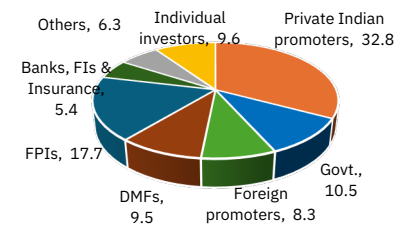


## Who owns India Inc.? – DMFs gain, FPIs and individuals steady

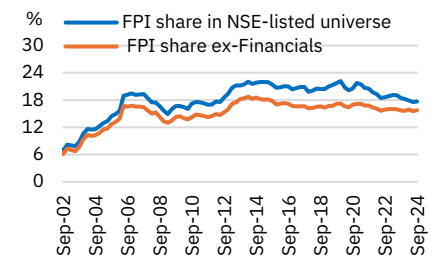
In this edition of our quarterly report “India Inc. Ownership Tracker”,<sup>1</sup> we extend our analysis of ownership trends and patterns in NSE companies to include the data available for the quarter ending Sep’24<sup>2</sup>. Additionally, we also examine concentration of category-wise holding by analysing allocation across market cap deciles and portfolio HHIs. We note: 1) A decline in promoter ownership for the first time in six quarters to 51.5% in NSE listed companies, primarily led by a sharp fall in Government share; 2) A marginal increase in FPI<sup>3</sup> (foreign portfolio investors) ownership—the first in six quarters, to 17.7%/18.9% in the listed/Nifty 500 companies, while it remained steady in the Nifty 50 index, indicating widening exposure to mid and smaller companies.; 3) An increase in DMF (domestic mutual funds) share to a fresh record high of 9.5% (Active: 7.7%, Passive: 1.8%), aided by sustained SIP inflows; 4) A steady direct ownership of individual investors as non-promoters at 9.6% in the listed universe; individuals as promoters and non-promoters (direct and indirect) now own nearly a quarter of the total market cap (~Rs115 lakh crore; CAGR since 2010: +18.5%); 5) FPIs trimmed their outsized OW<sup>4</sup> bet on Financials, turned OW on Communication Services and increased their UW stance on Materials and Industrials; 6) DMFs also turned cautious on Financials, increased OW position on Consumer Discretionary and Healthcare and retained an UW stance on commodity sectors, viz., Energy and Materials; 7) A further drop in the share of Nifty50/top decile companies in the institutional and individuals’ portfolios, reflecting widening exposure to smaller companies. This is also corroborated by falling HHI levels after a brief rise post the pandemic, with a concentrated FPI selling to top 100 companies in October potentially suggesting the continuation of this trend.

- Promoter share declined in the listed universe for the first time in six quarters:** Total promoter ownership in the NSE listed and Nifty 500 companies fell by 46bps and 45bps QoQ to 51.1% and 50.5% respectively, primarily led by a steep drop in Government share, partly offset by an increase in private promoter ownership. For the Nifty 50 companies, promoter share fell for the second quarter in a row by 23bps QoQ to 42.1%, but due to a sharp decline in private Indian promoter share, while Government share rose marginally.
- Government share fell on PSU underperformance:** The Government ownership (promoter and non-promoter) in the NSE listed universe and Nifty 500 companies fell by 96bps and 81bps QoQ to 10.5% and 11.3% respectively. This was due to underperformance of Government-owned companies, particularly PSU Banks, during the quarter. For instance, the Nifty PSU Bank Index posted a loss of 8.3% in the September quarter compared to the 7.5% return generated by both Nifty 50 and Nifty 500 Index. The Nifty 50 index, however, saw a 27bps QoQ increase in Government share, marking the fifth increase in a row, thanks to inclusion of a PSU stock (Bharat Electronics) in the Index during the quarter.
- FPI ownership inched up marginally:** Notwithstanding strong foreign capital inflows (US\$11.6bn during Jul-Sep’24), FPI ownership inched up only marginally by 9bps and 13bps QoQ in the NSE listed and Nifty 500 companies to 17.7% and 18.9% respectively. A part of this is attributed to relative underperformance of Financials during the quarter where FPIs are heavy owners. In value terms, FPI holding in NSE listed universe rose for the sixth quarter in a row by 8.8% QoQ to Rs 82.7 lakh crore. FPI share in the Nifty 50 Index, however, remained fairly steady at 24.4%.

**Who owns India Inc.? Ownership pattern in NSE listed companies in Sep’24**



**FPI ownership in NSE-listed companies**



Source: CMIE Prowess, NSE EPR.

<sup>1</sup> The “India Inc. Ownership Tracker” report examines ownership trends and patterns in Indian companies listed on the NSE since 2001.

<sup>2</sup> The report is based on data until September 2024 and does not account for the significant FPI sell-off in October.

<sup>3</sup> FII ownership includes ownership through depository receipts held by custodians.

<sup>4</sup> Overweight (OW), neutral (N) or underweight (UW) stance on any sector is with respect to the sector’s weight in the Index. An OW/UW position on a sector implies more than 100bps higher/lower allocation to the sector than its weight in the Index. A ‘N’ position on a sector implies an allocation within +/- 100bps of the sector’s weight

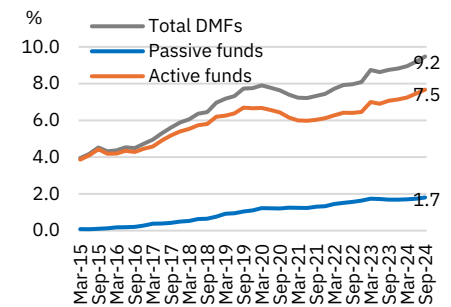
FPIs turned incrementally cautious on Financials, particularly on smaller companies in the sector, and reduced their OW position. FPIs also reduced their exposure to Energy, with a mildly cautious stance, and strengthened their perennial negative view on India's investment story by increasing the extent of their UW position on Industrials and Materials. Reduced exposure to these sectors found its way to Communication Services, where FPIs turned OW on in the September quarter. For other sectors, FPIs maintained a neutral stance, with an incrementally positive bias on Consumer Discretionary and IT.

- DMFs' share rose to fresh all-time high level:** Aided by sustained SIP inflows, DMFs' share rose further to a fresh all-time high of 11.4%, 9.9% and 9.5% in Nifty 50, Nifty 500 and NSE listed companies respectively. DMFs injected a net amount of Rs 89,336 crore into Indian equities in the September quarter, and record-high monthly amount of Rs 90,771 crore in Oct'24, taking total net inflows to Rs 2.9 lakh crore in the first seven months, already surpassing net annual inflows seen in the past. Out of total share held by DMFs, passive funds' share inched up slightly to 1.8%, with the balance 7.7% held by active funds, up 22 bps QoQ.<sup>5</sup>

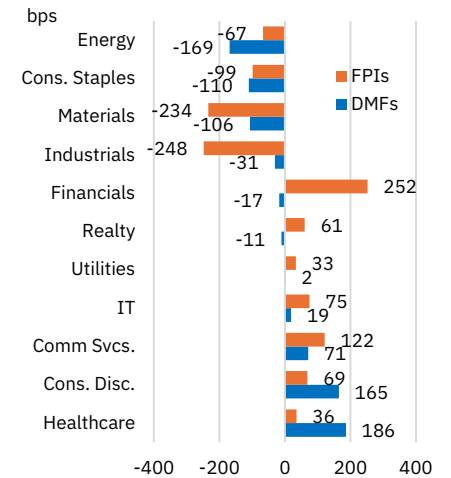
In line with FPIs, DMFs also reduced their OW position on Financials, while turning more cautious on smaller companies in the sector. This reduced exposure was allocated to Consumer Discretionary and Healthcare where DMFs strengthened their OW stance in the Nifty 500 companies. DMFs also turned less negative on Consumer Staples and Information Technology, remained bearish on commodity sectors, viz., Energy and Materials and neutral on Real Estate and Utilities.

- Individual investors' share remained steady in the September quarter:** Individual investors' direct ownership as non-promoters inched in the NSE listed companies remained broadly steady at 9.6% in the September quarter. This corroborates with moderation in direct participation by individual investors in Indian equities in the quarter gone by (Rs 178 crore in Q2FY25). In the Nifty 50 and Nifty 500 companies, ownership of individual investors fell by a modest 9bps and 7bps QoQ to 7.9% and 8.6% respectively. Adding indirect holding via mutual funds and direct holding as promoters to this, individuals now own nearly a quarter (24.5%) in the NSE listed companies, up from 22.6% in March 2024, 20% in March 2019, and 15.6% over a decade ago (March 2014).
- Declining allocation to Nifty50/top decile companies...:** The share of Nifty 50 companies in total institutional holding remained steady at the lowest level of 60% since the beginning of the analysis (2001-). This is partly attributed to sustained inflows in mid- and small-cap funds during the quarter. Individuals also saw the share of these companies in their overall portfolio falling to a 22-year low of 36.7% in the September quarter, translating into an 11.1pp drop in the last six quarters. This is also reflected in the falling share of institutional and individuals' investments in top decile companies by market capitalisation. The

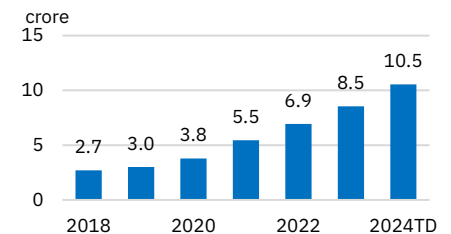
### DMF ownership in NSE-listed companies



### FPI and DMF portfolio OW/UW in Nifty 500 vs. the index (September 2024)



### Unique registered PANs at NSE



\* Data for 2024TD is as of October 2024.

### Decile-wise portfolio share (Sep'24)

Deciles	FPIs	DMFs	Ind.	Total mkt cap
1	88.3	79.5	64.5	78.3
2	7.6	13.5	14.1	11.6
3	2.8	4.4	8.7	4.9
4	0.9	1.9	5.2	2.5
5	0.3	0.6	3.2	1.3
6	0.1	0.1	2.0	0.8
7	0.0	0.0	1.2	0.4
8	0.0	0.0	0.6	0.2
9	0.0	0.0	0.3	0.1
10	0.0	0.0	0.1	0.0

Source: CMIE Prowess, AMFI, SEBI, NSE EPR.

<sup>5</sup> Passive mutual funds track an index by maintaining a portfolio that mimics the underlying assets of an index. Active funds are those which involve active investment decisions on the part of the fund manager.

portfolio allocation of FPIs and DMFs to the top decile companies (~200 companies) fell to a six-and-a-half year and 14-year low of 88.3% and 79.5% respectively. Further, individual investors now have 64.5% of their portfolio invested in the top decile companies, the lowest since 2001.

- Falling HHI indicates widening exposure to mid- and small caps:** The Herfindahl-Hirschman Index (HHI), a measure of market concentration<sup>6</sup>, has been steadily falling since a brief rise after the pandemic, reaching its lowest levels across investor categories. For institutional investors, the HHI of domestic mutual funds (DMF) dropped to a 25-quarter low of 137, while FPIs' HHI fell to a record low of 217, signaling broader exposure to smaller companies. FPIs now hold stakes in over 1,800 stocks, up from 1,200 four years ago. Despite the highest FPI selling in October, this was concentrated in the top 100 stocks, with small and microcaps seeing net inflows. For individuals, the HHI dropped to 66 in the September quarter, marking its lowest level since 2001. However, significant sectoral disparities remain across all investor categories.

**Sector-wise HHI of portfolios in Sep'24**

Sector	FPIs	DMFs	Individuals
Comm. Svcs.	5,261	4,455	876
Cons. Disc.	647	352	356
Cons. Staples	974	1,338	980
Energy	5,696	3,533	4,392
Financials	1,383	1,016	434
Health Care	687	536	261
Industrials	441	456	277
IT	2,166	1,618	809
Materials	446	331	185
Real Estate	1,382	1,212	514
Utilities	1,293	2,167	782
<b>Total</b>	<b>217</b>	<b>137</b>	<b>66</b>

Source: CMIE Prowess, NSE EPR.

<sup>6</sup> HHI value ranges from 0 to 10,000. An HHI near 0 indicates a highly fragmented market with many firms holding small market shares (i.e., very low concentration). An HHI near 10,000 indicates a monopoly or a market dominated by a single firm (i.e., very high concentration). HHI value interpretation: HHI below 1,500 is considered low and implies a competitive, diversified and fragmented market; HHI between 1,500 and 2,500 is considered moderate, indicating some degree of competition but with a few firms holding a significant share; HHI above 2,500 is considered high, and reflects a highly concentrated market, with fewer firms dominating the market.

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## Annual India Inc. ownership trends

**Table 1: Ownership trend across promoters and non-promoters in the NSE-listed universe**

	Promoters (%)				Non-promoters (%)				Market cap (Rs lakh crore) *
	Private Indian promoters	Government	Foreign	Total promoters	Institutional	Non-Institutional	Total non-promoters		
FY07	30.9	15.5	7.7	54.1	28.6	17.3	45.9	34	
FY08	31.0	19.0	6.5	56.6	27.1	16.3	43.4	49	
FY09	26.4	23.0	8.2	57.6	25.7	16.8	42.4	29	
FY10	26.5	22.3	7.6	56.3	27.5	16.2	43.7	60	
FY11	26.6	22.1	7.2	55.9	28.2	15.9	44.1	67	
FY12	27.3	19.8	8.0	55.1	28.7	16.2	44.9	61	
FY13	28.4	16.9	7.5	52.8	31.2	15.9	47.2	63	
FY14	29.4	13.9	8.4	51.7	32.3	15.9	48.3	73	
FY15	29.6	11.9	9.5	51.0	32.4	16.5	49.0	100	
FY16	31.0	10.1	9.3	50.4	31.9	17.7	49.6	95	
FY17	30.4	10.7	8.9	50.1	32.0	18.0	49.9	121	
FY18	31.3	9.7	9.4	50.4	32.0	17.6	49.6	142	
FY19	31.5	8.7	9.2	49.4	34.0	16.5	50.6	150	
FY20	33.3	6.6	11.1	50.9	34.6	14.5	49.1	112	
FY21	34.7	5.9	9.4	50.0	35.0	15.0	50.0	203	
FY22	36.3	5.7	8.7	50.7	32.9	16.3	49.3	261	
FY23	33.2	7.9	8.8	49.9	36.2	13.9	50.1	254	
FY24	32.7	10.7	8.0	51.4	34.4	14.2	48.6	382	
Q1FY25	32.4	10.9	8.3	51.5	34.2	14.3	48.5	433	
Q2FY25	32.8	10.0	8.3	51.1	34.6	14.4	48.9	468	

Source: CMIE Prowess, NSE EPR. Note: Ownership across promoters and non-promoters are based on total market cap and add up to 100. \*Market cap is for all companies whose ownership data was available for the quarter.

**Table 2: Ownership trend across non-promoter shareholders by total market cap in the NSE-listed universe**

	Non-promoters (%) ^										Market cap (Rs lakh crore) #
	Institutional					Non-institutional					
	Domestic MFs	Banks, FIs & Insurance	FPIs*	Other inst.	Total	Non-promoter corporate	Ind. investors	Other non-inst. **	Total	Total	
FY07	3.8	5.4	19.2	0.3	28.6	4.2	10.1	3.0	17.3	45.9	34
FY08	3.8	5.4	17.5	0.4	27.1	4.3	9.1	2.9	16.3	43.4	49
FY09	3.8	6.7	14.9	0.3	25.7	4.5	8.7	3.6	16.8	42.4	29
FY10	3.9	6.9	16.4	0.3	27.5	4.5	8.5	3.3	16.2	43.7	60
FY11	3.6	6.9	17.5	0.3	28.2	4.5	8.2	3.2	15.9	44.1	67
FY12	3.6	7.2	17.7	0.2	28.7	4.4	8.5	3.2	16.2	44.9	61
FY13	3.5	6.9	20.7	0.1	31.2	4.3	8.0	3.6	15.9	47.2	63
FY14	3.4	6.8	22.1	0.1	32.3	4.0	8.0	4.0	15.9	48.3	73
FY15	3.9	5.9	22.0	0.6	32.4	4.2	8.7	3.7	16.5	49.0	100
FY16	4.4	6.4	20.8	0.3	31.9	5.8	9.1	2.8	17.7	49.6	95
FY17	4.9	6.2	20.6	0.2	32.0	5.8	9.3	2.9	18.0	49.9	121
FY18	6.1	5.6	20.1	0.3	32.0	5.6	9.0	3.0	17.6	49.6	142
FY19	7.2	5.5	21.0	0.4	34.0	5.0	8.6	3.0	16.5	50.6	150
FY20	7.9	5.5	20.8	0.4	34.6	3.3	8.4	2.7	14.5	49.1	112
FY21	7.2	5.1	21.5	1.2	35.0	3.1	9.0	2.9	15.0	50.0	203
FY22	7.7	4.5	19.2	1.5	32.9	3.6	9.7	3.1	16.3	49.3	261
FY23	8.7	6.1	19.1	2.3	36.2	1.7	9.4	2.8	13.9	50.1	254
FY24	8.9	5.6	17.9	2.0	34.4	1.9	9.5	2.7	14.2	48.6	382
Q1FY25	9.2	5.4	17.6	2.0	34.2	1.9	9.6	2.7	14.3	48.5	433
Q2FY25	9.5	5.4	17.7	2.0	34.6	2.0	9.6	2.8	14.4	48.9	468

Source: CMIE Prowess, NSE EPR. ^ Ownership shares provided here for non-promoters are based on total market cap and therefore do not add up to 100. Institutional and non-institutional share add up to the total non-promoter share. \*FPI ownership includes ownership through depository receipts held by custodians. \*\*Other non-institutions include other non-institutional non-promoters and government non-promoter. #Market cap is for all companies whose ownership data was available for the quarter.



## Listed universe ownership trends

### **Ownership pattern of the NSE-listed universe (September 2024)**

#### **Promoter share in NSE listed companies declined for the first time in six quarters:**

After rising over the previous five quarters, total promoter ownership in the NSE listed universe declined by 46bps QoQ to 51.1%, even as the absolute holding rose by 7.3% QoQ in value terms to an all-time high of Rs 239.2 lakh crore. Sequential increase in private Indian promoter share—the first time in last five quarters—was more than offset by a steep decline in Government ownership during the quarter. Private Indian promoters' stake in the NSE listed companies inched up by 44bps QoQ to 32.8% in the quarter ending September 2024, implying a 9.7% QoQ increase in value terms to record-high of Rs 153.6 lakh crore. This was primarily attributed to a 41bps QoQ increase in individual promoters' (including HUFs) share to over 15-year high of 6.9% (up 34.2% in H1FY25 to an all-time high of Rs 32.3 lakh crore), even as non-individual share remained steady at 25.9% (up 8.4% QoQ in value terms to Rs 121 lakh crore). Notably, individuals accounted for a 21% share in the private Indian promoter holding in the NSE listed universe—the highest in nine years. Foreign promoter ownership also remained steady at 8.3% in the September quarter.

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*Total promoter share declined for the first time in six quarters by 46bps QoQ to 51.1% in the September quarter.*

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#### **Government ownership declined in the September quarter:**

After a steady decline between 2010 and 2022, thanks to Government's efforts to garner higher revenues through the disinvestment route, Government ownership (promoter and non-promoter) in the NSE listed companies rose by a steep 2.4 percentage points (pp) in FY23, attributed to the listing of LIC during the year, and by another 2.8pp in FY24, aided by relative outperformance of PSUs. The trend, however, reversed in the September quarter, with the Government share in NSE listed companies falling by a steep 96bps QoQ to 10.5%. This was the highest QoQ decline in Government ownership in the last four years, erasing the increase seen in the previous two quarters to a large extent and translating into a 69bps decline in the first half of FY25. In value terms, Government holding fell by a modest 0.8% QoQ to Rs 49.1 lakh crore as of September 2024. This decline in share was primarily led by a significant underperformance of PSU banks relative to the broader market during the quarter. For instance, the Nifty PSU Bank Index posted a loss of 8.3% in the September quarter compared to the 7.5% return generated by both Nifty 50 and Nifty 500 Index.

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*Government ownership in the listed space declined by a steep 96bps QoQ to 10.5% in the September quarter, partly attributed to underperformance of PSU banks during the quarter.*

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#### **FPI ownership inched up marginally...:**

After declining over the previous five quarters, FPI share inched up by a modest 9bps QoQ to 17.7% in the quarter ending September 2024. A part of this modest increase despite strong foreign capital inflows (FPIs injected a net amount of US\$11.6bn in the September quarter) is attributed to relative underperformance of Financials during the quarter where FPIs are heavy owners (30% of FPIs' investments in NSE listed companies is in Financials). For instance, Nifty Financial Services Index generated a gain of 4.5% in the September quarter, lower than 7.5% return posted each by Nifty 50 and Nifty 500 Index. Excluding Financials, FPI share in NSE listed companies increased by a slightly higher 19bps QoQ to 15.8%. In value terms, FPI holding in NSE listed companies increased by 8.8% QoQ to all-time high of Rs 82.7 lakh crore, marking the sixth increase in a row.

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*FPI ownership inched up marginally to 17.7% in the September quarter.*

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#### **...While DMF shareholding surged to fresh record high levels:**

Continuing the steady upward trend seen over the previous four quarters, DMF share in the listed universe rose by 28bps QoQ to a fresh all-time high of 9.5% in the September quarter, corroborating with sustained buying by DMFs during this period. DMFs injected a net amount of Rs 89,336 crore into Indian equities in the second quarter of this fiscal year and record high

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*DMF share in NSE listed universe rose further to a fresh high of 9.5% in the September quarter.*

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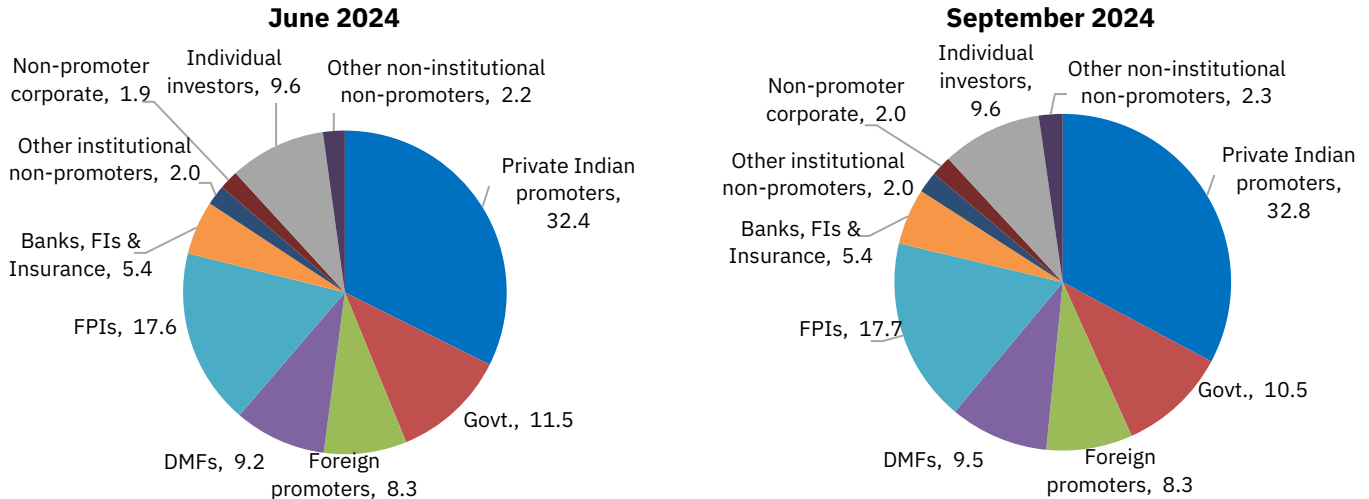
monthly inflows of Rs 90,771 crore in October, taking the total net inflows to Rs 2.9 lakh crore in the first seven months, already surpassing net investments seen in any fiscal year in the past. A part of this is attributed to sustained indirect participation of individuals via the SIP route. SIP inflows have risen steadily in the last few years, with an average monthly run rate rising by 14.2% QoQ to Rs 23,796 crore in the September quarter. Out of the total DMF share of 9.5%, passive funds' share remained broadly steady at 1.8%, with the balance 7.7% was held by active funds, up 22 bps QoQ.

After falling steadily over the previous five quarters, the share of Banks, Financial Institutions and Insurance companies in the NSE-listed space remained steady at 5.4% in the September quarter, even as it remains nearly a percentage point higher than the post-pandemic lows.

**Individual investors' holding remained steady in the September quarter:** Individual investors' share remained steady for the fourth quarter in a row at 9.6% in the quarter ending September 2024. A part of this is attributed to moderation in net investments by individuals during the quarter. Individuals injected a net amount of Rs 17,810 crore in the September quarter (NSE's secondary markets only) from Rs 39,278 crore in the June quarter and Rs 52,568 crore in the previous quarter. All sectors, barring Real Estate, Materials and Industrials saw the ownership of individual investors decline or remain broadly steady in the September quarter. Adding indirect ownership via mutual funds of 8.0% to this (Individuals—retail and HNIs put together—accounted for 84% of total mutual fund investments into equity as of June quarter<sup>7</sup>), individuals' share in equity markets as non-promoter shareholders is only 7bps shy of that of the FPIs. This gap was as high as 7.1pp in FY21, indicating the growing role and significance of individual investors in the Indian equity markets.

*Individuals' share in equity markets as non-promoter shareholders, directly as well as indirectly, is now only 7 bps shy of that of the FPIs vs. as high as 7.1pp as of Mar'21.*

**Figure 1: NSE-listed universe: Ownership pattern by total market cap (%)**



Source: CMIE Prowess, NSE EPR. \*FPI ownership includes ownership through depository receipts held by custodians.

<sup>7</sup> Data for the September quarter is not available.

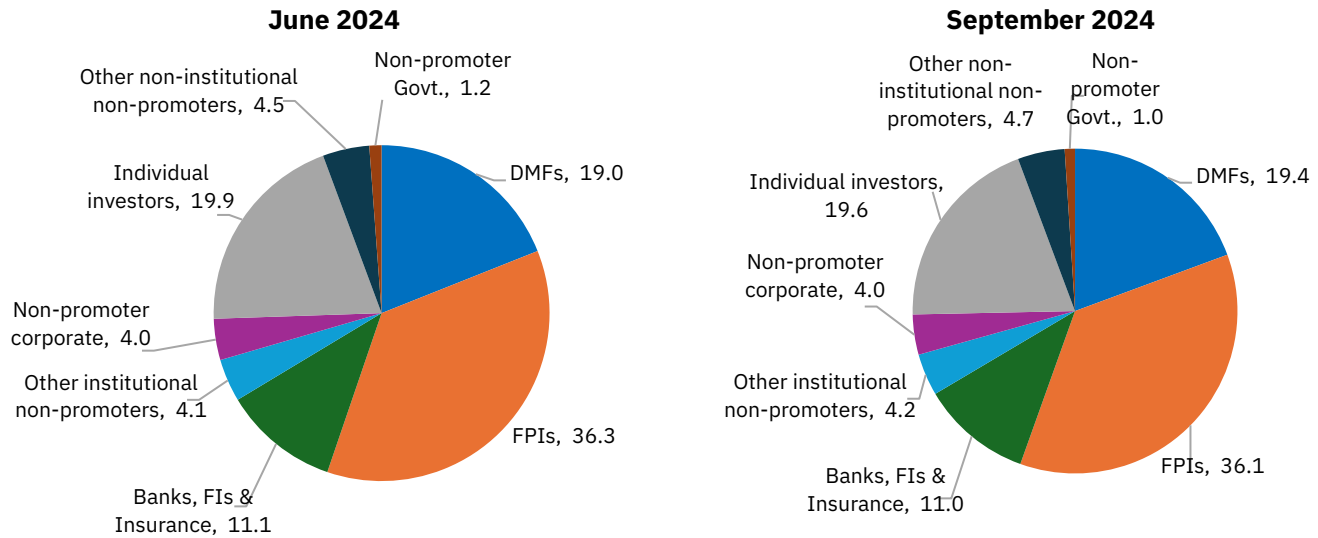
**Table 3: NSE-listed universe: Ownership trend across key stakeholders by total market cap over last three years**

%	Private Indian promoters	Govt.	Foreign promoters	Passive DMFs ^	Active DMFs \$	Banks, FIs & Insurance	FPIs *	Non-promoter corporate	Individual Investor	Others **
Dec-21	36.4	5.7	8.7	1.3	6.1	4.4	19.7	3.7	9.7	4.3
Mar-22	36.3	6.0	8.7	1.4	6.3	4.5	19.2	3.6	9.7	4.3
Jun-22	35.2	7.6	9.1	1.5	6.4	4.6	18.4	3.7	9.5	4.0
Sep-22	35.0	7.5	9.5	1.6	6.4	5.7	18.6	2.8	9.2	3.7
Dec-22	34.2	8.6	8.9	1.6	6.5	5.8	18.9	1.8	9.2	4.5
Mar-23	33.2	8.4	8.8	1.7	7.0	6.1	19.1	1.7	9.4	4.7
Jun-23	33.4	8.4	8.7	1.7	6.9	5.9	19.0	1.9	9.4	4.7
Sep-23	33.1	9.4	8.3	1.7	7.1	5.7	18.4	2.0	9.7	4.6
Dec-23	33.1	10.2	7.9	1.7	7.1	5.6	18.2	2.0	9.7	4.5
Mar-24	32.7	11.2	8.0	1.7	7.2	5.6	17.9	1.9	9.5	4.3
Jun-24	32.4	11.5	8.3	1.7	7.5	5.4	17.6	1.9	9.6	4.2
Sep-24	32.8	10.5	8.3	1.8	7.7	5.4	17.7	2.0	9.6	4.3
<i>QoQ change</i>	<i>44bps</i>	<i>-96bps</i>	<i>-1bps</i>	<i>6bps</i>	<i>22bps</i>	<i>-1bps</i>	<i>9bps</i>	<i>3bps</i>	<i>-2bps</i>	<i>16bps</i>

Source: CMIE Prowess, NSE EPR. Note: Ownership across promoters and non-promoters are based on total market cap and add up to 100. \*FPI ownership includes ownership through depository receipts held by custodians. \*\* Others include other institutional non-promoters, other non-institutional non-promoters and government non-promoters. ^ Passive mutual funds track an index by maintaining a portfolio that mimics the underlying assets of an index. \$ Active funds are those which involve active investment decisions on the part of the fund manager; share of these funds has been arrived at by subtracting passive AUM from the overall DMF holding.

**Institutional ownership in NSE floating stock increased marginally:** DMF ownership in the NSE floating stock rose by 39bps QoQ to a fresh all-time high of 19.4% in the September 2024 quarter, marking a full percentage point rise in the first half. On the other hand, FPI holding in the floating stock of the NSE listed universe dipped for the seventh consecutive quarter, standing at 15.5-year low of 36.3%. FPI share in the NSE floating stock is now 9.6pp below the peak share seen eight years back (March 2014). This dip, however, was much stronger in large and mid-cap companies, as evidenced from a 36bps QoQ increase in FPI share in the free float stock of the NSE listed universe excluding the Nifty 500 companies to 12.8%. On the contrary, DMF's share in floating stock of these companies fell by 30bps to 12.5% in the September quarter. Banks, Financial Institutions and Insurance companies' share in the free float of NSE-listed companies fell by 12bps QoQ to a nine-quarter low of 11.0%. Overall institutional ownership of the NSE free float increased by 17bps QoQ to 70.7%, 1.6pp below the all-time high of 72.3% (Mar'23).

Individual investors' ownership of the NSE free-float market cap declined by 24bps QoQ to 19.6% in the September quarter, almost entirely reversing the increase seen in the previous quarter. With this, individuals' share in NSE floating stock stands nearly 9.5% below the peak individual ownership level seen over the last 23+ years.

**Figure 2: NSE-listed universe: Ownership pattern by free float market cap (%)**


Source: CMIE Prowess, NSE EPR. \*FPI ownership includes ownership through depository receipts held by custodians.

**Table 4: NSE-listed universe: Ownership trend across key stakeholders by floating stock over last three years**

%	Passive DMFs ^	Active DMFs \$	Banks, FIs & Insurance	FPIs*	Non-promoter corporate	Individual Investor	Others**
Dec-21	2.7	12.4	8.8	39.9	7.6	19.6	9.1
Mar-22	2.9	12.7	9.1	39.1	7.3	19.7	9.3
Jun-22	3.1	13.3	9.6	38.1	7.6	19.7	8.7
Sep-22	3.2	13.2	11.9	38.5	5.7	19.1	8.4
Dec-22	3.4	13.3	12.0	38.8	3.7	18.9	10.0
Mar-23	3.5	14.0	12.1	38.1	3.5	18.7	10.2
Jun-23	3.5	13.8	11.7	38.1	3.8	18.8	10.3
Sep-23	3.4	14.2	11.5	37.1	4.0	19.5	10.2
Dec-23	3.4	14.5	11.3	37.0	4.0	19.6	10.2
Mar-24	3.5	14.9	11.4	36.7	4.0	19.6	9.8
Jun-24	3.6	15.4	11.1	36.3	4.0	19.9	9.8
Sep-24	3.7	15.7	11.0	36.1	4.0	19.6	9.9
QoQ change	10bps	30bps	-12bps	-16bps	3bps	-24bps	10bps

Source: CMIE Prowess, NSE EPR. Note: Ownership across key non-promoter stakeholders is based on free float market cap and add up to 100. \*FPI ownership includes ownership through depository receipts held by custodians. \*\* Others include other institutional non-promoters, other non-institutional non-promoters and government non-promoters. ^ Passive mutual funds track an index by maintaining a portfolio that mimics the underlying assets of an index. \$ Active funds are those which involve active investment decisions on the part of the fund manager; share of these funds has been arrived at by subtracting passive AUM from the overall DMF holding.

### Long-term ownership trend of the NSE-listed universe

**Long-term trend shows a steady drop in promoter ownership during 2009-2019, followed by a marginal increase thereafter:** The long-term trend indicates a sharp rise in promoter ownership between 2001 and 2009 (To a 19-year high of 57.6% in March 2009) that gradually tapered off since, coinciding with the SEBI's decision to increase the minimum required free float from 10% to 25% in 2010. However, the drop has been primarily led by a sharp decline in Government ownership over the years, and strategically so, with the aim of expanding public partnership in the ownership of CPSEs (Central Public Sector Enterprises) and augmenting its resources for higher expenditure towards economic development. On the other hand, overall private promoter ownership—Indian and foreign promoters combined—has increased by ~11.6pp between June 2010 to December 2021. Promoter share, however, has been inching up since the last few years barring FY23, primarily led by an increase in Government share.

*Government ownership in the NSE-listed universe has been coming off since 2010, barring a steep jump last year.*

**Sharp rise in DMF ownership post 2014 supported by rising SIP inflows:** Barring a drop in FY21, DMF ownership has seen a sharp increase over the previous six fiscal years (FY15-FY23), largely reflecting the sustained retail interest in equity mutual funds as an investment channel through SIPs. The drop in DMF ownership in FY21 (Apr-Mar'21) had been largely on the back of moderation in SIP inflows as well as high redemption pressures, thanks to macroeconomic slowdown and attendant drop in disposable incomes that got accentuated by the COVID-19 outbreak. This partly found its way to Indian equities via higher direct retail investments, as visible from a steady increase in direct retail ownership during this period. With indirect participation by individual investors seeing a renewed jump beginning June 2021 via the SIP route, the share of DMFs in the NSE listed universe has risen steadily to record-high levels. Banks, FIs & Insurance share, on the other hand, has been gradually dropping off since 2012, only to see a significant jump in FY23 (+158bps).

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*DMF ownership got support from rising SIP investments during FY15-20, only to see a dip in FY21 and recover thereafter.*

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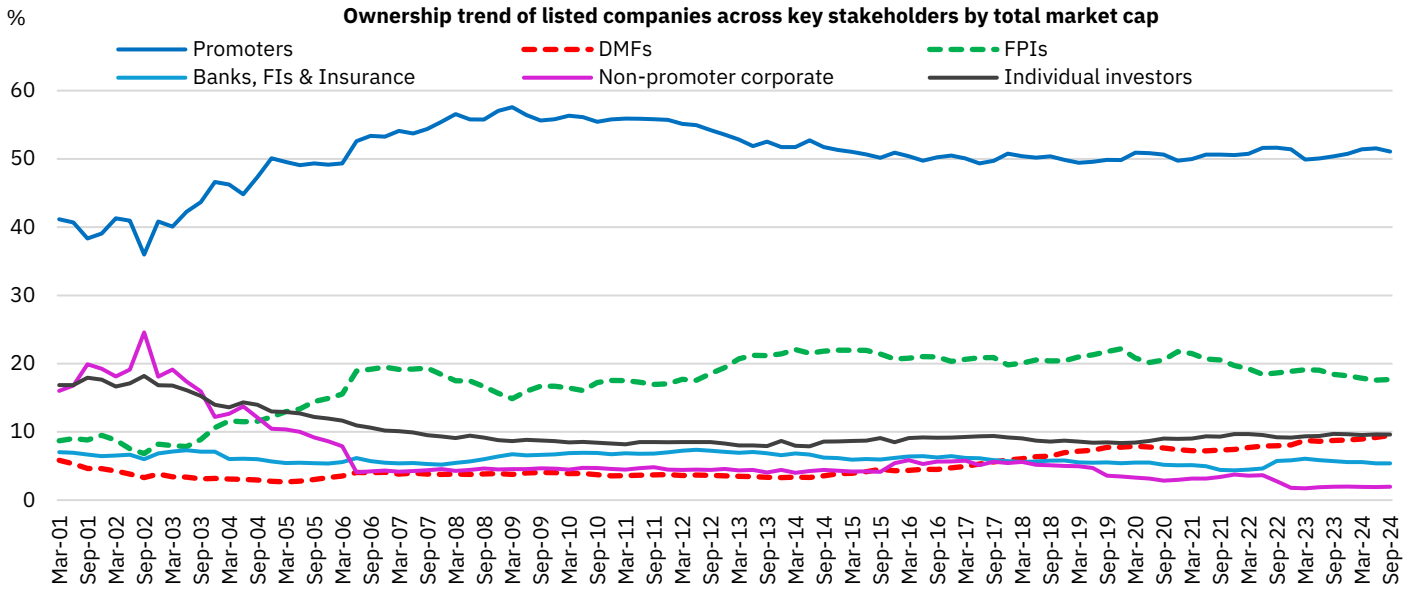
**FPI ownership dropped to sub-18% in FY24 after more than 11 years:** FPI ownership in the NSE-listed space saw a gradual increase between 2002 and 2015, except for a brief period around the 2007-08 financial crisis, but dropped marginally over the subsequent three years, reflecting negative global cues including the US-China trade war and Brexit concerns. FPI share picked up over the next two years until December 2019 but fell sharply during the first two quarters of 2020 post the onset of the COVID-19 pandemic. This, however, was temporary as huge liquidity injection globally improved risk appetite, leading to a jump in FPI share in the second half. Since then, FPI share has been trending down, reflecting weakened investor sentiments in the wake of recurring COVID waves, China slowdown, Russia-Ukraine war, worsening growth-inflation dynamics, and rapid monetary tightening by global central banks, notably the US Fed. In fact, FPI share dropped to sub-18% by the last quarter of FY24 for the first time in more than 47 quarters, only to fall further in the first half of FY25.

