

of management or other managing body (by whatever name called) of the bank and the appointment of an administrator therefore for such period or periods, not exceeding five years in the aggregate, as may from time to time be specified by the Reserve Bank of India, and the administrator so appointed shall, after the expiry of his term of office, continue in office until the day immediately preceding the date of the first meeting of the new committee;

(iv) no appeal, revision or review shall lie or be permissible against an order referred to in clause (i), (ii) or (iii) made with the previous sanction in writing or on the requisition of the Reserve Bank of India and such order or sanction shall not be liable to be called in question in any manner;

(v) the liquidator or the insured co-operative bank or transferee bank, as the case may be, shall be under an obligation to repay the Deposit Insurance Corporation established under the Deposit Insurance Corporation Act, 1961, in the circumstances, to the extent and in the manner referred to in section 21 of that Act.

*Explanation.*—For the purposes of this section,—

(i) "co-operative bank" means a bank as has been defined in the Deposit Insurance Corporation Act, 1961;

(ii) "insured co-operative bank" means a society which is an insured bank under the provisions of the Deposit Insurance Corporation Act, 1961;

(iii) "transferee bank", in relation to an insured co-operative bank, means a co-operative bank—

(a) with which such insured co-operative bank is amalgamated; or

(b) to which the assets and liabilities of such insured co-operative bank are transferred; or

(c) into which such insured co-operative bank is divided or converted under the provisions of section 12 or section 14 of the Kerala Co-operative Societies Act, 1969 (21 of 1969)".

3. *Repeal and saving.*—(1) The Kerala Co-operative Societies (Amendment) Ordinance, 1973 (13 of 1973), is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the principal Act as amended by the said Ordinance shall be deemed to have been done or taken under the principal Act as amended by this Act as if this Act had come into force on the 20th day of November, 1973.

THE AGRICULTURAL INCOME-TAX (AMENDMENT)  
ACT, 1974

(ACT 9 OF 1974)

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THE AGRICULTURAL INCOME-TAX (AMENDMENT)  
ACT, 1974\*

(ACT 9 OF 1974)

*An Act further to amend the Agricultural Income-tax Act, 1950.*

*Preamble.*—WHEREAS it is expedient further to amend the Agricultural Income-tax Act, 1950, for the purposes hereinafter appearing;

BE it enacted in the Twenty-fifth Year of the Republic of India as follows:—

1. *Short title and commencement.*—(1) This Act may be called the **Agricultural Income-tax (Amendment) Act, 1974.**

(2) It shall come into force on such date as the Government may, by notification in the Gazette, appoint.

2. *Substitution of new section for section 4.*—For section 4 of the Agricultural Income-tax Act, 1950 (XXII of 1950) (hereinafter referred to as the principal Act), the following section shall be substituted, namely:—

"4. *Total agricultural income.*—(1) Subject to the provisions of this Act, the total agricultural income of any previous year of any

\* Received the assent of the Governor on the 19th day of March, 1974 and published in the Gazette Extraordinary No. 306 dated 20th March 1974.

person comprises all agricultural income derived from land situated within the State and received by him within or without the State, but does not include—

- (a) any agricultural income derived from land situated without the State;
- (b) any agricultural income derived from property held under trust wholly for charitable or religious purposes, to the extent to which such income is applied to such purposes in the State;
- (c) any agricultural income derived from property held under trust in part only for such purposes, to the extent to which such income is applied to such purposes in the State.

(2) For the purposes of sub-section (1), agricultural income derived from any land situated within the State, which is in the possession of the mortgagee thereof, shall, notwithstanding anything contained in section 23, be deemed to be agricultural income received by the mortgagor:

Provided that where the agricultural income-tax charged on such agricultural income cannot be recovered from the mortgagor, such tax shall be payable by and recoverable from the mortgagee, and the mortgagee shall be entitled to recover from the mortgagor the amount of the tax so paid.

(3) Nothing contained in clause (b) or clause (c) of sub-section (1) shall operate so as to exclude from the total agricultural income of the previous year of the person in receipt thereof—

- (a) any part of the agricultural income from the property held under trust for private religious purposes which does not ensure for the benefit of the public;
- (b) in the case of a trust for charitable purposes or a charitable institution, any agricultural income thereof, if the trust or institution is created or established for the benefit of any particular religious community or caste;
- (c) in the case of a trust for charitable or religious purposes or a charitable or religious institution, any agricultural income thereof—
  - (i) if under the terms of the trust or the rules governing the institution any part of such income ensures; or
  - (ii) if any part of such income or any property of the trust or institution is, during the previous year, used or applied,

directly or indirectly for the benefit of any person referred to in sub-section (5).

(4) Without prejudice to the generality of the provisions of clause (c) of sub-section (3), the income or the property of the trust or institution or any part of such income or property shall, for the purposes of that clause, be deemed to have been used or applied for the benefit of a person referred to in sub-section (5),—

- (a) if any part of the income or property of the trust or institution is, or continues to be, lent to any person referred to in sub-section (5) for any period during the previous year without either adequate security or adequate interest or both;
- (b) if any amount is paid by way of salary, allowance or otherwise during the previous year to any person referred to in sub-section (5) out of the resources of the trust or institution, for services rendered by that person to such trust or institution and the amount so paid is in excess of what may be reasonably paid for such services;
- (c) if a substantial portion of the income or property of the trust or institution is diverted during the previous year in favour of any person referred to in sub-section (5);
- (d) if any funds of the trust or institution are, or continue to remain, invested for any period during the previous year in any concern in which any person referred to in sub-section (5) has a substantial interest.

(5) The persons referred to in clause (c) of sub-section (3) are the following, namely:—

- (a) the author of the trust or the founder of the institution;
- (b) any person who has made a substantial contribution to the trust or institution;
- (c) where such author, founder or person is a Hindu undivided family, a member of the family;
- (d) any trustee of the trust or manager (by whatever name called) of the institution;
- (e) any relative of any such author, founder, person or member as aforesaid;
- (f) any concern in which any of the persons referred to in clauses (a), (b), (c) and (d) has a substantial interest.

