

Managerial Economics News Analysis

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Amazon India in talks for deal with Swiggy



Company Overview

Swiggy Instamart is India's leading quick commerce service for groceries and daily essentials. Launched in 2020, it leverages Swiggy's delivery network to bring you your order in minutes, typically within a promised time window. They operate in over 28 Indian cities and boast a wide selection of fresh and everyday items.

Business Standard

Amazon India in talks for deal with Instamart amid Swiggy's IPO filing

Bengaluru-based Swiggy recently filed with the Securities and Exchange Board of India (Sebi) for a Rs 10,414 crore IPO, one of the largest planned by a new-age internet company

[Amazon India](#) is in talks with Swiggy about a potential deal with its Instamart quick commerce division, according to a report by *The Economic Times*.

This development follows Bengaluru-based Swiggy's recent filing with the Securities and Exchange Board of India (Sebi) for a Rs 10,414 crore IPO, one of the largest planned by a new-age internet company.

The sources added that there is currently no formal offer, and for discussions to advance, Amazon's Seattle headquarters must act quickly. The report quoted sources as saying that the initial talks might not result in a deal due to the current complexity of the arrangement.

"Swiggy is unlikely to sell only its quick commerce business and Amazon won't be interested in the food delivery space where growth is starting to plateau," the source said, as cited by *The Economic Times*.



Key Points

1

Amazon's interest in Swiggy Instamart aligns with its India team's ongoing efforts to develop its own quick commerce service.

2

Swiggy has been selling secondary stakes in the private market, currently valued at around \$9 billion, to decrease the shareholding of its long-time investor, Prosus.

3

"Swiggy is unlikely to sell only its quick commerce business and Amazon won't be interested in the food delivery space where growth is starting to plateau,"



THE ECONOMIC TIMES

Exclusive | Amazon in deal talks with Swiggy for quick commerce business Instamart: sources

“Amazon has swooped in with interest to either pick up a stake in the ongoing pre-IPO placement or a buyout proposal for Instamart... but there are multiple roadblocks at the moment,” said one of the persons cited above.

There’s no official offer on the table yet and Amazon headquarters in Seattle will need to move swiftly for any chance of talks going to the next stage, sources said.

The early discussions may not lead to a transaction considering the complicated structure of the deal in its present form, these people said.

“Swiggy is unlikely to sell only its quick commerce business and Amazon won’t be interested in the food delivery space where growth is starting to plateau,” said the person cited above.



Key Points

1

A spokesperson for Amazon India said the company doesn't comment on rumors and speculation. Swiggy didn't respond to queries.

2

There's no official offer on the table yet and Amazon headquarters in Seattle will need to move swiftly for any chance of talks going to the next stage, sources said.

3

The development comes close on the heels of Swiggy confidentially filing draft documents with Sebi for Rs 10,414 crore (\$1.25 billion) public offering, among the largest for a new-age internet firm.



Amazon in talks with Swiggy for buying Instamart business: Report

E-commerce giant Amazon has approached Swiggy and shown interest in the company's quick commerce business Instamart, says a report in the Economic Times, citing 3 sources aware of the matter. However, there is no official offer for the tablet yet and the report states that early discussions paint a difficult chance of a deal being completed given the complicated structure of the deal in its current form.

"Amazon has swooped in with interest to either pick up a stake in the ongoing pre-IPO placement or a buyout proposal for Instamart... but there are multiple roadblocks at the moment," the Economic Times report cited a source as saying.



Key Points

1


Amazon has expressed interest in Swiggy's quick commerce business Instamart, but no official offer has been made yet. Early discussions suggest a challenging transaction due to the deal's complexity.

2

ET report earlier this year had stated that Flipkart had attempted a similar deal with Swiggy last year but talks had fell through owing to a valuation mismatch.

3

Swiggy is unlikely to sell only its quick commerce business while Amazon isn't interested in entering the food delivering space.





Amazon in talks with Swiggy to buy Instamart? 'Swooped in with interest'

Amazon India has reportedly approached Swiggy for a potential deal involving its quick commerce business Instamart. This comes as Swiggy filed draft papers with Sebi for its ₹10,414 crore initial public offering (IPO). Economic Times reported citing people in the know that Amazon is interested in Instamart. One person said as per the outlet, "Amazon has swooped in with interest to either pick up a stake in the ongoing pre-IPO placement or a buyout proposal for Instamart... but there are multiple roadblocks at the moment."

