FII holdings hit 14-year low at 15.88%

ENS Economic Bureau

The share of Foreign Institutional Investors (FIIs) of private sector companies in companies listed on the National Stock Exchange (NSE) has further declined to a 14-year low of 15.88 per cent as on June 30, 2026 (from 16.12 per cent as on March 31, 2026), according to a report by PRIME Database Group. The decline in FII holding comes as they have sold Indian equities in record quantity for nearly two years.

In 2025 FIIs had net sold equity worth Rs 166,283 crores. The total FPI selling this calendar year till June 2026 stood at over Rs 2.7 lakh crore. The FII exodus is also in line with the underperformance of the Indian equity market over the past 22 months.

The local benchmark indices - BSE Sensex and NSE Nifty - are down by 6-7 per cent when compared to the highs of September 2024.

According to Pranav Haldea, Managing Director, PRIME Database Group, 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,” he added.

Meanwhile, the share of promoters of private sector companies in companies listed on NSE reached a 2-year high of 41.36 per cent as on June 30, 2026, up from 40.58 per cent as on March 31, 2026.

Haldea said that this is a telling sign of the market bottoming out, with their share rising after having declined in an almost secular manner from December 31, 2021 onward when it stood at 45.20 per cent.

Meanwhile, the share of Domestic Mutual Funds (MFs) in companies listed on NSE, through which mostly individual investors invest indirectly, reached yet another all-time high of 11.58 per cent as on June 30, 2026, up from 11.46 per cent as on March 31, 2026), the twelfth consecutive quarter of increase. Despite the rise in the share of MFs and also a net investment of Rs 2.19 lakh crore during the quarter, the share of Domestic Institutional Investors (DIIs) as a whole, after increasing for 9 consecutive quarters, declined to 19.15 per cent as on June 30, 2026, down from 19.24 per cent as on March 31, 2026

The share of individual investors (retail and High Net Worth Individual (HNI) combined) increased to 9.51 per cent as on June 30, 2026, up from 9.11 per cent as on March 31, 2026. While the share of retail investors increased from 7.12 per cent to 7.39 per cent, the share of HNI investors increased from 1.99 per cent to 2.12 per cent during the quarter. Individual investors were net buyers to the tune of Rs 25,625 crore during the quarter.