

GOVERNMENT OF TELANGANA
ABSTRACT

Agriculture and Cooperation Department – The Andhra Pradesh Mutually Aided Cooperative Societies Act, 1995 (Act No.30 of 1995) - Adaptation to the State of Telangana -Orders – Issued.

AGRICULTURE & COOPERATION (COOP.II) DEPARTMENT

G.O.MS.No. 28

Dated: 19/04/2016

Read:

The Andhra Pradesh Reorganization Act, 2014 (Central Act No. 6 of 2014)

ORDER:

Whereas, by Section 101 of the Andhra Pradesh Reorganization Act, 2014 (Central Act No. 6 of 2014), the appropriate Government i.e., the State of Telangana is empowered by order, to make such adaptations and modifications of any law made before 02-06-2014, whether by way of repeal or amendment as may be necessary or expedient, for the purpose of facilitating the application of such law in the State of Telangana before expiration of two years from 02-06-2014; and thereupon every such law shall have effect subject to the adaptations and modifications so made, until altered, repealed or amended by a competent Legislature or other competent authority.

2. And whereas, it has become necessary to adapt the Andhra Pradesh Mutually Aided Cooperative Societies Act, 1995 (Act No. 30 of 1995) for the purpose of facilitating its application in relation to the State of Telangana.

3. And whereas, after careful examination, Government have decided to adapt and modify the said Act, which are in force as on 01.06.2014.

4. Accordingly, the following Notification will be published in an Extra Ordinary issue of the Telangana Gazette, dated: 19.04.2016.

NOTIFICATION

In exercise of the powers conferred by section 101 of the Andhra Pradesh Reorganization Act, 2014 (Central Act No. 6 of 2014), the Government of Telangana hereby makes the following Order, namely:

1. (i) This Order may be called the Andhra Pradesh Mutually Aided Cooperative Societies Act, 1995 (Telangana Adaptation) Order, 2016;

(ii) It shall come into force with immediate effect.

2. The Andhra Pradesh General Clauses Act, 1891 shall apply for interpretation of this Order as it applies for interpretation of a State Act.

3. For the purpose of this Order and the Act adapted herein, the expression “**the State**” shall have the meaning and area as specified in section 3 of the Andhra Pradesh Reorganization Act, 2014.

4. In the Andhra Pradesh Mutually Aided Cooperative Societies Act, 1995 (Act No.30 of 1995)

(1) throughout the Act, for the words “**Andhra Pradesh**” (occurring otherwise than in a citation or description or title of other enactments), the word “**Telangana**” shall be substituted.

P.T.O.

(2) in section (2),

(i) for clause (a), the following shall be substituted, namely:-

(a) 'Authorized person' means a person referred to as such in section 38 of this Act.

(aa) 'apex society' means a society whose area of operation extends to the whole of the State.

(aaa) 'Board' means "the Board of Directors or the governing body of a Cooperative Society, by whatever name called, to which the direction and control of the management of the affairs of a Society is entrusted to.

(ii) for clause (d), the following shall be substituted, namely:-

(d) 'Cooperative Society' means a Mutually Aided Co-operative Society registered under Section 4 whose byelaws prohibit it from raising share capital from Government and also prohibit it from receiving any land (agricultural or non-agricultural) from the Government either free of cost or at concession rates and also concessions, subsidies or any other assistance in any form from either State / Central / Local Government.

A Cooperative Society registered under the provisions of the Telangana Cooperative Societies Act, 1964 (Act No.7 of 1964), if it amends its byelaws where necessary to reconstitute its capital base and in respect of other relevant aspects to be in accordance with this Act, and returns to the Government its share capital and/or land and / or subsidies received, if any, and either enters into a Memorandum of understanding with the Government for any outstanding loans due to, or guarantees given by the Government or returns to the Government of such assistance and further gets itself registered under section 4 as a Cooperative Society under this Act, but does not include the Milk/ Dairy Co-operative societies.

The Cooperative Societies which are not covered under this definition are deemed to be covered under Telangana Cooperative Societies Act, 1964. All the Societies already registered under this Act but not covered under the above definition are deemed to be Societies registered under Telangana Cooperative Societies Act, 1964. The Registrar shall automatically forthwith regulate the functioning of such societies by applying all the provisions of Telangana Cooperative Societies Act, 1964 with respect to them.

