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**GOVERNMENT OF MANIPUR**  
**SECRETARIAT : LAW & LEGISLATIVE AFFAIRS DEPARTMENT**

**NOTIFICATION**

Imphal, March 16, 2026

No. 2/38/2024-Leg/L: In pursuance of rule 150 of the Rules of Procedure and Conduct of Business in Manipur Legislative Assembly, the following Bill as introduced in the Manipur Legislative Assembly, in its sitting held on 13<sup>th</sup> March, 2026 is hereby published in the Manipur Gazette :

**The Manipur Money-lenders Bill, 2026 (Bill No. 3 of 2026).**

PATIENCE PANMEI,  
Joint Secretary (Law),  
Government of Manipur.

**Bill No. 3 of 2026**  
(As introduced in the Manipur Legislative Assembly)

**THE MANIPUR MONEY-LENDERS BILL, 2026**

A  
Bill

*to regulate the transactions of money-lending in the State of Manipur.*

Be it enacted by the Legislature of Manipur in the Seventy-seventh Year of the Republic of India as follows:-

- |  |   |
|--|---|
| <p><b>1.</b> (1) This Act may be called the Manipur Money-lenders Act, 2026.<br/>(2) It shall extend to the whole of the State of Manipur.<br/>(3) It shall come into force with effect from the date of its publication in the Official Gazette of Manipur.</p>   | <p>Short title,<br/>extent and<br/>commence-<br/>ment.</p>  |
| <p><b>2.</b> In this Act, unless there is anything repugnant in the subject or context—</p> <p>(1) “audit fee” means the fee leviable under section 26 in respect of audit of books of accounts of a money-lender;<br/>(2) “auditor” means an auditor of the Department of Co-operation, declared as certified auditor to audit the accounts;<br/>(3) “bank” means a banking company or a co-operative bank to which the Banking Regulation Act, 1949 applies and includes,—</p> | <p>Definitions.</p> <p>10 of 1949</p> <p>23 of 1955</p> <p>38 of 1959</p> <p>5 of 1970<br/>40 of 1980</p> <p>10 of 1949</p> |
| <p>(i) the State Bank of India constituted under the State Bank of India Act, 1955;</p>  |   |
| <p>(ii) a subsidiary bank as defined in the State Bank of India (Subsidiary Banks) Act, 1959;</p>  |   |
| <p>(iii) a corresponding new bank constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, or, as the case may be, under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980; and</p>  |   |
| <p>(iv) any other banking institution referred to in section 51 of the Banking Regulation Act, 1949;</p>   |   |

(4) “business of money-lending” means the business of advancing loans whether in cash or kind and whether or not in connection with, or in addition to any other business;

(5) “capital” means a sum of money which a money-lender invests in the business of money-lending;

(6) “company” means a company as defined in the Companies Act, 2013;

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(7) “Co-operative Society” means a Society registered or deemed to have been registered under the law relating to Co-operative Societies in force in Manipur or any such law in force elsewhere in the territory of India;

(8) “Court” means a law court or a body having the powers of court;

(9) “debtor” means a person to whom a loan is advanced whether in cash or kind and includes his successor in interest or surety;

(10) “inspection fee” means the fee leviable under section 12 in respect of inspection of books of account of a money-lender;

(11) “interest” includes any sum, 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, but does not include any sum lawfully charged by a money-lender for, or, on account of costs, charges or expenses in accordance with the provisions of this Act, or any other law for the time being in force;

(12) “licence” means a licence granted under this Act;

(13) “licence fee” means the fee payable in respect of a licence;

(14) “loan” means an advance at interest whether of money or in kind, but does not include

(a) a deposit of money or other property in a Government Post Office Bank or in any other bank or in a company or a co-operative society; or assistance of Government servants, and which is sanctioned by the State Government.

(b) a loan to, or by, or a deposit with any society or association registered under the Societies Registration Act, 1989 or any other enactment relating to public, religious or charitable object;

1 of 1990

(c) a loan advanced by Government or by any local authority authorised by Government;

(d) a loan advanced to a Government servant from a fund, established for the welfare or assistance of Government servants, and which is sanctioned by the State Government of Manipur.

(e) a loan advanced by a Co-operative Society;

(f) an advance made to a subscriber or to a depositor, in a provident fund from the amount standing to his credit in the fund in accordance with the rules of the fund;

4 of 1938

(g) a loan to, or by, an insurance company as defined in the Insurance Act, 1938;

- 26 of 1881
- (h) a loan to, or by, a bank;
  - (i) an advance made on the basis of a negotiable instrument as defined in the Negotiable Instrument Act, 1881, other than a promissory note;
  - (j) except for the purposes of sections 33 and 35,-
    - (i) a loan to trader; or
    - (ii) a loan to a money-lender who holds a Valid licence; or
    - (iii) a loan, by a landlord to his tenant for financing of crops or seasonal finance, of not more than eighty thousand rupees per acre of land held by the tenant; or
    - (iv) a loan advanced to an agricultural labourer by his employer;
- 2 of 1934
- (15) “money-lender” means—
    - (i) an individual, or
    - (ii) an undivided Hindu family; or
    - (iii) a company other than a non—banking financial company regulated under Chapter III B of the Reserve Bank of India Act, 1934; or
    - (iv) an unincorporated body of individuals, who or which,—
      - (a) carries on the business of money-lending in the State; or
      - (b) has his or its principal place of such business in the State; and includes a pawn-broker, but does not include,—
        - (I) Government;
        - (II) a local authority;
        - (III) a Bank;
        - (IV) Co-operative Bank;
        - (V) Multi-State Co-operative Bank;
        - (VI) Non- Banking Financial Company; a primary credit society;
        - (VII) Regional Rural Bank; the Reserve Bank of India;
        - (VIII) the Agricultural Refinance Corporation constituted under the Agricultural Refinance Corporation Act, 1963; or
        - (XI) any other banking or financial institution which the State Government may, by notification in the Official Gazette specify in this behalf;
  - (16) “pawn broker” means a money-lender who in the ordinary course of his business advances a loan and takes goods in pawn as security for payment of such loan;
  - (17) “prescribed” means prescribed by rules made under this Act;
  - (18) “principal” means in relation to a loan, the amount actually advanced to the debtor;
  - (19) “Provident Fund” means a Provident Fund as defined in the Provident Fund Act, 1925, and includes a Government Provident Fund and a Railway Provident Fund as defined in the said Act;
- 19 of 1925

