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PREDATORY PRICING vs COMPETITIVE PRICING: A STUDY OF OLA AND UBER CASES IN INDIA

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INTRODUCTION

Competition law in India aims to promote market efficiency, protect consumer interests, and prevent practices that distort fair competition. The enactment of the Competition Act, 2002¹ marked a transition from the restrictive and control-oriented framework of the Monopolies and Restrictive Trade Practices (MRTP) Act, 1969², to a modern, market-oriented regime. Section 4³ of the Act explicitly prohibits the abuse of dominant position, which includes predatory pricing—a practice where a dominant enterprise sets prices below cost with the intention of eliminating competitors. The law thereby seeks to maintain the balance between competitive behaviour that benefits consumers and exclusionary conduct that harms market structure.

In the age of digital platforms, this balance has become increasingly difficult to maintain. Companies like Ola and Uber, operating in India's dynamic ride-hailing industry, rely heavily on algorithmic pricing mechanisms that adjust fares based on real-time demand, supply, and other data inputs. While such systems enhance operational efficiency and consumer convenience, they also create uncertainty in identifying whether below-cost fares reflect legitimate market competition or a strategic effort to foreclose rivals. Algorithms, by design, can sustain loss-making

prices under investor-backed models, thus raising complex legal and economic questions about intent, dominance, and cost determination.

The Competition Commission of India (CCI), empowered to enforce the provisions of the Act, has confronted these challenges in notable cases such as *Meru Travel Solutions Pvt Ltd v Uber India Systems Pvt Ltd*⁴ and *Fast Track Call Cab Pvt Ltd v ANI Technologies Pvt Ltd (Ola)*⁵. These cases reveal divergent interpretations of dominance and predation in the context of two-sided digital markets. The Commission's traditional reliance on cost-based tests—such as Average Variable Cost (AVC) or Long-Run Average Incremental Cost (LRAIC)—often proves inadequate for algorithm-driven markets. Recognising this limitation, the CCI introduced the General Statement on the CCI (Determination of Cost of Production) Regulations, 2025⁶, which modernises cost benchmarks and reflects an adaptive regulatory approach to digital sectors.

This project explores the evolving interface between predatory pricing and competitive pricing in India's platform economy, with specific reference to Ola and Uber. It seeks to analyse whether the current legal framework sufficiently addresses the challenges posed by algorithmic fare systems. The study argues for the development of a structured, technology-aware framework within the CCI that enables early detection of algorithmic predation while preserving legitimate competition and innovation. Ultimately, the research aims to highlight the need for a nuanced regulatory approach that aligns India's competition law with the realities of the digital marketplace.

¹ The Competition Act, 2002 (12 of 2003).

² The Monopolies and Restrictive Trade Practices Act, 1969 (54 of 1969).

³ The Competition Act, 2002 (12 of 2003) s 4(2)(a)(ii).

⁴ *Meru Travel Solutions Pvt Ltd v Uber India Systems Pvt Ltd* (2019) 8 SCC 436 (SC).

⁵ *Fast Track Call Cab Pvt Ltd v ANI Technologies Pvt Ltd (Ola)* (2017) CompLR 250 (CCI).

⁶ Competition Commission of India, *General Statement on the Competition Commission of India (Determination of Cost of Production) Regulations, 2025* (Government of India, 2025).



COMPETITION LAW IN INDIA

The evolution of India's competition law is central to understanding the framework governing predatory pricing in digital markets. The Monopolies and Restrictive Trade Practices Act, 1969 focused mainly on preventing concentration of economic power but lacked provisions to address modern market dynamics and pricing abuses. With the liberalisation of the economy, it was replaced by the Competition Act, 2002, which promotes competition, protects consumer interests, and ensures market efficiency. The Act empowers the Competition Commission of India (CCI) to regulate anti-competitive conduct. Specifically, Section 4 addresses the *abuse of dominant position*, prohibiting practices such as predatory pricing, where enterprises like Ola and Uber may use below-cost fares to exclude competitors. This provision forms the legal foundation of the present study.

PREDATORY PRICING

Predatory pricing refers to the practice where a dominant enterprise deliberately sets prices below cost with the intention of eliminating competitors or deterring their market entry. Once rival firms are driven out, the dominant entity can raise prices to recoup losses, thereby harming consumer welfare and restricting competition. Under Section 4(2)(a)(ii) of the Competition Act, 2002⁷, such conduct is classified as an abuse of dominant position. The Explanation (b) to this section defines "predatory price" as the sale of goods or provision of services at a price below cost, as determined by the CCI's cost regulations, with a view to reduce competition or eliminate competitors.

To establish predatory pricing, three essential elements must be proven:

1. The enterprise holds a dominant position⁸ in the relevant market.
2. The prices are below the cost of production as determined under the CCI's regulations.
3. There is an intention to reduce competition or eliminate rivals.

⁷ The Competition Act, 2002 (12 of 2003) s 4.

⁸ Ibid 12.

The economic rationale behind identifying predatory pricing lies in protecting the competitive process rather than competitors. Temporary low pricing is not inherently illegal; it becomes abusive only when aimed at excluding others and controlling market power. The Competition Commission of India (CCI) applies cost benchmarks such as Average Variable Cost (AVC) and Long-Run Average Incremental Cost (LRAIC) to determine whether pricing is below cost.

In the digital economy, particularly in the ride-hailing sector, the application of these tests is complex. Platforms like Ola and Uber operate through algorithmic pricing and heavy investor-backed discounts, which obscure intent and cost structure. The recent CCI (Determination of Cost of Production) Regulation, 2025 seek to modernise cost-assessment tools to address such challenges. Thus, predatory pricing remains a critical legal and economic concept for ensuring that innovation-driven markets do not disguise anti-competitive strategies under the guise of technological efficiency.

COMPETITIVE PRICING

Competitive pricing is an essential element of a healthy market economy. It encourages efficiency, innovation, and consumer welfare by compelling firms to offer better services at lower prices. Under the Competition Act, 2002 low pricing is not presumed to be anti-competitive; rather, it is celebrated as a manifestation of vigorous market rivalry. The objective of competition law is to protect the process of competition, not the competitors themselves. Therefore, an enterprise offering lower prices, even at marginal cost, cannot be penalised unless such conduct is intended to exclude rivals or distort market conditions⁹.

In digital platform markets such as those of Ola and Uber, competitive pricing often takes the form of algorithm-based fare adjustments that respond to real-time demand and supply. These pricing strategies, while aggressive, can represent legitimate market

⁹ The Competition Act, 2002 (12 of 2003) s 4(2)(a)(ii).



behaviour if they arise from data-driven efficiency, technological innovation, or scale-based cost advantages. The Competition Commission of India (CCI) has repeatedly observed that mere low or discounted prices do not amount to abuse of dominance unless supported by evidence of exclusionary intent or sustained losses beyond a rational business period¹⁰.

