

Quick Commerce

“An Emerging Threat to India’s Kirana Stores and Investor Confidence”



The Rise of Quick Commerce

The rapid expansion of quick commerce retail platforms is emerging as a significant new threat to India’s traditional kirana business owners. Across sectors from medical stores to general retail to farm supply, the organized market is opening new doors, reshaping the country’s long-standing retail ecosystem amid a surge of heavy capital inflows



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Unlike many other nations, India has a deeply rooted, traditional retail structure built around millions of small family-run kirana stores. These outlets are more than just convenience stores they are a vital part of the community, sustained by a centuries-old, stable supply chain.

However, the rise of online e-commerce and instant delivery platforms is fundamentally disrupting this structure, threatening both livelihoods and social fabric.

Impact on Traditional Retail

The disruption caused by quick commerce carries the potential for widespread unemployment in a sector that has long been an integral part of Indian society.

Over the past three to four years, India has witnessed explosive growth in quick commerce, fueled by substantial foreign investment. Industry estimates suggest that instant delivery apps could displace up to **25–30% of kirana shops** within just a few years.

A nationwide market survey found that consumers are rapidly shifting their regular purchases from kirana stores to quick-commerce apps. In Mumbai alone, hundreds of traditional stores have reportedly shut down as customers began buying essentials from quick commerce platforms at lower prices.

Trade Bodies Sound the Alarm

In response, trade bodies representing FMCG distributors and kiranas have petitioned regulators to investigate alleged **predatory practices** by these platforms.

Of the **12–13 million kirana stores** that hold nearly **90% of India's grocery retail market**, many are witnessing a rapid erosion of their customer base. Quick commerce platforms, which are projected to touch **USD 40 billion by 2030**, could trigger the closure of more than **200,000 kirana stores** nationwide by 2028.

These trends have raised potential red flags under **Sections 3 and 4 of the Competition Act, 2002**, prompting calls for regulatory scrutiny.

Allegations of Predatory Pricing

Kirana associations and FMCG distributors have already approached the **Competition Commission of India (CCI)**, alleging anti-competitive behavior by leading quick commerce firms. The possibility of more such petitions cannot be ruled out.



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Small retailers claim that these platforms are engaging in **deep discounting** and **predatory pricing**, offering products below wholesale costs to lure customers. The **All India Consumer Products Distributors Federation (AICPDF)** has warned that such practices are “leading to loss of livelihood” among small retailers.

Reports also allege that these platforms are **bypassing traditional distributors** and establishing **direct ties with consumer goods companies**, a move viewed as unfair and detrimental to local retailers.

The traders may urge the CCI to launch a comprehensive investigation into quick commerce models, pricing strategies, and foreign investment norms.

Legal Perspective: Competition Act, 2002

Retailer associations have called for an inquiry under **Sections 3 and 4** of the **Competition Act, 2002**, to examine potential anti-competitive practices and abuse of market dominance.

Evidence of deep discounting and below-cost pricing has surfaced, with trade groups alleging that these practices are financed by sustained foreign capital designed to eliminate smaller competitors.

Under **Section 4**, predatory pricing defined as selling below cost to drive out rivals constitutes abuse of dominance. Similarly, **Section 3** prohibits restrictive vertical agreements that could cause an “**appreciable adverse effect on competition.**”

The complaints argue that quick commerce platforms may have violated both provisions by distorting market competition and undercutting traditional retailers.

A Market at a Crossroads

The evidence strongly indicates that deep discounting by quick commerce players has significantly altered consumer behavior in India’s retail market. This shift supports a **prima facie case** for a full CCI investigation into potential violations of competition law.

Experts believe that the CCI may consider **short-term enforcement measures** to prevent further market harm.

While foreign direct investment continues to pour into this new segment, the backlash from millions of small retailers cannot be ruled out. In a country where retail is not merely commerce but a cultural cornerstone, the erosion of kirana stores could have lasting economic and social consequences.



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