

FedFina files IPO papers with SEBI

OUR BUREAU

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Federal Bank subsidiary Fed-bank Financial Services (Fed-Fina) has filed a draft red herring prospectus with SEBI for an initial public offering.

The details

The IPO will comprise fresh issue of equity shares up to ₹900 crore and an offer for sale of up to 4.57 crore shares.

As part of the OFS, Federal Bank will sell up to 1.64 crore shares while True North Fund VI LLP will offload up to 2.92 crore shares.



According to the prospectus, the company may in consultation with the book running lead managers, consider a private placement of up to 20 per cent of the fresh issue for cash consideration up to ₹180 crore, prior to filing of the red herring pro-

spectus with the RoC. The net proceeds of the offer will augment its Tier-I capital base.

“...the offer includes a reservation for subscription by eligible employees of our bank and FedFina (as defined in the DRHP) and a reservation for subscription by our Bank’s shareholders (as defined in the DRHP),” Federal Bank said in a stock exchange filing on Sunday.

As on February 19, 2022, Federal Bank held 23.56 crore equity shares of FedFina, aggregating to 73.31 per cent of the issued, subscribed and

paid-up share capital of the company.

“...post undertaking the proposed IPO, FedFina will continue to be a subsidiary of our bank,” Federal Bank further said.

FedFina acquired a NBFC licence in 2010 and at present has over 520 branches across the country. It caters to products like gold loan, home loan, loan against property (LAP) and business loan.

ICICI Securities, Equirus Capital, IIFL Securities and JM Financial are the BRLM to the offer.