



PRESS RELEASE

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**MF HOLDING AT ALL TIME HIGH, LIC AT ALL TIME LOW AS
DIIs CLOSE IN FURTHER ON FIIs IN DEC'23 QUARTER:**
primeinfobase.com

The share of domestic Mutual Funds (MFs) in companies listed on NSE rose to an all-time high of 8.81 per cent as on December 31, 2023, from 8.73 per cent as on September 30, 2023, powered by strong net inflows of INR 58,198 crore during the quarter, as per primeinfobase.com, an initiative of PRIME Database Group.

Meanwhile, Life Insurance Corp. of India (LIC), India's largest institutional investor, saw its share (across 277 companies where its holding is more than 1 per cent) declining to an all-time low of 3.64 per cent as on December 31, 2023 from 3.73 per cent as on September 30, 2023. According to Pranav Haldea, Managing Director, PRIME Database Group, this was primarily on account of profit booking to take advantage of bullish markets. Insurance companies, as a whole, sold a net of INR 15,622 crore during the quarter, a major part of which is attributable to LIC since LIC commands a lion's share of investments in equities by insurance companies (at least 68 per cent share or INR 13.02 lakh crore).

As such, the share of Domestic Institutional Investors (DIIs)[#] as a whole decreased marginally to 15.96 per cent as on December 31, 2023 from 15.99 per cent as on September 30, 2023, despite net inflows of INR 54,925 crore during the quarter. The share of Foreign Institutional Investors (FIIs)[^] also declined to 18.19[@] per cent as on December 31, 2023, down by 21 bps from 18.40 per cent as on September 30, 2023, again despite net inflows from FIIs of INR 50,588 crore during the quarter.

Following from the above, the combined share of institutional investors viz. FII and DII also declined to 34.15 per cent in quarter ending December 31, 2023, down from 34.39 in quarter ending September 30, 2023.

DIIs seems set to overtake the FIIs in the next few quarters. The gap between FII and DII holding narrowed further to an all-time low in this quarter with DII holding now being just 12.23 per cent lower than FII holding. The widest gap between FII and DII holding was in quarter ending March 31, 2015, when DII holding was 49.82 per cent lower than FII holding. The FII to DII ownership ratio also decreased to an all-time low of 1.14 as on December 31, 2023 from an all-time high of 1.99 in quarter ending March 31, 2015.

DIIs increased their allocation most to Utilities (from 2.93 per cent of their total holding in September 2023 to 3.31 per cent of their total holding in December 2023) while they decreased their allocation most to Financial Services (27.60 to 26.92). FIIs too increased

their allocation most to Utilities (3.40 to 3.84) while they decreased their allocation also most to Financial Services (31.90 to 30.90).

Meanwhile, the share of the Government (as promoter) increased to a 6-year high of 9.38 per cent as on December 31, 2023 on the back of strong performance of several PSUs, including LIC (The BSE PSU Index rose by 23 per cent as against a 10 per cent increase in Sensex during the period). However, to put this in perspective, over a 15-year period, the share of the Government has declined considerably, from 22.48 per cent as on June 30, 2009, primarily due to the Government's divestment programme and not enough new listings. On the other hand, the share of private promoters declined to a 5-year low of 41.31 per cent as on December 31, 2023. Over the last one year alone, it has fallen by 330 basis points from 44.61 per cent on September 30, 2022. According to Haldea, stake sales by promoters to take advantage of bullish markets, relatively lower promoter holding in some of the companies now coming out with IPOs & getting listed and also overall institutionalization of market has resulted in this.

The share of retail investors (individuals with up to INR 2 lakh shareholding in a company) decreased marginally to 7.57 per cent as on December 31, 2023 from 7.62 percent on September 30, 2023. Retail investors sold a net of INR 12,163 crore during the quarter. Meanwhile, the share of High Net Worth Individuals (HNIs) (individuals with more than INR 2 lakh shareholding in a company) increased slightly to 2.06 per cent as on December 31, 2023 from 2.05 percent on September 30, 2023. **As such, the combined retail and HNI share declined to 9.63 per cent as on December 31, 2023 from 9.68 per cent as on September 30, 2023. The combined retail, HNI and MF share, however, reached an all-time high of 18.44 per cent as on December 31, 2023.**

There were 13 companies in which the trinity of promoters, FIIs and DIIs all increased their stake during the quarter these being (in descending order by market capitalisation) Westlife Foodworld, Gujarat Narmada Valley Fertilizers & Chemicals, Wonderla Holidays, Ami Organics, Thangamayil Jewellery, Unichem Laboratories, Shankara Building Products, Snowman Logistics, Bajaj Healthcare, Associated Alcohols & Breweries, Macpower CNC Machines, Sukhjit Starch & Chemicals and Chembond Chemicals.

[#] includes domestic MFs, Insurance Companies, Banks, Financial Institutions, Pension Funds, Non-Banking Financial Companies (NBFCs), Domestic Sovereign Wealth Funds (SWFs), Asset Reconstruction Companies (ARCs) etc.
[^] includes Foreign Portfolio Investors (FPIs), Foreign Direct Investment (FDI), Foreign SWFs and ownership through Depository Receipts (DRs) held by custodians
 @The 'Non-Promoter Non-Public shares held by Custodians/DR Holders' had been included by us in the FII holding till our March 2023 report. From June 2023 onwards, as also on a retrospective basis, this has now been excluded from FII holding. All shares underlying DRs, irrespective of the investor category they were being categorised under, were also being included by us in the FII holding. From June 2023 onwards, as also on a retrospective basis, this has been clubbed with the respective holdings for all categories (FIIs, Foreign Companies, Bodies Corporate etc.).

Who is the wisest of them all?

	September 2023 to December 2023 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 (%)
FII s	718	20.01	689	12.12
DII s	621	16.18	539	14.26
MF s	566	14.68	336	13.38
Insurance Companies	279	14.71	354	15.83
LIC	58	10.56	111	18.75
Private Promoters	118	19.98	370	18.61
GOI (as Promoter)	0	N.A.	4	14.46
Retail	1007	13.99	869	20.22
HNI	758	18.18	921	17.08

Source: primeinfobase.com

Note: This analysis is based on Shareholding Patterns filed by 1936 of the total 1963 companies listed on NSE (main board) for the quarter ending December 31, 2023. As on January 22, 2024, 27 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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