



COMPETITION COMMISSION OF INDIA

(Combination Registration No.C-2017/05/505)



Fair Competition
For Greater Good

7th June, 2017

Notice under Section 6 (2) of the Competition Act, 2002 jointly given by eBay Singapore Services Private Limited and Flipkart Limited

Coram:

Devender Kumar Sikri
Chairperson

S.L. Bunker
Member

Sudhir Mital
Member

U. C. Nahta
Member

G.P. Mittal
Member

Legal Representatives of the parties: J. Sagar Associates & Cyril Amarchand Mangaldas

Order under Section 31(1) of the Competition Act, 2002

1. On 5th May 2017, the Competition Commission of India (“**Commission**”) received a notice jointly given by eBay Singapore Services Private Limited (“**eBay Singapore**”) and Flipkart Limited (“**Flipkart**”) under sub-section (2) of Section 6 of the Competition Act, 2002 (“**Act**”). The notice has been filed pursuant to Subscription Deed entered into between Flipkart and ebay Singapore and Share Purchase Agreement entered into between Flipkart and eBay India Private Limited (“**eBay India**”) each dated 10.04.2017 (hereinafter eBay Singapore, eBay India and Flipkart are collectively referred to as “**Parties**”).
2. The proposed combination consists of the following inter-connected steps: (i) subscription by eBay Singapore of newly-issued compulsorily convertible preference shares (“**CCPS**”) to be issued by Flipkart; and (ii) acquisition of 100 per cent equity share capital of eBay India by Flipkart. After the completion of the above two steps, eBay Singapore will hold



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about 6.2 per cent shares (on a diluted basis) in Flipkart and eBay India will become a wholly-owned subsidiary of Flipkart. (“**Proposed Combination**”).

3. The Proposed Combination has been filed under sub-section 2 of Section 6 read with Section 5(a)(i)(A) of the Act.
4. eBay Singapore is a private limited company incorporated in Singapore and is the wholly owned subsidiary of eBay International AG, which is an indirect wholly-owned subsidiary of eBay Inc., the ultimate parent company of eBay group. It operates a marketplace-based e-commerce platform in Singapore and provides various services including administrative, marketing and customer support for eBay group companies. It is not directly engaged in any business activity in India and is present in India through its subsidiary, eBay India and holds a minority stake in Jasper Infotech Pvt. Ltd. (“**Jasper**”).
5. eBay India is a private limited company incorporated in India. It carries out business activities only in India, whereby it is engaged in the business of providing a marketplace-based e-commerce platform to facilitate trade between customers and sellers.
6. Flipkart is incorporated in Singapore and, through its subsidiaries, is engaged in the business of wholesale cash and carry of goods and providing marketplace-based e-commerce platforms to facilitate trade between customers and sellers in India.
7. The Commission observed that eBay Singapore (through eBay India) and Flipkart are engaged in providing marketplace-based e-commerce platforms to facilitate transactions between customers and sellers i.e., business to consumer (“**B2C**”) transactions in India. Therefore, there exists a horizontal overlap between the business operations of the Parties.
8. The Commission noted that in the “*Overall B2C Market*” in India (including both offline and online segments), Flipkart and eBay India have a market share of 0-5% each. At the level of its sub-segment i.e. the ‘*Online B2C Market*’ in India, Flipkart has a market share of 15-20% and ebay India has a market share of 0-5%. In view of the fact that the incremental market share is not significant either at the level of ‘*Overall B2C*’ market or its sub-segment i.e. “*Online B2C*” market, the exact definition of the relevant market is left open.
9. The Commission noted that the Parties are not engaged in any vertical relationship in India.



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10. Considering the facts on record and the details provided in the notice given under sub-section (2) of Section 6 of the Act and on basis of the assessment of the proposed combination, the Commission is of the opinion that the proposed combination is not likely to have appreciable adverse effect on competition in India and therefore, the Commission, hereby, approves the same under sub-section (1) of Section 31 of the Act.
11. This order shall stand revoked if, at any time, the information provided by the parties is found to be incorrect.
12. The information provided by the parties is confidential at this stage in terms of and subject to provisions of Section 57 of the Act.
13. The Secretary is directed to communicate to the parties accordingly.