# Tamil Nadu Money-Lenders Rules, 1959

Published vide Notification No. G.O. Ms. No. 2823, Industries, Labour and Co-operation, dated 15th July 1959 - S.R.O. No. A-4540 of 1959

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**G.O. Ms. No. 2823.** - In exercise of the powers conferred by section 22 of the Tamil Money-lenders Act, 1957 (Tamil Nadu Act XXVI of 1957), the Governor of Nadu hereby makes the following rules, the same having been previously published as required by sub-section (1) of the said section.

1. Short title. - These rules may be called the Tamil Nadu Money-lenders Rules, 1959.

2. Definitions. - In these rules, -

- (a) "Act" means the Tamil Nadu Money-lenders Act, 1957 (Tamil Nadu Act XXVI of 1957);
- (b) "Form" means a Form appended to these rules;
- (c) "Inspector" means an Inspector appointed under section 10;
- (d) "section" means a section of the Act.

**3. Application for licence.** - Every application for a money-lenders licence shall be made to the Tahsildar of the Taluk or Independent Deputy Tahsildar, as the case may be, having jurisdiction over the place of business of the money-lender. Such application shall be in Form-A.

**4.** Form of licence and fees therefor and for renewal. - (1) Every licence granted under sub-section (2) of section 4 shall be in Form-B and shall be subject to the conditions specified therein.

(2) For every application for a licence or renewal thereof, a fee of Rs. 100 (Rupees one hundred only) shall be paid into a Government treasury and the treasury receipt thereof shall accompany the application.

(3) Notwithstanding anything contained in sub-rule (2), for a period of three months commencing on the date of coming into force of the Act in any area, a fee of Rs. 10 (Rupees ten only) shall be payable for every application for a licence in that area.

**4A. Issue of duplicate licences.** - (1) If a licence is lost or destroyed or spoiled, the money-lender shall forthwith report the matter to the authority by whom the licence was granted or last renewed and shall apply to him with a treasury receipt for the payment of a fee of Rs. 30 (Rupees thirty only) for the issue of a duplicate licence.

(2) On receipt of an application with the treasury receipt referred to in sub-rule (1), the authority shall furnish the applicant with a duplicate copy of the licence duly stamped "duplicate" in red ink.

**4B. Refund of fee in certain circumstances.** - (1) Where the licensing authority refuses to grant a licence under subsection (3) of section 4, the application for the refund of licence fee shall be made within a period of two months from the date of receipt of the order refusing to grant licence or from the date of receipt of order on appeal to the Tahsildar of the taluk or the Independent Deputy Tahsildar, as the case may be, having jurisdiction over the place of business of the money-lender.

(2) If after obtaining a licence, the licensee does not carry on the money-lending business even on a single day during the period of the licence, the licensee may, within a period of two months from the date of expiry of the licence, apply to the licensing authority for the refund of the fee paid by him. On receipt of the application, the licensing authority shall verify its correctness and may order the refund of the fee paid.

**5.** Charges allowed to money-lenders. - A money-lender may, in addition to the cost of revenue stamp, demand and take from the debtor a sum not exceeding 25 paise on loans upto and inclusive of Rs. 250 and 50 paise on loans above Rs. 250 for incidental expenses connected with the advancement of such loan.

6. Form of account book. - The account specified in section 9(I)(a) shall be in Form-C.

7. Form of receipt. - The receipt to be issued by the money-lender to the debtor or his agent for every sum paid by him shall be in Form-D.

8. Statement of account. - The statement of account to be furnished by the money-lender under section 9(I)(c) shall be in Form-E.

9. Fees. - The fee which may be charged by a money-lender for a statement of account furnished by him under rule 8 shall be as follows : -

		Rs. P.
1	If the principal amount of the loan does not exceed Rs. 50	0-06
2	If the principal amount of the loan exceeds Rs. 50, but does not exceed Rs. 100	0-12

3	If the principal amount of the loan exceeds Rs. 100, but does not exceed Rs. 300	0-19
4	If the principal amount of the loan exceeds Rs. 300, but does not exceed Rs. 500	0-37
5	If the principal amount of the loan exceeds Rs. 500, but does not exceed Rs. 1,000	0-43
6	If the principal amount of the loan exceeds Rs. 1,000	0-50

*Explanation.* - The fee shall be charged separately in respect of each loan for each requisition. *Illustration.* - (a) The fee relating to two separate loans of Rs. 120 and Rs. 350 will be 44 nave paise.

