

Ujjivan's ₹885-cr IPO to open today

Mumbai, April 27: Microfinance player Ujjivan Financial Services will hit capital markets on Thursday to raise nearly ₹885 crore through an initial public offering.

Ujjivan, which will become the second microlender to go public, has already received in-principle approval to set up a small finance bank. Earlier this month, another microfinance player, Equitas Holdings came out with its IPO.

The public issue of Ujjivan, which is scheduled to close on May 2, comprises fresh issuance of shares worth

₹358.16 crore and an offer for sale of up to 24,968,332 shares by the existing shareholders.

It has fixed the price band at ₹207-210 per share. Three foreign investors — Mauritius Unitus Corporation (2.49%), WCP Holdings III (3.06%) and Women's World Banking Capital Partners (5.34%) — will be completely exiting the company through the IPO.

“Out of the ₹885-crore IPO, the company will garner ₹358 crore in fresh capital and the balance is a secondary transaction through an OFS by the existing foreign shareholders

who will be exiting their investment,” Ujjivan chief financial officer Sudha Suresh had said.

The offer will bring down the foreign shareholding in the microlender to around 45%, from the current 77%, which is required as per RBI guidelines for setting up a small finance bank. The company, which has already raised ₹292 crore through a pre-IPO placement, is aiming to launch small finance bank in the first quarter of 2017.

Kotak Mahindra Capital, Axis Capital, ICICI Securities and IIFL Holdings are the lead managers to the offer. *PTI*