

A STUDY ON SHAREHOLDING PATTERN OF COMPANIES IN INDIA AT THOMSON REUTERS, BANGALORE

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Abstract—Shareholding pattern or the ownership pattern of an organization often play significant role in operations decision, monitoring and control. This as a result possesses influence over process and hence performance. On the opposite hand, the role of shareholder and respective conflict of interests also can be not ruled out. Under such circumstances, assessing the impact of organizational structure or shareholding pattern and firm performance becomes inevitable to assess. In addition, the connection between the investment pattern and respective conflicts of interests is inevitable to be examined. To ensure investment security corporate governance has played vital role that means assessing the inter-relationship between the shareholding pattern and firm's performance. This study intrigues largely the proportion of shareholding pattern of Indian companies therefore the results demonstrate that Indian companies typically sustain their ownership pattern in due course. In fact, changing shareholding pattern had been a distinct segment and important area of study right from the time the Berle-Means debate brought out its implications. On similar lines this paper examines the change brought call at the shareholding pattern within the capital markets in India. In India ownership is concentrated within the hands of promoters. A unique ownership pattern where even banks and financial institutions, foreign institutional investors or foreign individual are the owners of the corporate.

Keywords—Conflicts of Interests, Corporate Governance, Ownership, Promoters, Shareholding Pattern.

1. INTRODUCTION:

Shareholding pattern shows how the total number of shares equity outstanding in the company is divided between various owners (individuals and institutions). ... It also shows a list of promoter entities, public owning more than 1% and another list of publics owning more than 5% of the company's shares. Finance is that the administration of giant measure of money, particularly by government is enormous organizations. Whenever utilized as an action word as an action word it'd mean giving subsidizing to a private or an undertaking. The word has its roots to French word fund meaning an end, repayment or revenge and utilized with regards to completion or settling an obligation or an issue. the thought is of "finishing" (by fulfilling) something that is expected. After adaption to English, the word is employed to characterize any kind of the executives of money. four major categories of shareholders within the sample companies namely (I) Promoters, (ii) Institutional Investors, (iii) Non- Institutional Investors, and (D) Government. SEBI guidelines define Promoters as individuals or companies owning quite 20% within the equity capital of the company. For this study promoters are often Indian, Foreign or the govt. just in case the promoter is that the Central or government, then this shareholding has been classified as Government. So, while promoter shareholding can appear across Domestic Private Companies, Foreign Private Companies and (to an insignificant extent, Management Controlled Companies), Government shareholding has relevancy only in Government companies. Institutional Investors both domestic and foreign, Mutual Funds, venture capital Funds then on can figure across all the four categories of companies. Similarly, Non-Institutional shareholding consisting of Corporate Bodies, Individual Shareholders, NRIs and Foreign Nationals can appear across all company categories. The next important believe the shareholding pattern of Indian companies is that the dominant shareholding of Indian business families who control the affairs of the businesses as promoters. Such dominant business families could easily create perfect board, influence management, and acquire approval for his or her actions through annual general meetings. One best example of a possible governance abuse by dominant promoters is

that they secretly build large position in some companies at cheaper price and later acquire the company at a better price, thereby affecting the interest of the minority shareholders. Promoters of these companies and their family exercise significant influence on the day- to -day functioning of the corporate because they hold majority stake either within the family or through their friends and relatives. Such dominance is sort of obvious in Indian corporate sector. It has become quite usual for Indian companies to be dominated by few individuals and families thanks to strong entrepreneurial and family investment cultural system adopted within the country. Though these companies are with higher foreign promoter holding have always been favoured by the investors' fraternity for its consistent financial performance or the regular dividend payment, these companies are always verified with some doubt from the company governance point of view. Although Companies Act 2013 defines every equity shareholder because the owner of the company and vested with powers to vote and appointed board of directors, but practically speaking the overall public shareholders whether an Individual or the institutional investor for that matter possesses to suffer the selection and actions of the board of directors who are appointed, controlled and dominated by the controlling shareholders.

