

# Promoter-holding in NSE-listed firms hits all-time high in the June quarter

## OUR BUREAU

Mumbai, August 19

Promoter-holding in companies listed on NSE reached the all-time high of 44.43 per cent in the June quarter. The same was 44.25 per cent in the March quarter.

In fact, the private-promoter ownership has been steadily increasing for the past 11 years, from 33.61 per cent logged in June quarter of 2009 to 44.43 per cent in June quarter in 2020. In terms of value, private promoter-holding has more than quadrupled to ₹ 60.37 lakh crore from just ₹14.51 lakh crore in June 30, 2009. The increase, of course, is aided by new listings too, according to primeinfobase.com, an initiative of Prime Database Group.

While 'Indian' private promoter-holding has gone up from 26.45 per cent to 34.86 per cent over the past 11 years, 'foreign'

promoter-holding has gone up marginally from 7.16 per cent to 9.57 per cent, it added.

Though there is a cap on how much a promoter can acquire from the open market, promoters have used crashes in the stock market to boost their holdings.

On the other hand, the government-holding hit the all-time low of 6.36 per cent in the June quarter, down from 6.56 per cent logged in March quarter. Over the past 11 years, the government-holding has been steadily declining, from 22.71 per cent in June 2009, due to the government's disinvestment programme, absence of new listings and lacklustre performance of many CPSEs relative to their private peers, according to Pranav Haldea, Managing Director, Prime Database Group.

Holding of domestic mutual funds in companies listed on NSE reduced to 7.81 per cent from 7.96 per cent as of March quarter. Holding of mutual funds has declined for the first time on a quarter-on-quarter basis after a gap of 24 quarters of continuous rise since June 30, 2014.

Foreign institutional investors' holding in Nifty 500 companies has declined to five-year low—it fell by 1.30 per cent to 21 per cent in the June quarter. Holding of domestic institutions was up 1 per cent at 14.7 per cent in the same period.

Interestingly, inflows from domestic and foreign institutions were at \$1.7 billion and \$4.2 billion, respectively in the quarter under review, according to the India Strategy Report, released by Motilal Oswal Financial Services.