
Andhra Pradesh Co-operative Societies Rules, 1964

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Andhra Pradesh Co-operative Societies Rules, 1964

In exercise of the powers conferred by sub-section (1) of Section 130 of the Andhra Pradesh Co-operative Societies Act, 1964, the Governor of Andhra Pradesh hereby makes the following Rules, namely

1. Short title and extent :-

(i) These Rules may be called the Andhra Pradesh Co-operative Societies Rules, 1964.

(ii) They shall extend to the whole of the State of Andhra Pradesh.

2. Definitions :-

In these rules, unless the context otherwise requires

(a) Act means the Andhra Pradesh Co-operative Societies Act, 1964;

(b) decree means the order, decision or award in respect of any amount referred to in sub-section (1) of Section 70 of the Act;

(c) decree holder means any society or person including the Government holding a decree;

(d) default means failure on the part of the society, member or other person, to repay to the financing bank or any other society a loan or any other amount due to it within the time fixed for repayment, or to return to the society within the time fixed, the finished goods in respect of raw-material advanced, or to keep any other obligation for the fulfilment of which a time limit has been specified in the bye-laws;

(e) defaulter means any society, member or other person committing default;

(f) defunct society means a society classified as defunct in the final audit by the Chief Auditor;

(g) form means a form appended to these rules;

(h) owned capital means the paid-up share capital, reserve fund and any other reserve which has been created out of profit and not

withdrawable without previous permission of the Registrar;

(i) person includes the Government and a society;

(k) Registrar of the district means a person authorised by the Registrar to exercise, in the district or any portion thereof, powers of the Registrar under Section 70;

(l) sale officer means an officer of the Co-operative Department x x x or an officer of any Co-operative Society empowered by Registrar by general or special order to attach and sell the property of defaulters or to execute decisions or orders of Registrar of the district or to execute or to carry out any other orders of Registrar of the district in regard to the attachment and sale of the property;

(m) supervising union means a society which has as its principal object, the organising, developing and supervising of societies which are its members, or the carrying on of propaganda or the spread of education in co-operative principles and practices;

(n) training institute means a society the main object of which is to conduct courses of training in theory and practice of co-operation and allied subjects;

(o) working capital includes such portion of the reserve fund, other reserves appropriated out of profits, paid-up share capital, loan, and deposits received by a society and debentures issued, by a society, as have not been locked up in buildings and other fixed assets;

(p) benami loan means a loan sanctioned on an application with forged signature and forged documents and also includes a loan sanctioned, but not disbursed to the person to whom it is sanctioned and in respect of which no demand is issued for payment.

2A. Co-operative Principles :-

(i) A co-operative is an association of persons, united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically controlled enterprise.

3. Procedure for Registration of a Society :-

(ii) Where the applicant is a registered society, a member of committee or president of such Registered Society shall be authorised by the committee by a resolution to sign the application

and the bye-laws for registration on its behalf, and a copy of such resolution shall also be appended to the application.

(iii) The application shall be sent to the Registrar by registered post or delivered in this office in person.

(iv) Upon receipt of an application for registration of a society, the Registrar shall examine the application, the bye-laws and shall discuss with the applicants their responsibility for attainment of the objects of the society.

(v) The prescribed conditions of minimum membership and minimum share capital as specified by him have been fulfilled; and

(vi) The bye-laws adopted by the general body are not contrary to the provisions of the Act and rules framed thereunder;

(vii) He may make such alteration, as he may deem necessary, in the proposed bye-laws of the society.

(viii) If the Registrar is satisfied that the proposed society has complied with the above requirements, he shall register the society and its bye-laws.

(ix) Where the Registrar has registered a society under sub-rule (viii), he shall issue to such society, free of cost, a certificate of registration signed by him and bearing his official seal. He shall also issue to the society along with the certificate of registration, a certified copy of the bye-laws as approved and registered by him, which shall be the registered bye-laws of the society for the time being in force. A copy of the certificate together with a copy of the bye-laws shall be furnished to the financing bank concerned, if any.

(x) Where the Registrar is not satisfied, he shall pass an order of refusal together with the reasons therefor and communicate it by registered post with acknowledgement due to the applicants.

3A. Transitory Provision for the Societies Provisionally Registered :-

Where a society has obtained a provisional registration under Rule 6 (now omitted) and the final registration is pending, such society shall file application for registration afresh as per these rules. Provided further that the provisional registration shall be valid for a period of 3 months with effect from the date of notification of this rule, after which the provisional registration shall automatically lapse.

4. Model bye-laws :-

- (i) It shall be competent to the Registrar to frame model bye-laws for each class or classes of societies and to suggest modifications thereto, from time to time.
- (ii) Such model bye-laws shall be adopted by a society with such modifications, if any, as may be suggested by the society and agreed to by the Registrar.

5. Subject-matter of bye-laws :-

The bye-laws of a society shall not be contrary to the provisions of the Act and rules and may deal with all or any of the matters specified below and with such other matters incidental there to as may be deemed necessary by the society

- (1) the name and address of the society;
- (2) the area of its operation;
- (3) the objects of the society ;
- (4) the purpose for which its funds are applicable;
- (5) the payment, if any, to be made or the interest to be acquired as a condition for exercising the right of membership;
- (6) the nature and extent of the liability of the members for the debts contracted by the society;
- (7) the circumstances under which the withdrawal from membership shall be permitted;
- (8) the procedure to be followed in cases of withdrawal, ineligibility or death of members;
- (9) the privileges, rights and liabilities of a non-member;
- (11) the extent and conditions under which the society may receive deposits and raise loans and the procedure to be followed on such borrowings;
- (12) the entrance and other fees and fines, if any, to be collected from members;
- (13) the maximum loans admissible to a member and the conditionalities and procedure to be followed in granting loans, repayment or renewals thereof and in recovering loans from members subject to the terms and conditions imposed by the financing bank for such loans;
- (14) the conditions under which loans and extensions of time for the repayment or renewal thereof may be granted to members;
- (15) the terms on which society may grant loans to another society or the employees of the society;
- (16) the consequences of default in payment of any sum due by a member;

- (17) the method of appropriating payments made by members from whom moneys are due;
- (18) the interest and dividend payable on paid-up share capital to members ;
- (19) the policy regarding interest payable by the society on its borrowings and by the members on the loans granted to them;
- (20) In the case of productive and distributive societies, the procedure to be followed in purchasing and selling stores, raw materials and finished products and in respect of stock-taking;
- (21) The constitution and powers of the representative general body and the restrictions and conditions subject to which the representative body may exercise its powers;
- (22) The manner of holding meetings, the right of voting at such meetings and the manner of making or amending of bye-laws;
- (23) The constitution of the Committee, the appointment and removal of the other officers, and the duties and powers of the Committee and such officers, and the term, of office of the Committee and the manner of election of the members of the Committee;
- (24) The method of recruitment, the conditions of service and the authority competent to fix, revise or regulate the scales of pay and allowances to be paid to the officers and servants of the society and the procedure to be followed in the disposal of disciplinary cases against them;
- (25) The mode of custody and investment of funds and the manner of keeping accounts;
- (26) The authorisation of an officer or officers to sign documents and to institute and defend suits and other legal proceedings on behalf of the society;
- (27) Services available to the members and the minimum value of business to be transacted or minimum value of services or facilities to be utilised in a co-operative year by a member;
- (28) The preparation and submission of the annual statements required by the Registrar and the publication of the same;
- (29) The affiliation of a society to any other society and the charges to be paid in respect of such affiliation;
- (30) The constitution and maintenance of various funds as required to be maintained under the provisions of the Act, rules, or bye-laws;
- (31) Constitution of Supervisory Council;
- (32) Admission of Minors as members for purpose of providing services or benefits to them, specifying the nature and extend of

such benefits as permissible under the laws applicable to such minors;

(34) Quantum, Nature, Manner and extent of business to be transacted with non-members; and

(35) Manner of preparation and display of the list of members eligible to vote in General Body or in election.

6. . :-

Omitted

6A. . :-

Omitted

7. Change of form and extent of liability :-

(1) A society may, change its liability from unlimited to limited and vice versa or in terms of multiples of paid up share-capital.

(2) Subject to the provisions of Rule 8, the change of liability shall be effected by means of a resolution deciding to amend its bye-laws passed in this behalf at general meeting of the society indicating on clear terms the form and extent of the liability

8. Manner of giving notice in case of change of liability, transfer of assets, division, amalgamation or conversion, of a society :-

(1) Where a society is a member of federal society or is in receipt of assistance from a financing bank and intends to change the form or extent of liability under Section 11 or to transfer its assets and liabilities or to divide, amalgamate, or convert under Section 12, it shall obtain prior consent in writing of federal society or financing bank as the case may be.

(2) A copy of the resolution shall be sent by the society to all its members and creditors giving them thirty clear days notice in writing inviting them to exercise their option as required under Section 13.

(3) Every notice under sub-rule (2), shall be sent to its members and creditors under certificate of posting.

9. . :-

Omitted

10. Procedure for amendment of bye-laws :-

(2) A copy of the resolution agreeing to the amendment of the bye-laws shall be furnished to the Registrar within a period of thirty days from the date of the meeting at which the resolution was passed.

