

DISTRICT CONSUMER DISPUTES REDRESSAL COMMISSION, ERNAKULAM

Dated this the 24th day of November 2025

Filed on: 29.10.2022

PRESENT

Shri. D.B. Binu
Shri. V. Ramachandran
Smt. Sreevidhia T.N

Hon'ble President
Hon'ble Member
Hon'ble Member

C.C No. 496 of 2022

COMPLAINANT:

Sathish Sangamithra , Aged 74 years, Kalathil House, Kadavanthra.P.O, Ernakulam-682020.

(Adv. Binni Kamal, 1st Floor, Sui Palace, Chittoor Road, Ernakulam)

Vs

OPPOSITE PARTIES:

1. Finisyer Kuries Pvt. Ltd, Represented by Managing Director. H.O, Kodungallur 680664.
2. T.P.Sabu Managing Director, Finsiyer Kuries Pvt. Ltd, Kodungallur Residing at Kondiyara House, Vemballur.P.O, Pin-678502.
3. Board of Directors, Represented by Managing Director, Finsiyer Kuries Pvt. Ltd, Kodungallur-680664.

FINAL ORDER

D.B. BINU, PRESIDENT:

1. A brief statement of facts of this complaint is as stated below:

The complaint was filed under Section 35 of the Consumer Protection Act,2019. The complainant is a senior citizen and professional drama artist with over 45 years' experience, and is the owner of the drama troupe "Cochin Sangamitha". At the request of a Director of the 1st opposite party, Financier Kuries, the complainant joined Kuri/Chitty No.101 conducted by opposite parties 1 to 3 on 24.11.2011, remitting the first instalment that day. The sala was

₹16,50,000/-, and as per the varyola the scheme would mature on 24.02.2030, with a monthly instalment of ₹7,500/- till then.

The complainant, without default, paid 110 instalments totalling ₹8,25,000/- into accounts maintained by the 1st opposite party in Federal Bank and Indian Overseas Bank, Kodungallur. On 18.01.2021, when he approached the bank to remit the 111th instalment, he was informed that the account of the 1st opposite party had been closed. Attempts to contact opposite parties 1 to 3 failed, and from reliable sources he came to know that they had closed their offices without notice and cheated the subscribers.

A lawyer notice dated 13.06.2022 issued to opposite parties 1 to 3 returned unserved or unclaimed. Alleging deficiency in service, unfair trade practice and cheating, the complainant claims a refund of ₹8,25,000/- with interest, compensation for mental agony and hardship, and costs.

2. NOTICE:

Notices were issued to the Opposite Parties on 25.11.2022, but the same were returned with the endorsement "NOT KNOWN". Thereafter, this Commission ordered substitute service by way of paper publication, and in compliance, notice was published in the Mangalam daily on 11.01.2025.

Even after such service, the Opposite Parties did not enter appearance or file their version within the statutory period. Accordingly, by order dated 17.02.2025, the Opposite Parties were set ex parte.

3.EVIDENCE:

The complainant filed a proof affidavit in lieu of chief examination and produced five documents, which were marked in evidence as Exts. A1 to A5, as detailed below:

- Ext. A1 – Passbook
- Ext. A2 – Lawyer’s notice dated 13.06.2022
- Ext. A3 – Envelope with A.D. card
- Ext. A4 – Envelope with A.D. card
- Ext. A5 – Envelope with A.D. card

4. POINTS FOR CONSIDERATION:

- i) Whether the complaint is maintainable or not?
- ii) Whether there is any deficiency in service or unfair trade practice by the opposite parties?
- iii) If so, whether the complainant is entitled to any relief?
- iv) Costs of the proceedings, if any?

5. SUMMARY OF WRITTEN ARGUMENT OF THE COMPLAINANT:

The complainant is a senior citizen now aged 77 years, who is a professional drama artist and for the last 48 years he has been in the drama field. He is the owner of a professional drama troupe known as the “Cochin Sangamithra”.

- a. The complainant, as per the request made by one among the Board of Directors of the 1st opposite party, joined a kuri (Chitty No.101) conducted by opposite parties 1 to 3. The complainant joined the said kuri on 24-11-2011. The sale of the said kuri is Rs. 16,50,000/- (Rupees Sixteen Lakhs Fifty Thousand only). As per the “Variyola”, the kuri scheme would mature on 24-02-2030 and till 2030, subscribers have to pay Rs. 7,500/- every month as kuri instalment.
- b. After joining the kuri conducted by opposite parties 1 to 3, the complainant, without any default, paid 110 instalments. He paid the said instalments into the account maintained by the 1st opposite party in Federal Bank, Kodungallur

Branch, as evidenced by the passbook produced and marked as **Ext.A1**. Till 18-12-2020, the complainant paid the kuri instalments. Thereafter, on 18-01-2021, when the complainant went to the bank for remitting the 111th instalment, he was informed by the bank that the account maintained by the 1st opposite party was closed. The complainant then tried to contact the opposite parties 1 to 3 by the phone numbers given by their staff at the time of joining the kuri, but nobody attended the complainant's calls or gave any reply. Later, from reliable sources, the complainant understood that the opposite parties 1 to 3 had deliberately cheated the subscribers and, without giving any notice to them, closed their offices and branches.