**Direct individual holding has remained between 8% to 10% for more than a decade now:** Not surprisingly, while individual investments through the SIP route has been rising over the last few years, barring a steady drop in FY21, direct individual participation in equity markets remained quite stable—a sign of maturing markets and indirect ownership. Individual investors' ownership of the NSE listed universe declined steadily between 2001 and 2012 but has since increased marginally.

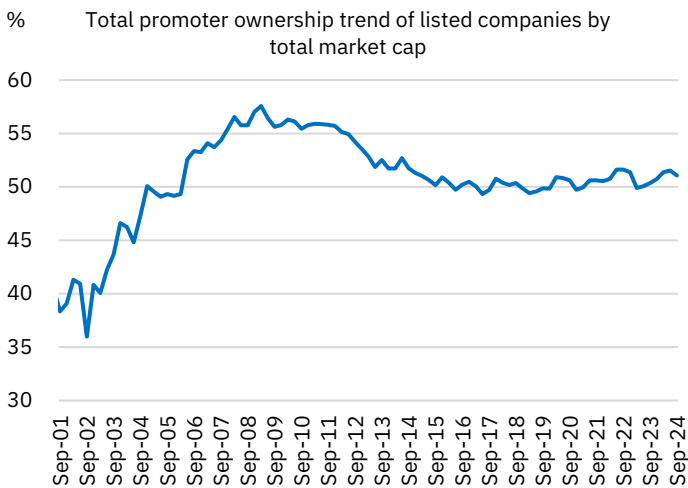
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*Direct individual ownership fell steadily between 2001 and 2012 and has since risen marginally.*

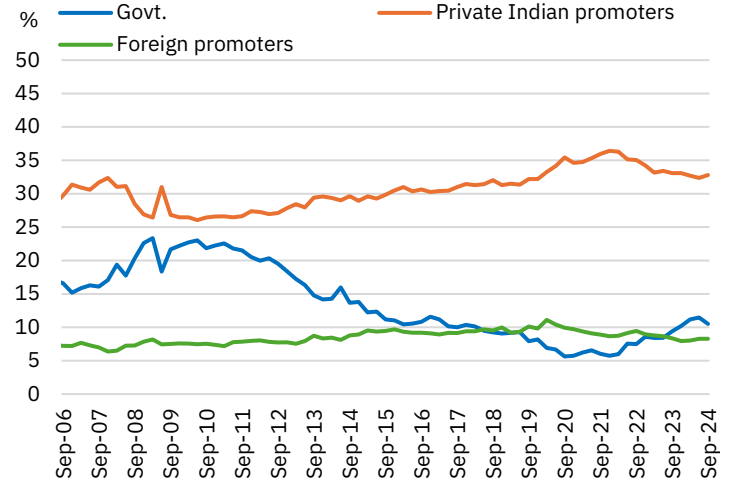
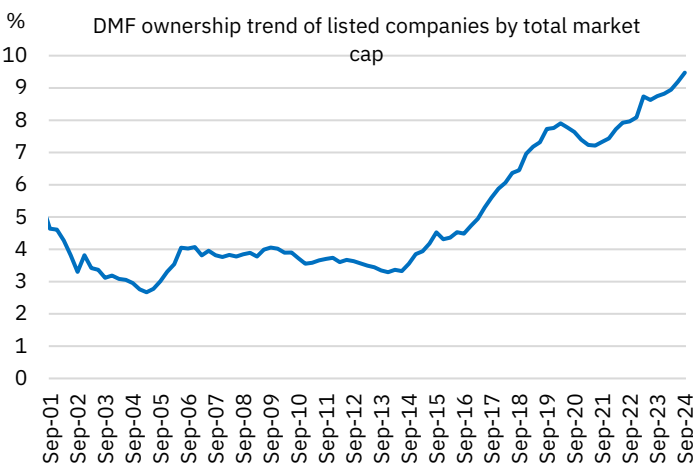
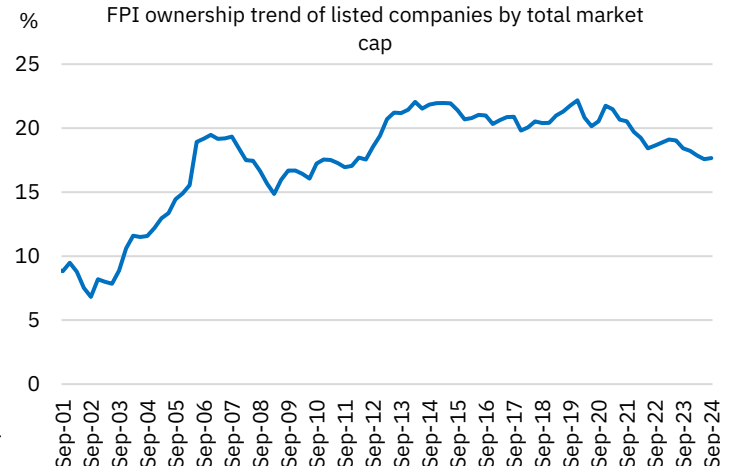
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**Figure 3: NSE-listed universe: Long-term ownership trend across key stakeholders by total market cap**


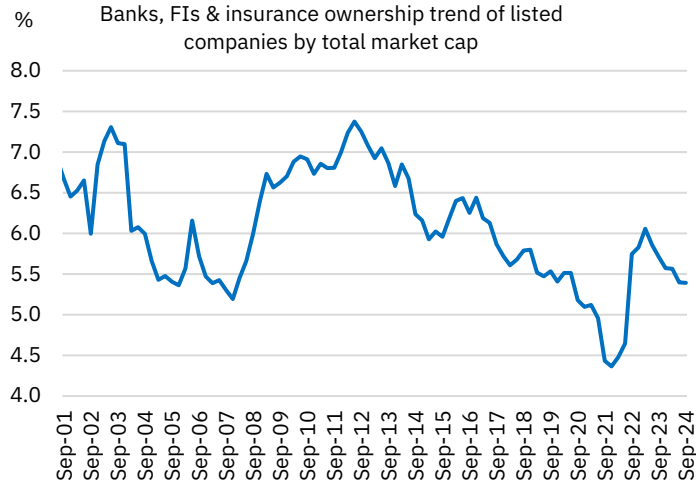
Source: CMIE Prowess, NSE EPR. \*FPI ownership includes ownership through depository receipts held by custodians.

**Figure 4: Total promoter ownership trend of NSE-listed companies by total market cap**


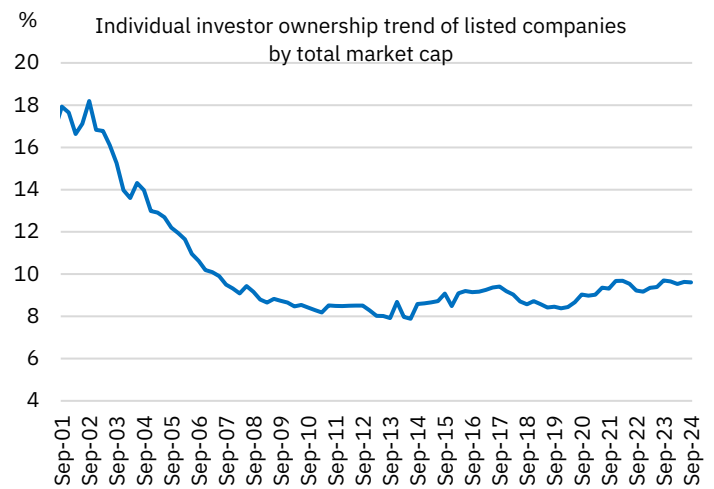
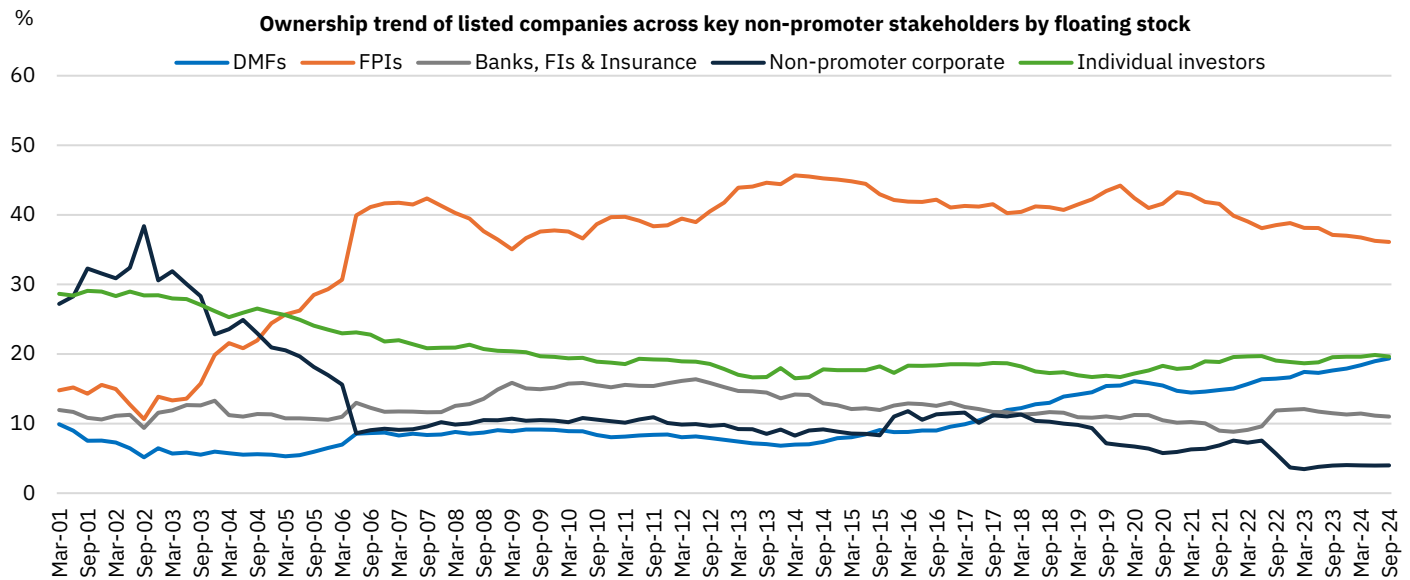
Source: CMIE Prowess, NSE EPR.

**Figure 5: Indian and foreign promoter ownership trend of NSE-listed companies by total market cap**

**Figure 6: DMF ownership trend of NSE-listed companies by total market cap**

**Figure 7: FPI ownership\* trend of NSE-listed companies by total market cap**


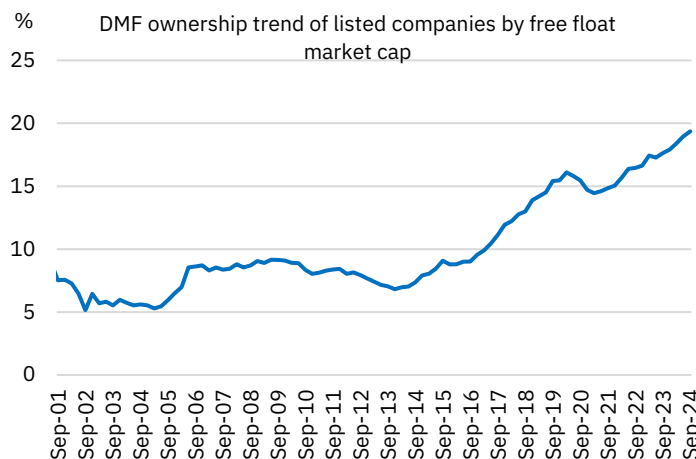
Source: CMIE Prowess, NSE EPR. \*FPI ownership includes ownership through depository receipts held by custodians

**Figure 8: Banks, FIs & Insurance ownership trend of NSE-listed companies by total market cap**


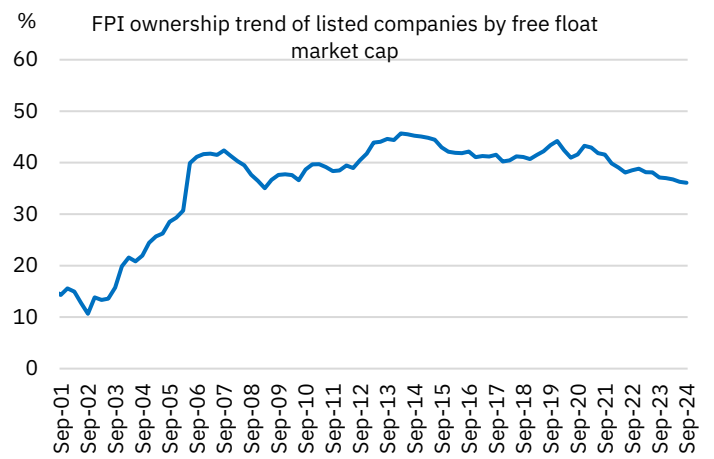
Source: CMIE Prowess, NSE EPR.

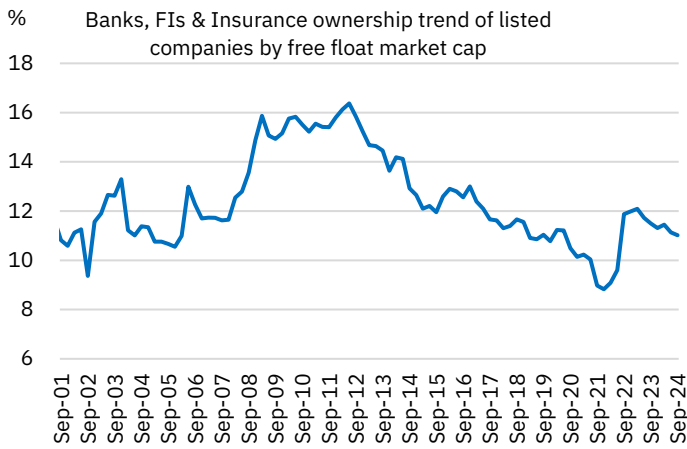
**Figure 9: Individual ownership trend of NSE-listed companies by total market cap**

**Figure 10: NSE-listed universe: Long-term ownership trend across key stakeholders by free float market cap**


Source: CMIE Prowess, NSE EPR. \*FPI ownership includes ownership through depository receipts held by custodians

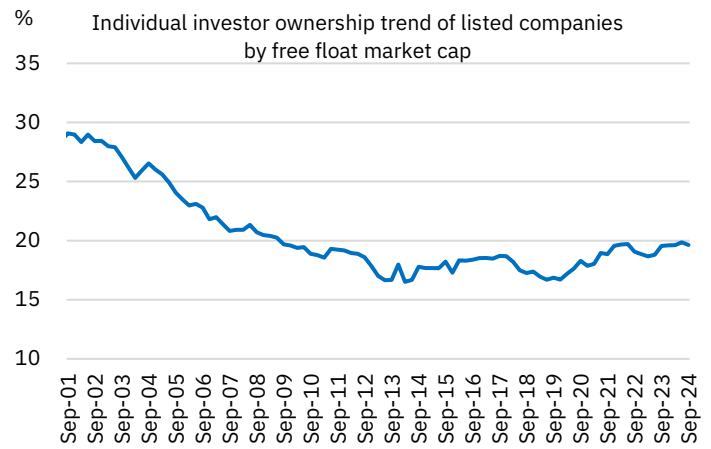
**Figure 11: DMF ownership trend of NSE-listed companies by free float market cap**


Source: CMIE Prowess, NSE EPR.

**Figure 12: FPI ownership trend of NSE-listed companies by free float market cap**


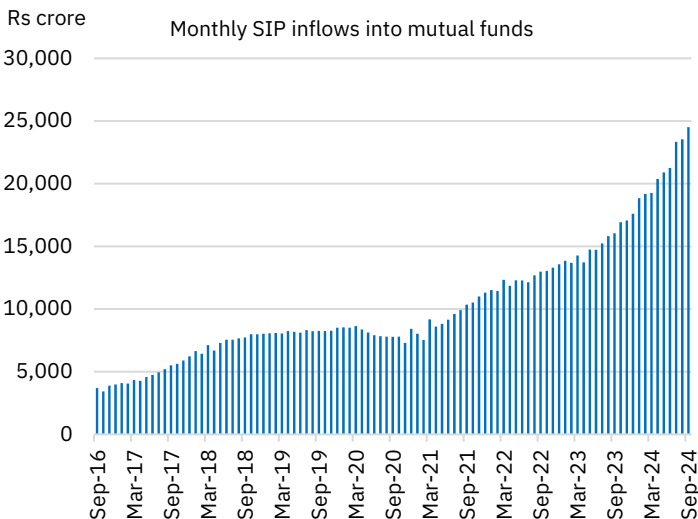
**Figure 13: Banks, FIs & Insurance ownership trend of NSE-listed companies by free float market cap**


Source: CMIE Prowess, NSE EPR.

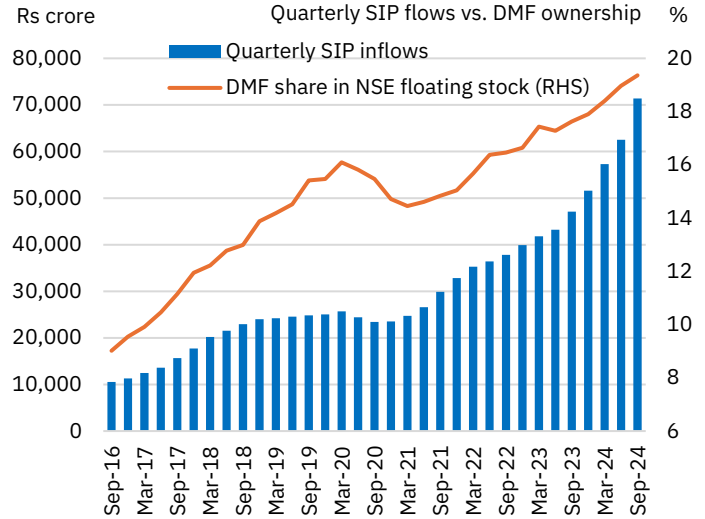
**Figure 14: Individual ownership trend of NSE-listed companies by free float market cap**


**SIP inflows continue to rise:** SIPs have been a preferred route for individual investors to invest in equity markets barring FY20-21. After a drop in 2020, that saw individual investors shift away from being indirect investors to direct participants in the equity market, inflows into mutual funds through the SIP route has been rising steadily since then, barring some moderation in early FY22 due to the virulent second wave of the pandemic. Average monthly inflows through the SIP route stood at Rs 23,796 crore in the second quarter of FY25, translating into average monthly inflows of Rs 22,321 crore in the first half, nearly 34% higher than average monthly SIP inflows of Rs 16,602 crore in FY24. Every quarter in the last 16 quarters recorded higher inflows than the previous one, which led to the continued upsurge in DMF ownership.

*Average monthly SIP inflows in Q2 FY25 rose by 14.2% QoQ to Rs 23,796 crore.*

**Figure 15: Monthly SIP inflows into mutual funds**


Source: AMFI, NSE EPR.

**Figure 16: Quarterly SIP inflows vs DMF ownership**

**DMF ownership in the September quarter increased across passive and active funds in the September quarter:**

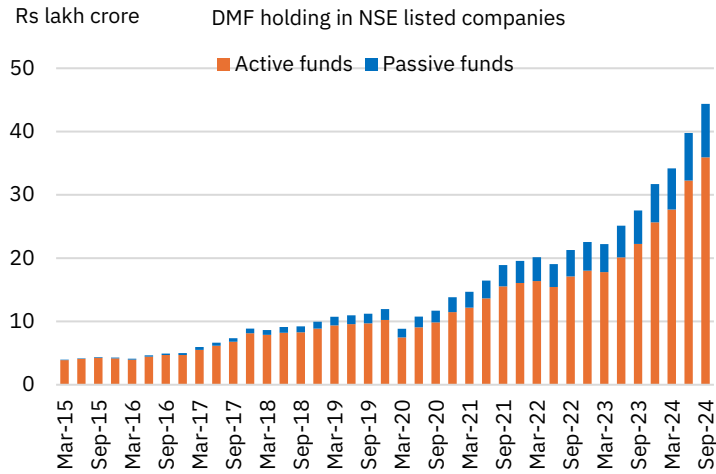
Passive holding of DMFs through ETFs and index funds in the NSE listed companies has risen rapidly over the past few years. The AUM of passive funds has grown at a CAGR of 64.7% over the last nine years, significantly higher than the 26.7% annualized growth recorded by actively managed mutual funds during this period. The quarter gone by saw passive funds' AUM rise by a strong 12.2% QoQ to Rs 8.4 lakh crore, while that of active funds' rose by a slightly smaller 11.4% to Rs 35.9 lakh crore. This has



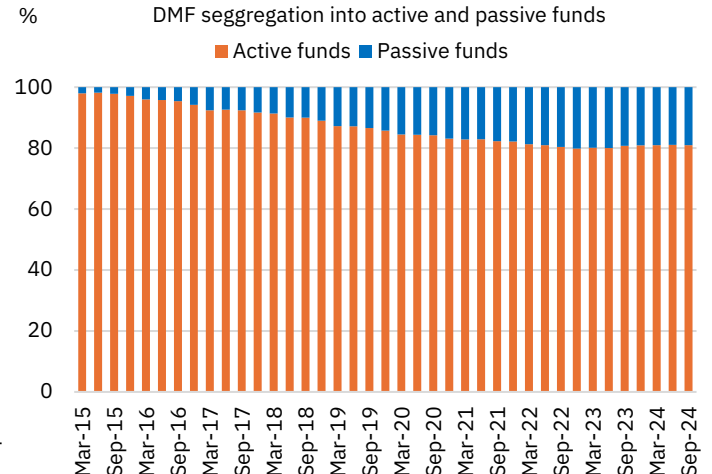
led to the share of passive funds in the total AUM of equity-oriented funds rise by a modest 12bps QoQ to 19.0% in the September quarter, nearly 113bps lower than the peak share of 20.1% recorded in Dec'22.

Out of 9.5% of the market capitalization of NSE listed universe held by DMFs, ownership of passive funds inched up by a modest 6bps QoQ to 1.8% in the September quarter, while that of active funds rose by 22bps QoQ to 7.7%. In terms of free float market capitalization, passive funds' ownership now stands marginally higher at 3.7% (vs. 3.6% in Jun'24), with active funds' shareholding standing at 15.8% (vs. 15.4% in Jun'24).

**Figure 17: DMF holding in NSE listed universe**

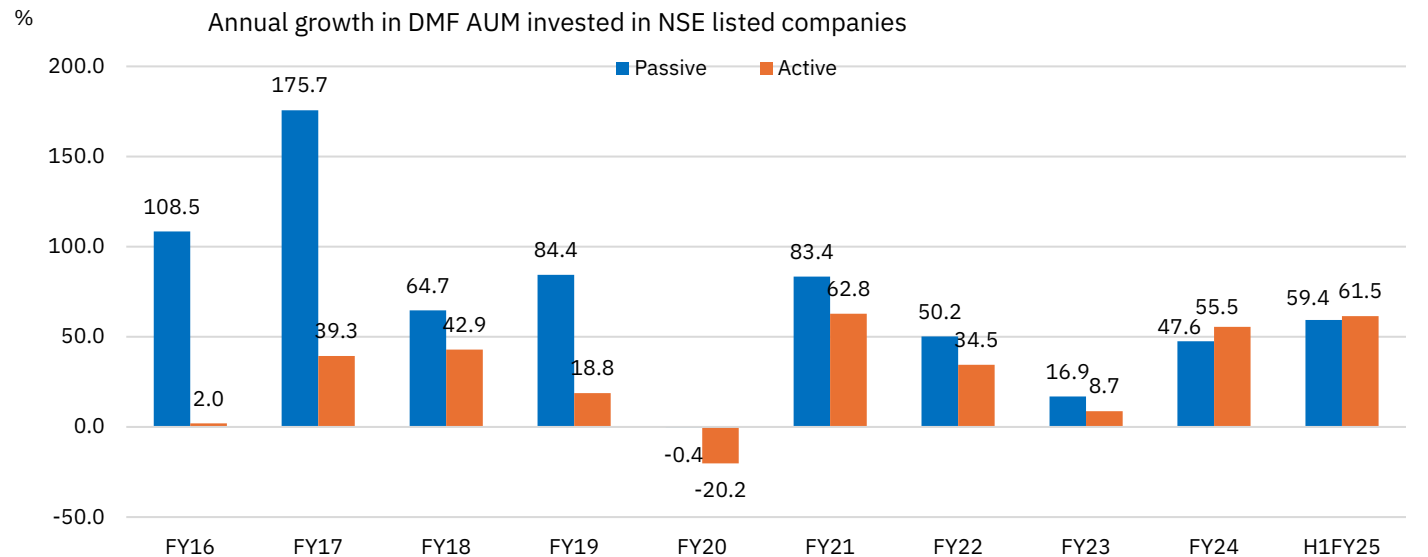


**Figure 18: DMF segregation: active and passive funds**

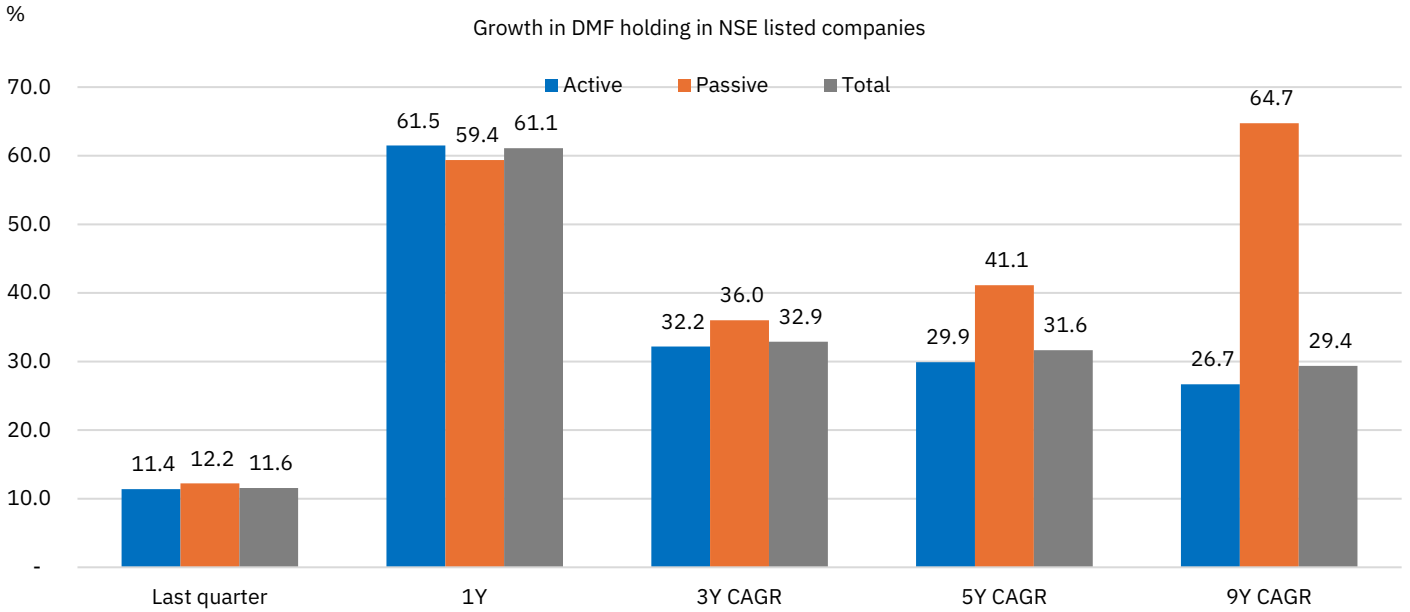


Source: AMFI, MFI Explorer, NSE EPR. Note: Passive mutual funds track an index by maintaining a portfolio that mimics the underlying assets of an index. Active funds are those which involve active investment decisions on the part of the fund manager; share of these funds has been arrived at by subtracting passive AUM from the overall DMF holding.

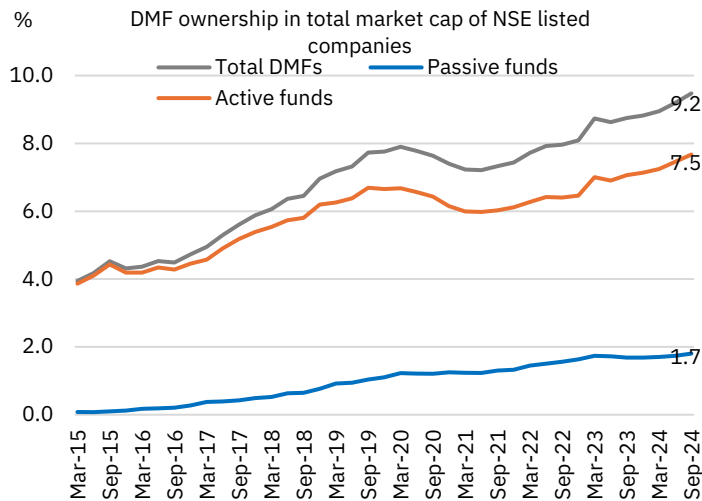
**Figure 19: Annual growth of DMF holding in the NSE-listed universe**



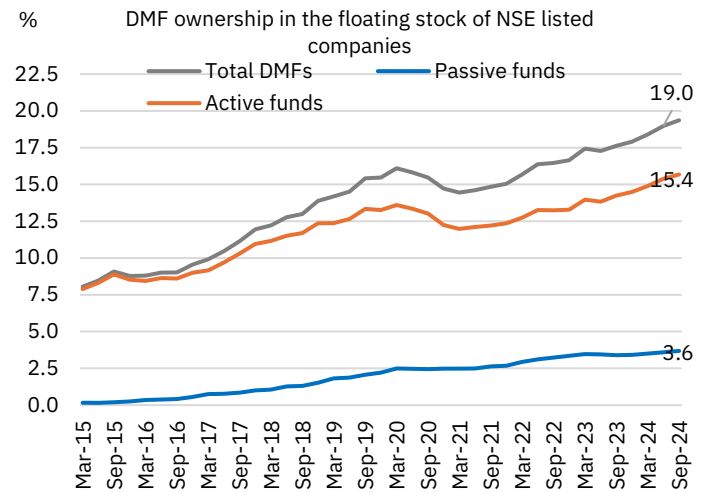
Source: AMFI, MFI Explorer, NSE EPR. Note: Passive mutual funds track an index by maintaining a portfolio that mimics the underlying assets of an index. Active funds are those which involve active investment decisions on the part of the fund manager; share of these funds has been arrived at by subtracting passive AUM from the overall DMF holding.

**Figure 20: CAGR of DMF holding in the NSE-listed universe**


Source: AMFI, MFI Explorer, NSE EPR. Note: Passive mutual funds track an index by maintaining a portfolio that mimics the underlying assets of an index. Active funds are those which involve active investment decisions on the part of the fund manager; share of these funds has been arrived at by subtracting passive AUM from the overall DMF holding. \* Data is as of September 30<sup>th</sup>, 2024.

**Figure 21: DMF ownership in total market cap of NSE listed companies**


Source: CMIE Prowess, AMFI, MFI Explorer, NSE EPR. Note: Passive mutual funds track an index by maintaining a portfolio that mimics the underlying assets of an index. Active funds are those which involve active investment decisions on the part of the fund manager; share of these funds has been arrived at by subtracting passive AUM from the overall DMF holding.

**Figure 22: DMF ownership in floating market cap of NSE listed companies**


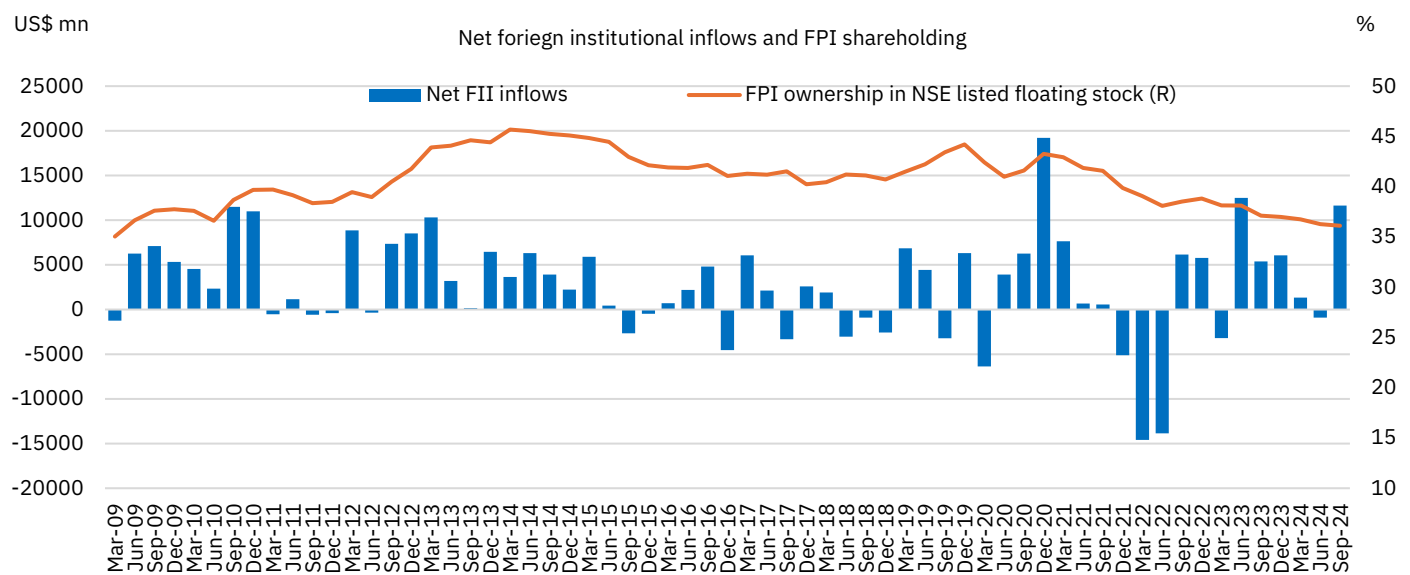
**Table 5: Shareholding of DMFs across active and passive funds in the NSE listed companies**

% Investment (Rs lakh crore)	Ownership in NSE total market cap (%)			Ownership in NSE floating stock (%)					
	Active	Passive	Total	Active	Passive	Total			
FY15	3.9	0.1	4.0	3.9	0.1	3.9	7.9	0.2	8.1
FY16	4.0	0.2	4.1	4.2	0.2	4.4	8.4	0.4	8.8
FY17	5.5	0.5	6.0	4.6	0.4	4.9	9.2	0.8	9.9
FY18	7.9	0.7	8.6	5.5	0.5	6.1	11.2	1.1	12.2
FY19	9.4	1.4	10.7	6.3	0.9	7.2	12.4	1.8	14.2
FY20	7.5	1.4	8.8	6.7	1.2	7.9	13.6	2.5	16.1
FY21	12.2	2.5	14.7	6.0	1.2	7.2	12.0	2.5	14.5
FY22	16.4	3.8	20.1	6.3	1.4	7.7	12.7	2.9	15.7
FY23	17.8	4.4	22.2	7.0	1.7	8.7	14.0	3.5	17.4
FY24	27.7	6.5	34.2	7.2	1.7	8.9	14.9	3.5	18.4
H1FY25	35.9	8.4	44.4	7.7	1.8	9.5	15.7	3.7	19.4

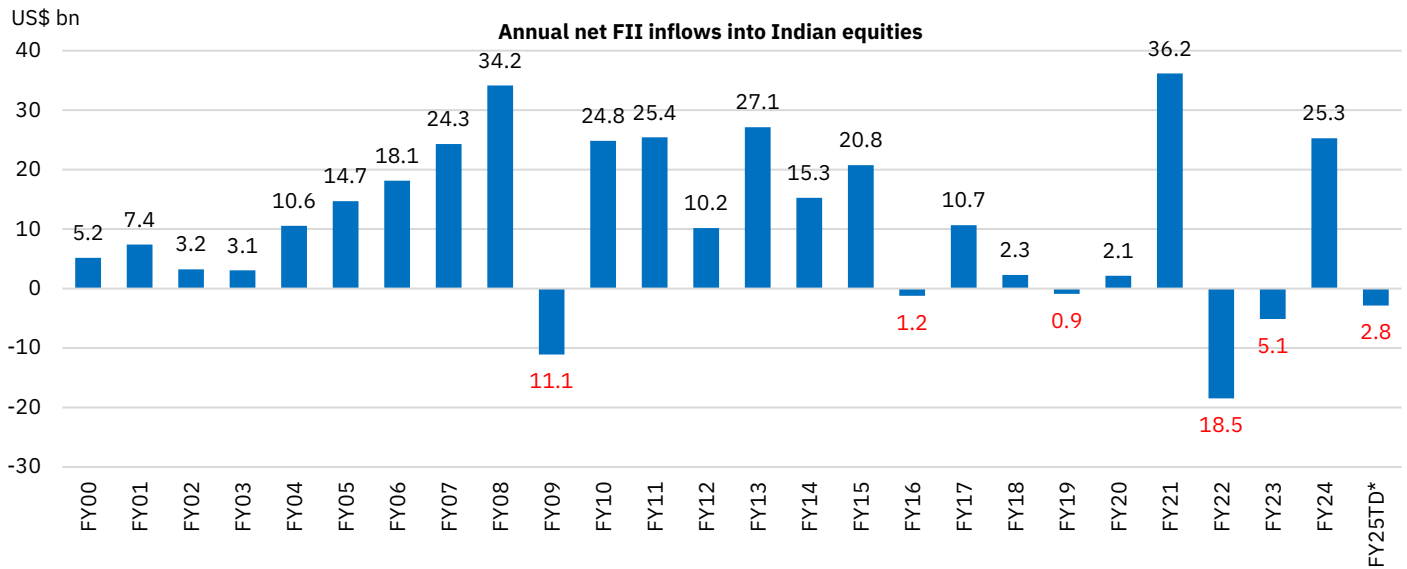
Source: CMIE Prowess, AMFI, MFI Explorer, NSE EPR. Note: Passive mutual funds track an index by maintaining a portfolio that mimics the underlying assets of an index. Active funds are those which involve active investment decisions on the part of the fund manager; share of these funds has been arrived at by subtracting passive AUM from the overall DMF holding.

**FPIs turned huge buyers of Indian equities in the September quarter:** After remaining net sellers in the June quarter, primarily so in the first two months, FPIs turned strong buyers of Indian equities in the September quarter. Net FPI inflows in the September quarter stood at a five-quarter high of US\$11.6bn. Notwithstanding robust buying, FPI ownership inched up only marginally during the quarter, a part of which is attributed to the relative underperformance of Financials where FPIs are heavy owners. In value terms, however, the FPI portfolio in NSE listed companies expanded by 8.8% QoQ. The buying spree, however, halted in October, with FPIs turning huge sellers in the light of rising global uncertainty and announcement of stimulus in China, with the trend continuing in November. In fact, net FPI outflows of US\$11.2bn in October were the highest ever outflows seen in a month.

*FPIs turned net buyers of Indian equities in the September quarter.*

**Figure 23: Net foreign institutional inflows and FPI shareholding in the NSE-listed floating stock**


Source: Bloomberg, CMIE Prowess, NSE EPR. \* FPI ownership includes ownership through depository receipts held by custodians.

