

Jharkhand Private Money Lending (Prohibition) Act, 2016

JHARKHAND

India

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Act 02 of 2017

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Jharkhand Private Money Lending (Prohibition) Act, 2016(Jharkhand Act No. 02 of 2017)Last Updated 14th March, 2020Whereas it is expedient to enact the law to prohibit private money lending in the State of Jharkhand;It is hereby enacted as follows:-

1. Short title, extent and commencement.

(1)This Act may be called the Jharkhand Private Money Lending (Prohibition) Act, 2016.(2)It shall extend to the whole of the State of Jharkhand.(3)It shall come into force on such date as the State Government may by notification in the Official Gazette, appoint.

2. Definitions.

- In this Act unless the subject or context otherwise requires -(a)"State Government" means Government of the Jharkhand;(b)"Bank" means-(i)a banking company to which the Banking Regulation Act, 1949 (Central Act 10 of 1949) applies;(ii)the State Bank of India constituted under the State Bank of India Act, 1955 (Central Act 23 of 1955);(iii)a subsidiary bank defined in clause (k) of section 2 of the State Bank of India (Subsidiary Banks) Act, 1959.(iv)a corresponding new bank constituted under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 (Central Act 5 of 1970);(v)A primary credit as defined in clause (c) (iv) of Section 2 of the Reserve Bank of India Act, 1934.(vi)A Co-operative Bank as defined in clause (b)(ii) of Section 2 of the Reserve Bank of India Act, 1934.(vii)The Reserve Bank of India constituted under the Reserve Bank of India Act, 1934.(viii)Agriculture Refinance Corporation constituted under the Agriculture Refinance Corporation Act, 1963.(ix)The Life Insurance Corporation of India constituted under the Life Insurance Corporation Act, 1956.(x)The Unit Trust of India.(xi)The General Insurance Corporation of India.(xii)a regional rural bank established under the Regional Rural Banks Act, 1976 (Central Act 21 of 1976);(xiii)a corresponding new bank constituted under section 3 of the Banking

Companies (Acquisition and Transfer of Undertakings) Act, 1980 (Central Act 40 of 1980);(xiv)the Industrial Development Bank of India established under the Industrial Development Bank of India Act, 1964 (Central Act 18 of 1964);(xv)the National Bank for Agriculture and Rural Development established under the National Bank for Agriculture and Rural Development Act, 1981 (Central Act 61, 1981);(xvi)the Export Import Bank of India established under the Export Import Bank of India Act, 1981 (Central Act 11 of 1959).(xvii)the Industrial Finance Corporation of India established under the Industrial Finance Corporation of India Act, 1948 (Central Act 15 of 1948);(xiii)State Financial Corporations established under the State Financial Corporation, Act, 1951(Central Act 63 of 1951);(xix)the Industrial Reconstruction Bank of India established under the Industrial Reconstruction Bank of India Act, 1984 (Central Act 62 of 1984);(xx)the Industrial Credit and Investment Corporation of India Limited, a company incorporated under the Indian Companies Act, 1913 (Central Act 7 of 1913).(xxi)the Agricultural Finance Corporation Limited a company incorporated under the Companies Act, 1956;(c)"Loan" means a loan on interest advanced by a money lender whether in cash or in kind and shall include mandeora, sawaiya, rehan, Bandhaki, pauni, sudbharna, kishti and any transaction which, in substance, is a loan but shall not include -(a)a loan advanced by the Central/State Government or by any local body authorised by the Central/State Government,(b)a loan advanced on a deposit of money, in 1a8 P o?st? O/?ff?ic, e 2Soa1v6in gs Bank or a deposit of money or any other property in any other bank or any Company or a Co-operative Society registered, under the Bihar and Orissa Co-operative Societies Act, 1935.(c)a loan advanced by Public Sector Undertakings or any Private Limited Company registered under Indian Companies Act to its employees.(d)an advance made to a subscriber to, or a depositor in, a Provident Fund from the amount standing to his credit in the fund in accordance with the rules of the fund;(e)a loan to or by an Insurance Company as defined in the Insurance Act, 1938 (Central Act IV of 1938);(f)a loan to or by a Bank;(d)"Private Money Lender" means an individual or group of individuals advancing loan and shall include a Hindu undivided family and the legal representatives and successors-in-interest, whether by inheritance, assignment or otherwise of a person who advances a loan, but does not include any corporation incorporated by the Central or State Government as a Bank or Financial Corporation or a Co-operative Society or registered Financial Institution.(e)"Interest" means and includes the return to be made over and above what was actually lent whether the same is charged or sought to be recovered specifically by way of interest or otherwise.(f)"Business of money-lending" means the business of advancing loans whether in cash or in kind.

3. Exemption of certain loan from operation of this Act.

- The State Government may, by notification, for any special reason or reasons which shall be stated in such notification exempt any class of loan in whole of the State of Jharkhand from the operation of all or any of the provisions of this Act.

4. Prohibition of Money Lending.

- No person shall carry on business of money-lending, whether in cash or kind on usufructuary mortgage of property or on pledge of gold, ornaments and any other articles.

5. Punishment.

- (i) If any person after the commencement of this Act, shall carry on business of money lending, in contravention of section (4), he shall be punishable with imprisonment for a term which may extend to three years and with fine which may extend to five thousand rupees.(ii)Whoever having been convicted of an offence under this Act is again convicted of an offence under this Act shall be punishable with imprisonment for a term which may extend to five years and with fine which may extend to ten thousand rupees.

6. Cognizance of Offence.

(1)Notwithstanding anything contained in the Code of Criminal Procedure, 1973(2 of 1974)-(a)no court inferior to that of a Judicial Magistrate of the first class shall try any offence under this Act;(b)no court shall take cognizance of an offence under this Act except upon-(i)a police report of the facts which constitute such offence or,(ii)upon receiving a complain by the person aggrieved.(2)offence under section (4) shall be cognizable, non-bailable and non-compoundable:

7. Rules.

- The State Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

8. Repeal.

- The Jharkhand Money Lenders Act, 1974 is hereby repealed.

9. Savings.

- Notwithstanding the repeal of the Jharkhand Money Lenders Act, 1974, everything done, action taken, obligations and liabilities incurred, persons appointed or authorized, jurisdictions or powers conferred, orders issued and rules or regulations made by or in relation to these Acts and Rules, shall be continued and disposed of in accordance with the provisions of the said Act, as if the said Act had continued in force and this Act had not been passed.Notwithstanding such repeal, all suits or other proceedings under the said Act pending, at the commencement of this Act, before any court or other authority shall be continued and disposed of in accordance with the provisions of the said Act, as if the said Act had continued in force and this Act had not been passed.Provided that provisions for Appeal and Revision under the said Act shall continue in force in respect of suits and proceedings, as if the said Act had continued in force and this Act had not been passed.Provided further that Mortgages or Pledge done under the said Act shall continue and be redressed and redeemed in accordance with the provisions of the said Act, as if the said Act had continued in force and this Act had not been passed.