

DII's Close in on FIIs in High-Stakes Battle

OWNERSHIP IN NSE-LISTED COS (%)



Source: primeinfobase.com

Gap between FIIs & DII corp holdings at record low in June qtr

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Mumbai: The gap between foreign institutional investors (FIIs) and domestic institutional investors (DIIs) in corporate ownership in India shrank to a record low of 115 basis points in the April-June quarter, according to data from primeinfobase.com.

A basis point is a hundredth of a percentage point.

While the share of FIIs in NSE-listed

companies fell to 17.38%, the lowest in 12 years, during the quarter, the ownership of DIIs reached a record high of 16.23%, as per the data.

DIIs include mutual funds, insurance companies, pension funds and banks.

The widest gap between the holdings of FIIs and DIIs in the country was in the quarter to March 2015, when the share of FIIs was 20.70% and that of DIIs was 10.38%.

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Domestic institutions stepped in to effectively counter the decline in FII holdings in the past few quarters, said experts.

"FIIs have been less bullish in Indian markets, possibly due to high valuations in the emerging market context, while domestic institutions are flush with funds, with monthly SIPs (systematic investment plans) exceeding ₹20,000 crore," said Pranav Haldea, managing director, PRIME Database Group. "Historically, FIIs ha-



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ve been the largest non-promoter shareholders in India, significantly influencing market trends. However, DIIs and retail investors are now playing a strong counterbalancing role."

In the June quarter, FIIs sold shares worth ₹27,800 crore, whereas DIIs invested nearly ₹1.29 lakh crore. FIIs' holdings

declined by 34 basis points from 17.72% in the previous quarter, while DIIs' holdings increased by 16 basis points from 16.07%.

The share of domestic mutual funds and retail investors in companies listed on the NSE increased to a fresh record of 9.17% and 7.64%, respectively, in the April-June period.

SIP contributions from mutual funds, which surpassed ₹20,000 crore in April, continued to exceed this level in May and June. In June, the figure reached ₹21,260 crore, up from ₹20,904 crore in May.

The government's share as a promoter increased to a seven-year high of 10.64% in the June quarter, driven by strong performance from state-owned firms. In contrast, private promoters' shares fell to a five-year low of 40.88% due to stake sales aimed at capitalising on bullish markets, lower promoter holdings in newly listed companies and the overall institutionalisation of the market. Over the past 10 quarters, private promoters' overall share has decreased by 428 basis points from 45.16% in December 2021.