THE KARNATAKA MONEY-LENDERS RULES, 1965.

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THE KARNATAKA MONEY LENDERS RULES 1965

(*As Amended by GSR 222, dated: 12/13-9-1985, GSR 76, dated 10.3.1988 and* Extraordinary Gazette No.670 dated: 25.4.2005.)

GSR 492. - In exercise of the powers conferred by Section 44 of the [1][Karnataka][1] Money Lenders Act, 1961 ([1][Karnataka][1] Act 12 of 1962), the [1][Government of Karnataka][1] hereby makes the following rules, the same having been previously published in Part IV, Section 2-C(i) of the [1][Karnataka Gazette][1], dated the 13th December, 1962 as required by sub-section (1) of the said section, namely:-

1. Title.-These rules may be called the [1][Karnataka][1] Money Lenders, Rules, 1965.

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

(*a*) "Act"means the [1][Karnataka][1] Money Lenders Act, 1961;

(b) "Form"means a form appended to these rules;

(c) "Section" means a section of the Act.

3. Register of Money Lenders.-The Register of Money Lenders required to be maintained under section 4 shall be in

Form 1.

4. Display of list of licensed money lenders.-Every Assistant Registrar shall display on a notice board in his office a list of money lenders licensed to carry on the business of money lending in the area under his jurisdiction. Such list shall contain the addresses of the money lenders.

5. Application for licence.-(1) A money lender desiring to carry on the business of money lending in any area shall make an application in [4]

Form 2 or Form 2A as the case may be][4] to the Assistant Registrar concerned. The application shall be delivered at the office of the Assistant Registrar during office hourse either personally by the applicant or through an agent duly authorised in writing in this behalf or sent by registered post addressed to the Assistant Registrar.

(2) An application for grant of licence for the first time may be made on any date and an application for [2][grant of a fresh licence for the succeeding year][2] may be made [3][before the last day of October every year.][3]

1. Adapted by the Adaptation of Laws order 1973. w.e.f. 1-11-1973.
2. Substituted for the words "renewal of licence by GSR 222, dated 12/13-9-1985. (Kar. Gazette Part IV-2c (i) (Extra Ordinary) No. 498 dated 17-9-85)
3. Substituted for the words "on any date within two months prior to the expiry of the period of licence" by GSR 76 dated 10-3-1988. (Kar. Gazette Part IV-2c(i) (Extraordinary) No. 168 dated 19-3-1988.
4. Substituted by notification CMW 04 CML 2004, w.e.f. 25.4.2005. (Kar. Gazette Part-IVa (Extraordinary) No.670 dated: 25.4.2005.

[1][Provided that where an application for grant of a licence for the first time is made between the first day of November and thirty first day of December of a year, the application for a fresh licence for the succeeding year shall be made before the expiry of the period of licence.][1]

6. Change in partnership of management.-If during the currency of a licence a new partner is taken up or a person is appointed as responsible for the management of the business of money-lending, the money lender shall, within seven days communicate to the Registrar the name of the partner so taken up or of the person so appointed and shall satisfy the Registrar that the new partner or the person appointed is not himself disqualified from holding a licence on any of the grounds, mentioned in Section 8.

7. Change of address.-A money lender shall communicate to the Registrar any change in his address giving full details of the new address within seven days of such change.

8. Procedure for summary inquiry under Section 7.-The Assistant Registrar shall make the summary inquiry under section 7 by calling for such information from the applicant and examining such persons as he may deemfit in order to satisfy himself about the *bona fides* of the applicant and his suitability for carrying on the business of money lending. If from the information supplied and the examination made, the Assistant Registrar is not so satisfied, he may examine the applicant personally. The Assistant Registrar shall maintain a record of such inquiry duly signed by him. The record shall contain a brief memorandum of the substance of evidence taken and a summary of the conclusions regarding facts elicited during the enquiry.

Form 3.

10. Manner of payment of licence fees.-(1) The licence fee [2][payable][2] under Section 6 shall be paid in cash at the time of presenting the application or by remitting it by postal money order addressed to the Assistant Registrar or by crediting to Government account at a Treasury, or the Reserve Bank of India, and forwarding the receipt of the postal money order or the receipted chalan to the Assistant Registrar along with the application.

