

ENCL:

- 1) Pan Copy
- 2) Aadhar Copy

Received

- 3) 2-Photos

Receiving Officer

- 1) In the case of minors, the application should be signed by the natural guardian.
- 2) In the case of Partnership firm, the authorized signatory as per the partnership deed should sign.
- 3) In the case of Companies and Trusts a resolution to join the chit in the prescribed format to be enclosed.

DECLARATION

I/We understand that I/We have to give security to the extent of future instalments when I/ We bid the Chit. I/ We hereby agree to give the following security to the Prize money of Bidding.

- LIC Policy assignment
- Two-Wheeler/ Four-Wheeler hypothecation
- Property Security
- Approved Shares/ Debenture
- Bank Guarantee
- Surety
- The Paid-up value in non-auctioned Chit Lien
- A combination of two or more above items

Please (____) the Proposed option

Dated This day of of
20.....

Signature



BHAGAVATHI

BHAGAVATHI CHITS Pvt. Ltd.,

No.176, 'BHAGAVATHI', 60 Feet Road, Near Sharada Colony Bus Stop,
Basaveshwaranagar, Bangalore-560 079.

CIN: U65992KA1997PTC022462, GSTIN :29AACCB0331Q1ZK

CHIT AGREEMENT (as per Section 6 of the CHIT FUND ACT - 1982)

Chit Agreement for Series No.....

The Chit Agreement execute aton day of.....202

by.....

in favour of M/s. Bhagavathi Chits Private Limited having its Registered Office at Bhagavathi Chits Private Limited, No.176, 'BHAGAVATHI', 60 Feet Road, Near Sharada Colony Bus Stop, Basaveshwaranagar, Bangalore-79 and Branch Office at here in after called the Foreman.

1) The Number of Instalments and amount payable for each Instalment is as under

No. of Instalments.....

Amount Payable Rs

2) PROBABLE DATE OF COMMENCEMENT OF THE CHIT IS _____

This chit will be conducted at _____

and will be under the jurisdiction of Joint Registrar of Chit and Joint Registrar of Co-Operative Societies, Bengaluru division, Bengaluru.

3) SUBSCRIPTION:

a) The Subscriber shall pay a sum of Rseach towards first and second instalment and balance of instalments shall be paid for an amount equal to Rs.....as Deducted by the monthly dividends.

b) Every Subscriber shall be found to pay the Company the full chit value in instalment fixed on or before the due date stipulated for payment.

c) Payment may be made in NEFT, RTGS, Bank Draft or by Cheque drawn in favour of M/s. Bhagavathi Chits Private Limited and will be accepted on all working days of the Company.

d) Local Cheque should reach the Company's Office at least 7 days before the auction date and in case of outstation cheques, they should reach the Company's office ten clear working days prior to the date of auction in order to enable the party to become eligible to participate in the auction after realisation of the cheque. In case if out station cheque, the appropriate Bank charges and also a fee of Rs. 100/- (Rupees one Hundred only) for presentation and messenger charge must be included in the remittance. Cheque and drafts should be duly crossed. For all cheques. If returned Bank Charges shall be debited to subscriber's account in addition to Rs _____ for service charges

- e) The subscriber shall obtain receipt for Cheque / DD Paid at once and **check-up the entries in the pass book. The subscriber shall not** make entries in the book.
- f) **Similarity non receipt of intimation shall not be an excuse for failure or** delayed remittance of subscription whatsoever. Every subscriber **shall arrange to remit them on or before due date**

4. The date, time and place at which the Chit is to be drawn:

All auctions will commence a on of every month at the office of the Foreman. Time allowed for auction shall be 5 minutes from the commencement of proceedings. If any such day happens to be a commercial holiday under negotiable instruments Act., the Chit Auction will be conducted on the succeeding working day at the same time and place. The right of closing the bid always rests with the Foreman.

5. Persons entitled to bid and rights of nominees of subscribers to participate in the draw:

Only non-prized subscribers who have paid the instalments up to the date of draw concerned shall be competent to bid in casting lots, the Foreman shall not include the names of defaulting subscribers to participate in the auction. On a written authorisation from the subscriber his / her nominee can participate in the auction. The Foreman may act on behalf of the absentee subscribers on written or oral instruction from them and bid any auction. This shall not in any way invalidate the auction. If a non - prized subscriber who is in default of any instalment including the current one participates in the auction and later is discovered that he is in default, the bid may be transferred to the highest among the next lower bidders who are prepared to accept the said transfer of the bid. The first bidder shall be liable for the loss, for the loss, if any as a result of the transfer

PROXY: Any person can be asked to be a proxy of chit subscriber under written authority of the subscriber and presented sufficiently in advance before the time of auction.

TENDERS: Any members who is unable to be present at the auction may send their tender mentioning the maximum discount of the amount at which he is prepared to bid the auction, Tender must reach office of the Foreman sufficiently in advance before the time of auction.