2. REVIEW OF LITERATURE:

Review of literature is useful in gaining background of the research topic and identifying the varied issues associated with it. during this way, it prepares the bottom for justification of research plan. it is also helpful in understanding the research problems thoroughly, formulating the objectives and research design of the study. this study extends the previous literature by examining the impact of corporate governance on financial performance of companies during a developing country like India. The literature is available in abundance on this emerging topic of research covering all the size of corporate governance namely board structure, board size, its role and composition, board sub committees, risk management, investors protection, manager's/CEO incentives, shareholders' rights, etc. Hence, every attempt has been made to incorporate all the important studies handling various aspects of corporate governance. Various articles, working papers, books and reports of the regulatory authorities are studied for the aim of thorough understanding of this idea. The review of relevant literature is as follows:

Rechner and Dalton (1991) in their study examined the shareholding pattern and further its impact on organizational performance. A sample of 141 companies for a period of 6 years i.e. from 1978 to 1983 had been selected from Fortune 500. the info with reference to performance measures had been collected from CompStat database and Standard & Poor (S&P) stock reports. it had been observed that the firms having independent director as a md were consistently performing better than the CEO duality firms. The authors had also suggested the scope of further research by examining the impact of board leadership structure on shareholders' return.

Jensen (2000) stated that the shareholding pattern is one among the most influence factors having impact on the company control and eventual firm performance. **Loderer and Martin (1997)** stated that from the contractual settings among the company and associated stakeholders, the interest of other investors is often securing significantly. They also stated that the shareholders are left because the residual applicants whose interests can sufficiently be secured only through took shareholding by the insiders (i.e., director's ownership) as an ownership measure. an identical result was obtained through an empirical study made by **Cho (1998)**.

Chiang and Lin (2007) analysed the connection between shareholding pattern and board of directors' composition and their influence on the entire factor productivity (TFP) of Taiwan's firms and located that a curvilinear specification better captured the connection between inside ownership and firm productivity. They also found that more collateralised shares by board decreased productivity of a firm but institutional shareholdings could alleviate this negative impact of collateralised shares on TFP which the combined titles of CEO and chairman of the board of directors could be ready to improve productivity. Conglomerate, high-tech, and non-family-owned firms were more productive than their counterparts

Kumar (2004) evaluated the effect of ownership structure on the firm performance by employing a sample of Indian corporate firms. The findings revealed a far-off shareholding pattern does not influence the firm performance significantly. Further they also conclude that for the stand-alone firms the effect of managerial shareholding and firm performance does not differ significantly across group. that they had also observed the effect of interactions between corporate, foreign, institutional, and directorial ownership on firm performance and further results indicate that shareholding by institutional investors and managers affect firm performance non-linearly.

Nureliana (2014) investigated the connection between financial indicators of a firm like profitability, firm size, asset tangibility, liquidity and capital structure and located a negative relationship between the portions of top five shareholdings and leverage ratio. His study concluded that focused firms hold minor debt than isolated ownership firms.

Kumar & Singh (2013) examined the effect of corporate board size and promoter ownership on firm value. they need studied the sample of 176 Indian firms listed on Bombay stock market (BSE) & the regression result was extensively negative relationship between corporate board size and firm value and whereas positive relationship between promoter ownership and firm value. Further, the empirical results suggest that positive effect on firm value raised if above critical ownership level of 40 percent and promoter's interest become aligned thereupon of the corporate.

3. NEED FOR STUDY:

The study on shareholding pattern shows how the shares of the company is distributed among different entities. There are many important learnings that you can find out by simply reading the company's shareholding pattern. Every company discloses its shareholding quarterly. you will find the shareholding pattern of the listed companies on the stock market websites, company's official website or the financial websites like money control. This shareholding pattern provides many outcomes for the companies to research the longer-term condition of the corporate The Promoters plays a serious role within the holding pattern if rise or fall in their holding.

4. STATEMENT OF PROBLEM:

Some of the reforms taking place in developed countries are fitted to dispersed shareholding structure and thus transplanting them to emerging economies with concentrated companies could also be ineffective. Through its open platform approach, Financial & Risk provides critical news, information, and analytics, enables transactions, and connects communities of trading, investment, financial and company professionals. It also provides leading regulatory and risk management solutions to assist customers anticipate and manage risk and compliance.

