

DegreeLive

B.Com Honours

Semester V

Calicut University

LEGAL ENVIRONMENT FOR CO- OPERATIVES

Course Code: COM5EJ306 • Module 2 Notes

Module II: Registration, Governance, & Dissolution of Cooperatives

Covers society registration formalities, bye-law amendments, membership criteria, election procedures, dispute arbitration (Sec 69 KCS Act), general body meetings, and liquidation.

Unit 6: Registration Formalities & Bye-Laws Amendment

Minimum 10 individual members from different families. Submission of registration application, model bye-laws, and initial share capital deposit to Registrar. Amendment of bye-laws requires 2/3rd majority at General Body.

Unit 7: Membership Criteria – Nominal & Associate Members

Qualifications: Major of sound mind residing in area of operation. Nominal/Associate members have no voting rights or share in dividend. Disqualifications: Undischarged insolvent, conviction for moral turpitude.

Unit 8: Election, Inquiry (Sec 65), Inspection (Sec 66), & Disputes (Sec 69)

- 1. Election:** Conducted by State Cooperative Election Commission.
- 2. Inquiry & Inspection:** Registrar orders inquiry under Sec 65 or inspection under Sec 66 on member application.
- 3. Dispute Settlement (Sec 69 KCS Act):** Disputes touch business of society referred to Co-operative Arbitration Court / Registrar (Civil Court jurisdiction barred).

Unit 9: Liquidation & Winding Up Formalities

Cancellation of registration under Sec 71 KCS Act. Appointment of Liquidator under Sec 72 to realize assets, pay off liabilities, and distribute remaining surplus.

Unit 10: Governance Meetings & Shareholding Limits

Annual General Body Meeting (AGM) mandatory within 6 months of financial year end. Board meetings, quorum rules, minutes recording, and restriction on individual shareholding (max 1/5th of total capital or Rs. 1 Lakh).

Unit 11: Statutory Privileges of Cooperatives

Exemption from compulsory registration of instruments, exemption from stamp duty & income tax under Sec 80P, first charge on member crops/assets for outstanding loans.

Practical Case Framework (Sec 69 KCS Act Dispute Settlement vs Civil Court Jurisdiction Matrix): Map cooperative dispute categories, arbitration procedures, and judicial immunity.

Sec 69 KCS Act Cooperative Arbitration & Dispute Settlement Matrix:

Dispute Dimension	Cooperative Arbitration Mechanism (Sec 69 KCS Act)
Jurisdiction Scope	Disputes touching the business, management, or election of a society
Eligible Disputants	Between Members, Past Members, Board Members, & the Society
Adjudicating Forum	Cooperative Arbitration Court / Arbitrator appointed by Registrar
Bar of Civil Court	Civil Courts strictly barred from entertaining cooperative disputes
Appellate Remedy	Appeal lies before the Kerala Co-operative Tribunal (Sec 82)

DegreeLive

Acing your exams is just a click away!

Visit www.degreeelive.in to download the next module for free.

DegreeLive