# Foreman (20 to 24)

**20. Substitution of security.**—(1) During the currency of chit, the foreman may apply to the 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 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 procedure prescribed in Rule 18 shall apply mutatis mutandis to the substituted security given by the foreman under this rule.

**21. Release of original security in case of substitutions.**—(1) The Registrar shall if so required by the foreman, 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 Registrar shall arrange to return the securities offered by the foreman after making endorsements of re-transfer in the passbook (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 Registrar shall arrange to return such 9 security under proper acknowledgment. He shall, if so required by the foreman execute a deed of transfer or release at the cost of foreman.

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

**23. 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 Registrar or any other officer have been fully paid.

**24. Procedure for release of security.**—(1)(a) The Registrar may for the purpose of releasing the security under sub-section (5) of Section 20 call upon the foreman to produce a copy duly certified to be a true copy of any register and books of account maintained by the foreman and shall exhibit a notice on his office notice board stating that the security is proposed to be released and that any person objecting to such release may file with the Registrar his statement of objections, if any, within fifteen days from the date of exhibition of the notice;

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

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

(3) The procedure prescribed in Rule 21 for re-transfer of the property by the Registrar shall apply mutatis mutandis to the release of security made under this rule.

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