

Lakshmi Vilas Bank Amalgamates with the DBS Bank India



Recently, a substantial deal between 2 noteworthy banking institutions has taken place. The Lakshmi Vilas Bank (LVB) has now collaborated with the DBS Bank India Limited (DBIL), which is a [wholly owned subsidiary](#) of the Singapore-based banking giant DBS Group Holdings Ltd. As per the sources, this is really substantial amalgamation which will bring in a huge financial infusion of ₹2,500 crores.

In its statement today, the DBS Bank India has revealed that the agreement of amalgamation has taken place. However, the scheme for the same right now under the special powers of the Union Government of India and the Reserve Bank of India u/s 45 of the Banking Regulation Act 1949, India. The amalgamation shall come into effect as on 27th November 2020. Let us have a quick look on some key highlights.

Benefit of the Amalgamation

As per the DBS Bank's statement, this amalgamation deal shall provide for more steadiness and certainly higher prospects for the current depositors of the Lakshmi Vilas Bank. The stakeholders that shall be immediately benefitted by this deal are the LVB's customers, employees (bank-staff), amid this period of uncertainty due to COVID-19.

Here it is important to note that during lockdown, loan moratorium was imposed on the Lakshmi Vilas Bank, which has now been lifted from 27th of November 2020. The banking services have been fully restored with all the branches of LVB, its digital channels and the ATMs functioning like before. The amalgamation the DBS Bank and the resulting financial inflow shall now hugely mitigate financial burden on the Bank.

Benefits for the Customers of the Lakshmi Vilas Bank

As per the trusted sources, the deal is going to bring bright prospects for the customers of the Lakshmi Vilas Bank with more enhanced level of banking services.

- Right now, the entire DBS India team is closely working with their new LVB colleagues for the complete integration LVB's banking systems. Very soon they will develop integrated network with LVB in the coming few months.
- After the completion of integration procedure, the LVB's clients will be truly able to easily access a broader range of the loan products and other banking services.
- These will include complete access to the entire suite of the DBS digital banking services, a package that has so far achieved numerous accolades worldwide, in the words of DBS India Statement.

Very importantly, any amalgamation between the 2 banking institutions takes place only upon complete due diligence of the seller bank by the buyer bank.

Due diligence is basically a procedure, which is done to assess the credit-worthiness of the beneficiary entity before a [merger or acquisition](#), investment, business partnership or financial assistance by an eminent business house.

Main objective behind due diligence is to determine the solvency and legitimacy of the business entity during a merger or investment by a prominent organization. All the findings of the [due diligence](#) are summarized in a report which is referred to as the due diligence report.