



The Andhra Pradesh Mutually Aided Co-Operative Societies Act, 1995

Act 30 of 1995

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THE ANDHRA PRADESH MUTUALLY AIDED CO-OPERATIVE SOCIETIES ACT, 1995.

Act No. 30 of 1995*

[18th May, 1995.]

An Act to provide for the Voluntary formation of Co-operative Societies as accountable, competitive Self Reliant Business Enterprises, based on thrift self help and Mutual Aid and owned managed and controlled by Members for their Economic and Social betterment and for the matters connected therewith or incidental thereto.

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 Mutually Aided Co-operative Societies Act 1995. Short title extent and commencement.

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

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

2. In this Act unless the context otherwise requires :— Definitions;—

(a) "Board" means the Board of Directors of a Co-operative Society ;

(b) "bye-laws" means the bye-laws of a Co-operative Society as originally framed or as altered from time to time in pursuance of this Act ;

*Received the assent of the Governor on the 17th May 1995. For state ment of objects & reasons, please see the *Andhra Pradesh Gazette*, Part IV-A Extraordinary, dated 2-5-95 at pages 51 & 53.

(c) "co-operative principles" means the Co-operative principles specified in section 3 ;

(d) "Co-operative Society" means a Mutually Aided Co-operative Society registered under section 4 whose bye-laws prohibit it from raising share capital from the Government a operative Society registered under section 7 of the Andhra Pradesh Co-operative Societies Act, 1964 if it amends its bye-laws where necessary to reconstitute its capital base and in respect of other relevant aspects to be in accordance with this Act and returns to the Government its share capital if any, and either enters into a Memorandum of Understanding with the Government for any outstanding loans due to, or guarantees given by the Government or returns to the Government of such assistance and further gets itself registered under section 4 as a Co-operative Society under this Act ;

(e) "Co-operative Society with limited liability" means a Co-operative Society in which the liability of its members for the debts of the Co-operative Society in the event of its being wound up, is limited by its bye-laws to such amount as they may undertake to contribute to the assets of the co-operative;

(f) "Co-operative Society with unlimited liability" means a Co-operative Society the members of which are, in the event of its being wound up, jointly and severally liable for and in respect of all its obligations and to contribute to any deficit, in the assets of the Co-operative Society ;

(g) "Co-operative Tribunal" means the Tribunal or Tribunals constituted under section 32 ;

(h) "deficit" means the net excess of expenditure over income ;

(i) "delegate" means a member nominated by a Co-operative Society to represent its interests in a federation ;

(j) "director," means a director of the Board of directors ;

(k) "Federation" means a Mutually Aided Co-operative Society registered under section 4 whose members are Mutually Aided Co-operative Societies ;

(l) "financial year" in relation to a Co-operative Society means the twelve month accounting period as provided for in the bye-laws ;

(m) "general body" in relation to a Co-operative Society means all the members of the Co-operative Society and includes a representative general body of the Co-operative Society referred to in section 20 ;

(n) "general meeting" means a meeting of the general body of a Co-operative Society ;

(o) "Government" means the State Government of Andhra Pradesh ;

(p) member means a member of a Co-operative Society

(q) "office-bearer" means an individual elected by the general body or the board of the Co-operative Society to any office of such Co-operative Society in accordance with its bye-laws ;

(r) "Registrar" means the Registrar of Mutually Aided Co-operative Societies appointed under section 4 of this Act, and includes any other person on whom all or any of the powers of the Registrar under this Act are conferred ;

(r) "surplus" means the net excess of income over the expenditure.

3. Individuals or Co-operatives intending to form into a Co-operative Society under this Act shall frame bye-laws conforming to the following principles of co-operation, namely, ^{Co-operative Principles and bye-laws}

(a) membership of a co-operative Society shall be voluntary and available without restriction of any social, political, racial or religious discrimination, to all persons who can make use of its services and are willing to accept the responsibilities of membership ;

(b) Co-operative Societies are democratic organisations: their affairs shall be administered by persons elected or appointed in a manner agreed by the members and accountable to them. Members of primary Co-operative Societies shall enjoy equal rights of voting (one member one vote) and participation in decisions affecting their Co-operative Societies. In other than primary Co-operative Societies, the administration shall be conducted on a democratic basis in a suitable form;

(c) share capital shall only receive a strictly limited rate of interest; if any;

(d) the economic results, arising out of the operations of a Co-operative Societies belong to the members of that Co-operative Societies and shall be distributed in such a manner as would avoid one member gaining at the expense of others, which shall be achieved -

(i) by provision for development of the business of the Co-operative Society;

(ii) by provision of common services; or

(iii) by distribution among the members in proportion to their transactions with the Co-operative Society;

(e) all Co-operative Societies shall make provision for education of their members, office-bearers and employees and the general public, in the principles and techniques of co-operation, both economic and democratic;

(f) all Co-operative Societies, in order to best serve the interest of their members and their communities, shall members activity co-operate in every practical way with other cooperatives at local, national and international levels having as their aim the achievement of unity of action by cooperators on through out the world.

Registra-
tion

4. (1) Where not less than ten individuals each being member of a different family intended to form a Co-operative society, or two or more Co-operative Societies registered under this section wish to form into a federation, or a society registered

under section 7 of the Andhra Pradesh Co-operative Societies Act, 1964 intends to convert itself into a Co-operative Society under this Act, they shall frame by-laws for this purpose in accordance with section 3 in the first instance.

(2) Thereafter an application for registration shall be submitted to the Registrar by hand or by registered post.

(3) Every such application shall be accompanied by,—

(a) the original and one copy of the bye-laws of the proposed Co-operative Society as adopted by the individuals or delegates of Co-operative Societies who wish to form into a co-operative society under this Act or by the general body of a Society registered under the Andhra Pradesh Co-operative Societies Act, 1964 which wishes to convert itself into a Co-operative Society under this Act;

(b) a list of names of individuals or Co-operatives who wish to form into a Co-operative Society under this Act or of the members of the Committee of the society registered under the Andhra Pradesh Co-operative Societies Act, 1964 which intends to convert itself into a Co-operative Society under this Act with their addresses, occupations and their financial commitments to the proposed Co-operative Society;

(c) a true copy of the minutes of the meeting at which the bye-laws were adopted, duly signed by at least a majority of individuals or delegates present at the meeting where the bye-laws were adopted, or by a majority of the members of the Committee of the Co-operatives concerned where a Society registered under the Andhra Pradesh Co-operative Societies Act, 1964 intends to convert itself into a Co-operative Society under this Act;

(d) registration fee amounting to one percent of the total authorised share capital by whatever name called subject to a minimum of one hundred rupees and a maximum of ten thousand rupees; and

(e) in the case of a Society registered under section 7 of the Andhra Pradesh Co-operative Societies Act, 1964 and wishing to

convert itself into a Co-operative Society under this Act; evidence to show that the Society is not in possession of any share capital from Government, and evidence also to show that the Society is not in receipt of any Government loans or guarantees at the time of applying for registration as a Co-operative Society under this Act, or that it has entered into a memorandum of understanding with the Government for any such outstanding loans or guarantees

(4) The Registrar shall if he is satisfied that,—

(a) the application is in conformity with the requirements of this Act;

(b) the proposed bye-laws are not contrary to the provisions of this Act; and

(c) the name of the proposed Co-operative Society is not the same as that of a Co-operative Society already registered under this section, or the same as that used by a class of Societies already registered under section 7 of the Andhra Pradesh Co-operative Societies Act, 1964,—

Register the Co-operative Society and also its bye-laws and communicate by registered post a certificate of registration and the original of the registered bye-laws signed and sealed by him, within a period of sixty days from the date of submission of application, to the Chief Promoter mentioned in the application.

