



**भारतीय रिज़र्व बैंक**  
**RESERVE BANK OF INDIA**

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DEPARTMENT OF COMMUNICATION, Central Office, S.B.S.Marg, Mumbai-400001

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June 13, 2014

**Directions under Section 35A of the Banking Regulation Act, 1949 (AACs) –  
Indian Mercantile Co-operative Bank Ltd., Lucknow**

The Reserve Bank of India is satisfied that in the interest of the public it is necessary to issue certain directions to Indian Mercantile Co-operative Bank Ltd., Lucknow. Accordingly, the Reserve Bank of India in exercise of the powers vested in it under sub-section (1) of Section 35A of the Banking Regulation Act, 1949 (As Applicable to Co-operative Societies) read with Section 56 of the Banking Regulation Act, 1949 hereby directs that Indian Mercantile Co-operative Bank Ltd., Lucknow, from the close of business on June 12, 2014, shall not, without prior approval in writing from the Reserve Bank of India, 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 to the extent and in the manner provided hereunder:

- (i) A sum not exceeding ₹ 1,000/- (Rupees one thousand only) of the total balance in every savings bank or current account or any other deposit account by whatever name called, may be allowed to be withdrawn by a depositor provided that wherever such depositor is having liability to the bank in any manner, i.e. either as a borrower or surety, the amount may be adjusted first to the relevant borrowal account/s.
- (ii) Renewal of the existing term deposits on maturity in the same name and same capacity.
- (iii) Such expenditure as permitted in the captioned Direction.

It shall also not incur or extinguish any other liability unless specifically approved in writing by the Reserve Bank of India.

The detailed directions are displayed on the bank's premises for the interested members of public to peruse. The Reserve Bank may consider modifications of the directions depending upon circumstances. The issue of direction by the RBI should not per se be construed as cancellation of banking licence by RBI. The bank will continue to undertake banking business with restrictions till its financial position improves.

The instructions will remain in force until further notice.