

SAMPANNA KURIES PRIVATE LIMITED

Regd. Office : High Road, Thrissur-680 001

Phone : 0487 - 2424494, 2443177

18th Day Pooval Kuri (Chit) No.1

(To be started from Faridabad Branch:7A, 2639, H.B.Colony, Faridabad-121 006)

Drawing and Auction at every instalment

108 Numbers Rs. 1,00,000/- per Number	54 Instalments	Total Chit Amount Rs. 1,08,00,000/-
---	-------------------	--

1st Draw on 20th December 2010

RULES GOVERNING CONDUCT OF THE KURI (CHIT)

The Agreement which the Foreman proposes to enter into with Subscribers for raising and advancing of money from and to the subscribers and for that purpose acting as Agent for the subscribers, subject to the following conditions :

1. FOREMAN

The foreman of this kuri is SAMPANNA KURIES (P) LTD with Branch at 7A, 2639, H.B. Colony, Faridabad-121006 and having its Registered Office at THRISSUR, Kerala State and Incorporated under Indian Companies Act, in the year 1980, represented by its Chairman Sri. C. A. Francis, S/o Chirakkekaran Antony, Unity Road, Thrissur- 6.

2. CONSTITUTION AND TOTAL CHIT VALUE

- a) The Kuri (Chit) Comprises 2 Divisions, each Division with 54 numbers of Rs. 1,00,000 each, thus having in all 108 Numbers altogether of Rs. 1,00,000 each. Thus the total Capital (Sala) of the Chit is Rs. 1,08,00,000/- divided into 2 Divisions of Rs. 54,00,000/- each.

SCHEDULE

INSTALMENT
1,00,000 x 2

NUMBER OF TICKETS
54 x 2

CHIT VALUE
54,00,000 x 2

FIXED DISCOUNT
4,00,000 x 2

PRIZE AMOUNT
50,00,000 x 2

- b) Each Ticket shall be entered in the Kuri (Chit) Register and numbered serially from 1 to 108. This Kuri will be conducted on 20th day of December, April and August every year.

3. COMMENCEMENT AND TERMINATION

The Chit shall commence from 18th December 2010 and terminate on 18th August 2028. The Chit will be conducted on the 20th day of April, August and December every year, the 1st Draw being on 20th December 2010.

4. SUBSCRIBERS

- a) The intending Subscribers shall have fully understood all the rules and regulations of the Kuri (Chit) herein incorporated which shall form the basis of application for enrolment as a Subscriber and they shall be deemed to have agreed to abide by the same and to have become Subscribers on that basis.
- b) Subscribers may be enrolled on receipt of their applications in the prescribed form indicating the number of tickets which they intend to subscribe, duly signed and witnessed by

a respectable person and accompanied by the amount of the 1st instalment. The Foreman reserves the right to **refuse** admission to any applicant **without** assigning any reason whatsoever.

5. DRAWING AND AUCTION

- a) There shall be Drawing and Auction at every instalment of chit. Drawing of one number from among the Undrawn and Non-bid numbers as well as Auction of one ticket will be conducted. The subscriber whose Pass Book (Statement) number is drawn shall be the Prize Winner and subscriber who is prepared to bid the ticket for the highest auction discount shall, subject to the following rules, be declared as the Successful Bidder.
- b) In this Agreement, "Auction Discount" means the amount that a bidder is prepared to accept as his auction amount in an auction proceeding.

6. PRIZE AMOUNT

- a) Out of the total chit amount of each prized ticket constituting the number drawn, an amount of Rs. 4,00,000/- shall be deducted as Fixed Discount as indicated in the Schedule given above. The prize amount thereof shall be Rs. 50,00,000/- for each prized ticket.
- b) After the declaration of the result of the Draw, auction of one ticket will be conducted subject to the conditions set out in Rule 7 below. The auction shall commence from fixed discount of Rs. 4,00,000/- per ticket and continue on a competitive bidding basis, the amount of discount is hereinafter referred to as "auction discount". The prize amount relating to the ticket auctioned shall be the total chit value of the ticket less the amounts of Fixed Discount and Auction Discount.
- c) Subscriber shall be liable to reimburse to the Foreman service tax, duty, cess, fee or other taxes chargeable on kuri (chit) transaction from time to time. The above chit amount shall be subject to deduction of such service tax, duty, cess, fee or other taxes chargeable on chit transaction from time to time.

