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Bihar Displaced Persons (Rehabilitation Loans) Act, 1953**25 of 1953****PREAMBLE**

An Act to provide for the grant of loans to displaced persons in the State of ²Bihar for their rehabilitation and for recovery thereof.

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

It is hereby enacted as follows:-

1. Published in the Bihar Gazette, dated the 19th August, 1953.

2 This may now be read as Jharkhand.

1. Short title, extent and commencement :-

(1) This Act may be called the Bihar Displaced Persons (Rehabilitation Loans) Act, 1953.

(2) It extends to the whole of the State of ¹Bihar.

(3) It shall come into force at once.

1 This may now be read as Jharkhand

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-

(i) a company, association or body of displaced persons, whether incorporated or not; and

(ii) the heirs, successors, assignees and sureties of a borrower;

(b) "Collector" means the Collector of the district and includes the Additional District Magistrate of Saharsa, Additional Deputy Commissioner of Dhanbad and any officer authorized by the State Government to discharge any of the functions of a Collector under this Act;

(c) "Company" means a company as defined in the Indian Companies Act, 1913;

(d) "Displaced person" means a person displaced from the territories now comprised in Pakistan, who is, for the time being, resident in the State of *Bihar and-

(i) who has been registered under Section 4 of the *Bihar Refugees Registration and Movement Ordinance, 1948, or

(ii) who, in the opinion of the State Government, or of such authority as may be prescribed from time to time by the State Government, has migrated from Pakistan after the 1st day of March 1947, and has been registered as a displaced person under any order of the State Government;

(e) "Loan" means loan granted under the provisions of this Act, in cash or kind, and shall include any sum referred to in sub-section (4) of Section 4;

(f) "Prescribed" means prescribed by rules made under this Act;

(g) "Relief and Rehabilitation Commissioner" means an officer appointed as such by the State Government; and

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

3. Application for loan :-

A displaced person may submit to the Collector within whose jurisdiction he resides or carries on trade, profession or calling or intends to do so, an application for loan in such form as may be prescribed.

4. Grant of loans :-

(1) The Collector may, subject to any general or special direction of the State Government sanction loans not exceeding such amount as may from time to time be fixed by the State Government; and he shall forward to the Relief and Rehabilitation Commissioner with his remarks such application as requires loans exceeding the amount he is authorized to sanction.

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

(3) The Relief and Rehabilitation Commissioner shall forward to the State Government with his remarks such applications as require loans exceeding the amount he is authorized to sanction and the State Government may, thereupon, sanction such amount of loan as it thinks fit.

(4) Any sum assessed on a displaced person by the State Government out of the expenditure incurred by the State Government on reclamation of land, irrigation, trade and business and establishment of colonies for the rehabilitation of displaced persons shall be deemed to be a loan sanctioned under this section.

5. Execution of loan bond :-

Before receiving payment of the loan, the borrower shall execute a bond with two sureties in the prescribed form, undertaking to apply the amount of loan solely for the purpose for which, and to comply with the terms and conditions on which, the loan is sanctioned and the borrower and the sureties shall be jointly and severally liable for the repayment of the loan and such bond shall include any sum referred to in sub-section (4) of Section 4.

6. Security for loan :-

(1) All assets acquired with the loan shall be deemed to be mortgaged or hypothecated, as the case may be, to the State

Government for the repayment of the loan and the interest thereon and the amount of the loan and the interest thereon shall be the first charge on such assets.

(2) Subject to the provisions of sub-section (1), the borrower shall not, without the prior approval of the sanctioning authority, mortgage, convey or otherwise transfer any of his interest in the whole or any part of the assets acquired with the loan, and any mortgage, conveyance or other transfer without such approval shall be void as against the State Government:

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

7. Inspection of assets :-

Any person authorized in this behalf by the sanctioning authority or the Collector may enter any place or premises for inspecting any land, construction, machinery, appliance materials or stock-in-trade acquired or hired or proposed to be acquired or hired by any borrower with the loan granted to him.

8. Information to be furnished by borrower :-

The borrower shall be bound to furnish any information which the sanctioning authority or the Collector may require relating to the purpose or purposes for which the loan was advanced, the manner in which the loan has been or is being utilized and the financial position of the borrower.

9. Power to require repayment before due period :-

(1) Notwithstanding any other provision to the contrary in this Act or in the rules made thereunder or in any agreement, the Collector 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 circumstances, namely:-

- (i) if the borrower furnished any false or misleading information or suppressed any fact in obtaining the loan; or
- (ii) if the borrower fails to comply with the terms and conditions under which the loan has been sanctioned; or
- (iii) if the Collector is satisfied that the borrower has applied any portion of the loan for purposes other than those for which it was

granted; or

(iv) if the borrower has willfully or by negligence caused material deterioration to the assets acquired with the loan; or

(v) if the borrower obstructs any person from entering any place or premises or making an inspection; or

(vi) if the borrower fails to furnish any information required by the sanctioning authority or the Collector; or

(vii) if the Collector considers it essential to effect immediate recovery of the loan in order to protect the interest of the State Government.

(2) An appeal shall lie to the State Government against an order passed under sub-section (1) within such period and in such manner as may be prescribed and the decision of the State Government thereon shall be final.

10. Power to postpone realization or to write off :-

Notwithstanding anything contained in this Act or the rules made thereunder:-

(a) the State Government or such other authority as may be prescribed may postpone the realization of any installment of the loan with interest thereon; and

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

11. 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 Collector may:

(a) recover as arrears of land revenue such loan, installment interest or any cost incurred in recovering the loan with interest and also incidental expenses incurred in issuing the loan ; and

(b) take over, in whole or in part, the assets acquired with the loan on such terms and conditions as may be determined by the State Government.

12. Delegation of powers :-

Subject to the provisions of this Act:-

(i) the State 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 ; and

(ii) the Relief and Rehabilitation Commissioner or the Collector may, with the sanction of the State Government, delegate any of his powers, duties and functions under this Act to any other officer under the control of the State Government.

13. 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 rule or order made thereunder.

14. Remission of stamp duty and registration fee :-

The State Government, may by notification, 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.

15. Retrospective application of the Act to prior loans :-

Every loan granted since the first day of March, 1947, to a displaced person for his rehabilitation by the State Government or by any officer or authority subordinate to the State Government shall for the purpose of its recovery, be deemed to be a loan granted under this Act and the provisions of this Act relating to repayment and recovery of loan shall apply to such loan.

16. General powers of superintendence, direction and control of the Relief and Rehabilitation Commissioner :-

The Relief and Rehabilitation Commissioner shall, for the purposes of this Act, have general powers of superintendence, direction and control over the Collector.

17. Bar of jurisdiction of Court :-

The decision of the State Government as to whether the conditions of this Act have been satisfied shall be final; and any order passed under this Act shall not be questioned in any Civil or Criminal Court.

18. Power to make rules :-

(1) The State Government may make rules for carrying out the purposes of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, 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 issued by the sanctioning authority and other authorities;
- (b) the terms and conditions of loans and fixation of installments;
- (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 period within which an appeal under subsection (2) of Section 9 may be preferred;
- (h) the manner and the machinery for investigation into application for loans and into the proper utilization of the loan money; and
- (i) all matters which are required by this Act to be prescribed.