

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO.2712/2020

MITSUBISHI MOTORS CORPORATION

Appellant(s)

VERSUS

RAKESH KANT TULI & ORS.

Respondent(s)

WITH
CIVIL APPEAL NO.367/2023

O R D E R

CIVIL APPEAL NO.2712/2020

1. The present appeal has been filed assailing the impugned judgement dated 13.01.2020 passed by National Consumer Disputes Redressal Commission (for short, 'the National Commission'), wherein, the appeal filed by appellant/Opposite Party No. 3 - Mitsubishi Motors Corporation, has been dismissed by affirming the order dated 13.12.2018 passed by the Delhi State Consumer Disputes Redressal Commission (for short, 'the State Commission').

2. The brief facts leading up to the filing of present appeals are that the respondent No.1/ Complainant had purchased a vehicle namely, "Mitsubishi Outlander" from the Authorized Dealer/

Opposite Party No. 1. On 20.03.2016, the vehicle was hit by a flying stone, due to which the windshield of the vehicle was cracked. Subsequently, the vehicle was sent to the Authorized Dealer for carrying out repairs, however, while taking back the delivery from them, the complainant had noticed loud noises coming from the vehicle on 23.03.2016. The complainant neither took the delivery of the vehicle nor settled the bill for repairs.

3. Thereafter, on 24.03.2016, the Complainant was informed that the noise in the vehicle could be due to the Continuously Variable Transmission (for short, 'CVT'), for which the CVT fluid was to be replaced. As the fluid was not available in Delhi, it was requisitioned from Chennai, but the stock received was allegedly contaminated. After a period of three weeks, the fluid was replaced and trials were conducted, however, the noise from the vehicle persisted. The Authorized Dealer and Hindustan Motors Ltd./Opposite Party No. 2, had suggested that the problem could be with the gear box. On 04.05.2016, the Complainant was informed that contaminated fluid was found inside the CVT Unit. The Complainant contended that since the CVT Unit was a sealed unit, such contamination was not possible, alleging that

there is a manufacturing/inherent defect in the vehicle.

4. Despite repeated attempts, the Opposite Parties could not identify the cause of the noise. As the vehicle remained unusable, the Complainant sought a definite timeline for its repair and, on 16.06.2016, he raised a debit note of Rs. 25,87,207/- towards the amount spent on the vehicle. On 18.06.2016, the Authorized Dealer informed him that the valve body and reverse clutch parts had been replaced, but the noise persisted and the entire CVT Unit would now have to be changed, at the expense of the Complainant, since the vehicle was out of warranty.

5. Alleging that the sale of Mitsubishi Outlander Car had been discontinued in India, due to several complaints, the Complainant alleged restrictive and unfair trade practices and deficiency in service on the part of the Opposite Parties and filed the Consumer Complaint No. 709/2016 before the State Commission. *Vide* the said complaint, he prayed for refund of value of the vehicle, amounts towards interest, registration charges along with an interest of 24%, as well as compensation against mental trauma and agony, expenditure for alternative mode of transportation and litigation expenses.

6. The State Commission *vide* judgement dated 13.12.2018, partly allowed the complaint while directing the Opposite Parties No. 1,2,3 and 5, i.e., Asian Motors, Hindustan Motors Ltd., Mitsubishi Motors and Hindustan Motor Finance Corporation Ltd. to refund a sum of Rs. 10,12,500/-, being 50% of the value of the vehicle, as well as directed to pay the compensation to the effect of Rs. 1,00,000/- for mental agony and trauma and Rs. 50,000/- against actual expenditure for alternative mode of transportation to the complainant. Aggrieved, the appellant preferred an appeal before the National Commission.

7. The National Commission affirmed the judgement dated 13.12.2018, and dismissed the appeals by noting that the Opposite Parties could not find the exact cause of noise generated by the vehicle between 24.03.2016 and 04.05.2016. There was a deficiency in service by not changing the CVT fluid at the time of 4th service of the vehicle on 21.05.2014. It was observed that the vehicle was equipped with a computer system which would warn of any malfunction, thus, if the CVT fluid had been contaminated before 23.03.2016, a warning should have appeared on the display panel. Further, despite the involvement of

technical staff from Chennai, the Opposite Parties failed to identify the exact cause of the noise for a considerable period and kept replacing different parts without resolving the problem, which indicated a major manufacturing defect in the vehicle. It was further noted that Fuel Pump Assembly was replaced by the Authorized Dealer, free of cost, which was indicative of an inherent defect in the vehicle. Lastly, the complainant had discovered several complaints regarding problems in different parts of the same vehicle, including the CVT, for which the vehicle had allegedly been recalled by the Manufacturer. It was held that the State Commission had rightly awarded a refund of 50% of the value of the vehicle along with the other compensation amounts. Aggrieved, the appellant is before this Court.

