

The Prize Chits and Money Circulation Schemes (Banning) (Orissa) Rules, 1980

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Rule

THE-PRIZE-CHITS-AND-MONEY-CIRCULATION-SCHEMES-BANNING-OF 1980

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The Prize Chits and Money Circulation Schemes (Banning) (Orissa) Rules, 1980Published vide Notification S.R.O. No. 224/80, dated 15th February, 1980, Orissa Gazette Extraordinary No. 227/27.2.1980Notification S.R.O. No. 224/80, dated 15th February, 1980. - In exercise of the powers conferred by Section 13 of the Prize Chits and Money Circulation Schemes (Banning) Act, 1978 (43 of 1978), the Government of Orissa in consultation with the Reserve Bank of India hereby make the following Rules, namely :

1. Short title.

(1)These rules may be called the Prize Chits and Money Circulation Schemes (Banning) (Orissa) Rules, 1980.(2)They shall come into force on the date of their publication in the Official Gazette of the State.

2. Definitions.

- In these rules unless the context otherwise requires-(a)"Act" means the Prize Chits and Money Circulation Schemes (Banning) Act, 1978 (43 of 1978);(b)"Authorised Officer" means the Deputy Director, Small Savings, Finance Department, Bhubaneswar or such other officer as may be specifically authorised by the State Government in this behalf by a notification in the Official Gazette for the purposes of Section 12 of the Act;(c)"Form" means a Form specified in the Schedules to these rules;(d)"Promoter" means a person conducting a Prize Chit or Money Circulation Scheme at the commencement of the Act and desiring to continue such chit or schemes pursuant to Sub-section (1)

of Section 12 for winding up the business relating to such chit or scheme;(e)"Schedule" means the Schedule appended to these rules;(f)"scheme" means a money circulation scheme, or as the case may be, a prize chit as defined in Clauses (c) and (e) respectively of Section 2 of the Act;(g)"section" means a section of the Act;(h)"subscriber" means a subscriber to a Prize Chit or Money Circulation Scheme;(i)"office of the Reserve Bank" means the office of the Reserve Bank specified in Rule 10; and(j)words and expressions used in these rules but not defined shall have the meanings respectively assigned to them in the Act.

3. Application for being notified under Section 11.

(1)Any charitable or educational institution desiring to be notified under Clause (d) of Section 11 shall make an application in that behalf in duplicate to the authorised officer in the Form specified in the First Schedule. Two copies of such application shall, simultaneously be forwarded by such institutions to the office of the Reserve Bank.(2)The authorised officer shall forward one of the two copies of the application received by him to the State Government.(3)On receipt of a copy of the application from authorised officer, the State Government may, in consultation with the Reserve Bank notify such institution or refuse to notify such institution, having regard to the facts and circumstances at each case.

4. Particulars of the schemes and winding up plans to be furnished by the promoter.

(1)A statement of particulars of the schemes being conducted as on the date of commencement of the Act together with a detailed plan for the winding up of the business of such schemes shall, as required by the first proviso to Sub-section (1) of Section 12, be furnished in duplicate by the promoter to the authorised officer on or before the expiry of six weeks from the date of commencement of these rules in Form I of the Second Schedule. Two copies of such statements together with such plan shall, simultaneously, be forwarded by the promoter to the Reserve Bank.(2)On receipt of the statement of particulars and the winding up plan referred to in Sub-rule (1), a written acknowledgement in token of receipt thereof shall be issued by the authorised officer to the promoter.(3)The authorised officer shall maintain or cause to be maintained a register of promoter furnishing the statements of particulars and the winding up plans under Sub-rule (1).

5. Extension of time for the winding up of the existing scheme.

- If for any reason, the promoter is unable to wind up the existing business of the schemes on or before the date specified by him in the winding up plans submitted by him under Rule 4 or such other date as may be approved by the State Government, and is desirous of continuing it for its beneficial winding up beyond the specified date or the approved date, as the case may be, he shall, not later than 4 months before such specified date or such approved date, submit to the authorised officer, an application in duplicate in Form II of the Second Schedule giving full details of such business which needs extension of time, the period for which the extension is sought and the reasons why such business cannot be finally wound up within the said specified date or such

approved date. Two copies of the application shall, simultaneously be forwarded by the promoter to the office of the Reserve Bank.

