

Andhra Pradesh Money Lenders Act, 2000

26 of 2000

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Andhra Pradesh Money Lenders Act, 2000

26 of 2000

PREAMBLE

A Bill to consolidate the Laws Relating to Money-lending in the State of Andhra Pradesh and for matters connected therewith or incidental thereto.

Whereas It is expedient to provide for the regulation and control of the business of money-lending in the State of Andhra Pradesh;

BE it enacted by the Legislative Assembly of the State of Andhra Pradesh in the Fifty First year of the Republic of India as follows.--

1. A.P. Gazette, Part-IV-A, (Ext.), dated 18-8-2000.

1. Short title, extent and commencement :-

(1) This Act may be called the Andhra Pradesh Money Lenders Act, 2000.

(2) It extends to the whole of the State of Andhra Pradesh.

(3) It shall come into force on such date and in such areas as the Government may, by notification, appoint and they may appoint different dates for different areas.

2. Definitions :-

In this Act, unless the context otherwise requires,--

(1) "Appellate authority" means any officer or authority appointed by the Government to exercise the powers of an appellate authority under this Act:

(2) "Bank" means,--

(a) a Banking Company as defined in Section 5 of the Banking

Regulation Act, 1949:

(b) the State Bank of India constituted under the State Bank of India Act, 1955:

(c) a subsidiary Bank as defined in clause (k) of Section 2 of the State Bank of India (Subsidiary Banks) Act, 1959;

(d) the Industrial Development Bank of India established under the Industrial Development Bank of India Act, 1964;

(e) a corresponding new bank constituted under Section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970;

(f) a Regional Rural Bank established under Regional Rural Banks Act, 1976;

(g) a corresponding new bank constituted under Section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980;

(h) the Export Import Bank -of India established under The Export Import Bank of India Act, 1981.

(i) The National Bank for Agriculture and Rural Development established under The National Bank for Agriculture and Rural Development Act, 1981; and

(j) the Industrial Reconstruction Bank of India established under the Industrial Reconstruction Bank of India Act, 1984;

(3) "Co-operative Society" means a society registered or deemed to have been registered under the Andhra Pradesh. Co-operative

Societies Act, 1964 or the Andhra Pradesh Mutually Aided Co-operative Societies Act, 1995.

(4) "Government" means the State Government of Andhra Pradesh;

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

(6) "licence" means a money-lenders licence granted under Section 4;

(7) "Licensing authority" means an officer or authority appointed by the Government to perform the functions of a licensing authority under this Act;

(8) "loan" means an advance whether 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,--

(a) a deposit of money or other property in a Government, Post Office Savings Bank or in a bank, or in a company as defined in the Companies Act, 1956 or with a co-operative society;

(b) an advance made to any loan floated by the Government of India or the Government of any State;

(c) an advance made by a bank or a co-operative society or an advance made from a Provident fund to which the Provident Funds Act, 1925 applies;

(d) an advance made by the Government or by any person

authorised by the Government to make advances on their behalf, or by any local authority;

(e) an advance made by any authority specified by the Government by notification;

(f) an advance made by a trader bona fide carrying on any business, other than money-lending, if such loan is advanced in the regular course of such business;

(g) an advance made to its members by any Nidhi or permanent Fund registered under any Chit fund scheme or chit;

(9) "member of weaker sections" means any individual whose total income from all sources put together does not exceed rupees eleven thousand per annum;

(10) "Money Lender" means a person whose main or subsidiary occupation is the business of advancing and realising loans or acceptance of deposits in the course of such business and includes any person appointed by him to be in-charge of a branch office or branch offices or a liaison office or any other office by whatever name called, of his principal place of business but does not include,--

(a) a bank a Co-operative Society;

(b) the Life Insurance Corporation of India established under Section 3 of the Life Insurance Corporation Act, 1956;

(c) The Industrial Credit and Investment Corporation of India Limited incorporated under the Indian Companies Act, 1913.

(d) the Industrial Finance Corporation established under Section 3 of the Industrial Finance Corporation Act, 1948:

(e) the State Financial Corporation established under Section 3 of the State Financial Corporations Act, 1951:

(f) any institution established by or under an Act of Parliament or the Legislature of a State, which grants any loan or advance in pursuance of the provisions of that Act, or

(g) any other institution in the public sector, whether incorporated or not exempted by the Government by notification:

Explanation I.--

:Where a person who carries on in the State of Andhra Pradesh the business of advancing and realising loans is resident outside the State, the agent of such person resident in the State shall be deemed to be the money-lender in respect of that business for the purposes of this Act.

