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**SAHAKARA DHARMA PEETAM**

H.No. 8-6-363/87/14P, "Sahakara Nilayamu", Manikanta Colony, Old Bowenpally, Secunderabad - 500 011, T.S.

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Letter No. SDP/Coop. Banks/27/2022

Date: 6-6-2022

To,

**The Presidents/MDs/CEOs**  
**All the State Cooperative Banks**  
**All the District Central Cooperative Banks**

Dear Madam/Sir,

**Subject: Sahakara Dharma Peetam- Urges to intimate the RBI - The Managing Committee of the  
Coop. Bank had no authority to act up on the issue of Shares to Non-Members - Reg.**

**Reference : Notification of RBI/2022-23/31 DOR.CAP.REC.22/09.18.201/2022-23, dated 19-04-2022.**

COOPERATIVE GREETINGS!

Sahakara Dharma Peetam is a dharmik samstha, propagating the Sahakar Dharma among the Public. Dharma will not prevail unless the Cooperative dharma is implemented.

You are well aware the issue of Section 12(1) of the Banking Regulation(Amendment) Act- 2020. The Reserve Bank of India RBI had issued the guide lines on 19-4-2022 through a Notification, in tune with this Section.

The notification referred in the reference cited above, is not a routine one, It is pertaining to kill your Bank with your own hands. Any authority comes from the Act or the basic Principles of the Organization. In this case Cooperative Principles are the base, on which the Cooperative Act is emerged. Selling of Shares in open market or to the non-members is not allowed in the Cooperative Principles. Hence the Member/Managing Committee won't have the authority to sell to non-members.

Of course, the RBI had issued the letter but this is against the national economic policy given by the Constitution of India through the Article 43. We had to obey by the Constitution. The RBI is the regulatory authority not superior over the Constitution of India.

Incorporation of the Section 12(1) in the above Act, is the resultant of the grand strategy of the Private Sector to dismantle the Cooperative Banking Sector and capture the business of it, against the spirit of the Constitutional provisions and ideals.

Economic power(Sector) can't be changed simply by the Departmental Circular/G.Os. It has Constitutional protections. The three Sectors have their Constitutional identity. These three Sectors are independent business dons.

Efforts are being made to enlighten the Indian Political Authority, the Indian Economists and the Intellectual Forums and the Indian Cooperators in this regard. In this direction Telangana Economists Meet and the Telangana Political Parties Round Table Meet had been conducted. In this month Intellectuals along with Media houses Meet at Hyderabad, on this issue, is planned. It is the issue which would deprive our economic democracy of the rural India.

The Managing Committee of the Cooperative Bank is well aware of their authority. However, the Sahakara Dharma Peetam is bringing the same again to your kind notice;

- Cooperative Principles, Philosophy is universally accepted one. Cooperative Banks emerged from these Principles and gave authority to Members and the Managing Committee to act up on in protecting and developing the Cooperative Banks.
- No one can change the Cooperative Principles. If any one does not like them, the option is to withdraw his membership from the Society.
- The Users{Farmers, rural Artisans, Agriculture labourers and the down trodden people} formed as the Primary Cooperatives of different types at the Village level. These Primary Cooperatives federated themselves as District Central Cooperative Bank DCCB. These DCCBs of the State federated as State Cooperative Bank SCB.
- The Managing Committee is the custodian of the Primary Cooperative/DCCB/SCB respectively. The Committee had no authority to dismantle the base or change the economic entity or Cooperative Principles.

Promoting, supporting and economically assisting the Cooperatives is the constitutional obligation on the part of the Governments in upholding the Welfare concept. Therefore the Managing Committee could;

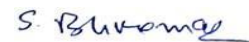
1. Demand through a MC resolution for Governments Share Capital assistance. We have noticed that lacks of crores rupees was assisted to non-Cooperative Banks. We are the Users, representing the 70% of the population.
2. Resolute to restart the collection of "Thrift Deposit" from members in PACS and other Primary Cooperatives.
3. Demand the State Government to announce a policy "Deposit Guarantee Scheme for PACS".

We hope the Managing Committee act prudently and save the Cooperative movement.

Here we are enclosing the Memorandum submitted to the Reserve Bank of India for your kind reference.

Thanking you.

Sincerely



**(Sambharapu Bhoomaiah)**  
Dharmakartha  
**Sahakara Dharma Peetam**

Copy submitted to;

1. Union Cooperative Minister, Govt. of India. New Delhi.
2. Governor, Reserve Bank of India. Mumbai.
3. All the Chief Ministers
4. All the Cooperative Ministers
5. President; National Cooperative Union of India, New Delhi for kind enlighten the MC of Banks.
6. President; National Federation of State Coop. Banks for kind enlighten the MC of Banks.