



COMPETITION COMMISSION OF INDIA

Case No. 44 of 2014

In Re:

Shri Sanjay Kumar

B-101, Sector – 40, Gautam Budh Nagar,

Noida – 201303

Informant

And

Ford India Pvt. Ltd.

S. P. Koli Post, Chengalpattu,

Chennai, Tamil Nadu – 04

Also at:

3rd Floor, Building 10 C,

DLF Cyber City Phase II, Gurgaon

Opposite Party No. 1

M/s Harpreet Motors Pvt. Ltd.

68/2, Najafgarh Road, New Delhi

Opposite Party No. 2

CORAM

Mr. Ashok Chawla

Chairperson

Mr. S. L. Bunker

Member

Mr. Sudhir Mital

Member



Mr. Augustine Peter
Member

Mr. U. C. Nahta
Member

Appearances: Informant-in-person.

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

The present information has been filed by Shri Sanjay Kumar („the Informant“) under section 19(1) (a) of the Competition Act, 2002 („the Act“) against M/s Ford India Pvt. Ltd. and its dealer M/s Harpreet Motors Pvt. Ltd. alleging *inter alia* contravention of the provisions of sections 3 and 4 of the Act.

2. Facts, as gathered from the information, may be briefly noted:

2.1 By paying initial deposit of Rs. 50,000/-, the Informant had booked a „Ford Ecosport 1.5 Litre Petrol Ambiente“ version car manufactured by M/s Ford India Pvt. Ltd. on 27.06.2013 from M/s Harpreet Motors Pvt. Ltd., an authorized dealer of M/s Ford India Pvt. Ltd. As per the booking form, the vehicle was promised to be delivered by the dealer within five months from the date of booking.

2.2 It is averred that even after the said stipulated time period, the dealer failed to deliver the vehicle. On inquiry, M/s Ford India Pvt. Ltd. informed the Informant to wait for delivery of the vehicle as there was delay in production of the said model. The delay was ascribed to focusing of the company on higher priced models and consequent non-manufacturing of lower priced models with less margins.



- 2.3 Further, in the first week of January 2014, M/s Ford India Pvt. Ltd. informed the Informant that the said vehicle will be delivered before the end of February 2014 and the price of the vehicle will be applicable as prevailing on the date of invoice/billing. When the Informant raised the pricing issue before the President and Managing Director of M/s Ford India Pvt. Ltd., he was told that as per the booking form, the company can charge hiked prices.
- 2.4 It is alleged that despite several letters to the company, no concrete response was received and the Opposite Parties started the gimmick of non-delivery due to production constraints. It is also alleged that the Opposite Parties resorted to delaying tactics for the purpose of hiking the price of the vehicle.
- 2.5 It is the case of the Informant that M/s Ford India Pvt. Ltd. has abused its dominant position by hiking the price of the vehicle. It is alleged that the company has arbitrarily increased the price of the vehicle by over 10% just to encash on the market demand. As against the launch price of Rs. 5, 59,000/-, the vehicle price was revised to Rs. 6, 19,000/- in January 2014.
- 2.6 It is further alleged that the company has also not passed on the benefit arising out of cut in excise duty of vehicles as given in the interim budget of 2014-15 by Government of India and it was averred that the very same company passed on the benefit of excise duty cuts on its other models which were not in demand. It was also mentioned that other car manufacturers have duly passed on the excise duty cuts to the customers.
- 2.7 Based on the above averments and allegations, the Informant has prayed to the Commission to investigate the issue and impose penalties on the Opposite Parties and to direct them to deliver the vehicle and to pay a compensation of Rs. 1, 00,000/- (Rupees One lac only) to the Informant towards the mental agony suffered alongwith the legal costs.
3. The Commission has perused the material available on record besides hearing the Informant who appeared in-person before the Commission.



4. The Informant appears to be aggrieved by the delay in delivery of „Ford Ecosport 1.5 Litre Petrol Ambiente“ version car by M/s Harpreet Motors Pvt. Ltd. and upward revision of prices and non-passing of the excise duty cut benefits to the customers in the said model by M/s Ford India Pvt. Ltd. As per the Informant, the said car was booked on 27.06.2013 with M/s Harpreet Motors Pvt. Ltd. after initial payment of Rs. 50,000/- and was to be delivered within five months of booking. Subsequently, the Informant received a letter dated 16.12.2013 from M/s Ford India Pvt. Ltd. stating therein to deliver the car before the end of February, 2014 and the price of the car will be revised in January, 2014 due to macro-economic factors and rising input costs. M/s Ford India Pvt. Ltd. accordingly revised the price of the said version of car to Rs. 6,19,000/- in January, 2014 in place of Rs. 5, 59,000/- at the time of booking.
5. At the outset, it may be pointed out that in the printed „Booking Form“ placed at page 11 of the information, nowhere the expected date/period of delivery of the vehicle is printed. Only a hand written note appears on the front page of „Booking Form“ stating that „delivery time within five months“. Moreover, the „Booking Form“ (order form) explicitly mentions that the customer had booked the vehicle after reading and agreeing to the terms, conditions and instructions printed on the reverse of the order form. The Informant has not placed on record the reverse of the „Booking Form“ and has placed only the front side of the form on record and as such it is not possible to ascertain the exact terms and conditions of the booking.
6. Furthermore, from the letter dated 16.12.2013 of M/s Ford India Pvt. Ltd. it is evident that the Informant, if so desired, could cancel the booking and the entire booking amount is to be refunded immediately after waving of the cancellation charges.
7. In these circumstances, no case, whatsoever, is made out against any of the Opposite Parties and the issues projected by the Informant at best appear to be purely consumer/contractual dispute, remedies whereof lie elsewhere. The



prayer made by the Informant to seek compensation is beyond the purview of the scope of the Act.

8. Even otherwise, no case of contravention of the provisions of section 4 of the Act is made out against the Opposite Parties.
9. Based on the facts and allegations, the relevant product market in this case appears to be „the market of multi/sports utility vehicle“. As the competition in the multi/sports utility vehicle market is not restricted to any specific geographical area, the relevant geographic market has to be the whole of India. Accordingly, the relevant market in the instant case seems to be “the market of multi/sports utility vehicle in India”.
10. As per CMIE Industry Outlook database, the major automobile players in the relevant market are: Mahindra & Mahindra Ltd., Ford India Pvt. Ltd., Maruti Suzuki India Ltd., Renault India Pvt. Ltd., Tata Motors Ltd., Nissan Motor India Pvt. Ltd., Ashok Leyland Ltd., Force Motors Ltd.
11. The existence of more than one automobile player as stated above with comparable size and resources as well as the capability of manufacturing differentiated car models in terms of price, design, type of fuel, engine displacement, distributor network, after sale service *etc.* indicates that there exists choice for the consumers in the relevant market.
12. In view of the above market construct and in the absence of any material on record, the Commission is of considered opinion that the dominance of M/s Ford India Pvt. Ltd. in the relevant market of multi/sport utility vehicles in India does not appear to have been established.
13. In view of the above, the issue of abuse of dominance by the Opposite Parties does not arise and no case of contravention of the provisions of section 4 of the Act is made out against them and the information is ordered to be closed forthwith in terms of the provisions contained in section 26(2) of the Act.



14. It is ordered accordingly.

15. The Secretary is directed to inform the parties accordingly.

Sd/-
(Ashok Chawla)
Chairperson

Sd/-
(S. L. Bunker)
Member

Sd/-
(Sudhir Mital)
Member

Sd/-
(Augustine Peter)
Member

Sd/-
(U. C. Nahta)
Member

New Delhi
Date: 12/09/2014