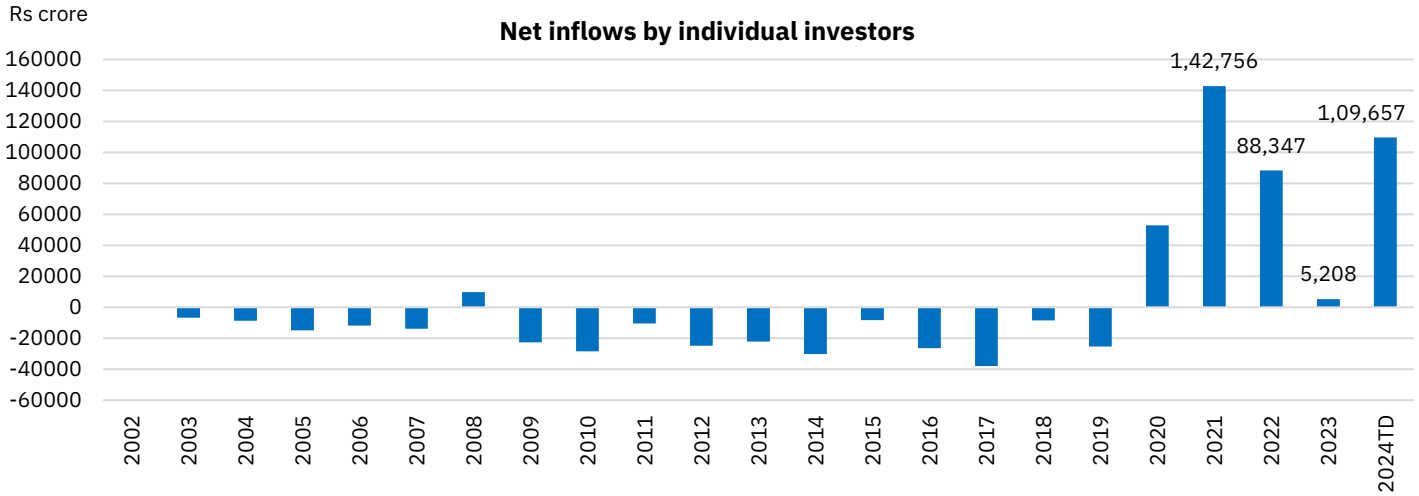
**Figure 24: Annual net FII inflows trend**


Source: Refinitiv Datastream, NSE EPR. \* As of November 8<sup>th</sup>, 2024.

### Direct participation by individual investors remained steady in the September quarter:

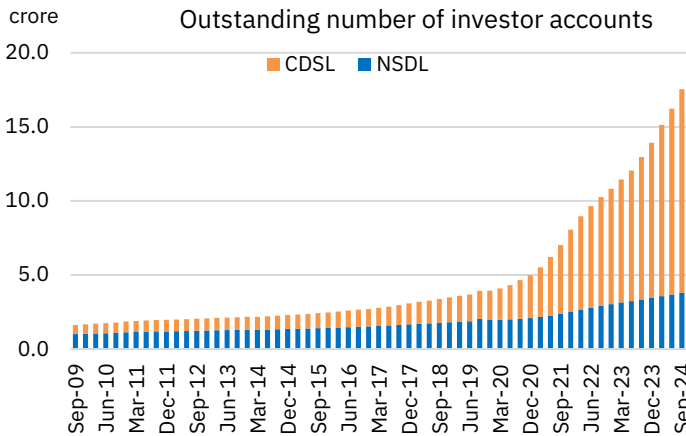
Individual investors' participation in Indian equities picked up meaningfully during 2020 and 2021. A sharp market crash in March 2020 after the onset of COVID-19 pandemic lured individual investors into trading in equity markets, with a strong market rebound thereafter further strengthening their sentiments. Individual investors turned net buyers of Indian equities in 2020 after a 11-year long hiatus between 2009-19, further strengthening their participation in the subsequent two-and-a-half years. Between Jan 2020 and December 2022, they invested a total of Rs 2.8 lakh crore in NSE's capital market segment (secondary market only). The year 2023 saw some moderation in direct participation by individual investors in terms of net investments, even as the activity in terms of new investor registrations with the depositories and the exchange remained strong. The depositories have seen a surge in demat account additions over the last few years, with 13.5 crore additions since April 2020, accounting for 77% of outstanding accounts as of September 30<sup>th</sup>, 2024. In fact, the 1.3 crore demat account additions in the September quarter were the highest ever seen in any quarter. Further, the registered investor base at NSE has nearly tripled in the last five years, and currently stands at 10.5 crore as of October 31<sup>st</sup>.

Direct individual participation in the Indian listed universe had been fluctuating throughout 2023, with individuals alternating between being net buyers and net sellers ever quarter. The first half of FY25, however, saw a rebound in individuals' interest in the market, with Rs 57,088 crore net inflows, already surpassing net investments seen in the whole of last two fiscal years. This has translated into a modest increase in individual's shareholding during this period.

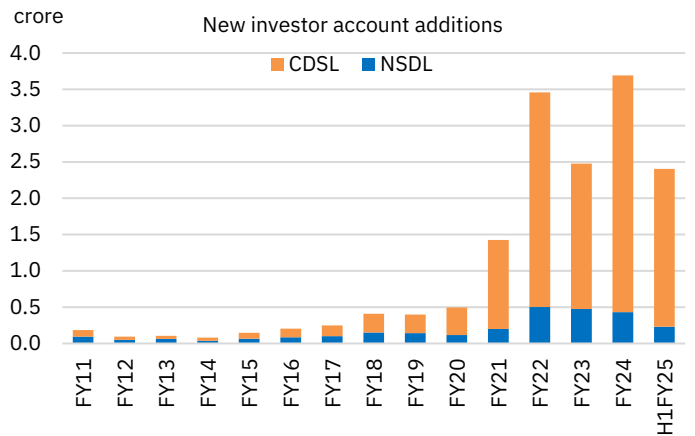
**Figure 25: Net inflows by individual investors in the NSE's CM segment (2002-2024TD)**


Source: NSE EPR.

- Note: 1. Note: Retail investors: individual domestic investors, NRIs, sole proprietorship firms and HUFs.  
 2. Net flows include investments in securities in EQ, BE, SM, and ST series including ETFs only.  
 3. Net flows are calculated as buy traded value – sell traded value.  
 4. Data for 2024TD is for the period Jan-Sep'24.

**Figure 26: Quarterly trend of number of investor accounts with depositories**


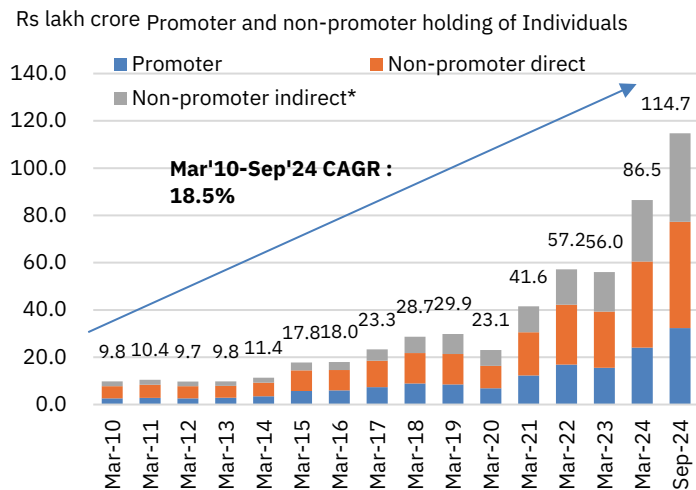
Source: SEBI Bulletin, NSE EPR.

**Figure 27: Annual trend of new investor account additions with depositories**


**Individuals own nearly a quarter of India's market cap as promoters and non-promoters:** As of September 30<sup>th</sup>, 2024, Individuals as promoters held 6.9% of India's market capitalisation, or Rs 32.3 lakh crore in value terms, up 15% on a QoQ basis. This was nearly 4.7% in March 2019, registering a CAGR of 18.8% between March 2010 and September 2024. This was higher than an annualised increase of 15.2% in total market capitalisation of NSE listed companies during this period. As non-promoters, Individuals either are direct owners or indirect owners via mutual funds of the Indian equity markets. Both direct and indirect ownership of individual investors has seen a significant growth over the last several years. Directly, individuals' share of the total market capitalisation remained steady at 9.6%, or Rs 45 lakh crore as of September 30<sup>th</sup>, 2024, up 14.3% QoQ and registering a CAGR of 16.2% between March 2010 and September 2024. As indirect participants, about 84.3% of the total equity AUM of mutual funds is held by individuals (Data available for June 2024), taking their indirect non-promoter ownership of the market to 8.0%, or Rs 37.4 lakh crore in the September quarter, up from 2.9% about a decade ago (March 2014).

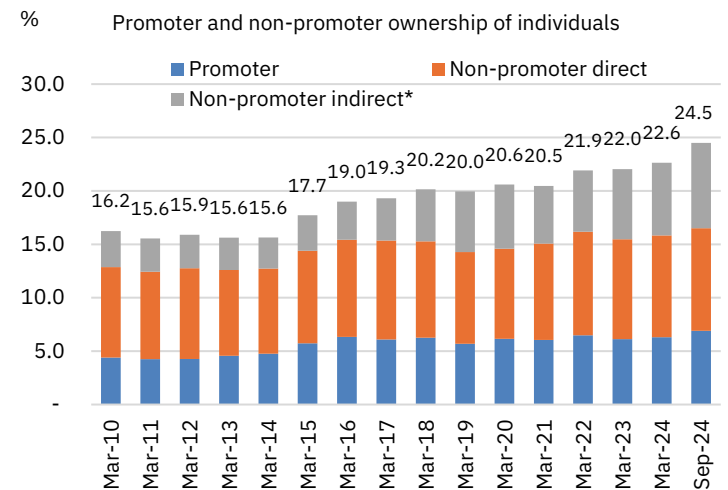
Adding direct ownership as promoters and non-promoters and indirect ownership via mutual funds, individuals now own about 24.5% or Rs 114.7 lakh crore of India's market capitalization as of September 2024, up from about 20% in March 2019, and 15.6% over a decade ago (March 2014). Net-net, the equity wealth of individuals has seen an annualised growth of about 18.5% between March 2010 and September 2024. While a part of this is attributed to an influx of new investors and rising investments by existing investors in the market, this also reflects the sustained performance generated by Indian equity markets during this period.

**Figure 28: Promoter and non-promoter holding of individuals in equity markets in value terms**

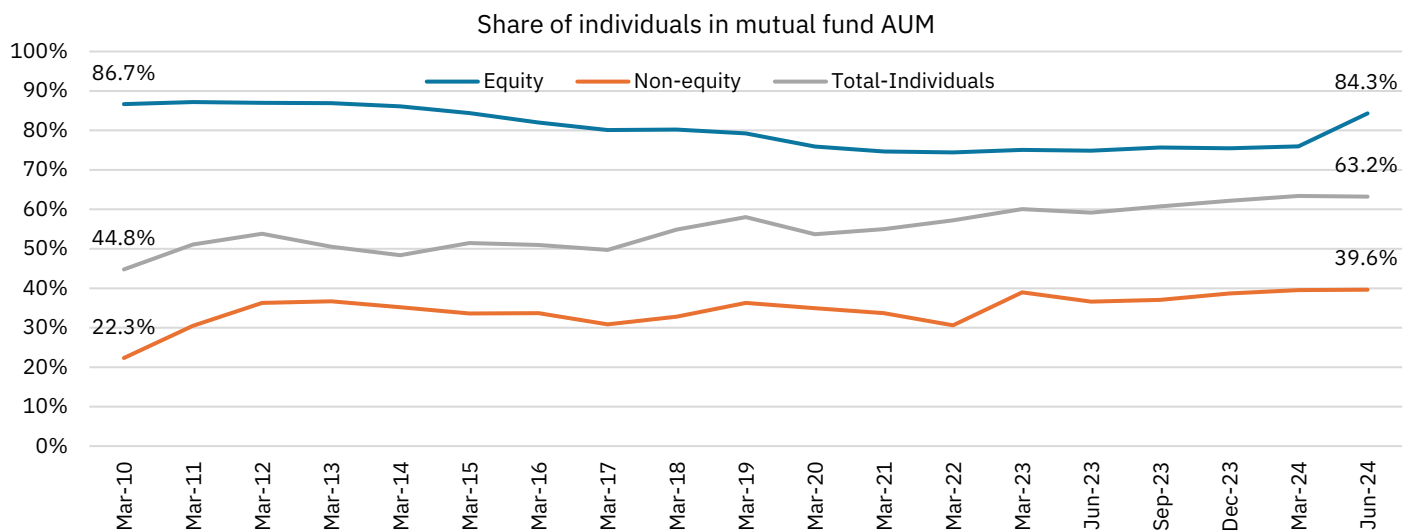


Source: CMIE Prowess, AMFI, NSE EPR. \* Holding through mutual funds.

**Figure 29: Promoter and non-promoter ownership of individuals in equity markets**



**Figure 30: Share of individuals in mutual fund AUM**



Source: CMIE Prowess, AMFI, NSE EPR. \* Holding through mutual funds; data is available for the quarter ended June'2024

**Sector-wise ownership of the NSE-listed universe (September 2024):** The sector-wise ownership pattern of the NSE-listed universe across key stakeholders in the quarter gone (Jul-Sep'24) shows that the Real Estate sector continues to lead in terms of promoter ownership at 63.2%, even as the share has declined for the fifth quarter in a row (-92bps QoQ in Sep'24), followed by Utilities at 58.0% (-51bps QoQ), Materials at 56.6% (-43bps QoQ), Industrials at 55.5% (-85bps QoQ), Information Technology at 52.9% (-95bps QoQ) and Energy at 52.7% (+25bps QoQ). Among the remaining sectors, the largest increase in promoter ownership was recorded in Communication Services (+57bps QoQ to 52.7%) on the back of increased private Indian promoter share, while that in Consumer Discretionary and Consumer Staples fell by a steep 1.2pp and 86bps QoQ to 46.8% and 51.0% respectively. In fact, the promoter share in Consumer Discretionary fell to 18.5-year lows in the quarter ending September 2024.

*Government share remained the highest in the Utilities sector, followed by Energy and Financials.*

*Financials regained the top spot with the highest DMF share in the quarter gone by.*

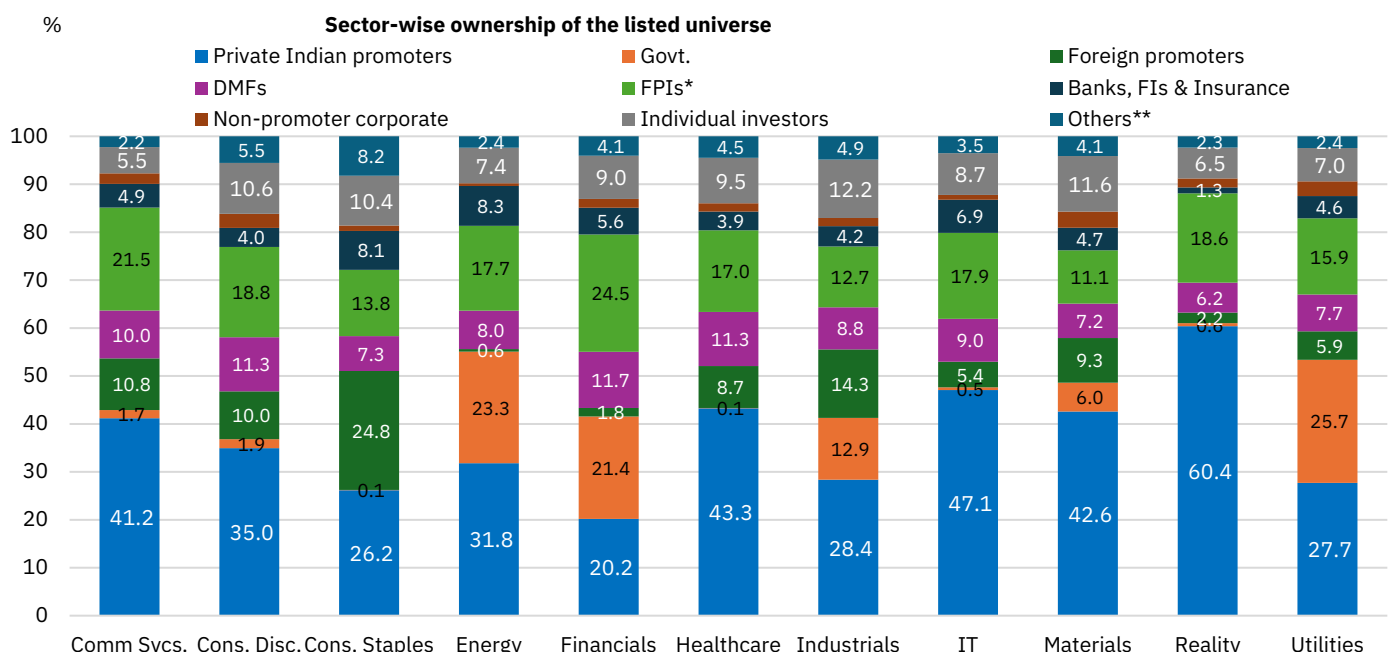
Utilities remained the sector with the highest Government share for the seventh quarter in a row with an 87bps QoQ rise to a four-year high of 25.7%. This was followed by Energy that overtook Financials to become the sector with the second highest Government ownership of 21.4% for the first time in 10 quarters, thanks to a 2.3pp QoQ increase in share. Among other sectors, Financials saw a significant 2.2pp QoQ decline in Government ownership to 21.4%.

Financials remained the sector with the highest DMF share for the second quarter in a row to an all-time high of 11.7% (+13bps QoQ), followed by Financials and Consumer Discretionary at 11.3% each. In fact, all sectors barring Healthcare and Communication Services saw an increase in DMFs' share in the quarter gone by, led by Utilities (+55bps QoQ to a four-year high of 7.7%). Notably, 4/11 GICS sectors within the NSE listed universe witnessed DMFs' share rising to a record high level in the September quarter.

*Sector-wise, FPI share is the highest in Financials at a steady 24.5%, followed by Communication Services at 21.5% (+82bps QoQ).*

Financials saw the share of FPIs remaining steady on a QoQ basis at 24.5% in the September quarter, followed by Communication Services at 21.5% (+82bps QoQ) and Consumer Discretionary at 18.8% (+35bps QoQ). Among other sectors, barring Energy and Real Estate, all others saw a sequential increase in FPI share in the quarter gone by.

**Figure 31: NSE-listed universe: Sector-wise ownership pattern across key stakeholders (September 2024)**



Source: CMIE Prowess, NSE EPR. \* FPI ownership includes ownership through depository receipts held by custodians. \*\*Others include other institutional and non-institutional non-promoter investors

## Sector allocation in the NSE-listed universe for key stakeholders (September 2024):

The table below shows sector allocation for key shareholder categories in all NSE-listed companies as of September 2024. Government ownership remained concentrated in Financials, Energy, Utilities, and Industrials, with these sectors accounting for ~90% of the Government holding in the NSE listed space. Consumer sector—Discretionary and Staples—accounted for 37.6% of the exposure of foreign promoters to the NSE listed space. This is followed by Industrials at 22.7% (-2.1pp QoQ) and Materials at 12.5% (-1bps QoQ). Except for an outsized exposure to Financials, DMF portfolio continued to remain more diversified compared to FPIs. In fact, both DMFs and FPIs saw their allocation to Financials dropping for the seventh and fifth quarters in a row. Among other sectors, Consumer Discretionary, Healthcare and Information Technology saw the allocation of both FPIs and DMFs rising in the quarter gone by, while Industrials and Energy saw a drop.

*Both DMFs and FPIs saw their portfolio allocation to Financials decreasing yet again in Q2FY25.*

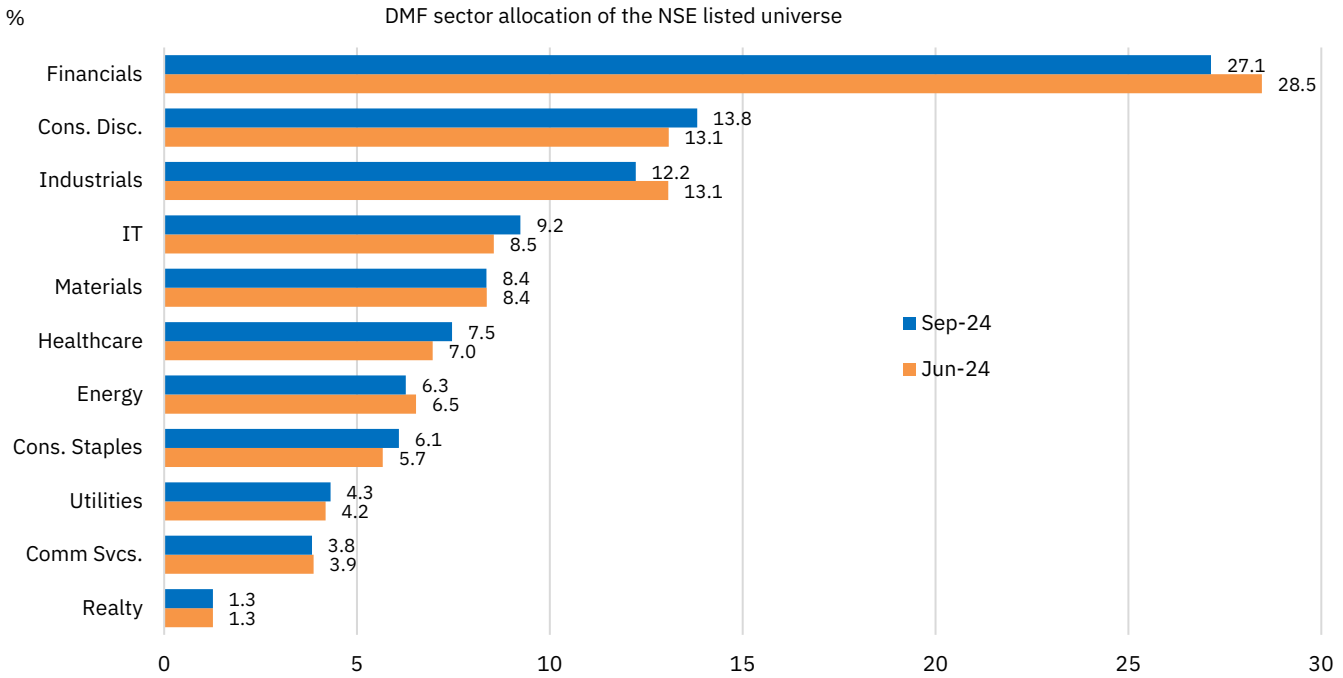
**Table 6: Sector allocation of the NSE-listed universe for key stakeholders (September 2024)**

%	Pvt. Indian promoters	Govt	Foreign promoters	Domestic MFs	FPIs*	Banks, FIs, Insurance	Non-promoter corporate	Individuals
Communication Services	4.6	0.6	4.7	3.8	4.4	3.3	4.1	2.1
Consumer Discretionary	12.4	2.1	14.0	13.8	12.4	8.6	17.2	12.9
Consumer Staples	6.3	0.1	23.7	6.1	6.2	11.9	4.6	8.5
Energy	7.2	16.4	0.5	6.3	7.4	11.4	2.1	5.7
Financials	13.5	44.7	4.7	27.1	30.4	22.8	20.5	20.6
Health Care	8.3	0.0	6.6	7.5	6.0	4.5	5.6	6.2
Industrials	11.4	16.2	22.7	12.2	9.5	10.3	11.5	16.7
Information Technology	14.0	0.5	6.3	9.2	9.9	12.5	5.1	8.8
Materials	14.4	6.3	12.5	8.4	7.0	9.6	19.1	13.4
Real Estate	3.5	0.1	0.5	1.3	2.0	0.4	1.8	1.3
Utilities	4.5	13.0	3.8	4.3	4.8	4.6	8.4	3.9
<b>Grand Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

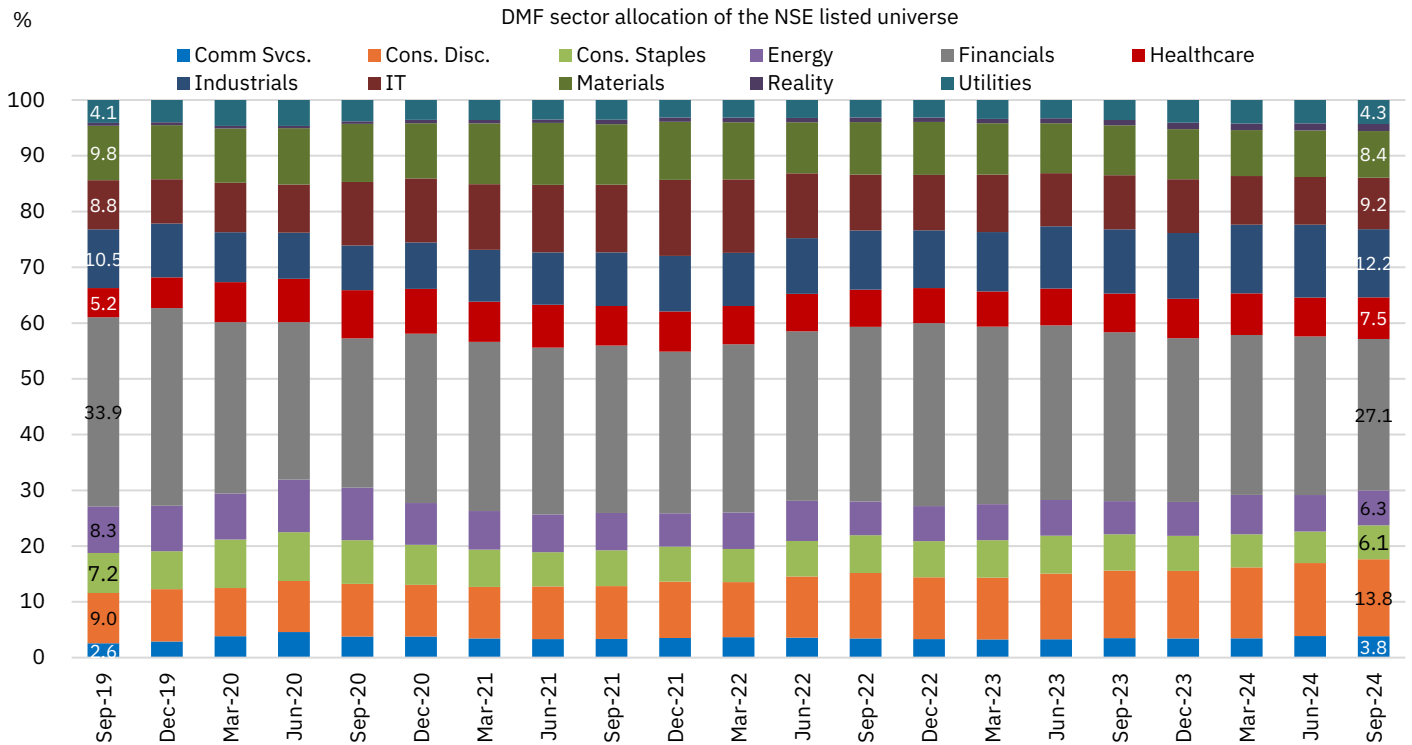
Source: CMIE Prowess, NSE EPR. \* FPI ownership includes ownership through depository receipts held by custodians.

**DMFs increased their allocation to Consumer Discretionary, Information Technology and Healthcare at the expense of Financials and Industrials:** DMFs' exposure to Financials dipped for the seventh quarter in a row by 1.3pp QoQ to a four-year low of 27.1%, translating into a total decline of 7.1pp in the last one year. After increasing allocation to Industrials over the previous six quarters, DMFs reduced their exposure to the sector by 84bps QoQ to 12.2%. DMFs' allocation to Energy also saw a marginal 27bps QoQ decline to 6.3%. A part of the decline in exposure to these sectors is a consequence of their underperformance relative to the broader market in the quarter gone by, and was taken up by increased allocation to Consumer Discretionary (+74bps QoQ to 13.8%), Information Technology (69bps QoQ to 9.2%), Healthcare (+50bpsQoQ to 7.5%) and Consumer Staples (+42bps QoQ to 6.1%). In fact, DMFs' exposure to Consumer Discretionary as of September-end is the highest ever. Among other sectors, DMFs' exposure to Materials, Utilities, Communication Services and Real Estate remained broadly unchanged.



**Figure 32: DMF sector allocation of the NSE-listed universe (September 2024 vs. June 2024)**


Source: CMIE Prowess, NSE EPR.

**Figure 33: DMF sector allocation of the NSE-listed universe over last five years**


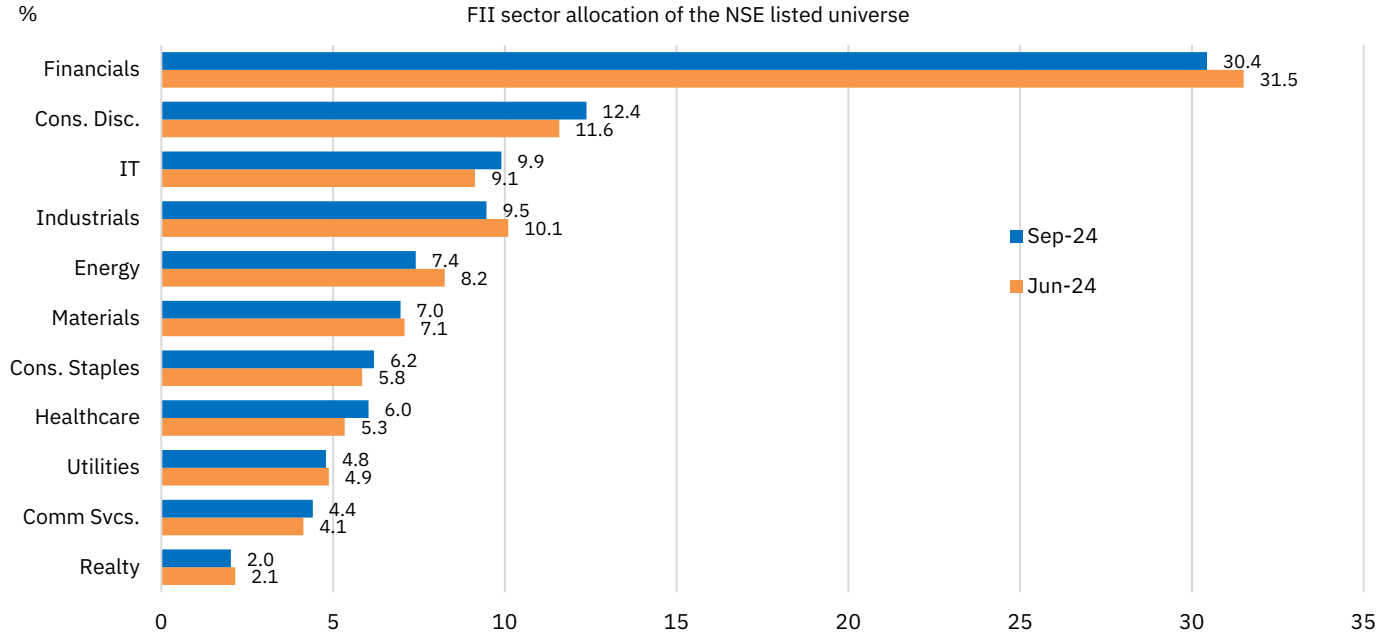
Source: CMIE Prowess, NSE EPR.

**FPIs also saw their allocation to Financials, Industrials and Energy declining in the**

**September quarter:** In line with DMFs, FPIs also experienced a decline in the allocation to Financials by 107bps QoQ to a decadal-low of 30.4%, higher than the 63bps QoQ drop in the sector's share in the total market capitalisation of NSE listed companies. This marked the fifth consecutive quarter of a decline in FPI allocation to the sector, translating into a total drop in allocation of 6.0pp during this period. FPIs' exposure to Energy and Industrials also dipped by 84bps and 64bps QoQ to 7.4% and 9.5% respectively. In line

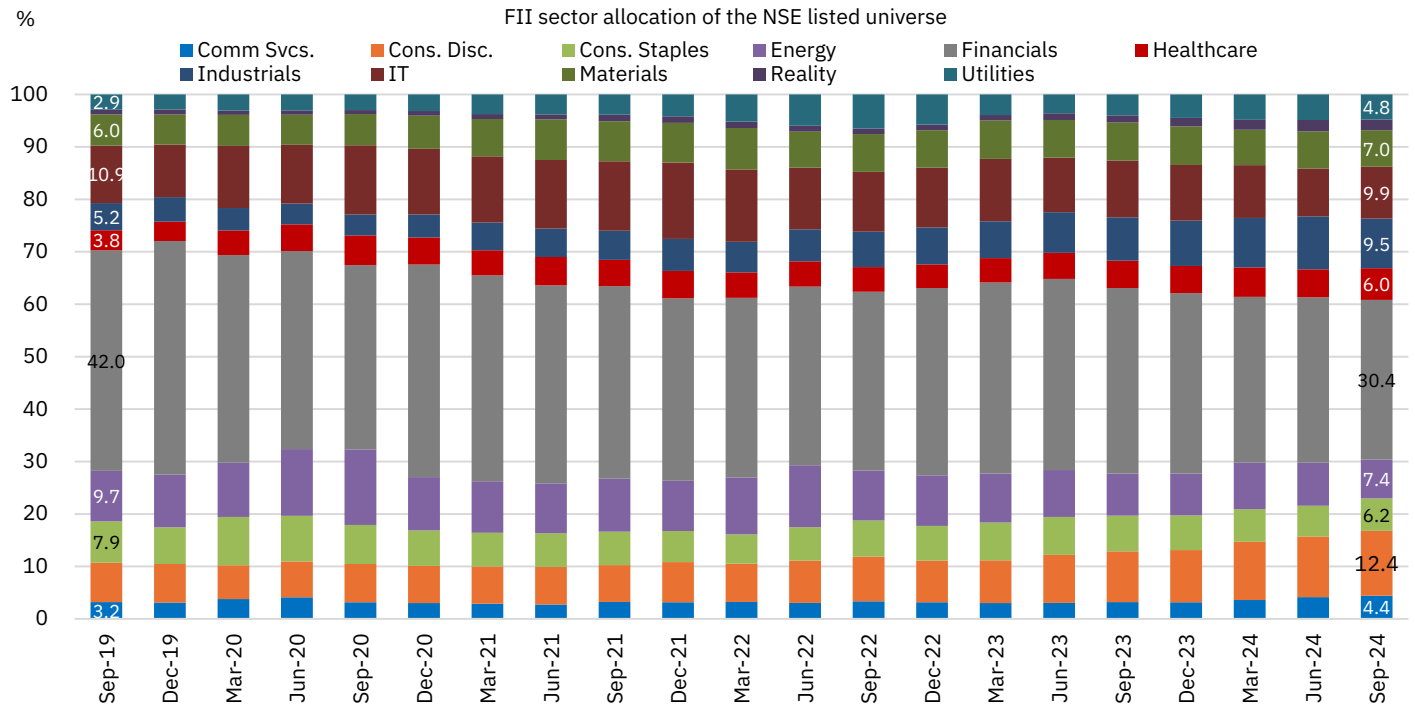
with DMFs, FPIs also saw their allocation to consumption and export-oriented sectors, viz. Consumer Discretionary, Consumer Staples, Information Technology and Healthcare rising in the September quarter by 79bps, 35bps, 77bps and 69bps QoQ to 12.4%, 6.2%, 9.9% and 6.0% respectively.

**Figure 34: FPI sector allocation of the NSE-listed universe (September 2024 vs. June 2024)**



Source: CMIE Prowess, NSE EPR. \* FPI ownership includes ownership through depository receipts held by custodians

**Figure 35: FPI sector allocation of the NSE-listed universe over last five years**



Source: CMIE Prowess, NSE EPR. \* FPI ownership includes ownership through depository receipts held by custodians.

## Nifty 50 ownership trends

### Ownership pattern of the Nifty 50 universe (September 2024)

**Promoter stake in the Nifty 50 universe fell for the second quarter in a row:** In line with the broader listed universe, promoter ownership in Nifty 50 companies dipped for the second consecutive quarter by 23bps QoQ to 42.1% in the September quarter, translating into a total decline of 70bps in the first half of the fiscal. This decline was primarily influenced by reduced promoter share in Information Technology and consumption-oriented sectors such as Consumer Discretionary and Consumer Staples. Within promoters, it was the private Indian promoter category that solely drove the decline in overall promoter share in the quarter gone by while both Government and foreign promoters witnessed an increase. While the private Indian promoter ownership fell at a six-month high pace of 71bps QoQ to an 18-quarter low of 28.6%, foreign promoter share rose by 21bps QoQ to 6.4%, more than reversing the dip seen in the previous quarter. Government ownership (promoter as well as non-promoter) also increased by 27bps QoQ to a 19-quarter high of 7.4%, primarily led by Industrials, thanks to the inclusion of Bharat Electronics (Govt. share: 51.1%) in the Nifty50 Index.

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*Promoter ownership in Nifty 50 dipped marginally to 42.1%, solely led by decline in private Indian promoter ownership, while that of other promoter categories saw a marginal increase.*

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**Institutional ownership rose again, led by record DMF inflows:** After dropping over the previous four quarters, institutional share in the Nifty 50 universe increased in the first quarter of FY25 and continued the trend in the second quarter, rising by 24bps QoQ to a five-quarter high of 46.6%. This rise was mainly driven by DMFs, with their ownership in Nifty50 companies increasing by 28 bps QoQ to a new all-time high of 11.4%, marking the fifth increase in a row. Strong DMF flows into Indian equities, backed by robust SIP inflows, were instrumental in this growth. Other institutional categories, however, saw their share remaining broadly steady in the September quarter. While FPI share remained fairly unchanged at a 47-quarter low of 24.4%, ownership of banks, financial institutions & insurance saw their share dropping by a modest 5bps QoQ to 8.03%, remaining around these levels for over nine quarters now.

