

PRESS RELEASE

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MF & DII SHARE AT ALL-TIME HIGH, LIC AT ALL-TIME LOW, FII-DII GAP SMALLEST EVER IN SEPTEMBER QUARTER: primeinfobase.com

The share of domestic Mutual Funds (MFs) in companies listed on NSE rose to yet another all-time high of 9.45 per cent as on September 30, 2024 from 9.18 per cent as on June 30, 2024, powered by strong net inflows of INR 89,038 crore during the quarter, as per primeinfobase.com, an initiative of PRIME Database Group.

Life Insurance Corp. of India (LIC), India's largest institutional investor, on the other hand, saw its share (across 283 companies where its holding is more than 1 per cent) decreasing to an all-time low of 3.59 per cent as on September 30, 2024 from 3.64 per cent as on June 30, 2024, primarily on account of profit booking (LIC increased its stake in 78 companies during the quarter while reducing its stake in 103 companies). Given that LIC commands a lion's share of investments in equities by insurance companies (at least 69 per cent share or INR 16.76 lakh crore), the overall share of Insurance companies also went down marginally from 5.24 per cent to 5.21 per cent, with them selling a net of INR 4,091 crore during the quarter.

Following from the above, the share of Domestic Institutional Investors (DIIs)[#] as a whole increased to an all-time high of 16.46 per cent (up from 16.25 per cent) with a net inflow of INR 1,03,625 crore during the quarter.

Meanwhile, with a net inflow of INR 97,408 crore (INR 67,059 in secondary market and INR 30,349 crore in primary market (Source: NSDL)), the share of Foreign Institutional Investors (FIIs)[^] also increased, albeit slightly, to 17.55[@] per cent from 17.39 per cent during the quarter.

According to Pranav Haldea, Managing Director, PRIME Database Group, the difference between the share of FIIs & DIIs reduced further and hit an all-time low of 1.09 per cent (17.55 per cent v 16.46 per cent) as on September 30, 2024 on account of DII share increasing at a faster pace than FII. Even in INR value terms, DII holding of INR 76.80 lakh crore is now just 6.19 per cent lower than FII holding, another all-time low. The FII to DII ownership ratio also decreased to an all-time low of 1.07 as on September 30, 2024. The widest gap between FII and DII holding was in quarter ending March 31, 2015, when DII share was a staggering 10.31 per cent lower than FII share. In INR value terms, DII holding was 49.82 per cent lower than FII holding on March 31, 2015 while the FII to DII ownership ratio was 1.99.

According to Haldea, Indian markets have continued their steadfastly march towards *atmanirbharta* (self reliance) in the quarter ending September 2024. With net outflows of FIIs of INR 94,017 (outflow of INR 1,13,859 in secondary market and inflow of INR 19,842 crore in primary market) and net inflows of DIIs of INR 1,07,255 in October, DII share is likely to have already overtaken FII share by now, a landmark moment for the Indian capital market. 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 (individuals with up to INR 2 lakh shareholding in a company) & High Net

Worth Individuals (HNIs) (more than INR 2 lakh) investors have now been playing a strong counter balancing role with their share reaching an all-time high of 26.04 per cent as on September 30, 2024. While FIIs continue to remain an important constituent, their strangle hold on the Indian capital market has come down. This was also evident in October with the benchmark indices falling by just 6 per cent despite the huge FII selloff.

DIIIs increased their allocation most to Consumer Discretionary (from 14.47 per cent of their total holding as on June 30, 2024 to 15.27 per cent of their total holding as on September 30, 2024) while they **decreased their allocation most to Financial Services** (25.88 to 24.90). **FIIs increased their allocation most to Healthcare** (5.62 to 6.31) while they **decreased their allocation most to Financial Services** (28.18 to 27.27).

The share of the Government (as promoter) decreased to 9.71 per cent from 10.64 per cent during the quarter, with a net sale value* of INR 2,408 crore. On the other hand, the share of private promoters increased to 41.34 per cent from 40.87 per cent despite ongoing stake sales. **Private promoters reduced their stake in as many as 465 companies during the quarter while increasing their stake in just 122 companies.**

The share of retail & HNI investors declined slightly to 7.61 per cent and 1.97 per cent respectively as on September 30, 2024 from 7.64 per cent and 1.98 per cent as on June 30, 2024. As such, the combined retail and HNI share decreased to 9.58 per cent **from 9.61 per cent during the quarter.** Individual investors bought a net of INR 17,810 crore in the secondary market during the quarter (Source: NSE).

There were 14 companies in which the trinity of Promoters, FIIs and DIIIs all increased their stake during the quarter these being (in descending order by market capitalisation) JSW Steel, Tata Consumer Products, Dabur, Indus Towers, Godrej Industries, Himadri Speciality Chemical, Jai Balaji Industries, Redtape, TTTK Prestige, Saregama India, Suprajit Engineering, Meghmani Organics, Aarti Surfactants and Mangalam Organics.

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 Depositary Receipts (DRs) held by custodians

** calculated by multiplying the difference in June and September 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 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?

	June 2024 to September 2024 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 (%)
FIIIs	893	16.03	726	6.10
DIIIs	647	13.73	572	8.55
MFs	583	11.36	377	6.80
Insurance Companies	314	8.48	383	10.72
LIC	78	6.23	103	11.99
Private Promoters	122	13.91	465	15.16
GOI (as Promoter)	0	N.A.	2	-4.29
Retail	1051	6.92	887	17.43
HNIs	749	14.27	1024	10.40

Source: primeinfobase.com

Note: This analysis is based on Shareholding Patterns filed by 2018 of the total 2052 companies listed on NSE (main board) for the quarter ending September 30, 2024. As on October 22, 2024, 34 companies were still to file their shareholding patterns.

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](#).