True competitive pricing promotes short-term consumer benefit and long-term innovation. However, when such pricing is sustained at unsustainable levels without cost justification or aimed at foreclosing competition, it risks crossing into predatory territory. In *Meru Travel Solutions Pvt Ltd v Uber India Systems Pvt Ltd*¹¹, the Court recognised that persistent below-cost fares could, under certain circumstances, harm competition rather than enhance it. This distinction between legitimate competition and strategic predation underscores the need for a nuanced, case-specific assessment.

Accordingly, the CCI's role is to ensure that pricing remains a tool of competition rather than its weapon. Effective enforcement must distinguish genuine efficiency-driven competition from behaviour designed to monopolise market power. By safeguarding competitive pricing, the Indian competition regime aims to maintain the delicate equilibrium between innovation, affordability, and fair market access.

ALGORITHMIC PRICING IN DIGITAL MARKETS

Algorithmic pricing refers to the use of computer algorithms and artificial intelligence to determine the price of goods or services automatically, based on variables such as demand, supply, location, and

consumer behaviour. In the context of digital platform markets, companies like Ola and Uber use algorithms to set fares dynamically, responding to real-time market data rather than fixed price schedules. While this method increases efficiency and ensures quick market adjustments, it also raises regulatory concerns under competition law¹².

The primary advantage of algorithmic pricing lies in its ability to enhance market responsiveness and resource allocation. However, it also creates opacity in how prices are determined. When algorithms are designed or optimised to maintain below-cost fares for long periods—supported by investor funding or market dominance—they can distort competition and harm smaller competitors. Such mechanisms blur the line between competitive efficiency and predatory intent, especially when the dominant platform controls access to crucial data sets¹³.

The Competition Commission of India (CCI) faces challenges in assessing algorithmic pricing because traditional tools for identifying below-cost pricing were designed for static markets, not for real-time, data-driven platforms. The Competition Act, 2002 prohibits abuse of dominance¹⁴ but does not explicitly address algorithmic practices. Therefore, regulatory adaptation is required to evaluate algorithmic decisions that may indirectly result in predatory pricing.

To respond to these emerging issues, the CCI has begun recognising the need for technological expertise in its investigations. While procedural instruments such as the CCI (Determination of Cost of Production) Regulations, 2025¹⁵ provide a modernised framework for cost evaluation, further reforms are necessary to address algorithmic decision-

¹⁰ *Fast Track Call Cab Pvt Ltd v ANI Technologies Pvt Ltd (Ola)* (2017) Comp LR 250 (CCI).

¹¹ *Meru Travel Solutions Pvt Ltd v Uber India Systems Pvt Ltd* ((2019) 8 SCC 436 (SC).

¹² Tanvi Goel, 'Predatory Pricing under the Competition Act: A Legal and Economic

Perspective' (2024) 7(2) Indian Journal of Law and Legal Research 3299.

¹³ *Meru Travel Solutions Pvt Ltd v Uber India Systems Pvt Ltd* (2019) 8 SCC 436 (SC).

¹⁴ The Competition Act, 2002 (12 of 2003) s 4(2)(a)(ii).

¹⁵ *Ibid* 8.



making effectively. In this evolving digital ecosystem, algorithmic pricing thus stands as both a tool of innovation and a potential source of anti-competitive risk, demanding vigilant and informed regulatory scrutiny.

LEGAL TESTS FOR IDENTIFYING PREDATORY PRICING

The identification of predatory pricing under competition law requires a structured legal and economic assessment. Courts and competition authorities apply certain tests to distinguish between legitimate competitive conduct and abuse of dominance. In India, the foundation lies in Section 4(2)(a)(ii)¹⁶, which classifies predatory pricing as an abuse of dominant position. The Competition Commission of India (CCI) has evolved specific criteria based on economic reasoning and comparative jurisprudence to identify such conduct.

The first test is the Dominance Test, which examines whether the enterprise possesses sufficient market power to operate independently of competitive pressures. Without establishing dominance, no finding of predation can be made. This principle was reiterated in *Fast Track Call Cab Pvt Ltd v ANI Technologies Pvt Ltd (Ola)* ((2017) CompLR 250 (CCI))¹⁷, where the CCI held that aggressive pricing by Ola was not anti-competitive since the firm did not hold a dominant position in the relevant market.

The second test is the Below-Cost Pricing Test, which determines whether the prices are lower than the cost of production. The CCI generally relies on the Average Variable Cost (AVC) benchmark, as applied in *MCX Stock Exchange Ltd v National Stock Exchange of India Ltd*¹⁸. In modern practice, the Long-Run Average Incremental Cost (LRAIC) is also considered, particularly under the updated CCI

(Determination of Cost of Production) Regulations, 2025, which refine the parameters for cost calculation. Competition Commission of India, General Statement on the CCI (Determination of Cost of Production) Regulations, 2025 (Government of India, 2025).¹⁹

The third test is the Intent and Recoupment Test, which evaluates whether the dominant firm intends to eliminate competition and later recoup its losses through increased prices. The Supreme Court in *Meru Travel Solutions Pvt Ltd v Uber India Systems Pvt Ltd*²⁰ recognized that sustained below-cost pricing without efficiency justification may indicate predatory intent.

Together, these tests ensure that enforcement focuses on market distortion rather than mere low pricing. They help distinguish competitive efficiency from strategic exclusion, ensuring that legitimate competition is encouraged while anti-competitive predation is effectively curbed.

MARKET STRUCTURE OF INDIAN RIDE HAILING INDUSTRY

The Indian ride-hailing industry is one of the fastest-growing parts of the digital economy. It has changed how people travel in cities by replacing traditional taxi systems with technology-based, app-driven platforms. The two biggest players in this market are Ola and Uber, which together dominate most of the organised ride-hailing sector in India. These companies work on a two-sided platform model, meaning they act as intermediaries that connect drivers with passengers through their apps. The more passengers and drivers that join the platform, the more useful and valuable it becomes for everyone. This effect is called a network effect, and it is one of the main reasons these platforms have grown so quickly²¹.

¹⁶ The Competition Act, 2002 (12 of 2003) s 4(2)(a)(ii).

¹⁷ *Fast Track Call Cab Pvt Ltd v ANI Technologies Pvt Ltd (Ola)* ((2017) Comp LR 250 (CCI)).

¹⁸ *MCX Stock Exchange Ltd v National Stock Exchange of India Ltd* ((2011) Comp LR 193 (CCI)

¹⁹ Ibid 20.

²⁰ *Meru Travel Solutions Pvt Ltd v Uber India Systems Pvt Ltd* ((2019) 8 SCC 436 (SC)).

