

Promoters increasing stakes in own cos shows confidence on economic recovery, valuations'

Promoters Up Holding in NSE Cos, Push Institutional Stake to 3-Yr Low

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Mumbai: Promoters have consistently increased stake in their firms from the open market in the past four quarters, underscoring optimism on the economic recovery.

As a result, institutional ownership, including those by foreign and domestic funds, in NSE listed companies has declined to a 3-year low of 34.59% at the end of September, showed data compiled by primeinfobase.com.

Promoters of non-PSU companies have increased their stake by nearly 50 basis points to 44.90% in the September quarter, while high net worth individuals' (HNIs) holding has risen to 2.12% from 2.10% in the previous quarter, showed the data.

Big shareholders, including founders raising stakes in companies, are often considered a positive in-

Ownership Trends

Quarter	Ownership by Value (%)						
	Promoter*	FPI	DII	MF	Insurance	Retail	HNIs
Sep-21	44.90	21.47	13.12	7.36	4.81	7.13	2.12
Jun-21	44.42	21.66	13.19	7.25	4.89	7.18	2.10
Mar-21	44.10	22.47	13.42	7.26	5.06	6.95	1.98
Dec-20	44.32	22.75	13.56	7.42	5.00	6.90	2.00
Sep-20	45.38	21.52	13.94	7.65	5.16	7.01	1.93
Jun-20	44.43	21.05	14.34	7.82	5.16	6.74	1.84
Mar-20	44.26	21.17	14.42	7.96	5.10	6.54	1.78
Dec-19	41.94	22.46	14.06	7.79	5.16	6.42	1.87
Sep-19	42.38	22.05	14.20	7.76	5.30	6.46	1.89
Jun-19	40.90	22.07	13.78	7.34	5.25	6.45	1.91
Mar-19	40.86	21.86	13.70	7.20	5.30	6.55	1.95
Dec-18	41.38	21.21	13.74	6.99	5.53	6.68	1.97

* Non-PSUs

Source: primeinfobase.com

indicator of their prospects. The logic is promoters are usually most

knowledgeable about their companies' prospects.

Some of the companies that saw the highest buying by promoters in the previous quarter include KPR Mills, CESC, Adani Green, APL Apollo, LIC Housing, Tide Water Oil, Mahindra Lifespace, etc.

FPI holding declined to 21.47% as of September 30, 2021, from 21.66% as of June 30. FPI net inflows were just ₹3,928 crore during the quarter. Holding of insurance companies declined to a six-year low of 4.81% as of September 30, 2021, down from 4.89% as of June 30, 2021. However, after five quarters of consecutive declines, the holding of domestic mutual funds in companies listed on the NSE increased to 7.36% as of September 30, 2021, from 7.25% as of June 30, 2021.

"The fact that promoters are increasing their stakes in a tough business environment shows confidence in valuations and their commitment to their own businesses," said Pranav Haldia, MD, Prime Database Group.