

Government of India
Ministry of Finance
Department of Financial Services

LOK SABHA
Unstarred Question No. † 230
Answered on Monday, February 3, 2020/Magha 14, 1941 (Saka)
PMC Bank Scam

SHRI RAJESH VERMA:

Will the Minister of FINANCE be pleased to state:

- (a) the number of investors and amount of their deposits involved in PMC Bank scam so far;
- (b) the number of persons arrested so far by the Economic Crime Wing in this regard along with details thereof, name-wise; and
- (c) the details of action taken by the Government so far in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ANURAG SINGH THAKUR)

(a) to (c) As reported by Reserve Bank of India (RBI), as on September 23, 2019 the date on which All Inclusive Directions were imposed by RBI, the number of depositors of Punjab and Maharashtra Co-operative (PMC) Bank was 9,15,775 with total deposit amount of Rs.11,787.58 crore. Subsequently, as on December 31, 2019 the number of depositors of the said bank was 9,11,419 with total deposit amount of Rs.10,629.17 crore.

Based on a complaint filed by the bank against its officials and borrowers associated with the fraud/financial irregularities and manipulation of its books of accounts, the Economic Offences Wing, Maharashtra Police has started its investigations into the matter. Forensic Auditors have been appointed to look into the related transactions. As reported by RBI, details of accused persons arrested in PMC Bank fraud case are provided in the Annexure to this reply.

RBI has taken following measures to protect the interest of depositors of the PMC Bank:

➤ RBI, in exercise of the powers conferred under sub-Section (1) and (2) of Section 36AAA read with Section 56 of the Banking Regulation Act, 1949 superseded the Board of Directors of the bank on September 23, 2019 and appointed an Administrator in its place for a period of six months. An Advisory Committee comprising of three experienced professionals has also been appointed to assist the Administrator in discharge of his duties in terms of Section 36AAA(5)(a) read with Section 56 of the Banking Regulation Act, 1949.

➤ To enable the bank to improve its position by concentrating on recovery of NPAs /bad loans, RBI imposed All-inclusive Directions on the bank with effect from close of business on September 23, 2019 for a period of six months in terms of which bank is prohibited from making fresh advances. Withdrawals by depositors have been restricted to the notified amount to avoid a run on the bank. The All Inclusive Directions, inter alia, restricted payment of deposits beyond a threshold limit to prevent the possibility of preferential payment of deposits and prevent reckless lending in the interregnum etc. The bank is also required to take prior approval of RBI before making any payments/expenditures that have not been allowed under these Directions, thus protecting the pool of deposits of the depositors from wasteful expenditures and allowing only for productive/useful purposes.

➤ After reviewing the bank's liquidity position and its ability to pay its depositors and with a view to mitigating the hardship of the bank's depositors, RBI has been progressively enhancing the limit for withdrawals which is presently at Rs.50,000 effective from November 5, 2019. With the latest relaxation, about 78% of the depositors of the bank will be able to withdraw their entire account balance. The withdrawal ceiling is being monitored vis-à-vis the bank's evolving depositor and liquidity profile and further action as deemed fit may be taken in the best interest of depositors of the bank.

➤ Further, the depositors can also withdraw on hardship grounds (medical expenses and non-medical expenses like educational expenses of self or children, marriage expenses of self, other relatives and for livelihood) an amount upto Rs.1 lakh (with a sub-ceiling of Rs.50,000 for withdrawal on all non-medical grounds). The power to sanction such hardship withdrawals has been delegated to the Administrator of the bank for speedier resolution of such cases.

**Annexure as referred to in reply of Lok Sabha Unstarred Question No. 230 for
03.02.2020**

Accused person arrested in PMC Bank Fraud

- 1) Accused **Mr. Joy Thomas (A-1)**, the then MD of Punjab and Maharashtra Co-op Bank Ltd., Mumbai was arrested on 04/10/2019 and he is in judicial custody.
- 2) Accused **Mr. Waryam Singh(A-2)**, the then Chairman of Punjab and Maharashtra Co-op Bank Ltd., Mumbai was arrested on 05/10/2019 and presently he is in judicial custody.
- 3) Accused **Mr. Sarang Wadhwan (A-3)**, Executive of Housing Development Infrastructure Ltd. (HDIL) is arrested on 03/10/2019 and presently he is in judicial custody.
- 4) Accused **Mr. Rakesh Kumar Wadhwan (A-4)**, Executive of Housing Development Infrastructure Ltd. (HDIL) is arrested on 03/10/2019 and presently he is in judicial custody.
- 5) Accused **Mr.Surjitsigh Arora (A-5)**, Director of PMC Bank was arrested on 16/10/2019 and presently he is in judicial custody. He was member of Loan and Investment Committee.

Charge Sheet against aforementioned five accused persons is submitted in Hon'ble 47th ACMM Court, Mumbai on 27.12.2019

- 6) Accused **Mr. Ketan Pravinchandra Lakdawala (A-6)**, Statutory Auditor of PMC Bank, Mumbai was arrested on 11/11/2019 and presently he is in judicial custody.
- 7) Accused **Mr. Jayesh Dhirajlal Sanghani (A-7)**, Statutory Auditor of PMC Bank, Mumbai was arrested on 11/11/2019 and presently he is in judicial custody.
- 8) **Ms. Anita Shankar Kirdat (A-8)**, Concurrent Auditor of PMC Bank, Mumbai was arrested on 12/11/2019 and presently she is in judicial custody.
- 9) **Mr. S. Rajneet Singh S/o. Tara Singh (A-9)**, Director & Member of Recovery Committee in PMC Bank, Mumbai was arrested on 16/11/2019 and presently he is in judicial custody.
- 10) **Mr. Jagdish Ramkishan Mookhey (A-10)**, one of the Directors of the Board of PMC Bank and he was member of Audit Committee of PMC Bank from 2005-2010, 2010-2015 and 2015-2020. **(Was arrested on 03/12/2019 and presently he is in judicial custody)**
- 11) **Smt. Mukti Devang Bavisi(A-11)**, was Director of the Board of PMC Bank and member of Loans and Advances Committee of PMC Bank from 2011-2015 and 2015-2020. **(Was arrested on 03/12/2019 and presently she is in judicial custody).**
- 12) **Smt. Trupti Suhas Bane (A-12)**, was also one of the Directors of the Board of PMC Bank and member of Recovery Committee for the period 2010-2015, Loans and Advances Committee 2015-2020. **(Was arrested on 03/12/2019 and presently she is in judicial custody).**