

Promoters of Bandhan Bank to offload stake

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Bandhan Bank's promoter entity, Bandhan Financial Holdings Ltd, will sell shares worth ₹10,500 crore, through block trades on Monday, to bring down promoter shareholding to meet the Reserve Bank of India (RBI)'s norms.

Bandhan Financial Holdings, which owns a 60.95% stake in the bank, will sell 337 million shares, representing a 20.95% stake, according to the terms of the deal.

A floor price of ₹311.1 per share has been set for the share sale, which is at a discount of 9.89% to Friday's closing price of ₹345.25.

Investment banks Credit Suisse, JP Morgan, Goldman Sachs, and JM Financial are advising Bandhan Financial

Holdings on the share sale.

A text message sent to Bandhan Bank managing director and chief executive officer (CEO) Chandra Shekhar Ghosh did not elicit any response till press time. Spokespersons for Credit Suisse, JPMorgan, Goldman Sachs, and JM Financial

could not be immediately reached for a comment.

According to RBI's bank licencing norms, promoter shareholding has to be brought down to 40% three years after launching

operations. After Bandhan's three-year deadline ended in September 2018, RBI imposed restrictions on expanding its branch network and CEO remuneration. However, citing the efforts made by the bank in reducing its promoter shareholding, RBI had lifted the restrictions in February, with certain conditions.

Bandhan Financial Holdings, which owns a 60.95% stake in the bank, will be selling 337 million shares