- 6.**
- a) The auction will be confirmed in the name of the subscriber who bids the maximum discount (not exceeding 30% of chit amount). The auction shall start with a discount of 5% and the duration shall be five minutes. Where the prized subscriber at any instalment of the chit is required to be determined by auction and in case more than one subscriber offers the maximum discount the prized subscriber shall be determined by lot.
 - b) Bids will be accepted in steps of 1%.
 - c) No outsider shall be permitted to remain in the auction hall during auction time.
 - d) The prized subscriber shall not be eligible to take part in subsequent auctions or to be included in the further drawings of the chit.

7. (a) The minimum discount limit of the chit is 5% (Rs.....) and the maximum discount is 30% (.....) of the chit value

8. Rights of the Foreman:

- a) The Foreman shall also be entitled to obtain the chit amount at any instalment, including the first in full without any auction at discretion of the Foreman.
- b) The Foreman shall also be entitled to subscribe for one or more chits.
- c) The Foreman shall be entitled to commission or remuneration of 5% of the chit amount.
- d) The Foreman shall be entitled to subscriber in the place of defaulters.

- e) The Foreman shall be entitled to receive and realise all contributions from the subscribers and to distribute the prize amounts to prized subscribers and the dividend amount to the subscribers.
- f) The Foreman shall be entitled to demand sufficient security from the prized subscriber for the payment of future subscription. The details are as below.
- g) The Foreman is entitled to cancel the auction confirmed in favour of the subscriber and conduct re-auction in case where such subscriber fails to give sufficient security to the satisfaction of the Foreman within 21 days from the date of confirming the auction and as a result the dividend will be modified accordingly which shall be met by all subscribers.

To do all other acts that may be necessary for the due and proper conduct of chit.

- h) Lien over amounts: If the chit subscribers are indebted to the Foreman company, for any amount either personally or as surety, the Foreman will have in respect of such liabilities, first charge over any amount that may be due to such subscribers from the Foreman and other assets of the subscribers lying with the Foreman. The Foreman has right to adjust such amount towards his liabilities without prior notice to such subscriber. Only the balance if any, will be paid to the subscribers.

To do all other acts that may be necessary for the due and proper conduct of chit.

9. Duties of Foreman, Place and Payment of prize amount.:

The prize amount will be paid by Crossed Account Payee Cheque at the Foreman's Office during office hours or sent by post at the request of the sureties concerned on the succeeding auction date, furnishing sufficient security or sureties for the due payment of the future instalment to the satisfaction of the Foreman and after executing all the necessary documents required by the Foreman.

Security to be given by the Foreman:

For the proper conduct of the chit the Foreman shall before applying for the commencement of the Chit under section 4 give or offer security under section 20 of the Act.

10. The Approved Bank or Banks in which the money shall be deposited by the Foreman:

The Karnataka Bank Ltd., Basaveshwaranagar, Bangalore-79.

11. Penalties and Fines imposed on defaulting subscribers:

Subscriber failing to pay his/her subscription in respect of non-prized chits in any month **before** the due date may pay on or before the auction date with a nominal penalty. If he/she fails do so he/she will not be entitled to the dividend in respect of the said instalment and the Foreman will be entitled to enforce payment of penalty. In case a subscriber fails to pay the subscription for three consecutive instalments he/she shall be liable to be removed from the list of subscribers and the Foreman at his option shall be entitled to substitute a new subscriber in the place of such defaulting subscribers and the defaulted ticket of the chit will be dealt with subject to the Chit Agreement.

Postage and other expenses incurred in sending the notice to the subscribers and their sureties for default of payment of instalments shall be at subscriber's cost.

- 12. Even prized subscriber shall pay the future instalments on the due date (i.e., on or before the auction date of every month/fort night) without fail. The prized subscriber failing to pay his/her subscriptions for the chit instalments shall be liable to pay a penalty at 24% per annum within a week from the due date (i.e., on or before the date of auction) in the event of prized subscriber committing default in paying before the date of auction, he/she shall not be entitled to any dividend in respect of the said instalment. In case more than one instalment are defaulted consecutively for a period of two months, the prized subscriber and the executants of the security bond or the sureties lose the future dividends and benefit of paying the future subscriptions inclusive of the defaulted instalments with interest at the rate of 24% per annum from the date of default. The Foreman reserves the right to condone such default and receive any amount purely without prejudice from the chit holders or any of them and allow them to continue as subscribers. Such condition or allowing time will not in any way discharge

the liability or any of the security bond or the sureties. The death of the prized subscriber also will not discharge the liability of the legal heirs of sureties.

All disputes arising in respect of the auction or draw shall be decided by the Foreman and his decision shall be final.

13. Whether Non-Prized and Unpaid subscribers will get their contribution to the chit on the termination of chit without deduction.

