

---

# Ownership Pattern and Corporate Governance Theory

**Dr. S. Singh**  
Principal, NDIM

---

## Abstract

*The ownership pattern of corporate enterprises can be broadly of three types : (i) Widely dispersed, ownership particularly amongst large number of individual shareholders; (ii) Promoters' dominated shareholding pattern where promoters may be owning 30% to 80% or more vis-a-vis individual shareholders who own less than 30% of the total capital and (iii) A unique ownership pattern where even banks and financial institutions, foreign Institutional investors or foreign individuals are the owners of the company.*

## The Basic Theory of Corporate Governance

The basic need for corporate governance arose due to agency costs. In case of public limited liability company the shareholders are the owners or principals. But due to inherent nature of a Public Limited Company, its large body of shareholders are scattered through out the country and hence they themselves are not in a position to manage or run the company. Their interest mainly lies in getting reasonable return, based on the risk-profile of the company, year after year without any hindrance, whatsoever. But in order to run their company, they have to appoint competent managers, on market - related compensation package. These managers, thus run the company on day-to-day basis as agents of their principals, i.e., the shareholders. While principals may feel that agents would be running the show in their interest, in actual practice things may often not be so. For example, the Chief executive and other senior managers may be more interested in their fat salaries and perks rather

than creating optimum shareholders wealth in reality. To cover-up their under performance, the managers may even indulge in window-dressing of operational results of the company by fudging the Firms accounts. This form of corporate governance, where there is direct clash of interest of owners and managers, was very common among Anglo-American Companies till mid - 1980s. This conflict often resulted into declining long-term corporate value and hostile takeovers between 1975 and 1990 in the US. This type of conflict situation was highlighted long back in 1776 by Adam Smith, who wrote at page 31 of his celebrated book "An Inquiry into the Nature and Causes of the Wealth of Nations" at length about this aspect.

The consequences of conflict of interest as mentioned in the preceding para is bound to result into conflicting decisions on the key business parameters as pointed out by Gordon Donaldson and adduced below :-

**Exhibit 1 Different Yardsticks**

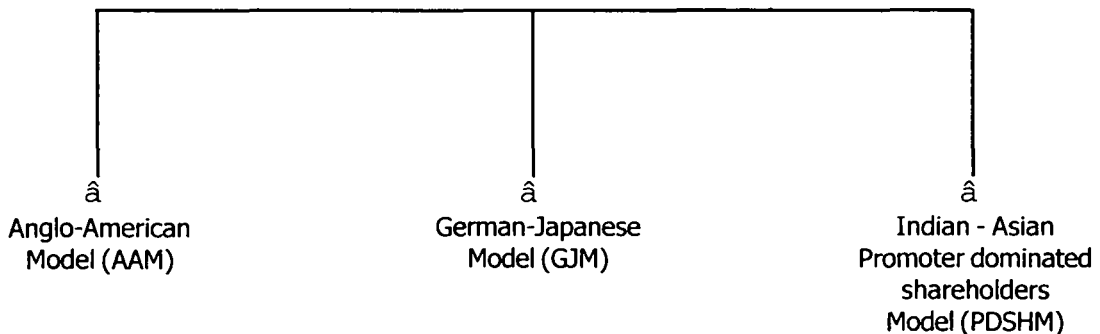
Type of Decision	Manager's Yardstick	Shareholders' Yard stick	Areas of Possible Conflict
Firm Performance	Cash flow	Shareholders rate of Return	Ranking investment Alternatives
Investment Proposals	Historical rate of return	Opportunity cost of Capital	Hurdle rates
Financing Sources	Pecking order : a) Retained earning b) debt, and c) equity	Pecking Order : a) debt b) retained earnings c) equity	Extent of Financing
Risk Management	Firm risk	Portfolio risk	Degree of diversification

**Three - Types of Corporate Models :**

Generally only two-types of corporate models are discussed in the literature of corporate finance. These are : (1) Anglo - American Model and (ii) German - Japanese Model. However, the ownership pattern of companies in India and many other South - Asian countries have a corporate - model, different from the first two models. The difference is mainly because

of the fact that the Indian - South Asian corporate model comprises 3 - types of owners. They are (1) Promoter shareholders generally controlling 1/4th to 3/4th of the total share capital of the company; the remaining being contributed by (b) individuals and (c) mutual funds and financial institutions, where individuals may not be contributing more than one - third of the share capital generally. Hence the three - models can be shown as follows :-

**Exhibit 2**



**1. Anglo - American Model**

The distinctive features of this model are :-

(i) Pre - 1990 period ownership pattern was dominated by large number of retail shareholders scattered all over the country. There used to be full divorce between ownership and management with serious agency problems.

(ii) Post - 1990 period ownership of the companies which is generally even between both individual and institutional shareholders, with lesser agency problems.

(iii) Companies run by professional CEO and managers with negligible ownership stakes except in the form of Employees Stock Option (ESOP)

---

There is, thus, clear dividing line between owners and managers.

(iv) The institutional investors are generally portfolio investors like banks and mutual fund which are interested in quick exit after booking profit at the right time.

(v) Ala, Jonathan Charkham this is a "high-tension" model, as the CEO has to ensure adherence to all regulatory authorities, capital markets, money markets and lurking threats of take-over as well.

## 2. German-Japanese Model

Although not altogether similar, they share among them following common features. These are :-

(i) In both the countries the institutional investors (banks and financial institutions) are long-term investors and play quite active role in management. Their keen interest and monitoring help tuning - up companies performance, and in protecting retail shareholders interest.

(ii) In both these countries the disclosure norms are lax and checks on insider trading is neither comprehensive nor effective. Similarly hostile takeovers are generally unheard.

## 3 Indian - South Asian Model

In the annexure the ownership pattern of 14 major Indian Companies are given. A perusal of the same reveals clearly that :-

(i) Promoter-shareholders are dominant owners, owning 33% to 85% of the total share capital.

(ii) The promoter group head is also generally the Chief Executive Officer (CEO) of the company.

(iii) The "Principal-Agent" is thus, considerably diluted in this model, as the interest of promoters converge with retail shareholders, atleast theoretically.

