

In exercise of the powers under Section 69 of the **Uttar Pradesh Chit Funds Act, 1975** (U.P Act No. 53 of 1975), the Governor is pleased to make the following rules:-

CHAPTER I

Preliminary

1. Short title and commencement [section 69].-

- (1) These Rules may be called the Uttar Pradesh Chit Funds Rules, 1976.
- (2) They shall come into force with effect from August 2, 1976.

2. Definitions:[Section 69].-In these rules, unless the context otherwise requires;-

- (1) 'Act' means the Uttar Pradesh Chit Funds Act 1975;
- (2) 'Form' means a form appended to these rules;
- (3) 'Schedule' means the Schedule appended to these rules;
- (4) 'Section' means a section of the Act;
- (5) All other words and expressions used but not defined in these rules shall have the meanings assigned to them in the Act.

CHAPTER II

Constitution and Registration

3. Subject-matter of the general bye-laws:[Sections 3, 13 and 18]-The general bye-laws shall provide for the following matters, namely:-

(1) Scheme of the Chit.-

- (a) The objects of the chit;
- (b) place where the chit is proposed to be conducted with name of the police station, Tehsil and , District;
- (c) Chit amount;
- (d) total number of tickets in the chit;
- (e) total number of instalments and the amount of subscriptions or quantity of grain payable for each instalment;
- (f) minimum numbers of tickets or the minimum fraction of a ticket and the maximum number of tickets, if any, fixed , for which subscription can be made by a subscriber;
- (g) date of commencement and termination of the chit.

(2) Foreman.-

- (a) If the foreman is a firm, the name of the firm and the name of each of the partners of the firm and the other particulars mentioned in clause(c) of each such partner;
- (b) If the Foreman is a corporation, the name of the corporation, its registration number and the name and situation of its registered office;

(c) In any other case, the name, parentage, age, occupation and address of the Foreman;

(d) If the Foreman is a firm or corporation a true copy of the entry in the register of the forms or the registration certificate as the case may be, duly certified by the Registrar of Companies shall be filed with the general bye-laws before the Registrar which shall be retained by the Registrar along with the general bye-laws in his office;

(1) *Rights of the Foreman-*

(a) Right, if any, reserved to the Foreman to obtain the Chit amount at any specified instalment without any auction, drawal or tender;

(b) The rate of commission or remuneration ;

(c) Provisions relating to transfer of the right of defaulting subscribers to other existing subscribers;

(d) The requirement that every substituted subscriber shall execute the Chit agreement and have it filed by the Foreman with the Registrar before the drawings of the instalment next to the one at which the substituted subscriber concerned participated ;

(e) Lien of the Foreman on the amounts due to prized subscribers for the subscriptions due to Chit payable to each subscriber .

(2) *Duties of the Foreman.-*

(a) Duty of Foreman to specify the date and place for payment of the prize amount to the prize subscriber ;

(b) Details of the arrangement made for the investment of funds including the undisbursed amount due to prized subscribers , arrears of subscription collected from substituted subscribers and future subscriptions from defaulting prized subscriber;

(c) Name of the approved banks into which all the money relating to the Chit shall be deposited under the provisions of the Act;

(d) Description and kind of security offered and net assets of the Foreman for running the Chit;

(e) Nature and kind of audit of accounts proposed and the person by whom the balance are to be audited with reference to Section 18;

(f) Date, time and place for the examination of Chit records under Section 37 and the fee payable herefor;

(5) *Subscription;-*Place of payment and last date for payment of each instalment;

(6) Time and place of drawal auction or receipt of tender and the maximum and minimum amount of dividend, if any, fixed in respect of each instalment;

(7) *Dividend-* Informations as to how assessed and new distributed amongst the subscribers;

(8) Mode of determining the successful bidder;

(9) Procedure to be adopted when there are no bidders or when there is a tie between the bidders;

(10) Persons competent to bid at each instalment ;

