



IN THE HIGH COURT OF KARNATAKA,
DHARWAD BENCH

DATED THIS THE 4TH DAY OF MARCH, 2024

BEFORE

THE HON'BLE MR JUSTICE M.I.ARUN



WRIT PETITION NO. 66982 OF 2011 (GM-CFA)

BETWEEN:

M/S MARGADARSI CHITS (K) PVT. LTD.,
1ST FLOOR, SABEERESH COMPLEX,
ANANTAPUR ROAD, BELLARY.
R/BY ITS FOREMAN, MR. A. PRABHAKAR.

...PETITIONER

(BY SRI. S N BANAKAR, ADVOCATE)

AND:

1. MR. H SRINIVAS REDDY
S/O. H HANUMA REDDY,
AGE 44 YEARS, OCC BUSINESS, PARTNER,
M/S. VENKATESHWAR AGRO CHEMICALS, NO.3,
HAVINA BASANNA COMPLEX, K.C.ROAD,BELLARY
R/O BHASKAR NILAYA, PLOT NO.5,
S.B.I. COLONY, GANDHI NAGAR, BELLARY.
2. MR. ASHOK M TAPASHETTY,
S/O. MOHAN V TAPASHETTY,
AGE: 48 YEARS, OCC: BUSINESS,
PROP: M/S. SANGAMESHWAR TRADING CO.,
SHOP NO. 14/A, DURGAPPA COMPLEX, K.C.ROAD
BELLARY, R/O: LOKBHAG BUILDING,
BADRINARAYANA TEMPLE ROAD,
GANDHI NAGAR, BELLARY.





3. MR. M BALAJI S/O. M RAMAKRISHNA,
AGE: 47 YEARS, OCC: BUSINESS,
PROP: M/S. VANI AGRO ENTERPRISES, DOOR NO.
74/10, BASHA COMPOUND, NEAR KANEKA, BUS
STAND, BELLARY. R/O: RAM NAGAR, III CROSS,
HAVAMBHAVI, SIRAGUPPA ROAD, BELLARY.
4. MR. BHEEMA REDDY S/O. P MALLA REDDY,
AGE: 42 YEARS, OCC: DEPUTY MANAGER,
DEPT. OF CMD AND UTILITIES MSDS, JSW STEEL
LTD., TORANAGALLU, BELLARY. R/O: H.NO.IC-19,
VIDYANAGAR TOWNSHIP, TORANGALLU, BELLARY.
5. MR. G SATYANARAYANA S/O. G APPA RAO,
AGE: 43 YEARS, OCC: BUSINESS,
PARTNER OF SREE BALAJI TRADING CO.,
STALL NO.15, FIRST FLOOR, COSMOPOLITAN CLUB
COMPLEX, BESIDE KALYANI DARSHAN,
DOUBLE ROAD, BELLARY.
R/O: 101, SLV TOWERS, 2ND CROSS,
GANDHI NAGAR, BELLARY.
6. DEPUTY REGISTRAR OF CHITS, BELLARY.
O/O.THE DEPUTY REGISTRAR OF CO-OPERATIVE
SOCIETIES AND CHITS JANTHA BAZAAR, BESIDE
B.D.C.C., BANK, BELLARY.
7. JOINT REGISTRAR OF CHITS, RAICHUR,
O/O. THE JOINT REGISTRAR OF CO-OPERATIVE
SOCIETIES AND CHITS, GULBARGA REGION,
RAICHUR.

...RESPONDENTS

(BY SRI. K.L. PATIL, ADVOCATE FOR R1,
NOTICE TO R2 TO R5 ARE SERVED,
SRI. V.S. KALASURAMATH, HCGP FOR R6 & R7)



THIS WRIT PETITION IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO QUASH THE ORDER DTD.28.06.2011 PASSED IN THE APPEAL NO.01/2010-11 BY THE JOINT REGISTRAR OF CHITS, RAICHUR, PRODUCED AT ANNEXURE-P & ETC.

THIS PETITION COMING ON FOR PRELIMINARY HEARING N GROUP 'B' THIS DAY, THE COURT MADE THE FOLLOWING:

ORDER

Respondent No.1 has subscribed to a chit issued by the petitioner. On the ground that the respondent No.1 has not paid the money, proceedings were initiated against him by the petitioner before respondent No.6 and respondent No.6 was pleased to pass an order in favour of the petitioner herein holding that respondent No.1 is liable to pay the amount of Rs.1,74,325/- with costs and interest.

2. The said order has been passed under Section 69 of the Chit Funds Act, 1982 ('the Act', for short). Aggrieved by the same, respondent No.1 herein preferred an appeal under Section 70 of the Act, before respondent No.7. The first appeal has been allowed by respondent



No.7 and it has been held that respondent No.1 is not liable to pay any amounts to the petitioner. Aggrieved by the same, the present writ petition is filed.

3. Section 70 of the Chit Funds Act, 1982 reads as under:

"70. Appeal against decision of Registrar or nominee.—(1) *Any party aggrieved by any order passed by the Registrar or the nominee or the award of the Registrar or the nominee under Section 69, may, within two months from the date of the order or award, appeal to the State Government or to such officer or authority as may be empowered by notification by the State Government in that behalf.*

(2) *The State Government or such officer or authority aforesaid may, after giving the appellant an opportunity of making his representation pass such orders on the appeal as it or he thinks fit and such order shall be final.*

(3) *All appeals pending before the State Government, on such date of notification empowering such officer or authority, shall be transferred to such officer or authority and shall be disposed off as if it has been filed before such authority."*



4. Thus, there is only one appeal provided in the statute against the order passed under Section 69 of the Act. Any order passed under Section 70 of the Act shall be final.

5. The petitioner in the instant case is not alleging that any of its fundamental rights is violated nor it is able to show that any of the principle of natural justice have been violated by respondent No.7, nor is it a case where the order impugned is passed without jurisdiction. Further, it is not the case of the petitioner that the law has been erroneously interpreted by the respondent No.7.

6. This Court in exercise of its power under Article 226 of the Constitution of India, cannot sit as an Appellate Authority over the order passed under Section 70 of the Act. It cannot delve into disputed question of facts.

7. It is the case of the petitioner that the facts have not been properly appreciated by the Appellate Authority (respondent No.7) and that respondent No.1 is



liable to pay amounts to the petitioner as alleged. The said allegation has reached finality by the order passed by respondents No.7 and this Court in exercise of its powers under Article 226 of the Constitution of India cannot examine the same.

8. For the aforementioned reasons, the writ petition is hereby dismissed.

Sd/-
JUDGE

gab/CT-VP
LIST NO.: 1 SL NO.: 3