

**ANDHRA PRADESH STATE HANDLOOM WEAVERS CO-
OPERATIVE SOCIETY LIMITED (MERGER OF CERTAIN CO-
OPERATIVE SOCIETIES) ACT, 1983**

14 of 1983

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STATEMENT OF OBJECTS AND REASONS In the State of Andhra Pradesh there are two Apex Weavers' Co-operative Societies one for Cotton and Silk Primary Weavers' Co-operative Societies and the other for Wool Weavers' Co-operative Societies. Both the Andhra Pradesh State Handloom Weavers' Co-operative Society (APCO) and Andhra Pradesh Wool Industrial Co-operative Society belonging to the same class with reference to functional and operational aspects since both of them are entrusted with the responsibility of marketing the stocks produced by the respective Primary Weavers' Co-operative Societies affiliated to them. There are two more Co-

operative Societies in the State viz., Andhra Pradesh State Textile Processing Co-operative Society Limited, at Hyderabad and Nellore District Weavers' Service Co-operative Society, Nellore and they have been established to meet the long felt need of handloom sector for modern processing and finishing facilities both for yarn as well as for fabric. Thus these two units have become part of the programme of achieving increased productivity in handloom sector and diversification of product range including polyester fabrics on handlooms through qualitative up-gradation in the fabrics with requisite infrastructure support and are, therefore, vitally connected with the development of handloom industry through the handloom co-operatives at primary and apex level. It was felt that there is no proper co-ordination among the above mentioned institutions though all of them are connected with the programmers of development of handloom industry. In order to ensure healthy growth of Handloom Industry under a single institution mainly in the interest of Primary Weavers' Co-operative Societies in the State, it was considered that the existing three aforesaid co-operative institutions should be merged with the Andhra Pradesh State Handloom Weavers' Co-operative Society Limited (APCO), Hyderabad, in order to achieve increased productivity as well as larger share in the market for the cloth produced by the primary Weavers' Co-operative Societies and also to pay great attention to research designs and development, apart from resulting in definite economics in overhead expenditure. As the State Legislature was not then in session and as it was considered necessary to give effect to the above decision immediately, the Andhra Pradesh State Handloom Weavers' Co-operative Society (Merger of certain Co-operative Societies) Ordinance, 1983 was promulgated by the Governor on 21st July, 1983. This Bill seeks to replace the said Ordinance. Bill published in A.P. Gazette (Ext.) Part IV-A, dt.3-9-1983 The following Act of the Andhra Pradesh Legislature received the assent of the Governor on the 24th September, 1983 and the said assent is hereby first published on 24th September, 1983 in the Andhra Pradesh Gazette for general information

1. Short title, extent and commencement :-

(1) This Act may be called the Andhra Pradesh State Handloom Weavers' Co-operative Society Limited (Merger of certain Co-operative Societies) Act, 1983.

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

(3) It shall be deemed to have come into force on the 22nd July, 1983.

2. Definitions :-

In this Act, unless the context otherwise requires--

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

(b) 'General Body of the transferee society' means the General Body consisting of such number of members as may be specified by the Government by notification under Section 5;

(c) 'Government' means the State Government of Andhra Pradesh;

(d) 'notification' means a notification published in the Andhra Pradesh Gazette; and the word "notified" shall be construed accordingly;

(e) 'Registrar' means the Registrar of Co-operative Societies, Andhra Pradesh and includes any other person on whom all or any of the powers of the Registrar under this Act are conferred by the Government;

(f) 'Specified day' means the date specified by the Government under sub-section (1) of Section 3;

(g) 'transfer of assets and liabilities' means the transfer of assets and liabilities of the Andhra Pradesh State Wool Industrial Co-operative Society Limited, Hyderabad, the Andhra Pradesh State Textile Processing Co-operative Society Limited, Hyderabad and the Nellore District Weavers' Service Co-operative Society Limited, Nellore as specified in Section 3;

(h) 'transferee society' means the Andhra Pradesh State Handloom Weavers' Co-operative Society Limited;

(i) 'transferor societies' means the Andhra Pradesh State Wool Industrial Co-operative Society Limited, Hyderabad, the Andhra Pradesh State Textile Processing Co-operative Society Limited, Hyderabad and the Nellore District Weavers' Service Co-operative Society Limited, Nellore registered under the Co-operative Societies Act;

(j) all words and expressions used in this Act and not defined, but defined in the Andhra Pradesh Co-operative Societies Act, 1964 (Act 7 of 1964) shall have the meanings respectively assigned to

them in that Act.

3. Transfer of assets and liabilities of other societies to the Andhra Pradesh State Handloom Weavers Co-operative Society Limited :-

(1) Notwithstanding anything in the Co-operative Societies Act, or the rules made thereunder or the bye-laws of the transferor societies for the time being in force, with effect on and from such date as the Government may, by notification, specify in this behalf, the assets and liabilities of the Andhra Pradesh State Wool Industrial Co-operative Society Limited, Hyderabad, the Andhra Pradesh State Textile Processing Co-operative Society Limited, Hyderabad and the Nellore District Weavers' Service Co-operative Society Limited, Nellore, shall stand transferred to and form part of the assets and liabilities of the Andhra Pradesh State Handloom Weavers' Co-operative Society Limited having as the area of its operation, the entire territory comprised in the State.

