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IMPACT OF COVID-19 ON OWNERSHIP PATTERNS OF BSE LISTED FIRMS IN INDIA- AN ANALYTICAL STUDY

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ABSTRACTS

This study examines the effect of Covid-19 on ownership pattern of listed firms in BSE India. The study utilizes secondary data and follows a convenient sampling approach. The data is sourced from CMIE prowess IQ and bseindia.com. The analysis covers the period from 2014 to 2024, divided into two phases: five years before and five years after COVID-19. A sample of 50 companies listed on the Bombay Stock Exchange (BSE) was chosen based on data availability, and the analysis employs both descriptive and inferential statistical techniques. The study concludes that significant declines were observed in promoter and Indian promoter ownership on post-COVID-19 as it evidenced from the p value of paired t stat., indicating a reduction in their stakes, likely due to regulatory changes and evolving market conditions. Non-promoter ownership saw a marked increase on post-COVID-19, driven by higher participation from institutional and retail investors, with non-promoter institutional ownership showing significant shifts. In contrast, foreign promoter ownership and non-promoter non-institutional ownership remained largely stable, with foreign promoter ownership showing no significant change and non-promoter non-institutional ownership displaying a marginal, statistically insignificant shift. These findings highlight the evolving dynamics of ownership, with a shift towards greater non-promoter participation in the market.

KEY WORDS: *Ownership Pattern, COVID-19 pandemic, BSE.*

INTRODUCTION

The Covid-19 pandemic brought unprecedented disruptions to global economies and markets, significantly altering the dynamics of ownership patterns in publicly listed firms. The ownership pattern of firms plays a vital role in determining corporate governance, decision-making, and overall market stability. It reflects the distribution of equity among promoters, institutional investors, and retail participants, each contributing uniquely to the financial and operational dynamics of a company. The Covid-19 pandemic, with its widespread economic disruptions, has significantly influenced these ownership structures, prompting changes in investment strategies, risk tolerance, and corporate control. Analyzing these shifts provides a deeper understanding of how businesses and investors responded to unprecedented challenges. This study explores the ownership patterns of firms listed on the Bombay Stock Exchange (BSE), comparing pre- and post-pandemic periods to identify trends, strategies, and implications for the broader financial ecosystem. By examining these changes, the research aims to offer insights into the resilience of markets and the evolving roles of stakeholders in shaping corporate stability and growth.

The comparative study of ownership patterns before and after Covid-19 is essential to understanding the pandemic's impact on corporate and investment behavior. Promoters, as key stakeholders, often adjust their holdings to maintain control and instill confidence, while institutional and retail investors react to market conditions based on risk assessment and growth potential. The Bombay Stock Exchange (BSE), being one of India's leading stock exchanges, serves as a significant indicator of these ownership trends. Exploring these patterns not only highlights the shifts in equity distribution but also sheds light on broader market dynamics, including investor confidence, economic recovery, and policy responses. This study aims to provide valuable insights into how the pandemic reshaped ownership trends and what these changes signify for the future of corporate governance and financial markets in India.

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REVIEW OF LITERATURE

The following literatures have been reviewed to identify the gap of the study. They are as follows;

Pourmansouri, R., Fallah, M. F., Birau, R., Dekamini, F., & Nioata, R. M. (2024) study investigates the impact of board independence, ownership structure, and auditor selection on company risk before and after the Covid-19 pandemic. Findings indicate that auditor choice significantly influenced risk-taking both pre- and post-Covid-19. Before the pandemic, passive or transitory institutional investors impacted return deviation, asset risk (STD-ROA), and R&D expenditures (R&D-TA), while active investors affected only asset risk (STD-ROA). Post-pandemic, active investors had a broader influence, affecting both asset risk and return deviation (STD-RET). Board independence influenced return deviation and R&D expenditures prior to the pandemic and all risk components post-pandemic. The study underscores the importance of governance and auditors in managing risk under normal conditions and highlights the challenges posed by crises like Covid-19. These insights offer valuable guidance for policymakers, investors, and firms in enhancing risk management and governance practices.

