

Date of Filing: 24-03-2022

Date of Order: 07-07-2023

BEFORE THE DISTRICT CONSUMER DISPUTES REDRESSAL  
COMMISSION – II, HYDERABAD

P r e s e n t

SRI VAKKANTI NARASIMHA RAO ... PRESIDENT  
SRI P.V.T.R JAWAHAR BABU ... MEMBER  
SMT. MADHAVI SASANAKOTA... MEMBER

Friday, the 7<sup>th</sup> day of July, 2023

Consumer Case No. 220/2022

BETWEEN:

S.V.Narayana Reddy, S/o:Late S.Subbi Reddy, Aged 63 Years, Occ:  
Retired Senior Audit Officer in the Accountant General's Office,  
R/o:H.No. 3-7-229 Nanda Nagar, Hyderguda, Attapur, Hyderabad-  
500048, Telangana Mobile No: 9246157123

...Complainant

AND

1.M/s. Vaidi Chitfunds Pvt Ltd., represented by it's Director Ms.  
Proddutoor Shilpa, Regd. Office: Flat No: 102 1<sup>st</sup> Floor, Tara  
Mandal complex, Secretariat Road, Iqbal Minar Circle, Saifabad,  
Hyderabad-500004. T.S.

2. Ms. Proddutor Shilpa, D/o: Not known to my client aged 40  
years, Occ:Business, Regd.Office: Flat No: 102, I Floor, Tara  
Mandal Complex, Secretariat Road, Iqbal Minar Circle, Saifabad,  
Hyderabad-500004, T.S.

3. Proddutoor Janardhan, S/o: Not known to my client, Aged  
Years, Occ: Business, R/o: Flat No: 102, I floor, Tara Mandal  
Complex, Secretariat Road, Iqbal Minar Circle, Saifabad,  
Hyderabad-500004, T.S.

.... Opposite Parties

This complaint is coming before us on this the 02<sup>nd</sup> day of May,  
2023 in the presence of Learned Counsel M/s.K.Balakrishna,  
Advocate, appearing for the complainant and Learned Counsel  
M/s.T.Pavan, Advocate, appearing for the opposite parties no.1to3  
and on perusal of material papers available on record, having stood  
over for consideration till this day, the Commission passed the  
following:

O R D E R

(BY SRI VAKKANTI NARASIMHA RAO, HON'BLE PRESIDENT  
ON BEHALF OF THE BENCH)

This complaint is filed by the complainant on 24<sup>th</sup> March, 2022 vide SR No. 938 under section 35 of the Consumer Protection Act, 2019 with a prayer to direct the opposite parties to:-

1. Pay a sum of Rs. 6, 00,000/- (Rupees Six Lakhs only) which is the Chit amount with interest as there is a deficiency of service, deceit, negligence, default and un-fair trade practice.
  2. Pay a sum of Rs. 5, 00,000/- (Rupees Five Lakhs only) towards damages and for mental agony sustained by the complainant and his family.
  3. Award costs @ Rs. 50,000/- (Rupees Fifty Thousands only).
  4. Pass any such other appropriate relief or reliefs as the Commission deemed fit and proper in the interest of justice.
1. The brief averments as made out under the complaint is that he was induced to subscribe the chit with the opposite parties vide Chit Group No. LTIF, Chit Number 03 for Rs. 6,00,000/- (Rupees Six Lakhs only) for the duration of 40 months payable @ Rs. 15,000/- (Rupees Fifteen Thousands only) Per Month and the same is not a constant one as the chits would be billed and the contribution that is the monthly installment also would change as it is a variable factor. Accordingly the complainant paid the chit subscription amounts through bank or by cheques wherein the chit commenced in April, 2018 and was completed in July, 2021.
  2. On completion of the chit, the prized chit amounts were not paid to him and the same is dodged for long time on some or other pretext. The complainant demanded the accounts and the dividend for which he is entitled wherein, the opposite parties have been evasive and procrastinated the matter and no accounts were furnished.
  3. After a great deal of persuasion, a cheque for Rs. 5,25,000/- (Rupees Five Lakhs Twenty Five Thousands only) vide its No. 868475 dated: 04.10.2021 has been issued in his favour which drawn on Indian Bank, Khairathabad Branch, Hyderabad as

partial payment out of total chit amount of Rs. 6,00,000/- (Rupees six Lakhs only). The cheque was issued to discharge legal enforceable debt or liability with the knowledge of all the opposite parties for which the same was presented with his bank account at SBI, Langur House Branch wherein the same was dis-honoured for the reasons “01-Funds Insufficient”, vide cheque return memo report dated: 21.10.2021.

4. The deliberate acts upon the part of the opposite parties which they issued the cheque without maintaining the sufficient funds to the credit of their bank account amounts to deficiency of service that leads to adoption of un-fair trade practice for which all the opposite parties are held liable.
5. The complainant demanded the opposite parties through a legal notice to pay the amount under the dis-honoured cheque within 15 days from the date of receipt of legal notice for which the opposite parties are not turned-up and failed to comply their part of obligation that amounts to deficiency upon their part and also un-fair trade practice apart from attributing un-ethical activities in discharging their day to day financial activities.
6. The opposite parties filed their Written Version by denying all the material allegations under the complaint for which a strict proof sought to that effect. The complainant is not “Consumer” as he did not pay the entire amounts due to the Chit Fund Company. No deficiency of service is made-out for which there is nothing to be adjudicated before this Commission for which the complaint is liable to be dismissed.
7. The complainant suppressed the fact of NEFT payment of Rs. 25,000/- (Rupees Twenty Five Thousands only) made by the company which received by him on 19.01.2022 and another amount of Rs. 1,00,000/- (Rupees One lakh only) which received by him 20.01.2022 pending reconciliation of the payments and the amount due after deducting the interest on late payment / deduction towards forfeiture of the dividend for several months etc., and filed this case on 24.03.2022 suppressing several facts and payments received by him besides short payments made by him for several months.

