

Promoter Pledges See Some Increase in May

Pledging of shares by promoters up from 1.51% in April to 1.53% of total m-cap of all cos listed on

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Mumbai: Pledging of shares by promoters has increased marginally in May from the preceding month, despite the stock markets gaining 6.5% and trading close to their lifetime highs.

Shares pledged by promoters of companies listed on the National Stock Exchange increased to 1.53% of the total market capitalisation of all the companies listed on the exchange from 1.51% in April, according to data from primeinfobase.com. In value, this increased 9.52% in May to an all-time high of ₹3.35 lakh crore, compared with ₹3.06 lakh crore as on April 30.

Promoters may have raised more

money on their improved valuations rather than releasing pledged shares to tide over the financial impact from the second wave of Covid-19, said analysts. "Typically, a rally in stock prices gives promoters headroom to lower their pledged shares, given that the value of their holdings too would have risen," said G Chokkalingam, founder of Equinomics Research & Advisory. "But this time,



the trend has played out differently." A few brokers said promoters of some small companies were raising funds by pledging shares to invest in the stock market.

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High Pledges

TOP 10 COMPANIES BY VALUE OF PLEDGED SHARES

Company	Value of Pledged Shares (₹Cr)	% of Total Promoter Holding Pledged
Vedanta	66,430	99.99
Ruchi Soya Inds	31,805	82.96
Hindustan Zinc	20,476	22.83
Indus Towers	18,362	40.26
Adani Ports	14,552	14.60
Asian Paints	14,235	9.44
Adani Transmission	13,463	11.09
JSW Steel	11,086	14.64
Jindal Steel	10,246	40.80
Adani Power	7,650	28.60

Source: primeinfobase.com

