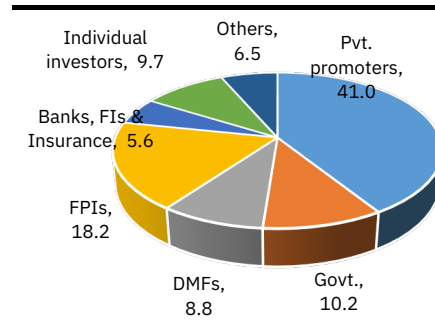


Who owns India Inc.? – FPI share drops further, DMF share at fresh record high

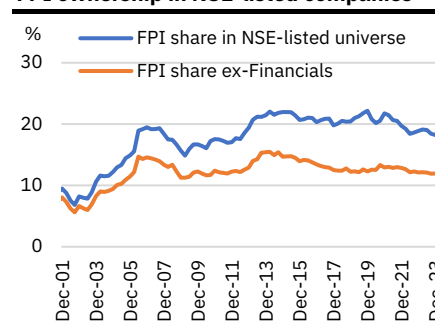
In this edition of our quarterly report “India Inc. Ownership Tracker”,¹ we extend our analysis of ownership trends and patterns in NSE companies to include the data available for the quarter ending December’23. We note: 1) An increase in promoter ownership for the third quarter in a row to 50.7% in NSE listed companies, primarily led by a rise in Government share; 2) A drop in FPI² (foreign portfolio investors) ownership for the third quarter in a row to more than 11-year low of 18.2% despite strong inflows, weighed down by relative underperformance of the heavily FPI-owned Financials sector. Excluding Financials, FPI holding inched up by 10bps QoQ; 3) An increase in DMF (domestic mutual funds) share to fresh record high level of 8.8% (Active: 7.1%, Passive: 1.7%), aided by strong SIP inflows; 4) A steady individual investors’ holdings at 9.7% in the listed universe; 5) FPIs continued to play the India story via Financials with an outsized but incrementally tapered OW³ bet on the sector, remained negative on India’s consumption story with a negatively biased neutral and a strong UW stance on Consumer Discretionary and Consumer Staples respectively and turned incrementally less bearish on Industrials; 6) DMFs broadly maintained their sector positioning with a reduced but strong OW position on bigger Financial companies even as they retained a cautious view on smaller companies in the sector, an UW position on Consumer Staples and commodity sectors viz., Energy and Materials and an OW stance on Healthcare and Smaller Consumer Discretionary companies; 7) A drop in exposure of Institutional and individual investors to Nifty 50 companies for the third quarter in a row even as they continue to have a disproportionate share of their portfolio to such companies. For instance, companies in the top decile by market cap (~200) accounted for 65%, 80%, and 90% of the individuals’, DMFs’ and FPIs’ holdings respectively.

- Promoter share rose for the third consecutive quarter:** Total promoter ownership in the NSE-listed companies and Nifty 500 Index increased for the third quarter in a row by 37bps and 29bps QoQ to 50.7% and 50.1% respectively, while their share in the Nifty 50 also went up by 23bps QoQ to 42% after remaining steady in the previous quarter. The rise was once again primarily driven by an increase in Government share, partly offset by a drop in Indian private as well as foreign promoter holdings.
- Government ownership rose further on PSU outperformance:** Government ownership—promoter as well as non-promoter—in the listed companies, Nifty 500 and Nifty 50 Index increased sharply by 78bps, 87bps and 23bps QoQ to a 24-quarter high of 10.2%, 26-quarter high of 10.7% and 15-quarter high of 6.3% respectively. This was partly attributed to strong relative outperformance of public sector enterprises in the quarter gone by. For instance, while the NIFTY 50 Index generated a 10.7% return in the December quarter, the NIFTY PSE Index generated 31.1% return over the same period.
- FPI ownership declined for the third consecutive quarter:** Notwithstanding strong foreign capital outflows, FPI ownership in the NSE-listed universe and Nifty 500 companies fell by 20bps and 10bps QoQ to 18.2% and 19.4% respectively, while share in the Nifty 50 universe remained largely unchanged at 19.4% in the December quarter. A part of this drop is attributed to relative underperformance of Financials during the quarter, which FPIs have an outsized exposure

Who owns India Inc.? NSE-listed in Dec’23



FPI ownership in NSE-listed companies



Source: CMIE Probase, NSE FPI

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

² FII ownership includes ownership through depository receipts held by custodians.

³ 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.

to. In fact, excluding Financials, FPI share in the listed space actually increased by 10bps QoQ to 12% in the December quarter.

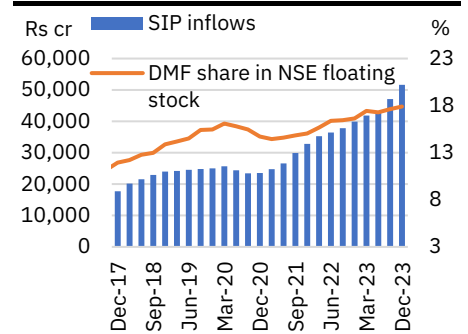
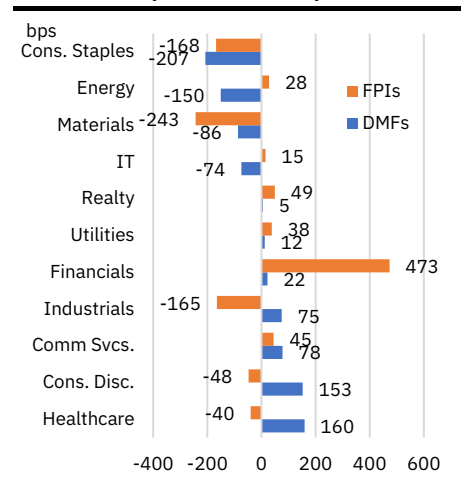
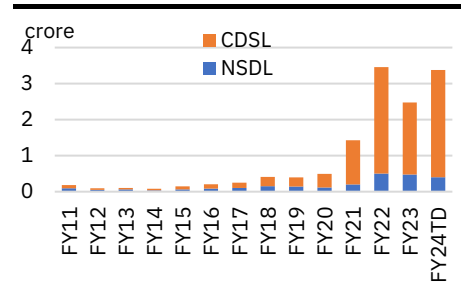
FPIs continued to play the India story via Financials with an outsized but incrementally tapered OW bet on the sector, remained negative on India's consumption story with a negatively biased neutral and a strong UW stance on Consumer Discretionary and Consumer Staples respectively, turned incrementally less bearish on Industrials and remained negative on Materials amid global slowdown.

- DMFs share rose to fresh all-time high level:** DMF share in the NSE listed universe, Nifty 500 and Nifty 50 increased by 7bps, 12bps and 11bps QoQ to fresh all-time highs of 8.8%, 9.3% and 10.2% respectively in the December quarter. Actively managed funds comprise 7.1% of the ownership in the listed universe, while the rest 1.7% is held by passively managed funds⁴. This is in line with robust net investments by DMFs during this period, supported by a steady rise in indirect individual participation via the SIP route.

DMFs broadly maintained their sector positioning with a reduced but strong OW position on bigger financial companies even as they retained a cautious view on smaller companies in the sector, an UW position on Consumer Staples and commodity sectors viz., Energy and Materials and an OW stance on Healthcare and Smaller Consumer Discretionary companies.

- Individual investors' share remained broadly unchanged:** Individual investors' holding in the NSE listed companies remained largely unchanged at 9.7% in the December quarter, while the Nifty 50 and Nifty 500 indices saw a 11bps and 7bps QoQ drop in individuals' share to 8.2% and 8.7% respectively. This corroborates with a significant moderation in net investments by individual investors during this period.

- Ownership concentration:** The share of Nifty 50 companies in total institutional investments fell for the third quarter in a row by 130bps QoQ to a 16-year low of 63.2% in the December quarter, a result of the combination of higher allocation to mid- and small-cap companies and relative outperformance of these companies. Individuals also saw the share of these companies in their overall portfolio falling to a 23-quarter low of 40.4%. That said, large companies still contribute to a disproportionate amount to both individual and institutional portfolios, with the top 200 companies by market cap contributing to 65% of individuals' holdings and 90% of institutional holdings. We also compare the depth of institutional ownership with its width in the market. FPIs expanded the number of companies held in the December quarter, even as those with more than a 5% FPI share did not increase meaningfully. In line with FPIs, DMFs also expanded their investment pool, but with a commensurate increase in the number of companies where DMFs own more than 5%.

DMF ownership in NSE-listed companies

FPI and DMF portfolio OW/UW in Nifty 500 vs. the index (December 2023)

New investor account additions

Decile-wise portfolio share

Deciles	FPIs	DMFs	Individuals	Total mkt cap
1	89.5	80.0	65.1	78.9
2	6.9	13.3	14.1	11.2
3	2.3	4.3	8.6	4.8
4	0.9	1.8	4.9	2.4
5	0.3	0.5	3.1	1.3
6	0.1	0.1	2.0	0.7
7	0.0	0.0	1.1	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.

⁴ 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.

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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
Jun-23	33.4	8.0	8.7	50.1	35.9	14.0	49.9	291
Sep-23	33.1	8.9	8.3	50.4	35.2	14.4	49.6	315
Dec-23	33.1	9.7	7.9	50.7	34.8	14.4	49.3	360

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
Jun-23	8.6	5.9	19.0	2.4	35.9	1.9	9.4	2.7	14.0	49.9	291
Sep-23	8.7	5.7	18.4	2.3	35.2	2.0	9.7	2.8	14.4	49.6	315
Dec-23	8.8	5.6	18.2	2.2	34.8	2.0	9.7	2.8	14.4	49.3	360

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 (December 2023)

Promoter share in NSE listed companies inched up for the third consecutive quarter:

Total promoter ownership in the NSE listed universe rose by 37bps QoQ to 50.7% in the December quarter, marking the third increase in a row. Once again, this was driven primarily by a strong increase in Government promoter ownership by 77bps QoQ to a six-year high of 9.7%, partly attributed to continued outperformance of PSUs (Public Sector Undertakings) relative to the broader market. On the other hand, private Indian promoter holdings remained unchanged at 33.1%, while foreign promoter holdings slipped for the sixth straight quarter to a more than ten-year low of 8% (-40 bps QoQ).

Total promoter share rose by 37bps QoQ to 50.7% in the December quarter.

Government ownership at six-year highs: Government ownership (promoter as well as non-promoter) in the NSE-listed space has been coming off since 2010, in-line with its efforts to garner higher revenues through the disinvestment route, barring a steep rise last fiscal year, thanks to the LIC issue. The second half of 2023, however, has seen government holdings increase meaningfully, with a 98bps QoQ rise in the September quarter, followed by a 78bps QoQ rise in December to a 24-quarter high of 10.2%. This has come on the back of significant outperformance of PSUs compared to the broad market; while the NIFTY 50 Index generated a 10.7% return in the December quarter, the NIFTY PSE Index generated 31.1% return over the same period.

Significant outperformance of public sector companies in the December quarter led to Government ownership rising to a six-year high of 10.2%.

