

Part II
CFA SECTION 61-91

CHAPTER XI---APPOINTMENT OF OFFICERS AND LEVY OF FEES

Section 61---Appointment of Registrar and other Officers

Sub section 1) The State Government may appoint a Registrar of chits and Additional, Joint, Deputy and Assistant Registrar's by notification in the official Gazette.

Sub section 2) The Registrar may appoint as many Inspector of Chits and Chit Auditors.

Sub section 3) All Inspector of chits and Chit Auditors shall discharge the duties under the general superintendence and control of Registrar.

Sub section 4) If the Registrar is of the opinion that the accounts of any chit are not properly maintained, such accounts shall be lawful to him audited by a chit auditor.

Sub section 5) It shall be the duty of the foreman of the chit whose accounts are audited by a chit auditor

Subsection 6) The foreman shall pay to the chit auditor such fees may be prescribed from time to time.

Section 62--- Inspection of documents in Registrar's office

The foreman of a chit or any subscriber of a chit or the heirs or legal representatives of any foreman or subscriber may on payment of fees

- a) Inspect the documents of concerned chits kept by the Registrar
- b) Obtain a certified copy of any such document or record.

Section 63---Levy of fees

Subsection 1) There shall be paid to the Registrar such fees prescribed by the State Government from time to time.

Subsection 2) A table of fees prescribed under subsection 1 shall be exhibited on a notice board in the office of Registrar.

CHAPTER XII--DISPUTES AND ARBITRATION

Section 64----Disputes relating to chit business

Subsection1) Any disputes regarding the management of chit business shall be referred to the Registrar for arbitration by

a) a foreman, a prized subscriber, a non prized subscriber including defaulted subscriber, past subscriber or a person claiming through a subscriber or a deceased subscriber of a chit.

b) a surety of a subscriber, past subscriber or a deceased subscriber.

Subsection 2) Where any question arises regarding subsection 1 shall be decided by the Registrar whose decision shall be final.

Subsection 3) No Civil Court shall have Jurisdiction to entertain any suit or other proceedings in respect of any dispute referred in subsection 1.

Section 65---Period of limitation

Subsection 1) Subject to the specific provisions contained in the Limitation Act, 1963, the period of limitation under section 64 shall be

a) 3 years if the dispute relates to the recovery of any sum including interest from a deceased subscriber from the date of death.

b) 3 years if the dispute is between a foreman, a prized subscriber, a non prized subscriber including defaulted subscriber, past subscriber or a person claiming through a subscriber or the nominee, heir or legal representative of a deceased subscriber from the date of disputes arose.

Subsection 2) The period of limitation in the case of any disputes other than subsection 1 shall be regulated by a Civil Court.

Subsection 3) The Registrar may admit a dispute after the expiry of the period of limitation, if the applicant satisfies the Registrar that he had sufficient cause for not referring the dispute within such period.

Section 66---Settlement of disputes

Subsection 1) The Registrar shall settle the disputes by himself or by a person appointed by him as the nominee.

Subsection 2) Where there is any dispute regarding such nominee, the Registrar withdraw such disputes from the nominee and settle by himself or refer to any other nominee appointed by him.

Section 67--- Procedure for settlement of disputes and powers of Registrar or nominee

Subsection 1) The Registrar or the nominee hearing a dispute under section 66, in addition to the powers conferred under that section have the same powers as are vested in a Civil Court while trying a suit under The Code of Civil Procedure, 1908 (5 of 1908)

Subsection 2) Except with the permission of the Registrar or his nominee, no party shall be represented at the hearing of the dispute by a legal practitioner.

Subsection 3) If the Registrar or his nominee satisfied that any person whether he is a subscriber or not, has acquired any interest in the property of a person who is a party to the dispute, he may order that the person may be joined as the party to the dispute and any decision given by the Registrar or his nominee shall be binding in the same manner as if he were the original party to the dispute.

Section 68---Attachment before judgement and other interlocutory orders.(4 subsections)

Section 69---Decision of Registrar or nominee

When the dispute is referred to arbitration, the Registrar or nominee make an award on the dispute.

Section 70---Appeal against decision of Registrar or nominee

May within 2 months from the date of the order or award, appeal to the State Government.

Section 71--- Money how recovered

Every order passed by the Registrar or the nominee under section 68 and 69 and every order passed by Government under section 70 if not carried out on a certificate issued by the Registrar be deemed to be a decree of a Civil Court.

No application for execution after the expiry of 3 years from the date fixed in the order.

Section 72----- Private transfer of property after made issue of the certificate void against the foreman

CHAPTER XIII-----MISCELLANEOUS

Section 73--- Advisory rule of Reserve Bank

The Reserve Bank may tender to any State Government such advice on question of policy with respect to this Act.

Section 74---Appeal (4 appeals)

Subsection 1) Any foreman aggrieved by the decision of the Registrar

- a) refusing to register a chit agreement under section 7
- b) refusing to grant a certificate of commencement under section 9 (2)
- c) refusing to accept any security under section 20(1) or section 31
- d) refusing to release the security charged under section 20 & 31

may within 30 days of communication to him of such decision appeal to the State Government or any other person or officer or authority as may be empowered by the notification in the Official Gazette by the State Government

Subsection 2) Under section 34 (1), do as per subsection 1

Subsection 3) The State Government or such officer or authorised person pass such order on the appeal shall be final.

