

# DII-FPI shareholding gap narrows to all-time low

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Domestic investors are tightening their grip on the ownership of listed companies. The gap between the shareholding of domestic institutional investors (DIIs) and foreign portfolio investors (FPIs) narrowed to 13.11 percentage points at the end of the September 2023 quarter.

At the peak, the gap was nearly 50 percentage points in March 2015, according to an analysis by Prime Database, a leading provider of data on the capital market. Meanwhile, the value of DII holdings for the first time has crossed the ₹50 trillion

mark led by a sharp upmove in stocks in the small and midcap space.

“The share of DIIs as a whole decreased to 15.99 per cent as on September 30, 2023 from 16.05 per cent as on June 30, 2023.

However, in the Nifty500 and Nifty200 universe, the DII share went up from 16.57 per cent to 16.7 per cent and from 17.12 to 17.51 per cent respectively,” said Prime Database in a release.

During the September 2023 quarter, domestic MFs pumped ₹53,715 crore into domestic stocks, insurance companies and banks yanked out nearly ₹24,000 crore and ₹10,400 crore respectively. The share of retail investors (individuals with up to ₹2 lakh shareholding in

a company) in companies listed on the NSE increased to an all-time high of 7.62 per cent as on September 30, 2023 from 7.50 per cent on June 30, 2023. Retail investors bought a net of ₹7,596 crore during the quarter. FPI ownership declined to 18.40 per cent, down by 56 bps from 18.96 per cent as on June 30, 2023. The fall was despite net inflows of ₹44,113 crore from FPIs during the quarter.

The shareholding of domestic MFs rose to 8.73 per cent as on September 30, 2023, from 8.63 per cent as of June 30, 2023.

The share of high net worth individuals (individuals with more than ₹2 lakh shareholding in a company) increased to 2.05 per cent as of September 30, 2023 from 1.95 per cent on June 30, 2023.

**Gap at 13.11 percentage points versus peak of nearly 50% in 2015**