

Retail ownership in NSE companies at all-time high

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Retail ownership of companies listed on the National Stock Exchange (NSE) reached an all-time high in the June quarter, with participation of individual investors in India's capital markets surging through a period of sustained gains for the broadest benchmark indices. A raft of initial share sales also helped burnish D-Street's allure for the ordinary saver.

The share of retail investors in NSE-listed companies as of 30 June was 7.18%, compared with 6.96% in March, or 6.89% five years ago. The previous record was 7.10% in June 2009, when the broadest gauges globally were beginning to clamber out of the subprime sinkhole.

To be sure, ownership of domestic institutional investors (DII) in Indian stock declined to an 11-quarter low. "A buoyant secondary market and a flurry of new listings helped channelise retail savings into the capital markets," said Pranav Haldea, MD, PRIME Database Group. "These trends show the willingness and preference of individual investors to invest directly, rather than indirectly via funds."

Indian benchmarks, which trailed other gauges in the Emerging Markets until



March-end, outperformed in the June quarter on the back of higher volumes, mainly from retail participation that has risen to an all-time high of 73% of total cash market turnover in July. The Nifty index rose 4.8% between January and March, but it has rallied nearly 10% since then.

In value terms, retail holding was at ₹ 16.18 lakh crore on 30 June, increasing 16.07% over the last quarter.

India has added more than 5 million new investors between April and July this year, and 53% of those registered are from states beyond the top five with the highest investor bases. Overall, NSE's registered investor base has now crossed 45 million. Since April 1, 2020, nearly 23.6 million new demat accounts have been added in India.

Ownership of DIIs, including domestic mutual funds, insurance companies, banks, financial institutions and pension funds, declined to 13.19% on 30 June from 13.42% as of 31 March despite net inflows of ₹20,199 crore. Holdings of foreign portfolio investors (FPIs) also fell to 21.66% in the June quarter from 22.46% in March.

Ownership of HNIs increased to 2.10%, from 1.98% in March, taking the combined retail and HNI holding to record 9.28%. "India has seen a major change in savings behaviour with increased savings in the form of financial assets, especially in equities," said Vijay Chandok, MD & CEO, ICICI Securities.

—Rajesh Mascarenhas