

THE ASSAM MICRO FINANCE INSTITUTIONS (REGULATION OF MONEY LENDING) BILL, 2020

A

BILL

Preamble

to protect and relieve the economically vulnerable groups and individuals from the undue hardship of usurious interests rates and coercive means of recovery by Micro Finance Institutions or Money Lending Agencies or Organizations and for this purpose to create an effective mechanism to regulate the Micro Finance Institutions or Money Lending Agencies or Organizations operating in the state of Assam and for matters connected therewith and incidental thereto.

It is hereby enacted in the Seventy-first Year of the Republic of India, as follows:-

Short title, extent
and commencement

1. (1) This Act may be called the Assam Micro Finance Institutions (Regulation of Money Lending) Act, 2020.
- (2) It extends to the whole of Assam.
- (3) It shall come into force on such date as the State Government may, by notification in the Official Gazette, appoint.

Application

2. All Micro Finance Institutions or Money Lending Agencies or Organizations operating in the State of Assam shall come under the ambit of this Act, whether they had come into existence before or after the commencement of this Act.

Definitions

3. (1) In this Act, unless the context otherwise requires,-
 - (a) "Government" means the State Government of Assam;
 - (b) "borrower" means an individual or a Self Help Group (SHG) or Joint Liability Group (JLG) who avails money in the form of a loan for any productive purpose from Micro Finance Institutions or Money Lending Agencies or Organizations under an agreement with terms and conditions that the money shall be repaid within a certain period of time to such Micro Finance Institutions, Money Lending Agencies or Organizations, as the case may be.

- (c) “interest” for the purposes of the terms defined under the provisions of this Act means a return on the amount lent by the Micro Finance Institutions or Money Lending Agencies or Organizations as the case may be, to a Borrower;
- (d) “Lender” means any Micro Finance Institution or Money Lending Agency or Organization covered under this Act;
- (e) “loan” means an advance whether of money or in kind given to the borrower at interest, whether given before the commencement of this Act or after such commencement and includes advance, discount, money paid for or on account of or paid on behalf of paid for or on account of or paid on behalf of or at the request of any person, or any account whatsoever, and every agreement, whatever its terms or form may be, which is in substance or effect a loan of money or in kind given to a borrower and further includes, an agreement relating to the repayment of any such loan;
- (f) “Micro Finance Institution (MFI) or Money Lending Agencies or Organizations” means any person, partnership firm, group of persons, including a Company registered under the provisions of the Companies Act, 2013, a Non-Banking Finance Company as defined under the Reserve Bank of India Act, 1934 a Society registered under, the Assam Co-operative Societies Act, 2007, or the Societies Registration Act, 1860, and the like, in whichever manner formed and by whatever name called, whose principal or incidental activity is to lend money or offer financial support of whatsoever nature to the poor or below poverty line population;
- (g) “Non-Banking Finance Company” means a non-deposit taking Non-Banking Finance Company, other than a company licensed under the Companies Act, 2013, that fulfils the following conditions, namely :-
- (i) minimum Net Owned Funds of Rupees five crores:
 Provided that for Non-Banking Finance Companies or Micro Finance Institutions (NBFC-MFIs registered in the North Eastern Region of the country, the minimum Net Owned Fund(NOF) required stands at Rupees Two Crores;
- (ii) not less than 85% of its net assets are in the nature of ‘qualifying assets’.

Central Act No.
18 of 2013.
Central Act No.
11 of 1934.
Assam Act No.
IV of 2012.
Central Act No.
21, 1860.

Central Act
No. 18 of
2013.

