



THE ASSAM GAZETTE

অসাধাৰণ

EXTRAORDINARY

প্ৰাপ্ত কৰ্তৃত্বৰ দ্বাৰা প্ৰকাশিত

PUBLISHED BY THE AUTHORITY

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No. 76 Dispur, Saturday, 30th January, 2021, 10th Magha, 1942 (S. E.)

GOVERNMENT OF ASSAM

ORDERS BY THE GOVERNOR

LEGISLATIVE DEPARTMENT : : : LEGISLATIVE BRANCH

NOTIFICATION

The 30th January, 2021

No. LGL.125/2020/10.— The following Act of the Assam Legislative Assembly which received the assent of the Governor on 27th January, 2021 is hereby published for general information.

ASSAM ACT NO. V OF 2021

(Received the assent of the Governor on 27th January, 2021)

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

AN ACT

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 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;

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

(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 :-

Central Act
No. 18 of
2013.

(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'.

(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;

Central Act
No. II of 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;

(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