²¹ Tanvi Goel, 'Predatory Pricing under the Competition Act: A Legal and Economic



This market has high entry barriers, which means it is difficult for new competitors to enter. Setting up such a platform requires advanced technology, strong data systems, and a large investment in marketing and discounts to attract users. Both Ola and Uber have used deep discounts and driver incentives to build their customer base. While this makes rides cheaper and helps consumers in the short run, it raises concerns about whether these pricing strategies are sustainable or whether they are meant to drive smaller competitors out of the market²².

Another important feature of this market is the role of data. Every ride generates information about routes, fares, driver ratings, and consumer preferences. Over time, Ola and Uber have gathered vast amounts of data that they use to improve their algorithms and predict customer demand. This data gives them a strong competitive advantage and makes it very hard for smaller companies to compete²³.

Because of these factors, the Indian ride-hailing industry functions like an oligopoly, which means that only a few large firms control most of the market. Their dominance, combined with algorithmic pricing and financial strength, allows them to influence market prices and competition. This is why this sector is closely watched by the Competition Commission of India (CCI), especially under Section 4 of the Competition Act, 2002, which deals with abuse of dominance²⁴.

ALGORITHMIC PRICING AND MARKET DOMINANCE

Algorithmic pricing is a system in which prices are set automatically by computer programs or algorithms based on different market factors like demand, supply,

location, and time. In the ride-hailing industry, companies such as Ola and Uber use algorithms to adjust fares in real time. These algorithms analyse huge amounts of data — including traffic patterns, number of available drivers, and customer demand — to decide how much a ride should cost at that moment²⁵.

This technology-driven pricing system is efficient because it ensures that supply meets demand and helps reduce waiting times for passengers. However, it also raises serious concerns under competition law. When a platform already enjoys a large user base, this algorithmic control over pricing can strengthen its dominant position in the market. A firm becomes dominant when it can operate independently of market pressures and influence prices, output, or the conditions of competition.

In the case of Uber, it was alleged that its algorithmic pricing model, combined with large-scale investor funding, allowed it to offer fares below cost for extended periods, forcing smaller players out of the market²⁶. Similarly, Ola was accused of offering heavy driver incentives and customer discounts that distorted fair market conditions, although the Competition Commission of India (CCI) concluded that Ola was not dominant in the relevant market of Bengaluru at that time²⁷.

The challenge with algorithmic pricing lies in its opacity — it is difficult to determine whether low fares result from genuine efficiency or from a deliberate strategy to eliminate competition. The CCI has noted that while technological pricing tools promote efficiency, they can also enable predatory pricing if used to sustain below-cost fares over long

Perspective' (2024) 7(2) Indian Journal of Law and Legal Research 3299.

²² *Meru Travel Solutions Pvt Ltd v Uber India Systems Pvt Ltd* (2019) 8 SCC 436 (SC).

²³ *Fast Track Call Cab Pvt Ltd v ANI Technologies Pvt Ltd* (Ola) (2017) CompLR 250 (CCI).

²⁴ The Competition Act, 2002 (12 of 2003) s 4.

²⁵ Tanvi Goel, 'Predatory Pricing under the Competition Act: A Legal and Economic Perspective' (2024) 7(2) Indian Journal of Law and Legal Research 3299.

²⁶ *Meru Travel Solutions Pvt Ltd v Uber India Systems Pvt Ltd* (2019) 8 SCC 436 (SC).

²⁷ *Fast Track Call Cab Pvt Ltd v ANI Technologies Pvt Ltd* (Ola) (2017) Comp LR 250 (CCI).



durations (Competition Commission of India, General Statement on the CCI).²⁸

Therefore, algorithmic pricing, when controlled by dominant firms, can have a dual effect: it can make markets more efficient but can also reduce competition if left unchecked. The key regulatory challenge for the CCI is to distinguish between innovation-driven competition and data-driven predation, ensuring that pricing algorithms enhance consumer welfare without leading to market foreclosure.

APPROACH OF COMPETITION COMMISSION OF INDIA

The Competition Commission of India (CCI) is the main regulatory authority responsible for enforcing the Competition Act, 2002. Its role is to prevent practices that have an adverse effect on competition, promote consumer welfare, and ensure market fairness. One of its key functions is to investigate and decide cases related to abuse of dominant position, including predatory pricing, as prohibited under Section 4(2)(a)(ii) of the Act²⁹.

In cases of alleged predatory pricing, the CCI follows a two-stage approach — first, determining whether the enterprise in question holds a dominant position in the relevant market, and second, analysing whether its pricing conduct amounts to abuse of that dominance. According to Section 19(4) of the Act³⁰, factors such as market share, size, resources, and dependence of consumers are considered while determining dominance. The CCI does not penalise low prices by themselves; rather, it examines whether such low prices are exclusionary in nature or intended to eliminate competition.

A landmark case that shaped this understanding is *MCX Stock Exchange Ltd v National Stock Exchange of India Ltd*, where the CCI clarified that predatory pricing involves selling below cost with the intention of eliminating competitors³¹. The Commission in that case applied the Average Variable Cost (AVC) test to determine whether pricing was below cost and stated that predatory pricing must be distinguished from legitimate competitive behaviour.

This doctrinal foundation was later applied in the *Fast Track Call Cab Pvt Ltd v ANI Technologies Pvt Ltd (Ola)* case, where the CCI examined whether Ola's discount-based business model amounted to predation. It held that while Ola had engaged in aggressive pricing and offered high incentives to drivers, it could not be considered predatory since Ola was not dominant in the Bengaluru market³². The Commission's reasoning established that dominance is a prerequisite for a finding of predation, ensuring that firms are not punished merely for competitive behaviour.

In contrast, in *Meru Travel Solutions Pvt Ltd v Uber India Systems Pvt Ltd*, the CCI and later the Supreme Court found a prima facie case for investigation, as Uber's persistent below-cost pricing and heavy incentives could potentially indicate an intention to eliminate competition³³. This marked a shift in the Commission's approach toward digital markets, acknowledging the possibility of algorithmic predation in platform-based businesses.

The CCI's challenge lies in applying traditional economic tests like AVC and Long-Run Average Incremental Cost (LRAIC) to digital markets where cost structures are complex. Recognizing this, the Commission updated its regulatory framework through the General Statement on the CCI

²⁸ Determination of Cost of Production) Regulations, 2025 (Government of India, 2025).

²⁹ The Competition Act, 2002 (12 of 2003) s 4(2)(a)(ii).

³⁰ The Competition Act, 2002 (12 of 2003) s 19(4).

³¹ *MCX Stock Exchange Ltd v National Stock Exchange of India Ltd* (2011) Comp LR 193 (CCI).

³² *Fast Track Call Cab Pvt Ltd v ANI Technologies Pvt Ltd (Ola)* (2017) Comp LR 250 (CCI).

