

# Ujjivan's IPO oversubscribed 40 times

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Mumbai, 2 May

Small finance bank licensee Ujjivan Financial Services' initial public offering (IPO) was oversubscribed 40 times, with strong demand from all segments of investors. The 29.7 million shares on offer saw bids for 1.2 billion shares worth ₹25,200 crore, despite no participation by foreign investors. At the top end of the price band of ₹210, the IPO size translated into ₹887 crore.

The qualified institutional buyer (QIB) portion was subscribed nearly 34 times, while the non-institutional buyer (high net worth individual) segment saw subscription of 135 times. The retail institutional segment, for those investing up to ₹2 lakh, garnered subscription of nearly four times. "There was high level of excitement for small finance bank IPOs. The business model is that of financial inclusion and they have already built successful models. This has generated a strong level of interests among the investors," said V Jayasankar, senior executive director & head of equity capital markets, Kotak Investment Banking.

Ujjivan's IPO follows the recent success of another small finance bank licence holder Equitas Holdings last month. Equitas' IPO, too, had garnered huge response and its stock did well after listing.

Like Equitas, Ujjivan's IPO, too, was to reduce foreign institutional investors (FIIs) ownership. The Reserve Bank of India (RBI) has set an investment limit of 49 per cent for FIIs in a small finance bank. The FII holding in Ujjivan is likely to fall from the current level of 77 per cent to below 45 per cent after the IPO.