COMPETITION COMMISSION OF INDIA

Case No. 22 of 2026

In re:

R. Suresh **Informant**

And

Eternal Limited (Formerly Zomato Limited) **Opposite Party**

CORAM

Ms. Ravneet Kaur
Chairperson

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 Shri R. Suresh (‘**Informant**’), under Section 19(1)(a) of the Competition Act, 2002 (‘**Act**’), against Eternal Limited, formerly known as Zomato Limited (‘**Opposite Party**’), alleging contravention of the provisions of Section 3 and 4 of the Act.
2. As per the Information, the Informant placed a food order through the Zomato platform from ‘Sree Ariya Bhavan’ on 13.04.2026. Though the base food value was INR 123.50, the Informant was compelled to pay INR 198 including INR 43 as delivery partner fee, INR 14.90 as platform fee and INR 16.60 as GST.
3. Thereafter, the Informant personally visited the same restaurant and purchased the identical item directly for only INR 105 inclusive of GST. Upon enquiry, the restaurant management informed that approximately 33% commission is deducted by Zomato from restaurants, compelling restaurants to artificially inflate prices on the platform. The restaurants are also compelled to incur advertisement and promotional visibility expenses to maintain competitiveness on the platform.

4. The Informant demonstrated the substantial price difference between direct restaurant purchase and purchase through the Zomato platform of a food item, namely "Ghee Pongal" as under:

S. No.	Particulars	Price	
		At Restaurant	**On Zomato**
1	Name of food item	Ghee Pongal	Ghee Pongal
2	Restaurant Name	Sree Ariya Bhavan	Sree Ariya Bhavan
3	Base Food Price	INR 100/-	INR 123.50
4	GST on Food Item	INR 5/-	Included separately
5	Delivery charges	Nil	INR 43/-
6	Platform Fee	Nil	INR 14.90
7	Additional Taxes/GST	-	INR 16.60
8	Final amount paid	**INR 105/-**	**INR 198/-**
9	Difference in Price	-	INR 93/-
10	Percentage Increase	-	88% approx.

5. The direct restaurant purchase of the said food item costs only INR 105/- inclusive of GST. However, the same food item ordered through the Zomato platform resulted in a total payable amount of approximately INR 198/-. The increase of approximately INR 93/- is attributable to inflated base food price, delivery charges, platform fee and additional GST components.

6. Despite already recovering revenue through restaurant commissions and delivery charges, an additional "platform fee" of INR 14.90 was imposed upon the Informant without any separately identifiable or additional value-added service.

7. The "platform fee" initially introduced around August 2023, at approximately INR 2 per order has now increased to INR 14.90 per order, constituting more than 645% escalation within less than three years without any transparent rationale or corresponding enhancement of service.

8. It has been alleged that the Opposite Party is abusing its dominant position in the relevant market of *Online food delivery platform services in India* by imposing unfair and discriminatory conditions upon consumers and restaurant partners. The impugned conduct

has caused appreciable adverse effect on competition and amounts to exploitative abuse of dominance through excessive commissions, unfair pricing practices and anti-competitive commercial arrangements.

9. As per the Information, the Informant is aware that certain issues relating to pricing practices and platform-related charges in the online food delivery sector have been incidentally examined by the Commission in earlier proceedings. However, the present Information raises substantial additional and continuing issues concerning the arbitrary escalation of platform fee, exploitative layered pricing structure, drip pricing mechanism, excessive commission recovery, indirect price inflation upon consumers, and abuse of dominant position resulting in large-scale unjust enrichment and consumer exploitation.

10. The Informant has emphasised that the present Information is therefore based upon continuing cause of action, fresh material facts, larger public impact, and continuing anticompetitive effects affecting lakhs of consumers and restaurant partners across India. Accordingly, the present Information is maintainable and requires independent examination under Sections 3, 4, 19 and 26 of the Act notwithstanding any earlier observations in proceedings relating to food delivery sector.

11. The Informant has alleged that the Opposite Party has violated Sections 3 and 4 of the Act by:

    a) imposing excessive commissions upon restaurant partners;
    b) compelling restaurants to inflate menu prices;
    c) imposing arbitrary "platform fee" without identifiable service justification;
    d) imposing overlapping and exploitative charges including commissions, delivery charges, advertisement charges and platform fee; and
    e) adopting "drip pricing" methodology;
    f) leveraging dominant position to impose unfair and discriminatory pricing conditions.

