



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2017/06/514)

4th May, 2018

**Notice under sub-section (2) of Section 6 of the Competition Act, 2002 filed by
SoftBank Group Corp.**

CORAM:

Mr. Devender Kumar Sikri
Chairperson

Mr. Sudhir Mital
Member

Mr. Augustine Peter
Member

Mr. U. C. Nahta
Member

Order under Section 38 of the Competition Act, 2002

1. On 2nd June, 2017, the Competition Commission of India (“**Commission**”) received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 (“**Act**”) filed by Softbank Group Corp (“**SB Group**” / “**Acquirer**”). The proposed combination pertains to primary as well as secondary acquisition of 20% stake in One97 Communications Limited (“**OCL**” / “**Target**”) by SB Group through its wholly-owned subsidiary SoftBank Group Capital Limited (“**SBGC**”) (“**Proposed Combination**”).
2. On 13th July, 2017, the Commission passed an order under sub-section (1) of Section 31 of the Act, approving the said combination (“**Order**”). Immediately after receipt of the Order, the Acquirer, through its legal representative, contended that there are certain factual errors in the Order. Further, the legal representative of the Acquirer, *vide* emails dated 16th July, 2017 and 17th July, 2017, brought to the Commission’s notice that paragraphs 6, 10 and 11 of the Order may require rectification under Section 38 of the Act.



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3. The Commission considered the request of the Acquirer in its meeting held on 4th May, 2018, and decided to make requisite rectification in paragraphs 10 and 11 of the Order under the provisions of Section 38 of the Act.

4. Accordingly, the following sentences of paragraph 10, which reads as,

“The Commission noted that in the m-wallets segment the market share of Freecharge, Zipcash and PPBL in the m-wallet segment is in the range of [65-70] percent, [10-15] percent and [0-5] percent, respectively based on the transacted value in FY 2016-17. Based on volume of transactions, the market share of Freecharge, Zipcash and PPBL in the m-wallet segment is in the range of [55-60] percent, [5-10] percent and [0-5] percent, respectively.”

Shall now read as under:

“The Commission noted that in the m-wallets segment the market share of PPBL, Freecharge and Zipcash in the m-wallet segment is in the range of [65-70] percent, [5-10] percent and [0-5] percent, respectively based on the transacted value in FY 2016-17. Based on volume of transactions, the market share of PPBL, Freecharge and Zipcash in the m-wallet segment is in the range of [40-45] percent, [10-15] percent and [0-5] percent, respectively.”

5. Accordingly, the following sentences of paragraph 11, which reads as,

“As regards vertical relationships, the Commission observed that there are existing vertical relationships between PPBL and some of the Indian Portfolio Companies and their subsidiaries. On the other hand, PPBL also avails online marketing services from one of Indian Portfolio Company of the Acquirer. The Acquirer has submitted that there may be potential vertical relationship among the Indian Portfolio Companies and PPBL for availing digital payment services and/or or payment gateway services.”



Shall now read as under:

“As regards the vertical relationships, the Commission observed that there are existing vertical relationships between OCL/PPBL and some of the Indian Portfolio Companies and their subsidiaries. On the other hand, OCL also avails online marketing services from one of Indian Portfolio Company of the Acquirer. The Acquirer has submitted that there may be potential vertical relationship among the Indian Portfolio Companies and OCL/PPBL for availing digital payment services and/or or payment gateway services.”

6. With reference to paragraph 6 of the Order, the Acquirer has contended that it will not acquire any degree of control over the Target.
7. However, with respect to paragraph 6 of the Order, the Commission decided that the said paragraph of the Order presents the views / observations of the Commission regarding Acquirer’s control over the Target, which are based on certain facts discussed in the Order. While mistakes apparent on the record could be rectified under Section 38 of the Act, observation(s) / decision(s) of the Commission cannot be a subject matter of rectification.
8. The Secretary is directed to communicate to the Acquirer accordingly.