- (h) "Notification" means a Notification published in the Assam Gazette and the word "notified" shall be construed accordingly;
- (i) "prescribed" means prescribed by rules made by the Government under this Act;
- (j) "Registering Authority" means the Director (Institutional Finance) or any such official as may be appointed by the Finance Department, Government of Assam by notification, to perform the functions of a Registering Authority under this Act;
- (k) "registration" means registration granted to a Micro Finance Institution (MFI) or Lending Agency or Organisation under this Act;
- (l) "Reserve Bank of India" (RBI) means the central bank of India, which was established on the 1st day of April 1935, under the Reserve Bank of India Act, 1934;
- (m) "minimum wage" means the minimum amount of all remuneration, capable of being expressed in terms of money, which shall, if the terms of the contract, expressed or implied, shall be fulfilled, or be payable to a person employed in respect of his employment or of work done in such employment fixed by the Government of Assam for any specified class or classes of employment in the whole State or part thereof;
- (n) "Tea Garden Workmen" means,-
- (i) a 'permanent workman' who has been engaged on a permanent basis and includes any person who has satisfactorily completed a probation period of 03 (three) months in the same or another occupation in the establishment, including breaks due to sickness, accident, leave, lockout, strike (not being an illegal strike) or involuntary closure of the establishment;
 - (ii) a 'temporary workman' who has been engaged for a work which is of an essentially temporary nature likely to be finished within a limited period;
 - (iii) a 'casual workman' whose employment is of a casual nature;

Central Act
No. 11 of 1934.

- (o) “vulnerable section of the society” means and includes those group of people who are disadvantaged as compared to others mainly on account of reduced access to their basic services and the underlying determinants of health, housing sanitation etc. and the people who are economically backward, low on livelihood patterns with no regular source of income, thereby not in a position or lacking of capacity to repay any loan or advances if made to them and also those group of people lacking of the norms or other factors to become eligible for obtaining loans from any Micro Finance Institution or Money Lending Agencies or Organizations as provided under this Act;
- (2) Words used but not defined in this Act, shall have the same meanings respectively assigned to them in the relevant Acts and Rules under which the wages and other conditions of service of the borrowers are covered;
- Registration of
Micro Finance
Institutions or
Money Lending
Agencies or
Organizations
4. (1) All Micro Finance Institutions or Money Lending Agencies or Organizations operating in the State of Assam, shall within thirty (30) days from the date of commencement of this Act, shall apply for registration before the Registering Authority specifying village or town in the districts in which they have been operating or propose to operate, the rate of interest being charged or proposed to be charged, system of conducting due diligence and system of effecting recovery and list of persons authorized for conducting the activity of lending or recovery of money which has been lent.
- (2) No Micro Finance Institutions (MFI) or Money Lending Agencies or Organizations operating in the state of Assam on the date of commencement of this Act or intending to start the business of lending money to borrowers, after the commencement of this Act, shall grant any loans or recover any loans without obtaining registration under this Act from the Registering Authority.
- (3) The Registering Authority shall conduct verification of the details furnished by the Micro Finance Institution (MFI) or Money Lending Agencies or Organizations and accord registration in such manner as may be prescribed for operation of Micro Finance Institutions (MFI) for a period of two (02) years, after obtaining a written undertaking from the Micro Finance Institution (MFI) or Money Lending Agencies that it shall always be in conformity with the provisions of this Act.

