

ASSAM ACT XVI OF 1951

*THE ASSAM DISPLACED PERSONS (REHABILITATION LOANS)
ACT, 1951

[Published in the "Assam Gazette", dated the 20th June 1951]

An Act to provide for loans to displaced persons for their rehabilitation

Whereas it is expedient to provide for the grant and recovery of loans to displaced persons for their rehabilitation :

It is hereby enacted as follows :

1. **Short title, extent and commencement.**—(1) This Act may be called the Assam Displaced Persons (Rehabilitation Loans) Act, 1951.

(2) It extends to the whole of Assam.

(3) It shall come into force at once.

2. **Definitions.**—In this Act, unless there is anything repugnant in the subject or context,—

(a) "Borrower" means a displaced person, to whom a loan has been granted under this Act and includes the heirs, successors, assigns and the sureties of a borrower ;

(b) "Deputy Commissioner" means the Deputy Commissioner of the District ;

(c) "Displaced person" means (i) any person who on account of setting up of the two Dominions of India and Pakistan or on account of civil disturbances or the fear of such disturbances in any area now forming part of India or Pakistan has been displaced from or compelled to leave his place of residence in such area after the [Prescribed date]¹ and who has subsequently been residing in India, and is in distress.

*For Statement of Objects and Reasons see "Assam Gazette", 1951, Part V, page 24.

¹ Substituted by the Assam Displaced Persons (Rehabilitation Loans) (Amendment) Act, 1951 (Act XX of 1951) for "first day of March, 1947".

(i) an association, corporated or incorporated, formed by several such persons as defined in (i) above ;

(d) "Government" means the Government of the State of Assam ;

(e) "Loan" means a loan granted or deemed to have been granted, under the provisions of this Act either in cash or in kind or partly in cash and partly in kind ;

(f) "Relief and Rehabilitation Commissioner" means an Officer appointed as such by the Government.

(g) "Prescribed" means prescribed by rules made under this Act.

(h) "Sanctioning Authority" means the authority who sanctions a loan.

(i) "Prescribed date"

(1) in relation to a person displaced from or compelled to leave his place of residence in any area now forming part of East Bengal, means the fifteenth day of October, 1946.

(2) in relation to a person displaced from or compelled to leave his place of residence in any area now forming part of Pakistan other than East Bengal, means the first day of March, 1947.

(3) in relation to a person displaced from or compelled to leave his place of residence in any area now forming part of India, means the first day of January, 1950 P.

3. **Application for loan.**—A displaced person may submit to the Deputy Commissioner within whose jurisdiction he intends to reside or to carry on his trade, profession or calling, an application for loan on such form as may be prescribed.

4. **Grant of loans.**—(1) The Deputy Commissioner or such other officer as may be empowered by the Government in this behalf may, subject to any general or special direction of the Government, sanction loans not exceeding such limit as may be fixed by the Government from time to time.

(2) The Relief and Rehabilitation Commissioner may, subject to any general or special direction of the Government, sanction loans not exceeding such limit as may be fixed by Government.

The Deputy Commissioner shall forward to the Relief and Rehabilitation Commissioner with his remarks such applications as require loans exceeding the amount he is authorised to sanction.

5. **Execution of loan bond.**—Before receiving payment of the loan the borrower shall execute a bond in the prescribed form undertaking to apply the money for the purpose for which, and to comply with the terms and conditions on which, the loan is sanctioned.

6. **Security for loan.**—(1) All assets purchased with or created from the loan shall be deemed to be mortgaged or hypothecated, as the case may be, to Government for the repayment of the loan with interest due thereon and the amount of the loan and the interest thereon shall be the first charge on such assets.

(2) Subject to sub-section (1) above, the borrower shall not without the prior approval of the sanctioning authority mortgage, convey or otherwise transfer any of his interests in the whole or any part of the assets purchased with or created from the loan :

Provided that nothing in this section shall affect the borrower's right to sell such articles of his stock-in-trade as are meant for sale to customers in the normal course of business.

² Inserted by Assam Act XX of 1951.

7. **Inspection of assets.**—Any person authorised in this behalf by the sanctioning authority may enter any place or premises for inspecting any land, constructions, machineries, appliances, materials or stock-in-trade purchase, hired or created or proposed to be purchased, hired or created by any borrower with the loan granted to him.

