

PMCB Shareholders and Account holders Forum

20.02.2020

The Administrator,
PMC Bank Ltd.,
Bhandup West,
Mumbai - 400078.

Sub: Appeal for initiating steps for the revival of the Bank.

Respected Sir,

We write this letter on behalf of the shareholders of Punjab Maharashtra Co-operative Bank Ltd. who are distressed due to the PMCB scam unearthed in September, 2019. It is almost 5 months now since the imposition of 35 A but we do not see any relief in sight, hence we earnestly request you to co-ordinate resolutely with Central Government, State Government, RBI for the pursuit of revival of the Bank for aspects in their jurisdiction for faster and the complete mitigation of the issues.

We enlist hereunder few of the **major grievances faced by depositors:**

1. Compelled poverty imposed on the depositors as the withdrawal limit is meagre Rs. 273/- per day and is highly insufficient for a family.
2. Thousands of depositors have their complete funds parked in this bank and no other source of income as well for daily expenses and are completely distressed and have become beggars.
3. Few distressed depositors are also contemplating committing suicide due to the financial strain.
4. Increase in sufferings due to unavailability of funds for medical emergencies, Marriage expenses, educational needs, Livelihood needs, etc.
5. Many families had funds parked for immediate purchase of a new house.
6. Funds unavailable for regular expenses and major repairs to thousands of Co-op. housing societies.
7. Funds unavailable for working capital or regular expenses for businesses, Trusts, Gurudwaras, schools, colleges and institutions.
8. Despite availability of funds, depositors are unable to pay their taxation dues.

Aspects for State intervention

1. The EOW investigation needs strengthening and pressure mounted for arrest of all directors of the bank as without them being complacent, crime with such high magnitude couldn't have been perpetrated by the staff of the bank.
2. The State can also infuse funds in the bank from its own funds to save the bank and its depositors with the intent to bolster the co-operative movement.
3. In the interim, state can be requested to shift some of its accounting operations through the bank with the intent of revival of the bank. To illustrate, teachers accounts were transferred to Mumbai DCCB Ltd. and accounts of police personnel were shifted to Axis Bank by the earlier state Govt.
4. Extension of temporary loan by the state as part of infusing funds which can be recovered by the state through the sale of distressed assets already seized by EOW.
5. Purchase of seized large tracts of land by state to build affordable houses for the poor.

Aspects for Central Interventions:

1. Recapitalization-The UOI has recapitalized PSBs continuously and can help PMC bank too.
2. Merger with a strong nationalized or co-operative bank immediately- precedent of 130 UCBs being merged into 72 entities in Maharashtra alone.
3. Formation of a new board from the corporate world to manage the bank professionally.

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4. Infusion of funds u/s 61 of the Multi State Co-operative Societies Act.

Aspects for RBI Interventions:

1. Until the removal of 35 A directives, recommendations on increase of withdrawal limits and a pro rata distribution of available funds in the ratio of deposits held in the account.
2. Permission be sought for direct payment of statutory duties like Income Tax, GST, etc. from the account maintained with the Bank.

Aspects for Bank level Interventions:

1. Due to restrictions on banking operations, bank has unused ATM space plus unused branch space too. The bank needs optimal utilization of available space and the unused branch space can be rented out temporarily to generate some income without closing any operational branches but only with using ATM space as branch counters.
2. The branch premises on rent can be shifted to small premises to save the rental expenses or to own property with due permissions from RBI. To illustrate as per available info, Carnac bundar branch is being operated through a rented premises despite bank having its owned property in its vicinity.
3. Help the forum to co-ordinate with various stakeholders for revival of the bank by allowing access to the Bank auditorium to conduct meetings with depositors, shareholders, co-operative societies, etc.

We earnestly request you to initiate the resolution process for PMC Bank as soon as possible to relieve the stress of the depositors and save them from further hardships as well as help in curbing the deaths of distressed depositors due to financial strain and potential suicides.

Thanking You,

Yours Sincerely,

For **PMCB Share and Account holders Forum**

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