11. Procedure for direction by Registrar for amendment of bye-laws :-

(1) Where it appears to the Registrar that an amendment of the bye-laws of a society is necessary, he shall indicate the reasons therefor, and issue a notice calling upon the committee of such society to convene a general meeting to consider such amendment.

(3) Where a society files an objection to the proposed amendment, such an objection shall be duly considered by the Registrar and if the committee desires to be heard, it shall be given an opportunity of being heard. The Registrar may, after considering the representation of the society, register the amendment.

11A. Procedure in regard to division, amalgamation or liquidation of a Society :-

The Registrar of Co-operative Societies shall publish the notification referred to in clause (e), sub-section (1) of Section 15-A and final order under sub-section (2) of Section 15-A by affixture in the office of the Divisional Co-operative Officer and in the respective offices of the Society or Societies affected by such division, amalgamation, liquidation or transfer of area and also in the Gram Panchayat and Mandal Revenue Offices situated in the area of operation of societies affected by such division, amalgamation, liquidation or transfer of area.

11AA. Convening of General Body Meeting by Societies to consider the Notification issued by the Registrar under Section 15-A(1) and notice under Section 16(5) for adoption of Model Bye-laws :-

Notwithstanding anything contained in the bye-laws of the Society,

the committee may convene the said general body meeting by affixing the notice in the office of the Society or branches if any, Panchayat Office and Mandal Revenue Office specifying the place, date and time.

12. Classification of Societies :-

(3) Every society shall be classified by the Registrar in accordance with sub-rules (1) and (2)

(4) The Registrar may subdivide any class of societies into categories with reference to the composition of their membership, the nature of business transacted by them or the goods handled by them or any other similar matter.

(6) If any question arises as to the classification of a society the question shall be referred to the Registrar whose decision thereon shall be final.

12A. Societies for purpose of sub-section (2-A) of Section 19 :-

Any person duly qualified for admission as a member under sub-section (2-A) of Section 19, may apply for membership of any of the following societies in Form J.

- (i) Agricultural Co-operative Societies,
- (ii) Multi-purpose Co-operative Societies,
- (iii) Service Co-operative Societies
- (iv) Co-operative Rural Bank,
- (v) Large-Sized Co-operative Societies
- (vi) x x x x
- (vii) Farmers Service Co-operative Societies,
- (viii) Fishermen Co-operative Societies,
- (ix) Industrial Co-operative Marketing Societies,
- (x) Block Level Co-operative Societies
- (xi) Primary Weavers Co-operative Societies,
- (xii) Rural Electric Co-operative Societies.

13. Admission of minors as members in certain class of societies :-

Any person who has not attained the age of majority may be subject to 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 and be eligible for services and benefits as provided for in the bye-laws of the societies concerned.

14. Admission of members into Co-operative Societies :-

The name of every person admitted as member under sub-section (3) of Section 19, shall be entered in the admission register by the Chief Executive Officer of the society or the President where there is no Chief Executive Officer and he shall issue a photo identity card to every such person, at the time of his admission duly attested in the form prescribed hereunder:

Photo

(a) Name of the Society

(b) Name of the Member

(c) Father/Husbands name

(d) Age

(e) Membership Number

(f) No. of shares held

(g) Whether belongs to SC/ST/BC/OC

(h) Signature of the Member.

(i) Seal of the Society and signature of the President/Chief Executive Officer.

14.1. Transitory Provision for existing associate or nominal members :-

14A. Transfer of shares of the members of Primary Agricultural Development Banks and admission of such members :-

(1) Notwithstanding anything in the Bye-laws of the Co-operative Central Bank, the bank shall transfer one share of each individual member of the erstwhile members of the Primary Agricultural Development Bank from out of the shares of such members of Primary Agricultural Development Banks developed on it to the Primary Agricultural Co-operative Society having jurisdiction where the immovable properties of the erstwhile members of Primary Agricultural Development Banks are situated, on application of the Co-operative Central Bank by such member.

15. Restriction on holding of shares :-

Where the liability of member of a society is limited by shares, no member, other than a society or the Government shall hold more than one tenth of the share capital of the society. (The Government in G.O. Ms. No.734, Industries (E) Department, dated 24th July, 1968 have fixed Rs.20,000 as the maximum share capital that can be held by any individual member of a Co-operative Sugar Factory except the Palacole Co-op. Agricultural and Industrial Society Ltd).

16. Nomination of heir :-

(1) A member may nominate in Form I any person or persons to whom, in the event of the death of the member, his share or interest in the profits or assets of the society shall be transferred, or the value thereof or any other moneys due to him from the society shall be paid. Such member may, from time to time, revoke or vary such nomination.

(2) The number of persons so nominated shall not exceed the number of shares held by the member.

(3) When a member nominates more than one person in respect of any shares held by him he shall, as far as practicable, specify the amount to be paid or transferred to each nominee in terms of a whole share.

17. Procedure to be adopted when no nomination is made :-

(1) If no nomination has been made by a member, the society shall, on the death of a member by a notice exhibited at the office of the society invite claims or objections for transfer of the share or interest of the deceased member to an heir or legal representative within the time specified in the notice.

(2) After considering the objections or claims if any, received in this behalf and after making such inquiries as the committee considers necessary, it shall decide as to the person who in its opinion is the heir or legal representative of the deceased member, and to proceed to transfer the share or interest of the deceased member to such person only.

(3) In case of payment of the value of the share or interest or other moneys due to the deceased member, the committee shall obtain sureties for the amounts involved in such payments from two members of the society.

18. Minimum business to be transacted or services or facilities to be utilised by a member of other societies :-

No member of a society, shall have the right to stand as a candidate or to vote in any election to the society, unless he transacts the minimum value of business or utilises the minimum value of services or facilities as prescribed in the bye-laws, during a co-operative year.

Provided further that a list of eligible members with right to vote and those without right to vote shall be prepared and displayed on the notice board of the society and branches prior to holding of any General Body meeting or holding of elections in the manner as laid down in the bye-laws;

Note Ineligibility to vote does not amount to ineligibility to attend and participate in the meeting.

19. . :-

x x x x x

19A. . :-

x x x x x

20. Removal of a member of a society who is disqualified :-

(1) If any person, who is admitted as a member of a society becomes disqualified under Section 21 to continue as such, the Registrar may, on his own motion or on a representation made to him by any member of the society or its financing bank by an order in writing, declare that he shall cease to be a member of the society from the date of such disqualification.

(2) Before passing an order under sub-rule (1) the Registrar shall give such person an opportunity to state his objection, if any, for the proposed action and if the person wishes to be heard, he shall be given opportunity to be heard. The Registrars decision shall be final and binding on the society and it shall not be questioned in any Court.

21. Constitution of a representative general body :-

(1) A society with limited liability may, if its area of operation

extends to one or more revenue taluks or if its membership exceeds two thousand and five hundred, provide in its bye-laws for the constitution of a representative general body.

(2) Where a society so provides in its bye-laws to constitute a representative general body, it shall with the previous approval of the Registrar, divide its members into different groups on a territorial or other basis.

21A. Constitution, powers and functions of Supervisory Council :-

(2) The President of the Managing Committee shall be Chairman of the Council

(4) Chief Executive Officer of the society shall be the convenor of the meetings and he shall maintain records of deliberations and recommendations of the Council and place them before the Managing Committee and General Body for their consideration.

(5) Supervisory Council can request any Managing Committee member to attend meetings.

(6) The Supervisory Council will act in an honorary capacity.

(7) The Supervisory Council may also invite financial institutions or Apex level Federations/Non-Governmental Organisations or Government departments.

(8) The expert members of the Supervisory Council are entitled for Travelling Allowance/Daily Allowance to be fixed by the General Body.

(9) The Council shall meet once in 3 months in the head office of the society.

(10) No present or past employee of the society shall be a member of Supervisory Council.

21B. Preparation of list of defaulters and its publication :-

(1) It shall be the responsibility of the Chief Executive Officer of the society to issue notices to all defaulters at the beginning of each half-year indicating the loan disbursed, amounts overdue, repaid and balance overdue (Principle and Interest separately) and indicate the date before which they should repay failing which their names shall be included in the list of the defaulters published and will be placed before the ensuing General Body.

(2) The Managing Committee before convening the General Body

shall finalise the list of defaulters in descending order of the amount due and place it on the notice board of the society and at its branches and the names of defaulters shall be read out in the General Body with amounts due by them.” Also provided that if any member of the Managing Committee or the Board is a defaulter the Chief Executive Officer of the society or Chairman where there is no Chief Executive Officer shall inform the Registrar immediately so that the Registrar would take necessary action as per the Act and Rules.

22. Conduct of Elections to the Co-operative Societies :-

Notwithstanding anything in the bye-law of the societies election to the committee of all classes of societies, shall be in the manner laid down in this rule.

(6) Withdrawal of Nominations Any candidate may withdraw his candidature by notice in writing in Form-VI as appended to these rules signed by him and delivered in person to Election Officer within the period prescribed in the Election Notice. Such notice of withdrawal once given shall be irrevocable.

(7) Final List of Valid Nominations A list shall be prepared and published in alphabetical order in Telugu in Form VII duly allotting symbols to each candidate. Under the Telugu name the name in English or Urban language as the case may be shall also be written.

(8) The Ballot papers shall be prepared according to Form-VIII as appended to these rules.

