



సేవోత్సవం ధర్మం, ధర్మేనా
సహకార ధర్మ పీఠ
SAHAKARA DHARMA PEETAM

H.No. 8-6-363/87/14P, "SahakaraNilayamu" Manikanta Colony, Old Bowenpally, Secunderabad -500011, T.S.,
Web: coopwelfare.com mail; coop.welfarecouncil@gmail.com Cell; 8247816648

ధర్మోరక్షతి, రక్షితః

धर्मो रक्षति, रक्षिताहः

Save Dharma, it Protects you!

To

Date: 19-6-2021

The Hon'ble Chief Justice of India
Supreme Court
New Delhi.

Respected Sir,

Subject: Fundamental Right 19(1) (g) is being violated through the Section 12(1) of the Banking Regulation (Amendment) Act-2020 – Changed the basic nature of the Indian Constitution – Save Dharma – Request – Reg.

Sahakara Dharma Peetam

Sahakara Dharma Peetam is a Dharmik Samstha, propagating the values and the ethics of the Cooperative principles and its concept. Dharma is not established, unless the Cooperative dharma is practiced.

Sir, I being the Citizen of India and the Sevak of the Sahakara Dharma Peetam, humbly here by bringing to your kind notice, that the Fundamental Right 19(1) (g) is being violated through the Section 12(1) of the Banking Regulation (Amendment) Act-2020, which Changed the basic nature of the Indian Constitution and requested to take necessary action to uphold and to protect the Constitution. Sir, the recent amended Banking Regulation Act-2020; Section 12(1) is being affected to handover the Cooperative Banks to the Private Sector by snatching them from the owners (Primary Agriculture Coop. Societies and other Primary Coop. Societies vis-à-vis the Farmers, Artisans and Weaker sections). By this, the rural India is being re-driven to back ages, and would go under the control of the private finance (may be Multinational finance) agencies, that leads to economic and social exploitation which creates in-equalities and unrest in the villages.

Because, India is predominately a rural Country with 2/3 population and 70% of work force residing in rural areas. Rural economy constituted 46% of National income, near about 20% of the population getting only a share of 2 to 3 % of the National income. 21.9% of the population lives Below the National Poverty Line (BPL).

Since the peace, the progress and the prosperity of the Indian economy is going to be effected, this issue is being bringing to your kind notice at the larger interests of the Indian rural economy. **We are the lay men, the intension of this submission is to bring the issue to your notice to uphold the Constitution, but not to approach you for a Public Interested Litigation.** Sir, we had submitted the same issue on the date 5-10-2020 and acknowledged as Dairy No.66685/SCI/PIL(E)2020. But it was not brought to your notice by rejecting the letter/submission, noting that it was not in proper form for PIL. As a responsible Citizen to protect the Constitution, this submission is made. The matter is represented with the Hon'ble Parliament, the Prime Minister and all the Chief Ministers, where no response is received.

Cooperation is the aspiration of the Constitution and the People;

The immediate effected Primary Agriculture Cooperative Societies, the different types of Artisan Primary Cooperative Societies had not yet approached the Hon'ble Courts, because they treat that the Cooperation is the aspiration of the Constitution and the People. Hence this aspiration could not become the political issue. Hoping that, the aspiration of the Constitution and the People may not be dismantled.

The Cooperation is the embodiment of the Constitution's Preamble, Article 39(c), and 43.

1. **Preamble** : WE, THE PEOPLE OF INDIA, having solemnly resolved to constitute India into a [SOVEREIGN SOCIALIST SECULAR DEMOCRATIC REPUBLIC] and to secure to all its citizens: JUSTICE, social, economic and political;
2. **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.
3. **Article 43**: Directs the Governments to fallow the Cooperative policy in the Indian rural economy.

What Cooperatives envisages;

- I. **Definition**; The International Cooperative Alliance ICA defined as "A Cooperative is an association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically controlled enterprise"
- II. **Values**; Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, Cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others.
- III. **Concern for Community**; Cooperatives work for the sustainable development of their communities through policies approved by their members.
- IV. **Cooperation Among Cooperatives**; Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

By the above paras, it is clear that the aims and goals of the Preamble of the Constitution and the Cooperatives are identical. Article 39(c)'s directions could be achieved only through the Cooperative system. Further Article 43 is directing the Governments to follow the Cooperative policy. Hence implementing the Cooperative system is the embodiment of the Constitution's Preamble and its Articles.

That is why the Cooperative sector became one of the economic systems in our mixed economic policy. Cooperative Sector is one of the three Economic Sectors i.e. 1. Private sector, 2. Public Sector and 3. Cooperative Sector. These sectors were developed through the Five Year Plan system we adopted since the independence till the liberalization of the economy.