(5) If the conditions laid down in sub-section (4) are not fulfilled, the Registrar shall communicate by registered post the order of refusal together with the reasons therefor, within sixty days from the date of submission of application, to the Chief Promoter.

(6) There shall be appointed a Registrar of Mutually Aided Co-operative Societies for the State and as many other Officers as the Government may think fit for the purposes of this Act.

Registration
Certificate

5. Where a Co-operative Society registered, the certificate of registration signed and sealed by the Registrar shall be conclusive evidence that the Co-operative Society mentioned therein, is a Mutually Aided Co-operative Society duly registered under this Act:

Provided that where a Society was earlier registered under the Andhra Pradesh Co-operative Societies Act, 1964, such registration shall stand cancelled once a certificate of registration under this section is issued.

6. (1) A Co-operative Society registered under this Act shall be a body corporate by the name under which it is registered having perpetual succession and a common seal. The Co-operative Society shall be entitled to acquire, hold and dispose of property, to enter into contracts, to sue and be sued and to do all other things necessary to achieve its objectives.

Society to be
a body
corporate

(2) All transactions entered into in good faith prior to registration, in furtherance of the objectives of the Co-operative Society, shall be deemed to be transactions of the Co-operative Society after its registration.

7. A Co-operative Society may be registered with limited or unlimited liability. Where the liability is limited, it shall have as a suffix to its name the expression "limited" or its equivalent in any Indian language.

Registration
with limited
or unlimited
liability.—

8. (1) Every Co-operative Society shall display its full name registration number and the address of its registered office in legible characters in a conspicuous position,

Display of
name

- (a) at every office or place at which it carries on business;
- (b) in all notices and other official publications;
- (c) on all its contracts, business letters, orders for goods, invoices, statements of account, receipts and letters of credit; and
- (d) on all bills of exchange, promissory notes, endorsements, cheques and orders for money it signs or that are signed on its behalf.

(2) Where a Co-operative Society has a corporate seal, it shall display its full name in legible characters on its corporate seal.

9. (1) Except on such specific matters for which this Act has provided, the functioning of every Co-operative Society shall be

By—law.

regulated by its bye laws. Subject to the provisions of this Act and the bye laws every Co-operative Society shall have regard to the Co-operative principles in its functioning.

(2) Subject to section 3, the byelaws of a Co-operative Society shall be specific on the following matters, namely:—

(i) the name and address of the Co-operative Society;

(ii) the object of the Co-operative Society explicitly stated as a common central need of the members which the Co-operative Society aims at fulfilling;

(iii) eligibility, ineligibility and procedure for obtaining and retaining membership;

(iv) procedure for withdrawal, cessation and termination of membership;

(v) the services that it intends to give its members;

(vi) fixation of minimum performance expected annually of each member vis-a-vis use of service, financial commitment and participation in meeting, in order to be eligible to exercise the rights of membership including the right to vote;

(vii) the consequences of performing below the minimum level fixed;

(viii) the consequences of default in payment of any sum due by a member;

(ix) rights of members;

(x) the nature and extent of the liability of the member or the debts contracted by the Co-operative society;

(xi) the manner of making or amending bye-laws;

(xii) the powers and functions of the general body and the powers and functions and the manner of constitution representative general body, if any, and subjects which must be dealt with by the general body, and by the representative general body, if any;

(xiii) the manner and frequency of convening general meetings and quorum required;

(xiv) the manner of conducting elections and of filling casual vacancies ;

(xv) the size and composition of the Board of Directors ;

(xvi) the term of office of the Directors;

(xvii) the manner of removal of Directors;

(xviii) the manner and frequency of convening board meetings and quorum;

(xix) the powers and duties of the Board;

(xx) the powers and duties of the Chairperson;

(xxi) the terms on which the Co-operative Society may deal with non-members;

(xxii) eligibility, ineligibility for becoming and continuing as Director;

(xxiii) penalties for acting against the interests of the Co-operative Society and for non-fulfilment of duties by members, office-bearers, Directors or staff;

(xxiv) the nature and extent of the liability of office-bearers, Directors for debts contracted by the Co-operative Society ;

(xxv) the authorisation of an officer or officers to sign documents and to institute and defend suits and other legal proceedings on behalf of the Co-operative Society;

(xxvi) the manner of choosing delegates to higher tier co-operative and federations;

(xxvii) the rights, if any, which the Co-operative Society intends to confer on any co-operative society or other federation and the circumstances under which these rights may be exercised by the society or federation;

(xxviii) the nature and amount of capital, if any, of the Co-operative Society;

(xxix) the maximum capital which a single member can hold ;

(xxx) the maximum interest payable to members on paid up share capital;

(xxxi) the sources, types and extent of funds to be raised by the Co-operative Society;

(xxxii) the purposes for which the funds may be applied;

(xxxiii) the constitution of various funds and their purposes ;

(xxxiv) the manner of appointment of auditors and their powers and functions;

(xxv) the manner of appointment of internal auditor and their powers and functions;

(xxxvi) the manner of disposal of funds when the Co-operative Society is under liquidation; and

(xxxvii) the manner of dissolution of the Co-operative Society.

Amendment of Bye Laws: 10. (1) Amendment of bye-laws:--A Co-operative Society may amend any of the provisions of its byelaws by a resolution of its general body, or by the representative general body, where this exists;

Provided, that no such resolution shall be passed unless atleast twenty clear days of written notice of the meeting has been given along with a copy of the proposed amendment to each member of the general or representative general body, as the case may be, and such notice and proposed amendmet is also displayed on the notice board of the Co-operative Society for a period of twenty days immediately preceding the date of the meeting;

Provided further that the representative general body shall not alter any provision in the bye-laws relating to its own constitution and powers.

(2) in the case of amendment of its bye-laws with regards to matters relating to items (i), (ii), (ix), (x), (xi), (xii), (xiii), (xiv), xv, (xvi), (xvii), (xix), (xxiv), (xxix), (xxxvi) and (xxxvii) of sub-section (2) of section 9, an application for the registration of the amendment shall be forwarded by the Co-operative Society by registered post to the Registrar within a period of thirty days from the date of the resolution.

(3) Every application forwarded to the Registrar shall be signed by the Chairperson and shall be accompanied by a copy of the resolution adopting the amendment and the following particulars, namely:—

(a) the date of the meeting at which the amendment was approved ;

(b) the total number of members on the rolls of the co-operative society who were eligible to vote on the date of such meeting, the number present at the meeting and the number of eligible members who voted for the resolution.

(4) If the proposed amendment is in consonance with the provisions of this Act, the Registrar shall register the proposed amendment within a period of sixty days from the date of receipt of the application.

(5) The Registrar shall forward by registered post to the Co-operative Society within a period of fifteen days after registration, a copy of the registered amendment together with a certificate signed and sealed by him and such certificate shall be conclusive evidence that the amendment has been duly registered.

(6) If the proposed amendment is not in consonance with the provisions of this Act, the Registrar shall refuse, within a period of sixty days from the date of receipt of the application, to register the proposed amendment :

Provided that no order refusing to register the amendment shall be passed except after giving the Co-operative Society an opportunity of making its representation.

(7) The Registrar shall forward by registered post to the Co-operative Society, within a period of fifteen days after refusal, the order of refusal together with the reasons therefor.

(8) Where no order of refusal is received by the Co-operative Society under sub-section (7) within a period of seventy five days from the date of submission of application, it shall be deemed that the Registrar has registered the amendment on the last date of the period specified in that sub-section.

