ASSAM MONEY LENDERS' ACT, 1934

•I?OSSAM ACT or 1934. ASSAM MONEY LENDERS' ACT, 1934. [Publisho{i in the the 27th "JuuO An Jet; erectua& control • WHEREAS " it is expedient to make better' provision control of money•lending and Ko give addioional powårs to Courte t? deal with moneyoenders in Assam And Whereas the • previous sanction of the Governor Gmeral has been obtained under *Ob-socti01i (3) of section 80A of the Government [ndia Act to [he passing of this Act. It is hereby enacted as follows Sbor€ 1, (1) This may bæealled the Assam extent (2) It extends•to the whole of Assam including Aot It the territories -mentioned in section 14 of the of Assam General ClauSes Act, 1915. (3) It shall come into foreo on such date ag the Local Government. may by notification direct. 2., In this Act; unless there is anything Yepugnant in tho subject or context,— (I) 't Moneyaehder" - inegng person ho grants loan. • (2) 'f' Interest,"- rneans .xate,,.üif interog€. ibnd includåg {110 return be- made Over and above What; aettially whebhei•• the came ig ebarged or songbbö be recovered specificully b woy Of ijtteregt, OF' (3) i'Loan'? meanS an advance (whether of money- orin kind) at•intétest made by•a moneya, lender arid shall include botid bewring interest 'in _resi,ee€ of nation: —A bond± bcaringj interest ' executed in respect of good$' taken credit constitutes (4) Prescribed" by rules madc under this. Act.. Price—English. 4d.) annas 3. 2 3. If the loan actually made be less than the •tat ing larger in sum entered in the bond or hand note, the tx'" d than 'e. money-lender shall be guilty Of a Contravention tu.l' tent. Of the provisions of this Act •nd shall, on Con- viction, be punishable with fine not exceeding two hundred rupees• prohibition ot 4. Any contract made [after the Commence- and ment of this Act for loan Of money by a rovixion• no to åefaulting. rnonøy-lender shall be illegal in—so far as it provides directly or indirectly for the payment Of compound interest or for the rate or amount of interest being increased by reason of tLny default in the payment of sums due under the contract : Into. Provided that provision may be made by any such contract that if default ig mado in the pay. default, ment upon the due date of any sum payable to the money-lender under the contract, whether in respect Of principal or interest, or both, the money lender shall be entitled to charge simple interest on that sum from the date of the default until the sum is paid, at a rate not exceeding the rate payable in respect of the principal apart from any default, and any interest so charged shall not be reckoned for the purposes of this Act as of the interest Charged in respect of the loan