1. Inserted by GSR 76 dated 10.3.1988. (Kar. Gazette Part IV 2c-(i) Extraordinary No. 168 dated 16.3-1998). 2. Substituted by GSR 222 dated 12/13-9-1985 for the words and figures "of Rs. 10/- and of Rs.3/-"

(2) The Registrar while forwarding copies of the licence for the principal place and the application to other Registrar or Registrars shall make an endorsement in token of having received the requisite icence fee.

11. Order refusing to grant licence or cancelling licence to be communicated.-If a Registrar refuses to grant a licence, or cancels a licence, he shall communicate the order to the applicant or the Licensee, as the case may be.

12. Appeal against order of Registrar refusing or cancelling a licence.-(1) An appeal under sub-section (3) of Section 8 or sub-section (3) of Section 9 against the order of a Registrar refusing to grant or cancelling a licence shall be filled within 30 days from the date on which the Order of refusal or cancellation is communicated to the money lender. An appeal under sub-seciton (4) of Section 13 against the order of a Registrar shall be filed within 30 days from the date on which the order is communicated to the money-lender or the applicant. The amount of fee payable in respect of such an appeal shall be Rs. 10 and shall be paid in the manner prescribed under Rule 10.

(2) The Registrar General shall decide the appeal after giving a reasonable opportunity to the appellant to be heard.

13. Display of licence.-Every money-lender shall exhibit his licence in a prominent place on the premises where he carries on the business of money-lending.

14. Issue of a duplicate licence.-(1) When a licence granted to a money-lender is lost, destroyed or torn or otherwise defaced in such a manner as to render it illegible, the money-lender may make an application to the Registrar through the Assistant Registrar concerned, for the grant of a duplicate licence.

(2) Where a duplicate licence is required on the ground that the original licence is torn or defaced, the money-lender shall surrender the original licence to the Registrar along with the application made under sub-rule (1).

(3) An application under sub-rule (1) shall be accompanied by a fee of Rupee one. The fee shall be paid in the manner prescribed in rule 10.

(4) On receipt of such application, if the Registrar, is, after making such inquiry as may be deemed necessary, satisfied that a duplicate licence may be issued to the money-lender, he shall issue a duplicate licence and direct the Assistant Registrar to make a note of the issue of such a duplicate licence to the money-lender against his name in the register.

(5) The duplicate license so issued shall bear on its face the number and date of the original licence and shall also bear the word "duplicate".

[1]**[14A. Payment of security amount.-**Every licensee shall deposit in the Government treasury in cash the security amount specified in section 7A under the head of account notified by the Registrar General.

(2) The treasury receipt for having deposited the security amount shall be sent to the concerned Assistant Registrar.

14B. Declaration of amount under section 7A.- Every declaration under section 7A shall be in Form 3A.

14C. Communication of order under section 7B.-Every order of the Registrar under Section 7B shall be communicated to the licensee either personally or to his agent or by registered post acknowledgment due addressed to the licensee's residence or place of business or last known residence or place of business.

14D. Payment out of forfeited amount.-(1) A borrower who has been affected by the acts of a licensee shall make an application to the Registrar specifying the nature of claim and the amount due from such licensee.

(2) The Registrar may on receipt of an application under sub-rule (1), after holding such enquiry as he deems fit, determine the amount payable to the applicant out of the forfeited amount:

Provided that if there are more than one applicant the amount shall be paid rateably in proportion to the amounts determined to be payable to the applicants.

14-E. Refund of security amount.-(1) A licensee who has wound up his business or has not applied for a fresh licence after the expiry of the term of his licence, may apply to the Registrar for refund of the amount deposited under Section 7A.

1.Rules 14A to 14 E Inserted by GSR 222 dated 12/13-9-1985 (Kar. Gazette Part IV 2c(i) (Extraordinary) No. 498 dated 17-9-1985)

(2) The Registrar may, on receipt of an application under sub-rule (1), after being satisfied that the licensee has either wound up his business or has not applied for a fresh licence for the succeeding year and that no case against him regarding contravention of any of the provisions of the Act or of the rules made thereunder is pending, order refund of the amount deposited under section 7A or so much of the balance thereof, if any, remaining after the forfeiture to the Government under section 7B.][1]

15. Forms of cash book, ledger and statement under Section 20.-The cash book and ledger to be maintained by a money-lender under sub-section (1) of Section 20 shall be either in Forms 4 and 5 respectively or in Forms 4-A and 5-A respectively. The statement under clause (a) of sub-section (2) of Section 20 shall be in

16. Annual statement of accounts to be delivered by money-lender to debtor, etc., under Section 21.-(1) The annual statement of accounts to be delivered by a money-lender to each of his debtors under sub-section (1) of Section 21 shall be in

Form 7.