FPI ownership declined for the third quarter in a row: Notwithstanding strong foreign capital inflows during the quarter (US\$6.1bn), FPI ownership in the NSE listed universe moderated by 20bps QoQ to an 11-year low of 18.2% in December 2023, even as the value held by FPIs in the NSE listed space rose by 13% MoM to Rs 65.5 lakh crore. This marks the third quarter in a row to see a drop in FPI share despite net inflows of US\$23.9bn during this period. This was primarily led by underperformance of Financials sector during the quarter where FPIs are heavy owners. The Nifty Financial Services Index rose by 8.5% in the December quarter as opposed to a 10.7% and 12.4% return in the Nifty 50 and Nifty 500 Indices respectively. Excluding Financials, FPI share in the NSE listed universe inched up marginally from 11.9% in the September quarter to 12.0% in the December quarter. In fact, FPI share within the overall NSE listed space dropped or remained steady across most sectors barring Consumer Discretionary and Healthcare.

FPI ownership declined by 20bps QoQ to 18.2% despite strong foreign capital inflows. Excluding Financials, the share inched up marginally.

...While DMF share inched up further to fresh all-time highs: DMF's share in the listed universe inched up for the second quarter in a row to a record high of 8.8% in the December quarter. This corroborates with sustained buying by DMFs in the quarter gone by, as evidenced by net inflows of Rs 56,990 crore in the December quarter vs. Rs 53,714 crore in the previous quarter. A part of this is attributed to rising indirect participation of individuals via the SIP route. The SIP inflows rose from a monthly average of Rs 14,404 crore in the June quarter to Rs 15,700 in the September quarter to Rs 17,204 crore in the December quarter to a run-rate of Rs 19,013 crore in the first two months of the last quarter. This translates into average SIP inflows in the first 11 months of FY24 (Apr'23-Feb'24) of Rs 16,359 crore, significantly higher than the average of Rs 12,997 crore in FY23. Out of the total DMF share of 8.8% in the NSE listed companies, passive funds held about 1.7%, with the balance 7.1% held by active funds, both of which are hovering near record-high levels.

DMF share rose to record high levels of 8.8% in Dec '23, in line with steady increase in net investments by DMFs during the quarter.

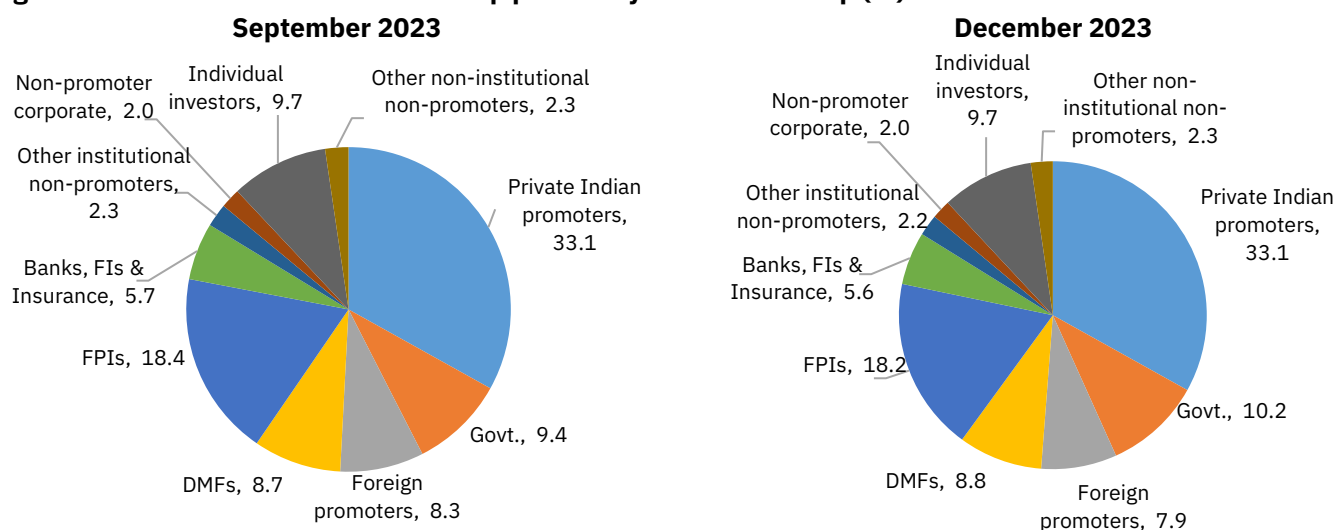
Share of Banks, Financial Institutions and Insurance companies fell by 14bps QoQ to 5.6%.

The share of Banks, Financial Institutions and Insurance companies in the NSE-listed space moderated for the third quarter in a row by 14 bps QoQ to six-quarter low of 5.6%.

Individual investors' holding remained largely unchanged: Having reached 16-year highs in the September quarter, individual investors' holdings in the NSE-listed universe remained largely unchanged at 9.7% (-4bps QoQ). After turning net buyers in the September quarter with Rs 21,564 crore of net inflows, the December quarter saw a reversal with net outflows (Calculated as the difference between total sell value and total buy value of individual investors) Rs 5,853 crore. That said, individuals have resumed buying in the current quarter, with net inflows totalling to Rs 61,430 crore in the first two months of the quarter alone.

Individual investors' share in the listed space remained unchanged at 9.7% in the December quarter.

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.

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 **
Mar-21	34.7	6.2	9.4	1.2	6.0	5.1	21.5	3.1	9.0	3.7
Jun-21	35.3	6.5	9.1	1.2	6.0	5.0	20.7	3.2	9.4	3.7
Sep-21	36.0	6.0	8.9	1.3	6.0	4.4	20.5	3.4	9.3	4.1
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
QoQ change	1bps	78bps	-40bps	0bps	7bps	-14bps	-20bps	1bps	-4bps	-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. ^ 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.

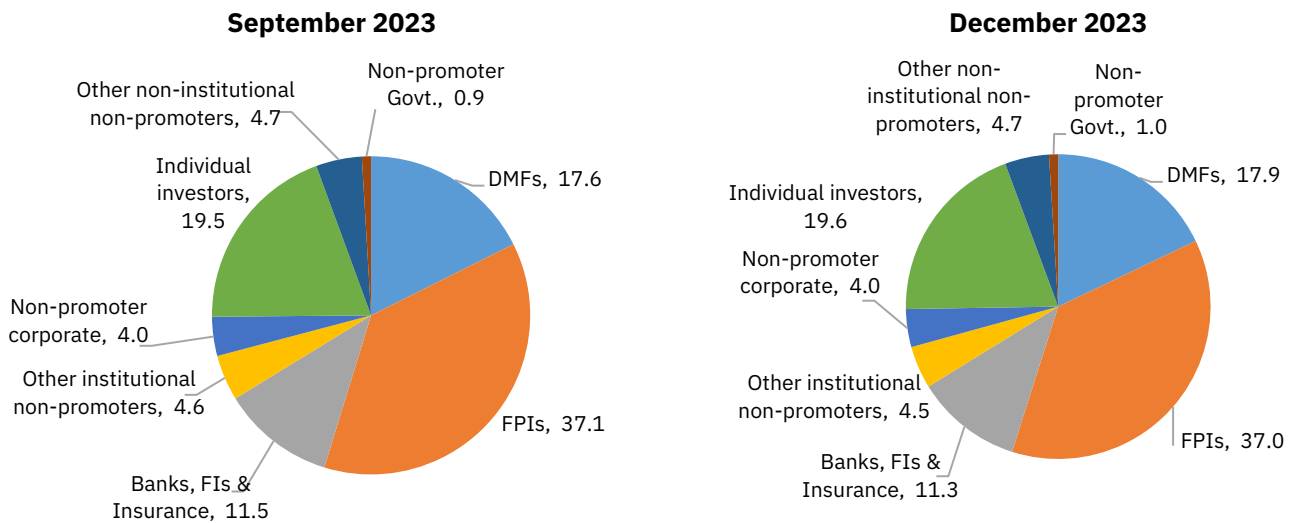
Institutional ownership in NSE floating stock fell for the second consecutive quarter:

DMF ownership in the NSE floating stock rose for the second quarter in a row by 28bps QoQ to an all-time high of 17.9% in the December quarter. All other institutional categories, however, recorded a dip in stake in the floating stock. FPIs' share moderated by 13 bps QoQ to near 14-year low of 37.0%. FPI share in the NSE floating stock is now

8.7pp below the peak share seen eight years back (March 2014). Excluding Nifty 50, however, FPI share in the floating stock remained steady on a QoQ basis at 28.9%. Banks, Financial Institutions and Insurance companies' share in the free float of NSE-listed companies moderated further to a six-quarter low of 11.3% (-19bps QoQ). Overall institutional ownership of the NSE free float moderated 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 inched up by a moderate 6bps QoQ to a six-quarter high of 19.6% in the December quarter. The share stands nearly 9.5% below the peak individual ownership level seen over the last 20 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**
Mar-21	2.5	12.0	10.2	42.9	6.3	18.0	8.1
Jun-21	2.5	12.1	10.0	41.9	6.4	18.9	8.2
Sep-21	2.6	12.2	9.0	41.6	6.9	18.9	8.9
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
QoQ change	3bps	25bps	-19bps	-13bps	6bps	6bps	-8bps

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 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 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 during 2014-19 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. 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, 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).

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

FPI ownership dropped to sub 20% in FY23 after almost a decade:

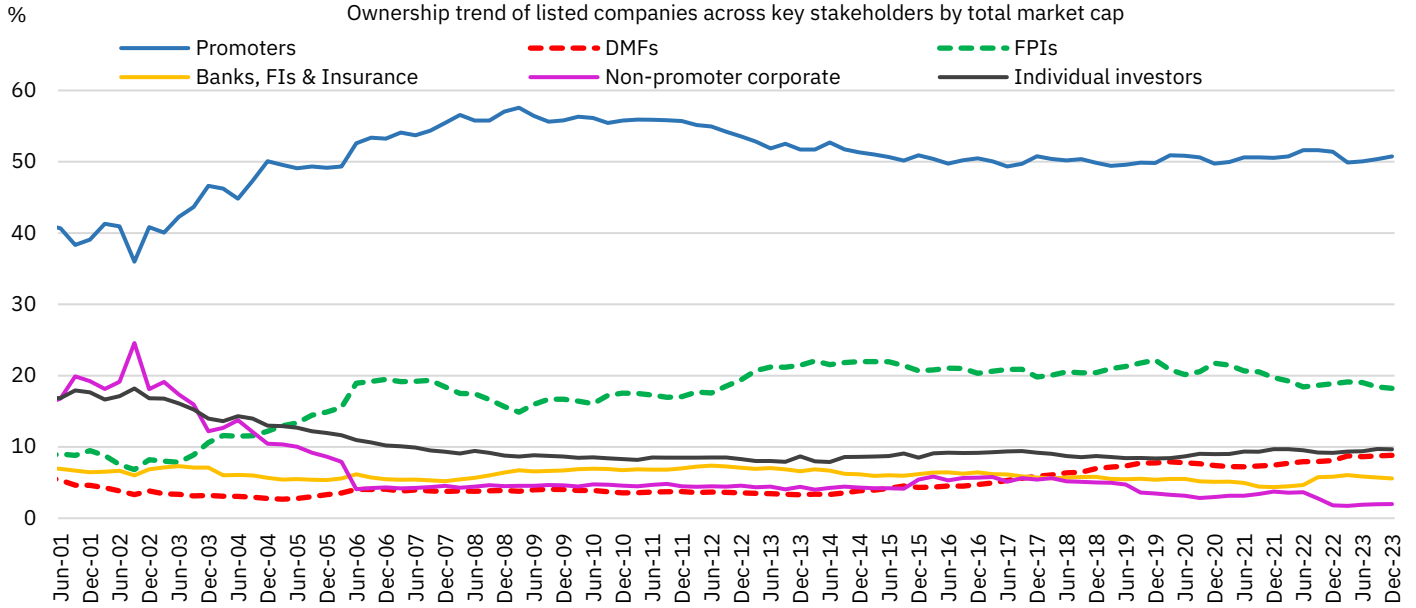
FPI ownership in the NSE-listed space saw a gradual increase between 2002 and 2015, except for a brief period around the 2007-08 financial crisis, but dropped marginally over the subsequent three years, reflecting negative global cues including the US-China trade war and Brexit concerns. FPI share picked 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.

