

FPIs' holding in NSE-listed cos hit 5-yr high in Dec qtr on robust inflow



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India has caught the fancy of foreign investors once again.

PTI reports: "FPIs' ownership in NSE-listed companies reached a five-year high of 22.74 per cent in December 2020 on the back of huge net inflow of Rs 1.42 lakh crore by such investors in the third quarter.

In comparison, the holding of foreign portfolio investors (FPIs) was at 21.51 per cent in the quarter ending September 2020, according to primeinfobase.com, an initiative of Prime Database Group.

In terms of value, FPIs ownership reached an all-time high of Rs 41.83 lakh crore as of December, 2020, up 29 per cent from Rs 32.47 lakh crore in the preceding quarter, on account of rally in equity markets.

FPIs are the largest non-promoter shareholders in the Indian market and their investment decisions have a huge bearing on the stock prices and overall direction of market, Pranav Haldea, Managing Director of Prime Database Group, said on Monday.

On the other hand, holding of Domestic Institutional Investors (DIIs)-- which includes domestic mutual funds, insurance companies, banks, financial institutions, pension funds among others-- declined to 13.55 per cent as of December 2020 from 13.94 per cent as of September 2020.

Mutual funds (MF) witnessed their holding declining to 7.42 per cent from 7.65 per cent while that of insurance companies slipped to 5 per cent from 5.17 per cent in the same period.

The holding of LIC --the single largest domestic institutional investor-- (across 290 companies where its holding is more than 1 per cent) fell to an all-time low of 3.70 per cent as on December 2020, down from 3.91 per cent as on September quarter. Its holding was at an all-time high of 5 per cent as on June 30, 2012.

Also, the percentage holding of the government (as promoter) in companies listed on NSE hit fresh low of 5.08 per cent as on December 2020, down from 5.10 per cent as on September 2020.

Since June 2009 the holding has been steadily declining from 22.46 per cent due to the government's divestment programme, not enough new listings as also lackluster performance of many CPSEs relative to their private peers.

The analysis is based on shareholding patterns filed by 1,629 of the total 1,678 companies listed on NSE (main board) for the quarter ended December 2020 till February 4, this year.

According to Haldea, retail holding (individuals with up to Rs 2 lakh shareholding) in companies listed on NSE declined to 6.90 per cent as on three months ended December 2020 from 7.01 per cent in the preceding quarter end as such investors took advantage of the market rally to book profits.

The percentage holding of private promoters in firms dropped marginally to 44.46 per cent as on December, 2020 from 45.38 per cent on September 2020. Since June 2009, private promoter ownership has been steadily increasing. It was at 33.61 per cent on June 30, 2009.

Haldea said that institutional money, though, continues to incrementally get more concentrated to the top 10 per cent companies by market cap, reflecting a heightened risk-off environment. The top 10 per cent companies by market capitalisation accounted for 51.27 per cent of overall FPI holding as on December, 2020 (down slightly from 51.80 per cent on September, 2020), 34.05 per cent of overall DII holding (down from 34.86 per cent on September, 2020) and 35.06 per cent of overall MF holding (up from 34.94 per cent on September 2020)."