5. Any agreement between money-lender Prohibiilon Ot and a borrower or intending borrower for thø n pens-ey Ioane by none' • payment by the borrower or intending borrower to the money-lender of any sum on account Of costs, ch•rges or expenses incidental to or relating to the negotiations for or the grantin of the loan or proposed loan shall bo illegal, anä if any sum iB paid to a money-lender by L borrower or intending borrower for or on account, Of any such costs, charges or exponges, tb•t eum shall be recoverable as debt due to the borrower or intending borrower, or, in tho ovent of tho loan being completed, shall, if not so recovered.be set off against the amount actually lent and that amount shall be deemed to be reduced accordingly. Exception.—This will not debar money-lenders from recovering reasonable costs of inspection of Revenue or Registration records including exami- nation of titles and also costs of inspection of pro- perty. in cases where the contract includes g stipulation that property is given as security or by way of mortgage and where both parties have •greed to such costs and reimbursement thero Of. 3 Ot 6. Every money-lender shall keep accounts in tho form prescribed. Obli ion of 7.(1) In respect of every contract for the re- money ender to • payment of a loan made by a money-lender, informs to *tato ot and whether made before or after the commencement copies of doen • of this Act, tho money-lender shall on demand in • menia relating thereto. copy ot ment tor writing being mado by the borrower at time of executing the contract, or at "any time during the continuance of the contract, supply to the borrower, or, if the borrower so requires, to any parson specified in that behalf in the demand, a statement signed by the money-lender or his agent showing— (a) tho date on which the loan was made, the amount of the principal of the loan, and the rate per Cent. per annum of interest charged ; and (b) the amount Of any payment already received by the money-lender in respect of the loan and the date on which it was made and (e) the amount of every sum due to the money-lender, but unpaid, and the date upon which it became due and the amount Of interest acerued due and unpaid in respect of every such sum ; and (d) the amount of every sum not yot duo which remains outstanding and tho doto upon which it -will become due : Provided that When a demand under -this sub- soc[ion has onco been complied with, second demand may not be made in respect of the same loan within six months. (21 A money-lender shall on demand in writin by t o borrower, and on tender of the preecribeä borr • gum for expenses, supply a copy ofany document relating to a loan made by him or any security therefor, to the borrower, .or if the borrower so requires, to any person specified in that behalf in the demand. (3) If amoney-lender to whom a demand has aon •eompli•uee. been made under this section fail without reason- able. excuse to comply therewith within one month after the demand has been made, he shall not so long as the default continues be entitled to sue for or recover any sum due under the con- tract on account eitber of principal or interest, and interest shall not be chargeable in respoot of the period of the default' rreumptioo O. Where in any snit in respect of any loan the ot c•t• tain made or any security taken for a loan madg by a money-lender after commencement of the Usurious Loans Act, 1918, it ig found that, the Adi, x ot interest charged exceeds the rate of 128 per eent. per annum in the case of a gecured loan or IS} per cent. per annum in the euse of an unsecured loan, the •ourt shall, nnf,il the contrary is proved, resume for the purposes of section of the surious Loans Act, 1918, that 'interest Act x ot charged is excessive and that the transaef,ion wms, ag between the parties thereto, substantially unfair, but this provision shall be without, pro- judice to the powers of the Court under the snid section where the Cowt is satisfied that tho interest charged thongh not exceeding 12; per cent. per. annum or per cent. per annnm, as the case may be, is excessive. 7 recovery 09. No Courts shall, in respect of any loan made ceedtng before or after the commene-mont of this N et, decree on account of arrears of interest a sum greater than the principal of the loan.' IO. (I) Where a borrower has sent to a money- due to mooey• lender by postal money-order or by : registered post with ocknowledgment due any of money due from him to the money-lender in reg- pect Of a loan und the money-lender has refused to acecpt tho same, the borrower may apply in the prescribed manner to the Civil Court having juri diction over the place where he resides for pennission to deposit the said sum in Court to the account of the money-lender, and the Court Shall thereupon keep sum in deposit' and shall send a notice Of the {deposit in the prescribed munner to the money-lender. (2) If the money-lender aeeeptg monox sent in the manner specified in sub-section (l) by o borrower or withdraws money deposited under the said sub-section, he shall not be bound by any statement made by the borrower in remitting or depositing tho money. Rattietion• on 11. (l) No person shall knowingly send or mon.rlending deliver or cause to be sent or delivered to any person except in response to his written request any Circular or other document the name or address of a money-lender, or containing on invitation— (a) to borrow