(iv) The distinction between owners and managers (Principal and Agent) is blurred, resulting into altogether different remedial measures to protect the interest of

common shareholders.

(v) Capital market regulators (SEBI in India) are, thus required to take additional safeguards for protecting the interest of common shareholders.

(vi) Principal - Agent relation obtaining in this model is not such which may generally create clash of interest between the Promoter shareholders and the retail share holders.

(vii) If there is any remote possibility of clash in this model, it can mainly be between (a) Promoter shareholders - Agent duo Vis-a-Vis retail shareholders.

## Diffuse Stock Ownership Theory

This pattern of stock ownership implies limited liability ownership of large number of equity share holders. The distinct advantage of this pattern is that :-

(a) The Liability of Shareholders is limited to the extent of their holdings ;

(b) Shareholders may split their investible surplus and invest in number of companies so as to reap the benefit of diversification.

(c) As per Asset pricing models, the diversification enables the investors to ignore the risk of individual companies to earn the risk-free rate plus market-risk premium weighted by systematic risk, which implies that investors need not bother about monitoring the performance of each individual companies, and

(d) Widely diffused pattern of stock-ownership also ensures popularisation of corporate papers among large number of investors, thus ensuring wider sharing of corporate prosperity among masses.

## Contractual Theory of the Firm

As per above theory the Firm is a network of contracts, both actual and implicit, which specify the roles of various participants or stakeholders like CEO, Top Management, Middle Management, Junior Management, Workers, Lenders, Suppliers, etc. and defines clearly their rights, obligations, and payoffs under various conditions. The contractual nature of the firm implies multiple stakeholders. In this situation

---

the basic job of the management is to harmonise the interest of each stakeholders so as to achieve top efficiency and maximum value addition for each stakeholder.

Unfortunately in practice any business or company may face conflict situation, despite the fact that rights and obligations of each stakeholder is clearly defined and layed down. This may be due to many reasons. But one of the dominant reason may be human greed due to lack of proper ethical values and societal perspective.

All of us are aware that most corporate players contract for fixed payoffs. Managers receive salary, workers get wages, lenders, debenture holders and creditors get contracted rate of fixed interest at stipulated dates and principal back on the expiry of the contract. The last in the line is, ofcourse, the owners i.e., the shareholder. **He gets his reward in the form of dividend, if the residual profit, after pay-off of all contractual claims, is positive. That is why the central focus or objective of a firm is to optimise the value of share holders also known as wealth maximisation of shareholders.**

However, in recent years wage earners (Managers & Workers) are being paid in part in the form of common stock of the Firm, popularly known as Employees Stock Options (ESOPs). Similarly warrants and convertibles add equity options to debt contracts.

### **Major Risk-Factor of Diffused Ownership**

Due to divorce between ownership and control, theoretically shareholders are the owners. But manager, although only agent, are generally in total control of business. Hence in theory managers may be agent, but they are in total control of business and they may conduct the business in their own interest : while shareholders - although owners might be at the mercy of managers. Hence to prevent occurrence of agency problems, some agency cost would have to be incurred - These may be :-

(i) Auditing Cost will have to be incurred to have regular / concurrent audit of business expenditures.

(ii) Managers have to be exposed to ethical training from time to time so that they on their own refrain from any unethical act like incurring unauthorised expenditure, siphoning money out of business, etc.

(iii) Quick merit - based career progression should be provided to the managers, so that they are geared to perform to their full capacity.

(iv) Innovative methods of internal checks and balances should be created in the organisation. These should be reviewed periodically and revamped, if required.

(v) Strict system of reward and punishment system is a must to ensure that managers refrain from undesirable practices.

(vi) A full proof system of concurrent audit must be introduced in the organisation to prevent undesirable or fraudulent practices.

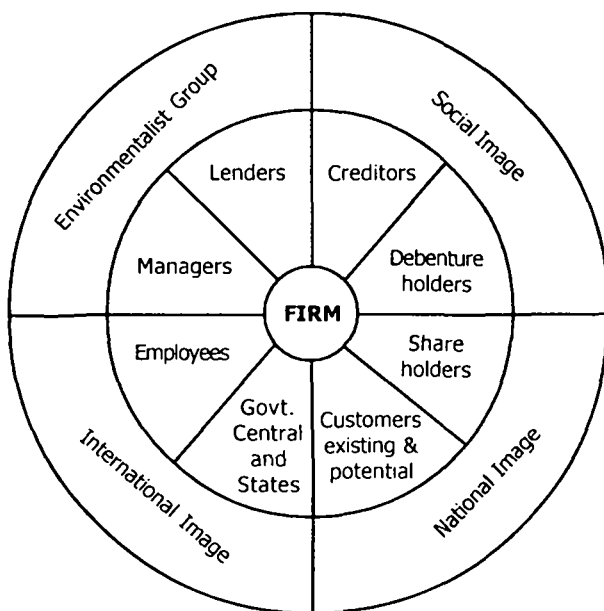
(vii) A fair system of performance and reward discourages managers to indulge in acting against the interest of the company.

(viii) Periodical inspection and sample checking of accounts by outside independent auditors or surprise check by inspectors may deter managers to act against the institutional interest.

(ix) Continuous stress on good corporate governance, moral and ethical values, social responsibility of each employee, from employee at the bottom to CEO at the top and continuous optimisation of shareholders value, after meeting the contractual claims of all the stakeholders are some of the acid tests of good governance.

### **Acid Test of Good Governance**

As per an old saying "the test of good pudding is in eating". Similarly the real test of a good corporate governance is when the persons (stock holders) who are last in the line are fully compensated and their wealth is optimised in line with the prevailing risk in that industry. This can happen only when the following conditions are fully satisfied.



**Exhibit 3**

It is evident from above exhibit 3 that of all the eight categories of stakeholders, the so superior or preferential claimants only, they can get their "reward" known as profit. This may be remembered that the reward of shareholders is not "accounting profit" but

"economic profit" or the opportunity cost of capital. This is also known as shareholders wealth creation, measured through Economic value addition (EVA) or market value addition (MVA).

