

CHIT AGREEMENT (FIXED DIVIDEND)

Whereas RK Chits, (Radhakrishna Kuries Ltd), a Company incorporated under the Companies Act, 1956, having its Registered Office at XIII/203, Thekkedath Building, West Nada, Guruvayur and branch office at Door No 10A, SM Square, Pollachi Main Road, Kurichi, Sundarapuram, Coimbatore, Tamil Nadu, 641008 (Hereinafter called the Foreman which expression shall include its assignees and successors-in-interest) has received Previous Sanction No..... Dated..... for the conduct of Chit Group from the office of the Deputy Registrar of Chits, Coimbatore South, Joint 1.

Now, this Indenture witness the execution of the Chit Agreement between the Foreman and the Subscriber as follows.

And whereas, the Foreman having received and accepted the proposal for membership from the person mentioned below (hereafter called the subscriber, which expression shall include his/her nominees, assignees, and successors-in-interest) and the Foreman hereby allots chit membership.

DETAILS OF SUBSCRIBER

1. Name :
2. Surname :
3. Address :
4. Occupation :
5. Age :
6. E-Mail ID :
7. Whatapp Mobile Number :
8. Phone Number :
9. Nominee's Particulars :
10. Name of the Nominee :
11. Age :
12. Relation with Subscriber :

*(if the nominee is a minor , please mention date of birth)

► DURATION OF THE CHIT

1. Date of first installment :

3. Due Date of Payment of installments :
4. Date of termination :
5. Duration of the Chit :
6. Maximum Auction Discount (%) :
7. Frequency of auction :
8. Chit No :
9. Chit Amount (₹) :
10. No. of Instalments :
11. Instalment Amount (₹) :

► **THE PLACE, TIME AND PROBABLE DATE WHEN THE CHIT IS TO BE COMMENCED.**

1. Place : RK Chits, Door No. 10A, SM Square, Pollachi Main Road, Kurichi, Sundarapuram, Coimbatore, Tamil Nadu, 641008
2. Probable date :
3. Time of commencement of the proceedings :
4. If there is any change and time, it shall be intimated to subscribers by way of E- Mail, WhatsApp , Phone , printed notice, whichever is convenient.

► **BANKS WHERE CHIT MONEY MAY BE DEPOSITED**

1. The chit money shall be deposited in any of the banks approved under the provisions of the Chit Funds Act, 1982.

Name(s) of Bank(s): Federal Bank

► **THE MANNER OF ASCERTAINING THE PRIZED SUBSCRIBER AT EACH AUCTION**

1. The auction will be conducted at 10A, SM Square, Pollachi Main Road, Kurichi, Sundarapuram, Coimbatore, Tamil Nadu, 641008 in a virtual platform as per the date and time intimated to subscribers digitally (Mobile App/SMS/email/What's up)
2. The prized subscriber of each installment is determined by of auction/ lot/bid/with both on the virtual platform (video conferencing duly recorded by the foreman as per the section 16(2) of the Chit Fund Act 1982) without any manual intervention.

3. Those Subscribers who are interested to participate in auction proceedings shall be intimated by the foreman digitally/electronically at least one hour before the auction proceedings commence.
4. The subscriber can authorize any other person to participate in the auction proceedings either by physical form or E mail provided by the Foreman.
5. All non-prized subscribers who have paid their last instalment at least 60 minutes before the scheduled time of auction are eligible to participate in the auction.
6. The maximum bid/ discount amount (Discount means the sum of money, which a prized subscriber is, under the terms of the chit agreement, required to forego) should not go beyond 30% of the chit value, out of which 3%/4%/5%/7% of chit value is the foreman's (company's) commission and the balance percentage will be distributed equally among the members in the group. The subscriber shall be intimated the next installment (after deducting the share of discount), which he should remit promptly on or before the due date.
7. If more than one subscriber is willing to participate in auction / bid at the maximum discount, the prized subscriber will be determined by lot.
8. The bidding is in respect of the discount and the participants are supposed to bid in multiples of 100/ or its multiples as per the subscriptions, decided by the foreman at the time of commencement of chitty. The same will be displayed when the subscriber participates in auction.
9. The duration of auction will be displayed on the customer portal with a timer.
10. The members can authorize the foreman (proxy) electronically to take part in an auction on his behalf using the nomination/proxy option provided in the online portal at least 24 hrs before the scheduled time. Such authorization will be valid only for the forthcoming auction only. On default of any of the installments such authorization will not be accepted. The member can submit a fresh authorization on regularizing the account. Any cancellation of the proxy should also be submitted 30 minutes before the commencement of the auction proceedings through the online portal.
11. If any proxy-quote is above the Foreman commission level, the bidding will start from the highest proxy amount. If there is no proxy, the bidding starts from Foreman's commission level in multiples of 100 or its multiples.
12. In the case of Fixed Dividend chit, the prized subscriber shall be decided only by LOT as the dividend (including Foreman Commission) is already fixed. In the unlikely event of any subscriber/s not turning up for prize amount at any discount level, it shall be deemed that all non-prized subscribers have equal appetite for the prize amount less foreman commission and the prized subscriber shall be decided by LOT from the remaining non- prized subscribers accordingly.

