

Ratnakar Bank raises Rs 324 cr equity capital

The bank issued 30 million new shares to investors

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Ratnakar Bank has raised Rs 324 crore from a group of global and domestic investors to finance its expansion programme. The bank issued 30 million new shares to the investors.

This was the second round of capital infusion into the bank in the past two years. The private sector lender had raised Rs 700 crore in January 2011. Business Standard had earlier reported the Kolhapur-based bank was planning to raise around Rs 300 crore from equity investors to fund expansion of its branch network and product portfolio.

International Finance Corp, a member of the World Bank Group, Aditya Birla Private Equity, ICICI's Emerging India Fund, IDFC SPICE Fund and Ascent Capital invested in this round of equity funding. Also, Faering Capital, an existing investor in the bank, participated in the second round. Housing Development Finance Corp (HDFC), Norwest Venture Partners, Gaja Capital Partners, Cartica Capital, Samara Capital, TVS Capital and Beacon India Private Equity Fund have also bought the bank shares.

“The Indian banking sector, while experiencing near-term challenges, is one of the more promising sectors in the medium to long term. We are delighted to add as our shareholders such distinguished long term investors,” Vishwavir Ahuja, managing director and chief executive officer of Ratnakar Bank, said in a statement.

“This equity raise, in addition to supporting our growth impetus, has significantly strengthened the financial foundation of the bank and will allow us to continue our investments in new products, branches, technology so as to meet customer requirements,” he added.

Ratnakar Bank has a strong presence in Karnataka and Goa and is growing its reach in Gujarat, the national capital region, Tamil Nadu, Andhra Pradesh, Madhya Pradesh and Rajasthan.

The bank aims to achieve a pan-India footprint over the next two to three years.