

# Exiting FIIs to Book Handsome Gains from Ujjivan Investments

Atmadip.Ray@timesgroup.com

**Kolkata:** Overseas investors such as Mauritius Unitus Corporation would earn about nine times of its investment while World Bank's former president James Wolfensohn's private equity fund WCP Holdings III and FMO (Netherlands Development Finance Company) would end up making nearly four times their investment when Ujjivan Financial Services lists on the stock exchange.

These foreign institutional investors along with Women's World Banking Capital Partners are exiting Ujjivan, which is in the process of diluting foreign holding to below 49%, a mandatory rule for its transformation into a small finance bank.

Mauritius Unitus Corp, which holds 2.49% in Ujjivan, acquired the shares at an average cost of ₹23.54 while it would offload the holdings at ₹207-210. The final price of the initial public offer will be fixed following a book building method.

WCP Holdings III and FMO had invested in January 2012 paying ₹57 per equity share, according to the red herring prospectus filed by Ujjivan. These investors hold 3.06% and 2.67% respectively.

Women's World Banking Capital Partners holds 5.34% at an average cost of ₹68.37 per share.

Ujjivan managing director &

chief executive Samit Ghosh said these four will exit fully while four others including International Finance Corp, Elevar Equity Mauritius and Sarva Capital will partially dilute their position.

Industry watchers said investors might not have sold their holdings but for the diktat from the Reserve Bank of India that small banks reduce their foreign holdings to 49%.

"IFC's made its first investment in Ujjivan in 2012 and has a current outstanding exposure of \$23 million through debt and equity. Ujjivan continues to be a strategic client for IFC," said Nilesh Shrivastava, manager-financial institutions group, South Asia, IFC.

Ghosh said the public offer of shares would help it to reduce foreign holding to around 45%. When the urban-focused micro lender received in-principle small bank finance license along with nine other companies including Equitas Holdings and Janalakshmi Financial Services in September last year, overseas investors had about 90% ownership in it.



**The IPO consists of a fresh issue of shares worth ₹358 crore and offers for sale by existing shareholders**