Alharasis, E. E. (2023) investigated the impact of the COVID-19 crisis on various ownership structures and their relationship with audit quality. The findings show that the pandemic strengthened the association between audit quality and ownership types such as block-holders, foreign, and institutional investors. This reflects the heightened need for high-quality audits during the pandemic to support business decisions and reduce agency conflicts. However, the study found no significant impact of COVID-19 on family-owned businesses, suggesting that family-controlled firms are more agile in crisis situations and do not incur high audit costs

Perwitasari, D., Setiawan, D., Nurrahmawati, A., & Rahmawati, I. P. (2022) findings indicated that both family and institutional ownership had a positive impact on company performance during the pandemic. Family ownership, through direct supervision and control, may enhance business benefits, while high institutional ownership plays a significant role in reducing business risks and boosting company performance. On the other hand, government ownership was found to have a negative effect on company performance, as the government's strategic goals often prioritize public service improvements over financial gains. These results highlight the importance of considering the role of different types of shareholders in influencing company performance, particularly during a crisis like a pandemic.

Kruse, F. M., et al. (2021) found that most studies revealed a significant relationship between ownership status and effectiveness in responding to the COVID-19 pandemic when using unadjusted statistics. However, when adjusting for other factors, a more nuanced picture emerged. The relationship appeared to be influenced by organizational factors (e.g., size), process-related issues (e.g., staff shortages), and contextual elements (e.g., regional spread of COVID-19), rather than ownership alone.

OBJECTIVE OF THE STUDY

The main objective of the research paper is to analyze the effect of Covid-19 on ownership pattern of listed firms in BSE India.

HYPOTHESIS OF THE STUDY

- **H_1:** There is a significant difference in the ownership patterns of firms listed on the BSE between the pre- and post-Covid-19 periods.
- **H_0:** There is no significant difference in the ownership patterns of firms listed on the BSE between the pre- and post-Covid-19 periods.

RESEARCH METHODOLOGY

This study relies entirely on secondary data and adopts a convenient sampling method. The data is sourced from CMIE prowess IQ and bseindia.com. The analysis covers the period from 2014 to 2024, divided into two phases: five years each for pre- and post-Covid-19 period. A sample of 50 firms listed on the Bombay Stock Exchange (BSE) in India was selected based on availability of data for analysis. Descriptive statistical tools such as mean, median, standard deviation, coefficient of variation, skewness, kurtosis, and compound annual growth rate (CAGR) were employed to describe the data, along with inferential tools like the paired t-test and correlation metrics. The collected data was appropriately tabulated, statistically analyzed, and interpreted in a meaningful manner.

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Selected Sample of the Study

SI. No.	Companies
1	A C C Limited
2	Adani Ports & Special Economic Zone Limited
3	Adani Power Limited
4	Aditya Birla Fashion & Retail Limited
5	Ajanta Pharma Limited
6	Ambuja Cements Limited
7	Apollo Tricoat Tubes Limited
8	Bharat Electronics Limited
9	Bharat Heavy Electricals Limited
10	Bharti Airtel Limited
11	Dr. Reddy'S Laboratories Limited
12	Emami Limited
13	Essar Shipping Limited
14	Glenmark Pharmaceuticals Limited
15	Gujarat Ambuja Exports Limited.
16	H C L Technologies Limited
17	Hatsun Agro Product Limited
18	Hindustan Petroleum Corporation Limited
19	Indian Oil Corporation Limited
20	Infosys Limited
21	J S W Ispat Special Products Limited
22	Jindal Poly Films Limited
23	Jindal Steel & Power Limited
24	Larsen & Toubro Limited
25	Mindtree Limited
26	N M D C Limited
27	N T P C Limited
28	Oil & Natural Gas Corporation Limited
29	Reliance Communications Limited
30	Reliance Infrastructure Limited
31	Tata Consultancy Services Limited
32	Tata Consumer Products Limited
33	Tata Metaliks Ltd
34	Tata Power Co. Limited
35	Tata Steel B S L Limited
36	Tech Mahindra Limited
37	Titan Company Limited
38	Wipro Limited
39	Zee Entertainment Enterprises Limited
40	Deccan Gold Mines Limited
41	Delta Corp Limited
42	Dish T V India Limited
43	Godrej Properties Limited
44	Hinduja Global Solutions Limited
45	Hindustan Copper Limited
46	Mangalore Chemicals & Fertilisers Limited
47	National Aluminium Co. Limited
48	Oil India Limited
49	Ramco Cements Limited

