



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

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March 4, 2011

**Madheshwari Urban Development Co-operative Bank Ltd.,
Madha, Maharashtra – Penalised**

The Reserve Bank of India has imposed a monetary penalty of ₹1.00 lakh (Rupees one lakh only) on Madheshwari Urban Development Co-operative Bank Ltd., Madha, Maharashtra, in exercise of powers vested in it under the provisions of Section 47(A)(1)(b) read with Section 46(4) of the Banking Regulation Act, 1949 (AACS) for violation of Reserve Bank of India's directive on :

- (a) sanctioning unsecured advances (salary loans) beyond the prescribed ceiling of ₹1.00 lakh
- (b) its total unsecured advances exceeded permissible limit of 15.0 per cent of its. Net Demand and Time Liabilities (NDTL)
- (c) granting unsecured advances to Vithalrao Shinde Sahkari Sakhar Karkhana Maryadit whose Chairman and Chairman of the bank was the same person.

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 and the bank's reply in the matter, the Reserve Bank came to the conclusion that the violations were substantiated and warranted imposition of the penalty.

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