

DII ownership falls for 1st time in 7 qtrs

FPI shareholding rises 7 bps on the back of ₹1 trillion investments during first quarter of FY24

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Domestic investors' — individual and institution — ownership in listed companies on the National Stock Exchange (NSE) declined for the first time in seven quarters amid a rise in investments by overseas funds. During the June quarter of the 2023-24 financial year (Q1FY24), it stood at 25.50 per cent, down 25.73 per cent from Q1FY23, according to a report by PRIME Database.

"The decline in domestic ownership was due to profit booking by LIC, mutual funds (MFs), retail and wealthy investors, with markets reaching all-time highs. Net inflows from domestic institutional investors (DIIs) stood at just ₹3,368 crore during the quarter," said Pranav Haldea, managing director PRIME Database.

Meanwhile, the foreign portfolio investor (FPI) share rose to 18.94 per cent in Q1FY24, from 18.87 per cent in Q4FY23. The rise in FPI ownership is due to substantial net inflows to the tune of ₹1.02 trillion during Q1FY24. The June quarter marks a slight aberration in the trend since 2015, since when the grip of domestic investors has been rising, while that of the hold of overseas funds has

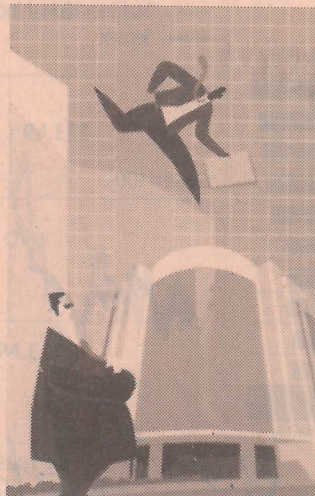


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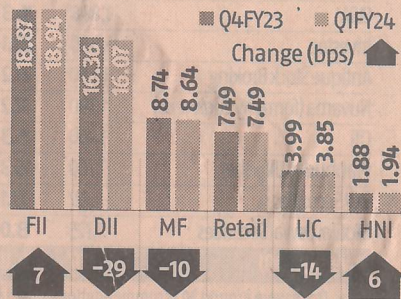
been waning.

The share of domestic MFs declined to 8.64 per cent in Q1FY24 after increasing for seven consecutive three-month periods. The net inflows by domestic MFs stood at a modest ₹2,979 crore during the quarter.

Insurance companies' shares declined to 5.67 per cent in Q1FY24, down from 5.87 per cent in Q4FY23. LIC continues to command the lion's share of investments in equities by insurance companies, with a share of

ON A BREAK...

... after rising 6 quarters in a row



Source: PRIME Database

68 per cent or ₹11.16 trillion. The insurer's stake across 273 companies, where its holding is more than 1 per cent, decreased to 3.85 per cent as of June quarter, from 3.99 per cent as of March quarter.

The share of DIIs decreased to 16.07 per cent in Q1FY24, from 16.36 per cent in Q4FY23 after increasing for six quarters.

"The gap between FPI and DII holdings widened in this quarter with DII holding now being 15.19 per cent lower

than FII holding," PRIME Database said in its release.

The share of retail investors remained constant, at 7.49 per cent, in Q1FY24. At the same time, high net worth individuals' share (HNI) rose to 1.94 per cent from 1.8 per cent. Retail investors' shares remained unchanged despite being net sellers worth ₹25,497 crore. The combined retail and HNI share stood at 9.43 per cent in Q1FY24, up from 9.37 per cent Q4FY23.

The share of private promoters in companies rose to 42.17 per cent from 41.97 per cent. PRIME Database said that private promoter holdings had steadily increased over 14 years — from 33.60 per cent in June 2009. The Indian private promoters' share rose from 26.44 per cent to 34.16 per cent during this period, while that of foreign promoters rose from 7.16 per cent to just 8.01 per cent.

The share of the government (as a promoter) also rose marginally to 7.78 per cent in Q1FY24 from 7.75 per cent in Q4FY23. The percentage of government ownership has been steadily declining, from 22.48 per cent as of June 30, 2009, due to the government's divestment programme, insufficient new listings, and the lacklustre performance of many CPSEs relative to their private peers.