



BANK EMPLOYEES FEDERATION OF INDIA

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To
Sri Arun Jaitley,
Hon'ble Finance Minister,
Government of India,
New Delhi.

Dear Sir,

Exchange of Demonetised 500/- and 1000/- rupee notes by Co-operatives

In terms of Reserve Bank of India circular No. RBI/2016-17/112 dated 08.11.2016 and Circular No.1273/2016-2017 communication dated 14.11.2016 regarding withdrawal of legal tender character of existing 500/- and 1000/- rupee notes, the DCCBs and other co-operatives have been excluded from exchanging and accepting demonetised notes. Even the District Co-operative Banks which are having banking license are also excluded.

Primary Agricultural Co-operatives (PACS) and other Co-operative Institutions normally deposit their surplus cash mainly with DCCBs only. There are around 6 lakh Co-operative Institutions of which 93042 are Primary Agricultural Co-operatives and around 5 lakhs are non-agricultural credit societies. The total membership of all the co-operatives taken together is around 25 crores. The decision of GOI/RBI is adversely affecting 20% of the most deserving section of our society. You will please appreciate that co-operatives have living links with the rural people, especially the farmers.

In a situation when only 15% of 6 lakhs odd villages of our country are covered by branches of Commercial Banks and Regional Rural banks, farmers and other common people in rural areas maintain their account with Co-operative Banks only and Co-operative Banks are the only institutions for the rural people to deposit and exchange the demonetised currencies.

Reserve Bank of India Circular referred above has landed the rural people particularly the peasantry in total disarray and they are not in position to sell their agricultural products and procure essential commodities to meet their daily needs.

We, therefore, urge upon you to use of good offices and intervene in the matter so that circular issued by Reserve Bank of India is modified and Co-operative Banks including PACs are permitted to exchange demonetised Rs 500/- and Rs 1000/- notes.

We await your positive action at your earliest convenience.

Thanks and Regards.

Yours faithfully,



(PRADIP BISWAS)
GENERAL SECRETARY