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 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 only marginally.

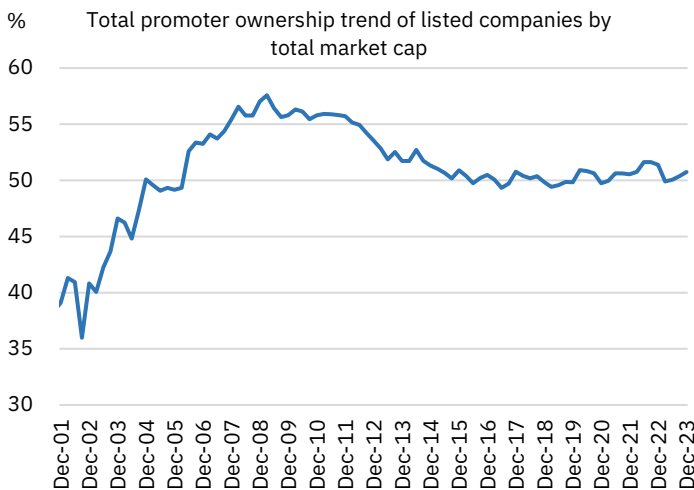
Direct individual ownership fell steadily between 2001 and 2012 and has since rising steadily.

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

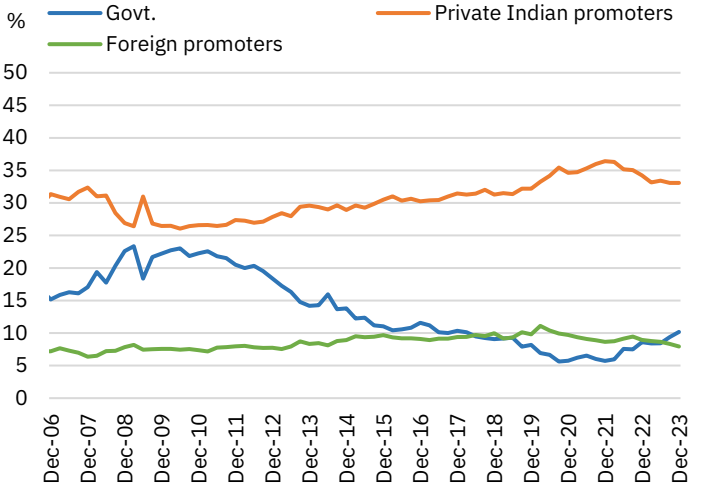
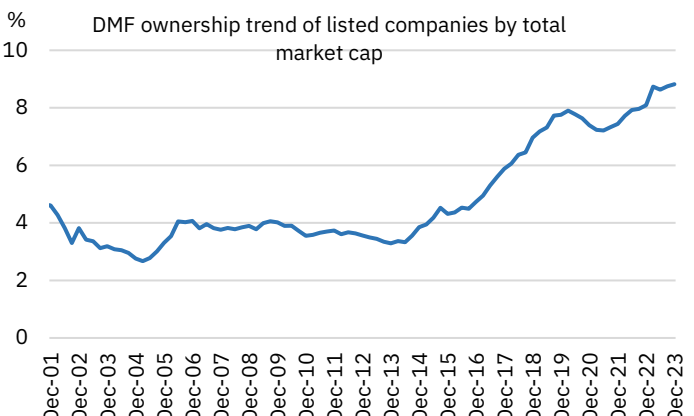


Figure 6: DMF ownership trend of NSE-listed companies by total market cap



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

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

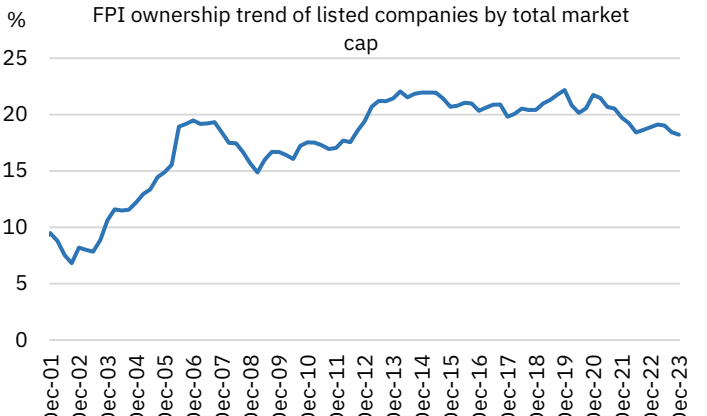
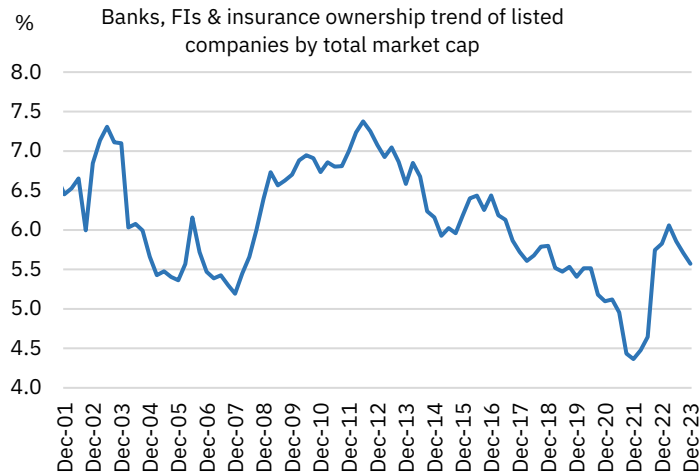
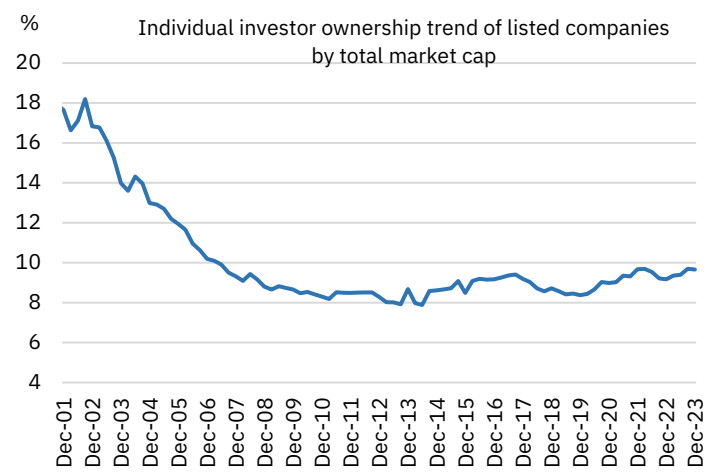
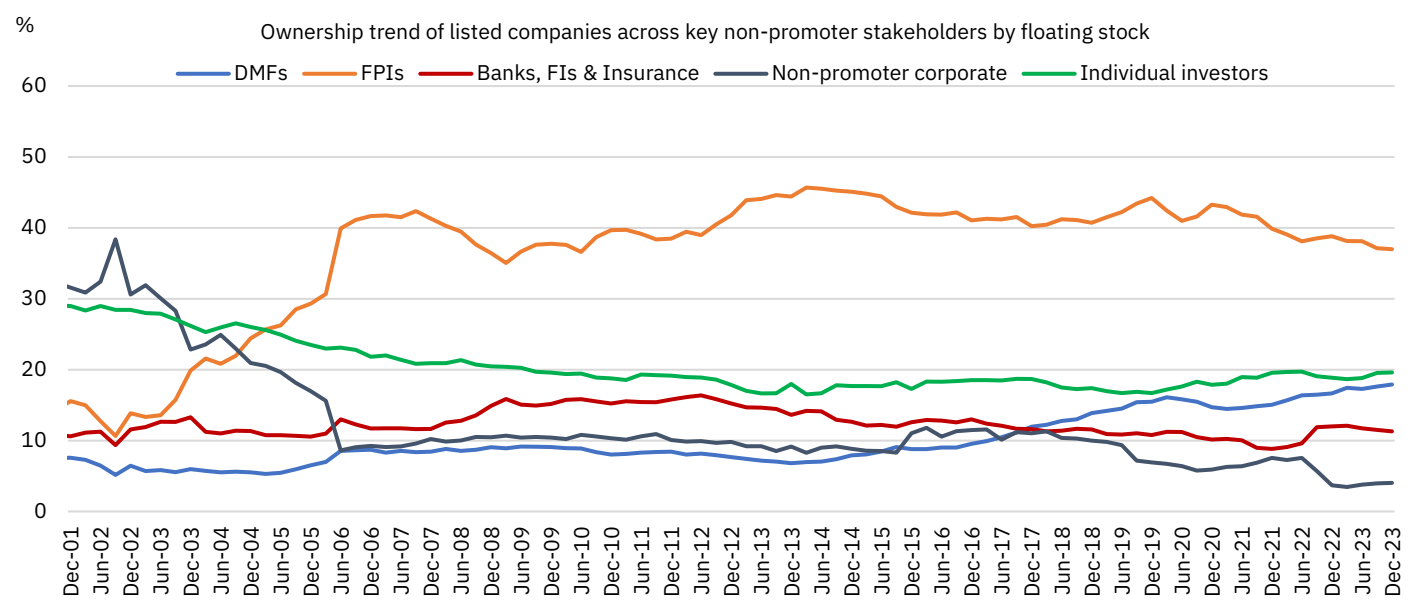
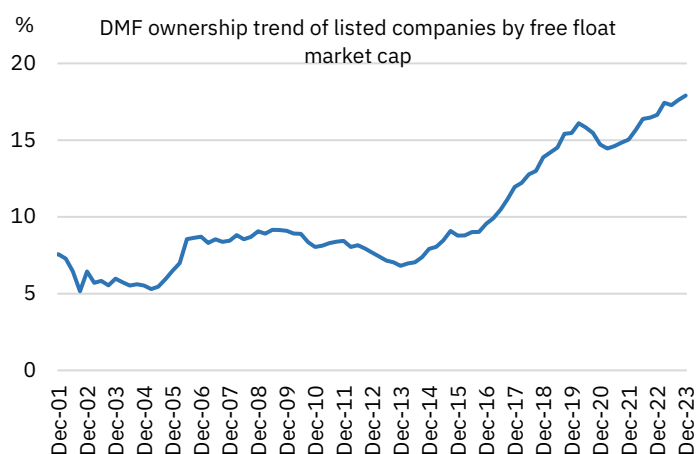


Figure 8: Banks, FIs & Insurance ownership trend of NSE-listed companies by total market cap


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.