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*DMF ownership rose by 28bps QoQ to a record 11.4% in the September quarter, supported by strong SIP inflows, while FPI share remained broadly unchanged at a 47-quarter low of 24.4%.*

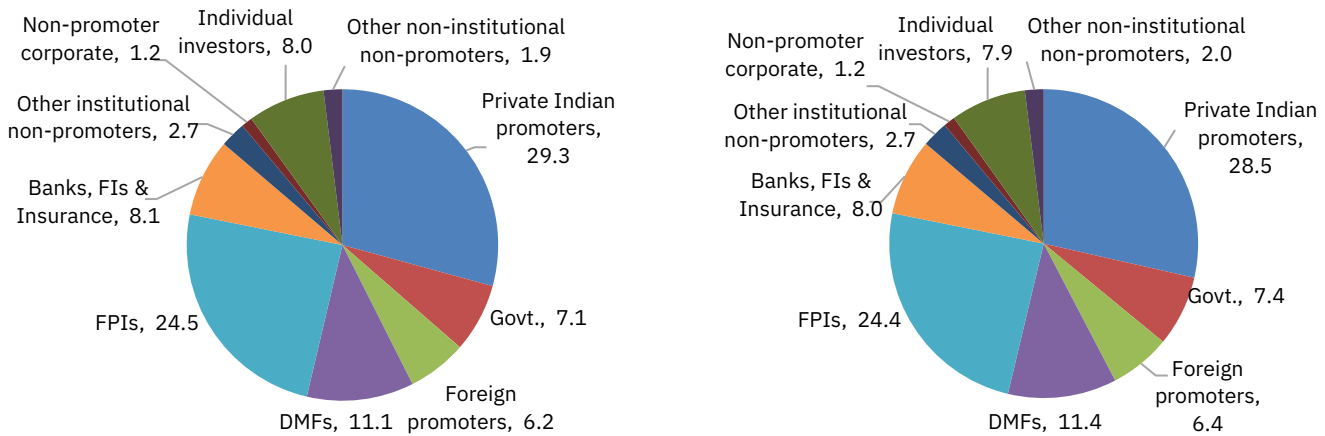
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**Individual investors' ownership in Nifty50 companies fell marginally to a 15-quarter low:** Overall ownership of individual investors fell for the fourth quarter in a row by 9bps QoQ to a 15-quarter low of 7.9%. Sector-wise, Consumer Discretionary saw a notable increase, rising to 10.4% from 9.9% while Financials and Healthcare witnessed a decline. That said, individuals' non-promoter direct ownership in Nifty50 companies remains relatively evenly distributed across sectors. In value terms, individuals' holding in NSE listed companies rose by 7.9% QoQ to Rs 16.5 lakh crore.

**Figure 36: Nifty 50: Ownership pattern by total market cap (%)**

June 2024

September 2024



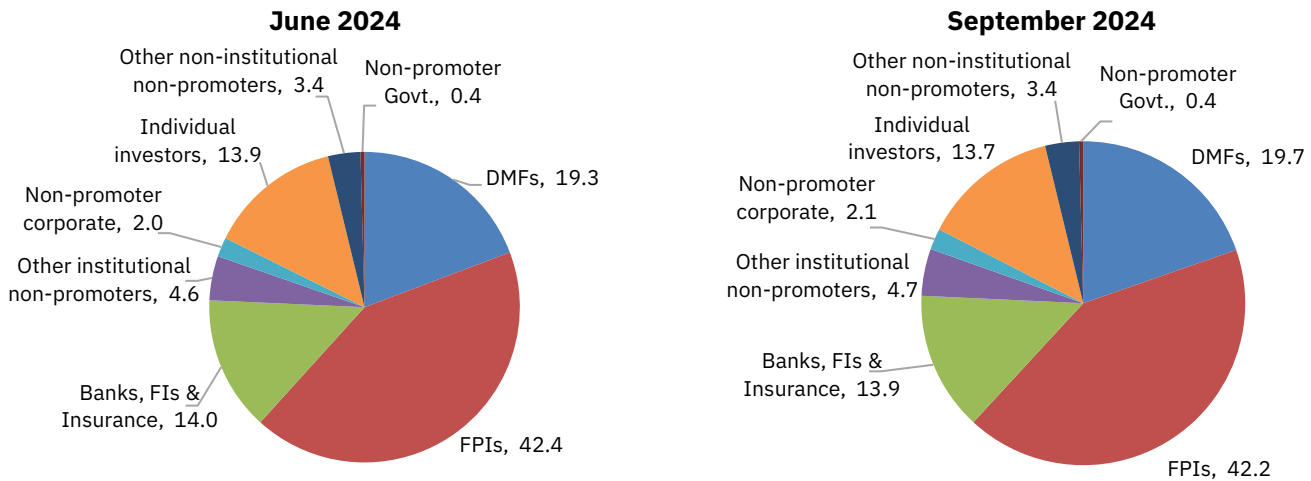
Source: CMIE Prowess, NSE EPR. \*FPI ownership includes ownership through depository receipts held by custodians.

**Table 7: Nifty 50: Ownership trend across key stakeholders by total market cap over the last three years**

%	Private Indian promoters	Govt	Foreign promoters	Domestic MFs	Banks, FIs & Insurance	FPIs *	Non-promoter corporate	Individual investors	Others*
Dec-21	32.4	5.1	6.1	8.5	5.9	25.9	2.6	8.3	5.2
Mar-22	32.5	5.1	5.7	8.9	6.1	25.4	2.6	8.5	5.2
Jun-22	31.3	5.3	6.5	9.4	6.5	24.8	2.7	8.6	4.9
Sep-22	31.2	5.3	6.8	9.3	8.0	25.2	1.7	8.3	4.2
Dec-22	30.9	5.5	6.4	9.5	8.0	25.7	1.2	8.1	4.6
Mar-23	29.8	5.6	6.6	9.9	8.2	25.6	1.2	8.3	4.8
Jun-23	29.9	5.5	6.6	9.7	8.1	25.7	1.3	8.2	5.0
Sep-23	29.4	6.0	6.5	10.1	8.1	25.2	1.3	8.3	5.0
Dec-23	29.4	6.3	6.5	10.2	8.0	25.1	1.3	8.2	5.0
Mar-24	29.8	7.0	6.3	10.5	8.0	24.5	1.2	8.1	4.7
Jun-24	29.3	7.1	6.2	11.1	8.1	24.5	1.2	8.0	4.6
Sep-24	28.5	7.4	6.4	11.4	8.0	24.4	1.2	7.9	4.7
<i>QoQ change</i>	<i>-71bps</i>	<i>27bps</i>	<i>21bps</i>	<i>28bps</i>	<i>-5bps</i>	<i>-4bps</i>	<i>6bps</i>	<i>-9bps</i>	<i>7bps</i>

Source: CMIE Prowess, NSE EPR. Note: Ownership across promoters and non-promoters are based on total market cap and add up to 100. \*FPI ownership includes ownership through depository receipts held by custodians. \*\* Others include other institutional non-promoters, other non-institutional non-promoters and government non-promoters.

**Institutional ownership reached a record high in Nifty50 floating stock:** In terms of the floating stock, overall institutional ownership in the Nifty 50 universe reached an all-time high of 80.4% in the quarter ending September 2024, rising by a modest 10 bps QoQ during the quarter. This was yet again primarily led by an increase in DMF ownership for the fifth quarter in a row. DMF share in the Nifty50 companies rose by 40bps QoQ to a fresh all-time high of 19.7% in the September quarter, translating into total increase of 1.2pp in the first half of the fiscal and is up 5.9pp from the post-pandemic low of 13.8% in March 2021. Conversely, FPIs ownership fell for the third consecutive quarter by 24bps QoQ to 42.2%, the lowest level in last 13 years. The share of Banks, Financial Institutions, and Insurance companies also saw a reduction of 14bps QoQ to 13.9% and continued to hover in a tight range of 14% +/- 10 bps over the last nine quarters. Individual investors' share in the Nifty50 floating stock fell by 21bps QoQ to a 19-quarter low of 13.7%, mimicking the drop seen in the previous quarter, and is now 1.3pp below the post pandemic high of 15% in Jun'22.

**Figure 37: Nifty 50: Ownership pattern by free float market cap (%)**


Source: CMIE Prowess, NSE EPR. \*FPI ownership includes ownership through depository receipts held by custodians.

**Table 8: Nifty 50: Ownership trend across key stakeholders by free float market cap over last the three years**

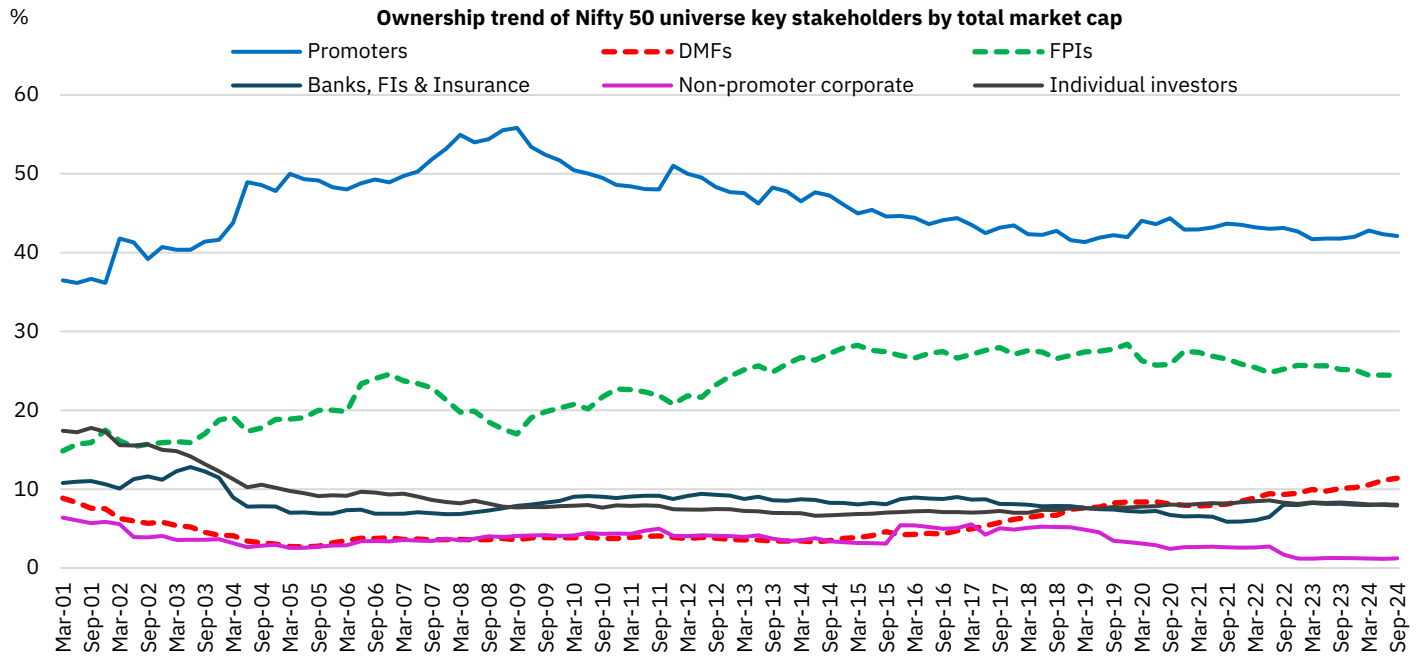
%	Domestic MFs	Banks, FIs & Insurance	FPIs*	Non-promoter corporate	Individual Investors	Others**
Dec-21	15.0	10.4	45.8	4.6	14.8	9.4
Mar-22	15.7	10.7	44.8	4.6	14.9	9.3
Jun-22	16.5	11.4	43.5	4.8	15.0	8.8
Sep-22	16.4	14.1	44.3	3.0	14.6	7.7
Dec-22	16.5	13.9	44.8	2.1	14.2	8.4
Mar-23	17.1	14.1	44.0	2.0	14.3	8.5
Jun-23	16.7	13.9	44.1	2.2	14.2	8.9
Sep-23	17.3	14.0	43.2	2.2	14.3	9.0
Dec-23	17.6	13.8	43.3	2.2	14.1	8.9
Mar-24	18.4	14.0	42.8	2.1	14.1	8.7
Jun-24	19.3	14.0	42.4	2.0	13.9	8.4
Sep-24	19.7	13.9	42.2	2.1	13.7	8.5
QoQ change	40bps	-14bps	-24bps	9bps	-21bps	9bps

Source: CMIE Prowess, NSE EPR. Note: Ownership across key non-promoter stakeholders is based on free float market cap and add up to 100. \*FPI ownership includes ownership through depository receipts held by custodians. \*\* Others include other institutional non-promoters, other non-institutional non-promoters and government non-promoters.

**Long-term ownership trend of the Nifty 50 universe:** The long-term ownership trend of the Nifty 50 Index echoes the trend seen in the broader listed universe. Overall promoter ownership has seen a steady decline from 2009 until March 2019, only to see a gradual increase over the next one-and-a-half years and decline thereafter. The decline in promoter share between 2009 and 2019 was primarily led by a sharp drop in Government ownership, even as private Indian promoters' holding increased during this period. Foreign promoters' share, on the other hand, has remained broadly steady barring the post-COVID volatility.

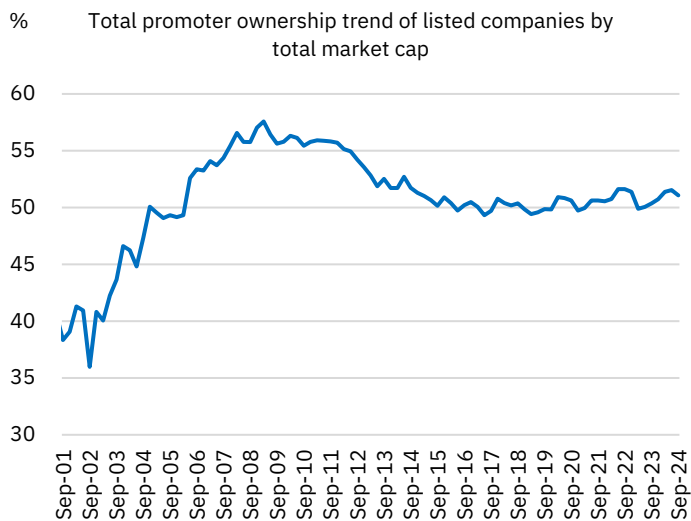
The DMF ownership has seen a sharp increase since 2014 barring the drop in 2020 and is currently hovering at the highest level in the last 23+ years. FPI ownership saw a steady increase since the Global Financial crisis until early 2015, reaching the highest level of 28.3% in Mar-15 only to hover around similar levels until Dec-19. Since the onset of the pandemic, FPI share has been gradually falling barring a significant increase in the fourth quarter of 2020. Contrary to the overall NSE-listed universe, individual investors' ownership in the Nifty 50 Index has been steadily rising over the last eight years, barring a modest drop over the last few quarters.

**Figure 38: Nifty 50: Long-term ownership trend across key stakeholders by total market cap**



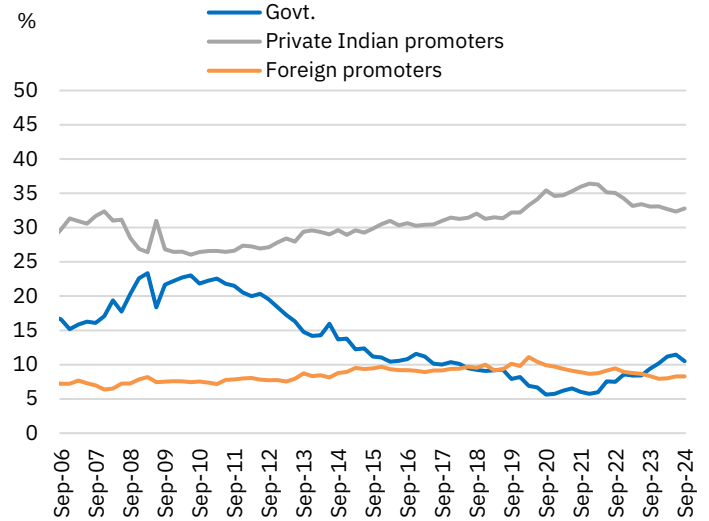
Source: CMIE Prowess, NSE EPR. \*FPI ownership includes ownership through depository receipts held by custodians.

**Figure 39: Total promoter ownership trend of the Nifty 50 universe by total market cap**

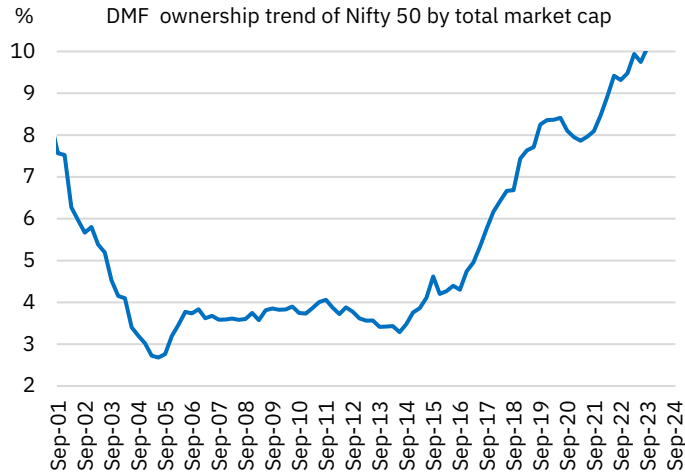


Source: CMIE Prowess, NSE EPR.

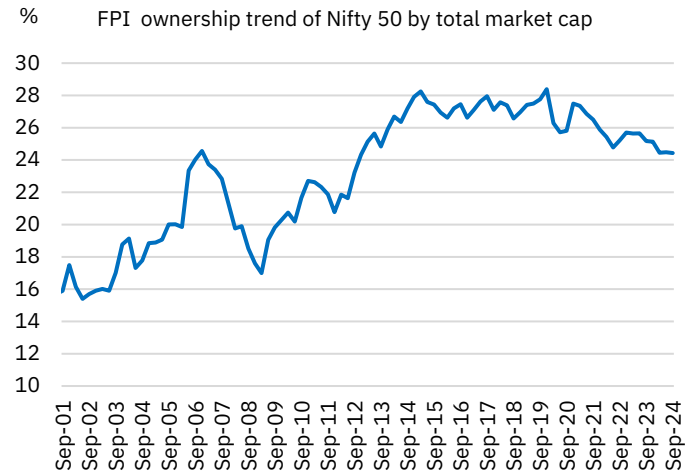
**Figure 40: Indian and foreign promoter ownership trend of the Nifty 50 universe by total market cap**



**Figure 41: DMF ownership trend of Nifty 50 universe by total market cap**

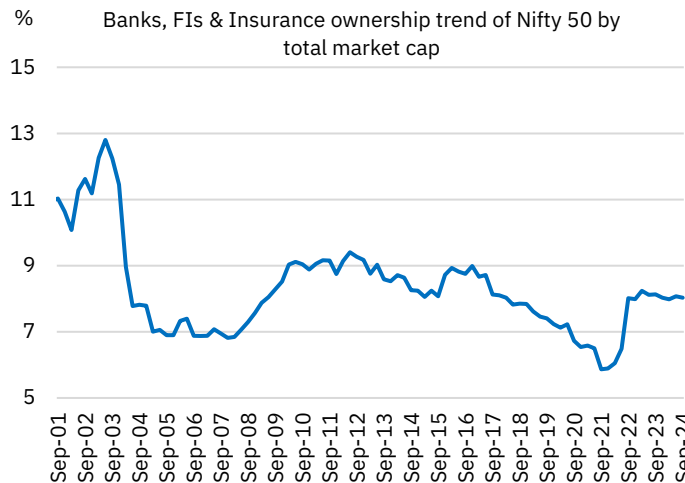


**Figure 42: FPI ownership trend of Nifty 50 universe by total market cap**

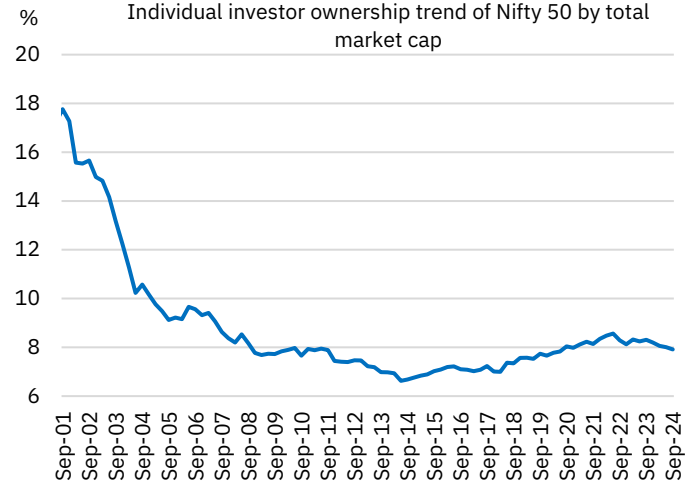


Source: CMIE Prowess, NSE EPR. \*FPI ownership includes ownership through depository receipts held by custodians

**Figure 43: Banks, FIs & Insurance ownership trend of Nifty 50 universe by total market cap**



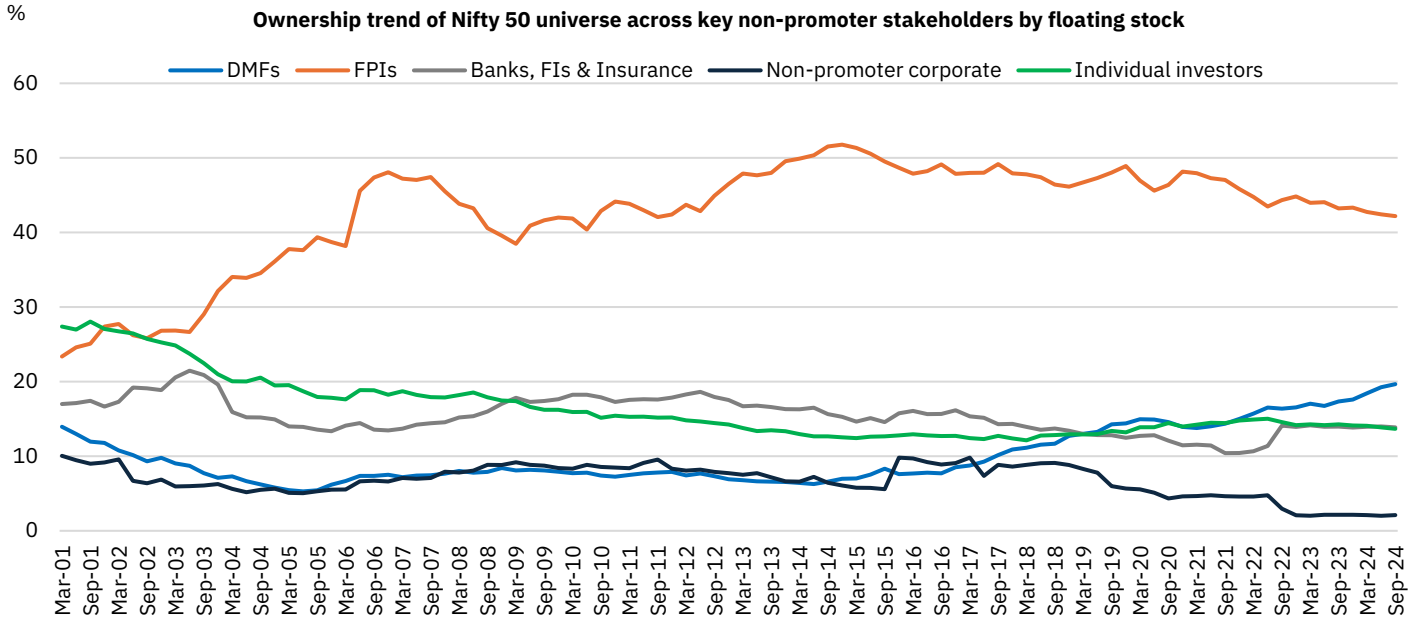
**Figure 44: Retail ownership trend of Nifty 50 universe by total market cap**



Source: CMIE Prowess, NSE EPR.

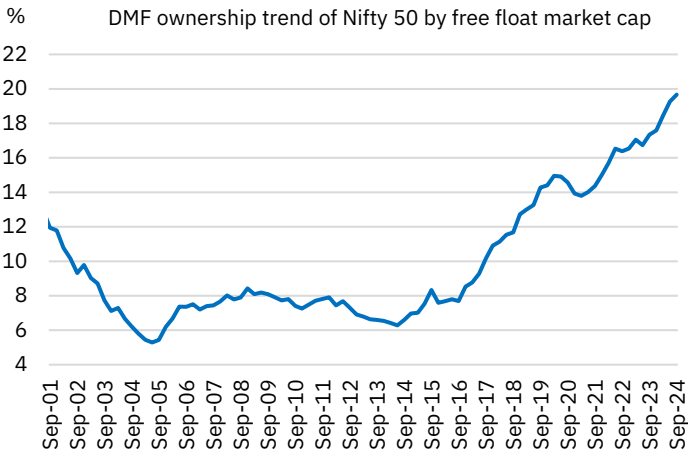
Our long-term ownership analysis on the free float market cap of the Nifty 50 Index also shows that while DMF ownership is currently at the highest ever level of 19.3%, while FPI ownership is nearly 9.4 pp lower than the peak of 51.8% seen in December 2014.

**Figure 45: Nifty 50: Long-term ownership trend across key stakeholders by free float market cap**

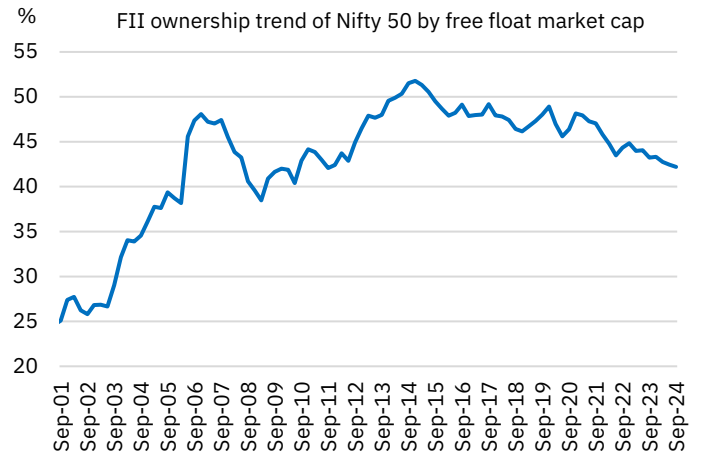


Source: CMIE Prowess, NSE EPR. \*FPI ownership includes ownership through depository receipts held by custodians

**Figure 46: DMF ownership trend of the Nifty 50 universe by free float market cap**

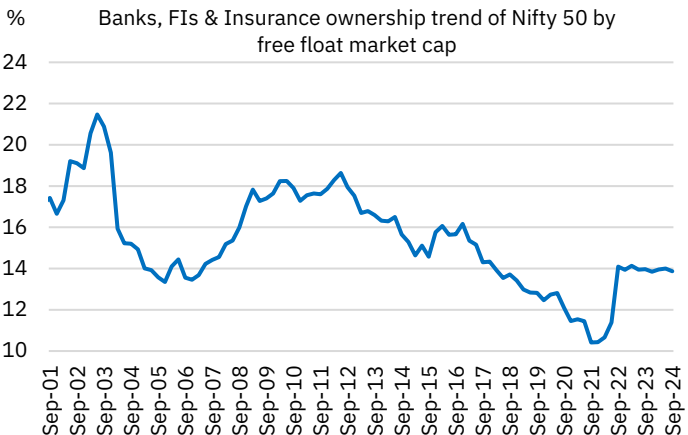


**Figure 47: FPI\* ownership trend of the Nifty 50 universe by free float market cap**

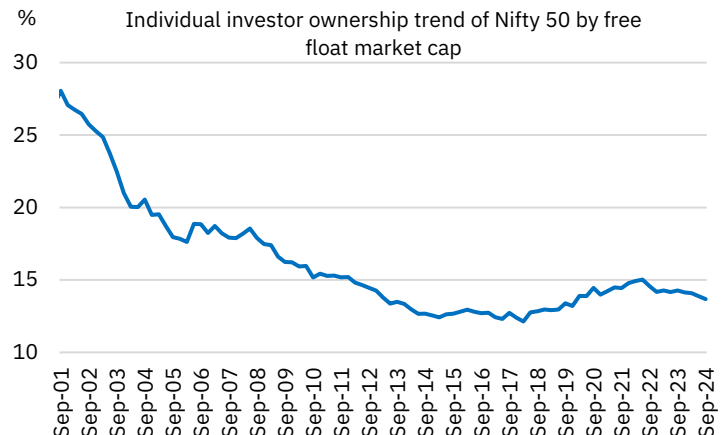


Source: CMIE Prowess, NSE EPR. \*FPI ownership includes ownership through depository receipts held by custodians

**Figure 48: Banks, FIs & Insurance ownership trend of the Nifty 50 universe by free float market cap**



**Figure 49: Individual ownership trend of the Nifty 50 universe by free float market cap**



Source: CMIE Prowess, NSE EPR.

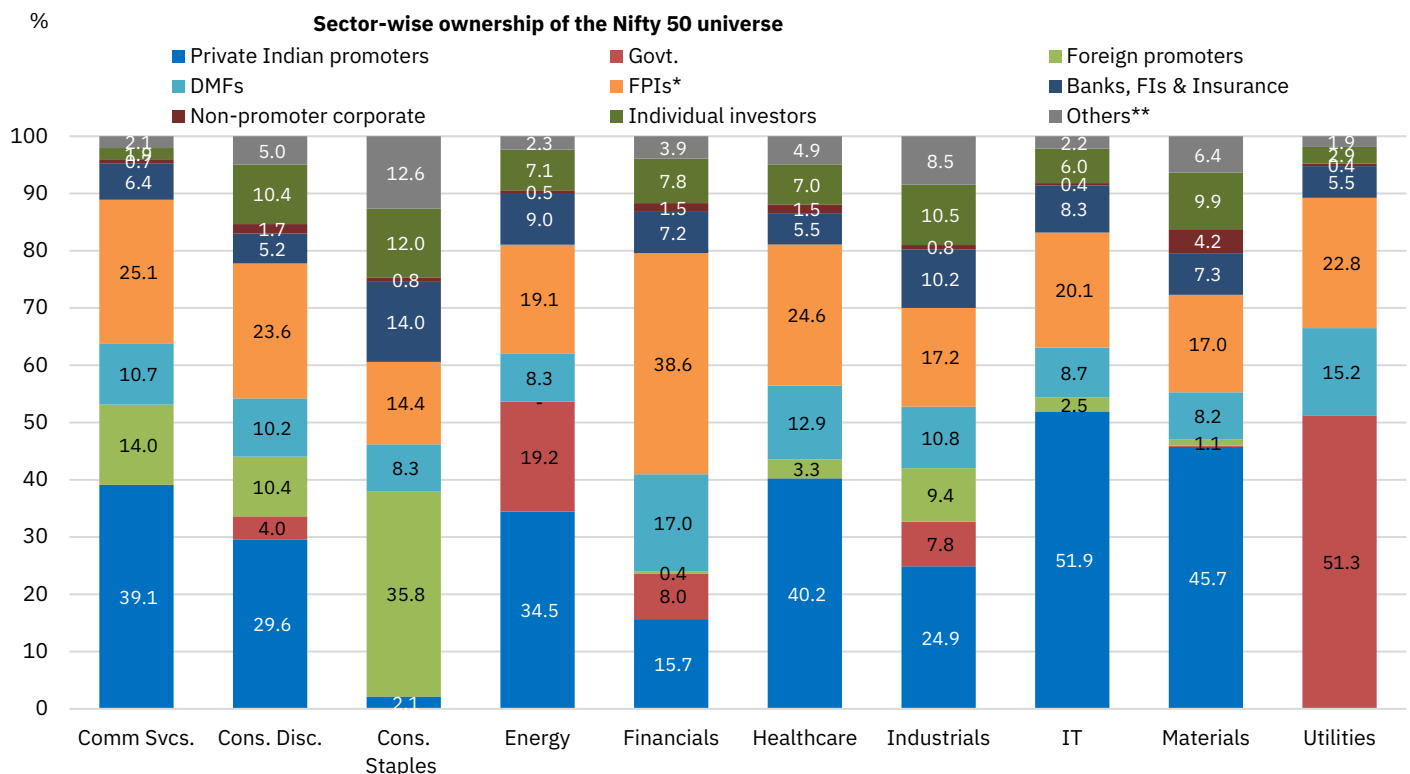


**Sector-wise ownership of the Nifty 50 universe (September 2024):** In the quarter ending September 2024, Information Technology within the Nifty 50 universe had the highest promoter ownership of 54.4%, down 158bps QoQ. This is followed by Communication Services at 53.1% (-10bps QoQ), Energy at 52.2% (+29bps QoQ) and Utilities at 51.2%. Utilities remained the top sector in terms of Government share within the Nifty 50 Index at 51.2%, followed by Energy at 19.2% (+200bps QoQ) and Financials at ~8% (-101bps QoQ).

Financials maintained their top position in terms of DMF ownership at an all-time high of 17% in the September quarter. Utilities stood second at 15.2% (+16bps QoQ), followed by Healthcare at 12.9% (-49bps QoQ), Communication Services at 10.7% (-30bps QoQ) and Consumer Discretionary at 10.2% (+40bps QoQ).

After witnessing a rise in the previous quarter, the share of FPIs in aggregate market cap of Financials within the Nifty 50 universe fell by 10bps QoQ to 38.6% in the September quarter, remaining the sector with the highest FPI share across all sectors. Communication Services took the second position at 25.1% (+45bps QoQ), taking the FPI share to the highest level since Mar'20. Besides Financials and Communication Services, other sectors that saw a significant increase in FPI ownership included Healthcare (+161bps QoQ to 24.6%) & Information Technology (+132bps QoQ to 20.1%). This came at the expense of Energy (-73bps QoQ to 19.1%), Industrials (-50bps QoQ to 17.2%) and Consumer Discretionary (-41bps QoQ to 23.6%).

**Figure 50: Nifty 50: Sector-wise ownership pattern across key stakeholders (September 2024)**



Source: CMIE Prowess, NSE EPR.

\* FPI ownership includes ownership through depository receipts held by custodians \*\*Others include other institutional and non-institutional non-promoter investors.

**Sector allocation of the Nifty 50 universe for key shareholders (September 2024):** The table below shows the sector allocation for key stakeholders in Nifty 50 companies as of September 2024. The concentration of Government ownership in Financials, Energy and Utilities sectors came down significantly, falling by 6.8pp QoQ to 86.6% in the Nifty 50

universe, thanks to inclusion of a PSU company (Bharat Electronics) in the Nifty 50 Index in the quarter gone by. Accordingly, Government allocation to Industrials within the Nifty50 Index rose from 0.08% to 7.0% in the quarter ending September 2024.

For foreign promoters, consumption-oriented sectors viz., Consumer Staples and Consumer Discretionary, and Industrials accounted for 78.4% of their exposure to the Nifty50 Index, down 72bps QoQ. Information Technology accounted for the highest 20.1% share in the overall promoter holding in Nifty 50 companies despite an 81bps QoQ drop, followed by Energy at 16.9%, Financials at 13.8% and Consumer Discretionary at 11.9%.

In the case of institutional investors, DMFs' portfolio allocation to Financials and Energy within the Nifty50 Index dropped by 245bps and 89bps QoQ to 36.1% and 10% respectively, higher than the decline in the DMF share seen in these sectors in the overall listed universe. FPIs' portfolio allocation to Financials within the Nifty 50 universe also witnessed a sharp decline of 165bps QoQ to over eight-year low of 38.3% while maintaining the top sector, followed by Energy that saw a decline of 155bps QoQ to a 25-quarter low of 10.7%. Reduced allocation to these sectors for both FPIs and DMFs was taken up by consumption-oriented sectors and to some extent Information Technology, partly reflecting the impact of relative outperformance shown by these sectors in the quarter gone by. Individual investors' portfolio remained relatively more diversified with similar allocation towards Energy, Consumer Discretionary, Consumer Staples and Information technology.