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50	Raymond Limited

RESULTS AND DISCUSSION

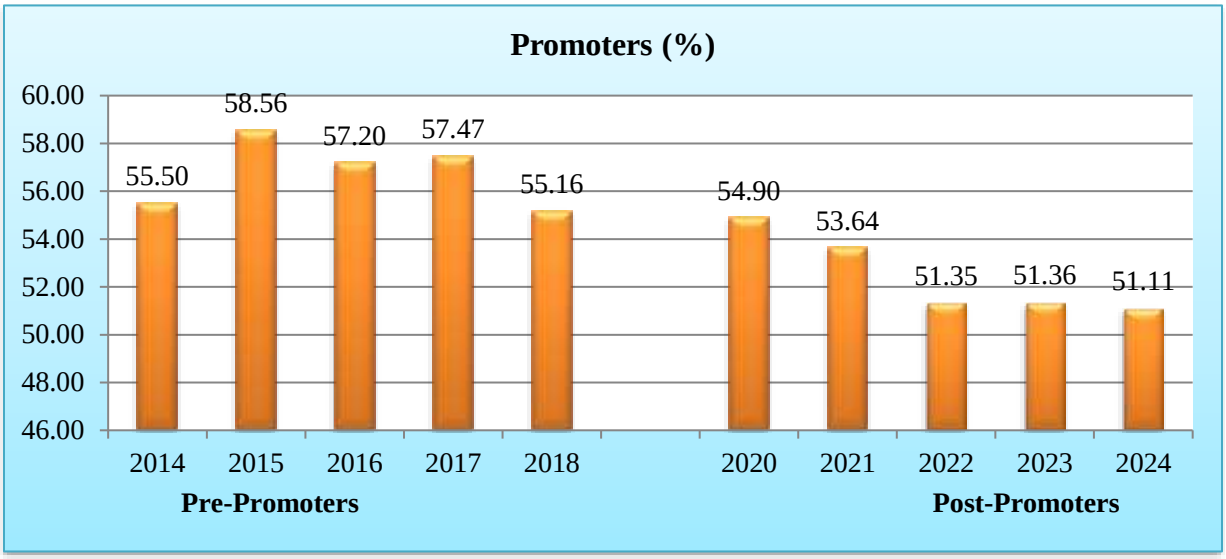
Table No. 1: Showing the Descriptive Statistics of Ownership Patterns for Pre and Post Covid-19

Year	Promoters (%)	Indian Promoters (%)	Foreign Promoters (%)	Non-promoters (%)	Non-promoter Institutions (%)	Non-promoter Non-institutions (%)
Pre-Covid 19 (Ownership Pattern)						
2014	55.50	50.00	5.50	44.50	24.70	19.80
2015	58.56	53.52	5.04	41.59	21.74	19.85
2016	57.20	52.19	5.01	42.80	22.89	19.91
2017	57.47	51.80	5.67	42.53	23.68	18.85
2018	55.16	49.47	5.69	44.62	23.19	21.42
Mean	**56.778**	**51.395**	**5.383**	**43.208**	**23.241**	**19.967**
Median	**57.199**	**51.799**	**5.500**	**42.800**	**23.195**	**19.850**
SD	**1.422**	**1.656**	**0.335**	**1.314**	**1.083**	**0.922**
CV	**0.025**	**0.032**	**0.062**	**0.030**	**0.047**	**0.046**
Skewness	**-0.037**	**0.026**	**-0.404**	**0.066**	**-0.076**	**0.895**
Kurtosis	**-1.920**	**-1.615**	**-3.105**	**-2.197**	**0.765**	**2.404**
CAGR	**-0.001**	**-0.002**	**0.007**	**0.001**	**-0.012**	**0.016**
Post-Covid 19 (Ownership Pattern)						
2020	54.90	49.86	5.03	45.10	24.88	20.22
2021	53.64	47.73	5.91	46.31	25.88	20.43
2022	51.35	45.45	5.89	48.46	26.00	22.46
2023	51.36	45.92	5.44	48.64	25.88	22.76
2024	51.11	45.16	5.95	49.21	26.34	22.87
Mean	**52.471**	**46.825**	**5.646**	**47.545**	**25.797**	**21.748**
Median	**51.357**	**45.919**	**5.895**	**48.465**	**25.882**	**22.465**
SD	**1.705**	**1.971**	**0.401**	**1.756**	**0.547**	**1.310**
CV	**0.032**	**0.042**	**0.071**	**0.037**	**0.021**	**0.060**
Skewness	**0.890**	**1.136**	**-1.132**	**-0.753**	**-1.527**	**-0.567**
Kurtosis	**-1.613**	**0.114**	**-0.303**	**-1.701**	**3.182**	**-3.181**
CAGR	**-0.014**	**-0.020**	**0.034**	**0.018**	**0.012**	**0.025**

