

**IN THE COURT OF THE DISTRICT CONSUMER DISPUTES
REDRESSAL COMMISSION UNDER CONSUMER PROTECTION
ACT, 2019 AT NIZAMABAD**

Quorum	SMT.SUVARNA JAYASRI	PRESIDENT
	SMT. SUMA VALA	MEMBER

DATED THIS THE 28TH DAY OF NOVEMBER, 2023

C.C.No. 33 OF 2022

Date of filing of complaint: 15-03-2022

Date of Order: 28-11-2023

Between:

Injamuri Venkatesham S/o Late Sri Ramulu, age 64 years, Occ:
Retired Govt Employee, R/o H.No.3-2/7, Suddapally Village of
Dichpally Mandal, Nizamabad District.

Complainant

AND

1. The Branch Manager, Sahara Credit Cooperative Society Ltd.,
Branch Code No.1218, 2nd Floor, H.No.7-4-322, M.S.R. Complex,
R.P. Road, Nizamabad Dist – 503001.

2. The Regional Manager, Sahara Credit Cooperative Society Ltd.,
Karimnagar Dist, Telangana State – Pin – 505001.

3. The Managing Directors, Sahara Credit Cooperative Society
Ltd., Regd Office, Sahara India Bhawan-1, Kapoorthala Complex,
Aliganj, Lucknow, Uttarpradesh State – 226024.

4. The Chairman, Securities and Exchange Board of India, Head
Office: SEBI Bhavan, Kurla Complex, Plot No.C4-A, G-Block,
Bandra (East), Mumbai – 400051, Maharashtra State.

Opposite parties

This consumer case is came before us for final hearing on
16-10-2023 in the presence of Sri. G.Goverdhan, Counsel for
Complainant and Sri. M. Venkatesh, Counsel for Opposite party
No.1 to 3 and Opposite party No.4 in-person. Upon hearing the
arguments this matter have stood for consideration till this day
and the Commission made the following:-

ORDER

(By Smt. Suvarna Jayasri, President)

1. The brief facts set out in the complaint are that the
complainant is resident of H.No.3/27, Suddapally village of
Dichpally mandal District Nizamabad. Opposite party no.1 is the

Branch Manager of Nizamabad with code no.1218, the opposite party no.2 is the Regional Manager, the opposite party no.3 is the Managing Director of Sahara Credit Co-operative Society Ltd., and opposite party no.4 is the Chairman of Securities and Exchange Board of India (SEBI). Further the complainant has deposited the amounts under E-Shine Scheme under 3 spells on 15-05-2012 (27) Bonds, 24-05-2012 (8) Bonds and 09-06-2012 (3) Bonds, Totally (38) Bonds for an amount of Rs.7,00,000/- (Rupees Seven Lakhs only) in favour of opposite parties no. 1 to 3 as below:

Sl. No	Certificate No.	Date of Deposit	Amount	Date of Maturity	Maturity Amount
1	351002727259	15-05-2012	6,000/-	15-5-20	15,672/-
2	351002727260	15-05-2012	19,000/-	15-5-20	49,628/-
3	351002727261	15-05-2012	19,000/-	15-5-20	49,628/-
4	351002727262	15-05-2012	19,000/-	15-5-20	49,628/-
5	351002727263	15-05-2012	19,000/-	15-5-20	49,628/-
6	351002727264	15-05-2012	19,000/-	15-5-20	49,628/-
7	351002727265	15-05-2012	19,000/-	15-5-20	49,628/-
8	351002727266	15-05-2012	19,000/-	15-5-20	49,628/-
9	351002727267	15-05-2012	19,000/-	15-5-20	49,628/-
10	351002727268	15-05-2012	19,000/-	15-5-20	49,628/-
11	351002727269	15-05-2012	19,000/-	15-5-20	49,628/-
12	351002727270	15-05-2012	19,000/-	15-5-20	49,628/-
13	351002727271	15-05-2012	19,000/-	15-5-20	49,628/-
14	351002727272	15-05-2012	19,000/-	15-5-20	49,628/-
15	351002727273	15-05-2012	19,000/-	15-5-20	49,628/-
16	351002727274	15-05-2012	19,000/-	15-5-20	49,628/-
17	351002727275	15-05-2012	19,000/-	15-5-20	49,628/-
18	351002727276	15-05-2012	19,000/-	15-5-20	49,628/-
19	351002727277	15-05-2012	19,000/-	15-5-20	49,628/-
20	351002727278	15-05-2012	19,000/-	15-5-20	49,628/-
21	351002727279	15-05-2012	19,000/-	15-5-20	49,628/-
22	351002727280	15-05-2012	19,000/-	15-5-20	49,628/-
23	351002727281	15-05-2012	19,000/-	15-5-20	49,628/-

