overall development of the association

Our Vision

NRAI aspires to lead the Indian Restaurant Industry to greater profitable growth. It represents the interests of members through advocacy, training, research and industry events.

NRAI aims to

- Advocate changes in the laws governing the Indian Restaurant Industry at local, state and centre levels,
- Provide opportunities to educate members
- Play a key role in promoting skilling and career opportunities for industry professionals through the Hospitality Sector Skill Council.

For more information, please contact: Ritika Gupta, Asst. Manager - Marketing and Communications,
NRAI – ritika.gupta@nrai.org ; +91 9971875905