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SAHAKARA DHARMA PEETAM

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To

Date: 30-11-2022

Dear,

Hon'ble Member of Parliament Ji

Blessed Greetings!

MESSAGE

Be the embodiment of a Father, an Economist, a Jurist and Protector of the Constitution

To look at the Issue of Yours' and your Voter i.e.,

1. Section 12(1) of the Banking Regulation(Amendment) Act-2020
2. The Bill to be presented in the next Parliament Session; the amendment to the Multi State Cooperative Societies Act (MSCS) for allowing the Section in the MSCS Cooperative Societies to issue of non-voting Shares i.e., selling of its Shares to non-Member Investor.

By these two misguided deeds of the enactments enables;

- The dismantle of the one Base Pillar(Coop.Sector) of the Three Base Pillars(The Public Sector. Private sector & Coop. Sector), on which the Indian economy stood. And the joint Properties and Assets of **the Cooperative Banks, IFFCO, KRIBHCO, NAFED etc.** of the Farmers, the rural Artisans and the down trodden People are going to be snatched and handed over to the Private Investors. It is snatching, without paying any value or costs of the Properties and Assets. It is a huge conspiracy to drag the rural economy to the threshold of the Modern money lender Raj.

The two acts are like crossing the "Lakshmana Rekha", where Matha Sitha had to put to many troubles and lastly She had to drowned Herself into Bhumatha. In the same way, the Farmers, the rural Artisans and the down trodden People are going to face the socio-economic problems and it is a suicidal act for the Indian Cooperative movement. Therefore, the two above Sections needs to be removed from the respective Acts, for upholding the Dharma and protecting the Indian economy.

Sincerely

S. Bhoomai

(Sambharapu Bhoomai)

Dharmakatha; Sahakara Dharma Peetam.

Enclosed the Report.

The two Section are misguided ones on the following grounds;

1. The highest Policy maker of India is the National Development Council(NDC), which had made a historical resolution to develop the Nation through the Three economic systems; 1. Public Sector, 2. Private Sector and 3. Cooperative Sector. And accordingly the Planning Commission was emerged, through which the Five Years Plans were implemented till the present emerged the "NITI AYOJ". The NDC didn't made any resolution to dismantle the Cooperative Sector and hand over to Private sector.
2. The Hon'ble Supreme Courte had ordered in a case 1097/2013, that The Cooperatives would not come under the purview of the Article 12, which defined the Governments Properties.
3. The Cooperatives had independent legal entity, just like the Private business. The Cooperatives had emerged to protect the User-Member from the exploitation of the Private sector.
4. The Cooperatives were emerged as per the directions of the Article 43. The Cooperatives are the tools in implementing the ideals of the "Preamble of the Constitution". These Cooperatives are embodiment of the directions of the Article 39(c) of the Constitution.
5. India is a signatory to the International Cooperative Alliance-ICA & UNO, which had defined the Cooperatives, for which we were abided by the Cooperative Principles and its theory. And accordingly we had incorporated them in our Cooperative Acts.
6. The main core Principle theory of the Cooperative system is non transfer of its Shares to non-Member. This core principle is the Heart of the Cooperative system. This is the Lakshmana Rekha between the Cooperative sector and the Private sector.
7. The Cooperative sector is an economic system. It stands for the "Inclusive Growth Strategy" where, as the Private sector stands for the "Exclusive Growth Strategy". Here it is to be reminded that the UNO advised us to fallow the "Inclusive Growth strategy" for the sustainable development of the People and the Indian Economy.
8. Cooperatives were emerged with a specific Cooperative theory and the Principles. The Managing Committees of the Cooperative does not have the right to sell the Shares to non-member. If any person/member does not like the Principles, he can't change them. The only option is to withdraw from the Society.
9. The Share value of a Cooperative was Rs. 100/- in 1947 and remained the same value today in 2022. But the Share value of a Private Company was Rs.10/- in 1947 had now the value is increased to above Rs. 1000/-

If non-member Investor becomes a Shareholder by purchasing a Share of Rs. 100/- of a reputed Cooperative Bank or the Cooperative Business organization having thousands crores of business turnover and paying the hundred crores of rupees as dividend to the Governments, he would become the owner and would directly control its business. But even the original owner Farmers didn't have direct control.

Is it not a conspiracy to snatch the Properties of the Farmers, the rural Artisans and down trodden people and hand over them to the non-member Investors? Is it not an in human activity? Does any democratic republic Government dare to bring this Act?