(9) In the case of all amendments to the bye-laws other than those specified in sub-section (2), information about the amendment shall be forwarded by the Co-operative Society by registered post, with the enclosures and particulars specified in sub-section (3), to the Registrar within a period of thirty days from the date of the general meeting at which the resolution was passed, and the Registrar shall immediately take on file such amendment. :

Provided that such action shall not in any way preclude the Registrar from proceeding against the Co-operative Society or its management, where such amendment is found to be contrary to the provisions of this Act.

(10) An amendment to the bye-laws under sub-section (9) shall come into effect only after registration or on the thirtieth day from the date of the amendment has been sent to the Registrar for taking on record, as the case may be.

Change of liability, transfer of assets, and liabilities, division, amalgamation.

(11) . (1) A Co operative Society may, by a resolution of its general body,

(a) decide to amend its bye laws to change the form or the extent of its liability ;

(b) decide to transfer its assets and liabilities, in whole or in part, to any other Co-operative Society which agrees to such transfer by a resolution of its general body :

(c) divide itself into two or more Co-operative Societies.

(2) Any two or more Co-operative Societies may, by a resolution of their respective general bodies, decide to amalgamate themselves and form a new Co-operative Society.

(3) Every resolution of a Co-operative Society under this section shall be passed at its general meeting by a majority of total members with right of/vote or two-thirds of members present and voting whichever is less and such resolution shall contain all particulars of the liability, transfer, division, amalgamation as the case may be.

(4) Before passing a resolution under this section, the Co-operative society shall give notice thereof together with a copy of the resolution to all its members, and federations to which it affiliated, and creditors who may give their consent. Notwithstanding any byel-aw or contract to the contrary, any member federation, or creditor not consenting to the resolution shall, during a period of one month from the date of service of the notice have the option of withdrawing their shares, deposits, loans or services as the case may be.

(5) Any member, federation, or creditor who or which does not exercise within the specified period the right under sub-section 4) shall be deemed to have consented to the resolution.

(6) A resolution passed by a Co-operative Society under this section shall not take effect until,

(a) (i) the members, federations, and creditors have consented or are deemed to have consented to the resolution under sub section(4) or, as the case may be, sub section (5) ; or

(ii) all claims of the members, federations and creditors who have exercised the option referred to under sub section (5) within the period specified therein have been met in full or otherwise satisfied ; and

(b) (i) in the case of change of liability, amendment of the bye laws of the Co-operative Society concerned is registered or is deemed to have been registered ; or

(ii) in the case of division or amalgamation, certificate of registration of the Co-operative Society or Societies is issued.

(7) When a resolution passed by a Co-operative Society under sub section (2) takes effect the resolution shall be a sufficient conveyance to vest the assets and liabilities in the transferee without any further assurance.

(8) The registration of a Co-operative Society shall stand cancelled and the Co-operative Society shall be deemed to have been dissolved and shall cease to exist as a Corporate body.

(a) when the whole of the assets and liabilities of such Co-operative Society are transferred to another Co-operative Society ; or

(b) when such Co-operative Society divides itself into two or more Co-operative Societies.

(9) Where two or more Co-operative Societies are amalgamated to form a new Co-operative Society, the registration of the Co-operative Societies so amalgamated shall stand cancelled and they shall be deemed to have been dissolved and shall cease to exist as corporate bodies.

Promotion of
subsidiary
organisation.

12. (1) Any Co-operative Society may, by a resolution passed at general meeting by a majority of members present and voting, promote one or more subsidiary organisations for the furtherance of its stated objectives, and such organisations may be registered under any law for the time being in force, as agreed to by the general body.

(2) The annual reports and accounts of any such subsidiary organisation shall be placed before the general meeting of the promoting Co-operative Society every year.

(3) Any subsidiary organisation created under sub-section (1) shall exist for only as long as the general body of the Co-operative Society deems its existence necessary.

13. Where the collaboration between a Co-operative Society and any other organisation or organisations requires the creation of a new organisation, the new organisation may be registered as a company or a public society, as appropriate for the fulfilment of the objective with which it was created, and such collaboration shall be reviewed every year by the general body of the Co-operative Society.

Creation of new organisation with others:—

14. (1) A Co-operative Society may mobilise funds in the shape of share capital, deposits, debentures, loans and other contributions from its members to such extent and under such conditions as may be permissible under the bye-laws of the Co-operative Society :

Mobilisation of funds.

Provided that, at the time of dissolution of a Co-operative Society the amounts due to the members shall be settled only after the settlement of dues to others.

(2) A Co-operative Society may also mobilise funds in the shape of deposits, debentures, loans and other contributions from other individuals and institutions, to such extent and under such conditions as may be permissible under the bye-laws ;

Provided that a Co-operative Society shall not accept share capital from the Government but may accept other funds or — Guarantee from the Government on such terms and conditions as are mutually agreed upon through a memorandum of understanding.

15. A Co-operative Society may invest or deposit its funds in any non-speculative manner outside its business.

Investment of fund outside the business.

16. (1) In any year a Co-operative Society shall allocate towards a deficit cover fund, reserve funds, deferred payment to members as patronage rebate in proportion to their use of the Co-operative Societies services and payment on share capital of

Disposal of surplus.

Interest not exceeding the rate of interest paid by scheduled banks—such percentage of the surplus arising from its business transactions in the previous year, as may be approved by the general body.

(2) Reserves created under sub-section (1) shall be costed by crediting on annual interest equal to the rate paid by scheduled banks on fixed deposits.

Management
of deficit.

17. (1) Where a co-operative Society is left with a deficit in any given year, the board of directors shall place before the general body in the first following annual general meeting a detailed report on the causes of deficit and the manner in which the deficit is proposed to be met.

(2) The general body of the Co-operative Society shall decide to have the deficit covered by setting it off against the amounts available in the deficit cover fund, and/or by debiting the deficit to the accounts of the members in proportion to the services they had availed or were expected to avail of the Co-operative Society during the year.

Reserve
Fund.

18. A Co-operative Society may create a Reserve for such purpose as may be specified in the bye-law.

Eligibility
for membership.

19. (1) Subject to the bye-laws, any person who is desirous of utilising the services of the Co-operative Society may express his willingness to accept the responsibilities of membership and fulfil such other conditions as may be specified in the bye-laws of the Co-operative Society and there upon he may be admitted as a member, or, subject however to the condition that the Co-operative Society is in a position to extend its services applicant and that the Applicant is not already a member of a Co-operative Society registered under this Act, or the Andhra Pradesh Co-operative Societies Act, 1964 Providing the same or similar services.

(2) Admission of member and removal from membership shall be made, in accordance with the procedure specified in the bye-laws, only by an elected Board or by the general body where such an elected Board does not exist for the time being.

(3) A person admitted as a member may exercise the rights of membership, including the right to vote, only on fulfilment of such conditions as may be laid down from time to time in the bye-laws:

Provided that a person shall have been a member for at least one year before being eligible to exercise the right of vote.

Provided further that the other provisions shall not apply to the promoter member in the first year of registration of a Cooperative Society.

20. (1) Subject to the provisions of this Act and the bye-laws, the ultimate authority of a Co-operative Society shall vest in its general body. General Body

Provided that where, because of spread of numbers of members, a Co-operative Society feels the need for constituting a Representative General body for more effective decision making, it may constitute a Representative General body in such manner and with such functions as may be specified in the bye-laws.

