

Om Shri Mathrenamah!



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H.No. 8-6-363/87/14P, "Sahakara Nilayamu" Manikanta Colony, Old Bowenpally, Secunderabad, Hyderabad -500011,  
Telangana. E mail ; [coop.welfarecouncil@gmail.com](mailto:coop.welfarecouncil@gmail.com) Cell; 8247816648

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To,

Date; 19-08-2020

**Shri Narendra Modi jee**  
Hon'ble Prime Minister,  
Govt. of India.

AND

**All the Chief Ministers**

Dear, Visionary of Strong India!  
Cooperative Greetings and the Best Regards.

**ONCE AGAIN HUMBLE APPEAL**

**Revisit the Ordinance No.12 of 2020, called Banking Regulation (Amendment) Ordinance 2020 – Since Cooperation is a State Subject - Organize the Chief Ministers Conference to bring about Reforms in the Cooperative Sector – Till then the Bill may be postponed in presenting it in the Parliament.**

In continue to the letter "HUMBLE APPEAL", dated 27-07-2020, here we are once again humbly Appealing to your kindness to revisit the Ordinance No.12 of 2020, called Banking Regulation (Amendment) Ordinance 2020, at the larger interests of the small, marginal farmers, rural artisans and the Identity of the Cooperative Sector.

### **Re visit the Ordinance on the following reasons;**

- Cooperation is a State Subject.
- Banking Regulation Act deals with regulating the Banking business, but can't deal with the changing the basic nature and characteristic of the Cooperative Society/Bank (Proposed Bill section;12(1) and 45 tries to take over the States Right over their State Subject Laws).

### **CHIEF MINISTERS'CONFERENCE;**

The reforms are going on in liberalizing the economy, as part of it, the Cooperative Sector which represents the rural economy had to be on par with liberalization to withstand and compete with the open market. Hence there is need to have reforms in the Cooperative Sector. For this, Government of India may organize the Chief Ministers conference as early as possible on the Cooperative Sector.

Till then it may be postponed the presentation of the Banking Regulation (Amendment) Bill in the Parliament.

### **ISSUES CONCERNING THE COOP. BANKING SECTOR;**

1. Lack of required Capital in the Cooperative Banking Sector
2. Misuse of Funds, effecting the Depositors confidence
3. NPAs

It seems, as a solution to address the issues narrated above, the Government of India is compelled to notify the Ordinance facilitating for amending the Banking Regulation Act-1949.

### **Consider the following;**

#### **1.Lack of required Capital in the Cooperative Banking Sector;**

##### **Thrift Deposit concept**

Taking necessary steps to make the Cooperative Societies to adhere to the Cooperative economic ethics, which make the User Member self-reliant along with the Cooperative Society/Coop. Bank i.e., introducing the Thrift Deposit concept.

The Thrift Deposit concept was there up to 1970, now most of the Societies are not collecting the Thrift. 1970 environment is different to 2020. Now Self Help group concept is going on well. Hence the collection of Thrift

habit would not make difficult. At the same time payment of minimum interest 6% is to be paid irrespective of Profit or Loss.

2.Misuse of Funds, effecting the Depositors confidence;

The RBI/NABARD/Coop. Dept. may make further stringent regulations, laws to recover and punish the culprits.

3.NPAs;

The expert committee on Rural Credit headed by V.S. Vyas, recommended as follows:

The Banking Regulation (BR, Act. 1949 giving RBI / NABARD powers of supervision, should apply to co-operatives, with appropriate modifications to maintain their co-operative character and this should have overriding status over other acts. ..

Therefore issues can be addressed without changing the Cooperatives nature.

With kind regards.

Sincerely



**Sambharapu Bhoomaiah**

**Dharmakartha**

**Sahakara Dharma Peetam**

**Attached ;**

The Humble Appeal dated 27-7-2020

to the Hon'ble Prime Minister and Members of Parliament.