

DIIs top FPIs in top firms' ownership

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AT A TIME when foreign portfolio investors (FPIs) were heavy sellers of Indian equities, domestic institutional investors' (DII) strong support to the market has led to their ownership hitting an all-time high in Nifty 500 firms.

Better still, their ownership has exceeded FIIs for the first time ever in the January-March quarter, according to data sourced from Capitaline and Primeinfobase.

FPIs net offloaded shares worth \$13 billion (₹1.11 lakh crore) during the last quarter of fiscal 2025, as rising yields and a stronger dollar in the US markets prompted many FPIs

DOMESTIC DRIVE

Ownership*(%) — FPIs — DIIs



*Nifty 500 companies
Source: Primeinfobase, Capitaline

to shift away from risky emerging markets.

At the same time, DIIs pumped in as much as ₹1.89 lakh crore.

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IN FACT, IN the last fiscal, FPI were net sellers to the tune of \$14.4 billion (₹1.27 lakh crore) whereas DIIs invested ₹6.07 lakh crore.

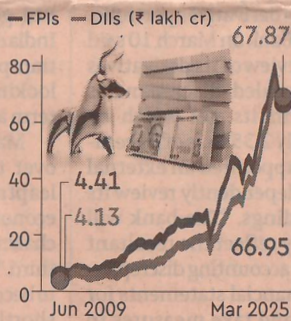
Market participants believe this a healthy sign. Dhiraj Relli, MD of HDFC Securities, said that from a long-term view, the ownership in the Indian market is diversified well.

"Historically, markets have been overly reliant on FII flows, but now domestic investors who provide stickier money own a bigger chunk," he said, adding that if one includes direct public and high net-worth individual holdings, that has also increased in the past decade, a higher share is now with domestic players, which could mean lower volatility.

In the March quarter, the share of DIIs in Nifty 500 companies rose by 8 basis points (bps) to 18.11% while the share of FPIs fell by 70 bps to 17.86% — the lowest level in 12 years.

On a year-on-year basis, the share of FPIs in ownership fell by 76 bps while the DII share

NIFTY 500 COS - VALUE OF SHARES



Source: Primeinfobase.com, Capitaline

FPIs TOP HOLDINGS IN NIFTY 500 COS

HDFC Bank	5.85
ICICI Bank	3.58
Reliance Inds	3.22
Bharti Airtel	2.68
ITC	2.04
Infosys	1.92
TCS	1.57
Axis Bank	1.45
Kotak Mahindra Bank	1.34
M&M	1.25

DIIs TOP HOLDINGS IN NIFTY 500 COS

HDFC Bank	4.34
ICICI Bank	3.5
Reliance Inds	3.29
ITC	2.32
Infosys	2.25
Bharti Airtel	2.04
L&T	2.03
SBI	1.71
TCS	1.51
Axis Bank	1.35

Value ₹ lakh cr; as of March 2025

rose by 137 bps.

While Relli believes that FPIs will remain a key constituent of markets as they will continue to buy Indian equities over a three-five year period, but their inflows may continue to lag DIIs. Consequently, their ownership pattern should continue.

Agreed Vinit Bolinjar, head of equity research at Ventura Securities, "FPIs have sold significantly over the last few months, but it has been completely absorbed by DIIs

despite low participation from retail investors. With the market having rallied sharply from the March lows, we clearly won't be completely dependent on global flows only. "This will give more confidence to domestic investors as well." In the last quarter of FY25, markets were in correction mode.

Benchmark indices shed up to 0.93%, while the broader indices witnessed deeper cuts of up to 15.48%. As a result, the total market capitalisation of Nifty 500 companies declined

by 3.4%, from ₹387.97 lakh crore in the December quarter to ₹374.77 lakh crore in the March quarter.

The ownership share of promoters also fell, from 49.56% in Q3FY25 to 49.37% in the last quarter of FY25 with their stake value decreasing by 3.77%, from ₹192.3 lakh crore to ₹185.03 lakh crore. HDFC Bank, ICICI Bank, Reliance Industries, Bharti Airtel, ITC, Infosys, and TCS were the top holdings for both FPIs and DIIs.