



सत्यमेव जयते



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PRESS RELEASE

CCI passes order under Lesser Penalty Provisions against broadcasting service providers for rigging bids in tenders by Sports Broadcasters

This case was taken up by Competition Commission of India ('CCI') *suo motu* under Section 19 of the Competition Act, 2002 ('the Act') based on the disclosure by Globecast India Private Limited and Globecast Asia Private Limited [collectively referred to as Globecast] under Section 46 of the Act read with the Competition Commission of India (Lesser Penalty) Regulations, 2009 ('Lesser Penalty Regulations'). Subsequently, Essel Shyam Communication Limited (ESCL), now Planetcast Media Services Limited, also approached CCI as lesser penalty applicant during investigation.

CCI imposed penalty on Globecast, a subsidiary of the Orange Group (earlier France Telecom Group), a global service provider of broadcasting services and ESCL, a technology service provider in India since 1998 with specialisation in media broadcasting, for indulging in bid-rigging in tenders floated by sports broadcasters for procurement of end-to-end broadcasting services *i.e.* ground segment services as well as satellite bandwidth services, for various sporting events during the period July 2011- May 2012 including Indian Premier League 2012.

From the evidence collected in the case, CCI found that the ESCL and Globecast operated a cartel amongst them in the various sporting events held during the years 2011-12 including IPL-2012. While submitting bids for the tender floated by various broadcasters during the period July 2011- May 2012 for provision of end-to-end broadcasting services, they exchanged information and quoted bid prices as per the arrangements arrived at amongst them. As a result, they committed an infringement of the provisions of Section 3(3)(d) read with Section 3(1) of the Act during this period.

Considering contravention of provisions of the Act by Globecast and ESCL, an amount of INR 31.94 Crores and INR 1.33 Crores was computed as leviable penalty on ESCL and Globecast, respectively, in terms of proviso to Section 27 (b) of the Act. While computing leviable penalty, CCI took into consideration all relevant factors including duration of cartel, mitigating factors, *etc.* and decided to levy penalty at the rate of 1.5 times of their profit for during the period July 2011 – May 2012. Additionally, considering totality of facts and circumstances of the case, penalty leviable on individual officials of Globecast and ESCL was computed at the rate of 10 percent of the average of their income for preceding three years.



Keeping in view the stage at which the lesser penalty application was filed, co-operation extended in conjunction with the value addition provided by the evidences furnished by the lesser penalty applicants in establishing the existence of cartel, CCI granted Globecast and its individuals 100 percent reduction in the penalty and 30 percent reduction in penalty to ESCL and its individuals. Pursuant to reduction, penalty imposed on ESCL was INR 22.36 Crores (Rupees Twenty Two Crores and Thirty Six Lakhs). No penalty was imposed on Globecast.
