



**COMPETITION COMMISSION OF INDIA**  
(Combination Registration No.C-2021/03/822)

28.04.2021

**Notice under Section 6 (2) of the Competition Act, 2002 filed by Tata Digital Limited**

**CORAM:**

Mr. Ashok Kumar Gupta  
Chairperson

Ms. Sangeeta Verma  
Member

Mr. Bhagwant Singh Bishnoi  
Member

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

1. On 12.03.2021, Competition Commission of India (**Commission**) received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 (**Act**) filed by Tata Digital Limited (**TDL/ Acquirer**). The notice has been filed *inter alia*, pursuant to the following transaction documents (a) Securities Subscription Agreement dated 29.01.2021 (**SSA**) executed between TDL, Supermarket Grocery Supplies Private Ltd (**SGS/Target I**) and the management team of SGS (**Management Team**) and (b) Share Purchase Agreements dated 29.01.2021 executed between TDL, SGS and certain existing shareholders of SGS (**SPAs**).
2. It is submitted that the proposed combination involves acquisition by TDL of up to 64.3% of the total share capital of SGS (on a fully diluted basis) through a combination of primary and secondary acquisitions, in one or more series of steps (**Transaction 1**). Subsequently,



through a separate transaction, SGS may acquire sole control over Innovative Retail Concepts Private Limited (**IRC/ Target II**) (**Transaction 2**). Transaction 1 and Transaction 2 are collectively referred to as the **Proposed Combination**. It is also stated that the Proposed Combination will result in the acquisition by TDL of majority stake and control over SGS. Hereinafter, the Acquirer and Targets (*i.e.* Target-I and Target-II together) are collectively referred to as the “**Parties**”.

3. In terms of Regulation 14 of the Competition Commission of India (Procedure in regard to transaction of business relating to combinations) Regulations, 2011 (**Combination Regulations**), the Commission *vide* communication dated 19.02.2021 sought certain information(s)/ clarification(s) from the Acquirer; the response was received on 27.04.2021. Additionally, certain information(s)/ clarification(s) necessary in order to assess the Proposed Combination were sought from the Parties; responses to these were received on 02.04.2021, 06.04.2021, 13.04.2021 and 15.04.2021.
4. TDL, a company incorporated in India is a wholly owned subsidiary of Tata Sons Private Limited (**Tata Sons**), which is the ultimate holding company of the entities belonging to the Tata group. It is stated that at present, TDL is engaged in the business of providing technology services related to identity & access management, loyalty program, offers and payments.
5. Tata Sons Group has presence in multiple businesses ranging from IT services, steel manufacturing, automotive, power, consumer products, retail, aviation, infrastructure & real estate, defence, hospitality, DTH, NBFC, insurance etc. It is also stated that the Tata Sons group, through its group entities, is engaged, *inter alia*, in the business of: (a) business-to business (**B2B**) sale of food and grocery, household products and personal and beauty care products (**Relevant Products**) in India; (b) business-to consumer (**B2C**) sale of Relevant Products in India; and (c) manufacturing and sale of certain packaged food and grocery products in India. It is also submitted that over a period of time, TDL proposes to enable a common technology platform that would provide various products and services of various Tata brands and select non-Tata brands.



6. SGS is a company incorporated in India, and is engaged in online B2B sales of the Relevant Products in India through business.bigbasket.com. SGS owns the domain registration for the website named “bigbasket.com” and the brand name "bigbasket".
7. IRC is a company incorporated in India, and is engaged in online B2C sales of the Relevant Products in India and operates the website www.bigbasket.com and related mobile applications. The brand “bigbasket” and the domain name www.bigbasket.com have been licensed to IRC by SGS pursuant to a license agreement.
8. In relation to horizontal overlaps it is stated in the Notice, that Trent Ltd. (**Trent**), which is an entity belonging to Tata Sons Group, is also engaged in the B2B and B2C sales of Relevant Products in India. Similarly, Tata Consumer Products Limited (**TCPL**) and Tata Smartfoodz Ltd. (**Tata Smartfoodz**), entities belonging to Tata Sons Group, are engaged in manufacturing and sale of certain packaged food and grocery products.
9. The Parties have submitted the following relevant markets and their sub-segments for assessment of the Proposed Combination in relation to market for B2B:
  - a. B2B sales of Relevant Products on a pan-India level (comprising both organized and unorganized B2B sales);
  - b. B2B sales of Relevant Products (comprising both organized and unorganized B2B sales) for each of (a) food and grocery (F&G), (b) household products, and (c) beauty and personal care products, on a pan-India level and in each of the overlapping cities in which both Trent and SGS are present *i.e.* Mumbai, Pune and Surat;
  - c. Organized B2B sales (comprising both online and offline B2B channels) of Relevant Products on a pan-India level; and
  - d. Organized B2B sales for each of (a) food and grocery, (b) household products, and (c) beauty and personal care products, on a pan-India level.(collectively referred to as “**Relevant B2B markets**”)



