



PRESS RELEASE

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DOMESTIC INVESTOR HOLDING AT ALL TIME HIGH AS FPI SHARE SLUMPS TO 10-YEAR LOW IN JUNE 2022 QUARTER: primeinfobase.com

Share of Domestic Institutional Investors (DIIs), which includes domestic Mutual Funds, Insurance Companies, Banks, Financial Institutions, Pension Funds etc., as a whole, along with retail and High Net-worth Individual (HNI) investors reached an all time high of 23.53 per cent as on June 30, 2022 from 23.34 per cent as on March 31, 2022, on the back of net inflows from DIIs of a huge INR 1,28,277 crore during the quarter, as per primeinfobase.com, an initiative of PRIME Database Group.

Meanwhile, net outflows from Foreign Portfolio Investors (FPIs) of INR 1,07,340 crore during the quarter resulted in FPIs share declining further to a 10-year low of 19.20 per cent as on June 30, 2022, down by 96 bps from 20.16 per cent as on March 31, 2022.

According to Pranav Haldea, Managing Director, PRIME Database Group, this further showcases the rise of domestic investors and the huge counter balancing role they have played to foreign investors. To also put this in perspective, as on March 31, 2015, FPI share was 23.30 per cent while the combined share of DII, retail and HNI was just 18.47 per cent.

Following from the above, the gap between FPI and DII holding decreased to its lowest level in this quarter, DII holding now being just 26.77 per cent lower than FPI holding (On March 31, 2022, DII holding was 31.99 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 55.45 per cent lower than FPI holding. The FPI to DII ownership ratio also declined to all time low of 1.37 as on June 30, 2022 down from 1.47 as on March 31, 2022. Over a 13-year period (since June 2009), FPI share has increased from 16.02 per cent to 19.20 per cent while DII share has increased from 11.38 per cent to 14.06 per cent.

The total institutional investor share viz. FPI and DII declined to a 7-year low of 33.25 per cent in quarter ending June 30, 2022, down from 33.87 in quarter ending March 31, 2022.

Share of domestic Mutual Funds in companies listed on NSE rose for the fourth quarter running and reached a 2-year high of 7.95 per cent as on June 30, 2022, up from 7.75 per cent as on March 31, 2022. 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 INR 73,857 crore during the quarter. In INR value terms though, the holding of domestic Mutual Funds went down by 5.52 per cent to INR 18.88 lakh crore as on June 30, 2022 from INR 19.99 lakh crore on



March 31, 2022. Sensex and Nifty declined by 9.48 and 9.65 per cent respectively during this period.

Share of Insurance companies as a whole also rose to 5.15 per cent as on June 30, 2022 up from 5.00 per cent as on March 31, 2022. In INR value terms though, it again went down by 5.01 per cent from the previous quarter to INR 12.24 lakh crore as on June 30, 2022. **LIC continues to command a lion's share of investments in equities by insurance companies (at least 76 per cent share or INR 9.30 lakh crore).** LIC's share (across 286 companies where its holding is more than 1 per cent) rose to 3.92 per cent as on June 30, 2022 from 3.83 per cent as on March 31, 2022

Share of DIIs as a whole thus increased to 14.06 per cent as on June 30, 2022 from 13.71 per cent as on March 31, 2022. In INR value terms though, DII holding also went down to INR 33.40 lakh crore as on June 30, 2022, a decrease of 5.54 per cent over the last quarter.

Share of retail investors (individuals with up to INR 2 lakh shareholding in a company) in companies listed on NSE declined marginally to 7.40 per cent as on June 30, 2022, from 7.42 as on March 31, 2022. In INR value terms too, retail holding reduced to INR 17.58 lakh crore from INR 19.15 lakh crore on March 31, 2022, a decrease of 8.18 per cent.

Share of High Net Worth Individuals (HNIs) (**individuals with more than INR 2 lakh shareholding in a company**) in companies listed on NSE also declined to 2.08 per cent as on June 30, 2022 from 2.21 percent on March 31, 2022. **As such, the combined retail and HNI share stood at 9.47 per cent as on June 30, 2022, down from 9.63 per cent as on March 31, 2022.**

While the share of retail and HNI investors came down, the collective share of retail, HNI and domestic Mutual Funds put together reached an all-time high of 17.42 per cent as on June 30, 2022, up from 17.38 per cent as on March 31, 2022.

Holding of FPIs (in INR value terms) in companies listed on NSE stood at INR 45.62 lakh crore as on June 30, 2022, a decrease of 12.26 per cent from INR 51.99 lakh crore as on March 31, 2022. FPIs pulled out INR 69,476 crore from Financial Services and Information Technology sector during the quarter while investing INR 5,087 crore in Services & Healthcare.

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 15.42 per cent of the overall FPI holding (INR 7.03 lakh crore of the INR 45.62 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 top 10 per cent companies by market capitalisation accounted for a huge 90.68 per cent of overall FPI holding as on June 30, 2022 (up from 90.51 per cent on March 31, 2022), 85.61 per cent of overall DII holding (up from 85.19 per cent on March 31, 2022) and 82.93 per cent of overall MF holding (up from 82.65 per cent on March 31, 2022), showing high levels of concentration in holdings of institutional investors.

The share of the Government (as promoter) in companies listed on NSE saw a huge spike and reached 7.15 per cent as on June 30, 2022, from 5.48 per cent as on March 31, 2022. According to Haldea, this was primarily on account of the mega IPO of LIC. Over a 13-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 increased by a huge 20.24 per cent to INR 16.99 lakh crore from INR 14.13 lakh crore on March 31, 2022, again attributable to LIC.

The share of private promoters in companies listed on NSE declined to 44.33 per cent as on June 30, 2022 from 45.12 per cent on March 31, 2022. Over a 13-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 7 times to INR 105.32 lakh crore from just INR 14.49 lakh crore on June 30, 2009, of course, aided by new listings too. While ‘Indian’ private promoters share has gone up from 26.44 per cent to 35.67 per cent over the last 13 years, ‘foreign’ promoters’ share has gone up from 7.16 per cent to just 8.66 per cent.

There were 10 companies in which the trinity of promoters, FPIs and DIIs all increased their stake during the quarter these being (in descending order by market capitalisation) Escorts Kubota, Great Eastern Shipping Co., KRBL, Delta Corp, Maharashtra Seamless, NCC, Apcotex Industries, Mold-Tek Packaging, PSP Projects and Zota Health Care.

Who is the wisest of them all?

	March 2022 to June 2022 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	517	-5.61	738	-10.80
DIIs	460	-7.26	439	-4.28
MFs	383	-7.52	315	-8.51
Insurance Companies	213	-9.77	230	0.12
LIC	90	-9.58	75	-5.12
Private Promoters	193	-5.36	247	-11.13



GOI (as Promoter)	2	-4.39	1	-7.54
Retail	975	-10.43	730	-1.03
HNI	776	-6.87	737	-6.16

Source: primeinfobase.com

Note: This analysis is based on Shareholding Patterns filed by 1770 of the total 1808 companies listed on NSE (main board) for the quarter ending June 30, 2022. As on July 22, 2022, 38 companies were still to file their shareholding patterns. The data coverage is from June 2009 onwards.

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

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