It may be interesting at this stage to adduce some condensed data in regard to ownership pattern of shareholding in some of the large Indian Companies. The data in regard to twelve top Indian companies are adduced below.

**Exhibit - 4**

**The Ownership Pattern of Companies in India**

The Corporate ownership pattern as it has emerged, over a period of nearly a century in India, is what can popularly be referred as the Promoter-dominated share holders model (PDSHM). The basic feature of this model is that the company is generally controlled by the promoters and their families. By and large, in this model promoters control and run the business. It is they who are the Chief Executive Officer (CEO) and all critical and sensitive decisions are taken by them. The share-holding pattern of some top class Indian Companies are given below for persual and analysis.

**Ownership Pattern of Selected Indian Companies by Categories of Owners. For a detailed break-up of the ownership pattern of all the 13 companies, one may refer to the Annexures 1-13; PP.7-23.**

**1. Reliance Industries Ltd. (RIL) as on 30.06.2003**

	<u>% Holding</u>
1.1 Promoters Holdings	<b>46.68</b>
1.2 Institutional Investors - Indian (FIs, Banks, etc.)	28.35
1.3 Indian Public	16.35
1.4 Others (NRI, OCB, DGDRs, etc.)	8.40
	100.00

**2. S.K. Birla Group (as on 30.6.2003): Hindustan Motors**

2.1 Promoters Holdings	<b>29.50</b>
2.2 Institution Investors (India) (FIs, Banks, MFs, COS, UTI etc)	19.97
2.3 Indian Public	37.21
2.4 Others (NRI, Foreign Cos, Corporate bodies, etc)	13.32
	100.00

**3. The Bombay Dyeing & Manufacturing Co. Ltd. as on 30.06.2003**

3.1 Indian Promoters / NRIs	43.185
3.2 Institutional Investors (FIs, Banks, MFs, Cos, etc)	17.521
3.3 Indian Public	29.748
3.4 Others (NRI, Foreign Corp. Bodies, etc)	9.546
	100.00

<b>4.</b>	<b>Tata Steel - as on 30.06.2003</b>	
4.1	Indian Promoters, etc.	<b>26.30</b>
4.2	Institutional Investors (Indian)	32.85
4.3	Indian Public	32.16
4.4	Others (NRI, FIs, Private Corporates, etc.)	8.69
		100.00
<b>5.</b>	<b>Ran Baxy Laboratories Ltd. : as on 30.06.2003</b>	
5.1	Indian Promoters, etc.	<b>32.05</b>
5.2	Institutional Investors / Public	36.91
5.3	Indian Public	19.45
5.4	Others	11.59
		100.00
<b>6.</b>	<b>INDALCO Ltd. as on 30.06.2003</b>	
6.1	Promoters	<b>95.98</b>
6.2	Indian Investors / Public	2.92
6.3	Institutional Investors	
6.4	Others (State Govt./GDR)	1.10
		100.00
<b>7.</b>	<b>WIPRO as on December 31,2001</b>	
7.1	Promoters	<b>83.95</b>
7.2	Institutional Investors	3.77
7.3	Indian Public	7.03
7.4	Others (NRI, PCB, Trusts, etc)	5.25
		100.00
<b>8.</b>	<b>Himachal Futuristic Communication Ltd : as on 30.06.2002</b>	
8.1	Promoters	<b>20.12</b>
8.2	Institutional Investors	36.89
8.3	Indian Public	42.99
8.4	Others	0.00
		100.00
<b>9.</b>	<b>Zee Television As on 30.06.2002</b>	
9.1	Promoters	<b>50.49</b>
9.2	Institutional Investors	34.77
9.3	Indian Public	9.35
9.4	Others (NRI, OBC, GDR, etc)	5.39
		100.00
<b>10.</b>	<b>Indian Rayan &amp; Industries Ltd. as on 31.03.2003</b>	
10.1	Promoters (All Group Cos.)	<b>26.92</b>
10.2	Institutional Investors	29.53
10.3	Indian Public	28.33
10.4	Others (NRI, OBC, GDR, etc)	15.22
		100.00
<b>11.</b>	<b>Hindalco Ltd. as on 31.03.2003</b>	
11.1	Promoters	<b>24.37</b>
11.2	Institutional Investors	38.15
11.3	Indian Public	14.84
11.4	Others	22.64
		100.00
<b>12.</b>	<b>Grasim Industries Ltd. as on 31.03.2003</b>	
12.1	Promoters	<b>20.42</b>
12.2	Institutional Investors	38.23
12.3	Indian Public	20.27
12.4	Others (NRI, Citi Bank-GDR Holder), Private Corporate Bodies	21.08
		100.00

**Annexure Nos. 1-14**  
A detailed share holding pattern of some top  
Indian Companies are given below for information to readers

**1. RELIANCE INDUSTRIES LIMITED  
DISTRIBUTION OF SHAREHOLDING**

<b>A</b>	<b>PROMOTERS HOLDING</b>	<b>46.68</b>
1.	Indian Institutional Investors	28.35
	Indian Public	16.56
	Others (Private Corp. Body, NRI, OBCs, GDR)	8.42
		100.01

