

# Shares worth nearly \$12 billion of 46 firms may be up for sale as lock-in periods expire

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The pre-listing shareholder lock-in periods of 46 companies will be lifted between June 24 and September 30, which may potentially free up shares worth nearly \$12 billion for secondary sales.

The estimates are based on shareholder analysis for firms listed up to June 19, according to Nuvama Alternative & Quantitative Research.

The shares are primarily held by pre-IPO investors, including promoters, private equity firms, and anchor investors. A sizeable portion of the shares, held by promoters and the promoter group, may not be up for sale, however.

The one-year lock-in of JSW Infra, for instance, ends on

September 30, which will make 125.7 crore shares available for trading. The six-month lock-in of Mukka Proteins also ends in September and may release 16 crore shares. About 2.3 crore shares of Awfis Space Solutions, Le Travenues Technology and Kronox Lab Sciences may be up for sale as their one-month lock-in ends in the next few weeks.

"A small portion of these shares may be immediately liquidated, while another small portion will be sold off gradually, depending on the interest of pre-IPO holders through block deals," said Abhilash Pagaria, Head - Nuvama Alternative & Quantitative Research.

## FALL IN PRICES

The rush to sell shares after lock-in ends may lead to an



## Cutting loose

	CMP (₹)	Lock-in shares (cr)
JSW Infrastructure	303	127.50
Mukka Proteins	34	15.97
Jyoti CNC Automation	1,336	15.17
Apeejay Surrendra Park Hotels	191	11.13
Muthoot Microfinance	252	9.93

Source: Nuvama Alternative & Quantitative Research

over-supply of shares in the market, resulting in a slide in share prices and the market sentiment towards the stock turning relatively bearish, said experts.

"It's not necessary that all of the investors will look to exit. Also, given the kind of liquidity available, there may be enough buyers to support the price, unless it's a thinly traded scrip," said Pranav Haldea, Managing Director, PRIME Database.

The lock-in period is different for different classes of investors.

Fifty per cent of the shares allotted to anchor investors have to be locked-in for 90 days, the rest have to be locked in for 30 days from the date of allotment.

For promoters, 20 per cent of the post issue paid-up capital has to be locked in for 18 months. Allotment exceeding 20 per cent cannot be sold for six months. For non-promoters, the lock-in ends after six months.