8. The complainant is attempting to blackmail the 1<sup>st</sup> opposite party by bringing her husband's name into picture who is incidentally working in the office of the complainant only to threaten her in spite of the fact that he has nothing to do with the chit Fund Company. The 1<sup>st</sup> opposite party has been managing the chit fund company with another partner and her husband is nothing to do with the company for which the complaint is liable to be dismissed.
9. In enquiry, the complainant filed his evidence affidavit by examining himself as Pw-1 and Ex. A-1 to Ex. A-12 marked on his behalf. Neither any Evidence Affidavit for the opposite parties nor Written Arguments filed except written version. Written Arguments of the complainant is filed. Heard for the complainant. Deemed to be heard for the opposite parties.
10. On perusal of the pleadings and material available on record, the points to be answered for determination are:-
  1. Whether any deficiency of service is made-out against the opposite parties as claimed under the complaint?
  2. Whether the complainant is entitled for the relief sought?
  3. To what relief?

POINT NO. 1 AND 2:-

1. It is an admitted fact that the Ex. A-1 Cheque dated: 04.10.2021 was issued by the 1<sup>st</sup> opposite party in the capacity of its Authorized Signatory which was dis-honoured on 21<sup>st</sup> October, 2021 under Ex. A-2 "Cheque Return Memo Report" establishes the fact that the opposite party No. 1 chit Fund Company has due for an amount of Rs. 5,25,000/- to the complainant. Ex. A-4 to Ex. A-12 receipt establishes that the complainant is the subscriber of chit series LTIF Chit No. 3 with the 1<sup>st</sup> opposite party chit Fund Company.
2. The opposite party No. 1 admitted that the complainant was a member of their chit fund company in which they transferred the amounts under NEFT payment on 19.01.2022 and 20.01.2022 @ Rs. 25,000/- and 1,00,000/- respectively but no proof is filed by the opposite party to substantiate their contentions but whereas the complainant admitted in his chief examination by admitting that he received Rs. 1,49,983/- on 22.12.2021 by transfer NEFT and Rs. 1,00,000/- on 20.01.2022 by Transfer – INB. It assumes

that an amount of Rs. 2,49,983/- has been received by the complainant out of the cheque amount of Rs. 5,25,000/- towards his prized chit amount.

3. Non-payment of total prized chit amount upon the part of the opposite party No. 1 despite completion of chit duration period to the complainant is amounts to deficiency of service that leads to adoption of un-fair trade practice for which, with the above observations and discussions, we answered these points accordingly in favour of the complainant by awarding balance amount of the cheque issued by the 1<sup>st</sup> opposite party with subsequent and other appropriate reliefs.

POINT NO. 3:-

In the result the complaint is allowed in part directing the 1<sup>st</sup> opposite party to:-

1. Pay Rs. 2, 75,017/- (Rupees Two Lakhs Seventy Five Thousand Seventeen only) with interest @15% p.a. w.e.f. 21<sup>st</sup> October, 2021 till its realization.
2. Pay Rs. 10,000/- (Rupees Ten Thousands only) towards compensation for mental agony and trauma caused to the complainant and his family.
3. Pay Rs. 5,000/- (Rupees Five Thousands only) towards costs of the litigation.
4. Rests of the claims under the complaint is dismissed.
5. Claim against the opposite party No. 2 and 3 shall stands dismissed.
6. Time for compliance is 45 days from the date of receipt of this order.
  - Applications pending if any, stand disposed of in terms of the aforesaid order.
  - A copy of this judgment be provided to all parties free of cost as mandated by the Consumer Protection Act, 2019.
  - The judgment be uploaded forthwith on the website of this commission for the perusal of the parties.
  - File be consigned to record room along with copy of this judgment.

Dictated to Stenographer, Typed by her, corrected and pronounced by us in the open Commission today the 7<sup>th</sup> day of July, 2023.

MEMBER

MEMBER

PRESIDENT

APPENDIX OF EVIDENCE

Witnesses examined for Complainant:-

Sri.S.V.Narayana Reddy (PW1)

Witnesses examined for Opposite parties no.1 to 3:-

Evidence Affidavit not filed

Exhibits marked on behalf of the Complainant:-

Ex.A1: is the copy of Cheque No: 868475, dated: 04.10.2021.

Ex.A2: is the copy of Cheque Return Memo, dated: 21.10.2021.

Ex.A3: is the copy of Legal Notice (Office Copy), dated: 27.10.2021.

Ex.A4: is the copy of Receipt Issued, dated: 10.11.2018.

Ex.A5: is the copy of Receipt Issued, dated: 08.12.2018.

Ex.A6: is the copy of Receipt Issued, dated: 16.04.2019.

Ex.A7: is the copy of Receipt Issued, dated: 04.05.2019.

Ex.A8: is the copy of Receipt Issued, dated: 17.08.2019.

Ex.A9: is the copy of Receipt Issued, dated: 23.10.2019.

Ex.A10: is the copy of Receipt Issued, dated: 29.12.2019.

Ex.A11: is the copy of Receipt Issued, dated: 09.01.2020.

Ex.A12: is the copy of Receipt Issued, dated: 12.02.2020.

Exhibits marked on behalf of the Opposite parties no.1 to 3:-

Nil

MEMBER

MEMBER

PRESIDENT