24	351002727282	15-05-2012	19,000/-	15-5-20	49,628/-
25	351002727283	15-05-2012	19,000/-	15-5-20	49,628/-
26	351002727284	15-05-2012	19,000/-	15-5-20	49,628/-
27	351002727285	15-05-2012	19,000/-	15-5-20	49,628/-
28	351002727294	24-05-2012	17,000/-	24-5-20	44,404/-
29	351002727295	24-05-2012	19,000/-	24-5-20	49,628/-
30	351002727296	24-05-2012	19,000/-	24-5-20	49,628/-
31	351002727297	24-05-2012	19,000/-	24-5-20	49,628/-
32	351002727298	24-05-2012	19,000/-	24-5-20	49,628/-
33	351002727299	24-05-2012	19,000/-	24-5-20	49,628/-
34	351002727300	24-05-2012	19,000/-	24-5-20	49,628/-
35	351002727301	24-05-2012	19,000/-	24-5-20	49,628/-
36	351002727352	09-06-2012	12,000/-	09-6-20	31,344/-
37	351002727353	09-06-2012	19,000/-	09-6-20	49,628/-
38	351002727354	09-06-2012	19,000/-	09-6-20	49,628/-
Total			7,00,000/-		18,28,400/-

The complainant states that as per E-Shine scheme the maturity date was completed on various dates mentioned in the above table. The complainant is entitled to receive the maturity amount of Rs.18,28,400/-. After maturity date the complainant approached the opposite party No.1 at Nizamabad. But the opposite parties drag the matter one or the pretext other. The opposite party stated funds are not released from the head office i.e. from opposite party No.3. The Opposite party No.1 to 3 are not interested to release the maturity amount of Rs.18,28,400/- to the complainant. Further the complainant stating that from reliable sources some cases are filed against the Sahara Credit Co-operative Society Company Ltd., and all investors money of the Sahara Companies amount were seized by SEBI and releasing maturity amount to the investors by collecting required details from the investors, hence the complainant send a request letter on 26-9-2020 to the chairman SEBI Mumbai and Local office of SEBI Hyderabad to release maturity amount of Rs.18,28,400/- to the complainant. But the SEBI send a reply on 10-12-2020 various complaints against Sahara Society Ltd., not settle the maturity

amount along with list of the complainant. The complainant had disgusted with the attitude of opposite party No.1 to 3. The complainant suffered with mental shock and agony and put to untold hardship which cannot be expressed in terms of words. The acts of opposite parties 1 to 4 in not responding to the complainant amounts to gross negligence in rendering services and deficiency of service.

Therefore the complainant prayed this Commission as under:

Direct the Opposite party No.1 to 4 pay an amount of Rs.18,28,400/- along with sum of Rs.1,00,000/- towards damages for causing mental agony physical sufferance with @ 24% interest per annum on the entire decretal amount in favour of complainant from the date of realization along with cost of proceeding, along with cost of the petition may be awarded, hence this complaint.

2. The opposite party No.1 is filed their detailed counter and stating that the case of complainant should be proved by original documents. Further the opposite party admitted the complainant deposited an amount of Rs. 7,00,000/- (Rupees Seven Lakhs only) in different dates on 15-05-2012, 24-05-2012, 9-06-2012 with vide membership No.12181200894 total 38 bonds and the total bonds matured on 15-05-2020, 24-05-2020 and 09-06-2020 and the maturity value in Rs.18,28,400/-. After understanding the bye-laws and objects of the society he had obtained Membership Vide No.12181200894 being member of society he got right to take part in the schemes of Society. The identity and status of the complainant member, which is definite and absolute, and he cannot claim him to be a consumer of society. Who is not a member has no right to take part in the schemes of the society. Therefore the complainant shared his money for furtherance of the objects of society. The complainant is being a member, share holder, a part of the society cannot separate himself from society. The complainant is not a consumer of the opposite party. There is

no relation of consumer and service provide between the complainant and the opposite parties. The Sahara Credit Co-operative Society Limited is duly registered society and the complainant is a member of society. The relation between the complainant and the opposite party is a Member and Society. Therefore, any dispute between society and member consumer complaint is not maintainable.

