

RAVNEET SINGH BAGGA Vs KLM ROYAL DUTCH AIRLINES

Court: NATIONAL CONSUMER DISPUTES REDRESSAL COMMISSION

Date of Decision: May 29, 1997

Citation: 1997 2 CPC 618 : 1997 2 CPJ 134 : 1997 3 CPR 25

Hon'ble Judges: D.R.VITHAL RAO , SUSHEELA CHELUVARAJU , KUMAR GOWDA J.

Judgement

1. IN this complaint, under Section 17 read with Section 12 of the Act, the complainant has sought compensation in a sum of Rs. 9,90,900/- from

the opposite party.

2. THE opposite party is unit of Sarabhai Group of Companies. The opposite party deals in Swastik brand products manufactured and marketed

by the aforesaid Swastik Household and Industrial Products Pvt. Ltd. The complainant took the work of distribution of products of the opposite

party. The complainant made an advance payment of a sum of Rs. 2,00,000/- to the opposite party. The complainant also executed an

irrevocable Bank guarantee for a sum of Rs. 50,000/- to cover the risk of payment. The complainant worked for some time as a distributor upto

June, 1986. Thereafter, the supply of products by the opposite party became irregular and consequently the opposite party even stopped the

supply of goods to the complainant. By this irregular supply and stopping of the supplies by the opposite party to the complainant, the complainant

lost a sum of Rs.1,77,000/- towards advance credit notes and a sum of Rs. 1,50,000/- towards damages of the stock and non -movable

outdated goods. The complainant also incurred various expenses like godown rent, staff salary. Bank interest, etc. The complainant sought the

payment of the said amount from the opposite party and while the opposite party failed to reimburse the loss sustained by the complainant and also

to refund the advance amount of Rs. 2,00,000/- paid by him, filed the complaint seeking a sum of Rs. 9,90,000/- as compensation on various

counts.

The complaint further averred that the opposite party attempted to cheat the complainant and committed an act of breach of trust. The

complainant, on the basis of these averments, sought the compensation as referred above.

3. OPPOSITE party No. 1 even on service remained absent. Opposite party No. 3 filed the version. Opposite party No. 3 denied having any

liability to re-imburse the loss alleged to have been sustained by the complainant. Opposite party No. 3 further averred that the complainant is not

a "consumer" under the provisions of the Act, and so, the complaint is untenable.

4. DURING enquiry, the complainant filed the affidavit in evidence and got Exs. C1 to C8 marked in evidence. Opposite party No. 3 filed the

affidavit in evidence.

We heard the learned Counsel for the complainant and opposite party No. 3. Opposite parties Nos. 1 & 2 remained absent. Perused the

pleadings and the material on record.

5. IT is clear from the averments contained in the complaint that the complainant is seeking refund of the amount deposited by him as a security

deposit with the opposite party for his distribution work assigned by the opposite party. The complainant has also sought in this complaint, the loss

alleged to have been sustained by him.

6. THE National Commission in F.A. No. 465/1992 dated 26.7.93 has Held that where the amount is deposited as a security, the person, who

deposited the amount as security is not a "consumer". That is exactly the position in the present complaint. The complainant is seeking refund of

deposited amount made by him with the opposite party.

The Tamil nadu State Consumer commission in The Managing Director, M/s. Coromondal Confectioneries Pvt. Ltd. v. G. Sriranjini, reported in I

(1996) CPJ Page 41, while considering the similar facts of the case has Held as under:

The short question which arises for consideration is whether the amount deposited as security is a deposit and the person making the security is a

consumer within the meaning of the Act. This point has been considered directly by the National Commission in appeal from this Commission's

Judgment in O.P. No. 103/92. The National Commission in F.A. No. 465/92, dated 26.7.93 has Held that, where the amount is deposited as

security, the person, who deposited the amount as Security is not a consumer. This decision has been followed by this Commission in O.P. No.

454/92, dated 27.4.94. We, therefore, hold that the complainant is not a consumer and her remedy, if any, is to file a suit in a competent Court of

civil jurisdiction.

Having regard to these facts and in the circumstances of the case, we are constrained to hold that the dispute raised by the complainant cannot be

classified as a "consumer" dispute, and therefore, complaint is untenable.

7. IN the result, therefore, this complaint fails and it is dismissed. The parties are directed to bear and pay their own costs. Complaint dismissed.