(11) Arrangement for general and special meetings of subscribers;

(12) Provision made for payment of subscription due from a defaulting subscriber till a *substituted*

subscriber takes his place;

(13) Provision made for the transfer of the ticket of non-prized subscribers and of the interest of the Foreman;

(14) Procedure to be adopted on the death of a subscriber before the termination of the Chit;

(15) Procedure for the continuance of the Chit in the event of ;-

(i) the death of the Foreman or his becoming of unsound mind or otherwise incapacitated;

(ii) the dissolution of the firm if the foreman is partnership firm; and

(iii) the winding up of the company, if the Foreman is a corporation.

(16) Procedure to be adopted for meeting the expenditure connected with the execution of Chit agreement, the Security Bond to be executed by prized subscribers, release of security and any other matter relating to the Chit;

(17) Such other matters incidental to the conduct and management of the Chit as may as be deemed necessary,

Application for registration: of general bye-laws:[Section 3,55 and 56]. Every application for the registration of the general bye-laws shall be made to the Registrar by the Foreman in Form No.1 and it shall be accompanied by the fee set out in the Schedule.

Certificate of Registration :[Section 3]- The Certificate of registration to be issued under sub-section (3)(i) of Section 3 shall be in Form No.II

Register of general bye-laws:[Section 69].- Every set general bye-laws registered under the Act shall be numbered serially by the Registrar in separate series and entered in a register in Form No.III

Communication of order of refusal to register the general bye-laws:[Section 69].-If the Register refuses to register the general bye-laws of a Chit under sub-section (3)(ii) of Section 3 he shall record his reasons for such refusal in writing and send a copy of the order to the applicant: Provided that the Registrar shall give an opportunity to the Foreman of being heard before refusing to register the general bye-laws.

Amendment of general bye-laws:[Section 6].- An application to register alteration of the general bye-laws shall be dealt by the Registrar in the same manner as an application to register the general bye-law.

Date of effect of amendment to general bye-laws:[Section 6].-An amendment to the general bye-laws of a Chit shall not take effect from a date earlier than the date of the registration of such amendment unless other-wise ordered by the Registrar. Provided that the Registrar shall not give effect to the amendment from a date earlier than the date of application for the registration of the amendment.

Particulars to be contained in the Chit agreement:[Section 5(12), 14, 18,25 and 37.]The Chit agreement shall, in addition to the particulars mentioned in Section 5, contain full and complete particulars mentioning the following points:-

(1) Registration number and date of registration of the general bye-laws;

(2) The particulars required by Rule 3 (2);

(3) Chit Amount;

(4) Time and place at which and the period within which every prized or non-prized subscriber shall pay

his subscriptions;

(5) If the prized subscriber is to be ascertained by auction or tender, provisions for determining the prized subscribers when there are no bids or tenders;

(6) Persons who can bid or participate in the drawal and the rights of the participants if they are nominee of subscriber;

(7) Whether non-prized and unpaid prized subscribers will get their contributions to the Chit on the termination of the Chit without any deductions;

(8) Particulars of security given or deposited by the Foreman under Section 14 with details of net assets under Section 13; If immovable property is offered as security, full description of the property and if the security is in the form of cash or movables the place or banks wherein they are deposited and if Government securities, their nature and value. The value of the security shall be given in each case as required in Section 14;

(9) Period within which subscription for each instalment is payable;

(10) Nature and kind of audit of accounts proposed and the person to whom the audit of balance sheet is to be entrusted with reference to Section 18;

(11) Date, time and place for the examinations of the Chit records under Section 37 and the fee payable therefore;

(12) The manner of security to be furnished by the prized subscribers for the due payment of future subscriptions ;

(13) Whether the subscribers to the agreement undertake to abide by the general bye-laws of the Chit;

(14) Date of the general meeting of the general body of subscribers.

