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COMPETITION COMMISSION OF INDIA

Case No. 46 of 2021

**In Re:**

**Vijay Gopal**

Prop. of Vanila Entertainments  
12-13-1085/72, 3<sup>rd</sup> Floor, St. #1,  
Shirdi Sai Nagar, Tarnaka, Secunderabad,  
Telangana - 500017

**Informant**

**And**

**Big Tree Entertainment Pvt. Ltd. (BookMyShow)**

3<sup>rd</sup> Floor, H. No. 8-2-248/1/757/57A, Plot No. 57, Road No. 3,  
Nagarjuna Circle Road, Beside ICICI Bank Lane, Nagarjuna Hills,  
Hyderabad, Telangana – 500082

**Head Office:** Ground Floor, Wajeda House,  
Gulmohar Cross, Road No. 7, Juhu Scheme,  
Mumbai, Maharashtra - 400049

**Opposite Party No. 1**

**Asian Multiplexes Pvt. Ltd. (Asian Cinemas)**

(Represented by Mr. Sunil Narang)  
#502 B, Amara Jyothi Building,  
Ground Floor, Road No. 31, Jubilee Hills, Hyderabad- 500033,  
Telangana

**Opposite Party No. 2**

**Indra Cineplex LLP (Indra Cinemas)**

(Represented by Dilip Kumar Tandon)  
108, 1<sup>st</sup> Floor, Happy Trade Centre,  
S. D. Road, Secunderabad, Telangana – 500003

**Opposite Party No. 3**

**Cinopolis India Pvt. Ltd. (Cinopolis)**

3<sup>rd</sup> Floor, DSL Abacus Mall,  
Plot No. B-1, B-2B and B2, Telangana – 500013

**Head Office:** 10<sup>th</sup> Floor, DLF Two Horizon Centre, DLF-V,  
Gurugram, Haryana – 122002

**Opposite Party No. 4**

**INOX Multiplex (INOX)**

5<sup>th</sup> Floor, Maheshwari Parmeshwari Mall,  
Kachiguda X Roads, Hyderabad, Telangana - 500027

**Head Office:** Viraj Towers, 5<sup>th</sup> Floor,  
Western Express Highway, Andheri (East),  
Mumbai, Maharashtra - 400093

**Opposite Party No. 5**

**PVR Multiplex (PVR)**

78-4-8/9, 5<sup>th</sup> Floor, Panjagutta, Hyderabad,



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Telangana - 500082

**Head Office:** PVR Cinema, Block A, 4<sup>th</sup> Floor,  
Building No.9, DLF Cyber City, Phase III Gurgaon,  
Haryana – 122002

**Opposite Party No. 6**

**Sudarshan Theater 35 MM**

(Represented by Raj Tadla, Vice President of Telangana State Film Chamber)  
RTC X Road, Chikkadpally,  
Hyderabad, Telangana - 500020

**Opposite Party No. 7**

**Principal Secretary**

Home Department, State of Telangana  
7<sup>th</sup> Floor, Telangana Secretariat,  
NH 44, Hill Fort, Adarsh Nagar, Hyderabad,  
Telangana -500063

**Opposite Party No. 8**

**Hyderabad City Police Commissioner**

(Cinemas Licensing Authority for Hyderabad City)  
Avanti Nagar, Basheer Bagh, Hyderabad,  
Telangana – 500029

**Opposite Party No. 9**

**Telangana State Film Development Corporation Ltd.**

(Represented by its Commissioner)  
H. No.10-2-1,  
FDC Complex, A C Guards, Hyderabad,  
Telangana – 500028

**Opposite Party No. 10**

**Central Consumer Protection Council (CCPA)**

(Represented by its Chief Commissioner)  
Department of Consumer Affairs, Government of India,  
Krishi Bhawan, New Delhi - 110001

