



The Andhra Pradesh Co-Operative Societies (Amendment) Act, 1987

Act 26 of 1987

Keyword(s):

Arbitrator, Auditor, By-Laws, Co-Operative Year, Dispute, Financing Bank, Land Mortgage Bank, Liquidator, Society, Society with Limited Liability, Sale Officer, Trustee, Organiser

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THE ANDHRA PRADESH CO-OPERATIVE SOCIETIES
(AMENDMENT) ACT, 1987.

ACT No. 26 OF 1987.*

[29th April, 1987.]

An Act further to amend the Andhra Pradesh Co-operative Societies Act, 1964.

Be it enacted by the Legislative Assembly of the State of Andhra Pradesh in the Thirty-eighth Year of the Republic of India as follows:

1. This Act may be called the Andhra Pradesh Co-operative Societies (Amendment) Act, 1987. Short title.

2. In the Andhra Pradesh Co-operative Societies Act, 1964, (hereinafter referred to as the Principal Act), for section 21C, the following section shall be substituted, namely:- Substitution of new section for section 21C, Act 7 of 1964.

"Restriction on 21C. No person who holds or has consecutive holding of offices of member and President. held the office of,-

(a) member of the Committee; or
(b) President of a Primary Co-operative Society; or

*Received the assent of the Governor on the 29th April, 1987. For Statement of Objects and Reasons, please see the Andhra Pradesh Gazette, Part IV-A, Extraordinary, dated the 2nd April, 1987 at page 3.

(c) member of the Committee and the President of a Primary Co-operative Society or vice-versa consecutively, for two terms shall be eligible for being chosen as a member of the Committee for a third term or for being chosen as a President of a Primary Co-operative Society under sub-section (5) of section 31.

Explanation:—For purposes of this section—

(i) Where a period during which there is no elected committee intervenes between two terms of office of the committee or of any of its members or Presidents, those two terms shall be regarded as being consecutive to each other;

(ii) a member or President shall be deemed to hold office for a term, notwithstanding that he has not held the office for a full term.”

(iii) The Committee means an elected Committee.

Amendment
of section 25.

3. In section 25 of the Principal Act, to sub-section (1), the following proviso shall be added namely:—

“Provided that no member of a society belonging to such class of societies and who failed to transact such minimum business as may be prescribed, taking into consideration the nature of business transacted by the society, shall have the right to stand as a candidate or to vote in any election to the society.”

THE ANDHRA PRADESH CO-OPERATIVE
SOCIETIES (AMENDMENT) ACT, 1988.

ACT NO. 28 OF 1988*

[12th September, 1988.]

An Act further to amend the Andhra Pradesh Co-operative Societies Act, 1964.

Be it enacted by the Legislative Assembly of the State of Andhra Pradesh in the Thirty-ninth Year of the Republic of India, as follows:-

1. (1) This Act may be called the Andhra Pradesh Co-operative Societies (Amendment) Act, 1988. Short title and Commencement.

(2) It shall be deemed to have come into force on the 9th May, 1988.

Received the assent of the Governor on the 12th September, 1988. For Statement of Objects and Reasons, please see the Andhra Pradesh Gazette, Part IV-A Extraordinary, dated the 28th July, 1988, at pages 647.

Amendment
of Section 6
Act 7 of
1964.

2. In section 6 of the Andhra Pradesh Co-operative Societies Act, 1964 (hereinafter referred to as the Principal Act) in sub-section (2) after clause (c), the following clause shall be inserted, namely:—

“(cc) where the objects of the Society include production and sales activity by supplying raw-material to members for production of finished products and where all applicants are individuals such applicants shall reside in the area of operations proposed for the society and belong to the same class or pursue the same occupation; and it shall also be competent for the Government to specify by order such other class of societies, the applicants of which shall reside in the area of operations as aforesaid and belong to the same class or pursue the same occupation;”

Amendment
of section 19

3. In section 19 of the principal Act, in sub-section (1);—

(i) for clause (a), the following shall be substituted, namely:—

“(a) an individual who attained majority and is of sound mind and who belongs to the class of persons, if any, for whom the society is formed as per its bye-laws and who possesses such qualifications as may be specified in the bye-laws or as may be prescribed for the concerned class of Societies in the interest of Co-operative movement”;

(ii) after the second proviso, the following shall be inserted, namely:—

“Provided also that only one weaver in each family shall be eligible for admission as or for continuing as member of primary weavers co-operative society irrespective of the number of looms owned by the family and number of weavers in the family;

Provided also that the individual members of the family other than the one referred to in the foregoing proviso who attained majority and who are engaged in weaving activity and any individual weaver who is major and is working on a hired loom shall be eligible for admission as associate member.

Explanation:—for the purpose of this sub-section:—

(i) 'family' means husband, wife, unmarried sons, unmarried daughters and other dependents in the house-hold;

(ii) 'Weaver' means any individual not being a master weaver, who attends to operations of weaving of cloth or fabric or product on the loom whether such operation is carried on in private dwelling house or in any other place and is dependent on weaving as profession and income thereof;.

(iii) in sub-section (2) in clause (ii) for the expression "Section 6 (2) (c)", the expression "Clauses (c) and (cc) in sub-section (2) of section 6" shall be substituted.

4. In section 21 of the principal Act,—

Amendment
of section 21.

(i) in sub-section (1) after clause (a), the following clause shall be inserted, namely:—

"(aa) is not eligible for membership under section 19;";

(ii) after sub-section (2), the following sub-section shall be inserted, namely:—

"(3) Where any person, who is not eligible for being admitted as member has been admitted as member or where a member who is disqualified to continue as such under sub-section (1) is continued as member, he shall be removed,—

(i) by the Registrar on his own motion or on a representation made to him by any member of the society or its federal society or its financing bank: or

(ii) by the Committee of the society:

Provided that no member shall be removed under this sub-section unless he had an opportunity of making a representation against the proposed action and where the removal is sought to be made by the Committee, until the resolution of the Committee is approved by the Registrar. The order of the Registrar, or as the case may be, a copy of the resolution removing the member as approved by the Registrar, shall be communicated to such person and on such communication he shall be deemed to have ceased to be member of the Society."

Amendment
of section 48.

5. Section 48 of the principal Act shall be numbered as sub-section (1) thereof and after sub-section (1) as so renumbered, the following sub-section shall be added, namely:—

"(2) Every Primary Weavers Co-operative Society shall produce cloth only through the members of the society by supplying raw-materials to the members and receiving back cloth or fabric or product and shall not procure or purchase cloth or fabric or product from any source other than the members of the society either for sale on its own account or for sale of Federal Society or others. But it may purchase cloth or fabric or product of other weavers co-operative societies with general or special sanction of Registrar for sale on its own account to consumers or others."

Amendment
of section 79.

6. In section 79 of the principal Act,—

(1) in sub-section (1),—

(i) after clause (a), the following clause shall be added, namely:—

“(aa) the committee, an officer, employee or any member of the society furnished false information to gain admission or to continue as member of society or to get elected to the managing committee or as an officer of the society or to continue as member of the Managing Committee or as an officer of the Society;”;

(ii) in clause (d) for the expression “section 35 or section 36”, the expression “section 35, section 36 or sub-section (2) of section 48” shall be substituted;

(2) in sub-section (2), for the words “six months or”, the words “six months and ” shall be substituted and the words “or with both” shall be omitted.

7. The Andhra Pradesh Co-operative Societies (Amendment) Ordinance, 1988 is hereby repealed. Repeal of Ordinance 7 of 1988

THE ANDHRA PRADESH CO-OPERATIVE
SOCIETIES (AMENDMENT) ACT, 1989.

ACT NO. 5 OF 1989*.

[31st March, 1989.]

An Act further to amend the Andhra Pradesh Co-operative Societies Act, 1964.

Be it enacted by the Legislative Assembly of the State of Andhra Pradesh in the Fortieth Year of the Republic of India, as follows :-

1. (1) This Act may be called the Andhra Pradesh Co-operative Societies (Amendment) Act, 1989. Short title and commencement.

(2) It shall be deemed to have come into force on the 17th November, 1988.

*Received the assent of the Governor on the 31st March, 1989. For Statement of Objects and Reasons, please see the Andhra Pradesh Gazette, Part-IV A, Extraordinary, dated the 28th September, 1989, at Page 3.

Amendment of section 19, Act 7 of 1964.

2. In section 19 of the Andhra Pradesh Co-operative Societies Act, 1964, in sub-section (1), for the third proviso, the following proviso shall be substituted, namely:—

“Provided also that in respect of primary weavers co-operative society only one weaver in each family, irrespective of the number of looms owned by the family and the number of weavers in the family and in respect of such other primary co-operative societies, as may be notified by the Government, from time to time, only one member in each family shall be eligible for admission or for continuing as member of the society and the weaver in each family in respect of primary weavers co-operative society and the member in each family in respect of other primary co-operative societies notified as aforesaid, who shall be a member of the society shall be chosen by the members of the family on the basis of such criteria, as may be prescribed and different criteria may be prescribed for different classes of societies.”

Special provision for elections to be held

3. All elections to primary co-operative societies to be held after the commencement of this Act shall, notwithstanding anything to the contrary in any Judgment, decree or Order of any Court, Tribunal or other authority, be held in accordance with the provisions of the principal Act, as amended by this Act.

Repeal of Ordinance 14 of 1988.

4. The Andhra Pradesh Co-operative Societies (Second Amendment) Ordinance, 1988 is hereby repealed.

THE ANDHRA PRADESH CO-OPERATIVE SOCIETIES (SECOND AMENDMENT) ACT, 1989.

ACT No. 16 OF 1989*.

[21st Sep, 1989.]

An Act further to amend the Andhra Pradesh Co operative Societies Act, 1964.

Be it enacted by the Legislative Assembly of the State of Andhra Pradesh in the Fortieth Year of the Republic of India as follows:-

*Received the assent of the Governor on the 21st September 1989. For Statement of Objects and Reasons, please see the Andhra Pradesh Gazette, Extraordinary, Part IV-A dated the 8th September, 1989, at Page 3.

Republic of India, as follows:--

Short title

1. This Act may be called the Andhra Pradesh Co-operative Societies (Second Amendment) Act, 1939.

Amendment
of section 31,
Act 7 of 1964

2. In the Andhra Pradesh Co-operative Societies Act, 1964 (hereinafter referred to as the principal Act) in section 31, in sub-section (2), in clause (a), for the words "three years", the words "five years" shall be substituted.

Amendment
of section
34 A.

3. In section 34-A of the principal Act, in sub-section (11) for the words "with the support of the majority of the total number of members", the words "with the support of not less than two-thirds of the total number of members" shall be substituted.

**ANDHRA PRADESH ACTS, ORDINANCES
AND REGULATIONS, ETC.**

The following Act of the Andhra Pradesh Legislative Assembly received the assent of the Governor on the 27th September, 1990 and the said assent is hereby first published on the 28th September, 1990 in the Andhra Pradesh Gazette for general information:-

ACT No. 13 OF 1990

An Act further to amend the Andhra Pradesh Co-operative Societies Act, 1964.

Be it enacted by the Legislative Assembly of the State of Andhra Pradesh in the Forty-first Year of the Republic of India, as follows:-

1. (1) This Act may be called the Short title and commencement.
Andhra Pradesh Co-operative Societies (Amendment) Act, 1990.

(2) It shall be deemed to have come into force on the 30th June, 1990.

Amendment of
Section 31,
Act 2 of 1964.

2. In the Andhra Pradesh Co-operative Societies Act, 1964 (hereinafter referred to as the principal Act) in section 31, in sub-section (2), in clause (a), for the words "five years", the words "three years", shall be substituted.

Insertion of
New Section 32 A

3. Section 32A of the principal Act, shall be renumbered as section 32B and before the section as so renumbered the following section shall be inserted, namely:-

32A. Notwithstanding anything contained in clause (a) of sub-section (7) "Ceased of Section 32, or in any Judgment, decree or order of any Committees not to have any right to continue as person-in-charge. court, tribunal or other authority, no Office-bearer or member of a committee who ceased to hold office either by efflux of time or otherwise shall have a right to be appointed as person-in-charge or persons-in-charge."

Committees
continuing in
office beyond
the term to
cease the
function.

4. (1) Every Committee constituted before the commencement of the Andhra Pradesh Co-operative Societies (Amendment) Act, 1990, and has completed three years of term of office on or before such commencement shall cease to hold office on such commencement and every such Committee which completes three years of term of office after such commencement shall cease to hold office on such completion.

(2) Notwithstanding anything in clause (b) of sub-section (2) of section 31 of the principal Act, elections to such societies whose Committees cease to hold office under sub-section (1) shall

be held by the Registrar within a period of six months from the date of commencement of this Act, in accordance with the provisions of the principal Act and the rules made thereunder:

Provided that the Government may, by order and for reasons to be recorded in writing, extend from time to time, the period of six months aforesaid; so however, the total period shall not exceed one year from the date of commencement of this Act.

5. Notwithstanding any thing in any Judgment,, decree or order of any court, tribunal or other authority to the contrary, all orders or proceedings issued either by the Government or by the Registrar in pursuance of the Andhra Pradesh Co-operative Societies (Amendment) Ordinance, 1990 and any action taken in pursuance thereof shall be and deemed always to have been valid and accordingly no suit or other proceeding shall be maintained or continued in any court against the State Government, Registrar or any person or authority whatsoever.

Valida-
tion.

Ordinance
5 of 1990.

6. The Andhra Pradesh Co-operative Societies (Amendment) Ordinance, 1990 is hereby repealed.

Repeal of
Ordinance
5 of 1990.

P.V. VIDYASAGAR,
Secretary to Government,
Law and Legislative Affairs,
Law Department.

**THE ANDHRA PRADESH CO-OPERATIVE LAWS
(AMENDMENT) ACT, 1991.**

ACT No. 1 OF 1991*

[22nd January, 1991]

An Act further to amend the Andhra Pradesh Co-operative Societies Act, 1964 and the Andhra Pradesh Co-operative Societies (Amendment) Act, 1989.

