

Retail Investors' Ownership In NSE-Listed Cos Hits All Time High In Jun Qtr



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Retail investors' ownership in the companies listed on NSE reached an all-time high in the June quarter, mainly due to buoyant secondary market and a flurry of new listings, a report said on Monday.

As per primeinfobase.com, an initiative of Prime Database Group, the holding of retail investors -- individuals with up to Rs 2 lakh shareholding -- in companies listed on NSE reached a record high of 7.18 per cent in the said period, from 6.96 per cent in the March quarter.

In value terms too, retail holding in companies listed on the National Stock Exchange (NSE) rose to Rs 16.18 lakh crore during the quarter under review from Rs 13.94 lakh crore as of March 2021, indicating an increase of 16 per cent.

The benchmark indices Sensex and Nifty rose by 6.01 and 7.02 per cent, respectively, during this period.

'A buoyant secondary market and a flurry of new listings have helped in channelising retail savings into the capital market,' Pranav Haldea, Managing Director, Prime Database Group, said.

The analysis is based on shareholding patterns filed by 1,666 of the total 1,699 companies listed on NSE (mainboard) for the quarter ended June 30, 2021. As of July 31, as many as 33 companies were still to file their shareholding patterns.

However, the holding of domestic mutual funds in companies listed on NSE slipped marginally to 7.25 per cent as of June 2021, from 7.26 per cent as of March 2021.

According to Haldea, the holding of mutual funds has now declined for five consecutive quarters, after 24 quarters of continuous rise (from 2.80 per cent as of March 2014 to 7.96 per cent as of March 2020).

These trends also show the willingness and preference of individual investors to invest directly, rather than indirectly via mutual funds, he added.

LIC's holding across 295 companies, where its ownership is more than 1 per cent, declined to 3.74 per cent as of June 2021, down from 3.83 per cent in March 2021, and from an all-time high of 5 per cent in June 2012.

In value terms, though, it reached an all-time high of Rs 8.43 lakh crore in the quarter ended June 30, 2021, an increase of 9.88 per cent over the previous quarter.

LIC also continues to command a lion's share of investments in equities by insurance companies (76 per cent share).

The holding of domestic Institutional Investors (DII), which includes domestic mutual Funds, insurance companies, banks, financial institutions, pension funds, as a whole, also decreased to an 11 quarter low of 13.19 per cent as of June 2021 from 13.42 per cent in the preceding quarter.

Further, the shareholding of foreign portfolio investors (FPIs) also dropped to 21.66 per cent during the quarter under review from 22.46 per cent as of March 2021.

(PTI)