8. **Power to require re-payment before due period.**—Notwithstanding any other provision to the contrary in this Act or in the rules made thereunder or in any agreement, the sanctioning authority or such other authority as may be empowered by Government so to do may, after giving the borrower an opportunity to show cause, order the borrower to repay the loan in full or any part of it, with interest, within such time as may be specified in the order under one or more of the following provisions:—

(i) if the borrower supplied any false or misleading information or suppressed any fact in obtaining the loan;

(ii) if the borrower fails to comply with the terms and conditions under which the loan has been sanctioned;

(iii) if the sanctioning authority is satisfied that the borrower has applied any portion of the loan for purposes other than that for which it was granted;

(iv) if the borrower has wilfully or by negligence caused material deterioration to the assets purchased with or created from the loan; or

(v) if the sanctioning authority considers it essential to effect immediate recovery of the loan in order to protect the interest of Government.

9. **Power to postpone realisation or to write off.**—Notwithstanding anything contained in this Act or the rules made thereunder:—

(a) The Government or such other authority as may be prescribed may postpone the realization of any instalment of the loan;

(b) Government may write off any portion of the loan or of any interest thereon.

10. **Power to make recovery or to take over assets.**—If the borrower fails to repay any amount of the loan or to pay any interest thereon under the terms and conditions of the loan or under the provisions of section 9, the Deputy Commissioner may (a) recover as arrears of land revenue such loan, instalment, interest or any cost incurred in recovering the loan with interest and also incidental expenses incurred in issuing the loan;

(b) take over in whole or in part the assets purchased with or created from the loan on such term and conditions as may be fixed by Government.

11. **Delegation of powers.**—Subject to the provisions of this Act the Government may by order delegate all or any of its powers, duties and functions under this Act or the rules made thereunder to any Officer under its control.

12. **Protection of action taken under the Act.**—No suit, prosecution or other legal proceedings shall lie against any person for anything in good faith done or intended to be done in pursuance of this Act, or any rules or order made thereunder.

13. **Remission of stamp duty and registration fee.**—The Government may by notification in the official Gazette remit the stamp duty under any law for the time being in force or any fee under the law of registration for the time being in force, chargeable on any instrument executed under this Act or the rules made thereunder by or on behalf of a displaced person.

14. **Retrospective Application of the Act to prior loans.**—(1)¹ Every loan granted since the first day of April 1949 to a displaced person for his rehabilitation by any Officer or authority subordinate to Government shall for the purpose of its recovery be deemed to be a loan granted under this Act and the provisions of this Act shall *mutatis mutandis* apply to such loan as they apply to a loan granted under this Act.

¹Section 14 renumbered as sub-section (1) and a new sub-section (2) inserted by the Assam Displaced Persons (Rehabilitation Loans) (Amendment) Act, 1953.

[(2) Every loan granted in the District of Cachar between the fifteenth day of April, 1950, and the actual date of transfer of the administration of relief and rehabilitation of displaced persons in the district of Cachar from the Government of India to the Government of Assam to a displaced person for his rehabilitation by or on behalf of the Government of India shall, for the purpose of its recovery, be deemed to be a loan granted under this Act and the provisions of this Act shall *mutatis mutandis* apply to such a loan granted under this Act.]¹

15. **Power to make rules.**—(1) The Government may make rules for carrying out the purposes of this Act.

(2) In particular, and without prejudice to the generality of the foregoing provisions, such rules may provide for all or any of the following matters, namely :—

(a) the forms of application for loan, order of the sanctioning authority, the bond and any other instrument to be executed by the borrower and the notices and directions by the sanctioning authority and other authorities ;

(b) the terms and conditions of loans and fixation of instalments ;

(c) the fixation of the rate of interest and the manner of calculation thereof ;

(d) the extent, and manner of issue, of loans and the procedure for realization ;

(e) the form and manner in which accounts and registers are to be maintained ;

(f) the manner and circumstances in which remission of principal or interest may be granted and suspension of realization may be allowed ;

(g) the manner in which and the authority to whom appeals against orders issued under this Act may be instituted ;

(h) the manner and the machinery for investigations into applications for loans and into the proper utilization of the loan money ;

(i) all matters which are required by this Act to be prescribed.