- (4) Where the Micro Finance Institution (MFI) or Money Lending Agency or Organizations applies for renewal of registration, an application for that purpose shall be filed by the Micro Finance Institution (MFI) or Money Lending Agency or Organization at least within sixty (60) days before the expiry of the period of two (02) years referred to in sub-section (3) and the Registering Authority shall decide either to grant renewal or refuse renewal of registration within fifteen (15) days before the date of expiry of registration, after due verification of the performance of the Micro Finance Institutions (MFI) or the Money Lending Agency or Organization in the field level and after hearing objections, if any, from any interested parties regarding extension of Registration.
- Register of Micro Finance Institutions (MFI) or Money Lending Agencies or Organizations
5. (1) Every Registering Authority shall maintain registers for the area under its jurisdiction of all Micro Finance Institutions (MFI) or Money Lending Agencies or Organizations having valid registration in such form as may be prescribed.
- (2) The registers maintained under sub-section (1) shall be published in such manner and at such intervals as may be prescribed.
- Power to cancel or suspend Registration
6. (1) The Registering Authority may, at any time, either suo motu or upon receipt of complaint by a borrower cancel the registration of an Micro Finance Institution (MFI) or Money Lending Agency or Organization after assigning sufficient reasons for such cancellation:
- Provided that no order of cancellation of the registration shall be passed without issuing notice to the Micro Finance Institution (MFI) or Money Lending Agency or Organization intimating the facts upon which the prima-facie decision to cancel the registration has been taken and the MFI or Money Lending Agencies shall be afforded a reasonable opportunity of being heard against such notice.
- Explanation:** For the purposes of sub-section (1), conviction of an Micro Finance Institution (MFI) or Money Lending Agency or Organization for an offence of violation of any of the provisions of this Act shall be sufficient cause for suspension or cancellation of its registration.
- (2) Pending enquiry under sub-section (1), the Registering Authority may, for sufficient reasons to be recorded, suspend the registration, of a Micro Finance Institution (MFI) or Money Lending Agency or

- Lending Norms
7. (1) RBI norms shall be strictly adhered to for all collection and recovery practices.
- (2) Lenders shall ensure that,-
- (i) a borrower who has existing loan/s from not more than two (2) lenders, and
 - (ii) the current cumulative loan outstanding of a borrower shall not exceed Rs. 1.25 lakhs. This limit also shall be taken into consideration in providing any existing loan with the same client from RBI regulated institution.
- (3) For, tea-garden permanent labours taking loan from Micro Finance Institutions (MFI) or Money Lending Agencies or Organizations,-
- (i) total indebtedness shall be capped at Rs. 30,000 for borrowers who have single source of income; and
 - (ii) total indebtedness shall be capped at Rs. 50,000 for borrowers who have multiple sources of income.
- (4) On and from the date of commencement of this Act, the Micro Finance Institutions (MFI) or Money Lending Agencies or Organizations shall stop further credit to the vulnerable section of the society specifically,-
- (i) temporary workers or casual workers of tea gardens;
 - (ii) residents of tea garden areas;
 - (iii) economically vulnerable section of the society; and
 - (iv) the borrowers which do not even earn nationally prescribed minimum wages.
- (5) Compliance to the RBI regulatory guidelines shall be mandatory for the Lenders at all times.
- (6) All micro-credit activities shall be reduced during floods, other periods of distress or natural calamities and shall be given a minimum period of three (03) months moratorium on interest payment and may be extended by multiples of the same.
- (7) The lending rates to be placed by any Micro Finance Institution (MFI) or Money Lending Agencies or

Organizations offering loans to borrowers in the State shall ensure compliance with the directions issued by RBI in this regard from time to time.

Multiple-lending,
Over-borrowing and
Ghost-borrowers

8. (1) Non-Banking Financial Company (NBFC) - Micro Finance Institutions (MFIs) can lend to individual borrowers who are not member of Joint Liability Group (JLG) or Self Help Group (SHG) or to borrowers that are members of Joint Liability Group (JLG) or Self Help Group (SHG).
- (2) A borrower cannot be a member of more than one Self Help Group (SHG) or Joint Liability Group (JLG).
- (3) Not more than two (02) Micro Finance Institutions (MFI) or Money Lending Agency or Organization shall lend to the same borrower.
- (4) There shall be a minimum period of moratorium between the grant of the loan and the due date of the repayment of the first installment. The moratorium shall not be less than the frequency of repayment.
For example: in the case of weekly repayment, the moratorium shall not be less than one week.
- (5) Recovery of loan made in violation of the recovery norms shall be deferred till all prior existing loans are fully repaid.
- (6) All sanctioning and disbursement of loans shall be done only at a central location and more than one individual shall be involved in this function. In addition, there shall be close supervision of the disbursement function.