Sources: *CMIE data base*

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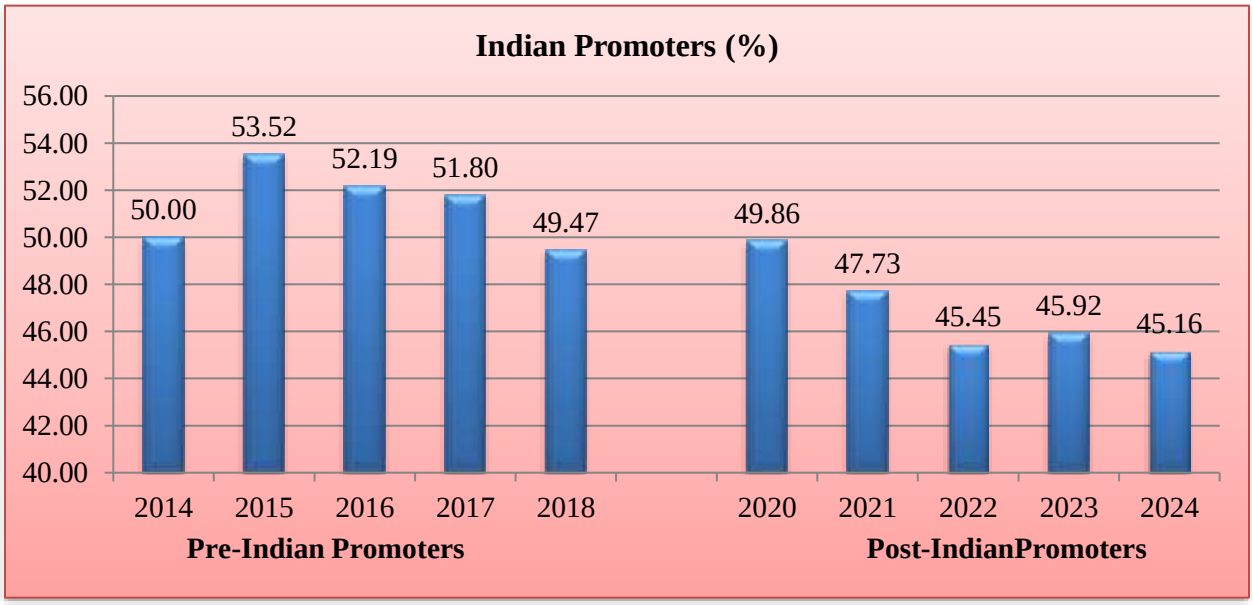
Figure No. 1: Year wise Promoter Ownership for Pre and Post Covid-19



Source: *Created by the Researcher based on table no. 1*

The ownership patterns across various categories in firms listed on BSE India demonstrate notable shifts between the pre-COVID-19 (2014–2018) and post-COVID-19 (2020–2024) periods. For promoters, the mean promoters' ownership declined from 56.78% pre-COVID to 52.47% post-COVID, indicating a significant reduction in promoter dominance over firms. The coefficient of variation (CV), which measures the relative variability of ownership patterns, reveals significant insights into the stability and consistency of promoter's ownership structures in firms listed on BSE India during the pre-COVID-19 (2014–2018) and post-COVID-19 (2020–2024) periods. There is a positive skewness distribution for pre-COVID and post-COVID indicating that larger number of firms exhibited lower promoter ownership post-pandemic. It is found that there is leptokurtic distribution for pre-COVID and post-COVID. CAGR indicates that there is negative growth rate hence it suggest that decrease in the promoters ownership during the study period.

