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Market Watch

Maharashtra government wants PMC Bank to merge with MSC Bank

BY IANS | UPDATED: DEC 05, 2019, 10.40 PM IST

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Mumbai: Spelling a ray of hope for thousands of depositors, the Maharashtra government has suggested merging the Punjab & Maharashtra Cooperative (PMC) Bank with the Maharashtra State Cooperative (MSC) Bank, state minister Jayant Patil said here on Thursday.

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"The government stands behind the [PMC Bank](#) depositors. I have spoken with the [MSC Bank](#) director and asked him to consider a merger of the two banks to provide relief to the depositors," Patil told mediapersons here this afternoon.

He assured that the state's apex cooperative banking entity, the MSC Bank's financial health is sound and the merger could definitely help the beleaguered PMC Bank's aggrieved depositors.

Patil added that if required, the Maha Vikas Aghadi will make a recommendation on this possible merger to the [Reserve Bank Of India](#) (RBI) and if approved, it could take around a couple of months to complete the entire process.

It may be recalled that nearly four months since the RBI slapped stringent restrictions on the PMC Bank after an alleged Rs 4,355 crore scam tumbled out, there has been panic and uncertainty among its depositors with the matter reverberating in the Parliament.

While at least 12 persons, including past and present directors and officials of the Housing Development & Infrastructure Ltd (HDIL), have already been arrested, some eight depositors whose monies were directly or indirectly frozen in the PMC Bank have died.

The PMC Bank has over 1.60 million depositors and investigations revealed stunning irregularities which led even the RBI to virtually concede that it was 'cheated' by the PMC Bank which suppressed vital information during stringent audits and inspections.

Amid a series of massive protests by the depositors and the matter being raised in the [Lok Sabha](#), the [Mumbai Police's](#) Economic Offences Wing (EOW) has got cracking by nabbing 12 persons, including two women and directors of the HDIL.

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