- (b) If the statement of account is furnished by post, the money-lender may also charge such additional expenses as are actually incurred by him for furnishing it by post.
- (c) The fee and the postal charges, if any, shall, on demand by the moneylender, be payable in advance or shall be recoverable by the moneylender as if it were included in the loan, but no interest shall be charged on such fee or charges.

**10. Pass-book.** - The pass-book which the money-lender may supply to the debtor under the provision of section 9(1)(c) shall be in Form-F. A sum of 10 naye paise may be charged by the money-lender for every pass-book so supplied.

# [10A. The receipt and other instruments issued by a money-lender shall contain his licence number and date.]

**11. Language in which records, etc., should be maintained.** - (1) All records or entries made in the books, accounts and documents referred to in sub-section (1) of section 9 shall be either in Tamil or in English or in both: Provided that where the majority of the persons in any area speak a language other than Tamil, the records shall be maintained in English or in the language spoken by the majority of such persons.

(2) Nothing contained in these rules shall prevent the money-lender from maintaining the accounts of a particular debtor in any language which the debtor may understand and read.

**12. Manner of furnishing statement of accounts.** - (1) The statement of accounts referred to in rule 8 shall be sent to the debtor by registered post acknowledgement due to the address given in the requisition by the debtor.

(2) Notwithstanding anything contained in sub-rule (1), where the debtor agrees in writing to the statement being delivered personally, it shall not be necessary to send it by registered post.

(3) When a debtor takes personal delivery of the statement of accounts, he shall acknowledge the receipt of the same in writing. The debtor shall sign the acknowledgement or if he is not literate, affix his thumb-impression thereto.

# [12A. Time-limit for commencement of action after suspension of a licence. - The licensing authority shall commence further action under sub-section (1) of section 14 within a period of fifteen days from the date of suspension of the licence under sub-section (2-A) of section 14 of the Act.]

**13. Appellate authority.** - (1) The Appellate authority for the purpose of sub-section (4) of section 4 and sub-section (3) of section 14 shall be the Revenue Divisional Officer, Assistant Collector or Sub-Collector, as the case maybe, having jurisdiction over the place of business of the money-lender. Where there is no Revenue Divisional Officer, Assistant to the District Collector shall be the appellate authority. Where there is no Revenue Divisional Officer, Assistant Collector or Sub-Collector, the Gazetted Assistant to the District Collector or a Gazetted Assistant to the District Collector, Col

(2) If the appellate authority considers further enquiry to be necessary before final orders are passed on the appeal, he may either hold the enquiry himself or have it made by one of his subordinates and such witnesses as are, in his opinion, necessary shall be examined during the enquiry. The appellate authority shall also hear the licensee or his advocate before disposing of the appeal.

**14. Prescribed authority for the purpose of section 12.** - The authority for the purpose of section 12, shall be an officer of the Revenue Department not below the rank of a Tahsildar or an Independent Deputy Tahsildar, as the case may be, and having jurisdiction over the place of business of the money-lender.

**15.** Procedure for effecting transfer of a licence when a licensee dies. - (1) Any person claiming to be legal representative of a deceased licensee may apply to the licensing authority in Form-G for transferring in his name the licence standing in the name of the deceased.

(2) A certificate of death issued by the [village headman] of the locality or the Registered Medical Practitioner, who attended on the deceased shall ordinarily accompany the application in Form-G.

(3) The declaration to be obtained from the legal representative under subsection (3) of section 19 shall be in Form-G.

## Form A (See rule 3) Form of Application of a Money-Lenders Licence

The Tahsildar,.....Taluk. The Independent Deputy Tahsildar, .....Sub-taluk

1	Name in full of the applicant.	
2	Address in full (any subsequent change should be notified).	
3	Father's name.	
4	If the applicant is a native of State outside the State of Tamil Nadu - (i) full address in such State; and	
	(ii) a list of the properties owned in such State.	
5	Is the applicant a registered firm ? If so, the name of the firm.	
6	If the applicant is the representative of an undivided Hindu family, state whether he is the manager, or the karnavan or the yajaman of the family.	
7	If the applicant is a member of any other association of individuals not required to be registered under the Companies Act, 1956 (Central Act I of 1956), the name of the association and the applicants relation thereto.	
8	Address of shop or place of business in respect of which he applied for.	
9	If the applicant has more than one shop or place of business, the address of each such shop or place of business.	
10	Has the applicant applied for a separate licence in respect of each shop or place of business mentioned against item 9 and, if so, with what result?	
11	Is the present application made for the grant of a new licence or for the renewal of an old licence ?	
12	Has the applicant paid the prescribed fee for the licence?	

