

03:44 PM 23 DEC MARKET STATS ▾	SENSEX 26,041 ▲ 61.10	NIFTY 50 7,986 ▲ 6.65	GOLD (MCX) (Rs/10g.) 26,933 ▼ -35.00	USD/INR 67.80 ▼ -0.19	CREATE PORTFOLIO	Download ET MARKETS APP	CHOOSE LANGUAGE ENG
--	---------------------------------	---------------------------------	--	---------------------------------	-------------------------	--------------------------------	------------------------

PE funds in talks to form a consortium to pick up stake in Catholic Syrian Bank

By [Sneha Shah](#), ET Bureau | Updated: Feb 05, 2016, 12.15 PM IST

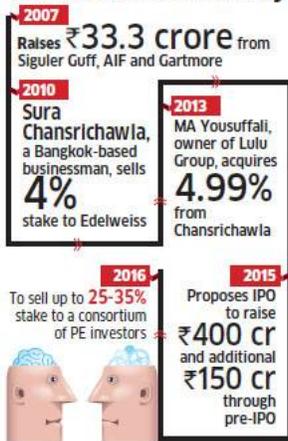
[Post a Comment](#)

NEW DELHI: Global and domestic [private equity](#) investors such as TPG Growth, TA Associates, [Apax Partners](#), IVFA, Everstone, Kedaara and Multiples are in talks to form a consortium to pick up 25-35% of Thrissur-based [Catholic Syrian Bank](#) (CSB).

The mid-sized bank has put off its initial public offering plans and is now in talks with several PE investors to raise \$200 million (Rs 1,300 crore), valuing the company at Rs 4,000-4,800 crore, said three people with direct knowledge of the development. While they are negotiating as a group, each investor is limited to a 5% stake by Reserve Bank rules.

"Due to the lacklustre capital markets, the bank's management has shelved the public listing plans and they are now looking at raising growth capital from private equity investors," said a person who is part of the discussions.

CSB's Stake Sale History



"The existing HNIs (high net-worth investors) will sell part of their stake and the bank will issue some fresh shares to bring the capital into the company," said the person who is part of the discussions.

About half of CSB is held by around 10 institutional investors and HNIs and it's not clear which of them will be exiting. In 2007, three PE funds — Siguler Guff, AIF Capital and Gartmore — picked up 5% each in the bank. In 2010, Edelweiss acquired a 5% stake.

"Siguler Guff and AIF will stay invested in this round," said another person involved in the deal. "However, other individual HNIs might cash out in the proposed fund-raise."

Some of the [HNI](#) investors include Yousuffali MA, owner of Lulu Supermarkets, a Middle-East and south India-focused chain of supermarkets, and Bangkok-based Sura Chansrichawla. Neither of these two investors is expected to exit.

CSB Managing Director Anand Krishnamurthy didn't respond to queries. Spokespersons for Everstone Capital, Multiples, IVFA, TA, TPG Growth and Kedaara also didn't respond to queries. A spokesperson for Apax Partners declined to comment in an emailed response.

CSB focuses on small and medium enterprises (SMEs), retail and non-resident Indian customers. It caters to them through SME, retail and corporate banking services and has treasury operations. For the year to March 2015, the bank had a capital adequacy ratio of 11%.

Total advances amounted to Rs 9,471 crore and it had a deposit base of Rs 14,474 crore with 431 branches and a staff strength of 3,031.

In April last year, the bank proposed to raise Rs 400 crore from the public by listing on the bourses. It also planned to raise another Rs 150 crore through a pre-IPO placement to PE funds.

Most of the PE-backed companies that raised capital during the high point of 2007-08 need to find a way of giving exits to investors.

[Financial services](#), especially banks, have been among the most sought-after investment options by PE investors who want to ride the India growth wave. Last year, Ratnakar Bank Ltd raised Rs 500 crore from investors including CDC, ADB, family offices and long-only funds such as DVI Fund (Mauritius) Ltd and Rimco (Mauritius).

Stay on top of business news with The Economic Times App. [Download it Now!](#)



[Live Market](#) [News](#) [Portfolio](#) [Mobile](#) [Live TV](#) [Newsletter](#) [Commodities](#) [Speed](#) [QnA](#) [Blogs](#) [Alerts](#) [RSS](#)

Other Times Group news sites

Times of India | इकनॉमिक टाइम्स
छंदीनामिस टाइम्स | Mumbai Mirror
Times Now | Indiatimes
नवभारत टाइम्स | महाराष्ट्र टाइम्स
ವಿಜಯ ಕರ್ನಾಟಕ | Lifehacker
Gizmodo | Eisamay | IGN India
NavGujarat Samay

Living and entertainment

Timescity | iDiva | Zoom |
Luxpresso | Gaana | Happytrips |
Cricbuzz | Get Smartapp

Networking

itimes | MensXP.com

Hot on the Web

Budget 2017 | Sensex, Nifty Live
Year-End Special 2016 | UP &
Punjab Assembly Elections 2017
Live: Currency
Demonetisation | Gold Rate
RBI Monetary Policy

Services

ads2book | Gadgetsnow | Free Business Listings
Simplymarry | Astrospeak | Timesjobs | Magicbricks | Zigwheels | Timesdeal |
dineout | Filmipop | Remit2india | Gaana | Greetzap | Techradar | Alivear |
Google Play