

M-11022/65/2026-OMB/CRCS  
Office of Cooperative Ombudsman  
Ministry of Cooperation  
Government of India  
\*\*\*\*\*

9th Floor, Tower-E, World Trade Centre,  
Nauroji Nagar, Delhi-110029  
30<sup>th</sup> September, 2026

Hearing in the matter of Smt. Sini Sugunan Vs. Indian Cooperative Credit  
Society Ltd., Bangaluru, Karnataka before Cooperative Ombudsman

Smt. Sini Sugunan

Complainant

Indian Cooperative Credit Society Ltd., Bangaluru,  
Karnataka

Respondent

**ORDER**

1. Smt. Sini Sugunan, in her complaint, has stated that she had opened a 7 years' tenure recurring deposit of Rs.7000 per month with Indian Cooperative Credit Society Ltd. on 07<sup>th</sup> January, 2022. She deposited 32 instalments up to August, 2024, aggregating to Rs.224000. After completion of 4 years' lock in period, she requested the society, vide application dated 09<sup>th</sup> January, 2026, to pre-maturely close & refund her deposit. The society refunded her Rs.233885, including interest of Rs.10080 on 10<sup>th</sup> February, 2026. According to the complainant interest paid was much less than the actual amount due & payable to her. She further stated that she was never informed or provided any document or terms at the time of investing in the scheme that interest would be reduced in case of premature closure after 4 years' lock in period.
2. Office of the Cooperative Ombudsman issued notice dated 03<sup>rd</sup> July, 2026 to the respondent society seeking its response to the complaint.
3. The society, vide reply dated 17<sup>th</sup> July, 2026 contended that the complainant did not pay entire 7 years' instalments to get interest at pre-agreed rate. The society has paid her reduced interest as per her eligibility based on the actual term of deposit. The society also said that in her affidavit, the complainant has stated that she was aware of the terms & conditions set by the society and is agreeable to the same.

*A. P. S. S. S.*  


4. The complainant and the respondent were summoned for a hearing through video conferencing on 03<sup>rd</sup> September, 2026. Smt. Sini Sugunan –complainant and Shri Ravishankar P - Head (Operations & Loan) of the respondent society attended the hearing.
5. The complainant reiterated her stand largely in line with her complaint. She submitted that she had paid 32 instalments till August, 2024 regularly. Due to some unforeseen reasons, she could not deposit the instalments thereafter and after completion of 4 years' lock-in period she applied for pre-mature closure of her deposit on 09<sup>th</sup> January, 2026. The society refunded her 233885, instead of actual payable amount of Rs.305600 as per her calculation.
6. The respondent society contended that as per terms of the contract and in accordance with circulars dated 14<sup>th</sup> October, 2016 and 02<sup>nd</sup> June, 2025, the complainant was paid interest @4% for first two years and no interest for the third & fourth years. The respondent society claimed that the complainant was aware of the same and had given an affidavit and declaration acknowledging that she was agreeable to receiving a lesser amount on pre-closure of her deposit.
7. The complainant submitted that except the lock in period, she had never been provided with any documents relating to the terms and conditions either at the time of joining the scheme or at any time thereafter. She had made the investment in good faith and had signed the declaration and affidavit assuming these to be pre-requisite for closure of her deposit. Smt. Sini Sugunan further complained that she did not get any clarification from the society regarding the final settlement and was made to run between society's Head Office at Bangaluru and its Corporate Office at Thrissur. She got the response only in April, 2026 after writing a post on the face book page of the society.
8. The respondent society was directed to explain the procedure for issue of circulars pertaining to interest rates and other terms & conditions applicable to the scheme, circular in force at the time when the complainant invested in the deposit scheme and how the interest amount in the instant case has been arrived at.
9. The complainant and the respondent society were also directed to make their written submissions following the hearing dated 03<sup>rd</sup> September, 2026.
10. The complainant, via email dated 08<sup>th</sup> September, 2026, submitted that the circular was purportedly an internal communication and was never shared with her and stated that as per settled principles, any unilateral change in the terms of a deposit, must be duly communicated to the depositor. The respondent society, along with their written submission via email dated 09<sup>th</sup> September, 2026, enclosed copies of their bye-laws, circular dated 14<sup>th</sup> October, 2016 and calculation of interest on the deposit of the complainant.



11. On perusal of the facts and available record, following aspects emerge:

- a) The complainant has invested in the recurring deposit scheme in January, 2022, which she discontinued after paying 32 instalments. The claim for refund of the deposit was made after the lock in period of 4 years.
- b) By her own admission, she was neither provided nor did she make any effort to find out the terms of the contract before making the investment.
- c) The society informed that they have a policy for making premature refunds. The society was asked to provide the circular that was in place at the time, when the complainant made the investment. The society has provided the circular dated 14<sup>th</sup> October, 2016 pertaining to pre-mature withdrawals. As per the above circular, the investment by the complainant is governed by the following provision:

**Sustained Deposits (Exceeding 12 Installments):** Where more than 12 monthly installments have been deposited, early redemptions post lock in period will earn 4% simple interest. If retained until the maturity date, the account will earn 6% annual compound interest.

- d) The society has informed that they had calculated the interest as per the above rates for 2 years and are not paying any interest for the 3<sup>rd</sup> & 4<sup>th</sup> year.
- e) There is no restrictive clause in the terms mentioned in circular dated 14<sup>th</sup> October, 2016 pertaining to premature withdrawal, which prohibits payment of interest for the 3<sup>rd</sup> & 4<sup>th</sup> year, for which no interest has been paid by the society. The complainant has deposited 32 installments and in terms of the above circular, which stipulate that if more than 12 installments are deposited, post lock-in early redemption will earn 4% simple interest, the society should have calculated the interest for all the 4 years for which it kept the money.
- f) Though it is the prerogative of the society to frame its own policy for refund, including payable rate of interest, there cannot be a case for any unfair treatment, as in this case, where no interest is being paid for the 3<sup>rd</sup> & 4<sup>th</sup> year, even when depositors money was with the society.



- g) The society, in its own interest, should share all the terms and conditions with the depositors at the time of taking deposit, who should also undertake due diligence before making the investment. Further, a customer centric approach would go a long way in addressing the grievances swiftly.

12. After due consideration of representations made, documents submitted and the relevant provisions of law, the matter is hereby disposed off with following directions:

- i. Indian Cooperative Credit Society Ltd., Bangaluru, Karnataka is hereby directed to pay the interest due to the complainant for the 3<sup>rd</sup> and 4<sup>th</sup> year also, for which it kept the deposit, within 30 days from the date of issue of this order.
- ii. Compliance report to be submitted by the society to this office.

  
(Alok Agarwal)  
Cooperative Ombudsman  


**Complainant:**

Smt. Sini Sugunan,  
Kalathil House, CMC 9, Near Poothotta Bridge, Cherthala Post, Alappuzha District,  
Kerala – 688524 (Email: [sinisugunan@gmail.com](mailto:sinisugunan@gmail.com))

**Respondent:**

Chairman, Indian Cooperative Credit Society Ltd.  
111, 1<sup>st</sup> Floor, Ganesh Towers, Infantry Road, Bangalore, Karnataka -560 001 (Email: [info@iccsl.in](mailto:info@iccsl.in)/[infantryroad555@iccsl.in](mailto:infantryroad555@iccsl.in))

**Copy to:**

NIC with a request to upload on CRCS website.