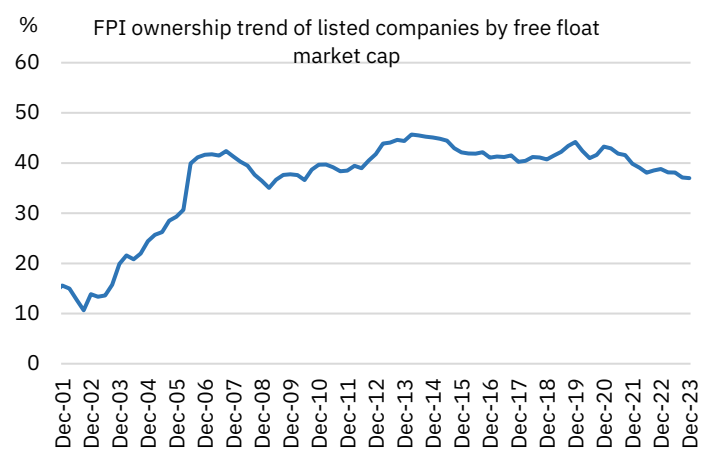
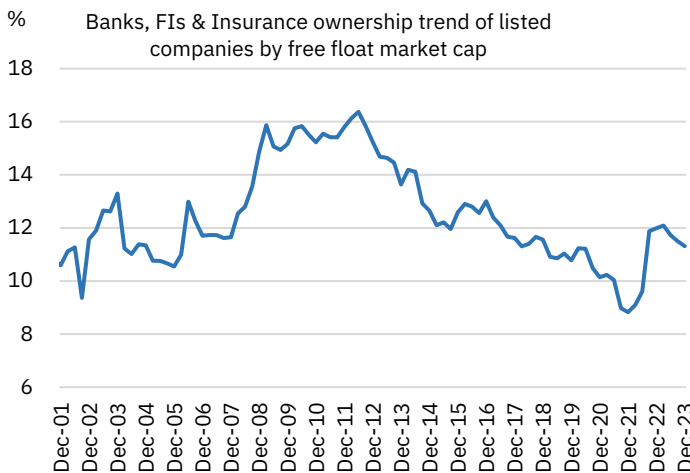
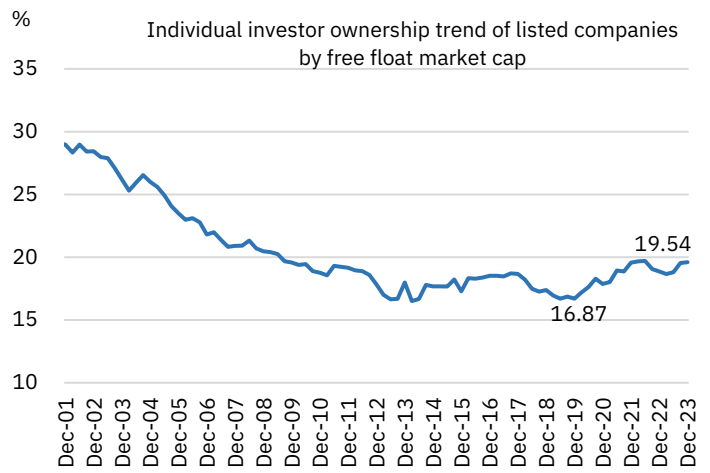
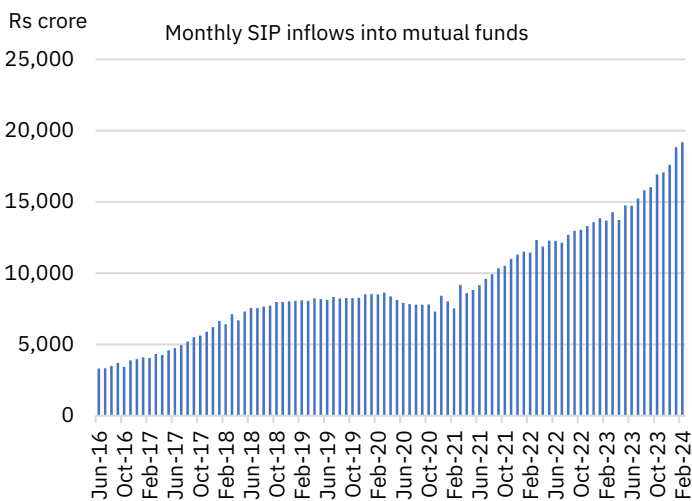
Figure 12: FPI ownership trend of NSE-listed companies by free float market cap


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

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


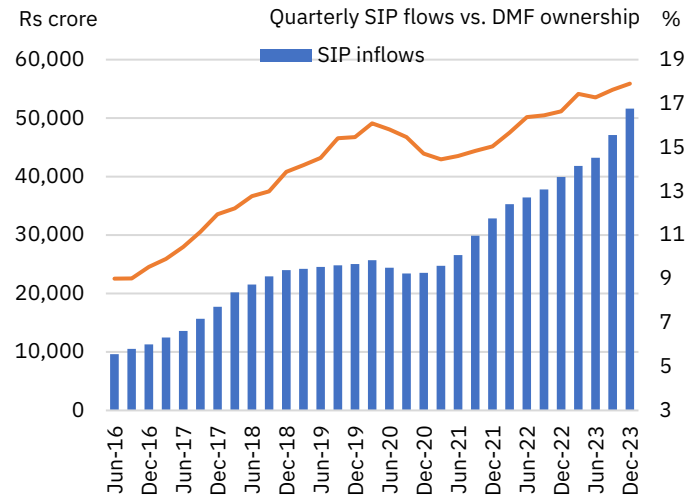
Source: CMIE Prowess, NSE EPR.

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. Monthly SIP inflows in FY23 (Apr'22-Mar'23) averaged at Rs 12,998 crore vs. Rs 10,381 crore in FY22, rising further to Rs 16,359 crore during the first 11 months of the current fiscal (Apr'23-Feb'24). Total SIP inflows increased meaningfully from Rs 47,101 crore in the September quarter to Rs 51,611 crore in the December quarter, contributing to the DMF ownership reaching fresh all-time highs.

Average monthly SIP inflows in FY23 rose by 25.0% YoY and further by ~26% in FY24 thus far (Apr-Feb'24).

Figure 15: Monthly SIP inflows into mutual funds


Source: AMFI, NSE EPR.

Figure 16: Quarterly SIP inflows vs DMF ownership


Passive DMFs' ownership moderated in the December 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 risen at a CAGR of 62.6% over the last eight years, significantly higher than the 25.5% recorded by actively managed mutual funds. The quarter gone by saw passive funds' holdings rise by 14.3% QoQ, while the share of active funds in the NSE listed companies increased slightly more by 15.4% QoQ. As a result, the share of passive funds in the total DMF portfolio moderated marginally to

19.1% in the December quarter (vs. 19.3% in Sep'23), with Rs 6.1 lakh crore of AUM. This is 1.1pp away from the all-time high of 20.1% recorded in December 2022.

Holdings in the NSE listed universe by passive and active funds remained largely unchanged in the December quarter; out of the 8.7% share of DMFs in the NSE listed universe, 1.7% is currently held by passive funds, while 7.1% is in the form of active funds. In terms of free float market capitalization, DMF ownership inched up from 17.6% to 17.9% in the December quarter, driven largely by active funds (+25bps QoQ to 14.5%), with passive fund holdings remaining largely unchanged at 3.4%.

Figure 17: DMF holding in NSE listed universe

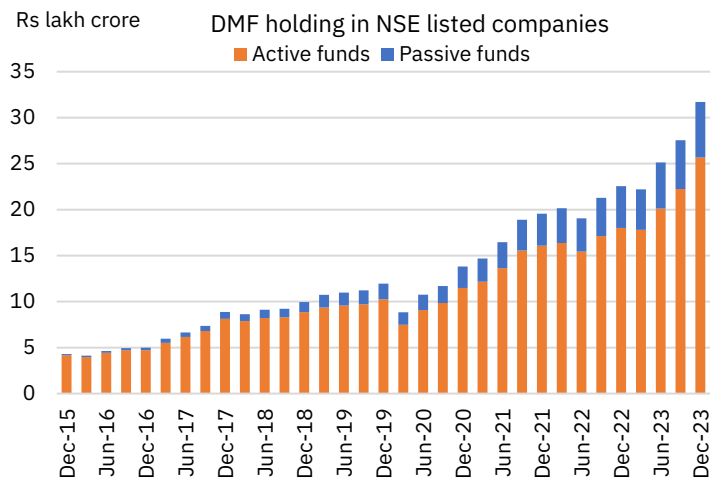
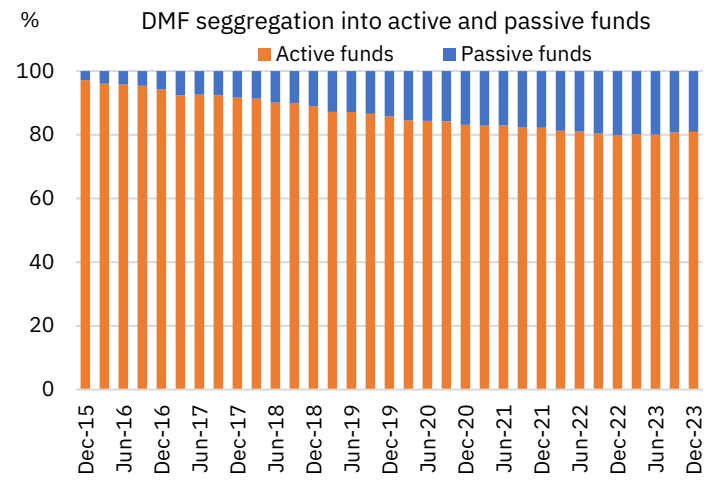
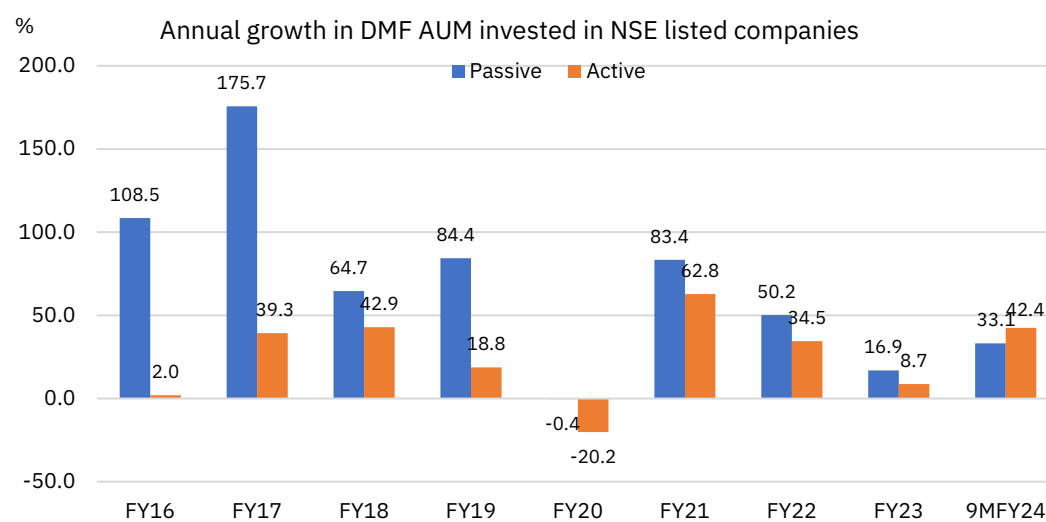


