

India's Flipkart raises \$1.4 bn from Microsoft, eBay, Tencent

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India's top e-commerce company Flipkart announced Monday it had raised \$1.4 billion in a record funding round that shores up the online retail giant in its fight against Amazon.

Flipkart said it was now valued at \$11.6 billion after raising funds from US tech behemoths Microsoft and eBay and China's Tencent, an investment described as the largest in the history of India's internet sector.

"This deal reaffirms our resolve to hasten the transformation of commerce in India through technology," Flipkart founders Sachin Bansal and Binny Bansal, who are not related, said in a statement.

As part of the deal Flipkart will acquire and run eBay India in return for a \$500 million investment from the US firm.

eBay president Devin Wenig said the merger of its local operations with the Bangalore-based firm would "take it to greater heights" in India, a multi-billion online retail market.

Flipkart, founded in 2007 by the two former Amazon employees, and its smaller local rival Snapdeal have attracted billions of dollars in overseas investment since their inception.

The [firms](#) have battled stiff competition from American e-commerce giant Amazon since it entered India's cut-throat and rapidly growing

online retail market in 2013.

Flipkart has earlier drawn backers such as New-York based venture capitalists Tiger Global Management LLC and Singapore sovereign wealth fund GIC.

In 2014 Flipkart raised \$1 billion in funding while Snapdeal received \$627 million from Japan's Softbank.

India's [e-commerce market](#) was worth about \$23 billion in 2015, according to business body Assocham, and is expected to be worth over \$32 billion by the end of the decade.

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