The treasury receipt should be enclosed)

Signature of the Applicant.

I declare that the particulars stated above are correct to the best of my knowledge and belief.

Station: Date: Signature of the Applicant.

# Form-B

#### (See rule 4) Money-Lenders Licence

No..... The Tahsildar,

......Taluk.

#### **Conditions of Licence**

- (1) This licence shall not be transferred to any person.
- (2) This licence shall be produced before an Inspector appointed under the Act or any officer not below the rank of a Deputy Tahsildar having jurisdiction over the area, whenever it is demanded for inspection.
- (3) This licence shall apply to the premises mentioned above.
- (4) This licence shall not entitle or guarantee the renewal of the licence for the succeeding year.

Given under my hand and seal, this day of......(Fees paid: Rs.....)

Tahsildar,.....taluk. Independent Deputy Tahsildar,.....Sub-taluk.

#### Form-C (See rule 6) Account Book

Name of the money-lender: Full address: Number and date of licence of the money-lender:

1	Number of loan.	
2	Name and address in full of the debtor.	
3	Date of loan.	
4	Amount of the principal of the loan.	
5	Rate of interest charged on the loan.	
6	Nature of the security, if any.	
7	The amount of every payment on account of the principal received by the money-lender.	
8	The amount of every payment on account of the interest received by the money-lender in respect of the loan.	
9	Date of such payment.	
10	Signature of the money-lender or his agent and date.	

Note. - All entries in the book shall be recorded then and there.

(See	m-D rule 7) ceipt
Number and date of Licence No moneylender.	dated of the
Received fromon.	in part/full.
Re-payment of loan number:	

Towards principal amount of loan.

Towards interest

Total

Rs.....(in words) Rs.....(in words) Rs.....(in words)

Signature of the Money-Lender or his Agent.

(Substituted by G.O. Ms. No. 29, Co-operation, dated the 19th September 1969)

Form-E (See rule 8) Statement of Account

Name of the money-lender: Full address: Number and date of licence of the money-lender:

1	Name of debtor.	
2	Number of loan.	
3	Date of loan.	
4	Amount of the principal of the loan.	
5	Nature of the security, if any.	
6	Rate of interest charged.	
7	The amount of every payment on account of the principal received by the money- lender in respect of the loan.	
8	The amount of every payment on account of the interest received by the money-lender in respect of the loan.	
9	Date of such payment.	
10	Amount remaining outstanding on account of the principal.	
11	Amount remaining outstanding on account of the interest.	
12	Signature of the money-lender or his agent and date.	

Form-F (See rule 10) Pass-Book

Name of the money-lender:

Full address: Number and date of licence of the money-lender: Name of debtor: Full address:

1	Number of loan.	
2	Date of loan.	
3	Amount of the principal of the loan.	
4	Nature of the security, if any.	
5	Value of the security.	
6	Rate of interest charged.	

7	The amount of every payment on account of the principal received by the money- lender in respect of the loan.	
8	The amount of every payment on account of the interest charged by the money-lender in respect of the loan.	
9	Date of payment.	
10	Amount remaining outstanding on account of the principal.	
11	Amount remaining outstanding on account of the interest.	
12	Signature of the money-lender or his agent and date.	

## Form-G (See rule 15) Form of Application for the Transfer of Licence

The Tahsildar,

.....Taluk. The Independent Deputy Tahsildar, .....Sub-taluk.

1	Name in full of the applicant applying for the transfer of the licence.	
2	Address in full of the applicant.	
3	Name in full of the deceased licensee.	
4	Address in full of the deceased licensee.	
5	Licence number and date (now sought to be transferred).	
6	Applicant's relationship with the deceased licensee.	
7	Is the applicant the only legal representative of the deceased? If not, mention the names of the other legal representatives.	
8	Is the applicant a member of an undivided Hindu family and, if so, is he the manager or the karnavan or the yejaman of the family?	
9	Is the applicant already a licensee under the Act? If so, give particulars.	
10	Is the certificate of death of the licensee enclosed? If not, the reason should be stated.	