Figure 18: DMF segregation: active and passive funds

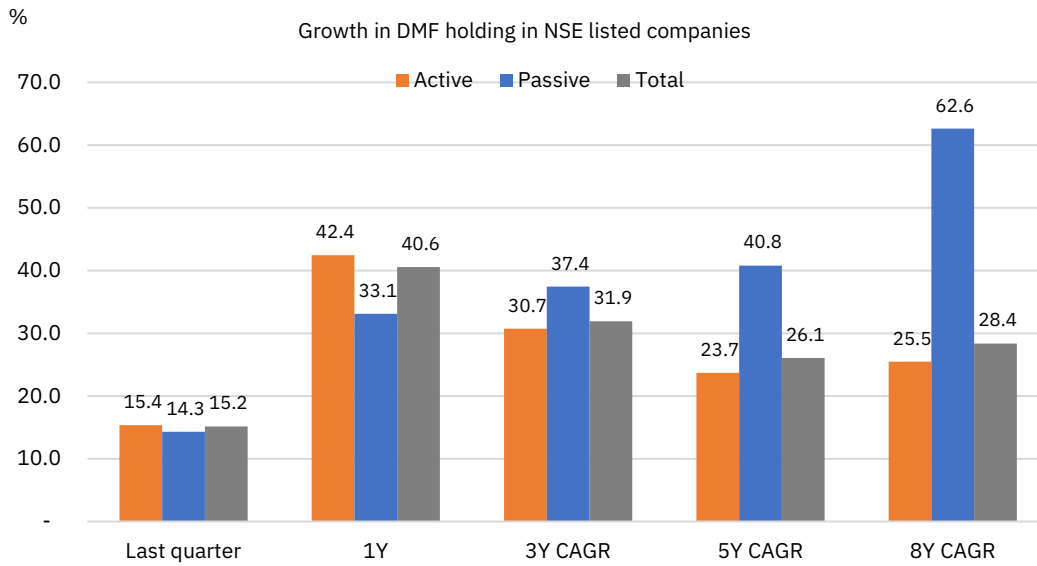


Source: AMFI, MFI Explorer, NSE EPR. Note: Passive mutual funds track an index by maintaining a portfolio that mimics the underlying assets of an index. Active funds are those which involve active investment decisions on the part of the fund manager; share of these funds has been arrived at by subtracting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

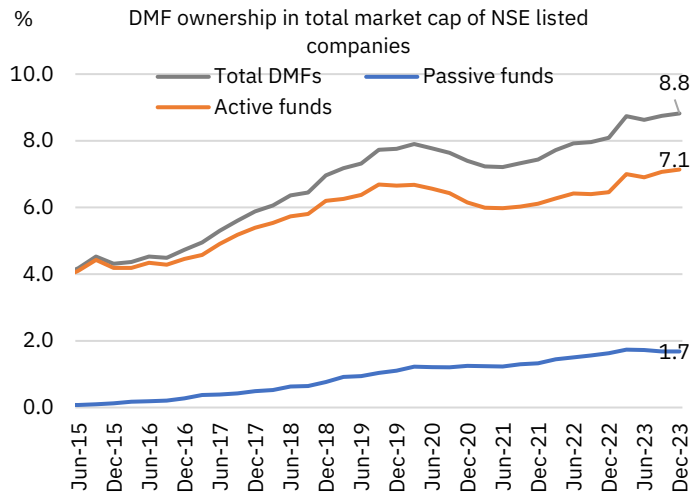
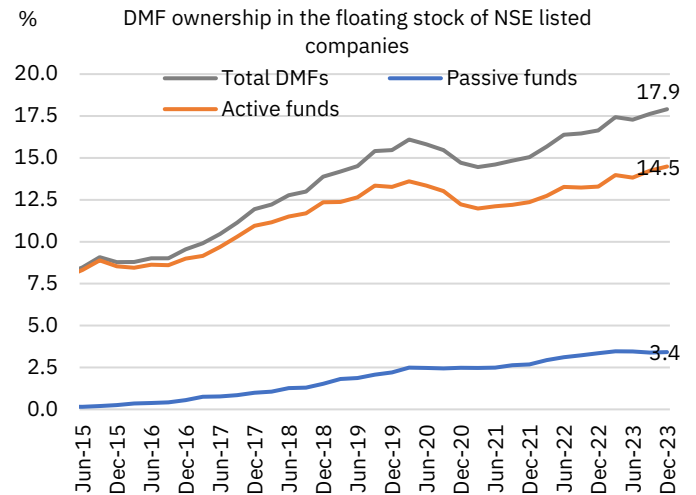
Figure 19: Annual growth of DMF holding in the NSE-listed universe



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.

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

Figure 22: DMF ownership in floating 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.

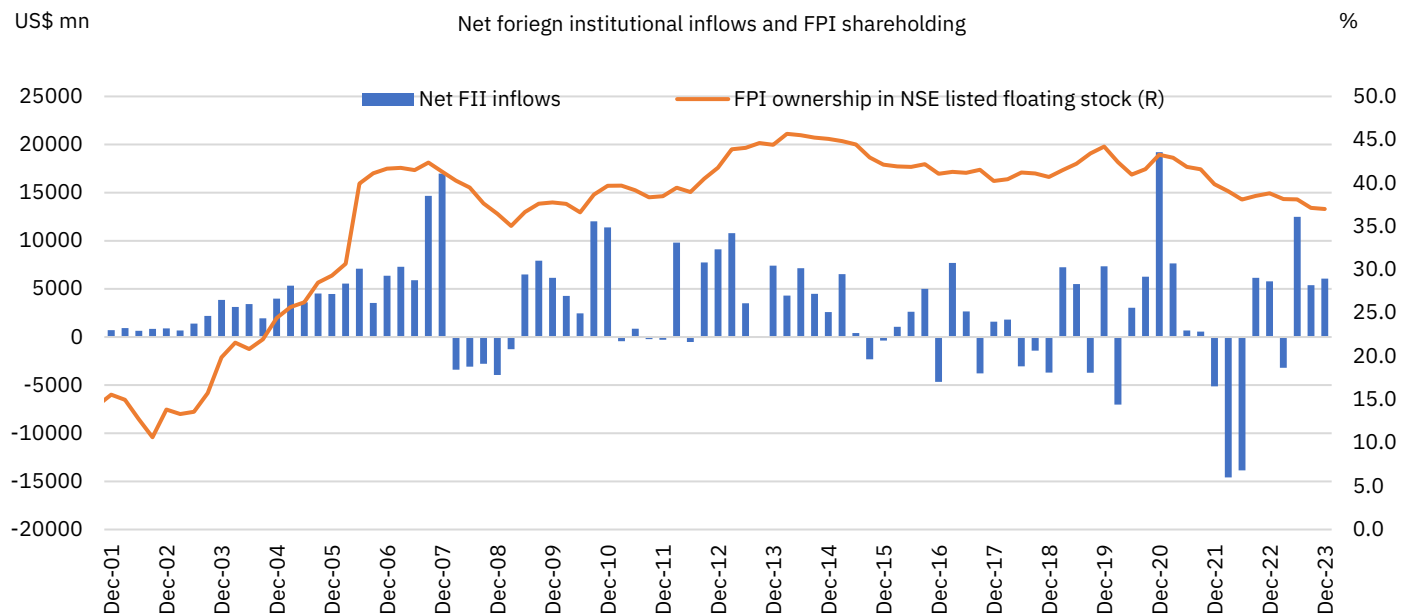
Table 5: Shareholding of DMFs across active and passive funds in the NSE listed companies

%	Investment (Rs lakh crore)			Ownership in NSE total market cap (%)			Ownership to NSE floating stock (%)		
	Active	Passive	Total	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
Jun-23	20.1	5.0	25.1	6.9	1.7	8.6	13.8	3.5	17.3
Sep-23	22.2	5.3	27.5	7.1	1.7	8.7	14.2	3.4	17.6
Dec-23	25.7	6.1	31.7	7.1	1.7	8.8	14.5	3.4	17.9

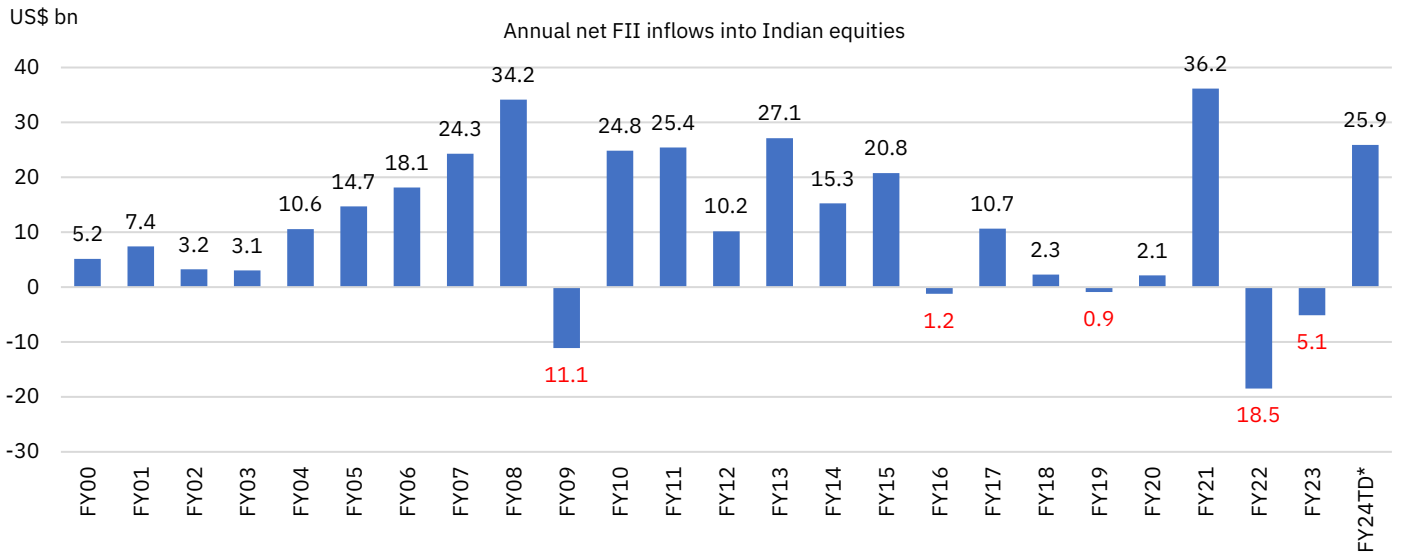
Source: CMIE Prowess, AMFI, MFI Explorer, NSE EPR. Note: Passive mutual funds track an index by maintaining a portfolio that mimics the underlying assets of an index. Active funds are those which involve active investment decisions on the part of the fund manager; share of these funds has been arrived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

FPI buying picked up in the December quarter: After significant volatility in foreign institutional inflows flows in FY23, Q1FY24 saw FIIs becoming strong buyers, with a 10-quarter high net inflow of US\$12.5bn. While inflows slowed down to US\$5.4bn in the September quarter on the back of global uncertainty, the December quarter saw a moderate uptick in FPI buying with US\$6.1bn worth of inflows in the quarter. In spite of strong foreign capital inflows this year, FPI ownership in the NSE listed space continued to decline, primarily attributed to underperformance of FPI-heavy stocks, particularly Financials. The first two months of Q4FY24, January and February, have seen renewed FPI selling, with outflows of US\$ 2.9bn, only to see a reversal in March, translating into net inflows of US\$ 2.0bn in the March quarter thus far and US\$25.9bn in FY24 till date (As of March 19th, 2024).

