
(1993) 07 NCDRC CK 0054

In the National Consumer Disputes Redressal Commission

G.A.MOHAMMED RAH SAIT

APPELLANT

Vs

SHRIRAM CHIT AND INVESTMENTS PVT.LTD

RESPONDENT

Date of Decision : 12-07-1993

Acts Referred:

Citation : 1993 3 CPJ 1340

Hon'ble Judges : S.A.Kader , R.N.Manickam , Ramani Mathuranayagam J.

Final Decision : Complaint dismissed with costs

Judgement

1. THIS is a complaint under Sec. 17 read with Sec. 12 of the Consumer Protection Act.

2. THE complainant subscribed to a chit conducted by the opposite parties of the value of Rs. 1,00,000/- consisting of 50 monthly instalments of Rs. 2,000/- each. He took the prize in the auction in the 3rd call on 4.1.92 and even though he has submitted sufficient security for payment of the future calls, the amount was not paid. Hence this complaint claiming the prize amount with interest and compensation, the sum of Rs. 30,000/-. 3.THE opposite parties resisted the claim. It is admitted that the complainant subscribed to the chit in question and took the prize in auction on 4.1.92 in the 3rd call. THE instalments payable for the remaining 47 calls came to Rs. 94,000/-. THE complainant offered the vacant house site belonging to his aunt Mrs. Rabia Bee in Kovil Pathagai Village and for the title deeds was clear but the value was Rs. 75,000/- only. THE security was offered was, therefore, insufficient. THE complainant was duly informed of the same. As the complainant was unable to offer sufficient security, the amount was deposited in a bank. It is true that the complainant offered a guarantor, but the guarantor was known that the complainant's aunt Mrs. Rabia Bee, whose property had been offered as a security and was found insufficient. THERE was no deficiency of service or negligence. 4. Exhs. A1 to A4 and B1 to B4 are marked by consent. Proof affidavits are filed. No oral evidence has been let-in. 5. THERE is no controversy that the complainant subscribed to the chit conducted by the opposite parties of the total value of Rs. 1,00,000/- consisting of 50 monthly

instalments of Rs. 2,000/- each. THE complainant subscribed for 3 instalments and took the prize in auction at the 3rd instalment for a very low sum of Rs. 48,000/-. THE remaining 97 future instalments were of the value of Rs. 94,000/- and as per law, the complainant is entitled to claim the prize amount after furnishing sufficient security for due payment of future instalments. THE explanation under Sec.21 of the Chit Funds Act, 1982, mens thus:- "A security shall be deemed to be sufficient for the purposes of this clause if its value exceeds by one-third or it consists of immovable properties, the value of which exceeds by one-half, of the amount due from the prized subscriber." THE amount due from the complainant towards future subscriptions is Rs. 94,000/-. If movable property is offered as security, it must be the value of not less than Rs. 1,25,333/- and if immovable property is offered as security, its value must be not less than Rs.1,41,000/- THE complainant has offered as security, a vacant house site belonging to his aunt in the village of Kovil Pathagai. THE title was clear, but it was worth of Rs. 75,000/- only and the complainant has not offered sufficient security. THE opposite parties did not therefore pay him the prize amount. Instead, they have deposited the money into bank as laid down under Sec. 22(2) of the Chit Fund Act 1982, we are therefore unable to find any deficiency of service or negligence on the part of the opposite parties. THE claim made by the complainant is totally untenable. 6. In the result, the complaint fails and is dismissed with cost of Rs. 1,000/-. Complaint dismissed with costs.