

India's Micromax hopes to hit market soon with IPO

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India's biggest domestic mobile handset seller Micromax Informatics said Wednesday it aims to launch an initial public offer (IPO) once it gets regulatory approval.

"As soon as we get clearance from Sebi (the Security and Exchange Board of India), we are looking at hitting the market," Micromax business director Vikas Jain told reporters in New Delhi.

Micromax, which entered the mobile handset business just three years ago and is now selling 1.2 million phones a month, is expected to launch the IPO early in 2011. The company filed its prospectus late last month.

Jain declined to say how much Micromax, which makes its handsets through contract manufacturers in China, Taiwan and South Korea, plans to raise but reports earlier put the amount at around 150 million dollars.

Micromax heads a clutch of domestic firms, including Spice Mobiles, Karbonn Mobiles and Videocon Industries, which have made strong inroads into the 300 billion rupee (6.7-billion-dollar) handset market.

The handsets cater to local needs with features such as long battery life and powerful built-in flashlights in electricity-starved India and are being sold at aggressively low prices.

In a recent report, research firm IDC said domestic handset makers have boosted their market share to 33 percent from 0.9 percent two years ago.

Market leader Nokia's market share slumped to 36 percent, down from 56 percent a year earlier, IDC said.

Micromax, according to IDC, is the largest domestic player with a 4.1 percent market share in India, the world's fastest growing mobile market, which is adding 15 to 17 million subscribers a month.

The company said it would use 50 percent of the IPO proceeds to set up a handset manufacturing plant in India while the rest would be spent in areas such as marketing and expansion.

Jain made his comments as Micromax announced it had tied up with Israel-based handset maker Modu to launch a phone said by Guinness World Records to be the world's lightest touch screen mobile at 55 grams.

"By bringing the Modu T phone to India, we're targeting the aspirational segment of Indian consumers who are early adopters of technology and passionate about electronic gadgets," Jain said.

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