

©  
Government of Kerala  
കേരള സർക്കാർ  
2012



Reg. No. രജി. നമ്പർ  
KL/TV(N)/12/12-14

## KERALA GAZETTE

കേരള ഗസറ്റ്

EXTRAORDINARY

അസാധാരണം

PUBLISHED BY AUTHORITY

ആധികാരികമായി പ്രസിദ്ധപ്പെടുത്തുന്നത്

	Thiruvananthapuram,	5th June 2012	
	Tuesday	2012 ജൂൺ 5	No. }
Vol. LVII } വാല്യം 57 }	തിരുവനന്തപുരം, ചൊവ്വ	15 Jyaishta 1934 1934 ജ്യേഷ്ഠം 15	നമ്പർ } 1159

GOVERNMENT OF KERALA

Taxes (C) Department

NOTIFICATION

G. O. (P) No. 94/2012/TD.

*Dated, Thiruvananthapuram, 4th June, 2012.*

**S. R. O. No. 397/2012.**—In exercise of the powers conferred by section 89 of the Chit Funds Act, 1982 (Central Act 40 of 1982), the Government of Kerala, in consultation with the Reserve Bank of India, hereby make the following rules, namely:—

### RULES

1. *Short title and commencement.*—(1) These rules may be called the Kerala Chit Funds Rules, 2012.

(2) They shall come into force at once.

2. *Definitions.*— (1) In these rules, unless the context otherwise requires,—

(a) “Act” means the Chit Funds Act, 1982 (Central Act 40 of 1982);

(b) “Appendix” means Appendix I or as the case may be Appendix II to these rules;

(c) “Assistant Registrar” means an Assistant Registrar of Chits appointed under section 61 of the Act;

(d) “authorised agent” means a person duly authorised by a power of attorney executed and authenticated or registered in accordance with the provisions of the Registration Act, 1908 (Central Act XVI of 1908) or a person authorised by a letter of authorisation specified in Form XX A in Appendix I to these Rules by the person concerned;

(e) “Deputy Registrar” means a Deputy Registrar of Chits of the District and includes, the Deputy Registrar of Chits in the office of the Registrar;

(f) “Form” means a Form in Appendix I to these Rules;

(g) “section” means a section of the Act;

(2) Words and expressions used in these rules but not defined therein shall have the same meanings respectively assigned to them in the Act.

### CHAPTER II

### CONSTITUTION

3. *Appointment of Officers.*— (a) The Inspector General of Registration appointed under the Registration Act, 1908 (Central Act XVI of 1908) shall be the Registrar of Chits.

(b) An Additional Registrar of Chits, a Joint Registrar of Chits and a Deputy Registrar of Chits shall also be appointed in the office of the Registrar to assist the Registrar.

(c) Every District Registrar (General) of the Registration Department shall be the *ex-officio* Deputy Registrar of Chits of the respective Districts and he shall be the “Authorised Officer” for the purpose of section 4 of the Act.

(d) Every Sub-Registrar appointed under the Registration Act, 1908 (Central Act XVI of 1908) shall be the *ex-officio* Assistant Registrar of Chits within the local limits of his jurisdiction.

(e) An “Inspector of Chits” and a “Chit Auditor” shall be appointed by the State Government for each District.

### CHAPTER III

#### REGISTRATION

4. *Application for obtaining previous sanction for commencement or conduct of chit.*— (1) Subject to the procedure laid down in rules 19 and 20, every application for obtaining previous sanction for the commencement or conduct of a chit under section 4 of the Act shall be in Form I and shall be addressed to the Deputy Registrar of Chits of the District concerned. It shall be submitted in triplicate to the Assistant Registrar of Chits by whom the chit is to be registered, in person or by post, along with three copies of the chit agreement and the prescribed fees. If the applicant is a company or a co-operative society the application shall also be accompanied by three copies each of the audited balance sheet relating to the financial year immediately preceding the date of application and if such audit has not been conducted or where it is not complete of the last audited balance sheet and a statement of accounts for the remaining period made up to the date of application and certified as correct, in the case of a company by their auditor, and in the case of a co-operative society by an officer not below the rank of an Assistant Registrar of Co-operative Societies. Where the security offered is immovable property the application shall also be accompanied by a copy of the certificate of sufficiency of security.

(2) The Assistant Registrar of Chits shall, on receipt of the application, forward two copies each of the application, the balance sheet and the statement of accounts if any, to the Deputy Registrar of Chits of the District with his remarks.

(3) The Deputy Registrar, in turn, shall send a copy each of the application and the said documents to the Inspector of Chits of the District, for verification, enquiry and report.

(4) The Inspector of Chits shall make necessary enquiries and submit a concrete report containing his specific remarks and recommendations as to the eligibility/fitness or otherwise of the case for sanction, to the Deputy Registrar of Chits.

(5) The Deputy Registrar may, on receipt of the report of the Inspector of Chits, after considering all relevant facts and satisfying himself in that regard,

(i) either accord or refuse to accord sanction,

or

(ii) call for such further information or facts or materials, which, in his opinion, are necessary for arriving at a decision and, after considering them, accord or refuse to accord sanction.

(6) A copy of the order according or refusing sanction shall be communicated to the Assistant Registrar of Chits who forwarded the application.

5. *Communication of refusal to sanction commencement or conduct of a chit.*—(1) Where sanction for the commencement or conduct of a chit is refused, the reasons for such refusal shall be recorded in writing and a copy thereof shall be communicated to the applicant.

(2) Before refusing such sanction, the Deputy Registrar shall issue a notice to the foreman calling up on him to show cause within thirty days as to why the sanction should not be refused.

(3) Where the ground for the proposed refusal of such sanction is default in payment of fees or filing of any statement or record required to be paid or filed under the Act, the Deputy Registrar shall condone the said default, if he is satisfied on hearing the foreman that the default has occurred due to reasons beyond the control of the foreman or due to other bona fide reasons, provided the foreman has paid the fees or filed the necessary documents on or before the date of such hearing.

6. *Application for registration of chits.*— Every application for registration of a chit agreement to be made by the foreman to the Assistant Registrar shall be in Form II. The chit agreement shall be presented by the foreman either in person or through his authorised agent.

7. *Endorsement of registration of a chit.*—The endorsement of registration of a chit agreement to be issued by the Assistant Registrar shall be in Form III.

8. *Registration Number of Chit.*— Every chit registered under the Act shall be numbered serially by the Registrar in separate series for each calendar year.

9. *Communication of the refusal to register a chit.*—(1) If the Assistant Registrar refuses to register a chit, he shall record the reasons for such refusal in writing and communicate a copy of the order to the applicant as well as to the Deputy Registrar who accorded sanction.

(2) Before refusing registration, the Assistant Registrar shall issue a notice to the foreman calling upon him to show cause within thirty days as to why the registration should not be refused.

(3) Where the ground for the proposed refusal or registration is default in payment of fees or filing of any statement or record required to be paid or filed under the Act, the Assistant Registrar shall condone the said default, if he is satisfied on hearing the foreman that the default has occurred due to reasons beyond the control of the foreman or due to other bona fide reasons, provided the foreman has paid the fees or filed the necessary documents on or before the date of such hearing.

10. *Application for appropriation of any sum from the reserve fund.*— Every application for obtaining prior approval of the Registrar for appropriation of any sum by a company from the reserve fund shall be in Form IV.

11. *Declaration to be filed about subscriptions to all tickets of a chit.*— Every declaration to be filed by a foreman after all tickets in a chit specified in the chit agreement have been fully subscribed shall be in Form V. A correct and complete list of subscribers shall also be presented along with the declaration for filing. The list shall conform to the entries in paragraph (10) under item XIII of the chit agreement in Form VIII.

12. *Form of Certificate of commencement of Chit.*— The Certificate of commencement of a chit to be granted to the foreman shall be in Form VI.

13. *Form of Certificate for furnishing a copy of chit agreement to the subscribers of a chit.*— (1) The certificate by the foreman about having furnished a copy of the chit agreement to every subscriber of a chit to be filed with the Assistant Registrar shall be in Form VII.

(2) Every foreman shall, before the first draw of the chit, furnish to each subscriber a pass book bearing the seal of the Assistant Registrar. The pass book shall contain the registered number and office of registration of the chit, the

name, full address and ticket number of the subscriber and the shares taken by him. Entries showing the number and date of each instalment, the amount of subscription for the ticket, discount allowed, commission realized, date of collection of instalment amount etc., and details of disbursement of prize amount shall be distinctly made in respect of each instalment in the pass book.

14. *Form of chit agreement.*—The chit agreement of every chit started under the Act shall, as far as may be, conform to the Pro forma set forth in Form VIII.

15. *Registration of alteration, addition or omission of any provision in chit agreement.*—(1) No alteration, addition or omission of any provision in the chit agreement shall have effect unless such alteration or addition or omission, as the case may be, is registered. If the foreman proposes to make any alteration or addition or omission of any provision in the chit agreement, he shall submit such alteration or addition or omission in duplicate to the Registrar duly signed and attested by at least two witnesses along with the application for registration of such alteration or addition or omission, as the case may be, of the chit agreement.

(2) An application to register an alteration or addition or omission of any provision in the chit agreement shall be dealt within the same manner as an application for registration of the chit agreement.

16. *Date of effect of alteration or addition or omission of any provision in the chit agreement.*— An alteration or addition or omission of any provision in the chit agreement shall not take effect from a date earlier than the date of such registration of the alteration or addition or omission, as the case may be, unless otherwise ordered by the Registrar:

Provided that the Registrar shall not give effect to the alteration or addition or omission from a date earlier than the date of application for registration of the alteration or addition or omission of any provision of the chit agreement, as the case may be.

17. *Form of notice to chit subscriber.*— Every notice to be given by a foreman to the subscribers in a chit under section 16 shall be in Form IX. It shall be sent to each subscriber by post and shall also be exhibited on the Notice Board of the office of the foreman.

18. *Form of minutes of proceedings.*— The minutes of proceedings of every draw shall be in Form XX and it shall, in addition to the particulars specified in sub-section (2) of section 17, contain full particulars of the following points, namely:—

- (a) Particulars of deposit, if any, of the prize amount under sub-sections (1) and (2) of section 22 since the date of the previous draw;
- (b) Particulars of deposits, if any, of money under sub-section (1) of section 30 and sub-section (4) of section 33 since the date of the previous draw;
- (c) 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 draw;
- (d) Particulars of the prized subscriber according to the terms of the chit Agreement and particulars of tickets and prized amount.

*Note:*—If the prized subscriber is related to a fraction of a ticket, particulars in respect of such fraction shall be entered;

- (e) Full particulars of the commission paid to the foreman and the amount of dividend assigned to each subscriber;
- (f) Names of subscribers or their authorised agents who bid at the drawing, their ticket numbers and signatures.

#### CHAPTER IV FOREMAN

19. *Procedures in the case of security given by the foreman.*— (1) In the case of cash deposited in an approved bank in the name of the Assistant Registrar under clause (a) of sub-section (1) of section 20, the receipt or the book issued by the approved bank mentioned in the chit agreement shall be delivered to the Assistant Registrar.

(2) In the case of Government securities transferred in favour of the Registrar under clause (b) of sub-section (1) of section 20, the Assistant Registrar shall keep them in safe custody under his control in any Government Treasury.

(3) If the security charged is movable property other than deposit in an approved bank or Government securities, the foreman shall make all necessary arrangements for their deposit with the Assistant Registrar or with such bank or other agency as may be approved by the Assistant Registrar for ensuring that the property deposited is available as security for the proper conduct of a chit.

(4) In the case of trustee securities to be transferred in favour of Registrar under clause (c) of sub-section (1) of section 20,—

- (i) where the security is other than immovable property, the value of the security shall not be less than one and a half times the value of the chit amount, and
- (ii) in respect of security of immovable property, the value of the security shall not be less than two times the value of the chit amount.

(5) 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 be twelve per cent per annum.

20. *Application for certificate of sufficiency of security.*—(1) A foreman proposing to commence a chit shall, before applying for previous sanction under section 4, apply in Form X with the prescribed fee and a copy of the chit agreement of the proposed chit, to the Assistant Registrar of chits by whom the chit is to be registered, for a certificate of sufficiency of security.