All the Societies already registered under this Act and are in receipt of land from Government either free of cost / at subsidized price / at market rate shall be deemed to have been registered under Telangana Cooperative Societies Act, 1964 and the Registrar on his own motion shall immediately take necessary steps for regulating these Societies as per the provisions of Telangana Cooperative Societies Act, 1964 (Act No.7 of 1964).

(iii) for clause (l), the following shall be substituted, namely:-

(l) 'Co-operative year/ Financial Year' means, the period commencing on the 1st day of April of every year and ending with the 31st day of March of the succeeding year.

- (iv) after clause (p), the following shall be inserted, namely:-
- (pp) 'multi-State cooperative society' means "a society with objects not confined to one State and registered or deemed to be registered under any law for the time being in force relating to such co-operatives;"
- (v) for clause (q), the following shall be substituted, namely:-
- (q) 'office-bearer' means an individual elected by the General Body or the Board of the Co-operative Society to any office of such Coop. Society in accordance with its byelaws including a President/ Chairperson, Vice-President/ Vice-chairperson, Secretary or Treasurer of a Co-operative Society;
- (vi) for clause (r), the following shall be substituted, namely:-
- (r) 'Registrar' means the Central Registrar appointed by the Central Government in relation to the multi-State co-operative societies, the Registrar of Mutually Aided Co-operative Societies appointed under Section 4 of this Act and includes any other person as the case may be on whom all or any of the powers of the Registrar under this Act are conferred.
- (1) "State Act" means any law made by the Legislature of a State.
- (2) "State level Co-operative society" means a co-operative society having its area of operation extending to the whole of a State.
5. after section 2, the following shall be inserted, namely:_
- 2A. Competent Authority to make provisions: The Government, may, from time to time, take necessary steps for making provisions with respect to the incorporation, regulation and winding up of co-operative societies based on the principle of voluntary formation, democratic member control, member economic participation and autonomous functioning as deemed necessary.
6. (i) In section 4, for sub-section (1), the following shall be substituted, namely:-
- Registration :- (1) Where not less than twenty one individuals of class or category with common bondage and each being a members of a different family or intend to form a Co-operative Society, or two or more a Cooperative Societies of a class or category with common bondage and registered under this section wish to form into a federation, or a society registered (under the provisions) of the Andhra Pradesh Cooperative Societies Act, 1964 intends to convert itself into a cooperative society under this Act, they shall frame bye-laws for this purpose in accordance with Section 3 in the first instance.
- [Provided that no Cooperative Society shall be registered as a Dairy or milk Cooperative Society and no Dairy or milk Cooperative Society registered under any other law shall be converted into a dairy or milk Cooperative Society under this Act.]

Provided further that any Cooperative Society registered under this Act if wishes to gets itself converted and incorporated as Company under Companies Act 1956, shall have to first return the assets of the Government it received either directly or through any other agency and also return the Government land and machinery received if any, and also any outstanding loans due to, or guarantees or any of such assistance given by the Government. Before applying for such conversion itself, a clearance certificate to this effect from the State Government based on the recommendations of the Registrar on whom powers are conferred as under section 4 of this Act shall be obtained. No Cooperative Society which is a beneficiary of Government in terms of funds or land or any other assistance in any form as on date has not fully repaid/returned to the Government, can get registered under companies Act.

Provided further that a Cooperative Society registered under this Act and migrated to companies Act or any other Act (other than AP Cooperative Societies Act, 1964) without returning the Government properties (movable or immovable) and without settling the legacy issues with the Government, such as goodwill are deemed to have returned back to this Act and shall be covered under the definition of Society either under this Act or under AP Cooperative Societies Act, 1964, as the case may be, notwithstanding any resolution passed by the General body of the Society, in contravention of it.

- (ii) in sub-section (3), for clause (b), the following shall be substituted, namely:-

A list of names of individuals or cooperatives who wish to form into a Cooperative Society under this Act or of the members of the committee of the society registered under the Andhra Pradesh Cooperative Societies Act, 1964 which intends to convert itself into a Cooperative Society under this Act with their addresses, occupations and their financial commitments along with address/ and Identity proof of self and family members i.e. Adhar / Food Security card to the proposed Cooperative Society.