³³ *Meru Travel Solutions Pvt Ltd v Uber India Systems Pvt Ltd* (2019) 8 SCC 436 (SC).



(Determination of Cost of Production) Regulations, 2025, which clarified cost definitions and incorporated flexibility for analysing digital sectors (Competition Commission of India, General Statement on the CCI³⁴). This indicates an evolving and adaptive approach in handling modern pricing models.

Overall, the CCI's approach balances two objectives: (1) protecting consumer welfare by allowing firms to offer competitive prices, and (2) preventing market foreclosure caused by dominant entities misusing their pricing power. It adopts a case-by-case analysis, considering both economic efficiency and exclusionary effects. The Commission's decisions in the Ola and Uber cases show a cautious but progressive understanding of digital platform dynamics. By focusing on dominance, intent, and effect rather than mere low pricing, the CCI ensures that its enforcement does not discourage innovation while maintaining the integrity of competition in India's evolving digital economy.

COMPARATIVE EVALUATION AND REGULATORY REASONING

The analysis of ride-hailing cases in India reveals how the Competition Commission of India (CCI) and the Supreme Court have interpreted predatory pricing and market dominance in the context of digital platforms. The two leading cases, one concerning Uber and the other Ola, demonstrate contrasting outcomes and reflect the CCI's evolving understanding of competition law in technologically driven markets.

In the Ola case, the CCI adopted a cautious and structured approach. The allegation was that Ola had engaged in predatory pricing through heavy discounts and driver incentives aimed at eliminating competitors. The CCI first defined the relevant market as "radio taxi services in Bengaluru" and then assessed whether Ola held a dominant position. It

concluded that despite its aggressive pricing, Ola was not dominant because the market was still competitive and included significant rivals such as Uber.³⁵ Consequently, the CCI dismissed the case, emphasising that low prices alone do not constitute abuse of dominance unless the enterprise possesses market power that enables it to operate independently of competitive forces.

This reasoning reflects the economic principle of protecting competition, not competitors. The CCI's analysis in the Ola case ensured that firms were not penalised for legitimate price competition. It showed that the Commission recognises price-based rivalry as beneficial to consumers and the market, provided it does not result in long-term exclusionary effects.

In contrast, the Uber case displayed a shift in regulatory tone. In *Meru Travel Solutions Pvt Ltd v Uber India Systems Pvt Ltd*, the CCI initially found a prima facie case for investigation, observing that Uber's continuous below-cost pricing and driver incentives could amount to predatory conduct.³⁶ The Supreme Court upheld this view, permitting a detailed investigation into whether Uber's pricing strategy was designed to foreclose competition. The Court's reasoning acknowledged that algorithmic fare mechanisms and investor-backed discounts could sustain below-cost operations for extended periods, thereby distorting market equilibrium.

The key distinction between the two cases lies in the determination of dominance. Ola's conduct was considered competitive because it lacked dominance in the relevant market, whereas Uber's position suggested potential dominance and a risk of exclusionary behaviour. This demonstrates the CCI's consistent reliance on Section 4³⁷ of the Competition Act, 2002, which requires dominance as a precondition for finding abuse.

³⁴ Determination of Cost of Production) Regulations, 2025 (Government of India, 2025).

³⁵ *Fast Track Call Cab Pvt Ltd v ANI Technologies Pvt Ltd (Ola)* (2017) Comp LR 250 (CCI).

³⁶ *Meru Travel Solutions Pvt Ltd v Uber India Systems Pvt Ltd* (2019) 8 SCC 436 (SC).

³⁷ The Competition Act, 2002 (12 of 2003) s 4.



Another layer of comparison concerns regulatory reasoning. The CCI's findings in both cases align with its earlier decision in *MCX Stock Exchange Ltd v National Stock Exchange of India Ltd*, where it clarified that predatory pricing involves both below-cost pricing and intent to eliminate competitors.³⁸ However, the challenge in digital platform markets is that intent is often inferred through algorithmic conduct, making traditional tests like Average Variable Cost (AVC) and Long-Run Average Incremental Cost (LRAIC) less effective.

Recognising this, the Commission's later adoption of the CCI (Determination of Cost of Production) Regulations, 2025, signalled an attempt to modernise its assessment of cost and efficiency, incorporating flexibility for digital sectors (Competition Commission of India, General Statement on the CCI³⁹). This evolution reflects a more adaptive regulatory stance that balances innovation with accountability.

In summary, the comparative analysis of the Ola and Uber cases highlights a progressive and balanced enforcement approach. The CCI has demonstrated judicial restraint when necessary but has also been willing to intervene where there is credible evidence of anti-competitive conduct. These cases mark a transition in Indian competition jurisprudence — from static, cost-based assessments to dynamic, technology-sensitive evaluation — ensuring that competition law keeps pace with the realities of algorithmic markets.

OBSERVATIONS ON ALGORITHMIC PRICING AND PREDATION

Algorithmic pricing has transformed the structure and behaviour of modern digital markets. In industries like

ride-hailing, algorithms automatically adjust fares based on a combination of real-time factors such as location, time of day, traffic conditions, and demand levels. Companies like Ola and Uber use these systems to optimise resource allocation and maximise efficiency.⁴⁰ However, the same algorithms that promote competition and efficiency can also be programmed or trained in ways that lead to predatory pricing, particularly when employed by dominant market players.

The key concern with algorithmic pricing is its opacity. Unlike traditional human decision-making, where intent can be inferred from direct evidence, algorithms operate on self-learning models and vast datasets, making it difficult to determine whether low pricing results from legitimate competition or from a deliberate exclusionary strategy. In *Meru Travel Solutions Pvt Ltd v Uber India Systems Pvt Ltd*, it was alleged that Uber's algorithm allowed it to sustain fares below cost for long periods, supported by investor funding, thereby driving smaller competitors out of the market.⁴¹ The Court recognised that such algorithmic manipulation could, in principle, constitute predatory pricing under Section 4(2)(a)(ii) of the Competition Act, 2002.⁴²

The Competition Commission of India (CCI) faces the challenge of adapting traditional enforcement tools to these new realities. Conventional cost-based tests, such as Average Variable Cost (AVC) and Long-Run Average Incremental Cost (LRAIC), which were used in earlier cases like *MCX Stock Exchange Ltd v National Stock Exchange of India Ltd*, are less effective when applied to dynamic, data-driven pricing models.⁴³ In algorithmic systems, pricing decisions occur thousands of times a day, and data

³⁸ *MCX Stock Exchange Ltd v National Stock Exchange of India Ltd* (2011) Comp LR 193 (CCI).

³⁹ Determination of Cost of Production) Regulations, 2025 (Government of India, 2025).

⁴⁰ Tanvi Goel, 'Predatory Pricing under the Competition Act: A Legal and Economic Perspective' (2024) 7(2) Indian Journal of Law and Legal Research 3299).

