

**GOVERNMENT OF MIZORAM
FINANCE DEPARTMENT**

NOTIFICATION

Dated Aizawl, the 29th March, 2011

No.B.14015/31/2008-F.IF&SL- Whereas section 28 of the Mizoram Money Lenders and Accredited Loan Providers (Regulation) Act, 2010 (Act No.12 of 2010) empowers the State Government to make rules for carrying out the provision of the said Act;

Now, therefore, in exercise of the powers conferred by Section 28 of the said Act, the Government of Mizoram hereby makes the following rules, namely:-

**Chapter 1
Preliminary**

1. Short title, extent and commencement.

- (1) These rules may be called the Mizoram Money Lenders and Accredited Loan Providers (Regulation) Rules, 2010.
- (2) It shall have the like extent as the Act
- (3) They shall come into force from the date of their publication in the official Gazette.

2. Definitions.- In these rules, unless the context otherwise requires:-

- (1) "Act" means the Mizoram Money Lenders and Accredited Loan Providers (Regulation) Act, 2010 (Act No. 12 of 2010)
- (2) "Superintendent of Police, Economic Offence Wing" means the Superintendent of Police, Economic Offence Wing established by the Government of Mizoram
- (3) The words and expressions used and not defined herein but defined in the Act shall have the meaning assigned to them in the Act.

**Chapter II
Registration**

3. Application for registration-

(1) Every application for obtaining registration for commencement or to carry on the business of providing loan shall be made by the money lender or the accredited loan provider to the registering authority of the area in Form I.

(2) Application for renewal of the registration shall be made by the money lender or the accredited loan provider to the registering authority of the area in Form II one month prior to the expiry of the registration.

(3) Registration for which application for renewal is not submitted within the stipulated time shall be construed as cancelled.

(4) Initial fee for registration shall be Rs.5,00,000, and the fee for renewal shall be Rs.2,50,000 for each occasion.

4. Acceptance or rejection of application for registration.-

(1) The registering authority may, before granting registration to the accredited loan provider, require the production of documents for examination to ascertain fulfillment or otherwise of the requirements as may be specified by the State Government under order as may be issued from time to time by the Registering Authority.

(2) The qualifications specified by the State Government under proviso to the sub-section (1) of Section 13 of the Act shall also apply to the Money Lenders unless the order of the State Government in this behalf directed otherwise.

(3) The registering authority, while examining the application for registration, may also take into consideration the coverage of the area for which the registration is applied, by banks and other formal institutional creditors.

(4) The registering authority shall record in writing the reasons of his/her acceptance of the application for registration.

5. Endorsement of registration.- The endorsement of registration of a money lender or the accredited loan provider shall be in Form III.

6. Cancellation of registration.- The order for suspension or cancellation of the registration of a money lender or accredited loan provider under sub-section (5) of section 5 or section 16 of the Act shall be recorded in writing, and it shall be a speaking order.

7. Register.-

(1) Every registering authority shall maintain the registers of all money lenders in Form IV-A, and the accredited loan providers in Form IV-B.

(2) The registers maintained under sub-rule (1) of Rule 5 shall be published in at least three leading newspapers of the area by the registering authority at an interval of six months.

Chapter III Maintenance of Books of Accounts and Submission of Returns

8. Maintenance of books of accounts.-

(1) Every money lender or the accredited loan provider shall keep and maintain a cash book in Form V, a ledger in Form VI, and a register of securities in Form VII.

(2) Every money lender or the accredited loan provider shall -deliver or cause to be delivered, to the borrower within seven days from the date on which a loan is made, a statement showing in clear and distinct terms the amount and date of the loan and of its maturity, the nature of the security, if any, for the loan, the name and address of the borrower and of the money lender and the rate of interest charged in Form VIII if a passbook is not maintained.

(3) Every money lender or the accredited loan provider may issue a passbook to every borrower showing in clear and distinct terms amount and date of loan and the date of its maturity, rate of interest charged, the security and, which will contain space for entry of the date for each payment towards repayment of loan and interest and in Form IX.

(3) The money lender or the accredited loan provider shall give a signed receipt in Form X for receipt of any payment from a borrower.

9. Submissions of accounts and returns, etc.- Every money lender or the accredited loan provider shall file statements of accounts in Form XI to the registering authority at an interval of every six month.

Chapter IV Interest Rate Ceiling

10. Limitation on rates of interest charged by money lenders and accredited loan providers.-

(1) The rate of interest shall be annualized rates.

(2) In respect to the accredited loan providers, the rate of interest charged by them shall not be more than thrice the interest rate charged on them by the concerned institutional creditors.

- (3) In respect to the money lenders, the rate of interest charged by them shall not exceed the rate of interest charged by the accredited loan providers.
- (4) In case where the rate of interest could not be fixed on the basis of sub-rule (2) of Rule 10 due to non-existence of accredited loan provider, the rate of interest charged by the money lender shall not be more than twenty percent per annum. The rate of interest shall be reviewed at a regular interval.
- (5) Notwithstanding anything contained in sub-rule (2), (3) and (4), the total amount recovered as interest of the principal in respect of any loans shall not be in excess of the principal amount.

