

# Promoter pledging falls in March qtr; value at ₹1.6 trn

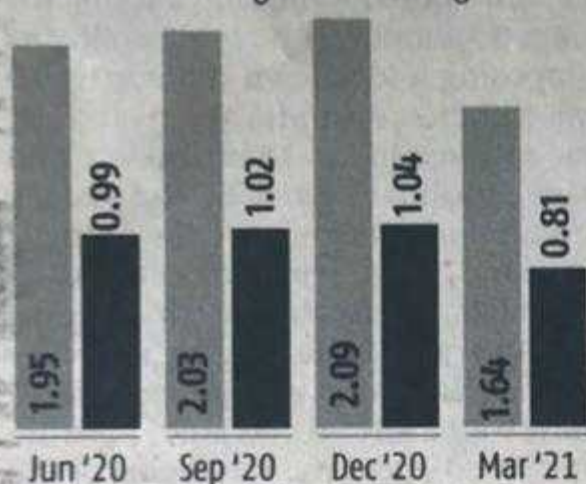
BS 12/05

## POSITIVE SIGN

Percentage of promoter holdings pledged eased in the March quarter

Pledged holding as % of

■ Promoter holding ■ Total holding



## DANGER ZONE

Some promoters have pledged over 80% of their holdings

Companies with most pledged holdings by promoters

| Company           | Value (₹ cr) | Pledged holding* | QoQ change (bps) |
|-------------------|--------------|------------------|------------------|
| Suzlon            | 650          | 88.5             | 0                |
| Future Consumer   | 150          | 88.4             | -710             |
| Max Financial     | 4,260        | 84.5             | -270             |
| GMR Infra         | 6,680        | 72.8             | 290              |
| Omaxe             | 590          | 63.8             | -270             |
| Sterling & Wilson | 1,540        | 53.7             | 430              |
| Future Retail     | 250          | 52               | -1,280           |
| Dish TV           | 60           | 51.2             | -690             |
| Kalpataru Power   | 1,610        | 50.8             | -450             |
| CG Consumer       | 1,320        | 47.3             | -1,830           |

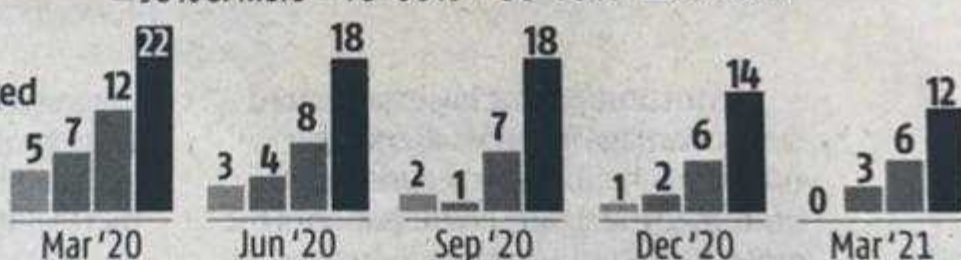
## SHEDDING THE EXCESS

For the first time after many quarters not a single firm had 90% promoter holdings pledged

Source: Kotak Institutional Equities Research; note: \*Pledged holding as % of promoter holding during March 2021 quarter; universe BSE 500 stocks

No. of companies with % promoter pledged shares

■ 90% or more ■ 75-90% ■ 50-75% ■ 25-50%



SUNDAR SETHURAMAN

Mumbai, 11 May

Share pledging by promoters came down during the March 2021 quarter with stocks in the broader market extending their gains.

According to a report by Kotak Institutional Equities (KIE), the value of pledged promoter holdings as a percentage of promoter holding declined to 1.64 per cent in March 2021 quarter, from 2.09 per cent in the December 2020 quarter. The value of promoter pledged holdings stood at ₹1.6 trillion, 0.81 per cent of the total market capitalisation of the BSE 500 index.

Around 85 companies in the BSE 500 index had pledged part of their holdings at the end of the March 2021 quarter. For the first time after many quarters, there wasn't even a single company where promoters pledged more than 90 per cent of their holdings. A year ago, there were five such firms.

"We have seen a widespread decline in pro-

moter-pledged holdings in almost all Nifty-50 companies...We clarify that pledging of shares does not necessarily imply that a company or a promoter is under financial stress; banks (lenders) could have sought additional security in the form of promoter shares," said KIE in a report.

IndusInd Bank, Aurobindo Pharma, Aster DM Healthcare, Wockhardt, and Ashok Leyland were companies that saw a substantial increase in pledged promoter holdings. Adani Ports & SEZ, Crompton Greaves Consumers, Adani Transmission, Time Technoplast, and Laurus Labs saw a decline in promoter pledging.

Aster DM Healthcare and IndusInd Bank saw fresh promoter pledges, while Dhanuka Agritech's promoters released their entire pledged holdings.

During the March 2021 quarter, the Nifty, Nifty Midcap 100 and Nifty Smallcap 100 rose 5.1 per cent, 13.7 per cent and 14.5 per cent, respectively.