Explanation II.--

For the purposes of this Clause, Clause (11), proviso to sub-section (1) of Section 3, and Section 22 the word "person" shall include "a firm or a joint family".

(11) a person shall be deemed to molest the debtor if, intend to make the debtor abstain from doing any act which he has a right to do, or to do any act which he has a right to abstain from doing, in order to compel payment of the amount due, he,--

(a) obstructs or uses violence to or intimidates the debtor, or persistently follows the debtor from place to place or interferes with any property owned or used by him or deprives him of, or hinders him in the use of any such property;

(b) loiters at or near a house or other place which the debtor visits or where he resides, works or carries on business:

(c) does any act calculated to annoy or intimidate the members of the family of the debtor, or

(d) moves, or acts in a manner which causes or is likely to cause alarm or danger to the person or property of the debtor:

(12) "Notification" means a notification published in the Andhra Pradesh Gazette, and the word "notified" shall be construed accordingly:

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

(14) "Principal" in relation to a loan means the amount actually lent to the debtor.

(15) "year" means the financial year.

3. Money Lender to obtain Licence :-

(1) No person shall commence or carry on or continue business as a money-lender at any place to which this Act applies without a licence obtained under this Act or in contravention of the terms thereof;

Provided that nothing in this section shall be deemed to prohibit a Licencee under the Andhra Pradesh (Telangana area) Money Lenders Act, 1349-F. who has applied for a licence within three months from the commencement of this Act to carry on or to continue business as a money-lender pending orders on his application.

(2) Where a money-lender has more than one shop or place of business, whether in the same town or village or in different towns or villages, he shall obtain a separate licence in respect of each such shop or place of business.

(3) (a) Where a money-lender is a registered firm, the licence shall be obtained in the firms name;

(b) Where a money-lender is an undivided joint family, the licence shall be obtained in the name of the manager or the Kartha, as the case may be described as such in the licence;

(c) Where a money-lender is any other association of individuals, not required to be registered under the Indian Companies Act, 1956, a separate licence shall be obtained by each such individual in his name describing himself as a member of the association;

Provided that nothing contained in this sub-section shall affect the operation of Section 69 of the Partnership Act, 1932.

4. Granting and refusal of licence :-

(1) Every application for a money lenders licence shall be in writing and shall be made to the Licensing Authority in such manner and accompanied by such licence fee as may be prescribed.

(2) Every licence shall be granted in such form and subject to such conditions as may be prescribed and on payment of security deposit as provided in sub-section (3), which shall be accepted only in accordance with the provisions of the Reserve Bank of India, Act, 1934, and at such rates of interest not exceeding the rates fixed by the Reserve Bank of India under the Non-Banking Financial Companies (Reserve Bank) Directions, 1977.

(3) Every licensee specified in column (1) of the Table below shall, within such time and in such manner as may be prescribed, deposit in the Government Treasury in respect of each licence held by him, the amount specified in the corresponding entry in column (2) of the said Table, by way of security for the due observance of the conditions of the licence.

Explanation.--

For the removal of doubts, it is hereby declared that a money-lender whose principal place of business is situated outside the State of Andhra Pradesh and who has within the State of Andhra Pradesh a branch office or branch offices or a liaison office or any other office by whatever name called, of his principal place of business shall be liable to deposit the security under this sub-section in respect of such branch or each or the branches or liaison office or any other office, as the case may be.

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TABLE

(1)	(2)	(3)
1.	A licensee who lends an amount which does not exceed one lakh of rupees in an year	Five thousand rupees.
2.	A licensee who lends an amount exceeding one lakh of rupees but which does not exceed five lakhs of rupees in an year.	Ten thousand rupees.
3.	A licensee who lends an amount exceeding five lakhs of rupees but which does not exceed Ten lakhs of rupees in an year.	Fifty thousand rupees
4.	A licensee who lends an amount exceeding Ten lakhs of rupees but which does not exceed twenty five lakhs of rupees in an year.	One lakh rupees.
5.	A licensee who lends an amount exceeding Twenty-Five lakhs of rupees but which does not exceed Fifty lakhs of rupees in an year	One lakh and Fifty thousand rupees.
6.	A licensee who lends an amount exceeding Fifty lakhs of rupees in an year.	Two lakhs rupees.