(2) The statement shall be furnished to each of the debtors within sixty days after the close of the year for which the accounts of money-lenders are ordinarily maintained:

Provided that the Registrar may on the application of the money-lender extend such period in the aggregate to not more than ninety days after the close of such year, if the money-lender proves to the satisfaction of the Registrar that not less than two-thirds of the total number of statements will be furnished within the said sixty days.

(3) The fee to be paid by a debtor to a money-lender for supplying a statement of accounts under sub-section (2) of section 21 shall be fifty paise.

(4) The expenses to be recovered from a debtor for supplying copies of documents by a money-lender under sub-section (3) of section 21 shall be according to the following scale.-

For copying 100 words or fraction thereof	10 Paise For
copying 100 words or part thereof tabular statement	15 Paise

17. Fees for supplying of statements or pass books.-(1) The rate of fees recoverable under sub-section (2) of section 22 shall be (a) 15 paise for each statement or a copy thereof supplied under sub-section (2) of section 20 and sub-section (1) of section 21 and (b) 75 paise for each pass book containing not less than eight pages excluding cover pages supplied under sub-section (2) of section 20 and sub-section (1) of section 21.

(2) The amount on account of such fees shall be shown separately in debtors account.

Form 8 or Form 9.

19. Notice and information to be given on assignment of loan.-The notice to be given to an assignee under clause (a), the statement of information to be supplied to

an assignee under clause (b) and the notice to be given to the debtor under clause (c), of sub-section (1) of section 30 shall be in Forms 10, 11 and 12 respectively.

20. Form of application under section 33.-The application to be made by a debtor under sub-section (1) of section 33 shall be in

Form 13 and shall be accompanied by a Court fee of Rupee one.

21. Copies of documents on payment of fees.-(1) Any party to any application, inquiry or appeal under the Act before the Assistant Registrar, Registrar or Registrar General or any person who is interested in such application, inquiry or appeal may apply to the Assistant Registrar, Registrar or Registrar General, as the case may be, for a copy of any documents in the record of such application, inquiry or appeal.

(2) The application shall be accompanied by deposit or an amount to cover the cost of preparing copies according to the following scales of copying fees, namely:-

(a) in the case of English copies, 5 paise for every 25 words or fraction thereof;

(b) in the case of copies in regional languages, 5 paise for every 30 words on fraction thereof;

(c) in the case of certified copies, an additional 5 paise for 100 words or fraction thereof for comparing;

(d) in the case of documents in tabular forms, twice the ordinary rate; provided further that a surcharge of 55 percent shall be levied on all copying, comparing and translation fees and added to the total charges for the preparation of certified copies;

(e) when the description of the document given in the application is incorrect or deficient and it shall in consequence be necessary for the Record-keeper to search his records in order to find it, a fee at the rate of one rupee for each year, of which the records are searched, shall be payable by the applicant for such search, whether the document be found or not and whether the copy for which he applies, on examination of the said document, be granted or not.

(3) The amount calculated according to the above scale shall be credited to the Government by the Assistant Registrar, Registrar or Registrar General to whom the application for grant of copies is made, as copying fees and the surplus amount, if any, deposited by the person applying for copies shall be refunded to him at the time of supplying the copy: provided that the person applying for copies shall, if the amount deposited by him is not sufficient to cover copying fees, pay the deficit before taking delivery of the copy.

