



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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November 17, 2020

The Lakshmi Vilas Bank Ltd.: RBI announces Draft Scheme of Amalgamation

The Reserve Bank of India has today placed in public domain a draft [scheme of amalgamation](#) of The Lakshmi Vilas Bank Ltd. (LVB) with DBS Bank India Ltd. (DBIL), a banking company incorporated in India under Companies Act, 2013, and having its Registered Office at New Delhi.

DBIL is a wholly owned subsidiary of DBS Bank Ltd, Singapore ("DBS"), which in turn is a subsidiary of Asia's leading financial services group, DBS Group Holdings Limited and has the advantage of a strong parentage. It has been issued a banking license to operate as banking company under Section 22 (1) of the B R Act, on October 4, 2018. DBIL has a healthy balance sheet, with strong capital support. As on June 30, 2020, its total Regulatory Capital was ₹7,109 crore (against Capital of ₹7,023 crore as on March 31, 2020). As on June 30, 2020, its GNPA's and NNPA's were low at 2.7% and 0.5% respectively; Capital to Risk Weighted Assets Ratio (CRAR) was comfortable at 15.99% (against requirement of 9%); and Common Equity Tier-1 (CET-1) capital at 12.84% was well above the requirement of 5.5%. Although the DBIL is well capitalised, it will bring in additional capital of ₹2500 crore upfront, to support credit growth of the merged entity. Owing to comfortable level of capital, the combined balance sheet of DBIL would remain healthy after the proposed amalgamation, with CRAR at 12.51% and CET-1 capital at 9.61%, without taking into account the infusion of additional capital.

The Reserve Bank invites suggestions and objections, if any, from members, depositors and other creditors of transferor bank (LVB) and transferee bank (DBIL), on the draft scheme, which may be sent to the address mentioned in the "[Notice](#)". The draft scheme has also been sent to transferor bank and transferee bank for their suggestions and objections. The suggestions and objections will be received by Reserve Bank up to 5.00 PM on November 20, 2020. The Reserve Bank will take a final view thereafter.

It may be recalled that the The Lakshmi Vilas Bank Ltd. has been placed under an order of moratorium on November 17, 2020 which will be effective upto December 16, 2020.

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(Yogesh Dayal)
Chief General Manager