⁴¹ *Meru Travel Solutions Pvt Ltd v Uber India Systems Pvt Ltd* (2019) 8 SCC 436 (SC).

⁴² The Competition Act, 2002 (12 of 2003) s 4(2)(a)(ii).

⁴³ *MCX Stock Exchange Ltd v National Stock Exchange of India Ltd* (2011) CompLR 193 (CCI).



inputs may include non-economic variables such as consumer behaviour, making it difficult to isolate intent or cost structure.

To address this gap, the CCI's updated Determination of Cost of Production Regulations, 2025 introduced more flexible definitions of total and variable costs, allowing the Commission to assess cost structures in digital sectors on a case-by-case basis. Although procedural in nature, this update represents an acknowledgment of how algorithmic models complicate the assessment of predatory pricing.

Another challenge is algorithmic collusion, where independent firms using similar pricing algorithms may unintentionally coordinate their prices, reducing competition without any formal agreement. This has been discussed in comparative policy literature, including the OECD's report "Algorithms and Collusion: Competition Policy in the Digital Age" (2017).⁴⁴ While India has not yet witnessed such cases, the potential for algorithmic coordination remains an emerging area of concern.

In conclusion, algorithmic pricing represents both an opportunity and a challenge for competition law. It fosters innovation and market efficiency but also introduces new risks of exclusionary conduct. The experience of the CCI in cases involving Ola and Uber shows that traditional legal frameworks must evolve to address digital market complexities. The future of competition regulation in India lies in developing technological expertise, algorithmic transparency standards, and proactive oversight mechanisms to ensure that algorithmic pricing remains a tool for competition, not for market domination.

THE ROLE OF COMPETITION COMMISSION OF INDIA

The Competition Commission of India (CCI) is the chief regulatory authority established under the Competition Act, 2002, with the mandate to prevent anti-competitive practices, promote fair competition, and safeguard consumer interests⁴⁵. The CCI functions as both a quasi-judicial and regulatory body, empowered to investigate, adjudicate, and impose penalties on enterprises found engaging in anti-competitive conduct. Its powers are derived primarily from Sections 18, 19, and 26 of the Act, which authorise it to inquire into alleged contraventions and take corrective measures.⁴⁶

In the context of predatory pricing, the CCI plays a dual role: first, as an investigator examining whether an enterprise holds a dominant position; and second, as an adjudicator determining whether the firm's pricing behaviour amounts to an abuse of dominance under Section 4(2)(a)(ii) of the Act. The Commission assesses factors such as market share, size and resources of the enterprise, entry barriers, and consumer dependence to determine dominance.⁴⁷ Once dominance is established, it examines whether the pricing strategy has the purpose or effect of eliminating competition.

The CCI's role in regulating pricing conduct was first shaped through decisions such as *MCX Stock Exchange Ltd v National Stock Exchange of India Ltd*, where it clarified that predatory pricing requires evidence of below-cost pricing and intent to eliminate competition.⁴⁸ This case established that low prices alone do not violate competition law unless accompanied by exclusionary intent. The Commission's reasoning emphasised that competition law is designed to protect competition, not competitors, ensuring that consumer benefits from legitimate pricing strategies are preserved.

⁴⁴ Organisation for Economic Co-operation and Development, 'Algorithms and Collusion: Competition Policy in the Digital Age' (OECD Report, 2017).

⁴⁵ The Competition Act, 2002 (12 of 2003) Preamble.

⁴⁶ The Competition Act, 2002 (12 of 2003) s 18, 19, 26).

⁴⁷ The Competition Act, 2002 (12 of 2003) s 19(4).

⁴⁸ *MCX Stock Exchange Ltd v National Stock Exchange of India Ltd* (2011) Comp LR 193 (CCI).



In digital platform markets, such as those dominated by Ola and Uber, the CCI's role has expanded significantly. These platforms operate on algorithmic models that set fares dynamically, making it difficult to determine intent or cost structure. In *Fast Track Call Cab Pvt Ltd v ANI Technologies Pvt Ltd (Ola)*, the CCI concluded that Ola's low pricing did not amount to abuse of dominance since it was not dominant in the Bengaluru market.⁴⁹ However, in *Meru Travel Solutions Pvt Ltd v Uber India Systems Pvt Ltd*, the Supreme Court allowed a detailed investigation into Uber's alleged below-cost operations, recognising that algorithmic pricing could facilitate predatory behaviour in digital markets.⁵⁰

To strengthen its enforcement capacity, the CCI has also updated its regulatory tools. The General Statement on the CCI (Determination of Cost of Production) Regulations, 2025 refined cost-assessment methodologies and introduced flexibility for assessing digital market structures (Competition Commission of India, General Statement on the CCI).⁵¹ This reform signals an institutional recognition that traditional cost benchmarks such as Average Variable Cost (AVC) may not fully capture the complexities of algorithmic pricing and multi-sided platforms.

Overall, the CCI's role is to maintain a balance between innovation and regulation. It seeks to ensure that technological advancements and competitive pricing benefit consumers without undermining the structure of competition. Through its case-by-case approach, the Commission has demonstrated that effective competition regulation requires adaptability, economic understanding, and awareness of technological evolution. Its handling of Ola and Uber cases reflects this modern approach — promoting competitive efficiency while guarding against exclusionary, predatory practices in India's rapidly expanding digital economy.

EVALUATION OF THE CCI's APPROACH

The Competition Commission of India (CCI) has played a central role in shaping India's jurisprudence on predatory pricing, balancing between promoting competitive behaviour and curbing exclusionary abuse. Its approach has evolved from traditional cost-based assessments to more nuanced, context-sensitive evaluations in digital and algorithm-driven markets. An assessment of the CCI's approach demonstrates both its strengths and its limitations in addressing complex market realities, particularly in cases involving Ola and Uber.

1. Foundational Approach: The Cost-Based Framework

The CCI's early jurisprudence was heavily influenced by classic economic theory, where below-cost pricing and intent to eliminate competitors were the defining elements of predatory conduct. This approach was first articulated in *MCX Stock Exchange Ltd v National Stock Exchange of India Ltd*, where the Commission held that predatory pricing entails "selling goods or services below cost with the intention to eliminate competitors."⁵² The Commission adopted the Average Variable Cost (AVC) as the benchmark for cost assessment, reasoning that if prices fall below AVC, they are unsustainable and may signal predatory intent.

While this cost-based framework provided objectivity, it proved too rigid for markets where pricing decisions are driven by algorithms or cross-subsidisation models. The CCI later recognised these limitations and began to interpret cost data alongside market structure and business strategy. The General Statement on the CCI (Determination of Cost of

⁴⁹ *Fast Track Call Cab Pvt Ltd v ANI Technologies Pvt Ltd (Ola)* (2017) Comp LR 250 (CCI).