Form of Certificate of commencement of Chit business:[Section 7].-The certificate of commencement referred to in section 7 shall be in Form No IV.

Form of certificate referred to in sub section (2) of Section 8 [Section 8].-The certificate to be filed under sub-section (2) of Section 8 shall be in Form No.V. Before issuing the certificate referred to in Rules 11 and 12 entries shall be made in the registrar of Chits in Form No.VI.

Form of minutes proceedings:[Sections 11,14,23,24 and 27]. The minutes of proceedings of every drawing shall in addition to the particulars specified in sub-section (2) of Section 11 contains full particulars on the following points:-

(1) Particulars of deposit, if any, of money under Section 16 since the date of the previous drawing;

(2) Particulars of deposit, if any, of money under sub-section (3) of Section 23, subsections (1), (2) and (3) of Section 24 and clauses (a) and (b) of sub-section (3) of Section 27 since the date of the previous drawing;

(3) Amount withdrawn from the approved bank(the name of the bank to be specified) and the purpose for which the amount was withdrawn since the date of the previous drawing;

(4) How the prized subscriber was ascertained as per the terms of the Chit agreement and particulars of ticket and prized amount. If the ascertainment of the prized subscribers related to fraction of a ticket particulars in respect of each such fraction shall be entered;

(5) Full particulars of the commission paid to the Foreman and the amount of dividend assigned to each subscriber;

(6) Name of subscribers or their authorized agents who bid at the drawing, their ticket numbers and signatures.

14.[Section 10] (1) The following procedure shall be followed for general meeting of the general body of subscribers;-

(a) The Foreman shall call a general meeting of the general body of the subscribers each month on the day of the draw of the Chit;

(b) Such a meeting shall be held immediately before the draw of the Chit;

(c) The proceedings of the meeting shall be recorded in the register mentioned in Rule 21` (viii) and a copy of the proceedings shall also be forwarded to the Registrar duly signed by the Foreman and one-tenth of the subscribers;

(d) The Register mentioned in clause (c) above shall be open for inspection of the subscribers on the business hours.

(2) The following procedure shall be followed for a special meeting of the general body of the subscribers;

(a) The foreman, on his own initiative, or on the requisition of twenty-five percent of the aggregate number of the non-prized and unpaid prized subscribers shall convene a special meeting of the general body of subscribers for considering any proposal to pass a special resolution, and the meeting so convened shall be held within thirty days of the date of the receipt of the requisite.,on, and if the Foreman fails or refuses to call the meeting within the stipulated time the requisitionists shall give notice of the fact to the Registrar;

(b) The Registrar shall within 30 days of the receipt of a notice under clause (a) above convene a special meeting of the general body of the subscribers;

(c) The Registrar shall be present at every special meeting.

CHAPTER III

Foreman

15.Valuation of Chit amount in grain Chits [Section 15].- In a grain Chit for the purpose of security under Section 14 the grains or any other goods shall be valued by the Registrar as follows;

(a) The total quantity of grain or any other goods due from all subscribers at one instalment of the Chit shall be ascertained;

(b) The market value for the time being of the total quantity referred to in clause (a) shall then be calculated;

(c) In assessing the market value, the Registrar shall adopt the current market prices at the nearest tahsil, town as ascertained from the Tahsildar having jurisdiction;

(d) One and one-half times the market value mentioned in clause (b) shall be taken to be the Chit amount for the purpose of furnishing security by the Foreman under Section 14 (1).

16. Procedure in case of cash depositor Government securities [Section14]In the case of cash deposited in an approved bank and transferred in favour of the Registrar under clause(b) of Section 14

(1) the receipt or the pass book issued by the approved bank shall be delivered to the Registrar to get the fact of such deposit and transfer in his favour from the approved bank. The Registrar shall inform the approved bank that the security amount has been deposited in the bank in pursuance of the said Section 14

(2) In the case of Government securities transferred in favour of the Registrar under clause (b) of Section 14 (1) the Registrar shall keep them in safe custody under his control in Government Treasury.

