

CSB Bank files for Rs 400-cr IPO

The bank plans to raise Rs 30 crore by issuing fresh equity shares and the remaining Rs 370 crore from an offer for sale.

By Joel Rebello, ET Bureau | Aug 10, 2019, 08.48 AM IST

Mumbai: CSB Bank, promoted by Canadian billionaire Prem Watsa, filed Friday for an initial public offer aimed at raising Rs 400 crore.

The bank, formerly known as Catholic Syrian Bank, plans to raise Rs 30 crore by issuing fresh equity shares and the remaining Rs 370 crore from an offer for sale, people familiar with the issue said.

“The issue will be a combination of fresh equity as well as an offer for sale from existing investors who have been shareholders for years and did not have a chance to exit before this,” said a person involved in the deal.

“We expect the okay from the Securities and Exchange Board of India in the next couple of months.”

Last year, Watsa’s Fairfax India Holdings Corp. received special approval from the Reserve Bank of India to take a majority stake in the Thrissur, Kerala-based CSB Bank. A public listing was one of the conditions for Watsa to take a controlling stake.

Local investment banks IIFL and Axis Capital are helping the bank go public. It has one year after obtaining SEBI approval to initiate the IPO.

“When we finally list will depend on market conditions. It will probably take a few months,” the person said.

No bank official could be immediately reached for comment. The document filed, known as the draft red herring prospectus, was not uploaded on the websites of SEBI and the investment bankers to the issue at the time of going to the press.

Fairfax holds 51% of the bank’s equity and three local insurance companies each have a 2.5% stake. The rest is divided among individuals based in India and abroad.

CSB had previously filed for an IPO in 2015 that never took off. This issue will be a rare commercial banking IPO in India and the first since listed at the end of August 2016.

Source - The Economic Times