(2) The following matters, among others specified in the bye-laws shall be dealt with by the general body of a Co-operative Society, namely :

- (a) amendments to bye-laws;
- (b) election and removal of Directors;
- (c) consideration of, -

- (1) the long term perspective plan and budget ;
- (2) The a normal operational plan and budget ;
- (3) the annual report of activities for being filed with the Registrar ;
- (4) the auditor's report and the annual audited statement of accounts for being filed with the Registrar ;
- (5) special audit report or inquiry report, if any;

- (6) compliance report relating to audit, special audit and/or inquiry, if any ;
- (d) approval of appointment and removal of auditors ;
- (e) disposal of surplus ;
- (a) management of deficit ;
- (g) creation of specific reserves and other funds ;
- (h) review of actual utilisation of reserves and other funds ;
- (i) review of the Chief executive's report of the attendance at meeting by Directors and review of the business done with the Co-operative Society by the Directors ;
- (j) appointment, reconstitution and disbanding on the Representative General dy ;
- (k) remuneration payable to any Director or internal auditor in connection with his duties in that capacity or his attendance at related meetings ;
- (l) membership of the Co-operative Society in federation
- (m) collaboration with other organisation and its review
- (n) promotion of subsidiary organisations and review
- (o) dissolution of the Co-operative Society ; and
- (p) all other functions expected of the general body under the other provisions of this Act.

Board of
Directors—

21. (1) There shall be a Board of Directors for every Co-operative Society constituted and entrusted with the direction of the affairs of the Co-operative Society in accordance with the provisions of the Act and the bye-laws.

(2) The size of the Board shall be a multiple of the term of office of its Directors.

(3) The Directors of the Board shall have staggered terms such that at any point of time the vacancies arising as a result of the terms of Directors coming to an end, are less than one half of the total strength of the Board :

Provided that the term of a Director shall not exceed five years :

Provided further that at the first election all the Directors shall be elected at once, and their terms staggered by drawal of lots specifying different terms.

(4) In addition to such criteria as may be specified in the bye laws, a person shall be ineligible for being chosen as a Director, if such person,

(a) has at any time lost the right to vote as a member or to continue as one as specified in the bye-law ;

(b) incurs any other disqualification specified in the bye-laws.

(5) In addition to such criteria as may be specified in the bye laws, a person shall cease to be a Director if he incurs a of the sub isqualifications specified in sub section (4) or,

(a) absent himself from three consecutive Board meetings t leave or absence;

(b) absents himself from General Body Meetings out of three consecutive Board meetings without leave or absence;

(c) is penalised under this Aat.

(6) In addition to such criteria as may be specified in the bye-laws, the Directors of the Board shall incur disqualification for a period of three years for being chosen as Director and shall be ineligible to continue as Directors of any Co operative Society, if during their term as Directors of a Co operative Society,

(a) they did not conduct elections within the time specified in the bye laws and before the expiry of the terms;

(b) they did not conduct their annual general body meeting within six months of closure of the Co-operative accounting year, or a requisitioned meeting of the general body within the specified time;

(c) They did not place the audited accounts for the preceding financial year along with the reports of the auditors before the general body at its annual general meeting.

(7) In order to be eligible for being chosen as director of the Board of a Co-operative Society which has been in existence for more than two years a member,—

(a) shall have been a voting member of the Co-operative Society for at least two years immediately preceding the year of election ;

(b) shall have attended the two general body meetings of the Co-operative Society held immediately preceding the elections.

(8) Every Director and employee of a Co-operative Society while exercising his powers and discharging his duties shall,

(a) act honestly and in good faith and in the best interests of the Co-operative Society ; and

(b) exercise such due care, diligence and skill as reasonably prudent person would exercise in similar circumstances.

(9) A Director or employee who is guilty of misappropriation, breach of trust or any other omission or commission resulting in loss to the Co-operative Society as a result thereof, shall be personally liable to make good that loss, without prejudice to such criminal action to which he is liable under the law.

22. (1) The Board shall, in accordance with the bye-laws, be the authority to,

(a) admit and terminate membershi ;

forwers and
directors of
the Board
directors

- (b) elect the chairperson and other office bearers ;
 - (c) remove from office the chairperson and other office bearers ;
 - (d) appoint and remove the chief executive ;
 - (e) fix staff strength ;
 - (f) frame policies concerning,
 - (i) organisation and provision of services to members
 - (ii) recruitment, and conditions of service of the staff at the co-operative society. ;
 - (iii) mode of custody and investment of funds ;
 - (iv) manner of keeping accounts ;
 - (v) mobilisation, utilisation and investment of various funds ;
 - (vi) monitoring and management information systems including statutory returns to be filed ;
 - (vii) such other subjects and matters necessary for the effective performance of the Co-operative Society.
 - (g) place the annual report, annual financial statements, annual plan and budget for the approval of the general body ;
 - (h) consider audit and compliance reports and place these before the general body ;
 - (i) review membership in other co operatives ;
 - (j) undertake such other functions as may be delegated by the general body.
- (2) The Chairperson shall be elected by the Board from among the elected members and shall, in accordance with the bye-laws,
- (a) preside at meetings of the Board and the general body ;

(b) have only a casting vote in the event of equality of votes on any matters being decided upon by the Board;

(c) exercise such other powers as may be delegated by the board and specified in the policies framed or resolutions adopted by the Board;

Elections:

23. (1) The conduct of elections of Directors of a Co-operative Society shall be the responsibility of the incumbent Board of the Co-operative Society.

(2) Elections shall be conducted before the expiry of the term of office of the outgoing Directors in the manner specified in the bye-laws.

(3) Where a Board does not take necessary steps to conduct elections as specified in the bye-laws before the expiry of the term of the Directors, or where there are no Directors remaining on the Board, the Registrar shall at the request of not less than twenty five members or five per cent of the total members of the Co-operative Society whichever is less or may suo moto convene within 30 days a general meeting for appointing an ad-hoc Board for the specific purpose of conducting elections.

(4) The term of the ad-hoc Board appointed under sub-section (3) shall not exceed one month over and above the minimum period required under the bye laws to conduct elections, and the ad-hoc Board shall cease to function as soon as regular Board is elected in accordance with the bye-laws.

(5) The Director shall hold office for the period for which they are elected and the newly elected Directors shall assume office at the end of this period.

(6) The Directors may be eligible for re-election, if the bye laws so provide.

Meetings:

24. (1) The bye-laws of a Co-operative Society shall specify the frequency of and manner in which Board and general body meetings shall be held, so however the Board shall meet at least once in every three months and the general body shall meet at least once a year.

(2) The Board shall convene a general meeting within thirty days of receipt of a requisition for convening a meeting signed by at least one tenth of members of the Co-operative Society—or as provided in the bye-laws and any such requisition shall contain the proposed agenda and the reasons why the meeting is felt-necessary.

(3) Where the Board fails to convene the annual or requisitioned general meeting within due time, it shall be competent for the Registrar to convene the requisitioned or annual general meeting, as the case may be.

(4) Every Co-operative Society shall record in the minutes book, minutes of all proceedings of every general meeting and of every meeting of its Board of Directors.

(5) Such minutes shall be communicated to all persons invited for the meeting within thirty days of the conclusion of the meeting.

(6) The minutes so recorded shall be signed by the person who chaired the said meeting.

25. All staff of the Co-operative Society shall be the employee of the Co-operative Society and shall be fully accountable to the Co-operative Society, and be appointed, removed and function in accordance with such service conditions as may be framed by the Board :

Provided that a Co-operative Society may take personnel on deputation from other agencies including the Government, on such terms as are mutually agreed upon.

