## PMC Bank depositors reach RBI gates

Seek meeting with officials to lift cap on withdrawal; depositors have also planned silent marches across Mumbai today

NIDHI RAI Mumbai, 10ctobe

ggrieved depositors of Punjab Maharashtra Co-operative (PMC) Bank on Tuesday staged a protest outside the Reserve Bank of India's (RBI's) office in Mumbai,

cash withdrawal. The account holders will also organise silent marches across the city on Wednesday.

demanding that the central

bank lift restrictions on

Harpreet Singh Guleria, who works in the financial services sector and has several accounts with PMC Bank, plans to join the peace march. "Since it is a holiday, we will try to bring as many people as possible. I have four savings accounts, one current account and few fixed deposits with PMC. My parents opened these accounts 35 years ago and we used these accounts for sheer convenience and nothing else."

The bank's customers have asked for an official meeting with senior RBI executives on Thursday so that they have access to their money.

On September 24, the RBI placed curbs on PMC Bank following allegations of irregularities in certain loan accounts. Initially, the central bank allowed withdrawal of only ₹1,000 from a savings account, current account, or any other deposit account for six months. The next day, the RBI increased the withdrawal limit to ₹10,000 per account for six months.

The protesters said this is insufficient. Gautam Chabria, the single parent of an autistic child, was also present at the protest, said: "I have saved ₹50 lakh for my child and parents. Now I am unable to pay for their medical bills. Nobody from the government has even allowed to withdraw their acknowledged that something money. How is this acceptlike this has happened. What is our mistake in this?" he asked. ing in all this."



Aggrieved depositors of Punjab and Maharashtra Co-operative (PMC) Bank staged a protest outside the Reserve Bank of India's office in Mumbai

## Banking system safe, reiterates RBI

Mumbai,10ctober

stable, and there is no need

The RBI statement came on a day when the Nifty Bank

Congress leader and for-

mer Member of Parliament

Sanjay Nirupam was also pres-

ent at the protest. Nirupam

told Business Standard,

"There is no clarity about the

money and customers are not

able? Poor people are suffer-

index tanked by 1.3 per cent in intra-day trade amid a barrage of negative news from the sector, including a deepening crisis at the Punjab and Maharashtra Cooperative Bank (PMC).

'There are rumours in some places about certain banks, including

assure the general public that the Indian banking system is safe and stable, and there is no need to panic on the basis of such rumours," the RBI said. Bank stocks lost heavily

depositors. RBI would like to

in anxiety among the

on both the Sensex and Nifty indices on Tuesday.

## **Gave adequate security** for PMC loans, says HDIL

RAGHAVENDRA KAMATH Mumbai,10ctober

Housing Development & Infrastructure (HDIL) on Tuesday said it had provided adequate security cover for the loans taken from Puniab and Maharashtra Co-operative

(PMC) Bank. PMC Bank lent ₹6,500 crore to HDIL, accounting for 73 per cent of the bank's loan book.

"The company (HDIL) has over a period of time availed of banking facilities from various banks and institutions including PMC Bank in the normal course of business. Adequate security cover in favour of the banks. including PMC Bank, has been created over the assets of the company for these facilities in due compliance with all banking regulations as per guidelines described by RBI," the property developer said in a statement to the exchanges on Tuesday.

A letter, signed by company Vice-Chairman and Managing Director Sarang Wadhawan, said the books of the company were audited and that they "reflect a fair picture as

regards to the affairs of the company and the group".

HDIL said it was facing temporary cash flow issues because of the external environment in the real estate sector which has caused the firm to be admitted for insolvency, an issue it is actively attempting to resolve.

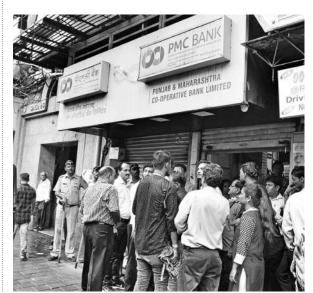
"With relation to borrowings from PMC, we have already issued letters requesting an appointment with the administrator in charge of the bank to put forth the true and correct picture as also to discuss a strategy hereby the interest of all stakeholders and in particular PMC Bank and its depositors is protected." it added.

"It is also learnt that certain action is being initiated against HDIL and its promoters. We are unaware of any such action."

The economic offences wing of the Mumbai police on Monday booked the promoters of HDIL and officials of PMC Bank in connection with the irregularities at the bank,

reports said. The company's stock fell five per cent on Tuesday on the Mumbai stock exchange to end the day at ₹3.8

**MCA** to inspect books of HDIL



Mumbai Police on Monday filed a case against PMC Bank and HDIL officials for allegedly violating RBI norms

RUCHIKA CHITRAVANSHI

New Delhi, 1 October

The Ministry of Corporate Development

and Infrastructure (HDIL) to see if it was a business failure or a case of mismanagement, a senior government official said.

The MCA has already issued a look out circular against founders HDIL, the official confirmed. "If a bank has sunk because of exposure to one company, it is worth

looking into," he

The Mumbai police on Punjab and Maharashtra Co-HDIL officials for allegedly violating Reserve Bank of

ing loans to the real estate development company beyond permissible limits.

The ministry will study Affairs (MCA) has ordered an the books of account, relatinspection into Housing ed-party transactions and filings of the compa-

ny to decide if the case needs to be referred to the Fraud Serious Investigation Office. "At this stage, it is just an inspection. We will take appropriate action if there

cial added. PMC Bank's suspended managing director (MD) and chief executive officer (CEO) Joy Thomas wrote

September 21 to the Reserve Bank of India (RBI), reviewed

PRESS TRUST OF INDIA

The Reserve Bank of India (RBI) on Tuesday assured the public that the Indian banking system is safe and

cooperative banks, resulting professionals Medical Kaveri Chaddha and Ekta Gupta are worried about the future of their children. Chaddha said she has to pay her

daughter's fee in an American university but all her savings are stuck in PMC Bank. Gupta, on the other hand, has saved her hard-earned money for her

daughter's wedding. "Is it a

Ponzi scheme? I have kept my money in a proper bank and it is gone. How is it possible? How is it our fault?" she asked. Some other said they have

to now sell other assets to raise cash. On Monday, a first infor-

mation report was registered against PMC Bank Chairman S Waryam Singh, suspended ter to the RBI on September 21 PMC Bank enjoyed.

Managing Director Joy in which he confessed to con-Thomas, real estate development company Housing Development & Infrastructure (HDIL), and its promoters Rakesh and Sarang Wadhawan among others by the economic offences wing of the Mumbai police.

Thomas had written a let-

cealing information from the board, auditors, and regulators, and replacing stressed accounts with accounts to protect HDIL and its promoters. He also provided details of the symbiotic relationship that HDIL's promoter family Wadhawan and



circular against the <u>founders</u> of HDIL a five-page confession letter on

Monday filed a case against by Business Standard, where he described the relation of operative (PMC) Bank and HDIL's promoter family with PMC Bank in detail, and how both sides helped each India (RBI) norms by extend- other out.