The prayer/clause of complaint is baseless, illegitimate hence denied. As per case pronounced by Hon'ble National Commission Judgement this forum has no jurisdiction to try the present complaint and not maintainable before this District Commission liable to be dismissed with cost.

The opposite party No.4 filed their counter as under:

The opposite party No.4 is a statutory authority established under the Securities and Exchange Board of India Act 1982 which is passed by parliament to protect the interest of investors in securities and promote the development of, and to regulate the securities market and matters connected therewith and incidental thereto, it's Head Office Mumbai, Maharashtra. The SEBI is an expert body entrusted, performing administrative, legislative and quasi-judicial functions. The opposite party does not render any "services" for fees or receives any consideration for the services (as defined in the Consumer Protection Act, 1986/2019) from any investor. Hence no complaint under the Consumer Protection Act, is maintainable against SEBI. Section 2(42) does not attract to this opposite party No.4.

As per Supreme Court Judgment **BSE Brokers Forum, Bombay Vs SEBI, Writ Petition (Civil) No. 502 of 2000 decided on 01.02.2001**, the Hon'ble Supreme Court held that regulatory fee charged by SEBI from its intermediaries is not fees which are relatable to any service rendered by the Board.

The Hon'ble National Commission in The Gauhati Co-operative Urban bank Ltd. Vs Santosh Kumar Tewari & others, III (1997) CPJ 68 (NC) held that hiring of services for consideration is a condition precedent to make a person a consumer' within the meaning of Section 2(1)(d)(ii) of the erstwhile Consumer Protection Act, 1986. Under the Act, Section 2(7)(ii) contains the words "hires or avails of any service for a consideration" which is verbatim and in pari materia with the erstwhile law. Thus, it cannot be said that the complainant had hired the 'services' of this opposite party.

The Sahara credit Cooperative society limited is not under jurisdiction of SEBI. The case is not maintainable against opposite party no.4 under "mis-joinder of parties".

The complainant stated that all investors money of sahara company's amounts were seized by SEBI and releasing maturity amount to the investors by collecting require details from the investors. While referring to SEBI response to the complainant letter he alleged that SEBI has not settled the maturity amount. As regard this averments the opposite party no.4 stating as under:

Sahara India Real Estate corporation Ltd., in short SIRECL and Sahara Housing Investment Corporation Ltd., (SHICL), both companies controlled by the Sahara Group, issued Red Herring Prospectuses ("RHPs") dated 13-3-2008 and 06-10-2009 respectively and started collecting funds from investors by issuing optionally fully convertible Debentures ("OFCDs") to them.

The opposite party No.4 is filed their counter and stating that he is a depositor in Sahara Cooperative society Lt., and is aggrieved that his investments in the Scheme floated by the said company have not been returned to him with maturity proceeds. Cooperative societies like the Sahara Credit Cooperative society Ltd., in which the complainant has invested in, do not come under the regulatory purview of SEBI. These cooperative societies fall under the ambit of the Ministry of Agriculture & Farmers Welfare, accordingly the complaints/ claims pertaining to these cooperative

societies received by SEBI, are forwarded to Ministry of Agriculture & Farmers welfare, Government of India. The registration details and areas of operation of Sahara Credit cooperative society Ltd., can be accessed from the website.

C. Amounts held with SEBI are in connection with the dues payable by SIRECL and SIHCL and held in accordance with orders passed by the Hon'ble Supreme Court:

The averments of complaint reveals that the complainant came to know through reliable sources that “some cases are filed against the Sahara Credit Cooperative Society Company Ltd and all investors money of the Sahara Companies accounts were seized by the Securities and Exchange Board of India and releasing the Maturity amount to investors by collecting required details from the investors”. While referring to SEBI’s response to his letter, he has alleged that SEBI has not settled the maturity amount. As regards these averments, the opposite party No.4 drawn the following factual events and orders passed by the Hon'ble Supreme Court against **Sahara India Real Estate Corporation Limited and Sahara Housing Investment Corporation Limited:**

- a. Sahara India Real Estate Corporation Limited (SIRECL) and Sahara Housing Investment Corporation Limited (SHICL),** both companies controlled by the Sahara Group, issued Red Herring Prospectuses (“RHPs) dated 13-3-2008 and 6-10-2009 respectively and started collecting funds from investors by issuing optionally fully Convertible Debentures (“OFCDs”) to them. Both the aforesaid companies had a total collection of over Rs.25,781 crores. The amount was collected in the guise of a “Private Placement” without complying with the requirements applicable to the public offerings of securities. SEBI, after taking cognizance of the matter passed an order dated 23-6-2011, thereby inter alia directing the two companies to refund the money so collected to the investors along with an interest of 15%

per annum from the date of receipt of money till the date of such repayment.

