

PRESS RELEASE

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MFs RAPIDLY CATCHING UP WITH FIIs- AND HOW: primeinfobase.com

Domestic Mutual Funds (MFs) are now rapidly catching up with Foreign Institutional Investors (FIIs)^ with the gap in their share in companies listed on NSE declining by a huge 71 basis points in the quarter ending September 30, 2025 to reach just 5.78 per cent, as per primeinfobase.com, an initiative of PRIME Database Group. The gap has nearly halved in the last two years alone from 10.32 per cent as on June 30, 2023. At its peak, the gap was 17.15 per cent on March 31, 2015 with FII share at 20.71 per cent and MF share at just 3.56 per cent.

While the share of FIIs further declined to a 13-year low of 16.71[@] per cent as on September 30, 2025 (from 17.05 per cent as on June 30, 2025), the share of MFs reached yet another all-time high of 10.93 per cent as on September 30, 2025 (up from 10.56 per cent as on June 30, 2025), the ninth consecutive quarter of increase.

According to Pranav Haldea, Managing Director, PRIME Database Group, Indian markets are continuing their steadfastly march towards even more *atmanirbharta* (self reliance), with the day not too far when the share of MFs alone shall be greater than that of FIIs. This trend started with demonetisation and accelerated during Covid. MFs, flush with retail money coming through SIPs, invested INR 1.64 lakh crore during the quarter on a net basis with FII outflows at INR 76,619 crore (outflow of INR 98,216 crore in secondary market and inflow of INR 21,597 crore in primary market) during the quarter.

On the back of the rise in the share of MFs, and after having already overtaken FIIs in the quarter ending March 2025, the **share of Domestic Institutional Investors (DIIs)[#] also reached yet another all-time high of 18.26 per cent as on September 30, 2025**, up from 17.82 per cent as on June 30, 2025, with a net investment of INR 2.21 lakh crore during the quarter. **According to Haldea, while MFs of course played a key role, Insurance companies, AIFs and PMS also played their part with net buy* values of INR 5,498 crore, INR 3,661 crore and INR 3,324 crore respectively during the quarter.**

The share of retail (individuals with up to INR 2 lakh shareholding in a company) declined to 7.43 per cent as on September 30, 2025, from 7.53 per cent as on June 30, 2025 while the share of High Net Worth Individual (HNI) investors (more than INR 2 lakh) increased to 2.09 per cent from 2.05 per cent during the period. As such, the **combined retail and HNI share declined marginally to 9.52 per cent from 9.58 per cent during the quarter**, with individual investor being net sellers to the tune of INR 9,562 crore during the quarter.

According to Haldea, for years, FIIs have been the largest non-promoter shareholder category in the Indian market with their investment decisions having a huge bearing on the overall direction of the market. This is no longer the case. DIIs along with retail & HNIs have now been playing a strong countervailing role with their combined share reaching an all-time high of 27.78 per cent as on September 30, 2025. While FIIs continue to remain an important constituent, their stranglehold on the Indian capital market has come down.

DIIs increased their allocation most to Consumer Discretionary (from 15.16 per cent of their total holding as on June 30, 2025 to 16.31 per cent of their total holding as on September 30, 2025) while they **decreased their allocation most to Information Technology** (8.74 to 8.07). **FIIs too increased**

their allocation most to **Consumer Discretionary** (16.15 to 17.36) while also **decreasing** their allocation most to **Financial Services** (31.38 to 30.92).

After 3 quarters of decline, the share of private promoters increased to **40.70** per cent as on **September 30, 2025** from **40.58** per cent as on **June 30, 2025**, despite a net sell value of **INR 24,055 crore** during the quarter. However, it should be noted that over the last 4 years, their share has fallen by **446 basis points** from **45.16** per cent on **December 31, 2021**. While 'Indian' private promoters share has gone down from **36.89** per cent to **32.39** per cent, 'foreign' promoters' share has gone up marginally from **8.28** per cent to **8.31** per cent during this period.

There were 16 companies in which the trinity of Promoters, FIs and DIs all increased their stake during the quarter these being (in descending order by market capitalisation) Healthcare Global Enterprises, Ethos, Cupid, Thangamayil Jewellery, Ashapura Minechem, Marine Electricals, Eveready Industries, Spandana Sphoorty, Rashi Peripherals, India Pesticides, Ador Welding, Tembo Global Industries, International Conveyors, Mold-Tek Technologies, Asahi Songwon Colors and Usha Martin Education & Solutions.

[^] includes Foreign Portfolio Investors (FPIs), Foreign Direct Investment (FDI), Foreign SWFs and ownership through Depository Receipts (DRs) held by custodians

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.

* calculated by multiplying the difference in December and March shareholding by the volume weighted average closing price during the quarter

@The 'Non-Promoter Non-Public shares held by Custodians/DR Holders' had been included by us in the FI holding till our March 2023 report. From June 2023 onwards, as also on a retrospective basis, this has now been excluded from FI holding. All shares underlying DRs, irrespective of the investor category they were being categorized under, were also being included by us in the FI holding. From June 2023 onwards, as also on a retrospective basis, this has been clubbed with the respective holdings for all categories (FIs, Foreign Companies, Bodies Corporate etc.).

Who is the wisest of them all?

Rank		June 2025 to September 2025 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 (%)	Change in Average stock price (%)
1	FIs	710	1.84	983	-5.59	7.43
2	HNI	926	-0.84	907	-4.18	3.34
3	Private Promoters	186	-2.17	381	-2.34	0.17
3	DIs	716	-2.55	588	-2.72	0.17
5	MFs	566	-3.13	414	-3.06	-0.07
6	LIC	68	-5.55	94	-1.14	-4.41
7	Insurance Companies	332	-5.34	345	-0.33	-5.01
8	GOI (as Promoter)	0	0	1	6.35	-6.35
9	Retail	1083	-6.55	972	1.78	-8.33

Source: primeinfobase.com

Note: This analysis is based on Shareholding Patterns filed by 2153 of the total 2191 companies listed on NSE (main board) for the quarter ending September 30, 2025. As on October 27, 2025, 38 companies were still to file their shareholding patterns. The data coverage is from June 2009 onwards.



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

To download consolidated historical shareholding data for all companies and companies belonging to Nifty-500 & Nifty-200 along with changes in sectoral allocation, [Click here](#).