Hence these two sections are misguided or inserted by the vested interested People and needs to be removed from the respective Acts.

If the two Sections are implemented the effects will be:

- ❖ The Cooperative economy having 46% share in the Indian Economy, and the structure built over 75 years would be dismantled and would create anarchy in the rural India.
- ❖ The ideals enshrined in the Preamble of our Constitution and the Article 43 are would have no effect or deemed to have been removed. Governments target to providing the social and economic justice would become a myth.
- ❖ The Properties of the Cooperative Banks and the IFFCO, KRIBHCO, NAFED Etc., would be snatched from the owners; the Farmers, the rural Artisans and the downtrodden People and hand over to the Private Investors.
- ❖ The Private Investors are not purchasing for the present value or cost of the properties/Assets valued at thousands crores of rupees, but would becoming the owners simply by purchasing the Share at the value of Rs. 100/- or more.
- ❖ The snatched Cooperative Banks retain the Cooperative word and the emblem. Hence the Government itself is allowing to mislead the Public Depositors and the public in general, as if it is a Cooperative Bank.
- ❖ Here after the Farmers, the down trodden people or even the Citizen of India would forego the Fundamental Right 19(1)(g) to do his choice of Cooperative Banking Business.
- ❖ It means, the credit needy farmers or the Citizens are forced to get their credit from the Private Cooperative Banks or Money lender agencies.

Consider as a Father;

India is a Joint Family. Hon'ble Prime Minister is the Head of the family and your selves are brothers having three sons, named Public Sector. Private Sector and Cooperative Sector. They are doing the business in the Indian economy as a field. But the second son Private Sector is acting mischievously to grab the business of the younger son Cooperative Sector by misguiding the Head of the Family and other Family members(Officials).

Would as a Father kill the younger son to benefit the Elder son?

Consider as an Economist;

As per the resolution of the National Development Council –NDC, the Cooperative Sector is being promoted and developed, which acted as a vehicle for the welfare schemes of the Governments and brought enormous socio-economic development in the rural population. These Cooperatives are the Inclusive Growth Strategy, which bring the sustainable development as advised by the UNO. The Cooperative Banks, the Cooperatives business organizations like IFFCO, KRIBHCO, NAFED etc., are the federations of the Primary Cooperatives, which are getting surplus/Profits and transmitted these benefits to the Members through the Primary Cooperatives. These Federations are the backbone structure to the Indian Cooperative Economy constituted 46 % of the Indian Economy. These Federations are the one of the Base Pillar of the three Base Pillers. These Sections of the Acts amounts to dismantling of federal structure of the Indian Cooperative movement. The non-presence of the

Cooperative Federations leads to enter the corporate finance companies in the rural India. Hence, the rural economy will be paralyzed and create unrest in rural communities. The purchasing power of the rural masses would be decreased. This will be negatively effected in the overall Indian economy. Hence the continuation of the Cooperative federal structures must be protected.

Any high level body like NDC didn't discussed or made resolutions to dismantle the Cooperative economy i.e., the Base Pillar among the three Base Pillars of the Indian Economy. The Cooperatives are the aspirations of the Indian People. The Cooperation is not a political issue.

As an Economist, would you prefer to dismantle the Cooperative Federal Structure and made the remaining Primary Cooperatives as the out-lets for the Corporate finance companies? And give free hand for exploitation in the rural India?

As a Jurist;

The Preamble ideals of the Constitution are the basic needs of the people. Providing the justice in social and economics is the breath of our Nation human body. The Constitution is trying to give the economic and democratic rights through the Cooperative system.

Cooperatives are not the Government properties as per the Article 12.

Cooperatives were emerged as per the directions of the Article 43.

Implementation of the two Sections are violating the Constitution Provisions like Article 12 and removes the Fundamental Right of the Citizen the Provision 19(1)(g).

Would you prefer to violate the Constitutional Provisions?

As the protector of the Constitution;

The Indian Constitution treated as the best in the World Countries, because it is guaranteeing Fundamental Rights, Economic, Democratic rights and provides protection against the exploitation. It treats the Subjects as equal irrespective of religion, caste, creed.

Implementation of the two Sections would be deemed to be removed the following Provisions;

1. Preamble of the Constitution.
2. Fundamental Right; Article 19(1)(g)
3. Articles 39(c), 43

Would you prefer to violate the above Constitutional provisions?

Sahakara Dharma Peetam hopes, your goodness will act positively as a Father, as an Economist, as a Jurist and the protector of the Indian Constitution. And take necessary steps in removing the Section 12(1) in the Banking Regulation(Amendment)Act-2020 and reject the Section in the ensuing amendments to the Multi State Cooperative Societies Act, which enables for issuance of non-voting shares, in upholding the Dharma.

-Sahakara Dharma Peetam

REPORT ON THE SECTIONS WHICH ENABLE TO SNATCH THE PROPERTIES OF THE COOPERATIVE BANKS, IFFCO, KRIBHCO AND NAFED, Etc., AND HAND OVER TO NON-MEMBER INVESTORS.

Sahakara Dharma Peetam is a Dharmika samstha propagating the Sahakara Dharm among the public. Dharma will not prevail unless the Sahakara dharma is practiced.

The Hon'ble Parliament had passed the "Banking Regulation(Amendment) Act-2020, where in a Section 12(1) of it, is against the Constitutional provisions and the Cooperative principles & theory. It enables to snatch the Properties of the Cooperative Banks from the owners; the Farmers, rural Artisans and the down trodden people and handovers them to the non-Member Investor. It is *adharma*. Hence Sahakara Dharma Peetam under took a "Sahakar Dharm Bharat Yatra" an awareness program, from 23, December 2020 to 20, March 2021. This Sahakar Dharm Bharat Yatra had organized the Symposiums, the Sahakar dharm dikshas, Round Table Meets, at Hyderabad, Bangaluru, Kolkatta, Mumbai, Chandigarh, Simla and New Delhi. The Economists, the Political party leaders, the Farmers Associations, the Cooperators and the Employees Associations of Cooperative Banks and PACS were participated. Submitted the Memorandums to Hon'ble Prime Minister, all the 36 Floor leaders of the Political Parties representing the present Hon'ble Parliament and all the Chief Ministers and the Presidents of National, Regional Political Parties and the Governor; Reserve Bank of India. Due to which the process of implementing the Section was slow downed. But the remedy is the removal of the Section 12(1) from the Banking Regulation(Amendment) Act-2020.

But now the Government of India is embarked to bring the same amendment to the Multi State Cooperative Societies Act (MSCS), a provision for issuance of non-voting Shares, i.e., selling of Shares to non-Member Investors which enables to snatch the Properties of IFFCO, KRIBHCO, NAFED Etc., and handover to the private Investors.

The Basic concept of the Cooperative System

Cooperative is a distinct economic system based on its own Principles, having the comprehensive properties of inter-relation, producing the results and the answers to the principal economic problems. It addresses the micro issues at Primary Cooperatives level and macro issues at Federation of Primary Cooperatives level.

The International Cooperative Alliance (ICA) had stated that "Cooperative system is organized in the interest of the whole community and is based upon mutual self-help and the cooperative movement seeks to substitute this system for the profit making regime."

The ICA has defined that "A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise."

A Cooperative Society is a human association, with the principles of:

1). Voluntary and Open Membership, 2). Democratic Member Control and 3). Education, Training and Information.

Cooperation is an economic enterprise and a system providing the inter-relation among Cooperatives and with the rest of the other economies with the principle of:

1). Member Economic Participation, 2). Autonomy and Independence, 3). Cooperation among Cooperatives and 4). Concern for Community.

The ICA had pronounced the Values:

Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

Cooperatives Shares can't be sold/transferred:

As per the Cooperative Principles and its Philosophy, the Shares in the Cooperatives can't be sold or transferred. It is the basic and core principle of the Cooperative System, universally accepted and as enunciated by the International Cooperative Alliance (ICA), accordingly our State Cooperative Acts and Multi State Cooperative Act are being incorporated the same principle and all the Cooperatives are following.

Cooperative Sector Vs Private Sector

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

What did our Prime Ministers had said about the Cooperative System?

Shri Narendra Modi, Prime Minister:

“Cooperative Movement is an alternative to Capitalism, Socialism.”

"Capitalism and socialism are very much discussed in the financial world, but India gives priority to co-operation. Co-operation is in line with our traditions and values. Co-operation, in which the collective power of the people becomes the driving force in the economy, is important for the country's grassroots economy."

Smt. Indira Gandhi:

“I know of no other instrument so potentially powerful and full of social purpose as the cooperative movement”.

