

Tata companies witness FPI exodus, retail investors show immense faith

CAUTIOUS PLAY. Sharp reduction in foreign ownership coincides with steep market-cap erosion

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FPIs have pared stakes across several Tata companies with the sharpest reduction seen in premium growth-oriented businesses that witnessed strong valuation re-rating during the post-pandemic rally.

Data by Prime Database show that foreign holding is down in 12 of 20 comparable Tata names. FPI holding in Trent fell from 26.6 per cent in September 2024 to 15.6 per cent in March 2026. Tata Consumer Products saw FPI holding fall from 24.4 per cent to 20.8 per cent, while Tata Consultancy Services' FPI holding fell 3 percentage points to 9.7 per cent. Tata Motors' Passenger Vehicles' FPI shareholding fell to 17.3 per cent from 20.5 per cent, while that of Indian Hotels fell to 23.2 per cent from 27.4 per cent.

M-CAP DECLINE

The sharp reduction in for-

FPI holdings

Company	FPI holding Sep 2024 (%)	FPI holding Mar 2026 (%)	Change (percentage points)
Tata Motors PV	20.5	17.3	(3.2)
Tata Chemicals	13.7	11.9	(1.8)
Tata Consultancy Services	12.7	9.7	(3)
Tata Steel	19.9	19.1	(0.8)
Tata Communications	18.1	14.4	(3.7)
Indian Hotels	27.4	23.2	(4.2)
Trent	26.6	15.6	(11)
Tejas Networks	9.6	5.3	(4.3)
Tata Consumer Products	24.4	20.8	(3.6)
Titan Co.	18.2	15.7	(2.5)
Tata Elxsi	13.7	11.1	(2.6)
Other heavyweights			
Reliance Industries	20.8	18.3	(2.5)
HDFC Bank	41.5	38.1	(3.4)
Bharti Airtel	25.1	27.8	2.7
ICICI Bank	37.9	34.5	(3.4)

Source: primeinfobase.com

ign ownership coincided with steep market-cap erosion across several companies. Tata Motors Passenger Vehicles saw market cap

decline nearly 70 per cent since September 2024, while Tejas Networks lost more than 66 per cent of its value. Tata Teleservices Maha-

rashtra, Trent, Tata Technologies and Tata Elxsi also witnessed market-cap erosion of around 50 per cent or more during the period.

Among the top Nifty 50 companies by market cap, FPI holding in Reliance Industries declined from 20.8 per cent in September 2024 to 18.3 per cent in March 2026, and market cap declined around 8.8 per cent to ₹18.9 lakh crore, according to Prime Database data. HDFC Bank saw foreign ownership fall from 41.5 per cent to 38.1 per cent and market cap fell 15 per cent, largely triggered after the resignation of its Chairman raising governance concerns. In contrast, benchmark heavyweights such as ICICI Bank and Bharti Airtel saw relatively-stable foreign ownership and materially lower market-cap correction during the period.

“Long-term investors, such as pension funds, do look at succession planning and governance metrics, while there are other mo-

mentum funds that do not look at governance at all,” said Shriram Subramanian, Founder and MD, InGovern Research Services.

OPPOSITE APPROACH

Retail investors, however, appear to have taken the opposite approach. Retail shareholding in Tejas Networks rose sharply during the period, while Tata Technologies, Tata Motors Passenger Vehicles, TRF and Nelco also witnessed increased retail participation despite continued FPI selling.

Tata group stocks have been under a long consolidation phase, with the current turbulence with Tata Sons' listing and governance concerns weighing on investor sentiment, said Kranthi Bathini, Equity Strategist, Wealthmills Securities. “The governance issues are surprising at the board level, but the operating companies are expected to remain fundamentally strong over the medium to long term,” he said.