



# ಕರ್ನಾಟಕ ರಾಜ್ಯ ಸಹಕಾರ ಪತ್ತಿನ ಸಂಘಗಳ ಮಹಾಮಂಡಳ ನಿ.,

ನಂ. 16, 1ನೇ ಮಹಡಿ, 1ನೇ ಅಡ್ಡ ರಸ್ತೆ, ಲಿಂಕ್ ರಸ್ತೆ, ಮಲ್ಲೇಶ್ವರಂ, ಬೆಂಗಳೂರು - 560003

**KARNATAKA STATE CO-OPERATIVE CREDIT SOCIETIES FEDERATION LTD.,**  
No. 16, 1st Floor, 1st Cross, Link Road, Malleshwaram, Bangalore - 560 003.  
Phone : 080-23564444/23464033/23464034 E-mail : ksccsfld@gmail.com, info@ksccsf.org, www.ksccsf.org

ಕೆ. ಲಲಿತ ಜಿ.ಒ. ದೇವೇಗೌಡ  
ಅಧ್ಯಕ್ಷರು

ಡಾ. ಬಿ.ಡಿ. ಭೂಕಾಂತ  
ಉಪಾಧ್ಯಕ್ಷರು

ನಿರ್ದೇಶಕರು

ಸಿ.ವಿಂ. ಮಾರೇಗೌಡ  
ರಾಜು

ಡಾ|| ಸಂಜಯ ಪಂ. ಹೊಸಮಠ

ಎಂ.ಜಿ. ನರೇಂದ್ರ ಕುಮಾರ

ಡಿ. ಚನ್ನಯ್ಯ

ಕೆ. ಕೃಷ್ಣಮೂರ್ತಿ

ಕೆ.ಕೆ. ಮಹೇಂದ್ರ ಪ್ರಸಾದ್‌ಗೌಡ

ಜಿ. ಮಲ್ಲಿಕಾರ್ಜುನಯ್ಯ

ರಮ್ಯಾಣ್ಣ ಬಾಲಪ್ಪ ಕೆಂಚರಡಿ

ಧರೇಪ್ಪ ಎಂ. ಅಲಗೂರ

ಗುರುಪಾದಪ್ಪಗೌಡ ಬಿ. ಪಾಟೀಲ

ಎನ್.ಎಸ್. ವಿ. ಹಿರೇಮಠ

ಪಿ.ಕೆ. ಜಯಕೃಷ್ಣಗೌಡ

ಶೇಖರಗೌಡ ಮಾಲ ಪಾಟೀಲ

ಹೆಚ್.ಒ. ನಾಗೇಶ್

ಡಿ.ಆರ್. ನಾಗೇಶಪ್ಪ

ಉಮೇಶ ಶಿ. ಬಾಳಿ

ರವೀಂದ್ರ ಪ್ರಲ್ಹಾದ ಕಲಬುರ್ಗಿ

ಚಿತ್ತರಂಜನ್ ಬೋಳಾರ್

ಸಲಹೆಗಾರರು

ಕೆ.ವಿನ್. ಗುರುಪ್ರಸಾದ್

ಮುಖ್ಯಕಾರ್ಯನಿರ್ವಹಣಾಧಿಕಾರಿ (ಪ್ರ)

ಪಿ. ಅಶಾಲತಾ

ಉಲ್ಲೇಖ : ಕರಾಸಪಸಂಮ/ 806 /2020-2021

ದಿನಾಂಕ : 21-11-2020

To,

Sri Pramod Chandra Mody IRS

Chairman

Central Board of Direct Taxes

New Delhi

Hon'ble Sir,

Recd.  
24/11/2020  
Chairman  
Central Board of Direct Tax  
New Delhi  
M(L)

### SUBJECT: REPRESENTATION SEEKING RELIEF MEASURES TO CO-OPERATIVE SECTOR

The Karnataka State Co-operative Credit Societies Federation Limited (in short 'KSCCSFL') is Federation of Co-operative Societies, registered in the year 2004. KSCCSFL is primarily formed for the welfare of Co-operative Credit Societies and represents before various regulatory authorities to resolve the problems / hardships faced by Co-operative Credit Societies and business communities.

Our submissions with respect to Co-operative Credit Societies in Karnataka:

#### Deposits in Co-operative Sectors:

It is a known fact that the Co-operative deal with only members and the funds have to be invested in other co-operative institutions as per Sec. 58 of Karnataka Co-operative Societies Act 1959. Therefore, generally, small and medium size co-operative societies will keep deposits with big size co-operative societies and co-operative banks.

