COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2019/08/680)

6th September, 2019

Notice under Section 6 (2) of the Competition Act, 2002 filed by Amazon.com NV Investment Holdings LLC.

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 13th August, 2019, the Competition Commission of India (Commission) received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 (Act) filed by Amazon.com NV Investment Holdings LLC ("Amazon" / “Acquirer”). The notice was given pursuant to the execution of Share Purchase Agreement (SPA) entered into between Acquirer and the Quess Corp Limited ("Target") and an Investment Agreement between Acquirer, the Target and wholly owned subsidiary of the Target, QDigi Services Limited ("Target Subsidiary"), each dated 12.07.2019. (Incase dates are same) (Hereinafter, Acquirer and Target are collectively referred to as the “Parties”).

2. The proposed combination envisages acquisition of approximately 0.51% of the (post-issuance) issued, subscribed and paid-up equity share capital of the Target, on a fully diluted basis (“Proposed Combination”).
3. The Acquirer is a direct, wholly-owned subsidiary of Amazon.com, Inc. ("ACI"). The Acquirer is incorporated under the laws of Nevada, United States of America, and is globally engaged in the business of making investments. The Acquirer is not engaged in any business activities in India. The various direct or indirect subsidiaries of ACI registered in India and overseas subsidiaries having business operations in India ("Acquirer Affiliates"), are engaged in business activities relating to the retail market, payments processing, cloud computing etc. Additionally, the Acquirer and its affiliates have certain investments in entities engaged in various business activities, including the provision of facilities management services in India (collectively, "Acquirer Portfolio Companies").

4. The Target is a part of the Quess Corp group. The Target’s Group (including its subsidiary) is engaged in various business activities, *inter alia*, relating to the provision of facilities management services in India.

5. As per the Notice, the Acquirer and the Target Group are not engaged in any business activities relating to similar or identical or substitutable products or services. However certain Acquirer Portfolio Companies are engaged in the business of providing facilities management services in India. As per the submission, the market shares of the Acquirer Portfolio Companies, and the Target group in the facilities management services in India are miniscule, and is in the range of 0-5%.

6. As per the submission of Acquirer there is an existing business relationship between Acquirer Affiliate namely Amazon Seller Services Private Limited ("ASSPL") and the Target Subsidiary for provision of after-sales services to customers for products ordered on the online marketplace operated by ASSPL ("Amazon India Marketplace"). The revenue generated by the Target Subsidiary from ASSPL was not significant in terms of the Target Subsidiary’s total revenue. It has also been submitted that the business activities undertaken by the Acquirer Affiliates in India and the Target group are such that neither can be said to be operating at different stages or levels of the production chain in relation to the business activities undertaken by the other party.
7. It is submitted in the notice that ASSPL and the Target Subsidiary have entered into an agreement pursuant to which the Target Subsidiary provides after sales services for certain category of products to consumers who purchase these goods on the Amazon India Marketplace and is restricted from providing similar services to a mutually agreed list of persons. The Commission found that the restriction on Target Subsidiary to provide services to certain entities is not ancillary to the proposed combination.

8. Considering the 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 the factors stated in sub-section (4) of Section 20 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 and therefore, the Commission, hereby, approves the same under sub-section (1) of Section 31 of the Act.

9. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.

10. The information provided by the Acquirer shall be treated as confidential in terms of and subject to the provisions of Section 57 of the Act.

11. The Secretary is directed to communicate to the Acquirer accordingly.