

FIFTH-BEST LISTING OF LAST SEVEN YEARS

Dixon Tech IPO Investors See Wealth Grow by 71% on Day 1

Our Bureau

Mumbai: Consumer electronics maker Dixon Technologies India listed with a 54% premium over its offer price on Monday marking it the fifth-best stock market debut in the past seven years. Dixon shares listed at ₹2,725 versus an issue price of ₹1,766 and rose almost 71% intra-day before ending at ₹2,903.70.

The previous best listing was that of Avenue Supermart, the owner of D-Mart stores, which listed at a premium of 102% over its offer price in March this year. Quess Corp, which did its IPO in July 2016 listed at a premium of 57%.

Dixon Tech's Order Book Healthy Across All Verticals, says Atul Lall

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The ₹600-crore public issue of Dixon received strong response from investors earlier this month and was oversubscribed 118 times. The portion reserved for institutional investors was subscribed 134.77 times, while the one reserved for non-institutional and retail investors were oversubscribed 345.73 times and 10 times, respectively.

The technology firm is planning to spend the money raised on capacity expansion and to repay debt. Analysts are bullish on Dixon citing the company as proxy play on the fast-growing consumer electronic market.

"We believe that the company would continue to deliver higher revenue and profit given the strong growth potential across business verticals," said Rupesh Sankhe, analyst, Reliance Securities.

Bharat Road Network, the other IPO which also listed on Monday, opened flat but gained as much as 6% to hit an intra-day high of ₹218.9 on the NSE. The company shares listed at ₹205 against the issue price of ₹205.