Net FII inflows picked up to US\$ 6.1bn in the December quarter from US\$ 5.4bn in the previous 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.

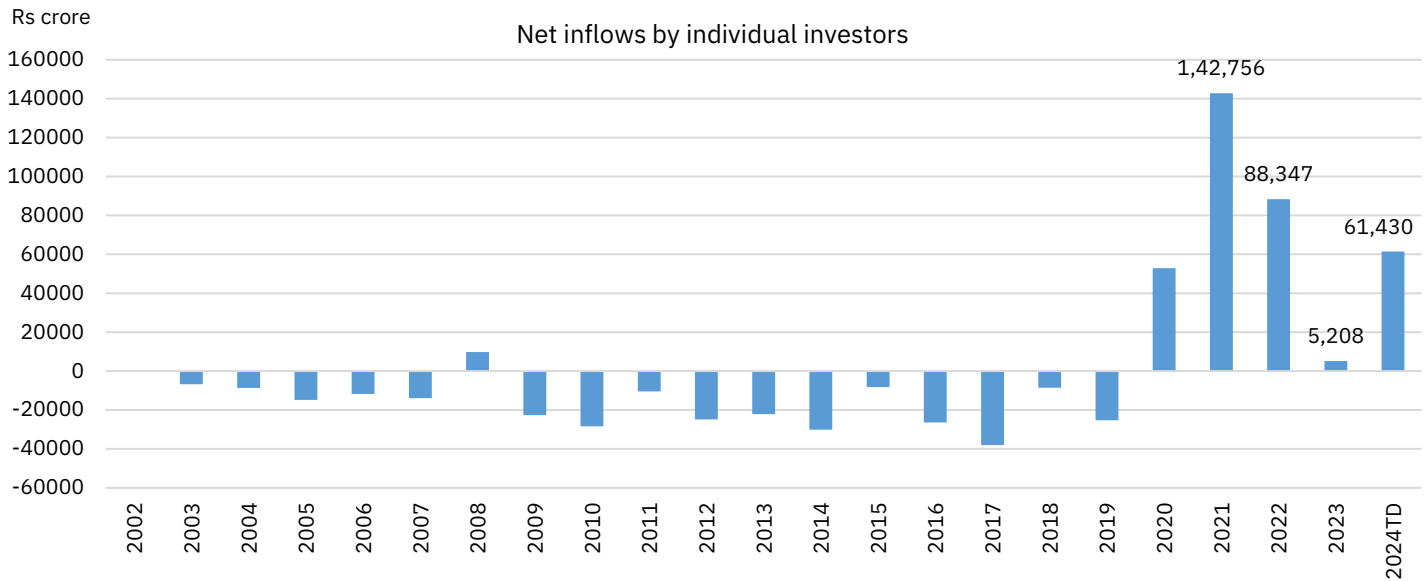
Figure 24: Annual net FII inflows trend


Source: Refinitiv Datastream, NSE EPR. * Data for FY24TD is as of March 19th, 2024.

Direct participation by individual investors came off in the December 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). Strong individual participation over the last few years is also visible in new investor registrations. The last three years ending December 2023 saw an addition of 8.95 crore new Demat accounts by NSDL and CDSL combined. This is about 64% of outstanding accounts with both the depositories as of December 2023.

Direct individual participation moderated in the last quarter of 2022 and remained on sidelines in the first two quarters of 2023 as well. While the September quarter saw an uptick in individuals' buying with net inflows of Rs 21,564 crore, December saw individuals turn net sellers again, recording Rs 5,854 crore of net outflows. The trend seems to have reversed again this year, with net inflows by individuals already crossing Rs 60,000 crore in just two months alone.

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


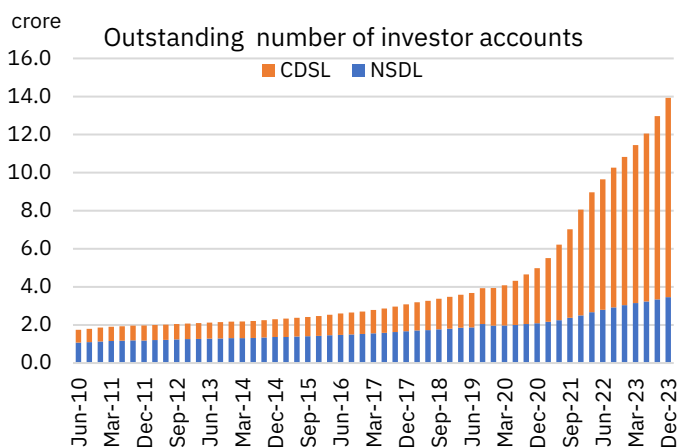
Source: NSE EPR.

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.

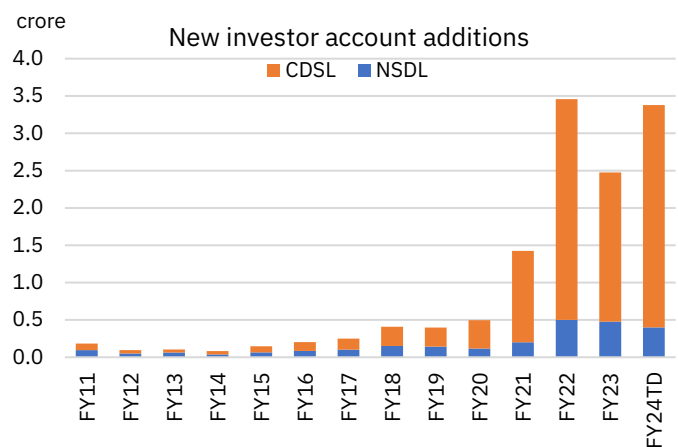
4. Data for 2024TD is for the period Jan-Feb'24.

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


Source: SEBI Bulletin, NSE EPR. Data for FY24TD is for the period Apr'23-Feb'23.

Sector-wise ownership of the NSE-listed universe (December 2023): The sector-wise ownership pattern of the NSE-listed universe across key stakeholders in the quarter gone (Oct'23-Dec'23) shows that the Real Estate sector continues to lead in terms of promoter ownership at 65.8% (-7bps QoQ), followed by Utilities at 58.8% (+56bps QoQ), Materials at 56.5% (+28bps QoQ), Industrials at 54.2% (+51bps QoQ), Information Technology at 53.8% (+12bps QoQ) and Communication Services at 53.6% (-21bps QoQ). Among the remaining sectors, the largest increase in promoter ownership was recorded in Consumer Staples (+42bps QoQ to 50.6%), followed by Energy (+23bps to 52.2%) and Financials (+20bps to 41.1%).

Sector-wise, Utilities retained the top spot in terms of Government ownership for the third quarter in a row, even as it recorded a sharp 82bps QoQ drop to 24.2% in the quarter ending December 2023. Financials stood second, registering a second consecutive steep jump in ownership (+164bps QoQ) to a nine-year high of 20.9%. Government holding in

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


Sector-wise, Utilities remained the top sector in terms of Govt. ownership.

Financials remained at the top in terms of DMF ownership, followed by Healthcare and Consumer Discretionary.

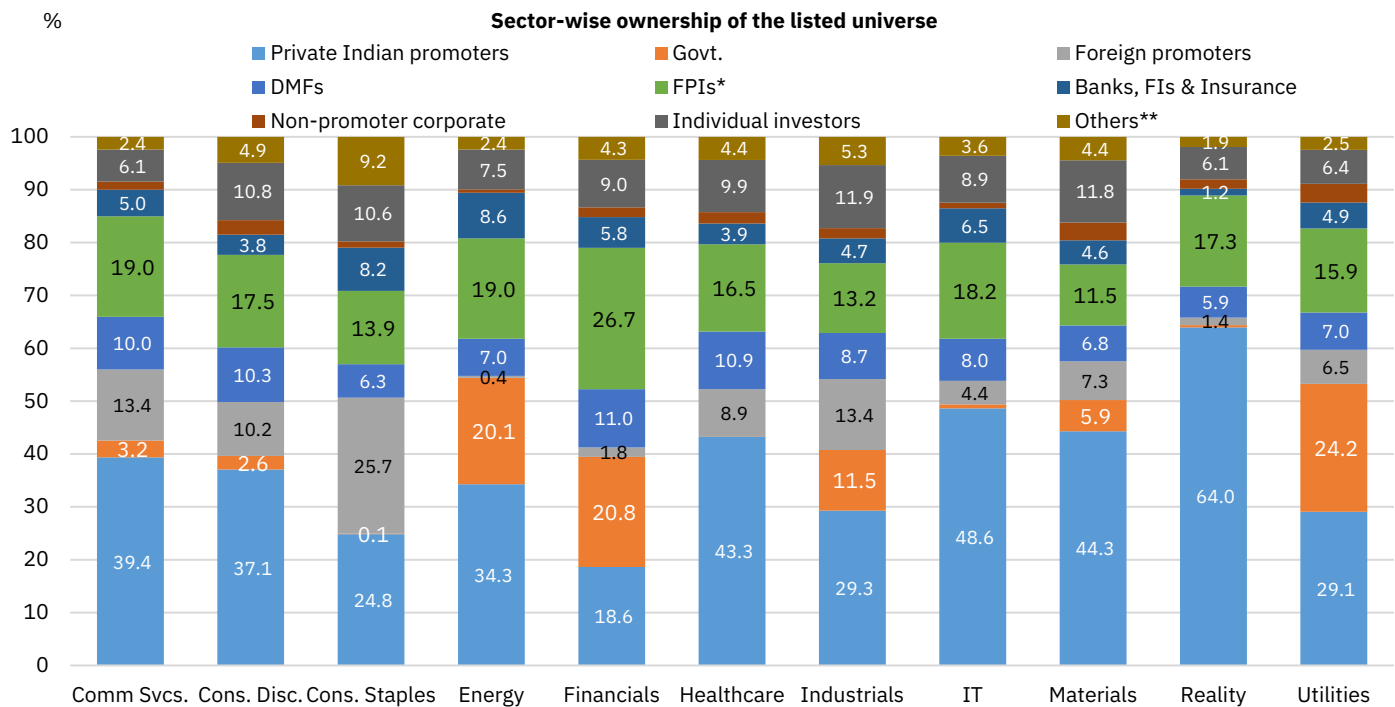
the Energy sector increased by 136ps QoQ to a 16-quarter high of 20.1% on the back of significant outperformance of some Government-owned companies including Coal India.