c. The complainant has till date paid a total amount of Rs.. 8,25,000/- (Rupees Eight Lakhs Twenty Five Thousand only) as kuri instalments to the opposite parties, as reflected in **Ext.A1**. The complainant submits that, for unlawfully looting a huge amount from him and for cheating him and other subscribers, opposite parties 1 to 3 entered into a conspiracy and compelled the complainant and others to join in their kuri scheme.

d. Stating all the above facts, the complainant issued a lawyer notice dated 13-06-2022 to opposite parties 1 to 3, which has been produced and marked as **Ext.A2**. However, the notices sent to opposite parties 1 and 3 were returned unserved on the ground that the office was continuously locked, and the notice sent to the 2nd opposite party was returned with the endorsement "unclaimed". The returned envelopes with A.D. cards have been produced and marked as **Ext.A3, Ext.A4 and Ext.A5**.

e. This Commission ordered substitute service by way of paper publication, and in compliance, notice was published in the "Mangalam" daily on 11-01-2025. As the opposite parties did not appear, they were set ex parte on 17-02-2025, and

the case was posted to 10-07-2025 for the complainant's evidence. On 10-07-2025, the complainant was examined as PW1 and **Exts.A1 to A5** were marked in evidence.

f. In the above circumstances, it is submitted that this Commission may be pleased to direct the opposite parties to pay an amount of Rs.8,25,000/- (Rupees Eight Lakhs Twenty Five Thousand only) with interest at 12% per annum, and also to direct the opposite parties to pay an amount of Rs.1,00,000/- (Rupees One Lakh only) as compensation for monetary loss, mental agony and hardships suffered by the complainant, together with costs of these proceedings.

The complainant produced five documents (**Ext.A1 to Ext.A5**) in support of the case. Notices were issued to the Opposite Parties on 25.11.2022, but the same were returned with the endorsement "NOT KNOWN". Thereafter, this Commission ordered substitute service by way of paper publication, and in compliance, notice was published in the Mangalam daily on 11.01.2025. Despite such service, the Opposite Parties did not enter appearance or file their written versions within the statutory period under Section 38(2)(a) of the Consumer Protection Act, 2019. Accordingly, by order dated 17.02.2025, the Opposite Parties were set ex parte and the matter was proceeded with. Their conscious failure to file a written version, despite due notice, warrants an adverse inference and, in the circumstances, operates as an admission of the complainant's averments. The complainant's case thus stands unrebutted, and we find no reason to disbelieve the complainant's version. A similar view has been taken by the Hon'ble National Commission in 2017 (4) CPR 590 (NC).

We have meticulously considered the detailed submissions made by the learned counsel for the complainant, and have thoroughly examined the entire record of evidence, including the argument notes placed on file.

6. POINT NO. (i): MAINTAINABILITY:

The complaint concerns a deficiency in service and unfair trade practice by a kuri/chit company, where the complainant, as a subscriber, paid regular instalments for the chit service. Under Sections 2(7) and 2(11) of the Consumer Protection Act, 2019, a chit subscriber is a “consumer” and the chit company is a “service provider”, as also affirmed by the **Hon’ble Supreme Court in Shriram Chits (India) Pvt. Ltd. vs. Raghachand Associates**. Since the complainant is a senior citizen drama artist using his savings and not running a commercial activity with the kuri, the complaint is maintainable before this Commission.

Hence, the complainant clearly falls within the definition of a “consumer”, while the opposite parties are service providers.

Accordingly, the complaint is maintainable.

POINT NO. (ii): DEFICIENCY IN SERVICE OR UNFAIR TRADE PRACTICE :

The onus of proving deficiency in service initially lies on the complainant. In this case, the complainant has produced:

- **Ext.A1** passbook showing payment of instalments of the kuri;
- **Ext.A2** lawyer’s notice narrating the closure of the account and seeking redressal;
- **Exts.A3 to A5** envelopes with A.D. cards evidencing dispatch and return of notices as “office continuously locked” / “unclaimed”.

His oral testimony as PW1 is consistent with and supported by these documents. There is no cross-examination or contrary material from the opposite parties.

Closure of the account and stoppage of operations without notice

The complainant's unchallenged evidence is that after paying 110 instalments without default, he was suddenly informed by the bank that the account maintained by the 1st opposite party was closed, and that the offices and branches of the opposite parties were shut without notice to subscribers. The opposite parties neither refunded the amounts already collected nor provided any explanation.

Such conduct amounts to:

- a complete failure to perform the basic contractual obligation of properly conducting the kuri till maturity or settling the subscriber's account;
- an "imperfection, shortcoming or inadequacy" in the manner of performance of service, squarely falling within "deficiency" under Section 2(11), and
- an unfair trade practice under Section 2(47), as the opposite parties induced subscribers to join the kuri and continued to collect instalments, while later abruptly closing operations and denying the promised benefit.

