



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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June 19, 2020

**Directions under Section 35 A of the Banking Regulation Act, 1949 (AACs) –
Punjab and Maharashtra Cooperative Bank Limited, Mumbai, Maharashtra –
extension of validity period of Directions and enhancement of
withdrawal limit for depositors to ₹1,00,000/-**

Punjab and Maharashtra Cooperative Bank Limited, Mumbai, Maharashtra, a Multi-State Urban Cooperative Bank was placed under All-Inclusive Directions under sub-section (1) of Section 35 A read with Section 56 of the Banking Regulation Act, 1949 with effect from close of business on September 23, 2019 vide Directive DCBS.CO.BSD-1/D-1/12.22.183/19-20 dated September 23, 2019, in the interest of depositor protection. The withdrawal limit under the directions was last enhanced to ₹50,000/- (Rupees Fifty Thousand Only) per depositor on November 5, 2019 and the Directions were last extended vide Directive dated March 21, 2020 upto June 22, 2020.

Reserve Bank has been engaging with the stakeholders to explore the possibility of a resolution of the bank. However, the process has been affected due to the lockdown on account of COVID 19 and the continuing uncertainty around the pandemic. Further, the extent of the negative net worth of the bank, and the legal processes involved in recovery of bad debts also pose challenges/limitations in resolution of the bank. Nevertheless, consultation with various stake-holders and authorities for resolution of the bank is continuing. It is, therefore, considered necessary to extend the aforesaid Directions for a further period of six months to take the process forward.

Accordingly, it is hereby notified for the information of the public that the validity of the aforesaid Directive dated September 23, 2019, as modified from time to time, has been extended for a further period of six months from June 23, 2020 to December 22, 2020 subject to review.

Further, on a review of the bank's liquidity position, its ability to pay the depositors and with a view to mitigating the difficulties of the depositors during the prevailing COVID-19 situation, it has also been decided to further enhance the limit for withdrawal to ₹1,00,000/- (Rupees One Lakh only) per depositor, inclusive of ₹50,000 allowed earlier. With the above relaxation, more than 84% of the depositors of the bank will be able to withdraw their entire account balance.

All other terms and conditions of the Directives under reference shall remain unchanged.

The Reserve Bank is closely monitoring the position and shall continue to take further steps as are necessary to safeguard the interest of the depositors of the bank.

(Yogesh Dayal)
Chief General Manager