



B.Com Honours

Semester V

Calicut University

LEGAL ENVIRONMENT FOR CO-OPERATIVES

Course Code: COM5EJ306 • Module 3 Notes

Module III: Administrative Setup of Cooperative Department in Kerala

Covers the organizational hierarchy of the Department of Cooperation in Kerala, statutory delegation of powers, state financial assistance, and the policy of de-officialization.

Unit 12: Delegation of Powers & Departmental Hierarchy in Kerala

Registrar of Cooperative Societies (RCS) is the statutory authority under KCS Act 1969. Administrative Hierarchy: Minister for Cooperation → Secretary to Govt (Cooperation) → Registrar (RCS) → Additional Registrars → Joint Registrars (District Level) → Deputy Registrars → Assistant Registrars (Circle Level) → Senior Inspectors / Auditors.

Delegation under Sec 3 of KCS Act empowers Joint Registrars to exercise powers of Registrar regarding dispute arbitration, inquiry under Sec 65, inspection under Sec 66, and board supersession under Sec 32.

Unit 13: Role of State in Cooperative Movement Development

State partnership via share capital contribution, subsidies, loan guarantees, statutory audit (Director of Cooperative Audit under Sec 63), and regulatory supervision under KCS Act. State assistance must preserve democratic autonomy without converting cooperatives into government departments.

Statutory Audit Framework: Annual audit conducted by Director of Cooperative Audit independent of administrative RCS control, classifying societies into Audit Classification Grades (A, B, C, D).

Unit 14: De-officialization & Reconstruction of Administration

Reducing bureaucratic interference, eliminating nominated government administrators, and restoring democratic member control (Mirdha Committee Recommendations). Restructuring administration towards professional advisory, digital audit monitoring, and self-regulatory federation networks.

Practical Case Framework 1 (Kerala Cooperative Department Hierarchy Matrix): Detail administrative designations, jurisdiction tiers, and statutory powers delegated under KCS Act 1969.

Cooperative Department Administration Hierarchy Table:

Departmental Officer Title	Administrative Jurisdiction Level	Delegated Statutory Powers under KCS Act
Registrar of Co-op Societies (RCS)	State-wide Apex Level	Final registration, supersession, & liquidation authority
Joint Registrar (General / Audit)	District Level (Revenue District)	Dispute arbitration, inquiry orders (Sec 65), & election oversight
Assistant Registrar (General)	Circle Level (Taluk)	Registration of primary societies & day-to-day supervision
Cooperative Senior Inspector / Auditor	Field / Society Level	Statutory annual financial audit & inspection (Sec 66)

Practical Case Framework 2 (Statutory State Financial Assistance & Audit Matrix): Detail forms of state aid and statutory audit obligations under KCS Act 1969.

State Assistance & Statutory Audit Matrix:

State Support Instrument	Statutory Basis (KCS Act)	Administrative & Regulatory Safeguard
State Share Capital Contribution	Sec 43 KCS Act 1969	Government representation on Board restricted to max 3 directors
Statutory Annual Audit	Sec 63 KCS Act 1969	Independent audit by Director of Co-op Audit within 9 months
Debenture Guarantees	Sec 46 KCS Act 1969	State guarantee for principal & interest on CARD Bank debentures

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