

Andhra Pradesh Co-operative Sugar Factories and Co-operative Spinning Mills (Special Provisions) Rules, 1997

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Andhra Pradesh Co-operative Sugar Factories and Co-operative Spinning Mills (Special Provisions) Rules, 1997

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1. Short title :-

These rules may be called the Andhra Pradesh Co-operative Sugar Factories and Co-operative Spinning Mills (Special Provisions) Rules, 1997.

2. Definitions :-

In these rules, unless the context otherwise requires :-

(a)"Majority of Shares" means share value exceeding 50% of the total value of shares or exceeding 50% of number of shares in the societies as on the 28th September, 1996 i.e., the date of the publication of the Andhra Pradesh Co-operative Societies (Amendment) Act, 1996 (Act No.22 of 1996).

(b)"Committee" means the governing body of a society by whatever name called, to which the management of the affairs of the society is entrusted and includes Committee appointed under Section 31 (1)(a), or the Committee of Persons-in-Charge appointed under Section 32 (7)(a) and Special Officer or Special

Officers Committee appointed under Section 34 of the Andhra Pradesh Co-operative Societies Act, 1964 (Act 7 of 1964).

(c)"Sick Co-operative Society" means, the Co-operative Sugar Factory or a Co-operative Spinning Mill which falls within the definition of a sick company as given in the Sick Industrial Companies (Special Provisions) Act, 1985.

(d)"Registrar" means Director/Commissioner for Sugars and Cane Commissioner in the case of Co-operative Sugar Factories and Director/Commissioner for Handlooms and Textiles in the case of Co-operative Spinning Mills. and Special Chief Secretary or Principal Secretary or Secretary to Government, Public Enterprises Department in respect of Co-operative Sugar Factories and Co-operative Spinning Mills under the administration control of Public Enterprises.

(e)"Act" means, the Andhra Pradesh Co-operative Societies Act, 1964 (Act 7 of 1964).

3. Transfer of assets or its assets and liabilities :-

Wherein the opinion of the Registrar of Co-operative Sugar Factory or a Co-operative Spinning Mill in which majority of shares are held by the Government is or has become sick and that there is no possibility to rehabilitate the same, he shall prepare a scheme to give effect to the transfer of assets or its assets and liabilities of the Co-operative Sugar Factory or Co-operative Spinning Mill.

4. Scheme for Transfer of Assests and Liabilities :-

The Scheme shall specify in particular the manner in which the asset and liabilities of the society proposed to be transferred is to be dealt with and the terms and conditions of the transfer of assets and liabilities.

5. Committees to advise the Registrar :-

It shall be within the competence of the Registrar to constitute Committee of persons having technical expertise and experience to assist and advise him for the purpose of :

(a) formulating terms and conditions for the transfer of assets or its assets and liabilities of the societies;

(b) assessing the value of the assets or its assets and liabilities of the societies;

(c) discharging of the liabilities; and

(d) any other matter for which Registrar thinks it necessary to receive technical assistance.

6. Dividing Tenders :-

The Registrar shall call for tenders/offers after giving wide publicity in order to decide the society, the company, firm or body incorporated or not, to which the assets or its assets and liabilities are to be transferred so as to get the best possible offer and to protect the interests of the shareholders and the Financing Banks to which the society is indebted. The Registrar will ensure that the process for calling for tenders/offers is in conformity with the existing laws. He will then identify the Co-operative Society or a Company or a firm or a body whether incorporated or not for the purpose of transfer of *[assets or its assets and liabilities] of the sick Co-operative Sugar Factory or sick Co-operative Spinning Mill.

7. Notice :-

The Registrar shall then consult the Government and the financing bank by communicating a report on the scheme and the details of the Co-operative Society or Company or Firm or body whether incorporated or not, and after taking the views of the Government and Financing Banks as set out in Section 12-A (1)(a) of the Andhra Pradesh Co-operative Societies (Amendment) Act, 1996 (Andhra Pradesh Act No.22 of 1996), he shall call upon the Committee of the Co-operative Sugar Factory or Co-operative Spinning Mill, as the case may be by notice in writing along with the report, and other particulars to explain within 15 days of receipt of the notice as to why the assets or its assets and liabilities should not be transferred to any of Co-operative Society or company or firm or body whether incorporated or not as identified by him. The notice shall be issued in Form-1.

8. Appointment of Receiver :-

After issue of the notice under Rule 7, the Registrar shall have power to appoint a receiver/caretaker/special officer to take over the assets of the sick Sugar Factory or the Spinning Mill, as the case may be, and to preserve the assets from damage, theft or alienation etc.

9. Action for the transfer of assets or its assets and liabilities :-

The Registrar shall examine the reply/explanation received from the Committee of the Society and if after examination he feels that the transfer of assets or its assets and liabilities of the society is

necessary, he shall pass orders directing the society to transfer its assets or its assets and liabilities to the prospective party on the terms and conditions specified in the report and take action for the transfer of assets or its assets and liabilities of the society and notify it in the Andhra Pradesh Gazette.

10. . :-

If the Committee of the society fails to comply with the directions of the Registrar within the period specified in Rule 7 the Registrar shall issue a notice in writing to the Committee of the society to place the matter before the General Body, and shall also issue notices separately to the Committee and also to the Creditors thereof to make there representations if any, in regard to the proposals within thirty days from the date of receipt of such notice and the report enclosed to it. The Notice shall be issued in Form-2.

11. Final orders for transfer of assets or its assets and liabilities :-

The Registrar shall examine the representations, if any, received from the General Body, the Committee of the Society and the creditors and if after examination of the representations he feels that the transfer of assets or its assets and liabilities is necessary, he shall pass orders directing the society to transfer its assets or its assets and liabilities to the prospective party on the terms and conditions specified in the scheme report and take action for the transfer of assets or its assets and liabilities of the society and notify it in the Andhra Pradesh Gazette.

12. Dissolution of Society :-

Once the transfer of assets or its assets and liabilities of a society is ordered, the Registrar shall issue orders for the dissolution of such Society as per the procedure.