



THE USURIOUS LOANS ACT, 1918



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THE USURIOUS LOANS ACT, 1918

¹Act No. X OF 1918)

[22nd March, 1918]

An Act to give additional powers to Courts to deal in certain cases with usurious loans of money or in kind

WHEREAS it is expedient to give additional powers to Courts to deal in certain cases with usurious loans of money or in kind ; It is hereby enacted as follows :—

1. Short title and extent.— (1) This Act may be called the Usurious Loans Act, 1918.

²[(2) It extends to the whole of Pakistan.]

(3) The ³[Provincial Government] may, by notification in the ⁴[official Gazette], direct that it shall not apply to any area, class of persons, or class of transactions which it may specify in its notification.

2. Definitions.In this Act, unless there is anything repugnant in the subject or context,—

(1) "Interest" means rate of interest and includes the return to be made over and above what was actually lent, whether the same is charged or sought to be recovered specifically by way of interest or otherwise.

(2) "Loan" means a loan whether of money or in kind and includes any transaction which is, in the opinion of the Court, in substance a loan.

(3) "Suit to which this Act applies" means any suit—

(a) for the recovery of a loan made after the commencement of this Act : or

¹For Statement of Objects and Reasons, see Gazette of India, 1917. Pt. V. p. 86 ; for Report of Select Committee, see *ibid.*, 1918, Pt. V, p. 47 ; and for Proceedings in Council, see *ibid.*, 1917, Pt. VI, pp. 714, 815 and *ibid.*, 1918, Pt. VI, pp. 94 and 707.

This Act has been applied to Phulera in the excluded Area of Upper Tanawal to the extent the Act is applicable in the N.W.F.P., subject to certain modifications ; and also extended to the Excluded Area of Upper Tanawal (N.-W. F. P.) other than Phulera with effect from such date and subject to such modifications as may be notified, see N.-W. F. P. (Upper Tanawal) (Excluded Area) Laws Regulation, 1950.

It has been amended in the Punjab by the Punjab Act 7 of 1934 and in the N.W.F.P. by N.W.F.P Act 4 of 1935.

² Subs by the Central Laws (Statue Refrom) Ordinance, 1960 (21 of 1960), s. 3 and 2nd Sch. (with effect from the 14th October, 1955), for the original sub-section (2) as amended by A.O., 1949 and the Federal Laws (Revision and Declaration) Act, 1951 (26 of 1951), s.3.

It has also been extended to the Leased Areas of Baluchistan, see the Leased Areas (Laws) Order, 1950 (G.G.O. 3 OF 1950); and applied in the Federated Areas of Baluchistan see Gazette of India, 1937, Pt. I, p. 1499.

³Subs. By A. O., 1937, for "L.G".

⁴Subs by A. O., 1937, for local official Gazette".