⁵⁰ *Meru Travel Solutions Pvt Ltd v Uber India Systems Pvt Ltd* (2019) 8 SCC 436 (SC).

⁵¹ Determination of Cost of Production) Regulations, 2025 (Government of India, 2025).

⁵² *MCX Stock Exchange Ltd v National Stock Exchange of India Ltd* (2011) CompLR 193 (CCI).



Production) Regulations, 2025⁵³ further refined the definitions of total and variable costs, introducing flexibility for analysing digital sectors Competition Commission of India, General Statement on the CCI.

2. Application in the Ola and Uber Cases

The CCI's application of predatory pricing principles in the Ola and Uber cases illustrates a transition from rigid economic analysis to a more behavioural and contextual evaluation.

In *Fast Track Call Cab Pvt Ltd v ANI Technologies Pvt Ltd (Ola)*, the CCI found that although Ola had engaged in deep discounting and high driver incentives, it did not hold a dominant position in the relevant market of "radio taxi services in Bengaluru."⁵⁴ Hence, its conduct could not be considered abusive. This decision emphasised that dominance is a precondition for finding predation, thereby protecting healthy price competition. The Commission's reasoning aligned with international norms, such as the European Court of Justice's ruling in *AKZO Chemie BV v Commission*, where dominance was recognised as the threshold criterion for abuse⁵⁵.

Conversely, in *Meru Travel Solutions Pvt Ltd v Uber India Systems Pvt Ltd*, the Supreme Court upheld the CCI's decision to investigate Uber for alleged predatory pricing, observing that continuous below-cost operations supported by investor funding could suggest an intent to eliminate competition (*Meru Travel Solutions Pvt Ltd v Uber India Systems Pvt Ltd* (2019) 8 SCC 436 (SC)). This signalled a recognition of algorithmic predation, where digital platforms can sustain loss-making prices through external financing.

3. Analytical Strengths of the CCI's Approach

The CCI's strength lies in its case-by-case, effects-based analysis. By focusing on market impact rather

than price levels alone, it ensures that genuine innovation and consumer benefits are not discouraged. This is consistent with the OECD's policy recommendations that competition agencies should adopt flexible analytical tools when dealing with algorithmic and platform markets⁵⁶.

Moreover, the CCI's refusal to categorically penalise discounting reflects an understanding that aggressive pricing can often be a sign of healthy competition, particularly in emerging markets. The Commission's approach has been cautious yet adaptive, ensuring that enforcement does not stifle market entry or technological progress.

4. Shortcomings and Challenges

Despite these strengths, the CCI's approach faces significant challenges. The reliance on cost-based tests remains problematic in the context of algorithmic pricing, where costs are fluid and dynamic. Algorithms can adjust fares thousands of times a day, and the cost of each transaction varies based on data inputs and consumer behaviour. This makes static benchmarks like AVC or LRAIC less meaningful. Additionally, proving intent to eliminate competition is particularly difficult when pricing decisions are made automatically by algorithms rather than through human intervention.

The CCI's investigative capacity also remains limited in terms of technical expertise. Complex algorithmic pricing models require data scientists and economists, which calls for institutional strengthening. While the 2025 Regulations signal progress, the Commission still needs advanced analytical tools to examine data-driven conduct effectively.

Overall Assessment

In conclusion, the CCI's approach to predatory pricing has evolved from static economic models to a

⁵³ Determination of Cost of Production) Regulations, 2025 (Government of India, 2025).

⁵⁴ Ibid 54

⁵⁵ *AKZO Chemie BV v Commission* (1991) ECR I-3359 (ECJ).

⁵⁶ (Organisation for Economic Co-operation and Development, 'Algorithms and Collusion: Competition Policy in the Digital Age' (OECD Report, 2017).



dynamic, context-sensitive framework. The progression from MCX v NSE to Ola and Uber demonstrates adaptability and increasing sophistication in enforcement. However, to regulate algorithmic pricing effectively, the CCI must invest in technical expertise, cross-disciplinary collaboration, and continuous regulatory reform. By doing so, it can ensure that the Indian competition regime remains both pro-innovation and vigilant against exclusionary practices in the era of digital markets.

IMPACT OF THE 2025 COST OF PRODUCTION REGULATIONS

The introduction of the Competition Commission of India (Determination of Cost of Production) Regulations, 2025 marks a significant step in modernising India's competition law enforcement framework. These regulations replace the earlier 2009 Cost Regulations and reflect the CCI's effort to adapt to evolving market realities, particularly in digital and data-driven sectors. The 2025 Regulations provide a more refined and flexible framework for determining production costs, which are critical in assessing predatory pricing under Section 4(2)(a)(ii) of the Competition Act, 2002.⁵⁷

Under the new framework, the definitions of key cost concepts such as total cost, total variable cost, and long-run average incremental cost (LRAIC) have been revised. The definition of "total cost" now explicitly includes depreciation and excludes financing overheads, ensuring greater accuracy in evaluating actual operational costs.⁵⁸ This change makes the cost determination process more consistent and transparent, allowing the CCI to distinguish genuine competitive pricing from deliberate below-cost pricing intended to eliminate competitors.

One of the most notable reforms in the 2025 Regulations is the clarification of LRAIC. The earlier 2009 framework provided only a limited understanding of this concept. The new regulations explicitly define LRAIC as including both fixed and variable costs, encompassing all costs directly or indirectly attributable to the production of a specific product or service. This allows the CCI to conduct a comprehensive cost analysis for multi-product enterprises, such as digital platforms that operate through cross-subsidization or data monetization models. This broader view is particularly relevant to the ride-hailing industry, where Ola and Uber use investor funding and shared infrastructure across services.⁵⁹

The 2025 regulations also introduce procedural refinements. The CCI may now appoint external cost and economic experts to assist in the determination of production costs. This provision ensures that complex pricing mechanisms, particularly those driven by algorithms, can be evaluated with professional expertise. The clarification that these experts serve only as advisors — while the final decision remains with the Commission — strengthens the procedural fairness of the investigative process.

Importantly, the 2025 framework adopts a sector-agnostic approach, allowing it to be applied flexibly across industries, including digital markets. While some stakeholders had requested sector-specific cost benchmarks, the CCI deliberately retained a uniform structure to preserve adaptability. This means that the CCI can now assess cost structures on a case-by-case basis, considering the unique features of each market — such as data dependence, algorithmic pricing, and network effects.⁶⁰

⁵⁷ The Competition Act, 2002 (12 of 2003) s 4(2)(a)(ii).

⁵⁸ Competition Commission of India, General Statement on the CCI (Determination of Cost of Production) Regulations, 2025 (Government of India, 2025).

⁵⁹ *Meru Travel Solutions Pvt Ltd v Uber India Systems Pvt Ltd* (2019) 8 SCC 436 (SC).

