

Proceeds highest in at least five years

Promoters pick up ₹1.5 lakh cr through share sales in 2024

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INDIA'S PROMOTERS HAVE sold shares worth ₹1.5 lakh crore in 2024 so far, the highest in at least five years, cashing in on a rallying stock market and frenzy in the primary market.

The cash realised by promoters in 2024 of ₹1.49 lakh crore, data from Prime Database reveals, was higher than the value of ₹1.26 lakh crore realised in the previous year.

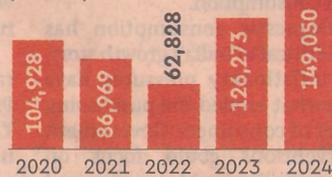
The shareholding of private Indian promoters, as a share of the total market capitalisation of firms listed on the National Stock Exchange, stood at 32.8% at the end of September. This compares with 36.4% in December 2021.

The share of foreign portfolio investors too has fallen

RIDING THE BULL MARKET



Annual share sales by promoters (₹ crore)



Source: primedatabase.com

from 19.7% to 17.7% over this period. However, the share of active domestic mutual funds has gone up from

6.10% to 7.7%, while for passive domestic mutual funds the share has risen from 1.3% to 1.8%. The share of retail

investors has remained more or less flat at 9.6%.

Top 10 sales by value in 2024

Interglobe Aviation (Chinkerpoo Family)

₹9,549 cr

Indus Towers (Vodafone Telecom. (I))

₹8,450 cr

Sanofi Consumer Health (Hoechst GmbH)

₹6,927 cr

Interglobe Aviation (Rakesh Gangwal)

₹6,786 cr

Mphasis (Bcp Topco Ix Pte)

₹6,736 cr

Vedanta (Finsider International)

₹5,922 cr

Bharti Airtel (Pastel)

₹5,849 cr

Piramal Enterprises (Sri Krishna Trust)

₹5,006 cr

Ambuja Cements (Holderind Investments)

₹4,251 cr

Whirlpool Of India (Whirlpool (Mauritius))

₹3,881 cr

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A CONDUCTIVE "EXIT environment" didn't just help promoters looking to offload shares. Analysts noted that the rally in the markets also facilitated exits for private equity (PE) and venture capital (VC) funds. Investors and promoters took home close to ₹1 lakh crore through the sale of shares in initial public offers (IPOs) in 2024, the highest in at least 10 years.

To be sure, share sales were not only driven by the rise in prices and steep valuations. Some promoters may have needed the funds to invest in a new or another existing venture. In some cases, the company may have been required to meet the minimum public shareholding (MPS) norms; Mankind Pharma is an example of this.

Some promoters may have realised the cash to pay off excessive borrowings. In some family-run business houses, there could have been a need for adjusting the holdings in various companies. Personal considerations may also have



played a role; Cipla is a case in point. There have also been instances of a strategic realignment of the interests of promoters as it happened in the case of Bharti Airtel and Indus Towers.

For their part, PEs and VCs have made total or partial exits via primary and secondary market routes. This is not surprising given the limited period and nature of their

investment mandates. As such, amounts realised via offers for sale (OFS) have significantly exceeded amounts raised from the issuance of fresh shares in the past few years.

Data shared by Prime Database reveals that ₹95,210 crore has been mopped up by promoters and investors via the OFS route in 2024. This is more than the ₹75,400 crore that the OFS route fetched them in 2021. Among the many startups that launched their IPOs, those of Unicommerce, Ixigo, Awfis, TBO Tek, Swiggy, and Brainbees Solutions had a large OFS component. Benchmark indices scaled new peaks during the year as did mid-cap and small-cap stocks. The Sensex hit a lifetime high of 85,978.25 in September, while the broader Nifty 50 soared to a record high of 26,277.35 also in that month. The BSE Mid-Cap index hit a new high of 49,701.15 in September, while the BSE Small-Cap index witnessed a record high of 57,527.69 in December.