

Quote by Shravan Shetty, Managing Director, Primus Partners

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LG Electronics India IPO gets fully subscribed on Day 1, GMP signals strong listing: Should you apply?



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Read on: [LG Electronics IPO subscription status: Rs 11,607-crore IPO gets fully subscribed on Day 1, GMP signals strong listing - Should you apply?](#)

Article Content:

The initial public offering of LG Electronics India opened for public bidding today, October 7. The maiden issue of the company has been fully subscribed.

The IPO received bids for around 7.45 crore shares, as against the offer size of 7.13 crore shares, according to data on NSE at 4.40 pm. Retail investors and Non Institutional Investors (NII) have booked 81 percent and 231 percent of their reserved portions respectively. Qualified Institutional Buyers (QIB) have subscribed 49 percent of the portion kept for them.

Key details about LG Electronics India IPO:

LG Electronics India launched its IPO to raise Rs 11,607-crore entirely through an offer for sale (OFS) of shares by Korean parent LG Electronics Inc, with no fresh issue component. This means that none of the IPO proceeds will go to the company as they will be received by the selling promoters. The price band for the IPO has been set at Rs 1,080-1,140 apiece.

Investors can bid for a minimum of 13 shares, requiring an investment of Rs 14,820 at the upper price band, and in multiples thereafter. The allotments are likely to be finalized by October 10, and the shares are scheduled to be listed on stock exchanges on October 14.

LG Electronics India IPO GMP:

Ahead of listing, the unlisted shares of the company were trading with nearly 28 percent grey market premium (GMP) over the IPO price, according to data on Investorgain. This has increased from the 13 percent quoted by the site earlier last week.

According to IPO Watch, the unlisted shares of LG Electronics India were trading with more than 27 percent GMP.

LG Electronics India IPO Anchor Book:

A day before the IPO opened for public bidding, LG Electronics India announced that it has raised Rs 3,474.9 crore from 149 anchor investors on October 6. Marquee global names like Goldman Sachs, Fidelity, BlackRock, Abu Dhabi Investment Authority, Government of Singapore, Monetary Authority of Singapore, INQ Holdings, T Rowe Price International, Schroder International and Pictet became shareholders of the home appliances and consumer electronics manufacturer.

LG Electronics claims to be the market leader in India across multiple product categories including washing machines, refrigerators, panel televisions, inverter air conditioners, and microwaves in the offline channel in terms of value.

Should you apply for LG Electronics India IPO?

Elara Capital advised investors to 'subscribe' to the issue with a long term view. The Indian Consumer Durables space is set for a period of healthy double-digit growth, led by sturdy macro tailwinds, and tax cuts, which in turn is helping revive consumer, the domestic brokerage said. "LG Electronics is in a sweet spot to capitalize on this (market leader in most categories with presence in almost all categories and across all price points). LG Electronics is growing its localization by 1-2% every year to gradually improve its EBITDA margin. With a growth rate of 13% in the past four years and industry-leading margin, LG Electronics, seeks to maintain this run rate. LG Electronics is an asset light business model with industry-leading RoEs and RoCEs of 45% and 46% respectively in FY25," it said.

"The IPO is highly attractively priced at PE of 35x FY25 EPS, at a 50% discount to its peers. So, we recommend a must Subscribe with a long-term view. Key risks could be the contingent liability of INR 3bn (further liability is possible in case of income tax dispute, persistently low consumer demand and competitive intensity)," it added.

"This IPO isn't just about appliances—it signals robust demand for upgraded lifestyles. From a real estate lens, appliance uptakes mirror housing upgrades, pointing to comforting tailwinds for property and home décor segments," said Siddharth Maurya, Founder & Managing Director, Vibhavangal Anukulakara Pvt. Ltd.

Choice Broking also assigned a 'Subscribe' rating for the IPO. "Given its market leadership, strong brand, robust growth prospects, and strategic expansion into high-potential B2B segments, the company is well-positioned to benefit from rising demand," it said.

Shravan Shetty, Managing Director of Primus Partners, expects LG Electronics to list at a significant premium compared to its upper band price primarily due to the strong performance and better margins as compared to listed competitors. "It is also reasonably priced as compared to its competitors with a P/E ratio in higher 30s as compared to competition," he added.

"With a wide product portfolio, strong brand recognition under LG, and a robust offline and B2B distribution network, LG Electronics is well-positioned to drive growth in India's expanding home appliances and consumer electronics market. Investors may consider the IPO as a potential long-term investment opportunity," said Master Capital Services.