6. Procedure for the disposal of the plan or application.

(1) On receipt of the application containing the statement of particulars and the winding up plan submitted by the promoter under Sub-rule (1) of Rule 4, or as the case may be of the application for extension of time submitted under Rule 5, the State Government shall cause it to be examined by the authorised officer or such other officer as it may deem fit. (2) On receipt of the comments of such officer and after consulting the Reserve Bank on the application for the winding up of the business of the existing schemes, or as the case may be, on the application for extension of time for the winding up of such business, the State Government may approve or disapprove the application for the proposed winding up of such business or approve it with such modification as it deems fit and may grant extension of time for such period as may be considered desirable in the public interest and subject to such terms and conditions as may be deemed necessary or expedient (including the furnishing of security by the promoter for the repayment of the amounts due to the subscribers to the schemes) or refuse to grant extension of time : Provided that no order modifying or rejecting the application containing the winding up plan or modifying or rejecting the application for extension of time for the winding up of the existing schemes shall be passed without giving to the promoter an opportunity of being heard. (3) The State Government shall maintain or cause to be maintained by the authorised officer, a register specifying the particulars such as the names of the promoters, the statements of particulars and winding up plans submitted, the periods for which extensions of time have been granted, or the applications for extension of time which have been rejected.

7. Promoter to be informed.

- The State Government shall intimate to the promoter the particulars of the terms and conditions subject to which the winding up plan has been approved or extension of time has been granted or the reasons for the refusal to grant further extension of time. A list of such modifications shall be notified in the Official Gazette and particulars thereof shall, simultaneously be furnished by the State Government to the office of the Reserve Bank.

8. Consequences of the approval of the plan or grant of extension of time to close the business of the schemes.

- During the period for which a winding up plan has been approved or the extension of time granted to wind up the business of the schemes under Sub-rule (2) of Rule 6-(a) the subscribers may remit money to the promoter in accordance with the winding up plan; (b) the promoter may receive monies from the subscribers and may also distribute prizes by way of cash or otherwise to the subscribers in accordance with the winding up plan; and (c) the subscribers may receive monies from the promoter in accordance with the winding up plan due to them under the schemes.

9. Refund of monies or subscriptions collected by the promoter.

- Where a promoter commits default in furnishing winding up plans as required by Sub-rule (1) of Rule 4, he shall refund to the subscribers within a period of six months from the date of such default the monies and subscriptions collected till the date of default.

10. Miscellaneous.

- For the purposes of these rules, the office of the Reserve Bank shall mean the office of the Deputy Chief Officer, Department of Non-Banking Companies, Reserve Bank of India, Calcutta, Regional Office, 15, Netaji Subhas Road, Calcutta-700 001.

First Schedule[See Rule 3]Form of application to be used by a charitable/educational institution for being notified under Clause (d) of Section 11 of the Act

Place.....Date.....FromToDear Sir,We, the undersigned, Sarvashri and..... President and Secretary respectively of the* do hereby apply in terms of Rule 3 of the Prize Chits and Money Circulation Schemes (Banning) (Orissa) Rules, 1979 for the said institution being notified under Clause (d) of Section 11 of the Prize Chits and Money Circulation Schemes (Banning) Act, 1978 to enable it to promote/conduct the Scheme(s). Full particulars regarding the institution, Scheme(s), etc., are given in the statement of particulars forwarded herewith.

Yours faithfully(President)(Secretary)for and on behalf of.....*. Here enter the name of the applicant institution.

Notes. - (i) Necessary changes regarding the designation, etc., of the office bearers may be made wherever necessary. Strike out whatever words are not applicable.(ii)This application as well as its enclosures should be forwarded to the authorised officer in duplicate. Two copies each thereof should be forwarded simultaneously to the Deputy Chief Officer, Reserve Bank of India, Department of Non-Banking Companies, Calcutta Regional Office, 15, Netaji Subhas Road, Calcutta-700001.

