



## The Pondicherry Pawnbrokers Act, 1966

Act 11 of 1966

**Keyword(s):**

Company, Co-Operative Society, Interest, Loan, Pawn-Broker, Pawner, Pledge

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# **THE PONDICHERRY PAWNBROKERS ACT, 1966**

**(No. 11 of 1966)**

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(As extended to the Union territory of Pondicherry)

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#### ARRANGEMENT OF SECTIONS

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## **THE PONDICHERRY PAWNBROKERS ACT, 1966**

(Act No. 11 of 1966)

3rd June, 1966.

### **AN ACT**

**to regulate and control the business of the pawnbrokers in the Union territory of Pondicherry.**

**BE it enacted by the Legislative Assembly of Pondicherry in the Seventeenth Year of the Republic of India as follows:—**

**1. Short title and commencement.**—(1) This Act may be called the Pondicherry Pawnbrokers Act, 1966.

(2) It shall come into force on such date as the Government may, by notification in the Official Gazette, appoint.

**2. Extension and adaptation.**—(1) The Madras Pawnbrokers Act, 1943 (Madras Act No. 23 of 1943) (hereinafter referred to as the said Act) as in force in the State of Madras immediately before the commencement of this Act shall extend to and come into force in the Union territory of Pondicherry subject to the following modifications and adaptations, namely :—

(i) Any reference in the said Act or in any rule to the 'State of Madras' shall be construed as a reference to the 'Union territory of Pondicherry';

(ii) Any reference in the said Act or in any rule to the 'State Government' shall be construed as a reference to the 'Administrator' appointed by the President under article 239 of the Constitution;

(iii) Any reference to any provision of law not in force or to any functionary not in existence in the Union territory of Pondicherry shall be construed as a reference to the corresponding law in force, or to the corresponding functionary in existence, in that territory;

Provided that—

(a) if any question arises as to who such corresponding functionary is, or

(b) if there is no such corresponding functionary;

the Administrator shall decide as to who such functionary will be and such decision shall be final;

(iv) Any reference in the said Act or rules to 'Fort St. George Gazette' or 'District Gazette' shall be construed as reference to 'Official Gazette';

(v) In section 2 of the said Act—

(a) sub-section (1) shall be omitted.

(b) in sub-section (3), for the words 'Madras Co-operative Societies Act 1932' the words 'Pondicherry Co-operative Societies Act, 1965 (Act No. 11 of 1965)' shall be substituted.

(c) for sub-clause (ii) of section (5), the following shall be substituted, namely:—

'(ii) an advance made by a banking Company as defined in section 5 (c) of the Banking Regulation Act, 1949 (Central Act X of 1949) or by the State Bank of India or by any other banking institution notified under section 51 of the said Act or a Co-operative society';

(vi) in sub-section (1) of section 3, omit the brackets and the words 'other than section 1';

(vii) in sub-section (1) of section 6, of the said Act, the words 'Notwithstanding anything contained in the Decree dated 22nd September, 1935' shall be inserted at the beginning and the word 'naya' shall be omitted.

(viii) in clause (a) of sub-section (3) of section 10-B, the words 'in the mufassal or a Presidency Magistrate in the Presidency town' shall be omitted.

(ix) In section 12 of the said Act—

(a) at the beginning of sub-section (1), the words 'subject to the provisions of any other law' shall be inserted.

(b) sub-section (2) shall be omitted.

(x) For section 19 of the said Act, the following shall be substituted namely:—

**"19. Jurisdiction to try offences.**—No Court inferior to that of a Magistrate of second class shall try any offence punishable under this Act."

(xi) For sub-section (4) of section 22 of the said Act, the following sub-section shall be substituted, namely:—

"(4) Every rule made under this Act shall, as soon as may be after it is made, be laid before the Assembly while it is in session for a total period of not less than fourteen days which may be comprised in one session or in two or more successive sessions and if before the expiry of the session in which it is so laid or the sessions aforesaid, the Assembly makes any modifications in the rule or decides that rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be, so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

(xii) Sections 21-A, 23, 24 and 25 shall be omitted.

