

GOVERNMENT OF INDIA
MINISTRY OF COOPERATION

RAJYA SABHA
UNSTARRED QUESTION NO- 2723
TO BE ANSWERED ON 22/12/2021

RBI DIRECTIVE FOR CO-OPERATIVE SOCIETIES' NAMES

2723. SHRI M.V. SHREYAMS KUMAR:

Will the Minister of COOPERATION be pleased to state:

- (a) whether Government is aware about the concerns of State Governments and the co-operative societies in the country regarding the RBI directive against using 'bank' in co-operative society names and accepting deposits from non-members;
- (b) if so, the response of Government thereto; and
- (c) whether Government will take steps to mitigate the concerns of co-operative societies that the RBI directive will weaken the co-operative movement in the country?

ANSWER

MINISTER OF COOPERATION

(SHRI AMIT SHAH)

(a) to (c): RBI had issued a Press Release on cautioning members of public against some co-operative societies using the word "Bank" in their names and accepting deposits from non-members/ nominal members/ associate members, which is tantamount to conducting banking business in violation of provisions of the Banking Regulation Act, 1949 (BR Act, 1949).

The purpose of the caution notice is to stop the violation of the statute and the same has been issued in public interest.