#### Security for deposits in Co-operative Sectors:

The deposits kept at other Co-operatives is mainly as a liquid fund to be



# ಕರ್ನಾಟಕ ರಾಜ್ಯ ಸಹಕಾರ ಪತ್ತಿನ ಸಂಘಗಳ ಮಹಾಮಂಡಳ ನಿ.,

ಸಂ. 16, 1ನೇ ಮಹಡಿ, 1ನೇ ಅಡ್ಡ ರಸ್ತೆ, ಲಿಂಕ್ ರಸ್ತೆ, ಮಲ್ಲೇಶ್ವರಂ, ಬೆಂಗಳೂರು - 560003

**KARNATAKA STATE CO-OPERATIVE CREDIT SOCIETIES FEDERATION LTD.,**

No. 16, 1st Floor, 1st Cross, Link Road, Malleshwaram, Bangalore - 560 003.

Phone : 080-23564444/23464033/23464034 E-mail : kscsf@kscsf.org, www.kscsf.org

ಕೆ. ಲಲಿತ ಜಿ.ಎ. ದೇವೇಗೌಡ  
ಅಧ್ಯಕ್ಷರು

ಡಾ. ಜಿ.ಡಿ. ಭಾಕಾಂತ್  
ಉಪಾಧ್ಯಕ್ಷರು

**ನಿರ್ದೇಶಕರು**

ಸಿ.ವಿ. ಮಾರೇಗೌಡ

ರಾಜು

ಡಾ|| ಸಂಜಯ ಪಂ. ಹೊಸಮಠ

ಎಂ.ಜಿ. ನರೇಂದ್ರ ಕುಮಾರ

ಡಿ. ಚನ್ನಯ್ಯ

ಕೆ. ಕೃಷ್ಣಮೂರ್ತಿ

ಕೆ.ಕೆ. ಮಹೇಂದ್ರ ಪ್ರಸಾದ್‌ಗೌಡ

ಜಿ. ಮಲ್ಲಕಾರ್ಜುನಯ್ಯ

ತಮ್ಮಣ್ಣಿ ಬಾಲಪ್ಪ ಕೆಂಚರಡಿ

ಧರೇಪ್ಪ ಎಂ. ಅಲಗೂರ

ಗುರುಪಾದಪ್ಪಗೌಡ ಬಿ. ಪಾಟೀಲ

ಎ. ಸ್ವಯ್ಯ ವಿ. ಹಿರೇಮಠ

ಪಿ.ಕೆ. ಜಯಕೃಷ್ಣಗೌಡ

ಶೇಖರಗೌಡ ಮಾಲ ಪಾಟೀಲ

ಹೆಚ್.ಬಿ. ನಾಗೇಶ್

ಡಿ.ಆರ್. ನಾಗೇಶಪ್ಪ

ಉಮೇಶ ಶಿ. ಬಾಳ

ರವೀಂದ್ರ ಪ್ರಲ್ಹಾದ ಕಲಬುರ್ಗಿ

ಚಿತ್ತರಂಜನ್ ಬೋಳಾರ್

ಸಲಹೆಗಾರರು

ಕೆ.ಎನ್. ಗುರುಪ್ರಸಾದ್

ಮುಖ್ಯಕಾರ್ಯನಿರ್ವಹಣಾಧಿಕಾರಿ (ಪ್ರ)

ಪಿ. ಅಶಾಲತಾ

ಉಲ್ಲೇಖ : ಕರಾಸಪಸಂಮ/

/20 -20



ದಿನಾಂಕ :

withdrawn at short notice. However, there is no immediate rescue and security for these deposits when such institution is turned to be financially not viable to repay deposits. In this regard, a policy to be brought and implemented wherein the deposits at co-operative societies are regulated and secured through different measure.