(a) The defaulting non-prized chit holder will be entitled to the amount he/she has actually subscribed i.e., exclusive of dividend minus Foreman's commission of 5% of the value of the chit. Amount due after the aforesaid deduction will be paid when defaulting subscriber executes an acknowledgement at the time when the substitute subscriber becomes the prized subscriber or otherwise at the termination of the chit.

(b) If the unpaid prized subscriber fails to draw the amount furnishing sufficient securities for the future subscription as afore said within the date on which he/she is entitled to draw the prize amount, that amount will be kept in an Approved Bank in a separate account, The instalment due for each month will be drawn from that particular account and if there is any balance it will be paid to the unpaid prized subscriber after the termination of the chit and if there is any amount due it will be collected from the unpaid subscriber.

14. The Foreman has got a right to set off losses arising out of default on the part of unpaid prized subscribers against the subscription already actually paid after deduction of the Foreman's commission and for the further amount due, he can institute legal proceeding for recovery of the balance.

15. The Foreman reserves the right to add or amend the chit agreement as and when necessary with consent of the non-prized subscriber or with the approval of the Registrar.

16. Date, time and place for the examination of the chit records and the fee payable thereof:

The records of the chit shall be available at the office premises of the Foreman for inspection by the non-prized subscribers and unpaid subscribers. Such records shall be made available to the said subscribers for inspection on all other working days between 11 a.m. and 12 noon, on the subscriber notifying the Foreman in writing his/her intention to inspect specifying the date of inspection, at least seven days prior to the date of inspection. No such subscriber shall be entitled to inspect the records unless he/she has paid the Foreman a fee of 5/- (Rs. Five only) for each chit group for which inspection is desired.

17. The manner of security to be furnished by prized subscribers for the payment of the future subscription:

Prized subscribers before drawing the prize amount will be required to furnish necessary security or securities to the satisfaction of the foreman for the payment of the future instalments. They can furnish any of the following securities.

- a) Immovable properties situated within the Bangalore City Corporation Limits.
- b) Life insurance Policies the surrender value of which should cover the future dues.
- c) Subject to adequacy and circumstances of the case sureties of the three Government employees drawing a basic salary of **Rs** _____ or three employees of reputed companies having put in a service for Ten years and drawing a basic salary of **Rs** _____
- d) **One** or more subscribers of any of the non-prized chits of the Company who have paid subscriptions which shall (deducting the dividend and Foreman's commission) amount to more than the amount in respect of which surety is offered, in which case the chits of the sureties shall be lined with the amount so secured

- e) Two established businessmen who have paid income tax for five years immediately preceding the current year' in which case accounts for the assets and liabilities and stock in trade of the businessman shall be made available to the Foreman for verification.
- f) Bank guarantee from a scheduled Bank: Provided always that the foreman shall have absolute discretion in deciding as to the adequacy of acceptability of the surety or securities offered. The Foreman shall be at liberty to call for further or fresh surety or security or both when he finds that the surety or security furnished is insufficient, inadequate or defective.
- g) All expenses in connection with inspection/verification of securities, legal charges stamp duty, registration charges, all expenses shall be borne by the subscribers themselves.

18 Provision made for the transfer of the ticket non-prized subscribers and interest of the Foreman:

No subscriber is allowed to **transfer**, or alienate his ticket without the written permission of the Foreman. The Subscriber who intends to transfer his chit rights to another person along with his / her chit remittance and dividends should apply to the Foreman in appropriate form in duplicate duly attested by two witness and the Foreman shall charge Rs. 12 (Rupees Twelve only) as transfer fee for each such transfer, provided that such transfer is approved by the Foreman. After transfer, the foreman will affect the change in the connected records. The formalities of application and filling of chit agreement shall be completed by the transfer of the chit.

19. In addition to the fees & charges already mentioned in the agreement under various heads, subscribers shall also pay the following charges.

1. Enrolment fee **Rs** _____
2. Cost of duplicate pass book **Rs** _____
3. Documentation and verification charges **As** _____

20. Procedure to be adapted on the death of a subscriber before the termination of the chit:

a) In the event of death of the subscriber before the termination of the chit or before recovery of his/her dues, the subscriber's legal heirs / successors shall be eligible to continue the chit and also to be liable to the company to the extent of his / her estate as the original subscriber is liable to extent of share us his/her property. However, amount due to the legal heirs of the deceased shall be paid to them on production of death certificate and succession certificate obtained from the Competent authority.

21. The subscribers hereby declare that they have received a true copy the CHIT AGREEMENT certified to have read, caused to be read and explained to them the articles and they agree **to** abide by the same.

22. The subscriber hereby appoints Mr./Mrs./Miss _____ his/her nominee for the said chit as below.

In witness where of the parties have set their hands this..... day
of **202**

Witness: 1)

Signature of the Subscriber

Witness: 2)

Signature of the Foreman