

03.04.2020

Hon. Shri Shaktikanta DasJi,  
Governor,  
Reserve Bank of India,  
Central Office Building,  
18<sup>th</sup> Floor, Shahid Bhagat Singh Road,  
Mumbai-400 001.

Sub: Appeal for initiating steps for the revival of the PMC Bank on topmost priority in the wake of COVID-19 financial crisis coupled with financial drought faced by PMC Bank depositors since 23.09.2019.

Respected Sir,

We write this letter on behalf of the shareholders and depositors of Punjab & Maharashtra Co-operative Bank Ltd. who are distressed due to the PMC Bank scam unearthed in September, 2019 who are now also faced with undue hardships after the outbreak of COVID-19 pandemic induced lockdown coupled with withdrawal restrictions imposed due to S. 35A directives and its extension.

We write this letter to you in continuity to our earlier letter dated 11.03.2020 sent to you by an email of even date in respect to revival of PMC Bank. We once again earnestly request you to co-ordinate resolutely with Central Government and State Government for the pursuit of revival of the PMC Bank by infusion of funds for aspects in their jurisdiction for faster and the complete mitigation of the issues which have further mitigated.

#### **Extension of S. 35A directives on PMC Bank**

Though the withdrawal limit has not been extended vide the Extension directions dated 21.03.2020, we appreciate your statement in the aforementioned Press Release notifying the directive that Reserve Bank of India in consultation with various stakeholders and authorities is trying to work out a scheme for revival of the bank in the interest of depositors and the stability of the co-operative sector.

#### **Revival of PMC Bank vis a vis YES Bank**

There are umpteen number of precedents of writing off bad loans and recapitalization of nationalized and private banks including IDBI, PNB, and even SBI. As recently as March, 2020 too, YES Bank embroiled in a analogous scam in view of the similar lending patterns and also misreporting of resultant NPA's coupled with involvement of one of the same corporate borrower ie. Wadhawan group in both the banking scams. It was a welcome move to reconstruct the YES Bank within few days of imposing a moratorium on the Bank which was initiated by your office. We anticipate such a benevolent move by you for PMC Bank too though delayed as the grievances of the PMC Bank depositors are amplifying due to the dual crisis faced by them- PMC scam coupled with the worldwide spread COVID-19 and the consequent national lockdown imposed by the Central Government which has resulted in severe financial crunch due to joblessness and business losses, the main sufferers also being the senior citizens dependent on interest income. The financial drought faced by the depositors due to allowable withdrawals of a meagre Rs. 50000/- till date from 23.09.2019 has augmented further due to the current crisis as the amount is too inadequate for any individual to survive in the present times coupled with the present lockdown, and all depositors- both individual and institutional/ business depositors are in plausible need of their own monies.

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## PMCB Shareholders and Account holders Forum

RBI initiated immediate action of reconstructing YES Bank in the public interest and particularly in the interest of the depositors citing the rapidly deteriorating financial position relating to liquidity, capital and other critical parameters, PMC Bank too is positioned identically and hence necessitates analogous action immediately for complete mitigation of grievances of PMC Bank depositors and also to repudiate any discriminate actions vis a vis YES Bank revival in wake of the commensurate protection to all Indian Citizens which is guaranteed by Article 14 of the Indian Constitution.

Further, Sections 45(4) and 45(7) of the Banking Regulation Act, 1949 which was invoked for reconstruction of the YES Bank is also applicable to PMC Bank, a co-operative Bank as the exception clause of Section 56 which effects the application of the Banking Regulation Act, 1949 to Co-operative Banks in relation to banking companies. only excludes sub-sections (1), (2) and 3 of Section 45 impliedly the applicability of the remaining portions of Section 45 to all Co-operative banks.

We hereby earnestly appeal to you to initiate the resolution process for PMC Bank immediately 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 with the intent to protect the interest of all depositors as all depositors are already suffering from mental agony due to the PMCB scam and the financial crunch due to the ongoing COVID-19 induced national lockdown.

The Central Government, State Governments and even Reserve Bank of India has made prudent announcements for various relief packages for providing relief to the victims of COVID-19 and relief work is already in process; and in that backdrop, we once again sincerely request you to initiate requisite steps by initiating infusion of funds in PMC Bank immediately identical to the YES Bank revival and thwart the discrimination being meted out to the distressed PMC Bank depositors with a view to help us tide over the grave financial crunch faced by us in this hour of crisis.

Thanking You,

Yours Sincerely,

**For PMCB Share and Account holders Forum**

Amar Thakur (034892)  
Deepak Rupani (028154)  
Sundar Shyam Bhatia(30556)  
Davinder Singh Gambhir(09301)  
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