Micro Finance
Institutions (MFI)
not to seek security

9. No Micro Finance Institution (MFI) or Money Lending Agency or Organization shall seek any security from a borrower by way of pawn, pledge or other security for the loan:

Provided that any such security obtained from a borrower before the date of commencement of this Act shall forthwith stand released in favor of the borrower.

Transparency in
Interest rates of
interest charged by
Micro Finance
Institutions (MFI)

10. (1) There shall be only three components in the pricing of the loan viz. the interest charge, the processing charge and the insurance premium (which includes the administrative charges in respect thereof).
- (2) There shall be no penalty charged on delayed payment.

- (3) There shall be a standard loan agreement.
- (4) Every Non Banking Finance Company (NBFC)- Micro Finance Institution (MFI) shall provide to the borrower a loan card reflecting,-
- (i) the effective rate of interest charged;
 - (ii) all other terms and conditions attached to the loan;
 - (iii) information which adequately identifies the borrower; and
 - (iv) acknowledgements by the NBFC-MFI of all repayments including installments received and the final discharge;
 - (v) All entries in the Loan Card shall be in the vernacular language.
- (5) The effective rate of interest charged by the Non Banking Finance Company (NBFC)- Micro Finance Institution (MFI) or other Money Lending Agencies shall be prominently displayed in all its offices and in the literature issued by it and on the website.
11. **Maximum amount of interest recoverable on loans and discharge of loans in certain cases** No Micro Finance Institution (MFI) or Money Lending Agency or Organization shall recover from the borrower towards interest in respect of any loans advanced by it, whether before or after commencement of this Act, an amount in excess of the principal amount.
12. **Prior approval for grant of further loans to Borrowers**
- (1) No Micro Finance Institution (MFI) or Money Lending Agency or Organization shall extend a further loan to a borrower where she/he has an outstanding loan from a Bank unless the Micro Finance Institution (MFI) or the Money Lending Agency or Organization obtains the prior approval in writing in such manner as may be prescribed from the Registering Authority after making an application seeking such approval.
 - (2) The Registering Authority while considering such application from Micro Finance Institution (MFI) or Money Lending Agency or Organization seeking approval as aforesaid shall secure the following informations in writing from the Micro Finance Institution (MFI) in regard to borrower, namely: -
 - (i) Name of the Borrower (Individual / SHG / JLG);
 - (ii) Bank from which loan has been obtained by the borrower;

- (iii) Date of the loan granted by the bank;
- (iv) Amount paid to the borrower by the bank;
- (v) Amount due from the borrower;
- (vi) Fresh amount of loan sought by the borrower from the Micro Finance Institution (MFI) or Money Lending Agency or Organization;
- (vii) Terms of repayment proposed by the Micro Finance Institution (MFI) or the Money Lending Agency or the Organization ;
- (viii) Details of due diligence including the capacity of the borrower for repayment; and
- (ix) Such other details as may be prescribed.

- (3) The Registering Authority shall, not later than fifteen days from the date of filing of such application for approval under sub-section (2), cause an enquiry into the contents of the application and shall grant approval for further loan unless the Registering Authority is satisfied that the borrower has submitted an undertaking that he/she has understood the conditions of the loan and terms of repayment and unless the Registering Authority is also satisfied that such further loan shall generate additional income to the borrower, needed for repayment of the loan.

Duty of Micro Finance Institutions (MFI) to maintain accounts and furnish copies

13. (1) All borrowings by a borrower from an Micro Finance Institution (MFI) or Money Lending Agency or Organization shall be contracted in the manner wherein, the Micro Finance Institution (MFI) or the Money Lending Agency or Organization in the process of sanction and disbursement of loans shall comply that,-
- (i) all communications to the borrower shall be in the vernacular language or a language as understood by the borrower;
 - (ii) loan application forms shall include necessary informations which may affect the interest of the borrower, so that a meaningful comparison with the terms and conditions offered by other Micro Finance Institutions (MFI) can be made and proper decision can be taken by the borrower. The loan application form shall indicate the documents required to be submitted with the application form.
 - (iii) The Micro Finance Institutions (MFI) or Money Lending Agencies or Organization shall devise a system of giving

