

ALL INDIA BANK OFFICERS' CONFEDERATION



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Circular No. 2020/69

Date: 20.11.2020

To All Affiliates (Please circulate)

Dear Comrade,

PROPOSED AMALGAMATION OF LVB WITH DBS

We reproduce below text of the joint letter dated 20.11.2020 from four officers' organisations addressed to the Governor, Reserve Bank of India on the captioned subject.

With revolutionary greetings,

(Soumya Datta)
General Secretary

ALL INDIA BANK OFFICERS' CONFEDERATION (AIBOC)
ALL INDIA BANK OFFICERS' ASSOCIATION (AIBOA)
INDIAN NATIONAL BANK OFFICERS' CONGRESS (INBOC)
NATIONAL ORGANIZATION OF BANK OFFICERS (NOBO)

Camp : Kolkata
Date: 20.11.2020

Shri Shaktikanta Das
Governor, Reserve Bank of India
Central Office Building, 18th Floor
Shahid Bhagat Singh Road
Mumbai-400 001.

Dear Sir,

'The Lakshmi Vilas Bank Ltd. Amalgamation with DBS Bank India Ltd. Scheme, 2020'

Greetings from AIBOC-AIBOA-INBOC-NOBO, the four Officers' organisations representing the entire banking industry.

We are drawing your kind attention to the sudden announcement made by the Reserve Bank of India regarding the takeover of the Lakshmi Vilas Bank by DBS, which is a subsidiary of DBS Singapore.

02. It is pertinent to note here that in the past three decades, failed private banks have always been amalgamated with public sector banks, like in the case of Global Trust Bank, IDBI Bank Ltd and Nedungadi Bank Ltd. Recently, during the Yes Bank crisis too, the SBI had to bail out the beleaguered entity at the behest of RBI.

03. This is for the first time that an old generation private sector bank is being amalgamated with a foreign bank subsidiary. This has been done without providing any justification. We fail to fathom any logic or rationale

on the decision of RBI to identify DBS India the most suitable entity to take over the Lakshmi Vilas Bank. RBI owes this explanation to the people of the entire nation.

04. There is a need to increase the transparency of decision-making and frame appropriate regulatory guidelines regarding amalgamation of failed private sector banks and NBFCs, at a time when the frequency of such failures is up. The country at this juncture needs more public sector banks to cater to the financial needs of the citizens and revive the economy. LVB has been doing a yeoman service in this regard over the last several decades.

05. We, therefore, demand that LVB must be nationalized in national interest. RBI should scrap the scheme of amalgamation and set in motion the process of nationalisation of the bank. We also demand that the top executives of LVB be held properly accountable for running the bank to ground.

With regards,

Yours sincerely,

Sd/-
(Soumya Datta)
General Secretary
AIBOC

Sd/-
(Nagarajan S)
General Secretary
AIBOA

Sd/-
(Prem Kumar Makker)
General Secretary
INBOC

Sd/-
(Viraj Tikekar)
General Secretary
NOBO