⁶⁰ Tanvi Goel, 'Predatory Pricing under the Competition Act: A Legal and Economic Perspective' (2024) 7(2) Indian Journal of Law and Legal Research 3299.



The impact of these regulations on enforcement is twofold. First, they enhance the accuracy and credibility of predatory pricing investigations by aligning cost determination with international best practices, such as those used by the OECD and the European Commission.⁶¹ Second, they strengthen the CCI's institutional capability to deal with modern business models, where pricing strategies are influenced by algorithms, subsidies, and data analytics rather than traditional cost metrics.

Overall, the 2025 Cost of Production Regulations represent a progressive reform that bridges the gap between traditional competition analysis and modern digital market realities. By clarifying cost definitions, empowering expert involvement, and providing flexibility in assessment, these regulations enhance the CCI's ability to identify genuine predatory pricing while safeguarding legitimate competitive behaviour. They mark an important step in ensuring that India's competition law keeps pace with technological innovation and the complexities of the digital economy.

CHALLENGES IN REGULATING ALGORITHMIC PREDATION

The emergence of algorithmic pricing in digital markets has introduced new complexities for competition law enforcement worldwide. In India, the Competition Commission of India (CCI) faces significant challenges in identifying and proving predatory pricing when pricing decisions are made or influenced by algorithms rather than direct human intervention. The shift from traditional price-setting models to automated, data-driven systems has blurred the boundaries between competitive efficiency and anti-competitive intent.

1. Lack of Transparency and Algorithmic Opacity

A major challenge in regulating algorithmic predation lies in the opacity of algorithms. Unlike traditional pricing strategies, algorithmic systems operate through complex machine-learning models that continuously self-adjust based on market inputs such as demand, traffic, or competitor behaviour. As a result, it becomes extremely difficult for regulators to determine whether below-cost pricing is a result of efficiency gains or deliberate market manipulation⁶².

The intent test, which is central to identifying predatory pricing under Section 4(2)(a)(ii) of the Competition Act, 2002, becomes problematic in algorithmic settings. Algorithms have no subjective intent, and their outcomes may reflect the coding decisions of developers or the training data they use rather than deliberate anti-competitive strategy. This raises fundamental questions about accountability, whether responsibility should lie with the enterprise deploying the algorithm or with the algorithm's design itself.

2. Difficulty in Establishing Cost Benchmarks

Another difficulty lies in applying cost-based tests, such as the Average Variable Cost (AVC) or Long-Run Average Incremental Cost (LRAIC), to algorithmic pricing models. In digital platform markets, cost structures are highly dynamic and often include non-traditional components like data acquisition, algorithm maintenance, and consumer analytics. These do not easily fit into classical cost definitions. The CCI's earlier reliance on static benchmarks, as seen in *MCX Stock Exchange Ltd v National Stock Exchange of India Ltd*, is less effective in digital markets where pricing can fluctuate thousands of times per day.⁶³

⁶¹ Organisation for Economic Co-operation and Development, 'Algorithms and Collusion: Competition Policy in the Digital Age' (OECD Report, 2017).

⁶² Tanvi Goel, 'Predatory Pricing under the Competition Act: A Legal and Economic

Perspective' (2024) 7(2) Indian Journal of Law and Legal Research 3299

⁶³ *MCX Stock Exchange Ltd v National Stock Exchange of India Ltd* (2011) CompLR 193 (CCI).



The General Statement on the CCI (Determination of Cost of Production) Regulations, 2025, partially addresses this issue by broadening cost definitions and allowing flexibility in assessment. However, enforcement remains limited by the availability of accurate and auditable cost data from enterprises using proprietary algorithms.

3. Proof of Dominance and Market Foreclosure

In algorithmic markets, dominance can arise not only from market share but also from data control, network effects, and platform dependency. Platforms like Ola and Uber leverage vast datasets to optimise their pricing algorithms and predict consumer behaviour, creating a feedback loop that reinforces their market power. Smaller competitors, lacking equivalent data or computational capacity, struggle to compete. The CCI recognised this challenge in its analysis of the Ola and Uber cases, where it noted that data-driven advantages could indirectly lead to market foreclosure even without overt exclusionary conduct⁶⁴.

Proving dominance in such multi-sided markets is inherently complex. Traditional dominance tests under Section 19(4)—focused on market share and size—do not fully capture the influence of network effects and data-driven feedback loops⁶⁵.

4. Institutional and Technical Limitations

The CCI also faces institutional limitations in terms of technological expertise. Algorithmic pricing involves complex data analytics, artificial intelligence, and behavioural economics—areas that fall outside traditional legal or economic analysis. Although the Commission has the power to appoint experts under Section 36(3) of the Act, the pace of technological innovation far exceeds the regulator's current capacity to interpret algorithmic behaviour.⁶⁶

Moreover, algorithms may inadvertently facilitate tacit collusion, where similar pricing algorithms used by competing firms align their prices without any

explicit agreement. Such “algorithmic collusion” is extremely difficult to detect, as it occurs without human coordination.

The Way Forward

Addressing these challenges requires a shift from traditional enforcement tools to proactive digital market regulation. The CCI may consider establishing a Digital Market Unit, equipped with data scientists, economists, and legal experts, to conduct algorithmic audits and assess potential predatory patterns. It must also develop guidelines on algorithmic transparency and require firms to disclose relevant pricing logic when dominance is established.

In conclusion, regulating algorithmic predation demands a multidisciplinary approach that combines legal, economic, and technological insights. The CCI's evolving framework reflects awareness of these challenges, but further reforms—focused on transparency, expertise, and proactive monitoring—are essential to ensure that competition law remains effective in the era of artificial intelligence and digital markets.

RECOMMENDATIONS

The analysis of predatory pricing and algorithmic conduct in India's ride-hailing sector reveals the need for a more adaptive and technology-aware enforcement framework under the Competition Act, 2002. While the Competition Commission of India (CCI) has demonstrated commendable progress in applying competition law to digital markets, its existing tools—developed for traditional industries—face limitations when applied to algorithmic pricing models. The complexity, opacity, and data dependence of modern pricing systems demand institutional, procedural, and regulatory reform. The following recommendations aim to strengthen the CCI's enforcement capability, improve transparency, and ensure that the legal framework remains aligned with the evolving realities of India's digital economy.

⁶⁴ Ibid 55.

⁶⁵ The Competition Act, 2002 (12 of 2003) s 19(4).

⁶⁶ The Competition Act, 2002 (12 of 2003) s 36(3).