**Opposite Party No. 11**

**CORAM**

**Mr. Ashok Kumar Gupta**  
**Chairperson**

**Ms. Sangeeta Verma**  
**Member**

**Mr. Bhagwant Singh Bishnoi**  
**Member**

**Directions for investigation under Section 26(1) of the Competition Act, 2002**

1. The present information has been filed by Mr. Vijay Gopal (hereinafter, '**Informant**') under Section 19(1) (a) of the Competition Act, 2002 (hereinafter, '**Act**') alleging contravention of



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provisions of Sections 3 & 4 of the Act by Big Tree Entertainment Pvt. Ltd. (hereinafter, 'OP-1/ BookMyShow'), Asian Multiplexes Pvt. Ltd. (hereinafter, 'OP-2/ Asian Cinemas'), Indra Cineplex LLP (hereinafter, 'OP-3/ Indra Cinemas'), Cinepolis India Pvt. Ltd. (hereinafter, 'OP-4/ Cinepolis'), INOX Leisure Ltd. (hereinafter, 'OP-5/ INOX'), PVR Ltd. (hereinafter, 'OP-6/ PVR') and Sudarshan Theater 35MM (hereinafter, 'OP-7/ Sudarshan') [OP-1 to OP-7 have been collectively referred to as 'Opposite Parties/ OPs']. The Informant has also arrayed Principal Secretary, Home Department, State of Telangana; Hyderabad City Police Commissioner (Cinemas Licensing Authority for Hyderabad); Telangana State Film Development Corporation Ltd and Central Consumer Protection Council as OP-8, OP-9, OP-10 and OP-11 respectively.

### **Facts and allegations as stated in the Information**

2. The Informant is stated to be a social activist and the founder of an online movie ticketing portal *Showtyme*, registered in the name of Vanilla Entertainments, a proprietorship concern, which is stated to have been launched on 09.11.2021 to provide an alternative option to the cine-goers in Hyderabad (later across India) to book their movie tickets online by paying a convenience fee of ₹11/- per ticket, which is stated to be 40-50% less than the existing players like BookMyShow.
3. BookMyShow is stated to be a movie ticketing portal/website which holds at least 90% market share in movie ticket booking industry in India. OP-2 to OP-7 are the multiplexes/theatres which are in the trade of exhibiting cinemas/ films/ movies.
4. The Informant has alleged that BookMyShow collects Rs. 25/- per ticket as convenience fee from consumers who want to avail the facility of online booking of tickets for entertainment/ movies and shares 50% of the convenience fee as commission (up to Rs. 12-14 per ticket) with the multiplexes, whereas it gives commission up to Rs. 6-8 per ticket in case of standalone/single screen theatres. On the other hand, *Showtyme*, belonging to the Informant, offered up to Rs. 5/- to the multiplexes and theatres out of Rs. 11/- to be charged by it and would keep the rest for running its operations. Despite this, it is alleged that, the multiplexes and theatres are unable to associate with *Showtyme* due to 'cash loans'/ monetary deposits



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given by BookMyShow to them (to OP-2, OP-3 etc.) on 'zero interest'. Thus, the Informant has alleged that the OPs are acting in collusion.

5. The Informant has also alleged that BookMyShow has signed 'exclusive and refusal to deal' agreements with OP-2 to OP-7. Owing to these agreements, besides allegedly charging unreasonable and exorbitant charges under the guise of convenience fee, OP-2 to OP-7 sell their movie tickets through BookMyShow only. They have also signed 'refusal to deal' agreements ranging between 2-5 years with the theatres to ensure not selling of their movie tickets with any other online platform and is thereby controlling the complete market. It is further alleged that the convenience fee is paid to theatres and multiplexes on a monthly basis through monthly generated invoices which shows malicious intent on the part of BookMyShow in creating a cartel with theatres/ multiplexes and killing competition and maliciously entering into exclusive contracts with them. This is also leading in overall increase in price of the movie tickets inclusive of convenience fee up to Rs. 19-25 per ticket, which is detrimental to consumers.
6. The Informant has stated that *Showtyme* approached more than 30 cinemas, theatre managements in person and all multiplexes *via* email, in Hyderabad. Some of them confirmed that they could not sell their tickets to *Showtyme* since they had taken monetary deposits and signed exclusive agreements with BookMyShow. According to the Informant, this has created barrier to new entrants like *Showtyme* and higher prices to the end-consumers.
7. Thus, the Informant has averred that BookMyShow has formed an explicit cartel with multiplexes and theatres and pursuant to which it has signed agreements with them to thwart any opportunity to other platforms to sell tickets of cinema, even at 50 % lesser convenience fee than that of BookMyShow, and thereby controlling the movie ticketing industry and has imposed barriers for new entrants like the Informant.
8. The Informant has also averred that the owner Asian Cinemas [which runs more than 100 screens in the State of Telangana and also the President of the Telangana State Film Chamber of Commerce (TSFCC) - a private organisation formed by producers, distributors, exhibitors to protect their interests and provide a common platform] has entered into an agreement with