Figure No. 2: Year wise Indian Promoter Ownership for Pre and Post Covid-19

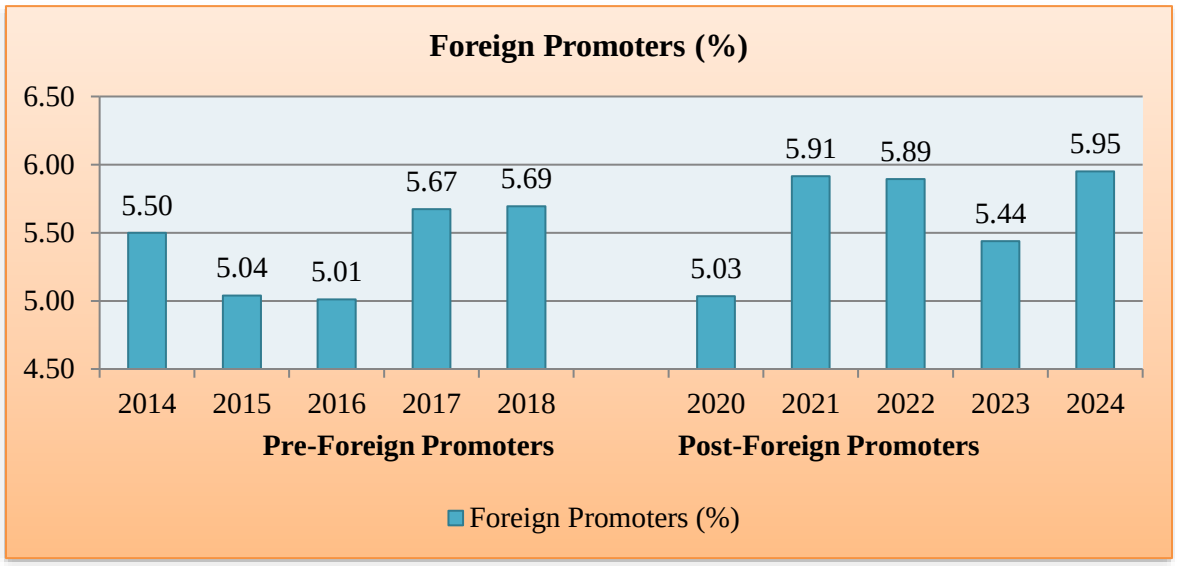


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Volume: 12 | Issue:4 |April 2025

Source: *Created by the Researcher based on table no. 1*

Among promoters, **Indian promoters** saw a sharper decrease in their mean ownership, from 51.40% pre-Covid to 46.83% post-Covid, highlighting a shift toward diversifying ownership structures, reducing dependency on promoter capital, and aligning with evolving corporate governance norms. CV shows that there is more consistent in Indian promoters during pre and post Covid-19. The skewness rose from 0.026 of pre-Covid to 1.136 of post-Covid, reflecting significant shift toward reduced concentrated ownership across firms. Kurtosis has platykurtic distribution for pre covid-19 and post-Covi-19. There is negative CAGR during pre- and post-Covid-19.

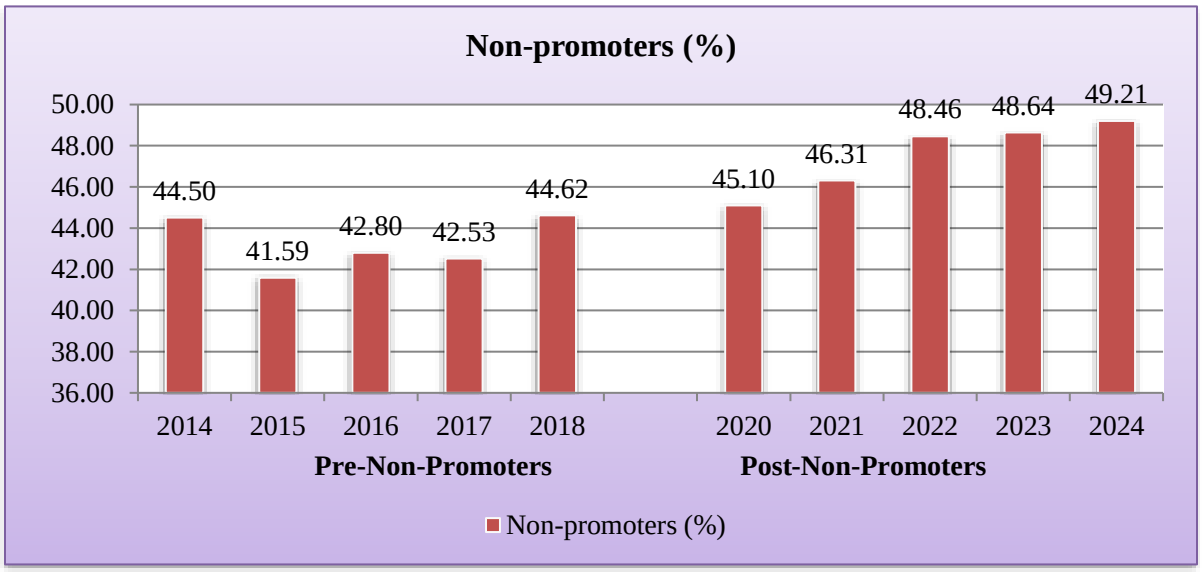
Figure No. 3: Year wise Foreign Promoter Ownership for Pre and Post Covid-19