money from a money-lender ; or 5 (b) to enter into any fransaetion involving the borrowing of money from B monoy- lender ; or (c) to apply to any place with a view to obtaimng information or advice as to borrowing any money from a money lender. •Agents and (2) NO money-lender or any person on his bee borrower" half shall employ any agent or Canvasser for the must not bo employed by purpose of inviting any person to borrow money money.tcntlers. Penalty. or to cnter into any transaction involving tbe borrowing of money from a money-lender, and no person shall act as such agent or canvasser or demand or receive directly or indirectly any sum or other valuable consideration by way of com- mission or otherwise for introducing or under- taking to introduce to a money-lender any person desiring to borrow money. (3) Any rerson acting in contravention of any of the provisions of this section shall in respect of each offence be liable, on conviction to imprison- mont for o term not exceeding three months or a fine not exceeding three hundred rupees or both. Where it is shown that a money-lending eontr,,vention. transaction wag brought about by a contravention of any of the provisions of this seetion, the trans- notion shall be illegal, unless the money-lender proves that the contravention occurred without his consent or connivance. 12. (I) Where in arty suit in respect, Penalty in ot fraud. reaolty. of any money lent or in respect of any security taken for money lent by a money-lender, the trying Court is of opinion that the money- lender has been guilty of fraud, or of any contra- vontion of the provisions of thig Act, or is otherwise unfit to carry on the business Of money- lending, the Court may make nn order debarring him from carrying on such business for such time ag bo specified in the order and an appeal shall lie from such an order to the court to which an appeal ordinarily lies under the provisions Of the Code of Civil Procedure, 1908, irrespective of v t tho money value of the suit. (2) Any money-lender carrying on the business Of money-lending in contravention of any order made under sub-section (l) shall, on conviction, be liable to a fine which may extend five hundred rupees. fi- 6 13. Any order of conviction passed under this Act, shall bo appealable to the Court to which appeal ordinarily lies undei• the Code •of Criminal Procedure, IS9S, irrespective of the amount Of V or 1s9S. • fine to which an accused may be sentenced. ot Loc•1 14'. (l) The Local Government may make rules rotos. for carrying out the purposes of this Act. (2) In particular, and without piejudicoto tho generality of the foregoing power, such rules may providefor all or any of the namoly (i) the

form in which money-lenders shall keep accounts ; (ti) the intervals at which borrowers 'may demand Statements of accounts under sub-section (l) Of section 7 and the fees to be paid for copies of documents eup- plied under sub-section (2) of tho same section ; (iii) the manner in which an-application for a deposit is to be made under sub-gection (l) of section IO, and notice of the deposit is to be sent to the money-lender under the said sub-section ; and (ivy the enforcement of orders made under sub-section (1) of section I (3) The power to mako rule-runder-•pthis Act shall be subject to • the Condition of previous pu blication. The 12th March 1935. No, 1099G.J.—In exercise of tho powers conferred by section of the Assam Money Lenders Act, 1934 (Assam Aot IV of 1934), the Governor in Council is pleased to make the following rules for carrying out the purposes of the Act. RULES. I. Tho account proscribed by section 6 shall be maintained!in the Form I Shown in tho > ohedule attached to these rules. Provided that in the ease of a society rÖgistøred under the Co- operative Societies Act, 1912 (Act 11 of 1912), tho account Bhall be kept in tho form prescribed by that Act or rules framed thereunder 2. The fees to be paid for copies of documents to be gupplied under gub-section (2) of section 7 of the Act shall be three annas for every 300 vernacular or 150 English words or part thereof; Provided that where the borrower or his nuthorised agent is allowed to oopy a docu- monti no feo 8ball bo charged. g. The application under gub-section (1) of section IO for permis- Sion to deposit in tbe Court any sum of money due from a debtor to money-lender in respect of any loan or loans shall be in writing and shbll contain the following partioulars (a) the name sud full address of the money-lender in whose favour tho deposit is made ; (b) a recital that the debtor has sent the money to the money- lender by postal money order or by registered post With acknowledgment due and that the money-lender has refuged to accept it. (The amounts sent on account of principal and interest should be separately stated with tho date of tho remittance). The application shall be si ned and verified in tho manner provided in sub-rules 2 anä g of rule 15 of Order I in Schedule I to the Code of Civil Procedure, 1908, by the debtor, or by his authorised agent

4. The application shall bear a court-fee stamp of eight annas as of Schedule 11 of the Court-fees Act, 1870, mpanied by printed forms of notice in