BE it enacted by the Legislative Assembly of the State of Andhra Pradesh in the Forty-first year of the Republic of India, as follows:-

* Received the assent of the Governor on the 18-01-1991. For statement of object and reasons please see the Andhra Pradesh Gazette, Part IV-A, Extraordinary, dated 13-10-1990 at page 3.

J. 915-2

[1]

Short title. 1. This Act may be called the Andhra Pradesh Co-operative Laws (Amendment) Act, 1991.

Amendment of section 19, Act 7 of 1964. 2. In section 19 of the Andhra Pradesh Co-operative Societies Act, 1964, in subsection (1), the third and fourth provisos and the explanation thereunder shall be omitted.

Omission of section 3, Act 5 of 1989. 3. Section 3 of the Andhra Pradesh Co-operative Societies (Amendment) Act, 1989 shall be omitted.

**THE ANDHRA PRADESH CO-OPERATIVE SOCIETIES
(AMENDMENT) AMENDING ACT, 1994.**

ACT No. 2 of 1991 *

[22nd January, 1991]

An Act further to amend the Andhra Pradesh Co-operative Societies (Amendment) Act, 1985.

BE it enacted by the Legislative Assembly of the State of Andhra Pradesh in the Forty-first year of the Republic of India, as follows:-

* Received the assent of the Governor on the 19-01-1991. For statement of object and reasons please see the Andhra Pradesh Gazette, Part IV-A, Extraordinary, dated 14-10-1990 at page 3.

Short title and comment. 1. (1) This Act may be called the Andhra Pradesh Co-operative Societies (Amendment) Amending Act, 1991.

(2) It shall come into force at once.

Omission of section 36, Act 21 of 1985. 2. In the Andhra Pradesh Co-operative Societies (Amendment) Act, 1985, section 36 shall be omitted.

THE ANDHRA PRADESH CO-OPERATIVE SOCIETIES
(AMENDMENT) ACT, 1991.

ACT No. 3 OF 1991 *

[22nd January, 1991]

An Act further to amend the Andhra Pradesh Co-operative Societies Act, 1964.

BE it enacted by the Legislative Assembly of the State of Andhra Pradesh in the Fifty-first year of the Republic of India, as follows:-

1. This Act may be called the Andhra Pradesh Co-operative Societies (Amendment) Act, 1991. Short title

* Received the assent of the Governor on the 19-01-1990. For statement of object and reasons please see the Andhra Pradesh Gazette, Part IV-A, Extraordinary, dated 25-09-1990 at page 3.

Insertion of
new Section
70A, Act 7
of 1964,

2. In the Andhra Pradesh Co-operative Societies Act, 1964 after section 70, the following new section shall be inserted, namely:-

Execution of non-monetary orders etc. 70A. Every order or decision of a non-monetary nature made under the provisions of section 62, section 76, section 77, or section 78, shall be executed by the Civil Court having jurisdiction, as if such order or decision is a decree of that Court on a certificate issued by the Registrar or any person authorised by him in this behalf."

**THE ANDHRA PRADESH CO-OPERATIVE SOCIETIES
(SECOND AMENDMENT) ACT, 1991.**

ACT No. 10 OF 1991 *

[11th April, 1991]

An Act further to amend the Andhra Pradesh Co-operative Societies Act, 1964.

* Received the assent of the Governor on the 09-04-1991. For statement of object and reasons please see the Andhra Pradesh Gazette, Part IV-A, Extraordinary, dated 15-03-1991 at Pages 4 and 6.

BE it enacted by the Legislative Assembly of the State of Andhra Pradesh in the Forty second Year of the Republic of India, as follows :-

Short title
and commence-
ment.

1. (1) This Act may be called the Andhra Pradesh Co-operative Societies (Second Amendment) Act, 1991.

(2) Sections 2 and 3 shall be deemed to have come into force on the 6th December, 1990 and sections 4 and 5 shall be deemed to have come into force on the 5th March, 1991.

Amendment of
section 2,
Act 7 of 1964.

2. In the Andhra Pradesh Co-operative Societies Act, 1964, (hereinafter referred to as the principal Act), in section 2, clauses (j-i), (j-ii), (k-i) and clause (u) shall be omitted.

Amendment of
section 21-A.

3. In section 21-A of the principal Act, sub-section (1A) shall be omitted.

Omission of
section
21-C.

4. Section 21C of the principal Act, shall be omitted.

Amendment of
section 31.

5. In section 31 of the principal Act,---

(i) in sub-section (1), in clause (a), after the second proviso, the following proviso shall be added, namely:-

"Provided also that two women members shall be nominated by the Registrar to the Committee of such class of societies and in such manner as may be prescribed from among the women members of the general body of such societies. Such nominated Women members shall, notwithstanding anything contained in this Act,

have the right to vote and otherwise to take part in the proceedings of the meetings of the Committee."

(ii) sub-section (5) shall be omitted.

6. The Andhra Pradesh Co-operative Societies (Second Amendment) Ordinance, 1990 and the Andhra Pradesh Co-operative societies (Amendment) Ordinance, 1991 are hereby repealed.

Repeal of
Ordinance
10 of 1990
and Ordinance 5
of 1991.

THE ANDHRA PRADESH CO-OPERATIVE SOCIETIES
(THIRD AMENDMENT) ACT, 1991.

ACT No. 15 OF 1991*

[6th August, 1991]

AN ACT FURTHER TO AMEND THE ANDHRA
PRADESH CO-OPERATIVE SOCIETIES ACT,
1964.

BE it enacted by the Legislative
Assembly of the State of Andhra Pradesh
in the Fortieth Year of the Republic of
India, as follows:-

1. This Act may be called the Andhra Short
Pradesh Co-operative Societies (Third title
Amendment) Act, 1991.

* Received the assent of the Governor on the 17-10-1989.
For statement of object and reasons please see the Andhra
Pradesh Gazette, Part IV-A, Extraordinary, dated 14-09-1991
at Pages 8 and 9.

Substitution
of new section
for
section 75.
Act 7 of 1964

2. In the Andhra Pradesh Co-operative Societies Act, 1964 (hereinafter referred to as the principal Act), for section 75, the following section shall be substituted, namely:—

Constitution of Co-operative Tribunal. 75. (1) The Government may, for the purpose of this Act, by notification constitute as many Tribunals as may be necessary for such area or areas as may be specified in the notification.

(2) The Tribunal shall consist of a Chairman and not more than two other members to be appointed by the Government.

(3) The Chairman shall be a person who is or has been a judicial officer not below the rank of a District Judge and a member shall be a person, who holds or has held a post not below the rank of Additional Registrar of Co-operative Societies.

(4) The Government may, from time to time, likewise reconstitute any Tribunal constituted under sub-section (1) or may abolish such Tribunal.

(5) The quorum to constitute a meeting of a Tribunal and the manner of taking decision thereat and the procedure and conduct of its business shall be such as may be prescribed.

(6) No act or proceeding of any Tribunal shall be deemed to be invalid by reason only of the existence of any vacancy among its members or any defect, in the constitution or reconstitution thereof.”

Amendment
of Section 76

3. In section 76 of the principal Act, in sub-section (1),—

(a) for the expression "under sub-section (1) of section 60, sub-section (2), sub-section (3) or sub-section (4) of section 62, section 71 or section 73", the expression "under sub-section (1) and sub-section (1A) of section 21A, section 21AA, sub-section (3) of section 32, section 34-A, sub-section (1) of section 60, sub-section (2), sub-section (3) or sub-section (4) of section 62, section 70, section 71 or section 73" shall be substituted;

(b) after sub-section (1), the following sub-section shall be inserted, namely:—

"(1A) On a reference made by the Registrar of Co-operative Societies, the Tribunal shall call for and examine the records of any proceeding which are appealable to it for the purpose of satisfying itself as to the legality or propriety of any decision or order passed and where it appears to the Tribunal that any such decision or order should be modified, annulled or reversed the Tribunal may pass such order thereon as it may deem fit:

Provided that an appeal pending before the Co-operative Tribunal before the commencement of the Andhra Pradesh Co-operative Societies (Third Amendment) Act, 1991 shall stand transferred to the Co-operative Tribunal constituted under section 75 as amended by the said Act.

4. In section 79 of the principal Act,—

(a) in sub-section (1), in clause (d), for the expression "section 35, section 36 or sub-section (2) of section 48", the expression "section 35, section 36, sub-section (2) of section 48 or sub-section (3) of section 83 B" shall be substituted;

(b) after clause (e), the following clauses shall be added, namely:—

"(f) an officer, or an employee of the society including the paid Secretary dishonestly or fraudulently misappropriates or otherwise converts for his own

use or intentionally causes loss to the property of the society entrusted to him or under his control as such officer or employee or allows any other person so to do;

(g) an officer, or an employee of the society is or proved to have been in possession of any property of the society reasonably suspected to have been stolen or unlawfully obtained; or

(h) any officer or employee abets any offence punishable under this Act whether or not that offence is committed in consequence of that abetment;";

(c) in sub-section (2), for the words "An offence under sub-section (1)", the words "An offence under clauses (a) to (e) of sub-section (1)" shall be substituted;

(d) after sub-section (2), the following sub-section shall be added, namely:—

"(3) An offence in sub-section (1), under—

(i) clause (f), shall be punishable with imprisonment for a term which shall not be less than one year but which may extend to seven years;

(ii) clause (g), shall be punishable with imprisonment for a term which may extend to five years; and

(iii) clause (h), shall be punishable with imprisonment for a term which shall not be less than six months but which may extended five years."

5. For section 83 of the principal Act, the following sections shall be substituted, namely:—

83. The Government may, for the purpose of providing speedy trial of the offences under this Act, or for, any offence committed by an officer, employee or any member of the society punishable under the Indian Penal Code, 1860, by notification, in the Andhra Pradesh Gazette constitute as many Special Courts as may be necessary for such area or areas as may be specified in the notification.

Procedure and powers of the Special Courts.

83A (1) The Special Court, may, on an application made by the Registrar, or the person authorised by him, or an officer, or any member of the society, take cognizance of and try any offence under this Act and pass such orders as it deems fit:

Provided that if, in the opinion of the Special Court, any application filed before it is **prima facie frivolous or vexatious**, it shall reject the same without any further enquiry.

(2) Notwithstanding anything in the Code of Criminal Procedure, 1973, it shall be lawful for the Special Court to try all offences punishable under this Act. Central Act, 2 of 1974.

(3) The Special Court shall, in the trial of cases before it, follow the procedure prescribed by the Code of Criminal Procedure, 1973. Central Act-1 2 of 1974

(4) Every offence under this Act shall, for the purpose of the Code of Criminal Procedure, 1973, be deemed to be a cognizable offence. Central Act 2 of 1974.

Presumption as to commission of offences in certain cases

83B (1) In the trial of offences by the Special Court it shall be presumed, until the contrary is proved that any member, officer or employee of a society,—

(a) who draws the amounts from the financing institutions and fails to properly disburse or account for it, has misappropriated the amounts:

(b) who is responsible for the custody of books and properties or who is in actual possession thereof, fails to produce the same on requisition by the Registrar or any person authorised by him, has wilfully withheld the same.

(c) who makes any false entries or manipulates or alters the account books of the society, has wilfully committed the said act in order to cause loss or damage to the society;

(d) who misuses the properties of the society in contravention of the provisions of the Act and the rules made thereunder or the Bye-laws of the society has done so, for his personal benefit;

(e) who executes any documents or enters into an agreement for sale or purchase of the land plots in contravention of the provisions of the registered bye-laws of the society, has done so for his personal benefit and in order to cause loss to the members of the society.

(2) Any member, officer or employee of a society who issues any receipt shall be deemed to have issued the same in the name of the society and shall be responsible to account for the same.

(3) Notwithstanding the criminal liability, the member officer or employee of a society shall be responsible to make good the loss caused to the society by committing such offences and the same shall be recovered as arrears of land revenue by the Registrar or the person authorised by him from the person responsible for causing such loss or his legal heirs or any person who has acquired the properties from such person or with the assistance of such person.

Presumption
as to state-
ments

83 C. Where any member, officer or employee of a society has made a statement during the enquiry under section 51 or inspection under section 52 and the statement is recorded by the Registrar or the person authorised by the Registrar in exercise of their powers conferred on them under this Act, the court shall presume that the statement was so recorded by the Registrar or the person authorised by him as a statement within the meaning of the Indian Evidence Act, 1872.

6. For section 129A, of the principal Act, the following section shall be substituted, namely:—

Substitution
of new Sec-
tion for
s ction 129A.

Officers and
employees
to be public
servants.

129A. The Registrar or any person authorised by him to recover any amount or to execute any orders issued or decisions taken under any of the provisions of this Act and every officer and employee of a society shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code, 1860.”

Central Act
45 of 1860.

P. V. VIDYASAGAR,
Secretary to Government,
Law and Legislative Affairs
Law Department.

**THE ANDHRA PRADESH CO-OPERATIVE SOCIETIES
(AMENDMENT) AMENDING ACT, 1991.**

ACT No. 16 OF 1991.

[30th September, 1991]

**AN ACT TO AMEND THE ANDHRA PRADESH
CO-OPERATIVE SOCIETIES (AMENDMENT)
ACT, 1990.**

Received the assent of the Governor on the 29-09-1991.
For statement of object and reasons please see the Andhra
Pradesh Gazette, Part IV, A, Extraordinary, dated 10-09-1991
at Pages 3 and 4.

BE it enacted by the Legislative Assembly of the State of Andhra Pradesh in the Forty-second Year of the Republic of India as follows:-

Short title
and com-
mencement.

1. (1) This Act may be called the Andhra Pradesh Co-operative Societies (Amendment) Amending Act, 1991.

(2) It shall be deemed to have come into force on the 5th June, 1991.

