



PRESS RELEASE

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RETAIL, HNI SHARE AT ALL TIME HIGH AS FPI SHARE SLUMPS TO 9-YEAR LOW, MF SHARE CONTINUES TO INCREASE, OVERALL INSTITUTIONAL SHARE AT 4-YEAR LOW, LIC SHARE AT ALL TIME LOW IN DECEMBER 2021 QUARTER:
primeinfobase

Share of retail investors (individuals with up to INR 2 lakh shareholding) in companies listed on NSE reached an all-time high of 7.32 per cent as on December 31, 2021, from 7.13 as on September 30, 2021, as per primeinfobase.com, an initiative of PRIME Database Group. In INR value terms too, retail holding in companies listed on NSE reached an all-time high of INR 18.98 lakh crore from INR 18.16 lakh crore on September 30, 2021, an increase of 4.54 per cent, according to Pranav Haldea, Managing Director, PRIME Database Group. This was despite the fact that Sensex and Nifty declined by 1.48 and 1.50 per cent respectively during this period.

Share of High Net Worth Individuals (HNIs) (individuals with more than INR 2 lakh shareholding) in companies listed on NSE also reached an all-time high of 2.26 per cent as on December 31, 2021 from 2.12 percent on September 30, 2021, thus taking the combined retail and HNI share to also an all-time high of 9.58 per cent.

According to Haldea, this is a result of a combination of several factors including sharp rally in the stock market, more disposable income and time, lack of alternative investment avenues due to low interest rates and improvement in technology. Individual investors have now emerged as a strong counter balancing force to foreign investors.

According to Haldea, net outflows from Foreign Portfolio Investors (FPIs) of a huge INR 38,521 crore during the quarter resulted in FPIs share declining to a 9-year low of 20.74 per cent as on December 31, 2021, from 21.46 per cent as on September 30, 2021. Most notably, FPIs pulled out INR 44,820 crore from Financial Services and Software sector during the quarter while investing INR 20,334 crore in Retail. Holding of FPIs (in INR value terms) in companies listed on NSE stood at INR 53.78 lakh crore as on December 31, 2021, a decrease of 1.67 per cent from INR 54.69 lakh crore as on September 30, 2021.

According to Haldea, share of domestic Mutual Funds in companies listed on NSE continued to rise and reached 7.47 per cent as on December 31, 2021, up from 7.36 per cent as on September 30, 2021. This was after 5 quarters of consecutive decline from March 31, 2020 (7.96 per cent) to June 30, 2021 (7.25 per cent). The share has increased on the back of net inflows by domestic Mutual Funds of a huge INR 51,909 crore during the quarter. In INR value terms too, the holding of domestic Mutual Funds went up by 3.26 per cent to an all-time high of INR 19.36 lakh crore as on December 31, 2021 from INR 18.75 lakh crore on September 30, 2021.



The share of retail, HNI and domestic Mutual Funds put together also reached an all-time high of 17.05 per cent as on December 31, 2021, up from 16.61 per cent as on September 30, 2021.

LIC's share (across 278 companies where its holding is more than 1 per cent) declined marginally to an all-time low of 3.67 per cent as on December 31, 2021 from 3.69 per cent as on September 30, 2021 and from all-time high of 5 per cent as on June 30, 2012. In INR value terms though, it reached an **all-time high of INR 9.53 lakh crore** in quarter ending December 31, 2021, an increase of 1.46 per cent over previous quarter. LIC also continues to command a lion's share of investments in equities by insurance companies (77 per cent share).

Share of Insurance companies as a whole declined to a 6-year low of 4.79 per cent as on December 31, 2021 down from 4.81 per cent as on September 30, 2021. In INR value terms though, it went up by 1.30 per cent from the previous quarter to an **all-time high of INR 12.42 lakh crore** as on December 31, 2021.

Share of Domestic Institutional Investors (DIIs), which includes domestic Mutual Funds, Insurance Companies, Banks, Financial Institutions, Pension Funds etc., as a whole, increased to 13.22 per cent as on December 31, 2021 from 13.12 per cent as on September 30, 2021, on the back of net inflows from DIIs of a huge INR 66,262 crore during the quarter. In INR value terms, DII holding too went up to an **all time high of INR 34.27 lakh crore** as on December 31, 2021, an increase of 2.48 per cent over the last quarter.

Following from above, total institutional share viz. FPI and DII declined to a 3-year low of 33.95 per cent in quarter ending December 31, 2021, down from 34.59 in quarter ending September 30, 2021.

The gap between FPI and DII holding decreased in this quarter, DII holding now being 36.28 per cent lower than FPI holding (On September 30, 2021, DII holding was 38.86 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 55.44 per cent lower than FPI holding. Over a 12-year period (since June 2009), FPI share has increased from 16.03 per cent to 20.74 per cent while DII share has increased from 11.39 per cent to 13.22 per cent.

The top 10 per cent companies by market capitalisation accounted for a huge 90.21 per cent of overall FPI holding as on December 31, 2021 (down from 90.59 per cent on September 30, 2021), 83.86 per cent of overall DII holding (down from 84.15 per cent on September 30, 2021) and 80.64 per cent of overall MF holding (down from 81.20 per cent on September 30, 2021), showing high levels of concentration in holdings of institutional investors.

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 15.67 per cent of the overall FPI holding (INR 8.43 lakh crore of the INR 53.78 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.

The share of the Government (as promoter) in companies listed on NSE decreased to 5.26 per cent as on December 31, 2021, from 5.56 per cent as on September 30, 2021. Over a 12-year period (since June 2009), the share has been steadily declining, from 22.48 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. In INR value terms, Government holding in companies listed on NSE decreased by 3.77 per cent to INR 13.63 lakh crore from INR 14.16 lakh crore on September 30, 2021.

The share of private promoters in companies listed on NSE increased to 45.15 per cent as on December 31, 2021 from 44.89 per cent on September 30, 2021. Over a 12-year period (since June 2009), private promoter share 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 8 times to INR 117.07 lakh crore from just INR 14.50 lakh crore on June 30, 2009, of course, aided by new listings too. While ‘Indian’ private promoters share has gone up from 26.43 per cent to 36.89 per cent over the last 12 years, ‘foreign’ promoters’ share has gone up from 7.17 per cent to just 8.26 per cent.

There were 8 companies in which the trinity of promoters, FPIs and DIIs all increased their stake during the quarter these being Tanla Platforms, CCL Products (India), Man Infraconstruction, Advanced Enzyme Technologies, V.S.T.Tillers Tractors, PSP Projects, Nitin Spinners and Chembond Chemicals.

Who is the wisest of them all?

	September to December 2021 quarter			
	No. of companies where holding increased	Average stock price change during the quarter (%)	No. of companies where holding decreased	Average stock price change during the quarter (%)
FPIs	711	14.47	502	2.05
DIIs	410	5.95	475	9.92
MFs	374	3.41	303	3.26
Insurance Companies	186	2.23	276	5.34
LIC	85	0.69	99	4.88
Private Promoters	155	18.02	268	15.02
GOI (as Promoter)	0	N.A.	0	N.A.



Retail	871	15.51	759	20.35
HNI	705	13.86	751	24.16

Source: primeinfobase.com

Note: This analysis is based on Shareholding Patterns filed by 1714 of the total 1768 companies listed on NSE (main board) for the quarter ending December 31, 2021. As on January 22, 2021, 54 companies were still to file their shareholding patterns.

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

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