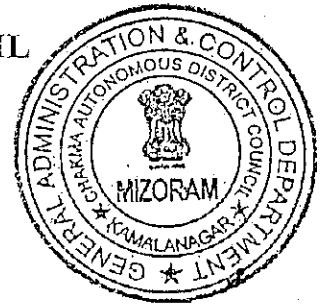


(5)

**CHAKMA AUTONOMOUS DISTRICT COUNCIL
(MONEY LENDING AND CONTROL)
REGULATIONS, 2005.**



**A
BILL**

to provide for Regulations of money lending within the area of the Chakma Autonomous District Council. The Chakma Autonomous District, in exercise of powers conferred on it by sub-paragraph (1) of Paragraph 10 of the Sixth Schedule to the Constitution of India, read with the modification made vide Section 2 of Act No.67 of 1988 is pleased to make the following Regulations in fifty-fifth year of the Republic of India.

1. SHORT TITLE, EXTENT AND COMMENCEMENT.

- (i) This Regulation shall be called The Chakma Autonomous District Council (Money Lending and Control) Regulations, 2005.
- (ii) It shall come into force on the publication in the Mizoram Gazette.
- (iii) It shall extent into the whole of the Chakma Autonomous District Council areas.

2. DEFINITIONS. In this Regulations, unless the context otherwise requires;

- (a) "Agent" means a person who, on behalf of the Money Lender lends money on commission accruing from the money lender;
 - (b) "Autonomous District" means the Chakma Autonomous District;
 - (c) "Chief Executive Member" means the Chief Executive Member of the Chakma Autonomous District Council;
- ^

- (d) "Court" means a Civil Court established as per the provision of the Code of Civil Procedure 1908 (Act No. V of 1908) or as established by the Chakma Autonomous District Council;
- (e) "District Council" means the Chakma Autonomous District Council;
- (f) "Executive Member" means the Executive Member of Land Revenue and Settlement Department of Chakma Autonomous District Council;
- (g) "License" means a license issued by the Executive Committee or any competent authority that may be entrusted by the Executive Committee on that behalf for the purpose of money lending;
- (h) "License Holder" means a person or persons holding a license under this regulation;
- (i) "Licensing Authority" means the Executive Committee or any other Officer(s) as may be authorized by the Executive Committee on that behalf;
- (j) "Money Lending" means a business on lending money on interest;
- (k) "Money Lender" means a person who carries out business on money lending on proper license as per the provision of this Regulation.

3. APPLICATION FOR LICENSE.

Any permanent resident of Chakma Autonomous District desires to carry out money lending business within the Chakma Autonomous District Council may apply to the Licensing Authority in such form as may be prescribed by the Executive Committee, for grant of a license.

4. VERIFICATION AND GRANT OF LICENSE AND REFUSAL OF ISSUE OF LICENSE.

On receipt of an application for grant of a license under section 3, the Licensing Authority shall verify in this regard to required qualification as may be prescribed in this Regulation.

- (1) The Licensing Authority may, after holding necessary verification under sub-section (1) of Section 4, issue a license on payment of such fee as may be prescribed.
- (2) The Licensing Authority may, refuse to grant license, is in its opinion, the applicant does not fulfill such qualification as may be prescribed or on any other sufficient and reasonable grounds justifying such refusal on merit and not on technicalities, and after hearing the applicant.

5. **RENEWAL OF LICENSE.**

- (1) Whereas a license has been granted under sub-section (2) of Section 4 for a definite period and the same has not been cancelled earlier under Section 6 than such license may be, on a written application signed and made by the license-holder, be renewed by the Licensing Authority for such period, on payment of such fees as may be prescribed.
- (2) If the license-holder fails to apply for renewal immediately its expiry and applies after fifteen days, the Licensing Authority may entertain the application for renewal on payment of such late fee as may be prescribed.

6. **CANCELLATION OF LICENSE.**

- (1) If any license-holder or his/her agent or any other person on his/her behalf contravenes any term and condition of the license, his/her license may be cancelled or suspended by an order in writing to the Licensing Authority and an entry shall be made in his/her license relating to such suspension or cancellation.
- (2) A license-holder or his/her agent or any other person acting on his/her behalf shall be given a notice in writing allowing an opportunity on suspension or cancellation being contemplated against his/her within a period of thirty days.

7. **LICENSE NOT TRANSFERABLE.**

A license issued under sub-section (2) of Section 4 shall not be transferable or inheritable. In the event of death of a license-holder the license so issued shall automatically stand cancelled.

8. **BAR ON NON-RESIDENT.**

No person other than a permanent resident of Chakma Autonomous District Council shall be allowed to carry out the business of the money lending in the Chakma Autonomous District Council.

Explanation: This provision is felt imperative contemplating a non-resident carrying out such business may lead to severe dispute, disposal of which may be beyond jurisdiction of Chakma Autonomous District Council. It is, therefore, for interest of the poor borrowers.

