

HYDERABAD: [Walmart](#), the US retail giant which signed an agreement in May this year to acquire 77 per cent stake in [Flipkart](#)

, expects to close the deal before the end of current calendar year.

According to a regulatory filing with [Securities and Exchange Commission](#)

(SEC), Walmart said the ongoing operations of Flipkart are expected to impact the US company's income negatively.

"In May 2018, the company announced it will pay approximately \$16 billion in exchange for approximately 77 per cent of the outstanding shares of Flipkart Group ("Flipkart"). The investment includes \$2 billion of new equity funding... Closing is expected later this calendar year, and is subject to regulatory approval," the retail giant said.

"Upon closing and consolidating the financial statements of Flipkart, we expect the ongoing operations of Flipkart to negatively impact fiscal 2019 net income. We intend to fund the acquisition of Flipkart with a combination of newly issued debt and cash on hand," it added.

Speaking at an investors meet, Walmart Inc President, CEO and Director, [Douglas McMillon](#)

, said they were learning about retail ecosystems and how they work around the world.

"We're learning a lot from China. We'll be learning even more from India. And we basically want to be in places that have a tremendous opportunity, which is what led us to Flipkart in India," he said in response to a query.

He said Flipkart, which has a strong management team, built out an ecosystem.

"In the case of India, it's worth it. If it had been a smaller market, we may have passed. But this is a unique opportunity.

"And when you look out 5, 10, 20 years from now, time will tell. But we're confident that we'll look back at it and say, Yes, that was a big bet. It was a bold bet. But we're glad we took it. We're not running this thing for one year," he said justifying the acquisition.

As Flipkart is expected to generate meaningful losses for at least the next few years, this is clearly an investment for the future..., Moody's Vice-President Charlie O'Shea had earlier said in a report commenting on the acquisition.