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Title: Need to give exemption of tax to Co-operative Banks in the Country.

SHRI KASHIRAM RANA (SURAT): While presenting the Finance Bill in the House on .May 3, 2007, the Finance Minister made a statement that out of 1.11 lakh Cooperative Banks in the country, he has exempted 1.09 lakh Cooperative Banks from Income Tax and taxed only 2,000 Banks.

I would like to submit that there are only 1,828 Cooperative Banks in the country and not 1.11 lakh as he stated. In fact, exemption has been given only to primary and agricultural credit societies. Primary and Agricultural credit societies *are* meant to support and aid financially to agricultural sector while Cooperative Banks are the way to help the weaker sections of society.

The performance of Cooperative Banks has improved recently and if their profits are taxed, it would lower the moral of Cooperative Banks and the growth of the sector would be affected adversely.

In these circumstances, I urge upon the Government to exempt the profits of all Cooperative Banks as early as possible.