(2) The Madras Pawnbrokers Rules, 1944 and any other rules made or issued under the said Act and similarly in force, in so far as their application is required for the purpose of effectively applying the provisions of the said Act, are also hereby applied to, and shall be in force in the Union territory of Pondicherry.

**3. Power to remove difficulty.**—If any difficulty arises in giving effect to the provisions of the said Act, the Government may, by order in the Official Gazette, make such provisions or

give such directions as appear to it to be necessary for the removal of the difficulty, in so far as it is not inconsistent with the provisions of the said Act or rules.

4. **Repeal of existing law.**—The Decree No. 386, dated 22nd February, 1906 promulgated by Arrete No. 385, dated 18th June, 1906 shall stand repealed.

## ANNEXURE

### THE MADRAS PAWNBROKERS ACT, 1943

(As extended to the Union territory of Pondicherry)

(Madras Act XXIII of 1943)

#### AN ACT

to regulate and control the business of pawnbrokers in the State of Madras.

Whereas it is expedient to make provision for the regulation and control of the business of pawnbrokers in the State of Madras;

It is hereby enacted as follows:—

1. **Short title, extent and commencement.**—(1) This Act may be called the Madras Pawnbrokers Act, 1943.

(2) It extends to the whole of the State of Madras.

(3) [Omitted.]

2. **Definitions.**—In this Act, unless there is anything repugnant in the subject or context—

(1) (Omitted)

(2) 'Company' means the Company—



(a) registered under any of the enactments relating to companies for the time being in force in India or in the United Kingdom or in any of the British Dominion or in any of the Colonies of the United Kingdom; or

(b) incorporated by an Act of Parliament of the United Kingdom or by Royal Charter of Letters Patent or by any Central Act.

(3) "Co-operative Society" means a society registered or deemed to be registered under the Pondicherry Co-operative Societies Act, 1965 (Act No. 11 of 1965);

(3-A) "Inspector" means an Inspector appointed under sub-section (1) of section 10-B;

(4) "interest" does not include any sum lawfully charged in accordance with the provisions of this Act by a pawnbroker for or on account of charges, but save as aforesaid includes any amount, by whatsoever name called, in excess of the principal, paid or payable to a pawnbroker in consideration of or otherwise in respect of a loan;

(5) "loan" means an advance of money or in kind at interest, and includes any transaction which the court finds in substance to amount to such an advance, but does not include—

(i) a deposit of money or other property in a Government Post Office Savings Bank or in a company or with a co-operative society;

(ii) an advance made by a Banking Company as defined in section 5 (c) of the Banking Regulation Act, 1949 (Central Act X of 1949) or by the State Bank of India or by any other banking institution notified under section 51 of the said Act or a co-operative society;

(iii) an advance made by Government or by any person authorised by Government to make advances in their behalf, or by any local authority ;

(iv) an advance made by any person bona fide carrying on any business not having for its primary object the lending of money, if such loan is advanced in the regular course of such business ; and

(v) an advance made by a landlord to his tenant, by a lessor to his lessee, or by one partner in cultivation or co-sharer to another for the purpose of carrying on agriculture ;

(6) "pawnbroker" means a person who carries on the business of taking goods and chattels in pawn for a loan ;

**Explanation.**—Every person who keeps a shop for the purchase or sale of goods or chattels and who purchases goods or chattels and pays or advances thereon any sum of money with or under an agreement or understanding expressed or implied that the goods or chattels may be afterwards re-purchased on any terms is a pawnbroker within the meaning of this clause ;

(7) "pawner" means a person delivering an article for pawn to a pawnbroker ;

(8) "pledge" means an article pawned with a pawnbroker ;

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

(10) "principal" in relation to a loan means the amount actually lent to the pawner ; and

(11) "year" means the financial year.

**3. Pawnbroker to obtain licence annually.**—(1) No person shall, after the expiry of three months from the date on which the provisions of this Act come into force in any area, carry on or continue to carry on business as a pawnbroker at any place in such area, unless he has obtained a pawnbroker's licence under this Act.