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BookMyShow by taking monetary deposits and agreed not to sell their movie tickets through any other online platform except BookMyShow.

9. Similarly, the owner of Sudarshan Theatre and the Vice President of TSFCC has allowed placement of more than 50% of tickets for sale through the online platform of BookMyShow, which is in violation of G.O. Ms. 47 of 2006 dated 10.03.2006 issued by Telangana State Home (Genl. A) Department that provides for reserving at least 50% of the tickets for sale in the licensed booking office at the cinema theatre.
10. The Informant has averred that though BookMyShow is entitled to charge the consumers convenience fee for online booking of tickets yet its act of entering into collusion with theatres/multiplexes by having agreements to not sell the movie tickets online to anyone else, giving lakhs and crores of rupees on loans at zero interest to the OPs, and selling more than 50% tickets of movies online, leaves no scope for the new entrants to enter into the market.
11. The Informant has also stated that he submitted various complaints to licensing authorities and other authorities in the State of Telangana and has also given a representation to the Ministry of Consumer Affairs, Government of India on 04.11.2021 in this regard.
12. The Informant has further stated that BookMyShow was found guilty for unfair trade practice by the Hyderabad Consumer Court-III for collecting exorbitant charges as 'Internet Handling Fee' (now convenience fee).
13. According to the Informant, BookMyShow is also abusing its dominant position under Section 4 of the Act by imposing unfair and discriminatory conditions on the theatres/ multiplexes *i.e.*, making them sign contracts for sale of 100% tickets on its platform. It is submitted that the presence of agreements between OP-1 and OP-2 to OP-6 are creating a hostile effect upon fair competition. As per the Informant, OP-1 to OP-6 are allegedly acting in violation of Section 4(2)(a), 4(2)(b), 4(2)(c) and 4(2)(d) of the Act and deserve to be penalised under the Act.
14. Based on the above allegations and averments the Informant has prayed to the Commission for grant of the following reliefs:



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- 14.1. Declare the agreements amongst BookMyShow with OP-2 to OP-7, if found exclusive, as illegal and anti-competitive;
  - 14.2. Impose penalty as under Section 27 of the Act;
  - 14.3. Direct BookMyShow under Section 28 of the Act to sell not more than 25% of its tickets of any multiplexes/ theatres in the State of Telangana and Andhra Pradesh and not more than 50% of the tickets in the rest of India on its platform;
  - 14.4. Reimburse the litigation cost of ₹5000/- and ₹1/- for mental trauma *etc.* to the Informant.
  - 14.5. Direct OP-1 to OP-6 and all traders in India to discontinue practices of 'not dealing with others' and abuse of dominant position.
15. The Informant has also prayed for interim relief under Section 33 of the Act on the averments made above and requested the Commission to direct OP-8 and OP-9 to submit the action taken report on the representations of the Informant within time-bound manner.
16. The Informant subsequently filed an application dated 21.01.2022, requesting the Commission to amend the cause title as *Showtyme v. BookMyShow and Others* and deletion of Cinapolis and addition of Sri Venkateshwara Cinemas Pvt. Ltd. as an Opposite Party in the matter and submitted that the main case is of abuse of dominant position by BookMyShow and OP-2 to OP-7 were made parties only to confirm that they get commission from BookMyShow to sell their tickets on BookMyShow platform.
17. On 27.01.2022, the Commission considered the matter and directed BookMyShow to file its response to the Information and certain factual queries along with supportive documents, if any. After seeking due extensions, BookMyShow filed its response in confidential and non-confidential versions on 31.03.2022.
18. Briefly, the reply filed submitted by BookMyShow is as below:
- 18.1. It is submitted that BookMyShow is an intermediary engaged in the activity of facilitating online booking of tickets for movies, plays, concerts, sports events across India through its mobile application and website.