Statement of particulars

1. Name and address of the charitable/educational institution.....

2. Constitution i.e., whether incorporated as company/co-operative society or registered or unregistered association of individuals (Also state the provision of the Act under which incorporated/ registered along with the date of incorporation).....

3. Names and addresses of the branches/offices, if any.....

4. Main objects of the institution (Enclose a copy of the memorandum and articles of association or, as the case may be, of the Bye-Laws/Rules regulating the activities of the institution).....

- 5. Names, occupations and residential addresses of the office bearers of the institution.....**
- 6. Names of the Bankers and their addresses.....**
- 7. Names of the auditors and their addresses.....**
- 8. Broad nature of the schemes being conducted or proposed to be conducted (Enclose printed or type-written copies of the schemes and of the rules governing such schemes).....**
- 9. Places where the schemes referred to in item 8 are being proposed to be conducted.....**
- 10. How the funds collected by the promotion/conduct of the schemes are proposed to be utilised.....**
- 11. Full particulars of each scheme as in the Annexure to this statement.....**
- 12. Is the income of the institution exempt under any of the subsections of Section 10 of the Income-Tax Act, 1961 ? If so, specify the provisions under which the income of the institution is so exempt.....**
- 13. Are the donations made to the institution recognised for the purpose of Section 80-G of the Income-tax Act, 1961 ? (If so, a copy of the notification may be enclosed).....**
- 14. Names and addresses of the associate institutions, if any**
- 15. Broad nature of the activities of such associate institutions and of the schemes, if any, conducted by such institutions.....**
- 16. Names, occupations and residential addresses of the office bearers of such associate institutions.....**

I/we solemnly declare that the facts stated herein as also in the Annexure are true to the best of my/our knowledge, information and belief. I/We certify that the particulars/informations given herein, in so far as they pertain to the books and records of the* have been verified from such

books and records and found to be correct and complete in all respects. Dated this..... day of..... 20 at..... Signature(s) of the President/Manager/Secretary/Authorised Official of the Institution Name(s) Designation(s)*. Here enter the names of the applicant institutions. Notes. - (i) If the space given against any of the items is inadequate for furnishing full particulars the required information should be given in separate sheets indicating the cross references against the relative items of this statement. (ii) A copy of each of the latest available audited Balance Sheet and Profit and Loss Account as also a financial statement in the same proforma as on the date of the coming into operation of the Act, duly certified by the auditors should be attached. Annexure (Amounts in lakhs of rupees)

Sl. No.	Name of the Scheme	Date of commencement of the Scheme	Date of maturity of the Scheme	Number of members intended to be enrolled as per the Scheme	Number of members enrolled and actually subscribing	Amount of liability by way of prizes, if any, incash or kind offered during the currency of the Scheme	
1	2	3	4	5	6	7	
	Amount actually disbursed by way of prizes	Outstanding liability on account of disbursement of prizes	Are subscribers who win prizes bound to pay subscriptions till maturity of the Scheme ?	Does the scheme contemplate refund of the amount paid by the subscribers to them on maturity of the Scheme ?	If the reply to the query in item 11 is in the affirmative, the amount of total liability under each scheme on its maturity		Remarks
8	9	10	11	12	13		

Notes. - (i) Particulars to be given in this statement should relate to the position as on the 12th day of December, 1978. i.e. date of the coming into operation of the Act in the case of the existing schemes, if any. (ii) If any item is not applicable, the letters N.A. should be entered thereunder. (iii) This statement should be authenticated by the authorised officials of the institution and countersigned by its auditors. Second Schedule Forms Form I [See Rule 4 (i)] Form for furnishing particulars of the scheme(s) and winding up plan Place..... Date..... From Name of the President and Secretary of the institution To The Deputy Director, Small Savings, Finance Department, Bhubaneswar. Dear Sir, We, the undersigned Sarvashri..... and President and Secretary respectively of the.....* forward herewith a statement of particulars in the prescribed form together with a winding up plan as required by the first proviso to Section 12(1) of the Prize Chits and Money Circulation Schemes (Banning) Act, 1978, read with Rule 4(1) of the Prize Chits and Money Circulation Schemes (Banning) (Orissa) Rules, 1980. Please acknowledge receipt. Yours faithfully () President () Secretary for and on behalf of.....**. Here enter the name of the applicant Institution. Notes. - (i) Necessary changes regarding the designation, etc., of the office-bearers may

