

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

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

Members of the public are hereby informed that such societies have neither been issued any licence under B.R.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 before dealing with them.

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