- **Repayment of Deposits under Co-operative Societies:** In case of failure of one co-operative institution and its inability to repay deposits and other funds which are kept by other Co-operatives for their liquid fund requirement will directly impact the functioning of depositor. Therefore, there must be some policy and regulations to put in place which will guarantee the repayment of deposits and depositors are not impacted by way of insurance, maintenance of liquidity reserves, lending policy and recovery policy.
- **Taxation of Co-operatives under Income Tax Act 1961:** The Co-operative movement is the base for development at micro level at various stages in society. However, recently there is spurt increase in litigations in assessment of Co-operatives for income tax. To promote the Co-operative movement, provide ease of rendering service by a Co-operative and to avoid genuine hardship caused to Co-operatives, it is required to streamline Income Tax provisions



# ಕರ್ನಾಟಕ ರಾಜ್ಯ ಸಹಕಾರ ಪತ್ತಿನ ಸಂಘಗಳ ಮಹಾಮಂಡಳ ನಿ.,

ಸಂ. 16, 1ನೇ ಮಹಡಿ, 1ನೇ ಅಡ್ಡ ರಸ್ತೆ, ಲಿಂಕ್ ರಸ್ತೆ, ಮಲ್ಲೇಶ್ವರಂ, ಬೆಂಗಳೂರು - 560003

**KARNATAKA STATE CO-OPERATIVE CREDIT SOCIETIES FEDERATION LTD.,**

No. 16, 1st Floor, 1st Cross, Link Road, Malleshwaram, Bangalore - 560 003.

Phone : 080-23564444/23464033/23464034 E-mail : ksccsf ltd@gmail.com, info@ksccsf.org, www.ksccsf.org

ಕೆ. ಲಲಿತ ಜಿ.ಐ. ದೇವೇಗೌಡ  
ಅಧ್ಯಕ್ಷರು

ಡಾ. ಜಿ.ಡಿ. ಭೂಕಾಂತ್  
ಉಪಾಧ್ಯಕ್ಷರು

## ನಿರ್ದೇಶಕರು

ಸಿ.ವಿಂ. ಮಾರೇಗೌಡ

ರಾಜು

ಡಾ|| ಸಂಜಯ ಸಂ. ಹೊಸಮಠ

ವಿಂ.ಜಿ. ನರೇಂದ್ರ ಕುಮಾರ

ಡಿ. ಚನ್ನಯ್ಯ

ಕೆ. ಕೃಷ್ಣಮೂರ್ತಿ

ಕೆ.ಕೆ. ಮಹೇಂದ್ರ ಪ್ರಸಾದ್‌ಗೌಡ

ಜಿ. ಮಲ್ಲಕಾರ್ಜುನಯ್ಯ

ಕಮ್ಲಣ್ಣಿ ಬಾಲಪ್ಪ ಕಂಚರಡಿ

ಧರೇಪ್ಪ ವಿಂ. ಅಲಗೂರ

ಗುರುಪಾದಪ್ಪಗೌಡ ಬಿ. ಪಾಟೀಲ

ಎ. ಕೃಷ್ಣಯ್ಯ ವಿ. ಹಿರೇಮಠ

ಪಿ.ಕೆ. ಜಯಕೃಷ್ಣೇಗೌಡ

ಶೇಖರಗೌಡ ಮಾಲ ಪಾಟೀಲ

ಹೆಚ್.ಐ. ನಾಗೇಶ್

ಡಿ.ಆರ್. ನಾಗೇಶಪ್ಪ

ಉಮೇಶ ಶಿ. ಬಾಳ

ರವೀಂದ್ರ ಪ್ರಲ್ಹಾದ ಕಲಬುರ್ಗಿ

ಚಿತ್ತರಂಜನ್ ಬೋಳಾರ್

ಸಲಹೆಗಾರರು

ಕೆ.ವಿನ್. ಗುರುಪ್ರಸಾದ್

ಮುಖ್ಯಕಾರ್ಯನಿರ್ವಹಣಾಧಿಕಾರಿ (ಪ್ರ)

ಪಿ. ಅಶಾಲತಾ

ಉಲ್ಲೇಖ : ಕರಾಸಪಸಂಮ/

/20 -20



u/s 80P so as to provide uniform system of taxation/ income deductions to all co-operatives.

- **Relief from TDS u/s 194N of Income Tax Act 1961:**The Government of India has taken good step towards digital banking in India and to minimise cash transactions has introduced the TDS on cash withdrawal beyond Rs.1.00 Crores. However, majority of co-operative societies are operating in rural area. Even in urban areas they are operating within members group. As majority of members are small savings holders and lack any other banking facilities, they are forced to do cash transactions, it is highly difficult and impractical to route their small transactions through banking channel due to the situation and infrastructure facilities they are having. Therefore, the co-societies are bound to have more cash transactions for its members. But as per Sec.194N the co-operative societies are made as a single customer and TDS is being deducted which in turn blocks its working capital. We submit that since co-operative societies are not directly doing cash transaction for its own, it is being done to facility many of its small transactions from the customers, it is right step and rational to exempt the co-operative societies from the ambit of Sec.194N for TDS on cash withdrawal. We humbly request you