**Table 9: Sector allocation of the Nifty 50 universe for key stakeholders (September 2024)**

%	Private Indian promoters	Govt	Foreign promoters	Domestic MFs	FPIs*	Banks, FIs & Insurance	Non-promoter corporate	Individual Investors
Communication Services	6.8	0.0	10.9	4.7	5.1	4.0	2.9	1.2
Consumer Discretionary	11.8	6.2	18.5	10.1	10.9	7.4	15.5	14.8
Consumer Staples	0.7	0.0	50.3	6.5	5.3	15.6	5.7	13.6
Energy	16.5	35.4	0.0	10.0	10.7	15.3	5.6	12.2
Financials	13.3	26.1	1.3	36.1	38.3	21.7	30.5	23.7
Health Care	5.5	0.0	2.0	4.4	3.9	2.7	4.8	3.4
Industrials	5.8	7.0	9.7	6.3	4.7	8.4	4.2	8.8
Information Technology	28.3	0.0	6.0	11.9	12.8	16.0	5.0	11.8
Materials	11.4	0.2	1.3	5.1	4.9	6.4	24.5	8.9
Utilities	0.0	25.3	0.0	4.8	3.3	2.5	1.3	1.3
<b>Grand Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

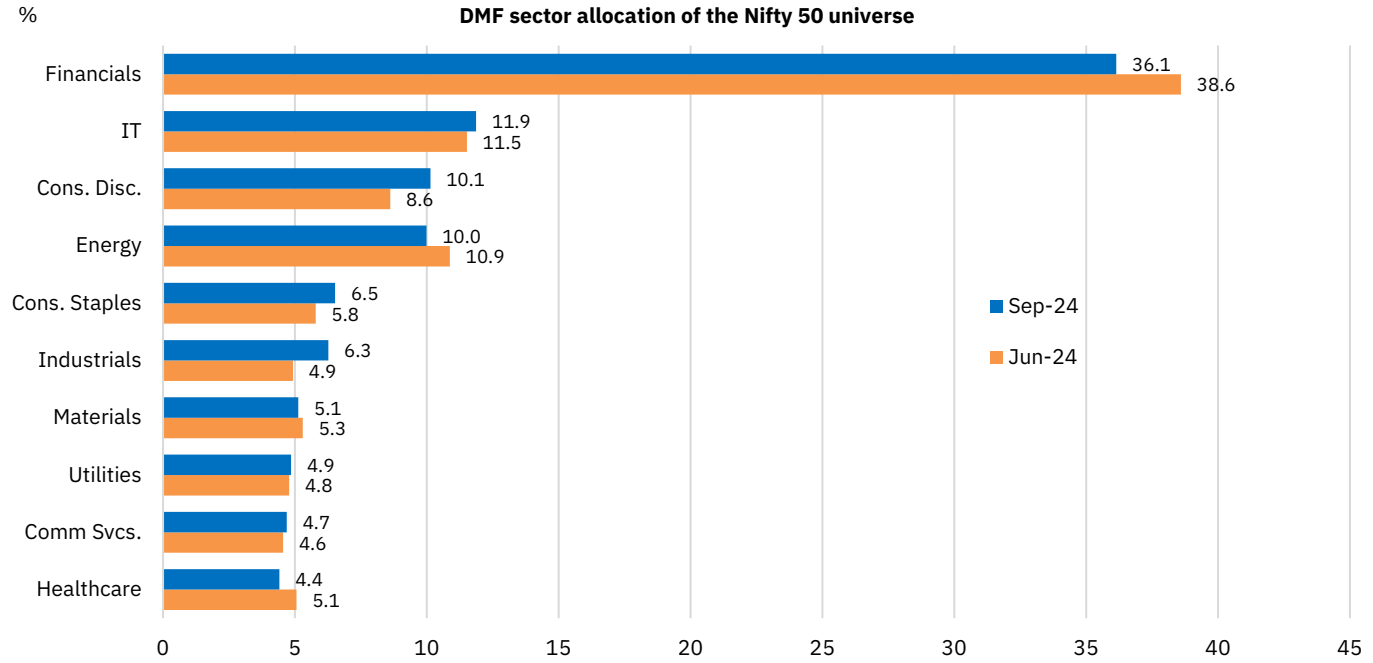
Source: CMIE Prowess, NSE EPR. \*FPI ownership includes ownership through depository receipts held by custodians

**DMFs significantly reduced their outsized bet on Financials:** DMFs trimmed their outsized bet on Financials while retaining the OW stance for the 15<sup>th</sup> quarter in a row, followed by marginal reduction in exposure to Healthcare for the fourth quarter in a row, moving from a mildly OW stance in the previous quarter to a neutral in the September quarter. DMFs, on the other hand, turned incrementally positive on Industrials, turning neutral on the sector after remaining cautious over the previous eight quarters. Besides Financials, Utilities is the only sector where DMFs have retained an OW position for seven years now. Notwithstanding an increased portfolio allocation to consumption-oriented sectors in the quarter gone by, DMFs maintained a negative view on both Consumer Discretionary and Consumer Staples, with a strong UW position on the latter. This indicates that the increase in portfolio allocation to these sectors was primarily on the

*DMFs trimmed their OW stance on Financials, while remaining negative on India's consumption theme, and commodities.*

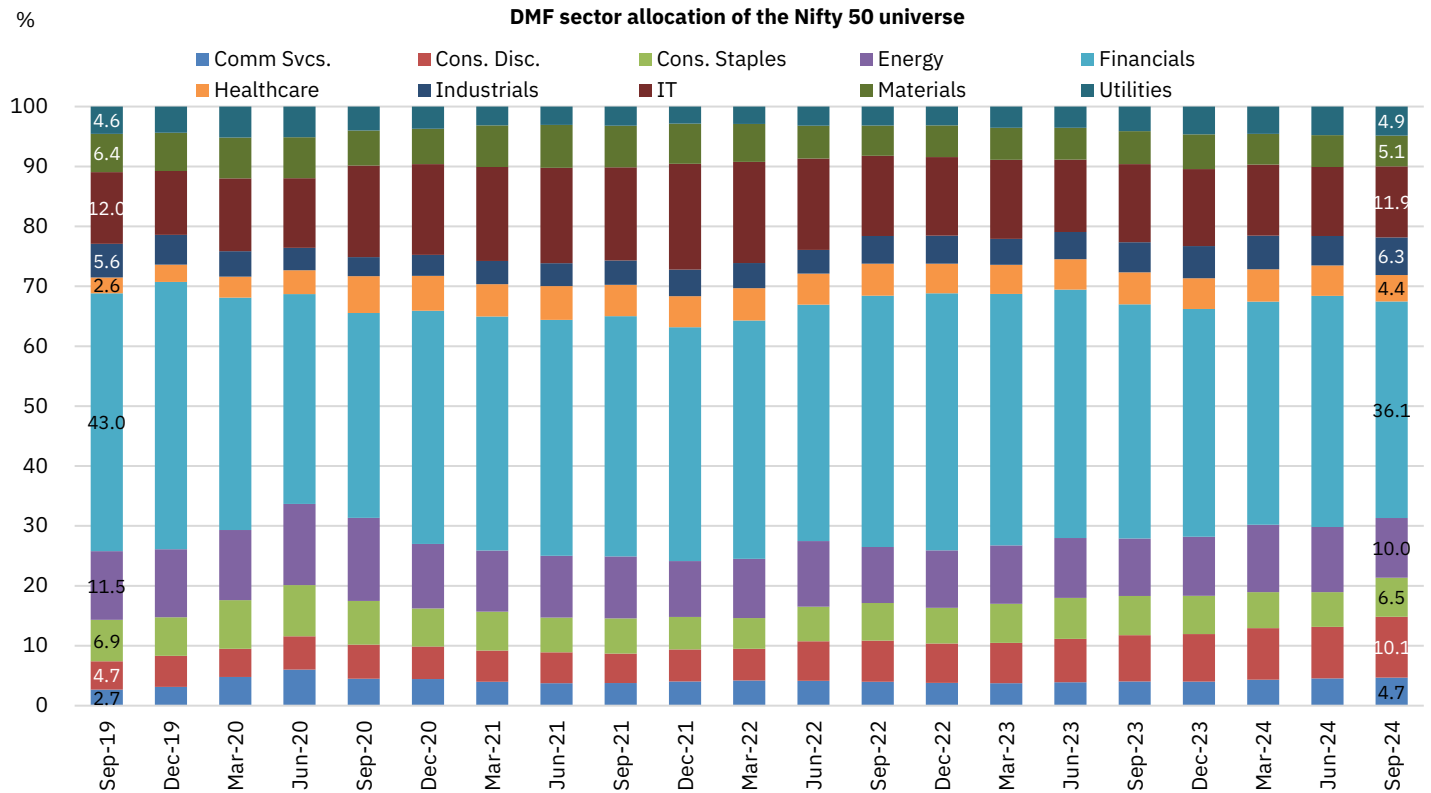
back of strong returns generated by these in the September quarter. Among other sectors, DMFs trimmed their UW stance on Energy and Information Technology and remained negative on Materials.

**Figure 51: DMF sector allocation of the Nifty 50 universe (September 2024 vs. June 2024)**

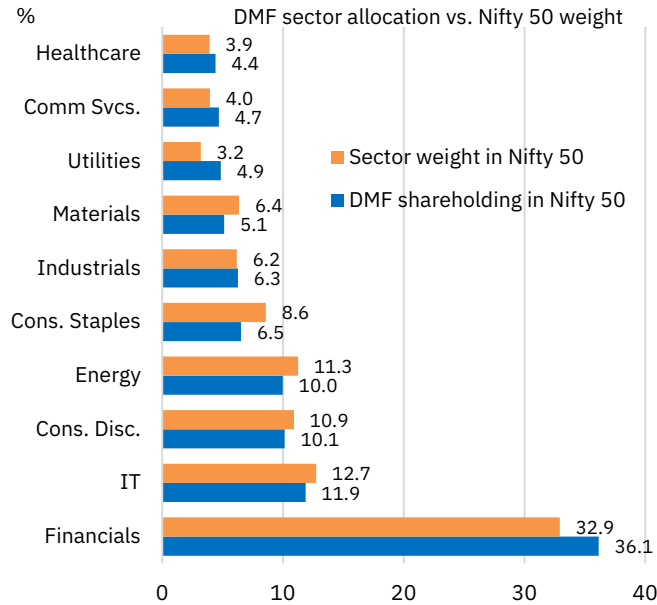


Source: CMIE Prowess, NSE EPR.

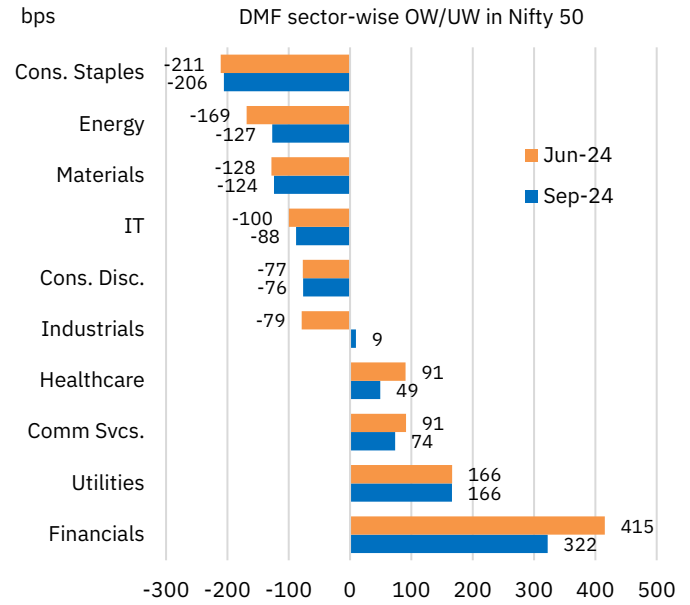
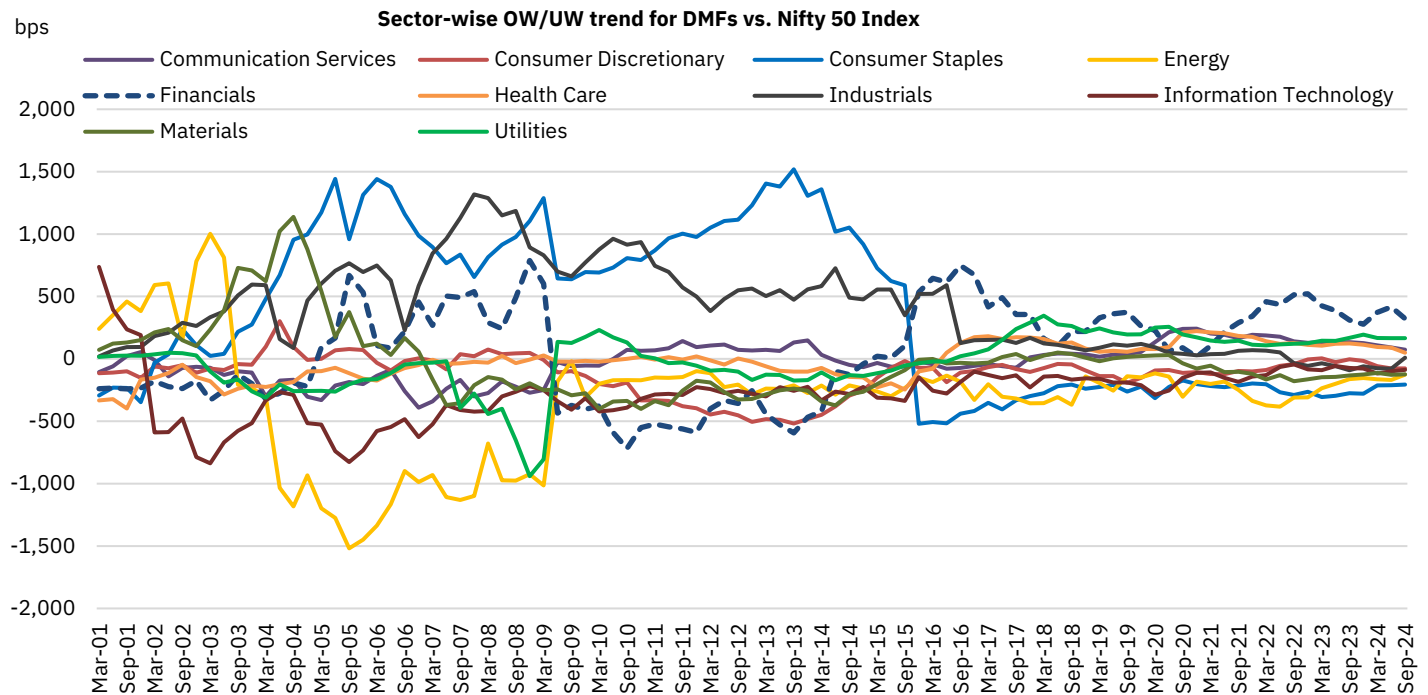
**Figure 52: DMF sector allocation of the Nifty 50 universe over the last five years**



Source: CMIE Prowess, NSE EPR.

**Figure 53: DMF sector allocation vs sector weight in Nifty 50 (September 2024)**


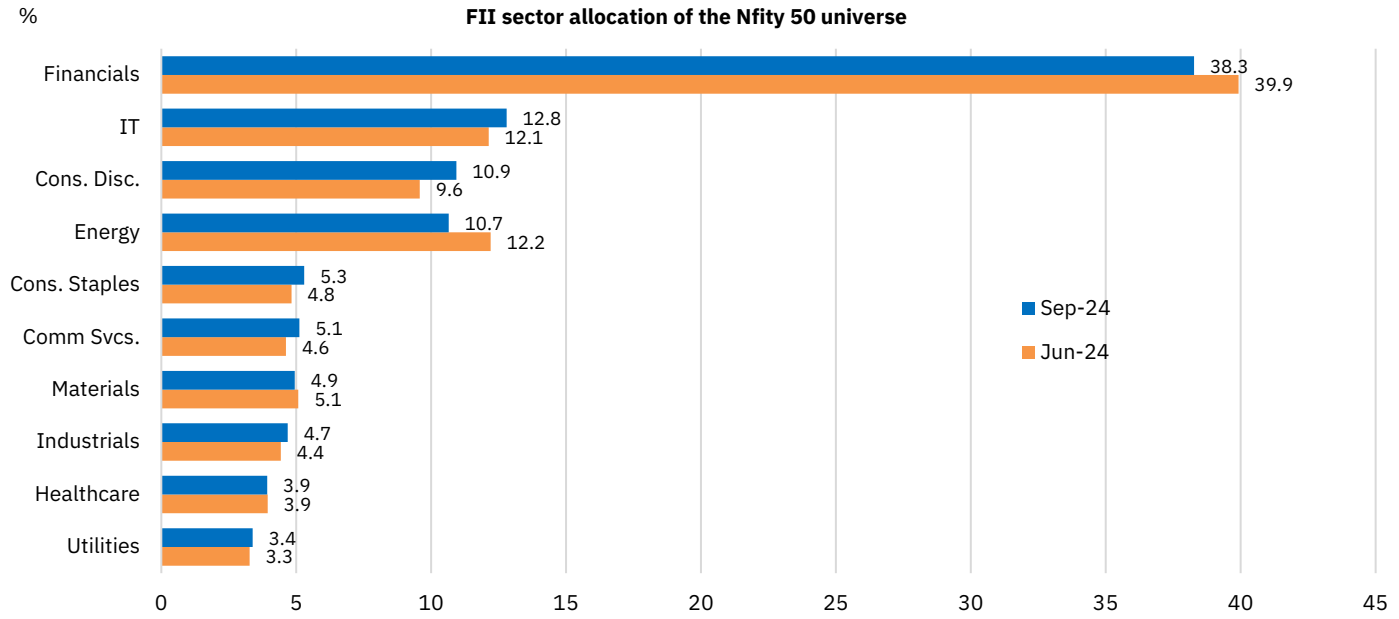
Source: CMIE Prowess, NSE EPR.

**Figure 54: DMF sector-wise OW/UW in Nifty 50 relative to sector weight in the index (September 2024)**

**Figure 55: DMF vs Nifty 50—Sector-wise OW/UW trend (bps)**


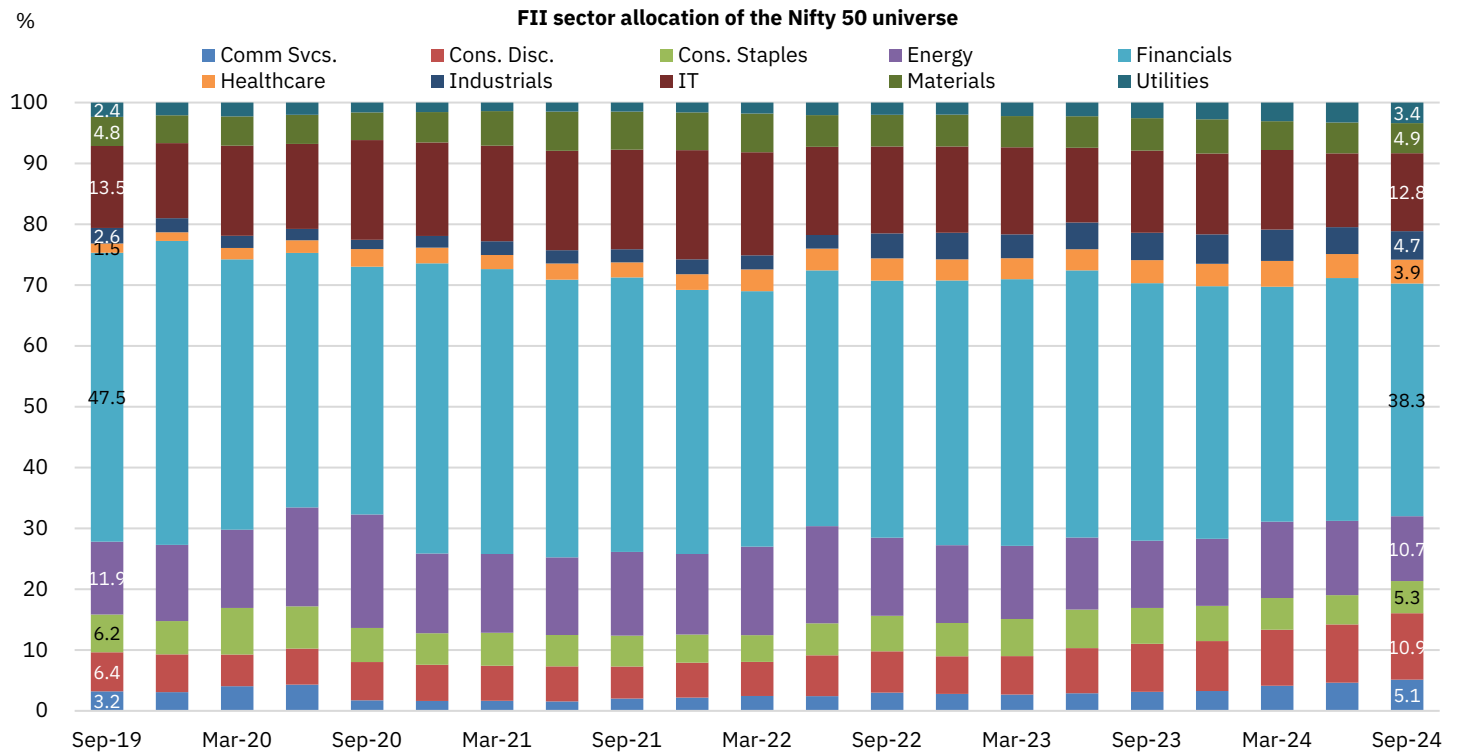
Source: CMIE Prowess, NSE EPR.

**FPIs turned OW on Communication Services after 26 quarters while strengthening their negative view on Consumer Staples and Industrials:** After maintaining a neutral stance for 26 consecutive quarters, FPI turned OW on Communication Services. For other sectors, FPIs largely upheld their previous views: an outsized OW position on Financials, a strengthened UW stance on Consumer Staples and Industrials, and continued negative positioning on Materials. FPIs maintained a neutral outlook on Consumer Discretionary, Healthcare, Energy, Information Technology, and Utilities. Notably, throughout the entire analysis period (2001-present), FPIs have consistently held an UW position on Consumer Staples, as well as an UW to neutral stance on Materials and Industrials.

*FPIs turned OW on Communication Services, reduced OW on Financials, and remained UW on Consumer Staples, Materials, and Industrials.*

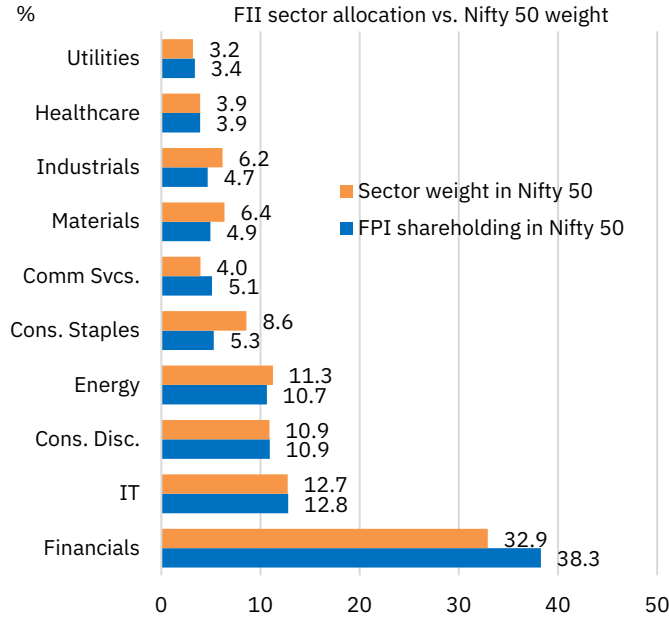
**Figure 56: FPI sector allocation of the Nifty 50 universe (September 2024 vs. June 2024)**


Source: CMIE Prowess, NSE EPR. \*FPI ownership includes ownership through depository receipts held by custodians

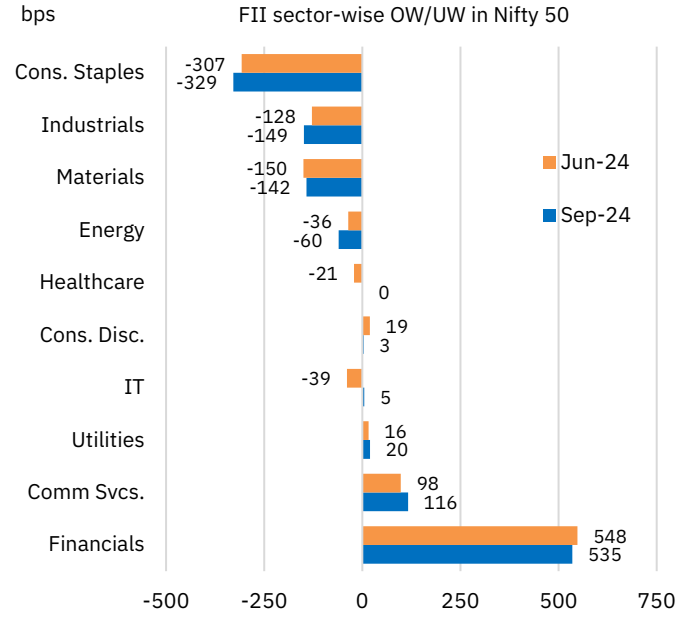
**Figure 57: FPI sector allocation of the Nifty 50 universe over last five years**


Source: CMIE Prowess, NSE EPR. \*FPI ownership includes ownership through depository receipts held by custodians

**Figure 58: FPI sector allocation vs sector weight in Nifty 50 (September 2024)**

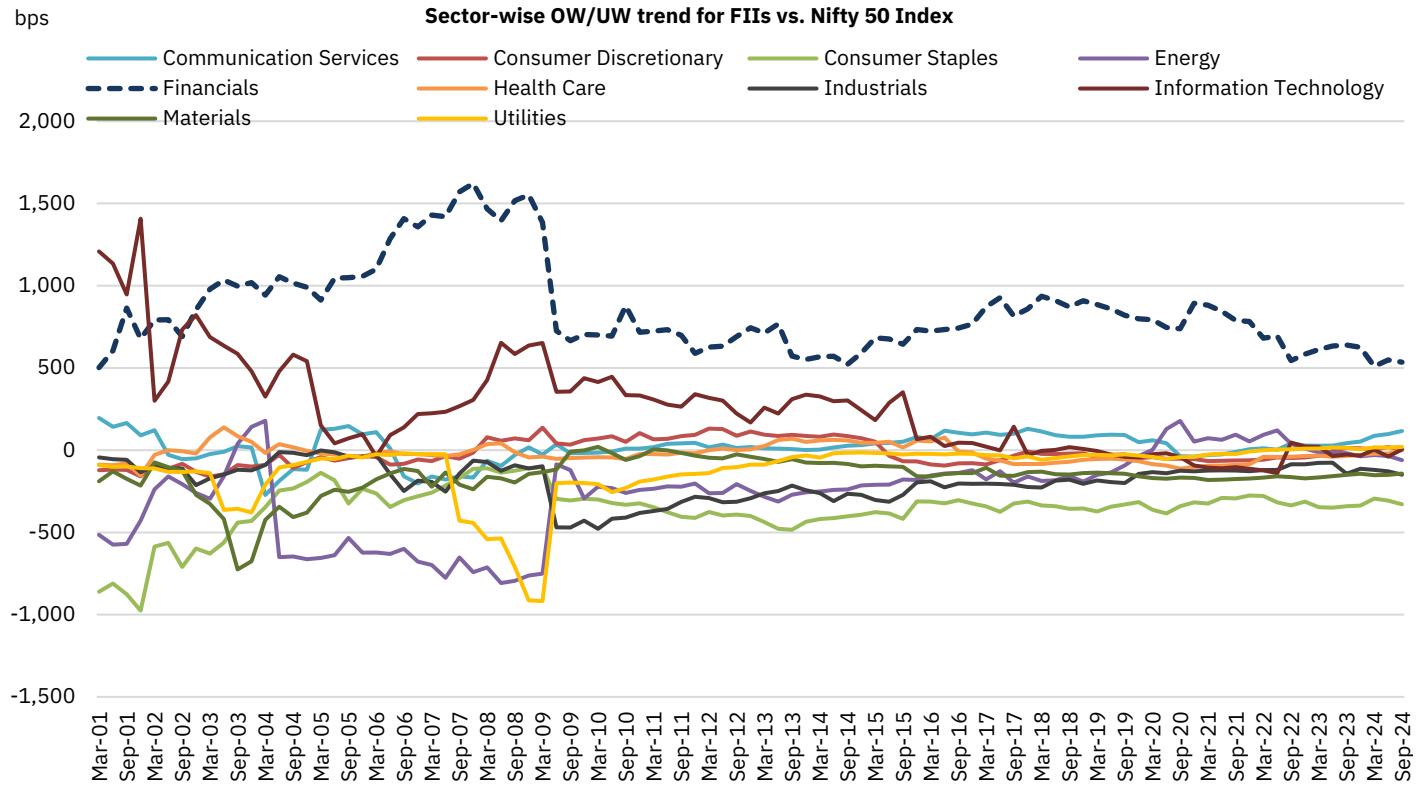


**Figure 59: FPI sector-wise OW/UW in Nifty 50 relative to sector weight in the index (September 2024)**



Source: CMIE Prowess, NSE EPR. \*FPI ownership includes ownership through depository receipts held by custodians.

**Figure 60: FPI vs Nifty 50—Sector-wise OW/UW trend (bps)**



Source: CMIE Prowess, NSE EPR. \*FPI ownership includes ownership through depository receipts held by custodians.

## Nifty 500 ownership trends

### **Ownership pattern of the Nifty 500 universe (September 2024)**

**Promoter shareholding marginally lower than the previous quarter:** In line with the broader listed universe, the total promoter ownership in the Nifty500 universe moderated by 45bps QoQ to 50.5% in the September quarter, marking the first sequential decline in six quarters. This moderation has been primarily led by a fall in the Government ownership by 81bps QoQ to 11.3%, partly offset by a modest increase in private promoter ownership. Private Indian promoter share rose by 17bps QoQ to 31.2% in the September quarter, solely led by an increase in individual promoter share for the third quarter in a row (+24bps QoQ to 5.4% as of September 2024), while non-individual promoter share in Nifty500 companies fell marginally to a 23-quarter low of 25.8%. Individuals' share in total holdings of private Indian promoters improved to a four-quarter high of 17.2%, albeit lower than 21% in the overall listed universe but much higher than 6.8% in the Nifty50 universe. Foreign promoter ownership also rose by a modest 12bps QoQ to a five-quarter high of 8.5%. Excluding the Nifty500 companies, the NSE listed universe witnessed a steep 2.4pp increase in the private Indian promoter ownership to a 17-quarter high of 48.8%.

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*Total promoter stake in the Nifty500 universe fell marginally to 50.5% in Sept'24 led by Government share and partially off-set by private Indian and foreign promoters.*

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**Government shareholding declined to a three-quarter low:** Government ownership (promoter and non-promoter) in the Nifty500 companies declined by 81bps QoQ to a three-quarter low of 11.3% after surging to a 30-quarter high in the previous quarter. This decline is partly attributed to underperformance of Government-owned companies in the quarter gone by. In absolute terms, the government ownership has exhibited a notable increase of 151.9% during the last two years (Sept'22 – Sept'24) because of public issue of LIC in FY23 and relative outperformance of PSUs until the June quarter.

**FPI ownership rose on the back of strong inflows:** After declining for four consecutive quarters to a 12-year low in the June quarter, the FPI ownership rose by 13bps QoQ to 18.9% in the quarter ended September 2024. A part of this was aided by surge in FPI net investments into Indian equities in the quarter gone by, amounting to a total of US\$ 11.6 bn during the quarter. That said, the increase has been modest, partly reflecting the impact of weaker returns generated by Financials during the quarter where FPIs are big holders. In absolute terms, the ownership has grown by 8.5% QoQ, marking an improvement for the sixth consecutive quarter.

**Fresh record highs scaled by DMF ownership:** In continuation with its upward trajectory for sixth consecutive quarter, the DMF share in the Nifty500 universe rose by 33bps QoQ to an all-time high of 9.9% in the September'24 quarter. Sustained buying by DMFs – amounting to Rs 89,335 crore in Q2FY25 – in the light of continued indirect participation by individuals via the SIP route has helped DMFs gain market share over the last many quarters. In value terms, DMFs' portfolio in Nifty500 companies has risen by 11.5% QoQ and 59.2% in the last 12 months.

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*DMF ownership in the Nifty 500 universe reached fresh all-time high of 9.9% in the Sept'24 quarter.*

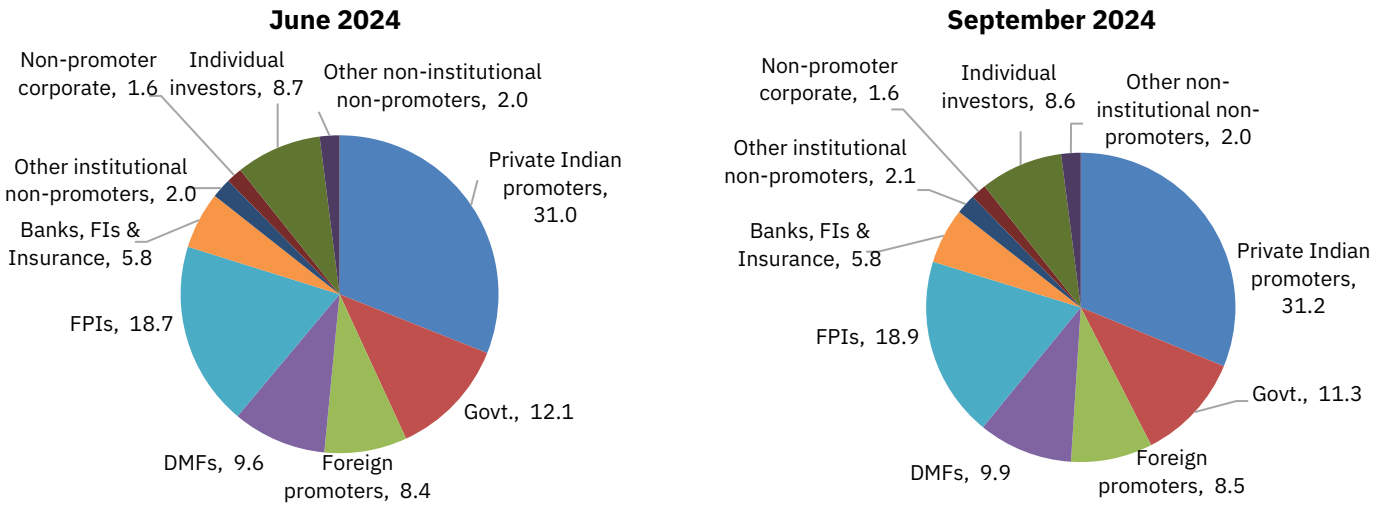
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**Individual investors' ownership in the Nifty500 universe declined marginally:** The direct holding of individual investors as non-promoters in the Nifty500 universe fell by 7bps to a seven-quarter low of 8.6% in the September quarter. This is higher than 7.9% owned by individuals in the Nifty50 Index, but lower than 9.6% in the all-listed universe. Adding direct holding as promoters, individuals owned about 14% directly in Nifty500, +17bps higher than the previous quarter and this is notably higher than the ownership in the Nifty50 universe of 9.8% while lower than the all-listed universe of 16.5%.

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*Individual investors' direct ownership as non-promoters declined marginally by 7bps QoQ to 8.6%.*

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**Figure 61: Nifty 500: Ownership pattern by total market cap (%)**


Source: CMIE Prowess, NSE EPR. \*FPI ownership includes ownership through depository receipts held by custodians.

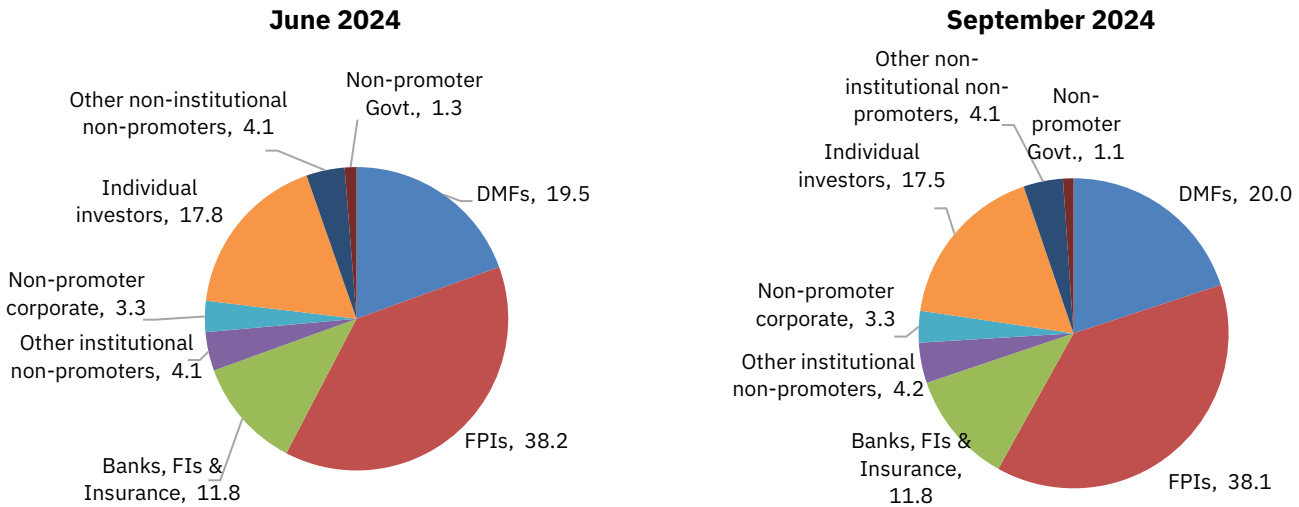
**Table 10: Nifty 500: Ownership trend across key stakeholders by total market cap over last the three years**

%	Private Indian promoters	Govt.	Foreign promoters	Domestic MFs	Banks, FIs & Insurance	FPIs *	Non-promoter corporate	Individual Investor	Others**
Sep-21	35.3	6.2	8.9	7.5	4.6	21.5	2.9	8.8	4.2
Dec-21	35.8	6.0	8.8	7.8	4.6	20.9	2.8	9.0	4.3
Mar-22	35.5	6.2	8.6	8.0	4.7	20.2	3.4	9.1	4.4
Jun-22	35.0	6.2	9.1	8.3	5.0	19.8	3.4	9.0	4.1
Sep-22	34.4	7.6	9.5	8.2	6.0	19.5	2.6	8.5	3.7
Dec-22	33.5	8.8	9.0	8.4	6.1	19.8	1.6	8.5	4.3
Mar-23	32.4	8.6	8.9	9.0	6.3	20.0	1.6	8.7	4.6
Jun-23	32.4	8.7	8.7	8.9	6.2	20.0	1.7	8.7	4.6
Sep-23	32.0	9.8	8.5	9.1	6.1	19.5	1.7	8.8	4.5
Dec-23	31.8	10.7	8.1	9.3	6.0	19.4	1.7	8.7	4.4
Mar-24	31.4	11.7	8.2	9.4	6.0	19.0	1.7	8.6	4.1
Jun-24	31.0	12.1	8.4	9.6	5.8	18.7	1.6	8.7	4.0
Sep-24	31.2	11.3	8.5	9.9	5.8	18.9	1.6	8.6	4.1
QoQ change	17bps	-81bps	12bps	33bps	3bps	13bps	1bp	-7bps	9bps

Source: CMIE Prowess, NSE EPR. Note: Ownership across promoters and non-promoters are based on total market cap and add up to 100. \*FPI ownership includes ownership through depository receipts held by custodians. \*\* Others include other institutional non-promoters, other non-institutional non-promoters and government non-promoters.

In terms of floating stock, FPI share in the Nifty500 universe declined further for the third consecutive quarter to a 57-quarter low of 38.1% as of end-September'24. Conversely, the share of DMFs in the floating stock improved by 49bps QoQ to scale a peak of 20% for the quarter ending September, marking the fifth increase in a row. The direct ownership of non-promoter individual investors in the free-float market capitalization moderated by 31bps QoQ to 17.5% while the share for banks, financial institutions and insurance remained broadly unchanged at a nine-quarter low of 11.8% in the quarter ended September 2024.



**Figure 62: Nifty 500: Ownership pattern by free float market cap (%)**


Source: CMIE Prowess, NSE EPR. \*FPI ownership includes ownership through depository receipts held by custodians.

**Table 11: Nifty 500: Ownership trend across key stakeholders by free float market cap over the last three years**

%	Domestic MFs	Banks, FIs & Insurance	FPIs*	Non-promoter corporate	Individual Investor	Others**
Sep-21	15.1	9.3	43.2	5.8	17.6	8.9
Dec-21	15.6	9.4	42.0	5.6	18.2	9.2
Mar-22	16.0	9.4	40.4	6.8	18.2	9.3
Jun-22	16.7	10.0	39.6	6.9	18.1	8.7
Sep-22	16.9	12.3	39.8	5.2	17.5	8.3
Dec-22	17.1	12.5	40.3	3.3	17.2	9.7
Mar-23	17.8	12.5	39.4	3.1	17.2	10.0
Jun-23	17.6	12.2	39.6	3.3	17.1	10.1
Sep-23	18.2	12.1	38.9	3.4	17.5	10.0
Dec-23	18.5	11.9	38.9	3.4	17.4	9.8
Mar-24	19.1	12.1	38.6	3.4	17.4	9.5
Jun-24	19.5	11.8	38.2	3.3	17.8	9.5
Sept-24	20.0	11.8	38.1	3.3	17.5	9.4
<i>QoQ change</i>	49bps	-5bps	-8bps	1bps	-31bps	-4bps

Source: CMIE Prowess, NSE EPR. Note: Ownership across key non-promoter stakeholders is based on free float market cap and add up to 100. \*FPI ownership includes ownership through depository receipts held by custodians. \*\* Others include other institutional non-promoters, other non-institutional non-promoters and government non-promoters.

**Long-term ownership trend of the Nifty 500 universe:** Overall promoter ownership in Nifty 500 has also seen a steady decline since 2009 until March 2019, albeit at a slower pace than the Nifty 50 Index, entirely led by a sharp dip in Government ownership, while the share of private Indian promoters has significantly increased during this period. Promoter share, however, has been inching up since 2019, barring a dip in FY23, aided by higher Indian promoter share—with public share rising after the LIC listing and private share falling since 2021 onwards, while foreign share has remained steady. In the recent four quarters, the promoter share has consistently remained above the 50% mark.