- acknowledgement for receipt of all loan applications. Preferably, the time frame within which loan applications shall be disposed of, shall also be indicated in the acknowledgement.
- (iv) The KYC Guidelines of RBI shall be complied with and due diligence shall be carried out to ensure the repayment capacity of the borrowers.
 - (v) All sanctioning and disbursement of loans shall be done only at a central location and more than 01 (one) individual shall be involved in this function and there shall be close supervision of the disbursement function.
 - (vi) Adequate steps shall be taken to ensure that the procedure for application of loan is not cumbersome and loan disbursements are done as per pre-determined time structure.
- (2) Every Micro Finance Institution (MFI) or Money Lending Agency or Organization shall keep and maintain a cash book, a ledger and such other books of account in such form and in such manner as may be prescribed.
- (3) Every Micro Finance Institution (MFI) or Money Lending Agency or Organization shall,-
- (i) deliver or cause to be delivered, to the borrower within 07 (seven) days from the date on which a loan is made, a statement in the prescribed form showing in clear and distinct terms the amount and date of the loan and of its maturity, the name and address of the functionary of the Micro Finance Institution (MFI) or the Money Lending Agency or Organization and the effective rate of interest charged;
 - (ii) upon repayment of a loan in full, the Micro Finance Institution (MFI) shall obtain an indelible mark on every paper signed by the borrower with words indicating such repayment and provide copies thereof to the borrower.

- (4) No Micro Finance Institution (MFI) or Money Lending Agency or Organization shall receive any payment from a borrower on account of any loan without giving him/her a duly signed receipt for the payment.
- (5) An Micro Finance Institution (MFI) or Money Lending Agency or Organization shall, on a demand in writing by the borrower, supply a copy of any document relating to a loan obtained by him/her, or if the borrower so requires, to any person specified in that behalf in the demand:
Provided that in respect of loans given prior to the commencement of this Act, it shall be obligatory for the lender to specify if any security was accepted from the borrower.
- (6) All schedule of loan repayment shall be made by the borrower at the office of the Gram Panchayat or at a public place designated by the Deputy Commissioners only.

Penalty for coercive actions against Micro Finance Institutions (MFI)

14. (1) Micro Finance Institution (MFI) or Money Lending Agency or Organization shall not deploy any agents for recovery nor shall use any other coercive action either by itself or by its agents for recovery of money from the borrower; and any form of coercive recovery including but not limited to visiting the house of the borrower shall, be liable for punishment under the provisions of this Act and empower the Registering Authority to suspend or cancel the Registration of such Micro Finance Institution (MFI) or Money Lending Agency or Organization as provided under section 6 of this Act.
- (2) All persons who are connected with and responsible for the day-to-day control, business and management of a Micro Finance Institution (MFI) Money Lending Agency or Organization including the Partners, Directors and the employees who resort to any type of coercive measures against the borrowers shall be liable for the punishment of imprisonment which may extend up to a period of three years or with fine which may extend to one lakh rupees or with both.

Explanation: - For the purposes of this section, “coercive action” by an Micro Finance Institution (MFI) against the borrowers include the following, namely :-

- (i) obstructing or using violence to, insulting or intimidating the borrower or his/her family members, or
- (ii) persistently following the borrower or his/her family member from place to place or interfering with any property owned or used by him/her or depriving him/her of, or hindering him/her in the use of any such property, or
- (iii) frequenting the house or other place where such other person resides or works, or carries on business, or happens to be, or
- (iv) seeking to take forcibly any document from the borrower which entitles the borrower to a benefit under any Government programme:
 Provided, that a person who frequents the house or place referred to in sub-section (i) and (iii) above in order merely to obtain or communicate information shall not be deemed to be using coercive action.