17. Security in the form of movable property: [Section 14.]

(1) The kinds of movable property for the purpose of the proviso to subsection (1) of Section 14 shall be either gold or silver in the form of bullion or manufactured articles.

(2) The Foreman shall deposit any movable property referred to in subrule (1) in any approved bank and submit the receipt together with the certificate of valuation of such property by the bank to the Registrar. The Foreman shall make the property so deposited available as security for the proper conduct of the Chit. The Registrar shall inform the Bank that the movable property has been deposited in pursuance of Section 14.

18. Application for release of security: [Section 14] On the termination of a Chit the Foreman may apply to the Registrar for the release of the security given by him.

19. Declaration by Foreman.- An application for release of security under Rule 20 shall contain a declaration separately signed by the Foreman stating that the claims of all the subscribers have been fully satisfied and that all dues payable by the Foreman under the act to the Registrar or any other officer have been paid.

20. Procedure for release of security: [Section 14].- (1) The Registrar may for the purposes of Section 14 (4) call upon the Foreman to produce a copy duly certified to be a true copy of any register and book of accounts maintained by the Foreman and shall exhibit a notice on his office person objecting to such release may file with the Registrar his statement of objections if any, within fifteen days from the date of exhibition of the notice. A copy of the notice in duplicate shall be sent to :-

(i) every other notice in duplicate department, and

(ii) every Tahsildar in whose jurisdiction the whole or part of the property given as security is situated for exhibition of one copy on the notice board of their offices and retransmission of the other copy with an endorsement of the fact of such exhibition.

(2) If no objections are received within the period specified in the notice, the Registrar shall release the necessity. The Registrar shall, if so required by the Foreman, execute, and register a deed of release at the cost of the Foreman.

(3) If any objections are received within the time specified in subrule(1), the Registrar shall enquire into the objections summarily within fourteen days after the date of expiry of the period specified in the notice referred to in sub-rule (1) and record his decision in writing and communicate a copy thereof to the Foreman and to the objector.

21. Books and account to be maintained by the foreman – [Section 11].- In addition to the books of meetings and minutes of drawing mentioned in Sections 10 and 11 respectively, every Foreman shall keep the following registers and books of accounts:-

(i) register of subscribers in Form No. VII;

- (ii) a ledger in Form No VIII;
- (iii) a day book in Form No. IX;
- (i) a receipt book in form No. X duly certified by the Foreman as to the number of pages in duplicate;
- (ii) a book containing copies of all notices issued by the Foreman to the subscribers;
- (iii) a file containing vouchers and payment made by the Foreman;
- (vii) a file containing documents relating to securities given by the prized subscribers; and
- (viii) register of meetings.

22. Accounts to be written up promptly :[Section 17].-(1) Every entry in the register of subscribers, the ledger or the day book mentioned in Rule 21 shall be made as shown as the particular event occurs.

(2) The Foreman shall issue or cause to be issued receipt for every money received by him in connection with any Chit.

(3) The Foreman shall, at the time of issuing every notice, prepare a copy of thereof in the book mentioned in Rule 21(v), certify it to be a true copy and enter therein under his signature the date of dispatch of the notice.

(4) A voucher duly signed by the recipient shall be obtained by the Foreman at the time any payment is made to him and such voucher shall immediately be filed in the file specified in Rule 21(vi), after due verification of all the particulars entered therein.

(5) Every document relating to the security given by prized subscribers shall, as soon as it is received be filed in the file mentioned in Rule 21 (vii) The file shall contain an index for facilitating the security of the documents.

23. Filing of vouchers.- As soon as each payment is made the Foreman shall obtain a voucher from the payee. He shall verify whether the voucher specifies the purpose for which the payment was received and whether it is properly signed by the recipient and preserve it in the file mentioned in Rule 21 (vi) and after assigning a serial number thereto for each calendar month.