26. (1) Every Co-operative Society shall keep at its office, Accounts and Records: the following accounts, records and documents namely:

(a) a copy of this Act with upto date amendments incorporated;-

(b) copies of other laws and regulations to which the Co-operative Society is subject;

(c) a copy of its registered bye-laws with amendments made from time to time;

(d) the minutes book;

(e) accounts of all sums of money received and expended by the Co-operative Society and their respective purposes;

(f) accounts of all purchases and sales of goods by the Co-operative Society;

(g) accounts of all assets and liabilities of the Co-operative Society;

(h) a register showing member-wise patronage of various services provided by the Co-operative Society;

(i) an up-to-date register, and a list of all members with voting rights for the current year prepared within thirty days of closure of the Co-operative Society's financial year;

(j) copies of the audit reports and special audit and/or inquiry report, if any and compliance reports thereon; and

(k) all such other accounts, records and documents as may be required by this Act or other laws.

(2) The books of accounts and other records shall be open for perusal by any Director during business hours.

(3) Copies of the Act, bye-laws, minutes book pertaining to the General Body meetings, reports and compliance thereon audit, special audit and inquiry, voters' list and such account as relate to a member shall be made available to any members during business hours at a fee to be decided by the Board. In the case of a Co-operative Society with unlimited liability, in addition, a member may also have access to all books of accounts during business hours, at fee decided by the Board.

Audit

27. (1) A Co-operative Society may get its accounts audited by a Chartered Accountant within the meaning of the Chartered Accountants Act, 1949, or by any other Auditor from the office of the Registrar.

(2) The general body of a Co-operative Society shall appoint an auditor by a resolution which will be valid only until the close of the next succeeding annual general body meeting.

(3) The remuneration of the auditor shall be fixed with the approval of the general body.

28. (1) A Co-operative Society dealing with funds from the Government or other external individual or institutions may be subject to a special audit initiated by the Registrar at the request of such creditor, on such specific terms of reference as agreed to by the Registrar. Special Audit:—

(2) The cost of the special audit under sub-section (1) shall be met by the creditor:

Provided that where the special audit reveals serious mismanagement in the Co-operative Society, such costs may be recovered from the Co-operative Society, or the persons responsible for the mismanagement.

(3) Every special audit shall be completed and the report submitted to the Registrar within one hundred and twenty days of its commencement.

(4) The special audit report shall contain a statement of,

(a) every payment which appears to the audit to be contrary to law;

(b) the amount of any deficiency, waste or loss which appears to have been caused by the gross negligence or misconduct of any person in the performance of duties;

(c) the amount of any sum received which ought to have been accounted for but is not brought into account by any person; and

(d) any material impropriety or irregularity which he may be in the expenditure or in the recovery of money due.

(5) the Registrar shall, within a period of thirty days from the date of the receipt of the special audit report communicate copies of the same to,-

- (a) the applicant-creditor;
- (b) the Co-operative Society concerned; and
- (c) the Co-operative Tribunal where necessary.

Inquiry:—

29. (1) Every Co-operative Society shall furnish any relevant information required by the Registrar in order to enable him to satisfy whether the Co-operative Society has conducted its affairs in accordance with the Co-operative principles and the provisions of this Act.

(2) The Registrar may, of his own motion, and shall on the application, of a Federation to which the Co-operative Society concerned is affiliated, or of a creditor to whom the Co-operative Society is indebted or of not less than one third of the Directors, or of not less than one tenth of the members, hold an inquiry or cause an inquiry to be made into the specific matter or matter relating to any gross violation of any of the provisions of this Act by the Co-operative Society.

(3) The inquiry shall be completed within a period of one hundred and twenty days from the date of ordering the inquirs.

(4) If the inquiry is not completed within the time specified in sub-section (3) it shall lapse at the end of the said period and the Registrar shall refund to the applicants, the fee collected from them.

(5) The Registrar shall, within a period of thirty days from of the completion of the enquiry, as specified in sub section (3) or of the lapse of the inquiry as specified in sub section (4), communicate the report of the enquiry or the reasons for the non-completion of the inquiry, as the case may be,

- (a) to the Co-operative Society concerned;
- (b) to the applicant Federation, if any;

(c) to the applicant creditor, if any;

(d) to the person designated by the applicant-directors, if any;

(e) to the person designated by the applicant-members, if any;

(f) to any person, on payment of fee fixed by the Registrar; and

(g) to the Co-operative Tribunal where necessary.

(6) the inquiry officer acting under this section shall, among others, specifically state the amount of deficiency, waste or loss which appears to have been caused by the gross negligence or misconduct of any person in the performance of his duties.

30. (1) The person authorised to conduct special audit under section 28 or inquiry under section 29 shall give the concerned Co-operative Society, not less than fifteen days notice in writing of the date on which he proposes to commence the special audit or inquiry :

Power to
summon and
examine per-
sons and
document

Provided that for special reasons to be recorded in writing, he may give a shorter notice than fifteen days or commence a special audit or inquiry on the authority of the Registrar without such notice.

(2) For the purpose of any special audit or inquiry under this Act, the person conducting such audit or inquiry may,

(a) require in writing the Chair person or other authority concerned to produce at the head office of the Co-operative Society such receipts, vouchers, statements, returns, correspondence, notice or any other documents as he may consider necessary for the purpose of special audit or inquiry;

(b) require in writing,

(i) any employee of the Co-operative society or other authority accountable for or having the custody or control of such receipts, vouchers, statements, returns, correspondence; notes or other documents to appear in person; or

(ii) any person having directly or indirectly any share or interest in any contract with the Co-operative Society to appear in person or by an authorised agent ; before him at the head office of the Co-operative Society and answer any question or sign a declaration with respect thereto ;

(c) in the event of an explanation being required from the Chairperson or any other authority concerned invite him in writing specifying the points on which his explanation is required to meet him at the head office of the Co-operative Society ; or

(d) exercise such other powers as can be reasonably said to be necessary for the purposes of this section.

(3) The person conducting special audit or inquiry may fix a reasonable period of not less than seven days for the purpose of compliance of the provisions of sub-section (2) , and such compliance shall be mandatory on the persons required to provide information under sub-section (2)...

Action on special audit or inquiry report:—

31. *Action on special audit or inquiry report.* On communication of a special audit report under sub-section (5) of section 28 or an inquiry report under sub-section (5) of section 29 to the persons, concerned, the Registrar may, where the special audit or inquiry report reveals mismanagements on the part of any or all of the office bearers or Directors, without prejudice to any civil or criminal proceedings to which they may be liable,

(a) direct the Board to convene a General Body meeting within such reasonable time as he may specify, to enable him to the notice of the General Body, either directly or through his nominee, the findings of the special audit or inquiry report, for necessary action ; or

(b) approach the Co-operative Tribunal for necessary action.

Constitution of Tribunal:

32. (1) *Constitution of Tribunals.* The Government may for the purposes 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 Provisions of Section 75 of the Andhra Pradesh Co-operative Societies Act, 1964 shall, mutatis mutandis apply for the constitution of co-operative tribunal under this section. Act 7 of 1964.

33. (1) *Power of the Tribunal to order recovery.*:—A member, Director or Chairperson of the Co-operative Society may and the Registrar shall file a copy of the report of the Auditor or the Special Auditor or the Inquiry Officer, before the Tribunal with an application for necessary action against the person on account of whose conduct the Co-operative Society has incurred loss. The Tribunal may on the basis of such report disallow every item of expenditure incurred contrary to law and order or recovery of the the same from the person incurring or authorising the incurring of such expenditure, or held responsible in the said report for any deficiency, loss or unprofitable outlay occasioned by his negligence or misconduct or of any such amount which ought to have been accounted but is not brought into account by that person and shall, in every such case, specify the amount liable to be paid by such person to the Co-operative Society Power of the Tribunal to order recovery:—

Explanation : It shall not be open to any person whose negligence or misconduct has caused or contributed to any such deficiency or loss, to contend that notwithstanding his negligence or misconduct the deficiency or loss would not have occurred, but for the negligence or misconduct of some other person.