- b. The two companies and their Directors thereupon preferred an appeal before the Securities Appellate Tribunal (SAT) against the said order (passed by Whole time Member of SEBI, referred to as WTM, SEBI) of SEBI and after hearing the parties concerned, the Hon'ble SAT by an order dated 18-10-2011 confirmed and upheld the order of the WTM, SEBI.
- c. Subsequently, appeals were filed by SIRECL and SHICL before Hon'ble Supreme Court against the aforementioned order of the SAT, when the Hon'ble Supreme Court by a common judgment dated 31-8-2021 - **Sahara India Real Estate Corporation Ltd. And Others Versus Securities and Exchange Board of India and Another, reported in (2013) 1 SCC 1**, directed SIRECL and SHICL to refund around Rs.25,781 crores to their investors within 3 months from the date of the order with an interest of 15% per annum. Further, the Hon'ble Supreme Court also issued specific directions, under Article 142 of the Constitution of India that were set out at the end of the aforesaid judgment and final order dated 31-8-2021).

The Order passed by SEBI WTM & (SAT) Security Appellate Tribunal has confirmed by the Supreme Court and further in addition the Supreme Court direct the present Opposite parties to furnish details of supported documents to establish whether the opposite party had refunded any amount to the persons who had subscribed through RHPs dated 13-3-2008 and 16-10-2009 within a period of (10) days from the pronouncement of Order by SEBI (WTM) to examine the correctness of the details furnished by Opposite parties. Further the Supreme Court make it clear that if the documents produced by Sahara or not found genuine or acceptable then the SEBI would proceed as it the Sahara not

refunded any amount to the real and genuine subscribers who had invested money through RHPs. Further the SEBI WTM shall have the liberty to engage investigating officer expert in finance and accounts and other supporting staff to carry out directions to ascertain the genuineness of document produced by Sahara to ascertain their genuineness and they shall identify subscribers who had invested the money on the basis of RHPs and refund the amount to them with interest on their production of relevant document, and the expenses for the same will be borne by Sahara has to be paid to SEBI.

SEBI (WTM) in the event of finding that the genuineness of the subscribers is doubtful, an opportunity shall be afforded to Sahara to satisfactorily establish the same as being legitimate and valid. It shall be open to the Sahara, in such an eventuality to associate the concerned subscribers to establish their claim. The decision of SEBI (WTM) in this behalf will be final and binding on Sahara as well as the subscribers. After verification of details furnished by opposite parties the SEBI unable to find out the subscribers then the amount collected from subscriber will be appropriated to the government of India and the SEBI appointed Mr. Justice B.N. Agarwal a retired Judge of Supreme Court of India oversee whether the directions issued by Supreme Court or properly or effectively complied with by the SEBI (WTM) from the date of this order. Further the supreme court make it clear that if Sahara fail to comply with these directions and do not effect refund of money as directed, SEBI can take recourse to all legal remedies, including attachment and sale of properties, freezing of bank account etc for realizations of the amounts.

The Hon'ble Supreme Court, thereafter, by an order dated 5-12-2012 in C.A. No.8643/2012 titled Sahara India Real Estate Corporation Ltd. & Anr. Vs Securities and Exchange Board of India, had inter alia, noted that SIRECL and SHICL had failed to comply with the judgment dated 31-8-2012 by not depositing the amount raised by them (along with interest) with SEBI, and directed SIRECL and SHICL to immediately handover the demand

drafts for a total amount of Rs.5,120 crores and deposit the balance amount in terms of order dated 31-8-2012 viz. Rs.17,400/- crores and the entire amount together with interest @ 15% per annum in two instalments with SEBI by the first week of February, 2013. The Hon'ble Supreme Court had also directed that in case of default in payment by SIRECL and SHICL, SEBI would be entitled to take all legal remedies, including attachment and sale of properties, freezing of bank accounts etc. for realization of the balance dues. The WTM, SEBI, in compliance with the Hon'ble Supreme Court's order dated 5-12-2012, after SIRECL and SHICL failed to comply with the said deadline, vide two separate orders dated 13-2-2013, attached all the assets of SIRECL and SHICL including the investments owned by them in Sahara Group Companies. After that on account of wilful default by present Opposite parties with the judgment dated 31-8-2012 was constraint to file contempt petition No.412, 413/2012 on that the Supreme Court ordered contempt petition of above as under:

The registry is directed to number the contempt petition filed against this Courts order dated 5-12-2012 and post the same along with these matters on 24-7-2013 at 2.00 P.M. Further the matters transferred pending before Alahabad High court, other Courts and SEBI to the Hon'ble Supreme Court, implementing the judgments dated 31-8-2012. Thereafter on 21-11-2013 the Hon'ble Supreme Court was pleased to pass an order in contempt petition as under:

We are convinced that the order dated 28-10-2023 passed by this Court has not been complied with in its letter and spirit. In such circumstances, we direct that the Sahara Group of companies shall not part with any movable and immovable properties until further orders. We further direct that all the alleged contemnors shall not leave the country without the permission of this Court. Further the Supreme Court modified above orders dated 21-11-2013 with an order dated 4-6-2014 as under:

- a) FDs bonds and securities held by Sahara Group of companies may be encashed by the holders thereof subject to the condition that the maturity value/sale consideration of such FDs, bonds and securities shall be deposited in the designated bank account of SEBI referred to in the earlier part of this order and details of such maturity values and sale consideration furnished to this court on affidavit to be filed within four weeks from the date the FDs, bonds and securities are encashed, sold and / or transferred.

- b) Immovable properties owned by Sahara Group of companies situated in 9 different cities mentioned in the note filed by Dr.Dhawan and extracted in the body of this order with an estimated value of Rs.2,500/- crores are permitted to be sold by the companies/other entities persons n whose names such properties are held subject to the condition that such sales are not for a price lower than the estimated value indicated in the statement filed before this Court or the circle rates fixed for the area in which such properties are situated. The seller shall furnish to this court.

- c) The sale consideration of the properties less transaction cost and statutory dues on the same shall be deposited with the SEBI to the extent the same is necessary to make a total deposit of Rs.5,000/- crores inclusive of the maturity value and sale proceeds of the FDs, bonds and securities etc. Permitted to be encashed and sold in terms direction (iii) (a) above. The balance /excess amount of the sale consideration shall be deposited by Sahara in a separate account to be opened in a nationalised bank which deposit shall remain subject to further orders of this court.

- d) Sahara are also permitted to charge its immovable properties situated in Aamby Valley (Pune), the details

whereof are given in Annexure B to IAs No.101-103, for purposes of furnishing a bank guarantee for an amount of Rs.5,000/- crores and / or for deposit of Rs.5,000/- crores if there is any shortfall despite encashment and sales permitted in terms of (iii)(a) and (iii)(b) above.

- e) In modification of the orders dated 26th March, 2014, we direct that the Bank guarantees to the tune of Rs.5,000/- crores shall be furnished from a nationalised bank or a scheduled bank only. Co-operative Bank Guarantees shall not suffice.
- i) The Hon'ble Supreme Court on 11-7-2016 passed an order in Contempt petition Nos.412 and 413 of 2012, which reads as follows:

In the circumstances, we modify our order issued earlier and permit Sahara to sell the properties owned by them subject to the condition that such sales are not for a price less than 90% of the circle rates stipulated for the area in which the properties are situate. Needless to say, that the sale price so recovered by Sahara shall be deposited in entirety less expenses, TDS and all other applicable taxes in the SEBI Sahara Account.

- j) It is also submitted that SEBI has filed an application for appropriate orders being I.A.No.136394/2021 in Contempt petition Nos.412 and 413 of 2012 and contempt petition (C) No.260/2013 before the Hon'ble Supreme Court of India, where in its has been categorically mentioned that both SIRECL and SHICL have failed to comply with the directions of the Hon'ble Supreme Court by failing to deposit all the monies directed to be deposited with SEBI. The said application also contains the details of amount received by SEBI so far, amounts disbursed to the investors, balance dues that are yet to be paid by the said companies as per the directions of the court, etc. In the said application, SEBI

has prayed to the Court to pass consequential orders with respect to the other directions contained in the judgment and final order dated 31-8-2012 passed by the Hon'ble Supreme Court in C.A.Nos.9813 and 9833 of 2011.

- k) Periodic status reports are being filed by SEBI, after due approval by Hon'ble Justice B.N.Agrawal, former Judge, Supreme Court of India, in compliance with the directions of the Hon'ble Supreme Court.

