



COMPETITION COMMISSION OF INDIA

Case No. 89 of 2016

In re:

**Shri Rakesh Sanghi
C-308, 3rd Floor, Upasana, 4-1-970,
Ahuja Estate, Abids Road,
Hyderabad – 500 001, Telangana.**

Informant

And

- 1 Bennett, Coleman and Company Ltd.
The Times of India Newspaper,
Hyderabad Edition, Door No. 8-2-351,
Times House Building, Raod No. 3, Banjara Hills,
Near Nagarjuna Circle,
Hyderabad – 500 034, Telangana. **Opposite Party No. 1****

- 2 Deccan Chronicle Holdings Ltd.
32, Sarojini Devi Road,
Secunderabad – 500 003, Telangana. **Opposite Party No. 2****

CORAM

**Mr. Devender Kumar Sikri
Chairperson**

**Mr. S. L. Bunker
Member**

**Mr. Sudhir Mital
Member**

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Mr. Augustine Peter
Member

Mr. U. C. Nahta
Member

Mr. Justice G. P. Mittal
Member

Order under Section 26(2) of the Competition Act, 2002

1. The present information was filed by Shri Rakesh Sanghi ('**Informant**') under Section 19(1)(a) of the Competition Act, 2002 (the '**Act**') against Bennett Coleman and Company Ltd. ('**OP 1**') and Deccan Chronicle Holdings Ltd. ('**OP 2**') [hereinafter, collectively, '**OPs**'] alleging contravention of the provisions of Section 4 of the Act.
2. As per the information, the Informant is a lawyer practicing in the city of Hyderabad. It is stated that the Informant is required to publish notices on behalf of his clients for certain purposes such as transactions of land/ real estate, cautioning prospective purchasers against buying disputed properties *etc.* It is stated that OP 1 is India's largest media conglomerate that publishes '*The Times of India*' English daily newspaper, having editions all over the country. OP 2 publishes '*The Deccan Chronicle*', also one of the leading English language daily.
3. The Informant has submitted that OPs are two leading English daily newspapers in the twin cities of Hyderabad and Secunderabad in the State of Telangana with a circulation of around 2,55,600 and 3,00,000 copies in the twin cities. It is stated



that OPs are enjoying a dominant position in the market of English daily newspaper in the aforesaid cities.

4. The Informant has stated that publication of legal notices/ caution notices in newspapers may be equated with an essential commodity because any person willing to purchase a property may have to cause publication of the proposed transaction in a newspaper in order to verify the status of the property. Further, in case of disputed properties, a legal notice may have to be advertised for cautioning the innocent purchasers/ buyers from purchasing such properties.
5. It is averred that the Informant wanted to publish a caution notice in the Hyderabad edition of the newspapers published by the OPs of the size of 10 cm x 12 cm with an ideal alphabet size of font 7 and the Informant was advised by the agents of the OPs that the publication of the said notice would cost around Rs.1,00,000/-. The Informant has averred that the rate quoted by the OPs for the said advertisement is much higher than the rates for similar advertisement in other newspapers circulated in Hyderabad and Secunderabad. In this regard, the Informant has submitted the advertising rates structure of the OPs alongwith other newspapers such as '*The Hindu*' and '*The Indian Express*'. The Informant has further averred that the OPs are charging 50% lower prices for similar advertisements in other cities like Delhi, Mumbai, Chennai and Kolkata. It is also stated that the rates quoted on the website of the OPs are different from the rates that they have actually demanded from the Informant.
6. As per the information, OP 1 is charging two different rates for commercial and non-commercial advertisements in its newspaper. It is stated that for commercial advertisements, it is charging more as compared to non-commercial advertisements. The Informant has averred that OP 1 has converted his legal notice, which falls under non-commercial advertisement, into a commercial advertisement as merely the name of a Private Limited Company has been



mentioned in the said legal notice. Accordingly, it has quoted a rate of Rs. 93,000/- which is exorbitantly high. The Informant has also stated that even though OP 2 is charging a uniform rate of Rs. 1,010/- per sq. cm. for both commercial and non-commercial advertisements, it demanded around Rs. 1,21,200/- for the said legal notice which is also exorbitantly high.