Source: *Created by the Researcher based on table no. 1*

On the other hand, **foreign promoters** slightly increased their mean ownership from 5.38 percent pre-COVID to 5.65% post-COVID, reflecting growing confidence and interest from global investors in the Indian equity market. Skewness moved further negative, from -0.404 of pre-COVID to -1.132 of post-COVID, reflecting their continued focus on a limited number of strategically important firms. A foreign promoter has more consistent in nature. Skewness indicates that negative-skewed distribution. Leptokurtic distribution for pre-covid whereas platykurtic for post-covid during the study period. CAGR shows positive growth rate for both the pre and post covid period.

Figure No. 4: Year wise Non-Promoter Ownership for Pre and Post Covid-19

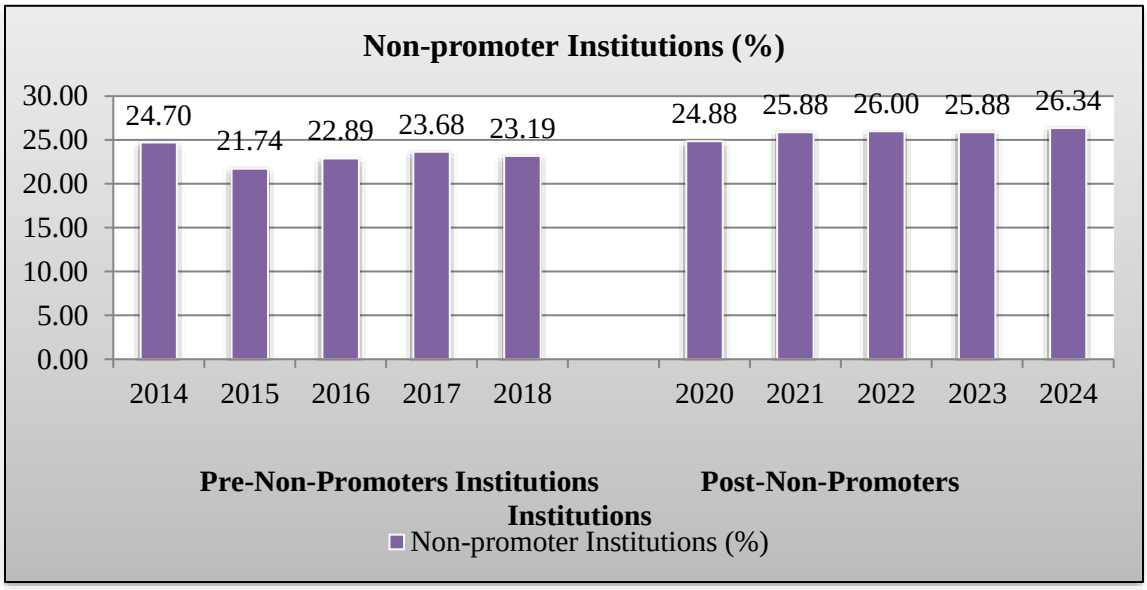


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Source: *Created by the Researcher based on table no. 1*

For **non-promoters**, the mean ownership increased from 43.21% pre-COVID to 47.55% post-COVID, signaling a trend of growing institutional and public participation in Indian companies. There is more consistency in non-promoters ownership. There is positive skewed-distribution for pre-covid and skewed-distribution for post-covid-19. Both the periods have platykurtic distribution. It is found that there is positive CAGR in Non-promoters ownership during the study period.