The diversity in DMFs' share across sectors was fairly low, with Financials leading at 11.0% (+7bps QoQ), followed by Health Care (+61bps QoQ to 10.9%), Consumer Discretionary (+7bps QoQ to 10.3%) and Communication Services (+12bps QoQ to 10%). Barring Industrials, all sectors saw an increase in the share of holdings by DMFs.

Financials remained the sector with the highest FPI ownership, even as FPI share in Financials continued to drop for the third consecutive quarter (-24bps QoQ to 26.7%). The share now stands 9.3pp lower than the December 2020 level of 36%. This was followed by Communication Services and Energy at 19.0% (+8bps QoQ) and 18.9% (-52bps QoQ) respectively. Materials had the lowest FPI ownership in the September quarter at 11.5%. While Materials, Consumer Discretionary, Consumer Staples, Communication Services and Health Care witnessed an uptick in FPI ownership, all other sectors recorded a QoQ decline.

Sector-wise, FPI share is the highest in Financials at 26.7% but with a 9.3pp drop since Dec'20.

Figure 28: NSE-listed universe: Sector-wise ownership pattern across key stakeholders (December 2023)



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 (December 2023):

The table below shows sector allocation for key shareholder categories in all NSE-listed companies as of December 2023. Government ownership remains concentrated in Financials, Energy, Utilities, and Industrials, together accounting for almost 90% of the Government's allocation in the NSE listed space. Consumer sector—Discretionary and Staples—account for 41.6% (-86bps QoQ) of the exposure of foreign promoters to the NSE-listed space, followed by Industrials at 20.2% (+29bps QoQ).

Both DMFs and FPIs saw their portfolio allocation to Financials decreasing yet again in Q3FY24.

Except for an outsized exposure to Financials, DMF portfolio continues to remain more diversified as compared to FPIs. Both FPIs and DMFs saw their portfolio allocation to Financials dropping significantly by almost 1pp QoQ for the second consecutive quarter, partly attributed to the relative underperformance of the Financials sector compared to

the rest of the listed space. The drop in DMFs' allocation to Financials was absorbed by Utilities, Real Estate and Industrials during the quarter.

For FPIs, the decline in their allocation to Financials was compensated for by a 57bps rise in allocation to Utilities to 4.5% and a 39bps QoQ increase in exposure to Industrials to a 13-year high of 8.7%.

Table 6: Sector allocation of the NSE-listed universe for key stakeholders (December 2023)

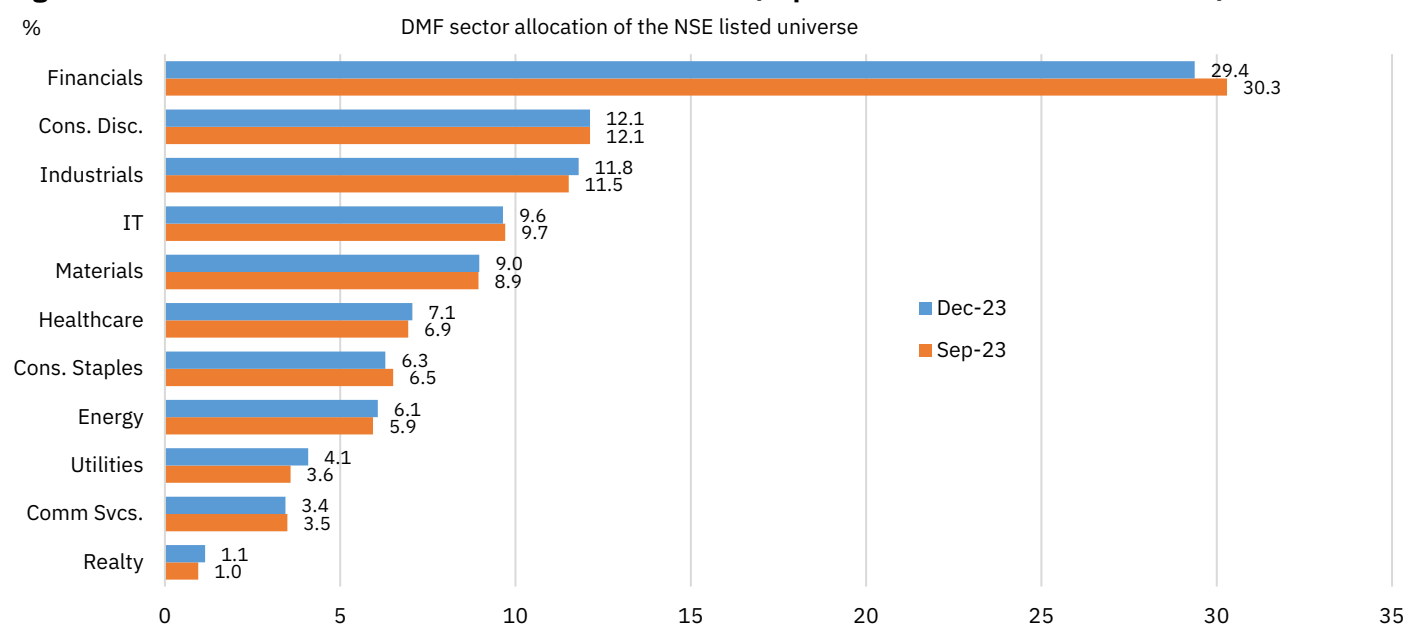
%	Pvt. Indian promoters	Govt	Foreign promoters	Domestic MFs	FPIs*	Banks, FIs, Insurance	Non-promoter corporate	Individual
Communication Services	3.6	1.0	5.1	3.4	3.2	2.7	2.4	1.9
Consumer Discretionary	11.6	2.6	13.3	12.1	9.9	7.1	14.4	11.6
Consumer Staples	6.6	0.1	28.3	6.3	6.6	12.8	5.2	9.6
Energy	7.9	15.1	0.3	6.1	7.9	11.8	2.4	6.0
Financials	13.2	48.0	5.2	29.4	34.4	24.5	22.0	21.9
Health Care	7.5	0.0	6.4	7.1	5.2	4.0	6.2	5.8
Industrials	10.6	13.5	20.2	11.8	8.7	10.1	11.6	14.8
Information Technology	15.7	0.8	6.0	9.6	10.6	12.5	5.6	9.8
Materials	15.6	6.8	10.7	9.0	7.4	9.5	19.7	14.2
Real Estate	3.3	0.1	0.3	1.1	1.6	0.4	1.6	1.1
Utilities	4.5	12.2	4.2	4.1	4.5	4.5	9.1	3.4
Grand Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

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

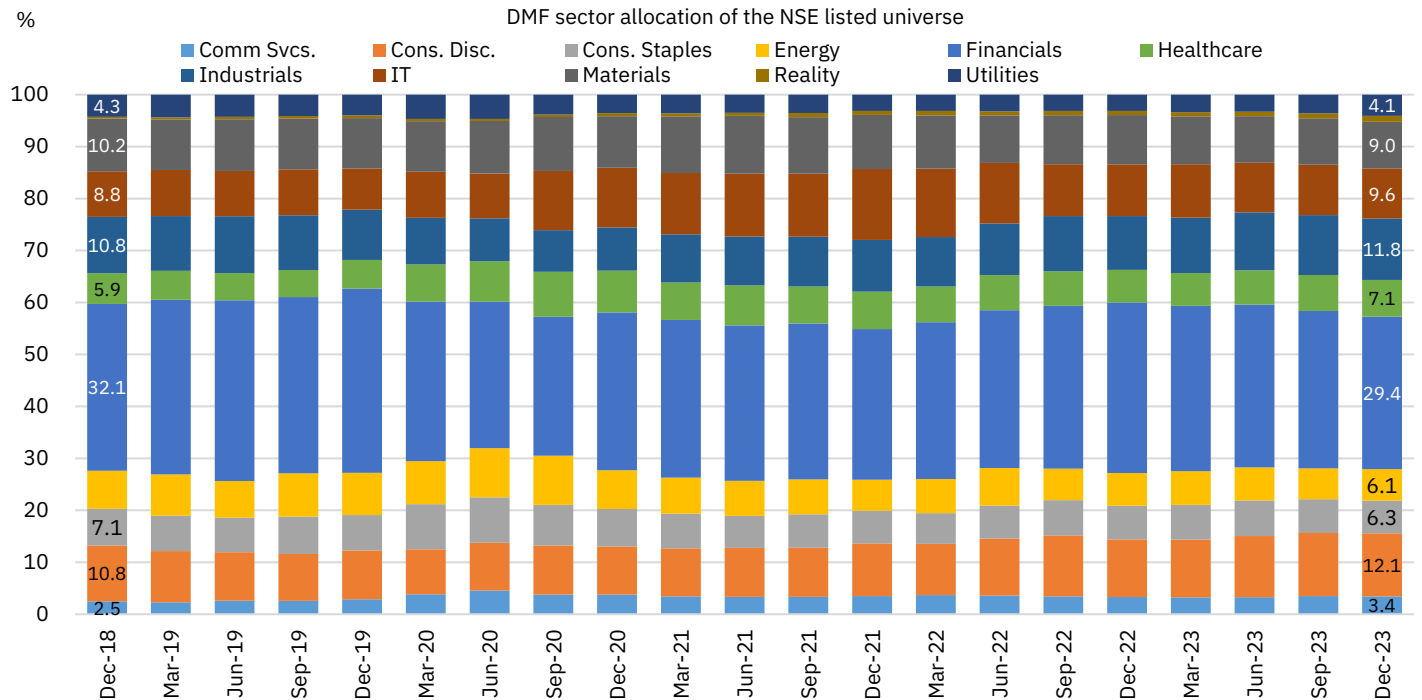
DMFs' allocation to Financials declined further while that to Utilities and Industrials

increased: DMFs' exposure to Financials declined by 92bps QoQ to a seven-quarter low of 29.4% in the December quarter, marking the fourth consecutive drop, resulting in a 3.4pp fall in 2023. DMFs also trimmed allocation to Consumer Staples by 22bps QoQ to a seven-quarter low of 6.3%. The dips were compensated for by an increase in allocation to Utilities (+51bps QoQ to 4.1%), Industrials (+29bps to 11.8%), Real Estate (+19bps to 1.2%) and Energy (+14bps to 6.1%). Sectors where DMFs broadly maintained their exposure at a portfolio level within the NSE listed universe included Communication Services and Consumer Discretionary.

