

Rights and Duties of Foreman (22 to 23)

22.Duties of foreman.-

(1) The foreman shall, on the prized subscriber furnish sufficient security for the due payment of future subscriptions, be bound to pay him the prize amount:

Provided that the prize subscriber shall be entitled to the payment of the prize 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 prize amount to the prized subscriber within seven days after the date of the draw or before the date of the next succeeding installment, whichever is earlier:

Provided further that where the prize amount has been paid to the prized subscriber under the first provision, 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 prize amount due in respect of any draw remains unpaid until the date of the next succeeding installment, the foreman shall deposit the prize 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 therefore to the prized subscriber and the Registrar:

Provided that where any prized subscriber does not collect the prize 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 installment.

(3) Every payment of the prize amount or the amount of future subscriptions under sub-section (1), and the deposit of the prize 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:

Provided that where the foreman is himself a prized subscriber, he shall be entitled to appropriate to himself the prize amount subject to his complying with the provisions of section 31: Provided further that the foreman may appropriate to himself the interest accruing on the amount deposited under the second proviso to sub-section (1)

(5) The foreman shall not admit any person as a subscriber to a chit, if by such admission, the total number of tickets mentioned in the chit agreement is increased.

(6) The foreman shall distribute among the subscribers, in accordance with the chit agreement, the dividend either in cash, grain or by way of adjustment towards the subscriptions payable for the next installment, if any.

23. Books, records, etc., to be kept by foreman.- The foreman shall maintain in his registered office, or as the case may be in the place or the principal place of his business, or, where the foreman has any branch office, sub-office or any place of business for the conduct of chit business in a State other than the State in which his registered office or the principal place of his business is situated, in such branch office, sub-office or place of business in respect of the business conducted in that State-

(a) a register containing-

(i) the names and full particulars of the subscribers in each chit together with the number of tickets held by each subscriber;

(ii) the dates on which the subscribers signed the chit agreement;
and

(iii) in the case of an assignment of a ticket by a subscriber, the name and full address of the assignee with the date of assignment and the date on which the assignment had been recognised by the foreman;

(b) a book containing the minutes of the proceedings of each draw;

(c) a ledger containing-

(i) the amounts paid by the subscribers in each chit and the dates of such payments;

(ii) the amounts paid to the prized subscribers and the dates of such payments; and

(iii) in the case of any deposit in an approved bank mentioned in the chit agreement the date and the amount of such deposit;

(d) a register in the prescribed form showing the amounts deposited in approved banks as required under the provisions of this act in respect of all chits conducted by the foreman at his office; and

(e) such other registers and books in such form as may be prescribed by the State Government within whose jurisdiction the chit is conducted.

Revision #6

Created 16 January 2024 06:47:19 by Mohana Priya

Updated 19 January 2024 23:04:10 by Mohana Priya