24. Form of balance sheet: [Section 18]-The balance sheet referred to in sub-section (1) of Section 18 shall be in Form No. XI.

25. When balance sheet is to be prepared .- (1) The balance sheet shall be prepared by the Foreman

(a) When the duration of the Chit does not exceed one year, on the termination of the Chit; and

(b) When the duration of the Chit exceeds one year, on the expiry of every period of twelve months and also on the terminations of the Chit.

(2) The balance sheet shall be filed by the Foreman within six months from the date of expiry of

the period referred to in sub-rule (1), duly audited by Chit auditors appointed under sub-section (3) of Section 53 or by auditors duly qualified to act as auditors of companies under the Companies Act, 1956 as the case may be.

26. Audit by Chit Auditor:[Section69]-

(1) If the foreman desires to have the balance sheet and profit and loss account audited by a Chit Auditor appointed under sub-section (3) of Section 53 the foreman shall immediately after the preparation of the balance sheet, make an application for such audit to the Registrar specifying whether the audit shall be at the premises of the Foreman or not, and the application shall be accompanied by the fees set out in the Schedule.

(2) The Registrar shall cause the balance sheet and profit and loss account to be audited by the Chit Auditor as expeditiously as possible. On receipt of the application, the chit auditor shall call upon the foreman to produce the chit records on such date, time and place as he may fix and the foreman shall produce all registers, books of accounts and other records relating to the chit accordingly and furnish such information and give such facilities as may be necessary of required for the proper audit of the balance sheet and profit and loss account at the time and place fixed by the chit auditor.

(3) Notice of not less than seven days shall be given to the Foreman as to the date of audit at the premises of the foreman or for the production of registers, book of accounts and other records relating to the chit, as the case may be.

27. Audit certificate and report of the chit auditor to be in Triplicate :[Section 69]- The Chit Auditor shall prepare his report and Audit certificate in Triplicate and shall send one copy to the foreman, the second to the Registrar and keep the last for his own file.

28. Time for filing balance sheet audited by Chit Auditor or by other Auditors:[Section 69].-

(1) Where the audit is done by the Chit Auditor appointed under sub-section (3) of Section 53 the Foreman shall file with the Registrar a copy of his balance sheet and profit and loss account together with the audit certificate and the auditors report within one month from the date of receipt of the audit certificate and audit report from the Chit Auditor.

(2) In the case of audit by an auditor qualified to act as auditor of companies under the Companies Act 1956, the Foreman shall file with the Registrar the documents referred to in sub-rule (1) within six months of the expiry of the period with reference to which the balance sheet is to be prepared under Rule 24.

CHAPTER IV

Winding up of Chits

29. Form of petition for winding up and presentation:[Section 41]- An application for winding up a Chit shall contain the following particulars:-

(1) Full name, description, occupation and address of the applicant

(2) Name and address of the Foreman.

(3) Particulars of the Chit:-

(i) Number and date of registration of general bye-law;

(ii) The Chit amount and Registration number with date registration of chit and name of the series;

(iii) The total number of tickets.

(iv) The number of subscribers and the number of ticket subscribed by each subscriber;

(v) The number of non prized subscribers on the date of the petition; and

(vi) The number of unpaid prized subscribers.

(4) Facts constituting the grounds specified in clauses (a) to (b) of Section 40 on which the applicant desires the chit to be wound up.

(5) Whether the previous sanction of the Registrar, if necessary, has been obtained.

30. Custody of Chit Assets and appointment of Receiver and his powers and duties

[Section 44 and 46].-

(1) On the making of an order for the winding up of a chit by the prescribed authority or court, as the case may be the letter shall send a copy of its order to the Registrar, The Registrar shall forthwith forward a copy of the order to the chit auditor with instruction requiring him to take into his custody on behalf of the court. All the properties, effects, book of account and paper relating to the chit if a receiver has not been appointed by the court. The Chit auditor shall forthwith take into his custody all properties, effects, book and papers relating to the chit and hand them over to the receiver as soon as a receiver is appointed by the court or prescribed authority as the case may be .

