



COMPETITION COMMISSION OF INDIA

Case No. 87 of 2015

In Re:

**Mr. C. Nandeesh & Mrs. H.S. Gayathri
165, 208, SFS, Yelahanka Newtown,
Bengaluru – 560064**

Informants

And

**Chairman & Managing Director,
GE Countrywide Consumer Financial Services Limited
401, 402, 4th Floor, Agarwal Millennium Towers,
E-1, 2-3, Netaji Subhash Place,
Wazirpur, Delhi – 110034**

Opposite Party No. 1

GE Money Financial Services Private Limited

Opposite Party No. 2

**Chairman & Managing Director,
GE Money Financial Services Private Limited
401, 402, 4th Floor, Agarwal Millennium Towers,
E-1, 2-3, Netaji Subhash Place,
Wazirpur, Delhi – 110034**

Opposite Party No. 3

**Chairman & Managing Director,
Magma Fincrop Limited
Magma House, 24, Part Street, Kolkata – 700016,
West Bengal**

Opposite Party No. 4

CORAM

**Mr. Ashok Chawla
Chairperson**

**Mr. S. L. Bunker
Member**



Mr. Sudhir Mital
Member

Mr. Augustine Peter
Member

Mr. U.C. Natha
Member

Mr. S. Sahoo
Member

Justice (Retd.) Mr. G.P. Mittal
Member

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

1. The present information was filed by Mr. C. Nandeesh and Mrs. H.S. Gayathri (hereinafter, the “**Informants**”) under section 19(1) (a) of the Competition Act, 2002 (hereinafter, “**the Act**”) against Chairman & Managing Director, GE Countrywide Consumer Financial Services Limited (hereinafter, “**Opposite Party No. 1**”/“**OP 1**”), GE Money Financial Services Private Limited (hereinafter, “**Opposite Party No. 2**”/“**OP 2**”), Chairman & Managing Director, GE Money Financial Services Private Limited (hereinafter, “**Opposite Party No. 3**”/“**OP 3**”), and Chairman & Managing Director, Magma Fincorp Limited (hereinafter, “**Opposite Party No. 4**”/“**OP 4**”), collectively referred to as OPs, alleging, *inter alia*, contravention of the provisions of sections 3 and 4 of the Act.
2. The Informants have stated that on 28.07.2006, they took a loan from OP 1 for an amount of Rs. 15,00,000/-. The Loan amount was apparently given by OP 1 *vide* cheque dated 31.07.2006 signed in the name of ‘Net Profit Cyber Works’. For the purposes of creating security interest, the Informants had deposited the original title deeds of their property bearing no. 165, Nandi Dhama, 208, SFS, Yelahanka, New Town, Bangalore, Karnataka – 560064. The Informants have alleged that



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the four Opposite Parties i.e. OP 1 to OP 4, colluded amongst themselves and kept on selling the loan account HBAH 2697 from one company to another. Informant claims that they have paid Rs. 21,18,524/- collectively to OP 1 to OP 4 against the loan amount of Rs. 14,66,328/-. As such, the Informants have been forced to pay much more than the loan amount which was disbursed to him.

3. The Informants have further alleged that the Opposite Parties are harassing the Informants and similarly placed borrowers by filing frivolous cases in Delhi, Kolkata and other far off places in spite of having operations only in Bengaluru. The Informants further alleged that the Opposite Parties have taken property documents of the Informants and even after payment of amount of around Rs. 22 lakhs, have not returned the said documents. Further, it is highlighted that OP 1 is in the business of lending money but does not have any mandatory NBFC license in its name. Furthermore, the Informant has stated that since the loan amount was given *vide* a cheque issued by another company ('Net Profit Cyber Works'), they owe no responsibility to repay the money to any of the Opposite Parties. The Informants have also alleged that OP 1 to OP 4 have colluded to harass the Informants by extorting unfair sums of money.
4. Based on the foregoing, the Informants have *inter alia* prayed for annulment of the Loan Agreement and for return of the property documents and blank cheque book of the Informant which are in the possession of the OPs.
5. The Commission has perused the allegations of the Informant and the documents/annexure which have been appended to the information. As per the information/facts culled out from the annexures appended to the present information, a Loan Agreement was entered between the Informants and OP 1. For the purposes of creating security interest, the Informants had deposited original title deeds of their property with OP 1. The Informants had agreed to repay the loan amount by way of 177 monthly instalments of Rs. 24,634/-. The



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loan availed by the Informants was assigned to OP 4 by OP 1 by way of assignment deed entered between OP 1 and OP 4 on 13.02.2013. As such, all rights of OP 1 were assigned to OP 4.

6. It appears that since the Informants failed to make timely repayments, OP 4 filed an arbitration claim bearing no. 4090/2014, before Sole Arbitrator (Delhi). OP 4 also initiated proceedings against the Informant No. 1 under section 138 of the Negotiable Instruments Act, 1881, before Metropolitan Magistrate, Calcutta. OP 4 had alleged in the complaint that the Informants had issued a cheque for an amount of Rs. 147804/- towards repayment of the loan amount, but the cheque, was returned dishonoured, with remarks 'Funds Insufficient'. The Informants appears to be aggrieved by the arbitration proceedings and complaint under section 138 of Negotiable Instruments Act, 1881.
7. From the facts, it appears that the primary grievance of the Informants is that they were forced to repay more amount of money than the loan amount which was disbursed to them. They have also alleged that they had taken the loan from OP 1 but now they are being forced to repay the loan to OP 4. Further, their original title deeds with respect to their property at 165, Nandi Dhama, 208, SFS, Yelahanka, New Town, Bangalore, Karnataka – 560064, which they had pledged by way of security were also not returned.
8. Having regard to the aforesaid observations, the Commission is of the opinion that the present case squarely pertains to contractual disputes between the Informants and OPs, more particularly OP 4 without any competition issue involved therein. As such, the facts of the case do not highlight any competition issue which requires intervention of the Commission. Accordingly, an assessment of the alleged abusive conduct of any of the OPs under section 4 of the Act is not required.



9. Further, the Commission is also of the view that the allegation of the Informants with regard to contravention section 3 is misplaced and devoid of any merit. No case of contravention of the provisions of the Act is made out against any of the OPs under any of the provisions of the Act. The case is accordingly closed under section 26(2) of the Act herewith.

10. The Secretary is directed to inform all concerned accordingly.

**Sd/-
(Ashok Chawla)
Chairperson**

**Sd/-
(S .L. Bunker)
Member**

**Sd/-
(Sudhir Mital)
Member**

**Sd/-
(Augustine Peter)
Member**

**Sd/-
(U.C. Nahta)
Member**

**Sd/-
(M.S. Sahoo)
Member**

**Sd/-
(Justice [Retd.] G.P. Mittal)
Member**

New Delhi

Date:17.11.2015