

Promoter stake sales surge 7-fold in Q1

Srushti Vaidya

srushti.vaidya@livemint.com

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Promoters of companies are cashing in their shares on high valuations. The value of promoter holdings in listed companies that were sold in the April-to-June period surged almost sevenfold from the previous quarter as higher market valuations offered them a better price.

Shares sold by promoters on the country's top two exchanges increased 6.69 times on a quarterly basis and 1.54 times from a year earlier to ₹2.61 trillion in the first quarter of FY26, according to Prime Database, which cited insider trading disclosures.

By comparison, promoters sold shares worth ₹1.68 trillion in Q1 of FY25 and ₹39,000 crore in Q4 of FY25.

In all, promoters have sold ₹3 trillion worth of shares in the first six months this year.

The highest-selling promoter was the government, which sold shares worth ₹29,963 crore in ITI Ltd. Among the others, Pastel, a subsidiary of Singapore-based Singtel, sold shares worth ₹12,880 crore in Bharti Airtel, and the Chinkerpoo Family Trust set up by Rakesh Gangwal, co-founder of IndiGo, sold shares worth ₹10,408 crore in InterGlobe Aviation.

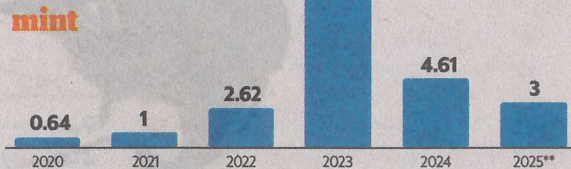
Promoter stake sales in Vishal Mega Mart and Wipro were among the top five.

In the first six months of 2025, promoters have already sold 65% of the stake worth ₹4.61 trillion that they off-

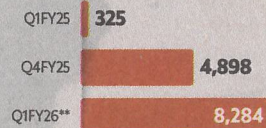
Cashing in

In the first six months of 2025, promoters have already sold 65% of the stake they offloaded in entire 2024.

Stake sale by promoters over the years* (in ₹ trillion)



Stake sale by promoters via offer for sale (in ₹ crore)



Note: *Calendar years; ** Till 27 June 2025

Stake sale by promoters via bulk/block deals (in ₹ crore)



Source: Primedatabase
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loaded in 2024.

Promoters are seizing the current favourable market conditions to dilute their stakes in companies as valuations are currently significantly higher than their intrinsic worth, said Siddharth Bhamre, head of institutional research at AsitC Mehta Investment Intermediaries Ltd.

Many promoters believe that their businesses are valued far above their actual worth and this valuation gap has prompted them to capitalise on the opportunity, resulting in a surge in stake sales, Bhamre added.

The Nifty 50's current PE is 22.8x compared with 19.8x on 28 March, while its 12-month forward PE is 19.9x. The index

has jumped 8.49% from April to June 30.

The PE of InterGlobe Aviation when the stake was sold on 25 May was 28.29x compared with an average of 18.35x in Q1 a year earlier.

The PE of Vishal Mega Mart when Samayat Services LLP sold ₹10,221 crore of shares on 18 June was 90.42x compared with an average of 22.81x in the January-March quarter of 2024.

Apart from rising valuations, promoters may sell shares to meet minimum public shareholding norms, repay debt or raise funds to invest elsewhere.

"Individual promoters are selling stakes either to delever the balance sheet at a personal level or to book profit

and diversify into other investment avenues, while continuing to hold a majority stake in the company," said Sunny Agrawal, head of fundamental equity research at SBI Securities.

The same promoters may later invest in the business and again increase their stakes through warrants, rights issues, or preferential allotments, he added.

Of the ₹2.61 trillion worth of shares sold by promoters, offers-for-sale (OFS) made up ₹8,284 crore, while shares sold in block or bulk deals added up to ₹60,900 crore, as per PRIME Database. OFS, block and bulk deals are a part of the insider trading filings but do not make up all stake sales by promoters.

Promoters selling stakes via bulk or block deals increased 64% year-on-year (y-o-y) and 17 times sequentially in Q1. Promoters who sold shares via OFS increased 25 times y-o-y and 69% sequentially.

The markets seem to remain elevated on the back of falling interest rates, which may keep promoter stake sale activity higher in the coming quarters, said Vinit Bolinjker, head of research at Ventura Securities.

Agrawal of SBI Securities added that if market sentiment remains buoyant, promoter stake sales will continue.

"The market sentiment looks positive as global uncertainties have receded of late. And a rate cut and tax cut may boost consumption. Plus, private capex is picking up and earnings growth is likely to go back to two-digit numbers in Q2 of FY26," Agrawal added.

Besides high valuations, promoters may sell to meet shareholding norms or fund new investments