Section 75----Power of Registrar to give extension of time for filing documents

Under section 28 (3), section 29(2), section 37 or section 41 allow further time not exceeding 15 days to file copies of such documents.

Section 76---- Penalties

Subsection 1) Whoever contravenes or abets the contravention any of the provisions of sections 4,5,8,9,11,12,13,14,19,20,22,24,30,31,33(4),46,47,61(5) & 76(3) shall be punishable for a period of 2 years or fine of 5000 rupees or with both.

Subsection 2) Any foreman fails to filing of documents, comply with the requirements of chit agreement regarding date, time and place for the draw of chit, fails to comply any directions under section 38(3), shall be punishable with fine of Rs. 3000/-.

Subsection 3) Whoever willfully make or file a false statement or document, shall be punishable with imprisonment for 2 years or fine of Rs. 5000/- or with both.

Section 77--- Penalty for second and subsequent convictions

If a person convicted an offences under section 76 (1) & 76(3) is again convicted, shall be punishable for 2 years and liable to fine.

Section 78---- Application of fine

A court imposing any fine under this Act may direct that the whole or any part towards the payment of the cost of proceedings.

Section 79----Offences by companies

Subsection 1) Where an offence under this Act committed by a company, every responsible person deemed to be guilty and shall be punished accordingly.

Subsection 2) Where any offence committed with the consent or convenience of any director, manager, secretary or any officer shall also be deemed guilty and be punished accordingly.

Explanations a) company means any body corporate and includes firm or association of individuals

b) Director means partner of the firm

Section 80----Cognizance of offences

Subsection 1) All offences under section 11 shall be punishable

Subsection 2) No court inferior to that of Metropolitan Magistrate or a Judicial Magistrate of the first

class shall be an offence punishable under this Act.

Section 81----Power to compound offences

Sub section 1) Any person empowered by the State Government except from the persons who has committed the offence, a sum of money as may be prescribed from time to time.

Subsection 2) The offender as per subsection 1 if in custody shall be discharged and no further proceeding shall be taken against him in respect of such offence.

Section 82----Power to enter and search any place and to seize any documents.

Subsection 1) Registrar or any other officer authorised by him

Subsection 2) Registrar or any other officer authorised by him may apply for the assistance of an officer in charge of police station.

Subsection 3) All searches under subsection 1 shall be made in accordance with the provisions of Code of Criminal Procedure, 1973(2 of 1974)

Section 83-----Officers to be public servants

The Registrar and all officers appointed by the State Government to perform any function under this Act shall deemed to be the public servants under section 21 of Indian Penal Code.

Section 84-----Power to delegated

The State Government may by notification in the official gazette has the power to delegate any rules under this Act.

Section 85-----Act not to apply to certain chits

- a) Any chit started before the commencement of the CFA 1982
- b) Any chit in which aggregate chit amount which does not exceed 100 rupees.
- c) Any chits starting from Jammu & Kashmir under section 1(2).

Section 86---Banks not to conduct chits

Subsection 1) No Bank shall commence or conduct any chit business after the commencement of CFA 1982

Banks include Nationalised Banks, Scheduled Banks and Co-operative Banks under section 2 of RBI Act, 1934 (2 of 1934)

Subsection 2) Where a chit had been started by any Bank before the commencement of CFA 1982, such chit may be continued until it is completed, shall apply to the provisions and laws for such chits as per

this act.

Section 87----Power to exempt

The State Government in consultation with the Reserve Bank, by notification in the official gazette exempt any person or class of persons or any chit or class of chits from all or any of the provisions of CFA 1982

Section 88---Protection of action taken under the Act

No suit, prosecution or any other legal proceedings shall be against the State Government, the Registrar or other officers of State Government or the Reserve Bank or any officers of it, for exercising any powers or discharging any functions under this act.

Section 89--- Power to make rules

Subsection 1) The State Government in consultation with the Reserve Bank, by notification in the official gazette make rules for giving effect to the provisions of this Act

Subsection 2) For the following matters (20 matters)

Subsection 3) Every rule made under this section shall be laid as soon as before each house of the State Legislature where it consists of two houses or one house.

Section 90-----Repeal and Savings

Subsection 1) a) The Andra pradesh chit fund Act 1971, The Kerala Chitties Act 1975, The Maharashtra chits fund Act 1974, the Tamilnadu chit funds Act 1961, the Uttar Pradesh chits funds Act 1975, the Goa & Daman and Diu chits funds Act 1973, the Pondicherry chit fund Act 1966 are hereby repealed and the provisions of section 6 of General Clauses Act 1897 shall apply to such repeal.

Subsection 2) The above Acts under subsection 1, shall continue in the same manner as they applied to such chits before the commencement of CFA 1982.

Notes Prepared by Sri. Gopakumar G , Manager

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