**Explanation.**—Where a pawnbroker has more than one shop or place of business, whether in the same town or village or in different towns and villages, he shall obtain a separate pawnbroker's licence in respect of each such shop or place of business.

(2) Every pawnbroker's licence granted under this Act shall expire on the last day of the year for which it was granted, but may be renewed from year to year.

**4. Grant and refusal of licences.**—(1) Every application for a pawnbroker's licence shall be in writing and shall be made to the licensing authority prescribed under this Act.

(2) The licence shall not be refused except on one or both of the following grounds, namely:—

(a) that the applicant is of bad character.

**Explanation.**—If any evidence of bad character is adduced against the applicant, he shall be given an opportunity of rebutting such evidence; and

(b) that the shop or place at which he intends to carry on the business of a pawnbroker or any adjacent house or shop or place, owned or occupied by him, is frequented by thieves or persons of bad character:

Provided that the licence shall not be refused under this sub-section unless the applicant has had a reasonable opportunity of making his representations.

(3) In granting or refusing to grant a licence under this section, the licensing authority may consult such authority or officer as may be prescribed.

(3-A) Any person aggrieved by an order of the licensing authority refusing to grant a licence under this section may, within such time as may be prescribed, appeal to such authority as the Administrator may specify in this behalf and such authority may make such order in the case as he may think fit.

(4) Every licence shall be granted in such form and subject to such conditions as may be prescribed and on payment of such fee not exceeding <sup>1</sup>[one hundred rupees] as the Administrator may, from time to time, by notification in the Official Gazette, determine.

**5. Pawnbrokers to exhibit their names over shops, etc.—**  
Every pawnbroker shall—

(a) always keep exhibited in large characters over the outer door of his shop or place of business his name with the word Pawnbroker in the chief language of the locality; and

(b) always keep placed in a conspicuous part of his shop or place of business so as to be legible to all persons resorting thereto the information required to be printed on pawn-tickets by rules made under this Act, in the chief language of the locality.

**6. Interest and charges allowed to pawnbrokers.—**

(1) Notwithstanding anything contained in the Decree dated 22nd September 1935, no pawnbroker shall charge interest in

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1. Subs. by Act 12 of 1973, section 2, w.e.f. 3-10-1973.

respect of a loan on a pledge at a rate exceeding twelve per cent per annum simple interest (that is to say, one paise per rupee per mensem simple interest).

(2) A pawnbroker may demand and take from the pawner such charges and in such cases as may be prescribed.

(3) A pawnbroker shall not demand or take from the pawner any profit, interest, charge or sum whatsoever, other than the interest due to him and the charges, if any, referred to in sub-section (2).

7. **Pawn ticket to be given to pawner.**—Every pawnbroker shall on taking a pledge in pawn give to the pawner a pawn-ticket in the prescribed form, and shall not take a pledge in pawn unless the pawner takes the pawn-ticket.

8. **Conditions relating to redemption of pledge.**—(1) In the absence of a decree of an order of a civil court, or an order of a Magistrate or an officer of police not below the rank of Sub-Inspector prohibiting the delivery by the pawnbroker, of the pledge, to the pawner, the pawner shall, on production of the pawn-ticket and on payment of the sum legally payable in respect thereof, be entitled to the delivery of the pledge.

(2) On a declaration in the prescribed form from the pawner that the right to redeem the pledge has been transferred to, or is vested in, some other person and on a declaration from that other person that he is in possession of the pawn-ticket and that he is entitled to redeem the pledge, the pawnbroker shall cause an endorsement to be made on the pawn-ticket that the holder thereof is such other person, and shall cause the necessary entry to be made in the pledge book and thereafter the former person's right to redeem shall be extinguished and such other person shall be deemed to be the pawner for the purposes of this section.