- (20) “public deposit” means a deposit as defined under section 45-1 2 of 1934  
(bb) of the Reserve Bank of India Act,1934;
- (21) “State” means the State of Manipur;
- (22) “recognised language” means English, Manipuri or Hindi;
- (23) “register” means a register of money-lenders maintained under section 4;
- (24) “rules” means the rules made under this Act;
- (25) “secure loans” means loans backed with something of value that someone owns;
- (26) “unsecure loan” means loan borrowed without using collateral;
- (27) “suit to which this Act applies” means any suit or proceeding—
- (a) for the recovery of a loan made after the date on which this Act comes into force; or
  - (b) for the enforcement of any security taken or any agreement, made after the date on which this Act comes into force in respect of any loan made either before or after the said date; or
  - (c) for the redemption of any security given after the date on which this Act comes into force in respect of any loan made either before or after the said date;
- (28) “trader” means a person who in the regular course of business buys and sells goods or other property, whether movable or immovable, and includes,-
- (i) wholesale or retail merchant,
  - (ii) a commission agent,
  - (iii) a broker,
  - (iv) a manufacturer,
  - (v) a contractor,
  - (vi) a factory owner;
- but does not include an artisan or a person who sells his agricultural produce or cattle or buys agricultural produce or cattle for his use.
- Explanation*—For the purposes of this clause, an “artisan” means a person who does not employ more than ten workers in a manufacturing process on any one day of the twelve months immediately preceding.

**3.** The State Government may, by notification in the Official Gazette, appoint such persons, as it thinks proper, to be a Registrar General, Registrar, Assistant Registrar(s) and Inspector(s) of Money-lenders for the purposes of this Act, and may define the areas within which each such officer shall exercise his powers and perform his duties. Appointment of Registrar General, and other officers to assist him.

**4.** The Registrar of Money-lenders shall maintain, for the area in his jurisdiction, a register of money-lenders in such form as may be prescribed. Register of money-lenders.

5. No money-lender shall carry on the business of money-lending except in the area for which he has been granted a licence and except in accordance with the terms and conditions of such licence:

Money-lender not to carry on business of

Provided that no public deposit is allowed under any circumstances.

money-lending except for the area under licence and except in accordance with terms of licence.

6. (1) Every money-lender shall annually, before such date as may be prescribed, make an application in the prescribed form for the grant of licence to the Registrar of Money-lenders, Manipur, indicating/mentioning the place where he intends to carry on the business of money-lending or if he intends to carry on such business at more than one place in the area, the principal place of such business is situated. Such application shall contain the following particulars, namely,—

Application for licence.

- (a) the name in which such money-lender intends to carry on business and the name of the person proposed to be responsible for the management of the business;
- (b) if the application is by or on behalf of: —
  - (i) an individual, the name and address of such individual;
  - (ii) an undivided Hindu family, the name and addresses of the manager and the adult coparceners of such family;
  - (iii) a company, the names and addresses of the Directors, Managers or Principal Officer managing it;
  - (iv) an unincorporated body of individuals, the names and addresses of such individuals;
- (c) the area and the place or principal place of the business of money-lending in the State;
- (d) the name of any other place in the State where the business of money-lending is carried on or intended to be carried on;
- (e) whether the person signing the application has himself, or any of the adult coparceners of an undivided Hindu family, or any Director, Manager or Principal Officer of the company or any member of the unincorporated body, on behalf of which such application has been made, as the case may be, has carried on the business of money-lending in the State in the year ending on the 31<sup>st</sup> March immediately preceding the date of the application either individually, or in partnership, or jointly

- with any other coparcener or any other person and whether in the same or any other name;
- (f) the total amount of the capital which such person intends to invest in the business of money-lending in the year for which the application has been made;
- (g) if the place at which the business of money-lending is to be carried on is more than one, the names of persons who shall be in the management of the business at each such place.
- (2) The application shall be in writing and shall be signed-
- (a) (i) if the application is made by an individual, by the individual;
- (ii) if the application is made on behalf of an undivided Hindu family, by the manager of such family;
- (iii) if the application is made by a company or unincorporated body, by the Managing Director or any other person having control of its principal place of business in the territory of India or of its place of business in the area in which it intends to carry on the business; or
- (b) by an agent authorised in this behalf by a power of attorney by the individual money-lender himself, or the family, or the company or the unincorporated body, as the case may be.
- (3) The application shall also contain such other particulars as may be prescribed.
- (4) The application shall be accompanied by a licence fee at the following rates-
- |   |  |
|---|--|
| (a) if the place at which the business of money-lending is to be carried on is not more than one.       | five thousand rupees;  |
| (b) if the business of money-lending is to be carried on within the limit of the area of the Registrar. | five thousand rupees for the licence for the principal place of business and three thousand rupees for the licence for each of the other places in the area. |
- Provided that where an application is made after the expiry of the period prescribed by rules in respect of such application, it shall be accompanied by a licence fee at double the rates specified above.
- (5) The fee payable under the section shall be paid in the manner prescribed and shall not be refunded notwithstanding the fact that the grant of the licence is refused or the application is withdrawn.

7. On receipt of an application under section 6 and after making a summary inquiry in accordance with the prescribed procedure, the Assistant Registrar shall forward the application, together with his Grant of licence and entry in register.

report, to the Registrar. The Registrar may, after making such further inquiry, if any, as he deems fit, grant the applicant a licence in such form and subject to such conditions as may be prescribed, and direct the Assistant Registrar to enter the name of such applicant in the register maintained by him under section 4. If the application is in respect of more than one place of business in the area under the jurisdiction of the Registrar, a separate licence in respect of each such place shall be granted in the name of the applicant and the person responsible for the management of the business at such place.

