



सत्यमेव जयते



**COMPETITION COMMISSION OF INDIA**  
(Combination Registration No. C-2019/10/697)

**14<sup>th</sup> November, 2019**

**Notice under Section 6(2) of the Competition Act, 2002 filed by CDC Group plc**

**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 21<sup>st</sup> October, 2019, the Competition Commission of India (**Commission**) received a notice under Section 6(2) of the Competition Act, 2002 (**Act**), filed by CDC Group plc (**CDC**) in relation to its proposed acquisition of shares in Ecom Express Private Limited (**Ecom**).
2. The notice has been given pursuant to the subscription agreement (**SSA**) and the Shareholders' agreement (**SA**), both executed on 7<sup>th</sup> October, 2019 *inter alia* amongst CDC, and Ecom.
3. The Proposed Combination envisages CDC subscribing to 100 equity shares and 4,14,792 compulsorily convertible preference shares, representing a stake of 7.35% of the total outstanding equity share capital of Ecom, on a fully diluted basis. Further, in terms of the SA, CDC would have the right of representation on the board of directors of Ecom. Additionally, no action can be taken by Ecom without prior consent of CDC in respect of certain reserved matters.



4. CDC, formerly known as the Commonwealth Development Corporation, is a development financial institution. It has been investing in businesses in developing countries, including India, for the last 70 years. CDC is wholly-owned by the Department for International Development of UK Government. In India, CDC currently holds investments in entities that are operating in the areas of micro-finance, banking, NBFCs, healthcare, dairy processing, online food retail, financial technology and online food retail.
5. Ecom is engaged in delivery, order fulfilment and warehousing services. It also offers and digital services such as assets verification; contact point verification; record verification; and e-KYC facilitation for the customers of banks, NBFCs, etc.
6. The activities of CDC and Ecom do not exhibit horizontal or vertical overlap. However, a portfolio entity of CDC, engaged in grocery supplies, is seen to have availed hyperlocal delivery services of Ecom, on a pilot basis. Further, three portfolio companies of CDC, operating in India, are customers of Ecom in the sphere of contact point verification and document collection. It is observed that the value of the said ancillary services offered to the portfolio companies of CDC is not significant to raise any competition concern.
7. Considering the material on record including the details provided in the notice given under sub-section (2) of Section 6 of the Act and the assessment of the Proposed Combination on the basis of 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. Therefore, the Commission approves the Proposed Combination under sub-section (1) of Section 31 of the Act. The Commission however notes that the scope of non-compete covenants, as envisaged in transaction documents/agreements, is not ancillary to the Proposed Combination.
8. This order shall stand revoked if, at any time, information provided by Parties is found to be incorrect.



9. The information provided by Parties is confidential at this stage, in terms of and subject to the provisions of Section 57 of the Act.
  
10. The Secretary is directed to communicate to Parties, accordingly.