Miscellaneous (58 to 63)

Chapter VII

Miscellaneous

58. [1]**[Appeal].**--[2][(1) An appeal under Section 70 or sub-Sections (1) and (2) of Section 74 shall be made in writing and shall be either presented in person or sent by registered post to the appellate authority.

Explanation.--For the purpose of this rule and rule 59, appellate authority means--

(a) in respect of an appeal under Section 70, the State Government;

(b) in respect of an appeal under sub-sections (1) and (2) of Section 74, the State Government or such officer or authority as may be empowered by a notification in the Official Gazette by the State Government in that behalf.]

1. Substituted by G.O. Ms. No. 408, dated 17-11-1992.
2. Substituted by G.O. Ms. No. 408, dated 17-11-1992.

(2) The appeal shall be in the form of a memorandum accompanied by fee prescribed in Appendix II.

(3) Every appeal shall--

(a) specify the names and addresses of the appellant as well as the respondent;

(b) state by whom the order appealed against was made;

(c) set forth concisely and under distinct heads the grounds of objections to the order appealed against with a memorandum of evidence;

(d) state precisely the relief which the appellant claims;

(e) give the date of the order appealed against.

59. Hearing and disposal of the appeal.-- (1) On receipt of the appeal, the appellate authority shall as soon as possible examine it and ensure that,

(a) Whether relevant fee has been paid on the appeal memorandum;

(b) the person presenting the appeal has the locus standi to do so;

(c) it is made within the specified time-limit; and

(d) it conforms to all the provisions of the Act and these rules.

(2) In the proceedings before the appellate authority the appellant and the respondent may be represented by an agent holding on power of attorney or by a legal practitioner.

(3) The appellate authority, on the basis of the enquiry conducted and with reference to the records examined, pass such order on appeal as may deem just and reasonable.

(4) Every order of the appellate authority under sub-rule (3) shall be in writing and it shall be communicated to the parties concerned and the Registrar.

60. Period of retention of records by the Registrar.-- The records of a chit including registers and books of account, shall be preserved in the office of the Registrar for eight years--

(a) from the release of the security in the case of chits which are terminated ; and

(b) from the date when the affairs of the chit are completely wound up in cases dealt with in Chapter X of the Act and if orders passed under that Chapter are appealable, from the date of disposal of the appeal.

61. Register of records kept.-- Every Registrar shall keep a separate register in which shall be entered particulars of all records, relating to chits registered in his office.

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62. Compounding of offences arising under the Act.-- (1) Any officer empowered by the State Government shall issue a show cause notice before taking any action under Section 76 or 77 of the Act against any person who has committed, or reasonably suspected to have committed any offence under the Act, or rules made there under asking him to show cause within a period of fifteen days, why action under the said Section 76 or as the case may be, under Section 77 of the Act should not be taken against him.

(2) Notwithstanding anything contained in the said provision– (i) any officer empowered by the State Government to compound the offence committed under the Act or reasonably suspected to have committed any offence under the Act and Rules made there under may compound the said offence committed by any person, either before or after the institution of the criminal proceedings under the Act : provided that the said proposal to compound the offence is accepted by any officer authorized by the State Government.

(ii) On an approval of the said proposal by the officer empowered to approve such a proposal referred to above, the officer empowered to compound the offence shall send an intimation in writing in that behalf to that person specifying therein--

(a) a sum determined by way of composition;

(b) the date on or before which the sum shall be paid.

[1][63. Rate of interest for defaulted instalment of subscription by a non-prized subscriber].-- The rate of interest payable by a defaulting subscriber in pursuance of the proviso to sub-section (1) of Section 28 of the Act shall not exceed twelve per cent per annum.

Case Law

Interest payable by a defaulting subscriber at 12% cannot be said to be unreasonable.
See : Soudambika finance Pvt. Ltd. vs. Union of India, AIR 1993 Mad, 190 at 213, para 30.

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