9. **COMPETENT COURT.**

Any dispute that may arisen in regard to money lending and recovery of loan amount, disposal of such case shall be under the jurisdiction of Civil Court or any other higher Court.

10. **MODE OF MONEY LENDING.**

Taking mortgage of any movable or immovable property as security may carry out money lending.

11. **DISPOSAL OF MORTGAGE PROPERTY.**

In the event of movable or immovable property retained by a money lender as security against the amount lent and the borrower subsequently failed to redeem such property within the stipulated time and hereby claimed that the principal amount and the interest so accrued repayable is too less than the market value of the mortgaged property, the Licensing Authority shall have power to assess the market value of such property and shall fixed the amount to be paid by the money lender to the borrower.

12. **TRANSACTION UNDER PROPER RECEIPT OR VOUCHER.**

Every money lending, borrowing, repayment of amount and mortgaging or redeeming of properties shall be made under receipt or voucher as per prescribed proforma.

13. MAINTENANCE OF RECORDS.

In addition to the provision under Section 12 the moneylender shall maintain records of all transaction of both cash and property in a proforma that may be prescribed by the Licensing Authority.

14. PRODUCTION OF RECORDS.

The license holder shall be liable to produce any records of money lending to the Licensing Authority on demand or to any other Officer authorised by the Executive Committee on that behalf.

15. LICENSE FEE.

The license fee shall as may be fixed by the Executive Committee from time to time.

16. RATE OF INTEREST.

The rate of interest on the money to be lent shall be fixed by the Executive Committee from time to time.

17. PROFIT SHARE PAYABLE TO CADC.

Every license holder shall pay 1% (one percent) to Chakma Autonomous District Council out of the amount earned on the capital so invested.

18. PENALTY FOR MONEY LENDING WITHOUT LICENSE.

Any person or persons found carrying out money lending business without proper license shall be liable to pay a fine of Rs.5000/- (Rupees five thousand), unless the penalty so imposed is realised no license shall be issued to that particular person.

Further, such action of the Licensing Authority shall not be challengeable any court of Law.

19. PENALTY.

Whoever willfully refuses or fails to comply with any direction or terms and conditions under any section of this Regulation or Rules made there under shall on conviction by a competent court, be punishable with imprisonment for a term not exceeding one year or with fine which may extend to two thousand five hundred rupees or with both.

(6)

Provided that if any person or persons after having been previously convicted of an offence punishable under any section of this Regulation again commits an offence shall on conviction by a competent court, be liable to twice the punishment which might be imposed on a first conviction under this Regulation.

20. DECLARATION OF TOTAL AMOUNT TO BE INVESTED.

The moneylender has to declare his/her total amount of investment before the Executive Committee or the Licensing Authority.

21. PENALTY FOR UNDECLARED AMOUNT.

If a moneylender is detected to have invested interest money more than the declared amount shall be penalised to pay three times more than the normal rate of tax.

22. OFFENCE TO BE NON-COGNIGIBLE.

An offence under any section of this Regulation other than Section 9 shall non-cognigible.

23. POWER TO MAKE RULES.

The Executive Committee may with prior approval of the Governor, shall make rules for carrying out any provision of this Regulation wherever it deems necessary.

STATEMENT OF OBJECTS AND REASONS;

Whereas it is observed that money lending on interest is too much prevalent within Chakma Autonomous District. And whereas, there is no such Regulations to regulate or control money lending by money lenders which leads to exploitation of the poorer section of the society or both.

And, whereas, as provided under sub-paragraph (1) of Paragraph 10 of the Sixth Schedule to the Constitution of India read with the modification made vide Section 2 of Act No. 67 of 1988, it felt imperative to make a Regulation to regulate and control the money lending and thereby to provide with safeguard to both the sections of the society;

Hence, this Regulation.

(RASIK MOHAN CHAKMA)
Chief Executive Member
i/c Land & Revenue & Settlement Departt, etc.
Chakma Autonomous District Council
Kamalanagar, Mizoram.

MEMORANDUM OF DELEGATED LEGISLATION.

Section 23 of the Bill attempt to empower the Executive Committee of the Chakma Autonomous District Council to make rules for carrying out provisions of the Regulation.

(RASIK MOHAN CHAKMA)
Chief Executive Member
i/c Land & Revenue & Settlement Departt, etc.
Chakma Autonomous District Council
Kamalanagar, Mizoram.

FINANCIAL MEMORANDUM

The purpose of the Chakma Autonomous District Council (Money Lending & Control) Regulations, 2005 is a regulation for controlling of money lending by money lenders and also for collection of necessary fees and having profit share from such money lending business thereby raising resources of the Council for its benefits and matters connected therewith or incidental thereto. Implementation of this Regulation does not require additional financial expenditure. On the contrary it shall become a source of income for the Council.

(RASIK MOHAN CHAKMA)
Chief Executive Member
i/c Land & Revenue & Settlement Departt, etc.
Chakma Autonomous District Council
Kamalanagar, Mizoram.