

Chit Funds Act, 1982

Section 28 - 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.