

Cyient DLM lists at 52% premium over issue price



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MEGHNA SINHA
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SHARES OF CYIENT DLM made a strong debut on the exchanges on Monday at a 52% premium over the issue price of ₹265 per share. The stock listed at ₹403 on NSE and ₹401 on BSE.

During the day, it touched a high of ₹427 on NSE and closed nearly 5% up from its listing price, at ₹421.75.

Cyient DLM was subscribed 71.35 times between June 27 and 30. The category of qualified institutional buyers (QIB) was subscribed 95.87 times, non-institutional investors (NII) 47.75 times and the retail issue 52.17 times.

The IPO was a fresh issue of ₹592 crore with a face value of ₹10. The company had set a price band of ₹250-265 per share with a lot size of 56.

“Cyient DLM follows in the footsteps of ideaForge with a stellar listing debut. The markets were expecting a good listing since the IPO was priced reasonably as compared to its listed peers such as DCX Systems and Syrma SGS. As an elec-

Cyient DLM

Intra-day on BSE (₹), July 10



tronic manufacturing services and solutions provider, it's long-established relationships with its marquee customers, Honeywell, ABB and others, along with a strong order book would have helped in creating robust demand for the stock," said Abhimanyu Bhattacharya, partner at Khaitan & Company.

The proceeds from the issue will be used to fund incremental working capital requirements, repayment of debt and achieving inorganic growth through acquisitions.

In FY23, the company's revenue from operations rose by 15% to ₹832 crore and profit was up 4% at ₹31.7 crore. It has a diverse customer base in India as well as USA, France and Israel.

“The valuation of the company seems fair given the intensity of growth expected over the coming years. Investors getting the allotment can look to hold on to the stock for a longer term,” said Mohit Ralhan, chief executive officer, TIW Capital.

According to Vaibhav Kaushik, research analyst at GCL Broking, the stock has provided good returns and long-term investors could consider holding it with a stop loss of 377. “New purchases can be done at 390 levels,” he added.

Cyient DLM is an integrated Electronic Manufacturing Services and solutions provider that focuses on a product's whole life cycle, including design, manufacture, and maintenance. Axis Capital and JM Financial were the book-running lead managers to the issue, whereas KFin Technologies acted as the registrar.