Amendment of
section 4,
Act 13 of
1990.

2. In the Andhra Pradesh Co-operative Societies (Amendment) Act, 1990, in section 4, in sub-section (2), in the proviso for the words "one year", the words "one year and nine months" shall be substituted.

Repeal of
Ordinance
B of 1991.

3. The Andhra Pradesh Co-operative Societies (Amendment) Amending Ordinance, 1991 is hereby repealed.

THE ANDHRA PRADESH CO-OPERATIVE SOCIETIES
(AMENDMENT) ACT, 1992.*

ACT No. 8 OF 1992.

[15th April, 1992].

An Act further to amend the Andhra Pradesh Co-operative Societies Act, 1964.

Be it enacted by the Legislative Assembly of the State of Andhra Pradesh in the Forty-third Year of the Republic of India, as follows :-

Short title 1. This Act may be called the Andhra Pradesh Co-operative Societies-(Amendment) Act, 1992.

2. *Amendment of Section 85, Act 7 of 1964.*—In the Andhra Pradesh Co-operative Societies Act, 1964, in section 85, after item (iv) and before the explanation, the following shall be inserted, namely :-

” (v) the acquisition, construction, re-building or repairing of rural dwelling houses. ”

*Received the assent of the Governor on the 14th April 1992. For Statement of Objects and Reasons Please See the *Andhra Pradesh Gazette*, Extraordinary, dated the 20th March 1992, Part IV-A, at Page No. 2

THE ANDHRA PRADESH CO-OPERATIVE SOCIETIES
(AMENDMENT) ACT, 1993.

ACT No. 5 OF 1993.*

[2nd February, 1993]

An Act further to amend the Andhra Pradesh Co-operative Societies Act, 1964.

BE it enacted by the Legislative Assembly of the State of Andhra Pradesh in the Forty-fourth Year of the Republic of India as follows:—

1. *Short title.*—This Act may be called the Andhra Pradesh Co-operative Societies (Amendment) Act, 1993.

2. *Amendment of section 21A.*—In section 21A of the Andhra Pradesh Co-operative Societies Act, 1964 Act 7 of 1964 (hereinafter referred to as the Principal Act), in the proviso to sub-section (1), before clause (iii), the following clauses shall be inserted namely,—

“(i) his delegation is withdrawn ;

(ii) the Committee which elected him as the delegate, has been superseded ;”.

3. *Amendment of section 25.*—In section 25 of the Principal Act, sub-section (4) shall be omitted.

4. *Amendment of section 30.*—In section 30 of the Principal Act, in sub-section (2),—

(a) after item (viii) the following item shall be inserted, namely:—

“(ix) election of delegates to the financing Bank or other societies”;

(b) in the proviso, for the expression “item (viii)”, the expression “items (viii) and (ix)” shall be substituted.

* Received the assent of the Governor on 1st Feb. 1993 For Statement of Objects and Reasons, Please See the *Andhra Pradesh Gazette*, PartIV- A, Extraordinary, dated the 17th Sep, 1992 at Page No. 2.

THE ANDHRA PRADESH CO-OPERATIVE
SOCIETIES (AMENDMENT) ACT, 1995.

ACT No. 4 OF 1995.

[3rd Feb, 1995].

An Act further to Amend the Andhra Pradesh Co-operative Societies Act, 1964.

BE it enacted by the Legislative Assembly of the State of Andhra Pradesh in the Forty-sixth Year of the Republic of India as follows :

1. (1) This Act may be called the Andhra Pradesh Co-operative Societies (Amendment) Act 1995. Short title and commencement

(2) It shall be deemed to have come into force with effect on and from the 2nd January 1995.

2. In section 2 of the Andhra Pradesh Co-operative Societies Act, 1964 (hereinafter referred to as the principal Act) Amendment of section 2 Act v of 1994

(a) after clause (i) the following clause shall be inserted, namely :

“(1-a) ‘gram panchayat’ means a gram panchayat constituted under section 4 of the Andhra Pradesh Panchayat Raj Act 1994 ;” Act 13 of 1994.

(b) after clause (j) the following clauses shall be inserted namely :

“(j-i) ‘Mandal Parishad’ means a Mandal Parishad constituted under section 148 of the Andhra Pradesh Panchayat Raj Act, 1994 ;” Act 13 of 1994.

Received the assent on the Governor on the 3rd February 1995. For statement of objects & reasons, please see the *Andhra Pradesh Gazette*, Part-IV-A, Extraordinary, dated 20-1-95 at page 7.

(j-ii) 'Municipal Corporation' means a Municipal Corporation constituted under the relevant law for the time being in force relating to the Municipal Corporations in the State ;

Act VI of
1965.

(j-iii) 'Municipal Council' means a Municipal Council constituted under section 5 of the Andhra Pradesh Municipalities Act, 1965 ;”;

(c) after clause (t) the following clause shall be inserted namely :

Act 13 of
of 1994

“(u) 'Zilla Parishad, means a Zilla Parishad constituted under section 177 of the Andhra Pradesh Panchayat Raj Act, 1994 ;”;

Amendment
of section
21-A

3. In Section 21 A of the Principal Act,

(A) in sub-section (1), after clause (h), and before the proviso, the following clauses shall be inserted , namely:

“(i) is a Village Administrative Officer or an employee of the State or Central Government or an employee of any institution receiving aid from the funds of the State or Central Government or an employee of any undertaking concerned and controlled by the State or Central Government :

Provided that this clause shall not apply for being a member of the committee of any society formed by and for the benefit of the concerned class of the employees specified in this clause ;

(j) is convicted by a criminal court for an offence involving moral delinquency:

Provided that the disqualification under this clause shall subsist for a period of five years from the date of conviction or where he is sentenced to imprisonment while undergoing sentence and for a period of five years from the date of expiration thereof,”

(B) after sub-section (1), the following sub-sections shall be inserted, namely :-

“(1-A). A person having more than two children shall be disqualified for election or for continuing as a member of the Committee :

Provided that the birth within the one year from the date of commencement of the Andhra Pradesh Co-operative Societies (Amendment) Act, 1995 hereinafter in this section referred to as the date of such commencement) of an additional child shall not be taken into consideration for the purposes of this section:

Provided further that a person having more than two children (excluding the child if any born within one year from the date of such commencement) shall not be disqualified under this section for so long as the number of children he had on the date of such commencement does not increase ;

Provided also that the Government may direct that the disqualification in this section shall not apply in respect of person for reasons to be recorded in writing.

(1-B). A member of the Legislative Assembly of the state a member of either House of the Parliament, Mayor of a Municipal Corporation, Chairman of a Municipal Council elected member or chairman of a Zilla Parishad or elected member or President of Mandal Parishad or Sarpanch or a Gram Panchayat shall be eligible to be elected as a member of the Committee, ; but he shall cease to be a member of the Committee unless within fifteen days from the date of becoming a member of the Committee he ceases to be a Member of the Legislative Assembly of the State of a Member of either House of the Parliament, Mayor of a Municipal Corporation, Chairman of a Municipal Council, elected member or Chairman of a Zilla Parishad or elected member or President of a Mandal Parishad or Sarpanch of a Gram Panchayat by resignation or otherwise ; and if a member of the Committee is subsequently elected to any one of the aforesaid offices, he shall cease to be the member of the Committee unless within fifteen days the date on which he is elected to any one of such offices he ceases to hold such office by resignation or otherwise”.

Amendment of Section 24. 4. In Section 24 of the principal Act, for the words "as may be specified in the bye-laws", the words "as may be specified in the rules made in this behalf or as may be specified in the bye-laws" shall be substituted.

Amendment of Section 30. 5. In Section 30 of the principal Act in sub-section (2), to item (ix), the following shall be added, namely:—

"Provided that where a delegate is not elected under this item the President shall be the delegate to the Financing Bank or other society until a delegate is elected."

"Provided further that where a Presidents elected by direct election, he shall represent the Society as a delegate to the Financing Bank or other societies."

Amendment of Section 31. 6. In Section 31 of the principal Act,—

(a) in sub-section (1),—

(1) in clause (i), the third proviso shall be omitted;

(2) in clause (b),—

(i) before the existing provisos, the following proviso shall be inserted, namely:—

"Provided that in the case of such classes of societies as may be prescribed, two seats shall be reserved for women in the manner, prescribed and such reservation may be made in the reserved and un-reserved categories also ;"

(ii) in the existing first proviso, for the words "Provided that", the words "Provided further that" and for the words and figures and Backward Classes in the proportion of 2:1:2", the words "Backward Classes and Women in such proportion as may be prescribed" shall respectively be substituted;

(iii) in the existing second proviso, for the words, "Provided further that", the words 'Provided' also that" and for the words "or backward classes, the words" "backward classes women" shall be substituted ;

(B) after sub-section (4), the following sub-section shall be added, namely :-

"(5) In the case of such classes of Co-operative Societies as may be prescribed the president shall subject to the provisions of section 21-A be elected by the members of the general body from among themselves in the manner prescribed. The president elected under this sub-section shall be an ex-officio member of the Committee."

7. The Andhra pradesh Co-operative Societies (Amendment) Ordinance 1995, hereby is repealed-

Repeal of
Ordinance
3 of 1995.

THE ANDHRA PRADESH CO-OPERATIVE SOCIETIES
(SECOND AMENDMENT) ACT, 1995.

ACT NO. 29 OF 1995.*

[18th May 1995]

AN ACT FURTHER TO AMEND THE ANDHRA PRADESH
CO-OPERATIVE SOCIETIES ACT, 1964.

Be it enacted by the Legislative Assembly of the State of Andhra Pradesh in the Forty-sixth Year of the Republic of India as follows :

1. (1) This Act may be called the Andhra Pradesh Co-operative Societies (Second Amendment) Act, 1995.

Short title
and
commence-
ment.

(2) It shall come into force at once.

2. In the Andhra Pradesh Co-operative Societies Act, 1964, in section 31, in sub-section (2), for clause (a), the following shall be substituted namely :-

Amendment
of Section 31
Act 7 of
1964.

“(a) Save as otherwise provided in this Act, the term of office of the committee or any of its members or of the President elected in accordance with the provisions of sub-section (5) shall be five years from the date of election of the members of the committee :

Provided that the term of office of five years specified in this clause shall be applicable only to a committee or its members or the President elected if any ordinary election conducted after the

*Received the assent of the Governor on the 17th May, 1995. For statement of objects and reasons, please see the *Andhra Pradesh Gazette*, Part IV-A Extraordinary, dated 2-5-95 at page 3.

commencement of the Andhra Pradesh Co-operative Societies (Second Amendment) Act, 1995 and the term of office of any committee or its members or the President holding office at such commencement shall be the same for which they were elected under the law in force when they were elected".

THE ANDHRA PRADESH CO-OPERATIVE SOCIETIES
(AMENDMENT) ACT, 1996.

ACT No. 22 OF 1996.

[28th September, 1996.]

AN ACT FURTHER TO AMEND THE ANDHRA PRADESH
CO-OPERATIVE SOCIETIES ACT, 1964.

BE it enacted by the Legislative
Assembly of the State of Andhra Pradesh in
the Forty-seventh Year of the republic of
India as follows:-

*Received the assent of the Governor on the 18th
September, 1996. For Statement of objects and Reasons,
Please see Andhra Pradesh Gazette, Part IV-A, Extra-
ordinary, dated the 3rd March, 1994 at Page 4.

Short
title.

1. This Act may be called the Andhra Pradesh Co-operative Societies (Amendment) Act, 1966.

Insertion
of new
section 12A
Act 7 of
1964.

2. After section 12 of the Andhra Pradesh Co-operative Societies Act, 1964, the following section shall be inserted, namely:-

"Special provision in respect of spinning mills and sugar factories.

12A. (1) (a) Notwithstanding anything contained in this Act or the rules made thereunder or the bye-laws of the societies concerned or in any other law for the time being in force, where, in the opinion of the Registrar, a Co-operative Spinning Mill or a Co-operative Sugar Factory in which majority of the shares are held by the Government, is or has become sick, and that there is no possibility to rehabilitate the same, the Registrar shall, after consulting the Government and the financing Bank, if any, to which such spinning mill or sugar factory is indebted, call upon the Committee concerned by notice in writing containing such particulars as may be prescribed and within such time as may be specified in the notice to transfer its assets and liabilities to any other society or a company or a firm or a body whether incorporated or not on such terms and conditions as may be formulated in the manner prescribed, and on such transfer the society formed for such spinning mill or sugar factory under this Act shall stand dissolved;

(b) if, within the time specified in the notice referred to in clause (a), the society fails to comply with the direction of the Registrar, he shall after giving an opportunity in the manner prescribed, to the general body, the committee of such society and the creditors thereof to make their representation, if any, by order notified in the Andhra Pradesh Gazette, take such action as he deems fit in the matter, including the issue of a direction to the society to transfer its assets and liabilities in the manner referred to in clause (a).

(2) It shall be competent for the Government to make rules and to give such directions as they deem fit to the Registrar, for purposes of this section.

Explanation:- For the purpose of this section 'company' means a company as defined in the Companies Act, 1956. Central Act 1 of 1956.

(3) The provisions of this section shall be in force only for a period of one year from the date of commencement of the Andhra Pradesh Co-operative Societies (Amendment) Act, 1996. "

G. BHAVANI PRASAD,
 Secretary to Government,
 Legislative Affairs & Justice,
 Law Department.

ACT No. 5 OF 1998.

* [16th January, 1998.]

AN ACT FURTHER TO AMEND THE ANDHRA
PRADESH CO-OPERATIVE SOCIETIES ACT,
1964.

Be it enacted by the Legislative
Assembly of the State of Andhra Pradesh
in the Forty-eighth Year of the Republic
of India, as follows:-

*[Received the assent of the Governor on the 10-01-1998.
For statement of object and reasons please see the Andhra
Pradesh Gazette, Part-IV-A, Extraordinary dated 21-11-1997
at Page 3.]