(3) The Micro Finance Institution (MFI) or Money Lending Agency or Organization or the persons who use coercive actions as stated in sub-section (2) clause (i) and (iii) above shall be prosecuted in accordance with the provisions of this Act.

(4) The provisions of the Code of Criminal Procedure, 1973, shall, apply to the proceedings before a Fast-Track Court and for the purpose of the said provisions; a Fast Track Court shall be deemed to be Magistrate.

Central
Act No. 2
of 1974

Submissions of
monthly statement
by the Micro
Finance Institutions
(MFI/s)

15. Every Micro Finance Institution (MFI) or Money Lending Agency or Organization shall submit a Monthly Statement to the Registering Authority before 10th day of ensuing month giving therein the list of borrowers, the loan given to each and the interest rate charged on the repayment made.

Power to require
production of
records or
documents and
power of entry,
inspection and
seizure

16. (1) The Registering Authority or any officer authorized by him/her in this behalf may, to verify whether the business of the Micro Finance Institution (MFI) or Money Lending Agency or Organization is being carried on in accordance with the provisions of this Act, enter the premises of the Micro Finance Institution (MFI) or Money Lending Agency or Organization's office or of any person who in his/her opinion is carrying on the business of lending and call

upon him/her to produce any record or document relating to such business and every such Micro Finance Institution (MFI) or Money Lending Agency or Organization shall allow such inspection and produce such record or document during such inspection and as and when required.

- (2) The Registering Authority may, for the purposes of sub-section (1) search the premises and seize any record and document as may be necessary and the record or document seized shall be retained only for such period as may be necessary for the purposes of examination, prosecution or other legal action:

Provided that the provisions of sections 100 and 102 of the Code of Criminal Procedure, 1973 shall, so far as may be, apply to such search and seizure.

Central
Act No. 2
of 1974

- (3) The Registering Authority or the other officer referred to in sub-section (1) shall also have power to summon and examine the Micro Finance Institution (MFI) or Money Lending Agency or Organization or any person who in his/her opinion is in a position to furnish relevant information.

Guidelines to
Establish 'Fair
Practices Code' by
NBFC-MFI

17. Non Banking Finance Company (NBFC)- Micro Finance Institutions (MFI) in the role of money lending to borrowers in the State of Assam shall ensure to establish and publish a 'Fair Practices Code' in their institutional structure covering the following conditions :-

- (1) Non Banking Finance Company (NBFC)- Micro Finance Institutions (MFI) Board / Management shall establish the 'Fair Practices Code' inline with the Guidelines issued by RBI, and subsequent directives herein after.
- (2) Clauses of the Agreement pertaining to 'Fair Practices Code' (should preferably be in the vernacular language as understood by the borrower) based on the guidelines outlined hereinabove and shall be put in place by all Micro Finance Institutions (MFI) or Money Lending Agencies or Organizations with the approval of their Management / Board within one (01) month from the date of commencement of this Act.
- (3) Micro Finance Institutions (MFI) Money Lending Agencies or Organizations shall have the freedom of drafting their own 'Fair Practices Code' which shall enhance the scope but in no way sacrificing the spirit underlying the above guidelines in sub-section (1).

The same shall be put up on their website and other public communication channels, if any, for the information of various stake.

- (4) Management of the Micro Finance Institutions (MFI) or Money Lending Agencies or Organizations shall also perform periodical review of the compliance of the Fair Practices Code.

