

# Unfazed by high valuations, promoters raise holding in listed companies in Sept qtr

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IN A trend that showcases promoters' confidence in their company shares despite high valuations, private promoters of companies listed on the National Stock Exchange (NSE) have been buying shares of their companies and have increased their shareholding, even as the prices of stocks of these companies continued to rise and hit new highs over the last two quarters.

According to data compiled by primeinfobase.com, an initiative of PRIME Database Group, the shareholding of private promoters in companies listed on the NSE increased by nearly 50 basis points from 44.42 per cent at the end of June 2021 to 44.90 per cent on September 30, 2021.

Since March 2021, the aggregate holding of private promoters across more than 1,650 companies has gone up from 44.1 per cent to 44.9 per cent. This happened even as share prices of a large number of companies have gone up significantly.

Some of the companies that witnessed an increase in shareholding by promoters during the September quarter include CESC Ltd, Adani Green Energy, APL Apollo Tubes, KPR Mill, Just Dial and LIC Housing, among others.

Indian promoters have been steadily raising their ownership in their companies over the last decade and have increased it by one third from 33.60 per cent on June 2009 to 44.9 per cent now.

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## AGGREGATE HOLDING RISING

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been raising their stake, the shareholding of the foreign portfolio investors (FPIs) witnessed a decline in the September quarter. Shareholding of FPIs in NSE-listed companies came down to 21.47 per cent in the quarter ended September from 21.66 per cent in the previous quarter.

However, following a sharp rise in equity markets during the quarter, the total value of FPI holdings crossed Rs 50 lakh crore in 2021 and amounted to Rs 54.68 lakh crore.

Pranav Haldea, MD, PRIME Database Group, said that the 12.03 per cent rise in value of FPI holdings from Rs 48.82 lakh crore as of June-end to Rs 54.68 lakh crore on September 30 is primarily driven by an extraordinarily buoyant secondary market during the quarter when Sensex and

Nifty rose by 12.66 and 12.07 per cent, respectively.

In contrast to FPIs' reduction in holdings, mutual funds (MFs) saw their shareholding in NSE-listed companies rise during the quarter to 7.36 per cent.

After hitting a high of 7.96 per cent in the quarter ended March 2020, MF holdings have been on a decline and had dropped to 7.25 per cent as of June 2021. "The share has increased on the back of a huge Rs 38,221-crore net inflow by domestic mutual funds during the quarter," said Haldea.

Even in value terms, the holding of domestic MFs increased by 14.82 per cent to an all-time high of Rs 18.75 lakh crore as on September 30, 2021 from Rs 16.33 lakh crore on June 30, 2021.

Data shows that holding of retail investors (individuals with up to Rs 2 lakh shareholding) in companies listed on the NSE reduced marginally to 7.13 per cent as on September 30 from 7.18 as on June 30. However, in value terms, retail holding too hit an all-time high of Rs 18.16 lakh crore from Rs 16.18 lakh crore on June 30, 2021, following the rise in equity markets.

Even the percentage holding of the government (as promoter) in companies listed on the NSE decreased to 5.56 per cent as on September 30, from 6.05 per cent in June. While all categories of shareholders have seen a double-digit growth in the monetary value of their holding, Haldea said that government holding in companies listed on the NSE increased by just 3.87 per cent to Rs 14.16 lakh crore from Rs 13.63 lakh crore on June 30, 2021.