8. We have heard the learned Senior counsel appearing for the appellant and the respondent No.1, who appears in-person.

9. We have also perused the decisions rendered by the State Commission and the National Commission.

10. Insofar as the appellant - Mitsubishi Motors Corporation is concerned, we find force in the submission made by the learned Senior counsel

appearing for the appellant that the appellant was not involved in the manufacturing of the subject vehicle and the same was manufactured by Hindustan Motors Ltd./Pro-forma respondent No. 3/Opposite Party No. 2, pursuant to the execution of the License Agreement dated 21.03.2008 and the Component Supply and Distribution Agreement dated 04.05.2010 between them. Therefore, since the concerned part of the subject vehicle has not been manufactured by the appellant, the question of fixing liability upon it, would not arise.

11. In such view of the matter, we are inclined to set aside the decisions rendered by both the State Commission and the National Commission, insofar as the present appellant - Mitsubishi Motors Corporation is concerned.

12. Accordingly, the impugned judgement dated 13.01.2020 passed by the National Consumer Disputes Redressal Commission stands set aside *qua* the appellant - Mitsubishi Motors Corporation.

13. The appeal stands allowed, accordingly.

14. Pending application(s), if any, shall stand disposed of.

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15. The facts in the both the appeals are same, and do not require repetition. Insofar as the appeal filed by the appellant - M/S. Hindustan Motor Finance Corporation Ltd. is concerned, both the forums have considered the issue pertaining to the warranty of the vehicle not being brought up for inspection at an earlier point of time. The said finding is borne out of the facts.

16. We are not inclined to interfere with the impugned order passed by the National Commission, especially, with respect to specific findings given on the oil/fluid in the CVT Unit, which was found to be contaminated.

17. Though we are in agreement with the learned counsel appearing for the appellant with respect to the submission made on the manufacturing defect, considering that both the forums have found deficiency in service on the other aspects, we are inclined to confirm the decision rendered in the impugned judgement dated 13.01.2020 *qua* the appellant.

18. The order passed by the National Commission, affirming the decision of the State Commission will have to be complied within a period of three months from the date of receipt of a copy of this order.

19. As we find no perversity in the decision rendered *qua* the appellant, the appeal stands dismissed.

20. Pending application(s), if any, shall stand disposed of.

.....J.
[M.M. SUNDRESH]

.....J.
[PRASANNA B. VARALE]

NEW DELHI;
JULY 29, 2026

ITEM NO.101

COURT NO.4

SECTION XVII-A

S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGS

Civil Appeal No(s). 2712/2020

MITSUBISHI MOTORS CORPORATION

Appellant(s)

VERSUS

RAKESH KANT TULI & ORS.

Respondent(s)

[AS FIRST ITEM]

IA No. 127170/2020 - APPLICATION FOR PERMISSION

IA No. 81143/2020 - PERMISSION TO APPEAR AND ARGUE IN PERSON

IA No. 127173/2020 - PERMISSION TO FILE ADDITIONAL
DOCUMENTS/FACTS/ANNEXURES

WITH

C.A. No. 367/2023 (XVII-A)

Date : 29-07-2026 These matters were called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE M.M. SUNDRESH

HON'BLE MR. JUSTICE PRASANNA B. VARALE

For Appellant(s)

Mr. A. Karthik, AOR
Ms. S. Shalini, Adv.
Ms. Smrithi Suresh, Adv.
Mr. Sugam Agrawal, Adv.
Ms. Veera Mahuli, Adv.

Mr. P.C. Sen, Sr. Adv.
Mr. S. S. Shroff, AOR
Mr. Nishant Joshi, Adv.
Mr. Kunal Singh, Adv.

For Respondent(s)

Respondent-in-person

Mr. Amit Kumar Singh, AOR
Ms. K. Enatoli Sema, Adv.
Ms. Chubalemla Chang, Adv.
Mr. Prang Newmai, Adv.

UPON hearing the counsel the Court made the following
O R D E R

CIVIL APPEAL NO.2712/2020

The appeal stands allowed, accordingly.
Pending application(s), if any, shall stand disposed of.

CIVIL APPEAL NO. 367/2023

The appeal stands dismissed in terms of the signed order.

Pending application(s), if any, shall stand disposed of.

(ASHA SUNDRIYAL)
DEPUTY REGISTRAR

(POONAM VAID)
ASSISTANT REGISTRAR

[Common signed order is placed on the file]