(2) On and from the specified day--

(a) the registration of each of the transferor societies shall stand cancelled and the said societies shall be deemed to have been dissolved and shall cease to exist as corporate bodies;

(b) the Andhra Pradesh State Handloom Weavers' Co-operative Society Limited shall have full and sufficient conveyance and vestiture in the assets and liabilities transferred to it and shall apply all the provisions of its bye-laws as amended from time to time in regard to their operation and regulation;

(c) the existing units of the transferor societies shall function as separate functional units of the Andhra Pradesh State Handloom Weavers' Co-operative Society Limited:

4. General effect of merger :-

(1) Notwithstanding anything in the Co-operative Societies Act, or the rules made thereunder or the bye-laws of the transferor societies for the time being in force, with effect on and from the specified day,--

(i) the transferor societies shall stand merged with the transferee society;

(ii) the assets and liabilities of every description of the transferor

societies shall stand transferred to the Andhra Pradesh State Handloom Weavers' Co-operative Society Limited;

Provided that no such transfer shall prejudicially affect or render ineffective any suit, appeal or legal proceedings of whatever nature pending by or against the transferor societies, but such suit, appeal or legal proceedings may be continued, prosecuted and enforced by or against the transferee society;

Provided further that the liabilities of the transferor societies shall continue to be governed by such guarantee of the Government as subsisted with regard to them on the specified day, as if such guarantee were given in respect of the liabilities so transferred, immediately after the specified day;

(iii) the Government, the primary and other Co-operative Societies, and others who are members of, or affiliated to the transferor societies shall be deemed to be the members of, or affiliated to, the transferee society.

(iv) all contracts, deeds bonds, agreements and other instruments of whatever nature subsisting and relating to the assets and liabilities transferred to the transferee society from the transferor societies which have been parties thereto, shall have full force in favour of or against the transferee society, and may be enforced as if the said transferee society has been a party thereto.

(2) The Government or any officer authorised by them in this behalf may amend the bye-laws of the transferee society so as to give effect to the merger and for any other matters incidental thereto.

(3) The Government may, by notification, make such supplemental, incidental and consequential provisions (including the provisions as to committees, authorities, properties rights and interest liabilities duties and obligations of the transferor societies or transferee society) as they may deem necessary to give effect to the provisions of this Act.

5. Ultimate authority to vest in the General Body :-

Subject to the provisions of this Act, the Co-operative Societies Act, the rules and the bye-laws, the ultimate authority of the transferee society shall vest in its General Body consisting of such members of the general bodies of the transferor and the transferee societies as may be specified by the Government by notification.

6. Management of affairs of transferee society :-

(1) With effect on and from the specified day and notwithstanding in the Co- operative Societies Act of the Andhra Pradesh State Handloom Weavers" Co-operative Society (Formation) Act, 1976, or the rules made thereunder or the bye-laws of the transferor societies or the transferee society, the Government, may, by notification, appoint a committee consisting of not more than eleven persons to manage the affairs of the transferee society for a period not exceeding three years;

Provided that the Government may, from time to time, by notification and for reasons to be specified therein extend the said period of appointment beyond three years for a further period or periods not exceeding six months at a time, so however, that the total period of appointment shall not in the aggregate extend beyond six years;

Provided further that the Government may without giving any notice and without assigning any reasons therefor remove any member of the Committee and appoint another member in his place who shall hold office for the residue of the term of his predecessor;

Provided also that any casual vacancy occurring in the office of the member of the committee may be filled by the Government by appointment of another person and the person so appointed shall hold office for the residue of the term of his predecessor.

(2) The Committee appointed under sub-section (1) shall, subject to the control of the Government or the Registrar and to such directions as they or he may issue, from time to time have power to exercise all or any powers and functions of the Committee of the transferee society.

(3) The Registrar shall arrange for the calling of a general meeting of the transferee society for the election of the committee in accordance with the provisions of the Andhra Pradesh Co-operative Societies Act, 1964 (Act 7 of 1964) and the rules made thereunder so as to enable the members of the committee to come to office at the expiration of the term of the committee appointed by the Government.

7. Transfer of services of officers and other employees of the transferor societies :-

(1) The services of officers and other employees of the transferor societies shall stand transferred to the Andhra Pradesh State Handloom Weavers" Co-operative Society Limited.

(2) Every person who has been, immediately before the specified day, in the employment of the transferor societies shall in so far as such person is employed in connection with any of the transferor societies become as from the specified day, an employee of the transferee society and shall hold his office or service therein by the same tenure, at the same remuneration and upon the same terms and conditions and with the same rights and privileges as to gratuity and other retirement benefits and other matters as he would have held the same under the transferor societies prior to the transfer of their assets and liabilities and shall continue to do so unless and until his employment in the transferee society is duly terminated or until his terms and conditions of employment are duly altered by the transferee society.

(3) The transfer of the services of any officer or other employee of any of the transferor societies to the transferee society shall not entitle such officer or other employee to any compensation under this Act or other law for the time being in force and no such claim shall be entertained by any court, tribunal or other authority.

8. Overriding effect of the Act :-

The provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in the Andhra Pradesh Co-operative Societies Act, 1964 Act (7 of 1964).

9. Powers to make rules :-

(1) The Government may, by notification, make rules to carry out all or any of the purposes of this Act.

(2) Every rule made under this Act shall immediately after it is made be laid before each House of the State Legislature if it is in session and if it is not in session, in the session immediately following for a total period of fourteen days which may be comprised in one session or in two successive sessions, and if, before the expiration of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the rule or in the annulment of the rule, the rule shall from the date on which the modification or annulment is notified, have effect only in such modified form or shall stand annulled, as the case may be, so however, that any such

modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

10. Power to remove difficulties :-

If any difficulty arises in giving effect to the provisions of this Act, the Government may make such orders not inconsistent with the purpose of this Act as appear to them to be necessary or expedient for the purpose of removing the difficulty.

11. Amendment of Act 54 of 1976 :-

Amendment carried out in the principal act.

12. Repeal of Ordinance 14 of 1983 :-

The Andhra Pradesh State Handloom Weavers' Co-operative Society Limited (Merger of certain co-operative societies) Ordinance, 1983 is hereby repealed.