

For Enquiry/Informaiton/Suggestion/Complaints

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JAGAPATHI
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Information
to
Subscribers



The Journey of a 1000 miles begins with a single step

INFORMATION TO SUBSCRIBERS

CHITS & BENEFITS

Chits is a unique indigenous and highly beneficial instrument. It provides a good source of finance for different class of people from small investors and businessmen to industries. It also provides means of **savings** from contingencies requiring substantial amount. Chit, therefore a good medium for persons desires of **savings** as well as people who like to **borrow** to meet expenses on contingencies and special occasions like Education, Marriage, Constructions etc., even funds for Business or Industries.

REMITTANCE & SUBSCRIPTIONS:

The payment towards the chit is made in prescribed monthly instalments. First two instalments are to be paid in full. The dividend starts from 3rd instalment onwards. Every month the intimation letter containing the details about the chit, bid amount in the last auction date, monthly instalments and any other payments due, due date of payment etc., is sent to the subscribers to enable them to know the result of the auction and to facilitate remittance of the subscription in time.

The Company also a subscriber in all the groups as per Chit Fund Act - 1982.

Due care is taken to ensure that the Intimation letters are sent to the subscribers in advance to enable them to pay the instalments. However, the non-receipt of Intimation letter due to any reason or postal delays cannot be accepted as valid reason for belated payment or non-payments. Incase the intimation letter does not reach in time subscribers may remit amount equivalent to the previous months due, difference if any will be adjusted during the subsequent month or remit the instalment by contacting the office.

To participate in the auction, the subscription has to be paid on or before the auction date. If the inst. payment by cheque, the cheque shall be realised before the auction date.

Outstation subscribers may pay amount by **D.D.** sent to the branch by post.

In case, the cheque given by subscriber is dishonoured, future subscriptions will be accepted only in cash / **D.D.** In respect of such dis-honoured cheques, the penalty charged by the bank will be recovered from the subscriber. As there is a penal provision in the **Negotiable instruments Act** for dis-honour of cheques Due to insufficient funds or any other reasons, it is better to avoid such a situation.

Failure to remit instalments in time will entail forfeiture of dividend, besides charging penal interest as notified already. In respect of non prized subscribers defaulting in payment of monthly instalments will disqualify them from participating in the auction.

DISCONTINUATION:

Chit is a scheme where the system works effectively only on the payment from all the members of the group. Hence discontinuation by any member hampers the group itself and works against the interest of other members of the group. However, in case of any in-ability to pay the subscription by any member there are 2 options.

1. Failure to remit instalments by a non-prized subscriber will constrain the company to remove the ticket and allot it to anyone who wishes to continue after intimating the defaulting subscriber.

In case, such discontinuing subscriber is unable to provide transfer he/she can



Right Partner to give Financial Advice



request the company to have a substitute in his/her place. In such cases the company cannot commit any time period for substitution. As and when the company is able to get a substitute, the amount will be refunded to the original subscriber after deduction **5% of the Foreman's Commission**. It may also happen that the company may be unable to get a suitable substitute. In such case, the amount will be refunded only after the termination of the group and deducting **5%** of the Foreman's Commission.

2. If the Prized subscriber failed to pay the chit instalment he/she is not eligible to get the future dividend. The prized subscriber along with the surety/securities shall become liable to make consolidate payment with penal interest at 18% P.A. in addition to legal expenses.

REGISTERED CHIT FUND PROOF:

1. Copy of the Agreement, Pre Sanction Order & Commencing Certificate obtained from the Govt. Authority like DRCS.
2. For monthly instalments remittance proper Receipts will be issued.
3. Pass books will be supplied to the members on remittance of 2nd Instalment. It should be submitted for entries along with the remittance for updating.

(If the pass book is lost, duplicate can be obtained by paying Rs. 25/-)

AUCTION PROCEDURE:

Every subscriber is eligible to participate in auction held once in a month for each group. The duration of the auction shall be five minutes. Participation in the auction could be either in person or written bid offer or through duly authorised representative along with bid offer. Subscriber participating auction after paying subscription. If bid offer sent, it should reach our office at least one day before the auction date.

A specific date & time of auction is being assigned for the chit group and if holiday for any reason, it is held on the next working day. If the auction is on Saturday, it will be held at afternoon. If there is any change in the date, and time of auction, notice is given to subscribers regarding the revised date for the information of the subscribers.

Individual request from the subscribers is a must :by specific request for each auction for inclusion in the monthly lot whenever the chit has to be decided by lot. The bids in the auction should be raised by slabs fixed by Foreman.

Telephone/Telegraphic offers are not accepted.

In all the groups a minimum discount is **5%** and maximum discount is **30%**. If more than one member opts for **30%** a draw will be conducted to decide the prized bidder.

If no subscriber is not ready to bid at **30%**, the subscriber who bids for the highest amount of discount within stipulated time will be confirmed as the prized subscriber.

DISTRIBUTION OF DIVIDEND

The dividend at every auction shall be equally distributed by way of deduction in the next instalment to the Subscribers. The dividend so calculated is less Foreman's commission at **5%** of the chit value.

First two instalments are to be paid in full without any dividend.

When it comes to Chit, You can always trust Jagapathi Chits

RELEASE OF PRIZE MONEY

1. The prize money will be paid to the successful subscriber before the next auction date, if adequate securities furnished to cover the future liability of the Chit. Proper Security in the form of personal guarantee, Bank Guarantee, Immovable Property or any other form of Security has to be provided to the satisfaction of the foremen for the release of the prized money, the nature of security indicated normally applies for one chit wherea subscriber holds more than one chit, the combined future liability alone will be taken into account for the purpose of security.
2. In case a subscriber from one chit group has stood as guarantor for some other subscriber, either in the same group or in other group, for the purpose of arriving at the total liability, all such future commitments will also be taken into consideration.
3. After the auction the proposed security/surety to be provided has to be discussed by the prized subscribers with the **Manager/Branch** In charge to his satisfaction. Later completed proposal form has to be submitted for further documentation.
4. The document based on the proposal form will be prepared and have to be signed by subscriber and the guarantors in the presence of the officials or any other specified authorities of the organisation.
5. Prize money will be released by "**Account Payee**" Cheque only in respect of outstation subscribers payment may be made through Bank Draft, Funds Transfer through NEFT after deducting the Bank charges.
6. A Prized subscriber at the time of receiving the Prize-Money shall deposit with the foreman, as many post dated Cheques as there are number of instalments in respect of future subscription.
7. As per Government rule Service Tax at **12.36%** will be levied on **70%** of the Foreman Commission in respect of every prize money w.e.f. July **2012**.

RE-AUCTION:

If the prized bidder fails to claim the prized money within **60** days from the date of auction, re-auction will be conducted as per Section **22(2)** of Central Chit Funds Act **1982**. Consequent to this the earlier dividend declared will stand cancelled and the difference in dividend if any shall be recoverable from the prized bidder.

DETAILS OF CHIT GROUPS

Sl. No	Monthly Subscription (Amount in Rs.)	No. of Months	Chit Value (Amt. in Rs.)	Admission Fee (Amt. in Rs.)	Service Tax (Amt. in Rs.)
1.	2,500	40	1,00,000	100	433
2.	5,000	30	1,50,000	150	649
3.	10,000	30	3,00,000	300	1,298
4.	20,000	25	5,00,000	500	2,163

😊 Our Marketing Staffs are always ready to give Customer Service at your Door

Please Contact:

If you are satisfied
with our service, Tell others :
If not Tell us to correct

To unlock your Financial Dreams



So Come & Join us