Refusal of issue of licence. **8.** (1) The grant of licence shall not be refused except on any of the following grounds:-

- (a) that the applicant or any person responsible or proposed to be responsible for the management of his business as a money-lender is disqualified by an order under section 10 from holding a licence;
- (b) that the applicant has not complied with the provisions of this Act or the rules in respect of an application for the grant of a licence;
- (c) that the applicant has made wilful default in complying with or knowingly acted in contravention of any requirement of this Act;
- (d) that satisfactory evidence has been produced before the Registrar that the applicant or any person responsible or proposed to be responsible for the management of his business of money-lending 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) been found guilty of an offence under Chapter VI or section 336, 343 or 344 of Chapter XVII of the Bharatiya Nyaya Sanhita, 2023.

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(2) The Registrar shall, before refusing a licence under sub-section (1), give to the applicant a reasonable opportunity of producing evidence, if any, in support of the application and of showing cause why the licence should not be refused; and record the evidence adduced before him and his reasons for such refusal.

(3) An appeal shall lie from the decision of the Registrar refusing a licence under sub-section (1) to the Registrar General, whose decision shall be final.

(4) An appeal against the decision of the Registrar under sub-section (1) may be filed within three months from the date of the decision:

Provided that the Registrar General may, for reasons to be recorded, entertain the appeal after the expiry of a period of three months from the date of decision of the Registrar under sub-section (1), if he is satisfied that the appellant was prevented, for the reasons

beyond his control, from filing the appeal within a period of three months.

**9.** The Registrar General may, *suo motu* or on an application, call for and examine the record of any enquiry or proceedings of any matter where an order has been passed or decision has been given by an officer subordinate to him, and no appeal lies against such decision or order, for the purpose of satisfying himself as to the legality and propriety of the decision or order and as to the regularity of the proceedings. If during the course of such inquiry, the Registrar General is satisfied that the decision or order so called for should be modified, annulled or reversed, he may, after giving a person likely to be affected thereby an opportunity of being heard, pass such order thereon as he may seem just.

Revisionary  
power of  
Registrar  
General.

**10.** (1) The Registrar may, during the term of any licence, cancel the same by an order in writing on the ground that the person to whom it was granted has been guilty of any act or conduct for which he might, under section 8, have refused him the grant of the licence and which act or conduct was not brought to his notice at the time of the grant.  
(2) Before cancelling a licence under sub-section (1), the Registrar shall give notice in writing to the licensee and may hold such inquiry as may be necessary.  
(3) An appeal shall be, from an order of the Registrar cancelling a licence under sub-section (1), to the Registrar General whose decision shall be final.

Registrar's  
power to  
cancel  
licences.

**11.** A licence shall be valid from the date on which it is granted to the 31<sup>st</sup> day of March following:

Term of  
license.

Provided that where an application for renewal of a licence has been received by an Assistant Registrar within the prescribed period, the licence shall, until the application is finally disposed of, be deemed to be valid:

Provided further that the application for renewal of a licence shall be accompanied by the audited statement of accounts and auditor's report ending 31<sup>st</sup> day of March.

**12.** (1) An inspection fee shall, in addition to the licence fee leviable under section 6, be levied from a money-lender applying for a renewal of a licence at the rate specified in the Schedule on the basis of the maximum capital utilised by him during the period of the licence sought to be renewed.

Levy of  
Inspection  
Fee.

(2) An application for renewal of a licence shall not be allowed unless the inspection fees under sub-section (1) is paid.

**Explanation**—For the purpose of this section, “maximum capital” means the biggest total amount of the capital sum which may remain

invested in the money-lending business on any day during the period of a licence.

Stay of suits by money-lenders not holding licence. **13.** (1) After the expiry of six months from the date on which this Act comes into force, no Court shall pass a decree in favour of a money-lender in any suit filed by a money-lender to which this Act applies unless the Court is satisfied that at the time when the loan or any part thereof to which the suit relates was advanced, the money-lender held a valid licence.

(2) If during the trial of any such suit, the Court finds that the money-lender had not held such licence, the Court may, on the application of the money-lender, stay the hearing of the suit and require him to produce within a period of three months a licence on payment to the Registrar of all the arrears of the licence fees, audit fee and the inspection fees payable by him under this Act for the period commencing from the date on which he started the business of money-lending or the expiry of six months from the date on which this Act comes into force whichever is later, together with such penalty, not exceeding one lakh rupees, as the Court may direct:

Provided that when the Court is satisfied that failure of the money-lender to obtain a licence was due to any reasonable cause, the Court may direct that no penalty as aforesaid or part of such penalty shall be paid by the money-lender.

(3) The Court may, on sufficient cause being shown, from time to time extend the period during which the money-lender shall be required to produce a licence.

(4) If the money-lender fails to produce the licence required under sub-section (2) within the period specified therein or within such period as may be extended under sub-section (3), the Court shall dismiss the suit. If the money-lender produces such licences within the aforesaid period, the Court shall proceed to clear the suit.

(5) Nothing in this section shall affect—

- (a) Suits in respect of loans advanced by a money-lender before the date on which this Act comes into force.
- (b) The powers of an official assignee, a receiver, an administrator or a Court under the provisions of the Provincial Insolvency Act, 1920 or of a liquidator under the Companies Act, 2013 to realise the property of a money-lender.

5 of 1920  
18 of 2013

Entry in register and grant of licence to a money-lender directed to **14.** Any money-lender who is required under sub-section (2) of section 13 to produce a licence shall make an application to the Registrar through the Assistant Registrar in the manner specified in section 6 and on receipt of such application, the Registrar may, subject to the provisions of section 8, and after making such inquiry as he deems fit, grant the money-lender on payment of the arrears of licence fee, and the penalty, if any, directed by the Court to be paid,

obtain a licence in the form and subject to the conditions specified in section 7 and licence direct the Assistant Registrar to enter name of the money-lender in the under register. section 13.

**15.** (1) Any person may, during the currency of a licence, file an application, to the Registrar General for cancellation of the licence issued to a money-lender on the ground that such money-lender has been guilty of any act or conduct for which the Registrar may under section 8 refuse him the grant of a licence. At the time of filing his application, the said person shall deposit such amount not exceeding five hundred rupees as the Registrar General may deem fit.

Application for cancellation of licence.

(2) On the receipt of such application and deposit or of a report to that effect from an officer acting under section 17, the Registrar General shall hold an inquiry and if he is satisfied that the money-lender has been guilty of such act or conduct, he may direct the Registrar to cancel the licence of money-lender and may also direct the return of the deposit made under sub-section (1).