**ಕರ್ನಾಟಕ ರಾಜ್ಯ ಸಹಕಾರ ಪತ್ತಿನ ಸಂಘಗಳ ಮಹಾಮಂಡಳ ನಿ.,**

ನಂ. 16, 1ನೇ ಮಹಡಿ, 1ನೇ ಅಡ್ಡ ರಸ್ತೆ, ಲಿಂಕ್ ರಸ್ತೆ, ಮಲ್ಲೇಶ್ವರಂ, ಬೆಂಗಳೂರು - 560003

**KARNATAKA STATE CO-OPERATIVE CREDIT SOCIETIES FEDERATION LTD.,**

No. 16, 1st Floor, 1st Cross, Link Road, Malleshwaram, Bangalore - 560003.

Phone : 080-23564444/23464033/23464034 E-mail : ksccsfld@gmail.com, info@ksccsf.org, www.ksccsf.org

ಕೆ. ಲಲಿತ ಜಿ.ಟಿ. ದೇವೇಗೌಡ  
ಅಧ್ಯಕ್ಷರು

ಡಾ. ಬಿ.ಡಿ. ಭೂಕಾಂತ  
ಉಪಾಧ್ಯಕ್ಷರು

**ನಿರ್ದೇಶಕರು**

ಸಿ.ಎಂ. ಮಾರೇಗೌಡ

ರಾಜು

ಡಾ|| ಸಂಜಯ ಪಂ. ಹೊಸಮಠ

ಎಂ.ಜಿ. ನರೇಂದ್ರ ಕುಮಾರ

ಡಿ. ಚನ್ನಯ್ಯ

ಕೆ. ಕೃಷ್ಣಮೂರ್ತಿ

ಕೆ.ಕೆ. ಮಹೇಂದ್ರ ಪ್ರಸಾದ್‌ಗೌಡ

ಜಿ. ಫುಲ್ಲಕಾರ್ಜುನಯ್ಯ

ತಮ್ಮಣ್ಣ ಬಾಲಪ್ಪ ಕೆಂಚರಡಿ

ಧರೇಪ್ಪ ಎಂ. ಅಲಗೂರ

ಗುರುಪಾದಪ್ಪಗೌಡ ಬಿ. ಪಾಟೀಲ

ಎನ್.ಎನ್.ಎಸ್. ವಿ. ಹಿರೇಮಠ

ಪಿ.ಕೆ. ಜಯಕೃಷ್ಣಗೌಡ

ಶೇಷರಗೌಡ ಮಾಲ ಪಾಟೀಲ

ಹೆಚ್.ಟಿ. ನಾಗೇಶ್

ಡಿ.ಆರ್. ನಾಗೇಶಪ್ಪ

ಉಮೇಶ ಪಿ. ಬಾಳ

ರವೀಂದ್ರ ಪ್ರಲ್ಹಾದ ಕಲಬುರ್ಗಿ

ಚಿತ್ತರಂಜನ್ ಬೋಳಾರ್

ಸಲಹೆಗಾರರು

ಕೆ.ವಿ. ಗುರುಪ್ರಸಾದ್

ಮುಖ್ಯಕಾರ್ಯನಿರ್ವಹಣಾಧಿಕಾರಿ (ಪು)

ಪಿ. ಅಶಾಲತಾ

ಉಲ್ಲೇಖ : ಕರಾಸಪಸಂಮ/

/20 -20



provide the relief to co-operative societies by exempting from TDS on its cash withdrawal, at least increasing its transaction limit to Rs.10 crores which will benefit 80% of small societies.

In view of genuine hardships as mentioned above, we from KSCCSFL on behalf of Credit Co-operative in the State, we hereby submit our prayers to your good selves to kindly consider the above issue points in this representation and kindly accede to our prayers by necessary steps on securing deposits in co-operative sectors and uniform exemptions for income tax.

We at KSCCSFL sincerely hope that Government of India would consider our above submissions and prayers and would provide appropriate relief by bringing necessary changes in policies on securing-cum-priority in repayment of co-operative deposits and uniform exemptions on income tax. We are also optimistic that you would definitely make an 'all out' effort to help to the stakeholders of the Co-operative ecosystem.

**For Karnataka State Cooperative Credit Societies Federation Limited**

**(K. Lalita G.T. Devegouda)  
President**