

In blockbuster debut, Tata Tech lists at 140% premium; Gandhar Oil opens up 76%

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It was a stellar Thursday for investors with two IPOs listing on a high.

Shares of Tata Technologies made a strong debut, listing at ₹1,200, a premium of 140 per cent over the issue price of ₹500.

This makes it the seventh-best listing since 2003, and the best debut for an offering exceeding ₹1,000 crore. The stock touched a high of ₹1,400 on the BSE and ended the day at ₹1,314, with gains of 163 per cent.

Shares of Gandhar Oil Refinery also listed at a healthy premium of 76 per cent on Thursday and settled at ₹301.5 apiece on the BSE against the issue price of ₹169.

TEPID DEBUT

Fedbank Financial Services, however, made a tepid debut and ended at par with the issue price of ₹140 on the BSE. The stock listed at ₹137.75, registering a decline of 1.60 per cent from the issue price.

Top 10 IPOs by listing gains

	Offer price (₹)	Open price (₹)	% gain	Listing date	Issue size (₹ cr)
Sigachi Industries	163	575.00	253	Nov 15, '21	125
FCS Software Solutions	50	150.00	200	Sep 21, '05	18
Paras Defence & Space Technologies	175	475.00	171	Oct 1, '21	171
LatentView Analytics	197	530.00	169	Nov 23, '21	600
Indraprastha Gas	48	120.00	150	Dec 26, '03	192
Nandan Exim	20	48.00	140	Jun 13, '05	12
Tata Technologies	500	1,199.95	140	Nov 30, '23	3,043
Salasar Techno Engineering	108	259.15	140	Jul 25, '17	36
Astron Paper & Board Mill	50	114.00	128	Dec 29, '17	70
TV Today Network	95	210.00	121	Jan 16, '04	138

Source: primedatabase.com *For period between April 1, 2003-Nov 30, 2023; basis open price

The grey market had hinted at an 80-90 per cent premium for Tata Technologies, indicating an opening price of ₹900-950. The counter opened much higher at ₹1,200.

"A lot of short positions would have built up in the grey market and the short covering may have led to a much higher demand on listing," said a senior ana-

lyst. "Either the promoters undervalued the shares and left a lot of money on the table, or the market has got it wrong."

Strong fundamentals, promising growth prospects and the legacy of the Tata Group spurred investor interest in Tata Tech, whose IPO is the first from the Tata group in almost 20 years. The offering was sub-

scribed over 69 times and got 73 lakh applications, a record.

TCS, which listed in 2004, had debuted at 27 per cent premium to its issue price of ₹850.

Tata Tech is now trading at a P/E multiple of about 75x, closer to the valuations of peers KPIT and Tata Elxsi, which have slightly better margins, said experts.

"We believe that these valuations are not sustainable, and recommend booking profits over the next couple of weeks. There could be better entry points in the next 5-6 months for long-term investors at cheaper valuations," said Amit Goel, Co-Founder & Chief Global Strategist, Pace 360, a multi-asset PMS.

PROMISING OUTLOOK

The outlook for the company, however, looked promising given its proven track-record, established capabilities in ER&D services and focus on adjacencies of Aerospace & TCHM (transport and construction heavy machinery), according to analysts.