



**ODISHA POLICE  
CRIME BRANCH  
CRIMINAL INVESTIGATION DEPARTMENT**

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**CRIME BRANCH CIRCULAR NO.03/15**

**Sub: Action against money lending activities.**

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With a view to regulate money lending activities and to grant relief to the debtors, the State Government has enacted Odisha Money-Lenders Act, 1939, which was comprehensively amended in the year 1979. As per Section 4 of the Act, no person shall carry on the business of money lending unless he is registered as a money lender with the Sub-Registrar of the district. A registration certificate of money lending, once granted, shall remain in force for five years unless cancelled earlier.

As per Section 7(A) of the Act, no money lender shall charge interest on any loan advanced by him at a rate exceeding nine per cent per annum simple interest where the loan is secured and twelve per cent per annum where the loan is unsecured.

Section 18 of the Act provides that if a money lender is found guilty of fraud, the Court shall make an order of cancellation of the registration certificate for a period up to three years and the certificate shall accordingly be cancelled by the Collector of the district. Powers have also been conferred upon

the Sub-Collector and the Tahasildar for disqualification of registration for a period of three years, if the money lender is found to have charged a rate of interest higher than the specified.

As per Section 19 of the Act, any money lender who carries on business without being registered as a money lender or receives interests at a rate higher than specified or actually advances an amount less than the amount shown in his account, upon conviction, shall be punishable with imprisonment for a term which may extend to one year or with fine which may extend to one thousand rupees or with both. An offence under the Act shall be tried summarily by a Magistrate, who could be an Executive Magistrate, specially conferred. Every offence under the Act is cognizable and bailable.

In the wake of reported suicide of farmers etc. in rain deficient areas, the State Government has instructed to strictly monitor money lending activities and to take immediate action as per Odisha Money-Lenders Act, 1939. Whenever an authorized Revenue Official enters into any premise in which any person carries on money lending business, necessary assistance may be extended by the police. Joint teams of Revenue and Police officials should be formed for undertaking inspection as per the provisions of Section 7(b) of the Act.

It is advised that proactive intelligence should be collected about illegal money lending activities and whenever such instances are detected, FIRs

