

## Promoters trim ₹1 trn worth of stake

**LARGE SHAREHOLDERS** in Indian firms have sold ₹1.03 trillion in shares so far this year, double that of in 2022, as an ongoing rally in the domestic equity markets help them offload shares at the fastest pace on record, reports **Reuters**.

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Private equity and venture capital firms have sold nearly ₹498 billion this year, matching the speed of exits in the previous year, the data showed.

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# Promoters cash in on markets rally

**IRA DUGAL**  
Mumbai, December 1

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These shareholders, called 'promoters' by the Sebi, control a company's decision making. They sold ₹43,700 crore in shares last year, data from information provider Prime Database showed.

Selling by private equity and venture capital firms stood at nearly ₹49,800 crore this year, matching the speed of exits in the previous year, the data showed.

Prime Database's numbers reflect large sales of greater than 0.5% of total shares of a company



or ₹10 crore, categorised as 'bulk' and 'block' deals on exchanges.

The bluechip Nifty50 index has risen almost 12% so far this year. Of the index stocks, 26 are trading at record highs, with 15 of them hitting those levels in November, data compiled by Reuters showed.

"I see a baseline of \$2.5-3 billion in such sales on a steady state basis, which will grow over time as more companies get listed and more free float (of shares) gets created," said Subhrajit Roy, head of global capital markets for India at Bank of America.

"Most of the monetisation seen this year has been by financial investors, including foreign shareholders, and promoters," he said.

Big sellers last month included Alipay, which sold stake in Zomato for nearly \$400 million, and Berkshire Hathaway, which exited its invested in payments firm One 97 Communications which runs the Paytm brand in a \$165-million deal.

"Most of the trades have been reasonably well placed," said Roy, with a mix of local and foreign investors buying.

In the past, heavy selling by large

shareholders signalled a peak for stocks but large domestic flows have absorbed the effects.

"We have a huge inflow of systematic investment plan (SIP) money every month which is finding its way into quality companies," said Nirav Gandhi, managing director and co-head of investment advisory and distribution at JM Financial, an investment bank.

### IPO rush

The buoyant market has also prompted a steady stream of initial public offerings, with recent listings like Tata Technologies and government-owned IREDA soaring on debut. "The market has a big appetite for good paper and if the company fulfills all the tick boxes, investors will lap it up, Gandhi said.

—REUTERS