- (iii) in sub-section (3), for clause (e), the following shall be substituted, namely:-

(e) In the case of a Society registered under section 7 of Andhra Pradesh Cooperative Societies Act, 1964 and wishing to convert itself into a Cooperative Society under this Act, evidence to show that the Society has returned to the Government, the share capital, loans, land / properties (movable / immovable) subsidies, concessions, interest it received from the Government and No-objection Certificate issued by the Government in this regard before its application for conversion into this Act can be considered.

7. after section 4, the following shall be inserted, namely:-

4A. Conversion of society registered under this act to Telangana State Cooperative Societies Act.

(1) The Registrar on his own motion or at the request of the society passed by a resolution of majority of its members may permit the society registered Under section 4 of this Act to be converted into a society registered under Telangana State Cooperative Societies Act.

(2) The Registrar may issue orders on his own motion for conversion of a society registered under this Act into a society registered under Telangana State Cooperative Societies Act, if it is found that

(a) the society is in possession of land provided by the Govt. (either free of cost or at concession rate or at Market rate),

(b) the society is in possession of share capital or grants or concessions provided by the Govt.

(3) The Registrar may issue orders for conversion of a society registered under this Act into a society registered under Telangana State Cooperative Societies Act, if the general body passes a resolution for conversion to Telangana State Cooperative Societies Act, by majority of its members

Provided that the request for conversion shall be submitted to the Registrar within 30 days of passing of the resolution by the General Body.

(4) The society continues to be functioning under this Act till certificate of registration issued by the Registrar to the society under the Telangana State cooperative Societies Act.

8. after section 5, the following shall be inserted, namely:-

5A. Renewal of Registration –Every society issued a certificate of registration U/s. 8 of this act shall be renewed for every 5 years. The Renewal by Registrar is subject to the satisfaction of the Registrar that :

1. The Society updated its accounts and got them audited as per the provisions of this Act.
2. The society conducted Elections as per the provisions of this Act.
3. The society not violated any provisions of Act, Rules, Byelaws
4. All members underwent member education programme and certified as such by the Telangana State Cooperative Union.

Provided that if the Society fails to renewal the registration under this Section, the Registrar may initiate necessary action for compliance. In case of non compliance, Registrar may cancel the certificate of registration issued U/s. 8 of this act and initiate winding proceedings U/s. 64(2) of this Act.

9. in Section (9), for sub-section (1), the following shall be substituted, namely:-

(1) Rules and Bye-laws: Except on such specific matters for which this Act has provided, the functioning of every Cooperative Society shall be regulated by Rules framed by Government and its bye-laws. Subject to the provisions of this Act and Rules, the bye-laws of every Cooperative Society shall have regard to the Cooperative principles in its functioning.

10. in Section (14), for sub-section (2), the following shall be substituted, namely:-

“(2) A Cooperative Society may mobilize funds in the shape of deposits, debentures, loans and other contributions from members and institutions other than Govt., to such extent and under such conditions as may be permissible under the bye-laws. The Cooperative Society shall not accept any deposits from any individuals other than members”.

11. for section 15, the following shall be substituted, namely:-

“Investment of funds outside the business: - A Cooperative Society may invest or deposit its funds in any non-speculative manner outside its business in post offices, Nationalised Banks, Scheduled Commercial Bank only”.

12. (1) in Section 19, for sub-section (2), the following shall be substituted, namely:-

(2) Admission of members and removal from membership shall be made, in accordance with the procedure specified in the bye-laws only by the General Body.

Provided that no member shall be expelled under this section (2) unless,

- (a) member caused loss of finances to the society.
- (b) member is involved in impersonation, forgery or any other Criminal Activity against the society.
- (c) Given an opportunity of making his/her representation to the Managing Committee, before removal of membership.

Provided further that a copy of resolution expelling the member shall be communicated to the member within 30 days under intimation to the Registrar.

(2) after sub section (3) and the provisos there under, the following shall be added, namely:-

(4) A member shall be disqualified from voting if he / she fails to attend two consecutive Annual General Body meetings without leave of absence and if he/she fails to utilize minimum level of services or/and participate in the business of the society at a minimum level as may be prescribed in the Bye-laws.