2) The provisions contained in order XL, of the first schedule to the Code of civil procedure, 1908 shall, *mutates mutandis* apply to the appointment of Receivers in relation to a Chit.

31. Proposals for collection and distribution of Chit assets:[Section 69].-

(1) Receiver shall, as soon as possible, settle, and submit to Court or to the Prescribed Authority, as the case may be, a statement (herein after) referred to as the “provisional statement”) showing-

(a) the names of subscribers and other persons from whom moneys are due to the Chit;

(b) the names of subscribers and other persons to whom moneys are due from the Chit;

(c) proposals as to how the Chit are to be collected and applied in discharge of its liabilities; and

(d) the amount proposed to be paid to each of the persons specified in clause(b)

(2) Notice of preparation of the provisional statement accompanied by a copy thereof shall be published and be served on the petitioner, the subscribers and other persons mentioned by the

Prescribed Authority or Court as case may be in such manner as the Prescribed Authority or Court may direct. If the number of persons on whom notice is to be served is large, the notice may in the discretion of the Prescribed Authority or Court, as the case may be, be served on the petitioner only and advertised in one or more daily newspapers. The notice shall specify the date on which objections to the provisional statement will be heard and shall call upon any person having such objections to submit his statement of objections and the grounds thereof supported by an affidavit before the date of hearing with all the evidence in support of his objections.

32. Set-off to be allowed.- When money is due from the Foreman to a subscriber shall be allowed the benefit of a set-off.

33. Hearing of objections to the provisional statement.- On the date fixed for the hearing of objections under the Rule 31(2) the Court or the Prescribed Authority as the case may be, shall enquire into the objections and after considering the evidence adduced in support thereof pass order on the objections and call upon the Receiver to revise, if necessary, the provisional statement in accordance with its order. The Prescribed Authority or Court as the case may be, shall fix a date by which such revisions is to be made and *intimate* orally or in writing such date to the persons who have appeared in person or through their *advocates* on the date of the hearing.

34. Final orders of settlement by Court or Prescribed Authority as the case may be.-

(1) As soon as possible thereafter and at least ten days before the date fixed under Rule 36, the Receiver shall submit to the Court or Prescribed Authority as the case may be, a fresh list of subscribers or other persons to whom or from moneys are due and fresh proposal for the distribution of the available assets of the Chit, after making such further enquiry as may be necessary. The Court or Prescribed Authority, as the case may be, shall thereupon consider the said list and proposals and approve or modify them in such manner as it considers necessary. The Court, or Prescribed Authority as the case may be shall pass final orders accordingly on the date fixed under Rule 36 for the collection and distribution of the assets of the Chit. The Court or Prescribed Authority as the case may be, may also pass such orders as may be necessary for the distribution of the available assets in case in such assets happen to be insufficient to meet sums which have to be paid to the subscribers.

(2) The final orders, passed the Prescribed Authority or Court, as the case may be, under this rule shall be conclusive evidence of the several claims to be met out of the assets of the Chit.

(3) Without prejudice to the general Powers of the Prescribed Authority or Court as the case may be, to enforce any order passed by it, the final order passed under this rule may be enforce as if it were a decree of a Court or Prescribed Authority as the case may be in such manner as it may direct.

35. Provisions for expenses of winding up.- In making proposals for the distributions of the assets, the Receiver shall specify the estimated amount of the cost of winding up including remuneration for the receiver and such other items of expenditure as are incidental to the winding up and such estimated amount shall first be provided for and deducted from the value of the Chit assets and the balance amount shall alone be proposed for distribution in the provisional statement and the fresh list mentioned in Rules 31, 33 and 35.