Amazon is interested in Instamart as the US retailer has been working on its own quick commerce initiative for months, the report claimed.



Key Points

1


The report also added that there is no official offer on the table till now. In case the talks have to go to the next stage, Amazon will need to move swiftly, the report claimed, as early discussions may not lead to a transaction due to the complicated structure of the deal.

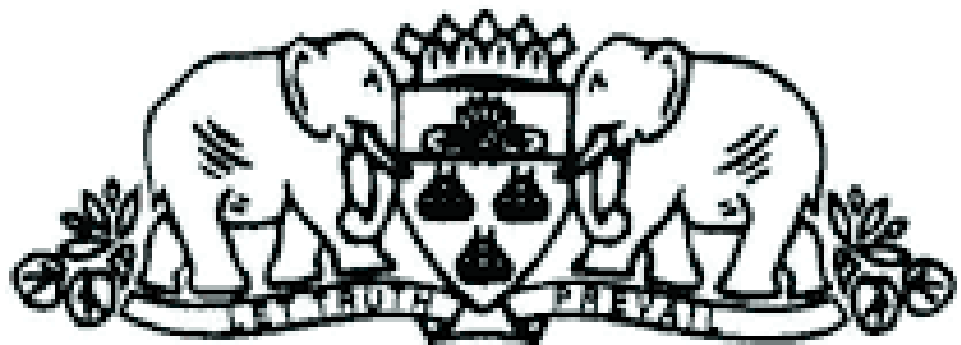
2

Swiggy has been selling secondary stakes in the private market, currently valued at around \$9 billion, to decrease the shareholding of its long-time investor, Prosus.

3

Swiggy is unlikely to sell only its quick commerce business while Amazon isn't interested in entering the food delivering space.





THE TIMES OF INDIA

Amazon may go Instamart shopping to take on Blinkit, BBNOW

Amazon is reportedly planning to buy stakes in Swiggy Instamart to take on Zepto, Blinkit and BBNOW. According to a report by Economic Times, the e-commerce platform has approached IPO-bound Swiggy for a potential deal involving its quick commerce business under Instamart.

The report cites three people aware of the matter. One of them said "Amazon has swooped in with interest to either pick up a stake in the ongoing pre-IPO placement or a buyout proposal for Instamart... but there are multiple roadblocks at the moment,".

As per the report, Swiggy is confidentially filing draft documents with Securities and Exchange Board of India (SEBI) for Rs 10,414 crore (USD 1.25 billion) public offering.



Key Points

1

Amazon plans to buy stakes in Swiggy Instamart, targeting Blinkit and BBNOW. Economic Times notes Amazon's interest during Swiggy's Rs 10,414 crore (USD 1.25 billion) IPO preparation.

2

"Buying the entire company will be too expensive at a valuation of \$10-12 billion. Also, Amazon is not typically known to pick up minority stakes," the person said.

3

Swiggy is unlikely to sell only its quick commerce business while Amazon isn't interested in entering the food delivering space.

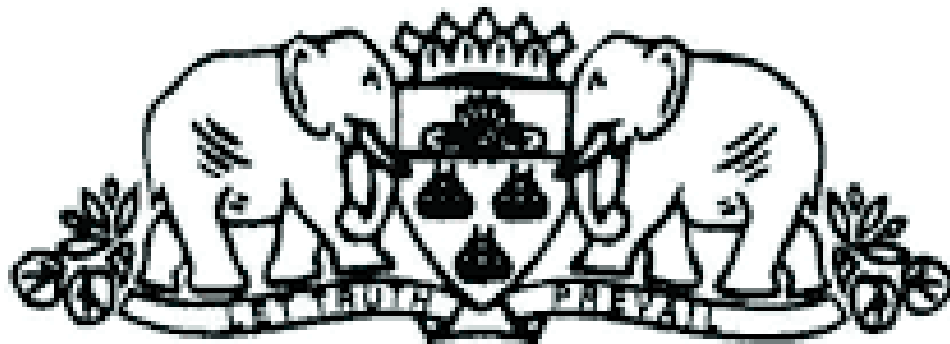
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