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- 18.2. BookMyShow usually follows a standard form of contract and commercial terms and duration of the agreements with each cinema/ theatre/ multiplex is negotiated as per their requirement. It is entitled to charge convenience fee from customers for facilitation of booking of tickets through its mobile app and website.
- 18.3. BookMyShow collects [REDACTED] from the consumer at the time of booking and [REDACTED] to cinema/ theatres/ multiplex within [REDACTED] along with [REDACTED].
- 18.4. BookMyShow submitted that the following entities are its competitor:
- Cinemas owned websites - PVR, INOX, CINEPOLIS
  - PAYTM
  - Orbgen Technologies Pvt. Ltd. (acquired by Paytm in 2018) - Ticketnew.com
  - www.justicket.com
  - www.ticket4u.in
  - Physical ticket booking counters
- However, there could be other players in the market as well.
- 18.5. BookMyShow provided the information of the share of value of tickets booked through BookMyShow against the value of tickets sold in India for the last 5 years.
- 18.6. BookMyShow has more than [REDACTED] agreements with single cinema theatres in Telangana. These agreements [REDACTED]. It submitted copy of its latest agreements with PVR, INOX, CINEPOLIS and also sample agreements with some single screen cinemas in the State of Telangana.
- 18.7. BookMyShow stated that it enters into agreements [REDACTED] and there is no formal or informal agreement/ understanding which decides as to what proportion of a theatre's monthly tickets would be sold through BookMyShow.
- 18.8. It is submitted that [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]



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[REDACTED]

18.9. As per BookMyShow, no monetary incentives are provided to any of theatre/multiplexes with which it has an association. [REDACTED]

[REDACTED]

18.10. It is submitted that BookMyShow does not charge any fee for listing of movie tickets on its platform.

18.11. BookMyShow placed reliance upon a fee chart indicating the different booking fee that it charges from cinema theatres located in various states across India. It further stated that the sharing of convenience fee is negotiated between BookMyShow and the concerned cinemas/theatres/multiplexes. The sharing proportions of the convenience fee may vary based upon the agreed commercial terms.

18.12. BookMyShow further stated that the Informant has approached the Commission with unclean hands. *Showtyme* website of the Informant was launched on 09.11.2021 while the Information was filed earlier on 02.11.2021. Thus, the site was launched only after filing of the Information. The Informant filed the information even before the launch of its website. The website should have been in operation for at least certain amount of time to experience the competition in the market from various players including BookMyShow. Thus, question of causing harm to the Informant does not arise.

18.13. It is submitted that the Information has been filed with the intention of creating obstacles and damaging reputation of BookMyShow under the garb of public cause and furthering his own commercial interests. As per BookMyShow, the Informant is engaged in forum shopping and vexatious litigation. The Informant has filed various





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criminal complaints, civil cases and representations before various judicial and executive authorities where he could not achieve the desired results.

18.14. The Informant has misrepresented to be a competitor of BookMyShow. However, he did not even have a market presence at the time of filing of the Information. At present no bookings can be made through the Informant's portal as the same displays only the movie names and tickets cannot be booked from the portal as there is no option available for selecting the cinema and the time slots. Only Prasad Multiplex, Hyderabad is being displayed on the Informant's website and no other cinema is listed.

18.15. In regards to the claim of the Informant that he has approached 30 cinemas which refused to collaborate with him due to restrictions imposed by BookMyShow, it is submitted that the Informant has failed to produce even a single shred of evidence to show that he approached 30 cinemas and they refused to collaborate with him.

