

Value of FPI, LIC, retail holdings hits record highs in Q4

HIGH STAKES

Who owns how much in India Inc

	Dec-20		Mar-21	
	in %	in ₹ trillion	in %	in ₹ trillion
FPI	22.74	41.83	22.6	44.66
DII	13.55	24.93	13.03	25.75
MF	7.42	13.64	7.23	14.3
Retail	6.9	12.69	6.9	13.63
Government	5.08	9.34	5.6	NA
LIC	3.70	6.81	3.66	7.24

Source: Prime Database; note: Data of 1,639 NSE-listed firms for quarter-ended March 31, 2021

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The value of holdings of foreign portfolio investors (FPIs), Life Insurance Corporation (LIC), and retail investors hit an all-time high during the quarter ended March 31, 2021.

This came amid buoyancy in the secondary market. The benchmark Sensex and the Nifty logged new all-time highs on February 15. While the indices came off from their highs in the remainder of the quarter, the broader markets marched on. During the three months to March 2021, India's market capitalisation had risen 8.7 per cent to ₹204 trillion.

The value of FPI holdings rose 6.8 per cent, from ₹41.83 trillion at the end of December 2020 to ₹44.7 trillion at the end of March. During the same period, the value of LIC and retail holdings rose 6.3 per cent to ₹7.24 trillion and 7.4 per cent to ₹13.63 trillion, respectively, showed an analysis done by PRIME Database. Although in percentage terms, the shareholding of LIC and FPI fell by a few basis points, that of retail remained unchanged at 6.9 per cent.

On an overall basis, retail holding went up in 863 companies listed on the NSE

in the March quarter. The average stock price of these companies in the same period increased by 5.52 per cent. On the other hand, retail holding went down in 713 companies. The average stock price of these companies increased by a much higher 15.57 per cent.

Pranav Haldea, managing director, PRIME Database Group, said this further validated the oft-used phrase that "retail buys at the peak and sells at lows".

The holding of mutual funds (MFs) declined for four consecutive quarters, after 24 quarters of continuous rise. MF holding in listed companies rose from 2.81 per cent in March 2014 to 7.96 per cent in March 2020. Since then, it has come down to 7.23 per cent.

The decline in MF holding in on the back of outflows from equity schemes.

Overall, domestic institutional investors (DII), which include domestic mutual funds, insurance companies, and financial institutions, holding fell to a 10-quarter low of 13.03 per cent. The decline was due to the decrease in holdings of mutual funds and insurance companies. The net outflows from DIIs stood at ₹23,124 crore during the March quarter.