Promoters made less money on listing firms so far in CY26

While this may appear like serious capital deployment from the money earned from the markets, the overall share of OFS in IPOs, still remain more than half of the proceeds, analysis shows

Ashokamithran T.
MUMBAI

Promoters and venture capitalists of companies that listed in the stock market up to the first week of July 2026 earned lower share of the total offer for sale (OFS) component than in the same period last year.

The share of owners or founders of the firms along with private equity or venture capitalists, the early investors, reduced to 84% of the total offer for sale (OFS) proceeds to ₹10,696 crore, as per an analysis of IPO data up to July 8 from primedatabase.com.

Shrinking stakes: The BSE building in Mumbai. ANI VIDEO GRAB

This share was 95.5% in the same six-month period of calendar year 2025. This share was 94% in 2023 and 68% in 2024, the lowest in the last four years. Initial public offering (IPO) is the process by which privately held companies list in the market, effectively becoming "public limited." The shares of the companies are then bought and sold by investors in the stock market. In the process, firms can raise money from new investors via fresh issues or existing investors via owners selling part of shares to the public. While the former may be used for developing the firm, the OFS, goes into the pockets of the sellers.

Less intense exit

Many large investors and market observers have often criticised OFS as a system of wealth transfer from retail investors to large company owners and private equity funds were basically using the primary market to exit the firms rather than helping it raise productive capital.

Luxury realty demand

For context, Knight Frank, a property consultant, said in its report the IPO boom and the new wealth created out of it drove luxury real estate demand last year. The criticism came from as high as Chief Economic Advisor to the Government V. Anantha Nageswaran, where he called out P/E and VCs, for making listing an "exit route."

Selling shareholders who sold their stake took home just half of the ₹12,783 crore garnered from the market up to July 2026. This share was much higher in 2023 when 73% of the IPO proceeds were OFS. This slipped to 54% in 2024, rose to 61% in 2025 and again fell to 52% in the current calendar year.

While this may look like serious capital deployment from money earned in the market, the overall share still remains more than half of the proceeds.

Give and take

The headline number while suggesting that they are earning a smaller share, however, hides the larger trend. In the past four years, share in OFS proceeds has been swinging between promoters and VCs. For instance, last year, in the six-month period, VCs earned just 7.4% of the ₹29,486 crore of OFS proceeds. Promoters were the largest sellers, pocketing over 88% of the money. To be sure, VC shares in total OFS have reduced from over 60% in 2023, to just about 36% of the total OFS sales in 2026.

Promoters, however, consistently made a minimum of 30% of total OFS in the last four years.

To be sure, several large IPOs, which can potentially have huge OFS shares are yet to happen in 2026.

This includes the largest stock exchange NSE, Reliance Jio, Oyo, Phone Pe, Zepto among others.

Including large IPOs can, however distort underlying trends. The overarching trend of IPOs as an exit route still remains. It is just the composition of the sellers and the intensity that has kept changing.