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HC queries Centre, RBI on different treatment to PMC Bank depositors vis-a-vis Yes Bank

BY PTI | JUN 26, 2020, 04.12 PM IST

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NEW DELHI: The [Delhi High Court](#) has directed the [RBI](#) and the Centre to explain as to how the depositors of scam-hit [Punjab and Maharashtra Cooperative](#) (PMC) Bank are "differently circumstanced" in comparison to [Yes Bank](#), which was revived after infusion of funds by investors including state-owned [SBI](#).

The court noted that as per a March notification issued by the Centre, the RBI as well as the central government had a crucial role to play in the decision taken to permit, firstly, the Yes Bank Limited Reconstruction Scheme 2020 being brought into play and, secondly, to have it funded.

The court was hearing a plea seeking direction to the [Reserve Bank of India](#) (RBI) to issue a statement on timelines and safety of deposits with the PMC Bank and to ensure that payments are made to depositors in full along with interest.

Justice Rajiv Shakti was informed by the Centre that the government has not invested any funds in scam-hit Yes Bank and investors, including state-owned SBI, had invested in its share capital after sanction to the reconstruction scheme.

The response came in pursuance to the high court's earlier query to the Centre to disclose if it intends to infuse funds to render support to

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“Given the dire state in which the depositors of PMC Bank are placed today, the Administrator, to my mind, should approach the concerned Court and make an endeavour to hasten the process. The circumstances created by the coronavirus pandemic affects even the depositors of the PMC Bank,” the judge said and asked the administrator to revert on this aspect by filing an additional affidavit in three weeks.

The court had earlier asked the administrator of the bank to file a status report which shall indicate whether or not the sale of assets of the promoter-directors of HDIL has taken place.

Two directors -- Rakesh Wadhawan and his son Sarang Wadhawan -- of Housing Development and Infrastructure Ltd (HDIL) were earlier arrested in the PMC bank scam case.

In September last year, the RBI had imposed restrictions on PMC Bank and also superseded the board and management of the bank and appointed an ex-RBI official as the administrator.

The plea by Sandeep Bhalla also sought direction to the RBI to allow the petitioners and depositors particularly senior citizens to withdraw amounts up to the interest on their deposits to enable them to make their living.

The plea was filed in a pending petition concerning the fate of the deposits made with the PMC Bank.

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“In these circumstances, the RBI will file an affidavit as to what propelled it to take action in the ‘public interest’ to secure the interest of the depositors of Yes Bank and the reason why the Union of India accorded sanction to the reconstruction scheme,” the high court said in the order which was passed on Thursday and made available on Friday.

The court asked the RBI and the Centre to file additional affidavits bringing on record the documents, which will establish the reasons which propelled the decision to be taken, that is, the forging of the reconstruction scheme.

“The affidavits will delve into the aspect as to how the depositors of PMC Bank are differently circumstanced in comparison to the depositors of Yes Bank. Furthermore, the affidavit of Union of India will indicate as to the shares it holds in SBI and the representation it has on the SBI's Board of Directors,” the high court said.

It asked the RBI and the Centre to file their affidavits within three weeks and listed the matter for further hearing on August 6.



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