be made wherever necessary.(ii)The form as well as its enclosures should be forwarded to the authorised officer in duplicate. Two copies each thereof should be forwarded simultaneously to the Deputy Chief Officer, Reserve Bank of India, Department of Non-Banking Companies, Calcutta Regional Office, 15, Netaji Subash Road, Calcutta-700 001.Statement of particulars

- 1. Name and address of the company/association of individuals/co-operative society/partnership/sole proprietorship addresses of the Registered as well as the Head office/Administrative Office, if any, should be given).....**
- 2. Constitution, i.e., whether incorporated as company/co-operative society or registered/unregistered association of individuals partnership/sole proprietorship (also specify the provision of the Act under which incorporated/registered along with the date of incorporation).....**
- 3. Names and addresses of the branches/offices, if any.....**
- 4. Main objects of the institution (Enclose a copy of the Memorandum and Article of Association or, as the case may be, of the Bye-laws or rules regulating the activities of the institution).....**
- 5. Names, occupations and residential addresses of the directors, or as the case may be, of the promoters/members of the committee of management/partners, etc.....**
- 6. Names and residential addresses of the Chief Executive Officer and two other officers immediately next to him, in the managerial set-up.....**
- 7. Names of the bankers and their addresses.....**
- 8. Names of the auditors and their addresses.....**
- 9. Broad nature of the schemes conducted (Enclose printed or typewritten copies of the schemes and of the rules governing such schemes).....**
- 10. Places where the schemes referred to in item 9 are being conducted.....**

11. Full particulars of each scheme as in the Annexure to this statement.....

12. Names and addresses of the associate companies/co-operative societies/association of individuals/partnerships/sole proprietorship.....

13. Names, occupations and residential addresses of the directors, or as the case may be, of the promoters/members of the committee of management, etc., of the institution referred to in item 12.....

14. Broad nature of the types of business done by them and/or of the schemes conducted by them.....

15. Detailed plan for the winding up of the existing business of the schemes.....

I/We solemnly declare that the facts stated herein as also in the Annexure are true to the best of my/our knowledge, information and belief. I/We certify that the particulars/information given herein in so far as they pertain to the books and records of the.....* have been verified from such books and records and found to be correct and complete in all respects. Dated this.....day of.....20....at.....Signatures of the Chairman/Managing Director/Manager/Partner(s) Authorised Official(s) Name(s) Designation(s)*. Enter the name of the applicant institution. Notes. - (i) If the space against any of the items is inadequate for furnishing full particulars, the required information should be given in separate sheets indicating the cross references against the relative items of this statement. (ii) A copy of each of the latest available audited Balance Sheet and Profit and Loss Account as also a financial statement in the same proforma as on the date of the coming into operation of the Act duly certified by the auditors, should be attached. (iii) As regards item 15 above, cash flow statement for every six monthly period commencing from the date of this statement indicating the total amount expected to be recovered and disbursed to the prize winners and to the subscribers of the schemes by way of advances and/or refunds (to the subscribers in the terminated schemes) should be furnished. It should be ensured that the cash flow statements are drawn up on a realistic basis having regard to the past experience and indicating the factors which have been taken into account in arriving at the estimated amounts of recoveries and disbursements. The broad criteria/ rules, if any, followed in determining the quantum of the loans advanced/to be advanced to the subscribers, the periods generally stipulated for their repayment and the nature of securities obtained at the time of disbursement of the loans should be indicated. Annexure (Amount in lakhs of rupees) Part - I Particulars of the Schemes

