

FIIIs dumped nearly Rs 1 lakh crore worth of these 10 stocks but 8 defied the selloff

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Foreign institutional investors (FIIIs) cut an estimated Rs 99,101 crore from stakes in 10 Indian companies in the June quarter, concentrating almost half of the selling in [Reliance Industries](#) and [HDFC Bank](#). Yet the retreat failed to break most of the targets: eight stocks gained, led by [Bajaj Finance](#)'s 25% jump, exposing a sharp disconnect between foreign positioning and price momentum.

Only [Infosys](#), down 20%, and Reliance, off 4%, declined during the quarter. The other eight rose even as [FII](#) share counts fell, including [Eternal](#)'s 16% advance, [Maruti Suzuki](#) India's 15% gain and HDFC Bank's 9% climb.

"India's growth outlook has clearly improved," HSBC's Prerna Garg said. She noted that 73% of reported Q1 results were in line with or ahead of expectations, with more earnings beats and fewer or smaller downgrades. That earnings backdrop helps explain why large reductions in foreign ownership did not translate uniformly into lower stock prices.

Reliance recorded the largest estimated net sale at Rs 26,011 crore, followed by HDFC Bank at Rs 22,461 crore. Together they accounted for Rs 48,472 crore, or almost half of the 10-stock total. Eternal was next at Rs 8,458 crore, followed by [Bharti Airtel](#) at Rs 7,586 crore and Bajaj Finance at Rs 6,356 crore.

The remainder comprised Infosys at Rs 6,298 crore, [Sun Pharmaceutical Industries](#) at Rs 5,919 crore, [State Bank of India](#) at Rs 5,516 crore, [Maruti Suzuki](#) at Rs 5,434 crore and Mahindra & Mahindra at Rs 5,062 crore. Sun Pharma rose 5.99%, SBI 4.85%, Bharti Airtel 3.90% and Mahindra & Mahindra 3.86%.

The estimates come from PRIME Database's shareholding tracker, which calculates net selling by multiplying the change in share count between March and June by the volume-weighted average closing price during the quarter. Its FII category includes FPIs, FDI, foreign sovereign wealth funds and ownership through depositary receipts held by custodians.

The ownership data showed a broader retreat even as the value of foreign portfolios increased. FII

share by value in NSE-listed companies slipped to 15.88% at June 30 from 16.12% three months earlier. Their share of free float fell to 31.88% from 32.23%, while share by volume declined to 5.28% from 5.47%. Still, the rupee value of FII holdings rose 13.43% during the quarter to Rs 74.41 lakh crore.

The stock moves also tracked a sharp split in the earnings picture. Jefferies' Mahesh Nandurkar said private banks beat estimates with support from lower credit costs, though net interest margins were mixed. Excluding HDFC Bank, Jefferies raised FY27 earnings-per-share estimates for large private banks by 1% to 5%.

For the two decliners, the same note offered a more uneven read. Reliance was in line overall, with upstream Ebitda ahead on higher crude realization while retail missed expectations. Across IT companies, aggregate revenue growth of 0.4% quarter-on-quarter in constant currency was slightly below expectations, organic growth was flat and aggregate margins contracted 50 basis points because of wage increases.

The stock level resilience emerged against sustained foreign outflows. Motilal Oswal said FIIs had sold a cumulative \$57 billion since the September 2024 market peak, including about \$27 billion in calendar 2026 through July. They were net sellers in 14 of 20 sectors in 2026 through July, with financial services recording the sharpest outflow at \$11.9 billion, followed by automobiles at \$3.7 billion and technology at \$3.4 billion.

The flow picture showed an early reversal after the quarter ended. Following four months of sharp selling from March through June, FIIs turned net buyers in July with a \$2.5 billion investment, the largest monthly inflow in 13 months, according to Motilal Oswal. It said the durability of inflows remained a key monitorable amid geopolitical uncertainty, a moderation in the AI-led global equity rally and volatility in global bond yields.

Valuation remains the central constraint. Nandurkar said MSCI India traded at 20 times one-year forward earnings, in line with its 10-year average, but its 98% premium to emerging-market peers remained well above the 10-year average of 63%. Companies representing 44% of the index's weight traded more than 10% above their historical averages, while 34% traded more than 10% below them.

HSBC recently upgraded India to neutral within Asia and said it favored quality growth companies in domestically driven sectors including financials, autos, retail and hospitals. The June quarter data suggest foreign selling alone was no longer sufficient to push down every index heavyweight. Whether July's buying becomes durable will determine if that divergence narrows or becomes the market's defining feature.

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