

Chit Funds Act, 1982

Section 60 - Limitation.—

1) Where an order refusing to wind up a chit has been made under this Act, the chit shall be deemed to have been under suspension from the date of presentation of the application to the date of such order in respect of non-prized subscribers; and, notwithstanding anything contained in the chit agreement, no non-prized subscriber who was not a defaulter on the date of the presentation of the petition for winding up, shall be deemed to be a defaulter on the date of such order.

(2) Where an order refusing to wind up a chit has been made under this Act, in computing the period of limitation prescribed for any suit or other legal proceedings (other than a suit or application in respect of which the leave of the court has been obtained) which might have been brought or instituted, but for the presentation of the application for the winding up of the chit, the period from the date of the presentation of the application to the date of the order refusing to wind up a chit shall be excluded.

(3) Nothing contained in this Chapter shall affect the rights of a subscriber to proceed against the foreman personally for the balance, if any, of the amount due to him after the declaration of the final
1

[share of discount] in the proceedings for the winding up of the chit and in computing the period of limitation prescribed for any such proceedings, the period from the date of the presentation of the application for the winding up of the chit to the date of the declaration of the final 1[share of discount] shall be excluded