Provided that a reasonable opportunity shall be provided to the member before disqualifying him from membership.

13. (1) in section 21, for sub-section (1), the following shall be substituted, namely:-

(1) There shall be a Board of Directors for every cooperative society with such number and composition as prescribed or as specified in the bye-laws but which shall not exceed 21. The Board of Directors are elected by the General Body of the Society in accordance with the provisions under section 23 of this Act. The Board of Directors is entrusted with the management of affairs of cooperative society in accordance with provisions of Act, Rules and Bye-Laws of the society.

Provided that there shall be reservation of one seat for Scheduled Castes or Scheduled Tribes and two seats for Women on Board of the Co-operative Society consisting of individual as members and having members from such class or category of persons :

In addition to the number specified above, the Board of the society may co-opt, not more than two persons, as the functional directors of the Board, out of which one shall have experience in the field of banking or management or finance and the other shall have specialization in any other field relating to the objects and activities undertaken by the Co-operative Society.

Provided that the functional directors as prescribed in the bye-laws shall not have the right to vote in any election of the Co-operative Society in their capacity and are not eligible to be elected as office bearers of the Board. Co-operative Society shall also be the members of the Board and such members shall be excluded for the purpose of counting the total number of the Directors as specified above.

(2) for sub-section (2), the following shall be substituted, namely:-

(2) The term of office of elected members of the Board and its Office-bearers shall be five years from the date of election and the term of office-bearers shall be co terminus with the term of Board.

Provided that the Board may fill casual vacancy by nomination out of the same class of members in respect of which the shortfall/ casual vacancy has arisen, if the term of office of the Board is less than half of its original term.

Provided no member who has lost in the current election shall be eligible for filling the casual vacancy that has arisen during the current term of the Board.

(3) sub-section (3) shall be omitted.

(4) for sub-section (6), the following shall be substituted, namely:-

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

(a) They did not submit proposals to State Co-operative Election Authority for conduct of elections within the time specified in the bye-laws and before the expiry of the term ;

Provided that the order, disqualifying the Directors of the Board shall be issued by the Registrar.

14. in Section 22, for sub-section (1), the following shall be substituted, namely:-

22. Powers and functions of the Board of Directors: - (1)The Board shall, subject to the provisions of the Act, rules, bye laws and resolutions of the General Body, exercise the following powers and discharge the following functions, namely:-

(a) admit the members

(b) allot shares to the members and transfer of shares;

(c) recommend to General Body for removal of the members

(d) recommend removal of any of the committee members disqualified under the provisions of this act and reinstatement of a Committee member who ceased to be such member of the committee

(e) placing the reports before the General Body

(f) raise funds in the form of loans or deposits and invest them;

(g) provide services or facilities including sanction of loans and advances to the members on a specific recommendation of the chief executive officer on the basis of the date of admission of such members.

(h) sanction expenditure which is necessary for the business of the society subject to the provisions of annual budget.

- (i) conduct elections in the manner specified in the bye laws to the office of the members of the committee before the expiry of the term;
- (j) conduct general meetings as prescribed in the Act;
- (k) cause the audit of the accounts of the society within the time prescribed and place the audit report before the General Body;
- (l) decide on matters concerning day o day management of the society;
- (m) fix the staffing pattern, qualifications, pay scales and other allowances to the employees of the society, subject to the availability of the administrative and contingent fund and approval of the General body and Registrar;
- (n) place the reports of inquiry conducted under Section 29 or special audit report conducted under Section 28 before the General Body within the time prescribed;
- (o) rectify the defects noted in the reports of audit conducted under Section 27 or inquiry conducted under Section 29
- (p) suspension of any officer or servant of the society,
- (q) initiate action for prosecution of any person who may have incurred criminal liability under the provisions of this Act or any other law for the time being in force;
- (r) prepare the list of defaulters and publish the same as prescribed and place before the General Body;
- (s) review all outstanding loans and ensure covert of legal action on all overdue loans and advances;
- (t) give information on the affairs of the society to the supervisory council, the Registrar, financing bank and the federal society to which the society is affiliated;
- (u) place the report on the loans sanctioned to and the business done by the members of the committee or their near relatives with the society, defaulters thereof and action to recover them before the General Body;
- (v) place annual report, annual financial statement, annual plan and budget before the General Body;
- (w) ensure cooperative education of the members, officers and the servants of the society and ensure payment of cooperative education fund U/s. 22(A);
- (x) prepare and place before the general body, information or reports or statements relating to:
 - (i) Disposal of properties;
 - (ii) Deficits in cash or stocks;
 - (iii) Proposals for appropriation of net profits including creation of reserves and other funds;
 - (iv) Write off bad debts;
 - (v) Removal of membership;