Short
title
and
commence-
ment.

1. (1) This Act may be called the
Andhra Pradesh Co-operative Societies
(Amendment) Act, 1998.

(2) It shall be deemed to have come
into force on and from the 27th
September, 1997.

Amendment
of
section
12A.
Act 7 of
1964.

2. In the Andhra Pradesh Co-operative
Societies Act, 1964 in section 12A, in
Sub-section (3), for the words "for a
period of one year", the words "for a
period of two years" shall be substituted.

Repeal
of
Ordinance
15 of
1997.

3. The Andhra Pradesh Co-operative
Societies (Amendment) Ordinance, 1997 is
Ordinance hereby repealed.

G. BHAVANI PRASAD,
Secretary to Government,
Legislative Affairs & Justice,
Law Department.

ACT No. 6 OF 1998.

*[16th January, 1998.]

AN ACT FURTHER TO AMEND THE ANDHRA PRADESH
CO-OPERATIVE SOCIETIES ACT, 1964.

Be it enacted by the Legislative
Assembly of the State of Andhra Pradesh
in the Forty-eighth Year of the Republic
of India, as follows:-

1. (1) This Act may be called the
Andhra Pradesh Co-operative Societies
(Second Amendmednt) Act, 1998.

Short title
and
commence-
ment.

*[Received the assent of the Governor on the 10-01-1998.
For statement of object and reasons please see the Andhra
Pradesh Gazette, Part-IV-A, Extraordinary dated 11-03-1997
at Page 4.]

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

Amendment of Section 19. Act 7 of 1964.

2. In the Andhra Pradesh Co-operative Societies Act, 1964 in section 19 in sub-section (1),-

(i) in clause (b),-

(a) for the words "under this Act", the words, "under this Act or the Andhra Pradesh Mutually Aided Co-operative Societies Act, 1995", shall be substituted;

Act 30 of 1995.

(b) after clause (b), the following shall be inserted, namely:-

"Provided that the Co-operative Society registered under the Andhra Pradesh Mutually Aided Co-operative Societies Act, 1995 which were admitted into Central, Apex Level Co-operative Societies, shall not be entitled for voting rights."

(ii) The existing explanation shall be numbered as Explanation-I and after the Explanation-I as so re-numbered, the following Explanation-II shall be added, namely:-

"Explanation-II:- For removal of any doubts, it is hereby declared that Mutually Aided Co-operative Society registered or deemed to be registered under the Andhra Pradesh Mutually Aided Co-operative Societies Act, 1995 shall be entitled to all the rights and privileges of a member of a society except voting rights under the provisions of this Act on admission as such member."

G. BHAVANI PRASAD,
Secretary to Government,
Legislative Affairs & Justice,
Law Department.

The following Act of the Andhra Pradesh Legislative Assembly received the assent of the Governor on the 1st January, 1999 and the said assent is hereby first published on the 2nd January, 1999 in the Andhra Pradesh Gazette for general information:-

ACT No. 2 OF 1999.

**AN ACT FURTHER TO AMEND THE ANDHRA PRADESH
CO-OPERATIVE SOCIETIES ACT, 1964.**

Be it enacted by the Legislative Assembly of the State of Andhra Pradesh in the Forty-ninth Year of the Republic of India, as follows:-

Received the assent of the Governor on the 1-1-1999. For statement of object and reasons please see the Andhra Pradesh Gazette, Part IV-A, Extraordinary, dt. 20-11-1998 at page 5.

Short title and commencement. 1. (1) This Act may be called the Andhra Pradesh Co-operative Societies (Amendment) Act, 1999.

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

Amendment of section 36, Act 7 of 1964. 2. In the Andhra Pradesh Co-operative Societies Act, 1964 (hereinafter referred to as the principal Act), in section 36, in sub-section (3), in the second proviso, for the words "a mortgage deed executed in favour of" the words "a mortgage created in favour of" shall be substituted.

Amendment of section 92. 3. In section 92 of the principal Act, for the words "mortgage executed in favour of" the words "mortgage created in favour of" and for the words "execution of the mortgage" the words "creation of the mortgage" shall be substituted.

Amendment of section 94. 4. In section 94 of the principal Act,--

(i) for the words "mortgages executed in favour of," the words "mortgages created in favour of and for the words "date of such execution" the words "the date of such creation" shall be substituted;

(ii) in the marginal heading, for the words "mortgages executed in favour of" the words "mortgages created in favour of" shall be substituted.

Amendment of section 95. 5. In section 95 of the principal Act, for the words "a mortgage executed in

favour of", the words "a mortgage created in favour of" shall be substituted.

6. In section 96 of the principal Act, Amendment for the words "where a mortgage is executed in favour of", the words "where a section 96 mortgage is created in favour of" shall be substituted.

7. In section 103 of the principal Act, Amendment for the words "a mortgage executed in favour of", the words "a mortgage created section 103. in favour of" shall be substituted.

8. In section 104 of the principal Act, Amendment for the words "where a power of sale of without the intervention of the Court is section 104. expressly conferred on the Financing Bank/ Primary Agricultural Co-operative Society by the mortgage deed, the Committee of such Bank or any person authorised by such Committee", the words "the Committee of the Financing Bank or any person authorised by the Primary Agricultural Co-operative Society" shall be substituted.

9. In section 108 of the principal Act, Amendment for the words "a mortgage executed in favour of" the words "a mortgage created section 108. in favour of" and for the words "it was executed" in the two places where they occur, the words "it was created" shall be substituted.

10. In section 114 of the principal Act,--
Amendment
of
section 114.

(i) in sub-section (1), for the words "mortgage executed in favour of" the words "a mortgage created in favour of" shall be substituted;

(ii) in sub-section (2), for the words "it was executed" the words "it was created" shall be substituted;

(iii) in the marginal heading, for the words "mortgages executed" the words "mortgages created" shall be substituted.

G. BHAVANI PRASAD,
Secretary to Government,
Legislative Affairs & Justice.
Law Department.

STATEMENT OF OBJECTS AND REASONS

In G.O.Ms.No. 1076, Revenue (N) Department, dt. 24.8.79 the Government have considered the question of issuing a comprehensive statutory Pattadar Pass Book, to enable the Ryots to know at a glance the demand, collection and balance of all his arrears of land revenue, loans etc., which will contain enough particulars, to enable them to get loans from Government, Banks and other financial institutions without any further need to approach Village Officers, Revenue Officers, Sub-Registrars and get further certificates etc. Thus, the intention of the Government has been to evolve a Statutory Pattadar Pass Book, which will serve both the purposes of showing the Ryots at a glance the arrears payable by him to Government and other detailed information about his holdings, mortgages, the Sales, in such detail, that the same Pass Book will also enable him to get necessary loans from Government Agricultural Department Banks, Financial Institutions etc.

In consequence of the changes in the provisions of the Andhra Pradesh Rights in Land and Pattadar Pass Books Act, 1971 as amended in the Andhra Pradesh Act No. 9 of 1994, the Sections 36, 92, 94, 95, 96, 103, 104, 108 and 114 of the Andhra Pradesh Cooperative Societies Act, 1964 have to be modified in consonance with the provisions of the said Act.

To achieve the above object in view, the Government have decided to amend certain provisions of the Andhra Pradesh Cooperative Societies Act, 1964 suitably.

This Bill seeks to give effect to the above decision.

Dr. METLA SATYANARAYANA RAO,
Minister for Cooperation.

The following Act of the Andhra Pradesh Legislative Assembly received the assent of the Governor on the 1st January, 1999 and the said assent is hereby first published on the 2nd January, 1999 in the Andhra Pradesh Gazette for general information:-

ACT No. 3 OF 1999.

AN ACT FURTHER TO AMEND THE ANDHRA PRADESH CO-OPERATIVE SOCIETIES ACT, 1964

Be it enacted by the Legislative Assembly of the State of Andhra Pradesh in the Forty-ninth Year of the Republic of India, as follows:-

Received the assent of the Governor on the 1-1-1999. For statement of object and reasons please see the Andhra Pradesh Gazette, Part IV-A, Extraordinary, dt. 24-11-1998 at page 3.

Short title and commencement. 1. (1) This Act may be called the Andhra Pradesh Co-operative Societies (Second Amendment) Act, 1999.

(2) It shall be deemed to have come into force with effect on and from the 27th September, 1998.

Amendment of section 12A. Act 7 of 1964. 2. In the Andhra Pradesh Co-operative Societies Act, 1964, in section 12A, in sub-section (3) for the words "for a period of two years", the words "for a period of four years", shall be substituted.

Repeal of Ordinance 9 of 1998. 3. The Andhra Pradesh Co-operative Societies (Amendment) Ordinance, 1998 is hereby repealed.

G. BHAVANI PRASAD,
Secretary to Government,
Legislative Affairs & Justice..
Law Department.

STATEMENT OF OBJECT AND REASONS

In order to extend the prescribed period from two years to four years in processing of identification of sick units and transfer of assets and liabilities of such sick units, the Government have decided to amend the sub-section (3) of Section 12 A of the Andhra Pradesh Co-operative Societies Act, 1964 suitably.

As the Legislative Assembly of the State was not then in session and as it has been decided to give effect to the above decision immediately, the Andhra Pradesh Co-operative Societies (Amendment) Ordinance, 1998 (Andhra Pradesh Ordinance No. 9 of 1998) was promulgated by the Governor on the 22nd October, 1998.

This Bill seeks to replace the said Ordinance.

Dr. METLA SATYANARAYANA RAO,
Minister for Cooperation.

ANDHRA PRADESH ACTS, ORDINANCES AND REGULATIONS Etc.

The following Act of the Andhra Pradesh Legislative Assembly received the assent of the Governor on the 27th April, 2000 and the said assent is hereby first published on the 29th April, 2000 in the Andhra Pradesh Gazette for general information.

ACT No. 15 of 2000

An Act further to amend the Andhra Pradesh Cooperative Societies Act, 1964.

Be it enacted by the Legislative Assembly of the State of Andhra Pradesh in the Fifty-first Year of the Republic of India, as follows:-

1. (1) This Act may be called the **Short title and commencement.**
Andhra Pradesh Cooperative Societies (Amendment) Act, 2000.

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

**Amendment
of section 51,
Act 7 of
1964.**

2. In the Andhra Pradesh Co-operative Societies Act, 1964 (hereinafter referred to as the principal Act), for section 51, the following shall be substituted, namely:-

"Inquiry: 51. The Registrar, may of his own motion and shall, on the application of a society to which the society concerned is affiliated, or of not less than one third of the members of the Committee, or of not less than one fifth of the total number of members of the society, hold an inquiry or direct some person authorised by him by an order in this behalf to hold an inquiry into the constitution, working and financial condition of a society. Such inquiry shall be completed within a period of four months and the report of inquiry along with the findings of the Registrar thereon shall be communicated to the managing committee of the society. It shall be the responsibility of the managing committee to place the inquiry report before the General Body or Special General Body convened for the purpose for its information, within a period of one month from the communication of the inquiry report by the Registrar. The Registrar shall be the competent to initiate action under the provisions of this Act, if the committee fails to take action as aforesaid:

Provided that notwithstanding anything contained in this Act and the Rules made thereunder, the byelaws of a society and

the action of the society in placing the inquiry report alongwith the findings of the Registrar, the Registrar shall not be precluded from taking follow up action as may be required on the basis of inquiry report:

Provided further that such action shall not be nullified even if the General Body of the Society passes a resolution negating the findings of the inquiry:

Provided also that the Registrar may for reasons to be recorded in writing extend the period of four months for completion of inquiry for a further period not exceeding two months.

Explanation:- For the purposes of this section, "Managing Committee" includes a Committee constituted under section 31(1) (a), and a person-in-charge appointed under section 32(7) (a) and also a special officer appointed under section ~~34~~ of the Act."

3. In section 52 of the principal Act,-

Amendment
of
section 52.

(a) in sub-section (1) after the first para, the following shall be added, namely:-

"Such inspection shall be completed within a period of three months from the date of order of inspection.";

(b) for sub-section (2), the following shall be substituted, namely:-

"(2). The Registrar or any person authorised by him under sub-section (1) shall prepare a report of inspection which shall be

communicated to the Managing Committee of the Society together with the findings of the Registrar thereon. It shall be the responsibility of the Managing Committee to place the inspection report together with the findings of the Registrar before the General Body or Special General Body convened for the purpose for its information, within a period of one month of the communication of the inspection report by Registrar. The Registrar shall be the competent to initiate action under the provisions of this Act, if the Committee fails to take action as aforesaid:

Provided that notwithstanding anything contained in this Act and Rules made thereunder, the bye-laws of a society and the action of the society in placing the inspection report along with the findings of the Registrar, the Registrar shall not be precluded from taking, follow up action as may be required on the basis of inspection report:

Provided further that such action shall not be nullified even if the General Body of the Society passes a resolution negating the findings of the Registrar:

Provided also that the Registrar may for reasons to be recorded in writing extend the period of three months for completion of inspection for a further period not exceeding two months.

Explanation:- For the purposes of this section, "Managing Committee" includes an Adhoc Committee constituted under section 31(1)(a), and a person-in-charge appointed under section 32(7)(a) and also

a Special Officer appointed under section 34 of the Act."

4. In section 53 of the principal Act,-- **Amendment
of section 53.**

(a) in the first paragraph for the word "Inspecting", the words "authorised to conduct the inspection", shall be substituted;

(b) for the second paragraph, the following shall be substituted, namely:-

"The Officer or Member so authorised to conduct the inspection shall prepare a report of inspection which shall be communicated to the Managing Committee of the society together with the findings of the Registrar thereon. It shall be the responsibility of the Managing Committee to place the Inspection Report together with the findings of the Registrar before the General Body or Special General Body convened for the purpose for its information, within a period of one month of the communication of the Inspection Report by the Registrar. The Registrar shall be competent to initiate action under the provisions of this Act, if the Committee fails to take action as aforesaid:

Provided that such action shall not be nullified even if the General Body of the Society passes a resolution negating the findings of the Registrar:

Provided further that notwithstanding anything contained in this Act and Rules made thereunder the bye-laws of a Society and the action of the Society in placing the Inspection Report alongwith findings of the Registrar, the Registrar shall not be precluded from taking, followup action

as may be required on the basis of Inspection Report.

Explanation:- For the purposes of this section, "Managing Committee" includes a Committee constituted under section 31(1) (a), and a person-in-charge appointed under section 32(7)(a), and also a Special Officer appointed under section 34 of this Act."

Amendment of section 60. 5. In section 60 of the principal Act, in sub-section (1), in the opening portion, the following shall be added, namely:-

"Notwithstanding anything contained in any other law for the time being in force,".

Amendment of section 121. 6. In section 121 of the principal Act, for sub-section (1), the following shall be substituted, namely:-

"(1). Save as otherwise expressly provided in this Act, all orders, refusals, decisions or awards passed or directions issued or actions taken in accordance with this Act or the Rules made thereunder shall be final subject to the provisions for appeal, revision and review and no such order, refusal, decision, award, direction or action taken shall be liable to be called in question in any Court or Forum."

G. BHAVANI PRASAD,
Secretary to Government,
Legislative Affairs & Justice,
Law Department.

STATEMENT OF OBJECTS AND REASONS

Under Section 75 of the Andhra Pradesh Cooperative Societies Act, 1964 Cooperative Tribunals are constituted for entertaining appeals on the original orders passed by the Department. According to Section 76(1) of the Andhra Pradesh Cooperative Societies Act, 1964 any person of Society aggrieved by any decision or order may appeal to the Tribunal.

2. It is observed from the various cases filed before the Cooperative Tribunals that majority of cases are filed challenging the orders passed by the Departmental Officers either under Section 51 or Section 52 and Section 60(1) i.e. Inquiry, Inspection and Surcharge matter or matters connected with them.

3. In number of cases Government are loosing appeals before the Cooperative Tribunals on technical grounds although the Andhra Pradesh Cooperative Societies Act, 1964 does not preclude the Registrar of Cooperative Societies from taking follow up action on inquiry and inspection but the Andhra Pradesh High Court has in its decisions interpreted that the reports must be placed before the General Body of the Cooperative Society prior to taking any action.

4. In order to remove these difficulties, it is decided to amend Sections 51, 52, 53, 60 and 121 of Andhra Pradesh Cooperative Societies Act, 1964, so as to enable the Registrar of Cooperative Societies to take further action even in cases where the Managing Committees either delays or does not place the reports before the General Body.

This Bill seeks to give effect to the above decision.

CHIKKALA RAMACHANDRA RAO,
Minister for Cooperation.

ANDHRA PRADESH ACTS, ORDINANCES AND REGULATIONS, Etc.

The following Act of the Andhra Pradesh Legislative Assembly received the assent of the Governor on the 24th March, 2001 and the said assent is hereby first published on the 27th March, 2001 in the Andhra Pradesh Gazette for general information:-

ACT No. 2 OF 2001

AN ACT FURTHER TO AMEND THE ANDHRA PRADESH CO-OPERATIVE SOCIETIES ACT, 1964.

Be it enacted by the Legislative Assembly of the State of Andhra Pradesh in the Fifty-second Year of the Republic of India as follows:-

1. (1) This Act may be called the Andhra Pradesh Co-operative Societies (Amendment) Act, 2001. Short title and Commencement.

(2) It shall be deemed to have come into force with effect on and from the 27th September, 2000.

2. In the Andhra Pradesh Co-operative Societies Act, 1964, in section 12A, - Amendment of Section 12A. Act 7 of 1964

(i) in sub-section (1), in clauses (a) and (b), for the words "to transfer its assets and liabilities", the words "to transfer its assets or its assets and liabilities, in whole or part", shall be substituted; and

(ii) Sub-section (3) shall be omitted.

Repeal of
Ordinance 13
of 2000.

3. The Andhra Pradesh Co-operative Societies (Amendment) ordinance, 2000 is hereby repealed.

G. BHAVANI PRASAD,
Secretary to Government,
Legislative Affairs & Justice,
Law Department.

STATEMENT OF OBJECTS AND REASONS

Section 12-A of the Andhra Pradesh Co-operative Societies Act, 1964 provides for transfer of assets and liabilities of Sick Co-operative Spinning Mills and Sugar Factories to any other society or a company or a firm or a body in such manner as prescribed in the said section. Sub-section (3) of Section 12-A as incorporated, initially, stipulated that the transfer of assets and liabilities shall be made only within a period of one year from 28-9-1996 and the said period has been extended from time to time upto four years. The said period of four years expired by 26-9-2000.

2. As the transfer of assets and liabilities of Sick Co-operative Spinning Mills and Co-operative Sugar Factories could not be completed within the period of four years mentioned in sub-section (3) of Section 12-A and as it will take some more time, the Government have taken a decision to omit sub-section (3) of Section 12-A instead of amending the same from time to time. An opportunity has also been taken to amend Sub-section (1) of Section 12-A, so as to transfer the assets or the assets and liabilities in whole or part to any other society or a company or a firm or a body. Therefore, it has been decided to amend the provisions of the Andhra Pradesh Co-operative Societies Act, 1964, suitably.

3. As the Legislative Assembly of the State was not in Session having been prorogued and as it has been decided to give effect to the above decision immediately, the Andhra Pradesh Co-operative Societies (Amendment) Ordinance, 2000 (Andhra Pradesh Ordinance 13 of 2000) has been promulgated by the Governor on the 22nd November, 2000 and published on 23rd November, 2000.

4. This Bill seeks to replace the said ordinance

CHIKKALA RAMACHANDRA RAO,
Minister for Co-operation.

ANDHRA PRADESH ACTS, ORDINANCES AND REGULATIONS, Etc.

The following Act of the Andhra Pradesh Legislative Assembly received the assent of the Governor on the 22nd April, 2001 and the said assent is hereby first published on the 25th April, 2001 in the Andhra Pradesh Gazette for general information.

ACT No. 22 OF 2001.

AN ACT FURTHER TO AMEND THE ANDHRA PRADESH CO-OPERATIVE SOCIETIES ACT, 1964.

Be it enacted by the Legislative Assembly of the State of Andhra Pradesh in the Fifty-second Year of the Republic of India as follows:-

1. This Act may be called the Andhra Pradesh Co-operative Societies (Second Amendment) Act, 2001. Short title.

2. In the Andhra Pradesh Co-operative Societies Act, 1964 (herein after referred to as the Principal Act), in the long title, the following shall be added at the end, namely,- Amendment of long title. Act 7 of 1964.

"in order to facilitate and strengthen the functioning of Co-operative Societies based on Co-operative principles and Co-operative identity. "

3. In section 2 of the Principal Act,- Amendment of section 2.

(i) for clause (c), the following clause shall be substituted, namely,-

"(c) "Co-operative Year" means, the period commencing on the 1st day of April of any year and ending with the 31st day of March of the succeeding year".

(ii) in clause (j), the words, "and includes any nominal or associate member" shall be entitled.

Amendment of
section 4

4. In section 4 of the Principal Act, in sub-section (1), after the words, "co-operative principles," the words "as may be prescribed" shall be inserted.

Amendment of
section 6

5. In section 6 of the Principal Act.

(i) in sub-section (1), for the words, "An application for the provisional registration of a society under sub-section (1) of section 7", the words "An application for the registration of a society" shall be substituted;

(ii) in sub-section (2), for clause (a), the following clause shall be substituted, namely,-

"(a) the application shall be accompanied by:-

(i) the original and one copy of the proposed bye laws of the society as adopted by the applicants;

(ii) a true copy of the minutes of the meeting at which the bye laws were adopted duly signed by the applicants;

(iii) a sworn statement from each applicant that he is a member of a different family and particulars furnished in the application from prescribed are true to the best of his knowledge and belief.

(iv) after sub-section (3), the following sub-sections shall be added, namely,-

"(4) Where the Registrar is satisfied,-

(a) that the application conforms to the requirements laid down by this Act and the rules made there under;

(b) that the objects of the Society seeking registration are in accordance with section 4;

(c) that such Society is likely to be economically sound and that its registration may not have an adverse effect on the development of the Co-operative movement;

(d) that the proposed bye-laws are not contrary to the provisions of this Act and the rules made there under; and

(e) that the applicants are aware of the objects of the society as specified in section 4 of the Act and contents of the proposed bye-laws, he may register the Society and its bye-laws within such time as may be prescribed.

(5) Where the Registrar is not so satisfied, he shall communicate by registered post the order of refusal together with the reasons thereof to the applicants within such time as may be prescribed."

(iv) in the marginal heading, the words "application for provisional" shall be omitted.

Omission of section 7.

6. Section 7 of the Principal Act, shall be omitted.

Insertion of new sections 9-A, 9-B, and 9-C.

7. After section 9 of the Principal Act, the following new sections shall be inserted, namely,-

"Restriction and creation of any charge. | 9-A. Where the Government extends State aid as specified under section 43 of the Act, such society shall not dispose of or create any charge over its property without the prior approval of the Registrar and the consent of the federal society or financing bank concerned as the case may be.

De-Registration of a society. | 9-B. (1) The Registrar shall at any time, of his own motion and after giving the society an opportunity of making its representation, if any, by order, de-register a society which is in existence for a period not exceeding four years from the date of its registration,-

(i) where the membership of the society falls short of the minimum number prescribed for registration of such society; or

(ii) where the society has not commenced working within the prescribed period or has ceased to work; or

(iii) where in the opinion of the Registrar, the society is conducting its affairs in contravention of the co-operative principles or in violation of the provisions of the Act, rules and bye-laws

made there under or in a manner detrimental to the interest of its members or the promotion of the object for which it has been registered; or

(iv) where the society has been registered by fraud or misrepresentation of facts.

(2) A society, de-registered under sub-section (1), shall cease to conduct its business forthwith from the date of such order.

<p>Appointment and powers of the Official Assignee.</p>	<p>9C. (1) Where a society is de-registered under section 9-B the Registrar shall, appoint an official assignee for winding up of the affairs of the society and fix his remuneration in the manner prescribed.</p>
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(2) On the appointment of an official assignee, the property, assets, effects and actionable claims or liabilities of the society as on the date of appointment shall vest in or devolve on the official assignee. He shall take such steps as he may deem necessary or expedient to prevent loss or deterioration of, or damage to, such property, assets, effects and actionable claims.

(3) Subject to the control of the Registrar, the official assignee shall have the power, -

(a) to institute and defend suits and other legal proceedings on behalf of the society by the name of his office;

(b) to realise the assets of the society, by sale or otherwise;

(c) to determine, from time to time, the contribution to be made or remaining to be made and the debts due by the members or past members or by the estates or nominees, heirs or legal representatives of deceased members or by any officers or former officers to the society;

(d) to investigate all claims against the society, and subject to the provisions of this Act, to decided questions of priority arising between claimants;

(e) to pay claims against the society including interest upto the date of winding up according to their respective priorities, if any, in full or rateably, as the assets of the society may permit, the surplus, if any, remaining after payment of the claims, being applied in payment of interest from the date of such order of winding up at a rate fixed by him but not exceeding the contractual rate in any case;

(f) to determine by what persons and in what proportion the costs of liquidation are to be borne;

(g) to determine whether any person is a member, past member or nominee of deceased member;

(h) to give such directions in regard to the collection and distribution of the assets of the society as may appear to him to be necessary for winding up the affairs of the society;

(i) with the previous approval of the prescribed authority, to make any compromise or arrangement with creditors or persons claiming to be creditors or having or alleging to have any claim present or future, whereby the society may be rendered liable; and

(j) with the previous approval of the prescribed authority, to compromise all calls or liabilities to any calls and debts and liabilities capable of resulting in debts and all claims present or future, certain or contingent, subsisting or alleged to subsist between the society and a contributory or alleged contributory or other debtor or person apprehending liability to the society and all questions in any way relating to or affecting the assets or the winding up of the society on such terms as may be agreed and take any security for the discharge of any such call, liability, debt or claim and give a complete discharge in respect thereof.

(4) Any sum ordered under this section to be recovered as a contribution to the assets of a society or as costs of liquidation may be recovered, on a requisition being made in this behalf by the Registrar to the Collector in the same manner as arrears of land revenue.

(5) Save as provided in sub-section (4), orders made under this section shall, on application, be enforced by any Civil Court having local jurisdiction in the same manner as a decree of such Court.

(6) The official assignee shall continue to exercise his powers until the affairs of the society are completely wound up when he shall make a report to the Registrar and deposit the records of the society in such place as the Registrar may direct.

(7) The winding up proceedings under this section shall be closed within a period of one year from the date of the order of de-registration of a society and the said period may, at the discretion of the Registrar, be extended from time to time, so however, that the total period does not exceed two years in the aggregate, and after the expiry of the said period, it shall be deemed that the winding up proceedings have been terminated and the Registrar shall pass an order terminating the winding up proceedings. On the termination of the winding up proceedings, the official assignee shall make a report to the Registrar.

(8) Where the affairs of a society have been completely wound up, after considering the report of the official assignee under sub-section (6) or sub-section (7), the Registrar shall by order in writing cancel the registration of the society. The society shall cease to exist as a corporate body from the date of such order.

Amendment of
section 12.