(2) If the security proposed/offered is immovable property, the application shall contain the correct and complete details regarding the property. The application shall also be accompanied by the original documents of title to the property and a certificate of encumbrance for a period of thirty years preceding the date of application.

(3) The Assistant Registrar of Chits shall, on receipt of the application, fix a convenient date for the inspection of the property and intimate it to the applicant.

(4) The applicant shall also remit the travelling and other allowances admissible to the Assistant Registrar as per the rules in force.

(5) The Assistant Registrar himself shall inspect the property on the appointed date and satisfy himself after making necessary enquiries and verification of records as to the title and possession of the applicant to, and the value of, the property.

(6) Properties which satisfy the requirements as to the value laid down in clause (ii) of sub-rule (4) of rule 19 and, to which the foreman has clear title and which are in his actual possession and enjoyment shall alone be considered for being accepted as security.

(7) (a) If the immovable property proposed to be offered as security is situated outside the jurisdiction of the Assistant Registrar having jurisdiction over the chit, the inspection and valuation shall under orders of the Registrar, be done by the Assistant Registrar of chits within whose territorial jurisdiction the property situates. The foreman shall make an application in this regard to the Registrar through the Assistant Registrar having jurisdiction over the chit. The application shall be accompanied by three copies of the schedule of properties to be inspected and valued. One copy of the schedule shall be retained by the Assistant Registrar for record.

(b) The Assistant Registrar who conducts the inspection and valuation under the orders of the Registrar shall furnish a report of valuation to the Assistant Registrar by whom the chit is to be registered. He shall also make report of inspection and forward it to the Registrar along with a copy of the certificate of valuation.

(8) Every officer who conducts an inspection and valuation of immovable properties shall make a certificate of valuation and a copy thereof shall be submitted to the Deputy Registrar of chits of the District with a report of such inspection.

(9) If, after inspection and valuation, or receipt of certificate of valuation from a different Assistant Registrar, as the case may be, the Assistant Registrar is or is not satisfied of the requirements as to the value and title and possession, he shall inform the foreman accordingly.

(10) If the property is acceptable as security the foreman shall execute necessary security bond in favour of the Assistant Registrar of chits charging the property as security under sub-section (1) of section 20 and get it duly registered under the Registration Act, 1908 (Central Act XVI of 1908).

(11) The foreman shall, along with the registered security bond, produce necessary certificates from the Revenue Authorities to prove that the property is in his actual possession and enjoyment and an encumbrance certificate in continuation of the previous one to show that the property is free from all encumbrance until after the security bond is registered.

(12) (a) If the Assistant Registrar is satisfied of the sufficiency of the security, he shall issue a certificate of sufficiency of security in Form XI.

(b) Where the Assistant Registrar is not satisfied of the sufficiency of the security, he shall record it in writing on the application and reject the application and the fact shall be communicated to the applicant stating the reasons for the rejection.

(c) The Assistant Registrar shall forward a copy of the certificate of sufficiency of security to the Deputy Registrar of chits along with the application for previous sanction.

21. *Valuation of chit amount in grain chits.*—In a grain chit, for the purpose of security under section 20, the grain shall be valued by the Assistant Registrar as follows:—

(a) The total quantity of grain 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 taluk/town as ascertained from the Tahsildar having jurisdiction;

(d) One and a quarter 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 sub-section (1) of section 20.

22. *Substitution of Security.*—(1) During the currency of a chit, the foreman may apply to the Assistant Registrar in Form XII for permission to substitute the security given by him for the proper conduct of the chit, by fresh security.

(2) The Assistant Registrar may grant permission after satisfying himself,—

(i) that the request of the foreman for substitution of the security given under section 20 is for the reasons stated in the application; and

(ii) that the fresh security offered is adequate.

(3) The procedures prescribed in rules 19 and 20 shall *mutatis mutandis* apply to the substituted security given by the foreman under this rule.

23. *Procedure for release of original security in acceptance of fresh security.*—(1) The Assistant Registrar shall, if so required by the foreman after acceptance of the fresh security under rule 22, execute and register a deed of release in respect of the original security at the cost of the foreman.

(2) If the original security to be returned is Government securities deposited in a Government treasury, the Assistant Registrar shall arrange to return the securities offered by the foreman after making endorsements of re-transfer in the pass book (receipt) or Government security (or other record) as the case may be.

(3) If the original security to be returned is movable property other than Government security, the Assistant Registrar shall arrange to return such security by executing such deed or making such endorsement, as may be necessary, for an effective re-transfer in favour of the foreman.

24. *Application for release of security on termination of the chit.*—On termination of the chit, the foreman may apply to the Assistant Registrar for the release of the security given by him.

25. *Declaration by Foreman.*—The application for release of security under sub-section (5) of section 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 Assistant Registrar or any other officer have been fully paid.

26. *Procedure for release of security on termination of the chit.*—(1) On receipt of the application for release of security under rule 24, the Assistant Registrar shall forward a copy of it to the Inspector of chits with a requisition to inspect the chit and intimate whether there is any objection in releasing the security.

(2) The Inspector of chits shall inspect the chit and furnish his reply to the Assistant Registrar within a maximum period of one month of the receipt of the requisition.

(3) On receipt of the report of the Inspector of chits, the Assistant Registrar may call upon the foreman to produce any book of accounts or register or other record as he deems necessary for verification. The Assistant Registrar shall after considering the report and other records is of the opinion that there is no objection to release the security, he shall publish in the Gazette at the cost of the foreman, a notice stating that the security is proposed to be released and that any person objecting to such release may file with him, his statements of objections, if any, within one month from the date of publication of the notification. A copy of the notification shall be exhibited on the notice board of the office of the Assistant Registrar also.

(4) If no objections are received within the period specified in the notice, the Assistant Registrar shall release the security.

(5) If any objections are received, the Assistant 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 (3) and record his decision in writing and forward a copy thereof to the foreman and to the objector.

27. *Books of accounts to be maintained by the Foreman.*—In addition to the book containing the minutes of the proceedings of draws mentioned in section 17, every foreman shall keep the following registers and books of accounts in the forms mentioned against each or in the forms as near thereto as possible, namely:—

(1) A register of subscribers in Form XIII.

(2) A ledger in Form XIV.

(3) A day book in Form XV.

(4) A receipt book in duplicate in Form XVI duly certified by the foreman as to the number of pages.

(5) A book containing copies of all notices issued by the foreman to the subscribers.

(6) A file containing the letters of authorisation of the subscribers, for subscribing his name in the chit agreement and for participating in the auction of the chit.

(7) A file containing the vouchers for payment made by the foreman.

(8) A file containing documents relating to securities offered by the prized subscribers.

28. *Accounts to be written up promptly.*—(1) Every entry in the register of subscribers, the ledger or the day book mentioned in rule 27 shall be made as and when the particular event occurs.

(2) On receipt of any money, a receipt shall immediately be prepared or caused to be prepared by the foreman in Form XVI and delivered to the payer.

(3) The foreman shall, at the time of issuing every notice, prepare a copy thereof in the book mentioned under item (5) of rule 27 and certify it to be 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 be immediately filed as specified in rule 29.

(5) Every document relating to the security given by prized subscribers shall, as soon as it received, be filed in the file mentioned in item (8) of rule 27. The file shall contain an index for facilitating the scrutiny of the documents.

29. *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 item (7) of rule 27 after assigning a serial number there to for each calendar month.

30. *Date for submission of balance sheet.*—(1) The balance sheet prepared in accordance with the provisions of section 24 shall be filed with the Registrar within a period of three months from the expiry of the period with reference to which it is prepared.

(2) Receipts and Expenditure account and statement showing the assets and liabilities of the individual chit group shall be filed in the Form XXVIII with the Registrar within a period of two months from the termination of the chit when the duration of the chit does not exceed one year and when the duration of chit exceeds one year on expiry of every period of twelve months and also on the termination of the chit.

31. *Audit by a Chit Auditor.*—(1) If a foreman desired to have the balance sheet and profit and loss account audited by a Chit Auditor appointed under sub-section (2) of section 61, the foreman shall immediately after the preparation of the balance sheet make an application for such audit to the Assistant Registrar within whose jurisdiction the chit is conducted, specifying whether the audit shall be at the premises of the foreman or not. The application shall be accompanied by the amount of fee specified in Appendix II.

(2) The Assistant Registrar shall forward the application to the Chit Auditor of the District who shall audit the balance sheet and profit and loss account as expeditiously as possible. On receipt of the application, the Auditor shall call up on 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 or required for the proper audit of the balance sheet and profit and loss account and receipt and expenditure account of individual chit 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 in the premises of the foreman or for the production of registers, books of accounts and other records relating to the chit business, as the case may be.

32. *Audit Certificate and report of the Chit Auditor to be in quadruplicate.*—The Chit Auditor shall prepare his report and audit certificate in quadruplicate and shall send one copy to the foreman, the second copy to the Assistant Registrar, the third copy to the Inspector of Chits and keep the remaining copy in his own file.

33. *Time for filing balance sheet audited by a Chit Auditor or other Auditors.*—(1) Where the audit is done by the Chit Auditor, the foreman shall file with the Assistant Registrar a copy of the balance sheet and profit and loss account together with the audit certificate and the auditor's report within one month from the date of the receipt of the audit certificate and audit report from the Chit Auditor or within three months from the last day of the period covered by the balance sheet, whichever is earlier.

(2) In the case of Audit by an Auditor qualified to act as auditor of companies under the Companies Act 1956 (Central Act, 1 of 1956), the foreman shall file with the Assistant Registrar the documents referred to in sub-rule (1) within three months from the expiry of the period with reference to which the balance sheet is prepared under section 24 and in the case of individual chit as referred to in sub-rule (2) of rule 30 within a period of two months.

#### CHAPTER V

#### WINDING UP OF CHITS

34. *Form of petition for winding up and presentation.*—A petition for winding up of a chit shall contain the following particulars, namely:—

- (1) Full name, description, occupation and address of the petitioner.
- (2) Address of his Advocate, if any, for the service of all notices, processes etc;
- (3) Address of the foreman;
- (4) Particulars regarding the,—
  - (i) number and date of registration of the chit agreement;
  - (ii) office where the chit agreement was registered;
  - (iii) chit amount;
  - (iv) total number of tickets;
  - (v) number of subscribers and the number of tickets subscribed by each subscriber;
  - (vi) number of non-prized subscribers on the date of the petition; and
  - (vii) number of unpaid prized subscribers, if any.

(5) Facts which the petitioner relies in support of the petition.

(6) Particulars relating to the award and execution of other processes which has been returned unsatisfied in whole or in part, if the ground of the petition is that execution of other process issued on an award on order of the Registrar in favour of any subscriber in respect of the amounts due to him from the foreman was returned unsatisfied in whole or in part.

(7) Full details to show that the conditions prescribed in clause (a) of the proviso to section 49 is satisfied, if the winding up of the chit is applied for under clause (d) of section 48 and if the said clause (a) applies.

(8) Whether the previous sanction of the State Government has been obtained, if clause (b) of the proviso to section 49 applies. (A copy of the relevant order of the State Government shall be attached.)

35. *Proposals for collection and distribution of chit assets.*—(1) The Receiver shall as soon as possible settle and submit to the Registrar a statement (hereinafter 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 the subscribers and other persons to whom moneys are due from the chit;
- (c) proposals as to how the chit assets are to be collected and applied in the discharge of its liabilities ; and
- (d) the amount proposed to be paid to each of the persons specified in clause (b) ;

(2) Notice of the 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 Receiver in such manner as the Registrar may direct. If the number of persons on whom notice is to be served is large, the notice may at the discretion of the Registrar, be served on the petitioner only and be advertised in one or more daily newspapers having wide circulation in the locality. The notice shall also specify the date on which objections to the provisional statement will be heard and shall call up on any person having such objections:—



- (i) to submit his statement of objections and the grounds there for supported by an affidavit before the date appointed by the Registrar in this behalf; and
- (ii) to appear in person or by Advocate on the date of hearing with all the evidence in support of his objections.