(11) Election of President Notwithstanding anything contained in the bye-laws of the society, the election of the President of all classes of Primary Societies shall be by all the members of the society as provided under sub-section (5) of Section 31 of the Act.

(13) Custody of Record of Elections Conducted After declaration of the election result, the Election Officer shall handover the entire record including ballot papers put in sealed covers to the Divisional Co-operative Officer in the case of primary societies and the District Co-operative Officer in case of other societies. The record shall safely be preserved by the Divisional Co-operative Officer or by the District Co-operative Officer for a period of six (6) months from the date of election or till such time a dispute or an appeal thereof regarding elections, if any, filed is disposed off, whichever is later, and shall thereafter be destroyed after obtaining permission from the Registrar.

(14) Election Expenses Every society shall bear the total expenses

incurred for conducting of elections and those societies where Registrar conducts the election the expenses will be as prescribed by the Government or by the Registrar of Co-operative Societies from time to time. Where the Registrar conducts the elections, the Registrar shall calculate the expenses for the election and call upon the society to make payments within a period of forty five (45) days in advance.

22A. Constitution of committee of certain societies :-

(2) The constitution of the committees of all other societies shall be in the manner as indicated in the bye-laws of the respective societies subject to any notifications issued by the Government under clause (b) of sub-section (1) of Section 31 of the Act:

(4) Allocation of seats In the case of Co-operative Societies specified in sub-rule (3), the Election Authority shall allocate the seats of the Committee to be filled up by election of members of Scheduled Castes, Scheduled Tribes, Backward Classes, and Women. The constituencies with largest number of voters belonging to Scheduled Castes, Scheduled Tribes, Backward Classes respectively shall be allocated to these categories. The remaining constituencies shall be filled up by open category members. For purpose of allocating seats of the committee to be filled by women among Scheduled Castes and open category members the constituencies with largest number of voters belonging to women from among the constituencies allocated to Scheduled Castes and open competition categories shall be allocated to scheduled caste women and open category women members: Provided that in the case of Co-operative Sugar Factories the constituencies having largest number of voters belonging to small farmers shall be allocated to by filled by members belonging to that category respectively: Provided further that wherein any constituency the members belonging to Scheduled Castes or Scheduled Tribes or Backward Classes are equal, such constituency shall be allocated in the same order of preference.

22AAA. . :-

XXXX

22B. Mode of Election of Member of Committees of Weaker Section Societies or Societies having a small number of

membership :-

(b) If there is any disturbance in conduct of poll then the Elections Officer shall stop the proceedings and shall send a report to the Election Authority who will then order for conduct of repoll on any other day to be specified by issue of notice. In such circumstances, where the polling was disturbed or where election authority is of the view that polling by show of hands is not possible, then the Election Authority may order for conduct of election by secret ballot. In such case, the procedure prescribed in the rules for conduct of elections by secret ballot shall be followed through secret ballot. Notwithstanding the above, if the outgoing Managing Committee of the society desires to conduct elections by secret ballot, it shall request the Registrar to conduct the election by secret ballot by submitting its proposal 60 days before the expiry of the term of the Managing Committee and the Registrar shall conduct the election by following the procedure as given in these rules.

22C. . :-

(b) The postponement shall be done only by issue of an order which shall specify the grounds of postponement. After such postponement the election process shall be re-commenced when the conditions become conducive for re-commencing of election, by issue of an order by the authority that has postponed the elections. The process will re-commence from the stage at which it was obstructed or interrupted.

22D. Election of District Co-operative Central Bank/Apex Societies/Sugar Factories :-

23. Quorum for meeting :-

(1) Save as expressly provided in the Act, no general meeting shall be held or proceeded with unless there is a quorum as specified in the bye-laws provided that the bye-laws shall not specify quorum which is less than 1/5th of the total members.

(2) The quorum for a meeting of the committee shall be the majority of the total members of the committee.

23A. Meeting called by Registrar :-

(1) The Registrar, may convene a General meeting of the society under sub-section (1-A) or under sub-section (5) (a) of Section 32, after giving due notice to the members, and date, time and place of the meeting and the subjects to be considered at the aforesaid meeting.

(3) The cost on account of publication of the notice in the local newspaper shall be met from the funds of the society.

23AA. . :-

For the purpose of clause (a) of sub-section (1) of Section 32 all Apex Co-operative Societies Rural ElectricCo-operative Societies Sugar Factories and Spinning Mills shall be the class of societies.

23AAA. . :-

(1) Notwithstanding anything contained in the bye-laws of the society, the president may resign his seat by sending a letter of resignation by Registered Post or by tendering it in person to the Registrar and such resignation shall take effect from the date it is accepted by the Registrar.

(2) The powers and functions of the president shall devolve on Vice-President till election to the post of the President is held as per bye-laws.

(3) Notwithstanding any thing in the bye-laws of the society any member or members of the committee may resign their seats by sending a letter of resignation by Registered Post or by tendering it in person to the Chief Executive Officer/President of the society and such resignation shall take effect from the date it is accepted by the Managing Committee

(4) In the event of absence of the president for more than a period of three months or death of president of society, the powers and functions of the president shall devolve on the vice-president till election to the post of the president is held as per bye-laws.

(5) In the event of resignation of the entire Managing Committee or a majority of the Managing Committee, the Registrar of Co-

operative Societies shall hold elections and till the new Managing Committee takes charge the Registrar may appoint person in-charge or direct the Managing Committee to continue to discharge their functions till the elections are held and the new Managing Committee takes charge.

23B. Mode of service of notice of committee meetings :-

The Chief Executive or the senior Most Paid Employee, or where there is no paid staff, the President or the person authorised under the bye-law, of the society shall send notice of Committee Meetings to the Members of the Committee either by personal Service or by Registered Post Acknowledgment Due

24. Disqualification for membership of Committee :-

(4) Before passing a resolution under sub-rule 3(c) or 3(d) above the committee of a society shall give such person an opportunity to state his objections if any, to the proposed action and if the person wishes to be heard, he shall be given an opportunity to be heard. The General Body of such society shall through a resolution declare that a person shall cease to be a member of the committee of the society concerned from the date of the disqualification.

24A. Meeting after receipt of no confidence notice :-

(1) As soon as the notice along with a copy of the motion expressing no confidence is received, the Registrar shall, notwithstanding anything in the bye-laws, convene a meeting of the committee.

(3) A copy of the notice shall also be affixed on the notice board of the society and also on the notice board of the Office of the Registrar: Provided that if the area of Society extends to more than one Panchayat or Mandal Office the notice shall be affixed in all Panchayat Offices or Mandal Offices.

(4) As soon as the motion of no confidence is carried against the President/Vice-President or against both the President and Vice-President simultaneously at one time, the Registrar shall declare the results of motion and immediately announce the date, time and place of election of the President/Vice-President as the case may be, for filling up the resultant vacancy or vacancies.

- (5) Immediately after the announcement of result of motion of no confidence the President/Vice-President, as the case may be, shall not discharge any functions as President or Vice-President.
- (6) If the President and Vice-President are removed simultaneously, the Registrar shall then draw lots among the members present excluding the members against whom the motion of no-confidence is carried. The candidate on whom the lot falls shall be the President or Vice-President for the interim period till regular election of President or Vice-President is held and when once elections are held they shall cease to function as President and Vice-President.
- (7) The Registrar shall pass an order removing the President/Vice-President or both the President and Vice-President, as the case may be, within a period of three days from the date on which the motion of no confidence is carried under sub-rule (4).
- (8) Notwithstanding anything contained in the rules and bye-laws of the society, the Registrar shall preside over the meeting. The quorum for such meeting shall be the majority of the members of the committee.
- (9) The election of President/Vice-President shall be by show of hands.
- (10) The nomination of the candidate for election shall be made at such meeting.
- (11) If there is no contest the Registrar shall declare the candidate as elected as President/Vice-President and if there is a contest, a poll shall be taken. The Registrar shall read out the names of the contesting candidates for that office. He shall thereafter record the number of votes polled for each such candidate as the case may be. The Registrar shall announce the number of votes secured by each candidate and the result of election shall be recorded and attested by them.
- (12) If an equality of votes is found to exist between any candidates, and the addition of one vote will entail any of these candidates to be declared elected, the Registrar shall forthwith decide between these candidates by lot and proceed as if the candidate on whom the lot falls had received an additional vote and declare him elected and the result so declared shall be recorded and attested by him.
- (13) The person so elected shall hold office for the residue of the term of his predecessor.

24B. . :-

Omitted

25. Terms of office of members of committees :-

The bye-laws of every society shall provide either that the term of office of all the members of its committee shall expire on the same date and at such yearly intervals as may be specified, or that a certain proportion of the members of its committee shall retire in each year on such date as may be specified. In the former case all the members of the committee, including those elected in casual vacancies whether representing societies or individuals shall vacate their office on the date specified, irrespective of the date on which they were elected as members of the committee. In the latter case, the members due for retirement in each year, including those elected in their places in casual vacancies, shall vacate their office on the date specified in that year.

26. Presidency at meeting :-

Every general meeting or the meeting of a committee shall be presided over by the President of the society, in his absence by the Vice-President thereof and in the absence of both the President and Vice-President by a member chosen by the meeting to preside for the occasion :

Provided that no person including the President or the Vice-President of the society shall preside over a meeting when matters in which he has personal interest including his election as member of the committee are to be discussed.

