

# Startup Investors Reap Rs 97,000 Crore in Listing Rewards

OV News Desk



CREDIT : Business Standard

News

Bengaluru: Early [investors](#) in India's listed startups have sold shares worth nearly Rs 97,252 crore since 2021, highlighting the public markets as the primary exit route for [venture capital](#) and private equity investors. Of this total, private equity and venture capital investors offloaded shares worth Rs 43,595 crore through the offer for sale (OFS) portions of 34 new-age technology IPOs, according to Prime Database data. Identifiable exits through bulk and block deals after listing accounted for another Rs 53,657 crore.

The exits include major startup listings such as Paytm parent One 97 Communications, PB Fintech, Lenskart, Delhivery, Nykaa, Swiggy, and Eternal (formerly Zomato). The most recent transaction occurred on July 3, when Temasek-backed MacRitchie Investments sold over 1 crore shares in PB Fintech for Rs 1,633 crore. A month prior, SoftBank's SVF II Lightbulb sold Lenskart shares worth Rs

2,873 crore.

## Shift in Startup Funding Dynamics

This trend indicates a structural shift in India's startup funding ecosystem. Unlike earlier generations that primarily used public markets for growth capital, today's startups tend to remain private longer, raising multiple funding rounds before going public. By the time they list, an IPO serves not only as a fundraising event but also as a staggered liquidity opportunity for early investors.

### Small Business

However, an IPO does not automatically signify the end of a venture investor's ownership. Ashish Agrawal, founding partner at Mettle Capital, stated that an IPO marks the transition from private to public ownership rather than a definitive exit. While some investors choose to monetize their holdings post-listing, others may continue to invest based on the company's performance and potential returns.

## Changing Role of IPOs

Pranav Haldea, managing director at Prime Database, noted that the role of IPOs has evolved significantly over the past decade. Between 1989 and 2012, shares sold by existing shareholders accounted for only 13.5% of total IPO issue sizes, with most capital raised being fresh. Today, private investors contribute significantly to growth capital before listings, making IPOs a crucial avenue for investor exits.

This shift also reflects the economics of venture investing, where funds have finite lifecycles and are expected to return capital to investors within a set timeframe. Rahul Chowdhri, partner at Stellaris Venture Partners, emphasized that exits should not be seen as a lack of confidence in a company. Venture capital funds are designed for gradual exits rather than complete divestment at IPO, especially if they believe the listing valuation does not fully capture the company's long-term potential.

### Investing

Anand Prasanna, managing partner at Iron Pillar, added that venture funds typically operate for around a decade, making exits necessary as they approach maturity, even from strong portfolio companies. This creates opportunities for large institutional public-market investors to acquire significant stakes in high-quality companies.

[Discover more](#)

[venture funds](#)