



PRESS RELEASE

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MFs NARROW THE GAP TO FIIs IN DEC QUARTER: primeinfobase.com

Domestic Mutual Funds (MFs) continued to narrow the gap with Foreign Institutional Investors (FIIs)[^] with the gap in their share in companies listed on NSE declining by 24 basis points in the quarter ending December 31, 2025 to reach just 5.50 per cent, as per primeinfobase.com, an initiative of PRIME Database Group. The gap has nearly halved in the last three years alone from 10.51 per cent as on December 31, 2022. At its peak, the gap was 17.14 per cent on March 31, 2015 with FII share at 20.70 per cent and MF share at just 3.56 per cent.

While the share of FIIs further declined to a 13-year low of 16.60[@] per cent as on December 31, 2025 (from 16.68 per cent as on September 30, 2025), the share of MFs reached yet another all-time high of 11.10 per cent as on December 31, 2025 (up from 10.94 per cent as on September 30, 2025), the tenth consecutive quarter of increase.

According to Pranav Haldea, Managing Director, PRIME Database Group, the balance of ownership in Indian equities is tilting inward, reinforcing the market's growing *atmanirbharta* (self-reliance), as MFs alone seem set to overtake FIIs in the coming quarters. This trend started with demonetisation in 2016 and accelerated during Covid years. MFs, flush with retail money coming through SIPs, invested INR 1.06 lakh crore during the quarter on a net basis with FII outflows at INR 11,765 crore (outflow of INR 42,090 crore in secondary market and inflow of INR 30,325 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 18.72 per cent as on December 31, 2025, up from 18.28 per cent as on September 30, 2025, with a net investment of INR 2.09 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* amounts of INR 21,490 crore, INR 367 crore and INR 1,205 crore respectively during the quarter.

The share of retail (individuals with up to INR 2 lakh shareholding in a company) declined to a 4-year low of 7.25 per cent as on December 31, 2025, from 7.45 per cent as on September 30, 2025 while the share of High Net Worth Individual (HNI) investors (more than INR 2 lakh) decreased to 2.03 per cent from 2.09 per cent during the period. As such, the combined retail and HNI share declined to a 3-year low of 9.28 per cent from 9.54 per cent during the quarter, with individual investors being net sellers to the tune of INR 57,404 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 28 per cent as on December 31, 2025. While FIIs continue to remain an important constituent, their stranglehold on the Indian capital market has come down.

DIIIs increased their allocation most to Financial Services (from 27.46 per cent of their total holding as on September 30, 2025 to 28.34 per cent of their total holding as on December 31, 2025) while they **decreased their allocation most to Consumer Discretionary** (16.24 to 15.72). **FIIIs too increased their allocation most to Financial Services** (30.98 to 31.85) while also **decreasing their allocation most to Consumer Discretionary** (17.31 to 16.12).

The share of private promoters increased marginally to 40.76 per cent as on December 31, 2025 from 40.73 per cent as on September 30, 2025, with a net buy amount of INR 22,742 crore during the quarter. However, over the last 4 years, their share has fallen by 446 basis points from 45.22 per cent on December 31, 2021. While 'Indian' private promoters share has gone down from 36.81 per cent to 32.46 per cent, 'foreign' promoters' share has gone down marginally from 8.40 per cent to 8.31 per cent during this period. Meanwhile, the share of the Government (as promoter) in companies listed on NSE decreased to 8.96 per cent from 9.28 per cent during the quarter. **The total promoter holding thus went down to a 5 year low of 49.73 per cent as on December 31, 2025, close to its all-time lowest level of 49.41 per cent as on 31st March 2019.**

There were 19 companies in which the trinity of Promoters, FIIIs and DIIIs all increased their stake during the quarter these being (in descending order by market capitalisation) Anand Rathi Wealth, Kajaria Ceramics, JK Tyre & Industries, HEG, Ashapura Minechem, DCB Bank, Suprajit Engineering, Refex Industries, Share India Securities, Indiabulls, Ador Welding, Pix Transmissions, Asian Granito, Royal Orchid Hotels, SKM Egg Products, Global Education, Chembond Chemicals, Tracxn Technologies and Cords Cable Industries.

^ 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 September and December 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 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 categorized 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 (FIIIs, Foreign Companies, Bodies Corporate etc.).

Who is the wisest of them all?

Rank		September 2025 to December 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	FII s	643	1.69		1038	-5.45	7.14
2	DII s	736	-0.81		621	-3.22	2.40
3	MF s	536	-0.32		426	-2.16	1.84
4	HNI	994	-3.00		869	-3.87	0.87
5	GOI (as Promoter)	0	0.00		3	-0.04	0.04
6	Insurance Companies	303	-0.94		394	-0.02	-0.92
7	Private Promoters	229	-3.75		357	-0.58	-3.16
8	LIC	73	0.14		90	8.86	-8.73
9	Retail	1019	-8.61		1092	1.63	-10.25

Source: primeinfobase.com

Note: This analysis is based on Shareholding Patterns filed by 2212 of the total 2246 companies listed on NSE (main board) for the quarter ending December 31, 2025. As on January 22, 2026, 34 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](#).