

Mysore.

Joint Select Committee on the Mysore  
Money - Lenders Bill, 1958 : Report.



## BUDGET SESSION, 1961.

### Report of the Joint Select Committee on the Mysore Money-Lenders Bill, 1958.

(Presented on 19th April 1961).

We, the Members of the Joint Select Committee to which the Mysore Money-Lenders Bill, 1958, was referred, have considered the several clauses of the Bill and have the honour to submit the following report:—

1. We met on the 3rd, 4th and 5th November, 1960.
2. We heard the representations of—
  - (1) The Chamber of Commerce, Bangalore.
  - (2) M/s. Sindhi Bankers Association, Bangalore.
  - (3) M/s. Misrilal Parashmall, Bangalore.
  - (4) The Mysore Pawn Brokers and Money-Lenders Association, Robertsonpet K.G.F.
3. *Clause 2*—(1) Item (5).—Since the Mysore Co-operative Societies Act, 1959, has come into force, we consider that a reference to this Act should be made in this item. We have, accordingly, amended this item.
  - (2) *Item (9), sub-item (b)*.—Since the Mysore Societies Registration Act, 1960, has been passed, we have made a reference to this Act in this sub-item.
4. *Clause 6*.—We are of the opinion that the licence fee should be ten rupees instead of five rupees, and the licence fee for subsidiary places of business should be three rupees, instead of two rupees. We have accordingly amended sub-clause (4) of this clause.
5. *Clause 8*.—We have amended item (a) of sub-clause (1) to make it clear that the disqualification should be by an order made under clause 16.
6. *Clause 16*.—We are of the opinion that the person against whom an order or declaration is made under sub-clause (1) should be given a reasonable opportunity to show cause against the action proposed to be taken, to satisfy the principles of natural justice. We have accordingly added a proviso to sub-clause (1).

7. *Clause 20.*—We consider that there is no need to have a provision on the lines of sub-clause (3) of this clause. We have accordingly deleted the sub-clause.

8. *Clause 33.*—We are of the opinion that when a person goes to the house or place of the debtor in order merely to obtain or communicate information, he should not be considered to be guilty of the offence of molestation. We have accordingly added a proviso to the explanation to this clause.

9. The other amendments made in the Bill are either consequential or intended to clarify the wording.

10. The Bill was published in the *Mysore Gazette*, dated 26th March 1959.

11. We recommend that the Bill as amended be passed.

12. In our opinion, the Bill has not been so altered as to require circulation.

MALI MARIYAPPA (*Chairman*).

T. SUBRAMANYA (*Minister for Law, Labour and Local Self-Government*).

K. M. NANJUNDAPPA.

K. BALAKRISHNA RAO.

TEJ SINGH RATHOD.

AZEEZ SAIT.

B. B. MAMDAPUR.

SYED EASA.

N. A. KARLINGANNAVAR.

M. M. PATEEL.

M. C. ANJANEYA REDDY.

JAGJEEVANDAS SHETTY.

G. DUGGAPPA.

CHAMPABAI BHOGALE.

G. S. BOMMEGOWDA.

G. VENKATAI GOWDA.

Y. VEERAPPA.

C. J. MUCKANNAPPA.\*

G. S. VENKATARAMANA IYER,

*Secretary,*

*Mysore Legislature.*

---

Sriyuths S. R. Patil and G. B. Patil did not attend the meetings of the Committee.

\* Subject to a minute of dissent.

### MINUTE OF DISSENT

1. *Clause 25* of the Bill as recommended by the Select Committee exempts, not merely companies but also unincorporated bodies from the provisions of clauses 20 to 24 of the Bill. I am not in a position to agree with this clause 25 as recommended.

2. *Clauses 21* and *23* of the Bill confer what may be regarded as valuable rights on the debtors. There is no valid reason why companies or unincorporated bodies should not allow these facilities to their debtors. It is to be noted that Companies Act or other Acts, if any, applicable to unincorporated bodies do not confer these benefits to debtors.

3. *Clauses 20-24* are procedural and I do not see any reason why companies and other bodies should be exempted from these clauses.

4. I have to further observe that the power to exempt, granted to the Government in terms of this clause under discussion, is too vague and is not subject to any conditions as provided in similar laws elsewhere.

*Bangalore,*  
*10th April, 1961.*

C. J. MUCKANNAPPA.

# **THE MYSORE MONEY-LENDERS BILL, 1960.**

## **Arrangement of Clauses.**

### **Preamble.**

### **Clauses**

- 1 Short title, extent and commencement.
- 2 Definitions.
- 3 Appointment of Registrar General, Registrars and Assistant Registrars
- 4 Register of money-lenders.
- 5 Money-lenders to obtain licence.
- 6 Application for licence.
- 7 Grant of licence and entry in register.
- 8 Refusal of issue of licence.
- 9 Registrar's power to cancel licences-
- 10 Term of licence-
- 11 Stay of suits by money-lenders not holding licence.
- 12 Entry in register and grant of licence to a money-lender directed to obtain licence under section 11.
- 13 Application for cancellation of licence.
- 14 Registrar and Assistant Registrar to have powers of Civil Court.
- 15 Power of authorised officer to require production of record or documents.
- 16 Court's power to cancel or suspend a licence.
- 17 No compensation for suspension or cancellation of licence.
- 18 Persons debarred from doing business during period of suspension or cancellation of licence.
- 19 Person whose licence is suspended or cancelled not to apply without giving particulars of endorsement or of disqualification.
- 20 Duty of money-lender [to keep accounts and furnish copies.
- 21 Delivery of statement of accounts and copies thereof by money-lender.
- 22 Fees for certain statements supplied to debtors and Assistant Registrars.
- 23 Debtors not bound to admit correctness of accounts.
- 24 Procedure of court in suits regarding loans.
- 25 Provisions of certain sections not to apply to loans made by company or unincorporated body exempted by Government.
- 26 Power of Court to limit interest recoverable in certain cases.
- 27 Power of Court to direct payment of decretal amount by instalments.
- 28 Limitation on rates of interest.
- 29 Prohibition of charges for expenses on loans by money-lenders.
- 30 Notice and information to be given on assignment of loan.
- 31 Application of Act as respects assignees.

*Clauses.*

- 32 Reopening of transactions.
- 33 Inquiry for taking accounts and declaring the amount due.
- 34 Deposit in Court of money due to money-lender.
- 35 When interest to be paid for entire month.
- 36 Money-lenders to exhibit their names over shops.
- 37 Entry of wrong sum in bond, etc., to be an offence.
- 38 Penalty for molestation.
- 39 General provision regarding penalties.
- 40 Offences by Hindu joint family, Corporation, etc.
- 41 Certain offences to be cognizable.
- 42 Every officer to be public servant.
- 43 Saving of laws relating to agriculturists' indebtedness.
- 44 Rules.
- 45 Repeal and savings.