

Promoters' pledged holdings decline to 1.1% in March quarter: Report

ENS ECONOMIC BUREAU

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THE PERCENTAGE of promoters' pledged holdings dropped to 1.1 per cent in the March 2024 quarter from 1.17 per cent in October-December 2023 quarter, a report by Kotak Institutional Securities said. In the last quarter of FY24, promoters of 73 companies in the BSE-500 Index have pledged part of their holdings.

The value of pledged promoter holdings stood at Rs1.96 lakh crore or about 0.56 per cent of the total BSE-500 Index's market capitalisation. "Our analysis

₹1.96L CR: VALUE OF PLEDGED HOLDINGS

■ In the last quarter of FY24, promoters of 73 companies in BSE-500 Index have pledged part of their holdings, a Kotak Institutional Securities report said

of the pledged holdings of BSE-500 stocks shows that the value of the promoter (majority shareholder) pledged holding as a percentage of the promoter holding has come down marginally to

1.10 per cent in the March 2024 quarter from 1.17 per cent in the December 2023 quarter," the report said.

Promoters pledge shares as collateral to secure loans to meet any funding requirement. It is common practice followed by companies. The report said the BSE-500 companies in which pledged promoter holdings declined during the fourth quarter of FY24 included Kalpataru Projects, Bharat Forge, GMR Airports, Lemon Tree and Tata Communications. Max Financial Services, Eris Lifescience, Ashok Leyland, Jubilant Foodworks and Lloyd Metals were among the

companies where pledged promoter holdings increased.

The report clarified that pledging of shares does not necessarily imply that a company or a promoter is under financial stress; banks (lenders) could have sought additional security in the form of promoter shares. Companies in which promoters released almost entire pledged holdings were Bharat Forge, Lemon Tree Hotels and Tata Communications.

In January-March 2024 quarter, there were no companies whose promoters pledged more than 75 per cent of their holdings.