

Ref. No. : NF/F-5/2022-23/1580

Dated : February 08, 2023

Respected Amitbhai ji,

Sub: Budget Proposals and Cooperative Sector.

At the outset, the cooperative sector would like to thank you profusely for having brought the subject of cooperation to the centre stage of Country's economy, as the Minister in charge of Cooperation at the Centre.

We are confident that as a part of Amrit Kaal for the Country as a whole, the next 25 years will be Amrit Kaal for cooperatives also.

The Budget has rightly envisioned creation of an "Empowered & Inclusive Economy based on knowledge and technology" as the bedrock of Amrit Kaal.

Budget has set forth 7 priorities each of which is like constellation of "saptarishis".

The very first of the "saptarishis" is Inclusive Development and one of the components of inclusive development is cooperation.

This year's Budget speech elaborates the relation of cooperatives to marginal farmers and other marginalized sections. It speaks of PACs and the massive step forward by Ministry of Cooperation setting in motion the process of computerization with a sizeable allocation of funds.

However, Sir, the speech does not make any reference to the urban cooperatives and their role in economic empowerment of the marginalized urban population.

It would have been nice if your mantra of "one UCB in every urban centre" would have found a place in budget speech.

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After all, along with 97000 PACs, there are also 1514 urban cooperative banks and over 60,000 cooperative credit societies serving millions of our urban brothers and sisters who are still not well off and are struggling to make both ends meet. We have to state that NAFCUB, in its pre-budget submission, had requested the Hon'ble Finance Minister to kindly look into some very pressing income tax problems of cooperative credit society. But none have been addressed.

Though the Hon'ble FM in her reference to some concessions given to cooperatives said.

“Cooperation is a value to be cherished. In realizing our Prime Minister's goal of “Sahkar se Samridhi”, and his resolve to “connect the spirit of cooperation with the spirit of Amrit Kaal”, in addition to the measures proposed in Part A, I have a slew of proposals for the co-operative sector”

Although the budget proposal contains a relief of Rs 2 lacs to PACs and Primary Co-operative Agriculture and Rural Development Banks (PCARDBs) in respect of cash deposit and loan to members, (confined only to those who don't file returns) the non-agriculture credit societies have been left out and their difficulties in respect of 269SS, 269T, 269ST have not been addressed.

As the issues are road blocks in the way of credit societies attaining their true potential, we request you to kindly see that Ministry of Cooperation convinces the Finance Ministry to provide relief to credit societies. For your kind ready reference, we are attaching the excerpts of our pre budget submission in respect of the credit societies and Sec 269SS, 269T and 269ST.

Sir, another announcement by FM about the Regulators being asked to prescribe regulation only after having discussion with the regulated entities and other stake holders is very encouraging for us as RBI has the practice of imposing regulation unilaterally. And not responding to letters from banks for long periods. We hope the follow up of budget proposals will compel RBI to change its practice.

We had also sent a letter to Hon'ble FM in response to budget proposals, copy of which is

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JYOTINDRA MEHTA
PRESIDENT



being attached for your kind reference.

With kind regards,

Your's Sincerely

A handwritten signature in blue ink that reads "Jyotindra".

(Jyotindra Mehta)

**Sh. Amit Shah,
Hon'ble Union Home and
Cooperation Minister,
New Delhi**