

India's Flipkart takes on Amazon with a \$1bn war chest

MUMBAI, INDIA: India's top e-commerce company Flipkart said it had raised \$1bn (60bn rupees) in funds as it battles US company Amazon for supremacy in the hyper-competitive local online buying market.



Flipkart's Sachin Bansal has raised US\$1bn to maintain dominance in India's market and attempt to fight off Amazon's entry into the market. Image: [MKM](#)

Flipkart, set up in 2007 by two former Amazon employees, said Singapore sovereign wealth fund, GIC was among those to participate in the fundraising, by injecting money into the e-commerce market.

"The fresh round of funding is a great milestone in the e-commerce industry of India. Very few Internet companies in the world could have raised these funds publicly," Flipkart's Co-founder Sachin Bansal told reporters in Bangalore.

Flipkart is the country's biggest online shopping portal in an e-commerce market that is still puny compared with China's.

But the market, whose sales reached \$2.3bn in 2013 according to Indian consultancy Technopak, is expanding rapidly, with venture capitalists pouring money into the sector, scenting profits and growth.

Flipkart dominates India's online shopping

Bansal, whose firm began with music and books and expanded rapidly into mobiles, appliances and other goods, said the funding was validation of the view that India's Internet could produce multi-billion dollar companies.

Flipkart has earlier drawn backers such as New-York-based venture capitalists Tiger Global Management LLC and announced earlier this year that it had passed the \$1bn sales mark.

In May, Flipkart said it was taking over rival Myntra, India's top online fashion venture, in a deal analysts estimated to be worth \$330m - the largest of a string of transactions in the sector over the past two years.

Flipkart has been helped by its service that allows customers to pay on delivery. Many Indians do not own bank cards while others feel uncomfortable using them online.

Amazon, which entered the market last year, has been aggressively increasing its presence in India through services such as same-day delivery, as well as large-scale advertising.

The US company earlier this week said it would set up large warehouses in India to ensure speedy delivery.

Source: AFP via I-Net Bridge

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