

an>

title: Need to set up a regulatory body for online startup and e-commerce sector in the country.

SHRI B. VINOD KUMAR (KARIMNAGAR): There is no single regulator for online startup and e-commerce sector in India. This is presently regulated by multiple agencies such as the Ministries of Finance, Corporate Affairs, Information Technology, SEBI, etc. leading to severe inefficiencies and lack of accountability.

Online startup and e-commerce firms are an indication of India's maturity as a capitalist economy where individuals move from being job-seekers to job providers. Companies like Flipkart, Snapdeal, Zomato, Jabong, Myntra, etc. are major success that have provided inspiration to lakhs of youth.

However, this sector suffers from a crisis of sustainability. There are allegations that the revenue models adopted by these companies are unsustainable and that they are surviving on funding from angel investors and venture capitalists. For instance, in the financial year ended March 2015, all the top 22 online start-ups registered losses to the tune of Rs. 7884 crores. The sustainability of the sector is still unclear.

If a bubble is indeed building then it can lead to job losses, social unrest and an overall shock to the economy. It would also undermine the goals of Startup India, Standup India.

Thus a strong, unified regulator is necessary for this sector and I request the Government to establish it at the earliest.