



सहकार संरक्षण समिति
సహకార సంరక్షణ సమితి
Co-operative Movement Protection Council
NATIONAL CONVENING COMMITTEE, HYDERABAD.

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Lr.No.CMPC/27/2018

Date: 22-12-2018

To,
Shri Pinarayi Vijayan jee
Hon'ble Chief Minister
Govt. of Kerala

Dear Sir,

**Subject: Merger of DCCBs and SCB be reconsidered – Cooperative Movement
Protection Council – Request – Regarding.**

COOPERATIVE GREETINGS SIR !

The Cooperative Movement Protection Council is an association of the Cooperative primary members, the Cooperator, the Cooperative academicians, striving for the protection of the “Cooperative Concept” and the Cooperative movement in India. It is a Forum for all the Cooperatives in India.

The process of merger of District Cooperative Banks (DCCB) and the State Cooperative Bank is going on in Kerala State. At this juncture we the Cooperative movement Protection Council brings the following for your kind consideration;

- Well versed in Economic thoughts is in power in Kerala. The actions and the decisions would be followed by the many States, automatically, that confidence they had in this Government. That is why some points may not be come to your notice. Hence we are bringing these for your well versed thought in economic authority.
- Sir, we are in the era of Market economy. Which is aimed to monopolise the Production, the Marketing and the Wealth system in India, as part of World economy.
- In this process the Prudential norms had been introduced with the target of having only 2 or 3 Banks in India. The Prudential norms concept (NPA-Accounting) is a regulatory system of the Market economy to monopolise the financial market.

- Kindly notice that, before Introduction of Liberlised economic policy in India, up to 7th Five Year Plan there was targets in the Plan document for the Public Sector, the Private Sector and the Cooperative Sector, there after Cooperative Sector had been removed from the Five Year Plan documents.
- Cooperative Sector is User's economy, Cooperative concept envisages to protect the User (member) from the undue exploitation of the Market economy and makes all the User members economically self reliant.
- Hence the Article of Indian Constitution reads; Article 39(c) : The state shall in particular, direct its policy towards securing that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment. And Article 43 directs the Governments to fallow the Cooperative policy in the Indian rural economy, to achieve our aims set out in our Preamble of Indian Constitution.
- In the Cooperative Sector, the federation of the Primary Cooperatives is an Answer to the Joint stock company form of business of the Market economy.
- Hence the Market economy wants to remove the hurdle(the federation DCCB), in due course of time, the new emerged State federation may also attract the NPA norms to close down, thereafter, the Primary Cooperatives would become their(Market economy) outlets.
- The aim of the market economy in India, is to dismantle the Cooperatives federations, because, there is good net work of Cooperatives from Village to National i.e., Primary Cooperatives at villages, their federations at Districts and State and their federation at National level.
- The Market economy noticed that 90% of Small/Marginal farmers, rural artisans and the landless labourers are covered in the Primary Cooperatives and 99% of villages are covered by the Cooperative net work.

Effects after merger of DCCBs and State Coop. Bank.

- Democratic control of the federation diminishes and the bureaucratic administration increases, this may lead to non active participation of the Cooperators.

- This situation influence the function of the Primary Agricultural Societies, NPAs would be increased in the State federation in span of three to four years, due to increase in NPAs the State federation may be in trouble.

Alternatives :

- ❖ Infuse of Share Capital in all District Coop. Banks and the State Coop. Bank by the State Government.
- ❖ Introduction of Thrift Deposit concept. 2% of loan sanctioned to member at Primary Society be kept in DCCB as Thrift Deposit of PACS. 6% of interest must be given irrespective of profit or loss of the DCCB. In long run this Thrift Deposits may become the base for the Bank.

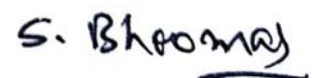
Demand the Union Govt. to redeem the NPAs in Coop Banks :

The Govt of India had assisted the Commercial Banks to the tune of lacks of crore rupees to come out the NPAs effects and made them stand to finance Industrial Sector. Whereas the Cooperative Sector of Small/marginal farmers, rural artisans and landless labourers is made to suicide itself. Actually the Cooperatives are main organizations in the social-economic development of rural India. Hence it is our right to demand for the assisting the Cooperative Bank

Therefore we request your authority to recapitalize Cooperative Banks and demand the Govt. of India's assistance. And stop the process of merger of DCCBs and SCB. And ask the General Body meetings of the DCCBs and the State Coop. Bank to reject the proposal of merger of DCCB and SCB.

Thanking you.

In the Service of the
Cooperative Movement



(Sambharapu Bhoomaiah)

CONVENOR

Copy to ;

Legislative leaders of all Political Parties