22. Forms of summons.-The summons to be issued for enforcing the attendance of any person under section 14 in connection with an inquiry under section 7 shall be in

FORM 1

[See Rule 3]

Register of Money Lender

Office of the Assistant Register of ..... Taluka ..... District

Sl.No.	**Name, father's or husband's name and full address of the money lender**	**Name, father's name and full address of the person or persons responsible for the management of the business, if any**	**Full details of the principal of business or the branches thereof**	**Date and Sl. No. of previous licence, if any**	**Date of the issue of the present licence**
(1)	(2)	(2) (a)	(3)	(4)	(5)

Sl.No. application	**Cancellation of licence if any with date and particulars	**Orders of Appellate Authority, if any**	**Particulars of cancellation of licence under Section 14(ii)(a) or disqualification under Section 14(ii)(h)**	**No. of duplicate licences issued with dates**	**Signature of Assistant Registrar**	**Remarks**
(6)	(7)	(8)	(9)	(10)	(11)	(12)

* In the case of undivided Hindu Family, Col. 2 should show the names and addresses of the manager and adult co-paceners of such family; in the case of a bank or company, the Col. 2 should show the names and addresses of the directors and manager or principal Officer and in case of an unincorporated body of individuals, the names and addresses of all individuals.

**When filling up this column, the section of the Act under which cancellation is made, should be entered.

* * *

[1]**[FORM 2**

[See Rule 5]

Application for the grant of a licence to Money Lenders In the office of the Assistant Registrar of . . . . . .

P.O. . . . . .
Taluka . . . . . .
District . . . . . .

1.Name of the applicant, with father's or husband's name, surname, residence and address in full. Names of the manager and the adult co-parceners of the undivided Hindu family, with father's name, surname, residence and address in full. Name of the Director, Manager of principal officer managing the Bank or Company with the father's or husband's name, surname, residence and address in full. Names of all the persons

forming an unincorporated body, with father's or husband's names, surnames, residence and address in full.

2. Name in which the applicant carries on or intends to carry on his money-lenders business.

3. Name of the area within which the applicant has his business of money-lenders on the date of the application.

4. Names of persons responsible or proposed to be responsible for the management of the applicant's money-lenders business with their father's or husband's name, surname, residence and address in full.

5. Location of the applicant's place or principal place of business, with full particulars thereof and the name, father's or husband's name, surname and address of the person in charge.

6. Whether the person signing the application or any of the adult co-parcener of an undivided Hindu Family, or any Director, Manager of Principal Officer of the Bank or Company or any member of the unincorporated body on behalf of which the application is made, as the case may be carried on the business of money-lenders in the province in the year ending on the 31st day of March immediately proceeding the date of the application either individually, or in partnership of jointly with any other co-parcener or any other person and whether in the same or any other name.

7.Is the applicant or any other person on behalf of whom the application has been made carrying on or intends to carry on the business of money lenders in any other place in the province? If so, give complete particulars with the name, father's or husband's name, surname, and address of the

location of each such office and the area within the business of Money Lenders is being carried on or is proposed to be carried on at each such place.

8. What is the extent of the total business of the applicant on 31st March?

9. What is the total amount of the capital which the applicant intends to invest in the business of money-lenders in the year for which the application has been made?

A. What is the year for which the applicant's accounts are maintained?

10. Has the applicant carried on the business of money-lenders in the past and if so since when?

11. Has any application for licence previously been made? If so, when where and with what results?

12. In case the applicant has previously been granted, give full particulars of the licence.

13. Has any licence granted previously to the applicant been cancelled or suspended or does it contain any endorsements of the Court or any disqualifications imposed by the Court? If so, full particulars should be given including the name of the Officer and/or Court and the date and terms of the order.

14. Is money-lending the sole business of the applicant or is he engaged in any other business, profession or calling?

15. (i) Whether the applicant is a full time servant in the employment of Government or of a local authority; if so, state the designation of the post held; and

(ii) Whether by rules applicable to him in that capacity he is entitled to start or carry on the business of money-lending broking?

16. Whether the applicant has paid the prescribed fee (Challan should be enclosed)

Certified that all the facts set out in the application are true to my knowledge except . . . . . paragraphs, which a true to my belief being based on information supplied by . . . . . .

Signature of the applicant with date.

FORM 2A

[See Rule 5]

Application for renewal of a licence to Money Lenders In the office of the Assistant Registrar of .

. . . . . .

