

# Promoters offload record ₹1.15 trillion shares in 2023

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Family business promoters such as the Adanis and Anil Agarwal (Vedanta) as well as professional ones such as private-equity firms raked in the moolah big time by selling stakes in their companies in the bull run of 2023. That year, the benchmark BSE Sensex rose 18.7% and the NSE Nifty, 20%.

The promoters sold shares worth ₹1.15 trillion (\$14 billion) in all, a staggering 161% rise from the ₹44,013 crore in 2022, and way higher than any other year in the past 10. Top of the list are the Adani group, which diluted stake in five group companies; Barings PE, which sold stake in Coforge, and Shobha Gangwal, who sold her entire stake in InterGlobe Aviation. (See chart for the top 10 list.)

The sales have helped reduce promoter debt levels, helped invest in new businesses, and gave PE firms exits at good levels. The latter, in particular, took the rise in promoter sales to a new high last year, experts said.

"In the last seven years alone, there has been \$350 billion investment from PE, VCF, angel funds, etc, into equity, credit and real estate," said Nilesh Shah, MD, Kotak Mahindra AMC. "Given the normal tenure of 7-10 years for a fund, these sales, where PE is promoter, will increase."

Lakshmi Iyer, CEO-investment & strategy, Kotak Alternate Asset Managers, said while Sebi's restriction of 75% promoter holding in listed firms did

contribute to some of the stake paring, the rich valuations of listed companies, which indicate that stock prices are high relative to their earnings or asset values, also played their part.

Experts also see the momentum carrying through in 2024, especially for companies where PE firms are promoters. Atul

Parakh, CEO, Bigul, said the trend may continue this year in consumer, infrastructure and realty sectors. "To my mind, the sales will be greater in cases where PEs are promoters. The markets are giving an attractive exit to these entities," said Jyotivardhan Jaipuria, founder, Valentis Advisors.

## Cashing in

Largest stake sales by listed companies in 2023

Company (Promoters/Seller)	in ₹ crore	stake sold (in %)
<b>Adani Green Energy</b> (Infinite Trade & Investment Ltd And S.B. Adani Family Trust)	11,169	9.2
<b>Coforge</b> (Huilst BV)	11,000	40.0
<b>Adani Enterprises</b> (S.B. Adani Family Trust)	9,600	5.0
<b>Adani Power</b> (Afro Asia Trade & Investments And Worldwide Emerging Market)	8,710	8.0
<b>InterGlobe Aviation</b> (Shobha Gangwal)	5,746	7.0
<b>Adani Ports &amp; Special Economic Zone</b> (S.B. Adani Family Trust)	5,282	4.1
<b>Sona Blw Precision Forgings</b> (Singapore VII Topco III Pte)	4,917	20.5
<b>Adani Energy Solutions</b> (S.B. Adani Family Trust And Fortitude Trade)	4,565	6.0
<b>Hdfc Asset Management Co.</b> (Abridn Investment Management)	4,079	10.2
<b>Vedanta</b> (Twin Star Holdings)	3,983	4.1

Source: Prime Database, NSE & BSE

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