18.16. It is stated that the relevant market to be considered in the instant matter must be the market for '*sale of movie tickets in India*'. BookMyShow only facilitates selling of tickets and does not sell tickets of its own. BookMyShow not only competes with other online third-party service providers but also with online sales made through BoxOffice. Various modes of booking of tickets are substitutable/ interchangeable in the eyes of consumers.

18.17. It is submitted that no evidence has been filed in respect of the allegation that BookMyShow holds 90% market share in movie ticket booking industry in India. BookMyShow's share has not exceeded 20% in the last 5 years. That, market share below 30% cannot be considered to confer any market power, let alone any dominance to cause any AAEC in India. There are several competitors which pose significant competitive constraints on BookMyShow.

18.18. As regards the allegations of exclusivity, it is stated that BookMyShow is relatively a new entrant in the relevant market. In order to penetrate this market as a new entrant, BookMyShow had to tie-up with certain cinema theatres on an exclusive basis. This exclusivity also benefits the cinema theatres that have tied up with BookMyShow as



otherwise they do not have the resources to make the tickets available online through their own website or other modes.

18.19. It is stated that there are approximately 9500 cinema theatre screens in India as of March 2020. Out of these, BookMyShow has exclusive arrangements with [REDACTED] which is approximately [REDACTED], leaving the rest approximately [REDACTED] of the cinema screens which are for collaboration by any other competitors including the Informant. Moreover, the duration of these agreements is short ranging *i.e.* from [REDACTED] and after the expiry of these agreements, the cinema theatres are free to collaborate with any other portal including the Informant.

18.20. As per BookMyShow, allegations of creating entry barrier is misleading as the market is still evolving and volatile in nature. It is stated that various participants entered into the market such as PayTM and it has established significant presence in the relevant market.

18.21. It is stated that BookMyShow does not provide any monetary assistance in return for exclusivity. In certain cases, it only provides some security deposit to adjust the ticket price and revenue share to the cinema theatres. These arrangements exist even with cinema theatres with whom no exclusive agreements have been signed and these are purely in the nature of securing payment obligations for cinemas and not advanced to them to secure exclusive booking rights. [REDACTED]  
[REDACTED]  
[REDACTED] and cannot be considered to be anti-competitive in nature.

18.22. [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED].



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18.23. It is submitted that the convenience fee is determined on the basis of third-party charges, operational costs, infrastructural investments *etc.* The convenience fees are distinctly displayed on the website and mobile application (app) of BookMyShow and consumers avail the services with full knowledge of charges payable. Besides, the consumer has a choice to purchase the ticket from BoxOffice directly.

18.24. It is submitted that alleged violation of Government orders is not a competition law concern.

18.25. BookMyShow submitted that no *prima facie* case has been made out in the matter since there is absence of any conduct that contravenes provisions of the Act. No case is made out under Section 3(3) of the Act as BookMyShow is not engaged in a similar trade as that of cinemas/ theatres/ multiplexes. Further, the Informant has failed to submit any agreement between BookMyShow and any of its competitors to establish any case under Section 3(3) of the Act. BookMyShow also submitted that no case is made out against it under Section 3(4) and Section 4 of the Act.

18.26. With regard to prayer for interim relief, BookMyShow submitted that the factors to be considered for giving interim relief under Section 33 of the Act are not in favour of the Informant as no *prima facie* case is made out in the matter, no balance of convenience lies in favour of the Informant and no irreparable injury is caused to the Informant in the matter. Further, it is stated that the reliefs sought by the Informant are misconceived and the Informant is seeking final relief in the nature of interim relief.

19. On 10.05.2022, the Commission considered the response filed by BookMyShow along with the Information and decided to pass an appropriate order in due course.

### **Observations and Analysis of the Commission**

20. The Commission has perused the material on record and has also noted the information available in the public domain.

21. The Commission notes the contents of the letter dated 21.01.2022 of the Informant where he has stated that the main allegation is of abuse of dominant position by BookMyShow and the remaining Respondents OP-2 to OP-7 were made parties as they were alleged to be the



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beneficiaries of the commission that BookMyShow gave to sell their tickets on the platform. Thus, the Commission is of the view that primary allegations that require deliberation are *qua* the conduct of BookMyShow under the provisions of Section 4 of the Act.