(2) The Tribunal shall state in writing the reasons for its decision in respect of every disallowance, surcharge and a copy of such decision shall be served on the person against whom it is made in the manner laid down for the service of summons in the Code of Civil Procedure, 1908 ;

Provided that the Tribunal shall not pass any order of recovery under this section unless the person against whom any such order is passed has had an opportunity of making a representation, either by himself or through the Counsel

(3) Any person aggrieved by an order passed under this section may, within sixty days after the date of service on him to

the order by the Tribunal, file an appeal against such order in the High Court.

(4) Where an appeal is filed in the High Court under subsection (3), the persons who filed the application before the Tribunal or as the case may be, the Registrar shall be the sole respondent thereto, and the applicant shall not make any other person a party to the proceedings

Central Act
5 of 1908.

(5) Every order passed by the Tribunal or an order passed by the High Court shall be executed in the same manner as a decree of a Civil Court under the Code of Civil Procedure, 1908

Filing of
returns:--

34 (1) Every year, within thirty days of the conduct of the annual general meeting, every Co-operative Society shall file the following with the Registrar, namely :

- (a) annual report of activities ;
- (b) annual audited statements of accounts with auditor, report ;
- (c) list of members as at the close of the year under reporting with services provided to each member ;
- (d) statement on the disposal of surplus or on the allocation of deficit ;
- (e) list of names of Directors, their addresses and their terms of office ; and
- (f) compliance reports relating to audit, special audit and inquiry, if any

Rights and
privileges

Act 7 of
1964:--

35 A Co-operative Society shall have all the rights and privileges available to Co-operative Societies under Chapter-V of the Andhra Pradesh Co-operative Societies Act, 1964 and the corresponding rules, to the extent that they are not inconsistent with the provisions of this Act

Execution of
decisions,
decrees and
orders:

36. In regard to execution of decisions, decrees and orders all the provisions of Chapter X of the Andhra Pradesh Co-operative Societies Act, a 1964 shall *mutatis mutandis* apply to Co-operative Societies registered under this Act, such however, that all

references to the Registrar in the said Act shall be construed to be a reference to the Co operative Tribunal in their application to Co operative Societies registered under this Act.

37. (1) If any dispute arises touching the constitution, management or business of a Co operative Society, and matters connected therewith or incidental thereto, Settlement of disputes:—

(a) among members, past members or persons claiming through members, past members and deceased members; or

(b) between a member, past member or a person claiming through a member, past member or deceased member and the Co-operative Society, its Board, Director, office bearer or liquidator, past or present; or

(c) between the Co operative Society or its Board and any past Board, Director, office bearer, or the nominee, heir, or legal representative of any deceased Director, deceased officer, of the Co operative Society; or

(d) between the Co operative Society and any other Co operative Society; or

(e) between the promoter of a Co operative Society and the Registrar; or a Co operative Society and the Registrar; or

(f) between a Co operative Society and liquidator of another Co operative Society, between the liquidator of two or more Co operative Societies;

* such disputes may be referred to the Co operative Tribunal for decision:

Provided that no dispute shall be referred under this section to the Co operative Tribunal unless the disputing parties exhausted all remedies that may be available in the bye-laws for the settlement of disputes.

(2) Any dispute relating to elections held to a Co-operative Society may be referred to the Co-operative Tribunal for decision.

Offence and penalties:-

38. (1) It shall be an offence under this Act, if a Co-operative Society,

(a) fails to give a notice, send a return or document, or fails to do or allows to be done any act which a Co-operative Society is by this Act or under its bye-laws required to give, send, do or allow to be done ;

(b) wilfully neglects or refuses to do an act or to furnish information required for the purposes of this Act or does an act forbidden by this Act, or the bye-laws; or

(c) makes a return, or wilfully furnishes information, in any respect false or insufficient.

(2) It shall be an offence under this Act, if any person or Co-operative Society contravenes the provisions of a Co-operative Society.

(3) An offence by a Co-operative Society shall be deemed to have been also committed by each office-bearer of the Co-operative Society bound by the bye-laws thereof to fulfil the duties whereof the offence is a breach, or if there is no such office-bearer then by each of the Director, unless the office-bearer or Director proves to have attempted to prevent the commission of the offence.

(4) An offence under this section shall be punishable with imprisonment for a term which may extend to one year or with fine which may extend to ten thousand rupees or with both ;

Provided that where a person is guilty of misappropriation, fraud, breach of trust, cheating or any other act involving moral turpitude, resulting in a loss to the Co-operative Society, he shall be punishable under the relevant provisions of the Indian Penal Code, 1860.

Central Act
45 of 1860.

Dissolution
by members:

3Z. (1) A Co-operative Society may, by a special resolution, authorise its own dissolution ;

Provided that a notice of the general meeting shall also be sent with an invitation to attend, to the Registrar, to any federations

of which the Co-operative Society is affiliated, to creditors and to any organisation with which a partnership contract has been entered into.

(2) Invitees under the proviso of sub-section (1) shall have the right to make a representation to the general body if they so wish to, giving reasons why dissolution is not called for.

(3) Within fifteen days of such authorisation for dissolution, the Co-operative Society shall send to the Registrar a copy of the authorisation to dissolve the Co-operative Society by registered post.

(4) The authorisation approved in pursuance of sub-section 1) is required to set out the following, namely :

- (a) the assets and liabilities of the Co-operative Society;
- (b) the claim of creditors, and collaborators and protected shareholders ;
- (c) the number of members ;
- (d) the nature and extent of the member's interest in the Co-operative Society ; and
- (e) the name of the liquidator, if appointed by the general body, or a request to the Registrar to appoint the liquidator or a request to the Registrar to issue a certificate of dissolution where there are no assets or liabilities.

(5) Where the Registrar receives the special resolution passed in pursuance of sub-section (1), he shall cause at the expense of the Co-operative Society a notice of the special resolution to be published once a week for two weeks in a newspaper published or distributed in the district where the registered office of the Co-operative Society is located.

(6) The Registrar may require from the Co-operative society, the liquidator appointed by the Co-operative Society or any other person who is required to furnish information, a periodical return showing: ..

(a) the progress of dissolution ;

(b) the distribution of any undistributed surplus or reserve ; and

(c) any other relevant information that he may require.

Dissolution
by Tribunal.

40. (1) The Registrar or an interested person may, after giving the Co-operative Society ninety days notice of the proposed application, apply to the Tribunal for an order dissolving the Co-operative Society, where he has reasonable cause to believe that the Co-operative Society has no right to be or to continue to be recognised as a Co-operative Society, because it,—

(a) obtained its registration by fraud or mistake ;

(b) is serving illegal purposes ;

(c) has wilfully, after notice by the Registrar, violated any of the provisions of this Act or its bye-laws ;

(d) is no longer operating in accordance with principles of Co-operation and the provisions of this Act ;

(e) has not commenced business within two years of the date of registration ;

(f) has not carried on business for the past two consecutive years.

(2) Where an interested person applies in pursuance of this section, he shall give the Registrar notice of his application and the Registrar is entitled to appear and be heard in person or by counsel.