8. In section 12 of the Principal Act, -

(i) in sub-section (1), of words "with the previous approval of the Registrar, and" shall be omitted;

(ii) in sub-section (2), the words "with the previous approval of the Registrar, and" shall be omitted;

(ii) in sub-section (2), the words "with the previous approval of the Registrar, and" shall be omitted;

(iii) to sub-section (2), the following proviso shall be added, namely:-

"Provided that where a society under sub-section (1) is a member or two or more societies under sub-section (2) are members of a federal society or in receipt of assistance from a financing bank, such society or societies shall obtain prior consent of the federal society or financing bank for any resolution under sub-section (1) or sub-section (2) as the case may be.";

(iv) for sub-section (30), the following sub-section shall be substituted, namely,--

"(3) Every resolution of a society under sub-section (1) or sub-section (2) shall be passed at the general meeting by a majority of not less than two-thirds of the total members, and such resolution shall contain all particulars of the transfer, division, amalgamation or conversion as the case may be".

9. In section 13 of the Principal Act, in sub-section (3), in clause (c), for item (ii), the following item shall be substituted, namely,--

Amendment of
section 13.

"(ii) in the case of transfer of assets and liabilities in whole or in part, the consent of the financing bank or federal society as the case may be, if applicable is obtained; or".

10. Section 15 of the Principal Act shall be omitted.

Omission of
section 15

Amendment of Section 15-A. 11. IN Section 15-A of the Principal Act.

(i) In sub-section (1), after the words. "if the Registrar is of the opinion that", the words, "in respect of a society or societies in receipt of State aid as specified under Section 43 of the Act," shall be inserted;

(ii) In sub-section (3), in clause (vi), for the words "not exceeding six months", the words "not exceeding three months" shall be substituted;

(iii) Sub-section (5), shall be omitted.

Amendment of section 16. 12. In Section 16 of the Principal Act,-

(i) In sub-section (1), after the words "No amendment of any bye-law of a society shall be valid unless", the words "the resolution for such amendment is passed at its General meeting by a majority of the total members and" shall be inserted;

(ii) In sub-section (4), for the words. "If no order of refusal is communicated, it shall be deemed that the Registrar has registered the amendment on the last day of the period specified in sub-section (2)", the words "If no order of refusal is communicated within a week after the expiry of the period specified in sub-section (2) it shall be deemed that the Registrar has not registered the amendment as on the last date of the period specified in sub-section (2)" shall be substituted.

Amendment of section 17. 13. In section 17 of the Principal Act, in sub-section (1),-

(i) For the words, "Any two or more societies may, with the previous approval of the Registrar, by a resolution passed by a majority of not less than two thirds of the members present and voting", the words "Any two or more societies may, by a resolution passed by a majority of the total members" shall be substituted;

(ii) The following proviso shall be added, namely,-

"Provided that where such societies are members of a federal society or are in receipt of assistance from a financing bank or State aid as specified in section 43 of the Act, they shall obtain the prior consent of the federal society or the financing bank or the Registrar, as the case may be".

14. In section 19 of the Principal Act, - Amendment of section 19.

(i) In sub-section (1), in clause (c), after the second proviso, the following proviso shall be inserted, namely,-

"Provided also that a society shall admit an individual or a society referred to in clauses (a) and (b) above as a member, subject to the condition that the society is in a position to extend its services to such individual or society";

(ii) In sub-section (2), for clause (iv), the following clause shall be substituted, namely,-

"(iv) Persons who are miners, may, subject in such restrictions or limitations as may be applicable to a minor under the provisions of any law for the time being in force, be admitted as members of such class of societies as may be prescribed",

(iii) In sub-section (3),-

(a) For the words, "No society shall, the words, "The General body of a society shall not" shall be substituted,

(b) The proviso shall be omitted;

(iv) In sub-section (4), the words "and the member so admitted shall be issued a photo identity card," shall be added at the end.

Omission of section 20 15. Section 20 of the Principal Act, shall be omitted,

Amendment of section 21 16. In section 21 of the Principal Act,-

(a) In sub-section (1),-

(i) To clause (e), the word "or" shall be added at the end;

(ii) After clause (e), the following clauses shall be added, namely,-

"(f) As such member fails to transact such minimum business or utilise minimum services or facilities in a year as may be specified in the bye-laws; or

(g) Fails to attend two consecutive General body meetings in two years without leave of absence; or

(h) Fails to give information relevant to him to the society as specified in the bye-laws",

(b) For sub-section (3), the following sub-section shall be substituted, namely,-

"(3) Where any person, who is not eligible for being admitted as member has been admitted as member or where the member who is disqualified to continue as such under sub section (1) is continued as member, he shall be removed by the General body on its own motion or on a representation made to it by any member of a society or its federal society or its financing bank;

Provided that no member shall be removed under this sub-section unless he had an opportunity of making a representation against the proposed action. A copy of the resolution removing the member shall be communicated to such person and on such communication, he shall be deemed to have ceased to be a member of the society".

17. In section 21-AA of the Principal Act,- Amendment of
section 21-AA

(i) in sub-section (1), in the opening portion, for the words, "A member of the committee shall cease to hold office as such, and shall also be ineligible for election or co-option as a member of the Committee for the residue of his term of office, if:-", the words, " A member of the committee shall cease to hold office forthwith as such, for the residue of his term of office and he shall also be ineligible for being chosen as or for being a member of the committee through election or co-option for the subsequent two terms if,- shall be substituted;

(ii) after sub-section (4), the following sub-sections shall be added, namely,-

"(5) Where the committee of a society fails to place the inquiry report under section 51 or Inspection report under section 52 or section 53 or Audit Report or Special Audit Report under section 50 along with the findings of the Registrar before the General Body within a period of thirty days from the date of the receipt of the report by the society, the members of the Committee shall, on the expiration of the said period, cease to hold such office:

(6) Where the committee fails to initiate action for prosecution of any member or servant of a society who may have incurred criminal liability under the provisions of this Act or any other law for the time being in force, the members of the Committee shall cease to hold such office".

Amendment of section 22.

18. In section 22 of the Principal Act, for sub-section (1), the following sub-section shall be substituted, namely,-

"(1) Every member on his admission as such member shall be entitled to the services available to the members of the society and such services shall, subject to availability, be rendered to him on his application to the Committee".

Amendment of section 23.

19. In section 23 of the Principal Act,-

(i) In sub-section (1), for the words, "two-thirds of the members present and voting at the meeting", the words "three-fourths of the total members of the society" shall be substituted;

(ii) In sub-section (2), for the words, "and until the resolution referred to in that sub-section is approved by the Registrar. A copy of the resolution expelling the member as approved by the Registrar shall be communicated to the members", the words, "to the General Body. A copy of the resolution expelling the member shall be communicated to the member" shall be substituted.

20. In section 25 of the Principal Amendment of section 25.
Act,-

(i) In sub-section (1), in the proviso, for the words "as may be prescribed taking into consideration the nature of business transacted by the society," the words, "or utilise such minimum services or facilities as may be prescribed taking into consideration the nature of business transacted or the services or facilities made available by the society," shall be substituted;

(ii) After sub-section (1), the following sub-section shall be inserted, namely,-

"(1-A) A member of a society shall be eligible to exercise the right to vote only if he:-

(a) contributes a minimum share capital as may be prescribed;

(b) deposits a minimum thrift in a year as may be prescribed;

(c) is a member of the society for a continuous period of twelve months;

(d) Is not in default in the payment of any amount due in cash or kind to the society for such period as may be prescribed."

Amendment of section 30 21. In section 30 of the Principal Act, in sub-section (2),-

(i) In the opening para, for the words "General Body", the words "General Body in the manner prescribed" shall be substituted;

(ii) in clause (i), for the words "members of the committee", the words "members of the committee and members" shall be substituted;

(iii) After clause (xii), the following clauses shall be added, namely,-

"(xiii) contribution to Co-operative Education Fund;

(xiv) consideration of report of inquiry under section 51 or inspection under section 52 or under section 53 or Special report of Audit under section 50;

(xv) decision on bad debts considered irrecoverable;

(xvi) Management of deficits in stocks or cash;

(xvii) Appointment of members of supervisory council, entrustment of duties to the supervisory council and consideration of its reports;

(xviii) decision on transfer of assets and liabilities, on division or amalgamation;

(xix) review of attendance of Committee members;

(xx) review of membership;

(xxi) review of the report on the disqualification of the members and the committee members;

(xxii) review of all overdue loans and defaulters;

(xxiii) Approval of the staffing pattern, pay and other allowances of the employees of the society and contingencies, subject to the availability of administrative and contingent fund and approval of the Registrar.

22. After section 30 of the Principal Act, the following section shall be inserted, namely, " Insertion of New section 30-A.

"Constitu- 30-A. The General Body of
tion of every society may constitute
Supervisory a supervisory council to
sory council. ensure that the affairs of
the society are conducted in
accordance with the
Principales of Co-operation,
provisions of the Act,
rules, bye laws and resolution of the
General Body. The supervisory council
shall consist of three members from the
General Body other than the members of
the Managing Committee and such other
members as may be prescribed. The
Supervisory council shall aid and assist
the General Body in general and exercise
such powers and function as may be
prescribed".

Amendment of
section 31.

23. In section 31 of the Principal Act, -

(i) In sub-section (1), in clause (a), for the first proviso, the following proviso shall be substituted, namely, -

"Provided that in the case of a society registered after the commencement of the Andhra Pradesh Co-operative Societies (Second Amendment) Act, 2001 the persons who have signed the application for the registration of the society shall conduct the affairs of the society for a period of one month from the date of registration and shall cease to conduct the affairs of the society after duly constituting a committee as per the provisions of the Act thereafter".

(ii) In sub-section (2), in clause (b). For the words "office of the members of the committee before the expiry of term", the words " officer of the members of the committee of a society which received state aid as specified in section 43 of the Act before the expiry of their term" shall be substituted;

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

"(c) In respect of other societies it shall be the responsibility of the incumbent committee of such society to hold elections to the office of the members of the committee in the manner specified in the bye-laws before the expiry of the term;

Provided that where the committee of a society requests the Registrar to hold elections to the office of the members of the committee, the Registrar shall hold elections to the office of the members of the committee in the manner prescribed on payment of costs in advance.

24. After section 31 of the Principal Act, the following section shall be inserted, namely.- Insertion of New section 31-A.

<p>"Powers and functions of the committee.</p>	<p>31-A. The committee of a society shall, subject to the provisions of the Act, rules, bye laws and resolutions of the General body exercise the following powers and functions, namely.-</p>
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(1) recommend the admission of members to General Body;

(2) recommend on allotment of shares to members and transfer of shares to General body;

(3) recommend removal of the members disqualified under section 21;

(4) recommend removal of any of the committee members disqualified under section 21-A, 21-AA, 21-B and reinstatement of a Committee member who ceased to be such member of the committee under section 21-B and place the reports before the General Body;

(5) raise funds in the form of loans or deposits and invest them;

(6) provide services or facilities including sanction of loans and advances to the members on a specific recommendation of the chief executive officer on the basis of the date of admission of such members;

(7) sanction expenditure which is necessary for the business of the society subject to the provisions of the annual budget;

(8) Conduct elections in the manner specified in the bye laws to the office of the members of the Committee before the expiry of the term;

(9) conduct general meetings as prescribed in the Act;

(10) Cause the audit of the accounts of the society within the time prescribed and place the audit report before the General body;

(11) Decide matters connected with the day to day management of the society;

(12) Fix the staffing pattern, qualifications, pay scales and other allowances to the employees of the society, subject to the availability of the administrative and contingent fund and approval of the General body and Registrar;

(13) place the reports of inquiry under section 51 or inspection under section 52 or under section 53 or special audit report under section 50 before the General Body within the time prescribed;

(14) rectify the defects noted in the reports of audit under section 50 or inquiry under section 51 or inspection under section 52 or under section 53;

(15) suspension of any officer or servant of the society under section 59;

(16) Initiate action for prosecution of any person who may have incurred criminal liability under the provisions of this Act or any other law for the time being in force;

(17) prepare the list of defaulters and publish the same as prescribed and place before the General Body.

(18) review all outstanding loans and ensure coverage of legal action on all overdue loans and advances;

(19) Give information on the affairs of the society to the supervisory council, the Registrar, financing bank and the federal society to which the society is affiliated;

(20) place the report on the loans sanctioned to and the business done by the members of the committee or their near relatives with the society, defaulters thereof and action to recover them before the General Body;

(21) place annual report, annual financial statement, annual plan and budget before the General Body;

(22) ensure co-operative education of the members, officers and the servants of the society;

(23) prepare and place before the general body, information or reports or statements relating to:-

(a) disposal of properties;

(b) deficits in cash or stocks;

(c) proposals for appropriation of net profits including creation of reserves and other funds;

(d) write off bad debts;

(e) removal of membership;

(f) Contribution to co-operative education fund and administrative and contingent fund;

(g) expulsion of member who has acted adversely to the interests of the society;

(h) Affiliation of the society to the financing bank or other societies;

(i) elections of delegates to the financing bank or other societies;

(j) appointment of supervisory council and internal auditors and consideration of their reports and follow up action".

25. In section 32 of the Principal Act, for sub-section (1), the following shall be substituted, namely,-

"(1) The committee may, at any time, call not less than two general meetings of a society in a co-operative year;

Provided that one meeting shall be held in each half year."

26. Section 32A of the Principal Act shall be omitted.

27. After section 44 of the Principal Act, the following shall be inserted namely:-

<p>"Constitution and utilisation of Co-operative Education Fund."</p>	<p>44-A. (1) There shall be constituted a Co-operative Education Fund for the purpose of promotion of Co-operative movement in the State and education of the members and training of the officers of the Co-operative societies on co-operative principal and management practices. All contributions made by the societies form out of their profit in a year, grants in aid from the Government of India or the State Government and donations by any persons; shall be credited to the Co-operative Education Fund.</p>
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(2). Every society shall ensure the education of its members and training of its officers.

(3) The co-operative education fund shall be administered and utilised by the Registrar on the advice of a committee constituted for the purpose in the manner prescribed:

Provided, that not less than 20% of the co-operative education fund contributed by the societies in a year shall be utilised towards the training of officers of the societies concerned:

Provided further, that not less than 50% of the co-operative education fund contributed by the societies shall be utilised on member education programmes in a year".