DMF ownership in Nifty 500 saw a gradual increase beginning 2014 to reach the highest level in the last two decades by December 2019. The fiscal year FY21, however, saw some dip in DMF share, partly reflecting moderation in SIP inflows post the COVID-19 pandemic as well as high redemption pressures. This, however, was more than reversed in the subsequent years, thanks to a surge in retail inflows via the SIP route and the DMF share scaling a fresh record high in the Sept'24 quarter. FPI ownership in the Nifty 500 universe

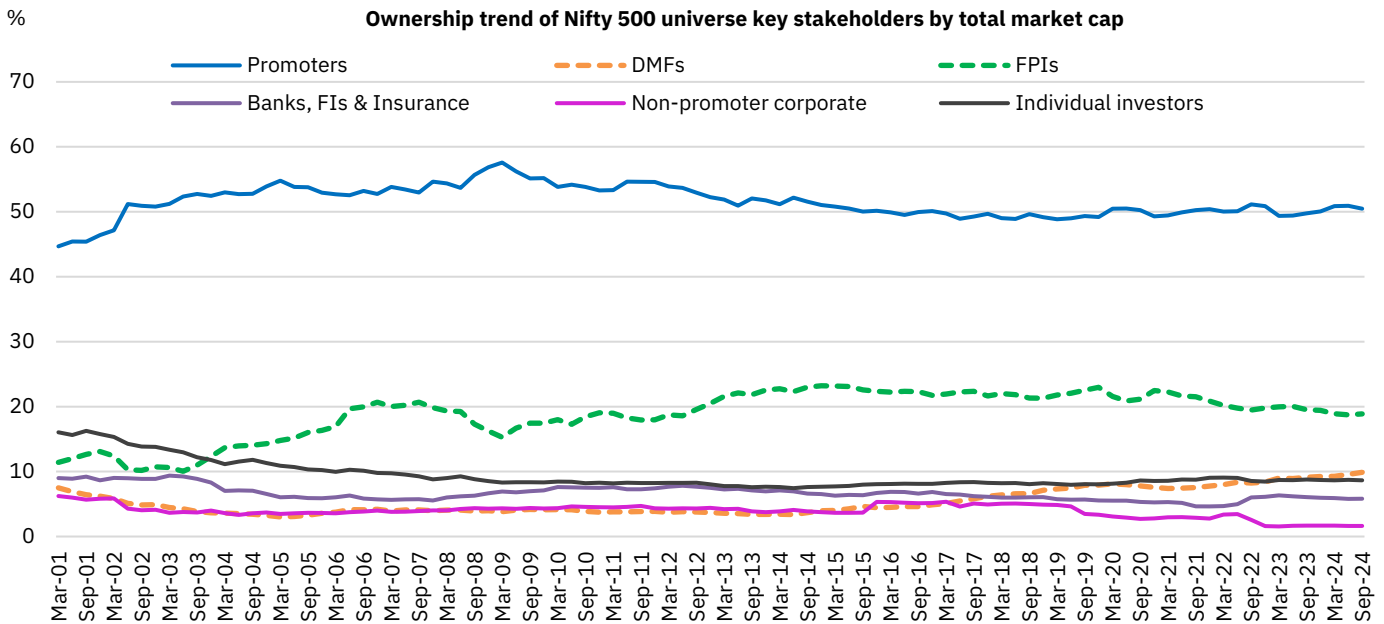
*FPI ownership in Nifty 500 saw a steady rise post the GFC until 2015, hovered in the 21-23% range until 2021 only to drop moderately after that.*

*DMF share in Nifty 500 has scaled its peak of 9.9% in Sept'24.*

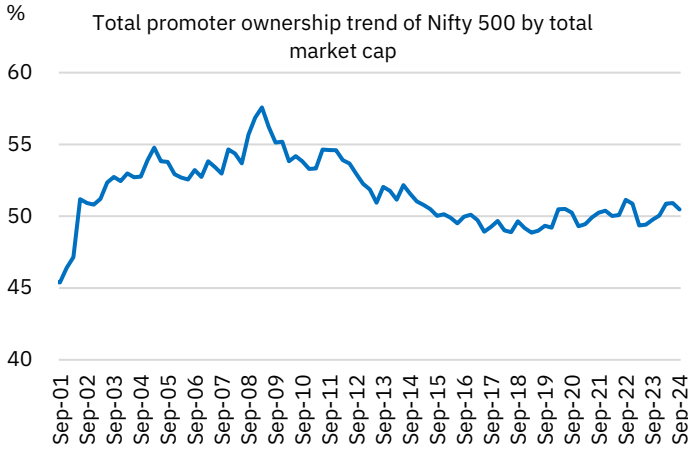
improved meaningfully post the GFC until 2015 but has since hovered between 21-23% until 2021. FPI share saw a steady decline over the subsequent few quarters only to rise modestly from the end of 2022, weighed by dampened sentiments owing to recurring COVID variants, followed by the Russia-Ukraine war, sky-rocketing inflation, steep rate hikes by global central banks and China slowdown. This led to flight of capital away from riskier asset classes including Indian equities during this period, even as the second half of 2022 onwards saw FPIs coming back until mid-2023. During Sep'23-Jun'24, FPIs pulled back with the share dropping to its lowest level of 18.7% since Sep'2012, post which there has been a reversal in trend during the quarter ended Sept'24. Banks, financial institutions, and insurance have been steadily reducing their exposure to Indian equities over the last decade until 2021 only to see a meaningful spike in Sept'22-Mar'23. Since then, the share has tapered off and has remained below 6% during the previous four quarters.

Individual investor ownership in the Nifty 500 Index fell sharply from the north of 16% in 2001 to sub-8% in 2013, hovered around these levels until December 2019 only to rise steadily until FY22. The share of individual investors has oscillated in a narrow range of 8.5%-9% in the last two years. Individual investor ownership (including promoter individuals) has declined from 14.5% in Jun'06 to a low of 11.5% in Jun'13, following which the share peaked at 15% in Dec'21. Since then, ownership has tapered off partially to 14% in Sept'24 led by a decline across both promoters and non-promoters.

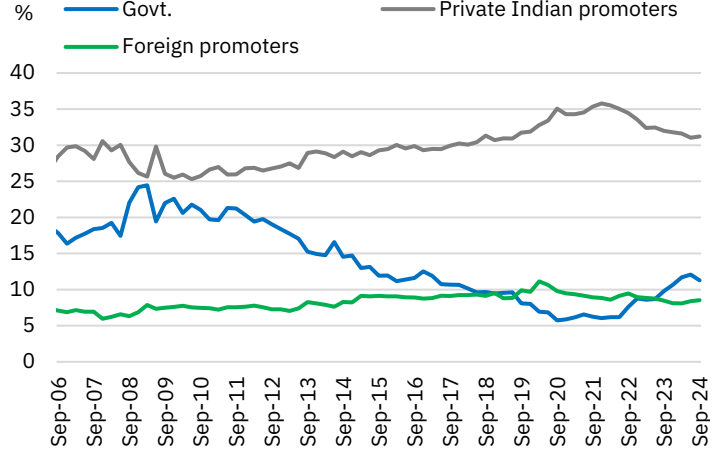
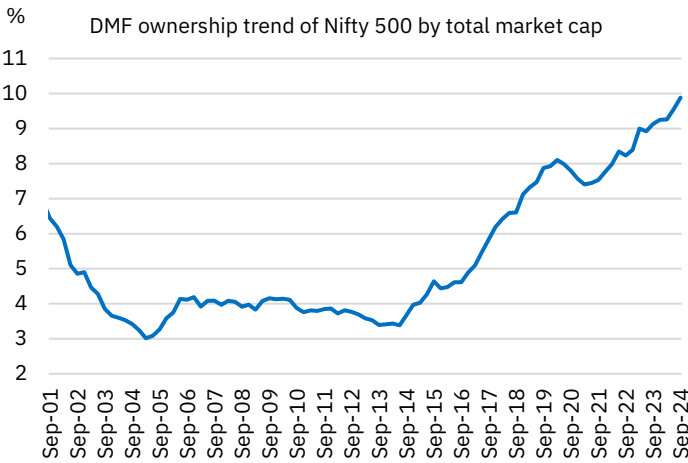
**Figure 63: Nifty 500: Long-term ownership trend across key stakeholders by total market cap**



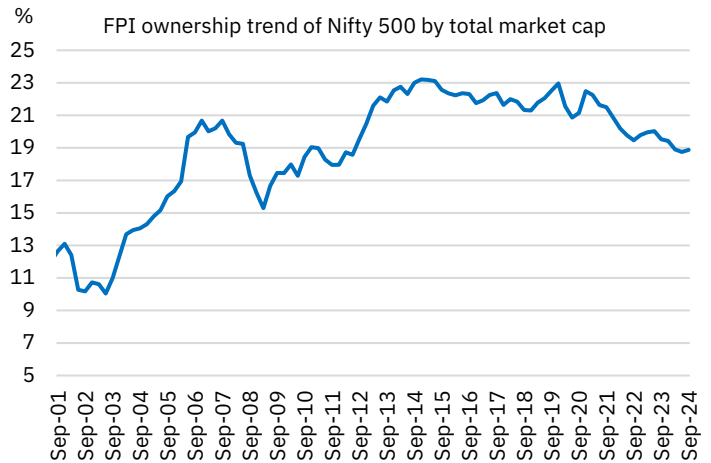
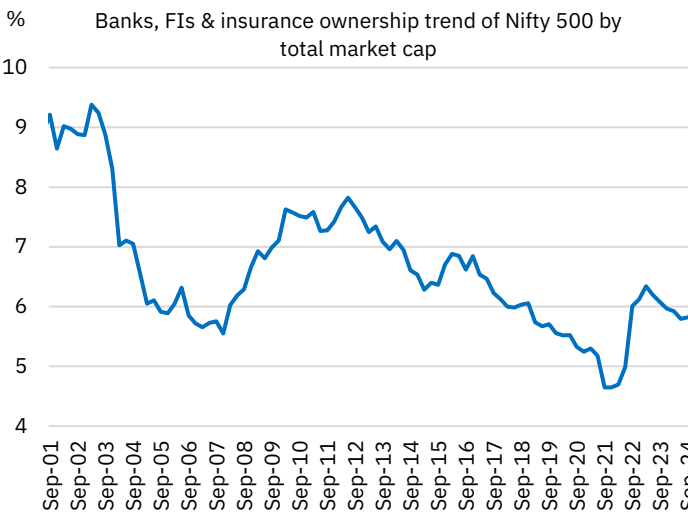
Source: CMIE Prowess, NSE EPR. \*FPI ownership includes ownership through depository receipts held by custodians

**Figure 64: Total promoter ownership trend of the Nifty 500 universe by total market cap**


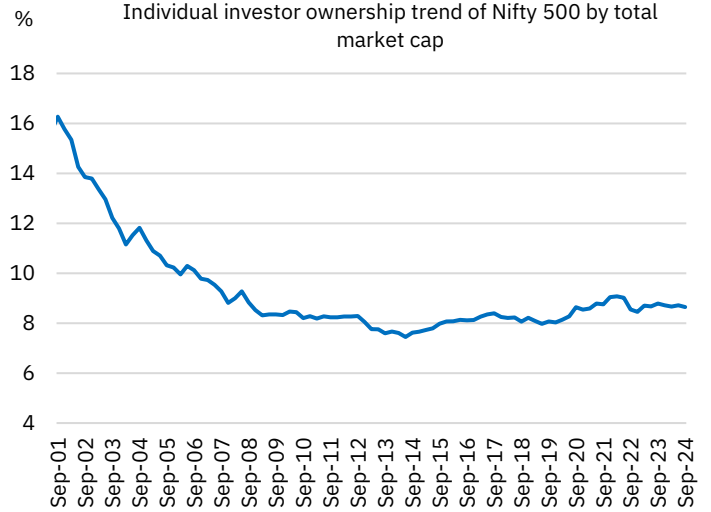
Source: CMIE Prowess, NSE EPR.

**Figure 65: Indian and foreign promoter ownership trend of the Nifty 500 universe by total market cap**

**Figure 66: DMF ownership trend of the Nifty 500 universe by total market cap**


Source: CMIE Prowess, NSE EPR. \*FPI ownership includes ownership through depository receipts held by custodians

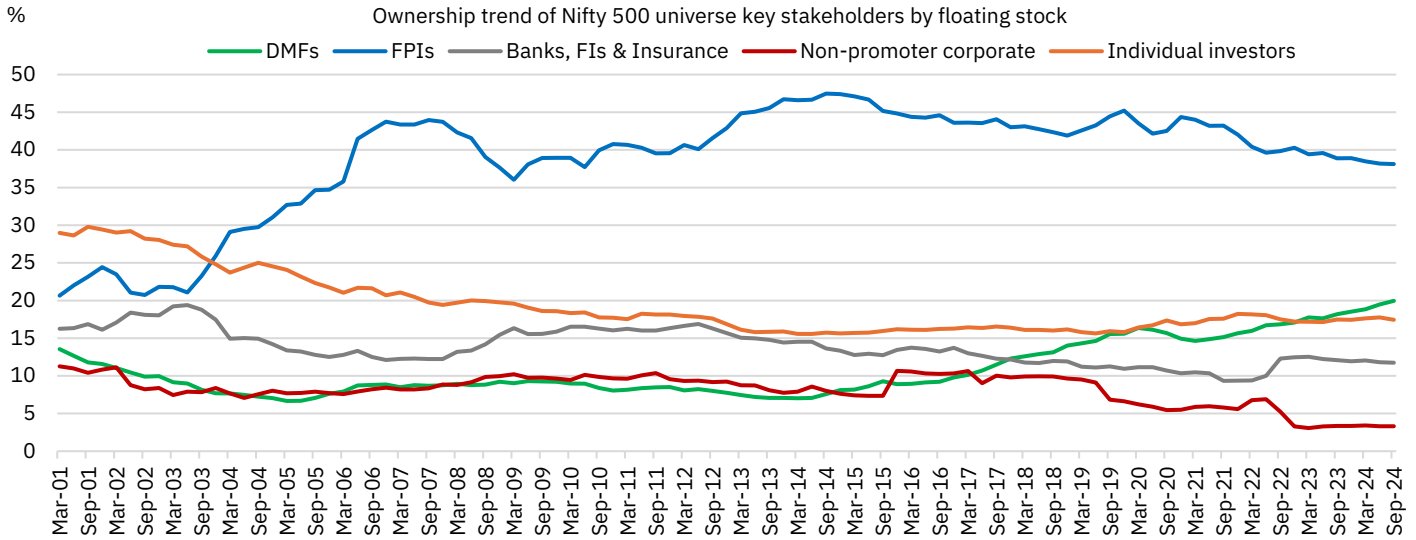
**Figure 67: FPI ownership trend of the Nifty 500 universe by total market cap**

**Figure 68: Banks, FIs & Insurance ownership trend of the Nifty 500 universe by total market cap**


Source: CMIE Prowess, NSE EPR.

**Figure 69: Individual ownership trend of the Nifty 500 universe by total market cap**


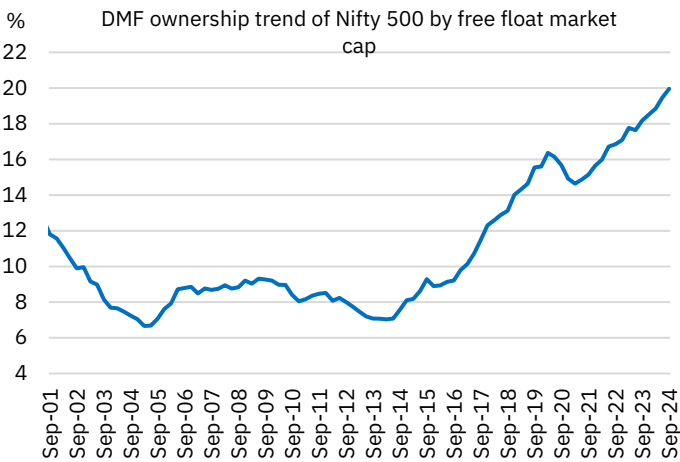
Our long-term ownership analysis on the floating stock of the Nifty 500 Index also shows that while DMF ownership is currently at the highest level since 2001, the current FPI ownership is at a 57-quarter low in Sept'24 — 9.4pp lower than the peak of 47.5% observed in the quarter ending September 2014.

**Figure 70: Nifty 500: Long-term ownership trend across key stakeholders by free float market cap**



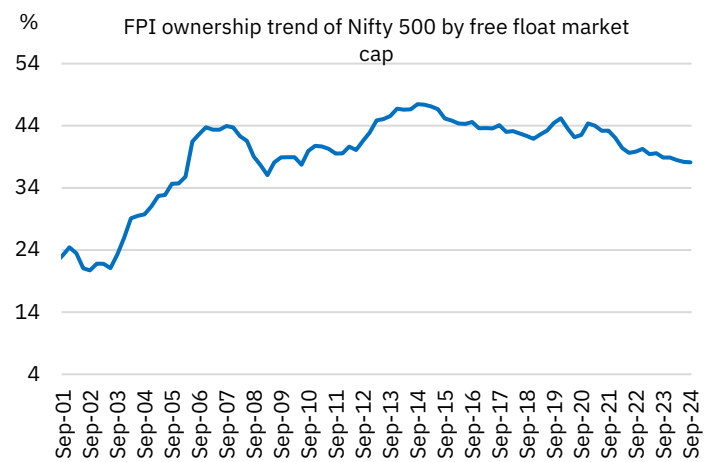
Source: CMIE Prowess, NSE EPR. \*FPI ownership includes ownership through depository receipts held by custodians

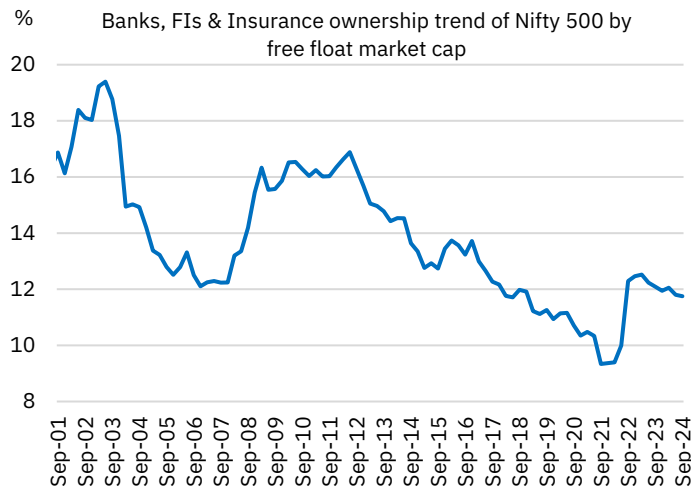
**Figure 71: DMF ownership trend of the Nifty 500 universe by free float market cap**



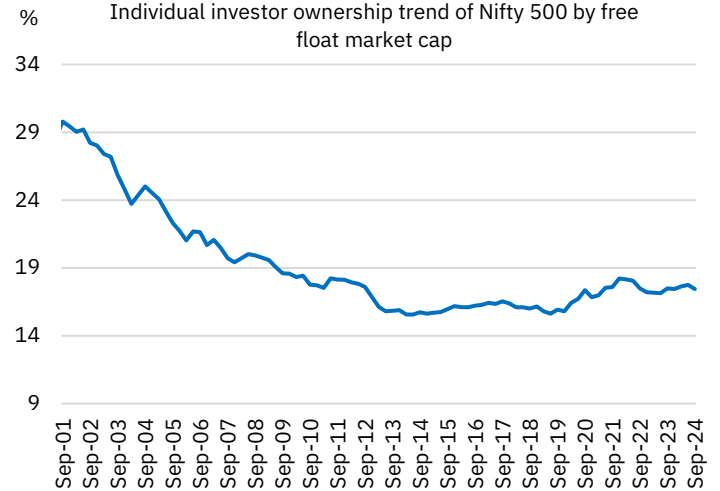
Source: CMIE Prowess, NSE EPR. \*FPI ownership includes ownership through depository receipts held by custodians

**Figure 72: FPI ownership trend of the Nifty 500 universe by free float market cap**



**Figure 73: Banks, FIs & Insurance ownership trend of the Nifty 500 universe by free float market cap**


Source: CMIE Prowess, NSE EPR.

**Figure 74: Individual ownership trend of the Nifty 500 universe by free float market cap**


**Sector-wise ownership of the Nifty 500 universe (September 2024):** The sector-wise ownership pattern of the NSE-500 universe across key stakeholders in the quarter gone by (July-Sep'24) shows that the Real Estate sector continues to lead in terms of promoter ownership at 64.7% (-89bps QoQ), followed by Utilities at 58.9% (-51bps QoQ), Materials at 55.7% (-37bps QoQ), Industrials at 55.3% (-76bps QoQ), Information technology at 53% (-95bps QoQ) and Communication Services at 52.7% (+1.3pp QoQ). The promoter shareholding in Consumer Discretionary fell for the seventh consecutive quarters to its lowest level of 45.3% since June'2001. The sequential decline in the Information Technology/Real Estate sector has taken the promoter shareholding to a 10-quarter/13-quarter low while the promoter shareholding in the Energy sector has scaled a near five-year high.

Utilities continued to remain the top sector in terms of Government ownership (promoter and non-promoter) at 26.5% (+91bps QoQ) followed by Energy at 23.4% (+2.3pp QoQ) and Financials at 22% (-1.6pp QoQ) as of Sept'24. Importantly, sectors like Communication Services (-1.1pp QoQ), Financials and Industrials (-1.4pp QoQ) have seen a notable sequential decline in the Government ownership in the respective sector while the Government stake in the Utilities sector reached its highest point in four years.

Healthcare and Financials at ~12.1% have the highest DMF share in their respective total market capitalization in the Nifty500 Index, followed closely by the Consumer Discretionary sector at 12% in the Sept'24 quarter. In each of these four sectors—Consumer Discretionary, Financials, Materials and Information Technology—the share of DMFs in their respective aggregate market capitalization is the highest since Mar'01. A renewed interest in the Real Estate sector has propelled the DMF share in this sector's market capitalization to 7%, reaching its highest level since Sept'2006 while a similar trend was observed in the Energy sector, with the share reaching its highest level since June'2002. The largest sequential increase was observed in the Utilities sector (+58bps QoQ), while Communication Services – which had scaled its peak in June'24 – witnessed the sharpest decline of 18bps QoQ.

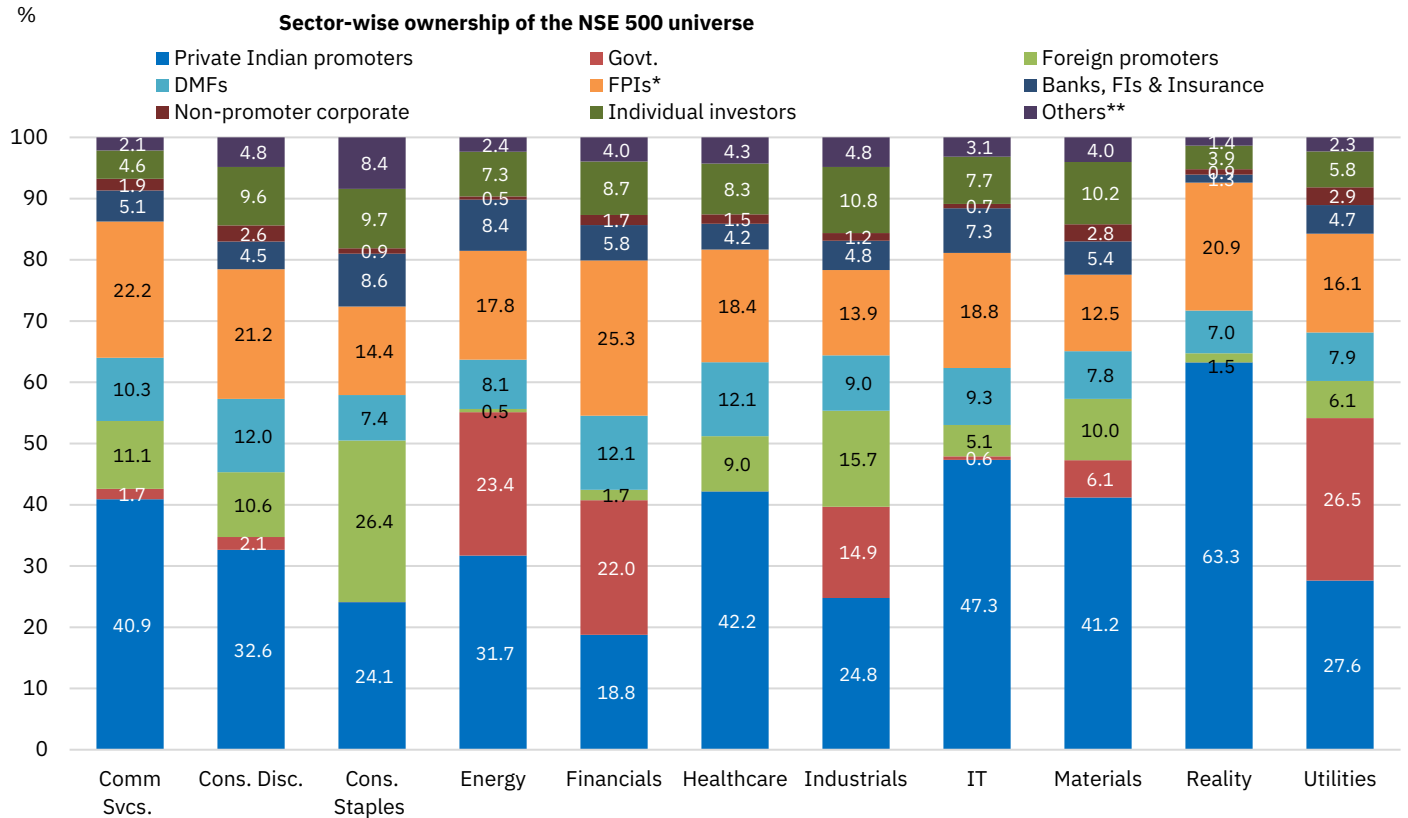
Financials continue to have the highest FPI share at 25.3% (+2bps QoQ) followed by Communication Services at 22.2% while the FPI share in Consumer Discretionary reached a seven-year high of 21.2%. The largest sequential gains in the FPI share were

*DMF 'share within the sectoral market capitalization of Consumer Discretionary, Financials, Materials and Information technology has been the highest since March'01.*

*FPIs have remained the biggest non-promoter owners of Financials within the Nifty 500 universe at 25.3%.*

observed in the Information Technology sector (+70bps QoQ), reaching six-quarter high. The FPI share in the Consumer Discretionary sector has widened to a seven-year high of 21.2% (+62bps QoQ) while in the Energy sector, the share has declined by 74bps QoQ to a nearly six-year low.

**Figure 75:Nifty 500: Sector-wise ownership pattern across key stakeholders (September 2024)**



Source: CMIE Prowess, NSE EPR. \* FPI ownership includes ownership through depository receipts held by custodians  
 \*\*Others include other institutional and non-institutional non-promoter investors

**Sector allocation of the Nifty 500 universe for key stakeholders (September 2024):**

The table below shows the sector allocation for key stakeholders in Nifty 500 companies as of Sept'24. Little more than 90% of the Government ownership in the Nifty 500 companies remained concentrated in Financials, Energy, Industrials and Utilities sectors, with the share rising by 58bps QoQ to 91.3% as gains in Energy (+1.8pp QoQ to 16.8%) and Utilities (+1.2pp QoQ to 13.3%) were partly offset by reduced allocation to Financials (-1.3pp QoQ to a nine-quarter low of 45%) and Industrials (-1.3pp QoQ to 16.3%). This was slightly higher than the Government exposure to these four sectors in the overall listed universe (90.3%), but marginally lower than 93.6% in the Nifty 50 Index. Foreign promoters' allocation within the Nifty 500 companies is concentrated in Consumer Staples (25.1%), Industrials (22.6%), Consumer Discretionary (13.4%) and Materials (12%). DMFs and FPIs have the highest allocation in the Financials and Consumer Discretionary sectors, with both sectors accounting for little more than two-fifths of their respective allocation. That said, the allocation of DMFs in Financials is relatively lower at 28.3% (four-year low) vs. 31% (10-year low) for the FPIs while the allocation of DMFs in Consumer Discretionary is at record levels of 13.1%, higher than the FPIs (12.1%). Individual investors have their highest share of allocation in Financials (23.3%), followed by Industrials (15.4%), Materials (12.1%) and Consumer Discretionary (12.1%).

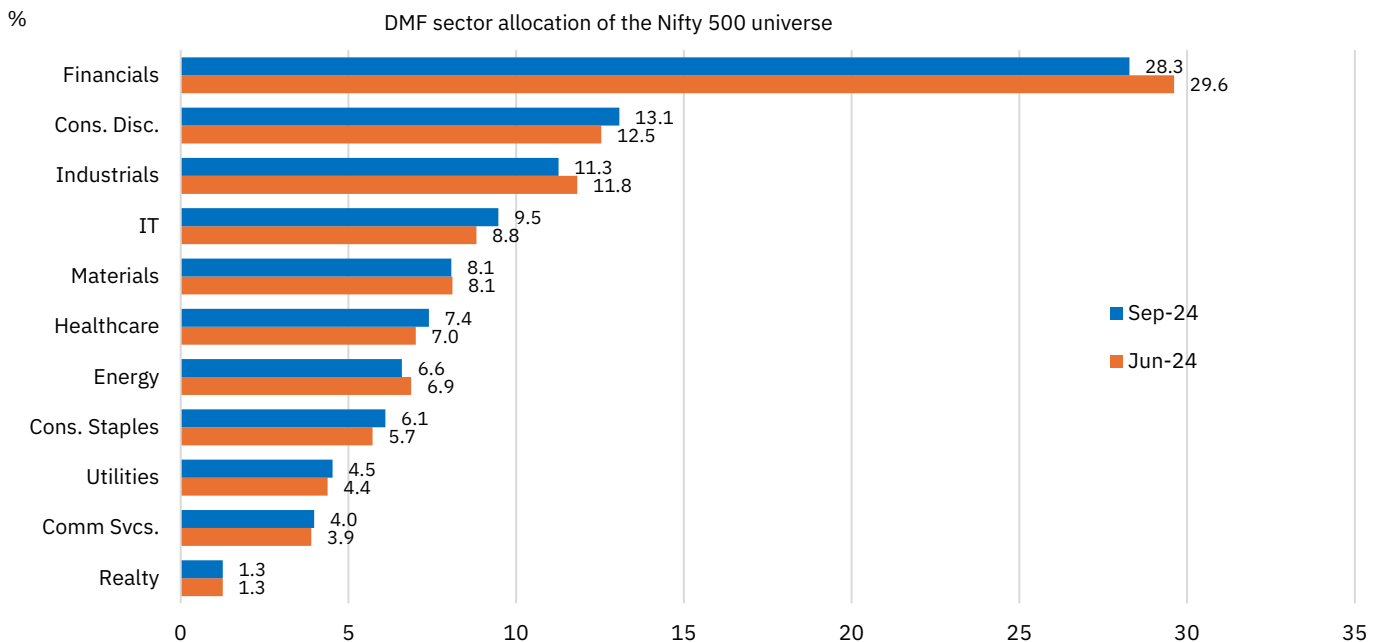
**Table 12: Sector allocation of the Nifty 500 universe for key stakeholders (September 2024)**

%	Private Indian promoters	Govt	Foreign promoters	Domestic MFs	FPIs*	Banks, FIs & Insurance	Non-promoter corporate	Individual Investors
Communication Services	5.0	0.6	4.9	4.0	4.5	3.3	4.5	2.0
Consumer Discretionary	11.3	2.0	13.4	13.1	12.1	8.4	17.4	11.9
Consumer Staples	6.3	0.0	25.1	6.1	6.2	12.1	4.4	9.1
Energy	8.2	16.8	0.5	6.6	7.6	11.6	2.6	6.8
Financials	13.9	45.0	4.6	28.3	31.0	22.9	23.4	23.3
Health Care	8.2	0.0	6.4	7.4	5.9	4.4	5.7	5.8
Industrials	9.8	16.3	22.6	11.3	9.1	10.2	9.4	15.4
Information Technology	15.3	0.5	6.1	9.5	10.0	12.7	4.3	9.0
Materials	13.5	5.6	12.0	8.1	6.8	9.6	17.5	12.1
Real Estate	3.6	0.0	0.3	1.3	2.0	0.4	0.9	0.8
Utilities	5.0	13.3	4.0	4.5	4.8	4.6	10.0	3.8
<b>Grand Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: CMIE Prowess, NSE EPR. \*FPI ownership includes ownership through depository receipts held by custodians.

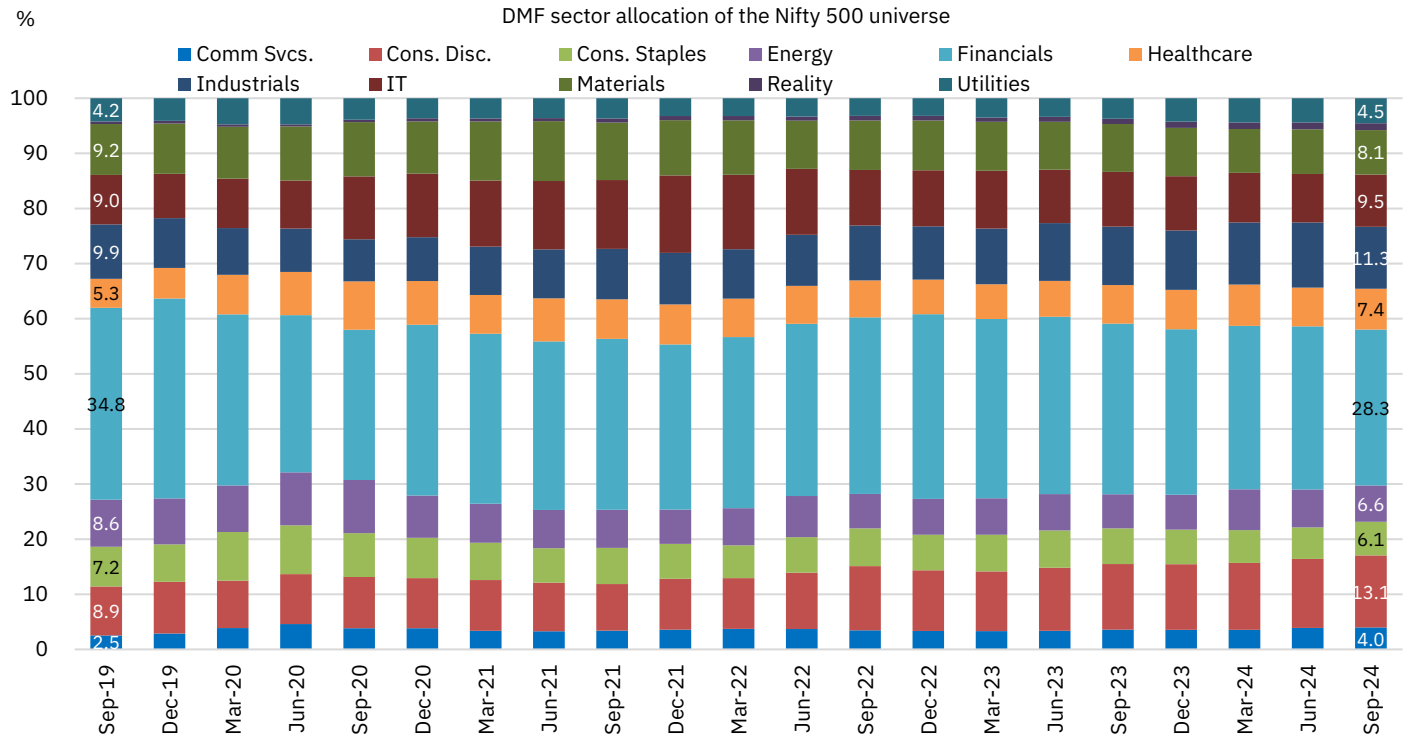
**DMFs strengthened their OW position on Healthcare and Consumer Discretionary:** For the quarter ended September 2024, DMFs continued to remain overweight on the Healthcare sector for the 19<sup>th</sup> consecutive quarter and Consumer Discretionary for the 12<sup>th</sup> quarter in a row. The three sectors in which DMFs remained underweight are Materials, Energy and Consumer Staples. Although DMFs have turned UW on Materials only in the previous quarter, they have remained UW on Energy (46-quarters) and Consumer Staples (36-quarters) for a long time. DMFs, who had turned OW on Financials in the June'24 quarter, have moved back to a neutral stance in the Sep'24 quarter, reflecting a renewed cautious view on smaller banks and NBFCs. Additionally, Communication Services, Information Technology, Industrials, Real Estate and Utilities are the sectors in which the DMFs are neutral. DMFs continued to remain neutral on Information Technology but have shifted from a negative view in the June'24 quarter to a positive view in the Sept'24 quarter, reflecting the improved global economic growth environment and improved confidence from the BFSI clients in the IT sector.

*DMFs continued to remain OW on the Healthcare and Consumer Discretionary sector while turning neutral for the financial sector in September 2024.*

**Figure 76: DMF sector allocation of the Nifty 500 universe (September 2024 vs. June 2024)**


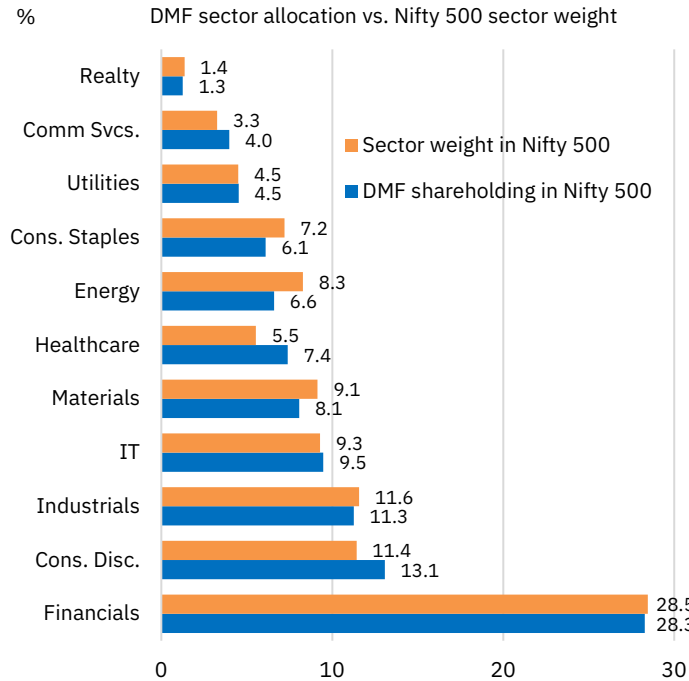
Source: CMIE Prowess, NSE EPR.

**Figure 77: DMF sector allocation of the Nifty 500 universe over last five years**



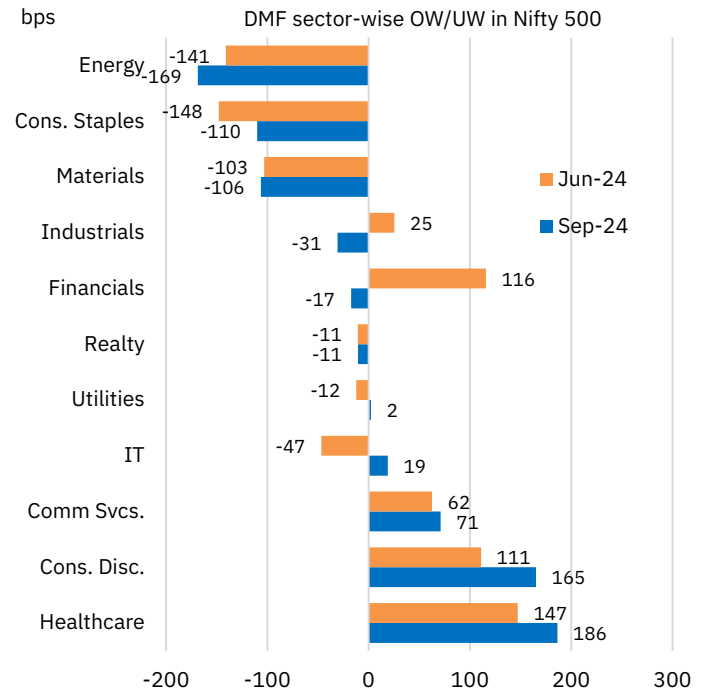
Source: CMIE Prowess, NSE EPR.

