

# Mankind's impressive listing may revive retail interest in IPOs

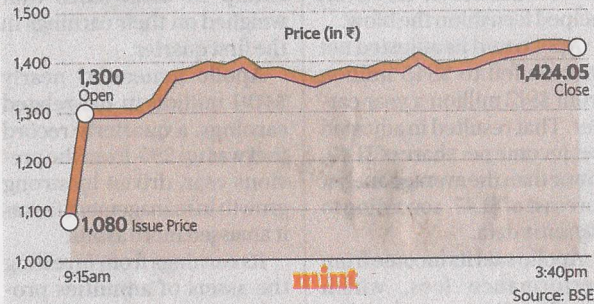
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With Mankind Pharma's stellar Dalal Street listing, retail interest in initial public offerings (IPO) could be revived after a series of poor listings late last year and early this year, when markets turned volatile due to interest rate hikes in US and emerging markets like India.

Against the issue's upper band of ₹1,080, the stock opened at ₹1,300, a 20% premium, and closed at ₹1,422.30, a whopping 31.7% premium, on the National Stock Exchange. This underlines institutional investors and a large high net worth individuals (HNIs) appetite for the company, which

## High hopes

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ranks among the top 5 Indian pharma companies by sales. Retail investors usually book profits on listing day or buy if the listing price trades closer to the issue price.

This is the highest closing premium in five months since

Sah Polymers' listing on 12 Jan at a 37.3% premium to its issue price of ₹65 apiece.

While bankers and broking officials expect more institutional buying and big HNI buying (over ₹10 lakh ticket size) to have happened in Mankind,

they believe the retail segment (up to ₹2 lakh ticket size) could look at the IPO segment with more interest, going forward, if the issue is reasonably priced. Incidentally, the retail portion of the Mankind IPO was subscribed just 0.92 times against the QIB portion of 49.16 times.

The successful listing would reignite retail interest in IPOs which has been tepid for quite some time, Narayanan Sadanandan, advisor, ECM, SBI Capital Markets, said. "It shows that good quality companies which are reasonably priced will receive good interest. Institutional and non-retail HNI segments showed strong interest."

Retail interest took a beating after Avalon Technologies closed on listing day of 18 April at almost a 9% discount to its offer price of ₹436, a share and

Udayshivakumar Infra closed at a 4.6% discount to its offer price of ₹35 on 3 April, according to Prime Database.

On Tuesday, both shares traded below offer price with Avalon closing at ₹356.60 and Udayshivakumar at ₹30.24.

Similarly, in December 2022, Abans Holdings closed on its Street debut at a 20% discount to its offer price, Sula Vineyards at a 7.2% discount and Landmark Cars at a 9% discount. While Sula and Landmark recovered in the recent market rally to trade above their offer price, Abans still languishes below it.

"The success of Mankind's IPO shows that investors have significant appetite for differentiated players across sectors," said V Jayasankar, whole time director, Kotak Invest-

ment Banking. "Would this listing have a positive impact on other IPOs? It is likely as RBI and Fed are closer to a pause in rate hikes and India's growth story remains attractive. It is equally important that a few more forthcoming IPOs list well as it will also boost retail investors' sentiment, helping the revival of primary markets."

The market cap of Mankind Pharma, a company big in the chronic illness space, was ₹57,284 crore, higher than Lupin, Glenmark, Zydus Lifesciences and Abbott India.

Indian capital market history tells you that whenever you come off a volatile market environment, you need a large high-quality IPO to revive the market, says Nipun Goel, president and head of investment banking at IIFL.