36. *Set-off to be allowed.*—When money is due from the foreman to a subscriber and also from the subscriber to the foreman, the subscriber shall be allowed the benefit of a set-off.

37. *Hearing of objections to the provisional statement.*—On the date fixed for the hearing of the objections under sub-rule (2) of rule 35 the Registrar shall enquire into the objections and after considering the evidence, if any, adduced in support thereof pass orders on the objections and call upon the Receiver to revise, if necessary, the provisional statement in accordance with his orders. The Registrar shall fix a date by which such revision 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.

38. *Final orders of settlement by Registrar.*—(1) As soon as possible after the issue of orders by the Registrar under rule 37 and at least ten days before the date fixed under the said rule, the Receiver shall submit to the Registrar a fresh list of subscribers or other persons to whom or from whom moneys are due and fresh proposals of the distribution of the available chit assets after making such further enquiry as may be necessary. The Registrar shall thereupon consider the said list and proposals and approve or modify them in such manner as he considers necessary. The Registrar shall pass final orders accordingly on the date fixed under rule 37 for the collection and distribution of the chit assets. The Registrar may also pass such orders as may be necessary for the distribution of the available chit assets in case such assets happen to be insufficient to meet the sums which have to be paid to the subscribers.

(2) The final orders passed by the Registrar under this rule shall be conclusive evidence of the several claims to be met out of the chit assets.

39. *Provision for expenses of winding up.*—In making proposals for the distribution of the chit 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 be proposed for distribution in the provisional statement and in the fresh list mentioned in rule 38.

40. *Filing of final accounts by Receiver.*—(1) Upon the termination of the proceedings relating to the winding up, the Receiver shall file his final accounts with the Registrar and within fifteen days of such final accounts being passed by the Registrar, the balance of money in the hands of the Receiver shall be paid to the Registrar. The Receiver shall also state how the balance amount may be disposed of together with the reasons for his proposals. He shall also deposit with the Registrar all books, accounts and all other records relating to the chit which has been wound up.

(2) The Receiver may thereafter apply to Registrar for a certificate of discharge from his duties as Receiver and for discharging from the recognizance bonds entered into by him and the sureties, if any. On receipt of such application, the Registrar may pass orders of such discharge including discharge from the liabilities in the bonds and orders for the disposal of the final balance of the chit assets, if any.

41. *Final order of winding up by the Registrar.*—(1) After the winding up of the affairs of a chit have been completed the Registrar shall make an order recording the fact of such winding up.

(2) A copy of such order shall be exhibited on the notice board of the office of the Registrar.

42. *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 in such manner as the Registrar may direct.

43. *Meetings.*—When the number of subscribers is large and the Registrar whether on application of the Receiver or not, at any stage considers that a meeting of all such parties is necessary in order to ascertain their views in any matter, the Registrar may pass an order for holding such meeting. The Registrar may direct the manner in which and the time and place at which the meeting shall be held and the Receiver shall convene and hold the meeting accordingly.

CHAPTER VI  
FEES

44. *Table of fees.*—The fees payable to the Registrar for the matters specified in section 62 and section 63 shall be as set out in Appendix II and shall be paid in cash.

45. *Receipt for fees.*—The Registrar shall issue receipts for all the fees received by him.

46. *Refund of fees.*—The Registrar may refund any fee paid to him in excess of the amount prescribed or any fee that is unearned.

*Explanation.*—The expression “ fee that is unearned” in this rule means fees paid in connection with the Registration of the chit agreement, the filing of a document or other service to be performed by the Registrar but such registration or filing is not actually effected or the service is not actually rendered.

CHAPTER VII  
DISPUTES AND ARBITRATION

47. *Reference of dispute.*—A reference of a dispute under section 64 shall be made in writing to the Registrar in Form XVII. Wherever necessary, the Registrar may require the party referring the dispute to produce a certified copy of the relevant records on which the dispute is based and such other statements or records as may be required by him, before proceeding with the consideration of such reference.

48. *Registrar's satisfaction regarding the existence of a dispute.*—Where any reference of a dispute is made to the Registrar or any matter is brought to his notice, the Registrar shall on the basis of the reference made to him in Form XVII and the relevant records and statements submitted to him, records his decision together with the reasons therefore whether he is or is not satisfied about the existence of a dispute within the meaning of section 64. Such recording of decision shall be sufficient proof of the Registrar's satisfaction whether the matter is or is not a dispute as the case may be.

49. *Disposal of a dispute or reference to a nominee.*—(1) Where the Registrar is satisfied that there is a dispute, the Registrar may decide the dispute himself or refer it for disposal to a person appointed by him as his nominee.

(2) Neither the Registrar nor his nominee shall take up for consideration any dispute, unless the parties concerned comply with the requirement of affixing the court fees specified in rule 59.

50. *Qualifications for appointment as Registrar's nominee.*—No person shall be eligible for appointment as a nominee unless he holds a degree in Law from a University recognized by the Government of Kerala and holds office as a Deputy Registrar or District Registrar or Sub-Registrar in the Registration Department.

51. *Procedure for hearing and decision of disputes.*—(1) The Registrar or his nominee shall record in the official language in vogue in the State, the evidence of the parties to the dispute and the witness who attend. A flat recording of the evidence as above and after considering any documentary evidence produced by the parties, decisions shall be given by him in writing. Such decision shall be pronounced openly either at once or as soon as may be practicable on some future day, of which due notice shall be given to the parties.

(2) Where neither party appears when the dispute is posted for hearing, the Registrar or his nominee may make an order that it be dismissed for default.

(3) Where the opponent appears and the disputant does not appear when the dispute is posted for hearing, the Registrar or his nominee may make an order that the dispute be dismissed unless the opponent admits the claims or a part thereof, in which case the Registrar or his nominee, as the case may be, may make an order against the opponent upon such admission, and where part only of the claim is admitted, may dismiss the dispute in so far as it relates to the remainder.

(4) Where the disputant appears and the opponent does not appear when the dispute the posted for hearing, and if the Registrar or his nominee is satisfied from the records and proceedings that the summons was duly served, the Registrar or his nominees may decide the dispute *exparte*. Where the summons is served by any officer of the Registrar or his nominee, he shall make his report of service on oath.

(5) The Registrar or his nominee may not ordinarily grant more than two adjournments to such party to the dispute at his request. The Registrar or his nominee may however, at his discretion grant such further adjournments on payment of costs to the other side and such fee to the Registrar or his nominee, as the case may be, may direct.

(6) Any party to a dispute may apply for and obtain a certified copy of any order, judgment or award made by the Registrar or his nominee on payment of copying fees, at the rate specified in Appendix II.

52. *Issue of summons or notices in connection with the disputes.*—(1) The Registrar, or as the case may be his nominee may issue summons or notices at least fifteen days before the date fixed for the hearing of the dispute requiring:

- (i) the attendance of the parties to the dispute and witnesses if any; and
- (ii) the production of all books and documents relating to the matter in dispute.

(2) Summons or notice issued by the Registrar or his nominee may be served through a Peon, Attender or any employees of the Registration Department or by registered post with acknowledgement due.

(3) The Officer serving a summons or notice shall in all cases in which summons or notice has been served, endorse or annex or cause to be endorsed on or annexed to, the original summons or notice, a return stating the time when, and the manner, in which, the summons or, as the case may be, notice was served, and the name and address of the person if any identifying the person to whom served and witnessing the delivery or tender of the summons of the notice.

(4) The official issuing the summons or notice may examine the serving officer an oath or cause him to be so examined by the officer through whom it is served and may make such further inquiry in the matter as he thinks fit, and shall either declare that the summons or, as the case may be, notice has been duly served, or order it to be served in such matter as he thinks fit.

(5) The mode of serving summonses and notices as laid down in sub-rules (1) to (4) shall *mutatis mutandis* apply to the service of any requisition made or notice issued by the Registrar or by the person authorized by him, when acting under section 46.

53. *Investigation of claims and objections against any attachment.*—Where any claim or objection has been preferred against the attachment of any property under section 68 on the ground that such property is not liable to such attachment, the Registrar, or as the case may be, his nominee shall investigate into the claim or objection and dispose it off on merits:

Provided that, no such investigation shall be made when the Registrar or his nominee considers that the claim or objection is frivolous.

54. *Procedure for the custody of property attached under section 68.*—

(1) Where the property to be attached is movable property other than agricultural produce in the possession of the debtor, the attachment shall be made by actual seizure and the attaching officer shall keep the property in his own custody or in the custody of one of his subordinates, or of a Receiver, if one is appointed under sub-rule (2) and shall be responsible for the due custody thereof:

Provided that when the property seized is subject to speedy and natural decay, or when the expenses of keeping it in custody is likely to exceed its value, the attaching officer may sell it at once.

(2) Where it appears to the officer ordering conditional attachment under section 68 to be just and convenient he may appoint a receiver for the custody of the movable property attached under the section and his duties and liabilities shall be identical with those of a Receiver appointed under order XII in the First Schedule to the Code of Civil Procedure, 1908 (Central Act 5 of 1908).

(3) (i) Where the property to be attached is immovable, the attachment shall be made by an officer prohibiting the debtor from transferring or charging the property in any way, and all persons from taking any benefit from such transfer or charge.

(ii) The order shall be proclaimed at some place on, or adjacent to, such property by beating of drums or other customary mode, and a copy of the order shall be fixed on a conspicuous part of the property and upon a conspicuous part of the village office, and where the property is land, paying revenue to the State Government, also in the office of the Collector of the District and in the office of the Tahsildar or of any other revenue officer within whose jurisdiction the property is situated.

55. *Procedure for attachment and sale of property for realization of any security given by person in course of execution proceedings.*—The procedure laid down in rules 53 and 54 shall *mutatis mutandis* apply for attachment and sale of property for the realization of any security given by a person in the course of execution proceedings.

56. *Issue of proclamation prohibiting private transfer of property.*—The Registrar when acting under clause (a) of section 71 shall at the time of signing a certificate effecting any property issue a proclamation in Form XVIII and in the case of immovable property shall also forward a copy of the proclamation to the Village Officer, Tahsildar or any other revenue officer within whose jurisdiction the property is situated, who shall cause an entry about such certificate to be made in the Record of Rights.

57. *Procedure for execution of awards.*—(1) Every order or award passed by the Registrar, or his nominee under section 68 and section 69 shall be forwarded by the Registrar to the foreman or to the party concerned with instructions that the foreman or as the case may be, the party concerned shall initiate execution proceedings forthwith according to the provisions of section 71.

(2) If the amount due under the award is not forthwith recovered or the order thereunder is not carried out, it shall be forwarded to the Registrar with an application for execution along with all information required by the Registrar, for the issue of certificate under section 71. The applicant shall state whether he desires to execute the ward through a civil court or through the revenue authorities as provided under section 71.

(3) On receipt of such application for execution the Registrar shall forward the same to the proper authority for execution along with a certificate issued by him under section 71 and a proclamation issued under rule 56 in the manner prescribed therein.

(4) Every order passed in appeal under section 70 shall also be executed in the manner laid down in sub-rules (2) and (3).

58. *Transfer of property which cannot be sold.*—(1) When in execution of an award or order sought to be executed under section 71, any property cannot be sold for want of buyers and if such property is in the possession of the defaulter or of some person on his behalf, or of some person claiming it under a title created by the defaulter subsequent to the issue of the certificate by the Registrar under clause (a) or (b) of the said section, the officer conducting the execution shall as soon as practicable report the fact to the court or the Collector or the Registrar, as the case may be and the holder of the award or order applying for the execution.

(2) On receipt of a report under sub-rule (1), the holder of the award or order may, within six months from the date of the receipt of the report or within such further period as may for sufficient reasons be allowed in any particular case by the court or the Collector or the Registrar, submit an application in writing to the court, the Collector or the Registrar, as the case may be, stating whether or not he agrees to take over such property.

(3) On receipt of an application under sub-rule (2) notices shall be issued to the defaulter and to all persons known to be interested in the property, including those whose names appear in the Record of Rights as persons holding any interest in the property, about the intended transfer.

