

Andhra Pradesh Co-Operative Laws (Amendment) Act, 1987**1 of 1987****[09 January 1987]**

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Andhra Pradesh Co-Operative Laws (Amendment) Act, 1987**1 of 1987****[09 January 1987]**

An Act further to amend the Andhra Pradesh Cooperative Societies Act, 1964 and the Andhra Pradesh Co-operative Societies (Amendment) Act, 1985. Be it enacted by the Legislative Assembly of the State of Andhra Pradesh in the Thirty Seventh Year of the Republic of India as follows:- * Received the assent of the Governor on the 9th January, 1987. For Statement of Objects and Reasons, please see the Andhra Pradesh Gazette, Part IV-A; Extraordinary, date the 7th January, 1987 at page 10.

1. Short Title And Commencement :-

- (1) This Act may be called the Andhra Pradesh Co-operative Laws (Amendment) Act, 1987.
- (2) Sections 4 (1), 6, 7 to 11 and 13 shall come into force on such date as the State Government may, by notification, appoint and

the remaining provisions shall come into force at once.

2. Amendment Of Section 15A :-

In the Andhra Pradesh Co-operative Societies Act, 1964 (Act 7 of 1964) (hereinafter referred to as the principal Act), in Section 15A,- (1) for sub-sections (1), (2) and (3), the following sub-sections shall be substituted, namely:--

"(1) Notwithstanding anything in this Act or the rules made thereunder or the byelaws of the society concerned, if the Registrar is of the opinion that it is necessary to amalgamate or merge any society with any other such society or to divide and restrict or transfer the area of operation of a society or to liquidate a society for any of the following purposes, namely:--

(a) for ensuring economic viability of any or all the societies concerned, or

(b) for avoiding overlapping or conflict of jurisdictions of societies in any area; or

(c) for securing proper management of any society; or

(d) in the interest of the co-operative movement in general and of co-operative credit structure in particular in the State taken as a whole; or

(e) for any other reason in the public interest, he may identify the viable and non-viable societies which may be retained or divided with consequential restriction of the area of operation or the transfer of such area or amalgamated or liquidated, as the case may be, and may by a notification to be published in the prescribed manner, specify the area of operation of each such society or societies to be retained divided or amalgamated with any other society indicated in the said notification and invite objections or suggestion from the societies or any members, depositors creditors, employees or other persons concerned with the affairs of each such society to be received within twenty one days from the date of publication of the notification.

Explanation:--For the purpose of this Section,--

(i) the term Registrar means the person on whom the powers of the Registrar under this Section are conferred under clause (n) of section 2.

(ii) any society may convene the general body meeting within seven days from the date of publication of the notification.

(2) The Registrar may, after having considered the matter in the light of any suggestions or objections which may be received by

him within the period specified in sub-section (i) and after making if necessary, such modification in the proposal as he may deem fit, make an order and publish it in the prescribed manner;

(3) On making such an order,--

(i) the societies affected by the amalgamation shall be deemed to have been amalgamated with the Society or societies with which each one is amalgamated;

(ii) the registration of every amalgamated or divided society shall stand cancelled whereupon such society shall cease to exist as a corporate body;

(iii) the area added to the area of operation of the society shall be deemed to have been transferred to such society to which it is added:

(iv) the assets of such amalgamated or divided society shall stand transferred to and its liabilities shall devolve on, the society with which it is amalgamated and all immovable properties located in the area transferred shall be deemed to be transferred the society to which the area is transferred;

(v) every member of such amalgamated or divided society and residing in the area so transferred shall be deemed to have been transferred together with his loans share capital, deposits to the society with which it is amalgamated or to which the area is transferred and he shall have the same rights, privileges and liabilities which he has had in the amalgamated or divided society;

(vi) the Committee of the amalgamated or divided society shall stand dissolved and thereupon, the Registrar shall nominate a Committee or appoint a person or persons, wherever necessary to manage the affairs of such society for a period not exceeding six months and arrange for the conduct of elections before the expiry of the term;

(vii) it shall be competent for the Registrar to allot, by order, employees of such societies which are amalgamated or divided to any society or societies; and

(viii) notwithstanding anything in this Act or in any other law or in any contract, award or any other instrument for the time being in force, the provisions of the order of the Registrar under sub-sections (2) and (3) shall be binding on all societies and their members, depositors, creditors, employees and other persons having any rights, assets or liabilities in relation to all or any of the concerned societies.";

(2) in sub-section (4), the words "or potentially viable society" shall be omitted.

3. Amendment Of Section 21Aa :-

In section 21 AA of the principal Act,-

- (i) in sub-section (1), clause (a) shall be omit-
- (ii) in sub-section (2), after the words "sanctioning benami loans", the words "or against whom an order of surcharge is issued under section 60" shall be inserted.