22. The Commission notes that the grievance of the Informant pertains to exclusive agreement/arrangement between BookMyShow and certain theatres/ multiplexes in the city of Hyderabad, Telangana whereby the Informant is allegedly prevented from offering the services of his website *Showtyme* to cinemas for online booking of tickets. This exclusivity, according to the Informant, is being crafted by BookMyShow by offering huge monetary deposits to such cinema theatres. It is also alleged that more than 50% of total tickets is offered to customers through online booking which is in violation of the Telangana Government's instructions. The Informant is also aggrieved of the fact that in the absence of competition, BookMyShow is able to extract more seats per show from cinema theatres by offering of booking through its website, besides charging exorbitant convenience fee from the cinegoers. The Informant has also stated that while the convenience fee charged by BookMyShow ranges between ₹19 - ₹25/- from customers, a part of which it shares with the cinema theatres who have agreements with it. The Informant, through his website *Showtyme*, is ready to offer booking of tickets at ₹11/- per ticket. Of this ₹11/- charged, it will give ₹6/- to cinema theatre and rest will be used for development and maintenance of the website.

23. BookMyShow on its part has stated that the Informant is fighting various litigations against it in multiple fora. Also, his website *Showtyme* has been launched post filing of the Information and is not functional at all. He has alleged violations prematurely *i.e.* without even waiting for his business to take off and see the effect. BookMyShow has defined the market by including both offline and online means of booking of movie tickets and claimed that in such a market there is an absence of its market power. It has denied that security deposits are given to cinema theatres are for the purpose of securing exclusive arrangements from them. On the contrary, it has been submitted that such deposits are [REDACTED]

[REDACTED]. It has also been stated that out of approximately 9500 screens in India, BookMyShow has exclusive agreements only with [REDACTED] screens which is merely [REDACTED] and this indicates that rest of the market is wide open for competition. BookMyShow has also submitted data to indicate that out of the total value of cinema tickets booked in India for the



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past 3 years, the value of tickets booked on its platform oscillates between [REDACTED] only. This, according to BookMyShow, also indicates its lack of apparent market power. Further, BookMyShow has cited that there is enough competition in the market through PayTM, Ticketnew.com, justicket.com, ticket4u.in, physical booking of tickets at BoxOffice and also through multiplexes dedicated websites like that of PVR, INOX, Cinapolis, etc. With regard to allegations of abuse, BookMyShow has stated that convenience fee charged by it is very transparent and the charges levied by it in various States are reasonable. It has also stated that the charges are prominently displayed on its website and on the mobile app and consumers avail the services with full knowledge of the same. The convenience fee is determined on the basis of third-party charges, operational costs and infrastructural investments made by it for creating such service. It has also submitted that it facilitates online booking of tickets for many theatres who do not have the infrastructure to develop their own online booking platform. It does not coerce theatres to avail its services through unfair terms in its agreement and even otherwise the agreements are of very short duration of [REDACTED] and short-term agreements are not anti-competitive.

24. With regard to the relevant market, the Commission notes that BookMyShow has suggested the relevant market as 'sale of movie tickets in India'. The Commission observes that the relevant product market comprises all those products or services which are regarded as interchangeable or substitutable by consumers, by reason of their characteristic, price and intended use. Thus, the most important parameter is as to how the consumers or users of products or services perceive substitutability or interchangeability amongst provision of services.

25. BookMyShow operates a two-sided platform catering to two sets of user/ consumer groups, one is the cinegoers who visit its website or mobile app for booking of movie tickets and other is the cinema theatres/multiplexes who use the platform to list the movies available with them for exhibition and sell tickets thereon. Thus, BookMyShow acts as an online intermediary for booking of movie tickets. The Commission is of the view that in light of ease of use, convenience of booking and reduced search costs owing to aggregation of tickets of multiple theatres/cineplexes on the intermediary platforms, large segment of cinegoers as well as cinema theatres/ exhibitors perceive online intermediation services for booking of



movie tickets as distinct, which is not interchangeable or substitutable by other modes of booking.