Amendment of
section 45.

28. In section 45 of the Principal Act, -

(i) The following sub-sections shall be inserted, namely, -

"(1) A Society shall, subject to such limits as may be prescribed, credit one percent of gross profit or gross income in a year, as the case may be, to the co-operative education fund.

(2) A society shall credit an amount not being more than 30 percent of gross profit or 2 percent of working capital, whichever is less, in a year to the administrative and contingent fund towards pay and other allowances of its employees and contingencies in the manner prescribed".

(ii) The existing sub sections (1) and (2) shall be renumbered as sub-sections (3) and (4) respectively;

(iii) In sub-section (?) as so renumbered, clause (b) shall be omitted.

(iv) in the marginal heading, the word "net" shall be omitted.

29. In section 45 of the Principal Act,- Amendment of section 45.

(i) In the opening portion, for the words "A society may invest". the words, "A Society may by a resolution of the General Body invest" shall be substituted;

(ii) For clause (d), the following clause shall be substituted, namely,-

"(d) With any Nationalised Bank or Scheduled Bank";

(iii) Clause (c) shall be omitted.

30. In section 50 of the principal Act,- Amendment of section 50.

(i) At the end of sub-section (1), the following words shall be added, namely,-

"Including prudent management of the affairs of the society in accordance with the Act, rules and byelaws".

(ii) In sub-section (1), the following proviso shall be added, namely,-

"Provided that in respect of a society not in receipt of State aid as specified in section 43 of the Act, the committee of such society shall cause the audit of accounts of the society,

every year as per the audit manual prescribed by the Registrar, either through the Chief Auditor or a Chartered Accountant. Where such society opts to get the accounts of the society audited by the Chief Auditor, the latter shall audit or cause to be audited the accounts of such society in the manner prescribed".

Amendment of section 55-A. 31. In section 55-A of the principal Act, -

(i) for sub-section (1), the following sub-section shall be substituted, namely, -

"(i) The Chief Executive Officer of every society by whatsoever designation he is called, and the President of the society jointly and severally or the President of such society if there is no such chief executive officer for that society, shall be bound to keep, maintain or cause to maintain, sign and authenticate such accounts and books relating to that society in such manner as may be prescribed and shall be responsible for the correct and up-to-date maintenance and authentication of such accounts and books and for producing or causing production of the same when called for in connection with audit, inquiry, inspection or election".;

(ii) after sub-section 4), the following sub-section shall be added namely, -

"(5) The Chief Executive Officer of the society or the President where there is no such Chief Executive Officer for that society shall be the custodian of all books of account of the society".

32. In section 61 of the Principal Act, for sub-section (3), the following shall be substituted, namely,- Amendment of section 61.

"(3) Every dispute relating to, or in connection with any election to a committee of a society shall be referred for decision to the Tribunal having jurisdiction over the place where the main office of the society is situated, whose decision thereon shall be final".

33. In section 71 of the Principal Act, in sub-section (1), for the words "on the application made by society for the recovery of arrears of any sum advanced by it to any of its members and on its furnishing a statement", the words "on the application made by a society or financing bank or federal society as the case may be, for the recovery of arrears of any sum advanced to any of its members and on furnishing a statement" shall be substituted. Amendment of Section 71.

34. For section 76 of the Principal Act, the following section shall be substituted, namely,- Substitution of Section 76.

"Appeal 76. (1) Any person or society aggrieved by any decision passed or order made under section 6, section 9A, section 9B, section 9C, section 12A, section 13, section 15A, section 16, section 17, section 19, section 21, section 21A, section 21, AA, section 23, sub-section (3) of section 32, section 34, section 34 A, section 60, section 62, section 64, section 66, section 70, section 71, section 73 and section 117 may appeal to the Tribunal.

Provided that nothing in this sub-section shall apply to any order of withdrawal or transfer of a dispute under sub-section (3) of section 62.

(2) On a reference made by the Registrar of Co-operative Societies, the Tribunal shall call for and examine the records of any proceeding which is appealable to it for the purpose of satisfying itself as to the legality or propriety of any decision or order passed and where it appears to the Tribunal that any such decision or order should be modified, annulled or reversed, the Tribunal may pass such order thereon as it may deem fit.

(3) Any appeal under sub-section (1) shall, subject to the other provisions of this Act, be preferred within sixty days from the date of communication to the appellant of the decision, refusal or order complained of but the Tribunal may admit an appeal preferred after the said period of sixty days, if it is satisfied that the appellant has sufficient cause for not preferring the appeal within the said period.

(4) In disposing of an appeal under this section, the Tribunal may, after giving the parties an opportunity of making their representation, pass such order thereon as it may deem fit.

(5) The decision or order of the Tribunal on appeal shall be final.

(6) The Tribunal may pass such interim orders pending the decision on the appeal as may deem fit.

(7) The Tribunal may award costs in any proceedings before that authority to be paid either out of the funds of the society or by such party to the appeal as the Tribunal may deem fit".

35. In section 77 of the Principal Act, the following explanation shall be added at the end, namely,- Amendment of section 77.

"Explanation: For the purposes of this section, the expression "Registrar" means the Registrar of Co-operative Societies for the State appointed as such under sub-section (1) of section 3."

36. After section 79 of the Principal Act, the following new section shall be inserted, namely,- Insertion of new section 79-A

"Punishment for corrupt practices." 79. A. (1) Where any officer of a society or an employee or a paid servant or any member of such society,-

(a) commits any irregularity in receipt or sanction of loans or in purchases or causes, deficit in stocks; or

(b) accepts or obtains or agrees to accept or attempts to obtain from any person for himself or for any other person any gratification whatever, other than legal remuneration as a motive or reward for doing or forbearing to do any official act or showing or forbearing to show in the exercise of his official functions or duties favour or disfavour to any person or rendering or attempting to render any service or dis-service to any person; or

(c) uses or allows the use of funds of the society otherwise than in accordance with the provisions of this Act, rules or the bye-laws of the society; or

(d) signs in the minutes books of committee meetings of the society without actually attending such meetings; or

(e) passes a meeting without proper quorum as valid, he shall be deemed to be guilty of a corrupt practice in relation to the society.

Explanation: For the purposes of this section,-

(i) 'irregularity in receipt or sanction of loan' includes,-

(i) receipt of loan by or sanction of loan to any person who does not own or cultivate any land or the extent of land shown in the application for loan, where owning or cultivating land is a condition precedent for the sanction of loan; and

(ii) fictitious loan;

(ii) 'irregularity in purchases' includes purchases, made with the intention to gain wrongfully, of,-

(i) sub-standard or adulterated goods;

(ii) goods by paying higher price;

(iii) goods in excess of requirement.

(2) Every person guilty of a corrupt practice shall be punishable with imprisonment for a term which may extend upto one year or with fine which may extend to rupees five thousand or with both."

37. For section 83 of the Principal Act, the following section shall be substituted, namely,-

Substitution of
Section 83.

"Cognizance of offences. 83. (1) No court inferior to that of a Magistrate of the class or a Metropolitan Magistrate shall try any offence under this Act.

(2) Every offence under this Act shall, for the purpose of the Code of Criminal Procedure, 1973, be deemed to be cognizable.

Central Act 2
of 1974.

(3) No prosecution shall be instituted under this Act without the previous sanction of the Registrar."

38. In the Principal Act, section 83-A, shall be omitted.

Omission of
Section 83-A.

39. In section 83B of the Principal Act, in sub-section (1), in the opening portion, the word 'special' shall be omitted.

Amendment of
Section 83-B.

40. In section 116C of the Principal Act, for sub-section (1), the following sub-section shall be substituted, namely,-

Amendment of
section 116-C.

"(1) A society shall have power to fix the staffing pattern, qualifications, pay scales and other allowances for its employees with the prior approval of the Registrar of Co-operative Societies

subject to the condition that expenditure towards pay and allowances of the employees shall not exceed two percent of the working capital or thirty percent of the Gross profit, in terms of actuals in a year whichever is less".

Amendment of section 117. 41. In section 117 of the Principal Act, in sub-section (1),-

(i) for the words "the Registrar under section 15A", the words "the Registrar under section 15A or an official assignee appointed under section 9C" shall be substituted.

(ii) for the words "new committee, person, special officer, managing committee or liquidator", wherever they occur, the words "new committee, person, special officer, managing committee, liquidator or official assignee" shall be substituted.

Amendment of section 131. 42. In section 131 of the Principal Act, for sub-section (1), the following sub-section shall be substituted, namely,-

"(1) the Government may generally or in any particular matter under this Act, issue such orders and directions, which are in accordance with the provisions of this Act and in the interest of Co-operative movement in the State as they may consider necessary to the Registrar and thereupon he shall give effect to such orders of directions and shall report to the Government in due course the result thereof."

K.G. SHANKAR,
Secretary to Government,
Legislative Affairs & Justice (FAC)
Law Department.

STATEMENT OF OBJECTS AND REASONS

The Government have constituted a Committee for Co-operative law reforms headed by Sri Abdul Karim Khan. The Committee has submitted a report to the Government with their recommendations in July 1999 after series of consultations with prominent co-operators, elected representatives and officials. Based on the recommendations of the Committee, the Registrar of Co-operative Societies had submitted his recommendations to the Government. The Government in G.O.Ms. No. 71, dated 25-03-2000 have constituted a Cabinet Sub-Committee to examine and to suggest comprehensive reforms in the Co-operative Law. On the basis of the recommendations made by the Cabinet sub-committee, the Government have decided to amend the Andhra Pradesh Co-operative Societies Act, 1964, suitably.

This Bill seeks to give effect to the above decision.

CHIKKALA RAMACHANDRA RAO,
Minister for Co-operation.

**ANDHRA PRADESH ACTS, ORDINANCES AND
REGULATIONS Etc.**

The following Act of the Andhra Pradesh Legislative Assembly received the assent of the Governor on the 22nd October, 2003 and the said assent is hereby first published on the 24th October, 2003 in the Andhra Pradesh Gazette for general information:-

ACT No. 13 OF 2003

**AN ACT FURTHER TO AMEND THE ANDHRA
PRADESH CO-OPERATIVE SOCIETIES ACT, 1964.**

Be it enacted by the Legislative Assembly of the State of Andhra Pradesh in the Fifty-fourth Year of the Republic of India as follows:

Short
title and
Commencement.

1. (1) This Act may be called the Andhra Pradesh Co-operative Societies (Amendment) Act, 2003.

(2) It shall be deemed to have come into force with effect from 5th August, 2003.

Amendment of section 32, Act 7 of 1964.

2. In the Andhra Pradesh Co-operative Societies Act, 1964, in section 32, in sub-section (7),-

(1) clause (a), shall be renumbered as sub-clause (a) (i) thereof;

(2) after sub-clause (a) (i) as so renumbered, the following shall be added, namely:-

“(ii) Notwithstanding anything contained in this Act, in the special circumstances and for the reasons to be recorded, if in the opinion of the Government, it is not possible to hold the elections to the societies or class of societies, the Government may by order extend the term of the person or the persons appointed to manage the affairs of the society or class of societies beyond three years but not exceeding five years in aggregate.”.

Repeal of Ordinance 5 of 2003.

3. The Andhra Pradesh Co-operative Societies (Second Amendment) Ordinance, 2003 is hereby repealed.

K.G. SHANKAR,
Secretary to Government,
Legislative Affairs & Justice (FAC),
Law Department.

STATEMENT OF OBJECTS AND REASONS

According to Clause (a) of sub-section (7) of section 32 of the Andhra Pradesh Co-operative Societies Act, 1964, the Government or the Registrar appoint persons-in-charge to manage the affairs of the Co-operative Societies for which elections have not been held upto a period of three years in the aggregate.

Elections to the Managing Committees of three tier Co-operative Agricultural Credit Societies were held in the year 1995. Their term expired by June/July, 2000. Thereafter Government, as the case may be, and the Registrar are appointing Persons-in-charge to the Co-operative Societies under the provisions of the section 32(7) (a) of the said Act. This extended period expired by July, 2003.

For various reasons it has not been possible to hold elections to these societies. To manage the affairs of the societies, it is necessary to continue the Persons-in-Charge beyond three years but not exceeding five years in the aggregate. Government have therefore decided to extend the period of the Persons-in-charge beyond three years but not exceeding five years in the aggregate.

As the Legislative Assembly of the State was not in session having been prorogued and in order to have continuity of the office of the Persons-in-charge to manage the affairs of the above said societies, Government have decided to extend the period of the Persons-in-Charge beyond three years but not exceeding five years in the aggregate. The Andhra Pradesh Co-operative Societies (Second Amendment) Ordinance, 2003 (Andhra Pradesh Ordinance No.5 of 2003) has been promulgated by the Governor on the 4th August, 2003 and the same was published on the 5th August, 2003.

This Bill seeks to replace the said Ordinance.

CHIKKALA RAMACHANDRA RAO,
Minister for Co-operation.

**ANDHRA PRADESH ACTS, ORDINANCES AND
REGULATIONS Etc.**

The following Act of the Andhra Pradesh Legislative Assembly received the assent of the Governor on the 29th October, 2003 and the said assent is hereby first published on the 30th October, 2003 in the Andhra Pradesh Gazette for general information

ACT No. 16 OF 2003

**AN ACT FURTHER TO AMEND THE ANDHRA
PRADESH CO-OPERATIVE SOCIETIES ACT, 1964.**

Whereas, section 12-A of the Andhra Pradesh Co-operative, Societies Act, 1964, provides special provisions in respect of co-operative spinning mills and sugar factories and empowers the Registrar to give directions to transfer the assets

or assets and liabilities of such societies to non-co-operative institutions in the circumstances mentioned therein;

And whereas, the High Court of Andhra Pradesh, by its order dated 25th February, 2003 in writ petition No.8766 of 2002 and batch concerning certain sugar factories, while upholding the constitutional validity of section 12-A of the said Act, held, inter alia, that the Registrar is required to issue a notice and provide an opportunity of being heard to the management as well as the members of the society concerned even before forming his opinion that majority of the shares in it are held by the Government, that it has become sick and that there is no possibility to rehabilitate the same;

And whereas, the Government considers that it is necessary to amend the provisions of section 12-A of the said Act suitably so as to bring them in conformity with the above said order of the High Court dated 25th February, 2003 and to provide for matters connected therewith or incidental thereto.