- (vi) Contribution to cooperative education fund and administrative and contingent fund;
- (vii) Expulsion of member who has acted adversely to the interests of the society;
- (viii) Affiliation of the society to the financial bank or other societies;
- (ix) Elections of deluges to the financing bank or other societies;
- (x) Appointment of supervisory council and internal auditors and consideration of their reports and follow up action.

15. after section 22, the following shall be inserted, namely:-

22A. The provisions of Telangana Cooperative Societies Act under sections 44-A & 45 and Rule 36-A shall mutatis mutandis apply to all Cooperative Societies registered under this Act.

16. for section 23, the following shall be substituted, namely:-

23. Elections :- (1) Notwithstanding anything contained in this Act, Rules and Bye-laws of the society, the State Cooperative Election Authority constituted under the provisions of Telangana Cooperative Societies Act, shall be vested with the authority for superintendence, direction and control of the preparation of electoral rolls and conduct of all elections to the Board of Directors.

Provided that Rule 22 of Telangana Cooperative Societies Rules, shall mutatis mutandis apply to the extent it is not inconsistent with this Act for all types of Cooperative Societies registered under this Act.

Provided further that, the State Co-operative Election Authority referred to under sub-section (1) above may issue guidelines otherwise laying down the procedure for conduct of elections from time to time.

(2) The Registrar of Cooperative Societies shall deploy the supporting staff to the State Cooperative Election Authority as may be prescribed, to assist the Authority in conduct of Elections.

(3) Provided further that the election of a Board shall be conducted before the expiry of the term of the Board so as to ensure that the newly elected members of the Board assume office immediately on the expiry of the term of the outgoing Board.

(4) Registrar shall appoint an Ad-hoc Board immediately after registration of a society under this Act which shall function till the first elected board assumes office or for a period not exceeding 3 months whichever is earlier.

17. after section 23, the following sections shall be inserted, namely:-

23A Supersession of the Board: Notwithstanding anything contained in any law for the time being in force, the Board may be kept under suspension or superseded for a maximum period of six months.

(1) Supersession or suspension of Board and arranging for interim management of the society shall be done on the following grounds :

(a) Of its persistent default; or

- (b) Of negligence in the performance of its duties; or
 - (c) The board has committed any act prejudicial to the interests of the co-operative society or its members; or
 - (d) There is stalemate in the constitution or functions of the board; or
 - (e) The State Co-operative Election Authority as provided, under this Act has failed to conduct elections in accordance with the provisions of the Act:
 - (f) Society failed to comply with the instructions issued by the Registrar under Section 31 of this Act.
 - (g) The Society failed to comply with the instructions issued by the Registrar under Section 34 of this Act.
- (2) The Registrar may after giving the Board reasonable opportunity, by order, supersede or suspend the Board from a specified date and appoint the official Administrator(s) to manage the affairs of the society for a period not exceeding six months. In case of Cooperative Societies carrying on the business of banking, the provisions of Banking Regulation Act, 1949 shall also apply.
- (3) In case of a Co-operative society, other than a multi-state Co-operative Society, carrying on the business of banking, the period of supersession/ suspension shall be for a maximum period of one year.

23-B Appointment of Administrator: (1) “In case of Supersession/ suspension of a Board, the Registrar may appoint the official Administrator(s) to manage the affairs of such Co-operative society. Such Administrator(s) shall arrange for conduct of elections by the State Coop. Election Authority within the period specified in section 23-A and hand over the management to the elected board.

The State Co-operative Election Authority may at any time, and shall before the expiration of the period of appointment of Administrator(s) so appointed, arrange for conduct of elections to the society. The Administrator(s) so appointed shall cease to manage the affairs of the society on the day the new elected committee assumes office.