(4) On receipt of such notice, the defaulter, or any person owning such property, or holding an interest therein by virtue of a title acquired before the date of issue of a certificate under section 71 may, within one month from the date of the receipt of such notice, deposit with the court or the Collector or the Registrar, for payment to the foreman a sum equal to the amount due under the order sought to be executed together with interest thereon and such additional sum for payment of costs and other incidental expenses as may be determined in this behalf by the court or the Collector or the Registrar, as the case may be.

(5) On the failure of the defaulter, or any person interested or any person holding any interest in the property, to deposit the amount under sub-rule (4), the court or the Collector or the Registrar, as the case may be, shall direct the property to be transferred to the holder of the award or order on the conditions stated in the certificate in the Form XIX.

(6) The certificate granted under sub-rule (5) shall state whether the property is transferred to the holder of the award or order in full or partial satisfaction of the amount due to him from the defaulter.

(7) If the property is transferred to the holder of the award or order in partial satisfaction of the amount due to him from the defaulter, the court or the Collector or the Registrar, as the case may be, shall on the production by the holder of the award or order a certificate signed by the Registrar, recover the balance due in the manner laid down in section 71.

(8) The transfer of the property under sub-rule (5) shall be effected as follows:—

(i) In the case of movable property,—

(a) Where the property is in the possession of the defaulter himself or has been taken possession of on behalf of the court or the Collector or the Registrar it shall be delivered to the holder of the award or order.

(b) Where the property is in the possession of some other person on behalf of the defaulter, such person in possession shall be given notice directing him to give actual peaceful possession of the property to the holder of the award or order and prohibiting him from delivering possession of the property to any other person.

(c) The property shall be delivered to the holder of the award or order or to a person authorised by him to take possession of the same on his behalf.

(ii) In the case of immovable property,—

(a) Where there is growing or standing crop, the property shall be delivered to the holder of the award or order and who shall thereupon be entitled to enter on the land, and to do all that, is necessary for the purpose of tending, cutting and gathering it.

(b) Where the property is in the possession of the defaulter or of some person on his behalf or some person claiming under a title created by the defaulter subsequent to the issue of a certificate under section 71, the court or the Collector or the Registrar, as the case may be, shall order delivery to be made by putting the holder of the award or order or any person whom he may appoint to receive delivery on his behalf, in actual possession of the property and if necessary by removing any person who illegally refuses to vacate the same.

(c) Where the property is in the possession of a tenant or other person entitled to hold the name by title required before the date of issue of a certificate under section 71, the court or the Collector or the Registrar, as the case may be, shall order delivery to be made by affixing a copy of the certificate of transfer of the property to the holder of the award or order in some conspicuous place on the property and proclaiming to such person by beat of drum or other customary made at some convenient place that the interest of the defaulter has been transferred to the holder of the award or order.

(9) The holder of the award or order shall be required to pay expenses incidental to the sale including the cost of maintenance of live-stock, if any, according to such scale as may be fixed by the Registrar from time to time.

(10) Where the land is transferred under sub-clause (a) of clause (ii) of sub-rule (8), the holder of the award or order shall before cutting and gathering of the growing of standing crop be liable to pay the current year's land revenue on the land.

(11) The holder of the award or order shall forthwith report the transfer of the property under sub-clause (b) or (c) of sub clause (ii) of sub-rule (8) to the Village Officer for information and entry in the Record of Rights.

(12) The holder of the award or order to whom property is transferred under sub-rule (5) shall maintain separate accounts for each defaulter showing all the expenses incurred including payment to outside, encumbrances, land revenue and other dues on the property and all the income derived from it.

(13) The holder of the award or order to whom property is transferred under sub-rule (5) shall use his best endeavour to sell the property as soon as practicable to the best advantage of the foreman as well as that of the defaulter, the first option being always given to the defaulter who originally owned the property. The sale shall be subject to confirmation by the Registrar. The proceeds of the sale shall be applied for defraying the expenses of the sale and other expenses incurred by the holder of the award or order and referred to in sub-rules (9), (10) and (12) and to the payment of the arrears due by the defaulter under the order in execution, and the surplus if any, shall be paid to the defaulter.

(14) Until the property is sold, the holder of the award or order to whom the property is transferred under sub-rule (5) shall use his best endeavour to lease it or to make any other use that can be made of it so as to derive the largest possible income from the property.

(15) When the holder of the award or order to whom property is transferred under sub-rule (5) has realized all his dues under the order in execution of which the property was transferred, from the proceeds of the property, the property if unsold shall be restored to the defaulter.

*59. Payment of fees for decision of disputes.*—(1) The Registrar or his nominee, as the case may be, shall take a dispute on file only if the application regarding reference for such disputes in Form XVII is affixed with court fee stamps at the following rates, namely:—

(i) <i>Simple money claims</i>	<i>Proper court fee</i> Rs. Ps.
(a) When the amount of the claim in dispute does not exceed Rs. 1,000	25.00
(b) When such amount exceeds Rs.1,000 but does not exceed Rs. 5,000	50.00
(c) When such amount exceed Rs. 5,000	75.00
 (ii) <i>Complicated money claims:</i>	
(a) When the amount of the claim in dispute does not exceed Rs. 1,000	50.00
(b) When such amount exceeds Rs.1,000 but does not exceed Rs. 5,000	75.00
(c) When such amount exceeds Rs.1,000 but does not exceed Rs. 5,000	100.00
(iii) <i>All other disputes</i>	100.00

*Explanation:*— For the purposes of this sub-rule, “simple money claims” means the claims of a foreman whose business consists of conducting chits including disbursement of prize amounts based on loan bonds, promissory notes, admissions or acknowledgements, and “complicated money claims” mean all money claims other than simple money claim. The question regarding the classifications of a dispute for the purpose of this sub-rule shall be decided by the Registrar or his nominee deciding the dispute and the decision of the Registrar or his nominee as the case may be, shall be final.

(2) No document of any of the kinds specified below shall be filed before the Registrar or his nominee unless it is affixed with the proper court fee stamp as specified against it.

	<i>Proper court fee</i> Rs. Ps.
(i) Vakalathnama	2.00
(ii) Application for adjournment	10.00
(iii) Application for interim stay or relief	25.00

(3) (a) The Registrar or his nominee deciding any dispute may require the party or parties to the dispute to deposit such sum as may, in his opinion be necessary to meet the expenses including payment of fees to the Registrar or his nominee, as the case may be.

(b) The Registrar may by general or special order specify the rate of fees and expenses to be paid to him or his nominee.

(c) The Registrar or his nominee shall have power to order the fees and expenses of determining the dispute to be paid by the foreman out of his funds or by such party, or parties to the dispute, as he may think fit, according to the rates laid down by the Registrar, after taking into account the amount deposited under clause (a) as above.

#### CHAPTER VIII MISCELLANEOUS

60. *Appeal to be in writing.*—(1) An appeal under section 70 shall either be presented in person or be sent by registered post to the State Government and an appeal under sub-section (1) or sub-section (2) of section 74 shall either be presented in person or be sent by registered post to the State Government or to such officer or authority as may be empowered by notification in the official Gazette by the State Government in that behalf.

(2) The appeal shall be in the form of a memorandum which shall be affixed with court fee stamps of Rs. 150.00

- (3) Every appeal shall,—
- (a) specify the names and addresses of the appellants 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; and
  - (e) give the date of order appealed against.

61. *Hearing and disposal of the appeal.*—(1) The State Government or such officer or authority, as the case may be receiving the appeal shall, as soon as possible examine it and ensure that:—

(a) the appeal memorandum is affixed with court fee stamps of the value specified in sub rule (2) of rule 60;

(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 the rules.

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

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

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

62. *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 12 years from the release of the security in the case of chits which are terminated and from the date when the affairs of the chit are completely wound up in cases dealt with in Chapter X of the Act and from the date of disposal of the appeal if orders passed under Chapter X are appealable.

63. *Register of records kept.*—(1) Every Assistant Registrar shall keep a separate register in which all the particulars of the records relating to chits registered in his office should be entered. The register shall be in Form XXI.

(2) Besides the Register of Records mentioned in sub-rule (1) the Assistant Registrar shall also maintain the following registers and account books, namely:—

(a) A Register of Securities in Form XXII;

(b) A Register of fees realized, in Form XXIII;

(c) A Register of fees collected for compounding of offences in Form XXIV; and

(d) A Register of Prosecutions in Form XXV.

(3) The Deputy Registrar of Chits of the District who is authorized to accord previous sanction under section 4 shall maintain in his office a Register of application for previous sanction to commencement or conduct of chitties in Form XXVI.

(4) A Register of prosecutions sanctioned shall be maintained in Form XXVII by the officer authorised to issue sanction for prosecution.

(5) The concerned officer as mentioned above as well as the Chief Ministerial Officer shall be responsible for the proper maintenance of the registers and accounts specified in sub-rules (1) to (4).

64. *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 sections 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 thereunder asking him to show cause within 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 thereunder 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 above, the officer empowered to compound the offence shall send an intimation in writing in that behalf to the person specifying therein,—

(a) a sum determined by way of composition,

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

APPENDIX I  
FORM I

[See section 4(2) and rule 4]

**Application by a Foreman for obtaining previous sanction to commence or conduct a chit**

Place :  
Date :

From

.....  
.....  
.....

Pincode-.....  
(e-mail address and phone numbers if any)

To

The Deputy Registrar of Chits  
.....

OR

(The authorized officer by designation)  
.....

(Through the Assistant Registrar of Chits)

Sir,

I.....son/wife/daughter of  
.....\*..... (here state  
profession or occupation) residing at ...../  
We, the Chairman and Secretary respectively on behalf of  
\*\*..... (name of the firm, company,  
co-operative society etc.) situate at/having its registered office at  
..... desire to commence and conduct a chit as  
foreman at ..... (here specify the  
place with postal address in detail). Full particulars in this regard are  
given in the Annexure hereto.

2. A certified true copy of the resolution passed by the Managing Committee/Board of Directors at its meeting held on ..... for commencing and conducting the chit in question is enclosed. We are also enclosing 3 copies each of the audited balance sheet for the last year/for the year ended..... and a statement of account for the remaining period certified as correct by our auditors M/s. .... /by the Assistant Registrar of Co-operative Societies, .....

3. I/We remit herewith a sum of Rs. .... (Rupees. .... only) being the fees prescribed for the purpose.

4. I/We hereby certify that the aggregate Chit amount of the Chits run by me/us is Rs..... (Rupees. .... only) on the date of this application and does not exceed the aggregate chit amount prescribed by Section 13 of the Chit Funds Act, 1982 (Central Act 40 of 1982).

5. I/We request you to accord your sanction for commencing and conducting the Chit. On receipt of such sanction further steps for registration, etc., of the chit will be taken.

Yours faithfully,

Chairman

Secretary

For and on behalf of

Encls: ..... sheets.

Strike out or delete whatever is not applicable.

\* Insert the designation as may be appropriate to the applicant.

\*\* Here enter the name of the applicant institution, if any.



ANNEXURE  
STATEMENT OF PARTICULARS

1. Name and address of the :  
Company/Association of  
individuals/Co-operative  
society/partnership/sole  
proprietorship (address of  
the registered office as well as  
the Head Office/Administrative  
Office, if any, should be given)
2. Constitution i.e., whether :  
incorporation as Company/  
Co-operative society or  
registered/unregistered  
association of individuals/  
partnership/sole proprietorship  
(Also specify the provision  
of the Act under which  
incorporated/registered along  
with the date of incorporation/  
registration)
3. Names and addresses of the :  
branches/offices, if any
4. Main objects of the institution :  
(enclose a copy of the  
memorandum and articles of  
association or as the case may  
be, of the Bye-laws or Rules  
regulating the activities of  
the institution)
5. Names, occupations and :  
residential addresses of the  
Directors or as the case may  
be, of the promoters/members  
of the committee of  
management/partners etc.

