



**RESERVE BANK OF INDIA**

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March 24, 2005

**Depositors of The Raghuvanshi Cooperative Bank Ltd., Mumbai,  
Maharashtra to get up to Rs.1 lakh**

In view of the fact that the The Raghuvanshi Cooperative Bank Ltd., Mumbai, Maharashtra had ceased to be solvent, the Reserve Bank of India, on March 18, 2005 delivered to the bank the order of cancelling its licence. A requisition has been made to the Commissioner for Co-operation and Registrar of Cooperative Societies, Maharashtra for winding up of the Raghuvanshi Cooperative Bank Ltd., Mumbai, Maharashtra and to appoint a liquidator therefor. It may be highlighted that all the depositors of The Raghuvanshi Cooperative Bank are eligible to get their claims up to Rs.1 lakh from the Deposit Insurance and Credit Guarantee Corporation (DICGC). The liquidator is required to expeditiously send the claims of all depositors to DICGC. Every effort will be made to complete the formalities within about 90 days to settle the depositors' claims.

Earlier, the bank was placed under directions with effect from the close of business as on August 29, 2002, in view of serious liquidity crunch faced by the bank. The Inspection of the bank by the Reserve Bank of India with reference to its financial position as on December 31, 2002 revealed its precarious financial position. The bank requested for some time for revival. The next statutory inspection by the Reserve Bank of India with reference to its financial position as on June 30, 2004 revealed further deterioration in the bank's financial position and brought out several deficiencies and irregularities in its functioning. A show cause notice was issued to the bank on September 28, 2004 advising it to show cause as to why the licence granted to it for carrying on banking business should not be cancelled. The bank's reply to the notice was examined and was found not satisfactory. In view of this and the various serious violations of RBI guidelines and negative net worth, negative CRAR, high NPAs and significant erosion of deposits revealed during the inspection, the Reserve Bank of India took the extreme measure of cancelling the licence of the bank in the interest of the bank's depositors. With the cancellation of its licence and taking it into liquidation, the process of paying the depositors of The Raghuvanshi Cooperative Bank Ltd., Mumbai, Maharashtra, the amount insured as per the DICGC Act will be set in motion.

For any clarifications, depositors may approach the Chief General Manager, Urban Banks Department, Mumbai Regional Office, Reserve Bank of India, Mumbai. His contact details are as below :

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