**Figure 78: DMF sector allocation vs sector weight in Nifty 500 (September 2024)**

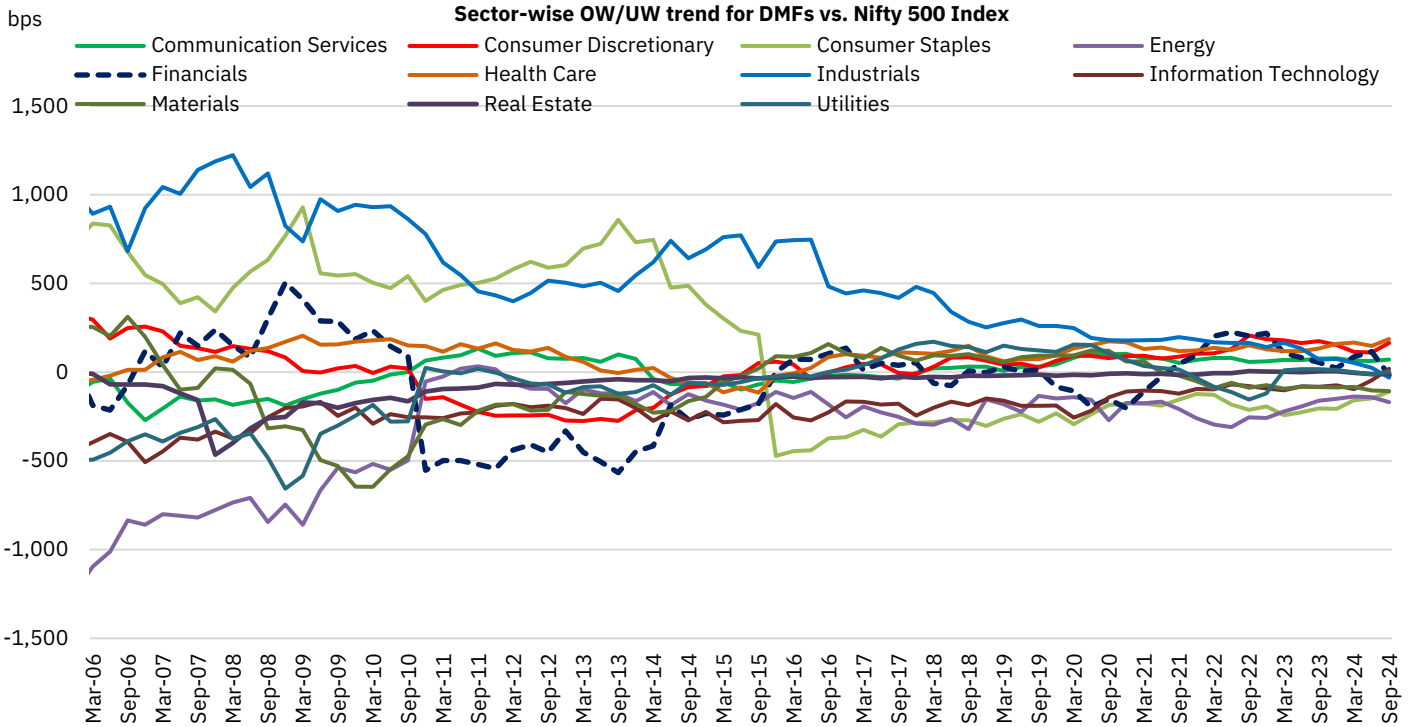


Source: CMIE Prowess, NSE EPR.

**Figure 79: DMF sector-wise OW/UW in Nifty 500 relative to sector weight in the index (September 2024)**



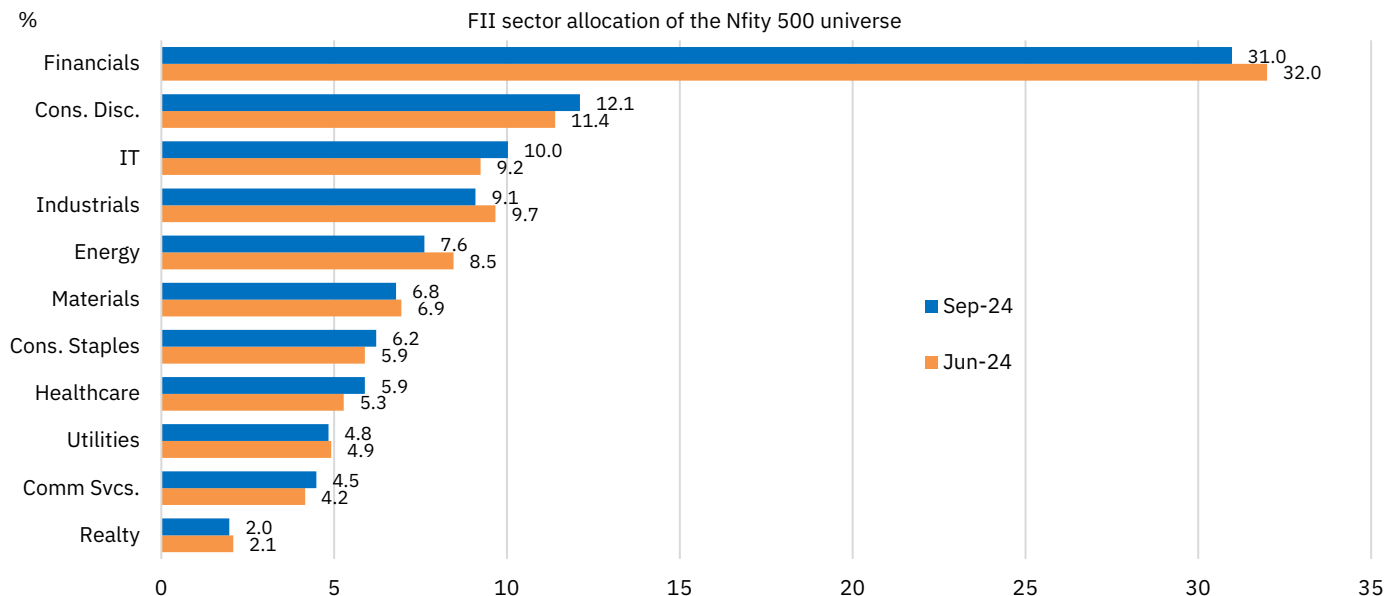


**Figure 80: DMF vs Nifty 500—Sector-wise OW/UW trend (bps)**


Source: CMIE Prowess, NSE EPR

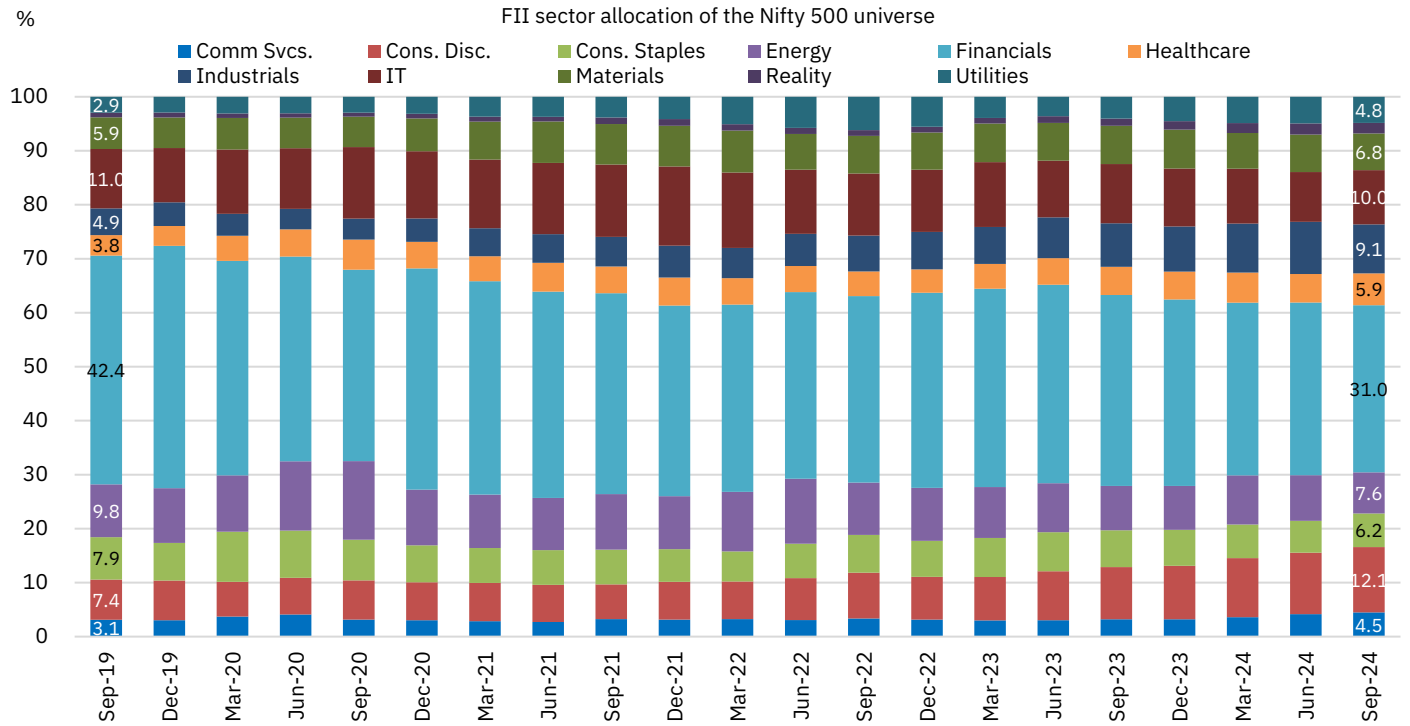
**FPIs’ trimmed their outsized bet on Financials:** FPIs turned incrementally cautious on Financials, trimming their OW position on the sector in the September quarter to the lowest level since 2005. FPIs also reduced their exposure to Energy, with a mildly cautious stance, and strengthened their perennial negative view on India’s investment story by increasing the extent of their UW position on Industrials and Materials. Reduced exposure to these sectors found its way to Communication Services, where FPIs turned OW on in the September quarter for the first time in 26 quarters, followed by Consumer Discretionary, Information Technology, Healthcare and Consumer Staples where FPIs turned incrementally positive, while maintaining a neutral position.

*FPIs trimmed their outsized bet on Financials to the lowest level since 2005.*

**Figure 81: FPI sector allocation of the Nifty 500 universe (September 2024 vs. June 2024)**


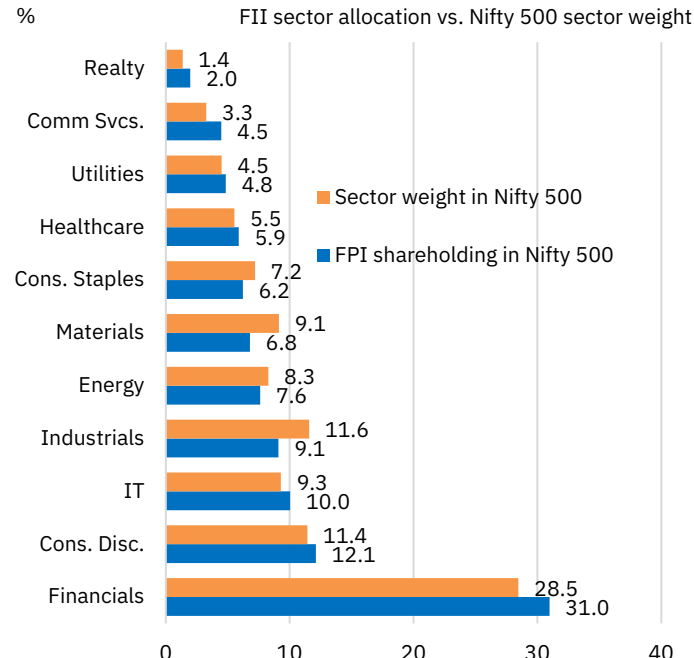
Source: CMIE Prowess, NSE EPR. \*FPI ownership includes ownership through depository receipts held by custodians

**Figure 82: FPI sector allocation of the Nifty 500 universe over last five years**

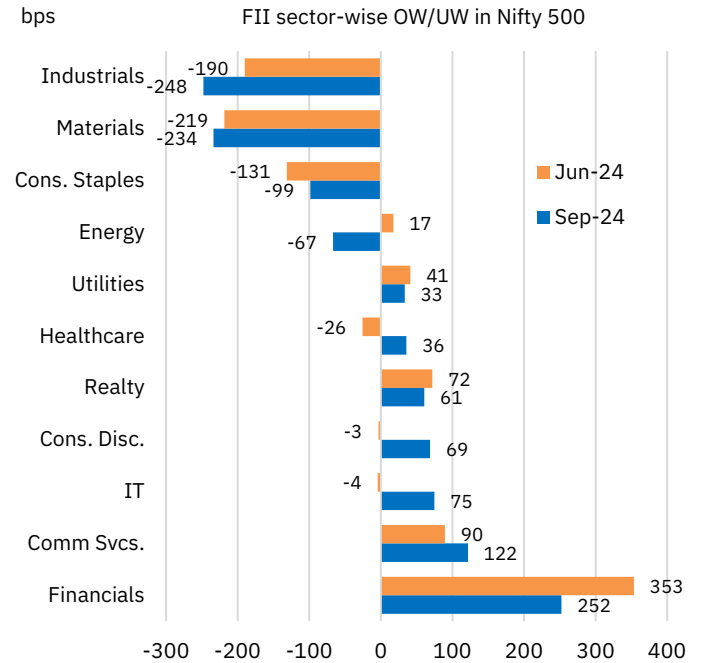


Source: CMIE Prowess, NSE EPR. \*FPI ownership includes ownership through depository receipts held by custodians.

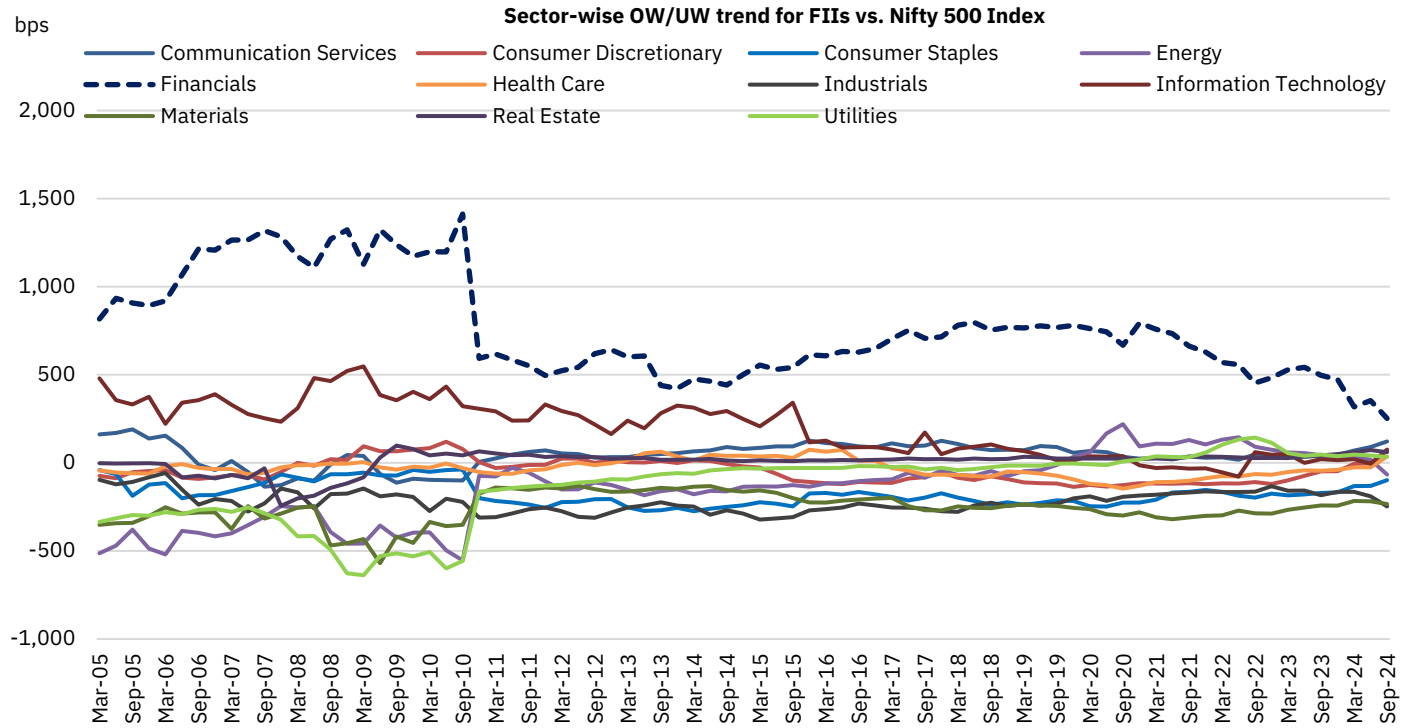
**Figure 83: FPI sector allocation vs sector weight in Nifty 500 (September 2024)**



**Figure 84: FPI sector-wise OW/UW in Nifty 500 relative to sector weight in the index (September 2024)**



Source: CMIE Prowess, NSE EPR. \*FPI ownership includes ownership through depository receipts held by custodians.

**Figure 85: FPI vs Nifty 500—Sector-wise OW/UW trend (bps)**


Source: CMIE Prowess, NSE EPR. \*FPI ownership includes ownership through depository receipts held by custodians.

## Ownership concentration analysis

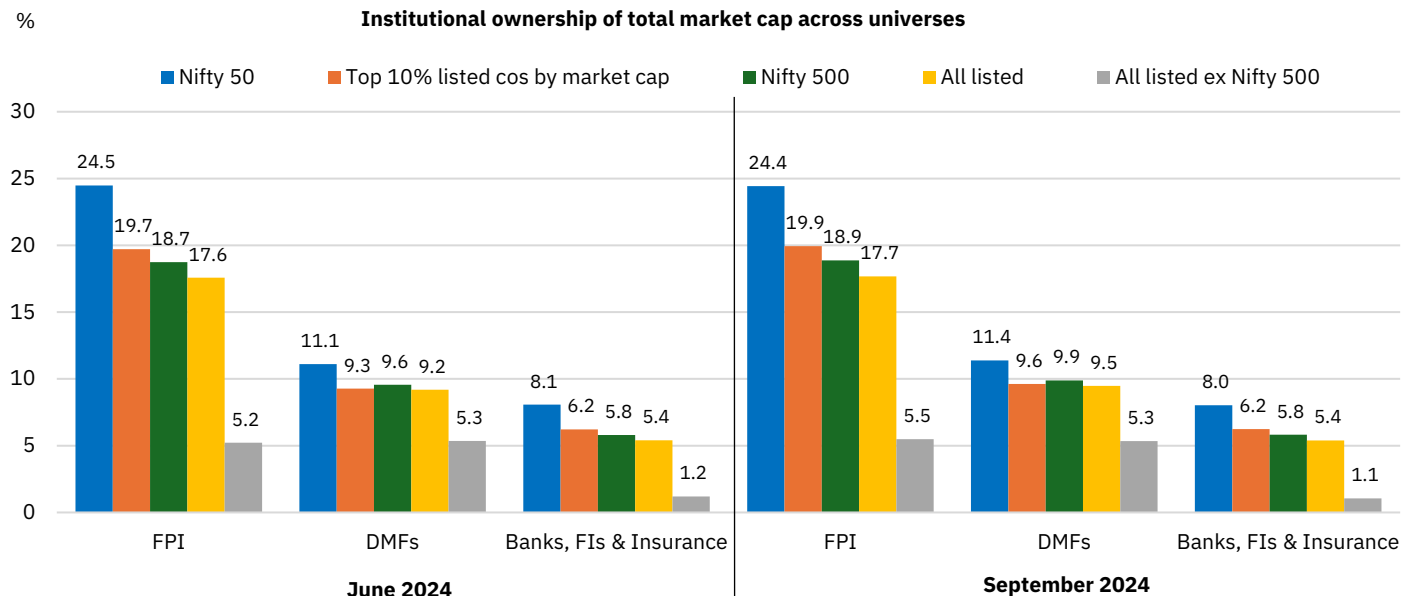
**Institutional investor allocation to Nifty50 remained lower...** The charts below depict how ownership for all institutional investor categories in the total market cap has changed in the September quarter vis-à-vis the previous quarter.

Institutional investments historically have remained concentrated to Nifty50 companies. This trend, however, seem to be reversing since the last several quarters as institutions increase their exposure to mid- and smaller companies. The share of Nifty 50 companies in overall institutional investments remained steady at the lowest level of 60% since 2001, translating into a total decline of 9.2pp in the last six quarters and nearly 12pp from the post-pandemic peak share of 72% in the quarter ending September 2020. This is a result of the combination of sustained inflows in such funds, leading to higher allocation, and relative outperformance of such companies vis-à-vis the large cap universe. For instance, while the Nifty 50 Index generated a return of 7.5%/31.4%/17.6% CAGR in the last quarter/year/five-year periods (As of September 30<sup>th</sup>, 2024), Nifty Mid-cap 50 and Nifty Small-cap 50 Indices have gained 7.5%/45.4%/30.9% CAGR and 7.4%/56.5%/28.0% CAGR respectively.

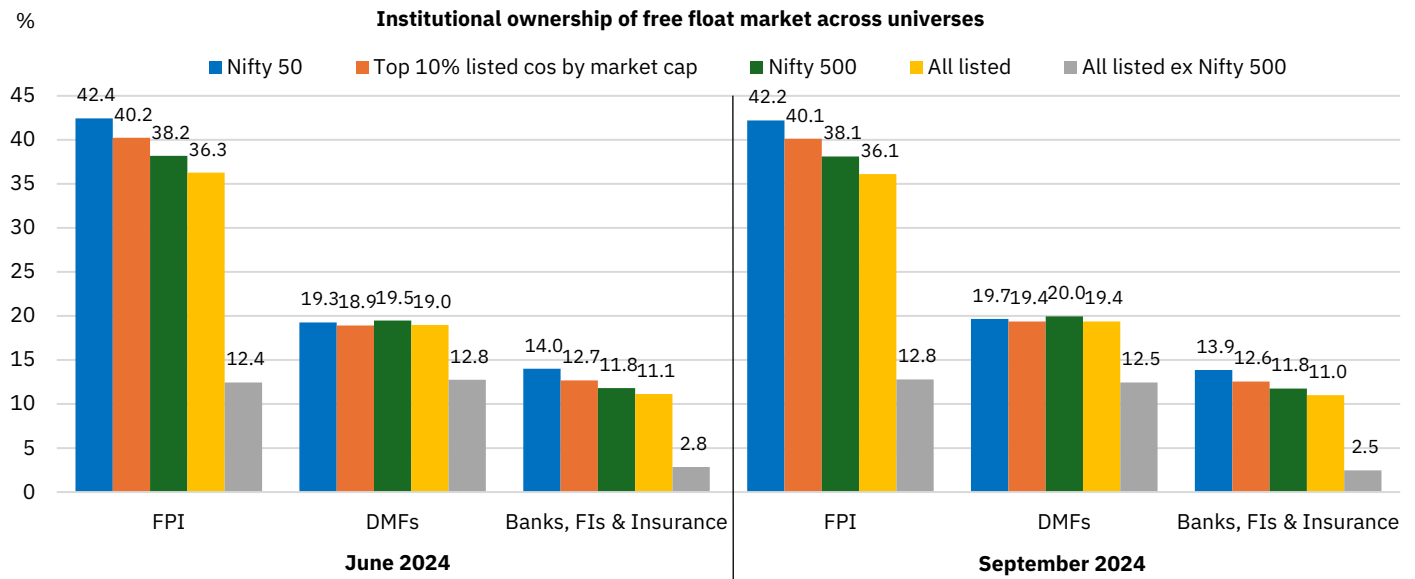
Among institutional investors, Banks, Financial Institutions and Insurance companies had the highest concentration to Nifty 50 companies, with the share inching up by a modest 17bps QoQ after dropping over the previous five quarters to 66.4%. FPIs, however, saw the share of Nifty 50 companies in their overall investments remain steady at 61.6%, the lowest level since the beginning of the analysis (2001-). DMFs, after seeing a sharp drop in their exposure to Nifty50 companies in the previous quarter, saw it rising by a marginal 10bps QoQ to 53.5%. This is nearly 9.6pp lower than the post-pandemic high share of 63.1% in September 2020.

*The share of Nifty50 companies in overall institutional investments remained steady at 60%, the lowest level since the beginning of our analysis (2001-).*

**Figure 86: Institutional share of total market cap (September 2024 vs. June 2024)**

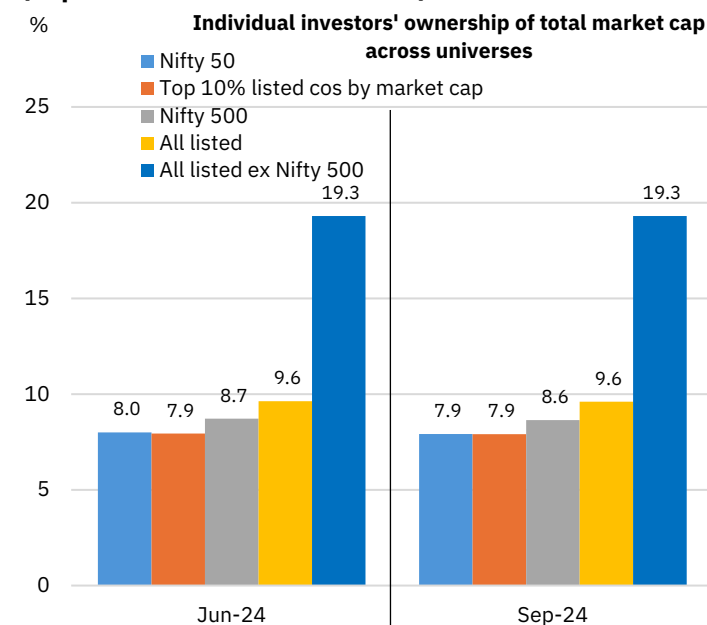
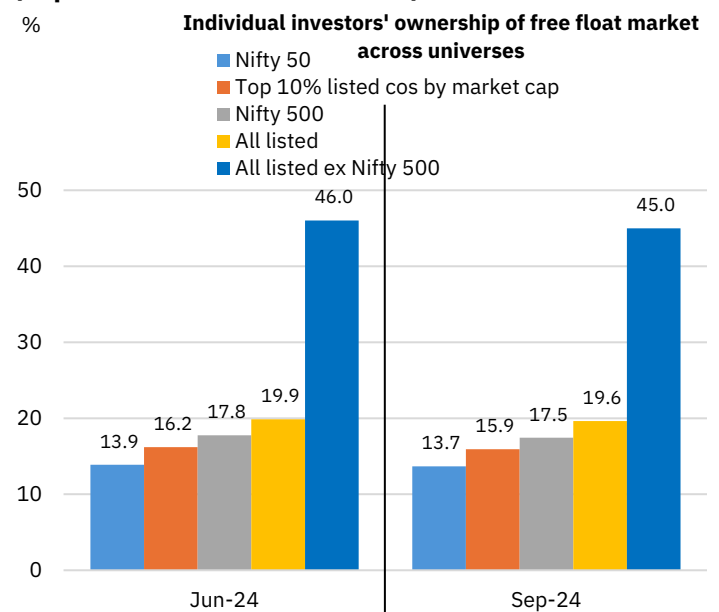


Source: CMIE Prowess, NSE \*FPI ownership includes ownership through depository receipts held by custodians.

**Figure 87: Institutional ownership of floating stock (September 2024 vs. June 2024)**


Source: CMIE Prowess, NSE EPR. \*FPI ownership includes ownership through depository receipts held by custodians.

**...And so is for individual investors...:** Unlike the institutional investors, where share of Nifty50 companies in their total investments either remained steady or inched up marginally, individual investors saw a marginal decline to a 22-year low of 36.7%. This is much lower than the 44.5% share of these companies in the overall market capitalisation of NSE listed companies. This has translated into a total of 11.1pp decline in the share of Nifty50 companies in individuals' portfolio in the last six quarters. This indicates incrementally higher allocation to mid and smaller companies during the last several quarters. Individuals owned 19.3% of the total market cap of listed companies excluding the Nifty 500 universe as of September end and 45.0% in the floating stock of these companies, falling marginally from 46% in the previous quarter.

**Figure 88: Individual share of total market cap (September 2024 vs. June 2024)**

**Figure 89: Individual ownership of floating stock (September 2024 vs. June 2024)**


Source: CMIE Prowess, NSE EPR.

## Decile-wise analysis shows a drop in the share of large-cap companies in portfolios across investor categories:

The tables below summarise the distribution of individuals', DMFs' and FPIs' portfolio across different market capitalisation deciles within the NSE listed universe. The quarter ending September 2024 saw the share of large-cap companies in the portfolios across investor categories drop for the second quarter in a row. Individual investors now have 64.5% of their portfolio invested in the top decile companies by market capitalisation (about 200), the lowest since the beginning of our analysis (2001-), with the next decile contributing 14.1%. Notably, the bottom 50% of the NSE listed companies by market capitalisation account for a mere 4.4% of the individuals' total holding, even as it is the highest in last 17 years and has expanded by 3.0x since the pandemic. While a large part of this is attributed to a significant rally seen in mid- and small-cap companies during the last few years, it is also due to incrementally higher allocation to such companies. This is reflected in the widening gap between the share of the top decile companies in the overall market capitalisation and the share of individual investments in such companies.

While FPIs have 88.3% of their investments made in the top 200 companies by market capitalisation (top decile), DMFs have a nearly 8.9pp lower share of such companies in their investment portfolio. That said, the share of such companies in both FPIs' and DMFs' portfolios have fallen to a 14-year and a six-and-a-half year low levels respectively. Nevertheless, the allocation of the top decile companies for both DMFs and FPIs is higher than the share of such companies in the overall market capitalisation. Banks, Financial Institutions and Insurance companies have an even higher allocation to larger companies, with 99% of their investments held in the top three deciles.

**Table 13: Market cap decile-wise share of individuals' portfolio in NSE listed companies**

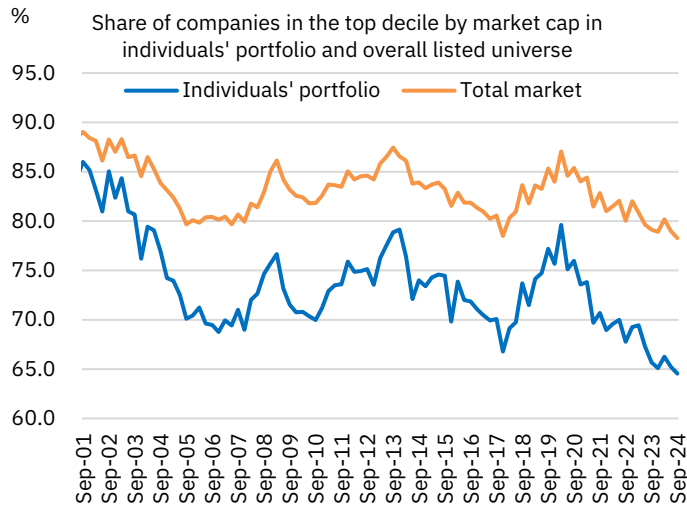
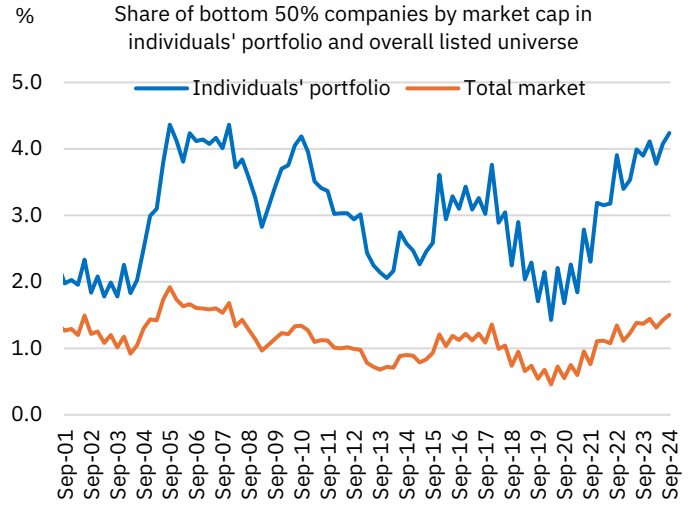
	FY21				FY22				FY23				FY24				FY25	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
1	75.1	76.0	73.6	73.8	69.7	70.7	69.0	69.6	70.0	67.8	69.3	69.4	67.3	65.7	65.1	66.3	65.2	64.5
2	12.5	11.9	12.4	12.7	13.1	13.3	14.1	13.5	13.3	13.3	13.0	12.5	13.1	14.0	14.1	14.2	14.2	14.1
3	5.2	5.7	6.3	6.3	7.6	7.3	6.9	7.0	6.9	7.4	7.3	7.5	7.8	8.6	8.6	8.3	8.8	8.7
4	3.1	3.0	3.4	3.4	4.3	4.3	4.1	4.1	4.1	4.5	4.3	4.3	4.7	4.8	4.9	4.6	4.7	5.2
5	1.9	1.7	2.1	1.8	2.5	2.2	2.7	2.7	2.6	3.2	2.7	2.8	3.1	3.1	3.1	2.8	3.0	3.2
6	1.0	0.8	1.1	1.0	1.4	1.2	1.6	1.5	1.5	1.8	1.6	1.7	1.9	2.0	2.0	1.9	2.0	2.0
7	0.6	0.5	0.6	0.5	0.8	0.6	0.8	0.9	0.9	1.1	0.9	1.0	1.1	1.0	1.1	1.0	1.1	1.2
8	0.3	0.2	0.3	0.2	0.4	0.3	0.5	0.5	0.5	0.6	0.5	0.5	0.6	0.5	0.6	0.5	0.6	0.6
9	0.2	0.1	0.2	0.1	0.2	0.1	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
10	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1

Source: CMIE Prowess, NSE EPR.

**Table 14: Distribution of total value held by individual investors across market capitalization deciles**

Rs lakh crore	FY21				FY22				FY23				FY24				FY25	
	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep
1	9.0	10.5	12.3	13.5	14.9	17.0	17.5	17.6	16.1	16.7	17.7	16.5	18.4	20.1	22.6	24.1	27.2	29.0
2	1.5	1.6	2.1	2.3	2.8	3.2	3.6	3.4	3.0	3.3	3.3	3.0	3.6	4.3	4.9	5.2	5.9	6.4
3	0.6	0.8	1.0	1.2	1.6	1.8	1.8	1.8	1.6	1.8	1.9	1.8	2.1	2.6	3.0	3.0	3.7	3.9
4	0.4	0.4	0.6	0.6	0.9	1.0	1.1	1.0	0.9	1.1	1.1	1.0	1.3	1.5	1.7	1.7	2.0	2.3
5	0.2	0.2	0.3	0.3	0.5	0.5	0.7	0.7	0.6	0.8	0.7	0.7	0.8	0.9	1.1	1.0	1.2	1.5
6	0.1	0.1	0.2	0.2	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.6	0.7	0.7	0.8	0.9
7	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.3	0.2	0.2	0.3	0.3	0.4	0.4	0.5	0.5
8	0.0	0.0	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.3
9	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
10	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>12.0</b>	<b>13.8</b>	<b>16.8</b>	<b>18.3</b>	<b>21.4</b>	<b>24.0</b>	<b>25.4</b>	<b>25.3</b>	<b>22.9</b>	<b>24.7</b>	<b>25.6</b>	<b>23.8</b>	<b>27.4</b>	<b>30.5</b>	<b>34.7</b>	<b>36.4</b>	<b>41.6</b>	<b>45.0</b>

Source: CMIE Prowess, NSE EPR.

**Figure 90: Share of companies in the top decile by market cap in individuals' portfolio and overall listed universe**

**Figure 91: Share of bottom 50% companies by market cap in individuals' portfolio and overall listed universe**


Source: CMIE Prowess, NSE EPR. Note: Deciles are created based on market capitalisation at the end of each quarter.

**Table 15: Market cap decile-wise share of DMFs' portfolio in NSE listed companies**

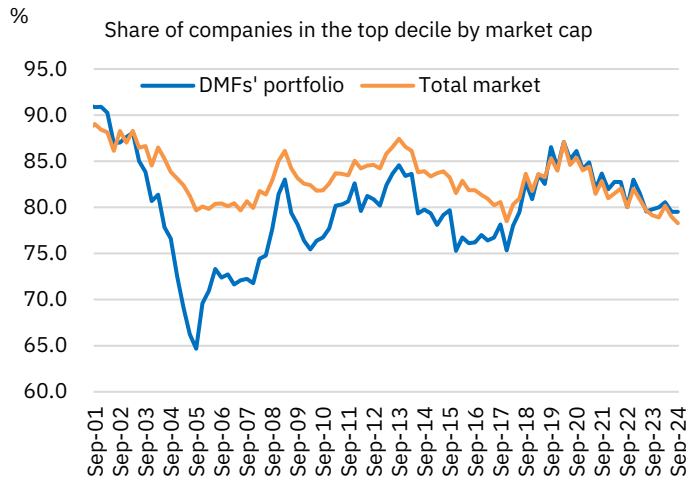
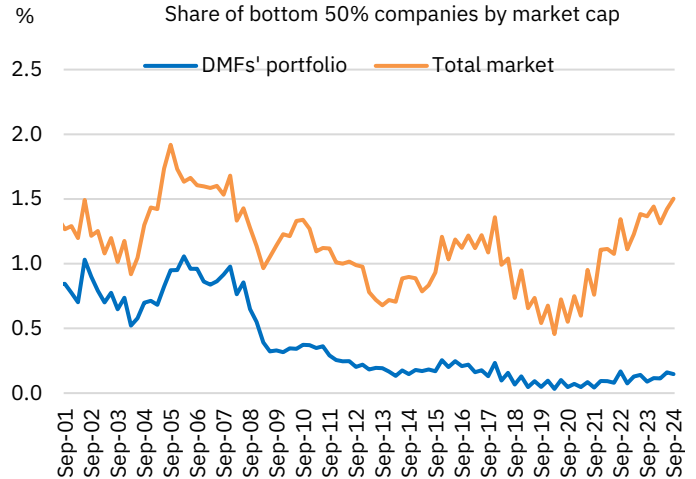
	FY21				FY22				FY23				FY24				FY25	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
1	85.2	86.1	84.2	84.9	82.0	83.7	82.0	82.8	82.7	80.0	83.0	81.5	79.6	79.8	80.0	80.6	79.5	79.5
2	10.4	10.2	11.0	10.8	12.0	11.7	12.4	11.8	12.0	13.4	11.6	12.7	13.8	13.6	13.3	13.2	13.8	13.5
3	3.0	2.7	3.3	3.1	3.9	3.2	3.7	3.5	3.6	4.2	3.7	3.9	4.4	4.3	4.3	4.0	4.2	4.4
4	1.0	0.8	1.1	1.0	1.6	1.1	1.4	1.4	1.1	1.6	1.2	1.4	1.7	1.8	1.8	1.7	1.9	1.9
5	0.3	0.2	0.3	0.2	0.4	0.3	0.4	0.4	0.4	0.6	0.4	0.4	0.5	0.4	0.5	0.4	0.4	0.6
6	0.1	0.0	0.1	0.0	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: CMIE Prowess, NSE EPR.