11. Forfeiture of security.-

- (1) The value of security that may be forfeited shall not exceed the total amount of both the principal and the interest that may be accrued on the principal.
- (2) On forfeiture of security where the value of the security deposited for loan taken exceeded the principal and the interest that may be accrued on the principal, the money lender or the accredited loan provider, as the case may be, shall return to the loanee the excess amount in cash or in kind within six months of the forfeiture of the security.
- (3) When there is dispute on the value of the security, the value of the security shall be determined by the Registering Authority on the basis of the prevailing value of the security in the market.

Chapter V
Cognizance of offences, etc

12. Cognizance of offences.-

- (1) The registering authority or Superintendent of Police, Economic Offence Wing *suo moto* or on receipt of any complaints shall investigate or cause to investigate any offences under the provisions of the Act with the exception of offence under section 21 of the Act.
- (2) The registering authority or the Superintendent of Police, Economic Offence Wing shall, as soon as the investigation is completed, make complaint to the Fast Track Court or to the Court of District & Sessions Judge until the Fast Track Court is established for trial of the offences.

13. Compoundable Offences.-

(1) In cases where the borrower and the money lender or the accredited loan provider, as the case may be, agreed to settle offence compoundable under the Act, and upon which offence the investigation is being carried on but upon which no complaint is yet made before the Fast Track Court or the Court of District and Sessions Judge, the agreement between the borrower and the money lender or the accredited loan provider, as the case may be, shall be furnished in writing to the registering authority in person by both parties.

(2) The registering authority may accept or reject the compounding of the offence; and he shall record in writing his acceptance or rejection, as the case may be, along with the reasons thereon.

(3) If the registering authority rejected compounding of the offence, he shall take action as prescribed under Rule 12 of these Rules.

(4) In cases where the compounding is accepted, and the fine is received as provided under section 24 of the Act, the registering authority shall, as soon as the receipt of the amount, deposit to the Treasury of such collections.

Chapter VI
Miscellaneous

14. Annual Report on the administration of the Act

(1) The registering authority shall prepare and submit the annual report on the administration of the Act and Rules in Form XII to Secretary to the Government of Mizoram, Finance Department on the last week of February. The period covered by the annual report shall be calendar year, namely period from 1st of January to 31st December.

(2) Secretary to the Government of Mizoram, Finance Department shall prepare a consolidated annual report on the administration of the Act and he shall process the same to be laid before the State Legislature.

FORM-I
(See sub-rule (1) of Rule 3)

**FORM OF APPLICATION FOR REGISTRATION AS MONEY LENDER/
ACCREDITED LOAN PROVIDER**

To

The Registering Authority,

Sir,

I have the honour to request you to kindly give permission to commence/carry on the business of providing loan at _____ District as Money Lender/ Accredited Loan Provider.

1. Name of applicant (in Capital letter):
2. EPIC/UID No of the applicant:
3. Detail permanent residential address:
4. Name of firm/company
(in case of accredited loan provider):
5. Qualification (see proviso to section 13 (1)):
 - 1.
 - 2.
 - 3.
 - 4.
 5. Accredited loan provider should furnish attested copy of agreement with the Institutional Creditor.

Yours faithfully,

Date:
Place:

Signature of applicant: _____
Name (in capital letter): _____

FORM-II
(See sub-rule (2) of Rule 3)

FORM OF APPLICATION FOR RENEWAL OF REGISTRATION

To

The Registering Authority,

Sir,

I have the honour to request you to kindly extend the validity of my registration No _____ date _____ which is due to expire on _____ for another period of three (3) years to enable to carry on the business of providing loan at _____ District as Money Lender/ Accredited Loan Provider.

Yours faithfully,

Date:

Place:

Signature of applicant: _____

Name (in capital letter): _____

Form-III
(See Rule 5)



OFFICE OF THE REGISTERING AUTHORITY
GOVERNMENT OF MIZORAM
_____ DISTRICT

CERTIFICATE OF REGISTRATION

No:
Date:

In exercise of the powers conferred under section 3 of the Mizoram Money Lenders & Accredited Loan Providers (Regulation) Act, 2010, read with Rule 5 of the Mizoram Money Lenders & Accredited Loan Providers (Regulation) Rules 2010,

Pu/Pi/MS/_____ having office/permanent residence at _____

is hereby granted Certificate of Registration to commence/carry on the business of providing loan within _____ district of Mizoram.

Given under my hand at _____,
this _____ day of _____,
two thousand _____.