P.O. . . . . . Taluka . . . . . . District . . . . . . 1. Name and address of the Money Lender/Firm in full 2. Name of the Manager/Proprietor Managing Director who is responsible to maintain accounts etc. 3. Previous Licence Number and date 4. Year up to which the Licence is renewed 5. The total turn over/business for the previous year ended. 6. Whether the security deposit has been remitted to the Government in accordance with the slab prescribed if so please specify the challan No. and date. 7. Whether the address of the Money Lenders or firm is changed or not. If changed whether the permission of the competent authority has been obtained or not. 8. Whether the applicant is carrying on the business in more than one place? If yes, give particulars of branches with addresses, permission, licence etc. 9. Name of the area within which the applicant has his business of Money Lending on the date of application. 10. What is the year for which the applicants accounts are maintained? (Furnish audited balance sheet/returns as the case may be). 11. Detail of fees remitted to the Government. 12. Furnish details of Professional Tax and Income Tax remitted? --- Certified that the particulars furnished above are true to the best of may knowledge and belief.	

Place:.....

Date: .....

Signature of the Applicant with Seal][1]

1. Substituted by notification CMW 04 CML 2004, w.e.f. 25.4.2005. (Kar. Gazette Part-IVa (Extraordinary) No.670 dated: 25.4.2005.

FORM 3

[See Rule 9]

Money-lender's Licence District

. . . . . .

Taluka . . . . . .

Place . . . . . P.O. . . . . .

Licence No. . . . . .

This Licence has been granted to . . . . . to carry on the business of money-lending subject to the provisions of the [1][Karnataka] Money lenders Act, 1961, and the Rules thereunder and the following conditions, namely:-

(1) The licence shall be valid up to 31st July . . . . . .

(2) It shall entitle the money-lender to carry on the business of money-lending in *. . . . . .

(3) The licensee shall surrender the licence when ordered to do so by the Registrar granting it or by the Registrar-General or by a Court.

(Seal of the Registrar) date Registrar. *

Here insert area.

(Back)

Endorsement, if any, Signature Remarks.

1. Adapted by the Karntaka Adaptations of Laws Order 1973. w.e.f. 1-11-1973. * * *

FORM 4

[See Rule 15]

Cash Book

Dr.		Receipts			Disbursement		Cr.		
Date	Particulars	Ledger folio	Amount		Date	Particulars	Ledger folio	Amount	
			Rs. P	Rs. P				Rs. P	Rs. P

FORM 4-A

[See Rule 15]

Cash book

Date	Creditor	Debtor	
Amount	Particulars	Amount	Particulars
Opening balance brought forward Closing balance carried over			

N.B.-The Ledger folio number should be entered in any convenient manner.

* * *

FORM 5

[See Rule 15]

Debtor . . . . . .

Name and address of the debtor . . . . . Ledger Account . . . . . Ledger No . . . . . .

			Amount repaid or credited		
Date	Principal amount borrowed or debited	Amount due in respect of supply of statement of debts	Principal	Interest	Fees fir statements debts
(1)	(2)	(3)	(4)	(5)	(6)

Balance due for each transaction				Details of calculation of interest			
Total	Principal	Interest	Fees for statements of debts	Principal Due	Months	Amounts of interest recovered	Remarks
(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)

FORM 5-A

[See Rule 15]

Ledger folio No.

Name of Debtor

Full Address of Debtor

Creditor				Debtor			
Amount	Date	Page No. 1 of Corresponding entry in the cash book	Particulars	Amount	Date	Page No. of the Corresponding entry in the cash book	Particulars of Security etc.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total Receipt						Total Payment	

ABSTRACT

	Principal	**Interest**
Debited (During the year)		
Recoveries (During the year)		
Net balance due		
Carried over		

FORM 6

[See Rule 15]

Statement showing the details of conditions of the Loan

Name of Debtor	
Address	
1. Amount of loan	
2. Date of loan	
3. Date of maturity of the loan, if any	
4. Rate of interest per annum	
5. Nature of the security	
6. Particulars of documents, if any	
7. Any special condition on which the loan has been made	
8. Other connected information	

Signature of money-lender. Name and Address of money-lender

Date : . . . . . .

N.B.-A separate statement shall be furnished in respect of each loan transaction. In case of loan in kind, there shall be reference to the commodity advanced along with market value of the same on the date of each transaction.

FORM 7

[See Rule 16(1)]

Annual statement of accounts to be delivered by a money-lender to his debtors under sub-section (1) of Section 21.

