

GOVERNMENT OF KERALA

Abstract

Co-operation Department – Regulation to the kerala co-operative Deposit Guarantee Scheme approved-Orders issued

CO-OPERATION (A) DEPARTMENT
G.O.(Rt)No.575/2018/Co-op Dated, Thiruvananthapuram

Read G.O (P) 116/2018/Co-op dated 22.09.2018

ORDER

Government are pleased to approve the regulations of kerala Co-operative Deposit Guarantee Scheme as appended to this order for the publication by the board

(By order of the Governor)

P.S.RAJESH
ADDITIONAL SECRETARY

(1) Short title and commencement,-(1) These regulations may be called The Deposit Guarantee Fund Board (Registration of societies as guaranteed Societies) Regulations, 2018.

(2) It shall come into force at once

2. *Definitions.* 1) In these Regulations unless the context otherwise requires ;

(a) “Act” means the Kerala co-operative Societies Act, 1969 (21 of 1969);

(b) “Board” means the Kerala Co-operative Deposit Guarantee Fund Board constituted under the Kerala Co-operative Deposit Guarantee Scheme, 2018;

(c) “Guaranteed Deposit” means the deposit or any portion thereof the repayment where of is guaranteed by the board under the provisions of this scheme;

(d) “Guaranteed Society” means a Co-operative Society registered under the Kerala Co-operative Societies Act and joined Scheme of Deposit Guarantee.

(e) “Scheme” means the Kerala Co-operative Deposit Guarantee Scheme, 2018 issued under section 57 B of the Kerala Co-operative Societies Act, 1969 (21 of 1969)

3. Registration Of Co-operative Societies As Deposit Guaranteed Societies .

(1) The Board shall register every existing co-operative societies specified in clause 2 (k) as a Guaranteed society with in twelve months from the date of commencement of the scheme.

2) The Board shall register every new society as a Deposit Guaranteed Society as soon a may be after it is granted a Registration under sec.7 of the Kerala Co-operative societies Act, 1969 with recommendation of the Registrar of Co-operative Societies and it is included in the notified list.

3) Every Co-operative Society, being a defunct society at the commencement of this scheme may be registered as a guaranteed society as soon as may be after the rejection of its application for liquidation/winding up.

4) i) After the Board registers a Co-operative Society as a Deposit Guaranteed Society, within 30 days of the society’s registration, it shall send an intimation to the society that it has been registered as a deposit guaranteed society.

ii) apart from informing the registration number the letter of intimation shall contain details about the requirements to be observed by the society, rate of contribution payable to the Board, the manner in which the contribution is to be paid by the society and the returns to be furnished to the Board. The society has to submit its first return and remit the amount of contribution within three months from the date of receipt of the letter.

(4) Cancellation of registration – (1) The registration of a co-operative society as deposit guaranteed society shall stand cancelled on the occurrence of any of the following events.

- a) If it has been prohibited by the Registrar from receiving fresh deposits.
- b) If it has been informed by notice by the Registrar that its registration has been cancelled under section 15 and section 74 of the Act.
- c) If the society has been ordered to be wound up.

- d) If a liquidator has been appointed for the winding up of its affairs.
- e) If it has been amalgamated with any others society.

(2) Every Deposit Guaranteed society shall so long as it continues to be registered, shall be liable to pay contribution to the Fund on its deposits at such rates, as may with the previous approval of the Government, be decided by the Board from time to time;

Provided that where the registration of any Deposit Guaranteed and Depositors insured Co-operative society is cancelled by the Board such cancellation shall not effect the liability of the society for payment of contribution for the period before such cancellation

(3) If a Deposit Guaranteed Co-operative Society makes any default in payment of any contribution, it shall for the period of such default be liable to pay to the Fund interest on such amount at such rates not exceeding twelve percent.

(4) The Board may cancel the registration of a society if it fails to pay the contribution for three consecutive years.

Provided that no such registration shall be cancelled except for giving to the concerned society one month's notice in writing calling upon the society to pay the amount in default.

(5) The Board may restore the registration of a society whose registration has been cancelled under sub Para 4 of Para 4, if the society concerned requests the Board to restore the registration and pays all the amount due by way of contribution from the date of default till the date of payment together with 12 percent interest due thereon on the date of payment.

(5) Settlement of claims

(1) Where an order for winding up or liquidation of a Deposit Guaranteed Co-operative Society is made, the Board shall subject to the provisions of this scheme be liable to pay to every depositor of that Society an amount equal to the amount due to him in respect of this deposit in that society at the time when such order is made subject to a maximum of rupees two lakhs.

Provided that the liability of the Board in respect of a guaranteed society shall be limited to deposit as on the date of the cancellation of the registration of the society.

