Registration Of Chits, Commencement And Conduct Of Chit Business (16 to 19)

16. Date, time and place of conducting chits.-

(1) Every draw in a chit shall be held on the date, at the time and place mentioned in the chit agreement and a notice therefore in such form and in such manner as may be prescribed shall be issued by the foreman to all the subscribers.

(2)Every such draw shall be conducted in accordance with the provisions of the chit agreement and in the presence of not less than two subscribers.

(3)Where any draw was not conducted on the ground that two subscribers were required to be present at a draw under sub-section (2) were not present or on any other ground, the Registrar may, on his own motion or on an application made by the foreman or any of the subscribers, direct that the draw shall be conducted in his presence or in the presence of any person deputed by him.

17. Minutes of proceedings.-

(1) The minutes of the proceedings of every draw shall be prepared and entered in a book to be kept for that purpose immediately after the closure of the draw and shall be signed by the foreman, the prized subscribers, if present, or their authorized agents, and at least two

other subscribers who are present, and where a direction has been made under sub-section (3) of section 16, also by the Registrar or the person deputed by him under that sub-section.

(2) The minutes referred to in sub-section (1) shall state clearly-

(a) the date and hour when proceedings began and ended and the place where the draw was held;

(b)the number of the installment of the chit to which the proceedings relate;

(c)the names of the subscribers present;

(d)the person or persons who become entitled to the prize amount in the installment;

(e)the amount of discount;

(f)full particulars regarding the disposal of the unpaid prize amount, if any, in respect of any previous installment; and

(g)any other particulars that may be prescribed.

18. Copies of minutes to be filed with Registrar.- A true copy of the minutes of the proceedings of every draw certified as such by the foreman shall be filed by the foreman with the Registrar within twenty-one days from the date of the draw to which it relates.

19. Restriction on opening of new place and business.-

(1) No person carrying on chit business shall open a new place of business without obtaining the prior approval of the Registrar within whose territorial jurisdiction his registered office of, as the case may be, the place or the principal place of business is situated.

(2)Before granting approval under sub-section (1), the Registrar shall consult the Registrar of the State within whose territorial jurisdiction the new place of business is proposed to be opened and shall also keep in view the financial condition and methods of operation of the foreman, the extent to which public interest will be served by the opening of the new place of business and such other matters as may be prescribed.

(3)Where a person carrying on chit business opens a new place of business in a State other than the State (hereinafter referred to as the State of origin) in which his registered office or the place or the principal place of his business is situated, the Registrar of the State in which such new place of business is opened may also exercise and perform any of the powers and functions which the Registrar of the State of origin may exercise and perform in respect of the chit business carried on at such new place of business.

(4)For the purposes of this section, "place of business" shall include any branch office, sub-office, or any place of business where the chit business may be conducted by such person.

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