6. Names and residential addresses :  
of the Chief Executive Officer  
and two other Officers immediately  
next to him, in the managerial  
set up
7. Name of the bankers and their :  
addresses
8. Name of the auditors and their :  
addresses
9. Particulars of the chit(s) to be :  
started (such as the chit amount,  
duration of the chit, frequency  
of the draws, manner of draws,  
etc.– Also attach a copy of the  
draft of the chit agreement to  
be entered into with the  
subscribers)
10. Places where the chit schemes :  
are proposed to be conducted
11. Names and addresses of the :  
associate companies/co-operative  
societies/associations of individuals/  
partnerships/sole proprietorships
12. Names, occupations and :  
residential addresses of the  
Directors or as the case may be,  
of the promoters/members of the  
committee of management etc.,  
of the institution(s) referred to  
in item 11

I/We solemnly declare that the facts stated herein as also in the enclosures are true to the best of my/our knowledge, information and belief.

Dated this ..... day of ..... 20..... at .....

Name(s) Signature(s)

Designation(s)

For and on behalf of \*.....

\* Here enter the name of the applicant institution, if any. Strike out whatever is not applicable.

- Note.—(i) If the space against any item is inadequate for furnishing full particulars, the required information should be given in separate sheets indicating the cross reference against the relative item of this statement. (ii) A copy each of the latest available audited balance sheet and profit and loss account, if any, should be attached.

Application for registration of the chit agreement [See section 7 (1) and rule (6)]

Place : Date :

To

The Assistant Registrar of Chits,

.....

Dear Sir,

1. (a) I ..... son of Shri ..... being the foreman conducting chit under the name and style of..... at ..... or .....

(b) We ..... the Chairman and Secretary respectively of the foreman conducting chit business under the name and style of..... at ..... hereby apply for registration of the chit agreement.

2. The Chit agreement in duplicate is attached herewith together with a sum of Rs. .... being the registration fees as required under the Kerala Chit Funds Rules, 2012.

3. The number of current chits which are running as on the date of his application is ..... and the agreement chit amount of these chits involved therein is Rs. .... which is within the limits specified in section 13 of the Chit Funds Act, 1982 (Central Act 40 of 1982).

4. A certified true copy of the sanction obtained under section 4 of the above Act for commencement or conduct of the chit in question is enclosed.

5. ....

Yours faithfully,

Chairman

Secretary

Name

Designation(s)

For and on behalf of foreman \*.....

\* Here enter the name of the applicant institution, if any. Strike out or delete whatever is not applicable. Insert the designation(s) as may be appropriate to the applicant.

FORM III

[See section 7(2) and rule 7]

**Endorsement of Registration**

Presented in the office of the Assistant Registrar of Chits ..... at ..... a.m/p.m. on this the ..... day of 20 ..... by ..... son of ..... aged ..... years, residing at ..... the foreman/the duly constituted agent of ..... the foreman of this proposed chit, authorised as per power of attorney (details of power of attorney to be given).

Signature of foreman/agent

I hereby certify that this chit agreement relating to the chit proposed to be conducted by ..... (the name and address of the foreman should be filled in here) as a foreman has this ..... day of .....20..... been registered by me under sub-section (2) of section 7 of the Chit Funds Act, 1982 (Central Act 40 of 1982) as Chit No. .... of 20 .....

Given under my hand and seal this ..... day of ..... 20 ..... at .....

(Seal)

Signature of Assistant Registrar of Chits.

[See section 8(4) and rule 10]

**Application by a company for appropriation of money from the reserve fund**

Place :

Date :

The Registrar of Chits,

.....  
.....

Dear Sir,

In terms of sub-section (4) of section 8 of the Chit Funds Act 1982 (Central Act 40 of 1982) we hereby seek your approval for appropriating a sum of Rs..... (Rupees (in words)..... only) by withdrawal from the Reserve Fund of the company. This withdrawal has been necessitated by the following circumstance (Here state the circumstance under which withdrawal from the Reserve Fund has become necessary).

2. We enclosed for your information a copy of each of the profit and loss account and the balance sheet for the last two accounting years as also a pro forma of the balance sheet and profit and loss account for the current year ended ..... 20 ..... A true copy of the resolution passed by the Managing Committee/Board of Directors on the ..... for appropriation of the said sum from the Reserve Fund is also enclosed. We shall be glad to furnish such further information as may be required by you.

3. We remit herewith a sum of Rs.....(Rupees .....) being the fees prescribed for the purpose.

4. We shall be glad if you will kindly grant us permission to withdraw a sum of Rs. .... from the Reserve Fund.

Yours faithfully,

Chairman

Secretary

\* For and on behalf of foreman/company

\_\_\_\_\_  
\* Here enter the name of the applicant/company

FORM V

[See Section 9(1) and Rule 11]

**Declaration by Foreman**

Place :  
Date :

The Assistant Registrar of Chits,  
.....  
.....

Dear Sir,

By your letter dated .....you were pleased to grant me/us a certificate of registration to start a new chit of a chit amount of Rs. .... and of a duration .....months.

2. I/We have subsequently enlisted the required number of members and we hereby declare in terms of sub-section (1) of section 9 of the Chit Funds Act, 1982 (Central Act 40 of 1982) that all the tickets specified in the chit agreement have been fully subscribed. A list of subscribers is presented herewith.

3. I/We remit herewith a sum of Rs..... [Rupees (in words) .....only] being the fees prescribed for the purposed of filing this declaration.

Yours faithfully,

\_\_\_\_\_  
Chairman

Secretary

For and on behalf of Foreman

Strike out or delete whatever is not applicable. Insert such designation(s) as may be appropriate to the applicant.

FORM VI

[See Section 9(2) and Rule 12]

**Certificate of commencement of chit**

Place :  
Date :

Office of the Assistant Registrar of Chits,  
.....  
.....

I hereby certify that \*..... is entitled to commence and conduct the chit \*\*..... the chit agreement in respect of which was registered in my office as Chit No. .... of 20.....

Given under my hand and seal, this ..... day of .....20..... at .....

\_\_\_\_\_

(Seal)

Signature of Assistant Registrar.

FORM VII

[See Section 10(2) and rule 13]

Certificate about having furnished copy of chit agreement of the subscribers

Place :
Date :

The Assistant Registrar of Chits,
.....
.....

Dear Sir,

The Chit Funds Act, 1982
(Central Act 40 of 1982)

I/We ..... the foreman of the Chit/Chairman and
Secretary on behalf of the foreman firm/company conducting the chit, do hereby
certify that I/We have furnished to every subscriber of the chit a copy of the
chit agreement bearing registration number ..... of 20..... having
been registered in the Office of the Registrar of Chits, ..... duly
certified by me/us to be a true copy. The copies were furnished to each of the
subscribers on .....

The date of obtaining the certificate of commencement of the said chit
granted under sub-section (2) of section 9 is .....

The first draw of the said chit was held on .....

Yours faithfully, \_\_\_\_\_

Chairman

Secretary

For and on behalf of Foreman

Strike out or delete whatever is not applicable. Insert the designation(s) as may
be appropriate to the applicant.

FORM VIII

[See Section 6 and rule 14]

Form of chit agreement

(Articles of agreement between the Foreman and the Subscribers)

- 1. Office where the chit is registered ..
2. Year and registered number .. Year .. No. ..
3. Full name and address of Foreman ..

Pincode
(e-mail address and phone
numbers if any)

- 4. Occupation (if applicable) ..
5. Age (if applicable) ..

I. Chit amount and number of tickets:

- (1) No. of tickets or fraction thereof .. Full
held by each subscriber
3/4
1/2
1/4

- |   |                |                             |
|---|----------------|-----------------------------|
|   | <sup>1/8</sup> |                             |
| (2) No. of instalments and amount payable for each ticket at every instalments .. | <i>No.</i>     | <i>Amount</i><br><i>Rs.</i> |
| (3) Chit amount   |                |                             |
- II. Duration of the Chit:
- |  |              |               |  |
|--|--------------|---------------|--|
| (1) Date of 1st instalment ..          |              |               |  |
| (2) Dates of subsequent instalments .. |              |               |  |
| (3) No. of instalments per year ..     |              |               |  |
| (4) Date of termination ..             |              |               |  |
| (5) Duration of the chit ..            | <i>Years</i> | <i>Months</i> |  |
- III. The place, time and probable date when the chit is to be commenced.
- |  |  |  |  |
|--|--|--|--|
| (1) Place (give full particulars) ..           |  |  |  |
| (2) Probable date ..                           |  |  |  |
| (3) Time of commencement of the proceedings .. |  |  |  |
- IV. Particulars of security given or deposited by foreman:
- (1) Under section 20 of the Act, the following security sufficient to the satisfaction of the Registrar of Chits, the particulars of which are described below, has been given for the proper conduct of the chit (Here enter description of security such as Cash, Government Security (immovable property) etc. (In case immovable property has been charged, its particulars such as its description/location/market value, No. and office of registration of Security Bond etc. should be given).
  - (2) No. and date of the certificate of Registrar of Chits regarding the sufficiency of security.
  - (3) The foreman shall not get release of the security in full until all the liabilities under the chit are discharged.
- V. Mode of conducting the chit:
- (1) The subscriber who is to get the prize at any instalment shall be determined by lot or by auction the time and place specified in Article III. (Here specify the smallest fraction of a tickets, the prize for which will be determined by lot or by auction, and the time allowed for each purpose).

- (2) Where the prize is to be determined by auction, a ticket or fraction thereof shall be auctioned for a sum not less than the chit amount minus foreman's commission, and the subscriber who bids for the highest discount not exceeding 30% of the total amount of the chit shall be entitled to have it confirmed in his name.
- Note.—Where a fraction of a ticket is auctioned, the subscriber who bid it for the highest discount is entitled to have confirmed in his name at the same rate as many such fractions as he wished to bid.
- (3) In cases where the subscribers are not prepared to bid any ticket or fraction thereof or where the discount is not sufficient to meet the foreman's commission, the subscriber who is entitled to the prize amount shall be determined by lot. The subscriber so determined shall be deemed to be the prized subscriber who shall be entitled to the chit amount for his ticket less foreman's commission for that ticket.
  - (4) A defaulter subscriber shall not be entitled to take part in the proceedings.
  - (5) If for any reason the subscriber is unable to take part in the proceedings, he may in writing authorise an agent in that behalf. Such agent shall have all the rights and privileges of a subscriber at such proceedings.
- VI. Mode of payment of such instalment:
- (1) Every subscriber shall on the date of each instalment pay to the foreman the amount due for his ticket for each such instalment and get a receipt in that behalf from the foreman.
  - (2) In the case of a prized subscriber, if the amount due from him for a particular instalment is not paid on the date of that instalment, it shall be paid within (here mention weeks or months) with interest at (here specify the rate) failing which it shall be competent to the foreman to realise from the.....defaulter in a lump all the future subscription due from him together with the interest due thereon and other incidental expenses.
  - (3) In the case of a non-prized subscriber, if the amount due from him for a particular instalment is not paid on the date of that

instalment, it shall be paid within (here mention weeks or months) with interest at (here specify the rate) failing which it shall be open to the foreman to remove him from the list of subscribers and have another person substituted for such defaulter subscriber. The foreman shall duly inform the defaulter subscriber of the action taken against him.

*Note* : (i) Under clauses (2) and (3) the period within which the amount shall be paid and the rate at which interest due thereon shall be paid may be such as shall not be inconsistent with the provisions of the Act or any law for the time being in force.

(ii) The rate of interest payable by a defaulting subscriber in pursuance of the proviso to section 28(1) of the Act shall not exceed 12 per cent per annum.

(4) A non-prized defaulting subscriber shall be entitled to the amount paid by him and the discount due to him on his executing an acknowledgement in writing at the time the substituted subscriber draws the prize amount. If the defaulter subscriber fails to obtain the amount due to him, the foreman shall deposit the same in the approved bank. If the foreman fails to pay such subscriber, the amount due to him on the due date, it shall be competent for such subscriber to realise such amount with interest permissible under the law for the time being in force.

#### VII. Procedure for receiving the prize amount by a prized subscriber:

(1) A prized subscriber or his nominee shall receive from the foreman the prize amount within .....(here specify the period) after furnishing to the satisfaction of the foreman sufficient security, for the payment of future subscriptions.