Be it enacted by the Legislative Assembly of the State of Andhra Pradesh in the Fifty Fourth Year of the Republic of India as follows:

Short
title,
extent
and
Commencement.

1.(1) This Act may be called the Andhra Pradesh Co-operative Societies (Second Amendment) Act, 2003.

(2) It extends to the whole of the State of Andhra Pradesh.

(3) It shall be deemed to have come into force on the 2nd August, 2003.

2. In the Andhra Pradesh Co-operative Societies Act, 1964, for section 12-A, the following shall be substituted, namely:-

Substitution of section 12-A, Act 7 of 1964.

<p>“Special provisions in respect of certain Societies.</p>	}	<p>12-A (1) Notwithstanding anything contained in this Act or the rules made thereunder or the bye-laws of the societies concerned or in any other law for the time being in force, where, in the opinion of the Registrar, a society,-</p>
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(a) in which majority of the shares are held, or

(b) to which loan exceeding fifty percent of the total loan borrowed is advanced, or

(c) in which liabilities by way of guarantee for borrowing including working capital borrowing exceeding fifty percent of the total borrowings are undertaken, by the Government or one or more Government Companies or one or more corporations owned or controlled by the Government, or a society in which majority of shares are held by one or more of the aforesaid persons or any combination thereof,-

(i) has become a sick co-operative society and there is no possibility to rehabilitate it, or

(ii) being in processing, manufacturing or other industrial sector, has its unit or units lying incomplete or idle or under-utilised for want of funds or for any other reason, or ceased to undertake its operations, or cannot undertake its operations in a viable manner, or

(iii) being in marketing, trading, commercial or any other sector has ceased to undertake its operations, or cannot undertake its operations in a viable manner;

and it is necessary in public interest to transfer its assets or assets and liabilities, in whole or in part, to any other person, he may make an order to that effect.

(2) (i) The Registrar shall, before forming the opinion and making the order under sub-section (1), give an opportunity to the society by calling upon it by notice in writing in such manner as may be prescribed to state its objections or make its representations, if any, and consider the objections or representations, if any, so stated or made.

(ii) It shall be the responsibility of the society to place the notice received from the Registrar before the general body convened for the purpose and communicate its objections or representations, if any, to the Registrar within a period of four weeks from the date of receipt of the notice from him:

Provided that the Registrar may receive the objections or representations, if any, from the society after the said period of four weeks but not later than five weeks from the date aforesaid, if he is satisfied that the society was prevented by sufficient cause from stating its objections or making its representations, if any, in time.

(3) Where the Registrar has made an order under sub-section (1), he may appoint the Implementation Secretariat or any other committee, consultant or adviser having the requisite expertise or experience to assist and advise him for the purpose of,-

(i) assessing the value of the assests or the assets and liabilities, in whole or in part, of the society;

(ii) formulating terms and conditions for transfer of assests or assests and liabilities, in whole or in part, of the society;

(iii) calling for tenders or offers for the assets or assets and liabilities, in whole or in part, to obtain the best possible offer;

(iv) evaluating the offers received and identifying the best offer;

(v) finalising sale agreement and other documents relating to the transfer;

(vi) receiving the proceeds from the sale;

(vii) applying the proceeds towards discharge of the liabilities of the society as per the priorities set out in sub-section (9);

(viii) providing such other service or assistance as the Registrar may think it necessary; and

(ix) advising and assisting generally on matters relating to employees, creditors and other matters connected with the sale.

(4) Where the best offer for the assets or assets and liabilities, in whole or in part, of the society concerned is identified in the manner prescribed, the Registrar shall, before approving the best offer and the terms and conditions of transfer thereof, consult the Government and the financing bank, if any, to which such society is indebted.

(5) Where the best offer is approved, the Registrar may make an order directing that the Committee of the society concerned shall stand dissolved from the date specified in the order and that the assets or assets and liabilities, in whole or in part, of the society shall be transferred to the person submitting the best offer on fulfilment of such terms and conditions including payment of the purchase price as may be specified in the order in the manner prescribed.

(6) (i) The Registrar shall, before making the order under sub-section (5), give an opportunity to the society by calling upon it by notice in writing in such manner as may be prescribed to state its objections or make its representations, if any, and consider the objections or representations, if any, so stated or made.

(ii) It shall be the responsibility of the society to place the notice received from the Registrar before the general body convened for the purpose and communicate its objections or representations, if any, to the Registrar within a period of four weeks from the date of receipt of the notice from him :

Provided that the Registrar may receive the objections or representations, if any, from the society after the said period of four weeks but not later than five weeks from the date aforesaid, if he is satisfied that the society was prevented by sufficient cause from stating its objections or making its representations, if any, in time.

(7) On the Registrar making an order under sub-section (5) and on such order being notified in the Andhra Pradesh Gazette, the Committee of the society shall stand dissolved and all members of the Committee including the President and the Vice President, if any, shall vacate their respective office from the date specified in the order. The Registrar shall simultaneously appoint a person or persons, wherever necessary, to manage the affairs of such society till it is dissolved.

(8) The person or persons appointed by the Registrar under sub-section (7) shall transfer the assets or assets and liabilities, in whole or in part, of the society concerned to the person submitting the best offer in the manner specified in the order.

(9) The proceeds realised from the transfer of assets or assets and liabilities, in whole or in part, of the society concerned,

shall be applied in discharge of the liabilities of such society in the following order of priority, namely :-

(i) all expenses incurred for preservation and protection of the assets;

(ii) (a) dues payable to workmen and employees;

(b) debts payable to secured creditors according to their rights and priorities interse;

(c) dues payable to provident fund or other authorities which are protected under a statue by a charge on the assets;

(iii) debts payable to ordinary creditors;

(iv) share capital contributed by the members of the society :

Provided that the cases covered under Category (i) shall have precedence over all other Categories, Category (ii) shall have precedence over Category (iii) and (iv) and Category (iii) shall have precedence over Category (iv);

Provided further that the debts specified in each of the Categories shall rank equally and be paid in full, but in the event of the amount being insufficient to meet such debts, they shall abate in equal proportions and be paid accordingly;

Provided also that the question of discharging any liability with regard to a debt specified in a lower Category shall arise only if a surplus fund is left after meeting all the liabilities specified in the immediately higher Category.

(10) When the assets and liabilities of the society concerned are transferred, or when the assets of the society are transferred and the realisations therefrom applied towards discharge of its liabilities, on the making of an order by the

Registrar, the registration of such society shall stand cancelled and the society shall stand dissolved from the date specified in the order.

(11) Notwithstanding anything contained in other provisions of this Act or any other law, or any contract or any other instrument for the time being in force, the provisions of the order or orders of the Registrar under this section shall be binding on the society concerned and its members.

(12) No suit or other legal proceeding shall be instituted or maintained or continued in any civil court, tribunal or other authority in respect of any order made under this section.

(13) It shall be competent for the Government to make rules and to give such directions as they deem fit to the Registrar to carry out the provisions of this section.

Explanation:- For the purpose of this section,—

(a) "sick co-operative society" means a co-operative society which has,—

(i) the accumulated losses in any financial year equal to fifty per cent or more of its average net worth during four years immediately preceding such financial year, or

(ii) fail to repay its debts within any three consecutive quarters on demand made in writing for its repayment by a creditor or creditors of such society;

(b) "net worth" means the sum total of the paid up capital and free reserves after deducting the provisions or expenses as may be prescribed.

(c) "free reserves" means all reserves created out of the profits and share premium account but does not include

reserves created out of revaluation of assets, write back of depreciation provisions and amalgamation;

(d) "debt" means any liability (inclusive of interest), which is due and payable by a society, in cash or otherwise, whether secured or unsecured, or whether payable under a decree or order of any Civil Court or otherwise and legally recoverable from such society.

(e) the expression "cannot undertake its operations in a viable manner" shall mean the level of operations of the society in any financial year during four financial years immediately preceding the financial year in which the issue is being considered, is such that the income generated therefrom is not adequate to meet even the operating and establishment costs, current liabilities and to service the loans and working capital borrowings availed by it.

(f) "person" includes an individual, partnership, trust, company, corporation, co-operative society, an association of persons or a body of individuals, whether incorporated or not, and every artificial juridical persons, not falling within any of the preceding categories;

(g) "Implementation Secretariat" means the implementation Secretariat established in the Department of Public Enterprises by the State Government in G.O.Ms.No.150, General Administration (PE-II) Department, dated 30th April, 1998.

(h) "best offer" means the offer received that best satisfies the criteria specified in the call for tenders or offers".

3. The Andhra Pradesh Co-operative Societies (Amendment) Ordinance, 2003 is hereby repealed.

K.G. SHANKAR,
Secretary to Government,
Legislative Affairs & Justice (FAC),
Law Department.

Repeal of
Ordinance 4 of
2003.

STATEMENT OF OBJECTS AND REASONS

Section 12-A of the Andhra Pradesh Co-operative Societies Act, 1964 makes a special provision in respect of Co-operative Spinning Mills and Sugar Factories and empowers the Registrar to give directions to transfer the assets and liabilities, in whole or in part, of a Co-operative Spinning Mill or a Co-operative Sugar Factory to any Co-operative or non-Co-operative institution, if he is of the opinion that the majority of shares in such Co-operative Spinning Mill or Co-operative Sugar Factory are held by the Government, that it has become sick and that there is no possibility to rehabilitate the same.

The High Court of Andhra Pradesh, by its Order dated 25-02-2003, in writ petition No. 8766 of 2002 and batch concerning certain Sugar Factories, while upholding the constitutional validity of section 12-A of the Act, held, inter alia, that the Registrar is required to issue a notice and provide an opportunity of being heard to the management as well as the members of the Co-operative society concerned even before forming his opinion that majority of the shares in the society are held by the Government, that it has become sick and that there is no possibility to rehabilitate the same, though this is not specifically provided for in the said section. The Government have therefore decided to amend the provisions of section 12-A of the said Act suitably so as to bring them in conformity with the aforesaid order of the High Court dated 25-02-2003.

The Government have further decided that the scope of section 12-A of the Act should be widened so as to cover not only Co-operative Spinning Mills and Co-operative Sugar Factories but also all other Co-operative societies included in Public Enterprise Reforms. An opportunity has also been taken to amend section 12-A to incorporate suitable provisions in that section to change the definition of 'sick co-operative society' and to provide for the order of priority in which the proceeds that may be realised from the

sale of assets of the society concerned should be applied in the discharge of various liabilities of the society. Therefore it has been decided to amend the provisions of the Andhra Pradesh Co-operative Societies Act, 1964, suitably.

As the Legislative Assembly of the State was not then in session having been prorogued and as it has been decided to give effect to the above decisions immediately, the Andhra Pradesh Co-operative Societies (Amendment) Ordinance, 2003 (Andhra Pradesh Ordinance 4 of 2003) has been promulgated by the Governor on the 1st August, 2003 and published in Part IV-B Extraordinary of the Andhra Pradesh Gazette dated the 2nd August, 2003.

This Bill seeks to replace the said Ordinance.

CHIKKALA RAMACHANDRA RAO,
Minister for Co-operation.

Registered No. HSE/49

[Price : Rs. 0-30 Paise.



ఆంధ్రప్రదేశ్ రాజపత్రము

THE ANDHRA PRADESH GAZETTE

PART IV-B EXTRAORDINARY

PUBLISHED BY AUTHORITY

No. 4] HYDERABAD, MONDAY, APRIL 16, 2012.

**ANDHRA PRADESH ACTS, ORDINANCES AND
REGULATIONS Etc.**

The following Act of the Andhra Pradesh Legislature, received the assent of the Governor on the 12th April, 2012 and the said assent is hereby first published on the 16th April, 2012 in the Andhra Pradesh Gazette for general information.

ACT No. 4 OF 2012.

**AN ACT FURTHER TO AMEND THE ANDHRA
PRADESH CO-OPERATIVE SOCIETIES ACT, 1964.**

Be it enacted by the Legislature of the State of Andhra Pradesh in the Sixty-third year of the Republic of India as follows:-

[1]

A. 303

**Short
title and
Com-
mence-
ment.**

1. (1) This Act may be called the Andhra Pradesh Co-operative Societies (Amendment) Act, 2012.

(2) It shall be deemed to have come into force with effect from the 17th October, 2011.

**Amend-
ment of
Section
115-D.
Act 7 of
1964.**

2. In the Andhra Pradesh Co-operative Societies Act, 1964, in section 115-D, in sub-section (16), in the proviso to clause (a), for the words "total period of one year", the words "total period of two years" shall be substituted.

**Valida-
tion.**

3. Notwithstanding anything contained in the provisions of the principal Act and of all notifications, orders and the rules issued or made thereunder and are in force immediately before the 17th October, 2011, shall continue to be in force after that date until amended, varied or rescinded, as if such provisions were made under the principal Act as amended by the Andhra Pradesh Co-operative Societies (Amendment) Act, 2012 and anything done or any action taken (including any orders issued or proceedings initiated) in pursuance of those provisions on or after the 17th October, 2011, and before the commencement of the Andhra Pradesh Co-operative Societies (Amendment) Act, 2012 shall be as valid and operative as if it had been done or taken in accordance with Law.

**Repeal
of
Ordi-
nance 2
of 2012.**

4. The Andhra Pradesh Co-operative Societies (Amendment) Ordinance, 2012 is hereby repealed.

A. SHANKAR NARAYANA,
Secretary to Government,
Legislative Affairs & Justice,
Law Department.