

## ORISSA REGULATION 1 OF 2001

THE ORISSA (SCHEDULED AREAS) MONEY-LENDERS'  
(AMENDMENT) REGULATION, 2000

[Received the assent of the President on the 18th July, 2001, first published in an extraordinary issue of the Orissa Gazette, dated the 30th August, 2001 (No. 1582)]

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## REGULATION

## FURTHER TO AMEND THE ORISSA (SCHEDULED AREAS) MONEY-LENDERS' REGULATION, 1967.

WHEREAS It is expedient to amend the Orissa (Scheduled Areas) Money-lenders Regulation, 1967 in order to provide for the control of Grama Panchayats and Grama Sasan over money-lending to the Scheduled Tribes;

NOW, THEREFORE, in exercise of the powers conferred by sub-paragraph (2) of paragraph 5 of the Fifth Schedule to the Constitution of India, the Governor of Orissa is pleased to promulgate the following Regulation in the Fifty-first year of the Republic of India.

1. (1) This Regulation may be called the Orissa (Scheduled Areas) Money-Lenders' (Amendment) Regulation, 2000.

(2) It shall come in to force at once.

2. In section 2 of the Orissa (Scheduled Areas) Money-Lenders' Regulation, 1967 (hereinafter referred to as the principal Regulation), after clause (vi), the following clause shall be inserted, namely:—

“(vi-a)” Grama Panchayat” and “Grama Sasan” shall have the same meaning as respectively assigned to them in the Orissa Grama Panchayats Act, 1964;”

3. After section 7 of the principal Regulation, the following section shall be inserted, namely:—

“7-A. (1) No money-lender shall advance loan to any person belonging to a Scheduled Tribe, except on the prior recommendation therefor of the concerned Grama Panchayat accorded with the concurrence of the Grama Sasan.

(2) Where a loan is advanced by a money-lender in contravention of sub-section (1), the debtor shall not be liable to repay the loan amount or any interest thereon, and accordingly, the money-lender shall discharge every mortgage, restore every pledge, return every note and cancel or re-assign every assignment given by the debtor as security of such loan.

(3) For the purpose of sub-section (1),—

(a) a money-lender, before advancing a loan to any person belonging to a Scheduled Tribe, shall send the proposal therefor to the concerned Grama Panchayat for its recommendation which shall be communicated by it within a period of forty-five days from the date of receipt of such proposal; and

(b) It shall be deemed that the concerned Grama Panchayat has accorded the required recommendation, if the Grama Panchayat fails to communicate its recommendation or refusal therefor within the period referred to in clause (a).

Short title  
and Commencement.

Amendment  
to  
section 2.

Insertion of  
new  
section 7-A.

Control of  
Grama  
Panchayats  
and Gram  
Sasans over  
money-  
lending to  
Scheduled  
Tribes.

Orissa  
Regulation  
2 of 1968.

Orissa Act 1  
of 1965.

Provided that where the Grama Panchayat refuses to accord the required recommendation, it shall communicate the reasons therefor in writing to the money-lender."

Amendment  
of  
section 8.

4. In section 8 of the principal Regulation, in clause (i) of sub-section (2), after the words "to the debtor", the comma and words "to the concerned Grama Panchayat where the debtor is a Scheduled Tribe" shall be inserted,

Amendment  
of  
section 9.

5. In section 9 of the principal Regulation,—

(i) In the opening portion of sub-section (1), after the words "his debtors", the comma and words "to the concerned Grama Panchayat where the debtor is a Scheduled Tribes" shall be inserted,

(ii) after sub-section (4), the following sub-section shall be inserted, namely—

"(5)(a) If any debtor belonging to a Scheduled Tribes is not satisfied about the correctness of the entries made in the statement of accounts delivered to him under sub-section (1) or, as the case may be, the pass-book supplied to him by the money-lender containing up-to-date account of the transaction with him, he may bring to the notice of the concerned Grama Panchayat in writing the incorrectness of such entries.

(b) On receipt of the information from the debtor under clause (a), the Grama Panchayat may make an inquiry in to the correctness of such entries in the prescribed manner and if, on such inquiry, the Grama Panchayat is satisfied that the money-lender has charged or recovered from the debtor any excess amount of principal or interest thereon, or both, it may direct the licencing authority for appropriate action.

(c) On receipt of the direction under clause (b), the licencing authority shall, after such inquiry as he may deem fit, take appropriate steps for necessary correction of the entries and for recovery of the excess amount if any paid by the debtor from the money-lender, and intimate the fact of such rectification and recovery to the Grama Panchayat, or, where the licencing authority is of the opinion that the entries made by the money-lender are correct, he shall intimate the same to the Orissa Grama Panchayat giving the reasons basing on which he has arrived at such opinion, within sixty days from the date of receipt of the direction".

Amendment  
of  
section 11.

6. In section 11 of the principal Regulation, in clause (a), after the words "the provision of" the words and figure "section 7A where applicable and" shall be inserted.

Amendment  
of  
section 16.

7. In section 16 of the principal Regulation, in sub-section (1), after the words and comma "Licencing authority may," the words and comma "either on his own motion or at the instnce of the Grama Panchayat," shall be inserted.