

Pranav Gupta v. Federation of Publishers' and Booksellers' Association in India | Case No. 38 of 2021

Summary of order passed under Section 27 of the Competition Act, 2002

A. BACKGROUND

1. Mr. Pranav Gupta, Managing Director of Prints Publication Pvt. Ltd., approached the Competition Commission of India (CCI) alleging that the Federation of Publishers' and Booksellers' Association in India (FPBAI) engaged in the following anti-competitive practices, amounting to contravention of the Competition Act, 2002 (Act)-
 - i. fixing currency exchange rates applicable for import/export of books and journals through monthly circulars issued by its Good Offices Committee (GOC) (Issue 1);
 - ii. limiting the discounts at which its members can sell books/journals in India (Issue 2);
 - iii. dictating the terms of supply for books and journals, including credit period and resale price through GOC circulars (Issue 3);
 - iv. issuing appeals to libraries and institutions not to deal with non-members of the FPBAI (Issue 4).

B. CCI'S FINDINGS

2. On 01 July 2025, the CCI passed its final order, noting that FPBAI-
 - i. engaged in price fixing by fixing the conversion rates for ten currencies at a rate higher than RBI's rates, for sale of books and journals.
 - ii. failed to publicize the CCI's directions issued in Case No. 33 of 2019 to 'cease and desist' from controlling discounts that can be granted by its members.
 - iii. stipulated terms and conditions of supply through GOC circulars, which are circulated to members and followed by the book industry in general, leading to limiting or controlling the market for book trade.
 - iv. foreclosed the market for non-members by issuing a list of approved suppliers and subscription agents, which, coupled with the earlier appeals issued to libraries and institutions, has the effect of interfering with buyers' choice.

B.1 PRACTICES THAT THE CCI FOUND TO BE ANTI-COMPETITIVE

Fixing conversion rates

3. The CCI made the following observations on the issue of fixing conversion rates through GOC circulars-
 - i. Imposition of GOC conversion rates forces FPBAI members to purchase books and journals from importers (also FPBAI members) at the GOC rates and sell them to libraries and institutions at bank rates, as they don't accept GOC rates. This seems to benefit only the small group of importers who sell at the inflated GOC rate, to the detriment of the rest of the members. Further, despite members raising issues on the difficulties faced as a result of this practice, the FPBAI remained indifferent.
 - ii. Fixing currency exchange rates would directly affect the price, as a higher conversion rate would imply a higher price. Therefore, publishing the applicable conversion rates for ten currencies (at higher than the bank/RBI rates) to be followed by FPBAI members, which form the bulk of booksellers/publishers in the industry, amounts to price fixing.

Stipulating terms of supply in GOC circulars

4. The CCI made the following observations on the nature of the terms and conditions of supply provided in GOC circulars-
 - i. The terms and conditions of supply provided in the GOC circulars do not seem to be recommendatory and in fact are part of the industry practice, leaving no scope for negotiation or innovation. They are widely circulated and accepted in the industry.
 - ii. Stipulating these terms takes away the commercial wisdom of the parties and their ability to negotiate and decide the terms for each transaction. Further, new entrants may find it difficult to follow these terms.
 - iii. Stipulating such terms and conditions through GOC circulars which are circulated amongst FPBAI members and followed in the industry limits/controls the market for book trade.

Issuing appeals/advisories to libraries not to deal with non-members of FPBAI

5. The CCI made the following observations on the issuance of appeals to libraries and institutions-
 - i. Although no fresh appeal has been issued to libraries and institutions, the previous ones have not been withdrawn. Therefore, such libraries and institutions still requiring FPBAI membership of suppliers could be due to the previous appeals.

- ii. Further, the earlier advisories and the publication of a list of approved suppliers in GOC circulars both have the effect requesting buyers to purchase only from FPBAI members.
- iii. Such practices are unfair as they favour only approved players who are members of FPBAI, thereby foreclosing the market for non-members.

6. PENALTIES IMPOSED

Under the provisions of Section 27 (b) of the CCI Act, the Commission has imposed upon FPBAI and its individuals viz. Shri Pradeep Arora, Shri S.C. Sethi and Shri Prashant Jain, the following amount of penalty;

- 1. FPBAI – Penalty imposed for Rs. 2,56,649/-
- 2. Shri Pradeep Arora- Penalty imposed for Rs. 1,00,000/-
- 3. Shri S.C. Sethi – Penalty imposed for Rs. 1,76,305/-
- 4. Shri Prashant Jain – Penalty imposed for Rs. 1,00,000/-

Directions issued to FPBAI

Concluding that the FPBAI engaged in cartelization in the book publishing industry leading to price fixing and limiting/controlling supply of books in the market in contravention of the Competition Act, 2002, the CCI issued the following directions, apart from imposing a penalty-

- i. Share a copy of the CCI's order in Case No. 38 of 2021 with all members, including state/regional associations and members;
- ii. Withdraw previously issued appeals, circulars and advisories relating to currency exchange rates, discount control policy, terms of supply, and procurement from non-members, from FPBAI's website as well as other entity's/association's websites as and when the FPBAI comes to know of them;
- iii. Publish a brief summary of the CCI's order in Case No. 38 of 2021 and 33 of 2019, focusing on the findings of contravention and anti-competitive activities in FPBAI's annual report for FY 2024-25;
- iv. Provide the CCI's order in Case No. 38 of 2021 along with the monthly circulars;
- v. Organize competition law awareness and compliance programs for all associations.

7. Following this decision, FPBAI has complied with all the directions as issued by the Competition Commission of India.