In view of the directions / orders of the Hon'ble Supreme Court, it is submitted the complaint is misconceived as against SEBI. As submitted above, it is clear from the aforesaid orders of the Hon'ble Supreme Court that the amounts held with SEBI is in connection with the dues payable by SIRECL and SIHCL and the same are under the orders and directions of the Hon'ble Supreme Court and any proceedings relating to the same may lead to violation of the directions of the Hon'ble supreme Court, more particularly the directions contained in the order dated 17-7-2013 of the Hon'ble Supreme Court wherein the Hon'ble Supreme has directed that **“no High Court, Securities Appellate Tribunal and any other Forum shall pass any orders against the orders passed by Securities and Exchange Board of India (SEBI) in implementation of this Courts judgment dated 31-8-2012.**

The complaint against opposite party no.4 is not maintainable on facts or in law. Therefore the opposite party no.4 prayed for no orders or direction may be passed against them. Further prayed to delete name of the opposite party no.4 from the proceedings or alternatively dismiss the complaint against them with exemplary costs.

4. During enquiry the complainant filed his evidence affidavit as Pw1. Ex.A1 to A6 documents are marked and closed his evidence.

Inspite of ample opportunities the opposite parties not filed their evidence hence the evidence of opposite parties is closed.

4. The counsel for complainant and opposite party no.1 to 3 are reported that the matter may be decide on merits. Written arguments filed by opposite party No.4 through post with SR.No.982 dated 14-08-2023 and the same is received on record on 16-08-2023.

5. The points for consideration are as follows:-

1. Whether there is any deficiency of service on the part of Opposite parties?
2. Whether the case is mentionable against opposite party No.4 what relief?
3. To what relief?

6. **POINT No.1 to 3** : There is no dispute that the complainant made a fixed deposited in the opposite party society for Rs.18,28,400/- under 38 bonds with membership no.12181200894. It is also not in dispute the complainants approached opposite party to return their maturity amount after maturity period. Further there is no dispute the opposite party No.4 is a statutory body established under Act by parliament.

Only dispute is that whether the complaint comes under Consumer Protection Act or not whether the complainants entitled for claim amount on which opposite party.

In order to prove the case the complainant filed his evidence affidavit as PW1 and got marked Ex.A1 to A6 documents.

The opposite parties filed their evidence affidavit but nor marked any documents on their behalf and closed their evidence.

We have verified the entire case record and perused the exhibits of complainant. We also verified the contents of complaint counter and documents.

The complainant deposited an amount of Rs.7,00,000/- (Rupees Seven lakhs only) for a period of 8 years in opposite party No.1 to 3 company through "E-Shine Scheme" under Sahara Credit Co-operative Society Ltd., and the opposite parties no.1 to 3 also issued receipts along with (38) bonds in favour of the complainant with Membership No. 12681800023 with vide receipt no. (1) 80143658981 to 80143659007, (2) 80143659222 to 80143659229, (3) 80099580789 to 80099580791 in three spells. The all the bonds are matured in different dates i.e., on 15-05-2020, 24-05-2020 and 09-06-2020. On 28-11-2020 then the complainant approached opposite party for payment of matured amount but the opposite party postponed the matter stating that the "FUNDS ARE NOT RELEASED FROM HEAD OFFICE LUCKNOW". After several requests the opposite party no.2 directed to approach opposite party no.1. The complainant approach on 18-06-2021, but the opposite parties are not released matured amounts, but the opposite party no.1 postponed the matter one or the pretext other. Hence this complaint.

The opposite parties 1 to 3 vehemently denied in their written version that there is no relation of consumer and service provider between the compliant and opposite parties. The opposite parties are duly register society and the complainant and opposite parties relation is only a member of society. Therefore the consumer complaint is not maintainable.

In IA.No.5 of 2023 the opposite parties raised the objection regarding jurisdiction to try and entertain any dispute according to clause 62 of bylaws. As per it the disputes shall be referred to arbitration in accordance with provisions under arbitration and conciliation act. That the complainant had filed this consumer complaint in derogation of the provision of section-100 of

Consumer Protection Act, 2019 and contravention of the provisions of section-84 of MSCSA, 2002. He is not a consumer of the society, so his complaint is not maintainable and liable to be dismissed. But the objection is not correct section-100 of consumer protection act is in addition and not in derogation of the provisions of other laws for the time being in force unless there is clear bar. Several judgments of apex court and appellant authorities are decided in this regard. The Consumer Protection Act had given wide power and scope to protect the interests of the consumers. The same was decided in **National Seeds Corporation Vs Madhusudan Reddy** case, in that the complainant can opt to approach consumer commission or under arbitration clause. That is the choice of complainant only. Hence this complaint comes under purview of consumer commission under Consumer Protection Act 2019.

