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**Usurious Loans (Andhra Pradesh) Andhra Area Amendment Act, 1936****8 of 1937****[02 March 1937]****CONTENTS**

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**Usurious Loans (Andhra Pradesh) Andhra Area Amendment Act, 1936****8 of 1937****[02 March 1937]**

An Act to amend the Usurious Loans Act, 1918 in its application to the 2[Andhra area of the State of Andhra Pradesh], for certain purposes. whereas it is expedient to amend the Usurious Loans Act, 1918, in its application to the 2[Andhra area of the State of Andhra Pradesh] for the purposes hereinafter appearing; And whereas the previous sanction of the Governor-General has been obtained to the passing of this Act; It is hereby enacted as follows.-- 1. For Statement of Objects and Reasons, See Fort St. George Gazette, dt. 4-11-1936, Pt. IV, pp. 360-361. \* Now extended to the whole of the State of Andhra Pradesh by A. P. Act XXIV of 1961. 2. The words "State of Andhra" were subs. for the words "Presidency of Madras" by the A.A.O. 1953 and these words were subs. for the words "State of Andhra" by A.P. Act IX of 1961.

**1. Short Title, Extent And Application :-**

- (1) This Act may be called 1[The Usurious Loans (Andhra Pradesh) (Andhra Area) Amendment Act, 1936].
- (2) It extends to the whole of the 2[Andhra area of the State of Andhra Pradesh].
- (3) The provisions of this Act shall apply to all suits to which the Usurious Loans Act, 1918 (hereinafter referred to as the said Act), would apply and which are pending on, or are instituted on or after,

the date of the commencement of this Act.

1. Subs. for the original short title by A.P. Act IX of 1961.

2. The words "State of Andhra" were subs. for the words "Presidency of Madras" by the A.A.O. 1953 and these words were subs. for the words "State of Andhra" by A.P. Act IX of 1961.

## **2. Amendment Of Section 3, Act 10 Of 1918 :-**

In Section 3 of the said Act-

(i) in sub-section (1), for the words, letters and brackets beginning with "has reason to believe" and ending with "any of the following powers, namely, may", the following shall be substituted, namely.--  
"has reason to believe that the transaction was, as between the parties thereto, substantially unfair, the Court shall exercise one or more of the following powers, namely,-";

(ii) the Explanation to the same sub-section shall be renumbered as Explanation II and the following shall be inserted as explanation I, namely.--

"Explanation I.-- If the interest is excessive, the Court shall presume that the transaction was substantially unfair; but such presumption may be rebutted by proof of special circumstances justifying the rate of interest".;

(iii) to clause (b) of sub-section (2), the following proviso shall be added, namely.--

"Provided that in the case of loans to agriculturists, if compound interest is charged, the Court shall presume that the interest is excessive"; and

(iv) the Explanation to clause (d) of the same sub-section shall be omitted.