(2) For the purpose of this section the amount of deposit shall be determined after deducting there from any ascertained sum of money which the guaranteed society may be legally entitled to claim by way of set-off against the depositor in the same capacity and in the same right.

(3) where a guaranteed society has been ordered to be wound up or to be taken in to liquidation and a liquidator has been appointed in respect there of, the liquidator shall with the least possible delay, furnish to the Board, showing separately the deposits in respect of each depositors and the amounts of set off referred to in subparagraph (2) of paragraph (5)

(4) Before the expiry of three months from the receipt of such list from the liquidator, the Board shall pay the amount payable under sub paragraph (2) of paragraph 5 in respect of the deposit of a depositor directly to the depositor or to the liquidator, the liquidator shall pay or cause to be paid that amount to the depositor. Any expense incurred by the liquidator in making such payment shall be treated as expenses incurred in the winding up of the guaranteed society.

(5) Where any depositor to whom any payment is to be made in accordance with sub paragraph(3) cannot be found or is not readily traceable, adequate provisions shall be made by the Board for such payment and the amount of such provision shall be accounted for separately in its books.

(6) Where any amount has been paid or any provision thereof has been made by the Board it shall furnish to the liquidator or to the guaranteed society information as regards the amount so paid or provided for.

(7) In respect of information under sub paragraph 6 above, the liquidator shall within such time and in such manner as may be prescribed, repay to the Board out of the amount, if any payable by him in respect of any deposit, such sum or sums as make up the amount paid or provided for by the Board in respect of that deposit.

(6). Deposit Guarantee Annual Return (DGDI Return).-(1) All Deposit Guaranteed co-operative societies should submit data strictly in the prescribed format in Annexure A on or before the due dates viz, last working day of June.

(2) Failure to submit deposit guarantee return on or before the due date shall attract penalty.

NOTE REGARDING ON RETURN

1. Deposit Guarantee Fund Return is the prescribed form for reporting the deposit base of co-operative societies on which the contribution payable by a society for a particular year.

a) Periodicity and timing of submission

For the Year..... Last date for submission

April to March Last working Day of June

If the last working day is declared to be holiday the proceeding working day is treated as last working day.

b) Penalty for willful falsification of material statements in Return.

The chief Executive Officer of the society who is authorized for submission of the Return shall be punishable with fine up to Rs. 5000 as provided under section 94(4) of the Kerala co-operative Societies Act.

c) Penalty for failure in timely submission of the Return.

If the Deposit Guaranteed society fails to furnish Deposit guarantee fund Return within the above prescribed time limit it shall be punishable with fine up to 2000 and additional fine up to Rs. 50 per day during which the failure continues.

d) Penal Interest for delay in paying annual contribution.

Failure to pay the contribution within the above prescribed time limit will attract penal interest at the rate of 12 percent per annum on the default amount for the default period.

2. Filling up the form

a) The name and address of the society is to be written as registered with the Board. Any change in the name and address of the society should be brought to the notice of the Board.

If the society has paid the date of contribution payment is after the prescribed date, write the actual date of payment of the contribution so that penal interest on delayed payment can be calculated Accurately.

NOTE

Item No.1

(i) The society has to state the total deposit as at the close of business on the working day of the just proceeding years as it appears in the audited or unaudited balance sheet as on the date. Societies reporting unaudited deposit figure in the return must subsequently submit revised return with audited figures only if the deposit or any relevant component there of as reported in the original return has undergone change.

(ii) Assessable deposit figures should be rounded off to the nearest thousand of rupees, For eg The deposits of 415700 to 4157499 should be shown as 4157000 and the deposits of 4157500 to 4157999 should be shown as 4158000

(iii) Deposits of local authorities, self help groups, Kudumbasree units, should be excluded from total deposits.

(iv) Credit balance in cash credit accounts, deposits held as security for advance, employers security deposit, accrued interest on fixed and other term deposits, amount received for credit of deposit account but held in suspense account, amount under Sundry creditors, amount under matured recurring deposits , Daily Deposit Credited to Sundry creditors and surplus credited to “Sundry creditors” Accounts after appropriating loan due from the proceeds of Term deposit are to be included under total deposits.

Item No.2

The total deposit under item No.2 relates to the deposit out standing as on the close of business of the year

Item No. 3

Current contribution payable=Assessable deposit X 0.10/100

Item No.4

In case of delay in payment of contribution the penal interest has to be calculated from the first day of July of the corresponding year till the date of receipt of the Contribution amount at the Board.

7. Supervision and Inspection of Deposit Guaranteed Societies.

The Board is empowered to have free access to the records of a Deposit Guaranteed Co-operative Society. It can also call for copies of such records. On Boards request the Registrar of Co-operative Societies is required to undertake or cause the inspection/investigation of a Guaranteed Co-operative Society.