(3) If in the opinion of the Registrar General, an application made under sub-section (1) is frivolous or vexatious, he may, out of the deposit made under, sub-section (1), direct to be paid to the money-lender such amount as he deems fit as compensation.

**16.** For the purposes of sections 7 and 17, the Registrar, Assistant Registrar and, as the case may be, the officer authorised under section 17 and for the purposes of section 15, the Registrar General, shall have, and may exercise the same powers as are vested in a Civil Court under the Code of Civil Procedure, 1908, in respect of the following matters:-

V of 1908

- (a) Enforcing the attendance of any person and examining him on oath;
- (b) Compelling the production of documents and material objects;
- (c) Issuing commissions for the examination of witnesses; and
- (d) Proof of facts by affidavits.

Registrar General and his subordinates to have powers of Civil Court.

**17.** For the purpose of verifying whether the business of money-lending is carried on in accordance with the provisions of this Act, Registrar General, Registrar, Assistant Registrar, Inspector(s) or any other officer authorised by the State Government in this behalf, may require any money-lender or any person in respect of whom the Registrar General, Registrar, Assistant Registrar, Inspector(s) or the officer so authorised has reason to believe that he is carrying on the business of money-lending in the State, to produce any record or document in his possession which, in his opinion, is relevant for the purpose, and, thereupon, such money-lender or person shall produce

Power of authorised officer to require production of record or documents.

such record or document and may take to his office for further investigation, such books, accounts, record files and documents as he considers necessary. The Registrar General, Registrar, Assistant Registrar, Inspector(s) or any officer so authorised may, after reasonable notice, at any reasonable time, enter any premises where he believes such record or document to be and may ask any question necessary for interpreting or verifying such record. The Registrar or any officer(s), so authorised may apply for assistance to an Officer-in-charge of the concerned police-station and take police aid in performing his duties under this Act and rules made thereunder.

- Disposal of property pledged with money lender carrying on business of money lending without valid licence.
- 18.** (1) If upon the inspection of record and documents made under section 17, the inspecting officer is satisfied that the money-lender is in possession of property pledged to him by a debtor as security for the loan advanced by money-lender in the course of his business of money-lending without a valid licence, the inspecting officer shall require the money-lender to deliver forthwith the possession of such property to him.
- (2) Upon the property being delivered to him, the inspecting officer, if he is not the Registrar, shall entrust it to the Registrar and the Registrar (when he is also the inspecting officer) shall keep it in his custody for being disposed of as hereinafter provided.
- (3) On delivery of the property under sub-section (1) or sub-section (2), the Registrar shall, after due verification and identity thereof, return it to the debtor who has pledged it or, where the debtor is dead, to his known heirs.
- (4) If the debtor or his known heirs cannot be traced, the Registrar shall, within ninety days from the date of taking possession of the property, publish a notice in the prescribed manner inviting claims thereto. If, before the expiry of the said period, a claim is received, whether in answer to the notice or otherwise, he shall adjudicate upon and decide such claim. If the Registrar is satisfied that any claim is valid, he shall deliver the possession of the property to the person claiming it, on his giving a receipt thereof; and such delivery of the property to the person claiming, it shall discharge the Registrar of his liability in respect of such property against any other person. If the claim is refused, the property shall stand forfeited to the State Government.
- (5) Where the possession of the property pledged by a debtor cannot, for any reason (including identity thereof) be delivered to him, then the money-lender to whom it was pledged shall be required to pay to the debtor, or if he is dead, to his known heir, the value of such property if such debtor or, as the case may be, the heir claims the property. If the money-lender fails to pay the value, it may be recoverable from him as an arrear of land revenue; and on recovery

of the value, it shall be delivered to the debtor by whom such property was pledged or, as the case may be, to the heir.

(6) If there is any difference of opinion between the money-lender and the debtor or, as the case may be, his heir on the question of value of the property or its identity, the question shall be referred to the Registrar for decision and his decision on the question shall be final.

(7) The value of the property may be determined with the assistance of the services of an expert, appointed by the State Government in that behalf. The expert may be paid such honoraria as the State Government or any officer not below the rank of Tahsildar appointed by it may, by an order in writing, from time to time, in relation to any area or areas, determine.

**19.** (1) If, on the basis of facts disclosed, during verification under section 17 or inspection under section 18, or by an application from a debtor or otherwise, the Registrar has reason to believe that any immovable property, which has come in possession of the money-lender by way of sale, mortgage, lease, exchange or otherwise, within a period of five years from the date of verification or the inspection or the date of receipt of application from debtor, in the nature of the property offered by the debtor to the money-lender as a security for loan advanced by the money-lender in course of money-lending, the Registrar may, himself or through an inquiry officer, to be appointed for the purpose, in the manner prescribed, hold further inquiry into the nature of the transaction.

Return of immovable property acquired in course of money-lending.

(2) If upon holding the inquiry as per sub-section (1), the Registrar is satisfied that the immovable property came in possession of the money-lender as a security for loan advanced by the money-lender during the course of money-lending, the Registrar may, notwithstanding anything contained in any other law for the time being in force, after recording the reasons, declare the instrument or conveyance as invalid and may order restoration of possession of the property to the debtor who has executed the instrument or conveyance as a security or to his heir or successor, as the case may be.

(3) Before passing an order or giving decision as per sub-section (2), the Registrar shall give an opportunity to the person concerned to state his objections, if any, within fifteen days from the date of receipt of notice by him and may also give personal hearing, if he so desires.

(4) Any person aggrieved by the order or decision of the Registrar under sub-section (2) may, within one month from the date of order or decision, appeal to the Registrar General:

Provided that, the Registrar General may admit the appeal after expiry of the period of one month, if the appellant satisfies him that he had sufficient cause for not preferring the appeal within the period.

(5) The order passed by the Registrar General in appeal preferred

under sub-section (4) shall be final.

(6) Subject to the appeal provided under sub-section (4), the order passed or decisions given by the Registrar under sub-section (2), shall be sufficient conveyance and it shall be the duty of every officer entrusted with the work relating to maintenance of land records under the Manipur Land Revenue and Land Reforms Act, 1960 or under any other law for the time being in force, to give effect to such order in his records.

Court's powers to cancel or suspend a licence. **20.** (1) (i) A court passing an order of conviction against a money-lender for an offence under this Act, or

(ii) A court trying a suit to which this Act applies, if satisfied that such money-lender has committed such contravention of the provisions of this Act or the rules as would, in its opinion, make him unfit to carry on the business of money-lending,—

(a) may order that all the licences held by such money-lender in the State be cancelled or suspended for such time as it may think fit, and

(b) may, if it thinks fit, declare any such money-lender, or if any money-lender is an undivided Hindu family, a company or an unincorporated body, such family, company or body and also any person responsible for the management of the business of money-lending carried on by such family, company or body, to be disqualified from holding any licence in the State for such time as the Court may think fit.

(2) Where a court convicts a money-lender of an offence under this Act, or make an order or declaration under clause (a) of sub-section (1), it shall cause the particulars of the conviction, order or declaration, as the case may be, to be endorsed on all the licences held by the money-lender convicted or by any other person affected by the order or declaration and shall cause copies of its order or declaration to be sent to the Registrar (by whom the licences were granted) for the purpose of entering such particulars in the registers:

Provided that where any licence held by any money-lender is suspended or cancelled or any money-lender is disqualified from holding any licence under this section, he may appeal against such order of the court to which an appeal ordinarily lies from the decision of the court passing the order; and the court which passed the order or the court of appeal may, if it thinks fit, pending the appeal, stay the operation of the order under this section.

(3) Any licence required by a court for endorsement in accordance with sub-section (2) shall be produced by the person by whom it is held in such manner and within such time as may be directed by the court and any person who, without reasonable cause, makes default in producing the licence so required, shall be liable, on conviction, to

a fine not exceeding five hundred rupees for each day for the period during which the default continues.

(4) Powers conferred on a court under this section may be exercised by any court in appeal or in revision.

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| <p><b>21.</b> Where any licence is suspended or cancelled under this Act, no person shall be entitled to any compensation or the refund of any licence fee.</p>   | <p>No compensation for suspension or cancellation of licence.</p>   |
| <p><b>22.</b> A person whose licence has been suspended or cancelled in accordance with the provisions of this Act shall, during the period of suspension or cancellation, as the case may be, be disqualified from holding any licence in the State.</p>   | <p>Persons debarred from doing business during period of suspension or cancellation of licence.</p>                                   |
| <p><b>23.</b> No person whose licence has been endorsed under section 20 or who has been disqualified from holding a licence shall apply for, or be eligible to hold a licence, without giving particulars of such endorsement or disqualification.</p>   | <p>Persons whose licence is suspended or cancelled not to apply without giving particulars of endorsement or of disqualification.</p> |
| <p><b>24.</b> No money-lender shall take any promissory note, acknowledgment, bond or other writing which does not state the actual amount of the loan and rate of interest or which states such amount wrongly or execute any instrument in which blanks are left to be filled in after execution, without mentioning the date and amount of loan.</p> | <p>Promissory note, Bond etc. to be factual.</p>  |
| <p><b>25.</b> (1) Every money-lender shall keep and maintain a cash book and a ledger in such form and in such manner as may be prescribed.</p>   | <p>Duty of money-</p>   |

(2) Every money-lender shall—

(a) deliver or cause to be delivered—

(i) to the debtor within thirty days from the date on which a loan is made, a statement in any recognised language, showing in clear and distinct terms, the amount and date of the loan and of its maturity, the nature of the security, if any, for the loan, the name and address of the debtor and of the money-lender and the rate of interest charged:

Provided that, no such statement shall be required to be delivered to a debtor, if he is supplied by the money-lender with a pass book which shall be in the prescribed form and shall contain an up-to-date account of the transactions with the debtor.

(ii) to the Registrar, within the said period a statement containing the particulars referred to in clause (a)(i).

(b) upon repayment of a loan in full, mark indelibly every paper signed by the debtor with words indicating payment or cancellation, and discharge every mortgage, restore every pledge, return every note and cancel or reassign every assignment given by the debtor as security for the loan.

(3) Notwithstanding anything contained in clause (a)(ii) of sub-section (2), the State Government may, by an order in writing, permit such class of money-lenders as may be specified in the order, to deliver or cause to be delivered to the Registrar containing the particulars referred to in clause (a)(i) of sub-section (2) in respect of all loans made during every such period as may be specified in the order, and upon the issue of such order, a money-lender electing to deliver a periodical statement as provided in this sub-section, shall deliver or cause to be delivered the same within a period of thirty days from the date of expiry of every such period.

(4) No money-lender shall receive any payment from a debtor on account of any loan without giving him a plain and complete receipt for the payment.

(5) No money-lender shall accept from a debtor any article as a pawn, pledge or security for a loan, without giving him a plain signed receipt for the same with its description, estimated value, the amount of loan advanced against it and such other particulars as may be prescribed. Such money-lender shall maintain the duplicate of such receipts in a separate register.

lender to  
keep  
accounts, and  
furnish  
copies.

Audit. **26.** (1) Every money-lender shall have his accounts audited at the close of every year i.e., 31<sup>st</sup> March and submit returns within three months of the close of every financial year prepared by the auditor of Cooperation Department. The auditor shall also submit report showing the exact state of the financial affairs of the money-lenders.

(2) The auditor shall fix the purpose of audit at all times, have access to all the books, accounts, documents, papers, securities, cash and other properties belonging to, or in the custody of the money-lender, and may summon any person in possession or responsible for the custody of any such books, accounts, documents, papers, securities, cash or other properties, to produce the same at any place or at the headquarters of the money-lender or any branch thereof.

(3) If it appears to the Registrar, on any application by a money-lender or otherwise, that it is necessary or expedient to re-audit any account of the money-lender, the Registrar may, by order provide for such re-audit and the provisions of this Act applicable to audit of account of the money-lender shall apply to such re-audit.

**27.** An audit fee shall, in addition to the licence fee leviable under section 6 and inspection fee leviable under section 12 be charged at the rate determined by the Government from time to time.

Audit Fee.