Sl. No.	Name of the Scheme	Date of commencement	Date of maturity	No. of members contemplated	No. of subscribers enrolled and actually subscribing	Amount of subscriptions collected	Amount of subscriptions forfeited

to be enrolled as per the Scheme								
1	2	3	4	5	6	7	8	9
123etc.								
Amount by way of prizes in cash or kind offered during the currency of the scheme	Amount actually disbursed by way of prizes	Amount of outstanding liability on account of prizes	Are the subscribers who win prizes bound to pay subscriptions till the maturity of the Scheme	Total amount of liability under each Scheme on maturity, i.e. amount refundable to the subscribers	Whether any amount has been advanced to persons other than subscribers		Mode of utilisation of excess funds, if any	Remarks
10	11	12	13	14	15		16	17
				123etc.	No. Amount (15-A) (15-B)			

Part - II Particulars of the advances

Sl. No.	No. of subscribers and the amount disbursed to them as loans	No. of subscribers who have not availed of loans	No. and amount of loans availed of by the directors/ members of the committee of management/partners, etc. and the associate companies concerned in which they are interested.	Remarks
(1)	(2)	(3)	(4)	(5)
	No. Amount (2-A) (2-B)		No. Amount (4-A) (4-B)	

1.2.3.etc.

Note. - (i) Particulars to be given in both parts of this statement should relate to the position as on the 12th day of December, 1978, i.e., the date of the coming into operation of the Act. (ii) The relative particulars should be given scheme-wise in Part-I and in the same serial order in Part-II. (iii) If any item is not applicable, the letters N.A. should be entered thereunder. (iv) In regard to item 4 of Part-II further particulars about the advances to directors, etc., should be given in a separate sheet in the following proforma.

Names of the directors/ Committee members/partners, etc.	Date and amount of original advance	Amount of advance outstanding	Date and amount of loans advanced to associate companies/concerns in which such director/Committee member is interested	Rate of interest charged	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
			Date Amount (4-A) (4-B)		

Form II[See Rule 5]Form of application to be used for seeking extension of time for the winding up of the business of the existing schemesPlace.....Date.....From.....ToThe Deputy Director,Small Savings, Finance Department, BhubaneswarDear Sir,Please refer to our letter, dated the.....day of.....1979 forwarding a statement of particulars of the prescribed form together with a winding up plan as required by the first proviso to Section 12(1) of the Prize Chits and Money Circulation Schemes (Banning) Act, 1978. Due to the various reasons listed in Annexure I and circumstances beyond our control, we shall not be in a position to wind up the remaining schemes within the time specified in the winding up plan submitted by us earlier. Full details of the business in respect of which extension of time is necessary are given in Annexure II. We shall, therefore, be glad if an extension of time for a period of months* is granted for winding up of the business of the existing schemes, as a special case. We undertake to wind up the business within the extended period.

2. In order to ensure that the dues of the subscribers are repaid in full within extended time, we offer the following securities :

(a)(b)(c)(d)etc.

3. We shall be glad to have your approval in the matter at an early date.

Yours faithfully()Designation()Designationfor and on behalf of.....*. To be indicated by the promoter but limited to a period of 2 years as per Section 12 (1) of the Act.Notes. - (a) The statement containing the detail of the business in respect of which extension of time is sought should be given in the same tabulated, statement as the Annexure to Form I and should relate to the position obtaining as on the date not earlier than one month from the date of this application. The statement should be duly certified by the auditors as reflecting the position as available from the books and records of the applicant institution and found to be correct and complete in all respects.(b)Under item (a) or (b) or (c) etc., of paragraph 2, the nature of the securities offered such as immovable properties or other marketable securities, their estimated value, etc., duly certified by the auditors/expert valuers should be given. The facts that the proposed ledgers of the securities have a clear title and that the securities are not encumbered in any manner should be duly certified by the legal advisers of the applicant institution.(c)This application as well as its enclosures should be forwarded to the authorised officer in duplicate. Two copies each thereof should be forwarded simultaneously to the Deputy Chief Officer, Reserve Bank of India, Department of Non-Banking Companies, Calcutta Regional Office, 15, Netaji Subhash Road, Calcutta-700001.