		<u>As on 30.06.2003</u>	
		No. of Shares	%
<b>A.</b>	<b>PROMOTERS HOLDING DETAILS</b>		
1.	Promoters		
	Petroleum Trust (through Trustees)	10 46 60 154	7.50
2.	Persons acting in concert		
a.	Sanchayita Mercantile Private Limited	3 42 59 091	2.45
b.	Reliance Enterprises Limited	3 15 23 304	2.26
c.	Florentine Trading Private Limited	2 61 15 560	1.87
d.	Velocity Trading Private Limited	2 46 06 501	1.76
e.	Madhuban Merchandise Private Limited	2 43 50 000	1.74
f.	Omate Traders Private Limited	1 95 67 290	1.40
g.	Reliance Polyolefins Private Limited	1 90 90 909	1.37
h.	Tresta Trading Private Limited	1 65 47 904	1.19
i.	Amur Trading Private Limited	1 65 10 300	1.18
j.	Yangste Trading Private Limited	1 62 30 869	1.16
k.	Reliance Aromatics and Petrochemicals Private Limited	1 60 29 090	1.15
l.	Reliance Energy and Project Development Private Limited	1 60 29 090	1.15
m.	Reliance Capital Limited	1 64 74 028	1.18
n.	Reliance Chemicals Private Limited	1 45 68 372	1.04
o.	Others	26 22 30 660	18.28
<b>B.</b>	<b>NON-PROMOTERS HOLDING</b>		
	Institutional Investors		
a.	Mutual Funds and UTI		
	Administrator of the Specified u/othe Unit Trust of India	5 59 94 112	4.01
b.	Banks, Financial Institutions, Insurance Companies (Central/ State Gov. Institutions/ Non-Government Institutions)		
	Life Insurance Corporation of India	5 70 21 664	4.08
c.	FII's		
	Emerging Markets Growth Fund Inc.	5 38 10 501	3.85
	Janus Worldwide Fund	1 92 63983	1.38
4.	Others		
a.	The Bank of New York as Depository (for GDRs)	8 58 52 061	6.15
b.	FII's	22 77 45 432	16.31
c.	NRIs/OCBs/GDRs	9 93 43 081	7.12
d.	Misc		10.62
	<b>Grand Total</b>		<b>100.00</b>

---

## 2 HINDUSTAN MOTORS LTD.

S.No.	Category	As on 30.06.2003	
		No. of Shares	%
<b>A.</b>	<b>PROMOTERS HOLDING</b>		
1.	Indian Promoters	40546652	25.16
	Foreign Promoters		
2.	Persons acting in Concert	7001313	4.34
	<b>Sub-Total</b>	<b>47547965</b>	<b>29.50</b>
<b>B</b>	<b>Non-Promoters holding</b>		
3.	Institutional Investors		
a.	Mutual Funds and UTI	2861926	1.78
b.	Banks, Financial Institutions, Insurance Companies (Central / State Gov. Institutions Non-Government Institutions)	29255269	18.15
<b>C.</b>	<b>FII's</b>	64417	0.04
	<b>Sub-Total</b>	<b>32181612</b>	<b>19.97</b>
<b>D.</b>	<b>Others</b>		
a.	Private Corporate Bodies	18271733	11.34
b.	Indian Public	59966471	37.21
c.	NRIs / OCBs	2620639	1.63
d.	Any other (please specify)		
	(1) Custodian of Enemy Properties	82614	0.05
	(2) Foreign Companies / Non-residents (Foreign)	500959	0.31
	<b>Sub-Total</b>	<b>81442416</b>	<b>50.53</b>
	<b>Grand Total</b>	<b>161171993</b>	<b>100.00</b>



---

### 3. THE BOMBAY DYEING AND MANUFACTURING CO. LTD.

#### Distribution of Shareholding as on Quarter Ending 30th June, 2003

S.No.	Category	As on 30.06.2003	
		No. of Shares	Percentage of shareholding
<b>A.</b>	<b>Promoter's Holding</b>		
1	Promoters		
	- Indian Promoters (including NRIs)	14500881	37.707
	- - Foreign Promoters		
2.	Persons acting in concert	2106758	5.478
	<b>Sub-Total</b>	<b>16607639</b>	<b>43.185</b>
<b>B.</b>	<b>Non-Promoter's Holding</b>		
3.	Institutional Investors		
a.	Mutual Funds and UTI	66548	0.173
b.	Banks, Financial Institutions, Insurance Companies (Central / State Government Institutions/Non-Government Institutions)	6600303	17.163
c.	FII's	71230	0.185
	<b>Sub-Total</b>	<b>6738081</b>	<b>17.521</b>
4.	<b>Others</b>		
a.	Private Corporate Bodies	2624564	6.825
b.	Indian Public	11439944	29.748
c.	NRIs/OCBs	160987	0.419
d.	Any other (GDR holders)	885355	2.302
	<b>Sub-Total</b>	<b>15110850</b>	<b>39.294</b>
	<b>Grand Total</b>	<b>38456570</b>	<b>100.00</b>

## 4. TATA STEEL

### Pattern of Shareholding As Per Clause 35 As On 30th June, 2003

S.No.	Category	Holding held	Percentage of holding
<b>A.</b>	<b>Promoter's Holding</b>		
1	Promoters *		
	Indian Promoters		
	Tata Sons Ltd.	73,048,744	19.80
	Tata Engineering & Locomotive Co. Ltd.	17,204,486	4.66
	Others	6,796,503	1.84
	- Foreign Promoters	--	--
2.	Persons Acting in Concern #		
	<b>Sub Total</b>	<b>97,049,733</b>	<b>26.30</b>
<b>B.</b>	<b>Non Promoters Holdings</b>		
3.	Institutional Investors		
a.	Mutual Funds & UTI		
	- Unit Trust of India	86,79,877	2.35
	- Mutual Funds	22,762,061	6.17
b.	Banks, Financial Institutions, Govt. & Insurance Companies Co's (Central / State / Govt. Institutions) / Non-Govt. Institutions)		
	- Life Insurance Corporation of India	49,002,248	13.28
	- The New India Assurance Co. Ltd.	7,779,930	2.11
	- The Oriental Insurance Co. Ltd.	5,937,095	1.61
	- National Insurance Co. Ltd.	5,381,211	1.46
	- Others	6,602,548	1.79
<b>C.</b>	<b>FII's</b>	150,441,42	4.08
	<b>Sub Total</b>	<b>121,189,107</b>	<b>32.85</b>
4.	Others		
a.	Private Corporate Bodies	28,563,135	7.74
b.	Indian Public	118,674,421	32.16
c.	NRIs / OCBs	1,381,905	0.37
d.	Any other		
	- Foreign Financial Institutions	2,041,669	0.55
	- Citibank N.A. (GDR)	2,578	0.00
	- Independent Directors & Their Relatives	14,516	0.00
	- Others Directors & Their Relatives	64,840	0.02
	<b>Sub Total</b>	<b>150,743,064</b>	<b>40.85</b>
	<b>Grand Total</b>	<b>368,981,904</b>	<b>100.00</b>

\* As Defined in regulation 2 (h) or SEBI (Substantial Acquisition of Shares and Takeovers) regulations, 1997. The Promoters' holding shall include all entities in the promoter's group individual or body corporates.

