

Small investors up stake in over 1,000 NSE companies

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The market rally has boosted the confidence of retail investors, with them raising stake in 1,018 companies listed on the NSE in the June quarter. The markets have clocked gains of over 18 per cent during the same period.

Of the total value of outstanding shares on the NSE, the shares held by retail investors rose to 6.74 per cent in the June quarter, as against 6.54 per cent in the previous quarter, showed the data from *primeinfobase.com*.

Further, the data pointed to a bigger appetite for mid- and small-cap companies among retail investors. Though retail investors accounted for a larger number of outstanding shares of the NSE-listed companies at 15.29 per cent, the combined value of their holding was ₹9.16 trillion. This was much lower than the value of holding of foreign portfolio investors (FPIs, ₹28.6 trillion) and domestic institutional investors (DIIs, ₹19.48 trillion).

Promoter ownership in private firms (as a share of the combined m-cap of NSE firms) rose to an all-time high of 44.43 per cent. Over the past 11 years, the value of private promoter holding in NSE firms has grown almost four times, from ₹14.51 trillion as of June 30, 2009, to ₹60.37 trillion as of June 30, 2020.

Over this same period, Indian private promoters consolidated their ownership, from 26.45 per cent to 34.86 per cent — a gain of 841 basis points (bps). Foreign promoter holding moved up slightly, from 7.16 per cent to 9.57 per cent in this same period.

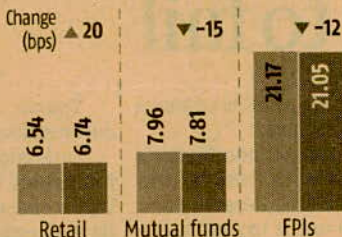
Institutional ownership dipped in the June quarter. Mutual funds' share of holding in NSE companies (in value terms) dipped for the first time after 24 quarters of back-to-back rise. It was

IN THE MIX

Share of ownership of institutional investors reduced in June quarter

Investor category/ownership (%)*

■ March quarter ■ June quarter



*Share of total market cap of NSE-listed firms

Source: *primeinfobase.com*

down to 7.81 per cent in the June quarter. On similar lines, foreign portfolio investors' (FPIs)' share of holding in NSE companies (in value terms) fell marginally to 21.05 per cent.

Promoter ownership in NSE-listed government-owned firms hit an all-time low of 6.36 per cent. "Over an 11-year period (since June 2009), the holding has been declining, from 22.71 per cent as of June 30, 2009, due to the government's divestment programme, not enough new listings and also

the lacklustre performance of many central public sector enterprises, relative to their private peers," said Pranav Haldea, MD, PRIME Database Group.

LIC's holding (across 292 companies where its holding is more than 1 per cent) stood at ₹5.40 trillion as of June 30, 2020, increasing 26.93 per cent over the previous quarter. LIC accounts for 77 per cent of equity investments by insurance firms. Even as ownership of some shareholding categories in NSE-listed firms has moderated, the value of holding in absolute terms rose for a clutch of investor categories.