(2) In case the prized subscriber or his nominee fails to receive the prize amount after furnishing sufficient security, the foreman shall deposit the amount in the approved bank and inform the prized subscriber of that fact.

(3) In case the amount so deposited is not sufficient for the payment of future subscriptions, it shall be competent to the foreman to realise from such prized subscriber such amount as may be deficient together with the interest due thereon and all other incidental charges.

(4) In case there remains any portion of the amount deposited after paying the future subscriptions and other charges such portion shall be payable by the foreman to the prized subscriber after the termination of the chit, failing which it shall be competent to the prized subscriber or his nominee to realise from the foreman such portion as remains together with the interest due thereon from the date of termination of the chit.

(5) If at any time after the prize amount is deposited in an approved bank, the prized subscriber or his nominee furnished sufficient security, the foreman shall withdraw the amount so deposited and pay it to the prized subscriber or his nominee after deducting there from the amount due from him for the payment of the instalments prior to the date on which the security is furnished.

(6) If the foreman fails to pay the prize amount to the prized subscriber or his nominee furnished sufficient security it shall be competent to such subscriber or nominee to realise from the foreman the prize amount together with the interest due thereon from the date of furnishing such security.

#### VIII. Disbursement of discount:

The discount for every ticket auctioned shall be distributed equally between the prized and non-prized subscribers after deducting there from the foreman's commission.

#### IX. Foreman's commission and the instalment at which the foreman is to get the prize:



- (1) (Here specify the date and number of instalment at which the foreman is to get the prize). First and the last instalment not being subject to auction, the subscribers shall be liable to pay the full amount of their tickets.
- (2) Here specify the rate per cent of foreman's commission and the total amount of commission chargeable on the chit amount.

*Note.*— Any other amount agreed to by the subscribers for any other purpose may also be specified here.

X. Transfer how to be effected:

- (1) It shall not be competent to any subscriber to transfer his rights in a chit except with the consent in writing of the foreman, provided that no such consent shall be necessary in the case of transfer by a subscriber whose name has been removed by the foreman from the list of subscribers for default of payment of subscriptions. The transferee (whether he is already a subscriber or not) shall be entitled to no more rights than the transferor had in the chit in respect of the ticket or fraction thereof transferred.
- (2) No transfer of the rights of a foreman to receive subscriptions from the prized subscriber shall be made without the previous sanction in writing of the Registrar of Chits. Any such transfer shall, if it defeats or delays a non-prized subscriber, be avoidable at the instance of such subscriber.

XI. Balance sheet and subscriber's right to examine chit records:

- (1) On termination of a chit, the foreman shall prepare balance sheet containing a summary of the assets and liabilities of the chit and giving such particulars as will disclose the nature of assets and liabilities and how the value of the assets has been arrived at. Such balance sheet shall be made available for auditing by the auditors specified in rule 29 and a certificate of such auditing shall be received by the foreman and kept by him.

- (2) The foreman shall make available for examination by the subscribers all the chit records on all the dates of the draw between ..... (here specify the time).

XII. Banks where chit money may be deposited:

(Here specify the name of the approved bank(s) where the foreman proposes to deposit chit money).

XIII. Miscellaneous:

- (1) The subscriber who gets his prize at the last instalment shall be entitled to the chit amount less the foreman's commission. The foreman shall pay up such amount within (here specify the period) after the date of termination of the chit filing which the prized subscriber shall be competent to realise the amount from the foreman together with the interest due thereon from the date aforesaid.
- (2) Any amount due to the foreman from any subscriber on account of the chit shall be a first charge on the subscriptions paid by such subscribers. Similarly, the security and all chit money's deposited by the foreman shall be liable for a discharging any amount due from the foreman to the subscribers.
- (3) Receipts shall be granted for all payments by the foreman to the subscribers or by the subscribers to the foreman.
- (4) The chit amount shall in no case be enhanced, but if necessary it may be reduced.
- (5) The foreman shall convene a meeting on the registration in writing of not less than 25 per cent of the number of non-prized and unpaid prized subscribers for making any alteration in the chit agreement not inconsistent with the provisions of the Act and the Rules made thereunder.

(6) If, for any default of the foreman, the conduct of the chit is not continued, the foreman shall pay to the non-prized subscribers their contributions including discount within (here specify the period) failing which it shall competent to such subscribers to realise the amount together with the interest due thereon from the foreman or from all or any of the following assets:

- (a) The security given or deposited by the foreman;
- (b) Other properties belonging to the foreman;
- (c) The future subscriptions due to the foreman from the prized subscribers.

(7) In case where the foreman holds tickets as an ordinary subscriber in addition to the ticket of which he is entitled to the prize without deduction of the discount he shall not have any more rights or privileges than the other subscribers have in the chit. When the foreman bids such tickets, he shall furnish sufficient security for the payment of future subscriptions as required by the Act and the rules made there under.

(8) If before the termination of the chit, the foreman dies or otherwise becomes unable to conduct the chit.

(i) Here specify the arrangements made for the conduct of the chit.

(ii) In such a case any one or more of the non-prized subscribers authorised by a special resolution may, in the absence of any provision in this chit agreement for the future conduct of the chit, take the place of the foreman and have the right to continue the chit or to make suitable arrangements for the future conduct of the chit.

(9) Here specify any other provisions that may be agreed to such as payment of interest or penalty, if any, payable for any default in the payment of stipulated instalments, etc.

(10) The subscribers who have affixed their signature hereunder agreed to the above articles.					
Sl. No.	<i>Name and full address of subscriber</i>	<i>No. of tickets taken</i>	<i>Subscribers signature and date</i>	<i>Name and full address (with age and father's/ husband's name) of the nominee of the subscriber</i>	<i>Name, signature and address of witness</i>
1					
2					
3					
4					

5

etc.

*\*Note.*—The particulars under paragraph (10) shall be filled up at the time of enrolment of subscribers.

FORM IX

[See Section 16 and Rule 17]

Notice to subscribers of Chit Number ..... of 20.....

Sir,

This is to inform you that the ..... draw in monthly/ quarterly/half yearly/yearly chit No.....20..... in which you are one of the subscribers will be held on .....day ..... (month), 20..... at .....a.m./p.m. at ..... (address). You may kindly make it convenient to be present at the draw in person or by your duly authorized agent.

Yours faithfully,

Secretary

For and on behalf of foreman

Strike out or delete whatever is not applicable. Insert such designation(s) as may be appropriate.

FORM X

[See Section 20 and Rule 20(1)]

**Application for certificate of sufficiency of security for conducting a chit**

To

The Assistant Registrar of Chits,

.....  
.....

Dear Sir,

I/We propose to commence and conduct a chit within your jurisdiction. A copy of the chit agreement of the proposed chit is attached herewith. The other particulars are given below:

- 1. Name and address of the applicant :
- 2. Age and occupation :
- 3. Chit amount :
- 4. Details of security offered :

A. In the case of securities other than immovable property—

- (i) Cash security (Give full details regarding the deposit in the approved bank in the name of the Assistant Registrar of Chits)
- (ii) Government Security (Give full details of the Government

securities transferred in favour of the Assistant Registrar of Chits)

(iii) Other immovable securities (Give full description)

B. In the case of security of immovable property—

(i) Give a brief description of the property as follows:

District ..  
 Sub-district ..  
 Taluk ..  
 Firka ..  
 Village ..  
 Kara/Muri/Desom ..  
 Survey number ..  
 Area ..

(ii) Full description (vide detailed schedule of property attached)

(iii) Rights of the foreman over the property

(iv) Market value of the property

(v) Full details of prior encumbrances, if any, on the property

5. Details of other movable and immovable properties belonging solely to the foreman

6. Whether the applicant has any debt and if so, the amount of such debt

7. Whether the foreman has conducted any chit before and if so, whether there is any subsisting liability under the same

\* I am/we are appending herewith:—

(i) The encumbrance certificate for the last thirty years, and

(ii) The following title deeds relating to the property (give details of the title deeds)

The information and particulars furnished herein are true and correct to the best of my/our knowledge, information and belief.

The security may kindly be accepted.

Yours faithfully,

*Foreman.*

Place :

Date:

\* Applicable only in the case of immovable property.

FORM XI

[See Section 20 and Rule 20(12)(a)]

**Certificate of sufficiency of security**

No. Office of the Assistant Registrar of Chits,  
 .....

Date :

(In the case of cash)

I hereby certify that I am satisfied that .....  
 ..... (Name and address of the foreman)  
 has/have deposited an amount of Rs..... [Rupees.....  
 ..... only (in words)] in  
 the..... (Name of the approved bank)  
 on.....(date) in my name in Account No..... for a  
 term of ..... years ..... months as security for the proper  
 conduct of the chit proposed to be commenced by him/them from  
 ..... with a chit amount of Rs..... and that he has/they  
 have delivered the said deposit receipts/Pass book No..... to me this  
 the .....day of 20..... and that the said security is  
 adequate and acceptable under section 20 of the Chit Funds Act, 1982 (Central  
 Act 40 of 1982).

(Seal)

*Assistant Registrar of Chits,*  
 .....

(In the case of Government security/other movable securities)

I hereby certify that..... (Name and  
 address of the foreman) has transferred the following Government securities/

(other movable securities) in my favour on ..... (date) as security for the proper conduct of the chit proposed to be commenced by him/them from .....with a chit amount of Rs..... (Rupees..... only) and that the said security is adequate and acceptable under section 20 of the Chit Funds Act, 1982 (Central Act 40 of 1982). Details of Government securities/other movable securities (Give full particulars of the securities here).

(Seal) Assistant Registrar of Chits, .....

(In the case of immovable properties as security)

I hereby certify that..... has/have executed a security bond in my favour on ..... (date) charging the following immovable properties as security for the proper conduct of the chit proposed to be commenced by him/them from .....with a chit amount of Rs..... (Rupees..... only) that the document has been registered as No. .... of 20..... of Sub-Registry Office, ..... and that I am satisfied as to the value of the property and title of the said foreman to the property and that the said security is adequate and acceptable under section 20 of the Chit Funds Act, 1982 (Central Act 40 of 1982).

Schedule of properties

(Seal) Assistant Registrar of Chits, .....

FORM XII [See Section 20(3) and Rule 22(1)]

Application for the substitution of the security

Place : Date :

To The Assistant Registrar of Chits, .....

Dear Sir,

I/We propose to give the undernoted security in substitution of the original security for proper conduct of the chit for the commencement of which certificate had been granted by you (vide No..... dated.....)

Certain other particulars are also given below:—

- 1. Name of foreman :
2. Age and occupation if the foreman is not a firm or a company :
3. The office in which the Chit agreement of the chit has been registered and the number and year of registration :
4. Chit amount :
5. Details of the original security given :

6. Details of all movable and immovable properties belonging solely to the applicant
7. Whether the applicant has any debt and if so, the amount of any such debt and to whom they are due
8. Details of Government security/other securities offered as substituted security
- I/We hereby declare that the information and particulars furnished herein are true and correct to the best of my/our knowledge, information and belief.

Yours faithfully,

Chairman

Secretary

Signature(s)

For and on behalf of.....

FORM XIII  
[See Section 23 and Rule 27(1)]

**Form of Register of subscribers to be maintained**

Office where the chit agreement of the chit is registered.....  
The registration number and year of registration number and year of registration of chit agreement of the chit .....

1	Serial Number according to chit agreement	Chit Subscriber	Assignment	Substitution				
					2	Name and address of the subscriber	7	Name and address of the assignee
3	Date of signing the chit agreement		8	Date of assignment	13	Date of removal		
4	Date of receipt of the copy of the chit agreement by the subscriber		9	Number and fraction of tickets	14	Name and address of the substituted subscriber		
5	Number of tickets		10	Amount	15	Date of substitution		
6	Amount		11	Date on which the foreman recognised the assignment	16	Number and fraction of tickets		
7	Name and address of the assignee		12	Reason for the removal of the subscriber	17	Amount (Rs.)		
8	Date of assignment		13	Date of removal	18	Date of intimation of the re-substitution to the removed subscriber		
9	Number and fraction of tickets		14	Name and address of the substituted subscriber	19	Remarks		
10	Amount		15	Date of substitution				
11	Date on which the foreman recognised the assignment		16	Number and fraction of tickets				
12	Reason for the removal of the subscriber		17	Amount (Rs.)				
13	Date of removal		18	Date of intimation of the re-substitution to the removed subscriber				
14	Name and address of the substituted subscriber		19	Remarks				

[See Section 23 and Rule 27 (2)]

**Form of the Ledger to be maintained**

Office where the chit agreement of the chit is registered .....