7. CONDITIONS REGARDING AUCTION

- a) Defaulters in payment of subscriptions shall **not** be allowed to participate in the auction proceedings **unless** subscribed up-to-date or expressly allowed by the Foreman on the circumstances of each case.
- b) Auction shall commence with a minimum

discount of Rs. 4,00,000/- which is the Fixed Discount. Ordinarily, bidders are allowed to raise the auction amount upto 50% of the prize amount. However, the foreman reserves the right to increase or decrease this limit for each auction to such limit as it considered appropriate. In such circumstances, the revised limit will be announced before the commencement of the concerned auction proceedings. But, if one or more subscribers are forthcoming to bid the ticket for an auction amount over and above the specified or revised limit, they may be allowed to bid the ticket at higher auction discount at the discretion of the foreman. In such cases, the successful bidder shall within such time as may be stipulated by the foreman, pay to the foreman the difference between the actual auction amount and the limit stipulated above. The foreman may exempt the bidder from this requirement depending on the circumstances of each case. The successful bidder shall execute necessary bond for the due performance of his obligation in respect of the auction. If default is made to pay the excess amount as stated above and / or to execute necessary agreement in connection with the auction, the auction concluded shall be cancelled immediately and fresh auction proceedings with regard to the ticket for which default was made, shall be conducted then and there at the risk and responsibility of the previous successful bidder. The ticket holder may appoint any one including the foreman as his **proxy** in writing authorising him or the foreman to participate in the auction proceedings and make bid on his behalf and whatever the proxy does with regard to the auction and execution of the documents connected therewith, shall be legally binding on the subscriber concerned.

- c) In case more than one bidder has offered to take a particular ticket for the **same** auction amount or if there is a tie with regard to auction amount in respect of the ticket, the successful bidder shall be decided by casting of lots amongst such subscribers.
- d) If there is no subscriber forthcoming to bid the ticket for an amount higher than the Fixed Discount relating to that ticket, drawing of such ticket, instead of auction, shall be conducted as per the rules to determine the prize winner. The ticket numbers drawn or auctioned shall be removed from the lot.

8. PAYMENT OF PRIZE AMOUNT

- a) The prize winner or successful bidder at any

instalment shall be entitled to receive the prize amount as described in Rule 6 above, 10 days after the immediately succeeding instalment. Before drawing the prize amount, they have to furnish sufficient security to the satisfaction of the Company and execute necessary documents guaranteeing future payments in the chit at the expense of the ticket holders concerned, subject to Stamp and Registration Laws. They shall also fill up and sign the receipt form attached to the pass book to be supplied to them.

- b) Result of the draw shall be intimated to the subscribers concerned. The prize winners and successful bidders shall give the company in writing, the nature of the securities intended to be furnished for the regular payment of the future instalments in the chit. Unencumbered landed property other than agricultural land, guarantee by two or more individuals with adequate salary or asset, Bank Guarantee from a Banking Company, Life Insurance Policy with adequate Surrender Value to cover the future subscriptions in the chit or Fixed Deposits of Scheduled Banks are some of the securities generally accepted by the Company. In any case, the securities offered shall be sufficient for the realization of the future subscription in the chit and interest, court expense, etc., if necessary, which shall be decided by the Board of Directors of the Foreman whose decision shall be **final** for all purposes. The expenses that may have to be incurred in connection with making enquiries regarding the properties offered as security and inspection thereof and all other incidental charges such as stamp duty, registration fees, encumbrance certificate charges, documentation fee, etc. in connection with the execution of necessary documents shall be borne by the respective Subscribers.
- c) If necessary, on request of the subscriber, the foreman has the absolute right to split the ticket into two or more class/group so as to enable the subscriber to receive the kuri amount conveniently. Suits shall be filed separately for realisation of liability amount in tune of the separate documents for splitted tickets.

9. FOREMAN'S COMMISSION AND SUBSCRIBERS' DIVIDEND

- a) Out of the total chit value of each ticket, an amount of Rs. 4,00,000/- shall be deducted as Fixed Discount as mentioned in Rule 6 above, for appropriation of an amount of Rs. 2,75,000/- towards Foreman's

Commission and the balance for exclusive division among non-prized and non-bid ticket holders.

- b) The excess, if any, over and above the Fixed Discount of Rs. 4,00,000/- resulting from the auction of one number as aforesaid, shall be divided among non-prized and non-bid subscribers, as also prized and bid ticket holders in all Divisions. But, however, prized and bid ticket holders who do not pay their subscription on or before the Due Date **are not** eligible for this discount and the discount so disallowed shall deem to be the **Income** of the Foreman.
- c) Subscribers, who are entitled to the dividend aforesaid, may deduct the same from the next instalment amount and need pay only the balance as their subscription. The excess amount, if any, in dividend after meeting the instalment amount, will be paid to the subscribers concerned who are eligible for the same.