13. Once a member is prized, it is his sole responsibility to provide satisfactory security as specified by the foreman for the future installments.

14. There won't be any auction in the first installment and last installment.

► **MODE OF PAYMENT OF INSTALMENT**

1. Members can make payment of each installment through on-line portal or at branch at least one hour before the commencement of next auction. A digital confirmation will be provided for each successful payment. Before making payment through online mode, subscriber should check the tariff on different payment methods (UPI, Internet Banking, Debit Card etc...).

2. In the case of prized subscriber, if the amount due from him for a particular installment is not paid on the due date of that installment, the share of discount (Section 2 of CFA1982) of that installment will have to be forfeited. The prized subscriber is liable to pay gross installment amount with interest @ 12% p.a (**before next installment**). Every prized subscriber shall pay his/her subscriptions regularly on the dates and times and at the place in the chit agreement and on his failure to do so he/she shall be liable to make a consolidated payment of all the future subscriptions forthwith.

3. In the case of a non-prized subscriber, if the amount due from him for a particular instalment is not paid on the due date, it shall be paid before the due date of next installment with interest @ 12% p.a for the default period failing which it shall be open to the foreman to remove him from the list of subscribers and a written notice of such removal shall be given by the foreman to the defaulting subscriber within 14 days of the date of such removal. If the defaulter, pays the defaulted installment with interest at such rate as may be prescribed within seven days of the date of receipt of such notice, his name shall be re- entered in the subscribers list. It is not mandatory to remove all defaulting non prized subscribers, but it cannot be presumed that such a subscriber is allowed to continue in the chit as per the terms of the agreement.

4. A non-prized defaulting subscriber shall be entitled to the actual amount paid by him on executing an acknowledgment on substitution of his ticket by another subscriber. If the Non-Prized defaulted subscriber fails to draw the amount due to him, the foreman shall deposit the same in an earmarked account with an 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 realize such amount with interest permissible under the law for the time being in force. The original subscriber has to pay penal interest @ 12% pa on the defaulted instalments during the default-period.

5. Substitution shall not be allowed if the chit crosses 70% of the instalments. If no substitution takes place, the Foreman has to step in to the shoes of the defaulting subscriber and continue the chit till the end. In such cases the non-prized subscriber shall be entitled to get back the paid amount after deducting full foreman commission. Foreman commission

shall be deducted from the amount to be paid to the defaulted non-prized subscriber. Besides, interest @12% pa also will be levied on the aggregate default amount for the default period.

► **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 on or after 30 days/7 days/14 days from the date of auction after furnishing sufficient security to the satisfaction of the foreman as per the extant instructions of the company for future liability (the payment of future subscriptions as per the Section 21(1)(e) of Chit Fund Act 1982).
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. Provided that foreman can withdraw the amount so deposited for the payment of future subscriptions.
3. In case the amount so deposited is not sufficient for the payment of future subscriptions, it shall be competent to the foreman to realize 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 realize from the foreman such portion as remains together with 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, on furnishing sufficient security, it shall be competent to such subscriber or nominee to realize from the foreman the prize amount together with the interest due thereon from the date of furnishing such security.
7. The prized subscriber is liable to pay GST or any other tax at the rate applicable, on foreman's commission at the time of receiving prize amount.

8. In case the prized subscriber or his nominee fails to furnish sufficient security within two months of prizing the ticket, the foreman shall be competent to cancel that auction and conduct re-auction. In such case the members will only be eligible for the dividend as per the re-auction.