(3) Where a person claiming to be the messenger or agent of the pawner produces the pawn-ticket and offers to redeem the pledge, the pawn broker may, after obtaining from the person so claiming, a declaration in the prescribed form, allow redemption if the pawnbroker is satisfied that the person who claims to be such messenger or agent is in fact such messenger or agent :

Provided that such pawnbroker shall remain liable to compensate the pawner if it be found later that such messenger or agent had not in fact been duly authorised by the pawner to redeem the pledge :

Provided further that, where a person claiming to be the messenger or agent of the pawner produces the pawn-ticket and offers to redeem the pledge, the pawnbroker may send a notice in the prescribed form by registered post to the pawner to the address left by the pawner with the pawnbroker, and if he does not hear anything from the pawner contrary to the claim within two weeks after the date on which the notice would in the usual course of post reach the pawner, the pawn broker may allow the person claiming to be such messenger or agent to redeem the pledge and shall in that event be exonerated from further liability to the pawner or any person claiming under him.

(4) (a) Where the pawner is dead and a person produces the pawn-ticket claiming to be the legal representative of the pawner and offers to redeem the pledge, the pawnbroker shall allow such redemption, after obtaining from such person—

(i) a declaration in the prescribed form duly made by such person before any Magistrate or Judge ; and

(ii) a bond duly executed by such person with one or more sureties to the satisfaction of the pawnbroker or of such authority or person as may be prescribed in this behalf, agreeing to indemnify the pawnbroker in respect of any liability which may be incurred by him by reason of delivering the pledge or otherwise acting in conformity with the declaration:

Provided that no such declaration or bond shall be necessary if such person produces an order of a civil court having jurisdiction to entertain a suit for the redemption of the pledge, authorizing him to redeem the pledge as the legal representative of the deceased pawner and in any such case, the pawnbroker shall allow redemption.

(b) The amount of every bond executed under clause (a) shall be fixed with due regard to the circumstances of the case and shall not be excessive.

(5) Where a person comes into possession of a pawn-ticket as the assignee of the pawner such person shall give notice of such assignment to the pawnbroker in the prescribed form, but the pawnbroker shall not be bound to recognize the claim of such person to redeem the pledge unless the pawner intimates to the pawnbroker the fact of such assignment or unless the pawnbroker, after having sent a notice in the prescribed form by registered post to the pawner to the address left by the pawner with the pawnbroker intimating to him the claim made under the alleged assignment, does not hear anything from the pawner contrary to the claim within two weeks after the date on which the notice would in the usual course of post reach the pawner.

(6) Where the pawner alleges that the pawn-ticket has been lost or destroyed and claims redemption of the pledge, the pawnbroker shall, after obtaining from the pawner, a

declaration in the prescribed form allow such redemption unless the pawnbroker has received intimation from any other person that he is in possession of the pawn-ticket and is entitled to redeem the pledge.

Provided that, before allowing such redemption, the pawnbroker may insist on security to his satisfaction or to the satisfaction of such authority or person as may be prescribed in this behalf being given by the pawner against possible claim by any other person.

(7) Where a person claims to be the owner of a pledge and alleges that the pledge was pawned without his knowledge or authority, the pawnbroker shall take a declaration from such person in the prescribed form and send a notice in the prescribed form by registered post to the pawner to the address left by the pawner with the pawnbroker, and similarly to every other person who has made any claim to the pawnbroker of being entitled to redeem the pledge, and if the pawnbroker does not receive any communication in writing from the pawner or any other such person prohibiting the delivery of the pledge to the claimant, within two weeks after the date on which the notice or notices would in the usual course of post reach the addressee or addressees the pawnbroker may allow the claimant to redeem the pledge, and the pawnbroker shall in that event be exonerated from further liability to the pawner or any person claiming under him.

9. (Omitted).

10. Pawnbrokers to keep books, give receipts, etc.—

(1) Every pawnbroker shall—

(a) regularly record and maintain or cause to be recorded and maintained in a pledge book in the prescribed form, an account showing for each pawner separately—



(i) the date of the loan, the amount of the principal of the loan and the rate of interest charged on the loan per cent per annum or per rupee per mensem or per rupee per annum ;

(ii) the amount of every payment received by the pawn broker in respect of the loan, and the date of such payment ;

(iii) a full and detailed description of the article or of each of the articles taken in pawn.