36. Filing of final accounts by Receiver

(1) Upon the termination of the proceedings relating to the winding up, the receiver shall file his final account into the court or before the prescribed Authority as the case may be, Within fifteen days of such final account being passed by the Court or Prescribed Authority as the case may be, the balance of the money in the hands of the Receiver shall be paid into the Court or Prescribed Authority as the case may be. The Receiver shall also state how the balance amount may be disposed of together with his reasons for his proposals. He shall also deposit into the Court or with the Prescribed Authority as the case may be, all books of accounts and all other records relating to the Chit which has been wound up.

(2) The Receiver may thereafter apply to the Court or Prescribed Authority as the case may be, for a certificate of discharge from his duties as Receiver and for the vacating of his recognizance bonds entered into by him and the sureties, if any. On receipt of such application the Court or the Prescribed Authority as the case may be, may pass orders of such discharge and vacating of the bonds and for the disposal of the final balance of the Chit assets, if any.

37. Receiver to send copy of final order to the Registrar for custody of Chit assets, etc.-

(1) After the affairs of a Chit have been completely wound up and the Court or the Prescribed Authority as the case may be, makes an order recording the fact, the Receiver shall send a copy of such order to the Registrar within fourteen days from the date of the order.

(2) On receipt of the copy specified in sub-rule(1) the Registrar shall enter in the Registrar of Chits in Form No. VI a gist of the order passed by the Court or prescribed Authority, as the case may be

38. Disposal of records.-The books and papers of a Chit which has been completely wound up and of the Receiver shall be retained and disposed of by the Registrar in such manner as the Court or Prescribed Authority, as the case may be, directs.

39. Meetings .-When the number of subscriber is large and the Court or the Prescribed Authority as the case may be, whether on application of the Receiver at any stage considers that a meeting of all such, parties is necessary in order to ascertain their wishes in any matter, the Court or the Prescribed Authority as the case may be, may pass an order for holding such a meeting. The Court or the Prescribed Authority as the case may be, may direct the manner in which the time and place at which the meeting shall be held and the Receiver shall convene and hold the meeting accordingly.

CHAPTER V

Fees

40. Table of fees.-

(1) All fees payable under the provisions of the Act or these rules shall be paid or remitted to the Registrar in cash or through Bank Draft or Postal Order as set out in the Schedule: Provided that no fee shall be remitted through postal money order.

(2) Where the fee is paid personally in the office of Registrar either in cash or through Bank Draft or Postal Order, a receipt duly signed by the Registrar or any other officer authorized by

him in that behalf shall be issued in Form No. XII to the person concerned.

(3) Where the fee is remitted through a Bank Draft or Postal Order, the sender must ensure that such Bank Draft or Postal Order has been duly crossed and is made payable to the Registrar of Chits, Uttar Pradesh, Lucknow.

(4) All fees realized under sub-rules (1) to (3) or otherwise shall be immediately entered in the Register of fees in Form No. XIII.

(5) At the end of each day, the amounts received by the Registrar shall be totaled up and the total shall be entered in words as well as in figures by the Registrar in his own handwriting in the Register referred to in sub-rule (4) and shall be signed and dated by him.

(1) All such amounts, drafts and Postal Orders shall be deposited in the State Bank of India without undue delay and latest by the next working day through treasury chalan in triplicate under the head, "104-Other General Economic Services(a) Regulation of other business undertakings _ (iii) Receipts from the administration of the Uttar Pradesh Chit Funds Act". In the case of delay in depositing the fee, the Registrar shall record, in his own handwriting, the reasons of delay in the register of fee referred to in sub rule(4). The depositor's copy of the chalan along with the departmental copy duly verified with the record of the Treasury concerned shall be placed in the file concerned proof of the payment of fee:Provided that where more than one amount is deposited through one chalan, extracts therefrom duly attested by the Registrar may be placed in the connected files.

