



# കേരള ഗസറ്റ് KERALA GAZETTE

## അസാധാരണം EXTRAORDINARY

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GOVERNMENT OF KERALA

Co-operation (D) Department

NOTIFICATION

G.O.(P) No.09/2026/Co-Op.

*Dated, Thiruvananthapuram,*

09<sup>th</sup> January, 2026

25<sup>th</sup> Dhanu, 1201.

S. R. O. No. 36/2026

In exercise of the powers conferred by Section 57B of the Kerala Co-operative Societies Act, 1969 (Act 21 of 1969), the Government of Kerala hereby



make the following scheme to amend the Kerala Co-operative Deposit Guarantee Scheme, 2018 issued under G.O.(P)No.116/2018/Co-Op dated 22<sup>nd</sup> September, 2018 and published as S.R.O. No.695/2018 in the Kerala Gazette Extraordinary No. 2518 dated 8<sup>th</sup> October, 2018, namely:-

### SCHEME

1. *Short title and commencement.*- (1) This scheme may be called the Kerala Co-operative Deposit Guarantee (Amendment) Scheme, 2026.

(2) It shall come into force at once.

2. *Amendment of the Scheme.*- In the Kerala Co-operative Deposit Guarantee Scheme, 2018,-

(1) in sub-paragraph (1) of paragraph 2,-

(a) (i) the existing clause “(ea) Assistance” occurred after clause (a) shall be omitted;

(ii) after clause (e), the following clause shall be inserted namely:-

“(ea) “Financial Assistance” means monetary assistance sanctioned as loan to a guaranteed society experiencing liquidity risk to refund deposits to depositors;”.

(b) for clause (c), the following clause shall be substituted, namely:-

“(c) “Contribution” means the sum of money payable by a guaranteed society to the fund at the rate specified in clause (a), (c) and (ca) of sub-paragraph (2) of paragraph 5;”.



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

“3. *Purpose of the scheme.*- The purpose of the scheme is to provide guarantee for the deposits made in societies by its members and for creating confidence among the depositors thereby to attract more deposits and the Board may also, if necessary, provide financial assistance to a Guaranteed Society so as to refund the deposits to depositors in case of a crisis or hardship incurred to a society due to liquidity risk or insufficient cash or such other reasons.”

(3) in sub-paragraph (2) of paragraph 5, the following shall be substituted, namely:-

“(2) The corpus of the fund shall be built up by contribution and unoperated deposit amount, from the societies specified in paragraph 4 of this Scheme, as follows:-

(a) Every society shall make the initial contribution to the fund on the outstanding amount of deposits at the beginning of the financial year in which the scheme comes into force or the Society joins the scheme. The contribution to be made to the fund is at the rate of 0.10% per annum on deposit amount outstanding at the beginning of the financial year in which the scheme comes into force or the year in which the Society joins the scheme, whichever is later.

(b) The initial contribution to the fund payable by the societies shall be remitted either in lump sum or in two annual installments.

(c) Subsequent contributions shall be made on the incremental



amount of deposit outstanding at the end of each financial year at the rate 0.12% per annum.

(ca) The contribution from the depositor for upto Rupees Ten Lakhs as compensation as in Paragraph 9(1(a)) shall be at the rate 0.10% per annum on the deposited amount initially and at the rate 0.12% per annum on the incremental amount of deposit outstanding at the end of each financial year.

(d) The balance of funds, if any, available with the District Co-operative Banks under the scheme provided as per G.O.(P)No.3/2012/Co-Op dated 11<sup>th</sup> January, 2012 shall be transferred to the corpus of the fund by the General Manager of the Bank on request of the Board.

(e) The amount to the credit of any account with a society which has not been operated upon for a period of ten years or any matured term deposit or any amount remained unclaimed for more than ten years shall be credited to the fund within a period of three months from the expiry of the said period of ten years:

Provided that nothing contained in this sub-paragraph shall prevent a depositor or any other claimant to claim his deposit or unclaimed amount or operate his account or deposit account with the society after the expiry of the said period of ten years and such society shall be liable to repay such deposit or amount at such rate of interest as may be specified by the Registrar of Co-operative Societies:

Provided further that the society which has paid the outstanding amount referred to in this sub-paragraph or which has allowed operation



of such account or deposit, may apply for refund of such amount from the Board in such manner as may be specified by the Board.

(f) The contribution shall be remitted in the account of the Board in the manner as may be provided by regulations framed by the Board.

