# FII shares drops to 14-year low of 15.88%, domestic mutual funds reach all-time high of 11.58% in June 2026:..

*ET BFSI*

New Delhi [India], August 4 (ANI): Foreign Institutional Investor (FII) holding in Indian companies fell to a 14-year low of 15.88 per cent as on June 30, 2026, down from 16.12 per cent recorded on March 31, 2026, according to data from PRIME Database Group.

Foreign investors turned net sellers, pulling out Rs 1.43 lakh crore during the June quarter. This total comprised secondary market outflows of Rs 1.53 lakh crore, partially offset by primary market inflows of Rs 10,096 crore.

The data from the report showed private sector promoter holdings on the NSE rose to a two-year high of 41.36 per cent from 40.58 per cent in the previous quarter, supported by net purchases worth Rs 36,336 crore.

Commenting on the shift in market ownership, Pranav Haldea, Managing Director, PRIME Database Group, said, "For years, FIIs had 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. DIIs along with Retail & HNIs have played a strong countervailing role with their combined share reaching an all-time high of 28.66 per cent as on June 30, 2026. While FIIs continue to remain an important constituent, their stranglehold on the Indian capital market has come down."

Domestic mutual funds (MFs) raised their stake in companies listed on the National Stock Exchange (NSE) for the twelfth consecutive quarter, reaching an all-time high of 11.58 per cent as on June 30, 2026.

Driven by monthly systematic investment plan (SIP) inflows of approximately Rs 30,000 crore, mutual funds deployed a net amount of Rs 1.42 lakh crore into equities during the period.

Domestic mutual funds continued to narrow the ownership gap with foreign investors. As per the report, the difference between FII and mutual fund holdings shrank by 37 basis points during the quarter ending June 30 to 4.30 per cent, down from a peak gap of 17.14 per cent recorded in March 2015.

"The balance of ownership continues to tilt inward, reinforcing the market's growing Atmanirbharta (self-reliance), with MFs alone set to overtake FIIs in the coming quarters," Haldea added.

Meanwhile, overall Domestic Institutional Investor (DII) holdings dipped slightly to 19.15 per cent from 19.24 per cent, largely because insurance companies reduced their aggregate share to 5.16 per cent.

Life Insurance Corporation of India (LIC) saw its holding drop to an all-time low of 3.48 per cent across 284 companies, despite net purchases of Rs 8,137 crore.

In terms of sector allocation, DIIs increased their exposure to industrials from 9.05 per cent to 10 per cent while reducing information technology holdings from 7.55 per cent to 5.83 per cent.

FIIs expanded their financial services allocation from 30.78 per cent to 33.23 per cent and cut information technology exposure from 6.19 per cent to 4.76 per cent.

The central government's promoter share fell to a three-year low of 8.83 per cent following net sales of Rs 19,468 crore through offers for sale. (ANI)