



**भारतीय रिज़र्व बैंक**  
**RESERVE BANK OF INDIA**

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July 15, 2011

### **The Pioneer Urban Co-operative Bank Ltd., Belgaum, Karnataka – Penalised**

The Reserve Bank of India has imposed a monetary penalty of ₹ 5.00 lakh (Rupees five lakh only) on The Pioneer Urban Co-operative Bank Ltd., Belgaum, Karnataka, in exercise of powers vested in it under the provisions of Section 47A(1)(b) read with Section 46(4) of the Banking Regulation Act, 1949 (AACS) for violating the Reserve Bank's instructions for sanctioning loan to a company in which a director of the Bank is interested and suppressing such information by not reporting it in the relevant quarterly statement proforma I & II submitted to the Reserve Bank of India.

The Reserve Bank of India had issued a show cause notice to the bank, in response to which the bank submitted a written reply. After considering the facts of the case, bank's reply and personal submissions in the matter, the Reserve Bank came to the conclusion that the violations were substantiated and warranted imposition of the penalty.

**Ajit Prasad**

Assistant General Manager

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