26A. . :-

The General Body of the Society shall not only deal with the specified matters under Section 30 of the Act, but the following matters shall also be in agenda compulsorily.

- (a) Proceedings of the Supervisory Council.
- (b) Report on the disqualification of members, Managing Committee members and the entire Managing Committee as the case may be.
- (c) Consideration of defaulters and measures to be carried out in the matter.
- (d) Utilisation of Co-operative Education Fund retained at the society level.

(e) Any directions issued by the Registrar, Reserve Bank of India, National Bank for Agriculture and Rural Development, Financing Bank etc.

27. . :-

x x x x

28. Officers and servants of societies :-

(1) No society shall appoint any person as its paid officer or servant in any category of service, unless he possesses the qualifications and furnished the security as specified by the Registrar, from time to time, for such category of service in the society or for the class of societies to which it belongs.

(2) All the existing societies with and without State aid shall, if not already approved, prepare service rules, with in 45 days from the day of enforcement of these rules and submit to the Registrar for approval, which, among others, shall include the following if already not done so, with regard to staffing pattern, scale of pay and allowances, method of filling of posts, qualifications, and rules regarding disciplinary proceedings and other service matters."

(5) Notwithstanding any thing contained in the bye-laws/special bye-laws service regulations or common cadre regulations of the co-operative societies every paid servant and officer of the society other than those in the last grade service shall retire from service on the afternoon of the last date of the month on which he attains the age of 58 years;

29. Appointment of Secretary :-

Every financing bank, every credit society with limited liability and a working capital of not less than Rupees one lakh shall appoint a paid secretary. The paid secretary shall be disqualified for being appointed as, and for being a member of the committee of the financing bank, the society or the mortgage bank, as the case may be: x x x x

30. Term of office of Member of Committee who is a delegate of another society :-

A delegate of one society sitting on the committee of another society shall vacate his seat in such committee.

- (a) if the society of which he is delegate becomes defunct or commits and continues to be a defaulter of a period exceeding three months.
- (b) if the affairs of the society of which he is a delegate are ordered to be wound up; or
- (c) if he resigns and
- (d) if the society of which he is a delegate is deregistered.

31. Prohibition against being interested in contracts etc. :-

(2) No Officer or employee of a society shall purchase, directly or indirectly, any property of a member of the society brought to sale for the recovery of his dues to the society.

32. Declaration to be made creating a charge in favour of a society :-

(1) A member who applies to the society for a loan shall make a declaration in Form B creating charge in favour of the society on land or other immovable property specified therein.

(2) Where a declaration made by a member creating a charge in favour of a society under sub-rule (1) or any variation or cancellation thereof made under sub-section (2) of Section 36 is sent to the Sub-Registrar having jurisdiction over the area in which the lands or other immovable property is situated he shall register or return such declaration or variation or cancellation within fifteen days from the date of receipt of declaration.

33. Remittance of the amount from salary or wages of a member and maintenance of register by an employer :-

(1) Where an employer makes a deduction from the salary or wages in pursuance of a requisition from society he shall pay the amount so deducted within seven days from the date of deduction of the amount to the society.

(2) When any amount is deducted under Sub-rule (1), an employer shall maintain a Register in Form C.

(3) In respect of the Consumer Co-operative Stores, the entire gross salary or wages for the month or any portion thereof sufficient to clear of debt or other amount due by the member to

the society may be deducted by an employer in pursuance of a requisition of a society and paid to it within the time specified in sub-rule (1).

34. Procedure regarding State aid to societies :-

(1) The Government may, subject to such terms and conditions as may be specified, subscribe directly to the share capital of a society.

(2) The Government may provide moneys to an apex society for purchase of shares in other societies.

(5) No shares shall be purchased in a society from out of the moneys of the Principal State Partnership Fund, or the Subsidiary State Partnership Fund, except with previous approval in writing of the Government.

(6) Where any shares are purchased in a society by the Government or by an apex society or a central society from the Principal State Partnership Fund, or the Subsidiary State Partnership Fund as the case may be the liability in respect of such shares shall in the event of the society being wound up be limited to the amount subscribed in respect of such shares.

(7) (a) If a society in which shares are purchased from the Principal State Partnership Fund by an apex society is wound up, the Government shall not have any claim against apex society in respect of any loss arising from such purchase, but the Government shall be entitled to any moneys received by the apex society in liquidation proceedings. (b) If a society in which shares are purchased from the Subsidiary State Partnership Fund is wound up, neither the Government nor the apex society shall have claim against the central society which purchased the shares in respect of any loss arising from such purchase, but the apex society shall be entitled to any money received by the Central society in liquidation proceedings and such money shall be credited to the Principal State Partnership Fund.

(12) Any account standing in the credit of the Principal State Partnership Fund, the Subsidiary State Partnership Fund, the Principal State Partnership dividend account and the Subsidiary State Partnership dividend account shall not form part of the assets of the apex society or the central society, as the case may be.

35. . :-

35A. Rates of honorarium :-

The Registrar shall fix the rates of honorarium for each class of Society.

36. Distribution of Profits :-

(1) No society shall utilise the net profit until the audit certificate is issued by the Chief Auditor or any person authorised in this behalf, and the amount of the net profits is arrived at for utilisation.

(3) The Andhra Pradesh State Co-operative Union shall frame regulation with the approval of the Registrar for the utilisation and administration of the Fund and such regulations may among other things provide for making any contribution to the National Co-operative Union of India.

(4) Every society shall deposit upto 10% and not less than 5% of its annual net profit as a bad debt reserve and shall utilise it only with the specific permission of the Registrar to meet unforeseen losses.

36A. Co-operative Education Fund :-

(2) The amount as above shall be calculated based on the annual audit report or provisional accounts placed before the General Body. Where provisional accounts are not available the amounts shall be calculated as per the accounts of the previous year.

(3) The auditor should scrutinise the utilisation of fund and certify the same. The society shall submit the returns to the Registrar of Co-operative Societies showing details of the training programmes conducted.

(5) The Andhra Pradesh State Co-operative Union shall prepare annual budgets and formulate training and education programmes for development of co-operatives and co-operative movement particularly in the matters such as financial and business management in co-operatives, member education, awareness building on co-operatives principles and values and such like, according to the overall guidelines issued by the Advisory Committee and be responsible for implementation of the same.

36B. Constitution of administrative and Contingent Fund :-

Every society by a resolution of the General Body shall open a separate account into which an amount not more than 30% of gross profit or 2% of working capital, whichever is less, as per the previous year financial statement, shall be credited and utilised for administrative and contingent expenditure. Failure to credit requisite amount to this fund, and or any excess expenditure over and above the limits fixed by the Act shall be specifically pointed out by the auditor and excess expenditure if any shall be a charge on the Managing Committee jointly and severally.

37. Object and investment of reserve fund :-

(1) A reserve fund maintained by a society shall belong to the society and is intended to meet unforeseen losses. No member shall have any claim to a share in it.

(3) No society whose reserve fund has been separately invested or deposited shall draw upon pledge or otherwise employ such funds, except with the sanction of the Registrar previously obtained in writing.

38. Disposal of reserve fund on winding up of a society :-

39. Investment of funds :-

40. Restriction on borrowing by societies :-

A society may receive deposits and raise loans from persons or institutions who are not members provided that the amount borrowed from such persons and institutions together with the amount borrowed from members does not exceed the limit fixed, from time to time by Registrar for the society or for the class of societies to which it belongs.

41. Restriction on grant of loans :-

(1) No Society shall grant loans or make advances against the security of its own shares.

(2) Every society shall determine the mechanism of lending to its members. The General Body of Apex level societies or State level federation shall determine the maximum lending limit of a member in respect of such class of societies with which they are concerned.

(3) No agricultural credit society with unlimited liability shall grant loan for periods exceeding five years.

(4) In this rule, the term "short term loans" means a loan repayable from the sale proceeds of the next harvest as soon as it is realised or within one year from the date of the grant of the loans whichever period is longer.

41A. Percentage of loans to small farmers etc :-

Subject to such directions as the Reserve Bank of India may give to Co-operative Banks in this behalf, Primary Agricultural Credit Societies, shall, during a co-operative year, disburse to small farmers as defined in the Explanation under clause (a) of sub-section (3) of Section 47 of the Andhra Pradesh Co-operative Societies Act, 1964, fifty per cent of the total amount borrowed by them from the Co-operative financial Institutions, for granting loans to their members during a co-operative year, so however that the amount of any such loans that may be granted to each of their members whether or not he is a small farmer, shall not in the aggregate exceed such amount or amounts as the Government may, from time to time, by notification in the Andhra Pradesh Gazette, specify in relation to the various classes of members and having regard to the purposes for which loans are required.

41B. Issue of loans by means of a cheque :-

Every Society shall disburse amounts to any of its members exceeding Rs.1,000/- invariably by way of a cheque or a negotiable instrument such as a draft, pay order etc.

41C. Sanctions of loans in certain cases :-

(1) If the Committee of an agricultural credit society fails to render service to the members within 7 days from the date of order issued under Sub-section (3) of Section 22 directing the Committee to render such service or if it is brought to the notice of the Registrar that the Committee is not sanctioning loans to the members without valid reasons, the Registrar shall direct the Chief Executive

of the society or any other person authorised by him to process the loan applications of the members.

