

MF holding in NSE-listed firms bucks downtrend

CHIRAG MADIA

Mumbai, 1 November

Sharp inflows into the equity mutual funds (MFs) have led to an increase in holdings of companies listed on the National Stock Exchange (NSE) to 7.36 per cent as on September 30, from 7.25 per cent as on June 30.

Data from Prime Database shows that MFs' holdings increased by 14.82 per cent to an all-time high of ₹18.75 trillion as on September 30, from ₹16.33 trillion on June 30.

According to Pranav Haldea, managing director at PRIME Database Group, there has been an increase in holdings of listed companies in NSE after five consecutive quarters of decline.

"In terms of ownership by number of shares (average of MF holding as a percentage of total share capital across all NSE listed companies), MFs ownership went up marginally to 3.34 per cent as on September 30, from 3.31 per cent on June 30," said the release.

The past few months have seen equity funds receiving inflows on the back of rising equity markets and strong

performance of equity schemes. In Q2, equity funds have seen net inflows of around ₹39,927 crore, shows the data from Association of Mutual Funds in India (Amfi). The companies with the highest MF holdings in value terms as of Q2 were HDFC Bank, ICICI Bank, Infosys, Reliance Industries, and State Bank of India.

Overall, in the last quarter, holdings of MFs went up in 300 companies. The average stock price of these companies in the same period increased by 12.06 per cent. On the other hand, MF holdings decreased

in 387 firms listed on the NSE. The average stock price of these companies increased by a slightly lower 10.62 per cent. Even the holding of foreign portfolio investors (FPIs) in companies listed on the NSE crossed ₹50 trillion for the first time ever to reach an all-time high of ₹54.69 trillion as on September 30.

"This was an increase of 12.03 per cent from ₹48.82 trillion as on June 30 and was primarily driven by an extraordinarily buoyant secondary market during the quarter (Sensex and Nifty rose by 12.66 and 12.07 per cent, respectively, during this period)," said Haldea.

Data from PRIME Database shows that MFs' holdings rose by 14.82 per cent to an all-time high of ₹18.75 trn as on Sept 30