



All India RRB Officers' Federation (AFFILIATED TO AIBOC)

Central Office: JGGP House, Raja Rammohan Roy Road, Hakimpara, Siliguri- 734001
Tele-fax : 0353-2536449
Email : 555airrbof@gmail.com

General Secretary Mobile # 98008-66932
Visit us at: www.airrbof.org

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All Affiliates/ Members
(Please re-circulate)

PROVISION OF FUND FOR INFUSION OF CAPITAL TO RRBS TO MAINTAIN STATUTORY CRAR LEVEL

We have written the following letter to Ms. Anjuly Chib Duggal, Secretary, Dept. of Financial Services, Govt. of India on the captioned subject. We reproduce the letter for your information & necessary action.

QUOTE

You would kindly appreciate that Govt. of India allocated Rs. 25000/- Cr. for infusion as capital in Public Sector Banks so that PSBs can maintain CRAR level at the stipulated rate. It appears from the news reports that in respect of several PSBs CRAR slipped due to increased GNPA and the Govt. of India infused capital to maintain CRAR level. In order to highlight our point we can take the example of IOB, United Bank of India, Central Bank of India and Corporation Bank where Govt. of India infused capital to the extent of Rs. 3101/-, Rs. 810/-, Rs. 1033/-, Rs. 1729/- & Rs. 677/- crores respectively.

In the contrary, in respect of RRBs no allocations have been made for capital infusion even though GNPA of RRBs is surging and the CRAR level is under threat. Govt. of India is major stake holder in RRBs and the step motherly attitude in respect of RRBs is really condemnable.

We, therefore, request you to please take up with all appropriate authorities so that immediate funding is arranged for capital infusion to RRBs so that at least 9% CRAR can be maintained by all RRBs. In the same breath we would like to mention that if any State Govt. is reluctant to release fund for capital infusion to RRBs the holding of the State Govt. to the extent of 15% should be taken over by Govt. of India or Sponsor Bank forthwith.

We trust that you shall take immediate action.

UNQUOTE

With greetings,


(S.K. Bhattacharjee)
GENERAL SECRETARY