(2) The Chief Executive or the person authorised, notwithstanding anything in the Bye-laws, on such direction shall take immediate steps to forward relevant documents viz., credit limits, drawal, loan application etc., through the Registrar to financing Bank for sanction of loan.

(3) The Chief Executive of the Financing Bank shall take steps for arranging sanction of loans to the Agricultural Credit Society.

(4) The Chief Executive of the Agricultural Credit Society or the person authorised under sub-rule (1) shall disburse the loans to the members of the Agricultural Credit Society under the supervision of a person authorised by the Registrar.

(5) The Committee or the Chief Executive of the Society or the person authorised under sub-rule (1), shall prepare a list of borrowers showing the loans sanctioned to each member and affix such list on the notice board of the society.

(6) Every Primary Agricultural Co-operative Society, shall within 10 days after the close of every quarter, prepare a list showing the amounts due from members on the notice board of the society.

42. Transactions with non-members :-

No Society shall enter into any transaction with a person other than a member unless

(a) the bye-laws of the society permit it to enter into such transaction, and

(b) the previous sanction of the Registrar has been obtained by the society for entering into such transaction.

43. Maintenance of fluid resources by societies with limited liability :-

(2) The Registrar may, by general or special order, relax the form or the standards so fixed for a special period in case of any society or of any class of any societies.

44. Provident Fund :-

Every society shall implement the provisions of the Employees Provident Fund Act, 1952 to all its employees through the Regional Provident Fund Commissioner.

45. Statements and returns to be furnished by a society for audit of its accounts and issue of an audit certificate :-

(1) Every society including a society under winding up shall get its accounts audited at least once in a year by the Chief Auditor or the person authorised by him. The need to post such audit staff, the strength and the Agency shall be decided by the Chief Auditor keeping in view the guidelines and norms issued by the Government from time to time. The decision of the Chief Auditor shall be final and binding.

(3) The societies specified in the first proviso under Rule 46 shall submit a certificate in Form L to the Chief Auditor or the person authorised by him.

(4) The Committees of the societies shall submit the statements, certificates and returns referred to in sub-rule (2) and sub-rule (3) to the Chief Auditor or to the person authorised by him, as the case may be, within the three months after the end of the co-operative year.

(6) All distributive and productive societies shall, in addition to the copies of the statement specified in sub-rule (2) submit at the end of every co-operative year to the Chief Auditor or the person authorised by him, a statement of verification of the stock on hand at the close of the co-operative year, in such form as may be specified by the Chief Auditor and within such time as he may direct.

(7) Every society shall, in addition to the statements specified in sub-rule (2), also submit to the Chief Auditor any statement or return of the nature similar to that described in sub-rule (2) in such form within such time and for such period as the Chief Auditor may specify.

(8) Where any society fails to submit any statements or returns specified in sub-rule (2), or sub-rule (6) or sub-rule (7) within the time directed by the Chief Auditor, he may depute an officer to prepare the necessary statement or return, and in such a case, it shall be competent for the Chief Auditor to determine the costs, with reference to the time involved in the work and the emoluments of the officer deputed to do it, and which the society concerned should pay to the Government in this behalf and to direct its recovery from the society.

46. Every society in receipt of State aid including a society

under winding up or any other society which opts to get the accounts of the society audited through the Chief Auditor shall pay to the Government fees or costs for the audit of its accounts for each co-operative year as specified in the table below :-

Category Audit fee-prescribed

(1) Andhra Pradesh State Co-operative Bank Limited, District Co-operative Central Banks and agricultural Co-operative Credit Societies with Working Capital of Rs.1 Crore and above. (a) Full cost of Auditors deputed for concurrent and/or final audit where co-operative department auditors are deputed under Government Fundamental Rule 127 by the Chief Auditor.

(4) Where a society requests the Chief Auditor for stock verification, it shall pay to the Government a fee of Rs.200/- per day per head. Where stock verification involves travel whether within the State or outside the cost of travel and daily allowance shall be payable by society as per the Government rules applicable to such persons deputed for verification and also an honorarium of Rs.50/- per day per person to the person deputed.

47. Inquiry :-

(2) x x x x x

(3) x x x x x

48. Fees payable to Government for service rendered to society/person :-

Every society/person as the case may be shall pay the fees mentioned in the Table below in the nearest Government Treasury for the services rendered to it/him in respect of various services under the Act and the rules.

49. Procedure for arbitration and settlement of disputes :-

(1) A reference to the Registrar of any dispute under Section 61 of the Act shall be in writing.

(2) The period of limitation for referring a dispute touching the constitution, management or the business of a society to the Registrar under sub-section (1) of Section 61 of the Act shall be

regulated by the provisions of the Limitation Act, 1963 as if the dispute is a suit and the Registrar, a civil Court : Provided that a dispute arising between the parties mentioned in clause (a) of sub-section (I) of Section 61, shall, where the dispute relates to any act or omission on the part of the Society or its committee, or any Past committee, any past officer, past agent or past employee, or the nominee, heirs or legal representatives of any deceased officer, deceased agent or deceased employee of the society be referred to the Registrar within six years from the date on which the act or omission with reference to which the dispute arose, had occurred.

(3) Where, on receipt of the reference of a dispute under sub-rule (1), the Registrar decides, under clause (c) of sub-section (1) of Section 62 of the Act, to refer it for disposal by an arbitrator, the reference shall be sent by Registrar to an arbitrator appointed by him in this behalf.

(4) The Registrar, the arbitrator or other person deciding the dispute shall record a brief note of the evidence of the parties and witnesses who attended and upon the evidence so recorded, and after consideration of any documentary evidence produced by the parties, shall pass a decision in accordance with justice, equity and good conscience, and such decision given shall be in writing. In the absence of any party duly summoned to attend, the dispute may be decided ex-parte.

(7) Where the decision is for the delivery of possession to a society of land resumed by it from a member for breach of conditions of the assignment, the society may apply to the Registrar of the district in which the land is situated for enforcement of the decision. On such application the Registrar of the district or sale officer empowered by him shall deliver possession of the land to the society or to such person as it may appoint to receive delivery on its behalf by removing, if necessary, any person bound by the decision who refuses to vacate the land.

(9) Any dispute referred to the Registrar under Section 61 of the Act, shall ordinarily be disposed of within a period of six months from the date of such reference.

49A. Procedure regarding disposal of appeals by Tribunal :-

The proceedings of the Tribunal shall be summary and shall be governed as far as practicable by the provisions of the Code of civil Procedure, 1908 (Central Act V of 1908).

49B. . :-

A dispute relating to or in connection with any election to the office of the President of a Primary Society, a Committee, a member of a Committee or an officer shall be preferred to the Tribunal having jurisdiction over the place where the main office of the society is situated within one month from the date of declaration of results of such election and such dispute shall be disposed off within a period of four months from the date of filing of the dispute.

50. Mode of Service of summons :-

(1) Every summons issued under the Act shall be in writing, shall be authenticated by the seal, if any, of the officer by whom it is issued and shall be signed by such officer or by any person authorised by him in writing in that behalf. It shall require the person summoned to appear before the said officer at stated time and place, and shall specify whether his attendance, is required for the purpose of giving evidence, or to produce a document, or for both purposes, and any particular document, the production of which is required, shall be described in the summons with reasonable accuracy.

(2) Any person may be summoned to produce a document, without being summoned to give evidence, and any person, summoned merely to produce a document shall be deemed to have complied with the summons if he causes such document to be produced, instead of attending personally to produce the same.

(4) Where the serving officer delivers or tenders copy of the summons to the defendant personally or to an agent or other person on his behalf, he shall require the signature of the person to whom the copy is so delivered or tendered to an acknowledgement of service endorsed on the original summons.

(5) The serving officer shall in all cases in which the summons have been served under sub-rule (4), endorse or annex or cause to be endorsed or annexed, on or to the original summons a return stating the time when and the manner in which the summons was served and the name and address of the person if any identifying the person served and witnessing the delivery or tender of the summons.

(6) When the party to be summoned is a public officer or is a railway servant or local authority, the officer issuing the summons may, if it appears that the summons may be most conveniently so

served send it by registered post prepaid for acknowledgement for service on the party to be summoned to the head of the office in which he is employed together with a copy of the summons to be received and endorsed on the original summons.

50A. . :-

51. Appointment of procedure to be followed and powers to be exercised by the liquidator :-

Where a liquidator is to be appointed by the Registrar under the sub-section (1) of Section 65 of the Act, the manner of appointment of, the procedure to be followed and the powers to be exercised by the liquidator shall be as follows:—

(a) The appointment of the liquidator shall be notified by the Registrar in the Andhra Pradesh Gazette;

(b) The liquidator shall, as soon as the order of winding up of the society has been made, publish by such means as he may think proper a notice requiring all claims against the society ordered to be wound up, to be submitted to him within two months from the date of publication of the notice. All liabilities recorded in the account books of society shall be deemed to have been duly submitted to him under this clause;

(d) The liquidator shall submit to the Registrar a quarterly report in such form as the Registrar may specify showing the progress made in the winding up of the society;

(e) The liquidator may empower any person, by general or special order in writing, to make collections and to grant valid receipts on his behalf;

(f) All funds in the charge of the liquidator shall be deposited in the Government Treasury or in the Post Office Savings Bank or with a financing Bank or such other bank as may be approved by the Registrar and shall stand in the name of the liquidator.