10. KURI (CHIT) DATES

The ticket holders shall pay the instalment amount on or before 18th of April, August & December every year at the Regd. Office/ Head Office of the Foreman. The chit subscriptions will be received on chit days as also on other working days from 10 a.m. to 1 p.m. & 2 p.m. to 4 p.m. and on Saturdays from 10 a.m. to 1 p.m. The drawing and auction as described in Rule 5 commence from 11 a.m. If any chit date falls on Sunday or any Holiday observed by the foreman, the same shall be conducted on the next working day at the same time and place. The foreman is at liberty to change the venue, date and time of the conduct of the kuri if felt necessary.

11. PAYMENT OF SUBSCRIPTION

The ticket holders shall pay the instalment amounts on or before 18th of April, August & December every year during Business Hours and get such payments acknowledged in the Chit Pass Book supplied by the foreman by the Principal Officer or in-charge of Office. The subscription may be paid by money order, bank draft, cheque, remittance at Authorised Banks or cash. Money order commission or bank charges for collection of cheques and drafts shall be borne by the Subscribers concerned. If payment is made by cheque or draft, it should be sent sufficiently in advance so as to encash these instruments on or before the due date and the **date of clearance** shall only be taken as the **date of payment**.

12. FORFEITURE OF NON-BID & NON-PRIZED TICKETS

Non-prized and Non-bid Subscribers making default of any instalment may pay the subscription thereof with a late fee at the rate of 18% of the instalment amount on or before the date of immediately succeeding instalment. Defaults deprive the defaulters of their right to be subscribers in the chit unless otherwise allowed by the foreman. In the case of 2 consecutive defaults, the Foreman Company obtains the right to substitute itself and subscribe for such tickets or enroll fresh subscribers instead and to stipulate necessary terms and conditions in connection therewith according to his discretion. Non-removal from the list of subscribers or non- substitution of another in such cases shall **not** be construed as having allowed the defaulter to continue as a subscriber, as forfeiture takes place automatically in the case of two consecutive defaults.

13. CONSEQUENCES OF FORFEITURE

In the case of forfeited ticket, the ticket holder concerned shall lose all benefit of dividends accrued and all other privileges attached to the ticket. But the number comprising the ticket shall continue to remain in the lot which when drawn in any of the subsequent drawings entitles the defaulter to the actual amount subscribed by him, **exclusive** of all dividends and **less** the amount of Rs. 2,75,000/- per number being commission of the Foreman and another Rs. 1,25,000/- being Undistributed Fixed Discount per ticket. The amount, which is thus entitled, will be paid after **seven** months from the date of the drawing or substitution, as the case may be, of his defaulted ticket on surrendering the Chit Pass Book together with requisite discharge Receipt. The foreman reserves the right to re-issue forfeited or substituted tickets to any person on such terms and conditions as it deems fit.

14. LIABILITY FOR CONSOLIDATED PAYMENT OF FUTURE SUBSCRIPTION

Non-payment of subscription in respect of prized or bid tickets on or before the due date deprives such subscriber of the benefit of the dividend resulting from auction discount and he shall pay the instalment amount in full on or before the date of the immediately next instalment with interest thereon at eighteen percent per annum.

On failing to pay the said amount at the latter instalment also, all the future instalment amount till the termination of the chit with the amount of arrear instalments, without having the advantage of dividends accrued and accruing and with interest at 18% per annum on consolidated amount of the arrears and future subscription from the date of the first default, shall be paid immediately in a lump. But, the Foreman may at his option, after receiving all or part of the defaulted amount with interest or after entering into any agreement with any of the executants, condone the default and allow the payment of subscription in instalments as if no default has occurred. This condonation shall not, in any way, discharge the liability of any of the executants of the security bond, even though some of them may be sureties.

15. LIABILITY OF SUBSCRIBERS TO FURNISH ADDITIONAL SECURITY

If at any time after drawing the prize amount, the security already furnished by the subscriber is found to be **insufficient** and additional security is demanded by the foreman, all the executants of the security bond are **equally liable** to furnish again approved additional security to the satisfaction of the foreman, failing which the foreman has the right to claim and realise immediately the whole amount of future instalments and arrear instalments, if any, in a lump with interest at the rate of 18% per annum on the balance amount from the date of notice for furnishing additional security.

