Business Standard

Allahabad Bank to raise Rs 500 crore by issuing equity shares

Bank said, allotment of equity shares to QIBs will be completed within 12 months from the date of the passage of the resolution

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State-run Allahabad Bank is looking to raise up to Rs 500 crore by issuance of equity shares to qualified institutional buyers (QIBs).

"The bank has planned to access capital market for raising capital up to the extent of Rs 500 crore by issuing equity shares by way of Qualified Institutions Placement (QIP) basis in one or more tranches," Allahabad Bank said in a BSE filing.

The bank will seek nod of its Board of Directors at the extraordinary general meeting scheduled September 28.

Allahabad Bank said it will create, offer and issue shares of face value of Rs 10 each for cash at an issue price including premium to QIBs on QIP in such a manner so that government will continue to hold not less than 52 per cent of the paid-up equity capital of the bank.

Further, it said the allotment of equity shares to QIBs will be completed within 12 months from the date of the passage of the resolution.

The state owned lender also said that its plans to raising Rs 500 crore through QIP, the approval of which was received at the EGM held on March 10, 2015 could not materialise owing to unfavourable market conditions.