

Fairfax India to take 51% stake in Catholic Syrian Bank for Rs. 1,000 cr

Our Bureau

The acquisition expected to be completed by March next, says top official

Kochi, December 1:

Putting to rest all speculation on investment by Fairfax India Holdings in its share capital, Thrissur-based Catholic Syrian Bank has clarified that the Canadian firm will acquire 51 per cent stake in the bank.

Fairfax India Holdings is ready to invest Rs. 1,000 crore and the entire process will be completed by March next year, S Santhanakrishnan, the outgoing Chairman of the bank said. "We hope to get an in-principle approval from the RBI in December and 90 days will be a good time to finish the process," he told newsmen here.

Fairfax had applied to the RBI seeking permission to invest in an Indian bank in June.

The RBI, in turn, forwarded the proposal to CSB and the bank expressed its readiness on the deal.

Rather than going around raising money from multiple investors, it is good to source money from a single investor, Santhanakrishnan said, adding that the bank will appoint an independent evaluator for valuation after receiving the RBI nod. The Rs. 1,000 crore will enable CSB to increase its business 10-fold. The new focus, he said, will be on small and medium enterprises (SMEs), gold and retail. The bank has decided not to go aggressive on corporate lending, he said, adding that there will be more technology-related products to woo young customers.

To a question on an IPO, he said, it will be more to meet the regulator's norm and that could be done towards the end of 2017.

Meanwhile, TS Anantharaman has taken over as the new chairman of the bank and Santhanakrishnan will continue as a director.

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