



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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September 26, 2019

**Directions under Section 35A of the Banking Regulation Act, 1949 (AACS) –
Punjab and Maharashtra Cooperative Bank Limited, Mumbai, Maharashtra -
Relaxation in withdrawal limit of Deposit Accounts**

Punjab and Maharashtra Cooperative Bank Ltd., Mumbai, Maharashtra, a Multi-State Urban Cooperative Bank has been placed under All-Inclusive Directions under sub-section (1) of Section 35A 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 Directions were necessitated on account of major financial irregularities, failure of internal control and systems of the bank and wrong/under-reporting of its exposures under various Off-site Surveillance reports to RBI that came to the Reserve Bank's notice recently. Therefore, the Board of the bank has also been superseded under sub sections (1) and (2) of Section 36 AAA read with Section 56 of the Banking Regulation Act, 1949 and an Administrator has been appointed. The Administrator is taking necessary steps in this regard.

On a preliminary assessment of the bank's latest depositor and liquidity profile as furnished by the Administrator, RBI has decided, in the interest of depositors, to review the Directions. Accordingly, vide modified [Directive dated September 26, 2019](#), it has been decided to allow the depositors to withdraw a sum not exceeding ₹10,000/- (Rupees Ten Thousand Only) (including ₹1,000/- wherever already withdrawn) of the total balance held in every savings bank account or current account or any other deposit account by whatever name called, subject to conditions stipulated in the RBI Directive dated September 23, 2019. Other terms and conditions of the said Directive shall remain unchanged. With the above relaxation, more than 60% of the depositors of the bank will be able to withdraw their entire account balance.

The above relaxation has been granted with a view to reducing the hardship of the depositors. 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.