

Mumbai

A pair of IPOs: The National Stock Exchange of India (NSE) welcomed two initial public offerings (IPOs) this week, says Soumyajit Saha on Nikkei Asia. On Monday, Tata Capital, India's third-largest non-bank lender, issued INR68bn (£577m) of new shares in its slightly oversubscribed INR155bn (£1.3bn) IPO, India's biggest this year (but a long way behind last year's INR272bn (£2.3bn) listing of the Indian unit of South Korean carmaker Hyundai Motor). Tata Capital said it would use the money to raise its tier-1 capital adequacy ratio (a measure of financial resilience and its main funding source for lending) to "beyond 22%". "We believe this will be enough for us to fund the next two and a half to three years of growth," said Rajiv Sabharwal, Tata Capital's CEO. The wider Tata Group, India's biggest conglomerate, retains an 85% stake in the firm. The following day it was the turn of South Korean appliances maker LG Electronics's Indian unit, whose shares rose 50% on their fully subscribed INR116bn (£985m) debut. LG Electronics India didn't raise any fresh capital, instead choosing to sell existing shares to institutional investors, including BlackRock, the Abu Dhabi Investment Authority and Norway's Government Pension Fund Global, as well as retail investors.