Name of the Debtor	
Occupation	
Address	
Number of Ledger Account or number of ledger folio	
Amounts of principal and interest separately due to the money-lender and the amount of fees due in respect of supply of statement of debts	
Amount of every payment already received by the money-lender in respect of the loan during the year together with the date on which each payment was made	
All payments credited first in the account of interest, and the residue, if any, of any payment more than sufficient to discharge the balance of interest due at the time, it is made credited to the debtor in the account of principal	
*Payments credited first in the account of principal by the money-lender; and the remaining payments credited in the account of interest calculated on the basis of the decreased balance of principal; and when the balance of interest is fully discharged, the residue of the payments, if any, further credited in the account of principal.	
Payments made on account of fees due in respect of supply of statements of debts.	
The amount of principal remaining unpaid, the interest thereon, and the amount remaining unpaid on account of fees due in respect of statements of debts.	

*Strike out whichever is not necessary.

Money-lender or his agent.

* * *

FORM 8

[See Rule 18]

Pass Book

Name of the Money-Lender

His Address

Licensed money lender under the [1][Karnataka] Money Lenders Act, 1961

Contents of the Pass Book

Pass Book

Name of the Money Lender: His Address:

Name of the Debtor: His Address:

Sl. No.	Date, Month and year	Amount of loan advanced	Nature of security particulars of documents and special conditions, if any	Rate of interest	Date of maturity	Total amount repaid by the debtor
(1)	(2)	(3)	(4)	(5)	(6)	(7)

Amount repaid by the debtor how credited		Balance to be recovered from the debtor		Signature of the money lender	Remarks
Principal	Interest	Principal	Interest		
(8)	(9)	(10)	(11)	(12)	(13)

* * *

1. Adopted by the Karnataka Adaptations of Laws Order 1973 w.e.f. 1-11-1973.

FORM 9

[See Rule 18]

Cover Page

Pass Book

Name of the licensed Money Lender .....

His Address.....

Name of the Debtor.....

His Address.....

Contents of the

Pass Book

Name of the Money-lender..... His Address..... Name of Debtor..... His Address..... Date of loan..... Amount of loan..... Rate of Interest per annum ..... Nature of Security ..... Particular of document ..... Any special conditions on which the loan is advanced .....

Creditor			Debtor		
Amount	Date	Particulars	Amount	Date	Particulars
Total Receipt				Total Payment	
Abstract				Principal Interest	

FORM 10

[See Rule 19]

Please take notice under clause (a) of sub-section (1) of Section 30 of the [1][Karnataka][1] Money-Lenders Act, 1961, that pursuant to the agreement made by me with.

	the loan
You to assign	the balance of loan
	interest on the loan

balance of interest on the loan

advanced to Mr. Address . . . . . together with accrued interest/balance of interest and benefits of the agreement under which the aforesaid loan was given to the debtor as well as security in respect of loan/interest on loan, you will be subject, with effect from . . . . . to the provisions of the Karnataka Money-Lenders Act, 1961.

Signature of the Money-Lender

Prior assignee of the Money Lender.

Date :

1. Adopted by the Karnataka Adaptations of Laws Order 1973 w.e.f. 1-11-1973.

FORM 11

[See Rule 19]

Statement or information to be supplied to the assignee under clause (b) of sub-section (1) of Section 30 of the [1][Karnataka][1] Money Lenders Act, 1961.

Name of money lender including subsequent assignees, if any, and his/their address/addresses.-
Name of debtor:
Address:

1. Date of Loan
2. Amount of Loan
3. Rate of interest per annum

3-A. Amount of fees due in respect of supply of debts.

4. Total repayments made by the debtor up-to-date: (a) Principal.

(b) Interest.

(bb) Fess for supply of statements of debts.

(c) Total.

5. Amount outstanding on:

(a) Principal.

(b) Interest.

(bb) Fees for supply of statements of debts.

(c) Total.

6. Nature and value of the security.

7. Particulars of documents including previous assignments, if any. 8. Any special condition attaching to the loan.

9. List of documents of which copies are attached.

10. Other information, if any.

Signature of Assignor/Money Lenders.
Address.
Date.

1. Adopted by the Karnataka Adaptations of Laws Order 1973 w.e.f. 1-11-1973.

FORM 12

[See Rule 19]

To . . . . . .