**Table 16: Distribution of total value held by DMFs across market capitalization deciles**

Rs lakh crore	FY21				FY22				FY23				FY24				FY25	
	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep
1	9.2	10.1	11.6	12.5	13.5	15.8	16.0	16.7	15.8	17.0	18.7	18.1	20.0	22.0	25.4	27.5	31.6	35.3
2	1.1	1.2	1.5	1.6	2.0	2.2	2.4	2.4	2.3	2.9	2.6	2.8	3.5	3.7	4.2	4.5	5.5	6.0
3	0.3	0.3	0.5	0.4	0.6	0.6	0.7	0.7	0.7	0.9	0.8	0.9	1.1	1.2	1.4	1.4	1.7	2.0
4	0.1	0.1	0.1	0.2	0.3	0.2	0.3	0.3	0.2	0.3	0.3	0.3	0.4	0.5	0.6	0.6	0.7	0.8
5	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.3
6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1
7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>10.8</b>	<b>11.7</b>	<b>13.8</b>	<b>14.7</b>	<b>16.5</b>	<b>18.9</b>	<b>19.6</b>	<b>20.1</b>	<b>19.1</b>	<b>21.3</b>	<b>22.6</b>	<b>22.2</b>	<b>25.1</b>	<b>27.5</b>	<b>31.7</b>	<b>34.2</b>	<b>39.8</b>	<b>44.4</b>

Source: CMIE Prowess, NSE EPR.

**Figure 92: Share of companies in the top decile by market cap in DMFs' portfolio and overall listed universe**

**Figure 93: Share of bottom 50% companies by market cap in DMFs' portfolio and overall listed universe**


Source: CMIE Prowess, NSE EPR. Note: Deciles are created based on market capitalisation at the end of each quarter.

**Table 17: Market cap decile-wise share of FPIs' portfolio in NSE listed companies**

	FY21				FY22				FY23				FY24				FY25	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
1	92.2	93.2	92.6	92.8	90.9	91.9	90.9	90.9	91.0	89.7	91.3	90.4	89.8	89.5	89.5	89.3	88.4	88.3
2	5.7	5.1	5.4	5.4	6.6	5.9	6.4	6.3	6.3	6.8	6.0	6.5	6.9	7.0	6.9	7.2	7.7	7.6
3	1.5	1.2	1.4	1.4	1.7	1.6	1.9	1.8	1.8	2.3	1.8	2.0	2.0	2.4	2.3	2.3	2.5	2.8
4	0.4	0.3	0.4	0.3	0.5	0.4	0.5	0.6	0.5	0.7	0.6	0.7	0.8	0.8	0.9	0.8	0.9	0.9
5	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.3	0.2	0.2	0.3	0.3	0.3	0.2	0.2	0.3
6	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

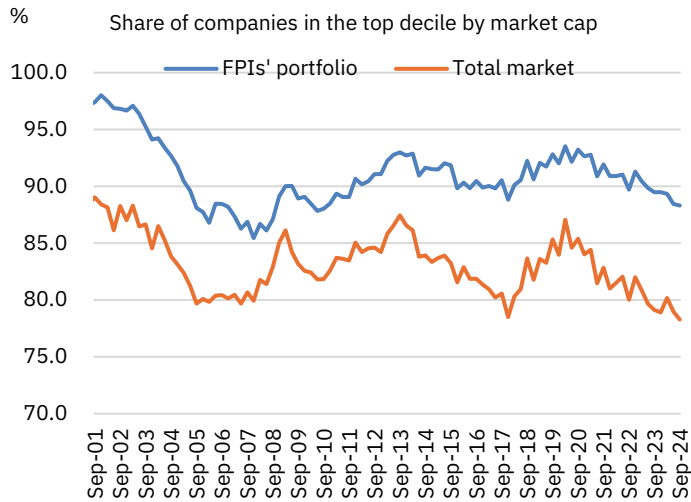
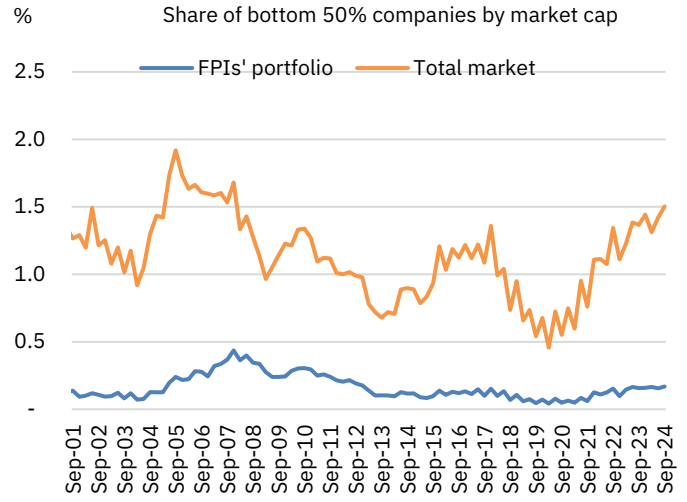
Source: CMIE Prowess, NSE EPR.



**Table 18: Distribution of total value held by FPIs across market capitalization deciles**

Rs lakh crore	FY21				FY22				FY23				FY24				FY25	
	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep
1	25.7	29.3	37.6	40.5	42.9	48.7	47.1	45.6	40.3	44.7	48.1	43.9	49.8	51.9	58.6	61.0	67.3	73.1
2	1.6	1.6	2.2	2.4	3.1	3.1	3.3	3.2	2.8	3.4	3.2	3.1	3.8	4.0	4.5	4.9	5.9	6.3
3	0.4	0.4	0.6	0.6	0.8	0.8	1.0	0.9	0.8	1.1	0.9	1.0	1.1	1.4	1.5	1.5	1.9	2.3
4	0.1	0.1	0.1	0.1	0.2	0.2	0.3	0.3	0.2	0.4	0.3	0.3	0.4	0.4	0.6	0.6	0.7	0.7
5	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.2	0.2	0.2	0.1	0.2	0.2
6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1
7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>27.9</b>	<b>31.5</b>	<b>40.6</b>	<b>43.6</b>	<b>47.2</b>	<b>53.0</b>	<b>51.9</b>	<b>50.2</b>	<b>44.3</b>	<b>49.8</b>	<b>52.6</b>	<b>48.6</b>	<b>55.4</b>	<b>58.0</b>	<b>65.5</b>	<b>68.3</b>	<b>76.0</b>	<b>82.7</b>

Source: CMIE Prowess, NSE EPR.

**Figure 94: Share of companies in the top decile by market cap in FPIs' portfolio and overall listed universe**

**Figure 95: Share of bottom 50% companies by market cap in FPIs' portfolio and overall listed universe**


Source: CMIE Prowess, NSE EPR. Note: Deciles are created based on market capitalisation at the end of each quarter.

**Table 19: Market cap decile-wise share in total market capitalization of NSE listed companies**

	FY21				FY22				FY23				FY24				FY25	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
1	90.4	91.5	90.6	90.9	88.7	89.8	88.5	88.8	88.9	87.3	89.2	88.1	87.2	86.8	86.7	86.9	85.8	85.7
2	6.8	6.2	6.7	6.7	7.8	7.4	8.0	7.8	7.8	8.5	7.6	8.2	8.8	8.9	8.9	8.9	9.6	9.4
3	1.9	1.6	1.9	1.7	2.3	1.9	2.3	2.2	2.2	2.7	2.1	2.4	2.5	2.8	2.8	2.6	2.9	3.2
4	0.6	0.5	0.6	0.5	0.8	0.6	0.8	0.8	0.7	0.9	0.7	0.9	1.0	1.0	1.1	1.1	1.2	1.2
5	0.2	0.1	0.2	0.2	0.3	0.2	0.3	0.3	0.3	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4
6	0.1	0.0	0.1	0.0	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: CMIE Prowess, NSE EPR.

**Table 20: Market capitalization of NSE listed companies distributed across deciles**

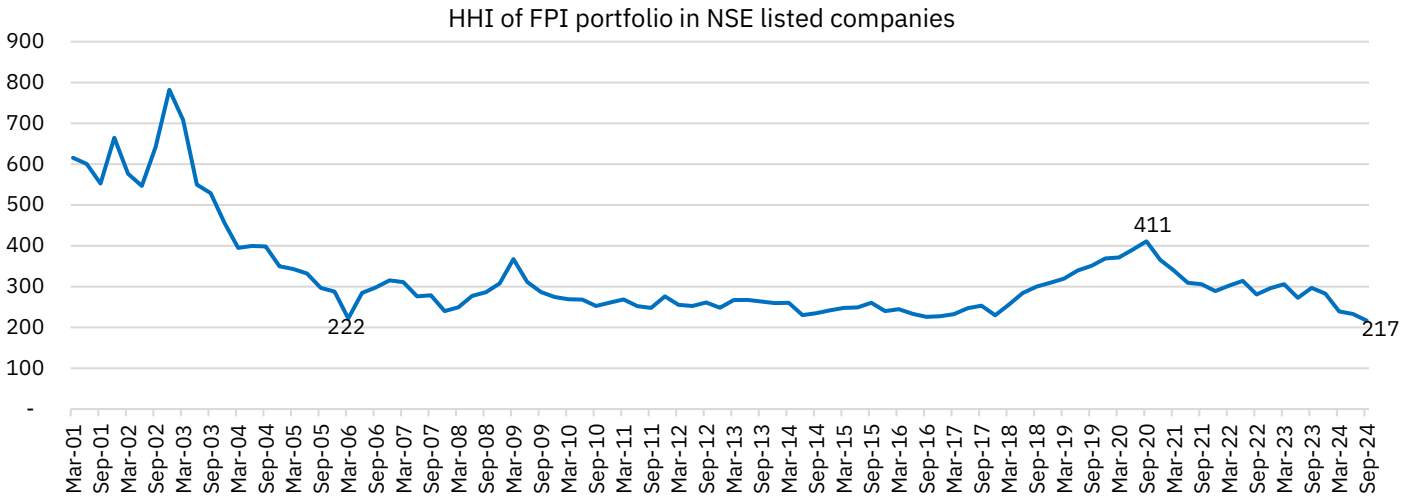
Rs lakh crore	FY21				FY22				FY23				FY24				FY25	
	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep
1	117.1	130.8	156.9	171.4	185.9	213.7	213.0	212.7	197.3	214.0	228.7	205.5	232.0	249.1	283.7	306.4	341.6	366.6
2	13.1	14.0	17.7	19.4	24.3	25.8	28.6	27.3	24.5	29.3	28.0	26.9	32.3	35.0	40.3	40.7	48.6	54.1
3	4.4	4.6	6.5	6.7	9.3	9.7	10.7	10.4	9.3	11.4	10.8	10.6	12.7	14.8	17.1	17.2	20.5	22.9
4	1.9	1.9	2.8	2.9	4.3	4.5	5.1	4.9	4.4	5.8	5.3	5.2	6.6	7.4	8.6	8.3	10.3	11.5
5	1.0	1.0	1.5	1.4	2.2	2.3	2.7	2.6	2.5	3.2	2.9	2.8	3.7	4.1	4.7	4.5	5.4	6.1
6	0.5	0.5	0.7	0.7	1.1	1.1	1.5	1.5	1.3	1.9	1.6	1.6	2.1	2.3	2.7	2.6	3.2	3.6
7	0.3	0.2	0.4	0.3	0.6	0.5	0.8	0.8	0.7	1.0	0.8	0.8	1.1	1.2	1.4	1.4	1.7	1.9
8	0.1	0.1	0.2	0.2	0.3	0.2	0.4	0.4	0.4	0.5	0.4	0.4	0.5	0.6	0.7	0.7	0.8	1.0
9	0.1	0.0	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.4	0.4
10	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.1
<b>Total</b>	<b>138.4</b>	<b>153.1</b>	<b>186.7</b>	<b>203.1</b>	<b>228.2</b>	<b>258.0</b>	<b>263.0</b>	<b>261.0</b>	<b>240.5</b>	<b>267.4</b>	<b>278.9</b>	<b>254.2</b>	<b>291.2</b>	<b>314.8</b>	<b>359.5</b>	<b>382.1</b>	<b>432.5</b>	<b>468.3</b>

Source: CMIE Prowess, NSE EPR.

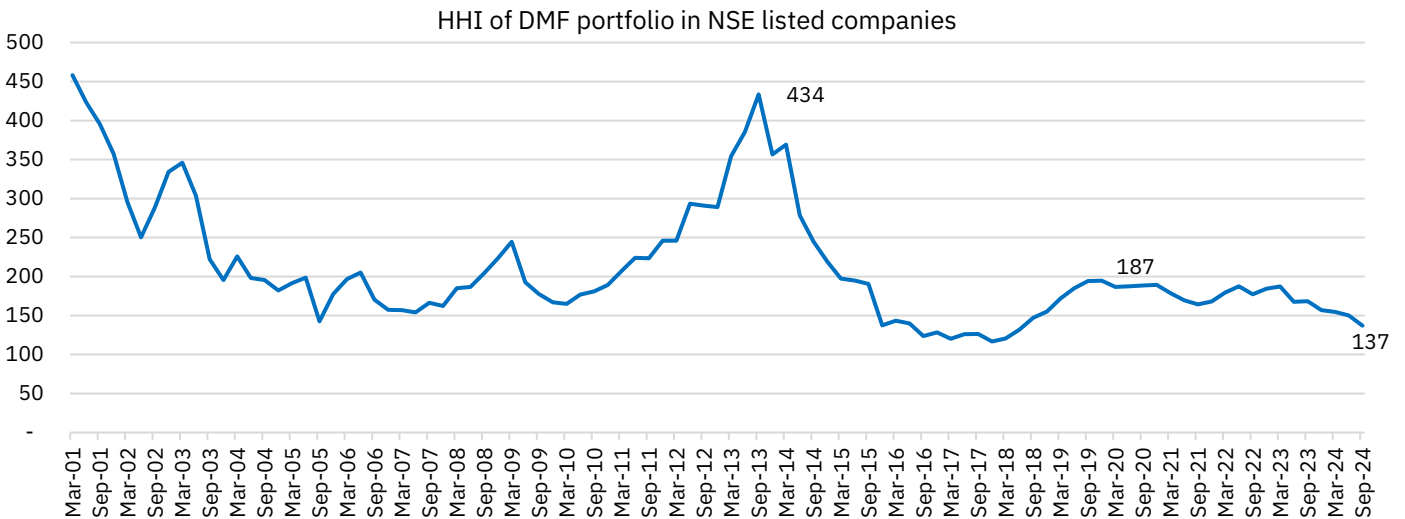
**Falling HHI indicates widening exposure to mid- and small caps:** The Herfindahl-Hirschman Index (HHI)—a measure of market concentration<sup>8</sup>—has been hovering in the range of 200 to 400 across investor categories for over two decades now. A value of HHI below 1500 indicates a high degree of diversification. In fact, the HHI values, after rising briefly after the pandemic as investors turned cautious, have been steadily falling since, and are now hovering at or near the lowest levels since the beginning of our analysis across investor categories. The HHI of the overall institutional portfolio in NSE listed companies fell to 175 in the September quarter—the lowest since 2001. Within institutional investor categories, the HHI of the DMF portfolio declined to a 25-quarter low of 137 in the September quarter, while that of banks, financial institutions and insurance companies fell to a 17-year low of 218. The HHI of FPI portfolio in NSE listed companies at 217 in the September quarter is the lowest since the beginning of our analysis (2001), reflecting a significant widening of their exposure across companies since the last few years, particularly to smaller-sized companies, as the market surged to fresh all-time high levels during the quarter. FPIs now have ownership in more than 1800 stocks, rising from about 1200 four years back. Lowest HHI level of the FPI portfolio in the September quarter also corroborates with their declining allocation to the top decile stocks, that fell to a 14-year low during the quarter. With October witnessing the highest monthly FPI selling, our analysis shows that the selling is concentrated in the top 100 stocks, with companies in the Nifty Smallcap 150 and Nifty Microcap 250 actually seeing net inflows during the month.

Expectedly, the HHI of individuals' portfolio in NSE listed companies is much lower than institutional investors, also reflected in their absolute portfolio allocation to smaller companies. Further, the HHI of 66 for individuals' portfolio in the September quarter is the lowest since 2001, marking the sixth decline in a row.

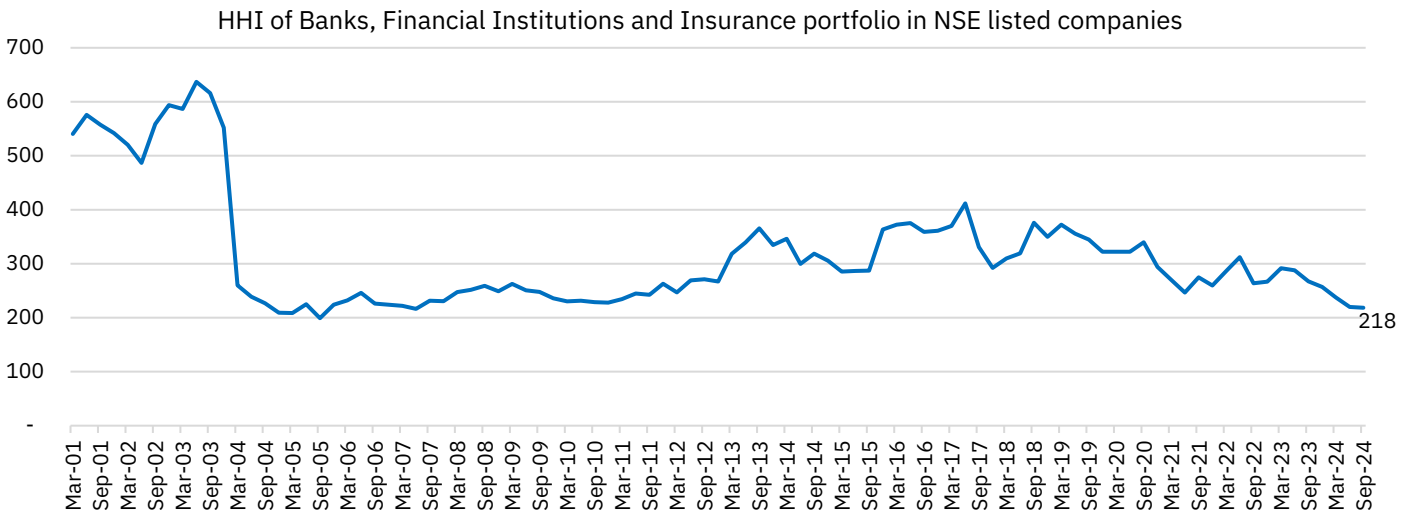
<sup>8</sup> HHI value ranges from 0 to 10,000. An HHI near 0 indicates a highly fragmented market with many firms holding small market shares (i.e., very low concentration). An HHI near 10,000 indicates a monopoly or a market dominated by a single firm (i.e., very high concentration). HHI value interpretation: HHI below 1,500 is considered low and implies a competitive, diversified and fragmented market; HHI between 1,500 and 2,500 is considered moderate, indicating some degree of competition but with a few firms holding a significant share; HHI above 2,500 is considered high, and reflects a highly concentrated market, with fewer firms dominating the market.

**Figure 96: HHI of FPI portfolio in NSE listed companies**


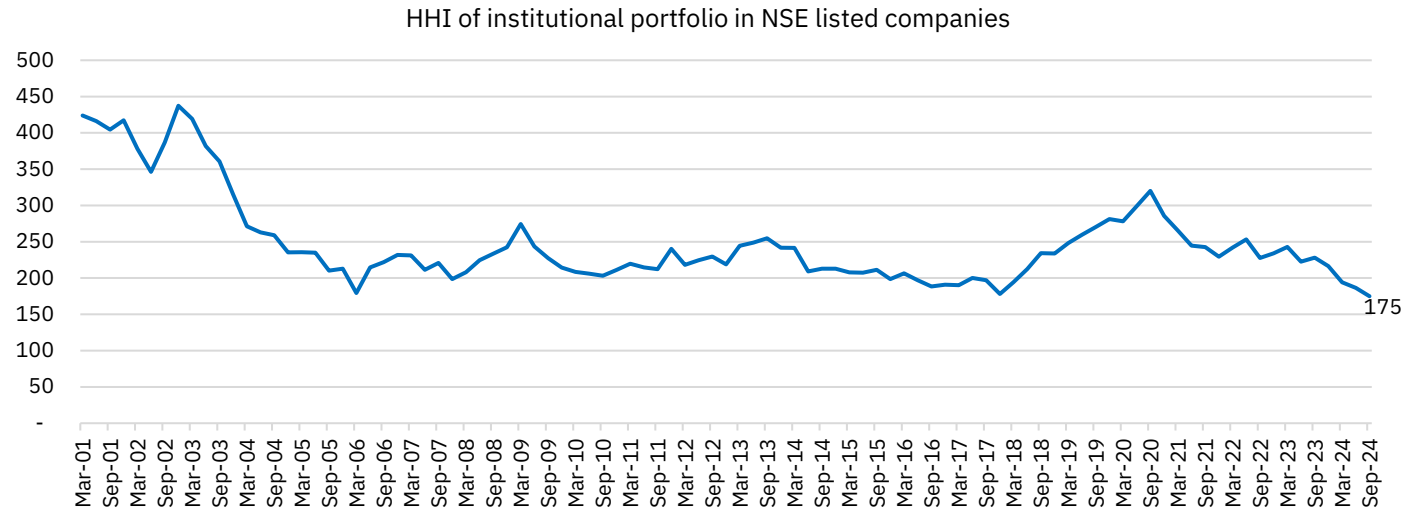
Source: CMIE Prowess, NSE EPR.

**Figure 97: HHI of DMF portfolio in NSE listed companies**


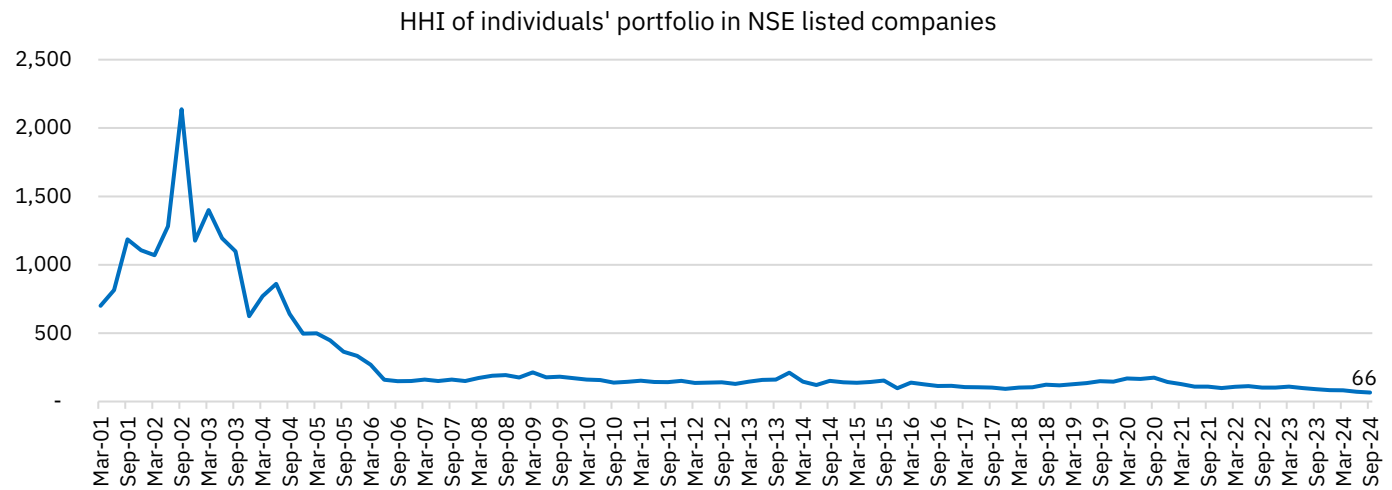
Source: CMIE Prowess, NSE EPR.

**Figure 98: HHI of Banks, Financial Institutions & Insurance portfolio in NSE listed companies**


Source: CMIE Prowess, NSE EPR.

**Figure 99: HHI of institutional investors' portfolio in NSE listed companies**


Source: CMIE Prowess, NSE EPR.

**Figure 100: HHI of individuals' portfolio in NSE listed companies**


Source: CMIE Prowess, NSE EPR.

**Record net outflows by FPIs in October concentrated in the top 100 stocks:** After buying heavily in the September quarter, FPIs turned heavy sellers in October. Weak corporate earnings, coupled with stretched valuations, promoted FPIs to shift allocations to more reasonably valued markets such as China and Japan. Further, heightened global uncertainty added to the muted sentiments. FPIs sold a net amount of Rs 1.17 lakh crore from NSE's capital markets (secondary markets only) in the month of October, with almost all of it concentrated in the top 100 companies.

**Table 21: Index and category-wise net investments in NSE's capital market segment in October 2024**

Rs crore	Nifty 50	Nifty Next 50	Nifty Midcap 150	Nifty Smallcap 250	Nifty Microcap 250	Rest	Total
Prop	2,393	-849	-2,542	-2,153	-959	-8,141	<b>-12,251</b>
Individual	13,595	4,338	3,471	1,515	-706	7,382	<b>29,594</b>
FPI	-90,594	-19,024	-8,276	851	1,202	-1,436	<b>-1,17,279</b>
DII	74,255	17,170	8,903	1,515	981	4,512	<b>1,07,336</b>
Corporate	868	-847	-1,042	-626	-285	-1,717	<b>-3,649</b>
Others	-517	-787	-513	-1,101	-232	-600	<b>-3,751</b>

Source: NSE EPR.

**Sector-wise HHI differs meaningfully:** Even as HHI levels for all investor categories are significantly low for their respective portfolios, there remains meaningful disparity across sectors. For individuals, barring Energy, HHI levels of all other sectors remained below the 1500-mark, indicating fairly low concentration. For FPIs and DMFs, HHI levels of their portfolio in Energy and Communication Services sectors remain north of 2500-mark, indicating high concentration of investments, a part of which is also due to fewer companies in these sectors. In addition to these two sectors, banks, financial institutions & insurance have high concentration of their investments in Consumer Staples as well. That said, barring Energy, all other sectors have seen HHI levels falling over the years for all investor categories.

**Table 22: Sector-wise HHI of FPI portfolio in NSE listed companies**

Sector	Sep-04	Sep-09	Sep-14	Sep-19	Sep-24
Comm. Services	3,245	1,701	1,701	2,453	5,261
Cons. Disc.	1,544	1,425	1,425	824	647
Cons. Staples	3,552	1,934	1,934	1,375	974
Energy	4,082	2,735	2,735	5,925	5,696
Financials	1,786	1,286	1,286	1,365	1,383
Health Care	1,603	1,408	1,408	633	687
Industrials	1,878	883	883	988	441
IT	3,555	2,616	2,616	2,618	2,166
Materials	1,053	583	583	661	446
Real Estate	7,679	1,370	1,370	1,482	1,382
Utilities	3,394	1,761	1,761	1,592	1,293
<b>Total</b>	<b>398</b>	<b>235</b>	<b>235</b>	<b>351</b>	<b>217</b>

Source: CMIE Prowess, NSE EPR.

**Table 24: Sector-wise HHI of Individuals' portfolio in NSE listed companies**

Sector	Sep-04	Sep-09	Sep-14	Sep-19	Sep-24
Comm. Services	2,849	2,631	3,709	5,596	6,295
Cons. Disc.	1,018	1,450	1,402	1,322	748
Cons. Staples	3,632	4,401	6,583	4,705	3,931
Energy	2,365	3,403	2,877	3,036	3,740
Financials	1,383	1,256	1,139	1,124	789
Health Care	2,129	1,298	1,423	1,340	765
Industrials	1,668	2,427	2,668	2,595	1,507
IT	2,013	3,030	3,505	3,371	2,291
Materials	779	788	676	577	493
Real Estate	1,904	3,363	1,017	985	1,410
Utilities	2,691	1,450	1,878	2,247	1,150
<b>Total</b>	<b>227</b>	<b>248</b>	<b>319</b>	<b>345</b>	<b>218</b>

Source: CMIE Prowess, NSE EPR.

**Table 23: Sector-wise of DMF portfolio in NSE listed companies**

Sector	Sep-04	Sep-09	Sep-14	Sep-19	Sep-24
Comm. Services	2,127	2,527	1,872	3,543	4,455
Cons. Disc.	659	611	609	334	352
Cons. Staples	6,051	3,759	6,662	1,726	1,338
Energy	1,653	2,514	1,619	2,688	3,533
Financials	1,359	894	832	1,032	1,016
Health Care	686	721	825	699	536
Industrials	999	1,124	1,502	1,127	456
IT	1,323	1,902	1,636	2,674	1,618
Materials	636	443	288	367	331
Real Estate	2,161	1,287	1,697	1,195	1,212
Utilities	2,425	1,236	1,139	2,304	2,167
<b>Total</b>	<b>195</b>	<b>177</b>	<b>245</b>	<b>194</b>	<b>137</b>

Source: CMIE Prowess, NSE EPR.

**Table 25: Sector-wise HHI of Banks, Financial Inst. & Insurance portfolio in NSE listed companies**

Sector	Sep-04	Sep-09	Sep-14	Sep-19	Sep-24
Comm. Services	9,117	1,690	6,728	701	876
Cons. Disc.	406	396	445	442	356
Cons. Staples	2,171	1,533	1,651	1,302	980
Energy	2,898	4,914	3,649	5,647	4,392
Financials	531	505	486	694	434
Health Care	917	717	654	373	261
Industrials	613	1,309	1,219	1,234	277
IT	2,163	2,071	1,643	1,850	809
Materials	497	406	279	319	185
Real Estate	1,300	1,412	628	1,174	514
Utilities	2,501	1,088	876	698	782
<b>Total</b>	<b>641</b>	<b>181</b>	<b>151</b>	<b>148</b>	<b>66</b>

Source: CMIE Prowess, NSE EPR.

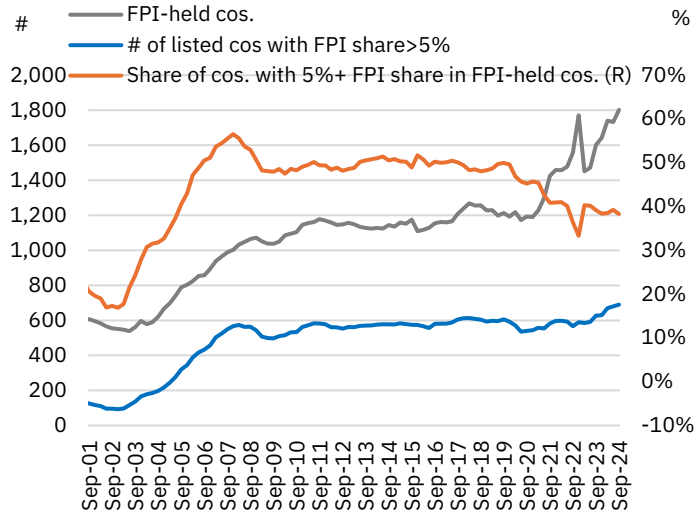
**Ownership concentration in terms of no. of companies with holding greater than 5%:**

We now compare the depth of institutional ownership with its width in the market. We consider the FPI portfolio in India since 2001, not in terms of its value, but in terms of the *number* of stocks. FPIs meaningfully expanded their invested pool of companies between 2020 and 2022, from near-1200 odd companies in December 2020 to 1450+ by December 2021 and 1770+ by December 2022. This number fell significantly in the last quarter of FY23 to about 1450, after which there has been a steady rise in the number of companies held by FPIs to 1802 by September-end—the highest ever. At the same time, the number of companies where FPIs have more than 5% stake stands at 690, up from

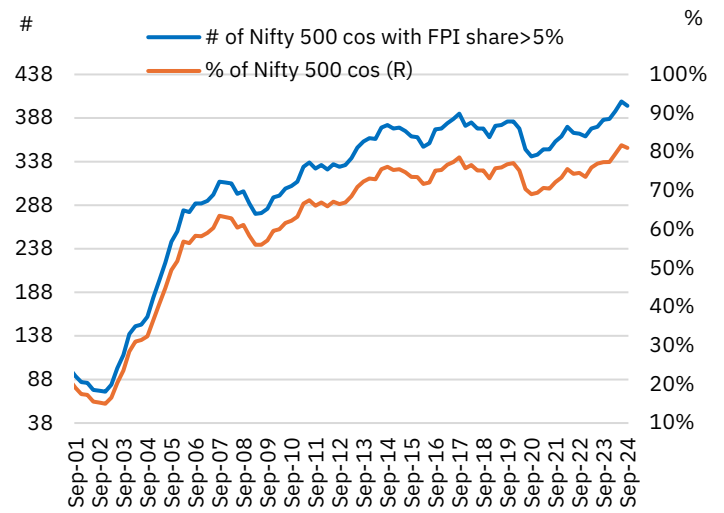
680 in the previous quarter. As a percentage of total number of companies held by FIIs, this comes to 38.3%, lower than the 39.2% in the previous quarter.

Likewise, exposure to DMFs is also widening across companies since the last few quarters, with DMFs now holding stake in 1296 companies as of September end, the highest ever. Out of these, DMFs own more than 5% share in 582, which brings the ratio of count of such companies to the total number of DMF-owned companies in the NSE listed universe to a fresh all-time high of 44.9%.

**Figure 101: Number of listed cos with FPI holding >5%**

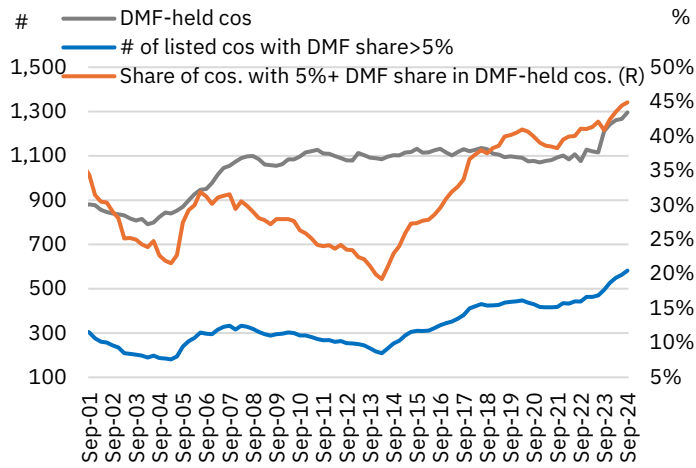


**Figure 102: Number of Nifty500 cos with FPI holding >5%**

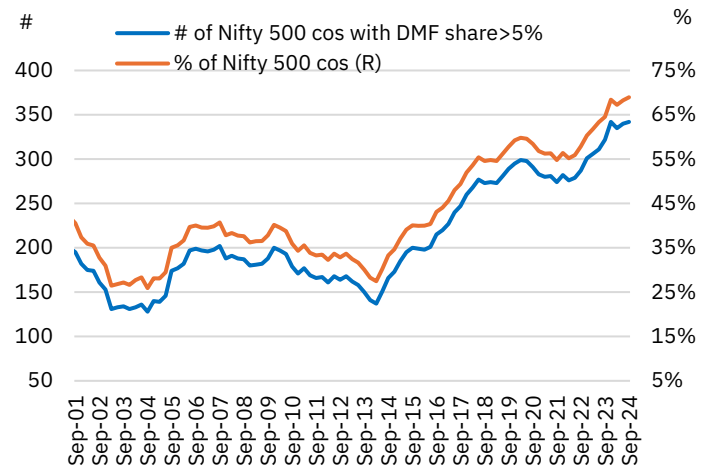


Source: CMIE Prowess, NSE EPR. \*FPI ownership includes ownership through depository receipts held by custodians

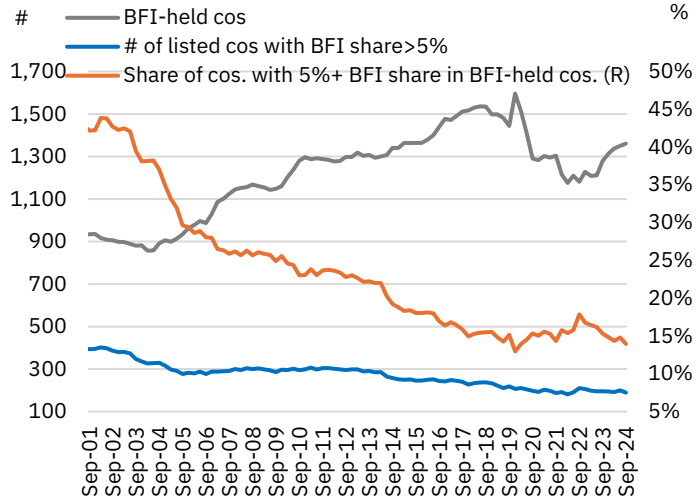
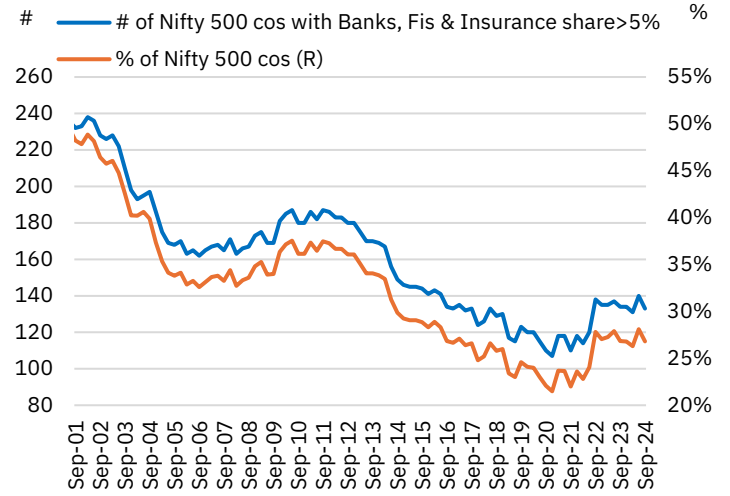
**Figure 103: Number of listed cos with DMF holding >5%**



**Figure 104: Number of Nifty500 cos with DMF share >5%**



Source: CMIE Prowess, NSE EPR. \*FPI ownership includes ownership through depository receipts held by custodians

**Figure 105: Number of listed companies with Banks, FIs & Insurance holding >5%**

**Figure 106: Number of Nifty500 companies with Banks, FIs & Insurance holding >5%**


Source: CMIE Prowess, NSE EPR. BFI = Banks, Financial Institutions, and Insurance Companies.

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