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Bandhan files IPO papers

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Mumbai: Calcutta-based Bandhan Bank has filed draft papers with the Securities and Exchange Board of India (Sebi) for an initial public offering (IPO) that is estimated to raise at least Rs 2,500 crore.

The microlender, which was one of the two entities to receive a banking licence from the Reserve Bank of India (RBI) in 2015, on Monday said it has filed a draft red herring prospectus with the market regulator.

The proposed IPO is for 11.92 crore shares. It consists of a fresh issue of up to 9.76 crore shares and an offer for sale of up to 1.40 crore shares by the International Finance Corporation (IFC) and 75.65 lakh shares by IFC FIG Investment Company.

Bandhan Bank managing director Chandra Shekhar Ghosh told **The Telegraph** the public offering will strengthen its capital base and help in its expansion.

“With the IPO, the bank will also comply with the regulatory requirement of listing on the stock exchanges,” he added.

The book running lead managers to the issue are Kotak Mahindra Capital

STATUS UPDATE

Bandhan Bank shareholding pattern (%)

Bandhan Financial Holdings	89.76
Caladium Investment	4.99
IFC	3.21
IFC FIG	0.32
Chandra Shekhar Ghosh	0.13
Others	1.59

Company Ltd, Axis Capital Ltd, Goldman Sachs (India) Securities Pvt Ltd, JM Financial Institutional Securities Ltd and JP Morgan India Pvt Ltd.

While Bandhan Financial Holdings has a 89.76 per cent stake in the bank now, Caladium Investment holds 4.99 per cent, IFC 3.21 per cent and IFC FIG 0.32 per cent. The rest is held by Ghosh (0.13 per cent) and Sidbi (0.32 per cent).

Caladium Investment is an affiliate of GIC Singapore and it will not be diluting

its stake in the IPO.

Bandhan Bank's decision suggests a busy IPO market this year after a robust 2017 that witnessed record mobilisation from the primary markets.

According to Pranav Haldea, managing director at PRIME Database, 2018 looks promising on the IPO front. There are 15 companies with Sebi approval wanting to raise nearly Rs 12,000 crore, while another 10 companies looking to raise around Rs 19,000 crore are awaiting the regulator's nod.

Haldea said in 2017, companies raised Rs 1,61,116 crore through the public equity markets, 3.6 times the Rs 44,819 crore raised in the preceding year. This is the highest amount raised in a calendar year, with the previous highest being Rs 97,746 crore in 2010.

Of this, the amount raised through IPOs stood at Rs 68,826 crore against 27,031 crore in the preceding year.

Market circles feel that the Bandhan Bank IPO should receive a good response given the positive sentiment towards banks, particularly the private sector lenders.