(4) For the purpose of sub-section (3), the amount lent by a licence for the year for which the security is to be paid shall be deemed to be the aggregate amount lent by him during the previous year:

Provided that in the case of a new licensee or a person who was a licensee only for a portion of the preceeding year, the amount of security shall be determined on the basis of a declaration in the prescribed form as to the amount which he is likely to lend during the year, filed before the Licensing Authority in the prescribed manner.

(5) The Licensing Authority may by order in writing refuse to grant a licence, if such authority is satisfied,--

(a) that the applicant has not complied with the provisions of this Act or the rules made thereunder in respect of an application for the grant of licence, or

(b) that the applicant has made wilful default in complying with or knowingly acted in contravention of any requirement of this Act, or

(c) that the applicant has,--

(i) knowingly participated in or connived at any fraud or dishonesty in the conduct of or in connection with the business of money lending, or

(ii) is found guilty of an offence punishable under this Act or any other Law for the time being in force in respect of or in connection with the business of Money-Lending; or

(d) that the application is made within six months of the cancellation of the previous licence of the applicant.

(6) Every order of the Licensing Authority under sub-section (5) shall be communicated to the applicant in such manner as may be prescribed.

(7) The Licensing Authority may, If it is satisfied that in applicant coming under the purview of the proviso to sub-section (1) of Section 3, could not apply for a licence under this Act, within the period referred to therein for reasons beyond his control, condone the delay up to a maximum period of ninety days subject to payment of a penalty equal to the prescribed licence fee.

(8) Every licence granted under this Act shall, subject to the provisions of sub-section (10), be for a period of three years.

(9) A licence granted under sub-section (2) may be renewed on an application which shall be made atleast two months before the expiry of the period of the licence and the provisions of sub-sections (1) to (8) shall apply in relation to the renewal of licence as they apply in relation to the grant of a licence.

(10) If orders refusing to renew a licence are not communicated to a moneylender by the Licensing Authority before the expiry of his current licence, the money-lender shall, notwithstanding such expiry, be deemed to have a valid licence till the orders are received by him on his application for renewal.

(11) Nothing in this section shall be deemed to disentitle a money-lender, whose licence has expired or has not been renewed, from taking steps to recover any loan, advanced during the period when the licence was in force.

5. Money lenders to exhibit their names :-

Every money-lender shall always exhibit over his shop or place of business his name with, the word "money-lender" and its equivalent in the regional language.

6. Change of place of business by money lender :-

No money-lender shall change his place of business without previous notice to the Licensing Authority and without having the address of the new place of business duly endorsed on his licence.

7. Interest chargeable by money-lenders :-

(1) No money-lender shall charge interest on any loan at a rate exceeding by more than two per cent the rate charged by commercial banks on similar loans granted by them.

(2) No money-lender shall demand or take any gifts, articles, commission, charges or amounts under any name whatsoever from the debtor while advancing a loan in terms of this Act, other than the interest.

(3) The total interest payable on a loan shall not exceed the quantum of the principal.

8. Power to deposit in Court money due to loan :-

(1) Where a moneylender refuses to accept the whole or any portion of the money or other property due in respect of his loan, the debtor may deposit the said money or property into the Court having jurisdiction to entertain a suit for recovery of such loan and apply to the Court to record full, or part satisfaction of the loan, as the case may be.

(2) Where any such application is made, the Court shall, after due inquiry pass orders recording full or part-satisfaction of the loan, as the case may be.

(3) The procedure laid down in the Code of Civil Procedure, 1908

for the trial of suits shall, as far as may be, apply to applications under this section.

(4) An appeal shall lie from an order passed by a Court under subsection (2) within thirty days excluding the time for obtaining a certified copy of the order, as if such an order relates to execution, discharge or satisfaction or a decree within the meaning of Section 47 of the Code of Civil Procedure:

9. Section 9 :-

(1) Every money-lender shall.--

(a) Money-lenders to keep books, give receipts etc., regularly record and maintain or cause to be recorded and maintained, an account showing for each debt separately,--

(i) the name and address of the debtor;

(ii) the date of the loan, the amount of the principal of the loan and the rate of interest charged on the loan; and

(iii) the amount of every payment received by the money-lender in respect of the loan, and the date of such payment;

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

(c) on a requisition in writing made by the debtor furnish to him or to any person mentioned by him 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 may charge such sum as the Government may prescribe as fee therefor; and

(d) submit to the Licensing Authority concerned such returns relating to the loans advanced by him, in such form and at such times as may be prescribed.