(g) The Registrar shall fix the amount of remuneration, if any, to be paid to the liquidator. The remuneration shall form part of the costs of liquidation which shall be payable out of the assets of the society in priority to all other claims. Such costs of liquidation shall be as fixed by the Registrar, from time to time , with the prior approval of the Government;

(h) The liquidator shall have power to call for meetings of members of the society ordered to be wound up;

- (i) By the conclusion of the proceedings to wind up the society a general meeting of the society shall be called at which the liquidator or any person authorised by him by special or general order in writing in this behalf shall summarise the result of his proceedings and shall take vote as to the disposal of any surplus funds in the manner prescribed in sub-rule (2) of Rule 38;
- (j) If any liability cannot be discharged by the liquidator, owing to the whereabouts of the claimants not being known or for any other cause the amount covered by such undischarged liability may be deposited in a financing bank and shall be available for meeting the claims of the person or persons concerned;
- (k) A liquidator may, at any time, be removed by the Registrar and he shall on such removal be bound to hand over all the property and documents relating to the society to such other person as may be appointed as liquidator by the Registrar.
- (l) the liquidator shall keep such books and accounts as may, from time to time, be required by the Registrar. The Chief Auditor may at any time cause such books and accounts to be audited;
- (m) All the books and records of a society whose registration has been cancelled and the proceedings relating to the winding up of that society, may be destroyed by the Registrar after the expiry of three years from the date of cancellation of the registration of the society.
- (n) All funds in the charge of the liquidator shall be deposited in the Government Treasury or in the Post Office Savings Bank or with a Financing Bank or with any nationalised or scheduled bank and shall stand in the name of the liquidator.

51A. Fixation of remuneration of Official Assignee :-

- (a) Remuneration of the official assignee shall be as fixed by Registrar in the appointment order; and
- (b) Registrar shall be the prescribed authority for the purpose of Section 9(c).

52. Procedure in execution of decrees, decisions or orders :-

- (1) Any decree-holder may apply to the Registrar of the district in which the cause of action arises for the execution of his decree after depositing the necessary costs on a scale fixed in this behalf.

The Registrar shall, in case where the application for the recovery of any amount due under a decree or order of the civil Court, apply to the civil Court which passed the decree or order for the transfer to him of the said decree or order and the records specified in Rule 6 of Order XXI in the First Schedule to the Code of Civil Procedure and on receipt of such application the civil Court shall transfer them to the Registrar of the District. Where, in connection with the proceedings on an application under Section 70 of the Act, any person requires the issue of any process, or objects to any process issued or proposed to be issued or requires the adjournment of any proceedings or objects to any order passed, he shall pay such fees as may be fixed in this behalf. If the defaulter resides or the property to be proceeded against is situated in a district other than that in which the cause of action arose, the application shall be made to the Registrar of the district in which the cause of action arose who shall transfer the application to the Registrar of the district where the defaulter resides or other property is situated.

(3) The application shall be made in Form D and shall be signed by the decree-holder. The decree-holder may indicate whether he wishes to proceed in the first instance, against the immovable property mortgaged to the decree-holder or other immovable property or to secure the attachment of movable property. On receipt of application, the Registrar of the district shall verify the correctness and genuineness of the particulars set forth in the application with the records, if any, in his office, and prepare a demand notice in writing in duplicate in the form specified, by him in this behalf, setting forth the name of the defaulter, the amount due and forward it to a sale officer. If the defaulter resides or the property is situated outside the jurisdiction of the Registrar of the district to whom the application is made, such Registrar shall forward the application and the demand notice to the Registrar of the district in which the defaulter resides or the property is situated.

(6) Where the movable property to be attached is the salary or wages of a Government employee or an employee of a local authority or a firm or company the Registrar of the district may, on receiving a report from the sale officer, issue a requisition to the employer of such person to the effect that the amount shall, subject to the provisions of Section 60 of the Code of Civil Procedure, 1908 be withheld from such salary or wages either in lumpsum or by monthly instalments as the said Registrar may direct and upon the receipt of requisition, the employer whose duty

is to disburse such salary or wages, shall withhold and remit to the sale officer, the amount due under the requisition either lumpsum or in the monthly instalment, as the case may be.

(10) Immovable property shall not be sold in execution of a decree unless such property has been previously attached : Provided that where the decree has been obtained on the basis of a mortgage of such property, it shall not be necessary to attach it.

(12) Where prior to the date fixed for a sale, the defaulter or any person acting on his behalf or any person claiming an interest in the property sought to be sold, tenders payment of the full amount due together with interest, batta and other expenses incurred in bringing the property to sale, including the expenses of attachment, if any, the sale officer shall forthwith release the property after cancelling where the property has been attached, the order of attachment.

(15) Where any lawful purchaser of immovable property is resisted and prevented by any person, other than a person (not being the defaulter) claiming in good faith to be in possession of the property on his own account from obtaining possession of the immovable property purchased, any Court of competent jurisdiction, on application and production of the certificate of sale, provided for by sub-rule (14) shall cause the proper process to be issued for the purpose of putting such purchaser in possession in the same manner as if the immovable property purchased has been decreed to the purchaser by a decision of Court.

(16) It shall be lawful for the sale officer to sell the whole or any portion of the immovable property of a defaulter in discharge of money due provided always that so far as may be practicable, no larger portion of immovable property shall be sold than may be sufficient to discharge the amount due with interest and expenses of attachment; if any, and sale.

(17) Where attachment has been made under these rules, any private transfer or delivery of the property attached or of any interest therein and payment to the defaulter of any debt, dividend or other moneys contrary to such attachment, shall be void as against all claims enforceable under the attachment. Explanation For the purpose of this sub-rule, claims enforceable under an attachment include claims for the rateable distribution of assets under sub-rule (25).

(18) Persons employed in serving notice or in other process under these rules shall be entitled to batta at such rates as may, from time to time, be fixed by the Registrar.

(19) Where the cost and charges incurred in connection with attachment and sale of movable property of the attachment and sale or sale without attachment of immovable property under this rule exceeds the amounts of the cost deposited by the decree-holder under sub-rule (1), such excess shall be deducted from the sale proceeds of the property sold or the money paid by the defaulter, as the case may be, and the balance shall be made available to the decree-holder.

(20) Every person making a payment towards any money due for the recovery of which application has been made under this rule shall be entitled to a receipt for the amount, signed by the sale officer or other officer empowered by the Registrar of the district in that behalf such receipt shall state the name of the person making the payment and the subject matter in respect of which the payment is made.

(23) Where any property has been attached in execution of a decree, but by reason of the decree-holders default, the Registrar of the district is unable to proceed further with the application for execution he shall either dismiss the application, or for any sufficient reason adjourn the proceedings to a further date. Upon the dismissal of such application, the attachment shall cease.

53. Procedure in the distraint and sale of the produce of mortgaged and or any movable property under Section 103 and for the sale of mortgaged property under Section 104 :-

54. Mode of making attachment before judgment under Section 73 of the Act :-

(1) Every attachment of property directed under Section 73 of the Act shall be made in the same manner as provided in Rule 52.

(2) Where a claim is preferred to property attached under sub-rule(1), such claim shall be investigated in the manner and by the authority specified in Rule 52

(4) Any attachment made under sub-rule (1) shall not effect the rights existing prior to the attachment, of persons not parties to the proceedings in connection with which the attachment was made, nor bar any person holding a decree against the person whose property is attached from applying for the sale of the property under attachment in execution of such decree.

(5) Where the property is under attachment by virtue of the provisions of this rule and a decree is subsequently passed against the person whose property is attached, it shall not be necessary upon an application for execution of such decree to apply for reattachment of the property.

55. Procedure for recovery of sums due to Government :-

The provisions of Rule 52 shall apply in regard to the recovery of any sum due to Government under Section 74 subject to the following modifications, namely_

- (i) The Registrar of the district in which the cause of action arose, may on his own motion, take steps which he may deem suitable in the matter of such recovery in accordance with the provisions of the said rule, without any application having been made to him in that behalf under sub-rules (1) and (3) thereof.
- (ii) It shall not be necessary to deposit any sum by way of costs as required by sub-rule (1) of the said rule.
- (iii) It shall not be necessary for the sale officer to give the decree-holder previous notice, as required by clause (a) of sub-rule (5) of the said rule of the intention to service the demand notice on the defaulter and in default of payment to distrain his property. Nor shall the provision of that clause which empowers the sale officer to require the decree-holder to undertake the custody of the distrained property apply.
- (iv) It shall not be necessary to send a copy of the attachment notice under clause (d) or to give notice of a proclamation of the sale under clause (e), to the decree-holder as required under sub-rule (11) of the said rules.
- (v) The Registrar shall himself obtain the encumbrance certificate required to be furnished by the decree-holder under clause (f) of sub-rule (11) of the said rule.
- (vi) The payments required to be made under sub-clause (b) of clause (i) of sub-rule (13) of the said rule shall be made to the sale officer on behalf of the decree-holder.
- (vii) The application referred to in clause (i) of sub-rule (14) of the said rule shall be made by the sale officer on behalf of the decree-holder.

