

Domestic investor ownership in NSE-listed firms set to overtake FIIs

NARROWING SHARE. The gap between DII and FII ownership has reduced to all-time low of 33 bps

Ashley Coutinho

Mumbai

Domestic institutional investors (DIIs) invested nearly ₹1.86 lakh crore during the quarter ending December, taking their share of holdings in listed companies on the NSE to an all-time high of 16.9 per cent, up from 16.46 per cent in the previous quarter.

The share of foreign institutional investors (FIIs) decreased to a 12-year low of 17.23 per cent (17.55 per cent), data from primeinfobase.com show.

The gap between DII and FII ownership has reduced to 33 basis points, an all-time low. In value terms, DII holding of ₹73.46 lakh crore is now just 1.92 per cent lower

than FII holding, another all-time low.

The FII to DII ownership ratio has decreased to an all-time low of 1.02, as on December 31.

The widest gap between FII and DII holding was in the quarter ending March 31, 2015, when DII share was a staggering 10.31 per cent lower than FII share.

“For years, FIIs have been the largest non-promoter shareholder category in the Indian market with their investment decisions having a huge bearing on the overall direction of the market. This is no longer the case. While FIIs continue to remain an important constituent, their hold on the Indian capital market has reduced,” said Pranav Haldea, Managing Director, PRIME Database

Closing in.

	FII holdings		DII holdings	
	Value (₹ cr)	Share (%)	Value (₹ cr)	Share (%)
Dec-24	74.9	17.23	73.5	16.90
Sep-24	81.9	17.55	76.8	16.46
Jun-24	75.1	17.39	70.1	16.23
Mar-24	67.4	17.72	61.2	16.07
Dec-23	65.1	18.18	57.1	15.96

Source: primeinfobase.com

Group.

The DII share is likely to surpass that of FIIs in the March quarter, if the current trend continues.

ALLOCATION MIX

Domestic mutual funds (MFs) invested almost ₹1.54 lakh crore during the quarter, taking their share in companies listed on the NSE to yet another all-time high of 9.93 per cent (up from

9.46 per cent in the previous quarter).

Life Insurance Corporation of India (LIC) saw its share across 284 companies where its holding is more than 1 per cent, decreasing 8 bps to an all-time low of 3.51 per cent as on December 31, primarily on account of profit booking. LIC increased its stake in 71 companies during the quarter while reducing its stake in 98

companies. Given that LIC commands a lion's share of investments in equities, the overall share of insurance companies also reduced from 5.21 per cent to 5.16 per cent.

DIIs increased their allocation most to financial services by 80 bps to 25.86 per cent of their total holding at the end of December, while they decreased their allocation most to energy to 8.88 per cent.

FIIs increased their allocation most to information technology (from 8.68 per cent to 9.85 per cent, while they decreased their allocation most to energy (7.65 per cent to 6.30 per cent).

The share of retail and HNI investors rose to an all-time high of 7.69 per cent and 2.09 per cent, respectively.