

NAGALAND RECOVERY OF LOAN ACT 2007

The Nagaland Recovery of Loan Act, 2007 (Act No. 3 of 2007) Received the assent of the Governor of Nagaland on 29/08/2007 and published in the Nagaland Gazette Extraordinary dated : 11 th of January, 2008. -Act- To provide for recovery, as public demands, of loans advanced by banks and other financial institutions. Preamble: Whereas it is expedient to make legal provisions for recovery, as public demands, of loans advanced by banks and other financial institutions under various schemes framed or approved by the Government of Nagaland, with the object of ensuring better recovery of such loans, and of improving credit flow to promote the process of development in the State; 1

2. It is hereby enacted in the fifty third year of the Republic of India as follows:- Short Title, Extent and Commencement: (1) This Act may be called the Nagaland Recovery of Loans Act, 2007. (2) It extends to the whole of the State of Nagaland. (3) It shall come into force on such date as the State Government may, by a notification in the Official Gazette, appoint. Definitions: In this Act, unless there is anything repugnant in the subject or context, (a) "Agriculture activity and purpose" include making land fit for cultivation, cultivation of land, improvement of land, including development of sources of irrigation, raising and harvesting of crops, planting and farming and cattle breeding, agriculture, sericulture, animal husbandary, horticulture, pisciculture, dairy farming, poultry farming, forestry, piggyery, beekeeping, growing of fruits, vegetables and the like, raising of crops, grass or garden produce, keeping or breeding of livestock, grazing and such other allied activities including marketing of agricultural products, their storage and transport and the acquisition of implements and machinery in connection with such activity. (b) "Bank" means and includes — (i) (ii) (iii) (iv) (v) (vi) (vii) (viii) (C) (d) (i) (ii) (e) (f) (h) A "Bank" included in the second schedule to the Reserve Bank of India Act, 1934 (Act No. 28 of 1934). The State Bank of India constituted under the State Bank of India Act, 1955 (Act No. 23 of 1955). A Subsidiary Bank as defined in the State Bank of India (Subsidiary Banks) Act, 1959 (Act No. 38 of 1959). A corresponding "New Bank" as constituted in the Banking Companies (Acquisition and transfer of undertakings) Act, 1970 (Act No. 5 of 1970). A "Co-operative Bank" as defined in Section 56 of Banking Regulation Act, 1949. A Banking Company as defined in the Bank Regulation Act, 1949. A Regional Rural Bank constituted under the regional Rural Bank Act, 1976 (No. 21 of 1976). Any other financial institution notified by the State Government in the Official Gazette as a bank for the purpose of this Act. "Certificate Officer" has the same meaning as in clause (3) of Section of the Bengal Public Demands Recovery Act, 1913 (Bengal No. of 1913). "Financial Institutions" means:- A company or a body corporate as defined in the Companies Act, 1956 (no. 1 of 1956) or a society registered under the Societies Registration Act, 1860 (Act No. 21 of 1961) which is engaged in financing activities or has been constituted by any law for the time being in force and which is either owned by, or in which the majority shares are held by the State Government. "Industrial Activity" and "Purpose" include an activity or purpose for providing goods or services. "Persons" includes a group of persons or a partnership firm or a limited company, either private or public, or a co-operative Society registered under the Assam Co-operative Societies Act, 1949 (Act No. 1 of 1950) applicable in the State of Nagaland. "Prescribed" means prescribed by rules made under this Act. "Scheme" means a scheme framed and / or approved for the purpose of this Act by the State Government for providing opportunities for employment or for assisting agricultural or industrial activities and purposes. "State Government" means the State Government of Nagaland. -312- 3. 4

5. Recovery of Arrears of Loan as Public Demand : Any amount due to a bank or a financial institution any person respect of any amount advanced or granted under any scheme shall, apart from any other mode of recovery be recoverable as an arrear of land revenue under the Bengal Public Demand Recovery Act, 1913 (Bengal Act, 3 of 1913). Explanation:- The Provision of this section shall also apply to any amount advanced or granted by way of such loan before the date on which this Act comes into force and remaining unpaid on such day. Act to override the Bengal Public Demands Recovery Act 1913 in Certain Cases : Notwithstanding anything contained in the Bengal Public Demands Recovery Act, 1913 no appeal under Section 51 of the Bengal Public Demands Recovery Act, 1913 against an order made by a certificate officer for recovery of any loan as public demand shall be admitted by the appellate authority unless the appellant deposits either 50% of the dues of the certificate or the amount admitted by the appellant to be due, whichever is higher. Power to make rules: (ii) The State Government may, by

notification in the Official Gazette, make rules for carrying out the purposes of this Act. Any rule framed under this section may be given retrospective effect from a date not earlier than the date of coming into force of this Act. Every rule under this section shall, as soon as may be after it is made, be laid before the Nagaland Legislative Assembly while it is in session. -313-