Pt. Jawaharlal Nehru:

“My outlook is to convulse India with the Cooperative Movement, or rather with cooperation; to make it, broadly speaking, the basic activity of India, in every village as well as elsewhere; and finally, indeed, to make the cooperative approach the common thinking of India.”

United Nations Organization UNO:

“The United Nations support Cooperatives. There is a growing consensus among international agencies about their importance. The World Bank recognizes the role of Cooperatives in revitalizing the agriculture sector and the rural economy. In addition, an IMF survey in 2007 showed that “Cooperative Banks have become important part of many financial systems, with attendant potential financial stability”

“Cooperatives, as economic enterprises and as self-help organization, play a meaningful role in uplifting the socio-economic conditions of their members and their local communities... With their concern for their members and communities, they represent a model of economic enterprise that places high regard for democratic and human values and respect for the environment... it is increasingly compelling to consider the model of economic enterprise that Cooperatives offer.”

Cooperatives in transitional and developing Countries:

“In the developing Countries, the international efforts by ICA, ILO and the UN, have been instrumental in the formation of new cooperatives that are independent of their Governments. The ICA Identity Statement and Cooperative Principles, the United Nations Guidelines of 2001 and the ILO Recommendation No. 193 on the promotion of Cooperatives have served to guide Cooperative formation, as well as limit the role of Governments to one of providing an enabling environment and level-playing field so Cooperatives can operate on a sustainable basis alongside other types of business. These mechanisms recommend that there should be an 'early and complete disengagement of Governments from the internal affairs of Cooperatives.”

United States of America USA:

USA Govt. constituted a Panel Group of six panels, each having prominent members of the Cooperative community across the Country. The Panel Group recommended as:

1. Cooperatives have also played an important role in rural communities, where they are an integral part of the social fabric. They encourage democratic decision making processes, leadership development and education.
2. The core Cooperative Principles enunciated in the 1987 report (user-ownership, user-control and user-benefit) are still valid and are likely to remain so in the 21st century. This makes the Cooperative a unique form of organization with distinct characteristics, strengths and difficulties.

Constitutional Protection for the Cooperatives

Preamble of the Constitution:

WE, THE PEOPLE OF INDIA, having solemnly resolved to constitute India into a 1 [SOVEREIGN SOCIALIST SECULAR DEMOCRATIC REPUBLIC] and to secure to all its citizens: JUSTICE, social, economic and political; LIBERTY of thought, expression, belief, faith and worship; EQUALITY of status and of opportunity; and to promote among them all FRATERNITY assuring the dignity of the individual and the 2 [unity and integrity of the Nation];

38. State to secure a social order for the promotion of welfare of the people.—1

1) The State shall strive to promote the welfare of the people by securing and protecting as effectively as it may a social order in which justice, social, economic and political, shall inform all the institutions of the national life.

2) The State shall, in particular, strive to minimise the inequalities in income, and endeavour to eliminate inequalities in status, facilities and opportunities, not only amongst individuals but also amongst groups of people residing in different areas or engaged in different vocations.]

39. Certain principles of policy to be followed by the State: The State shall, in particular, direct its policy towards securing

- a. that the citizens, men and women equally, have the right to an adequate means of livelihood;
- b. that the ownership and control of the material resources of the community are so distributed as best to subserve the common good.;
- c. that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment;

43. Living wage, etc., for workers: The State shall endeavour to secure, by suitable legislation or economic organisation or in any other way, to all workers, agricultural, industrial or otherwise, work, a living wage, conditions of work ensuring a decent standard of life and full enjoyment of leisure and social and cultural opportunities and, in particular, the State shall endeavour to promote cottage industries on an individual or co-operative basis in rural areas.

43B. Promotion of co-operative societies: The State shall endeavour to promote voluntary formation, autonomous functioning, democratic control and professional management of co-operative societies.]

19. Protection of certain rights regarding freedom of speech, etc.

- 1) All citizens shall have the right—
- c) to form associations or unions 2 [or co-operative societies];
- g) to practise any profession, or to carry on any occupation, trade or business.

246. Subject-matter of laws made by Parliament and by the Legislatures of States.

(3) Subject to clauses (1) and (2), the Legislature of any State has exclusive power to make laws for such State or any part thereof with respect to any of the matters enumerated in List II in the Seventh Schedule (in this Constitution referred to as the - State List).

---Sahakara Dharma Peetam.