(g) The Societies shall remit the contribution and deposit amount to the fund within three months after the completion of a financial year calculated at the prescribed rate specified under clause (a), (c), (ca) and (e) of sub-paragraph (2) of paragraph 5 failing which the Chief Executive of the society shall be made liable to pay an interest for the defaulted contributions at the rate of twelve percent per annum, till the payment made and the amount so paid will form part of the fund. If the annual contribution due is not paid within three months as mentioned above, the deposits of such society shall be excluded from the guarantee and insurance cover for the period of such delay.

(h) No portion of the contribution remitted shall be refunded to any society for any reason.

(i) The Government may, at their option, make contribution to the corpus of the fund, maximum to an extent of the total amount contributed by the member societies.

(j) All moneys belonging to the fund shall be deposited in the accounts opened in the joint names of the Secretary-Treasurer and Vice-Chairman of the Board in the branches of the Kerala State Co-operative Bank or District Co-operative Banks concerned or in the Government Treasury.



(k) The contribution paid by the Guaranteed Societies to the Board is required to be absorbed by the banks/societies themselves so that the benefit of the Deposit Guarantee Protection is made available to all the depositors. A guaranteed society/bank is required to remit contribution not later than the last day of June each year. If it does not pay on or before the stipulated date, the contribution payable by it or any portion thereof, it is liable to pay interest at the rate of 12% per annum on the amount of such contribution or on the unpaid portion thereof as the case may be from the beginning of July of that year till the date of payment. Interest is calculated on the basis of actual number of days of default taking one year as 365 days.”.

(4) In paragraph 9:-

(i) for clause (a) of sub paragraph (1) the following shall be substituted namely:-

*(a) Settlements of claims in respect of the deposits which are guaranteed. The amount guaranteed per depositor per Bank/Society shall not exceed Rupees Five lakhs if the contributions as para 5(2(c)) and shall not exceed Rupees Ten lakhs if the contribution is as per para 5(2(ca));*

(ii) for clause (aa) of sub paragraph (1) the following shall be substituted namely:-

*(aa) to provide financial assistance to a Guaranteed Society to refund the deposits to depositors subject to conditions and procedures specified in sub-regulation (2) of regulation 7 of the Deposit Guarantee Fund Board (Registration of Societies as Guaranteed Societies) Regulations, 2025;*



(5) In sub paragraph (1) of paragraph 10,

the symbol and words "/Insured amount" shall be deleted.

(6) for Paragraph 11, the following shall be substituted namely:-

**“11. Accounts and Audit.-***(1) The Board shall adopt and maintain a formal Accounting Policy consistent with applicable statutory provisions and generally accepted accounting principles for non-profit entities, to govern the recording and maintenance of all financial transactions.*

*(2) The Secretary-treasurer of the Board shall prepare the final accounts, comprising the Receipts and Payments Account, Income and Expenditure Account, Balance Sheet, and all relevant schedules, annexures, and explanatory notes, in accordance with the approved Accounting Policy, and shall submit the same for audit within two months from the close of each financial year.*

*(3) The final accounts shall be audited by a team of auditors appointed by the Director of Cooperative Audit.*

*(4) The Secretary-treasurer shall ensure that the Audit Certificate and Audit Report are placed before the Board within one month of their receipt for consideration and record.*

*(5) The Secretary-treasurer shall maintain all books of account, vouchers, and supporting documents properly, and bring all audit observations, objections, or recommendations to the notice of the Board, taking necessary action to comply with such observations in accordance with applicable rules and regulations; and*



(6) *The Secretary-treasurer shall ensure that all financial transactions and accounts preparation comply with all applicable statutes, government financial rules, and directions or guidelines issued by the Government.”*

(7) *In paragraph 13.-*

(i) in sub paragraph (1) after the word "except" the word and symbol "chitty", shall be deleted;

(ii) in sub paragraph (4) "clause (xiiiA)" shall be omitted.

*By order of the Governor,*

*Dr. Veena N. Madhavan  
Secretary to Government*

### **Explanatory Note**

(This does not form part of the notification, but is intended to indicate its general purport.)

As per notification issued under G.O.(P) No.116/2018/Co-Op dated 22<sup>nd</sup> September, 2018 and published as S.R.O. No.695/2018 in the Kerala Gazette Extraordinary No. 2518 dated 8<sup>th</sup> October, 2018, Government have issued the Kerala Co-operative Deposit Guarantee Scheme, 2018. It has come to the notice of the Government that certain amendments are essential in certain provisions of the said Scheme in the light of the recommendations submitted by the subcommittee formed as per the decision taken by the Administrative Board Committee of the Kerala Co-operative Deposit Guarantee Fund Board on 7<sup>th</sup> July 2025. To achieve the above object, the Government have decided to amend the said scheme.

This notification is intended to achieve the above object.