# As defined in regulation 2 (e) or SEBI (Substantial Acquisition of shares and Takeovers) Regulation, 1997.

Note 1	- GDR Holding	2578	0.00
	- Other Foreign Holding	18467716	5.01
	Total Foreign	18470294	5.01

Note 2 The Company is a professionally managed company and the shareholding of the Director's in their personal capacity does not constitute the Promoter's holding. Hence, the same is classified under the head "Any other".

## 5. RANBAXY LABORATORIES LTD.

### 5. Distribution of Shareholding for the Quarter ended 30th June, 2003

S.No.	Category	No. of shares held	Percentage of holding
<b>A.</b>	<b>Promoter's Holding</b>		
1.	Promoters *		
	- Indian Promoters	58,093,937	31.32
	- Foreign Promoters	1,352,199	0.73
2.	Persons Acting in Concert	59,446,136	
	<b>Sub-Total</b>		<b>32.05</b>
<b>B.</b>	<b>Non-Promoters Holding</b>		
3.	Institutional Investors-		
a.	Mutual Funds & UTI Banks, Financial	7,860,347	4.24
b.	Institutions, Insurance, Companies (Central/State Govt. Institutions, Non-Govt. Institutions)	15,936,857	8.59
c.	FII's	44,665,741	24.08
	<b>Sub Total</b>	<b>68,462,945</b>	<b>68.96</b>
4.	Others		
a.	Private Corporate Bodies	2,368,598	1.28
b.	Indian Public	36,067,480	19.45
c.	NRIs / OCBs	2,614,529	1.41
d.	GDRs	16,516,128	8.90
	<b>Sub Total</b>	<b>57,566,735</b>	<b>31.04</b>
	<b>Grand Total</b>	<b>185,475,816</b>	<b>100.00</b>

#### List of Shareholders holding more than 1% of the shares of the company as on 30th June, 2003

Category	Name	No. of shares held	Percentage shareholding
<b>FII's</b>			
	Fidelity Management and Research Company A/c. Fidelity Investment Trust Fidelity Diversified International Fund Ganesis Asset Managers Ltd. A/c Genesis Indian Inve. Co. Ltd., General Sub-Fund	3,029,440	1.63
	Life Insurance Corporation of India Unit Trust India *	5,179,371	2.79
	General Insurance Corpn. of India	2,918,942	1.57
<b>PROMOTERS</b>			
	Ranbaxy Holding Company Shimlal	34,936,284	18.84
	Investment & Trading Company Oscar	8,945,476	4.82
	Investments Limited Shivinder	7,653,407	4.13
	Mohan Singh	2,046,032	1.10
	Malvinder	2,054,612	1.11
	Mohan Singh		

\* Held under various schemes

---

## 6. INDIAN ALUMINIUM COMPANY LIMITED (INDALCO)

### Distribution of Shareholding - As On Quarter ended 30 June, 2003 Pursuant to Clause 35 of the Listing Agreement

S.No.	Category	No. of Shares	Percentage holding
<b>A.</b>	<b>Promoter's Holding</b>		
1	Promoters : - Indian Promoters Hindalco Industries Ltd. - Foreign Promoters	68,385,975 Nil	95.97
2.	Persons Acting in Concert	7,900	0.01
	<b>Sub-Total</b>	<b>68,393,875</b>	<b>95.98</b>
<b>B.</b>	<b>Non-Promoters' Holding</b>		
3.	Institutional Investors		
a.	Mutual Funds & UTI	9,047	0.01
b.	Banks, Financial Instutitons, Insurance, Companies (Central/State Govt. Institutions, Non-Govt. Institutions)	19,041	0.03
<b>C.</b>	<b>FII's</b>	1,050	0.00
	<b>Sub Total</b>	<b>29,138</b>	<b>0.05</b>
<b>4.</b>	<b>Others</b>		
a.	Private Corporate Bodies	287,805	0.41
b.	Indian Public	2,083,481	2.92
c.	NRI/OCBs	60965	0.09
d.	Any other : State Government GDR Holders	199,863	0.29
	<b>Sub Total</b>	<b>2,572,114</b>	<b>3.71</b>
	<b>Grand Total</b>	<b>709,95,127</b>	<b>100.00</b>

Note : Total foreign shareholding (including GDRs, NRIs, / OCB & FIIs) is 260,559 shares representing 0.36% of the paid up share capital.

\*\* During the period from 1, April - 31 June 2003, 102, 024 equity shares in the dematerialised mode and 209,711 equity shares in physical mode, representing respectively 0.14% and 0.29% of the Company's paid-up share capital, were acquired by Hindalco Industries Limited pursuant to the open offer to acquire the balance outstanding shares of Indian Aluminium Company, Limited. This open offer was made pursuant to the provisions of the SEBI (Substantial Acquisition of Shares and Takeover) Regulation, 1997.

## 7. WIPRO LIMITED

### Shareholding Pattern as on December 31, 2001

S.No.	Category	No. of Shares held	Percentage of holding
<b>A.</b>	<b>Promoter's Holding</b>		
1	Promoters		
	Indian Promoters		
	Promoter in his capacity as partner of Partnership firms	162,586,800	69.95
	Promoter in his capacity as director of Private Ltd. Companies	22,746,300	9.79
	Promoter in his individual capacity	9,340,510	4.02
	Promoter Director's Relatives	453,500	0.20
	Foreign Promoters	Nil	
2.	Persons Acting in Concert	Nil	
	<b>Sub-Total</b>	<b>195,127,110</b>	<b>83.96</b>
<b>B.</b>	<b>Non-Promoter Holding</b>		
3.	Institutional Investors		
a.	Mutual Funds & UTI	1,935,001	0.83
b.	Banks, Financial Institutions, Insurance, Companies (Central/State Govt. Institutions, Non-Govt. Institutions)	358,707	0.15
<b>C.</b>	<b>FII's</b>	6,467,120	2.78
	<b>Sub-Total</b>	<b>8,760,828</b>	<b>3.76</b>
4.	Others		
a.	Private Corporate Bodies	4,042,798	1.74
b.	Indian Public	16,346,740	7.03
c.	NRIs / OCBs	4,901,803	2.11
<b>D.</b>	<b>Any other (please specify)</b>		
1	Directors and Relatives	1,908,897	0.82
2	Trusts	1,351,348	0.58
	<b>Sub-Total</b>	<b>28,551,586</b>	<b>12.28</b>
	<b>Grand Total</b>	<b>232,439,524</b>	<b>100.00</b>

\* Out of the 4,042,798 equity shares, 268500 equity shares are held by Azim Premji Charitable Foundation Pvt. Ltd. Premji is also the Promoter Director of Charitable Foundation Pvt. Ltd. and Mr. Premji disclaims any *beneficial interest* in these shares. As such these shares are not reflected under "Promoter Category".

List of Shareholders who are Holding Shares >1% of Total Equity

1.	Mr. Azim H Premji partner representing Hasham Traders	54,376,500	23.39
2.	Mr. Azim H Premji partner representing Prazim Traders	54,169,500	23.30
3.	Mr. Azim H Premji partner representing Zash Traders	54,040,800	23.25
4.	Regal Investment Trading Company Pvt. Ltd.	8,965,700	3.86
5.	Vidya Investment Trading Company Pvt. Ltd.	6,940,100	2.99
6.	Napean Trading Investment Company Pvt. Ltd.	6,840,500	2.94
7.	Azim H Premji FII	9,340,510	4.02
8.	Emerging Markets Growth Fund Inc	2,969,070	1.28
9.	Total Foreign Holding	11,368,923	4.89

Out of the above total foreign holding 2587080 represents ADR holding

For WIPRO LIMITED

SATISH MENON

CORPORATE VICE PRESIDENT LEGAL & COMPANY SECRETARY

## 8. HIMACHAL FUTURISTIC COMMUNICATIONS LIMITED

### Shareholding Pattern of the Company for the Quarter Ended 30 June 2002

S.No.	Category	No. of Shares held	Percentage of holding
<b>A.</b>	<b>Promoter's Holding</b>		
1	Promoters		
	Indian Promoters not holding more than 1% shares of the Company	35,44,256	4.5
	Indian Promoter holding more than 1% shares of the Company		
	- Vinsan Trade & Commerce Pvt. Ltd.	30,51,700	3.9
	- HFCL Trade Invest Ltd.	30,00,060	3.8
	- Sungarce Merchandise Pvt. Ltd.	22,76,300	2.9
	- Burlington Finance Ltd.	19,90,811	2.5
	2. Foreign Promoters :	19,99,389	2.5
	- Ecom. Com. Ltd.		
2.	Persons acting in concert	--	--
	<b>Sub-Total</b>	<b>1,58,62,516</b>	<b>20.12</b>
<b>B.</b>	<b>Non-Promoter Holding</b>		
3.	Institutional Investors		
a.	Mutual Funds & UTI not holding more than 1% shares of the company	16,50,894	2.09
a.	Mutual Funds and UTI holding more than 1% shares of the company		
	1. UTI	57,61,895	7.31
	* Banks, Financial Institutions, Insurance Companies	14,44,825	1.83
b.	(Central/State Govt. Institutions / Non Govt. Institutions)		
c.	FII's		
	* FII's not holding more than 1% shares of the Company		
	<b>Sub-Total</b>	<b>88,57,614</b>	<b>11.23</b>
	* 4 Others		
a.	Private Corporate Bodies	1,64,76,989	20.90
b.	Indian Public	3,38,87,715	42.99
c.	NRIs/OCBs	9,87,635	1.25
d.	Any other (please specify)		
	i) GDR	3,61,380	0.45
	ii) Foreign Banks	1,705	0.002
	iii) Trust	11,740	0.01
	iv) Shares in Transit	23,74,861	3.01
	<b>Sub Total</b>	<b>5,41,02,025</b>	<b>68.63</b>
	<b>Grand Total</b>	<b>7,88,22,155</b>	<b>100.00</b>

\* There is no shareholders who is holding more than 1% shares of the Company.

---

## Foreign Shareholding

S.No.	Category	No. of Shares	Percentage
1.	Foreign Promoters	19,99,389	2.536
2.	FII's	15,25,939	1.935
3.	FDR	3,61,380	0.458
4.	NRI / OCB	9,87,635	1.252
4.	Foreign Banks	1,705	0.002
		<b>48,76,048</b>	<b>6.186</b>

## 9. ZEE TELEVISION AS ON 30.6.2002

S.No.	Category	No. of Shares held	Percentage of shareholding
<b>A.</b>	<b>Promoter's Holding</b>		
1.	Promoters *		
	- Indian Promoters	96,991,000	23.51
	- Foreign Promoters (OCB)	111,288,402	26.98
2.	Persons acting in concert	--	--
	<b>Sub-Total</b>	<b>208,279,402</b>	<b>50.49</b>
<b>B.</b>	<b>Non-Promoters holding</b>		
3.	Institutional Investors		
	a. Mutual Funds and UTI	19,582,435	4.75
	Banks, Financial Institutions,	2,443,808	0.59
	b. Insurance Companies		
	c. FIIs	121,380,736	29.43
	<b>Sub-Total</b>	<b>143,406,979</b>	<b>34.775</b>
4.	Others		
	a. Private Corporate Bodies	15,688,096	3.80
	b. Indian Public	38,566,509	9.35
	c. NRIs/ OCB	3,085,040	0.75
	d. Any other (Please specify) Foreign Companies	3,478,989	0.84
	<b>Sub-Total</b>	<b>50,818,674</b>	<b>14.74</b>
	<b>Grand Total</b>	<b>40,73,81,103</b>	<b>100.00%</b>