Complaints

18. Any borrower can file a complaint regarding violation of the provision of this Act by a Micro Finance Institution (MFI) Money Lending Agency or Organization before the Registering Authority and the said Authority shall enquire into the same after giving a reasonable opportunity to the Micro Finance Institution (MFI) Money Lending or Organization of being heard after notice and pass such order as it may deem fit including an order under section 6 of this Act.
19. (1) For the protection of debtors and for the settlement of disputes of civil nature between the borrower on the one hand and the Micro Finance Institution (MFI) or Money Lending Agency or Organization on the other hand, in relation to the loans granted under this Act to the borrower, the State Government after consultation with the High Court, and by notification,-
- (i) shall, as soon as may be after the promulgation of this Act, establish for every district in the State a Fast-Track Court;
- (ii) may establish Fast-Track Court for such other areas in the State, as it may deem necessary.
- (2) The Government shall, after due consent of the High Court of Assam specify, by notification, the local limits of the area to which the jurisdiction of a Fast-Track Court shall extend and may, at any time, increase, reduce or alter such limits.
- (3) The cases that may be filed before the Fast-Track Court shall be tried to dispose of as per the procedure laid down in the Code of Civil Procedure 1908, within a period of 06 (six) months.

Central
Act No. 5
of 1908

Penalty for carrying on business without registration

20. All persons who are connected with and responsible for the day-to-day control, business and management of a Micro Finance Institution (MFI) or Money Lending Agency or Organization including the Partners and Directors of such Micro Finance Institution (MFI) or Money Lending Agency or Organization which carries on the business of providing

loans either without obtaining registration of the Micro Finance Institution (MFI) or Money Lending Agency or Organization from the Registering Authority under section 4 as mentioned in this Act or extending a further loan without prior approval under sub-section (1) of section 12 or granting loan in violation of sub-section (2) of section 7; thereof, shall be liable for punishment with imprisonment for a term which may extend to three years and with fine which may extend to rupees one lakh.

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| Penalty for contravention of the provisions of the Act. | 21. | Any person who contravenes any provision other than section 4 and section 18 of this Act, shall be punishable with imprisonment for a period of six months or with fine which may extend to ten thousand rupees or with both. |
| Every officer to be public servant. | 22. | Every officer of the Government and every person acting under the provisions of this Act shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code, 1860. |
| Power to remove difficulties | 23. | If any difficulty arises in giving effect to the provisions of this Act, the Government may, by notification remove such difficulties by order not inconsistent with the provisions of this Act, but which appear to them to be necessary or expedient to remove such difficulty. |
| Power to give directions | 24. | The Government may, from time to time, issue such orders, instructions and directions not inconsistent with the provisions of this Act and the rules made thereunder to the officers for the proper implementation of the Act, and such officers and all other persons employed in the enforcement of the Act, shall comply with such orders, instructions and directions. |
| Power to make rules | 25. | <p>(1) The State Government may, by notification, make rules for carrying out the purposes of this Act.</p> <p>(2) Every rule made under this Act shall, immediately after it is made, be laid before the Legislature of the State if it is in session and if it is not in session, in the session immediately following for a total period of fourteen days which may be comprised in one session or in two successive sessions and if, before the expiration of the session in which it is so laid or the session immediately following, the Legislature agrees in making any modification in the rule or in the annulment of the rule, the rule shall, from the date on which the modification or annulment is notified, have effect only in such modified form or shall stand annulled as the case may be, so however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under the rule.</p> |

Central
Act No. 45
of 1860.

STATEMENT OF OBJECTS AND REASONS

This Bill is proposed with a view to protect and relieve the economically vulnerable groups and individuals from the undue hardship of usurious interests rates and coercive means of recovery by Micro Finance Institutions or Money Lending Agencies or Organizations and for this purpose to create an effective mechanism to regulate the Micro Finance Institutions or Money Lending Agencies or Organizations operating in the state of Assam and for matters connected therewith and incidental thereto.

HIMANTA BISWA SARMA,

Minister,

Finance, Health & Family Welfare, Education
Department etc., Assam.

A. N. DEKA,

Secretary-in-Charge,
Assam Legislative Assembly.

FINANCIAL MEMORANDUM

The proposed Bill would not involve any additional expenditure as the same will be administered by the existing staff.

MEMORANDUM OF DELEGATED LEGISLATION

The proposed Bill provides for framing of Act by Executive. The delegation is however of normal nature.