



COMPETITION COMMISSION OF INDIA

Case No. 85 of 2014

In Re:

Ravinder Kaur Sethi

J-12/37, Rajori Garden, New Delhi – 110027

Informant

And

1. DLF Universal Limited

DLF Center, Sansad Marg, New Delhi -1

Opposite Party No. 1

2. Shri V. M. Sahni, Vice President-Sales

DLF Universal Limited,

DLF Centre, Sansad Marg, New Delhi-1

Opposite Party No. 2

3. Shri Rahul Vohra

Deputy General Manager, Customer Services,

DLF Universal Limited, DLF Center, New Delhi -1

Opposite Party No. 3

CORAM

Mr. Ashok Chawla

Chairperson

Mr. S. L. Bunker

Member



Mr. Augustine Peter
Member

Mr. U. C. Nahta
Member

Present: Advocates Manjit Singh Ahluwalia and Shamsheer Singh on behalf of the Informant.

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

1. The present information has been filed by Ms. Ravinder Kaur Sethi (hereinafter, the '**Informant**') under section 19(1) (a) of the Competition Act, 2002 (hereinafter, the '**Act**') against M/s DLF Universal Limited (hereinafter, '**OP 1**'), Shri V. M. Sahni (hereinafter, '**OP 2**') and Shri Rahul Vohra (hereinafter, '**OP 3**') (collectively hereinafter, '**OPs**') alleging contravention of the provisions of section 4 of the Act.
2. As per the information, in March 2013, the Informant booked a commercial shop (hereinafter, the '**shop**') in OP 1's project Prime Towers, developed in Okhla Phase – I, New Delhi by paying Rs. 60 lacs as initial part payment, out of the total sale consideration of approx. Rs. 6.35 crores. At the time of booking the OPs assured the Informant to hand over the said shop within a year.
3. It is the case of the Informant that OPs allegedly sent a frivolous demand notice to her for payment of the balance amount. However, considering the slow progress of construction of the project, the Informant stopped paying further instalments to OP 1. Subsequently, the said booking of the Informant was cancelled by the OPs.



When enquired, the Informant was asked to pay a penalty of Rs. 65 lacs for re-allotment of the said shop.

4. It is averred that to save the initial payment of Rs. 60 lacs, the Informant succumbed to the pressure of OPs and paid the demanded penalty amount along with the entire consideration which amounted to Rs. 7 crores in the month of August 2014. As per the Informant, the said amount was paid with the understanding and assurance from the OPs that the aforesaid shop shall be handed over to her by the end of August 2014. It is submitted that on the basis of the assurance of the OPs, the Informant entered into a Lease Agreement with another company namely M/s Fortune Health Care Services Pvt. Ltd. (hereinafter, '**Fortune Health Care**') on 28.08.2014 to lease out the said shop to Fortune Health Care for a period of five years at a monthly rent of Rs. 4 lacs per month. However, due to malafide conduct of OPs, the Informant was not able to hand over the possession of the shop to the Fortune Health Care and lost the rent which was agreed under the lease agreement. It is alleged that the Informant also received a letter from M/s Fortune Health Care for cancellation of the lease agreement.
5. The Informant cited a letter issued by the OPs dated 29.09.2014 whereby she was assured that the possession of the said shop along with the documents related to registration would be given very soon and then it was intimated vide email dated 07.10.2014 that the possession of the shop will be handed over by 15.10.2014. But, as per the Informant, to the utter shock and surprise, the OPs failed to fulfil their assurance. The Informant further stated that in spite of personal notice dated 29.10.2014 and legal notice dated 02.11.2014 sent to OP 1, it failed to handover the possession of the shop.
6. The Informant alleged that OP 1 has numerous projects in Delhi because of which it is in a dominant position. It is contended that OP 1 is capable of determining the



market rates as per its own convenience and is indulging in practices which are monopolistic and unfair in nature. It is also alleged that due to the dominant position, OP 1 has been able to impose unilateral method of payment plan and charge interest as per its own convenience and suitability.

7. On the basis of aforesaid allegations, the Informant prayed the Commission to initiate inquiry under the Act against the OPs. Further, interim relief under section 33 of the Act has also been prayed *vide* a separate application enclosed with the Information.
8. The Commission has perused the material placed on record and heard the counsel of the Informant. It is noted that the allegations of the Informant pertain to contravention of section 4 of the Act by OP 1. Section 4 of the Act prohibits abuse of dominance by a dominant enterprise in a relevant market. Accordingly, determination of relevant market is must in order to examine the alleged abusive conduct of OP 1.
9. As per the provisions of section 2(r) the Act, 'relevant market' means the market which may be determined by the Commission with reference to the relevant product market or the relevant geographic market or with reference to both the markets. Considering facts of the case, the relevant product market in this case appears to be 'the market for provision of services for development and sale of commercial/office space'. It is so because the said product was considered to be transacted between the Informant and the OP 1 and in terms of factors under section 19 (7) of the Act no other products can be considered as substitutable with the provision of services for development and sale of commercial space. The relevant geographic market appears to be the area of Delhi because of the underlying factors of section 19 (6) of the Act. Accordingly, the Commission considers 'the market for provision of services for development and sale of commercial/office space' in Delhi' as the relevant market in the instant case.



10. In regards to assessment of the position of dominance of OP 1 in the relevant market defined above, the Commission observes that in Delhi OP 1 is just one of the real estate developers who has been engaged in the provision of services for development and sale of commercial/office space. There are many other real estate developers operating in Delhi who are offering similar commercial/office spaces. Some of such developers include Delhi Development Authority (DDA), Ansal API, Unitech, BPTP, Omaxe, Parsvnath etc. These developers appear to pose competitive constraints to OP 1 in the relevant market. Also, presence of these real estate developers in the relevant market indicates that the Informant was not dependent upon OP 1 for said service. It may be noted that in an earlier similar case *i.e.*, in case of *Shri Kaushal K. Rana vs DLF Commercial Complexes Ltd.* (Case 50 of 2012), the Commission held that in the market of the provision of services for development and sale of commercial/office space in Delhi, DLF (OP 1 in the present case) was not in a dominant position.

11. In view of the foregoing, the Commission is of the opinion that OP 1 does not appear to be dominant in the relevant market defined *supra*. Since OP 1 is not found to be in a dominant position in the relevant market, the question of abuse of dominance by it does not arise. Accordingly, no *prima facie* case of contravention of the provisions of section 4 of the Act is made out against the OPs and the matter is closed under the provisions of section 26(2) of the Act.

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

Sd/-
(Ashok Chawla)
Chairperson



Sd/-

(S. L. Bunker)

Member

Sd/-

(Augustine Peter)

Member

Sd/-

(U. C. Nahta)

Member

New Delhi

Dated: 29-01-2015