23-C The conditions of service of the Administrator(s):

- a) The Administrator(s) so appointed by the Registrar shall be subject to the general control of the Registrar and subject to directions as issued from time to time, and have power to exercise all or any of the functions of the Board or of any officer of the Society. Provided that no crucial policy decisions can be taken by the Administrator(s).
- b) The Registrar may fix the remuneration payable to the Administrator(s). The amount of remuneration so fixed and such other expenditure incidental to the management of the society during the period of the Supersession/ suspension as may be approved by the Registrar shall be payable from the funds of the Society.
- c) The Administrator(s) shall arrange for conduct of elections before the expiry of the term specified under section 23-A and handover the management to the elected Board.

18. in section 24, for sub-section (1), the following shall be substituted, namely:-

(1)The byelaws of the Cooperative Society shall specify the frequency and the manner in which Board and General Body meetings shall be held.

Provided that the Board shall meet at least once in every three months and the gap between two consecutive meetings of Annual General Body meeting shall not exceed six months in every financial year.

19. for section 27, the following shall be substituted, namely :-

27. Audit and Accounts

All the provisions under section 50 of Telangana Cooperative Societies Act and Rules, thereon shall mutatis mutandis apply to all Co-operative societies under this Act for the purpose of the maintenance of accounts and audit.

20. (1) in section 29, for sub-section (3), the following shall be substituted, namely:-

(3) The inquiry shall be completed within a period of four months from the date of receipt of orders.

Provided that the Registrar may extend the period of inquiry further period of one month while recording the reasons thereof in writing.

(2) sub-section (4) shall be omitted.

(3) for sub-section (5), the following shall be substituted, namely:-

(5) The Registrar shall, within a period of thirty days from the date of the completion of the inquiry communicate the report of the inquiry or the reasons for the non-completion of the inquiry, as the case may be.

(a) To the cooperative society concerned;

(b) To the applicant federation, if any;

(c) To the applicant creditor, if any;

(d) To the person designated by the applicant – directors, if any;

(e) To the person designated by the applicant – members, if any;

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

(g) To the cooperative Tribunal where necessary.

21. in section 30, for sub-section (3), the following shall be substituted, namely:-

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

Provided that, in case of non compliance, the Registrar may order for seizure of records, documents etc., required for the purpose.

22. after section 30, the following shall be inserted, namely:-

30A 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 authorized 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.

(3) The service of summons under the Act, on any person may be effected in any of the following ways:

- (a) by giving or tendering it to such person; or
- (b) If such person is not found, by leaving it at his last known place of abode or business or by giving or tendering it to some adult member of his family; or
- (c) If the address of such person is known to the Registrar or other authorized person by sending it to him by registered post; or
- (d) if none of the means aforesaid is available by affixing it in some conspicuous part of his last known place of abode or business.

(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 the person to whom the copy is so delivered or tendered to an acknowledgment of service endorsed on the original summons.

(5) The serving officer shall in all cases in which the summons have been served, 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.

- (a) 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 acknowledgment 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.

23. for section 31, the following shall be substituted, namely:-

31. Action on Special Audit or Inquiry Report :- On communication of a special audit report under Section 28 or an inquiry report under section 29, the Registrar should examine the report and if satisfied on the findings of the report without prejudice to any civil or criminal proceedings to which the Board of Director may be liable:-

- (a) direct the Board to convene a General Body Meeting within such reasonable time as he may specify, to enable him to bring to the

notice of the General Body, either directly or through his nominee, the findings of the special audit or inquiry report, for necessary action.

If the society fails to convene General Body within one month it is deemed that the General Body has accepted the findings of the Special Audit or Inquiry Report.

(b) Notwithstanding the action taken by the General Body under this section, the Registrar may initiate necessary action on the findings of Special Audit Report / Inquiry Report.

24. for section 34, the following shall be substituted, namely:-

34. Filing of returns:

(1) Every Cooperative society within six months of the close of every financial year, shall file returns with the Registrar including the following matters, namely:-

- a) Annual report of its activities;
 - b) Annual audited statement of accounts with auditor's reports ;
 - c) List of members as at the close of the year;
 - d) Plan for surplus disposal or plan for meeting the deficit as the case may be as provided under section 16 and 17 of this Act ;
 - e) List of names of Directors, their addresses and their terms of Office;
 - f) Compliance reports relating to audit, Special Audit and Inquiry, if any;
 - g) List of amendments to the bye-laws of the co-operative society, if any;
 - h) Declaration regarding date of holding of its general body meeting and conduct of elections when due; and
- Any other information required by the Registrar in pursuance of any of the provisions of the State Act.

