

Competition Commission of India
Case No. 01 of 2012

March 21, 2012

In re:

Ajay Gupta

Informant

v.

1. Rangoli Builtech Pvt.Ltd.

Opposite Party No.1

2. Haryana Urban Development Authority

Opposite Party No.2

3. Department of Town and Country Planning
Government of Haryana

Opposite Party No.3

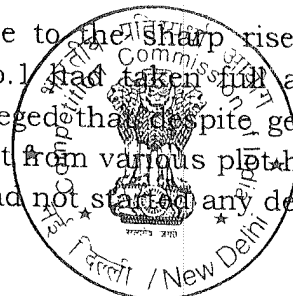
Order under section 26(2) of the Competition Act, 2002

The present information has been filed by Shri Ajay Gupta under section 19(1)(a) of the Competition Act, 2002 ('the Act') against M/s Rangoli Builtech Pvt. Ltd. ('the opposite party No.1'), Haryana Urban Development Authority ('the opposite party No.2') and Department of Town and Country Planning, Government of Haryana ('the opposite party No.3') seeking issuance of directions for investigation under section 26 of the Act.

2. The informant claimed that M/s Rangoli Builtech Pvt. Ltd. ('the opposite party No.1') was engaged in business of development of real estate. It was granted licence by Department of Town and Country Planning, Government of Haryana on 05.08.2005 for setting up a residential plotted colony under the name of *TDI Greens* in Sector-16, Sonapat, Haryana. The licence was granted subject to *inter alia* fulfilment of conditions laid down in the Haryana Development and Regulation of Urban Areas Rules, 1976('the Rules'). Reference is made to rule 12 of the Rules which states that licence shall be valid for a period of two years from the date of its grant during which period all development works in the colony shall be completed and certificate of completion obtained.

3. It is averred that the informant was allotted a residential plot No.B-44 by the opposite party No.1 at *TDI Greens*. The total value of the plot was Rs. 42 lacs. The informant is stated to have deposited a sum of Rs. 34, 62,900.

4. It is alleged by the informant that due to the sharp rise in the price of property in the vicinity, the opposite party No.1 had taken full advantage of the situation and adopted unfair practice. It is alleged that in spite getting more than 80% amount of total basic value against the plot from various plot holders including the informant herein, the opposite party No.1 had not started any development work.



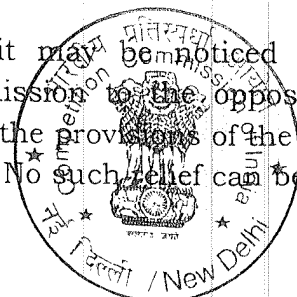
Citing rule 13 of the Rules, it is urged that in case a colonizer fails to complete the development work within the stipulated period for the reasons beyond his control, an application for renewal of licence may be made. It is alleged that the opposite party No.1 failed to even start the development work in six years from the date of grant of licence for no good reason, still the licence was renewed by the opposite party No.3. The opposite party No.1 has not done any development work due to which the informant had been deprived of basic amenity of housing which now cannot be afforded due to sharp rise in the cost of construction. Adverting to the role of the opposite party No.3, the informant alleged that it allowed the developer to continue with illegality by renewing the licence which ought to have been cancelled. Inaction on the part of the opposite party Nos. 2 and 3 is arbitrary as they had permitted the opposite party No.1 to act in an illegal, unfair and irrational manner by allowing it to violate provisions of various statutes. Delay in possession had caused loss to the informant and rendered the opposite parties liable to pay compensation to the tune of prevalent rate of rent in the area and enhanced cost of construction.

5. On these averments and allegations, the informant has laid the present information with the following prayers:

- (a) Directions be issued to investigate the matter as provided under section 26 of the Act.
- (b) The opposite party Nos.2 and 3 be further directed to take action as provided under section 8 of the Haryana Development and Regulation of Urban Areas Act, 1976 by cancelling the licenses and carry out the development work in the colony mentioned aforesaid, or to direct the Opposite Party No.1 to complete development work within time frame and give possession of plots.
- (c) The Opposite Party No.1 be further directed to pay the compensation of Rs. 1,00,00,000/-, with cost of the present complaint, in the interest of justice.
- (d) Any other order which the Commission deems just and proper.

6. On perusal of the information and the material filed therewith, it is evident that the informant, except seeking an enquiry under section 26 of the Act, has not alleged contravention of provisions of either section 3 or 4 of the Act. The agreement in respect of property between the informant and the opposite party No.1 or any clause thereof has not been challenged as anti-competitive, hence no case of contravention of section 3 of the Act is made out. Similarly, the informant has neither pleaded nor established the dominant position of the opposite party No.1, so a case of contravention of section 4 of the Act also does not arise for consideration.

7. From the prayers made by the informant, it may be noticed that the informant has sought the directions from the Commission to the opposite party Nos.2 and 3 to take action against the developer under the provisions of the Haryana Development and Regulation of Urban Areas Act, 1976. No such relief can be granted



by the Commission in exercise of its powers under the provisions of the Act. Further, the prayer seeking compensation is *ex facie* not maintainable. Remedies of the informant lie elsewhere.

8. Resultantly, there exists no *prima facie* case and the matter deserves to be closed forthwith in terms of the provisions of section 26(2) of the Act.

9. It is ordered accordingly.

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

Sd/-
Member (G)

Sd/-
Member (R)

Sd/-
Member (AG)

Sd/-
Member (T)

Sd/-
Member (D)

Sd/-
Chairperson

Certified True Copy