Station: Date: Signature of the Applicant.

I declare that the particulars stated above are correct and true to the best of my knowledge and belief.

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#### [Form-H] (See rule 9-A)

#### Statement of Return Relating to the Loans Advanced by the Money-Lenders

[The Inspector.....]

.....

Return relating to the loans advanced by money-lender..... Licence number.....for the half-year ended on.....

1	Name of the money-lender.	
2	Full address.	
3	Amount advanced fromtoto	
4	Amount realised as principal fromtoto	
5	Amount realised as interest Fromtoto	
te:		Signature of the Money-lender

Date:

Notifications

#### Fixation of Rates of Interest Chargeable by a Money-Lender in Respect of Loans Under Tamil Nadu Money-Lenders Act, 1957

#### [G.O. Ms. No. 406, Co-operation, dated the 5th July, 1979.]

Whereas under sub-section (1) of section 7 of the Tamil Nadu Money-lenders Act, 1957 (Tamil Nadu Act XXVI of 1957), the Government have been empowered to fix the maximum rate of interest that may be charged by a moneylender on any loan;

And Whereas under the proviso to the said sub-section (1), the rate of interest so fixed shall be correlated to the current bank rates of lending as may be fixed by the Reserve Bank of India, from time to time;

Now Therefore, in exercise of the powers conferred by sub-section (1) of section 7 of the said Act, the Governor of Tamil Nadu, after taking into account the current bank rates of lending fixed by the Reserve Bank of India, hereby fixes the rate of interest specified in column (2) of the Table below, as the rates of interest chargeable by a money-lender in respect of the loans specified in the corresponding entries in column (1) thereof.

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Loans	Rates of Interest
1	2
(i) Secured loan.	Not exceeding nine per cent, per annum, simple interest.
(ii) Unsecured loan.	Not exceeding twelve per cent, per annum, simple interest.

Date of Enforcement of Tamil Nadu Money-Lenders Act, 1957 (Tamil Nadu Act XXVI of 1957) in Chennai City and Certain Municipalities of Tamil Nadu State

# [G.O. Ms. No. 3485, Industries, Labour and Co-operation, dated the 8th September, 1959 - SRO No. A5507 of 1959]

Under sub-section (3) of section 1 of Tamil Nadu Money-lenders Act, 1957 (Tamil Nadu Act XXVI of 1957), the Governor of Tamil Nadu hereby specifies the 16th October, 1959 as the date on which the said Act shall come into force in the following areas of the State of Tamil Nadu, namely : -

# I. City of Chennai

II. Municipalities

Ambur, Arcot, Arakkonam, Arni, Aruppukottai, Bodinayakanur, Chidambaram, Chengalpet, Coimbatore, Kollegal, Coonoor, Cuddalore, Cum-bum, Devakottai, Dharapuram, Dindugal, Erode, Gobichettipalayam, Kudiyatham, Kancheevaram, Karaikudi, Karur, Kodaikanal, Kumbakonam, Kurichi, Kulithalai, Madurai, Mannargudi, Mayavaram, Mettupalayam, Melapalayam, Nagapattinam, Nagerkoil, Ootacamund, Padmanabhapuram, Palayamkottai, Palani, Periyakulam, Pollachi, Pudukottai, Rajapalayam, Ramanathapuram, Ranipet, Rasipuram, Salem, Sencottah, Sivakasi, Srirangam, Srivalliputhur, Tanjore, Tindivanam, Trichirapalli, Tirunelveli, Tiruppathur, Tiruppur, Tiru-vannamalai, Tiruvarur, Tiruvarlur, Tiruvetriyur, Tuticorin, Udumalpet, Vaniyambadi Vellore, Villupuram, Virudunagar, Walajapet.

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## Date of Coming into force of Tamil Nadu Money-Lenders Act in Panchayat Towns of Tamil Nadu State.