Form 11 annexed to these rules for service on the money-lender with prooegg- fees payable in court-fee stamps according to the scale prescribed b the High Court for service of gummous on defendants. The gpaoog In Form 11 shall be filled in by tho debtor or by his autborieod agent

5. If it appears to the Court, to which an •pplioation for permis- Sion to deposit under section 10 is made,- that the applicant is entitled under that section to deposit the money, it shLll receive the same •nd give the receipt in

Form IV annexed to these an the procedure in connection with - such withdrawal ehall be the same as in the case ot withdrawal Of Other Civil depoeitg

7. A copy of the order under sub-section (I) of section 12 of the Act shall be served on the money-louder in the manner laid down for gerrioo of summons on defendants. Loan Aeeount of Opening balaneo (if any)— Principal — Interest— Adcanee in SCHEDULE.

FORM 1. (Sec rule l.) caste Repayments in figure'. Remarks. residenee Cr. AppropristEon. 9 FORM n. (See rule 4.) Portn o/ notice o/ deposit undet Name of money-lender. .... Address You are hereby informed that deposited in hag on seed;n of this Court under section Of the Assam Money Lenders' Act, 1934' a sum .Of Rs, on account of principal and Rs. (Rs. on account of interest) to your account in connection with the loan which was mode by you to him on of Rs. You are requested to withdraw thig amount at your earliest Conve- nience. Government accept no regponsibility for any loss which you may incur in connection witli the aforesaid sum While it remains in deposit with the Court. Signature of Munsif. Addregg Dated the FORM 111. (See rule 5.) Receipt granted by Court fur depotil of money due to money-lender. Station. Court. Whereas an application has been filed by under sub-section (l) Of section IO of the Assam GV¯IV a sum of money on account of his debt and wherea• 'the Court iA o opinion that the Raid is entitled to deposit the amount under the given in writing that the undermentioned amount has been deposited Jn this Court by Name of Date • Amoant ot payment towards Payment tonrd• Principal. interest. Signature . Seal of the Court. •root. 11 FORM rv. (See rule 6.) Form of uitådraøal. PAYMENT ORDER. PAET l. —Application for payment ot Deposits (to be filled in by the applicant). Name of Applicant. I •ate of deposit. 2 Atuouot to be paid. Signature Of applicant.... Date *Examined and found correct, Signature of Chief Ministerial Officer... Signature of Presiding Offoør..... • The •ignature below the scords Examined and found correct must of course be beld to indicate that the officer signing the certificate gnti8fied himself 0' that the applicant is the party to receive pa ment of the amount el•imed'•, and that the pariicul.rg correct, while tk Judge infharge 'ill be ms• ponsible that Lhe amount claimed is iD deposit, that there is no bur to rmyment, ami that the name Of the claimant corresponds witb that of the payee entered iO his Register. 12 — (To be filled in by the Court or under its order.) 11. Seriol number dato of payment orderl 2 Conrt•g chalan number ond date of the ori inal depolit from the payment sought. 8 Court" number and date or the original deposit. 5 Amount in gepont•. At Whoso orødit in deponlt,. 8 6 Officer in chorge of the Treasury st The Please pay gg above to Signature of Court's Accountant— Court or order Rupeest Signature of Judge in charge— • • Ot Receivd. t Word' dear". than one mouth dste •ithogi moot by thiöurt aud to have erect on the :n.t M•reh uett. Norn Z.—payee is hereby so take notice that after tender sad o! thi• ordor, the Trøantry. Omeo nn lurihgr respon.ibi:ity. L' i. the duty ot ,pnyee t.' to proper or thia document it i

PART Ill. there)j. —Eto be filled in at Treasury (or at Court if payable Received contents, Rupees Signature of Disbursing Cashier.. Treasury NO... Pay Rupees—. Tho Stamp Of One aona If for moro than Rs

20. Pay signature.19 . i Examined and.entered. Accountant.... Officer in charge of.Treasury. J. A. DAWSON, Chief Secretary to Governmeut of G. r. No.