<u>Relief Sought</u>:

12. Citing the above facts and making the aforesaid allegations, the Informant prayed the Commission to:

    a) Take cognizance of the present Information under Sections 19 and 26 of the Act;

b) Direct investigation against the Opposite Party for abuse of dominant position and anti-competitive conduct;

c) Direct the Opposite Party to immediately cease collection of arbitrary "platform fee";

d) Direct disclosure of complete pricing methodology, commissions and revenue structure;

e) Pass cease and desist orders restraining exploitative pricing practices;

f) Impose penalty under Section 27 of the Act;

g) Direct corrective measures ensuring fair, transparent and non-discriminatory pricing;

h) Pass such further orders as deemed fit in the interest of justice and fair competition.

Interim Relief:

13. The Informant also filed an Interlocutory Application ('**IA**') No. 142 of 2026 with the main Information, requesting the Commission to restrain the Opposite Party from continuing collection of arbitrary "platform fee" and direct transparent upfront disclosure of all charges during pendency of proceedings. The Informant has submitted that continued imposition of such charges causes irreparable injury and financial exploitation to consumers across India on a daily basis and also that balance of convenience lies in favour of consumers and public interest.

Analysis

14. In its ordinary meeting held on 08.07.2026, the Commission considered the matter and decided to pass an appropriate order in due course.

15. The Informant is an end consumer who purchased a food item, namely "Ghee Pongal" from the Opposite Party which is a food delivery platform.

16. From the facts and allegations stated in the Information, it is noted that the Informant appears to be aggrieved by the conduct of the Opposite Party which *inter alia* includes charging of inflated prices for food on Opposite Party's platform in comparison to the concerned restaurant partner, charging arbitrary platform fee without identifiable service justification, adopting "drip pricing" methodology and imposing overlapping and exploitative charges including delivery charges and platform fee.

17. The Commission notes that the Informant has made allegations against the Opposite Party of contravention of Sections 3 and 4 of the Act. The Informant has alleged that the impugned conduct has caused appreciable adverse effect on competition and amounts to exploitative abuse of dominant position through excessive commissions, unfair pricing practices and anti-competitive commercial agreements. In support of this allegation, the Informant has provided *inter alia* invoices of a food item *i.e.,* Ghee Pongal, purchased through Zomato and directly from the restaurant. Imposition of platform fee, delivery fee *etc.* are largely related to unfair prices/charges which may be examined under Section 4 of the Act. Hence, the Commission is of the view that no further analysis of alleged contravention of Section 3 is required in the matter.

18. With respect to excessive price charged by the Opposite Party in comparison to the concerned restaurant partner, the Commission is of *prima facie* view that the same may not be considered as abusive as selling food items through online platforms includes other services like platform services, delivery services etc.

19. The platforms, being multi-sided in nature, charge platform fee from consumers to provide online food services. They charge delivery fee from consumers for delivering food items to them through third party or their own delivery mechanism. On the other hand, they charge commission from restaurant partners for selling their food items through the platform. Since commission is paid by restaurants, they may shift it to consumers by adding it to the menu price of the food. Respective taxes are applicable in both cases.

20. A consumer who is not able to go to the restaurant to have food may avail services of online food platforms by paying additional charges including delivery charges, platform fee *etc.* The business model of selling food items through restaurant and online food delivery services are different. So, price of a food product varies in both the models.

21. The Commission observes that the Informant has chosen sample of a single food item of low price *i.e.,* INR 100 to prove that the Opposite Party is charging a higher price (*i.e.,* 88 % more than restaurant price). If the price of the food item is high, percentage difference in price would accordingly decline as the delivery charge is a fixed charge and it may vary depending on the distance.

22. As regards drip pricing, the Commission notes that it is a sales technique where a business displays only part of a product's price at the beginning of the purchase process,

then gradually reveals additional mandatory fees *i.e.*, platform fee, delivery fee, taxes, or surcharges as the customer progresses toward checkout. Final price is increased after adding additional charges in base price. However, the additional charges are for additional services provided and consumers have option to accept or reject the item till the last moment of placing order. Thus, drip pricing does not raise any competition issue, as such.

23. 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.

24. In view of the above, the Commission finds that no *prima facie* case of contravention of the provisions of Sections 3 or 4 of the Act is made out against the Opposite Party. Accordingly, the Information is ordered to be closed forthwith in terms of the provisions contained in Section 26(2) of the Act. Consequently, no case for grant of relief(s) as sought under Section 33 of the Act arises and the same is also rejected. Accordingly, IA No. 142/2026 also stands disposed of.

25. The Secretary is directed to communicate the decision of the Commission to the Informant, accordingly.

Sd/-
(Ravneet Kaur)
Chairperson

Sd/-
(Sweta Kakkad)
Member

Sd/-
(Deepak Anurag)
Member

Place: New Delhi
Date: 23.07.2026