4. Amendment Of Section 31 :-

In section 31 of the principal Act,-

- (1) in sub-section (1),-
 - (i) in clause (a),-
 - (a) the first proviso shall be omitted;
 - (b) in the second proviso, for the words "Provided further" the words "provided" shall be substituted;
 - (c) in the third proviso for the words "provided also", the words "provided further" shall be substituted.
 - (ii) in clause (b) in the first proviso, the words "an Agricultural Development Bank" and "a Primary Co-operative Marketing Society" shall be omitted.
- (2) after sub-section (4), the following subsection shall be added, namely:--

"(5) In the case of all primary co-operative societies, 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 subsection shall be an ex-officio member of the Committee."

5. Amendment Of Section 34-A :-

In section 34-A of the principal Act, after sub-section (13), the following sub-section shall be added namely:--

- "(14) The provisions of this section shall not apply in respect of president of any cooperative society elected by the members of the general body from among themselves."

6. Amendment Of Section 84 :-

In section 84 of the principal Act.-

- (i) in clause (a), the words "and includes a financing bank or any person authorised by it" shall be added;
- (ii) for clause (b), the following clause shall be substituted,

namely:-

"(b) Central Agricultural Development Bank means the Andhra Pradesh Co-operative Central Agricultural Development Bank.";

(iii) in clause (c), the words "and admitted as a member of the Central Agricultural Development Bank" shall be omitted.

7. Amendment Of Section 88 :-

In section 88 of the principal Act, in sub-section (1) for the words "Agricultural Development Banks to the Central Agricultural Development Bank", the words "Primary Agricultural Co-operative Societies to the financing bank and by the financing bank to the Central Agricultural Development Bank" shall be substituted.

8. Amendment Of Section 93 :-

In section 93 of the principal Act, in sub-section (2), for the expression "Andhra Pradesh Ceiling on Agricultural Holdings Act, 1961", the expression "Andhra Pradesh Land Reforms (Ceiling on Agricultural Holdings) Act, 1973" shall be substituted.

9. Omission Of Sections 114A And 114B :-

Sections 114 A and 114 B of the principal Act shall be omitted.

10. Substitution Of "Primary Agricultural Co-Operative Society "For "Agricultural Development Bank" :-

Throughout the principal Act, for the words "Agricultural Development Bank" or "Agricultural Development Banks" wherever they occur, the words "Financing Bank Primary Agricultural Co-operative Society" and "Financing Banks Primary Agricultural Co-operative Societies" shall respectively be substituted.

11. Abolition Of Primary Agricultural Development Banks :-

(1) with effect on and from the date appointed by the Government under sub-section (2) of section 1, the Primary Agricultural Development Banks registered under the principal Act or deemed to have been registered under that Act shall stand abolished.

(2) On such abolition of a Primary Agricultural Development Bank under sub-section (1), .--

(a) all rights and assets vesting in the said Banks and all liabilities against it shall devolve on the Co-operative Central Bank of the

district concerned;

(b) all contracts made by or on behalf of the said Bank prior to its abolition and subsisting on the date of such abolition shall be deemed to have been transferred to the Co-operative Central Bank of the district concerned;

(c) persons who were members of the said Bank prior to its abolition shall, notwithstanding anything in section 19 or the rules or bye-laws, be deemed to be nominal members of the Co-operative Central Bank of the district concerned without the right to vote till their loans are discharged;

(d) the Registrar may transfer the officers and other employees who immediately before such abolition were in the service of the said Bank (including those belong to a centralised service) to the service of the Financing Bank or to a Primary Agricultural Co operative Society in the manner prescribed:

Provided that,-

(i) the terms and conditions applicable to such officers and other employees consequent on their absorption in the service of the Co-operative Central Bank or the Primary Agricultural Co-operative Society shall not be less favourable than those applicable to such employees immediately before such abolition as respects pay and allowances, leave, gratuity, provident fund and age of superannuation; and

(ii) the service rendered by any such officer or other employee under the said Bank upto its abolition shall be deemed to be service under the Co-operative Central Bank or, as the case may be the Primary Agricultural Co-operative Society and he shall be entitled to count that service for purpose of increment, leave or Provident fund and gratuity.

12. Amendment Of Section 36 :-

In the Andhra Pradesh Co-operative Societies (Amendment) Act, 1985(Act 21 of 1985), for Section 3.6, the following section shall be substituted, namely:--

36. "Elections to committees.--Notwithstanding anything in the principal Act and any judgement, decree or order of any court or tribunal or other authority to the contrary, it shall be lawful for the Registrar to hold elections to the societies before the 30th June, 1987 in accordance with the provisions of the Principal Act and the rules made thereunder."

13. Repeal And Savings, Act Xliv Of 1961 :-

The Andhra Pradesh Co-operative Central Agricultural Development Bank (Formation) Act, 1961 is hereby repealed:

Provided that any bank existing at the commencement of the Andhra Pradesh Co-operative Laws(Amendment) Act, 1987 which has been registered or deemed to have been registered under the repealed Act shall be deemed to have been registered under the Andhra Pradesh Co-operative Societies Act, 1964, and the bye laws of such bank shall so far as they are not inconsistent with the provisions of the said 1964, Act or the rules made thereunder, continue to be in force until altered or rescinded in accordance with the provisions of the said Act and the rules made thereunder.