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Market Watch

PMC Bank depositors' worries to be taken up with RBI: Minister

BY PTI | DEC 12, 2019, 04.00 PM IST

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Mumbai: The Maharashtra government will take up concerns of the troubled [Punjab and Maharashtra Cooperative \(PMC\)](#) Bank's depositors with the [RBI](#) in a couple of days, state minister [Jayant Patil](#) said on Thursday.

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Patil, who earlier suggested that the [PMC Bank](#) be merged with the Maharashtra State Cooperative (MSC) Bank, said he was told that linking of the two banks was not possible.

"I will be speaking to a senior Reserve Bank of India (RBI) officer in a day or two to address the concerns of depositors. The Maharashtra government sympathises with the PMC Bank depositors," he told reporters after attending an event here marking [NCP](#) chief [Sharad Pawar](#)'s 79th birthday.

"I think merging the PMC bank in some other good bank is the right way (of helping the depositors). We will still speak to the RBI on the issue," he added.

Patil recalled that he had suggested merger of the PMC and MSC banks to the latter's chairman.

"We had a discussion with the MSC bank chairman. The PMC is a multi-state cooperative bank, while the MSC is a bank operating in a single state. Hence, I was told, their merger is impossible and not in line with law," he said.

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The PMC Bank, which has around 16 lakh depositors, was placed under an RBI administrator on September 23 for six months due to massive under-reporting of dud loans.

The bank, over a long period of time, had given more than Rs 6,700 crore in loans to the [Housing Development and Infrastructure Ltd \(HDIL\)](#), which is 73 per cent of its total advances, and which turned sour with a shift in the fortunes of the now bankrupt company.

Its total loans stand at around 9,000 crore and the deposits at over Rs 11,610 crore. There have been massive protests across city from the PMC Bank depositors following the RBI action.

Twelve people, including top officials of the PMC Bank and HDIL, have so far been arrested by Mumbai Police's Economic Offences Wing in connection with the scam.

At least eight depositors, who had high quantum of money stuck with the bank, died in the last couple of months, including one who committed suicide.

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