Debtor

Please take notice under clause (c) of sub-section (1) of Section 30 of the [1][Karnataka][1] Money Lenders Act, 1961, that I propose to make an assignment.

	the loan
of	balance of loan
	interest on the loan
	balance of interest on loan

advanced to you on . . . . . together with accrued interest/balance of interest and benefits of the agreement under the aforesaid loan as well as security taken in respect of the loan/interest of the loan to . . . . . (Name of the assignee) . . . . . (Address of the assignee with effect from . . . . . (date) and that from the date of such assignment the assignee above named shall exercise all rights and shall have all the liabilities under the provisions of the [1][Karnataka][1] Money Lenders Act, 1961.

Signature of the Money Lender

Address.

Signature of prior assignee of the Money Lender Address.

1.Adopted by the Karnataka Adaptations of Laws Order 1973 w.e.f. 1-11-1973.

FORM 13

[See Rule 20]

(Application to a Court under sub-section (1) of Section 33 for taking accounts) In the Court of . . . . . .

Mis. Case No . . . . . of 19 . . . .

The under mentioned debtor applied for taking accounts of the loan described below and for declaring the amount due to the money-lender.

Particulars of Loan 1. Documents, if any, with particulars:

2. Amount:
3. Description of the money-lender:
   (a) Name.
   (b) Father's/Husband's name.
   (c) Address.
4. Description of the debtor
   (a) Name
   (b) Father's/Husband's Name
   (c) Address

Date : Signature.

FORM 14

[See Rule 15]

Summons to Money-Lender

No. Name of the Office . . . . . .

To

Whereas your application for grant of a licence under the [1][Karnataka][1] Money Lenders Act, 1961, has been received by me, you are hereby summoned in accordance with Section 14 of the said Act to appear before me at the above address in person on the . . . . . day of . . . . 19 . . . . at . . . . . O' clock in the . . . . . Noon, for your being examined in connection with the said application; and you are directed to produce on that day all the documents upon which you intend to reply in support of your application.

Take notice that, in default of your appearance on the day before mentioned, your application for grant of licence under the said Act, shall not be considered.

Given under my hand and seal this . . . . . day of . . . . 19 . . . .

Seal. Signature of the Officer.

* * *

1. Adopted by the Karnataka Adaptations of Laws Order 1973 w.e.f. 1-11-1973.

FORM 15

[See Rule 22]

Summons to Witness

No. Name of the Office . . . . . .

To

Whereas it is necessary to examine you in connection with the application made by Sri . . . . . for grant of a licence under the [1][Karnataka][1] Money Lenders Act, 1961, your are here by summoned in accordance with Section 14 of the said Act, to appear before me at the above address in person on the. . . . . day . . . . . 19 . . . . at . . . .O' clock in the . . . . . NOON and you are directed to produce any documents your may have in your possession in support of the information that will be supplied by you.

Take notice that if you fail to comply with this order without lawful excuse, you will be liable to a fine which may extend to five hundred rupees.

Given under my hand and seal this . . . . . day of . . . . . 19 . . .

Seal. Designation of the Officer.

[No. AF 41 CCS 62]

1. Adopted by the Karnataka Adaptations of Laws Order 1973 w.e.f. 1-11-1973.

[1]THE KARNATAKA MONEY LENDERS (AMENDMENT) RULES, 1985

GSR 222. - Where as a draft of the following rules further to amend the Karnataka Money Lenders Rules, 1965, was published as required by Section 44 of Karnataka Money Lenders Act, 1961 (Karnataka Act 12 of 1962) in Notification No. CMW 1 CML 85, dated 31st May, 1985 in Part IV, Section 2-C(i) pages 1-3 (GSR 137) of the Extraordinary Gazette, dated 1st June, 1985 inviting objections or suggestions within a period of 14 days from the date of publication from all persons likely to be effected thereby;

And whereas no objections or suggestions have been received on the said draft;

Now, therefore, in exercise of the powers conferred by section 44 of the Karnataka Money Lenders Act, 1961 (Karnataka Act 12 of 1962), the Government of Karnataka hereby makes the following rules namely.-

1. Title and Commencement.-(1) These rules may be called the Karnataka Money Lenders (Amendment) Rules. 1985.

(2) They shall come into force at once.