(iv) the time agreed upon for the redemption of the pawn;

(v) the name and address of the pawner, and where the pawner is not the owner of the article or of any of the articles pawned, the name and address of the owner thereof ;

(vi) such other particulars as may be prescribed.

(b) keep and use in his business the following documents and books (which shall be in the prescribed form) and enter therein from time to time, as occasion requires, in a fair and legible manner such particulars and in accordance with such directions as may be prescribed :—

(i) pawn-ticket ;

(ii) sale book of pledges ;

(iii) declaration where pledge is claimed by owner ;

(iv) declaration of pawn-ticket lost ; and

(v) receipt on redemption of pledge ;

(c) give to the pawner or his agent a receipt for every sum paid by him, duly signed and, if necessary, stamped at the time of such payment ; and

(d) on requisition in writing made by the pawner furnish to the pawner or, if he so requires, to any person mentioned by him in that behalf in his requisition, a statement of account signed by himself or his agent, showing the particulars referred to in clause (a) and also the amount, which remains outstanding on account of the principal and of interest, and charge such sum as the Administrator may prescribe as fee therefor :

Provided that no such statement shall be required to be furnished to a pawner if he is supplied by the pawnbroker with a pass book in the prescribed form containing an up-to-date account of the pawnbroker's transactions with the pawner.

(2) All records or entries made in the books, accounts and documents referred to in sub-section (1) shall be either in English or in such language of the locality as may be prescribed ; and all such books, accounts and documents and all pledges taken by the pawnbroker shall be open to inspection at any time by the Inspector having jurisdiction.

(3) Notwithstanding anything contained in the Indian Evidence Act, 1872 (Central Act I of 1872), a copy of the account referred to in clause (a) of sub-section (1), certified in such manner as may be prescribed, shall be admissible in evidence in the same manner and to the same extent as the original account.

(4) A pawner to whom a statement of account has been furnished under clause (d) of sub-section (1) and who fails to object to the correctness of the account shall not, by such failure alone, be deemed to have admitted the correctness of such account.

(5) In the pawn-ticket furnished to the pawner, in the receipt given under clause (c) of sub-section (1) and in the statement of account furnished under clause (d) of that sub-section, the figures shall be entered only in Arabic numerals.

**10-A Pawnbroker to keep pledge in his shop or place of business.**—Every pawnbroker shall ordinarily keep every pledge in the shop or place of business for which the licence has been granted. If in any case, the pawnbroker keeps the pledge in any place other than such shop or place of business, he shall, within a period of seven days from the date on which the holder of a pawn-ticket intimates his desire to inspect the pledge concerned, produce such pledge at the shop or place of business aforesaid for such inspection.

**10-B. Appointment of Inspectors and their powers.**—

(1) The Administrator or any authority or officer empowered by them may, by notification, appoint one or more persons to be Inspectors for the purposes of this Act and specify in such notification the local limits of their jurisdiction.

(2) Every Inspector shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code (Central Act XLV of 1860).

(3) (a) A Magistrate of the first-class may, on receiving a report from an Inspector or from any Police Officer not below the rank of Sub-Inspector that—

(i) any person carries on business as a pawnbroker without a licence at any place within the jurisdiction of such Magistrate, or

(ii) any pawnbroker carries on business in contravention of the provisions of this Act or the rules made thereunder or the conditions of the licence granted under this Act, at any place within the jurisdiction of such Magistrate,

issue warrant empowering the Inspector or, as the case may be, such Police Officer to enter such place with such assistants as he considers necessary and inspect the books, accounts, records, files, documents, sales, vaults and pledges in such premises. On receiving such warrant, the Inspector or the Police Officer may enter the place and inspect the books, accounts, records, files, documents, safes, vaults and pledges in such premises and may take to his office for further investigation such books, accounts, records, files and documents as he considers necessary :