[(G.O. Ms. No. 744, Industrial, Labour and Co-operation, dated the 6th February 1963) - II-I No. 974 of 1963.] Under sub-section (3) of section 1 of the Tamil Nadu Money-lenders Act, 1957 (Tamil Nadu Act XXVI of 1957), the Governor of Tamil Nadu hereby specifies the 15th March 1963 as the date on which the said Act shall come into force in (i) the local area classified and declared as Panchayat Towns under clause (a) of sub-section (1) of section 3 of the [Tamil Nadu Panchayats Act, 1958 (Tamil Nadu Act XXXV of 1958)] specified in Schedule I below; and (ii) the areas within the limits of Panchayats specified in Schedule II below:

#### Schedule I

#### Panchayat Towns

#### North Arcot District

Alagayam, Chengam, Chetput, Desur, Dharapavedu, Jolarpet, Kalambur, Kalava, Katpadi, Kaveripauk, Kelpenathur, Melvizharam, Natrampalli, Pallikonda, Panapakkam, Pernambut, Polur, Pudumapalayam, Sholinghur, Thakkolam, Thorapadi, Timiri, Tiruvettipuram, Wandiwash.

#### South Arcot District

Bhuvanagiri, Chinnasalem, Gingee, Kallakurichi, Kattumannarkoil, Kurinjipadi, Lalapet, Nellikuppam, Panruti, Pennadam, Portonovo, Sankarapuram, Srimushnam, Thyagadurgam, Tirukoilur, Tittagudi, Ulundurpet, Vadakkanandal, Valavanur, Vridhachalam.

#### Chingleput District

Alandur, Ambattur, Ami, Avadi, Karunghuzhi, Kunrathur, Madavararn, Madurantakam, Naravarikuppam, Ponneri, Poonamallee, Sriperumpudur, Tambaram, Tirukkalukundram, Tirumalisai, Tiruporur, Uttiramerur, Villivakkam, Walajabad, Zamin Pallawaram.

#### **Coimbatore District**

Ammapet, Anamalai, Andhiyur, Annur, Avanashi, Bhavani, Brahmana Peria Agraharam, Chennimalai, Ganapathi, Irugur, Jambai, Kangayam, Kaniyur, Kannivadi, Karamadai, Karumundichellipalayam, Kasipalayam, Kavundapadi, Kodumudi, Kolathupalayam, Komaralingam, Kottur, Kugalur, Kuniamuthur, Kurichi, Mettupalayam, Mulanur, Nambiyur, Odayakulam, Olagadam, Palladam, Peelamedu, Periakoduveri, Perianaickenpalayam, Perianegamam, Perun-durai, Punjaipuliampatti, Satyamangalam, Singanallur, Sivagiri, Sowripalayam, Sulur, Uppilipalayam, Valparai, Vaniputhur, Veerappanchatram, Vellakoil, Vellalore, Vengambur, Vettaikaranpudur.

#### Madurai District

Alanganallur, Allinagaram, Ammanaickanur, Andipatti, Avaniapuram, Ayakudi, Ayyampalayam, Balasamudram, Batlagundu, Chinnalapatti, Chinnamanur, Devadanapatti, Ganguvarpatti, Gudalur, T. Kallupatti, Kamayakavandanpatti, Keeranur, Kombai, Melur, Natham, Neikarapatti, Nilakottai, Oddanchatram, Palayam, Parayur, Solavandan, Sithayankottai, Thevaram, Thirumangalam, Tiruparankunram, Usilampatti, Uthamapalayam Vedasandur, A. Vellalapatti.

## The Nilgiris District

Adigaratti, Balacola, Devarshola, Gudalur, Hullcal, Jagathala, Ketti, Kundah, Kotagiri, Melur, Naduvattam, Nelliyalam, O'Nelley, Sholur.

#### Ramanathapuram District

Abiramam, Emaneswaram, Ilayangudi, Kamuthi, Kanadukathan, Kandanur, Kilakarai, Kottaiyur, Mamsapuram, Manamadurai, Mudukulathur, Nattarasankottai, Nerukuppai, Palayampatti, Pallathur, Paramakudi, Puduvayal, Rameswaram, Sattur, Seithur, Singampunari, Sivaganga, Tirupattur, Tiruppuvanam, Watrap.