---

## 10. INDIAN RAYON AND INDUSTRIES LIMITED, VERAVAL

### Shareholding Pattern of the Company for the Quarter Ended 30 June 2002

Category	No. of Shares held	Percentage of shareholding
<b>A. Promoter's holding</b>		
Promoters *		
Indian Promoters Holding more than 1% shares		
Grasim Industries Limited	2,964,111	4.95
Hindalco Industries	5,876,536	9.81
Indo Gulf Corporation Ltd.	1,786,999	2.98
Trapti Trading & Investments Ltd.	1,696,974	2.83
Turquoise & Finance Ltd.	2,598,639	4.34
Others	113,755	0.19
- Foreign Promoters Persons acting in concert #	1,087,146	1.82
<b>Sub - Total</b>	<b>16,124,160</b>	<b>26.92</b>
<b>Non-Promoters Holding</b>		
Institutions Investors :		
a. Mutual Funds & UTI Unit Trust of India Mutual Fund	2,900,623	4.84
	1,241,325	2.07
Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions / Non-Government Institutions ) :		



Banks	26,310	0.40
Financial Institutions :		
Life Insurance Corporation of India	8,147,013	13.61
General Insurance Corporation of India	2,505,244	4.18
The New India Insurance Company Limited	704,328	1.18
Insurance Companies	1,166,829	1.95
<b>C. FIIs @</b>	995,991	1.66
	<b>Sub-Total</b>	<b>17,687,663</b>
		<b>29.53</b>
<b>Others :</b>		
<b>a. Private Corporate Bodies</b>		
Heritage Housing Finance Limited	601,546	1.00
Others	4,065,324	6.79
<b>b. Indian Public</b>	16,951,503	28.33
	1,004,345	1.68
<b>C. NRIs / OCBS @</b>		
<b>D. Global Depository Receipt @</b>	3,442,201	5.75
<b>Sub - Total</b>	<b>26,064,919</b>	<b>43.55</b>
<b>Grand Total</b>	<b>59,876,742</b>	<b>100.00</b>

\* as defined in Regulation 2(h) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

# as defined in Regulation 2(e) of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997.

@ Denotes Foreign Shareholding (including GDR holdings)  
Total Number of Shares held by them 5442537 (9.09% of Shareholding)

## 11. HINDALCO LIMITED

### Distribution of Shareholding As On 31.03.2003

Category	No. of Shares held	Percentage of holding
<b>Promoter's Holding</b>		
Promoters		
- Indian Promoters	22,528,088	24.36
- Foreign Promoters	NIL	NIL
Persons acting in concert	5,505	0.006
<b>Sub-Total</b>	<b>22,533,593</b>	<b>24.37</b>
<b>Non-Promoters Holding</b>		
Institutional Investors		
a. Mutual Funds & UTI	10,403,962	11.25
b. Banks, Financial Institutions, Insurance Companies (Central State Govt. / Institutions/Non Government Institutions)	14,103,427	15.25
c. FIIs	10,772,423	11.65
<b>Sub-Total</b>	<b>35,279,812</b>	<b>38.15</b>
<b>Others</b>		
a. Private Corporate Bodies	2,949,444	3.19
b. Indian Public	13,720,670	14.84
c. NRIs/OCBs	4,467,046	4.83
d. Any Other		
- GDR Holders	13,416,176	14.51
- Transhold	108,534	0.12
<b>Sub-Total</b>	<b>34,661,870</b>	<b>37.48</b>
<b>Grand-Total</b>	<b>92,475,275</b>	<b>100.00</b>

**NOTE 1** - Details of persons holding more than 1% shares -As per Annexure 1

**NOTE 2** - Total Foreign shareholdings

	No. of Shares	Percentage
FIIS	10,772,423	11.65%
GDR	13,416,176	14.51%
NRI / OCB	4,467,046	4.83%
<b>Total</b>	<b>28,655,654</b>	<b>30.99%</b>

#### **MORE THAN 1% HOLDINGS**

Category	Demat	Physical	Total No. of sharehold	% of shareholdings
<b>Promoter's holding</b>				
<b>Promoters</b>				
<b>Indian Promoters</b>				
- Turquoise Investment & Fin. Ltd.	4,750,511	1,644,686	6,395,197	6.62
- Trapti Trading & Investment Co. Ltd.	2,118,774	2,490,069	5,608,843	6.07
- Birla Institute of Techno & Science	2,158,309	Nil	2,158,309	2.33
- Pilani Investment & Ind. Corp. Ltd.	502,720	1,766,296	2,269,016	2.45
- Grasim Industries Ltd.	2,303,453		2,303,453	2.49
- Indian Rayon & Industries Ltd.	1,631,613		1,631,613	1.76
- Trustees holds shares under the	1,631,613		1,631,613	1.76

---

## 12 INDALCO LIMITED

### Distribution of Shareholding As On Quarter Ending 31 March 2003

Category	No. of Shares held	Percentage of holding
<b>Promoter's Holding</b>		
Promoters		
- Indian Promoters (Hindalco Industries Ltd)	68,74,238	95.53
- Foreign Promoters	Nil	
Persons acting in concert	7,900	0.01
<b>Sub-Total</b>	<b>68,082,138</b>	<b>95.54</b>
<b>Non-Promoters Holding</b>		
<b>Institutional Investors</b>		
Mutual Funds & UTI	9,047	0.01
Banks, Financial Institutions, Insurance Companies (Central State Govt. / Institutions Non Government Institutions	18,965	0.03
	7,850	0.01
<b>Sub-Total</b>	<b>35,862</b>	<b>0.05</b>
<b>Others</b>		
Private Corporate Bodies	336,535	0.47
Indian Public	2,337,773	3.28
NRI/OCBs	60,965	0.90
Any other		
- State Govt.	203,325	0.29
- GDR Holders	200,533	0.28
<b>Sub-Total</b>	<b>3,139,131</b>	<b>4.41</b>
<b>Grand Total</b>	<b>71,257,131</b>	<b>100.00</b>

Note : Total foreign shareholding (including GDRs, NRIs / OCBs & FIIs) is 269,348 shares representing 0.38% of the paid up share capital.

