

# **Andhra Pradesh Co-Operative Sugar Factories And Co-Operative Spinning Mills (Special Provisions) Rules, 1997**

ANDHRA PRADESH

India

## **Andhra Pradesh Co-Operative Sugar Factories And Co-Operative Spinning Mills (Special Provisions) Rules, 1997**

### **Rule**

### **ANDHRA-PRADESH-CO-OPERATIVE-SUGAR-FACTORIES-AND-CO-O of 1997**

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Andhra Pradesh Co-Operative Sugar Factories And Co-Operative Spinning Mills (Special Provisions) Rules, 1997Published vide G.O.Ms.No. 30,Agriculture & Co-Operative (Co-Operative 4), dated 27-1-1997. Published in the Andhra Pradesh Gazette No. 2 dated 30-1-1997.In exercise of the powers conferred by sub-sections (1) and (2) of Section 12-A of the Andhra Pradesh Co-operative Societies Act, 1964 (Andhra Pradesh Act No. 7 of 1964), the Governor of Andhra Pradesh hereby makes the following rules, for the Andhra Pradesh Co-operative Sugar Factories and Co-operative Spinning Mills.

### **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 date of exercise of power under Section 12A of the Act.] [Substituted by G.O.Ms.No. 442, Agri. & Co-Operative (Co-Operative IV), dated 20-11-2002.](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 administrative control of Public Enterprises.] [Added by G.O.Ms.No. 7, Ag. & Co-Operative, dated 6-1-2000.](e)"Act" means, the Andhra Pradesh Co-operative Societies Act, 1964 (Act 7 of 1964).

### **3. Transfer of [assets or its assets and liabilities, in whole or part] [Substituted for 'Assets and Liabilities'by G.O.Ms. No. 134, Ag & Co-Operative, dated 9.5.2001. ]**

: - 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, in whole or part] of the Co-operative Sugar Factory or Co-operative Spinning Mill.

### **4. Scheme for Transfer of [assets or its assets and liabilities, in whole or part] [Substituted for 'Assets and Liabilities' by G.O.Ms. No. 134, Ag. & Co-Operative, dated 9.5.2001.]**

: - The scheme shall specify in particular the manner in which the [assets or its assets and liabilities, in whole or part] [Substituted for 'Assets and Liabilities' by G.O.Ms. No. 134, Ag. & Co-Operative, dated 9.5.2001.] of the society proposed to be transferred is to be dealt with and the terms and conditions of the transfer of [assets or its assets and liabilities, in whole or part] [Substituted for 'Assets and Liabilities' by G.O.Ms. No. 134, Ag. & Co-Operative, dated 9.5.2001.].

### **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, in whole or part] [Substituted for 'Assets and Liabilities' by G.O.Ms. No. 134, Ag. & Co-Operative, dated 9.5.2001.] of the societies;(b)assessing the value of the [assets or its assets and liabilities, in whole or part] [Substituted for 'Assets and Liabilities' by G.O.Ms. No. 134, Ag. & Co-Operative, dated 9.5.2001.] 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, in whole or part] [Substituted for 'Assets and Liabilities' by G.O.Ms. No. 134, Ag & Co-Operative, dated 9.5.2001. ] 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, in whole or part] [Substituted for 'Assets and Liabilities' by G.O.Ms. No. 134, Ag. & Co-Operative, dated 9.5.2001.] 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 banks 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, in whole or part] [Substituted for 'Assets and Liabilities' by G.O.Ms. No. 134, Ag. & Co-Operative, dated 9.5.2001.] 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-I.

## **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, in whole or part] [Substituted for 'Assets and Liabilities' by G.O.Ms. No. 134, Ag & Co-Operative, dated 9.5.2001]**

: - 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, in whole or part] [Substituted for 'Assets and Liabilities' by G.O.Ms. No. 134, Ag. & Co-Operative, dated 9.5.2001.] of the society is necessary, he shall pass orders directing the society to transfer its '[assets or its assets and liabilities, in whole or part] 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, in whole

or part] [Substituted for 'Assets and Liabilities' by G.O.Ms. No. 134, Ag. & Co-Operative, dated 9.5.2001.] 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 their 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, in whole or part] [Substituted for 'Assets and Liabilities' by G.O.Ms. No. 134, Ag & Co-Operative, dated 9.5.2001]

