

# **The Prize Chits and Money Circulation Schemes (Banning) Madhya Pradesh Rules, 1980**

MADHYA PRADESH

India

## **The Prize Chits and Money Circulation Schemes (Banning) Madhya Pradesh Rules, 1980**

### **Rule**

### **THE-PRIZE-CHITS-AND-MONEY-CIRCULATION-SCHEMES-BANNING-1980 of 1980**

- Published on 30 June 1980
- Commenced on 30 June 1980
- [This is the version of this document from 30 June 1980.]
- [Note: The original publication document is not available and this content could not be verified.]

The Prize Chits and Money Circulation Schemes (Banning) Madhya Pradesh Rules, 1980 Published vide Notification No. F. 18(C)-1-79-R-3-4, dated 30-6-1980, M.P. Rajpatra Part 4 (Ga), dated 29-8-1980 In exercise of the powers conferred by Section 13 of the Prize Chits and Money Circulation Schemes (Banning) Act, 1978 (No. 43 of 1978), the State Government in consultation with the Reserve Bank of India, hereby makes the following rules, namely :-

#### **1. Short title.**

(1) These rules may be called the Prize Chits and Money Circulation Schemes (Banning) Madhya Pradesh Rules, 1980. (2) These rules shall come into force with effect from the date of their publication in the "Madhya Pradesh Gazette".

#### **2. Definitions.**

(1) In these rules, unless the context otherwise requires, -(a) "Act" means the Prize Chits and Money Circulation Schemes (Banning) Act, 1978 (No. 43 of 1978); (b) "Authorised Officer" means the Director of State Lotteries, Madhya Pradesh or such other officer as may be authorised by the State Government in this behalf for the purposes of Section 12; (c) "Form" means a form appended to these rules; (d) "Promoter" means a person conducting a prize chits or money circulation scheme at the commencement of the Act and desiring to continue such chits or schemes pursuant to sub-section (1) of Section 12 for winding up the business relating to such chits or scheme; (e) "Scheme" means a money circulation scheme or a prize chit as defined in clauses (c) and (e) respectively of Section 2 of

the Act;(f)"Section" means a section of the Act;(g)"Subscriber" means a subscriber to a prize chit or money circulation scheme;(h)"Office of the Reserve Bank" means the office of the Reserve Bank specified in Rule 10.(2)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)A charitable or an educational institution desiring to be notified under clause (d) of Section 11 shall make an application in duplicate to the authorised officer in the Form I. Two copies of such application shall, simultaneously, be forwarded by such institution to the office of the Reserve Bank.(2)the authorised officer shall send to the Government one copy of the application, out of the two copies received by him, with his comments.(3)On receipt of copy of the above application and comment on it from the authorised officer the Government may, in consultation with the Reserve Bank, notify that institution or refuse to notify that institution, having regard to the facts and circumstances of 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 within 45 days from the date on which these rules come into force in Form II. Two copies of such statement together with such plan shall be forwarded by the promoter to the office of the Reserve Bank.(2)On receipt of the statement of particulars and the winding up plan referred to in sub-rule (1), a written acknowledgment 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 promoters furnishing the statements of particulars and the winding up plans furnished under sub-rule (1).

### **5. Extension of time for the winding up of the existing schemes.**

- 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 plan 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 III 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 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 granted or its refusal to grant further extension of time. A gist of the modifications, if any, in the winding up plan or the extension of time, if any, granted or rejected shall be notified in the official Gazette and particulars thereof shall, simultaneously, be advised 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 for the extension of time granted to wind up the business of the schemes pursuant to any order passed by the State Government under rub-rule (2) of Rule 6, is in force,-(a)the subscribers may remit money to the promoter in accordance with the winding up plan;(b)the promoter may receive moneys 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 moneys from the promoter in accordance with the winding up plan due to them under the schemes.

## 9. Repayment of the amount of subscription received by the promoters.

- If the promoter fails to furnish particulars of the schemes and the winding up plan in the manner laid down and within a period of 45 days as specified in sub-rule (1) of Rule 4, he shall refund the moneys and subscriptions received till the date of default within a period of six months from the date of such 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, Bombay Regional Office, Eros Building, 5th Floor, Churchgate, Bombay, 400020. Form I [See Rule 3 (1)] (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..... From..... To.....

Sir, We, the undersigned, Sarvashri..... and..... President and Secretary respectively of the [.....] [Here enter the name of the applicant institution.], do hereby apply in terms of the Rule 3 of the Prize Chits and Money Circulation Schemes (Banning) (Madhya Pradesh) 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. ( ) Secretary ( ) President 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..... Regional Office,..... Calcutta/Bombay/Bangalore/New Delhi. Statement of Particulars

