



भारतीय रिजर्व बैंक
RESERVE BANK OF INDIA

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February 13, 2026



RBI cancels the licence of Indian Mercantile Co-operative Bank Ltd., Lucknow

The Reserve Bank of India (RBI), vide order dated February 11, 2026, has cancelled the licence of “Indian Mercantile Co-operative Bank Ltd., Lucknow”, under Section 22 read with Section 56 of the Banking Regulation Act, 1949 (BR Act). Consequently, the bank ceases to carry on banking business, with effect from the close of business on February 13, 2026. The Commissioner and Registrar of Cooperative, Uttar Pradesh has also been requested to issue an order for winding up the bank and appoint a liquidator for the bank.

The Reserve Bank cancelled the licence of the bank as:

- i. The bank has inadequate earning prospects. As such, it does not comply with the provisions of Section 22 (3) (d) read with Section 56 of the Banking Regulation Act, 1949.
- ii. The bank has failed to comply with the requirements of Sections 22 (3) (b), 22(3)(c), 22(3) (d) and 22(3)(e) read with Section 56 of the Banking Regulation Act, 1949.
- iii. The continuance of the bank will be prejudicial to the interests of its depositors.
- iv. Public interest would be adversely affected if the bank is allowed to carry on its banking business any further.

2. Consequent to the cancellation of its licence, “Indian Mercantile Co-operative Bank Ltd., Lucknow” is prohibited from conducting the business of ‘banking’ which includes, among other things, acceptance of deposits and repayment of deposits as defined in Section 5(b) read with Section 56 of the Banking Regulation Act, 1949, with immediate effect.

3. On liquidation, every depositor would be entitled to receive deposit insurance claim amount of his/her deposits up to a monetary ceiling of ₹5,00,000/- (Rupees five lakh only) from Deposit Insurance and Credit Guarantee Corporation (DICGC), subject to the provisions of DICGC Act, 1961. As per the data submitted by the bank, about 98.75% of the depositors are entitled to receive full amount of their deposits from DICGC. As on December 31, 2025, DICGC has already paid ₹2.90 crore of the total insured deposits under the provisions of Section 18A of the DICGC Act, 1961, based on the willingness received from the concerned depositors of the bank.

(Brij Raj)
Chief General Manager

Press Release: 2025-2026/2119