

Domestic investors' holdings at record highs in Q1

But foreign investments continue to fall amid tightening global liquidity

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Domestic players continued to buy into the Indian stock market, widening their gap in ownership over foreign portfolio investors (FPIs). They collectively held 23.5 per cent of companies listed on the National Stock Exchange (NSE) as of the June quarter for the 2022-23 financial year (Q1FY23), according to tracker primeinfobase.com while FPI holdings dipped to a 10-year low of 19.2 per cent share.

The analysis is for 1,770 companies for which shareholding data is available; out of 1,808 companies listed on the NSE. Domestic investors include domestic institutions such as mutual funds and insurance companies, among others. They collectively raised their holdings to 14.1 per cent from 13.7 per cent earlier. Retail investors saw a marginal decline in ownership to 7.40 per cent from 7.42 per cent in the previous quarter (Q4FY22). High networth individuals (HNIs) also trimmed their investments as their stake fell to 2.08 per cent, from 2.21 per cent, in the pre-

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* Institutional, retail and HNI
Source: primeinfobase.com

vious quarter.

“Share of domestic institutional investors (DIIs), which includes domestic mutual funds, insurance companies, banks, financial institutions, pension funds etc., as a whole, along with retail and high HNI investors reached an all-time high of 23.53 per cent ... on the back of net inflows from DIIs (of ₹1.28 trillion),” according to a statement from Prime Database Group. “Domestic investors have played a counterbalancing role to foreign ones,” noted Prime managing director Pranav Haldea.

Mutual funds' share rose to a two-year high of 7.95 per cent in Q1FY23

from 7.75 per cent in Q4FY22. Mutual fund inflows were to the tune of ₹73,857 crore during the June quarter. The share of insurance companies rose to 5.15 per cent from 5 per cent earlier.

The Life Insurance Corporation of India (LIC) accounted for more than three-fourth of the total stake that the insurance segment holds in Indian equities. Its ownership across 286 companies, for which data is available as part of shareholding disclosures, was 3.92 per cent. The stake for LIC has now risen for two quarters in a row.

The listing of LIC has meant that government promoter holdings in listed Indian equities has risen. The promoter is essentially a term for the principal owner of a company. The insurance behemoth's shares were listed for public trading on the stock exchange on 17th May 2022. Total government holding across various companies on the stock exchange was 7.15 per cent in June 2022, compared to 5.48 per cent in March 2022.

Private promoters' holdings went down to 44.33 per cent in the June quarter, compared to 45.12 per cent in the previous one. They held ₹105 trillion worth of stocks compared to ₹17 trillion government promoter holdings.