



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

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December 11, 2014

**RBI extends Directions issued to Indian Mercantile Co-operative Bank Ltd.,
Lucknow, Uttar Pradesh till June 11, 2015**

The Reserve Bank of India has extended Directions issued to Indian Mercantile Co-operative Bank Ltd., Lucknow for a further period of six months from December 12, 2014 to June 11, 2015, subject to review. The bank was under directions since June 12, 2014.

According to the Directions, Indian Mercantile Co-operative Bank Ltd., Lucknow cannot and without prior approval of the Reserve Bank in writing grant or renew any loans and advances, make any investment, incur any liability including borrowal of funds and acceptance of fresh deposits, disburse or agree to disburse any payment whether in discharge of its liabilities and obligations or otherwise, enter into any compromise or arrangement and sell, transfer or otherwise dispose of any of its properties or assets except as notified in the Reserve Bank's Directions. Further, the bank can allow its depositors to withdraw a sum not exceeding ₹1,00,000 (Rupees one lakh only) of the total balance in every savings bank or current account or any other deposit account on one occasion during the period of Directions, that is, from June 12, 2014 to June 11, 2015.

The Directions were imposed in exercise of powers vested in the Reserve Bank under sub section (1) of Section 35A of the Banking Regulation Act, 1949 read with Section 56 of the Banking Regulation Act, 1949. A copy of the Directions is displayed on the bank's premises for perusal by interested members of public.

The issue of the Directions by the Reserve Bank should per se not be construed as cancellation of banking license by the Reserve Bank. The bank will continue to undertake banking business with restrictions till its financial position improves. The Reserve Bank may consider modifications of these Directions depending upon circumstances.

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