

Usury Laws Repeal Act, 1855

UNION OF INDIA

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Act 28 of 1855

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Usury Laws Repeal Act, 1855(Act No. 28 of 1855)Last Updated 19th July, 2019[Dated 19.9.1855.]An Act for the repeal of the Usury Laws.Preamble. - Whereas it is expedient to repeal the laws now in force relating to usury; It is enacted as follows: -

1.

[Repeal of enactments.] [Repeal by the Repealing Act, 1870 (14 of 1870).]

2. Rate of interest to be decreed by Courts.

- In any suit in which interest is recoverable, the amount shall be adjudged or decreed by the Court at the rate (if any) agreed upon by the parties; and if no rate shall have been agreed upon, at such rate as the Court shall deem reasonable.

3. Rate of interest upon a judgment or decree.

- Whenever a Court shall direct that a judgment or decree shall bear interest, or shall award interest upon a judgment or decree, it may order the interest to be calculated at the rate allowed in the judgment or decree upon the principal sum adjudged, or at such other rate as the Court shall think fit.

4. Contracts for usufruct of property in lieu of interest.

- A mortgage or other contract for the loan of money, by which it is agreed that the use or usufruct of any property shall be allowed in lieu of interest, shall be binding upon the parties.

5. Amount of interest to be deposited in certain cases of conditional sales under Bengal Regulations. Proviso.

- Whenever, under the [Regulations of the Bengal Code] [See Bengal Reg. 1 of 1798, s. 2. This Regulation is, however, now in force only in the Sonthal Parganas and with the exception of the Parts which relate to interest, the Regulation is also in force in the Punjab.], a deposit may be made of the principal sum and interest due upon any mortgage or conditional sale of land there after to be entered into the amount of interest to be deposited shall be at the rate stipulated in the contract, or, if no rate has been stipulated and interest be payable under the terms of the contract, at the rate of twelve percentum per annum: Provided that, in the latter case, the amount deposited shall be subject to the decision of the Court as to the rate at which interest shall be calculated.

6. Rate of interest on future adjustments of accounts.

- In any case in which an adjustment of accounts may become necessary between the lender and the borrower of money upon any mortgage, conditional sale of landed property, or other contract whatsoever, which may be entered into after the passing of this Act, interest shall be calculated at the rate stipulated therein; or, if no rate of interest shall have been stipulated and interest be payable under the terms of the contract, at such rate as the Court shall deem reasonable.

7.

[Saving of prior transactions.] [Repeal by the Repealing Act, 1870 (14 of 1870), s. 1 and the Schedule Part II.]

8.

[Commencement of Act.] [Repeal by s.1 and the Schedule Part II, the Repealing Act, 1870 (14 of 1870).]

9.

[Schedule of Repealed Enactments.] [Repeal by s.1 and Schedule Part II, the Repealing Act, 1870 (14 of 1870).]