2. Amendment of Rule 5.-In sub-rule (2) of rule 5 of the Karnataka Money Lenders Rules, 1965 (hereinafter referred to as the said rules), for the words "renewal of licence", the words "grant of a fresh licence for the succeeding year" shall be substituted.

3. Amendment of Rule 10.-In sub-rule (1) of rule 10 of the said rules, for the words and figures "of Rs. 10 and Rs. 3/" the word "payable" shall be substituted.

4. Insertion of new Rules 14A, 14B, 14C, 14D, and 14E.-After rule 14 of the said rules, the following rules shall be inserted, namely.-

dt. 12/13-9-1985)

"14A. Payment of Security Amount.-Every licensee shall deposit in the Government Treasure in cash, the security amount specified in Section 7A under the head of account notified by the Registrar General.

(2) The treasury receipt for having deposited the security amount shall be sent to the concerned Assistant Registrar.

14B. Declaration of amount under Section 7A.-Every declaration under Section 7-A shall be in Form 3-A.

14C. Communication of order under Section 7B.-Every order of the Registrar under Section 7-B shall be communicated to the licensee either personally or to his agent or by registered post acknowledgement due addressed to the licensee's residence or place of business or last known residence or place of business.

14D. Payment out of forfeited amount.-(1) A borrower who has been affected by the acts of a licensee shall make an application to the Registrar specifying the nature of claim and the amount due from such licensee.

(2) The Registrar may on receipt of an application under sub-rule (1), after holding such enquiry as he deems fit, determine the amount payable to the applicant out of the forfeited amount:

Provided that if there are more than one applicant the amount shall be paid rateably in proportion to the amounts determined to be payable to the applicants.

14E. Refund of security amount.-(1) A licensee who has wound up his business or has not applied for a fresh licence after the expiry of the term of his licence, may apply to the Registrar for refund of the amount deposited under Section 7A.

(2) The Registrar may, on receipt of an application under sub-rule (1), after being satisfied that the licensee has either wound up his business or has not applied for a fresh licence for the succeeding year and that no case against him regarding contravention of any of the provisions of the Act or of the rules made thereunder is pending, order refund of the amount deposited under Section 7A or so much of the balance thereof, if any, remaining after the forfeiture to the Government under section 7B".

* * *

THE KARNATAKA MONEY LENDERS (AMENDMENT) RULES, 1988

GSR 76. Where as the draft rules further to amend the Karnataka Money Lenders Rules, 1965, was published as required by section 44 of Karnataka Money Lenders Act, 1961 (Karnataka Act 12 of 1962) in Notification No. GSR 29 (CMW 1 CML 88, dated 3rd February, 1988) in Part IV, Section 2-C(i) pages 1-2 of the Karnataka Gazette, Extraordinary dated 6th February 1988, inviting objections or suggestions to the said draft from all persons likely to be affected thereby within fifteen days from the date of its publication in the official gazette;

And whereas no objections or suggestions have been received by the State Government in respect of the said draft;

Now, therefore, in exercise of the powers conferred by section 44 of the Karnataka Money Lenders Act, 1961 (Karnataka Act 12 of 1962), the Government of Karnataka hereby makes the following rules namely:-

1. Title and Commencement.-(1) These rules may be called the Karnataka Money Lenders (Amendment) Rules. 1988.

(2) They shall come into force at once.

2. Amendment of Rule 5.- In rule 5 of the Karnataka Money Lender's Rules, 1965:-

(i) In sub-rule (2), for the words "on any date within two months prior to the expiry of the period of licence", the words "before the last day of October of every year" shall be substituted;

(ii) after sub-rule (2) as so amended, the following proviso shall be inserted, namely:-

1. Published in the Karnataka Gazette Part IV 2c(i) Extraordinary No. 198 datedf 16-3-1988 (Notification No. CMW 1 CML 88 Bangalore, dated 10-3-1988)

"Provided that where an application for grant of a licence for the first time is made between the first day of November and thirty first day of December of a year, the application for a fresh licence for the succeeding year shall be made before the expiry of the period of licence."

By Order and in the name of the Governor of Karnataka,

K.V. VITTAL RAO,
Officer on Special Duty,
Co-operation Department.