

Bandhan Bank Promoters to Sell ₹10,500cr Shares Today



Promoters of Bandhan Bank are set to raise nearly ₹10,500 crore by selling shares in the secondary market on Monday. Bandhan Financial Holdings, a promoter group entity, will sell close to 20% stake at a floor price of ₹311 a piece – a discount of 10% to the share's Friday close. **Saikat Das & Indulal PM report. ▶▶ 6**

SECONDARY MARKET TRANSACTION

Bandhan Promoters to Raise ₹10,500 cr by Selling 20% Stake

Saikat Das & Indulal PM

Mumbai: Promoters of Bandhan Bank are set to raise about ₹10,500 crore by selling shares in the secondary market on Monday, translating into a transaction price that amounts to about 10% less than the stock's closing price Friday.

Bandhan Financial Holdings, a promoter group entity, will sell close to a 20% stake in the deal, according to the terms of the transaction seen by ET.

Bandhan will sell 337.4 million shares in the open market and has set a floor price of ₹311 per share.

JP Morgan, Credit Suisse and Goldman Sachs are running the formal process to sell the shares, as per the terms sheet. Bandhan Bank did not reply to ET's query, sent at a short notice.

The transaction is aimed at reducing the promoter holding to comply with the central bank regulations, a source said. The promoter holding is currently at 60.95%. Last year, the central bank did not allow Bandhan Bank to open new branches, citing the promoter ownership threshold applicable to banks. The central bank also ordered a freeze on the salary of the managing director and CEO, Chandra Shekhar Ghosh.

The bank has about 1,100 branches and its expansion is linked to the end to the regulatory bar.

The RBI's bank licence rules state that promoters of private banks should cut their shareholding to 40% within three years and 20% in 10 years.

Last month, Kotak Mahindra Bank raised nearly \$2 billion by selling shares to institutions in two separate secondary market deals.

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