55A. The provision of Rule 52 shall apply in regard to recovery of any sum due for recovery ordered under Section 60 subject to the following modifications, namely :-

- (i) The Registrar of the district in which the cause of action arose, may on his own motion, take any steps which he may deem suitable in the matter of such recovery in accordance with the provisions of the said rule, without any application having been made to him in that behalf under sub-rules (1) and (3) thereof.
- (ii) It shall not be necessary to deposit any sum by way of costs as required by sub-rule (1) of the said rule.
- (iii) It shall not be necessary for the sale officer to give the decree-holder previous notice, as required by clause (a) of sub-rule (5) of the said rule of the intention to service the demand notice of the defaulter and in default of payment to distrain his property. Nor shall the provisions of that clause which empower the sale officer to require the decree-holder to under-take the custody of the distrained property apply.
- (iv) It shall not be necessary to send a copy of the attachment notice under clause (d) or to give notice of the proclamation of sale under clause (e) to the decree-holder as required under sub-rule (11) of the said rules.
- (v) The Registrar shall himself obtain the encumbrance certificate required to be furnished by the decree-holder under clause (f) of sub-rule (11) of the said rule.
- (vi) The payment required to be made under sub-clause (b) of clause (i) of the sub-rule (13) of the said rule shall be made to the sale officer on behalf of the decree-holder.
- (vii) The application referred to in clause (1) of sub-rule (14) of the said rule shall be made by the said officer on behalf of the decree-holder.

56. Application for review :-

(1) Every application for review under sub-section (2) of Section 78 of the Act, shall be made by any party within ninety days from the date of communication of the order passed under Section 76 or Section 77 of the Act.

(2) No final order shall be passed on such application unless notice has been given to all parties interested to make their representations.

57. Appointment of public enquiry officer and mode of dealing with loan applications :-

(1) An application for loan from Primary Agricultural Credit Societies/Co-operative Central Bank] shall be made in the form specified by the Primary Agricultural Credit Societies/Co-operative Central Bank and shall be addressed to the Secretary of the Primary Agricultural Credit Societies/Co-operative Central Bank. The form shall among other things contain a list of documents which are required to be furnished for the purposes of dealing with the application.

(2) The Secretary of the Primary Agricultural Credit Societies/Co-operative Central Bank or the Mandal Parishad Development Officer shall receive all loan applications from the intending borrowers.

(3) The application together with copies of necessary documents and the amount of fees specified by the Primary Agricultural Credit Societies/Co-operative Central Bank including the value of one share to be paid by the applicant shall be sent to the Secretary of the Primary Agricultural Credit Societies/Co-operative Central Bank or the Mandal Parishad Development Officer.

(4) On receipt of an application for loan, the Secretary of the Primary Agricultural Credit Societies/Co-operative Central Bank or the Mandal Parishad Development Officer shall put his initials on the application, mentioning his designation and the date of receipt of the application.

(5) After an application for loan has been received, the Secretary or the Mandal Parishad Development Officer shall verify whether it contains all the necessary particulars and accompanied by the necessary documents. If any details are lacking, he shall ask the applicant to supply the omissions within a specified time.

(6) All applications received shall be entered in chronological order in the register of applications for loans maintained by the mortgage bank and shall be dealt within the same order.

(7) After an application is entered in the register of applications for loan maintained for the purpose, the Secretary of the Primary Agricultural Credit Societies/Central Co-operative Central Bank] or the Mandal Parishad Development Officer shall forward it to the Co-operative Sub-Registrar or any other person specified from time to time by Registrar for the purpose of sub-section (1) of Section 98 of the Act (hereinafter in these rules referred to as the public enquiry officer). The Public Enquiry Officer shall give at least eight clear days notice in Form E calling upon all persons interested to make their objections to the loan, if any before the date specified therein. The notice shall be affixed at the Chavadi of the village or

villages where the applicant resides and in the limits of which the land proposed to be improved or offered as security for the loan, is situated. A copy of the notice shall be exhibited in the office of the Primary Agricultural Credit Societies/Co-operative Central Bank concerned and it shall also be published by beat of drum in such village or villages. If any person interested fails to appear before the Public Enquiry Officer as required by the aforesaid notice, the question at issue shall be decided in his absence and such person will have no claim whatsoever against the property for which the loan applied for will be sanctioned till such time as the loan together with interest thereon or any other dues arising out of the loan are paid in full by loanee.

(8) The Public Enquiry Officer shall consider every objection submitted under sub-rule (7) and pass an order on it and then forward the application within two days of the disposal of the objections to the Primary Agricultural Credit Societies/Co-operative Central Bank concerned.

58. Maintenance of a register of societies :-

The Registrar shall maintain the following registers showing the names and addresses of all societies-

(2) a record of the bye-laws of each such society, with all subsequent amendments thereto, arranged, in the order in which the amendments are registered.

59. Accounts and other books to be maintained by societies :-

(1) A society shall keep and maintain such accounts, books and registers in connection with the business of the society, as the Registrar, may from time to time direct.

(3) In the case of Co-operative Societies, having paid Staff, the Chief Executive by whatever designation he is called and in case of all other societies without paid Ministerial Staff, the President shall be responsible for the custody and for maintaining or arranging for the maintenance properly and up-to-date the books, registers and accounts referred to in sub-rules (1) and (2).

(4) The Registrar may, by order in writing, direct the person who is responsible for maintaining the books and the accounts; to get any or all the accounts and the books required to be kept and maintained by the societies under this rule, written upto such date,

in such form and within such time as he may specify. In case of failure of the person to do so the Registry may depute an officer to write up accounts and books. In such case it shall be competent for the Registrar to determine the cost with reference to the time involved in the work of the officer deputed to do so. Such cost shall be recovered from the person responsible to maintain the books and accounts etc., of the society.

(5) Every society or group of societies together shall appoint a paid clerk to write the books, accounts and registers to ensure up-to-date maintenance of record.

60. Certifying copies of entries in books, documents etc. :-

(1) Every copy of an entry in the books of a society regularly kept in the course of business shall be certified by x x x the president or the secretary and shall also bear the society's seal and in case of a society which is being wound up by the liquidator.

(2) The charges to be levied for supply of such certified copies shall not exceed the amount specified in that behalf by the Registrar, from time to time.

(3) x x x x x

60A. Certifying copies of document :-

Every copy of the document or of an entry in such document taken under sub-section (2) of Section 120 shall be certified in the following manner, namely I certify that the above is a true copy of the true copy of an entry or entries and that I have compared the above with the original entry or entries in the and found it/them to be correct. Signature of the officer or person authorised. Nature of the document to be specified

60B. Procedure in regard to registration of documents executed on behalf of Agricultural Development Bank or Central Agricultural Development Bank :-

A copy of the instrument of mortgage executed in favour of an Agricultural Credit Society or Farmers Service Co-operative Society requiring registration duly certified by the Chief Executive of the society and when he is not on duty by the President of the society along with Supervisor of the financing bank shall be sent by the society to the Registering officer having jurisdiction within a period

of fourteen working days from the date of execution of the instrument by registered post or through a messenger.

Explanation The Term agricultural credit society shall mean an agricultural credit society as classified under explanation to clause (b) of sub-rule (2) of Rule 12.

61. Authentication of notice of process :-

Every notice of process issued under the Act or under these rules shall be in writing and shall be signed by such officer or by any person authorised by him in writing in that behalf and authenticated by the seal, if any, of the officer or person by whom it is issued.

62. Prohibition of the use of premises of a society :-

No society shall use or allow to be used. any premises or portion thereof, which is intended for its business, for any purpose other than such business or other activity relating thereto, without the specific permission of the Registrar :

Provided that a private dealer if not permitted by the Registrar shall not do business of similar nature done by such society within its premises.

63. Contribution to expenses connected with Co-operative conferences :-

(1) No society shall contribute any money towards the expenses of any Co-operative conference, unless such conference is held under the auspices of a society which is authorised by its bye-laws to undertake the holding of such conference.

(2) The society holding the conference shall keep separate accounts of the income and expenditure of such conference, and such accounts shall be subject to audit by the Chief Auditor or by some person authorised by him.

64. Payment of remuneration to members :-

A society other than a credit society, such as a co-operative stores, a weavers society, a milk supply society and a motor transport society may pay in accordance with its bye-laws and with the approval of the Registrar remuneration to its members based on the extent of business done by such members to the society or on

the value of the services rendered by such members to the society or on such other basis as may be laid down in the bye-laws of the society for this purpose subject to a maximum of twenty-five per cent of the net profits :

Provided that motor transport society shall not pay as bonus to its member employees in any year an amount exceeding three months wages of salary;

Provided further that it shall be competent to a motor transport society to carry any balance that may remain out of the twenty-five percent of the net profits after having distributed bonus in a year, towards a bonus equalization fund to be drawn upon as provided in its bye-laws.

65. Authorisation for taking delivery of records and properties :-

The authorisation to be issued by the Registrar under Section 117, shall be in Form "K".

66. Restrictions on officers of society appearing as legal practioners :-

(2) Any such person who contravenes the provisions of sub-rule (1) shall cease to be the officer of such society.

67. Power to exempt a society or class of societies from the provisions of the rules :-

The Government may, by general or special order and for reasons to be recorded therein exempt any society or any class of societies from any of the provisions of these rules.