1. Name and address of the Charitable/ Educational Institution. ....  
Constitution Le., whether incorporated as company/co-operative  
society or registered or unregistered association of individuals
2. ....  
(also state the provision, of the Act under which  
incorporated/registered along with the date of incorporation).
3. Names and addresses of the branches/office, if any. ....  
Main objects of the institution (enclose a copy of  
the Memorandum and Articles of Association or as the case may
4. ....  
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. ....
- Broad nature of the schemes being conducted or proposed to
8. beconducted (Enclose printed or type written copies of schemes .....  
andof the rules governing such scheme(s).
9. Places where the schemes referred to item 8 arebeing/proposed .....  
to be conducted.
10. How are the funds collected by the promotion/conduct of .....  
theschemes proposed to be utilised?
11. Full particulars of each scheme as in the annexure to .....  
thisstatement.
12. Is the income of the institution exempt under any of .....  
thesub-sections of Section 10 of the Income-tax Act, 1961? If  
so,specify the provisions under which the income of the .....  
institutionis so exempt. ....
13. Are the donations made to the institution recognised for .....  
thepurpose of Section 80-G of the Income-tax Act, 1961? (If so  
acopy 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 institutionsand of .....  
theschemes, if any, conducted by such institutions. ....
16. Names, occupations and residential addresses of .....  
theoffice-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/information given herein insofar as they pertain to the books and records of the [.....] [Here enter the name of the applicant institution.] have been verified from such books and records and found to be correct and complete in all respects.Dated this.....day.....of.....19.....

at.....Signature(s) of the President/Manager/Secretary/AuthorisedOfficial of the institutionName(s).....Designation(s).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 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)

Sr.	No. Name of the scheme	Date of commencement of the scheme	Date of maturity of the scheme	No. of members intended to be enrolled as per thescheme
(1)	(2)	(3)	(4)	(5)

No. 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	Amount actually disbursed by way of prizes	Outstanding liability on account of disbursementof prize
--	---	--	--

(6)	(7)	(8)	(9)	Remarks
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		
(10)	(11)	(12)		(13)

Notes. - (i) Particulars to be given in this statement should relate to the position as on the..... day of..... 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. Form II [See Rule 4(1)] [Form for furnishing particulars of the scheme(s) and winding up plan] Place..... Date..... From..... To..... De.....  
 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) Madhya Pradesh Rules, 1979. Please acknowledge receipts. Yours faithfully. ( ) Secretary ( ) President 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) This 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 ..... Regional Office..... Calcutta/Bombay/Bangalore/New Delhi. 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/un-registered association of individuals/partnership/sole proprietorship (Also specify the provision of the Act under which incorporated/registered along with the date of incorporation). .....
- 3 Name 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 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.

Names and residential addresses of the Chief Executive Officer

6 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. ....

Broad nature of the schemes conducted (Enclose printed or type

9 written 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 of this statement. ....

Names and addresses of the associate/

12 companies/co-operatives society/ association of individuals/ partnership/ sole proprietorships. ....

Names, occupations and residential addresses of the directors or

13 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 so far as they pertain to the books and records of the [.....] [Enter the name of the applicant institution.] have been verified from such books and records and found to be correct and complete in all respects. Dated this.....day of..... 1979 at.....

Signatures of the Chairman/Managing Director/Manager/Partner(s) Authorised Official(s) Name(s)..... Designation(s).....

Note. - (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 each of the latest available audited Balance Sheet and Profit and Loss Account as 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, a cash flow statement for every six monthly period commencing from the date of this statement indicating the total amounts 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 period generally stipulated for their repayment and the nature of securities obtained at the time of disbursal of the loans should be indicated. Annexure (Amount in lakhs of rupees)

## Part I – Particulars of the Schemes

SI.No.	Name of the Scheme	Date of commencement	Date of maturity	
(1)	(2)	(3)	(4)	
1.2.3.etc.				
No. of members contemplated to be enrolled as per the scheme	No. of subscribers enrolled and actually subscribing	Amount of subscription collected	Amount of subscription forfeited	
(5)	(6)	(7)	(8)	
Amount of subscriptions refunded to the subscribers	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	
(9)	(10)	(11)	(12)	
Are the subscribers who win prizes bound to pay subscription till the maturity of the scheme	Total amount of liability under each scheme on maturity i.e. amount refundable to the subscribers.			
(13)	(14)			
1.2.3.etc.				
Whether any amounts have been advanced to persons other than subscribers	Mode of utilisation of excess funds, if any	Remarks		
(15)	(16)	(17)		
No.(15-A)	Amount(15-B)			

## Part II – Particulars of the advances

SI. 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/concerns in which	Remarks
---------	--	--	--	---------



			they are interested	
(1)	(2)	(3)	(4)	(5)
	No. Amount(2-A)		No. Amount(4-A) (4-B)	
	(2-B)			

1.2.3.etc

Notes. - (i) Particulars to be given in both parts of this statement should relate to the position as on the.....day of.....19 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
(1)	(2)	(3)
	Date Amount(2-A) (2-B)	

Date and amount of loans advanced to associate companies/concerns in which such director/committee member is interested	Rate of interest charged	Remarks
(4)	(5)	(6)
Date Amount(4-A) (4-B)		

Form III(See Rule 5)(Form of application to be used for seeking extension of time for the winding up of the business of the existing schemes)Place.....Date.....From.....To.....  
Sir, Please refer to our letter dated the ..... day of ..... 19..... forwarding 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. 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 the extended time, we offer the following securities :-**

(a)(b)(c)(d)etc.We shall be glad to have your approval in the matter at an early date.Yours faithfully.( )Designation( )DesignationFor and on behalf of.....Notes. - (a) The

statement containing the details is 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 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 fact that the proposed lodgers of the securities have a clear title and that the securities are not encumbered in any manner should be duly certified by the legal advisors 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.....Regional Office, Eros Building, 4th Floor, Churchgate, Bombay-400020.