

CHITTY ACT & RULES – AN OVERVIEW

1969-	Formation of KSFE
1972-	Banking commission recommended to have uniform Chit Fund Legislations for the whole country
1974-	RBI prepared a Draft Bill
1975-	The Kerala Chitties Act
1982-	The Chit Funds Act

The laws relating to chitties in force of Kerala State

Travancore area	Travancore Chitties Act, No 26 of 1120
Cochin area	Cochin Kuries Act, No 7 of 1107 & Starting of Cochin Kuries (Restriction) Act, No 12 of 1120
Malabar area	No Act

unified as

THE KERALA CHITTIES ACT, 1975

(Act 23 of 1975)

Preamble of this Act *An act of define, amend and consolidate the law relating to chitties in the State of Kerala*

Came into force on **25-08-1975** as Kerala Chitties Rules, 1975

Extends to the whole State of Kerala

Consists of **12** parts & **72** sections

Amendments of KCA,1975

The Kerala Chitties (Amendment) Act, 1978 (Act no 19 of 1978)

Came into force on **03-05-1978**

Amendment- Insertion of new section 70 A (power to exempt)

The Kerala Finance Act,2002 Wherever 20% of subscribers resides, there must have the office of chitty company.

The Chit Funds Act, 1982

(Act no 40 of 1982)

Preamble of this Act An act to provide for the regulation of chit funds and for the matters connected therewith

Enacted by Parliament in the **33rd** year of Republic of India

Received the assent of The President of India on **19-08-1982**

Published in the Gazette of India on **20-08-1982**

It extends to the whole of India except the State of **Jammu & Kashmir**

CFA, 1982 Came into force

First State - Karnataka on **02-01-1984**

First Union Territory - Chandigarh on **01-05-1984**

In Kerala State - **30-04-2012**

CFA, 1982 consists of

13 Chapters **90** Sections **142** Subsections **10** Explanations **19** Definitions

The subject dealing with CFA, 1982 falls under III rd list of 7 th schedule of constitution of India

Amendment of CFA, 1982

The Chit Funds (Amendment) Act, 2001 (Act no 10 of 2001)

Enacted by Parliament in the **52nd** year of Republic of India

Received the assent of president of India &

published in the Gazette of India on **09-05-2001**

Came into force on States and Union Territories on **01-10-2001**

Amendments in sections **6(3)**, **13(1)** and **20(1) a**.

Kerala Chit Fund Rules, 2012

As per Central Government notification no. **S.O.950(E)** dt **30-04-2012** and a supreme court verdict dt **08-05-2012** ordered to enact CFA, 1982 in Kerala State

Notification by Government of Kerala on 08-05-2012

Notification order G.O.(p) No. 94/2012/TD dt 04-06-2012

Government of Kerala published the KCFR,2012 on 04-06-2012

KCFR,2012 Came into force on 05-06-2012

KCFR,2012 contains

8 Chapters 64 Rules 120 Sub rules

2 Explanations 1 Appendix 7 Definitions & 28 forms

If there is difference between the Act and Rules, Act will prevail

Amendments of KCFR, 2012

Kerala Chit Fund (Amendment) Rules, 2013

Came into force on 18-12-2013

Amendment- Appendix II (Table of fees)

Kerala Chit Fund (Amendment) Rules, 2015

Came into force on 01-06-2015

Amendment-As per Rule 13(2), the time frame *before first draw* was substituted to *before second draw* regarding the furnishing of pass book by foreman to the subscriber

Kerala Chit Fund (Amendment) Rules, 2016

Came into force on 07-06-2016

Amendment- Insertion of new Rules

Rule 65- Power to compound offences

Rule 66- Compounding of offences repeated

Appendix III- Schedule of Compounding amount