#### Salem District

Attayampatti, Attur, Ayotiyapatanam, Denkanikota, Dharmapuri, Edangahasalai, Elampillai, Gangavalli, Harur, Hosur, Idappadi, Jalakantapuram, Kannankurichi, Karimangalam, Kaveripatnam, Kolathur, Komarapalayam, Krishnagiri, Mallasamudram, Mallur, Mathagiri, Mechesi, Mohanur, Namagiripet, Namakkal, Omalur, Palacode, Panamarathupatti, Paupparapatti, Pennagaram, Pethunaickenpalayam, Pothanur, Sankari, Sendamangalam, Sendarapatti, Shevaroys, Suramangalam, Tharamangalam, Thammampatti, Thevoor, Tiruchengode, Valapadi, Velur, Vengarai, Yeihapur.

#### **Thanjavur District**

Adirampatinam, Aduthurai, Ammapet, Arantangi, Ayyampet, Keeramangalam, Kodavasal, Koothanallur, Kuttalam, Muthupet, Nannilam, Needamangalam, Orthanad, Papanasam, Pattukottai, Peravurani, Sirkali, Thalanayar, Tirukattupalli, Tiruthuraipoondi, Tiruvaiyaru, Tiruvidaimarudur, Tranquebar, Vaitheeswarankoil, Valangiman, Vallam, Vedaranyam.

#### Tiruchirappalli District

Alangudi, Alathur, Arimalam, Ariyalur, Goldenrock, Illuppur, Jayankondan, Kadipatti, Kallakudi, Karambakudil Kattuputhur, Keerambut, Kulitalai, Lalgudi, Manachanallur, Manapparai, Mettupalayam, Musiri, Nangavaram, Pallapatti, Perambalur; Ponnamaravathy, Punjaipungalur, Puvalur, Sirugamani, Thatiengarapet, Thottiam, Turaiyur, Udayarpalayam, Uddidamangalam.

#### Tirunelveli District

Achemputhoor, Alangulam, Alwarkurichi, Alwarthirungari, Ambasamudram, Arumuganeri, Ayikudi, Cheranmahadevi, Elanji, Elanthoor, Erai, Eruvadi, Ettayapuram, Gopalasamudram, Kadambur, Kadayanallur, Kalakad, Kallidaikurichi, Kalugumalai, Karkudi, Kayalpattinam, Kayattar, Kelapavoor, Kilkadayam, Kovilpatti, Kulasekarapatnam, Melasevi, Mollaikarapatti, Mukkudal, Nanguneri, Naronamalpuram, Nazarett, Panagudi, Pattamadai, Puliangudi, Puliyara, Rayagri, Sambavaravadakarai, Sankarankoil, Sathankulam, Sivagiri, Srivaikundam, Surandai, Tachanallur, Tenkasi, Thisayanvillai, Tiruchendur, Tirukurangudi, Udangudi, Vadakkuvalliyur, Vasudevanallur, Veeravanallur, Vickramasingapuram, Vilathikulam.

#### Kanyakumari District

Agathiswaram, Aramobly, Arudesam, Arumana, Attoor, Azhagappapuram, Azhakiapandiapuram, Boothapandi, Dharmapuram, Edaicode, Eraniel, Ezhudesam, Kadiapattanam, Kanyakumari, Keezhkulam, Killiyoor, Kilmidalam, KoUencode, Kothanallur, Kunnathoor, Manavalakurichi, Marungoor, Mekkode, Methukummal, Midalam, Nattalam, Neendakaravadaseri, Pacode, Paiukulam, Palukal, Ponmana Aruvikara, Puthalam, Rajakkamangalam, Suchindram, Thalakulam, Thiruvattar, Thiruvithancode, Thovale, Valvchagottam, Vilavancode, Villkuri.

## **Schedule II**

#### Panchayat Areas Chengleput District

1. Produthurpet

#### 2. Tirutani

Life insurance corporation of India specified as an authority for the purposes of section 2(6) (iv) of Tamil Nadu money-lenders act, 1957

[(G.O. Ms. No. 3081, Industries, Labour and Co-operation, dated the 6th June, 1963) - II-I No. 3305 of 1963] Under sub-clause (iv) of clause (6) of section 2 of the Tamil Nadu Money-lenders Act, 1957 (Tamil Nadu Act XXVI of 1957), the Governor of Tamil Nadu hereby specifies the Life Insurance Corporation of India established under subsection (1) of section 3 of the Life Insurance Corporation Act, 1956 (Central Act 31 of 1956), as an authority for the purpose of the said sub-clause (iv)