Registration number of the chit agreement.....

*Section I— Receipts and payment in respect of subscriber:*

Number of subscriber :  
 Name of subscriber :  
 Number of tickets taken :  
 Chit amount :

**Ledger**

Date	Number of instalment	On what account received or paid by the foreman	Amount of subscription for each instalment	Dividend due to the subscriber for each instalment (Rs.)	Amount Paid by subscriber		Amount received back by subscriber	General number in the day book	Signature of the		Remarks
					Share amount	Interest			Subscriber	Foreman	
1	2	3	4	5	6	7	8	9	10	11	12

*Section II—*

Deposit and withdrawal account of the foreman .....

Name of the bank in which money is deposited.....

Date	For what purpose deposited or withdrawn	Amount deposited (Rs.)	Interest occurring (Rs.)	Balance after each transaction (Rs.)	Amount withdrawn (Rs.)	Balance (Rs.)	Number in the day book	Signature of the Foreman	Remarks
1	2	3	4	5	6	7	8	9	10

[See Section 23 and Rule 27(3)]

**Form of the day book to be maintained**

Office where the chit agreement of the chit is registered .....

Registration number of the chit agreement.....

Day book		
Receipts	Subscriptions (Rs.)	4
	Interest (Rs.)	5
	Withdrawal from bank (Rs.)	6
	Other items	7
	Total Receipts (Rs.)	8
Reference to receipt in the receipt book		9
Expenditure	Amount paid to subscriber (Rs.)	10
	Foreman's Commissions (Rs.)	11
	Deposit in the bank (Rs.)	12
	Other items (Rs.)	13
	Total Expenditure (Rs.)	14
Balance (Rs.)		15
Reference to the page number of the voucher in the file of vouchers		16
Signature of Foreman		17
Remarks		18
Date	1	
General Number	2	
On what account received or paid	3	

*Note:*—(1) The balance should be struck in column (15) at the close of each day. The monthly total of receipts and expenditure shall be struck at the end of each month.

- (2) In column (2) each transaction shall be assigned a serial number. There shall be one separate set of serial numbers for each calendar year.
- (3) If any amount is received from or paid to more than one subscriber at a time the amount paid to or received from each subscriber should be entered as a separate item.
- (4) If more than one amount is received from or paid to the subscriber at a time each amount paid to or received from the subscriber should be entered as separate item.

## FORM XVI

[See Section 23 and Rule 27(4)]

**Form of the Receipt book to be maintained**

Original	Receipts	Serial Number
Received from ..... to the credit of ..... the amounts detailed below in respect of the chit agreement registered under number ..... of .....20.....		

Rs. Ps.

Payment for current instalment	:	
Arrears of subscription (with details)	:	
Penalty for overdue subscription	:	
Fees for inspection of records	:	
Other receipts (to be specified)	:	
Total	:	_____

[Rupees (in words) .....Paise.....]

Date:

For and on behalf of Foreman.

*Note:*—Strike out/delete whatever is not applicable. Insert the designation(s) as may be appropriate to the applicant.



[See Section 64 and Rule 47]

**Application for reference of a dispute to arbitration**

Before

The Registrar

- 1. Name : Age :  
Occupation : Address : Disputants:
- 2. Name : Age :  
Occupation : Address :
- 3. Name : Age :  
Occupation : Address :

*Versus*

- 1. Name : Age :  
Occupation : Address : Opponents:
- 2. Name : Age :  
Occupation : Address :
- 3. Name : Age :  
Occupation : Address :

(Here give full particulars of the claim or the facts of the case constituting the cause of action, when it arose etc.)

The disputant/disputants prays/pray as under :

.....  
.....

In support of the above claim or relief sought I/We enclose documents and papers as per the list annexed hereto.

(Signed)

Date : *Disputant/Disputants*

I/We .....disputant/disputants declare that the facts state above are true to the best of my/our knowledge and belief.

Date : (Signed)

(1)

(2)

Disputants

(3)

Filed in the office of ..... on .....20.....

*Note.*—(1) In case there are more disputants or opponents their name, addresses, ages and occupations should also be mentioned.

(2) In disputes relating to monetary claims, the disputants should state the precise amount claimed but where this cannot be exactly ascertained the disputants shall state the approximate amount claimed.

(3) When the disputants—foreman is a company/co-operative society or a partnership firm, a copy of the resolution of its Board of Directors or the Managing Committee as the case may be, shall accompany the application.

[See section 71 and rule 56]

**Proclamation to be issued at the time of the issue of a certificate**

A. *In the case of immovable property :*

WHEREAS Shri..... obtained an award under section 69 of the Chit Funds Act, 1982 (Central Act 40 of 1982) for an amount of Rs..... against ..... (Judgement debtor) and proposes to execute the same by sale of the under mentioned property of the said judgements-debtor and whereas the holder of the award has obtained certificate dated ..... for execution of the award under section 71 of the said Act.

Notice is hereby given that any private transfer or delivery of, or encumbrance or charge on, the property made or created after the issue of the certificate shall be null and void against the said holder of the award under section 72 of the Act aforesaid.

*Description of the property*

Date of award of order	Names of the parties against whom award or order has been passed and certificate under section 71 has been issued	Survey number or House number	Name of the Village or town etc.	Area	Assessment or other taxes	Other description or the property such as boundaries etc.	Remarks
1	2	3	4	5	6	7	8

The notice shall be proclaimed at some place on or adjacent to such property by beat of drum or other customary mode, and a copy of the said notice shall be fixed on a conspicuous part of the property and upon a conspicuous part of the village office and also where the property is land paying revenue to the State Government, in the Office of the Collector of the District in which the land is situated.

Place :

Date :

*Registrar of Chits*

B. In the case of movable property a similar notice may be given with necessary changes as to the description of the property.

A copy of the notice shall be delivered to the judgement-debtor.

FORM XIX

[See Rule 58 (5)]

**Certificate for Transfer of Property**

A. *In the case of immovable property :*

WHEREAS in execution of the award made under section 69 of the Chit Funds Act, 1982 (Central Act 40 of 1982) in favour of ..... an order was passed on the ..... day of .....20..... for sale of the under mentioned property of the person or persons (debtor or debtors);

AND WHEREAS the Court/the Collector/the Registrar is satisfied that the said property cannot be sold for want of buyers;

It is here by ordered that the right, title and interest of the debtor in the said property shall vest in the holder of the award on order and shall be delivered to him subject to the terms and conditions laid down in the schedule hereto annexed.

Description of the property			
Survey Number	Area and assessment	Nature of right, title and interest of the defaulter	Details of encumbrances to which property is subject
1	2	3	4

THE SCHEDULE

The property is transferred to the holder of the award on order in full/partial satisfaction of the amount due to him from the debtor.

Given under my hand and seal of the Court/Collector/Registrar this ..... day of .....20.....

Place :

Date :

*Court/Collector/Registrar of Chits*

B. *In the case of movable property :*

(The form shall be similar with necessary changes as regards the description and the delivery of the property).

[See Section 17(1) and (2) and rule 18]

**Form of minutes of proceedings**

1. Registered number and year of the chit and office of Registration No. ....of 20..... of the office of the Assistant Registrar of chits.
2. The number of instalment in respect of which proceedings are conducted.
3. Place where the proceedings are conducted.
4. Date and time when the proceedings began.
5. The names of the subscribers present.
6. Full particulars regarding the disposal of the prize amount in respect of the immediately preceding instalment.
7. (a) In the case where the prize amount was disbursed to the subscriber [including payments under the first proviso to section 22(1)].  
(b) In the case of deposit of prize amount in an approved bank under section 22 (2).  
(c) In the case of deposits of amounts deducted from prize amount towards future subscriptions as per the second proviso to section 22 (1) and consolidated payments as per section 33(4).  
(d) In the case of deposits made under section 30(1).
8. Full particulars of the disposal of any unpaid prize amount in respect of any previous instalment (excepting those referred to in column 6 above).
9. Amount withdrawn from the approved bank since the date of last draw and the purpose of such withdrawal.
10. How the prized subscriber was determined and full particulars in regard to auction/lot etc., relating to the whole ticket if the ascertainment of the prize winner related to a fraction.
11. Full particulars in respect of the chit amount, commission, dividend, prize amount etc., the name of prize winners with ticket numbers and their signatures.
12. Signature of the foreman.
13. Time when the proceedings ended.

*Note.*— Full particulars such as the ticket number and name of the subscriber, name of the approved bank, Account number, date of payment, deposit/withdrawal, details of security, documents etc., wherever applicable shall be distinctly shown in columns 6 to 9.

[See Sub-rule (d) of rule 2]

**Form of letter of authority**

I ..... (name) who/am/is.....  
(designation) of M/s. .... being a foreman of the  
chit series No. ....registered under registration  
No. ....hereby appoint Shri ..... as my  
authorised representative to attend on my/our/belief in the matters connected  
with the above chit to produce accounts and documents and to receive on my/  
our/belief any notice or document issued and to take all necessary steps in the  
matter.

The said Shri ..... is also hereby authorised to act on  
my behalf/belief of the said..... in the said matter.

I/We agree to ratify all acts done by the said Shri .....in  
pursuance of this authority.

Place :

Signature :

Date :

Status :

[See Rule 63 (1)]

**Register of records of chits**

Office of the Assistant Registrar of Chits

## Part I

1. No. and date of previous sanction with the name of authority who sanctioned the chit. :
2. No. and date of sufficiency of security :
3. Details of security :
4. Nature of chit :
5. (a) Amount of chit :  
(b) No. of tickets and No. of division of each ticket :
6. (a) Date of commencement :  
(b) Date of termination :  
(c) Duration :
7. No. of instalments and date of each instalment :
8. Registered No. and year of chit :
9. No. and date of issue of certificate of commencement :

*Signature of Head Ministerial Officer**Signature of Assistant Registrar*

Sl. No.	Names of record file	Date of Origin	Due date of filing	Actual date of filing	Fees levied	Initials of the H. M. O.	Initials of D. R.	Remarks
1	2	3	4	5	6	7	8	9

- Note.*— 1. Whenever any event which has a bearing on the chit takes place Suitable entries regarding that event shall be made in the remarks column.
2. Necessary entries shall be made in column 9 regarding termination or winding up of a chit.

[See Rule 63 (2) (a)]

**Register of securities offered under Section 20(1) of the Chit Funds Act, 1982**

Office of the Registrar of Chits,

.....

1. Name and full address of the foreman :
2. Name of the chit fund and location of office :
3. Nature of chit (i.e, whether cash chit or grain chit) :

4. (i) Chit amount :
- (ii) Proposed dates of commencement and termination :
- (iii) Number of instalments and periodicity and date of each instalment :
5. Nature of security offered :
6. Full particulars of security furnished :
7. (a) Whether the security is accepted :
- (b) If so the number and date of certificate of sufficiency of security issued :
- (c) If not, the reasons for refusal and whether the security has been retransferred to the foreman and if retransferred when and how :

*Signature of Head Ministerial Officer*

*Signature of Registrar*

8. (a) Details of previous sanction if accorded :
- (b) Number and date of registration of chit agreement if any :
9. Number and date of certificate of commencement if issued :

*Signature of Head Ministerial Officer*

*Signature of Registrar*

10. Number and date of the Government Gazette in which release notification is published :
11. Summary details of objections if any received after publication of release notification and its disposal :
12. Name and signature of the foreman with date in token of having received back the security :
13. Remarks :

*Signature of Head Ministerial Officer*

*Signature of Assistant Registrar*

- Note:—*(i) Column 1 to 7 shall be filled up as soon as an application is disposed of.
- (ii) The total number of instalments, the frequency, i.e., whether weekly, monthly etc., and dates of instalment shall be given in column 4 (iii).
- (iii) The particulars such as amount, date of deposit, name of approved bank, account number (receipt number of pass book number etc.) etc., in the case of cash deposit, all relevant particulars in the case of other Government securities and a brief description of property with number of security bond and office of registration in the case of immovable property should be given in column 6.

