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SAHAKARA DHARMA PEETAM

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Cooperative movement is an alternative to Capitalism, Socialism - Shri Narendra Modi, Prime Minister

Lr. No. SDP-59/2021

Place: New Delhi

Date: 18-03-2021

To

Shri Narendra Modi Jee
Hon'ble Prime Minister
India. New Delhi.

Respected Sir,

Subhashissulu and Blessed Greetings!

**Sub.: Misguided Section 12(1) of the Banking Regulation (Amendment) Act-2020
is against the Aspirations of the People and the Constitution- Withdraw –
Request –Reg.**

Ref.: Memorandum on the concluding of the "Sahakar Dharm Bharat Yathra".

Sahakar Dharm Bharat Yathra

Sahakara Dharma Peetam is a Dharmika Samstha, propagating the values and the ethics of the Cooperative principles and its concept. Dharma is not established, unless the Cooperative dharma is practiced. Sahakara Dharma Peetam is aimed to create the favorable Acts and Rules for the development of the Cooperative movement in India.

Since the Banking Regulation (Amendment) Act-2020 is going to be adopted from 1st April, 2021, to the State Cooperative Banks, District Central Cooperative Banks, the Sahakara Dharma Peetam took a "Sahakar Dharm Bharat Yathra" on 23-12-2020 from Hyderabad. And we motivated the Cooperative concept to the 33 State Coop. Banks and 363 DCCB/CC Banks, covering all the 95,995 PACS of the States and Union Territories in India.

Further we had submitted the Memorandum to all the Chief Ministers, National Political Parties and Regional Political Parties urging them to impress the Govt. of India to withdraw the Section 12(1) of Banking Regulation (Amendment) Act-2020.

Sahakara Dharma Peetam is concluding the “Sahakar Dharm Bharat Yathra” by submitting the Memorandum to your good selves and all the Floor Leaders of the Political Parties represented in the Parliament.

Cooperative Sector is well protected by the Constitution;

Keeping in view the ground reality prevailed in the Indian Communities and its demography, our Constitution is provided us the concept of “Welfare State” for the Governments. The Policy of the State should be in light of the ideals of the Preamble of the Constitution. The Development of the Society at large in economically, ethically and culturally depends on the economic system that we are following. Till the signing of the GATT Agreement, the State had promoted and nurtured the three economic Sectors i.e., the Private sector, the Public Sector and the Cooperative Sector. As the liberalization of economic policies are in progress, we replaced the Five Year Plan policy with NITI Ayog.

The Private sector is owned by the Investors, the Public sector is owned by the Governments and the Cooperative sector is owned by the User’s, they are members consist of farmers, rural artisans, agriculture labourers and the middle class people having nearly 14 Crores members in India.

Our Constitution is provided protection to the three Economic Sectors. The implementation of the Cooperative system is the resultant of the;

- Preamble; to secure to all its citizens: JUSTICE, social, economic....
- 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.
- Article 43: Directs the Governments to follow the Cooperative policy in the Indian rural economy, apart from Fundamental Rights.

Thus it is the embodiment of the ideals of the Preamble Constitution and its Articles. Therefore, the Cooperative Sector became the Aspiration of the People of India and the hope of the Farmers. It is not a Political issue. Hence, all these years the Political Authority continued to supported and nurtured the Cooperative Sector and hoped they continued to support at the larger interests of the People and their aspiration.

Cooperatives Shares can’t be sold/transferred; Cooperative Principle

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 Movement is welcoming the B.R.(Amendment)-Act-2020 except the misguided Section; 12(1).

The Cooperative movement is welcoming the recent amended amendments to the Banking Regulation Act, to protect the confidence of the Depositors in the Cooperative Banks. but only, the Section 12(1) which kills the identity and the Cooperative Characteristic is being opposing. Further it is an un constitutional.

Section 12(1) of this Act, which says that the Cooperative Banks Shares are sold in open market to the people residing in the area of operation of the Cooperative Bank. But as per the Cooperative Principles the Users only eligible for the

membership in Cooperative Society not the investor. More over the subject of Share Capital is out of the context of the regulatory purview of the RBI, because, the Share Capital subject is dealt in the State Cooperative Act., and the Multi State Cooperative Act.

Misguided Section 12(1) of the Banking Regulation (Amendment) Act-2020

The Section 12(1) of the Banking Regulation (Amendment) Act-2020 is misguided one, in the process of disowning the Cooperative sector by the Government. Often the Policy makers of the bureaucracy feels that Cooperatives represents the Governments, but it is not. The owner of the Cooperative Banks are the farmers, rural artisans and agriculture labourers. This Section amounts to change the basic nature of the Constitution that, here after only Private Banking will be in operation, not allowed the members of Primary Agri. Coop. Societies PACS to do jointly their Cooperative Banking business. That is why this Section is misguided one.

Is it possible to dismantle the Cooperative Sector?

India consist of Villages. 70% of work force resides in the villages. Nearly 70% population had mere economical resources. 21.9% population is Below the Poverty Line. Resources are limited and population is high. Dr. B.R. Ambedkar was fully aware of the future threats to the common man's economic sector, the Cooperative Sector. The Preamble is the Soul of our Constitution. The ideals of Preamble are the aims of the Cooperative system. The Articles 39(c), Article 43 and the Fundamental Rights are protective shields.

Hence the Cooperative Sector can't be dismantled because it is the Aspiration of the People. The Government can with draw the financial assistance to the Cooperative sector. The main motto of the Political Authority is to honor and tries to fulfil the aspirations of the People.

Withdraw the Section 12(1) of the Banking Regulation (Amendment) Act-2020

The application of the Section 12(1) of the Banking Regulation (Amendment) Act-2020 to the Cooperative Banks, would snatch the Right of the Members of PACS doing jointly the Cooperative Banking business for their common necessity. It is against the spirit of ideals of Preamble of the Constitution and Article 43. It would establish that, the Members of Primary Agriculture Cooperative Societies (PACS) could not avail the loans through their District Cooperative Central Bank, but only from the Private Bank (As soon as the Shares of Cooperative Banks are sold in open Market, it becomes Private Bank).

Your kindness would know the implications of this situation. Therefore, your authority is requested to withdraw the Section 12(1) of the Banking Regulation (Amendment) Act-2020 at the larger interests of the rural community.

The concern of the Government, to put the required Capital at the disposal the Cooperative Banks could be addressed by re introducing the "Thrift Deposit" concept, which is the core principle of the Cooperative system, by this practice, in due course of time the Cooperative Banks and the member becomes him self-reliant.

Thanking you.

Yours Sincerely



(Sambharapu Bhoomaiah)

Sevak

Sahakara Dharma Peetam

Attached the Glimpse of
Sahakar Dharm Bharat Yathra