Chapter IV - Rights And Duties of Non-Prized Subscribers

- Rights And Duties of Non-Prized Subscribers (27 to 30)

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27. Non-prized subscribers to pay subscriptions and obtain receipts.- Every non-prized subscriber shall pay his subscription due in respect of every installment 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.

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 installment 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.

29. 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.

30.Amounts due to defaulting subscribers.-

(1) A foreman shall our of the amounts payable by and realized from the substituted subscriber towards the installments 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 installment, 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.