(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 shall be open to Inspector appointed under Section 11 or any Police officer not below the rank of Sub-Inspector or by any Revenue Officer not below the rank of Mandal Revenue Officer.

(3) Notwithstanding anything contained in the Indian Evidence Act, 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 debtor to whom a statement of account has been furnished under clause (c) 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 accounts.

(5) In the receipt to be given under clause (b) of sub-section (1) or in the statement of account to be furnished under clause (c) of that subsection, the figures shall be entered only in Arabic numerals.

(6) In any suit or proceeding relating to a loan, if the Court finds that a money-lender has not maintained an account as required by clause (a) of sub-section (1), he shall not be allowed his costs.

(7) if any money-lender fails to give to the debtor or his agent a receipt under clause (b) or a statement of account under clause (c) of sub-section (1), he shall be liable to a fine not exceeding rupees five thousand.

(8) Notwithstanding any agreement the parties or any law for the time being in force, when a statement is furnished to debtor under this section on any day during a month, the interest due shall be calculated upto the date the furnishing such statement.

10. Audit of accounts of money-lender :-

(1) The accounts of every money-lender shall be audited at least once in every year by a person who is a Chartered Accountant within the meaning of the Chartered Accounts Act, 1949, and the audit report shall be submitted to such officer or authority and before such date as may be specified by the Government in this behalf.

(2) If the audit report under sub-section (1) discloses any irregularity or any contravention or non-compliance of the provisions of this Act or the rules made thereunder or of any of the conditions of the licence, the officer or authority to whom such audit report is submitted may, without prejudice to any other action that may be taken under any other provision of this Act, by order in writing direct the money-lender to take such action as may be specified in the order within the time mentioned therein to remedy the irregularity or to take such steps necessary to comply with the provisions of this Act or the rules made thereunder or of the conditions of licence.

11. Appointment of Inspectors and their powers :-

(1) The Government or any authority or officer empowered by them in this behalf may, by notification, appoint one or more persons possessing such qualifications as may be prescribed to be the Inspectors for the purpose 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, 1860.

12. Section 12 :-

(1) Any Licensing Authority or appellate authority, may, for the purposes of this Act, by notice require any money-lender,--

(a) to produce or cause to be produced before him any accounts, registers, records or other documents; or

(b) to furnish or cause to be furnished any other information relating to his business. Within such time as may be specified in such notice and such money lender shall comply with such requisition.

(2) Any Inspector or Licensing Authority may, at any reasonable time, with or without the assistance of police officers or other officer enter any place of business or office of the money-lender and inspect any cash, accounts, registers, records, safes, vaults, or other documents in such premises.

(3) If any officer referred to in this section, has reason to believe, that the money-lender has violated any of the provisions of this Act or the rules made thereunder, he may, for reasons to be recorded in writing, enter and search the place of business of the money lender or any other place which includes any godown, building, vessel, vehicle, box or receptacle, where the money lender keeps or is reasonably believed to be keeping any accounts, registers, other records, or documents relating to his business:

Provided that no residential buildings or premises shall be entered or searched unless such officer is specifically authorised in writing by an officer not below the rank of Mandal Revenue Officer.

(4) All searches under this section shall, so far as may be made in accordance with the provisions of the Code of Criminal Procedure, 1973.

(5) The Officer making the inspection or search may seize such accounts, registers, records or other documents as he considers necessary and on such seizure, shall grant the money lender a receipt of the things so seized.

(6) The accounts, registers, records or other documents seized under subsection (5) shall not be retained by the officer seizing them, beyond a period of thirty days from the date of the seizure except with the permission of the next higher authority, unless they are required for any prosecution under this Act.

(7) The power conferred by sub-section (3) and (5) shall include,--

(a) the power to break open any box or receptacle, safe, vault or door of any premises in which any accounts, registers, or records or pledges of the money-lender are kept or reasonably suspected to be kept;

Provided that the power to break open the door shall be exercised only after the owner or any other person in occupation of the premises fails or refuses to open the same on being called upon to do so;

(b) the power to seal any box, receptacle, room or building where any accounts, registers or other documents are kept or reasonably believed to be kept and if the owner or any other person in occupation leaves the premises or refuses to open the box, receptacle, room or building or is not available, then to break open such box, receptacle, room or building on authorisation in writing by the officer referred to in sub-section (3) of this section;

(c) the power to search any person who has got out of or is about to get into or is in any place referred to in sub-section (2) of this Section, if the officer has reason to suspect that such person has secreted about his person, any accounts, registers, records or other documents.

