Chit Funds Act, 1982

Section 86 - Banks not to conduct chit business.—

1) Notwithstanding anything contained in this Act, nobank shall commence or carry on chit business after the commencement of this Act. (2) Where a chit had been started by any bank before such commencement, such chit may becontinued after such commencement until it is completed, and the provisions of the chit agreement andsuch laws, if any, as were applicable to it immediately before the commencement of this Act shall applyto such chit. Explanation.For the purposes of this section bank means an approved bank or a co-operativebank as defined in clause (bii) of section 2 of the Reserve Bank of India Act, 1934 (2 of 1934).