- **Private Sector;** It is owned by the private investors. Private Sector is regulated by the Companies Act of 1956 and the Partner Ship Act. Mode of raising the Share Capital is dealt in these Acts.
- **Public Sector;** It is owned by the Governments.
- **Cooperative Sector;** It is owned by the User members, such as Farmers, Rural Artisans, Labourers who had minimum resources and could not afford to avail the required needs/services individually had jointly formed the Primary Cooperative Societies and federating these Primary Cooperatives Societies as District Cooperative Banks (DCCBs) and State Cooperative Banks (SCBs) for doing the Banking business for their common credit needs and the services.
 - The Governments had supported these Banks through the Share Capital assistance as a member. If it does not want to support, it can withdraw the Share Capital.
 - Having the common economic needy person is eligible for the membership but not the investor in the Cooperative Society/Cooperative Bank.
 - Cooperative Sector is regulated by the Multi State Cooperatives Act-2002 and the every State had its State Cooperative Act. Mode of raising the Share Capital is dealt in these Acts.
- Cooperation is a State Subject; Article 246(3), Schedule VII, List-2, Sl. No.32
- Banking Regulation Act-1949 deals with the Reserve Bank of India's regulating the Banks in India.

The Banking Regulation (Amendment) Act-2020;

"12. (1) A co-operative bank may, with the prior approval of the Reserve Bank, issue, by way of public issue or private placement,---

- (i) Equity shares or preference shares or special shares, on face value or at premium; and*
- (ii) Unsecured debentures or bonds or other like securities with initial or original maturity of not less than ten years,*

To any member of such co-operative bank or any other person residing within its area of operation, subject to such conditions and ceiling, limit or restriction on its issue or subscription or transfer, as may be specified by the Reserve Bank in this behalf.

To understand more detail, we have to understand the difference between Private and Cooperative Sector.

11.Differences between the Cooperative Sector and the Private Sector

Private Sector	Cooperative Sector
1. Association of Capital.	1. Association of Users.
2. Share Capital is an investment from the income of an individual (Investor).	2. Share Capital is the portion set aside from the User (member) necessities, not an investment from the income of the member.
3. Investor's economy.	3. User's economy.
4. Joint Stock Company form of business is its main tool.	4. Federation of Primary Cooperatives is the main tool and it is a backbone.
5. Regulated by the Company Act and Partnership Act.	5. Regulated by the Cooperatives Acts.
6. Profit distribution is in the ratio of their share capital.	6. Surplus distribution; it is patronage dividend.
7. Control vests in accordance with the size of the share holding.	7. Control vests in the members equally and democratically controlled.
8. Centralizes the 'Production', 'Marketing' and the 'Wealth'.	8. Decentralizes the 'Production', 'Marketing' and the 'Wealth'.
9. Exploitation is in its nature.	9. Principle action is to eliminate the exploitation.
10. Economic rights of the people are suppressed.	10. Promotes the economic rights of the people.
11. Curtails the peoples economic democracy.	11. Seeks to establish the economic democracy.
12. The fittest only survives	12. Makes all user members economically self-reliant

If the Section 12(1) of the Banking Regulation (Amendment) Act-2020 is implemented;

1. The District Coop. Central banks DCCBs/State Coop. Banks SCBs becomes private Banks.
2. The farmers/artisans or any Citizen could not do the Cooperative Banking business through their Primary Cooperatives. But could get their credit needs through the privatized Cooperative banks.

But the Fundamental Rights says;

Article 19. (1) All citizens shall have the right—

(g) to practice any profession, or to carry on any occupation, trade or business.

Therefore, it is proved that the Section 12(1) of the Banking Regulation(Amendment) Act-2020 is violating the Fundamental Right Article 19(1)(g). Hence this Section 12(1) of the Banking Regulation(Amendment) Act-2020 needs to be squashed.

Does the basic concept and nature of the Indian Constitution changed? Or not?

The Banking Regulation(Amendment) Act-2020 with the Section 12(1), it means that the private banks only prevail in India. The weaker sections or farmers or rural artisans are not allowed to do jointly(through their Primary Cooperative societies) the Cooperative banking business.

Is our Constitution is in such a weak position? Simply amending or inserting a section in an Act, could be changed the basic nature of the Constitution.

Therefore it is humbly requested your highness to take necessary action for squashing the Section 12(1) of the Banking Regulation (Amendment) Act-2020 and save the rural economy and the Cooperative Banks.

Thanking you.

Yours Sincerely



(Sambharapu Bhoomaiah)

Sevak

Sahakara Dharma Peetam