The counsel for complainant filed a letter RC.No.2446/2021-C dated 07-01-2022 issued by The District Co-operative Officer, Nizamabad. Letter No. 59/22-B dated 10-02-2022 issued by District Co-operative Officer, Kamareddy and Letter No. RD (SER)/Complaint/Sahara India Credit /2012/5298, dated 03-02-2022 issued by Regional Director (SER), Ministry of co-operative affairs, Hyderabad, which is showing that the Sahara Credit Co-operative society Ltd., is “**Not Registered**” in the Kamareddy or Nizamabad District before any Co-operative societies or under companies Act, 2013, as such same is considered and taken on record. The opposite parties not filed any documentary proof to show that they registered under co-operative society act in Kamareddy. The opposite parties are running their society at Kamareddy area hence the opposite parties should registered under co-operative society act for convenient of public those who participate in business of opposite parties. Hence there is a clear deficiency on part of opposite parties 1 to 3.

The opposite parties 1 to 3 denied averments made by complainant. The opposite parties relied on the order made by

Hon'ble NCDRC. in Revision petition No.4871 of 2012
Ms.Anjana Abranam chembethil V/s The managing Director,
the Roothattukuram Farmers Services cooperative Bank
decided on 02-09-2013. Accordingly constitution for any dispute between society and complaint consumer complaint is not maintainable. Hence the consumer Commission has no jurisdiction to try the dispute arises between co-operative society and its member but the opposite party not filed any documentary proof to show that they registered their society in Kamareddy area. Hence the opposite party not established their version. Hence the Supra judgment is not applicable to present case. It is very contradiction to the version of opposite party. Moreover Supreme Court and Bombay High Court rendered Judgments in **SECRETARY, THIRUMURU. V.M Vs LALITHA (Dead) and SAU.VARSHA RAVINDRA ISAI VS SUREKHA ARUN DIKSHIT** in that cases the petitioner questioned about jurisdiction of consumer Forum under Societies acts. Specific provisions for Arbitration the registered got exclusive jurisdiction but the Consumer Forums also got jurisdiction to try the cases. Hence this forum got jurisdiction to try the case.

The opposite parties 1 to 3 are admitted the issuing of bonds in favour of complainant. The opposite parties prepared bonds in shape of FDR to get believe from public which contains date of maturity and nominee. Hence this commission is under the opinion the opposite parties are misleading the public and induced to deposit the amount in their company under shade of member and society without registering their society in local area. Hence the plea taken by opposite parties the society and member relation not sustained in eye of law. Moreover the opposite parties are not disclosed that their Central Office is located in other States. It is not reflected in bonds issued by opposite parties while depositing the amount by petitioners. Hence the opposite parties suppressed the facts. The petitioners / consumers are belong to rural area most of petitioners are uneducated and innocent they are not aware of law.

The opposite party No.4 through written arguments stated that they are not necessary parties to the proceeding pending before this commission, it is admitted fact that the SEBI is established under an act passed by parliament to protect the interest of investors in securities and promote the development, to regulate the securities market and matters connected therewith and incidental thereto, with its Head Office at Mumbai, Maharashtra. The SEBI not provided any service for consideration to any investor under CP Act 2019. The Hon'ble Supreme Court held that regulatory fee charged by SEBI from its intermediaries is not fees which are relatable to any service rendered by the Board.

The opposite party No.4 depended on the following five judgments regarding maintainability of complaint against opposite party No.4.

1. BSE Brokers Forum, Bombay Vs SEBI, Writ Petition (Civil) No.502 of 2000 decided on 01-02-2001, the Hon'ble Supreme Court held that regulatory fee charged by SEBI from its intermediaries is not fees which are relatable to any service rendered by the Board.

2. The Gauhati Co-operative Urban Bank Ltd. Vs Santosh Kumar Twarei & Others, III (1997) CPJ 68 (NC held that). The fees charged by SEBI does not come under section 2 (7)(ii) Consumer Protection Act. SEBI is a statutory body setup by an act of parliament and it does not render any service for fees or receives any consideration for the services as defined in the Consumer Protection Act, 2019 from many investors.

