

PROMOTER PLEDGING DIPS FOR 4TH STRAIGHT QUARTER

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Promoter pledging has declined for a fourth straight quarter as increased market valuations helped India Inc borrow by pledging fewer shares. At the end of the March quarter (Q4) of FY24, the pledged shares as a percentage of total promoter shareholding dipped to 1.1 per cent from 1.17 per cent in Q3, according to an analysis by Kotak Institutional Equities. The value of pledged promoter holdings stood at ₹1.96 trillion, about 0.56 per cent of the total S&P BSE500 index's market cap. The BSE500 rose 4.3 per cent in Q4FY24, while it rallied 32 per cent during the 12 months ended March 2024. Since Q1FY23, promoter pledging has consistently fell. Promoters of 73 companies in the BSE500 have pledged part of their holdings in Q4FY24, down from 86 at the end of Q1FY23. But no firm reported fresh pledges during Q4FY24.

BUOYANT MARKETS TO THE RESCUE

Pledged holding as % of



Companies with pledged promoter shares

	90% or more	75-90%	50-75%	25-50%
Sep '22	●●●	×	●●●●	●●●●●
Dec '22	●●	●	●●●●	●●●●●●
Mar '23	●	●●	●●●●	●●●●●●
Jun '23	●	●	●●●	●●●●●●
Sep '23	×	×	●●●	●●●●●●
Dec '23	×	×	●●●	●●●●●●
Mar '24	×	×	●●●	●●●●●●

Companies with highest promoter pledged holdings as % of overall shareholding



Note: Universe BSE 500 stocks
Source: Kotak Institutional Equities Research