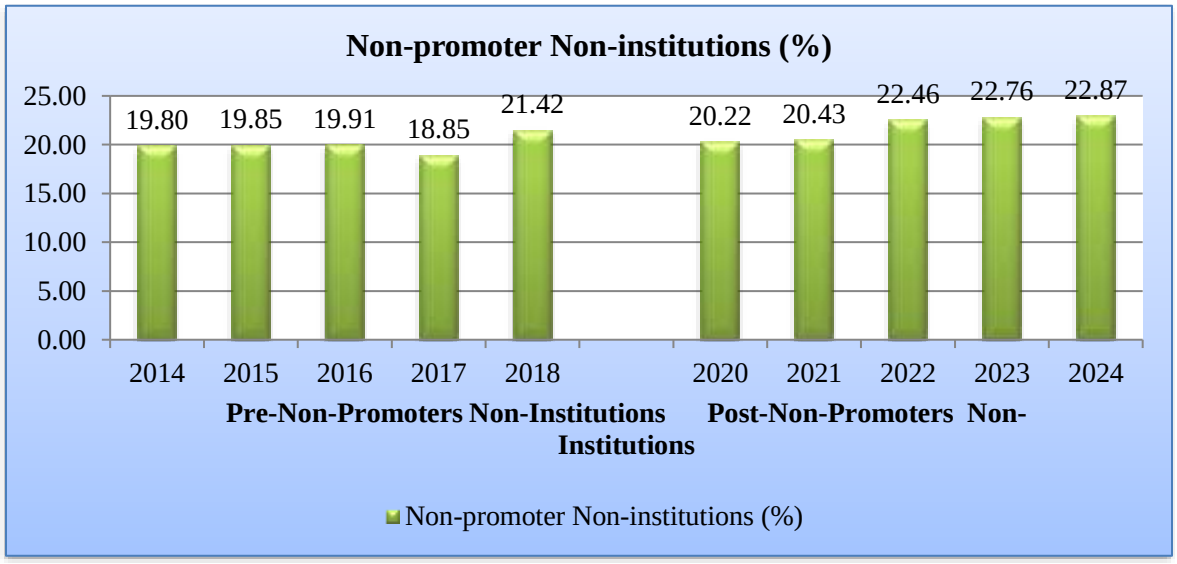
Figure No. 5: Year wise Non-Promoter Institution Ownership for Pre and Post Covid-19



Source: *Created by the Researcher based on table no. 1*

Non-promoter institutions (e.g., domestic and foreign institutional investors) increased their mean shareholding from 23.24% pre-COVID to 25.80% post-COVID, demonstrating a consistent interest in Indian equities driven by their long-term investment strategies. The non-promoter institutions ownership has more stable during pre and post-covid-19. Skewness shows that negatively skewed-distribution for both the periods. There is platykurtic distribution for pre-covid whereas leptokurtic distribution for post-covid during the study period. Before covid-19 there is negative CAGR indicating decrease in non-promoter institutions and after covid-19 there is positive CAGR indicating increase in the non-promoter institutions during the study period.

Figure No. 6: Year wise Non-Promoter Non-Institution Ownership for Pre and Post Covid-19



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Source: *Created by the Researcher based on table no. 1*

Non-promoter non-institutions (e.g., retail investors and high-net-worth individuals) recorded a more significant increase in mean ownership, from 19.97% pre-COVID to 21.75% post-COVID, suggesting increased market access for retail investors, enhanced by digital platforms and favorable investment conditions. Skewness value decreased from 0.895 of pre-COVID to -0.567 of post-COVID, signaling a shift where more firms now have higher retail or individual investor ownership compared to the earlier distribution. CV indicates that there is a stable in the non-promoter non-institutions for both the periods. There is increase in the non-promoter non-institutions as it is evident from the CAGR for both periods.

