



NAGASHIVA

CHITFUND PVT. LTD.

Your rights as a chit fund subscriber

RIGHTS AND DUTIES OF NON-PRIZED SUBSCRIBERS

- Non-prized subscribers to pay subscriptions and obtain receipts.—
- Every non-prized subscriber shall pay his subscription due in respect of every instalment on the dates and times and at the places mentioned in the chit agreement and shall, on such payment, be entitled to obtain a receipt from the foreman.

Removal of defaulting subscribers.

(1) A non-prized subscriber who defaults in paying his subscription in accordance with the terms of the chit agreement shall be liable to have his name removed from the list of subscribers and a written notice of such removal shall be given by the foreman to the defaulting subscriber within fourteen days of the date of such removal:

– Provided that if the defaulter pays the defaulted instalment with interest at such rate as may be prescribed within seven days of the date of receipt of such notice, his name shall be re-entered in the list of such subscribers.

(2) Every such removal under sub-section (1) shall with the date thereof be entered in the relevant book maintained by the foreman.

(3) A true copy of the entry referred to in sub-section (2) shall be filed by the foreman with the Registrar within fourteen days from the date of removal.

(4) Any defaulting subscriber aggrieved by the removal of his name from the list of subscribers may, within seven days of the date of receipt of the notice of removal refer the matter to the Registrar for arbitration under section 64.

Substitution of subscribers.

(1) A foreman may substitute in the list of subscribers any person (hereafter in this Chapter referred to as the substituted subscriber) in place of the defaulting subscriber whose name has been removed under sub-section (1) of section 28.

(2) Every substitution referred to in sub-section (1) shall, with the date thereof, be entered in the relevant book maintained by the foreman and a true copy of every such entry shall be filed by the foreman with the Registrar within fourteen days from the date of substitution.

Amounts due to defaulting subscribers.

(1) A foreman shall, out of the amounts payable by and realized from the substituted subscriber towards the instalments relatable to the period before the date of the substitution (including the arrears due from the defaulting subscriber), deposit, before the date of the next succeeding instalment, in a separate identifiable account in an approved bank mentioned in the chit agreement, an amount equal to the contributions made by the defaulting subscriber less such deductions as may be provided for in the chit agreement, and shall inform the defaulting subscriber as well as the Registrar of the fact of such deposit and shall not withdraw the amount so deposited except for payment to the defaulting subscriber.

(2) The amount so deposited under sub-section (1) shall be paid to the defaulting subscriber as and when he claims the amount and the amount so deposited shall not be withdrawn by the foreman for any purpose other than for such payment.

(3) The contributions of any defaulting subscriber who has not been substituted till the termination of the chit shall be paid to him within fifteen days from the date of termination of the chit subject to such deductions as may be provided for in the chit agreement.

RIGHTS AND DUTIES OF PRIZED SUBSCRIBERS

Prized subscriber to furnish security.

- Every prized subscriber shall, if he has not offered to deduct the amount of all future subscriptions from the prize amount due to him, furnish, and a foreman shall take, sufficient security for the due payment of all future subscriptions and, if the foreman is a prized subscriber, he shall give security for the due payment of all the future subscriptions to the satisfaction of the Registrar.

Prized subscriber to pay subscriptions regularly.

- Every prized subscriber shall pay his subscriptions regularly on the dates and times and at the place mentioned in the chit agreement and, on his failure to do so, he shall be liable to make a consolidated payment of all the future subscriptions forthwith.

Foreman to demand future subscriptions by written notice.

(1) A foreman shall not be entitled to claim a consolidated payment from a defaulting prized subscriber under section 32 unless he makes a demand to that effect in writing.

(2) Where a dispute is raised under this Act by a foreman for a consolidated payment of future subscriptions from a defaulting prized subscriber and if the subscriber pays to the foreman on or before the date to which the dispute is posted for hearing the arrears of subscriptions till that date together with the interest thereon at the rate provided for in the chit agreement and the cost of adjudication of the dispute, the Registrar or his nominee hearing the dispute shall, notwithstanding any contract to the contrary, make an order directing the subscriber to pay to the foreman the future subscriptions on or before the dates on which they fall due, and that, in case of any default of such payments by the subscriber, the foreman shall be at liberty to realise, in execution of that order, all future subscriptions and interest together with the costs, if any, less the amount, if any, already paid by the subscriber in respect thereof: Provided that if any such dispute is on a promissory note, no order shall be passed under this sub-section unless such promissory note expressly states that the amount due under the promissory note is towards the payment of subscriptions to the chit.

(3) Any person who holds any interest in the property furnished as security or part thereof, shall be entitled to make the payment under sub-section (2).

(4) All consolidated payments of future subscriptions realised by a foreman shall be deposited by him in an approved bank mentioned in the chit agreement before the date of the succeeding instalment and the amount so deposited shall not be withdrawn except for payment of future subscriptions.

(5) Where any property is obtained as security in lieu of the consolidated payment of future subscriptions, it shall remain as security for the due payment of future subscriptions.