

# DIIs' stake overtakes FIIs in Nifty50

**FIRMING UP.** Domestic institutions continue to consolidate their ownership grip in Nifty 500 companies

## SELF RELIANCE

### DII holdings in Nifty50 firms tops FII stakes

**Mumbai:** Domestic institutional investors (DIIs) overtook foreign institutional investors (FIIs) in Nifty50 companies for the first time in the December quarter, while extending their dominance in Nifty500 companies for the seventh straight quarter. DIIs held a 24.8 per cent stake in Nifty50 firms, edging past FIIs' 24.3 per cent as of December, per Motilal Oswal Financial Services. **p6**

**Akshata Gorde**  
**Anupama Ghosh**  
Mumbai

The share of domestic institutional investors (DIIs) in the ownership of Nifty-50 companies has exceeded that of foreign institutional investors (FIIs) for the first time in the December quarter, while continuing the dominance in the Nifty 500 companies for the seventh consecutive quarter.

DIIs held a 24.8 per cent share in Nifty-50 ownership, compared with 24.3 per cent held by FIIs as of December 2025, according to an ownership analysis by Motilal Oswal Financial Services. Over the past year, DIIs have increased their shareholding in a majority of index constituents, while FIIs have pared exposure amid global macro uncertainty.

Meanwhile, DIIs have consolidated their position as the dominant force in Indian equities, with their holdings in Nifty-500 companies rising to an all-time high of 20.6 per cent in December 2025, widening

their lead over FIIs, whose stake stood at 18.4 per cent.

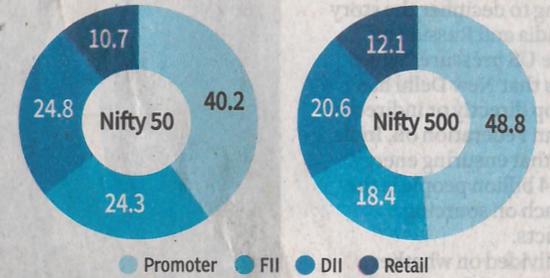
The gap between FII and DII ownership has narrowed to just 90 basis points, a significant shift from December 2015 when FIIs held 21.5 per cent compared to DIIs' 12.1 per cent. DIIs pumped in \$23.4 billion during the December quarter and \$90.1 billion through 2025.

"DIIs holding a larger share than FIIs in the Nifty50 underscores a fundamental shift toward stronger domestic participation in India's equity markets," said Himanshu Srivastava, Principal, Manager Research at Morningstar Investment Research India. "The increasing dominance of domestic money provides a more stable, long-term source of liquidity, reduces reliance on volatile foreign flows, and could help cushion markets during global risk-off phases."

### MFs CLOSING THE GAP

Mutual funds, in particular, have been closing the gap with foreign investors at a faster pace. According to data from

## DII dominates



Source: Motilal Oswal Financial

primeinfobase.com, the difference between FII and MF shareholding in NSE-listed companies narrowed to 5.50 per cent as of December 31, 2025, from 10.51 per cent three years ago. MFs held 11.10 per cent of listed companies at the end of December, up from 10.94 per cent in September, marking the tenth consecutive quarter of increase.

FII holdings, meanwhile, declined to a 13-year low of 16.60 per cent. On a year-on-year basis, FIIs reduced their stakes across 15 of the 24 sectors within the Nifty-500, with

the largest cuts in electronics manufacturing services, consumer durables, technology, infrastructure and retail.

"For years, FIIs have been the largest non-promoter shareholder category in the Indian market. This is no longer the case," said Pranav Haldea, MD, PRIME Database Group. He said DIIs, along with retail investors and high net worth individuals, have played a strong countervailing role, with their combined share reaching an all-time high of 28 per cent as of December 31, 2025.

Retail investor holdings also moderated to 12.1 per cent, down 60 basis points from the previous year.

"...this milestone reflects the coming of age of the retail investor, whose patient, long-term capital is increasingly strengthening domestic markets. The fact that monthly SIP flows have continued to rise even through a phase of relatively muted returns underscores both growing maturity and the ongoing financialisation of household savings. This trend appears structural and should anchor the Indian markets domestically," said Varun Gupta, CEO of Groww Mutual Fund.

Sectoral allocation patterns showed both DIIs and FIIs increasing their exposure to financial services, which now accounts for 28.34 per cent of DII holdings and 31.85 per cent of FII holdings. DIIs raised stakes in 22 out of 24 sectors on a year-over-year basis, with the maximum increases in electronics manufacturing services, technology, telecom, retail, PSU banks, and healthcare sectors.