\*\* During the period from 1 January- 31 March 2003, 450, 926 equity shares representing 0.63% of the Company's paid-up share capital were acquired by Hindalco Industries Limited through open market purchases and the open offer to acquire the balance outstanding shares of Indian Aluminium Company, Limited. This open offer was made pursuant to the provisions of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997.

### 13. Grasim Industries Limited

Registered Office : Birlagram Nagda 456331 M.P.

#### Distribution of Shareholding for the Quarter Ending 31st March, 2003

Category	No. of Shares held	Percentage of holding
<b>Promoter's Holding</b>		
Promoters **		
Indian Promoters	147,157	0.16
Foreign Promoters	0	0
Persons acting in concert #		
1. Hindalco Industries Limited	1,762,960	1.92
2. Pilani Investment & Industries Corp. Ltd.	4,301,444	4.69
3. Trapti Trading and Investment Ltd.	5,477,863	5.98
4. Turquoise Investment & Finance Ltd.	5,908,341	6.45
5. Others	1,117,480	1.22
<b>Sub-Total</b>	<b>18,715,245</b>	<b>20.42</b>
<b>Non-Promoters Holding</b>		
<b>Institutional Investors :</b>		
<b>Mutual Funds and UTI</b>		
1. Unit Trust of India	4,642,565	5.06
2. Mutual Funds	2,928,284	3.19
Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions / No-Governments Institutions)		
Banks	227,539	0.25
Financial Institutions :		
1. Life Insurance Corporation of India	9,320,334	10.17
2. General Insurance Corporation of India	1,335,407	1.46
3. The New India Assurance Company Limited	1,135,627	1.24
4. Other Financial Institution and Insurance Companies	2,516,851	2.75
FIIS		
1. Templeton Asset Management Ltd. A/c Templeton Emerging Market Series (A Series of Templeton Institutional Funds Inc.	1,501,107	1.64
2. Templeton Asset Management Ltd. A/c Templeton Developing Market Trust	1,715,748	1.87
3. Others FIIs	9,718,380	10.60
<b>Sub-Total</b>	<b>3,50,41,842</b>	<b>38.23</b>
<b>Private Corporate Bodies</b>		
<b>Indian Public</b>		
NRI/OCBs	3,762,937	4.10
Citi Bank N.A. New York (GDR holders)	10,247,557	1.18
<b>Sub-Total</b>	<b>37,912,608</b>	<b>41.35</b>
<b>Grand-Total</b>	<b>91,669,685</b>	<b>100.00</b>

\* As defined in Regulation 2 (h) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. The Promoter's holding shall include all entities in the Promoters' Group - individual or body corporates.

# As defined in Regulation 2 (e) of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997.

**14. Ashok Leyland Limited, Ennore, Chennai 600 057**  
**Distribution of Shareholding Pattern As On Quarter Ending 30th June, 2003**

S.No.	Category	No. of Shares held	Percentage of holding
<b>A.</b>	<b>Promoter's holding</b>		
1.	Promoters		
	- Indian Promoters		
	- Foreign Promoters	--	--
	Foreign Promoters (includes 164007 shares in GDR form)	60576675	50.93
2.	Persons acting in concert		50.93
	<b>Sub-total</b>	<b>60576675</b>	<b>50.94</b>
<b>B.</b>	<b>Non-Promoter's Holding</b>		
<b>3.</b>	<b>Institutional Investors</b>		
a.	Mutual funds and UTI	11726907	9.86
b.	Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions / Non-Govt. Institutions)	17604179	14.80
c.	Foreign Institutions	8946179	7.52
	<b>Sub-Total</b>	<b>38277265</b>	<b>32.18</b>
<b>4.</b>	<b>Others</b>		
1.	a. Private Corporate Bodies	1937937	1.63
2.	Indian Public	12465031	10.48
3.	NRIs/OCBs	96856	0.08
4.	Other than specified above		
	Bank-foreign	781	0.00
	Clearing Member	295553	0.25
	GDR A/c	5275521	4.44
Trusts		3091	4.96
	<b>Sub-Total</b>	<b>20075480</b>	<b>16.88</b>
	<b>Grand Total</b>	<b>118929420</b>	<b>100.00</b>

\*\* Denotes entites holding more than 1% of the shares of the Company

**Note :** 1) Name, number of shares held and percentage of shareholding of entities / persons holding more than 1% of the shares of the Company are given below :

<b>Name</b>	<b>Shares</b>	<b>% of Shares</b>	<b>Category</b>
Emerging Markets Management, L.I.C. A/c	33744985	2.84	FII
The India Fund, Inc	1468090	1.23	FII
Pictet Targeted Fund (Mauritiu) Limited	1468090	1.23	FII
LRLIH Limited	1268910	1.07	FII
LRLIH Limited Life Insurance Corporation of India	60576675	50.93	Foreign Promoters
General Insurance Corporation of India	12047432	10.13	Banks, Financial Institutions
The New India Assurance Company Limited	1883573	1.58	Banks, Financial Institutions
Administrator of the specified Undertaking of the Unit Trust of India - Unit Scheme 64	1201319	1.01	Banks, Financial Institutions
Templeton Mutual Fund Account Franklin 1	1889543	1.59	Mutual Funds and UTI
	1381716	1.16	Mutual Funds and UTI

<b>2. Total Foreign Shareholding Category</b>	<b>No. of Shares</b>	<b>% of Share Capital</b>
Foreign Promoters (LRLIH Ltd. Promoter) - includes 16460007 shares in GDR form)	60576675	50.934
Foreign Institutional Investors NRI/ OCBs	8946179 96856	7.52 0.08

### Reference

1. Takeovers, Restructuring & Corporate Governance; P.J.F Weston, M L Mitchell, J.H. Mulherin, Pearson Education, 1st ed. Reprint, 2004.
2. India's Biggest Wealth Creators, Business Today, April 11, 2004 by the Stern Stewart's Research Paper.
3. Corporate Governance, J L College, J L Doyle, G.W. Logan & Welfare Stettius, Tata McGraw Hill, 2003
4. Respective Websites of Companies.