5. SCOPE OF THE STUDY:

The study on shareholding pattern shows how the shares of the company is distributed among different entities. There are many important learnings that you can find out by simply reading the company's shareholding pattern. Every company discloses its shareholding quarterly. you will find the shareholding pattern of the listed companies on the stock market websites, company's official website or the financial websites like money control. This shareholding pattern provides many outcomes for the companies to research the longer-term condition of the corporate The Promoters plays a serious role within the holding pattern if rise or fall in their holding.

promoters want the advantages of listing; they are generally averse to giving an outsized share within the capital/control to the public. a really high level of public float also acts as disincentive to non-public enterprises. It is, therefore, desirable that the promoters aren't only allowed to possess an inexpensive minimum stake, it should be insisted upon them to simply accept and retain an inexpensive minimum stake within the capital of the corporate on endless basis to demonstrate their interest. The policy challenge is to balance the interests of the promoters and of the public.

6. OBJECTIVES OF THE STUDY:

- i. To understand the shareholding pattern of companies.
- ii. To understand the market price and net profit of the companies and its effect on the shareholding pattern of company.
- iii. To shows how the total number of shares equity outstanding in the company is divided between various owners.

7. TOOLS FOR DATA COLLECTIONS

Data collection is the process of gathering and measuring information on variables of interest, in an established systematic fashion that enables one to answer stated research questions, test hypotheses, and evaluate outcomes. The data collection component of research is common to all fields of study including physical and social sciences, humanities, business, etc. While methods vary by discipline, the emphasis on ensuring accurate and honest collection remains the same.

The source of data collection is to be secondary data that would be considered better, and effective information are often collected.

Secondary Data:

Secondary data collection, on the opposite hand, is mentioned because the gathering of second-hand data collected by a private who is not the first user. it is the method of collecting data that is already existing, be it already published books, journals, and/or online portals. In terms of ease, it is much less costly and easier to collect.

The secondary data for this study collected are:

- Annual reports and documents
- Textbooks
- Company official websites and articles
- Bombay stock exchange
- Journals, magazines, and newspapers, etc...

These are the sources of information and data collection for the selected topic and research study

9. DATA ANALYSIS:

Data analysis may be a process of inspecting, cleansing, transforming, and modelling data with the goal of discovering useful information, informing conclusions, and supporting decision-making. Data analysis has multiple facets and approaches, encompassing diverse techniques under a spread of names, and is employed in several business, science, and science domains. In today's business world, data analysis plays a task in making decisions more scientific and helping businesses operate more effectively.

The will the analysed will be done by the detailed study in depth analysis of ten different companies listed in Bombay Stock Exchange to find out if there is a relationship between the share holding pattern and the market share price of the company, the net profit of the company was also taken into consideration. The data was collected for the years from 2014-2019. Data are been evaluated, tabulated, and presented in a way that will help for the research study

10. LIMITATIONS OF THE STUDY:

something that limits; a limit or bound; restriction: an arms limitation; a limitation on imports. the act of limiting. the state of being limited. Law. the assignment, as by statute, of a period of your time within which an action must be brought, or the amount of your time assigned: a statute of limitations

The limitations of the study are as follows:

- The study is based on the data which is collected from the Bombay Stock Exchange.
- The study is based on only on shareholding pattern of Indian companies.

11. DATA ANALYSIS AND INTERPRETATION

SHAREHOLDING PATTERN OF THE COMPANIES IN INDIA:

TABLE 01: RELIANCE CAPITAL LTD 2014 – 2019

<i>Shareholdings</i>	2014	2015	2016	2017	2018	2019
Anil D. Ambani	0.11%	0.11%	0.11%	0.11%	0.00%	0.00%
Tina A Ambani	0.11%	0.08%	0.10%	0.10%	0.10%	0.10%
Kokila D Ambani (*)	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%
Jai Anmol A Ambani	0.03%	0.03%	0.03%	0.03%	0.01%	0.07%
Jia Ansul A Ambani	0.00%	0.00%	0.00%	0.00%	0.07%	0.07%
Reliance Inceptum private limited	44.71%	44.71%	38.77%	38.77%	38.85%	37.43%
Reliance Innoventures private Limited	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%
Reliance Infrastructure Consulting & Engineer pvt ltd	11.10%	11.13%	11.10%	11.10%	11.12%	7.79%
Cert Logistics and Engineer private Limited	0.00%	0.00%	1.29%	1.29%	1.29%	1.29%
Cert Logistics and Engineer Private Limited	0.00%	0.00%	0.28%	0.28%	0.28%	0.28%
Aditya Birla Sun Life Trustee Private Limited	1.90%	1.91%	1.60%	1.61%	1.87%	1.80%