Provided that if the Inspector or the police officer removes from the premises any books, accounts, records, files and documents, he shall give to the person in charge of the place, a receipt describing the books, accounts, records, files and documents so removed by him :

Provided further that within twenty-four hours of the removal of the books, accounts, records, files and documents from the premises, the Inspector or the police officer shall either return them to the person from whose custody they were removed or produce them in the court of the Magistrate who issued the warrant. Such Magistrate may return the books, accounts, records, files and documents or any of them to the person from whose custody they were removed by the Inspector or the police officer, after taking from such person such security as the Magistrate considers necessary for the

production of the books, accounts, records, files and documents when required whether by the Inspector, the police officer or the court or may pass such other orders as to their disposal as appear just and convenient to the Magistrate.

(b) An Inspector shall have authority to require any person whose testimony he may require regarding any loan or pledge or any other transaction of a pawnbroker to attend before him or to produce or cause to be produced any document and to examine such person on oath.

(4) An Inspector may apply for assistance to an officer in charge of a police station and take police officers to accompany and assist the Inspector in performing his duties under this Act.

**11. Redemption of pledge.**—(1) Every pledge shall be redeemable within one year from the date of pawning, exclusive of that day; and there shall be added to that year of redemption seven days of grace within which every pledge shall continue to be redeemable.

(2) A pledge shall further continue to be redeemable until it is disposed of as provided in this Act, although the period of redemption and days of grace have expired.

**Explanation.**—Where the contract between the parties provides a longer period for redemption than one year, the provisions of this section shall be read and construed as if references to such longer period had been substituted for the references to the period of one year therein.

**12. Sale of pledge and inspection of sale book.**—

(1) Subject to the provisions of any other law, a pledge pawned shall not be disposed of by the pawnbroker otherwise than by sale at a public auction, conducted in accordance with such rules as may be prescribed.

(2) (Omitted)

(3) At any time within three years after the public auction the holder of the pawn-ticket may inspect the entry relating to the sale either in the pawnbroker's book or in such catalogue of the auction as may be prescribed.

(4) (a) Where a pledge has been sold for more than the amount of the loan and the interest and prescribed charges due at the time of the sale, the pawnbroker shall pay to the holder of the pawn-ticket on demand made within three years after the sale, the surplus after deducting therefrom the necessary costs and prescribed charges of the sale.

(b) If on such demand it appears that the sale of the pledge has resulted in a surplus but that within twelve months before such sale, the sale of any other pledge or pledges of the same person has resulted in a deficit, the pawnbroker may set-off the deficit against the surplus and shall be liable to pay only the balance, if any, after such set-off.

**13. Liability of pawnbroker in case of fire.**—(1) Where a pledge is lost by theft or is destroyed or damaged by or in consequence of fire, the pawnbroker shall nevertheless be liable on application made within the period during which the pledge would have been redeemable to pay the value of the pledge, after deducting the amount of the principal and interest.

**Explanation.**—For the purpose of this sub-section, the value of the pledge shall be its estimated value (if any entered in the pledge book at the time of the pawn together with interest on the amount of the principal and shall in no case be less than the aggregate of the amount of the principal and interest and twenty-five per cent on the amount of the principal.

(2) A pawnbroker shall be entitled to ensure to the extent of the value so estimated.

14. **Compensation for depreciation of pledge.**—If a person entitled and offering to redeem a pledge shows to the satisfaction of a Civil Court having jurisdiction to entertain a suit for such redemption that the pledge has become or has been rendered of less value than it was at the time of pawning thereof by or through the default, neglect or wilful misbehaviour of the pawnbroker, the Court may if it thinks fit award reasonable compensation to the owner of the pledge in respect of the damage, and the amount awarded shall be deducted from the amount payable to the pawnbroker, or shall be paid by the pawnbroker (as the case requires) in such manner as the Court directs.