The Supreme Court, in the context of chit funds, has held that where a chit fund company stops operations and fails to refund subscribers' amounts, such conduct constitutes deficiency in service and the company is liable to return the sums collected with appropriate compensation.

Ex parte and adverse inference.

Despite valid service (including paper publication), the opposite parties chose not to appear or file any written version within the statutory period under Section 38(2)(a) of the Act. Their deliberate abstention, despite knowing of the proceedings, justifies drawing an adverse inference that they have no plausible

defence. The Hon'ble National Commission in **2017 (4) CPR 590 (NC)** has recognised that a conscious failure to file a written version after due notice can be treated as reinforcing the complainant's un rebutted case.

In the present case, there is nothing on record to indicate any bona fide justification for closure of the kuri account or for retaining the complainant's instalments. The acts of the opposite parties, as demonstrated by Ext.A1 and the un-refuted testimony of the complainant, clearly amount to:

- Deficiency in service, in failing to conduct the kuri as promised and in failing to refund monies already collected; and
- Unfair trade practice, in luring the complainant and other subscribers into the scheme and thereafter closing operations surreptitiously, causing financial loss and mental harassment.

Accordingly, there is a clear deficiency in service and unfair trade practices on the part of the opposite parties.

POINT NOS. (iii) & (iv): RELIEF AND COSTS :

Having found the opposite parties guilty of deficiency in service and unfair trade practice, the complainant is entitled to monetary relief. **Ext.A1** establishes that he has paid ₹8,25,000/- towards kuri instalments without receiving any corresponding benefit. In equity and in line with precedents in chit/kuri disputes, the entire amount is liable to be refunded with interest, to compensate the complainant for the deprivation of his hard-earned savings.

Compensation in consumer matters may include not only financial loss but also mental agony and harassment. Considering the complainant's advanced age, dependence on his savings, and the prolonged hardship caused by the opposite

parties' dishonest conduct, he is entitled to suitable compensation for mental agony and hardship, in addition to the refund and reasonable costs of the proceedings. Accordingly, Points (iii) and (iv) are answered in the affirmative.

This case is a stark reminder that behind every financial transaction lies a human story. The complainant is not a seasoned investor but an elderly drama artist who has spent a lifetime bringing art and culture to society, and who entrusted his hard-earned savings to the opposite parties with the simple hope of security in his later years. Instead, he was met with silence, closure of offices without notice, and utter disregard for his dignity and peace of mind. The anguish of discovering that years of diligent payments have vanished into uncertainty, and the strain of having to pursue legal remedies at this stage of life, cannot be measured in figures alone. As a consumer and as a senior citizen, he was entitled to honest conduct, transparency and fair dealing—standards which the opposite parties have woefully failed to meet.

We hold that Points (i) to (iv) stand answered in favour of the complainant, in view of the clear and significant deficiency in service and unfair trade practice on the part of the opposite parties. As a result of their negligence and dishonest conduct, the complainant has suffered substantial inconvenience, mental distress, hardship and financial loss. In these circumstances, we are of the considered opinion that the opposite parties are liable to compensate the complainant.

Hence the **prayer is partly allowed** as follows:

I. The opposite parties shall refund to the complainant a sum of **₹8,25,000/-** (Rupees Eight Lakhs Twenty-Five Thousand only), being the total kuri instalments paid by him. The above amount shall carry interest at the rate of 12% (twelve per cent) per annum from 18.01.2021 till the date of actual realisation.

II. The opposite parties shall pay to the complainant **₹25,000/-** (Rupees Twenty-Five Thousand only) as compensation for monetary loss, mental agony, hardship and harassment suffered by him due to the deficiency in service and unfair trade practice on their part.

III. The opposite parties shall further pay **₹5,000/-** (Rupees Five Thousand only) towards the costs of these proceedings.

The opposite parties are jointly and severally liable for the fulfilment of the above directions. The orders shall be complied with within 45 days from the date of receipt of a copy of this order. In the event of failure to comply with the payment direction under Point No. II, the amount awarded there under shall carry interest at the rate of 9% per annum from the date of filing of the complaint (29.10.2022) until the date of full realisation.

**Pronounced in the Open Commission on this the 24th day of November,
2025.**

**Sd/-
D.B. Binu
President**

**Sd/-
V. Ramachandran
Member**

**Sd/-
Sreevidhia T.N,
Member**

Forwarded/By Order

Assistant Registrar

APPENDIX

Complainant's Evidence:

1. Ext.A1 - Pass book
2. Ext.A2 - Lawyer's Notice dtd. 13/6/2022
3. Ext.A3 - Envelop with AD card
4. Ext.A4 - Envelop with AD card
5. Ext.A5 - Envelop with AD Card

Opposite party's Evidence:-

Date of Despatch

By Hand::By post::BR/