Reliance Capital Trustee Co. Ltd.	1.17%	1.17%	1.17%	1.17%	2.11%	2.11%
National Westminster Bank Plc as Trustee of The Jupiter India Fund	1.60%	1.60%	1.60%	1.62%	1.66%	1.66%
Life Insurance Corporation of India	4.28%	4.28%	4.16%	4.17%	4.18%	3.37%
Foreign Institution Investors	0.00%	0.00%	3.70%	3.71%	3.80%	0.00%

From the above table we will see that Tina A Ambani is holding the share percentage which is continuously increases form the 2013 to 2017. Jai Anmol A Ambani share percentage are increasing continuously form 2013 to 2017. And National Westminster Bank Plc as Trustee of the Jupiter India Fund share percentage are increasing continuously year by year which is sweet sign for the corporate from 2013 to 2017. And life assurance Corporation of India share are increasing continuously within the year of 2013 to 2014. Which is sweet for the corporate.

Reliance Capital Ltd. key Products/Revenue Segments include Interest which contributed Rs 2113.00 Crore to Sales Value (91.39 you look after Total Sales), Dividend which contributed Rs 150.00 Crore to Sales Value (6.48 you look after Total Sales), Fees & Commission Income which contributed Rs 36.00 Crore to Sales Value (1.55 you look after Total Sales), Lease Rentals which contributed Rs 8.00 Crore to Sales Value (0.34 you look after Total Sales) and Bad Debts Recovery which contributed Rs 5.00 Crore to Sales Value (0.21 you look after Total Sales)for the year ending 31-Mar-2019.

TABLE 02: TATA CONSULTANCY SERVICES LTD 2014 – 2019

Shareholding	2014	2015	2016	2017	2018	2019
Tata Sons Limited	73.69%	73.69%	73.26%	73.26%	73.26%	72.02%
AF-TAAB Investment Company Limited	0.06%	0.03%	0.06%	0.02%	0.02%	0.02%
Tata Investment Corporation LTD	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%
Tata Industries LTD	0.02%	0.02%	0.02%	0.02%	0.00%	0.0%
Tata Steel Limited	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
The Tata Power Company Limited	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
Life Insurance Corporation of India	2.36%	2.43%	2.78%	3.44%	4.17%	4.06%
IEPF A\c	0.02%	0.02%	0.03%	0.03%	0.01%	0.01%

From the above table we will see that the tata sons ltd having the shares percentage of 73.69 and within the year of 2018 it's having the share percentage of 73.52. and therefore, the Tata investment corporation ltd has an equivalent share percentage of shares within the all the year. The no change has been made up of the 2014 to 2019. The life assurance corporation of India share are increasing continuously which is sweet sing for the corporate

TABLE 03: INDIAN OIL CORPORATION LTD 2014-2019

Shareholding	2014	2015	2016	2017	2018	2019
President of India	78.29%	68.57%	58.57%	58.28%	56.98%	52.18%
Life insurance corporation of India	2.86%	2.70%	9.95%	8.29%	5.60%	6.51%
Oil and natural gas corporation ltd	8.77%	13.77%	13.77%	13.77%	13.77%	14.20%
Oil Indian Limited	2.40%	2.40%	2.40%	5.00%	5.00%	5.16%
IEPF	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%

From the **table 03** we can see that the President of India is shareholding % varies from year to year. In the year 2014 the holding was 78.29% and whereas in the year of 2019 its holding is 52.18%. Even the Life insurance corporation of India holding percentage shows 9.95% and 8.295 in the year of 2016 and 2017 which are higher than the 2018 shareholding

and again in 2019 it increases to 6.51%. Oil India Ltd shareholding % are increasing year by year from 2014 to 2019 and the IEPF which have the same shareholding numbers of share percentage from 2014 to 2019.