FORM XXIII

[See Rule 63 (2) (b)]

**Register of fees realised on account of Chits**

Office of the .....

1	Date
2	Sl. No.
3	Registered No. of Chit
4	Fee for Inspection of immovable property offered as security
5	Fee for application for previous sanction under section 4 (1)
6	Fee for filing a chit agreement under section 7(1)
7	Fee for filing declaration under section 9 (1)
8	Fee for issue of certificate of commencement under section 9(2)
9	Fee for filing of records
10	Fee for audit of balance sheet/inspection of chits
11	Fee for inspection chit records
12	Fee for issue of certified copies of chit records
13	Fee for compounding of offences
14	Any fee realised other than those mentioned in columns (4 to 13)
15	Fee receipt No.
16	Remarks
17	Initial of Register

*Note.*—Explanatory note wherever necessary shall be given in the remarks column.

FORM XXIV

[See Rule 63 (2) (c)]

**Register of fees collected for compounding offences under the Chit Funds Act, 1982**

Office of the .....

1	Date	
2	Sl. No.	
3	Registered No. of Chit	
4	Nature of Offence	
5	Date of origin of the return or records	In the case of returns or records
5(a)	Due date of filing	
6	Date of the event with reference to which the due date is to be reckoned	In the case of amounts
6(a)	Last due date for payment deposit etc.	
7	Actual date of filing or records/payments/deposits of cash in approved bank	
8	Length of delay in days (if applicable)	
9	Number and date of notice to the foreman	
10	Date of receipt of the foreman's reply	
11	Number and date of report to the Registrar	
12	Number and date of order of the Registrar	
13	Compounding fee levied	
14	Remarks	
15	Initial of Head Ministerial Officer	
16	Initial of Registrar	

*Note.*— Offences compounded after institution of prosecution shall also be entered in this register.

## FORM XXV

[See Rule 63 (2) (d)]

**Register of Prosecution**

Office of the Registrar of Chits.....

Year.....

1	Sl. No.	2	Chit No.	3	Details of occurrence of offence	4	Date of occurrence of offence	5	No. and date of report seeking sanction for prosecution	6	No. and date of sanction of prosecution and the authority who gave sanction	7	Date of filing and No. of the case and name of Court	8	Summary of the decision of the Court	9	Remarks
---	---------	---	----------	---	----------------------------------	---	-------------------------------	---	---	---	---	---	--	---	--------------------------------------	---	---------

*Note:—* Strike out/delete whatever is not applicable. Insert the designation as ~~(in any of the appropriate sections of the Act shall also be quoted.~~

(ii) The date from which the act or omission is reckoned as offence may be given in column 4.

## FORM XXVI

[See Rule 63 (3)]

**Register of application for previous sanction to commencement or conduct of Chits**

Office of the .....

Year.....

Sl. No.	Date of receipt of application	The officer who has forwarded the application for previous sanction	Name and full address of the applicant	Nature and Chit as amount of the proposed chit	Proposed date of		No. of instalments and proposed date of each instalment and periodicity	Details of security offered	Certificate of sufficiency of security	Details of decision (i.e., sanction or refusal)	Signature of sanctioning authority	Remarks
					Commencement	Termination						
1	2	3	4	5	6		7	8	9	10	11	12

**Register of Prosecutions sanctioned under the Chit Funds Act, 1982**

Office of the.....

Year.....

Sl. No.	The Officer who has reported the offence and sought sanction for prosecution and No. and date of his report	Nature of offence (summary details)	Date of receipt of the report	No. and date of order if prosecution is sanctioned	If prosecution is not sanctioned the reasons therefore	Remarks	Dated signature of the authority to sanction Prosecution
1	2	3	4	5	6	7	8

Name of the Foreman.....

- |  |  |
|--|--|
| (i) Office where the bye-laws of the Chit are registered         | (i) Registration number and year of the bye-laws of the Chit |
| (ii) Date of which the balance sheet was prepared                | (ii) Name of the Foreman                                     |
| (iii) Number of instalments conducted till date of balance sheet | (iii) Chit amounts   |
|  | (iv) Number of instalments                                   |



## I. RECEIPTS AND EXPENDITURE

<i>Receipt</i>	<i>Current year</i>	<i>Total including previous year</i>	<i>Expenditure</i>	<i>Current year</i>	<i>Total including previous year</i>
	<i>Rs. Ps.</i>	<i>Rs. Ps.</i>		<i>Rs. Ps.</i>	<i>Rs. Ps.</i>
1 Subscriptions paid by the prized and non-prized			1 Prize amounts disbursed to prized subscribers		
2 Receipts under dividend			2 Interest paid to subscribers		
3 Interest realised from the subscribers			3 Amounts paid to defaulter non-prized subscribers		
4 Contributions by substituted or assigned non-prized subscribers in respect of dues of defaulters			4 Amount contributed by foreman for payment for the prize amount		
5 Any other amount received from subscribers			5 Foreman's commission		
6 Amount contributed by the foreman for payment of prize amount			6 Amounts on account of interest realised for delayed payments and forfeited dividend		
7 Interest accrued from investments			7 Dividend paid		
8 Other items (details to be annexed)			8 Sinking fund		
9 Investments withdrawn			9 Other items (details to be annexed)		
Grand Total			Total Expenditure		
			10 Investments made		
			Grand Total		

## II. STATEMENT OF ASSETS AND LIABILITIES

<i>Assets</i>	<i>Rs. Ps.</i>	<i>Liabilities</i>	<i>Rs. Ps.</i>
1 Amounts due on account of arrears of subscription due from prized subscribers		1 Amounts paid by non-prized subscribers (including dividend)	
2 Amounts due from the subscribers including the foreman towards future subscriptions		2 Amounts due to non-prized defaulter subscribers	
3 Interest due from defaulter subscribers		3 Arrears of prize amount due to prized subscribers	
4 Investments in bank (including interest thereon)		4 The amounts due to the foreman towards contributions made by him for payment of prize amount	
5 Other items (details to be annexed)		5 Other items (details to be annexed)	
6 Sinking fund		6 Sinking fund	
Total		Total	

## III. DETAILS OF INVESTMENTS

<i>Sl. No.</i>	<i>Receipts</i>	<i>Rs. Ps.</i>
1	Investments made on account of the failure on the part of prized subscribers to receive the prized amount due to them.	
2	Investment made on account of lump-sum collection made from defaulter prized subscribers.	
3	Amount deposited for payment to non-prized defaulter subscribers.	
4	Investments on account of other item of receipts of the chit (details to be annexed)	
	Total	

## IV. ASSESSMENT OF VALUE OF INVESTMENT

1. Investment in Pass Book Account Number.
2. \*Amount due from the future instalments of the Chit as per bonds etc. obtained for instalments of the Chit including the arrears of Rs ..... due on account of defaulting instalments from defaulters.
3. Balance of contributions due from the foreman on account of prize amount received by him.

*Note* :— To facilitate audit of balance sheets, the following statements of details should be annexed by the Foreman to the balance sheet.

- (i) Statement of details of receipts and expenditure for each instalments;
- (ii) Of disbursement;
- (iii) Of the prize amount in respect of each instalment; and
- (iv) Statement of details of arrears due on the date of the preparation of the balance sheet from the prized and non-prized subscribers.

\*Particulars of documents to be entered here.

Security offered by the Foreman, hypothecation bonds etc. executed under section 20, and hypothecation bonds etc. obtained from the prized subscribers under section 31 of the Act.

## V. CERTIFICATE BY FOREMAN

I certify that the above accounts have been prepared correctly and that they contain a true and complete statement of the affairs of the chit.

Date : *Name and Signature of the Foreman.*

## VI. CERTIFICATE BY AUDITOR

Certified that I have examined the chit books and records maintained in respect of the chit ..... the bye-laws of which have been registered in ..... as number ..... 20.....conducted by Foreman ..... and have verified the entries in the accounts with the books. The accounts are drawn up in conformity with the provisions of the Chit Funds Act, 1982 (Central Act 40 of 1982) and the Rules framed thereunder.

Date :

*Name and Signature of the Auditor.*

## APPENDIX II

## FORM I

[See Section 62, 63 and Rule 31 and 44]

Rs. Ps.

I.	For the inspection of immovable property proposed to be offered as security under section 20	25.00
II.	For the application for previous sanction to commence or conduct a chit under sub-section (2) of section 4	25.00
III.	For filing a chit agreement under sub-section (1) of section 7	10.00
IV.	For issue a certificate of commencement of chit business under sub-section (2) of section 9	
	(a) Where the chit amount of the proposed chit does not exceed Rs. 5,000	10.00
	(b) Where the chit amount of the proposed chit exceeds Rs. 5,000 but does not exceed Rs. 10,000	25.00
	(c) Where the chit amount of the proposed chit exceeds Rs. 10,000 but does not exceed Rs. 15,000	50.00
	(d) Where the chit amount of the proposed chit exceeds Rs. 15,000 but does not exceed Rs. 20,000	100.00
	(e) Where the chit amount of the proposed chit exceeds Rs. 20,000 but does not exceed Rs. 25,000	150.00
	(f) Where the chit amount of the proposed chit exceeds Rs. 25,000 but does not exceed Rs.1 Lakh	250.00
	(g) In any other case	750.00
V.	For filing a certificate under sub-section (2) of section 10	2.00
VI.	For filing a copy of the minutes of proceedings under section 17	2.00
VII.	For every application for registration of an alteration, addition or omission of any provisions in a chit agreement under sub-rule (1) of rule 15	10.00
VIII.	A fee of Rs.2 (Rupees Two only) shall be levied in each case for filing with the Registrar.	
	(a) A copy of each entry relating to the removal of defaulting subscriber under sub-section (3) of section 28	
	(b) A true copy of each entry relating to the substitution of a subscriber under sub-section (2) of section 29	

Rs. Ps.

	(c) A true copy of entry relating to transfer of the rights of foreman under section 37	
	(d) A copy of entry relating to transfer of non-prized subscriber's right under section 37	
	(e) A true copy of assent of non-prized subscribers and unpaid prized subscribers for withdrawal of a foreman under section 41	
	(f) A true copy of consent of all non-prized or unpaid prized subscribers to the termination of chit under section 41	
	(g) Each petition protesting against or objecting to the orders passed or proposed to be passed by the Registrar.	
IX.	If the balance sheet is audited under section 24 or the chit books and records are inspected by the Registrar or any Officer authorized by the Registrar under section 46 or the accounts books and other records of the chit are audited by the Chit Auditor, for each such audit or inspection	
	(a) Where the chit amount does not exceed Rs. 5,000	25.00
	(b) Where the chit amount exceeds Rs. 5,000 but does not exceed Rs. 15,000	60.00
	(c) Where the chit amount exceeds Rs. 15,000 but does not exceed Rs. 25,000	120.00
	(d) Where the chit amount exceeds Rs. 25,000 but does not exceed Rs. 50,000	200.00
	(e) Where the chit amount exceeds Rs. 50,000 but does not exceed Rs. One lakh.	500.00
	(f) In any other case	1000.00
X.	For each inspection of the records of a chit under section 62	3.00
XI.	For every 100 words or fraction thereof of a copy or extract of the records relating to a chit furnished under section 62	1.00
XII.	For every 100 words or fraction thereof of certified copy of any order, or award made by the Registrar or his nominee, under section 69	1.00
XIII.	For every appeal to the State Government under section 74	10.00

By order of the Governor,

A. AJITH KUMAR,  
Secretary to Government.

**Explanatory Note**

(This does not form part of the notification, but is intended to indicate its general purport.)

Sub-section (1) of section 89 of the Chit Funds Act, 1982 (Central Act 40 of 1982) empowers the State Government to make rules in consultation with the Reserve Bank of India for giving effect to the provisions of the said Act. The State Government have decided to make rules accordingly.

The notification is intended to achieve the above object.