9. The foreman can deduct an amount not exceeding 7% of the gross chit amount as fixed by the chit agreement by way of commission, remuneration, or meeting the expenses of running of the chit.

► **FOREMAN'S COMMISSION AND THE INSTALMENT AT WHICH THE FOREMAN IS TO GET THE PRIZE AMOUNT**

1. The foreman is entitled to obtain gross chit amount at the first installment without deduction of the discount specified in the chit agreement, subject to the condition that he shall subscribe to a ticket in the chit.

Provided that in a case where the foreman has subscribed to more than one chit, he shall not be eligible to obtain more than one prize amount without discount.

► **TRANSFER OF NON-PRIZED SUBSCRIBER'S RIGHTS**

Every transfer by a non-prized subscriber of his right in the chit shall be in writing with the consent of the foreman. However 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 subscription.

► **BALANCE SHEET AND SUBSCRIBER'S RIGHT TO EXAMINE CHIT RECORDS**

Without prejudice to the provisions of the Companies Act, 1956 (1 of 1956), every foreman shall prepare and file with the Registrar within such time as may be prescribed, a balance sheet as on the last date of each calendar year, or, as the case may be, the financial year of the foreman, and a profit and loss account relating to the year of account, in the forms set out in Parts I and II of the Schedule, or as near thereto as circumstances admit, in respect of the chit business and audited by auditors qualified to act as auditors under the Companies Act, 1956, or by a chit auditor appointed under section 61: Provided that where a balance sheet is audited by an auditor qualified to act as auditor under the Companies Act, 1956 (1 of 1956), a chit auditor appointed under section 61 shall have the right to audit the balance sheet at any time if so authorized by the Registrar in this behalf.

Every foreman shall, on payment of such fee not exceeding five rupees as may be specified in the chit agreement, allow the non-prized subscribers and unpaid prized subscribers reasonable facilities on all the dates of draw or on such other dates and within such hours as may be provided for in the chit agreement, for the inspection of

security bonds and documents, receipts and other records taken from the prized subscribers or furnished by the foreman as a subscriber and all chit records, including books of account, pass books, balance sheet and profit and loss accounts and such other records as may show the actual financial position of the chit.

► MISCELLANEOUS

1. The subscriber who wins the prize at the last instalment shall be entitled to the chit amount less the foreman's commission. The foreman shall pay such amount within thirty (15) days after the date of termination of the chit failing which such prized subscriber shall be entitled to realize the amount from the foreman together with the interest at the rate of 12% per annum.
2. Any amount due to the foreman from any subscriber on account of the chit shall be the first charge on the subscriptions paid by such subscribers. Similarly, the security and all chit money deposited by the foreman shall be liable for discharging any amount due from the foreman to the subscribers.
3. The chit amount shall in no case be enhanced, but, if necessary, it shall be reduced by passing a special resolution in the General body of the subscribers.
4. 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 30 days failing which it shall be competent to such subscribers to realize 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/installments due to the foreman from the prized subscribers.
5. 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 Company.
6. In the event of death of subscriber, the person nominated herein shall have the right to conduct the chit and to receive the prize money and other benefits relating to this Chit.
7. Company is having branches at different places in India. Security is accepted in all branches where it is located. Securities accepted by foreman to release prize money :
 - a. Fixed Deposits

b. Gold ornaments

c. Personal guarantee of individuals with good credit record (Employment certificate issued by Govt/PSU organizations and other reputed firms)/IT return as decided by Foreman.

d. Unencumbered landed property

e. Surrender value of LIC policy

f. Escrow mechanism for receivable viz. rent/other receivable

8. The defaulting prized subscriber not entitled for share of discount whereas the foreman can claim share of discount of defaulting subscribers.

9. Mode of Notification

10. Intimations to the subscribers will be sent to their registered e-mail or SMS.

11. Electronic documentations available on the portal are :

a. Chit Agreement between subscriber and the foreman. (The electronic Chit Agreement between foreman and subscriber shall be accepted by subscriber online, through click wrap arrangement.)

b. Copy of minutes of proceedings of auction

c. Copy of Balance sheet

d. Information regarding default subscribers

e. Information regarding substituted subscribers

f. Details of transfer of rights of non-prized subscriber

Signature of Foreman

Signature of subscriber

Date :

Time :

Witness :