

## **Chit Funds (Amendment) Act, 2001**

**10 of 2001**

**[09 May 2001]**

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## **Chit Funds (Amendment) Act, 2001**

**10 of 2001**

**[09 May 2001]**

An Act to amend the Chit Funds Act, 1982. BE it enacted by Parliament in the Fifty-second Year of the Republic of India as follows: --

### **1. Short Title And Commencement :-**

- (1) This Act may be called the Chit Funds (Amendment) Act, 2001.
- (2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette,<sup>1</sup> appoint, and different dates may be appointed for different States.

1. The said Act shall come into force in the following States and Union Territories w.e.f. 01.10.2001 vide Notification No. S.O. 980 (E) dated 01.10.2001:

1. Assam
2. Bihar
3. Goa
4. Himachal Pradesh
5. Karnataka
6. Madhya Pradesh
7. Manipur
8. Meghalaya
9. Orissa
10. Punjab

11. Rajasthan
12. Sikkim
13. Tamil Nadu
14. Tripura
15. Uttar Pradesh
16. West Bengal

## **2. Amendment Of Section 6 :-**

In section 6 of the Chit Funds Act, 1982, (40 of 1982) (hereinafter referred to as the principal Act), in sub-section (5), for the words "thirty percent", the words "forty percent." shall be substituted.

## **3. Amendment Of Section 13 :-**

In section 13 of the principal Act, --

- (i) in sub-section (1), for the words "twenty-five thousand rupees", the words "rupees one lakh" shall be substituted;
- (ii) in sub-section (2),--
  - (A) in clause (a), for the words "one lakh", the words "six lakhs" shall be substituted;
  - (B) in clause (b), for the words "twenty-five thousand rupees", the words "rupees one lakh" shall be substituted.

## **4. Amendment Of Section 20 :-**

In section 20 of the principal Act, in sub-section (1), for clause (a), the following clause shall be substituted, namely: --

"(a) deposit in the name of the Registrar, an amount equal to,--

- (i) fifty per cent, of the chit amount in cash in an approved bank; and
- (ii) fifty per cent, of the chit amount in the form of bank guarantee from an approved bank; or".