: - 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, in whole or part] [Substituted for 'Assets and Liabilities' by G.O.Ms. No. 134, Ag & Co-Operative, dated 9.5.2001] is necessary, he shall pass orders directing the society to transfer its [assets or its assets and liabilities, in whole or part] [Substituted for 'Assets and Liabilities' by G.O.Ms. No. 134, Ag. & Co-Operative, dated 9.5.2001.] 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, in whole or part] [Substituted for 'Assets and Liabilities' by G.O.Ms. No. 134, Ag & Co-Operative, dated 9.5.2001] 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, in whole or part] [Substituted for 'Assets and Liabilities' by G.O.Ms. No. 134, Ag & Co-Operative, dated 9.5.2001] of a society is ordered, the Registrar shall issue orders for the dissolution of such society as per the procedure. Form 1 [Rule 7] Whereas the ..... in which majority of the shares are held by the Government of Andhra Pradesh as on the date of the issue of notice, is considered to have become sick and that there is no possibility to rehabilitate it on the basis of the scheme report enclosed; Whereas, I am satisfied that it is expedient to transfer the [assets or its assets and liabilities, in whole or part] [Substituted for 'Assets and Liabilities' by G.O.Ms. No. 134, Ag & Co-Operative, dated 9.5.2001] of ..... to ..... being either a society or company or firm or body whether incorporated or not; Whereas, I have also consulted the Government of Andhra Pradesh and the Financing Banks ..... to which the society is indebted and took their views on the scheme proposals. Now, therefore, I ..... in exercise of the powers conferred by Clause (a) of sub-section (1) of Section 12-A of the Andhra Pradesh Co-operative Societies (Amendment) Act, 1996 (Andhra Pradesh Act No. 22 of 1996) hereby call upon you ..... to explain within a period of 15 days of the receipt of this notice

as to why the [assets or its assets and liabilities, in whole or part] [Substituted for 'Assets and Liabilities' by G.O.Ms. No. 134, Ag & Co-Operative, dated 9.5.2001] of .....shall not be transferred to .....StationDateSignature :Office Seal :Form 2[Rule 10]Whereas the ..... in which majority of the shares are held by the Government of Andhra Pradesh as on the date of the issue of notice in Form No.1 issued to the Committee of your society is considered to have become sick and that there is no possibility to rehabilitate it on the basis of the scheme report enclosed herewith.Whereas I am satisfied that it is expedient to transfer the [assets or its assets and liabilities, in whole or part] [Substituted for 'Assets and Liabilities' by G.O.Ms. No. 134, Ag & Co-Operative, dated 9.5.2001 ] of ..... to ..... being either a society or a company or a firm or a body whether incorporated or not;Whether, I have consulted the Government of Andhra Pradesh and the Financing Banks to which your society is indebted by communicating the scheme report and took their views in the matter and also issued a notice to the Committee of your society calling upon it to explain within 15 days of receipt of notice in Form 1, why the [assets or its assets and liabilities, in whole or part] [Substituted for 'Assets and Liabilities' by G.O.Ms. No. 134, Ag & Co-Operative, dated 9.5.2001 ] of the society should not be transferred to .....and no reply has been received from the Committee of your society within the time prescribed above;Now, therefore I ..... in exercise of the powers conferred by Clause (b) of sub-section (1) of Section 12-A of the Andhra Pradesh Co-operative Societies (Amendment) Act, 1996 (Andhra Pradesh Act No. 22 of 1996) hereby call upon you .....being the General Body member/member of the Committee/ the Creditor to explain through a representation why the [assets or its assets and liabilities, in whole or part] [Substituted for 'Assets and Liabilities' by G.O.Ms. No. 134, Ag. & Co-Operative, dated 9.5.2001.] of the society should not be transferred to .....Your reply/examination shall be submitted to me within a period of 15 days of the receipt of the notice failing which action will be taken for transfer of the [assets or its assets and liabilities, in whole or part] [Substituted for 'Assets and Liabilities' by G.O.Ms. No. 134, Ag. & Co-Operative, dated 9.5.2001.] of the society as stated above and in the scheme report which is enclosed.Station:Date:Signature:Office Seal: