



PRESS RELEASE

10<sup>th</sup> May, 2021

**LIC's HOLDING REACHES ALL TIME LOW, MF's HOLDING DECLINES FOR 4<sup>TH</sup> QUARTER IN A ROW IN MARCH 2021 QUARTER:**  
**[primeinfobase.com](http://primeinfobase.com)**

LIC's holding (across 296 companies where its holding is more than 1 per cent) slipped to an all-time low of 3.66 per cent as on March 31, 2021, down from 3.70 per cent as on December 31, 2020 and from all-time high of 5 per cent as on June 30, 2012, as per [primeinfobase.com](http://primeinfobase.com), an initiative of PRIME Database Group. According to Pranav Haldea, Managing Director, PRIME Database Group, this was on account of profit booking by India's largest institutional investor. In INR value terms though, it reached an all-time high of INR 7.24 lakh crore in quarter ending March 31, 2021, an increase of 6.30 per cent over previous quarter. Sensex and Nifty rose by 3.70 and 5.10 per cent respectively during this period. LIC also continues to command a lion's share of investments in equities by insurance companies (76 per cent share).

Holding of Insurance companies as a whole also declined to a 5 year low of 4.80 per cent as on March 31, 2021 down from 5.00 per cent as on December 31, 2020. In INR value terms, it went up by 3.09 per cent from the previous quarter to an all time high of INR 9.48 lakh crores as on March 31, 2021.

Holding of domestic Mutual Funds in companies listed on NSE also reduced to 7.23 per cent as on March 31, 2021 down from 7.42 per cent as on December 31, 2020. According to Haldea, holding of Mutual Funds has now declined for four consecutive quarters, after 24 quarters of continuous rise (from 2.81 per cent as on March 31, 2014 to 7.96 per cent as on March 31, 2020). Net outflows by domestic Mutual Funds stood at INR 26,810 crore during the quarter, as retail investors booked profits. In INR value terms, the holding of domestic Mutual Funds went up by 4.81 per cent to INR 14.30 lakh crores as on March 31, 2021 from INR 13.64 lakh crores on December 31, 2021.

On the back of decrease in holdings of Mutual Funds and Insurance companies, holding of Domestic Institutional Investors (DII), which includes domestic Mutual Funds, Insurance Companies, Banks, Financial Institutions, Pension Funds etc., as a whole, also decreased to a 10 quarter low of 13.03 per cent as on March 31, 2021 from 13.56 per cent as on December 31, 2020. Net outflows from DIIs stood at INR 23,124 crore during the quarter. In INR value terms, DII holding went up to an all time high of INR 25.75 lakh crore as on March 31, 2021, an increase of 3.27 per cent over the last quarter.

Holding of Foreign Portfolio Investors (FPIs) stood at 22.60 per cent as on March 31, 2021, down from 22.74 per cent as on December 31, 2020, despite net inflows of INR 55,741 crore during the quarter, according to Haldea. In INR value terms, FPI ownership also reached an all-time high of INR 44.66 lakh crore as on March 31, 2021, up 6.77 per cent from INR 41.83 lakh crore as on December 31, 2020.



The percentage holding of the Government (as promoter) in companies listed on NSE increased to 5.60 per cent as on March 31, 2021, from 5.22 per cent as on December 31, 2020. Over a 12-year period (since June 2009), the holding has been steadily declining, from 22.47 per cent as on June 30, 2009, due to the Government's divestment programme, not enough new listings as also lackluster performance of many CPSEs relative to their private peers.

**According to Haldea, retail holding (individuals with up to INR 2 lakh shareholding) in companies listed on NSE remained the same at 6.90 per cent as on March 31, 2021. In INR value terms though, retail holding in companies listed on NSE also reached an all-time high of INR 13.63 lakh crore from INR 12.69 lakh crore on December 31, 2020.**

**On an overall basis, retail holding went up in 863 companies listed on NSE in the last 1 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. According to Haldea, this further validates the oft-used phrase that retail buys at the peak and sells at lows.**

The percentage holding of private promoters in companies listed on NSE increased marginally to 44.85 per cent as on March 31, 2021 from 44.32 per cent on December 31, 2020. Over a 12-year period (since June 2009), private promoter ownership has been steadily increasing, having increased from 33.60 per cent on June 30, 2009. In INR value terms, private promoter holding in companies listed on NSE has gone up over 6 times to INR 88.63 lakh crore from just INR 14.51 lakh crore on June 30, 2009, of course, aided by new listings too. While 'Indian' private promoters holding has gone up from 26.45 per cent to 35.95 per cent over the last 12 years, 'foreign' promoters' holding has gone up from 7.16 per cent to 8.90 per cent.

The gap between FPI and DII holding widened in this quarter, DII holding now being 42.34 per cent lower than FPI holding (On December 31, 2020, DII holding was 40.39 per cent lower than FPI holding). The widest gap between FPI and DII holding was in quarter ending March 31, 2015, when DII holding was 55.43 per cent lower than FPI holding. Over a 12-year period (since June 2009), FPI ownership has increased from 16.02 per cent to 22.60 per cent while DII ownership has increased from 11.38 per cent to 13.03 per cent.

Total institutional ownership viz. FPI and DII declined to 35.63 per cent in quarter ending March 31, 2021, down from 36.30 in quarter ending December 31, 2020.

The top 10 per cent companies by market capitalisation accounted for 91.55 per cent of overall FPI holding as on March 31, 2021 (down from 92.25 per cent on December 31, 2020), 85.15 per cent of overall DII holding (down from 86.69 per cent on December 31, 2020) and 82.29 per cent of overall MF holding (down from 83.72 per cent on December 31, 2020).

Disclosure of holdings of **FPIs by name** is only available for holdings in a company



greater than 1 per cent. What is significant **to note** is that such cases represent only 17.24 per cent of the overall FPI holding (INR 7.69 lakh crore of the INR 44.66 lakh crore). **According to Haldea, 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. It is thus time that complete details of all their holdings are made mandatory to be disclosed in India.**

Holding of High Net Worth Individuals (HNIs) **(individuals with more than INR 2 lakh shareholding)**, in companies listed on NSE remained the same at 2.00 per cent as on March 31, 2021.

**There were 10 companies in which the trinity of promoters, FPIs and DIIIs all increased their stake during the quarter** these being Atul, CG Power & Industrial solutions, Motilal Oswal Financial Services, Nilkamal, Huhtamaki, IIFL Securities, Thirumalai Chemicals, HBL Power Systems, Sreeleathers and Jullundur Motor Agency (Delhi).

*Note: This analysis is based on Shareholding Patterns filed by 1639 of the total 1679 companies listed on NSE (main board) for the quarter ending 31st March 2021. As on 4<sup>th</sup> May, 2021, 40 companies were still to file their shareholding patterns.*

To view detailed report, [Click here](#).

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