



PRESS RELEASE

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**DOMESTIC INVESTOR HOLDING AT ALL TIME HIGH AS FPI
SHARE SLUMPS TO 10-YEAR LOW IN SEPTEMBER 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 24.03 per cent as on September 30, 2022 from 23.54 per cent as on June 30, 2022, on the back of net inflows from DIIs of INR 17,597 crore during the quarter, as per primeinfobase.com, an initiative of PRIME Database Group.

Meanwhile, despite net inflows from Foreign Portfolio Investors (FPIs) of INR 48,570 crore during the quarter, FPI share declined further to a 10-year low of 19.03 per cent as on September 30, 2022, down by 17 bps from 19.20 per cent as on June 30, 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 22.30 per cent lower than FPI holding (On June 30, 2022, DII holding was 26.74 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 an all time low of 1.29 as on September 30, 2022 down from 1.37 as on June 30, 2022.** Over a 13-year period (since June 2009), FPI share has increased from 16.02 per cent to 19.03 per cent while DII share has increased from 11.38 per cent to 14.79 per cent.

The total institutional investor share viz. FPI and DII reached 33.82 per cent in quarter ending September 30, 2022, up from 33.26 in quarter ending June 30, 2022.

Share of domestic Mutual Funds in companies listed on NSE rose for the fifth quarter running and reached an all time high of 7.97 per cent as on September 30, 2022, up from 7.95 per cent as on June 30, 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 22,193 crore during the quarter. In INR value terms, the holding of domestic Mutual Funds went up by 12.03 per cent to INR 21.15 lakh crore as on September 30, 2022 from INR 18.88 lakh crore on June 30, 2022 (Sensex and Nifty increased by 8.31 and 8.33 per cent respectively during this



period). **Mutual Funds increased their exposure to Financial Services and Consumer Discretionary sectors while trimming down their exposure to Information Technology and Energy.**

Share of Insurance companies as a whole saw a massive increase to 5.57 per cent as on September 30, 2022 up from 5.15 per cent as on June 30, 2022. In INR value terms, it went up by a huge 20.77 per cent from the previous quarter to INR 14.79 lakh crore as on September 30, 2022. **LIC continues to command a lion's share of investments in equities by insurance companies (at least 69 per cent share or INR 10.27 lakh crore).** LIC's share (across 270 companies where its holding is more than 1 per cent), however, declined to 3.87 per cent as on September 30, 2022 from 3.92 per cent as on June 30, 2022. **Insurance companies increased their exposure to Financial Services and Commodities sectors while trimming down their exposure also to Information Technology and Energy.**

Share of DIIs as a whole thus increased to an all time high of 14.79 per cent as on September 30, 2022 from 14.06 per cent as on June 30, 2022. In INR value terms, DII holding also went up to INR 39.26 lakh crore as on September 30, 2022, an increase of 17.46 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 7.33 per cent as on September 30, 2022, from 7.40 as on June 30, 2022. In INR value terms, retail holding increased to INR 19.47 lakh crore from INR 17.59 lakh crore on June 30, 2022, an increase of 10.64 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 1.90 per cent as on September 30, 2022 from 2.08 percent on June 30, 2022. As such, the combined retail and HNI share stood at 9.24 per cent as on September 30, 2022, down from 9.48 per cent as on June 30, 2022. The collective share of retail, HNI and domestic Mutual Funds put together also came down to 17.21 per cent as on September 30, 2022, down from 17.43 per cent as on June 30, 2022.

Holding of FPIs (in INR value terms) in companies listed on NSE stood at INR 50.52 lakh crore as on September 30, 2022, an increase of 10.73 per cent from INR 45.62 lakh crore as on June 30, 2022. **FPIs pulled out INR 21,878 crore from Information Technology and Oil, Gas & Consumable Fuels sector during the quarter while investing INR 22,689 crore in Financial 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 15.51 per cent of the overall FPI holding (INR 7.83 lakh crore of the INR 50.52 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 90.59 per cent of overall FPI holding as on September 30, 2022 (down from 90.71 per cent on June 30, 2022), 85.95 per cent of overall DII holding (up from 85.71 per cent on June 30, 2022) and 81.89 per cent of overall MF holding (down from 82.74 per cent on June 30, 2022), showing high levels of concentration in holdings of institutional investors.

The share of the Government (as promoter) in companies listed on NSE declined to 6.85 per cent as on September 30, 2022, after having risen to 7.15 per cent as on June 30, 2022 (from 5.48 per cent as on March 31, 2022) on account of the LIC IPO. 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 7.06 per cent to INR 18.19 lakh crore from INR 16.99 lakh crore on June 30, 2022.

The share of private promoters in companies listed on NSE increased to 44.61 per cent as on September 30, 2022 from 44.32 per cent on June 30, 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 8 times to INR 118.44 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 35.68 per cent over the last 13 years, 'foreign' promoters' share has gone up from 7.16 per cent to just 8.93 per cent.

There were 11 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) Astral, Uno Minda, Atul, Maharashtra Seamless, Share India Securities, Mirza International, Sarda Energy & Minerals, Meghmani Organics, Mrs.Bectors Food Specialities, NCL Industries and Poddar Housing & Development.

Holding of shareholders across sectors

	Private Promoters	GOI (Promoter)	FPI	MF	Insurance Companies	Retail	HNI	Others	Total
COMMODITIES	55.82	3.86	12.06	5.92	5.03	8.33	2.08	6.90	100
CONSUMER DISCRETIONARY	53.73	0.99	15.85	8.16	3.82	7.94	2.39	7.12	100
DIVERSIFIED	69.00	-	3.67	3.53	3.24	9.66	1.06	9.84	100
ENERGY	43.34	11.28	20.82	5.21	7.99	6.12	0.81	4.43	100
FAST MOVING CONSUMER GOODS	50.36	-	13.87	5.47	8.13	9.94	1.17	11.06	100
FINANCIAL SERVICES	23.92	16.18	28.35	10.91	5.53	6.50	2.03	6.58	100

HEALTHCARE	50.68	0.01	17.91	10.52	4.88	7.60	3.06	5.34	100
INDUSTRIALS	41.20	9.71	10.91	10.72	5.34	11.40	2.53	8.20	100
INFORMATION TECHNOLOGY	54.07	-	20.25	7.41	6.02	7.07	1.95	3.23	100
SERVICES	51.19	6.43	15.85	6.38	4.58	4.81	2.21	8.54	100
TELECOMMUNICATION	56.18	1.81	19.35	8.37	5.26	3.35	1.62	4.04	100
UTILITIES	49.34	13.84	16.62	3.80	4.14	3.50	0.90	7.84	100
NOT KNOWN	53.14	-	-	-	-	45.47	-	1.39	100

Source: primeinfobase.com

Who is the wisest of them all?

	June 2022 to September 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	764	19.47	552	12.00
DIIs	482	17.09	479	17.27
MFs	358	15.83	335	15.43
Insurance Companies	270	16.27	262	15.38
LIC	72	7.74	105	11.31
Private Promoters	159	17.76	299	14.16
GOI (as Promoter)	0	N.A.	0	N.A.
Retail	827	10.80	901	22.34
HNI	649	20.70	909	14.60

Source: primeinfobase.com

Note: This analysis is based on Shareholding Patterns filed by 1776 of the total 1828 companies listed on NSE (main board) for the quarter ending September 30, 2022. As on October 22, 2022, 52 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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