13. power to summon witnesses and cause production of documents :-

(1) The licensing Authority or the appellate authority shall for the purposes of this Act, have all the powers conferred on a Civil Court by the Code of Civil Procedure, 1908, in respect of the following matters, namely.--

(a) Summoning and enforcing the attendance of any person and examining him on oath or affirmation;

(b) compelling the production of any documents;

(c) impounding of any documents, accounts or other records produced for reasons to be recorded in writing; and

(d) any other matter as may be prescribed.

(2) The officer who impounds the documents, accounts or registers of the money-lender shall grant a receipt of the things so impounded to the person concerned.

14. Section 14 :-

Any officer authorised to inspect or search under Section 12 may seek the assistance of the Officer in-charge of the Police Station having jurisdiction over the area to be inspected or searched and thereupon, such officer of the police station shall render all assistance necessary to the officer for the conduct of such inspection or search.

15. Money-lender advancing smaller amount or receiving higher interest than that specified in the accounts to be punishable :-

(1) Any moneylender, who actually advances an amount less than the amount shown in his accounts or registers or other documents relating to the loan; or who takes or receives interest or any other charge at a rate higher than the rate shown in the accounts, registers or documents or allowed under this Act, shall be punished with imprisonment for a term which shall not be less than one year but which may extend to three years and with fine which may extend to rupees fifty thousand.

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

16. Power to demand additional security :-

(1) Notwithstanding anything contained in Section 4, the Licensing Authority may demand from the moneylender additional security at any time, if in the opinion of such authority there is excess of liabilities over the assets of the money-lender at that time:

Provided that while determining the excess of liabilities over the assets, the security furnished by the money-lender under sub-section (3) of Section 4 of the Act shall be treated as assets of the money-lender:

Provided further that in respect of the loans advanced by the money-lender against security in any form, the licensing authority shall have power to revalue or determine the adequacy of the security or securities or revalue any assets for the purpose of determination of excess of liabilities over the assets.

(2) The additional security to be furnished by the money-lender under subsection (1) shall be equal to the amount of such excess of liabilities over the assets.

(3) The additional security referred to in this section shall be furnished in any of the following forms, namely.--

(a) by deposit in the Government Treasury; or

(b) by deposit with such authority of Government securities including National Savings Certificates; or

(c) by deposit in Post Office, Savings Bank or a Scheduled Bank or a Cooperative Bank and pledging of the pass book thereof, with such authority; or

(d) by guarantee from a bank approved in this behalf by the Licensing Authority, agreeing to pay to the Government on demand the amount of such additional security; or

(e) by security bonds from sureties acceptable to the Licensing Authority for the amount of such additional security.

(4) The additional security furnished by the money-lender shall be retained till, in the opinion of the Licensing Authority, there exists excess of liabilities over the assets of the money-lender.

(5) The additional security retained under sub-section (4) shall be utilized for the payment of the liabilities of the money-lender in connection with his business as money-lender, at the time of winding-up of the business or cancellation of the licence, as the case may be.

(6) Any money-lender from whom additional security is demanded under this Section and who carries on business without furnishing such security within thirty days of such demand, shall be punished with imprisonment which may extend to six months or with fine which may extend to five thousand rupees or with both.

17. Cognizance of offences :-

(1) Notwithstanding anything contained in the Code of Criminal Procedure, 1973, every offence punished under Sections 18, 23 and 24 shall be cognizable.

(2) No Court inferior to that of a Judicial Magistrate of First Class shall try any offence punishable under this Act.

18. Penalty for molestation of debtor :-

Whoever molests or abets the molestation of any debtor for the recovery of any loan shall be punished with imprisonment for a term which shall not be less than one year but which may extend to three years and with fine which may extend to rupees fifty thousand.

19. Power to cancel licence etc. :-

(1) The Licensing Authority may, at any time, during the term of any licence, cancel it by an order in writing.--

(a) If the licence 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 it is brought to the notice of that authority after the grant of the licence that for any reason the licensing Authority could have refused to grant the licence to the money-lender under sub-section (5) of Section 4; or

(c) if the licence is convicted for an offence under Section 9 or Section 15 or Section 18; or

(d) if the licence carries on business without furnishing the security or additional security as provided in this Act; or

(e) if the licence maintains false accounts.

