

**Mere dominant position in the relevant market and seat reservation, differential data sharing, and varied revenue sharing from convenience fees, cannot be termed as unfair or discriminatory, and violative to the provisions of Sections 4(2)(a)(i), 4(2)(b)(i), and 4(2)(c) of the Competition Act, 2002, if the entities being compared were not 'similarly-situated' and/or the practices were supported by legitimate business justifications**

The **Competition Commission of India (CCI)** in the case of **Showtyme vs Big Tree Entertainment [Case No. 46 of 2021] dated March 12, 2026**, has held that although Big Tree Entertainment Pvt Ltd. (BookMyShow) enjoys a dominant position in the relevant market of 'market for online intermediation services for booking of movie tickets in India', no case of contravention of the provisions of Sections 4(2)(a)(i), 4(2)(b)(i), and 4(2)(c) of the Competition Act, 2002, is made out against it.

The CCI noted that the alleged abusive practices, including seat reservation, differential data sharing, and varied revenue sharing from convenience fees, were not found to be unfair or discriminatory, primarily because the entities being compared (single-screen cinemas and multiplexes) were not considered 'similarly-situated' and/or the practices were supported by legitimate business justifications.

Further, the exclusive agreements, coupled with lock-in periods and security deposits, were not found to cause a denial of market access. The Commission concluded that there was no evidence of substantial market foreclosure, the practices were supported by legitimate business reasons (such as recovering financial advances), and the market remained contestable for new and existing competitors.

The Commission concurred with the Director General's (DG) finding that the relevant market is the 'market for online intermediation services for booking of movie tickets in India'. It observed that booking tickets through online platforms is not substitutable with purchasing them at a cinema's box office, given the clear distinctions in service characteristics, price, and consumer preferences.

The geographic market was determined to be the whole of 'India' due to the pan-India presence of BMS and the homogenous nature of its services across the nation, added the Bench.

The Competition Commission also agreed with the DG's conclusion that BMS holds a dominant position in the delineated relevant market. This was based on a cumulative assessment of factors under Section 19(4) of the 2002 Act, including BMS's substantial and sustained market share, large scale of operations, significant economic strength, and the presence of network effects. However, the Commission also noted that this dominance is 'tempered' by the dynamic nature of the market, the presence of other competitors, and the reciprocal commercial dependence between BMS and cinema operators.

The Commission disagreed with the DG's finding that reserving seats was an unfair condition. It accepted BMS's justification that in Tier-2 and Tier-3 cities where cinemas lack real-time integration technology, reserving a portion of inventory is necessary to prevent overlapping

bookings between the online platform and the box office. The Commission noted that un-booked tickets from the reserved quota are released for sale at the box office before the show begins.

Further, the Commission did not find the varied revenue sharing arrangements to be discriminatory or in contravention of Section 4(2)(a)(i). It reiterated that it cannot act as a price regulator. Similar to the data ownership issue, the Commission observed that single-screen cinemas and multiplexes are not on the same footing and do not form a homogenous class. It also noted that the data showed instances of single-screen cinemas receiving a high share of the convenience fee and some multiplexes receiving a lower share, which contradicted a simple discriminatory pattern.

Lastly, the Commission concluded that the exclusive and restrictive agreements did not result in a denial of market access in violation of Section 4(2)(c). It found that without clarity on the exact number of exclusive screens, it was not feasible to establish substantial market foreclosure. The Commission accepted the operational justification for lock-in periods, which are calibrated to the quantum of security deposits advanced to cinemas, allowing BMS a reasonable opportunity to recoup its investment. It observed no evidence that these agreements created entry barriers, highlighting the continued presence of competitors like Paytm and Justickets, and the fact that cinemas with expiring agreements would always be available for new entrants to partner with.