10. It is submitted that IRC is engaged in online B2C sales in certain specific cities in India, whereas Trent (Tata group) is present in both offline B2C sales and online B2C sales in certain specific cities in India. Accordingly, in relation to B2C sales, the Parties have submitted the following relevant markets and their sub-segments for assessment of the Proposed Combination:

- a. B2C sales of Relevant Products on a pan-India level (comprising both organized and unorganized B2C sales);
- b. Organized B2C sales (comprising both online and offline B2C channels) of Relevant Products on a pan-India level and each of the overlapping cities (i.e., Bengaluru, Hyderabad, Ahmedabad, Surat, Mumbai and Pune);
- c. Organized B2C sales for each of (a) food and grocery, (b) household products, and (c) beauty and personal care products on a pan-India level and each of the overlapping cities.
- d. Online B2C sales of Relevant Products on a pan-India level and each of the cities in which both Trent and IRC are present *i.e.*, Mumbai, Pune and Bangalore; and
- e. Online B2C sales for each of (a) food and grocery, (b) household products, and (c) beauty and personal care products, on a pan-India level and each of the overlapping cities *i.e.* Mumbai, Pune and Bangalore.

(collectively referred as “**Relevant B2C Markets**”)

11. With regard to vertical relationship it is submitted that there are certain existing supply arrangements between Tata Sons Group entities and SGS, which involves procurement by SGS of products in the food and grocery segment from certain Tata Sons Group entities. Therefore, there is vertical relationship between them at **Upstream Level** *i.e.* Manufacture and sale of food and grocery products by Tata group entities and at **Downstream Level** *i.e.* Market for B2B sales where SGS is present.

12. It is also submitted that the Parties propose to enter into a Business Services Agreement (**BSA**) that contemplates the provision of certain technology services by TDL to IRC. In this regard it is submitted that the relevant market at Upstream Level is “*Provision of*



*identity & access management and digital payment services” and at Downstream Level is “Market for B2C sales of Relevant Products in India” where IRC is present.*

13. The Commission decided to leave the delineation of the relevant market open as it was observed that the proposed combination, for the reasons detailed in ensuing paragraph, is not likely to cause an appreciable adverse effect on competition in any of the possible alternative relevant markets that could be delineated.
14. It is noted that the combined as well as the incremental market shares of the Parties in each of the Relevant B2B markets and Relevant B2C Markets identified above are not significant to raise any competition concern. In some narrowest online B2C retail markets defined on a city-wide basis, the combined market shares of the Parties are significant in few cities; however, in these markets also the incremental market share is not more than 1 percent. Thus, in view of the low incremental shares, there would be insignificant change in the combined market power of the Parties that could result in adverse effect on competition in any relevant market in India.
15. It is also noted that in both the markets for B2B and B2C sales, the parties face competitive restraints from other players. In the market for B2B sales there are players such as, Metro Cash and Carry, Amazon Wholesale India Private Limited, Flipkart Wholesale, Indiamart Intermesh Limited, Reliance Market, *etc.* On the other hand, Future Retail, Grofers, Avenue Supermarts, Reliance Retail, Amazon Retail, Spencers, Flipkart, *etc.* are present in the market for B2C sales, in addition to the presence of unorganized sector in India. Such competitors would continue to pose competitive pressure on the Parties for effectuating any price increase pursuant to the Proposed Combination.
16. In relation to vertical relationship, based on the submission it is noted that the presence of Parties at each level in vertical relationship is not significant to raise any competition foreclosure concern at any level. Further, there are other players present at upstream level such as, Britannia Industries Limited (**Britannia**), ITC Limited (**ITC**), Marico Limited (**Marico**), Hindustan Unilever Limited (**HUL**), Dabur Limited *etc.* and at the downstream such as Walmart, Reliance, Metro Cash and Carry.



17. In relation to proposed **BSA** that contemplates the provision of certain technology services by TDL to IRC. It is stated that TDL has commenced its digital payments services as recently as October 2020 and is currently being offered only to Croma and IHCL (Tata Sons Group companies). Further, at the upstream level there are other players such as Amazon Pay, PhonePe, HDFC Bank, SBI, ICICI, Oxigen Wallet, Mobikwik, PayU, etc. and IRC has a market share of less than 1 percent in the Downstream Market, in terms of revenue in FY 2019-20.
18. Considering the facts on record including details provided in the Notice given under Section 6(2) of the Act and assessment of the Proposed Combination based on the factors stated in Section 20(4) of the Act, the Commission is of the opinion that the Proposed Combination is not likely to have any appreciable adverse effect on competition in India in any of the relevant market(s) and therefore, the Commission hereby approves the same under Section 31(1) of the Act.
19. This order shall stand revoked if, at any time, the information provided by the Parties' is found to be incorrect.
20. The information provided by the Parties' shall be treated as confidential in terms of and subject to provisions of Section 57 of the Act.
21. The Secretary is directed to communicate to the Parties, accordingly.