3. SEBI Vs Pinky Jain Rajendra & Others (F.A.No.407/96). The statutory fee not comes under purview of consideration of services charges by SEBI.

4. E.Sadanandan Vs Bureau of India Standard & Ors. Reported as III (1994) CPJ 34 (NC), held that the Bureau of India Standards (BIS) in licensing parties to use ISI marks on their products is performing as statutory authority a regulatory function

to ensure production of quality products in the interest of the consumers.

5. In the case of **S.P. Goel Vs Collector of Stamps, (1996) 2 company Law Journal 199 (Supreme Court)**, it has been held that officers appointed to implement provisions of status like Stamp Act, Registration Act are only performing statutory duties and they do not render any service within the meaning of the consumer protection act, 1986. Similarly, SEBI is also performing statutory duties under the SEBI Act, and in doing so, it does not render any service for consideration to be amenable under the provisions of the Consumer Protection Act.

In view of above judgments this commission is under the opinion the case is not maintainable against opposite party no.4.

In IA.No.5/2023 the opposite party prayed to dismiss the complaint because there is no consumer relation between complainant and opposite parties, but after complete adjudication this commission is under opinion there is a relation between complainant and opposite party no.1 to 3 is a consumer relation. Therefore the IA is not maintainable. In view of main case disposed the IA shall stand dismissed.

Though the complainant claimed Rs.1,00,000/- (Rupees One lakh only) as Compensation, but he has not adduced evidence to that extent how he is entitled for the same. Hence we are not passing any relief to that effect.

In view of the above discussions and findings this Commission is under the opinion, the opposite parties 1 to 3 are liable to pay Rs.18,28,400/- (Rupees Eighteen lakhs twenty eight thousand four hundred only) under defect and deficiency of service in Ex. A1 which is consisting of 38 bonds with vide No.s (1)351002727259 to 351002727285 (27 bonds) (2) 351002727294 to 351002727301 (8 bonds), (3) 351002727352 to 351002727354 (3 bonds) all bonds are matured in different spells i.e., on 15-05-2020, 24-05-2020 and 09-06-2020, along with 9% interest from

the date of maturity to till its realization to complainant with costs and the case is dismissed against opposite party No.4 without costs.

In the Result, the complaint is “**Allowed**” in part as under:

- 1. The opposite parties 1 to 3 are directed to pay an amount of Rs.18,28,400/- (Rupees Eighteen lakhs twenty eight thousand four hundred only) with 9% interest per annum from the date of maturity, in deferent spells on i.e., 15-05-2012, 24-05-2012, & 06-09-2012 to till its realization to the complainant under Ex.A1 which consisting 38 bonds to Ex. A6.
- 2. The opposite parties 1 to 3 are also directed to pay an amount of Rs.3,000/- (Rupees Three thousand only) towards costs of the proceedings of the complaint.
- 3. The complaint is dismissed against opposite party No.4.
- 4. The opposite parties 1 to 3 are also further directed to comply the above 1 and 2 directions within 45 days from the date of receipt of this order.

Typed to my dictation, corrected and pronounced by the President in Open Commission on this the 28th day of November, 2023.

Sd/-
MEMBER

Sd/-
PRESIDENT

:: APPENDIX OF EVIDENCE ::
(Witnesses examined on behalf of)

<u>For the Complainant:</u>	<u>For the Opposite Parties 1 to 4</u>
Evidence affidavit of complainant filed as Pw-1.	Not filed

:: EXHIBITS MARKED ::

For the complainant:

Ex.A1	Original Bonds of E-Shine Scheme in Sahara Credit Co-operative Society Ltd., Total No.(38) Bonds.
Ex.A2	The Complainant sent a Request Letter to The Chairman SEBI, Mumbai and Hyderabad, to release the maturity amount of Rupees 18,28,400/- and a along with Affixed postal receipt.

Ex.A3	The Complainant sent a Request Letter to The Sahara Credit Co-operative Society Ltd., to release the maturity amount of Rupees 18,28,400/- and a along with Affixed postal receipt.
Ex.A4	Reply Letter to the Complainant sent by SEBI, New Delhi.
Ex.A5	Xerox Copy Aadhar Card of the complainant.
Ex.A6	Xerox Copy of PAN Card.
<u>For the Opposite Parties 1 to 4 :</u>	
	Not filed

Sd/-
MEMBER
(YS)

Sd/-
PRESIDENT