(2) The Registrar shall maintain a Register of Verification of deposits in Form No.XIV in which amounts shown in departmental copies of the Treasury Chalans shall be entered day-to-day and at the end of each month, proper reconciliation of the deposits of the Register shall be made with the records of the Treasury and the Register referred to in sub-rule(4)

41. [Section 69]. Every application under Section 55(i) for inspection of any document or record kept by the Registrar shall be entered in the Register of Inspections in Form XV. The application shall be accompanied with appropriate fees as specified in the Schedule.

42. [Section 69].- (1) Every application under Section 55(ii) for certified copy or extract of any such document or record shall be entered in the Register in Form No.XVI. Appropriate fee as set out in Schedule must accompany with the application. The applicant must clearly specify the document and record of which certified copy or extract is required.

(2) A self-addressed postal envelope, bearing requisite postage stamps, should invariably accompany if the copy or extract or certified copy is desired by registered post.

(3) If the Registrar finds that the fee paid by the applicant is inadequate, the Registrar shall inform the applicant to make the deficiency good within a time to be specified.

(1) The registered envelope referred to in sub-rule (2) shall be used for that purpose. The applicant shall make the deficiency in the amount good within the time specified by the Registrar. The applicant will also supply a fresh envelope as specified in sub rule(2). Where the applicant fails to make the deficiency good within the time specified by the Registrar, the application shall be rejected

43. [Section 69].- Applications and documents which are defective or which are not in accordance with the provisions of the Act or these rules shall be returned to the sender for rectification.

44.[Section 69].-The amounts of fee paid to the Registrar under the provisions of the Act or these rules shall not be refunded.Provided that if any application or document is returned for rectification under Rule 43 and the same are received back after proper rectification, payment of fresh fee shall not be necessary.

CHAPTER VI

Miscellaneous

45. Appeal to be in writing:[Section 57].-

(1) Every appeal under sub-section (1) of Section 57 shall be sent to the Secretary to the Government of Uttar Pradesh in Finance Department, Secretariat, Lucknow.

(2) The appeal shall be in the form of a memorandum and shall be accompanied by the original, certified or attested copy of the order appealed against.

(2) Every appeal shall:

(a) specify the name and address of the appellant and also the names and address of the respondents;

(b) set forth concisely and under distinct heads the grounds of objections to the order appealed against;

(c) state precisely the relief which the applicant claims;

(d) be accompanied with a Treasury Chalan showing deposit of the amounts of fee referred to in the Schedule.

46. Hearing and disposal of appeal,- (1) On receipt of the appeal, the State Government shall, as soon as possible, examine it and ensure that-

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

(b) it is made within the prescribed time limit; and

(c) it conforms to all the provisions of the Act or these rules.

(2) In the proceeding before the State Government the appellant and the respondents may be represented by an agent holding a power of attorney or by a legal practitioner.

(3) The State Government shall, on the basis of the enquiry conducted and with reference to the records examined, pass such order on the appeal as may be just and reasonable.

(4) Every order of the State Government under sub-rule(3) shall be in writing and it shall be communicated to the appellant and the Registrar.

47. [Section59]-Every application for composition of offences under Section 59 shall be presented to the Registrar who shall pass such orders as he thinks just after giving the applicant or applicants an opportunity of being heard. A copy of the order shall be served on the applicant for compliance: Provided that the Registrar shall obtain previous permission of the State Government before passing final order for offences committed under sub-section (1) or (3) of Section 59.

48. Procedure in certain applications [Section69].-In respect of applications under sub-section(2) of Section 28, the procedure specified in Rules 45 and 46 shall, *mutatis mutandis*, apply.

49. Period of retention of records:[Section 69].- The records of a Chit including registers and books of accounts shall be preserved in the Office of the Registrar for twelve years (a) from the date of release of security in the case of Chits terminated and (b) from the date when affairs of the Chit are completely wound up in cases dealt within Chapter IX of the Act and if orders passed under that Chapter are appealable from the date of the disposal of such appeal.