



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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Azadi Ka
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Caution against various Co-operative societies using the word "Bank" in their names

The Banking Regulation Act, 1949 (BR Act, 1949) was amended by the Banking Regulation (Amendment) Act, 2020 (Act 39 of 2020) which came into force on September 29, 2020. Accordingly, co-operative societies cannot use the words "bank", "banker" or "banking" as part of their names, except as permitted under the provisions of BR Act, 1949 or by the Reserve Bank of India (RBI).

It has come to the notice of RBI that some Co-operative Societies are using the word "Bank" in their names in violation of Section 7 of the Banking Regulation Act, 1949 (As Applicable to Co-operative Societies) (the BR Act, 1949).

It has also come to the notice of RBI that some Co-operative societies are accepting deposits from non-members/ nominal members/ associate members which tantamount to conducting banking business in violation of the provisions of the BR Act, 1949.

Members of the public are hereby informed that such societies have neither been issued any licence under BR Act, 1949 nor are they authorized by the RBI for doing banking business. The insurance cover from Deposit Insurance and Credit Guarantee Corporation (DICGC) is also not available for deposits placed with these societies. Members of public are advised to exercise caution and carry out due diligence of such Co-operative societies if they claim to be a bank, and look for banking license issued by RBI before dealing with them.

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(Yogesh Dayal)
Chief General Manager