

IN BUOYANT MARKET, PROMOTER PLEDGING FALLS AGAIN

Share pledging by promoters fell for the second straight quarter amid buoyancy in the markets. According to a report by Kotak Institutional Equities (KIE), pledged promoter holdings as a percentage of total promoter holding declined to 1.61 per cent in the June 2021 quarter, from 1.64 per cent in the March 2021 quarter.

The value of promoter pledged holdings stood at ₹1.7 trillion, 0.81 per cent of the combined market capitalisation of the BSE 500 companies.

Around 78 companies in the BSE 500 index had pledged part of their holding at the end of the June 2021 quarter, down from 85 in the preceding quarter.

The number of companies with at least 75 per cent promoter holding pledged fell to six, from nine in the preceding quarter.

Johnson Controls, Wockhardt, IndusInd Bank, SH Kelkar and GMR Infrastructure are some companies that saw an increase in share pledging.

On the other hand, Crompton Greaves Consumers, Max Financial Services, Dish TV, Edelweiss Financial Services, and Gateway Distriparks saw a decline in pledged promoter holdings. Nifty50 companies with at least 5 per cent pledged promoter holdings include Adani Ports & SEZ (14.4 per cent), Asian Paints (9 per cent), IndusInd Bank (45.5 per cent), JSW Steel (14.8 per cent) and Sun Pharmaceuticals (6.4 per cent).

During the quarter ended June 2021, the benchmark Nifty rose 7 per cent, while the Nifty Midcap 100 and the Nifty Smallcap 100 surged 13.8 per cent and 20 per cent, respectively.

SAMIE MODAK



MAKING PROGRESS

Percentage of promoter holdings pledged fell for a second straight quarter

Pledged holding as % of
■ Promoter holding ■ Total holding



RED ALERT

Some promoters pledged over 80% of their holdings

Companies with the highest pledged holdings by promoters

Company	Value (₹ cr)	Pledged holding*	QoQ chg (bps)
Suzlon	1,030	88.5	0
Future Consumer	250	88.4	0
GMR Infra	8,840	74.9	210
Max Financial	3,350	62.2	-2,230
Sterling & Wilson	1,620	53.7	0

PLEDGE WARY

No. of firms with over 75% promoter holdings pledged has fallen

Quarter	90% or more	75-90%	50-75%	25-50%
Mar 2020	5	7	12	22
Jun 2020	3	4	8	18
Sep 2020	2	1	7	18
Dec 2020	1	2	6	14
Mar 2021	0	3	6	12
Jun 2021	0	2	4	14

Note: *Pledged holding as % of promoter holding during the June 2021 quarter; universe comprises BSE 500 stocks

Source: Kotak Institutional Equities Research