Table No. 2: Correlation Matrix

Correlation Matrix						
Ownership	**Promoters (%)**	**Indian Promoters (%)**	**Foreign Promoters (%)**	**Non-promoters (%)**	**Non-promoter Institutions (%)**	**Non-promoter Non-institutions (%)**
Pre-Covid						
PSH (%)	1					
IPSH (%)	0.988	1				
FPSH (%)	-0.640	-0.751	1			
NPSH (%)	-0.998	-0.983	0.624	1		
NPISH (%)	-0.699	-0.729	0.638	0.720	1	
NPNISH (%)	-0.601	-0.544	0.139	0.579	-0.149	1
Post-Covid						
PSH (%)	1					
IPSH (%)	0.987	1				
FPSH (%)	-0.596	-0.719	1			
NPSH (%)	-0.995	-0.981	0.592	1		
NPISH (%)	-0.858	-0.924	0.891	0.867	1	
NPNISH (%)	-0.975	-0.929	0.421	0.978	0.745	1

Sources: CMIE data base

Promoter ownership shows a strong negative correlation with all ownership categories, except for Indian promoter ownership, where a strong positive relationship is observed in both pre- and post-COVID-19 periods. This suggests that Indian promoters contribute significantly to overall promoter holdings, while other categories, particularly non-promoters, tend to increase as promoter ownership decreases. Indian promoter ownership, in turn, has a strong negative relationship with both promoter and non-promoter shareholding patterns, indicating that higher Indian promoter stakes are often accompanied by a reduction in other ownership categories. Foreign promoter ownership, on the other hand, exhibits a weak positive correlation with non-promoter ownership during both periods, reflecting a subtle alignment between foreign promoters and non-promoter investors, such as institutions and retail investors. Non-promoter ownership consistently shows a strong negative relationship with promoter ownership, emphasizing the typical inverse relationship between them. As non-promoter ownership increases, promoter control decreases, highlighting the evolving shift towards a more diversified and democratized ownership structure.

Table No. 3: Paired Comparison t test of Ownership Patterns for Pre and Post Covid-19

Ownership pattern	t-stat	P-value
Promoters (In Percentage)	4.326	0.012
Indian Promoters (In Percentage)	3.888	0.018
Foreign Promoters (In Percentage)	-0.948	0.397
Non-promoters (In Percentage)	-4.436	0.011
Non-promoter Institutions (In Percentage)	-3.825	0.019
Non-promoter Non-institutions (In Percentage)	-2.724	0.053

Sources: CMIE data base

The above table indicates that the significant changes observed in **promoter ownership**, **Indian promoter ownership**, **non-promoter ownership**, and **non-promoter institutional ownership**. Promoter ownership

experienced a meaningful decline, indicating a statistically significant reduction in promoter stakes on post-COVID. Indian promoter ownership also showed a significant decrease, suggesting that Indian promoters reduced their stakes, possibly due to regulatory adjustments or shifting market dynamics. Non-promoter ownership saw a significant increase, reflecting growing participation from institutional and retail investors. Non-promoter institutional ownership also showed a significant shift, highlighting a change in institutional investment patterns in response to the pandemic as they are evinced from the p value of paired t stat. However, **foreign promoter ownership** and **non-promoter non-institutional ownership** did not show statistically significant changes. Foreign promoter ownership had a t-statistic of -0.948 and a p-value of 0.397, suggesting that foreign investors did not significantly alter their stakes during the pandemic. Similarly, non-promoter non-institutional ownership showed a t-statistic of -2.724 and a p-value of 0.053, which is slightly above the 5% significance threshold, indicating a potential change in retail investor behavior, but the result is not conclusive enough to consider it statistically significant.

CONCLUSION

The study concludes that the ownership patterns for BSE-listed firms pre- and post-COVID-19 reveals significant shifts, particularly in promoter and non-promoter ownership. Before the pandemic, promoter ownership, especially that of Indian promoters remained relatively stable, but post-COVID-19, there was a notable decline in promoter stakes, driven by regulatory pressures and the need for broader investor bases. In contrast, non-promoter ownership saw a significant increase, with institutional investors playing a larger role, reflecting a shift in market dynamics as they responded to the changing economic landscape. Retail investor participation also grew, though less pronounced. Foreign promoter ownership remained stable, showing resilience in foreign investment. Overall, the COVID-19 pandemic has reshaped ownership structures, leading to a more diversified and institutionalized market, signaling a long-term shift in investor behavior and corporate governance in India's equity markets.

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