68. Membership of employees in certain classes of societies :-

69. . :-

Omitted by G.O.Ms.No.1630, F and A (Leg.) Dt.6-8-1968.

70. Board of Directors of Central Agricultural Development Bank to constitute a centralized service :-

(2) Subject to such rules and directions as may be made by the Government in this behalf the Board shall with the previous approval of the Registrar frame regulations providing for the fixation of the pattern of staff qualifications, pay scales and other allowances and service conditions of the employees.

(5) The inter-seniority of employees in the Centralised Service shall be determined by the Board.

(6) The Board or any other person or persons authorised in this behalf shall have power to issue direction or order for compliance by the Primary Agricultural Development Bank in regard to any posting, transfer, payment of salary, bonds or other emoluments, leave or other conditions of service of any employee and non-compliance of such order or direction shall be deemed to be an offence liable for such action or sanction against such Primary Agricultural Development Bank as deemed appropriate by the said authority.

(7) Notwithstanding anything contained in this and other rules in force an appeal shall be to the Commissioner for Co-operation and Registrar of Co-operative Societies against any decision or order of the Board.

70A. Allotment of employees to Primary Agricultural Development Banks-Guidelines :-

(2) An employee on allotment to any Primary Agricultural Development Bank, in accordance with the procedure laid down in sub-rules (ii) and (iii) shall be deemed to be an employee of that Primary Agricultural Development Bank and shall be governed by its special bye-laws in regard to his/her service conditions accordingly.

(4) Notwithstanding the abolition of the Centralised service in respect of certain categories of posts the employees of such abolished categories shall continue to be governed by the Master policy for Group gratuity. F.B.S., F.P.S., Deposit linked Insurance, being the social security measures the Provident Fund/Trust administered by the A.P. Co-operative Central Agricultural Development Bank till such time they are transferred to the Primary Agricultural Development Banks.

(5) Notwithstanding anything contained in the foregoing rules it shall be competent for the recruiting agency and the Managing

Director of the A.P. Co-operative Central Agricultural Development Bank to select and allot the successful candidates respectively from out of those who passed through written examination already held in March, 1985 to the various Primary Agricultural Development Banks, subject to availability of vacancies of the posts of supervisors.

(6) Notwithstanding anything contained in this and other rules in force, an appeal shall lie to the Registrar of Co-operative Societies against any decision or order of the Managing Director.

70AA. . :-

otwithstanding anything in the bye-laws, no appointment or removal of a Chief Executive by whatever name called, shall be made without the approval of the Registrar of Co-operative Societies in respect of the following classes of Societies

- (1) All Apex Institutions
- (2) Sugar Factories
- (3) Spinning Mills
- (4) District Backward Class and Scheduled Caste Societies
- (5) Rural Electric Co-operative Societies
- (6) The Andhra Pradesh State Co-operative Union

71. Service conditions of Common Cadre Employees under Section 116-A :-

The service conditions of Common Cadre Employees under Section 116-A, shall be governed by the existing regulations till they are modified by the rule made in this behalf by the Government.

72. Guidelines to allot decaderised Secretaries to the Societies :-

(5) Notwithstanding anything contained in sub-rule (4), until the allotments of the Secretaries is made to the Primary Agricultural Co-operative Societies as per the guidelines laid down in sub-rules (1) and (2), the Secretaries, for the purpose of disciplinary control, shall be governed by the Common Cadre Regulations existing prior to the abolition of the common Cadre of Secretaries of Primary Agricultural Co-operative Societies and the General Managers of the Co-operative Central Banks on a decision by the Registrar shall initiate action against the said Secretaries for lapses committed by

them in the societies they are working after the decaderisation.

73. Transfer of employees of erstwhile primary agricultural Development Banks to the service of the District Co-operative Central Banks :-

Consequent on the abolition of the Primary Agricultural Development banks with effect from 1-4-1987, the Registrar shall transfer under clause (d) of sub-section (2) of Section 11 of the Andhra Pradesh Co-operative Laws (Amendment) Act, 1987 (Act 1 of 1987), the officers and employees of erstwhile Primary Agricultural Development Banks (including those under Centralised Cadre) to the service of the District Co-operative Central Banks concerned in which they are working as on the date of Notification of this rule. On receipt of such orders from the Registrar the General Managers of the District Co-operative Central Banks shall communicate the same to all the concerned employees of the erstwhile Primary agricultural Development Banks. Therefore the General Managers of the District Co-operative Central Banks shall take the following action for integration of the services.

(ii) All the officers and employees of the erstwhile Primary Agricultural Development Banks, working as on the 1st April, 1987 be absorbed in the equated cadre posts in the District Co-operative Central Banks where they were working as on the 1st April, 1987. This will not apply to employees of erstwhile Primary Agricultural Development Banks already transferred by the Managing Director, Andhra Pradesh Co-operative Central Agricultural Development Bank after the 1st April, 1987 from one District Co-operative Central Bank to another or employees in respect of whom issues transfer orders on requests received by him before the 23rd April, 1993 keeping in view the guidelines issued by the Commissioner for Co-operation and Registrar of Co-operative Societies and they shall be absorbed in the District Co-operative Central Banks in which they joined later as per such orders. The total strength of each cadre in the District Co-operative Central Banks shall stand increased to the extent of the number of employees of Primary Agricultural Development Banks absorbed in the cadre. The posts of Assistant General Managers in the District Co-operative Central Banks shall stand increased by 107 posts i.e., equivalent to the number of posts of Managers of erstwhile Primary Agricultural Development Banks in the District as on the 31st March, 1987. These posts shall be filled in on the basis of common seniority of

the Managers of District Co-operative Central Banks and the Managers and the Secretaries of the erstwhile Primary Agricultural Development Banks in the integrated cadre of Managers of the District Co-operative Central Banks duly observing the norms for promotions. The posts vacated by the 107 employees shall stand abolished on their absorption as Assistant General Managers. The revised integrated cadre strength of the District Co-operative Central Bank shall, however, be subject to revision according to any re-organised staffing pattern evolved for each District Co-operative Central Bank and also taking into account the legitimate business requirements of the District Co-operative Central Banks, interest margins available and viability of the District Co-operative Central Bank.

(iv) Future Promotions The future vacancies of Managers in the District Co-operative Central Banks shall be filled up by promotion from the common pool of Assistant Managers, Executive Officers, Engineering Supervisors or Accountants of erstwhile PADBs and Accountants of DCCBs on duly following service regulations and general norms governing the promotions and taking into account vacancies to be filled by direct recruitment. However, the Engineering Supervisors posts will cease either by promotion or retirement of the said personnel.

(vii) Disciplinary Control The Managing Committee of the District Co-operative Central Bank or the officer authorised by it, shall have power over the employees of erstwhile Primary Agricultural Development Banks transferred to the service of the District Co-operative Central Banks in respect of disciplinary action, transfers, promotions, sanction of leave etc., as per District Co-operative Central Bank Employees Service Regulations.

(viii) Continuity of Service The services rendered by the Officers and employees of erstwhile Primary Agricultural Development Banks upto and from 1-4-1987 shall be deemed to be service rendered in the District Co-operative Central Banks to which they were transferred.

(ix) Appeal Any person aggrieved by any order of the General Manager of the District Co-operative Central Bank may appeal to the Managing Committee of the District Co-operative Central Bank concerned and its decision shall be final and binding.

73A. Andhra Pradesh State Co-operative Bank to disburse long term loans and make necessary arrangements :-

Consequent on the abolition of the Andhra Pradesh Co-operative Central Agricultural Development Bank by Section 2 of the Andhra Pradesh Single Window Co-operative Credit Structure at State Level Act, 1994 (Act 14 of 1994) the Board of the Andhra Pradesh State Co-operative Bank (successor Bank) shall have the power to make necessary administrative arrangements for the sanction and disbursal of the long term loans and other related functions.

73B. Integration of services of the employees of erstwhile A.P.C.C.A.D. Bank with the employees of the APCOB :-

(2) Cadre Strength The staff strength of the integrated bank shall be as per the report of the Committee constituted for the purpose in G.O. Ms. No.930 A and C Department, dated the 18th July, 1994. In the case of promotions, if any, made by the Bank after 30th April, 1994 in the cadres of General Manager and common cadre Class-I and Class-II officers i.e., Deputy General Manager of Andhra Pradesh State Co-operative Bank/General Manager of District Co-operative Central Banks and Assistant General Manager of Andhra Pradesh State Co-operative Bank and Deputy General Manager of District Co-operative Central Bank in Short Term Wing and Assistant General Managers and Junior Officers in Long Term Wing pursuant to the Court Orders can be adjusted against the vacancies in the staff strength of the integrated Bank and it shall be treated as promotions on regular basis.

74. . :-

(2) If more than one employee opts for the same factory, the senior among them may be allotted in preference to the junior.

(3) An employee on allotment to any of the Co-operative Sugar Factories in accordance with the procedure laid down in clauses (i), (ii) and (iii) of sub-rule (1) and sub-rule (2) shall be deemed to be an employee of that Co-operative Sugar Factory and shall be entitled to receive the pay and allowances from the funds of the society.

(4) After the allotment is made, the employee shall be governed by the service conditions of the respective Sugar Factories and it shall be competent for the Sugar Factory to continue the pending disciplinary proceedings and impose punishments.