TABLE 04: ICICI BANK LTD 2014-2019

<i>Shareholding</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>
HDFC Trustee CO LTD (Various Mutual Fund Accounts) / HDFC Large CAP Fund	5.0%	5.12%	5.15%	5.15%	5.17%	5.51%
ICICI Prudential Mutual Fund (Various Mutual funds)	3.60%	3.55%	3.60%	3.61%	3.61%	2.99%
SBI Mutual Fund \SBI Dual Advantage Fund and other various Fund Account	2.5%	2.60%	2.70%	2.71%	2.71%	3.57%
Reliance Capital Trustee CO LTD /Reliance ETF/ Reliance Emergent India Fund (Various Fund Accounts)	1.5%	1.4%	2.25%	2.40%	2.40%	2.38%
Aditya Birla Sun Life Trustee Private LTD	2.0%	2.01%	2.00%	2.02%	2.02%	2.70%
Dodge and COX International Stock Fund	2.73%	3.52%	6.28%	8.38%	5.98%	5.25%
Government of Singapore	1.12%	1.05%	1.10%	1.55%	1.49%	2.03%
NORGES Bank on Account of The Govt Pension Fund Global	1.05%	1.05%	1.05%	1.05%	1.05%	1.05%
Life Insurance Corporation of India	9.70%	8.14%	13.48%	14.65%	12.37%	10.52%

From the table above we can know that the HDFC Trustee Co LTD (various mutual funds accounts) has a large capacity of fund shares are increasing from the 5.0% to 5.51% in the year 2019. Govt of Singapore shareholding percentage of 1.49% in the year of 2018 and compared to that in 2019 it has a huge increase to 2.03%. NORGES bank has the same percentage of shares from the 2014 to 2019. And the life insurance corporation of India is holding 12.37% in the year 2018 and in year 2019 it has 10.52 which is less compared to 2018.

12. FINDINGS:

- i. Reliance Capital ltd shares are increasing every year and the net profit of the company is also increased
- ii. Tata sons Ltd holding 72.02% of shares in the year 2019 of Tata consultancy Ltd.
- iii. Net profit of the Tata consultancy Ltd are increased in the year 2019
- iv. HDFC Trustee Ltd is holding 5.51% of shares in the year of 2019 of ICICI bank ltd
- v. ICICI bank Market price increased in the year 2015

13. SUGGESTIONS:

The present researcher now wants to place the subsequent suggestions to make the Shareholdings pattern very effective in listed companies:

- It will be appropriate of the businesses provide the information to the Investors related to nature of investments, subsidiaries, assets, which isn't in the normal course of business.
- If the businesses want to make sure good corporate governance practices, they ought to present the results of its dividend performance and therefore the managements analysis on its website.
- It is one among the consistent them shareholders value enhancement if the businesses tires to supply dividend per annum to the shareholders of the businesses

- It will be so good to make sure good corporate governance practices within the company if the businesses provide greater importance to undertake secretarial audit other than Securities Exchange Board of India (SEBI) audit for reconciliation of capital.

14. CONCLUSION:

A study of shareholding pattern we will analysis that companies market value and net income playing a serious role within the shareholding pattern of Bombay stock market. If the market value and net income increases the shareholding structure of the businesses also increases. All the businesses should specialise in internet profit of company in way that it'll be help full to the businesses Shareholding pattern of any company could also be mentioned because the insight to the mechanism of corporate control practiced within the company. It refers to the distribution of corporate shareholdings with reference to a corporation, industry, economy, country, region or continent and thus signifies, to an outsized extent if not completely, the company ideology, the corporate culture and the company health in reference to that specific area. Shareholding pattern intrinsically differs from industry to industry and company to company. In fact, no two companies across any term of reference can exhibit same or matching shareholding pattern unless a subsidiary or like. Nevertheless, it's important to require under consideration or rather study the shareholding pattern across different dimensions as mentioned above because it provides a base to review the sort of corporate control alongside the character of impact the company has upon the industry.

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