26. The Commission further notes that the services provided by online intermediation platform for booking of movie tickets cannot be offered in the same manner either by online sites of multiplexes/single screen cinemas or even by the BoxOffice. A consumer can search for and compare an array of theatres and movies along with the ticket prices, other offerings and the seats available for a particular show by using the online intermediation services of the intermediary platforms on a real time basis. Such facilities are not comparable with the lesser features and less convenience coupled with high search costs that are entailed in other forms of booking of tickets. Thus, in the view of the Commission, the nature of services of such platforms appears to be that of online intermediation and the relevant product market, thus, appears to be the 'market for online intermediation services for booking of movie tickets'.

27. With regard to the relevant geographic market, the services of online platforms like BookMyShow is available pan-India and the platform faces similar competitive constraints and homogeneous conditions of competition throughout India. There is no evidence to suggest that the relevant geographic market needs to be restricted to a local area, though the Informant has alleged abusive conduct in and around Hyderabad. Thus, the relevant market in the present case is that of 'market for online intermediation services for booking of movie tickets in India'.

28. The Commission notes that BookMyShow has not provided data on its market share for the online intermediation services for booking of movie tickets in India. It has provided the following table in its response:

| Calendar Year | Total Tickets (In INR Crores) | BookMyShow Tickets (In INR Crores) | Share of tickets booked through BookMyShow |
|---------------|-------------------------------|------------------------------------|--|
| 2017          | 101.0                         |                                    |  |
| 2018          | 94.5                          |                                    |  |
| 2019          | 103.0                         |                                    |  |
| 2020          | 22.5                          |                                    |  |
| 2021          | 42.7                          |                                    |  |



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29. The Commission carefully perused the data given by BookMyShow regarding its share of tickets. From the source of information<sup>1</sup>, as mentioned by BookMyShow, it was found that the value of total tickets, as presented by BookMyShow are the number of tickets sold, indicating total yearly footfalls and not value of tickets in INR crores. Thus, the data submitted in the table above is apparently untenable and inconsistent for computation of market share of BookMyShow even in the wider market proposed by it. The Commission, without delving further, is not inclined to rely upon such figures. In the absence of reliable market share data on record, data available in the public domain was considered. As per a Kalagato report<sup>2</sup>, in Jan-Mar 2017, BookMyShow's share in online booking of movie tickets, in terms of booking volume, was 78%, followed by PayTM with a market share of 13%. As per a December 2018 media report<sup>3</sup>, BookMyShow's market share in movie ticketing was between 70%-75%, as claimed by its founder. PayTM is a relatively new player, having entered the online movie ticketing market in 2016 as against BookMyShow, which has been in this space since 2007, enjoying the first mover advantage. The Commission observes that market share is one of the many factors that are considered in the assessment of dominance. In the instant case, market share of the platform needs to be seen in conjunction with its reach, scale and the network effects that work in its favour, leading to huge consumer footfalls thereby making presence on the platform critical for visibility and competitive ability of cinema theatres. The ability of BookMyShow to enter into exclusive agreements with ██████████ in India, as stated in its reply, further corroborates its position of strength and the various provisions in its agreements with cinema theatres/multiplexes, indicate its superior bargaining power in deciding contractual terms. These factors, taken together, *prima facie* appear to substantiate the dominant position enjoyed by BookMyShow in the relevant market of "online intermediation services for booking of movie tickets in India".