(3) Where the Tribunal receives an application in pursuance of this section it may, after giving a reasonable opportunity to the Co-operative Society to state its case, order that Co-operative Society be dissolved or liquidated and ~~administered~~ under the supervision of the Registrar.

(4) When the Registrar receives [an order made in pursuance of sub-section (3), he shall—

(a) Where the order is to dissolve the Co-operative Society issue a certificate of dissolution ; or

(b) where the order is to liquidate and ^{Appointment of liquidator}
 Co-operative Society under the supervision of the Registrar, publish a notice in a newspaper published or distributed in the district in which he registered office of Co-operative Society is situated.

41. (1) Where a Co-operative Society is to be dissolved and a liquidator is appointed by the general body or the Tribunal, the Registrar may--

(a) appoint any person as a liquidator to wind up the affairs of the Co-operative Society; or

(b) where he is satisfied that the Co-operative Society has no assets and liabilities, issue a certificate of dissolution.

(2) The appointing authority shall fix the payment to the liquidator for his services.

42. On his appointment, a liquidator shall--

(a) immediately give notice of his appointment--

Duties of Liquidator.

(i) in the case of liquidator not appointed by the Registrar, to the Registrar; and

(ii) to each claimant and creditor known to the liquidator;

(b) immediately published notice of his appointment for a week for two consecutive weeks in a newspaper published and distributed in the district where the Co-operative Society has registered office and take reasonable steps to give notice of the liquidation in every jurisdiction where the Co-operative Society carries on business;

(c) place in the notice mentioned in clauses (a) and (b) a provision requiring any person,

(i) indebted to the Co-operative Society, to render an account and pay to the liquidator at the time and place specified any amount owing;

(ii) possessing property of the Co-operative Society to deliver it to the liquidator at the time and place specified; and

(iii) having a claim against the Co-operative Society, whether liquidator unliquidated, future or contingent, to present particulars of the claim in writing to the liquidator not later than sixty days after the first publication of the notice;

(d) take into custody and control the property of the Co-operative Society;

(e) open and maintain a trust account for the money of the Co-operative Society;

(f) keep accounts of the moneys of the Co-operative Society received and paid out by him;

(g) maintain separate lists of the members, creditors and other persons having claims against the Co-operative Society;

(h) where at any time he determines that the Co-operative Society is unable to pay or adequately provide for the discharge of its obligations, apply to the Registrar for directions; and

(i) deliver to the Registrar, periodically as the Registrar may require, financial statements of the Co-operative Society in any form that the liquidator considers proper or that the Registrar may require.

Powers of liquidators:-

43. (1) The liquidator may,

(a) retain lawyers, accountants, engineers, appraiser and other professional advisors;

bring, defend or take part in any civil, criminal or administrative action or proceeding in the name and on behalf of the Co-operative Society;

(c) carry on the business of the Co-operative Society as required for an orderly liquidation;

(a) shall by public auction any property of the Co-operative Society;

(e) do all acts and execute any documents in the name and on behalf of the Co-operative Society ;

(f) borrow money on the security of the property of the Co-operative Society ;

(g) settle or compromise any claims by or against the Co-operative Society ; and

(h) do all other things that he considers necessary for the liquidation of the Co-operative Society and distribution of its property:

(2) Where a liquidator has reason to believe that any person has in his possession or under his control or has concealed, withheld or misappropriated any property of the Co-operative Society, he may apply to the special court for an order requiring that person to appear before the court at the time and place, designated in the order and to be examined.

(3) Where the examination mentioned in sub-section (2) discloses that a person has concealed, withheld or misappropriated property of the Co-operative Society, the special court may order that person to restore the property or pay compensation to the liquidator on behalf of the Co-operative Society.

(4) No liquidator shall purchase, directly or indirectly, any part of the stock-in-trade, debts or assets of the Co-operative Society.

44. (1) A liquidator shall pay the cost of liquidation out of the property of the Co-operative Society and shall pay or make adequate provision for all claims against the Co-operative Society. Final
account:—

(2) After paying or making adequate provision for all claims against the Co-operative Society, the liquidator shall apply to the Registrar for approval of his final accounts and for permission to distribute in money or in kind the remaining property of the Co-operative Society in accordance with the bye laws.

(3) Where the Registrar approves the final accounts rendered by a liquidator in pursuance of sub section (2), he shall,

(a) issue directions with respect to the custody or disposal of the documents and records of the Co-operative Society; and

(b) discharge the liquidator.

(4) Where the Registrar discharges a liquidator in pursuance of sub section (3), he shall issue a certificate of dissolution

(5) The Co-operative Society ceases to exist on the date shown in the certificate of dissolution which shall not be later than two years after the appointment of the liquidator.

Fee for
services:—

45. The Registrar may charge a reasonable fee for any of the services provided by him or by an officer authorised by him under the provisions of this Act.

ACT No. 29 OF 1998.

*[19th August, 1998.]

AN ACT FURTHER TO AMEND THE ANDHRA
 PRADESH MUTUALLY AIDED CO-OPERATIVE
 SOCIETIES ACT, 1995.

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:-

1. (1) This Act may be called the Short title
 Andhra Pradesh Mutually Aided Co-opera- and
 tive Societies (Amendment) Act, 1998. Commence-
ment.

*[Received the assent of the Governor on the 19-08-1998.
 For statement of object and reasons please see the Andhra
 Pradesh Gazette, Part-IV-A, Extraordinary dated 22-07-1998
 at Page 3.]

J. 1728/16

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

Insertion of new section 36A. 2. After section 36 of the Andhra Pradesh Mutually Aided Co-operative Societies Act, 1995, the following section shall be inserted, namely:-

Act 30 of 1995 "Application of Chapter XIII A of the Andhra Pradesh Co-operative Societies Act, 1964."

36-A. The provisions of Chapter XIII A containing sections 115-A and 115-B of the Andhra Pradesh Co-operative Societies Act, 1964 shall mutatis, mutandis apply to all Co-operative Banks.

Central Act 10 of 1949. Explanation:- For the purposes of this section a " Co-operative Bank means a society registered under this Act, which is doing the business of Banking as defined in clause (b) of sub-section (1) of section 5 of the Banking Regulation Act, 1949."

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

Registered No. HSE/49

[Price : Rs. 0-30 Paise.



ఆంధ్రప్రదేశ్ రాజపత్రము
THE ANDHRA PRADESH GAZETTE
PART IV-B EXTRAORDINARY
PUBLISHED BY AUTHORITY

No. 23] HYDERABAD, WEDNESDAY, APRIL 12, 2006.

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

The following Act of the Andhra Pradesh Legislative Assembly received the assent of the Governor on the 10th April, 2006 and the said assent is hereby first published on the 12th April, 2006 in the Andhra Pradesh Gazette for general information.

Act NO. 20 OF 2006.

**AN ACT FURTHER TO AMEND THE ANDHRA
PRADESH MUTUALLY AIDED CO-OPERATIVE
SOCIETIES ACT, 1995.**

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

1. (1) This Act may be called the Andhra Pradesh Mutually Aided Co-operative Societies (Amendment) Act, 2006.

[1]

Short title,
extent and
commence-
ment.

A-8-1

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

(3) It shall be deemed to have come into force with effect from the first June, 1995.

**Amend-
ment of
section 2.
Act 30 of
1995**

2. In the Andhra Pradesh Mutually Aided Co-operative Societies Act, 1995, (herein after referred to as the principal Act), in section 2, in clause (d), for the expression "under section 7", the words "under the provisions" shall be substituted and the words "but does not include the Milk/Dairy Co-operative Societies." shall be added at the end.