14-A. **Power to cancel licences, etc.**—(1) The licensing authority specified in sub-section (1) of section 4 may, at any time, during the term of any licence, cancel it by an order in writing—

(a) if the licensee carries on the business in contravention of any of the provisions of this Act or the rules made thereunder or of the conditions of the licence, or

(b) if any reason for which such authority could have refused to grant the licence to the pawnbroker under sub-section (2) of section 4, is brought to the notice of that authority after the grant of the licence, or

(c) if the licensee is convicted for an offence under sub-section (1) of section 15, or

(d) if the licensee maintains false accounts.

(2) Before cancelling a licence under sub-section (1), the licensing authority shall give the licensee a notice in writing stating the grounds on which it is proposed to take action and requiring him to show cause against it within such time as may be specified in the notice.

(3) Any person aggrieved by an order of the licensing authority cancelling a licence under sub-section (1), may, within such time as may be prescribed, appeal to such authority as the Administrator may specify in this behalf and such authority may make such order in the case as he may think fit.

**14-B. Publication of order of cancellation.**—Every order of cancellation of a licence under section 14-A shall be notified in the Official Gazette and also on the notice-board of the office of the licensing authority.

**14-C. No compensation for cancellation of licence.**—A person whose licence is cancelled under section 14-A shall not be entitled to any compensation in respect of such cancellation or to the refund of any fee paid in respect of such licence.

**14-D. Auctioneers to maintain certain registers.**—

(1) Auctioneers conducting sales under this Act of pledges shall maintain such registers containing such particulars as may be prescribed.

(2) At any time within three years after the public auction, any police officer not below the rank of Sub-Inspector may inspect the registers referred to in sub-section (1) at all reasonable times and at such places as may be prescribed.

**15. Pawnbroker advancing smaller amount or receiving higher interest than that specified in accounts to be punishable.**—(1) Any pawnbroker who actually advances an amount



less than that shown in the pawn-ticket or in his accounts or registers or who takes or receives interest or any other charge at a rate higher than that shown in the pawn-ticket or in his accounts or registers shall be punished with fine which may extend to five hundred rupees.

(2) If a pawnbroker is convicted of an offence under subsection (1) after having been previously convicted of such an offence, the Court convicting him may order his licence as a pawnbroker to be cancelled.

16. Certain other acts of pawnbrokers to be punishable.—  
A pawnbroker, who—

(1) takes an article in pawn from any person appearing to be under the age of eighteen years, or to be of unsound mind ; or

(2) purchases or takes in pawn or exchanges a pawn-ticket issued by another pawnbroker ; or

(3) employs any person under the age of eighteen years to take pledges in pawn ; or

(4) under any pretence purchases, except at a public auction, any pledge while in pawn with him ; or

(5) suffers any pledge while in pawn with him to be redeemed with a view to his purchasing it ; or

(6) makes any contract or agreement with any person pawning or offering to pawn any article, or with the owner thereof, for the purchase, sale or disposition thereof within the time of redemption ; or

(7) Sells or otherwise disposes of any pledge pawned with him except at such time and in such manner as is authorised by or under this Act,

shall be punished with imprisonment for a term which may extend to six months or with fine which may extend to one thousand rupees or with both.

17. Certain acts of pawners to be punishable.—(1) Any person who—

(a) offers to a pawnbroker an article by way of pawn, being unable or refusing to give a satisfactory account of the means by which he became possessed of the article; or

(b) wilfully gives false information to a pawnbroker as to whether an article offered by him in pawn to the pawnbroker is his own property or not, or as to his name and address, or as to the name and address of the owner of the article; or

(c) not being entitled to redeem, and not having any colour of title by law to redeem, a pledge, attempts or endeavours to redeem the same;

shall be punished with imprisonment for a term which may extend to six months or with fine which may extend to one hundred rupees or with both.

(2) In every case falling under sub-section (1), and also in any case where, on an article being offered in pawn, for sale, or otherwise, to a pawnbroker he reasonably suspects that it has been stolen or otherwise illegally or clandestinely obtained, the pawnbroker shall, in the absence of reasonable excuse, inquire into the name and address of the person concerned, and seize and detain such person and the article, if any, and forthwith communicate to the nearest police station the facts of the case and shall deliver the person and the article, if any, seized to the police.