**28.** (1) Every money-lender shall deliver or cause to be delivered every year to each of his debtors a legible statement of such debtor's accounts signed by the money-lender or his agent of any amount that may be outstanding against such debtor. The statement shall show—

Delivery of Statement of accounts and copies thereof by money-lender.

- (i) the amount of principal, the amount of interest and the amount of fees referred to in section 27, separately, due to the money-lender at the beginning of the year;
- (ii) the total amount of loans advanced during the year;
- (iii) the total amount of repayments received during the year; and
- (iv) the amounts of principal and interest due at the end of the year.

(2) In respect of any particular loan, whether advanced before or after the date on which this Act comes into force, the money-lender shall, on demand in writing being made by the debtor at any time during the period which the loan or any part thereof has not been repaid, and on payment of the prescribed fee supply to the debtor, or if the debtor so requires to any person specified in that behalf in the demand, a statement, in any recognised language signed by the money-lender or his agent, and containing the relevant particulars specified in subsection (1).

(3) A money-lender shall, on a demand in writing by the debtor, and tender of the prescribed sum of expenses, supply a copy of any document relating to a loan made by him or any security hereof to the debtor or if the debtor so requires to any person specified in that behalf in the demand.

(4) For the purposes of this section, "year" means the year for which the accounts of the money-lender are ordinarily maintained in his books.

Fees for certain statements supplied to debtors and Registrar.

**29.** (1) A money-lender may recover from a debtor, fees for the statements or pass book supplied to him under sub-section (2) of section 25 or sub-section (1) of section 28 and in respect of copies of such statements supplied to the Registrar under the said sub-sections or in respect of copies of statements supplied to him under sub-section (3) of section 25.

(2) Such fees shall be recoverable at such rates and in such manner as may be prescribed, subject to the maximum of one thousand rupees per debtor, per year, irrespective of the number of statements or copies thereof supplied to the debtor or the Registrar during the relevant year.

Debtor not bound to admit correctness of accounts.

**30.** A debtor to whom a statement of accounts or pass book has been furnished under section 25 or 28 shall not be bound to acknowledge or deny its correctness and his failure to do so shall, not, by itself, be deemed to be an admission of the correctness of the accounts.

Procedure of Court in suits regarding loans.

**31.** Notwithstanding anything contained in any law for the time being in force, in any suit to which this Act applies,—

(a) a court shall, before deciding the claim on merits; frame and decide the issue whether the money-lender has complied with the provisions of sections 25 and 28.

(b) if the court finds that the provisions of section 25 or section 28 have not been complied with by the money-lender, it may, if the plaintiff's claim is established, in whole or in part, disallow the whole or any portion of the interest found due, as may seem reasonable to it in the circumstances of the case and may disallow costs.

**Explanation**— A money-lender who has given the receipt or furnished a statement of accounts or a pass book in the prescribed form and manner, shall be held to have complied with the provisions of section 25 or section 28, as the case may be, in spite of any errors and omissions, if the court finds that such errors and omissions are not material or not made fraudulently.

**32.** Nothing in sections 25 to 31 shall apply to loans advanced by any company or unincorporated body which the State Government may, by notification in the Manipur Gazette, exempt from the operation of those sections.

Provisions of certain sections not to apply to loans made by company or unincorporated body

exempted by  
the State  
Government.

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- 33.** Notwithstanding anything contained in any agreement or any law for the time being in force, no court shall, in respect of any loan whether advanced before or after the date on which this Act comes into force, decree, on account of interest, a sum greater than the principal of the loan due on the date of the decree.
- Power of Court to limit interest recoverable in certain cases.
- V of 1908 **34.** Notwithstanding anything contained in the Code of Civil Procedure, 1908, the court may, at any time, on application of a judgement-debtor, after notice to the decree-holder, direct that the amount of any decree passed against him, whether before or after the date on which this Act comes into force, in respect of a loan, shall be paid in such number of instalments and subject to such conditions, and payable on such dates, as, having regard to the circumstances of the judgement-debtor and the amount of the decree, it considers fit.
- Power of Court to direct payment of decretal amount by instalments.
- 35.** (1) The State Government may, from time to time, by Notification in the Manipur Gazette, fix the maximum rates of interest for any local area or class of business of money-lending in respect of secured and unsecured loans.
- Limitation on rates of interest.
- (2) Notwithstanding anything contained in any law for the time being in force, no agreement between a money-lender and a debtor for payment of interest at a rate exceeding the maximum rate fixed by the State Government under sub-section (1) shall be valid and no court shall in any suit to which this Act applies award interest exceeding the said rates.
- (3) If any money-lender or a person advancing a loan specified in sub-clause (j) of clause (14) of section 2 makes a written demand or charges or receives from a debtor, interest at a rate exceeding the maximum rate fixed by the State Government under sub-section (1), he shall, for the purposes of section 51, be deemed to have contravened the provisions of this Act.
- (4) Notwithstanding anything contained in any other law for the time being in force, a money-lender shall not charge or recover from any debtor, on account of interest, a sum greater than the amount of principal of loan whether advanced before or after commencement of this Act.
- Public Deposit. **36.** No money-lender under any circumstances shall be allowed to raise fund in the form of public deposit as defined under section 45 1/(bb) of the Reserve Bank of India Act, 1934.
- 2 of 1934

- Prohibition of charge of expenses on loans by money-lenders.
- 37.** No money-lender shall receive from a debtor or intending debtor any sum other than reasonable costs of investigating title to the property, costs of stamp and registration of documents in cases where an agreement between the parties includes a stipulation that property is to be given as security or by way of mortgage and where both parties have agreed to such costs and reimbursement thereof; or where such costs or charges are leviable under the provisions of the Transfer of Property Act, 1882, or any other law for the time being in force. 4 of 1882
- Notice and information to be given on assignment on loan.
- 38.** (1) Where a loan advanced, whether before or after the date on which this Act comes into force, or any interest of such loan or the benefit of any agreement made or security taken in respect of such loan or interest is assigned to any assignee, the assigner (whether he is the money-lender by whom the money was lent or any person to whom the debt has been previously assigned) shall before the assignment is made,—
- (a) give the assignee notice in writing that the loan interest, agreement or security is affected by the operation of this Act;
  - (b) supply to the assignee all information necessary to enable him to comply with the provisions of this Act; and
  - (c) give the debtor notice in writing of the assignment supplying the name and address of the assignee.
- (2) Any person acting in contravention of the provisions of subsection (1), shall be liable to indemnify any other person who is prejudiced by the contravention.
- Application of Act as to assignees.
- 39.** (1) Save as hereinafter provided, where any debt due to a money-lender in respect of money lent by him, whether before or after the date on which this Act comes into force, or of interest on money so lent or of the benefit of any agreement made or security taken in respect of any such debt or interest, has been assigned, the assignee shall be deemed to be the money-lender and all the provisions of this Act shall apply to such assignee as if he was the money-lender.
- (2) Notwithstanding anything contained in this Act or in any other law for the time being in force, where for any reason any such assignment is invalid and the debtor has made any payment of money or transfer of property on account of any loan which has been so assigned, the assignee shall in respect of such payment or transfer be deemed to be the agent of the money-lender for all the purposes of this Act.
- 40.** Notwithstanding anything contained in any law for the time being in force, the court shall, in any suit to which this Act applies, whether heard *ex-parte* or otherwise— Reopening of transactions.

- (a) reopen any transaction, or any account already taken between the parties;
- (b) take an account between the parties;
- (c) reduce the amount charged to the debtor in respect of any excessive interest;
- (d) if on taking account, it is found that the money-lender has received more than what is due to him, pass a decree in favour of the debtor in respect of such amount:

Provided that in the exercise of these powers, the court shall not-

- (i) reopen any adjustment or agreement purporting to close previous dealing and to create new obligations which have been entered into by the parties or any person through whom they claim at a date more than six years from the date of the suit to which this Act applies.
- (ii) do anything which affects any decree of a court.

**Explanation.**— For the purpose of this section, “excessive interest” means interest at a rate which contravenes any of the provisions of section 35.

**41.** (1) Any debtor may make an application at any time to the court, whether the loan has or has not become payable, for taking accounts and for declaring the amount due to the money-lender. Such application shall be in the prescribed form and accompanied by the prescribed fee.

Inquiry for taking accounts and declaring the amount due.

(2) On receipt of such application, the court shall cause a notice of the application to be given to the money-lender.

(3) On the date fixed for hearing of the application or on such date to which the hearing may be adjourned from time to time, the court shall make an inquiry and shall after taking an account of the transactions between the parties pass an order declaring the amount, if any, still payable by the debtor to the money-lender, in respect of the principal and interest, if any. In taking accounts under this section, the Court shall follow the provisions of sections 25 to 40 and 43.

**42.** (1) At any time a debtor may tender to a money-lender any sum of money due from him to the money-lender in respect of a loan by way of principal, interest or both.

Deposit in court of money due to money-lender.

(2) If the money-lender refuses to accept any sum so tendered, the debtor may deposit the said sum in court to the account of the money-lender.

(3) The court shall thereupon cause written notice of the deposit to be served on the money-lender, and he may, on presenting a petition stating the sum then due in respect of the loan, and his willingness to accept the said sum, receive and appropriate it first towards the interest and the residue, if any, towards the principal.

(4) When the money-lender does not accept the sum, the court shall appropriate the said sum first towards the interest and the residue, if any, towards the principal.

When interest to be paid for entire month. **43.** Notwithstanding any agreement between the parties or any law for the time being in force, when a statement is delivered or pass book is supplied to a debtor under section 28 or if accounts are taken under section 41 or a tender is made by a debtor to a money-lender in respect of a loan under section 42 before the sixteenth day of a calendar month, the interest due shall be calculated as payable for fifteen days of the said month, and if the statement is delivered or pass book is supplied or accounts are taken or tender is made on any subsequent day, then for the entire calendar month irrespective of the fact that such statement is delivered or pass book is supplied or such accounts are taken on such tender is made on any such day.

Penalty for wrong entry in promissory note, Bond etc. **44.** Whoever contravenes the provisions of section 24 shall, on conviction, be punished with fine which may extend to fifty thousand rupees or with imprisonment of either description which may extend to three years or with both.

Penalty for contravention of section 25 or 28. **45.** Whoever contravenes the provisions of section 25 or 28 shall, on conviction, be punished with fine which may extend to fifty thousand rupees.

Penalty for charging rate of interest in contravention of section 35. **46.** Whoever charges or recovers interest in contravention of section 35, shall, on conviction, be punished with fine which may extend to fifty thousand rupees, if it is first offence and with fine up to one lakh rupees, for the second or subsequent offence.

Penalty for molestation. **47.** Whoever molests, or abets the molestation, of a debtor for the recovery of a debt due by him to a money lender shall, on conviction, be punishable with imprisonment of either description which may extend to six months or with fine which may extend to fifty thousand rupees or with both.

**Explanation**— For the purposes of this section, a person who, with intent to cause another person to 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—

- (a) obstructs or uses violence to or intimidates such other person, or
- (b) persistently follows such other person from place to place or interferes with any property owned or used by him or deprives him of, or hinders him in the use thereof, or
- (c) loiters near a house or other place where such other person resides or works, or carries on business, or happens to be or does any act calculated to annoy or intimidate such other person, shall be deemed to molest such other person:

Provided that a person who goes to such house or place in order merely to obtain or communicate information shall not be deemed to molest.

**48.** Whoever carries on the business of money-lending without obtaining a valid licence, shall, on conviction, be punished with imprisonment of either description for a term which may extend to five years or with fine which may extend to fifty thousand rupees or with both. Penalty for doing money-lending without valid licence.

**49.** Whoever in an application for grant of licence or renewal of licence, or in any document required by, or for the purpose of, any of the provisions of this Act wilfully makes a statement in any material particulars knowing it to be false, shall, on conviction, be punished with imprisonment of either description for a term which may extend to two years or with fine which may extend to fifty thousand or with both. Penalty for making false statement.

**50.** Whoever,— Obtaining licence under fictitious name, carrying on money-lending at a place not mentioned in the licence, etc.

- (a) obtains a licence in the name which is not his true name or carries on the business of money-lending under the licence so obtained; or
- (b) carries on the business of money-lending at any place not mentioned in the licence authorizing him to carry on such business; or
- (c) enters into any agreement in the course of business of money-lending without a valid licence, or under a licence obtained in the name which is not his true name, shall, on conviction, be punished,—
  - (i) for the first offence, with imprisonment of either description which may extend to one year or with fine which may extend to rupees fifty thousand or with both, and
  - (ii) for the second or subsequent offence, in addition to or in lieu of, the penalty specified in clause (i), with imprisonment of either description which shall not be less than two years, where such person is not a company,

and with fine which shall not be less than rupees fifty thousand, where such person is a company.

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| General provision regarding penalties.  | <p><b>51.</b> Whoever fails to comply with or acts in contravention of any provisions of this Act, shall, if no specific penalty has been provided for in this Act, be punishable—</p> <p>(a) for the first offence with simple imprisonment which may extend to two months or with fine which may extend to one thousand rupees or with both; and</p> <p>(b) for the second or subsequent offence, with imprisonment of either description which may extend to six months or with fine which may extend to two thousand rupees, or with both.</p> |   |
| Offences by corporation, etc.   | <p><b>52.</b> If the person contravening any of the provisions of this Act is an undivided Hindu family or a company or an unincorporated body, the person responsible for the management of the business of such family, company or body shall be deemed to be guilty of such contravention.</p>  |   |
| Certain offences to be cognizable.  | <p><b>53.</b> Notwithstanding anything contained in the Bharatiya Nagarik Suraksha Sanhita, 2023, offences punishable under—</p> <p>(a) section 51 for contravening the provisions of section 5, and</p> <p>(b) section 50.</p> <p>(c) section 47 for molestation shall be cognizable.</p>   | 46 of 2023                                |
| Cognizance of certain offences.   | <p><b>54.</b> No court shall take cognizance of any offence punishable under section 51 for contravening the provisions of section 25 or section 28, except with the previous sanction of the Registrar.</p>   |   |
| Arrest and imprisonment in execution of decree for money against agricultural debtors, abolished. | <p><b>55.</b> Notwithstanding any law for the time being in force, no debtor who cultivates land personally and whose debts do not exceed fifteen thousand rupees shall be arrested or imprisoned in execution of a decree for money, passed in favour of a money-lender, whether before or after the date on which this Act comes into force.</p>   |   |
|   | <p><b>56.</b> No suit, prosecution or other legal proceedings shall lie against the Registrar General or any authority for anything done or purported to have been done in good faith in pursuance of the provisions of this Act or the rules made thereunder.</p>   | Protection of action taken in good faith. |

- 57.** The State Government may delegate to any officer any of the powers conferred on him by or under this Act. Power of State Government to delegate its powers.
- 58.** (1) The State Government may make rules for carrying out the purposes of this Act. Power to make rules.
- (2) In particular and without prejudice to the generality of the foregoing provision, such rules may provide for all or any of the following matters:-
- (a) the form of the register under section 4;
  - (b) the form of the application for a licence, the further particulars to be included there in and the manner of payment of licence fee under section 6;
  - (c) the form and condition of the licence and the procedure of a summary inquiry under section 7;
  - (d) the form of cash book and ledger and the manner in which they should be maintained under sub-section (1) and the other particulars to be prescribed under sub-section (5) of section 25;
  - (e) the form of the statement of accounts and pass books to be furnished or delivered and the date before which it is to be furnished or delivered under sub-section (1), the fee to be paid under sub-section (2) and the sum of expenses to be paid under sub-section (3) of section 28;
  - (f) the rates at which and the manner in which fees may be recovered under section 29;
  - (g) the form of application and the fee to be paid under sub-section (1) of section 41;
  - (h) any other matter which is or may be prescribed under this Act or any matter for which there is no or insufficient provision in this Act and for which provision is, in the opinion of the State Government, necessary for giving effect to the provisions of this Act.
- 59.** If any difficulty arises in giving effect to the provisions of this Act, the State Government may, by order, published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act as may appear to be necessary for removing the difficulty: Power to remove difficulties.
- Provided that no order shall be made under this section after the expiry of a period of two years from the commencement of this Act.

Repeal and Savings.	<b>60.</b> (1) The Bombay Money-lenders Act, 1946, as in force in the State of Manipur is hereby repealed. (2) Notwithstanding such repeal, anything done or any action taken under the said Act shall be deemed to have been done or taken under the corresponding provisions of this Act.	Bombay Act No. XXXI of 1947
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THE SCHEDULE  
(See section 12)

Maximum capital utilized in rupees	Rate of inspection fee in rupees
Upto 5,000	Nil
From 5001 to 10,000	1000/-
From 10,001 to 20,000	2000/-
From 20,001 to 50,000	3000/-
50,001 and above	5000/-

## STATEMENT OF OBJECTS AND REASONS

Whereas, the Bombay Money-lenders Act, 1946, as in force in the State of Manipur has been repealed by the Maharashtra Money-Lending (Regulation) Act, 2014.

And whereas, it is expedient to make better provision for the regulation and control of transactions of money-lending in the State of Manipur.

Therefore, it is necessary to enact a fresh State's own law in order to avoid future complications for the matters connected therewith.

Hence, this Bill.

Imphal,  
The .....March, 2026

YUMNAM KHEMCHAND SINGH,  
Chief Minister (i/c Cooperation)  
Manipur

## FINANCIAL MEMORANDUM

As and when the proposed legislation is enacted and brought into operation, there will be no additional expenditure from the Consolidated Fund of the State.

## MEMORANDUM REGARDING DELEGATED LEGISLATION

1. Clause 3 of the proposed legislation seeks to empower the State Government to appoint Registrar General and other officers.
2. Clause 17 of the proposed legislation seeks to empower the State Government to authorise officer to require production of record or documents.
3. Clause 32 of the proposed legislation seeks to empower the State Government to exempt certain provisions of sections not to apply to loans made by company or unincorporated body.
4. Clause 35 of the proposed legislation seeks to empower the State Government to fix the maximum rates of interest.
5. Clause 57 of the proposed legislation seeks to empower the State Government to delegate to any officer any of the powers conferred on him by or under this proposed law.
6. Clause 58 of the proposed legislation seeks to empower the State Government to make rules for carrying out the purposes of this proposed law.
7. Clause 59 of the proposed legislation seeks to empower the State Government to remove any difficulty arises in giving effect to the provisions of this proposed law.