

# Price-conscious investors drive IPO successes this year

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**L**G Electronics India Ltd's largest listing gain among major public floats since 2019 underscores a vital truth: attractive pricing and strategic campaigning are essential for companies seeking to raise capital in the world's fourth-largest market for initial public offerings by volume.

The Indian unit of the Korean appliances maker debuted on Tuesday at a 50% premium to its issue price on the NSE as investors who did not get allotment during the ₹1,607 crore IPO rushed to lap up shares. The stock closed at ₹1689.9, 48% above its offer price of ₹1,140, and close to its debut price of ₹1,710.1—a rare feat for a large IPO raising more than ₹10,000 crore.

“The blockbuster listing underscores the depth and maturity of India’s equity market, showing it can absorb large, high-quality issuances at responsible valuations,” said Atul Mehra, MD & CEO, Axis Capital, the lead-left book running manager for the LG issue.

According to a Bloomberg report, LG was earlier eyeing a valuation of around \$15 billion but had to cut it down on investor feedback to about \$8.7 billion. It was valued at about \$13 billion on listing at Tuesday’s exchange rate of ₹88.8 to a dollar.

With domestic and foreign institutional investors squeezing out new share issuers on pricing, the IPOs in the first half of fiscal 2025-26 (HIFY26) performed relatively better than those listed a year earlier.

Nearly half of the 55 IPOs of HIFY26 traded above the listing price as of Friday, against just a third of the 39 that



LG Electronics Inc. CEO William (Joowan) Cho outside the NSE in Mumbai on Tuesday. AFP

debuted in the same period in the previous fiscal, data from PRIME Database shows.

Of the 55 stocks listed in HIFY26, 51% or 28 traded below listing price as of Friday, while 49% (27) traded above their listing price. This coincides with the Nifty 6.2% rise to 24,612.1 during the first half.

“Several of our companies that listed are trading at attractive prices,” said V Jayasankar, managing director & member

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of the board at Kotak Mahindra Capital Co. Ltd. “It is important to get fair pricing for issuers and selling shareholders as well as incoming investors, down to getting the pricing right. We

believe that the IPO pipeline is of very good quality and we are likely to see balanced and fair pricing.”

Raghav Gupta, joint CEO at IIFL Capital, said IPOs are being priced more “rationally” and long-term investors are rewarded for picking fundamentally sound stocks. “We expect IPO activity to remain strong in the coming quarters, albeit with a sharper focus on quality and profitability.”

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