

Small finance banks move to IPO Street

Ujjivan IPO to raise Rs 900 crore, impressive debut by Equitas

SPECIAL CORRESPONDENT

Micro-lender Ujjivan Financial will hit the capital markets to raise about Rs 880 crore which constitutes a fresh issue of shares for Rs. 358.16 crore and the rest from an offer for sale of over 2.49 crore equity shares to existing shareholders.

The initial public offer will open on 28 April in a price band of Rs 207 to Rs 210. The Bengaluru-based lender had raised Rs 292 crore from a pre-IPO placement in February.

The issue will help the lender to reduce its foreign shareholding to 44 per cent from 77 per cent now, said Samit Ghosh, managing director and chief executive officer, Ujjivan,

which has received a licence to start a small finance bank.

RBI norms

According to RBI norms, foreign shareholding in such entities should be less than 49 per cent.

GROWTH PLANS

funds

RAISING FUNDS

Name of the issue	Issue Price (Rs.)	LTP	Price Range (Rs.)	Date of Listing
Equitas Holdings	110	137.50	109 - 110	21-4-2016
Infibeam Incorporation	432	495.00	360 - 432	4-4-2016
Bharat Wire Ropes	45	44.25	40 - Rs 45	01-4-2016
HealthCare Global Enterprises	218	191.00	205 - Rs 218	30-3-2016
Quick Heal Technologies	321	241.50	311 - Rs 321	18-2-2016
TeamLease Services	850	887.00	785 - Rs 850	12-2-2016
Precision Camshafts	186	148.60	180 - Rs 186	08-2-2016

"We are planning to start operations in the first quarter of 2017. Initially, about 40 per cent of our existing 470 branches will be converted to bank branches," Mr Ghosh said.

Equitas Holdings, another lender which received a licence to operate as a small finance bank, made an impressive

debut on the bourses on Thursday.

On the National Stock Exchange (NSE), the shares opened at Rs.145.10 and rose further to touch an intra-day high of Rs.147.

The shares touched a low of Rs.135 before closing at Rs.135.60, 23.27 per cent higher than the issue price of Rs.110. On the BSE, the shares closed at Rs.135.25.



As per the closing price, the market capitalisation of the small finance bank is pegged at Rs.4,535.95 crore.

Incidentally, the market capitalisation of SKS Microfinance is Rs.7,343.94 crore.

The public issue of Equitas comprised a fresh issue of around 6.6 crore shares and an offer for sale by existing shareholders of 13.2 crore shares.