

# As FIIs cut stake and CEO & Dy CEO sold shares in IndusInd, DIIs stocked up

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Foreign portfolio investors pared their stake in IndusInd Bank stock by over 16 percentage points in 2024 in the run-up to the current disclosures by the bank, while its CEO and Deputy CEO were also offloading shares over the last two years, data showed.

Over several months in 2023 and 2024, Chief Executive Officer and Managing Director Sumant Kathpalia and Deputy CEO Arun Khurana were selling shares they owned in the bank, according to insider trading data provided exclusively to *businessline* by Prime Database.

While FIIs have been selling, domestic institutional investors have increased their stake by over 15 percentage points in the bank in the same period, the data showed.

Earlier this week, the privately held bank disclosed that an internal review had revealed mismatches in its foreign exchange derivatives transactions that would hit its net worth to the extent of ₹1,577 crore, or around 2.35 per cent. The stock lost around 280 points in two trading sessions.

A day earlier, the RBI extended the CEO's tenure by one year, while the bank had sought extension for three years. In the analyst call the next day, Kathpalia said the RBI was uncomfortable with his leadership skills.

The insider trading data shows that throughout the last couple of years, both Khurana and Kathpalia were offloading the shares they owned in the bank.

From May 2023 to December 2024, Kathpalia sold over 10 lakh shares worth over ₹145 crore. The shares were sold at varying rates from

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around an average of ₹1,269 a share in May 2023, over ₹1,320 a share in June 2023, peaking at an average of ₹1,558 a share in March this year. The share price has been on a steady decline over several months and from over ₹1,500-levels in the early part of 2024, it came down to below ₹1,000 by the end of December. That month the CEO sold ₹60,000 shares at an average of ₹998 apiece.

During the same period, Deputy CEO Khurana sold over 5.4 lakh shares worth a little over ₹80 crore. He sold a significant chunk of 1.44 lakh shares in June, his last transaction for the year.

## HOLDING PATTERNS

Meanwhile, there has been a sharp divergence in the holding patterns of FIIs and DIIs in IndusInd Bank stock. Foreign investors held their stake in the bank more or less steady in 2023 around 38-39 per cent. In 2024, however, they started selling and by the end of the year, it had slipped to 22.9 per cent from 39 per cent in December 2023.

Domestic institutions, on the other hand, followed a contrary pattern. They held their stake in the bank in the 25.9-26.3 per cent range for most of 2023, though at the end of the year it had fallen to 24.5 per cent. However, last year they started to stock up and in December 2024, it had increased to 39.66 per cent, the data showed.