



ALL INDIA BANK EMPLOYEES' ASSOCIATION

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25-12-2021

**Mrs. Nirmala Sitharaman
Hon. Minister for Finance
Govt. of India
New Delhi**

Respected Madam,

**Need for caution and preventive steps
on the affairs of RBL Bank (Ratnakar Bank) Ltd.**

We are worried and concerned about the developments that are taking place in the affairs of RBL Bank Ltd., the Kolhapur based private Bank.

The MD and CEO of the Bank Mr. Vishwavir Ahuja has been advised to proceed on leave with immediate effect. RBL Bank has informed the Stock Exchange that it has appointed Mr. Rajeev Ahuja, current Executive Director, as the interim MD and CEO with immediate effect.

Simultaneously, Reserve Bank of India has appointed its Chief General Manager Mr. Yogesh Dayal as an additional director on the Board of RBL Ltd.

Mr. Vishwavir Ahuja has been heading this Bank since last one decade. While the Board recommended his continuation, it is learnt that RBI has agreed only for a short term upto 2022.

The sequence of events leading to the sudden exit of Mr. Vishwavir Ahuja along with the induction of Mr. Dayal from RBI on the Board as additional member indicates that everything is not ok with the Bank.

It is observed that the total advances of this Bank have doubled during the last few years. From about Rs. 29,000 crores of advances in 2017, it has crossed Rs. 58,000 at present.

The bad loans and Gross Non-Performing Assets of the Bank have been swelling in the recent years. In 2017, the Gross NPA of the Bank was only Rs. 357 crores and today it is more than Rs. 2,600 crores.

The following Table indicates that while the Operating Profit of the Bank has been increasing in the recent years, the bulk of these earned profits have been adjusted towards provision for bad loans and with the result the Net profit has remained very meagre.

Rs. In crores

Year	Operating Profit	Provisions	Net Profit
2017	920	474	446
2018	1331	1146	635
2019	1940	1073	867
2020	2752	2246	506
2021	3091	2583	508

There are also reports that the Bank has been over indulging in retail credit, micro-financing and credit cards and consequently has burnt its finger resulting in weakening the financials of the Bank.

In the background of the problems encountered by private Banks like Yes Bank and Lakshmi Vilas Bank last year, we urge upon you to immediately intervene in the matter in the interest of the Depositors of this Private sector Bank and consider necessary steps **including merger of this Bank with a Public Sector Bank.**

Thanking you,

Yours faithfully,



C.H.VENKATACHALAM
GENERAL SECRETARY