

At 8.99%, pledging of shares by promoters of listed cos hits new low

Rising stock price, generous payouts help promoters cut pledged shares

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Pledging of shares by NSE-listed companies hit an all-time low of 8.99 per cent (as a percentage of total promoter holding) as of December end against 10.63 per cent logged in January 2021, a study by Prime Data base said.

In fact, promoters of companies have been revoking their pledge consistently last year with generous dividend announced by corporates on back of soaring profit.

Of the 1,774 companies listed on the NSE, the value of 415 companies that have

pledged shares stood at ₹3.80 lakh crore in December 2021.

The percentage of promoter holding pledged against their total holding went down to a new low of 38.43 per cent, according to a study by primeinfobase.com, an initiative of Prime Group.

Vishal Wagh, Research Head, Bonanza Portfolio, said soaring stock prices increase the value of promoters' shareholdings and reduces the number of shares they require to put up as collateral. If the market continues to rise, pledging levels will continue to come down, he added.

A few promoters might have released pledged shares by raising funds through other sources to repay lenders, he said.

Promoters of 26 companies have pledged their entire

holding as on December-end while in 63 companies, promoters have pledged over 90 per cent of their holding. Promoters of as many as 143 companies had pledged over 50 per cent of their shareholding to raise money, said primeinfobase.com.

100% pledging in Vedanta

Of these companies, Vedanta and Max Financial Services were part of Nifty 200 index with high promoters pledge of 100 per cent and 64 per cent, respectively.

Vedanta and Hindustan Zinc, both led by billionaire Anil Agarwal, topped the fund raising table with cumulative mop-up of ₹1.02 lakh crore followed by Indus Towers and Max Healthcare Institute raising ₹18,817 crore and ₹16,123 crore.

Among the Nifty 200 index companies that saw an increase in promoters share pledge in last one month include Sajjan Jindal-led JSW Steel, JSW Energy, Ajanta Pharma, Jindal Steel and Power, Max Financial Services and Emami.

Revocation of pledging

Promoters of Ucal Fuel Systems and Vishwaraj Sugar Industries have bought down their pledge to near zero in last month while Khaitan Chemicals & Fertilizers promoters cut their pledge from 52.24 per cent to 0.69 per cent.

In all, there were six Nifty 200 index companies reported that their promoters holding declined in last one month and three of them were Adani group companies.