16. SET OFF OF UNDRAWN PRIZE AMOUNT

If the prize amount is not **drawn** by the prized and bid subscriber concerned and that he or she is not remitting the subscription, the foreman has the right to set off from the prize amount, the instalment amount falling due. If, however, any balance amount is found to be still outstanding to pay completely the future instalments after effecting the set off as aforesaid, the subscribers shall be liable to pay such deficit amount with interest at 18% per annum. The foreman may allow interest at 3% per annum after making the set off towards the instalment amount.

17. FOREMAN'S LIEN

If the subscriber is indebted to the foreman personally or as surety, there shall be a paramount charge on the subscriptions paid by him or on

the prize amount relating to his ticket in favour of the foreman. The foreman has got the right to set off the amounts towards the amount due to the foreman. The balance, if any, will only be paid to the subscriber. It shall **not** be necessary on the part of the foreman to give Notice in writing to the concerned person for invoking such Lien.

18. ASSIGNMENT, TRANSFER, PLEDGE, ETC.

In the case of transfer, assignment or pledge of chit rights, such transaction shall be in writing and duly stamped. The request for the transfer, pledge or assignment shall be made in the prescribed form and got approved by the Company. The document relating to the transaction shall be signed by the subscriber and produced before the company together with a declaration by the transferee that he is bound to abide by the rules and regulations of the chit. The foreman shall attest the endorsement regarding the transaction in the chit pass book signed by the ticket holder concerned. But, in no case, transfer of defaulted tickets shall be recognised by the foreman **unless** subscribed up-to-date of transfer. Any transaction effected otherwise than in conformity with the above shall **not** be binding on the foreman. A fee of Rs. 50/- will be charged for registering the transfer recording the lien in the chit registers.

19. AMENDMENTS AND FOREMAN'S RIGHTS & PRIVILEGES

a) The foreman company reserves to itself the right to amend, alter or add to the above

mentioned rules if deemed expedient for the proper conduct of the chit and the same shall be binding on the subscribers.

- b) Any tickets unsubscribed shall deem to be subscribed by the foreman Company. In case of such tickets, it need not be necessary on the part of the Foreman to make entries in the Chit Registers for keeping such tickets subscribed up-to-date as this does not involve any fund transaction.
- c) The above rules and regulations relating to the chit have been read by / to me / us and understood by me/ us. The Foreman Company reserves to itself the right to change the date or venue or time of the commencement of the Chit.
- d) The foreman company reserves to itself the right to stop or shift the branch office to any suitable place if it deems necessary.
- e) The Foreman should have paramount right to appropriate amounts standing in credit of any accounts of the subscriber maintained by the foreman. The right of appropriation can be invoked without notice towards instalments of any tickets of the subscriber or his guaranteed tickets, either in this chit or any other chits irrespective of the status of the tickets. i.e, prized / bid or non-prized/ non-bid or to any amount due to the foreman. Any instruction contrary to this right shall **not** be binding on the foreman.
- f) This Chit is proposed to be started in **two** Divisions; however, if there is demand from more subscribers, the Foreman has the right to **increase** the number of Divisions as circumstances warrant.

I / We fully assent to the above and agree to abide by the same.

Place :

Date :

Signature of subscriber/s

APPLICATION FOR TICKET

SAMPANNA KURIES PRIVATE LIMITED

REGD. OFFICE : HIGH ROAD, TRICHUR

Name
(In Block Letters)

Date of Birth Age Sex M / F

Father's/Husband's/Mother's Name

Occupation & Monthly Income/Salary

House Number & House Name

Permanent Postal Address :

.....
.....
.....
P. O.: Pin :

District : Taluk :
Village : Desam/ Kara :

Telephone No: Office/shop : Res :
Mob :
E-mail ID :

Having completely read or caused to be read and fully understood the rules governing the conduct of the Kuri herein printed, a copy of which was signed and delivered to you, which is proposed to be started by you from 18th December 2010 and assented to same, I/ We send a sum of Rs. 97,685/- by money order/ cheque/remittance in cash, being payment for one A class ticket valued at Rs.1,00,000/- due for the instalment. I/ We request you to allot me/us the ticket/s. I/ We agree to any change in the date, time & venue of the commencement of the chit. This application is an irrevocable offer by me/us. On the basis of this agreement, I/ We agree to accept the ticket/s applied for or such lesser number as may be allotted to me/us.

Sign. of 1st applicant 2nd applicant
3rd applicant

Sign. & Address of the Witness }
.....

1st Instalment Amount : Rs. 97,685/-