

Times Group sends legal notice to Housing.com, directors; claims Rs 100Cr in damages

BY NIKITA PEER

The media house claims the internal mail of Housing.com CEO is defamatory to The Economic Times.

Bennett, Coleman & Co. Ltd, the holding company of Times Group, one of the largest media houses in India, has sent a legal notice to real estate portal Housing.com owner, Locon Solutions Pvt Ltd., and board for alleged defamation.

The notice asks Housing.com CEO Rahul Yadav and its directors to issue an unconditional apology, and also seeks Rs 100 crore (\$16 million) in damages.

The notice involves a March 12 email sent by Yadav to employees of Housing.com. In the email, 26-year-old Yadav, who had earlier engaged in a public spat with Sequoia Capital India's managing director Shailendra Singh over a poaching issue, alleged the group, which has competing real estate interests through MagicBricks, is out to "malign" Housing.com. The email went on to note that MagicBricks was looking to raise funds.

The email was first [reported](#) by VCCircle and its tech news website Techcircle.in on Sunday.

The BCCL notice, a copy of which was reviewed by VCCircle, names Locon Solutions, the firm which runs the property listings portal Housing.com, and its board members, including SoftBank Corp's vice chairman Nikesh Arora, Helion Venture Partners' senior managing director Ashish Gupta and Nexus Venture Partners' co-founder Suvir Sujan.

It also names two of its co-founders who are currently directors, Rahul Yadav (CEO) and Advitiya Sharma (COO). The notice is also marked to Karthee Madasamy, managing director of Qualcomm Ventures, another early stage investor in Housing.com.

The legal notice says if its demands are not met, BCCL will initiate legal proceedings.

Emails sent by VCCircle to the directors of Housing.com for a comment did not elicit a response prior to publishing this article.

BCCL's director (legal), Amit Rai, confirmed in an email to VCCircle reporter that the company has sent a legal notice to Housing.

Threats to file defamation suits and actual legal proceedings are not uncommon in India but usually media brands are the ones being accused of defaming. Very few such cases actually end up being decided by courts with most being dropped or settled out of court.

It is unusual to see media firms filing for defamation notice, said Vaibhav Parikh, partner at law firm Nishith Desai Associates, who was speaking in general and is not involved with the current dispute.

The timing of the dispute also comes at an interesting time. Housing.com happens to be in the middle of a large advertising campaign with newspapers owned by BCCL running full-page ads for the startup.

The BCCL notice says: "From a bare perusal of the defamatory email, it is clear that you (Rahul Yadav and Locon Solutions) have made various offensive, false, disparaging and pejorative remarks against us which are per se defamatory, thereby causing serious damage to our reputation. We state that you are jointly and severally responsible and liable for circulation of the defamatory email."

The notice says BCCL denies all of the allegations and adds, "The defamatory email is per se perverse and defamatory to our goodwill and reputation and more particularly to The Economic Times."

It adds that the email and the reference linking to MagicBricks fundraising was 'highly libelous, scandalous, false, defamatory, malicious and irresponsible statements' and its publication has tarnished the image and goodwill of BCCL.

The notice goes on to allege that Yadav has also directly and indirectly threatened BCCL and it is a 'criminal act amounting to blackmail and extortion and is a direct affront to the freedom of speech assured to the press'.

Again, speaking in general, Zerick Dastur, partner at law firm J. Sagar Associates, said that aggrieved "party can file two types of proceedings—civil and criminal. The civil proceeding is usually intended to claim damages for violation in monetary terms and criminal proceeding can put the accused behind bars." Dastur is also not involved in the current dispute.

The BCCL action stems from *The Economic Times'* [own coverage](#) of an internal email sent by Yadav that targeted Sequoia's Singh over alleged poaching of a Housing employee. Singh subsequently responded publicly to Yadav's claims.

The letter was followed by a post on public discussion forum Quora where Yadav [continued](#) his discussion about Singh.

Housing.com recently raised a new round of funding with telecom and internet giant SoftBank leading the \$90 million funding round along with New York-based hedge fund Falcon Edge Capital and existing investors.

SoftBank invested the capital through SoftBank Internet and Media, Inc (SIMI), a new unit created a few months ago with Arora as its head.

Both Housing.com and BCCL's MagicBricks, compete with PropTiger.com, which raised about \$36 million in a recent fundraise that saw News Corp take a 25 per cent stake in the company with existing investors SAIF and Accel also participating.

Earlier this month, News Corp also announced it plans to acquire Mosaic Media Ventures Pvt Ltd, the parent of this website.

(Edited by Joby Puthuparampil Johnson)