Signature of
Registering Authority: _____
Full name: _____

SEAL OF THE
REGISTERING AUTHORITY

FORM-V*(See sub-rule (1) of Rule 8)***PROFORMA FOR MAINTENANCE OF CASH BOOK OF MONEY LENDER/ ACCREDITED LOAN PROVIDERS****YEAR:** _____ **MONTH:** _____

RECEIPT				DISBURSEMENT				Remarks
Date of Receipt	From whom received	Amount Received	Progressive Total of receipt	Date of Disbursement	To whom disbursed individually	Amount disbursed individually	Progressive disbursement individually	
1	2	3	4	5	6	7	8	9

Monthly Cash Analysis:

a) Opening Balance : ₹ _____

b) Amount Received : ₹ _____

c) Total : ₹ _____

d) Amount disbursed : ₹ _____

e) Closing Balance : ₹ _____

(See sub-rule (1) of Rule 8)

**PROFORMA FOR MAINTENANCE OF INDIVIDUAL LEDGER FOR
RECORD OF MONEY LENDING**

1. Name of borrower:

2. Amount borrowed:

3. Date of borrowing:

4. Rate of interest
with periodicity:.....

5. No. of installments for recovery:
with rate of installments for principal amount.

6. No. of installments for recovery:
with rate of installments for interest payment.

7. Progress of recoveries:

Date of Recovery	Amount Recovered	Progressive Total	Outstanding Balance

(See sub-rule (1) of Rule 8)

**PROFORMA FOR REGISTER OF SECURITIES IN CONNECTION WITH
MONEY BORROWED**

1. Name of borrower:
2. Amount borrowed:
3. Date of borrowing:
4. Rate of interest
with periodicity:.....
5. Particulars of: _.....
security offered.
6. Value of Security: _.....
offered.
7. Documents submitted:
for security

FORM VIII

(See sub-rule (2) of Rule 8)

STATEMENT SHOWING DETAILED ACCOUNTS OF MONEY LENDING

- 1. Name & address of money lender:.....
- 2. Name & address of borrower:
- 3. Amount of loan :
- 4. Date of borrowing:
- 5. Rate of interest with periodicity:
- 6. Particulars of security offered:
- 7. Value of security offered:
- 8. Documents submitted for security:

Dated signature of Money Lender:.....
Full Name:

To

Pi/Pu (borrower)

FORM-IX*(See sub-rule (3) of Rule 8)***PROFORMA FOR PASSBOOK SHOWING DETAILED ACCOUNTS OF
MONEY LENDING**

1. Name & Address of:
Money Lender/Accredited Loan Provider
2. Name & Address of:
Borrower
3. Amount of Loan:
4. Date of borrowing:
5. Date of Maturity:
6. Rate of interest
with periodicity:.....
7. Particular of security offered:
8. Progress of recoveries:

Date of recovery	Amount recovered	Progressive Total	Outstanding Balance	Initial of recipient
1	2	3	4	5

FORM -X*(See sub-rule (3) of Rule 8)***(COUNTERFOIL)****RECEIPT**

Receive ₹ _____ (Rupees _____) only
 from Pi/Pu/Nl/Tv. _____
 being recovery of loan for _____ installment.

Signature of Money Lender/
 Accredited Loan Provider
 (with date)

FORM -X**(OUTERFOIL)****RECEIPT**

Receive ₹ _____ (Rupees _____) only
 from Pi/Pu/Nl/Tv. _____
 being recovery of loan for _____ installment.

Signature of Money Lender/
 Accredited Loan Provider
 (with date)

(See Rule 14)

PROFORMA FOR SUBMISSION OF ANNUAL REPORT**Name of district:** _____**1.**

No. of Money Lenders in the district		List to be attached
No. of Accredited Loan Providers in the district		List to be attached
No. of Loan disbursed by Money Lenders/Accredited Loan Providers		Statement showing no. of loan disbursement by each Money Lender/ Accredited Loan Provider to be attached
The total amount of the loan		Statement showing amount disbursed by each Money Lender/ Accredited Loan Provider to be attached
Rate of interest charged by each Money Lender/Accredited Loan Provider		Statement showing rate charged by each Money Lender/ Accredited Loan Provider to be attached
No. of cases registered for violation of the provisions of the Mizoram Money Lenders & Accredited Loan Providers (Regulation) Act, 2010.		Abstract statement to be attached
No. of cases impounded		
Amount of fine collected		

2. Any other comments or remark:

_____ (attached separate sheet if required).

Signature of
the Registering Authority: _____

By order, etc

Sd/LALMALSAWMA
Finance Secretary
Government of Mizoram

Memo No. B.14015/31/2008-F.IF&SL: Dated Aizawl, the 29th March, 2010

Copy to:

1. Secretary to Governor of Mizoram
2. Secretary to the Chief Minister, Government of Mizoram
3. PS to Speaker, Mizoram Legislative Assembly
4. PS to All Ministers, Govt. of Mizoram
5. PS to all Ministers of State/Deputy Speaker, Govt. of Mizoram
6. PPS to Chief Secretary, Govt. of Mizoram
7. All Administrative Departments
8. All the Deputy Commissioners
9. All Heads of Departments, Govt. of Mizoram
10. Controller, Printing & Stationeries, Govt. of Mizoram with 6 (six) spare copies for favour of publication in the Official Gazette. He is requested to supply 50 copies to the undersigned.
11. Guard File

(VANLALNGHAKA)
Additional Secretary
Finance Department
Government of Mizoram