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

(3) Every order of the licensing authority under this Section shall be communicated at the licence in such manner as may be prescribed.

20. Publication of order of cancellation :-

Every order of cancellation of a licence under this Act, shall be notified in the District Gazette and also affixed on the notice board of the office of the licensing authority.

21. No refund of licence fee :-

A person whose licence is cancelled under Section 19 shall not be entitled to the refund of any fee paid in respect of such licence or for any compensation for such cancellation.

22. Appeals :-

(1) Any person aggrieved by an order of the Licensing Authority under sub-section (5) of Section 4 or sub-section (1) of Section 19 or an order of the Inspector or the Licensing Authority under Section 16 or under any other provisions of this Act may within thirty days from the date of communication of such order, appeal in such manner as may be prescribed to the appellate authority having jurisdiction over the area.

(2) The appellate authority may admit an appeal preferred after the period of thirty days aforesaid if it is satisfied that the appellant had sufficient cause for the preferring an appeal within the said period.

(3) The appellate authority may after giving the appellant an opportunity of being heard, pass such orders on the appeal as it may deem fit.

(4) Every order passed by the appellate authority shall be communicated to the appellant and to the Licensing Authority in such manner as may be prescribed.

23. Penalty for carrying on business without licence or in violation of the conditions of licence :-

Whoever carries on the business of money-lending a licence or in violation of the conditions of the licence or otherwise than in conformity with the terms and conditions of the licence shall be punished with imprisonment for a term which shall be not less than one year but which may extend to three years and with fine which may extend to rupees fifty thousand.

24. Penalties :-

(1) Whoever contravenes any of the provisions of this Act or of any rules made thereunder or of any terms of conditions of a licence granted or deemed to be granted thereunder or makes a claim or a statement which is false or which he does not believe to be true shall, if no other penalty is elsewhere provided for in this act for such contravention, be punished with imprisonment for a term which shall not be less than one year but which may extend to three years and with fine which may extend to rupees fifty thousand.

Explanation.--

The cancellation of a licence under Section 19 shall not be deemed to be a penalty for the purpose of this sub-section.

(2) Where a contravention of any of the provisions of this Act or of

any rule made thereunder of which a person is convicted consists of an omission to do a thing, the Magistrate may when convicting the offender direct him to do the thing before an appointed day and may on the failure of the offender to do the thing before the said day, pass an order, whether the offender appears in court, or not on that day, canceling his licence.

25. Penalty for collection of interest in excess of the rate prescribed under Section 7 :-

(1) If the Licensing Authority is satisfied that any moneylender has received interest in excess of the rate of interest specified in Section 7 or any other charge in excess of the rate fixed by the rules made under this Act, he may direct that such money-lender shall refund to the borrower such excess amount of interest or charges without prejudice to any action that may be taken in terms of Section 15;

(2) If a money-lender does not make the refund referred to in subsection (1), such defaulted amount shall be the first charge on the properties of the person or persons liable to pay the amount and shall be recoverable as arrears of Land Revenue.

26. Liability of the money-lender for the acts committed by his agents or employees :-

Where any agent or employee of the money-lender contravenes any of the provisions of this Act or of any rule made thereunder or of the terms and conditions of a licence granted or deemed to be granted, whether with or without the knowledge of the money-lender, the money-lender shall, without prejudice to the liability of the agent or the employee, be liable for the penalty provided under this Act, as if the money-lender himself has committed such contravention.

27. Transfer of licence to heirs :-

(1) Where a licensee under this Act dies, any person claiming to be his legal representative may apply to the Licensing Authority for

transferring in his name, the licence standing in the name of the deceased.

(2) Every such application shall be in such form and shall contain such particulars as may be prescribed.

(3) The Licensing Authority may, if he is satisfied that the applicant is in fact the legal representative of the deceased and that he is otherwise eligible for a licence under this Act, transfer the licence in the name of the applicant after obtaining from the applicant a declaration in the prescribed form.

(4) Any licence transferred under sub-section (3) shall be deemed to have been granted to the applicant himself and shall be valid for the period for which it would have been valid if the licence had not been transferred and the provisions of this Act shall apply accordingly.

