

Chit Funds Act, 1982

Section 22 - Duties of foreman.—

1) The foreman shall, on the prized subscriber furnishing sufficient security for the due payment of future subscriptions, be bound to pay him the 5[net chit amount]: Provided that the prized subscriber shall be entitled to the payment of the 5[net chit amount] without any security whatsoever if he agrees to the deduction therefrom of the amount of all future subscriptions and in such a case, the foreman shall pay the 5[net chit amount] to the prized subscriber within seven days after the date of the draw or before the date of the next succeeding instalment, whichever is earlier: Provided further that where the 5[net chit amount] has been paid to the prized subscriber under the first proviso, the amount deducted shall be deposited by the foreman in an approved bank mentioned in the chit agreement and he shall not withdraw the amount so deposited except for the payment of future subscriptions. (2) If, owing to the default of the prized subscriber, the 5[net chit amount] due in respect of any draw remains unpaid until the date of the next succeeding instalment, the foreman shall deposit the 5[net chit amount] forthwith in a separate account in an approved bank mentioned in the chit agreement and intimate in writing the fact of such deposit and the reasons therefor to the prized subscriber and the Registrar: Provided that where any prized subscriber does not collect the 5[net chit amount] in respect of any instalment of a chit within a period of two months from the date of the draw, it shall be open to the foreman to hold another draw in respect of such instalment. (3) Every payment of the 5[net chit amount] or the amount of future subscriptions under sub-section (1), and the deposit of the 5[net chit amount] under sub-section (2), shall be intimated to the subscribers at the next succeeding draw and the particulars of such payment or deposit shall be entered in the minutes of the proceedings of that draw. (4) The foreman shall not appropriate to himself any amount in excess of what he is entitled to under clause (b) or clause (c) of sub-section (1) of section 21: