THE KARNATAKA MONEY LENDERS (AMENDMENT) BILL, 2021
(LA Bill No. 14 of 2021)

A Bill further to amend the Karnataka Money Lenders Act, 1961.

Whereas, it is expedient further to amend the Karnataka Money Lenders Act, 1961 (Karnataka Act 12 of 1962) for the purposes hereinafter appearing;

Be it enacted by the Karnataka State Legislature in the seventy second year of the Republic of India as follows:-

1. Short title and commencement.- (1) This Act may be called the Karnataka Money Lenders (Amendment) Act, 2021.

(2) It shall come into force at once.

2. Amendment of section 38.- In section 38 of the Karnataka Money Lenders Act, 1961 (Karnataka Act 12 of 1962) (herein after referred to as the Principal Act), for the words “may extend to six months or with fine which may extend to five thousand rupees or with both”, the
words “may extend to one year or with fine which may extend to fifty thousand rupees or with both” shall be substituted.

3. **Amendment of section 39.**— In section 39 of the Principal Act, for clause (a) and clause (b) and entries relating thereto, the following shall be substituted namely:-

“(a) for the first offence with simple imprisonment which may extend to one year or with fine which may extend to fifty thousand rupees or with both, and

(b) for the second or subsequent offence with simple imprisonment which may extend to two year or with fine which may extend to one lakh rupees or with both.”

**STATEMENT OF OBJECTS AND REASONS**

It is considered necessary to amend sections 38 and 39 of the Karnataka Money Lenders Act, 1961 (Karnataka Act 12 of 1962) to enhance the penalty amount and conviction term in order to ensure strict adherence to the provisions of the Act.

Hence the Bill.

**FINANCIAL MEMORANDUM**

There is no extra expenditure involved in the proposed measure.

S.T. SOMASHEKAR
Minister for Co-Operation

M.K. VISHALAKSHI
Secretary (I/c)
Karnataka Legislative Assembly
38. Penalty for molestation.—Whoever molests, or abets the molestation of, a debtor for the recovery of a debt due by him to a creditor shall, on conviction, be punished with imprisonment which may extend to six months or with fine which may extend to five 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 of any such property, or
(c) loiters at or near a house or other place where such other person resides or works, or carries on business, or happens to be, or
(d) does any act calculated to annoy or intimidate such other person or the members of his family, or
(e) moves or acts in a manner which causes or is calculated to cause alarm or danger to the person or property of such other person, -shall be deemed to molest such other person:

Provided that a person who goes to the house or place referred to in clause (c) in order merely to obtain or communicate information shall not be deemed to molest.
39. **General provision regarding penalties.**—Whoever fails to comply with or acts in contravention of any provision of this Act, shall, if no specific penalty has been provided for in this Act, on conviction, be punished,-

(a) for the first offence with simple imprisonment which may extend to three months or with fine which may extend to one thousand rupees or with both, and

(b) for the second or subsequent offence with imprisonment which may extend to six months or with fine which may extend to two thousand rupees or with both.

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[Signature]

(Signature of Authority)

(Circular Letter No.)

**Office Hours:**

[Office Hours]

1. **Notification:**

(1) To [Circular Letter No.] Office Hours, [Office Hours]

(2) [Office Hours]