



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2017/11/534)



11th December, 2017

Notice under Section 6 (2) of the Competition Act, 2002 filed by Alibaba.com Singapore E-commerce Private Limited

CORAM:

Mr. Devender Kumar Sikri
Chairperson

Mr. S.L.Bunker
Member

Mr. Sudhir Mital
Member

Mr. Augustine Peter
Member

Mr. U.C. Nahta
Member

Mr. G.P. Mittal
Member

Legal Representative: Trilegal

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

1. On 8th November, 2017, the Competition Commission of India (hereinafter referred to as the “**Commission**”) received a notice filed by Alibaba.com Singapore E-commerce Private Limited (“**Alibaba Singapore**”), pursuant to Share Subscription Agreement and



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SHA each dated 29th September, 2017, entered *inter alia*, between Alibaba Singapore and Super Market Grocery Supplies Private Ltd (“**SGS**”) (hereinafter, Alibaba Singapore and SGS are collectively referred to as “**Parties**”).

2. The notice for proposed combination has been filed under sub-section 2 of Section 6 read with sub-section (a) of Section 5 the Competition Act, 2002 (“**Act**”).
3. The proposed combination is an acquisition of about 25 per cent of fully diluted paid-up share capital of SGS by Alibaba Singapore (“**Proposed Combination**”). Further, Alibaba Singapore is also entitled to nominate director (s) on the Board of Directors of SGS and to vote on certain reserved matters.
4. Vide letters dated 17th and 30th November, 2017, certain information / clarification(s) *inter alia*, relating to activities of Parties and market size, were sought from the Parties the responses to which were received on 21st November, 2017 and 4th December, 2017, respectively.
5. Alibaba Singapore, a private company incorporated in Singapore, is a wholly owned subsidiary of Alibaba Group Holding Limited (“**Alibaba Group**”), a company incorporated in Cayman Islands and listed on the New York Stock Exchange. The activities of Alibaba Singapore *inter alia*, comprise of: (i) investment holding, (ii) marketing and sale of membership packages for Alibaba.com; (iii) operating and providing online transaction services on AliExpress; and (iv) providing cloud services. In India, Alibaba Singapore’s wholly owned subsidiary Aibaba.com India E-commerce Private Limited (“**Alibaba India**”), is *inter alia*, engaged in marketing and sale of website services for Alibaba.com.
6. Alibaba Singapore has investments in following entities: (a) Paytm E-commerce Private Limited (“**PEPL**”), which operates PayTm Mall, a platform facilitating the sale and purchase of goods between independent sellers and consumers, (b) One 97 Communication Limited (“**OCL**”), which *inter alia*, operates a payment gateway service and (c) Jasper Infotech Private Limited, which is engaged in online market platform (www.snapdeal.com) for sale of diverse category of products in India such as mobile, appliances, apparels, home and kitchen. (“**Portfolio Companies**”)



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7. SGS, a private company incorporated in India, is *inter alia*, engaged in wholesale trading of fruits, vegetables, groceries, food, personal care and household items and is currently active in 18 cities in India. Further, it is stated that majority of SGS's sales were made to Innovative Retail Concepts Private Limited (“**IRCPL**”), which operates the portal Bigbasket.com. The Commission noted that SGS owns the domain name registration for the website bigbasket.com and trademark “BigBasket”; however, the website is not operated by SGS and has been licensed to IRCPL. Bigbasket.com, is an online food and grocery supplier and has operations in India.
8. The Proposed Combination pertains to retail sector i.e. B2C (Business to Consumer). The overall B2C sales can be broadly categorized into organized and unorganized segments. Organised segment includes supermarkets, hypermarkets, retail chains and online retail (e-commerce); unorganised segment include traditional low-cost retail run locally by the owner or caretaker. It is noted that Portfolio Companies and SGS are engaged in B2C through their respective e-commerce platforms (online B2C). However, in absence of any competition concern the exact definition of relevant market is being left open in this case.
9. With regard to vertical relationship, it is observed that there is a potential for vertical relationship between the activities of Portfolio Companies and SGS. Additionally, there is a relationship between the digital payments services offered by PayTm Payments Bank Limited (“**PPBL**”), an entity of OCL, and Bigbasket, operated by IRCPL.
10. The Commission observed that presence of Parties in Online B2C is insignificant and there are number of other players such as Flipkart, Amazon India, Snapdeal.com, Grofers, Zopnow, and Bazarcart providing similar services.
11. In relation to the potential vertical relationship between the activities of Portfolio Companies and SGS, the Commission observed that presence of the SGS is insignificant to raise any competition concerns relating to foreclosure. With regard to vertical relationships in digital payments services, the Commission observed that presence of the Bigbasket, is insignificant to raise any competition concerns relating to foreclosure.
12. Considering facts on record, details provided in the notice given under sub-section (2) of Section 6 of the Act and assessment of the proposed combination on the basis of factors



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stated in sub-section (4) of Section 20 of the Act, the Commission is of the opinion that proposed combination is not likely to have any appreciable adverse effect on competition in markets in India and therefore, the Commission, hereby, approves the same under sub-section (1) of Section 31 of the Act.

13. This order shall stand revoked if, at any time, the information provided by the Parties is found to be incorrect.
14. The information provided by the parties shall be treated as confidential in terms of and subject to provisions of Section 57 of the Act.
15. The Secretary is directed to communicate to the parties accordingly.