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

(2) In case of non compliance of the society for filing of returns under sub-section (1), the Registrar may issue directions to the Society specifying the action to be taken. The directions issued by the Registrar under this section are binding on the society.

25. for section 36, the following shall be substituted, namely:-

36. Execution of decisions, decrees and orders :- In regard to execution of decisions, decrees and orders, all the provisions of Chapter -X of the Andhra Pradesh Cooperative Societies Act, 1964 shall *mutatis mutandis* apply to Cooperative Societies registered under this Act.

26. for section 37, the following shall be substituted, namely:-

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

- (a) among members, past members or a person's claiming through members, past members and deceased members; or
- (b) between a members, past member or a person claiming through a member, past member or deceased member and the Cooperative Society, its Board, Director, office -bearer or liquidator, past or present: or

- (c) between the Cooperative Society or its Board and any past Board, Director, office bearer, or the Nominee, Heirs, or Legal Representatives of any deceased Director, deceased officer, of the Cooperative Society ; or
- (d) between the Cooperative Society and any other Cooperative Society ; or
- (e) between the promoters of a Cooperative Society and the Registrar, or a Cooperative Society and the Registrar; or
- (f) between a Cooperative Society and liquidator of another Cooperative Society, or between the liquidators of two or more Cooperative Societies:

Such disputes may be referred to the Registrar for decision. An appeal on the decision of the Registrar vests with the Cooperative Tribunal.

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

27. (1) In section 40, for sub-section (1), the following shall be substituted, namely:-

40. Dissolution by Registrar: - (1) The Registrar or any person authorized by him may, after giving the Cooperative Society ninety days notice may issue an order dissolving the Cooperative Society, where he has reasonable cause to believe that the Cooperative Society has no right to be or to continue to be recognized as a Cooperative Society.

(2) sub-section (2), sub-section (3) and sub-section (4) shall be omitted.

28. (1) In section 41, for sub-section (1), the following shall be substituted, namely:-

(1) Where a Cooperative Society is to be dissolved and no liquidator is appointed by the General Body the Registrar may

(2) for clause (a) of sub-section (1), the following shall be substituted, namely:-

(a) appoint any person under his control as a liquidator to wind up the affairs of the cooperative society; or

(3) for sub-section (2), the following shall be substituted, namely:-

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

29. in section 42, for clause (e), the following shall be substituted, namely:-

(e) Open and maintain Bank account for the moneys of the Cooperative Society.

30. (1) In section 43, clause (a) shall be omitted.

(2) for sub-section (2), the following shall be substituted, namely:-

(2) Where a liquidator has reason to believe that any person has in his possession or under his control or has concealed, withheld or misappropriated any property of the cooperative society, he may apply to the Cooperative Tribunal for an order requiring that person to appear

before the Court at the time and place designated in the order and to be examined.

(3) for sub-section (3), the following shall be substituted, namely:-

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

31. in section 44, for sub-section (5), the following shall be substituted, namely:-

(5) The Cooperative Society ceases to exist on the date shown in the certificate of dissolution which shall not be later than three years after the appointment of the liquidator which is extendable for further period of two years by the registrar with reasons recorded thereof.

[BY ORDER AND IN THE NAME OF THE GOVERNOR OF TELANGANA]

**C. PARTHA SARATHI,
APC & SECRETARY TO GOVERNMENT**

To

The Commissioner, Printing, Stationary and Stores,
Chanchalguda, Hyderabad.

(With a request to supply 100 copies of the notification)

The Commissioner and RCS, Telangana State, Hyderabad.

All the District Collectors through RCS., TS., Hyderabad.

All the Sections of A&C Department.

Copy to:

The Law (C) Department.

The Chief Commissioner of Land Administration,
Telangana, Hyderabad.

SF/SC.

// FORWARDED : BY ORDER //

SECTION OFFICER