1. Establishment of a Digital Market and Algorithmic Oversight Unit within the CCI

The Competition Commission of India (CCI) should establish a specialised Digital Market and Algorithmic Oversight Unit to enhance its technical and analytical capacity. Modern competition issues, especially those involving algorithmic pricing and digital dominance, require expertise in artificial intelligence, data analytics, and behavioural economics — areas that go beyond traditional legal and economic frameworks. A multidisciplinary team within the CCI would enable continuous monitoring of algorithm-driven markets, detection of potential predatory patterns, and assessment of digital dominance. Similar models already exist in other jurisdictions, such as the UK Competition and Markets Authority's (CMA) Digital Markets Unit, which serves as a precedent for India to adopt a parallel mechanism.⁶⁷

2. Introduction of Algorithmic Transparency and Disclosure Obligations

Dominant firms employing algorithmic pricing models should be required to disclose the general parameters and logic underlying their pricing systems to the CCI during investigations. Such disclosures should not demand full access to proprietary source code but must provide clarity on key variables affecting pricing decisions. Transparency would help the regulator determine whether low prices arise from efficiency gains or from deliberate market manipulation. This reform aligns with international competition policy trends where regulators are calling for “explainable AI” and “algorithmic accountability.” In India, this step would strengthen enforcement under Section 4(2)(a)(ii) of the Competition Act, 2002 by helping prove intent and causation in predatory pricing cases.

3. Development of Guidelines for Algorithmic Pricing and Data Use

The CCI should issue specific guidelines on algorithmic pricing and data-driven conduct to clarify

the boundary between competitive efficiency and predatory intent. These guidelines could outline factors that indicate anti-competitive use of algorithms, such as sustained below-cost pricing, market foreclosure, or algorithmic collusion. They should also establish a safe harbour for firms using algorithms for legitimate efficiency purposes, thereby ensuring regulatory predictability. Clear guidelines would help reduce ambiguity for both regulators and enterprises, encouraging responsible use of AI-based tools in compliance with competition.

4. Strengthening Cooperation Between the CCI and Sectoral Regulators

The CCI should enhance coordination with other regulators, particularly those overseeing data protection, consumer affairs, and transport sectors. Since ride-sharing platforms such as Ola and Uber operate in highly regulated industries, effective enforcement requires cooperation between competition and sectoral authorities. Joint investigations or information-sharing mechanisms could prevent regulatory overlap while ensuring consistent oversight of pricing and data practices. This model follows the cooperative framework used in the European Union, where competition authorities collaborate with sector regulators to address cross-cutting digital issues.

5. Mandatory Periodic Audits of Algorithmic Pricing Systems

The CCI should introduce a requirement for periodic algorithmic audits for firms identified as dominant in digital markets. These audits, conducted by independent experts, would evaluate whether pricing algorithms comply with fair competition principles and whether they have exclusionary or collusive effects. Such audits would help ensure that dominant platforms do not misuse algorithms to manipulate market prices or sustain below-cost fares. Similar practices are being explored by competition

⁶⁷ Organisation for Economic Co-operation and Development, ‘Algorithms and Collusion:

Competition Policy in the Digital Age’ (OECD Report, 2017).



authorities in the European Union and OECD jurisdictions, making this a globally aligned reform.

6. Updating Cost Assessment and Data Access Mechanisms

To make cost-based analysis more relevant to digital markets, the CCI should continue refining its cost assessment tools under the 2025 Cost of Production Regulations. The inclusion of non-traditional cost elements such as data acquisition, algorithm maintenance, and technological infrastructure will make the analysis more accurate. Additionally, the CCI should establish data access protocols that enable it to examine relevant operational data from digital platforms without breaching commercial confidentiality. These reforms would ensure that enforcement reflects the realities of algorithmic and data-driven business models.

7. Capacity Building and Continuous Training

Finally, the CCI should invest in capacity building by organising continuous training programs for its members and officers in areas like artificial intelligence, data economics, and digital market analysis. Building institutional expertise will ensure that India's competition law enforcement remains responsive to the rapidly evolving nature of digital markets. In the long term, such capacity building would enhance regulatory credibility and allow the CCI to anticipate and prevent algorithmic predation rather than react to it.

CONCLUSION AND SUGGESTIONS

The study of predatory pricing and algorithmic pricing practices in India's ride-hailing sector reveals the dynamic relationship between innovation and regulation. The evolution of India's competition law—from the MRTP Act, 1969 to the Competition Act, 2002—has successfully established a strong foundation for addressing traditional anti-competitive practice. However, with the rise of algorithm-driven pricing models used by platforms like Ola and Uber, the challenges of enforcement have become increasingly complex. The Competition Commission of India (CCI) has made commendable progress by

modernising its analytical framework and adopting the 2025 Cost of Production Regulations, which have enhanced flexibility in assessing cost structures.

Yet, the research indicates that while the CCI has recognised the need for a structured framework to assess algorithmic pricing, its present mechanisms remain incomplete. Traditional cost-based tests and legal tools are often inadequate to capture the subtleties of algorithmic predation, where prices are not manually set but generated through self-learning algorithms and data-driven models. Furthermore, the Commission currently lacks the technical infrastructure, specialised expertise, and data access protocols necessary to conduct comprehensive algorithmic investigations. As a result, enforcement in this domain is more reactive than preventive, relying on complaints and case-specific inquiries rather than real-time regulatory oversight.

In light of these observations, the hypothesis that “the CCI should develop a structured framework to assess algorithmic pricing patterns” is partially true. The study finds that the CCI has taken important steps toward achieving such a framework through legal and regulatory reforms. However, the framework is still in its formative stage and requires technical upgrades, institutional strengthening, and clear procedural mechanisms to make it fully effective. The hypothesis is thus partially validated but not yet fully realised, as the Indian competition law system remains in transition from traditional to technologically adaptive enforcement.

Overall, the project concludes that India stands at a crucial point where competition law must evolve to meet the demands of the digital economy. As markets become increasingly data-centric and algorithmically managed, the law must blend economic reasoning with technological understanding. The future of effective competition enforcement depends not only on statutory reform but also on institutional innovation, expert collaboration, and continuous regulatory adaptation.

**Suggestions**

1. Establish a Digital Market and Algorithmic Oversight Unit within the CCI.
2. Introduce algorithmic transparency and disclosure obligations for dominant firms.
3. Develop guidelines defining fair and unfair algorithmic pricing conduct.
4. Strengthen cooperation between the CCI and sectoral regulators.
5. Implement mandatory periodic algorithmic audits for dominant digital firms.
6. Update cost assessment tools and data access mechanisms to reflect digital realities.
7. Invest in technical training and capacity building for CCI officers and economists.

In conclusion, India's journey toward regulating algorithmic predation is underway but incomplete. The Competition Commission of India has shown awareness and intent but must now complement its legal progress with technological capability and proactive oversight. By adopting these recommendations, India can develop a truly structured and technology-sensitive framework—one that safeguards consumer welfare, preserves fair competition, and promotes sustainable innovation in the age of digital markets.