28. Contracts not to be void on account of offence :-

Where a moneylender is guilty of an offence, other than an offence of carrying on the business of money-lending without a licence punishable under this Act, any contract made by him in relation to his business of money-lending shall not be void by reason only of that offence nor shall he, by reason only of that offence, lose his lien on or right to the loan and the interest and other charges, if any, payable in respect thereof.

29. Power of revision by the Government :-

(1) The Government may either suo motu or on application, call for and examine the record of any order passed by an Inspector, Licensing Authority or Appellate Authority to satisfy themselves as to the legality, regularity or correctness of such order and if in any case it appears to them, that such order should be modified, annulled or reversed or remitted for reconsideration, they may pass orders accordingly:

Provided that no order under this section adversely affecting a person shall be passed unless that person has had an opportunity of being heard.

(2) No Licence shall make an application under sub-section (1) unless he has paid the penalty against which such revision is sought.

(3) No Licence shall make an application under sub-section (1) unless he has exhausted the appellate remedy available under the Act.

(4) No application seeking a revision under this section shall be made after expiry of a period of ninety days from the date of such order.

(5) No order of suo motu revision shall be made by the Government under this section after the expiry of three years from the date of order which is sought to be revised.

30. Power of Court :-

No suit or other proceedings shall, except as expressly provided under this Act, be instituted in any Court to set aside or modify any order made under this Act or the rules made thereunder.

31. Forfeiture of ill-gotten property :-

Where a person has been convicted of any offence punishable under this Act, the Court may, in addition to awarding any punishment, by order in writing, declare that any property, movable or immovable or both, belonging to the person which has been acquired by him or converted with illegal gains got by commission of that offence shall stand forfeited to the Government.

32. Attachment of properties :-

Where any person is accused of any offence under this Act, it shall be open to the Court trying him, to pass an order that all or any of

the properties, movable or immovable or both, belonging to him, shall, during the period of such trial, be attached, and where such trial ends in conviction the property so attached shall be liable to forfeiture to the extent of illegally acquired assets by acting in contravention of the provisions of this Act.

33. Bar of certain proceedings :-

(1) No suit, prosecution or other proceedings shall lie against any officer or employee of the Government for any act done or purporting to be done under this Act, without the previous sanction of the Government.

(2) No suit, prosecution or other legal proceedings shall be instituted against any person for anything which is, in good faith, done or intended to be done under this Act or the rules made thereunder.

34. Power to make rules :-

(1) The Government may, by notification make rules for carrying 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) the authority to whom an appeal shall lie against an order of the Licensing Authority;

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

(c) the terms and conditions subject to which a licence may be granted;

(d) the form in which books, accounts and other documents

specified in this Act shall be recorded, maintained, kept or used;

(e) the procedure which should be followed and the powers which may be exercised by the authorities exercising functions, holding inquiries and hearing appeals under this Act;

(f) the charges and expenses which the money-lender may demand from the debtor;

(g) any other matter which is required to be or may be prescribed.

(3) Every rule made under this Act, shall immediately after it is made, be laid before the Legislative Assembly of the State, if it is in session and if it is not in session, in the session immediately following for a total period of fourteen days which may be comprised in one session or in two successive sessions, and if, before the expiration of the session in which it is so laid or the session immediately following the Legislative Assembly agrees in making any modification in the rule or in the annulment of the rule, the rule shall, from the date on which the modification or annulment is notified have effect only in such modified form or shall stand annulled 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.

35. Act not to affect the law relating to relief of agricultural and other indebtedness :-

The provisions of this Act, shall be in addition to and not, save as otherwise expressly provided in this Act, in derogation of any other law for the time being in force in the State relating to the relief of indebtedness including indebtedness amongst Agriculturists, members of weaker section and members of Scheduled Castes and Scheduled Tribes.

36. Repeal and Savings :-

The following enactments are hereby repealed, namely;--

(i) The Indian Civil Service (Andhra Pradesh) (Andhra Area) Loans Prohibition Regulations, 1802:

(ii) The Andhra Pradesh (Andhra Area) Debtors Protection Act, 1934;

(iii) The Andhra Pradesh (Telangana Area) Money Lenders Act, 1349-F except the provisions relating to pawnbroking:

Provided that Section 8 of the Andhra Pradesh General Clauses Act, 1891 shall be applicable in respect of the repeal of the said enactments and Sections 8 and 18 of the said Act shall be applicable as if the said enactment had been repealed and re-enacted by an Andhra Pradesh Act.