**Amend-
ment of
section 4.**

3. In section 4 of the principal Act,-

(i) in sub-section (1), for the expression, "under section 7", the words "under the provisions" shall be substituted;

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

"Provided that no Co-operative Society shall be registered as a Dairy or Milk Co-operative Society and no Dairy or Milk Co-operative Society registered under any other law shall be converted into a dairy or milk co-operative society under this Act";

(iii) after sub-section (1), the following new sub-section shall be inserted, namely:-

**Act 7 of
1964.**

"(1A) Notwithstanding anything contained under this Act or under the provisions of the Andhra Pradesh Co-operative Societies Act, 1964, all the Dairy/Milk Co-operative Societies registered or deemed to have been registered or converted under the provisions of this Act, shall be deemed to have been excluded from the provisions of this Act and deemed to have been registered and continued under the provisions of the Andhra Pradesh Co-operative Societies Act, 1964."

**Act 7 of
1964.**



RIGHT TO
INFORMATION

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THE ANDHRA PRADESH GAZETTE
PART IV-B EXTRAORDINARY
PUBLISHED BY AUTHORITY

No. 20]

AMARAVATI, TUESDAY, MAY 15, 2018.

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

The following Act of the Andhra Pradesh Legislature received the assent of the Governor on the 8th May, 2018 and the said assent is hereby first published on the 15th May, 2018 in the Andhra Pradesh Gazette for general information :-

ACT No. 20 of 2018

**AN ACT FURTHER TO AMEND THE ANDHRA PRADESH
MUTUALLY AIDED CO-OPERATIVE SOCIETIES ACT, 1995.**

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

1. (1) This Act may be called the Andhra Pradesh Mutually Aided Co-operative Societies (Amendment) Act, 2018. Short title and commencement.
- (2) It shall come into force on such date as the Government may, by notification, appoint.
2. In the Andhra Pradesh Mutually Aided Co-operative Societies Act, 1995, in section 14,- Amendment of section 14. Act 30 of 1995.
 - (i) in sub-section (1), after the proviso, the following proviso shall be inserted, namely,-

“Provided further that in the case of a cooperative society, other than a cooperative bank, deposits shall be mobilized only from those members who have voting rights in that cooperative society.”

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

Central Act 10
of 1949.

“(1-A) Notwithstanding anything contained in the sub-section (1), a cooperative bank may mobilize funds in the shape of deposits, debentures, loans and other contributions from any person other than its member, to such extent and under such conditions as may be permissible under the bye-laws, subject to the provisions of the Banking Regulation Act, 1949.”

(iii) in sub-section (2),-

(a) the word “deposits” shall be omitted;

(b) after the existing proviso, the following “Explanation” shall be added, namely,-

“Explanation : For the purpose of this section a “cooperative bank” means a society registered under this Act, which is doing the business of banking as defined in clause (b) of sub-section (1) of Section 5 of the Banking Regulation Act, 1949.”

DUPPALA VENKATARAMANA,

Secretary to Government,

Legal and Legislative Affairs and Justice.

4. The Andhra Pradesh Mutually Aided Co-operative Societies (Amendment) Ordinance, 2006 is hereby repealed.

Repeal of
Ordi-
nance, 2
of 2006.

T. MADAN MOHAN REDDY,
Secretary to Government,
Legislative Affairs & Justice,
Law Department.



ఆంధ్రప్రదేశ్ రాజపత్రము
THE ANDHRA PRADESH GAZETTE
PART IV-B EXTRAORDINARY
PUBLISHED BY AUTHORITY

No. 5] AMARAVATI, WEDNESDAY, 20th APRIL, 2022.

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

The following Act of the Andhra Pradesh Legislature received the assent of the Governor on the 14th April, 2022 and the said assent is hereby first published on the 20th April, 2022 in the Andhra Pradesh Gazette for general information :

ACT No. 5 of 2022.

**AN ACT FURTHER TO AMEND THE ANDHRA PRADESH MUTUALLY
AIDED CO-OPERATIVE SOCIETIES ACT, 1995.**

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

1. (1) This Act may be called the Andhra Pradesh Mutually Aided Co-operative Societies (Amendment) Act, 2022. Short title and commencement.
(2) It shall come into force on such date as the State Government may, by notification, appoint.
2. In the Andhra Pradesh Mutually Aided Co-operative Societies Act, 1995, (hereinafter referred to as the Principal Act), in section 2 for clause (d) the following shall be substituted, namely, - Amendment of section 2.
Act No,30 of 1995.

“(d) “Co-operative Society” means a Mutually Aided Co-operative Society registered under Section 4 of this Act or a Co-operative Society registered under the Andhra Pradesh Co-operative Societies Act, 1964, and converted itself into a Co-operative Society under this Act.”

Amendment
of section 4.

Act No.7 of
1964.

3. In section 4 of the principal Act,-

- (i) proviso under sub-section (1) shall be omitted.
- (ii) sub-section (1A) shall be omitted.
- (iii) after sub-section (6), the following shall be added, namely,-
 - "(7). (I) A Co-operative society registered under this Act under Section 4 (1) intending to convert itself into a cooperative society under Andhra Pradesh Co-operative Societies Act, 1964 may do so following the procedure given below:-
 - (i) It shall frame bye-laws in accordance with the provisions of Andhra Pradesh Co-operative Societies Act, 1964.
 - (ii) An application for registration shall be submitted to the Registrar by hand or registered post.
 - (II) Every such application shall be accompanied by:-
 - (i) The original and one copy of the bye-laws of the proposed Co-operative society as adopted by the General Body of the Co-operative Society registered under this Act, which intends to convert itself into a Co-operative society under Andhra Pradesh Co-operative Societies Act, 1964.
 - (ii) A true copy of the minutes of the General Body Meeting at which the proposed bye-laws were adopted, attested by a majority of the members of the committee of the Co-operative society concerned; and
 - (iii) Registration fee amounting to Rs. 1,000/- (Rupees one thousand only).
 - (III) The Registrar, shall, if he is satisfied that;-
 - (i) The application in conformity with the requirements of the Andhra Pradesh Co-operative Societies Act, 1964;
 - (ii) The proposed bye-laws are not contrary to the provisions of the Andhra Pradesh Co-operative Societies Act, 1964; and
 - (iii) The name of the proposed Co-operative society is not the same as that of a Co-operative society already registered under the Act, register the Co-operative society and also its bye-laws and communicate by registered post a certificate

of registration and the original of the registered bye-laws signed and sealed by him within a period of thirty days from the date of receipt of application from the applicant society.

- (iv) Upon such registration, the registration made under this Act, shall stand cancelled.

4. In section 27, after sub-section (1), the following proviso shall be inserted, namely,-

Amendment
of section 27.

"Provided that the accounts audited by the Chartered Accountant/ Auditor shall be accompanied by a certificate to the effect that the society has duly and fully collected the profession tax from the employees liable to pay tax under the Andhra Pradesh Tax on Professions, Trades, Callings and Employments Act, 1987 (Act No.22 of 1987) and has duly remitted the said monies as prescribed under said Act No.22 of 1987."

Act No.22 of
1987.

5. In section 34 of the principal Act, in sub-section (1), after clause (f), the following clause shall be added, namely, -

Amendment
of section 34.

"(g) proof of deduction of profession tax from the employees of the Society and its remittance as prescribed under Andhra Pradesh Tax on Professions, Trades, Callings and Employments Act, 1987 (Act No.22 of 1987)."

VADDADI SUNITHA,
Secretary to Government (FAC),
Legal and Legislative Affairs & Justice,
Law Department.