30. The Commission perused the agreements provided by BookMyShow in its response and notes some of the clauses in various agreements entered into by BookMyShow with single screen cinemas and multiplexes. Few clauses, therefrom, have been reproduced hereinbelow for further discussion:

<sup>1</sup> <https://www.ormaxmedia.com/data/library/OrmaxBoxOfficeReport-2020-21.pdf>

<sup>2</sup> <https://thekalagato.medium.com/book-book-book-book-book-my-show-ee2125a7fbb1>

<sup>3</sup> <https://economictimes.indiatimes.com/small-biz/startups/features/bookmyshow-looking-beyond-the-box-office/articleshow/66980571.cms?from=mdr>



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33. The Commission further observes that BookMyShow in its response has stated that it has entered into exclusive agreements with certain cinemas and particularly those who would otherwise not have resources to make tickets available online through their own website or any other modes. A perusal of the clauses of the agreements with single screen cinemas indicate that BookMyShow has reserved the right of data collection, ownership and storage thereof without the cinemas having any right, title, interest to such data, though in the agreements that BookMyShow has with multiplexes, there is provision for sharing of data. In a recent publicly available interview<sup>4</sup> of the founder of BookMyShow has been quoted as saying: *“We have a loyal and sticky customer base and we know about their payment modes, other details, and movie preferences. We are sitting on India’s 80-90 million customers on top and data monetization is another piece, which is very integral to BookMyShow.”*

34. The Commission is of the view that exclusivity relating to data ownership can increase the bargaining power of the platform over time. Data further strengthens and entrenches the network effects limiting inter platform competition. In a dynamic sense, this would imply that BookMyShow would earn monopoly rents, going forward. The aspect of exclusive ownership of and access to data by a dominant intermediary merits investigation.

35. As far as the allegation of the Informant with regard to charging of high convenience fee from consumers and sharing a part thereof with cinema theatre owners is concerned, the Commission is of the view that it cannot act as a price regulator to determine the correct fee. Nevertheless, exclusivity arrangements by BookMyShow may result in softening of competition and therefore bolster the market power of BookMyShow without any incentive for it to lower such fees in future.

36. Considering the foregoing, the Commission is of the view that there exists a *prima facie* case with respect to the conduct of BookMyShow, which requires an investigation by the Director

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<sup>4</sup> <https://yourstory.com/2021/10/ashish-hemrajani-bookmyshow-playbook-techsparks-2021/amp>



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General ('DG'), to determine whether the conduct of BookMyShow has resulted in contravention of the provisions of Section 4 of the Act, as detailed in this order.

37. Accordingly, the Commission directs the Director General (DG) to cause an investigation to be made into the matter under the provisions of Section 26(1) of the Act. The Commission also directs the DG to complete the investigation and submit the investigation report within a period of 60 days from the receipt of this order.
38. The Commission notes that besides BookMyShow, the Informant has arrayed large number of other parties in the Information as Opposite Party No. 2 to 11 whose role in the alleged anti-competitive conduct is not forthcoming at this stage. Therefore, the Commission is of the view that, at this stage, there is no requirement of such parties to be treated as Opposite Parties for the purpose of these proceedings. Accordingly, the Commission directs that the cause title of Case No. 46 of 2021 be read as '*In Re: Showtyme (through Vijay Gopal, prop. of Vanila Entertainments) and Big Tree Entertainment Pvt. Ltd.*'
39. It is also made clear that nothing stated in this order shall be tantamount to a final expression of opinion on the merits of the case. The DG shall conduct the investigation without being swayed in any manner whatsoever by the observations made herein.
40. Before parting with this order, the Commission notes that BookMyShow, in the proceedings, has filed its submission in two versions viz. confidential as well as non-confidential. It has also filed an application seeking confidentiality over certain documents/information under Regulation 35 of CCI (General) Regulations, 2009. In this regard, the Commission observes that confidentiality as claimed by the said party is granted at this stage, without going into the merits of the same, subject to the provisions of Section 57 of the Act. However, no such confidentiality claim shall enure in respect of any information, to the extent the same has been referred to or used in the instant order for the purposes of the Act, and has not been redacted herein.
41. The Commission notes that the Informant has also sought interim relief as aforementioned, which shall be dealt with separately.



42. The Secretary is directed to send a copy of this order, along with the material available on record, to the Office of DG.

**Sd/-**  
**(Ashok Kumar Gupta)**  
**Chairperson**

**Sd/-**  
**(Sangeeta Verma)**  
**Member**

**Sd/-**  
**(Bhagwant Singh Bishnoi)**  
**Member**

**New Delhi**  
**Date: 16/06/2022**