

Rep. by Act.....38.....of 1978, S. 2 + sch. I

THE AGRICULTURAL REFINANCE CORPORATION  
(AMENDMENT) ACT, 1973

No. 37 OF 1973

[1st September, 1973]

An Act further to amend the Agricultural Refinance Corporation Act, 1963.

BE it enacted by Parliament in the Twenty-fourth Year of the Republic of India as follows:—

1. This Act may be called the Agricultural Refinance Corporation (Amendment) Act, 1973. Short title.

10 of 1963. 2. In section 22 of the Agricultural Refinance Corporation Act, 1963, Amend-  
for sub-section (4), the following sub-sections shall be substituted, ment of  
namely:— section 22.

“(4) No accommodation shall be granted under clause (a), clause (b) or clause (d) of sub-section (3) to an eligible institution unless it is fully and unconditionally guaranteed by Government as to the repayment of principal and payment of interest:

Provided that no such guarantee shall be required in cases in which—

(i) security, to the satisfaction of the Board, is furnished by the eligible institution, or

(ii) the Board, for reasons to be recorded by it in writing decides that no such security or guarantee is necessary:

**REPEALED**

Provided further that any sums received by an eligible institution in repayment or realisation of loans and advances refinanced either wholly or partly by the Corporation shall, to the extent of the accommodation granted by the Corporation remaining outstanding, be deemed to have been received by the eligible institution in trust for the Corporation, and shall accordingly be paid by such eligible institution to the Corporation:

Provided also that in cases where accommodation has been granted to an eligible institution without obtaining such guarantee or security, all securities held, or which may be held, by such eligible institution, on account of any transaction in respect of which such accommodation has been granted by the Corporation, shall be held by such eligible institution in trust for the Corporation.

(4A) Nothing contained in the second proviso to sub-section (4) shall apply to any accommodation granted by the Corporation before the commencement of the Agricultural Refinance Corporation (Amendment) Act, 1973, to an eligible institution which was not a scheduled bank on the date on which such accommodation was granted."