(3) A list of properties believed to have been stolen may be delivered by the police to any pawnbroker licensed under this Act and thereupon it shall be the duty of such pawnbroker—

(a) if any article answering the description of any of the properties set forth in any such list is offered to him in pawn, for sale, or otherwise, to proceed in accordance with the provisions of sub-section (2); and

(b) if any such article is already in his possession, forthwith to communicate to the nearest police station the facts of the case (including full particulars as to the name and address of the person concerned in the delivery of the article to the pawnbroker) and also, if so required by the police, to deliver the article to them.

**18. General penalty for contravention of Act, etc.—**

(1) Whoever contravenes any of the provisions of this Act or of any rule or of any terms or conditions of a licence made or granted thereunder shall, if no other penalty is elsewhere provided in this Act for such contravention, be punished with fine which may extend to fifty rupees and, if such person has been previously convicted whether under this section or any other provision contained in this Act, with fine which may extend to one hundred rupees.

(2) Any person who after having been convicted of the offence of carrying on, or continuing to carry on, the business of pawnbroker in contravention of the provisions of section 3, continues to commit the same offence in the same year, shall, in addition to the fine to which he is liable under sub-section (1), be punished with a further fine which may extend to ten rupees for each day after the previous date of conviction during which he continues so to offend.

(3) Any Court convicting a pawnbroker of a contravention of the provisions of clause (c) or clause (d) or sub-section (1) of section 10 may direct him to furnish a receipt or statement of account in accordance with the provisions of that clause, and if the pawnbroker fails to comply with the direction, the Court may order his licence as a pawnbroker to be cancelled.

19. **Jurisdiction to try offences.**—No Court inferior to that of a Magistrate of second class shall try any offence punishable under this Act.

20. (Omitted).

21. **Contracts not to be void on account of offences but interest and costs not to be allowed in certain cases.**—Where a pawnbroker is guilty of an offence under this Act, or where his licence is cancelled under any of the provisions of this Act, any contract of pawn or other contract made by him, in relation to his business of pawnbroker, shall nevertheless not be void by reason only of that offence, or cancellation nor shall he by reason only of that offence or cancellation lose his lien on or right to the pledge or to the loan and the interest and other charges, if any, payable in respect thereof; nor shall that offence or cancellation affect any obligation or liability incurred by the pawnbroker before that offence or cancellation.

Provided that if a pawnbroker fails to deliver to the pawner a pawn-ticket as required by section 7 or fails to give to the pawner or his agent a receipt as required by clause (c) of sub-section (1) of section 10 or to furnish on a requisition made under clause (d) of that sub-section, a statement of account as required therein within one month after such requisition has been made, the pawnbroker shall not be entitled to any interest for the period of his default:

Provided further that if in any suit or proceeding relating to a loan, the Court finds that a pawnbroker has not maintained accounts as required by clause (a) or clause (b) of sub-section (1) of section 10, he shall not be allowed his costs.

21. A. (Omitted).

22. Power to make rules.—(1) The Administrator may make rules to carry out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for—

(a) all matters expressly required or allowed by this Act to be prescribed;

(b) the form of, and the particulars to be contained in, an application for a pawnbroker's licence under this Act; and

(c) the form in which books, accounts and documents specified in this Act shall be recorded, maintained, kept or used.

(3) All rules made under this Act shall be published in the Official Gazette and, unless they are expressed to come into force on a particular day, shall come into force on the day on which they are so published.

(4) Every rule made under this Act shall, as soon as may be after it is made, be laid before the Legislative Assembly while it is in session for a total period of not less than 14 days which may be comprised in one session or in two or more successive sessions and if before the expiry of the session in which it is so laid or the sessions aforesaid, the Assembly makes any modifications in the rule or decides that the rule

should not be made, the rules shall thereafter have effect only in such modified form or be of no effect as the case may be, so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

23. (Omitted).

24. (Omitted).

25. (Omitted).