7. The Informant has submitted that since the OPs collectively constitute 80% to 85% of the market share in the market of publication of legal notices in English daily newspapers in the twin cities of Hyderabad and Secunderabad, the consumers have no choice but to publish such notices in the newspapers of the OPs. It is also averred that the OPs are using imported paper in large quantities which has been subsidised by the Government of India and they are not passing the benefits of the same to the consumers. On being aggrieved with the aforesaid conduct of OPs, the Informant served them a notice dated 15.07.2016 asking them to explain the manner in which they are calculating the advertising rates in their newspapers. However, the OPs have not responded to the aforesaid notice.
8. Based on the above submissions, the Informant has prayed the Commission to appropriately intervene in the matter and impose penalties on the OPs for the aforesaid anti-competitive conduct.
9. The Commission has perused the information and the materials available on record. It is observed that the Informant is aggrieved by the conduct of OPs of quoting exorbitant rates for advertising legal/ public notices in their newspapers in the twin cities of Hyderabad and Secunderabad in the State of Telangana.
10. The Commission notes that the Informant is an Advocate practicing in the Courts of Hyderabad and on instruction of his clients, he publishes public/ legal notices in the newspapers of the OPs in order to give them wide publicity. Thus, the provision of services relating to publication of advertisements including public/



legal notices *etc.* in newspapers may be considered as the relevant product market in this case. With regards to the relevant geographic market, the Commission observes that the geographic area of Hyderabad and Secunderabad may be considered as the relevant geographic market in this case. It is so because the Informant had proposed to publish the said notice in the newspapers in the geographical area of Hyderabad and Secunderabad. Accordingly, '*the provision of services related to publication of advertisements including public/ legal notices etc. in the newspapers in Hyderabad and Secunderabad*' may be considered as the relevant market in this case.

11. With regard to dominance, the Commission observes that in the twin cities of Hyderabad and Secunderabad, the major Telugu daily newspapers such as *Eenadu, Sakshi, Vaartha, Andhrajyothi, Surya, Prajasakti, Andhrabhoomi, Andhra Prabha and Namaste Telangana*; the major English daily newspapers such as *The Times of India, The Hindu, The Deccan Chronicle, Business Standard and The Economic Times*; the major Urdu daily newspapers such as *The Siasat Daily, The Munsif Daily, The Etemaad and Rahnuma-i Decca*; and the Hindi daily *The Daily Milap* are in circulation. Besides, there are a number of local newspapers also in circulation in the aforesaid relevant geographical market. Therefore, the presence of a large number of other English newspapers and regional dailies in Hyderabad and Secunderabad prevents the OPs from exercising any kind of market power independent of market forces and the presence of such large number of other newspapers in the aforesaid market also provides more choices to the Informant which are substitutable in nature. Therefore, the Commission is of the view that neither OP 1 nor OP 2 possess the market power to act independently of competitive forces in the relevant market as defined *supra* or to affect its competitors or consumers or the relevant market in its favour. Therefore, neither OP 1 nor OP 2 is found to be dominant in the relevant market. In the absence of dominance of OP 1 or OP 2 in the relevant market, the question of abuse of dominance by them in terms of Section 4 of the Act does not arise.



12. In the light of the above analysis, the Commission finds that no case of contravention of the provisions of Section 4 of the Act is made out against any of the OPs in the instant matter. Accordingly, the matter is closed under the provisions of Section 26(2) of the Act.

13. The Secretary is directed to inform all concerned accordingly.

Sd/-
(Devender Kumar Sikri)
Chairperson

Sd/-
(S. L. Bunker)
Member

Sd/-
(Sudhir Mital)
Member

Sd/-
(Augustine Peter)
Member

Sd/-
(U. C. Nahta)
Member

Sd/-
(Justice G. P. Mittal)
Member

Dated: 05.12.2016
New Delhi