



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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December 24, 2020

RBI cancels the Licence of the Subhadra Local Area Bank Ltd., Kolhapur, Maharashtra

The Reserve Bank of India (RBI) has, vide order dated December 24, 2020 cancelled the banking licence issued to Subhadra Local Area Bank Ltd., Kolhapur, Maharashtra under Section 22 (4) of the Banking Regulation Act, 1949 to carry on banking business in India. The order is made effective from close of business on December 24, 2020.

The Reserve Bank cancelled the licence of the Subhadra Local Area Bank Ltd as:

- i) the affairs of the Subhadra Local Area Bank Ltd. were conducted in a manner detrimental to the interests of its present and future depositors.
- ii) public interest would be adversely affected if it is allowed to continue to do the business in the manner in which it is functioning.
- iii) the general character of the management is considered prejudicial to the interest of the present and future depositors.

The bank had breached the minimum net worth requirement for two quarters in the financial year 2019-20.

Consequent to the cancellation of the licence, Subhadra Local Area Bank Ltd. is prohibited from conducting the business of 'banking' as defined in Section 5(b) or any additional business envisaged under Section 6 of the Banking Regulation Act, 1949 with immediate effect. Reserve Bank of India will make an application for winding up before the High Court.

Subhadra Local Area Bank Ltd. has enough liquidity to pay all its depositors.

Press Release: 2020-2021/828

(Yogesh Dayal)
Chief General Manager