Figure 29: DMF sector allocation of the NSE-listed universe (September 2023 vs. December 2023)



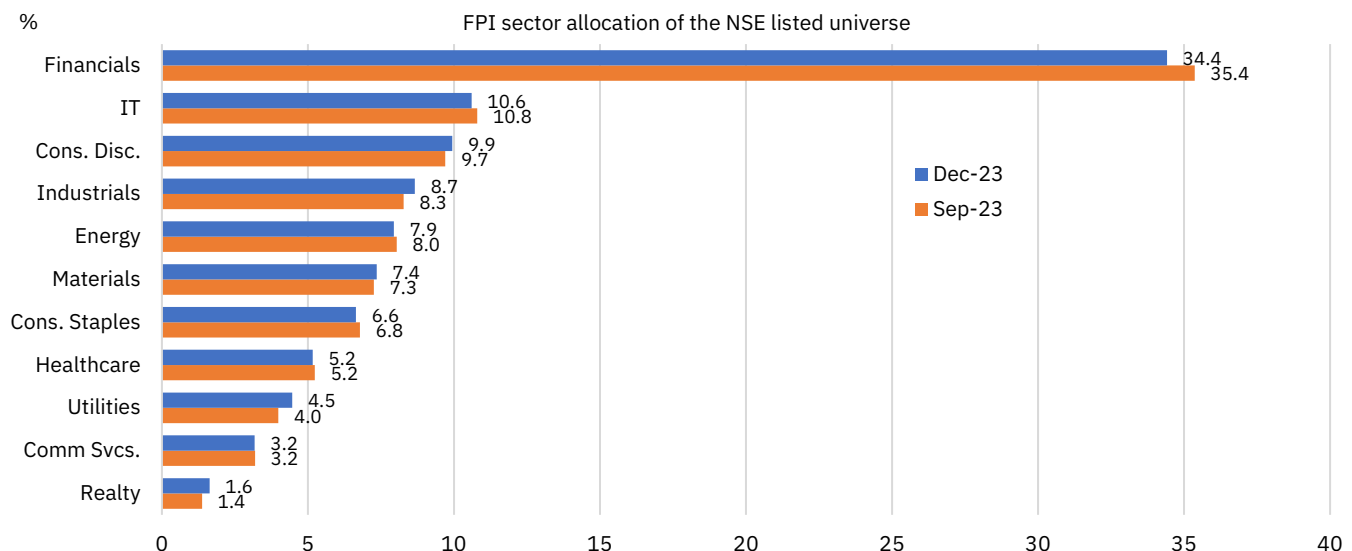
Source: CMIE Prowess, NSE EPR.

Figure 30: DMF sector allocation of the NSE-listed universe over last five years


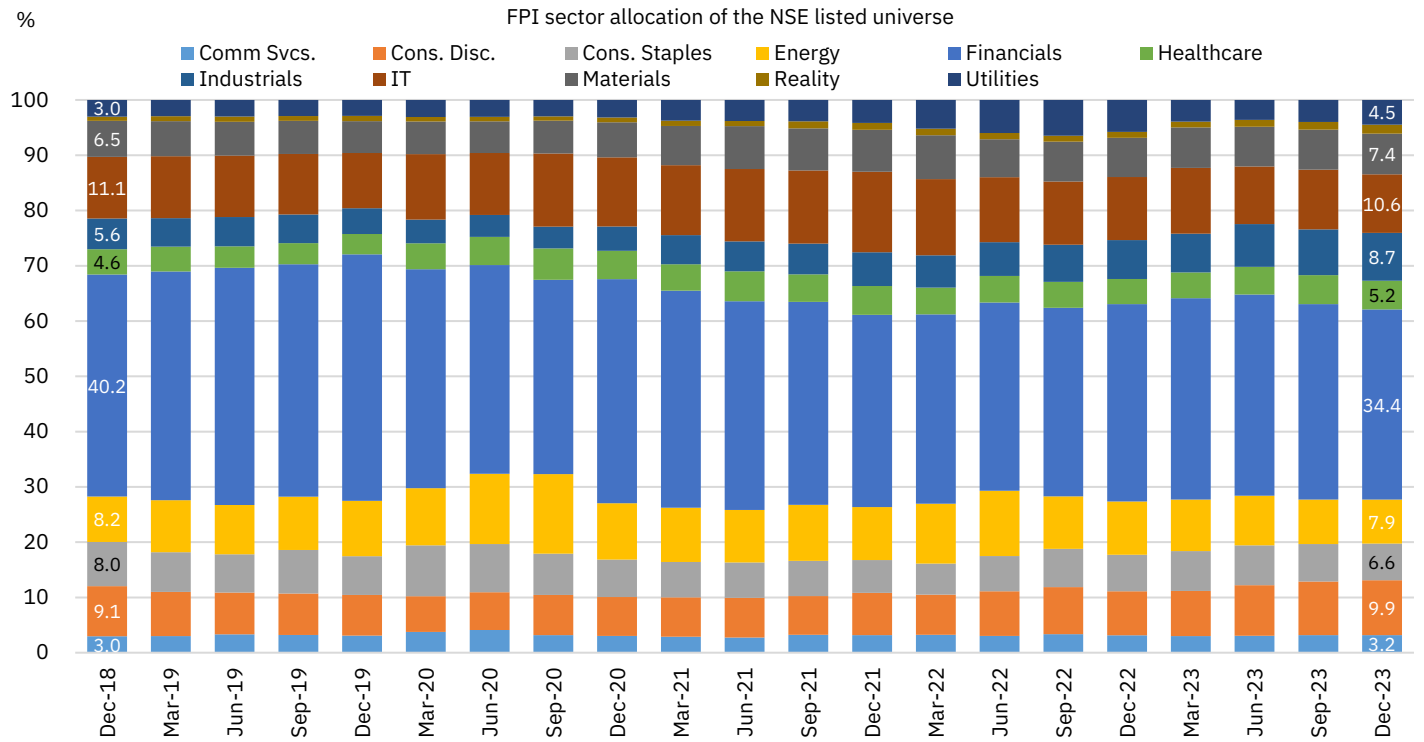
Source: CMIE Prowess, NSE EPR.

FPI exposure to Financials continued to decline: FPIs saw their allocation to Financials coming off for the third quarter in a row, partly attributed to underperformance of the sector relative to the broader market. The December quarter saw a steep 94bps QoQ dip in allocation of FPIs to Financials to 34.4%, translating into a drop of 2pp in the fiscal thus far. That said, Financials still account for nearly 45% of the FPI’s investments in the NSE listed companies. Other sectors which saw dips in FPI portfolio share include Information Technology (-19bps QoQ to 10.6%), Consumer Staples (-14bps QoQ to 6.6%) and Energy (-10bps to 7.9%). The highest jump in FPI portfolio share was seen in Utilities, which increased by 47bps QoQ to 4.7%, followed by a 39bps QoQ increase in Industrials to a 13-year high of 8.7%, a 26bps QoQ rise in Real Estate to 1.6% and a 24bps hike in Consumer Discretionary to 9.9%.

FPIs further trimmed exposure to Financials, partly led by relative underperformance of the sector during the quarter.

Figure 31: FPI sector allocation of the NSE-listed universe (September 2023 vs. December 2023)


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

Figure 32: 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 (December 2023)

Promoter stake in the Nifty 50 universe increased in the December quarter: After trending downwards since September 2021, overall promoter share in the Nifty 50 universe rose marginally in the June quarter and remained steady in the September quarter. The December quarter, however, saw the promoter share increase by 23 bps QoQ to 42%, driven by an equivalent increase in Government promoter ownership to a 15-quarter high of 6.1%. Private and Foreign promoter holdings remained largely unchanged in the quarter gone by at 29.5% and 6.5% respectively.

Institutional ownership declined marginally: Notwithstanding strong foreign capital inflows during the quarter (US\$6.1bn), FPI ownership in the Nifty 50 universe remained largely unchanged in the December quarter at 25.1% (-4bps QoQ). This is about 3.4pp lower than the highest FPI holding of 28.5% witnessed in the pre-covid period in December 2019. This was primarily led by underperformance of Financials sector relative to the broader market during the quarter where FPIs are heavily invested in. Financials account for more than 40% of the FPI investments in the Nifty 50 universe. Excluding Financials, FPI ownership in the Nifty 50 companies actually rose by 19bps QoQ to a seven-quarter high of 14.7%.

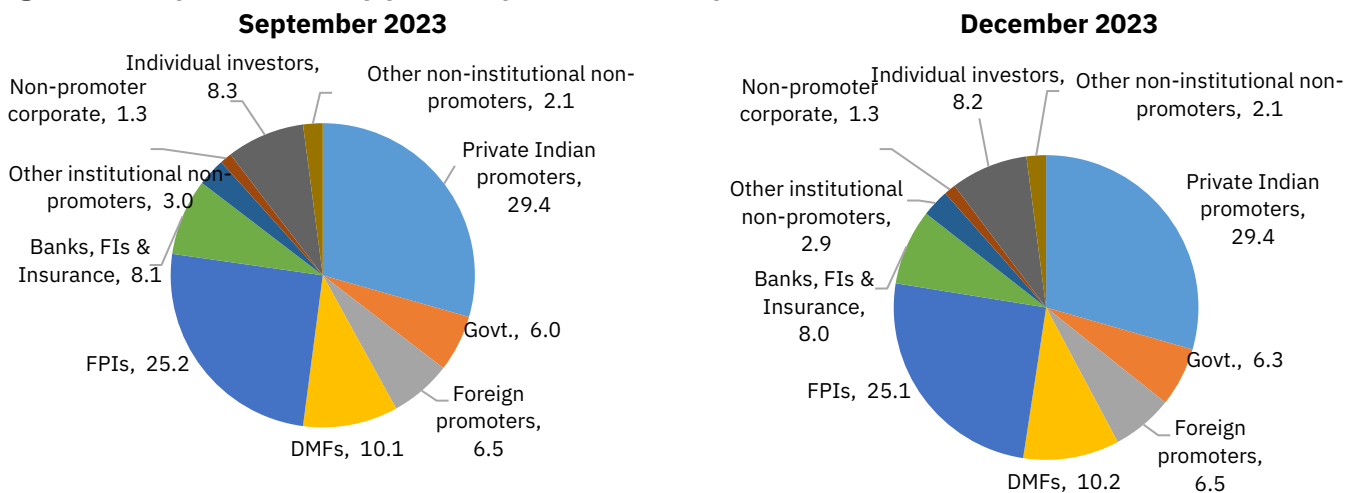
DMF share inched up marginally by 11bps QoQ to the highest ever level of 10.2% in the December quarter, in line with the trend seen for the broader listed universe. Banks, Financial Institutions and Insurance share moderated by 10bps QoQ to 8%, which is 4.8pp lower than the peak of 12.8% witnessed in June 2003. Overall institutional ownership in the Nifty 50 companies dipped for the third quarter in a row by 10bps QoQ to 46.3% in the December quarter, even as this is significantly higher than the average of 43.9% recorded over the previous three years.

Individual investors' ownership moderated in Nifty 50: Individual investors' share in the Nifty 50 universe moderated by 11 bps QoQ to 8.2% in the December quarter, standing 36bps shy of the 15-year high of Jun'22. Of the 50 Nifty stocks, 36 of them saw a decline in retail ownership in the quarter gone by. This is also reflected in net outflows by individual investors during the period. That said, with renewed buying in the current quarter, individual ownership should see an improvement.

Promoter share in the Nifty 50 inched up by 23bps in the December quarter on the back of increasing government stake.

FPI share in Nifty 50 moderated to 25.1% while, DMF holding reached a fresh all-time high level of 10.2% in the December quarter.

Figure 33: Nifty 50: Ownership pattern by total market cap (%)



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

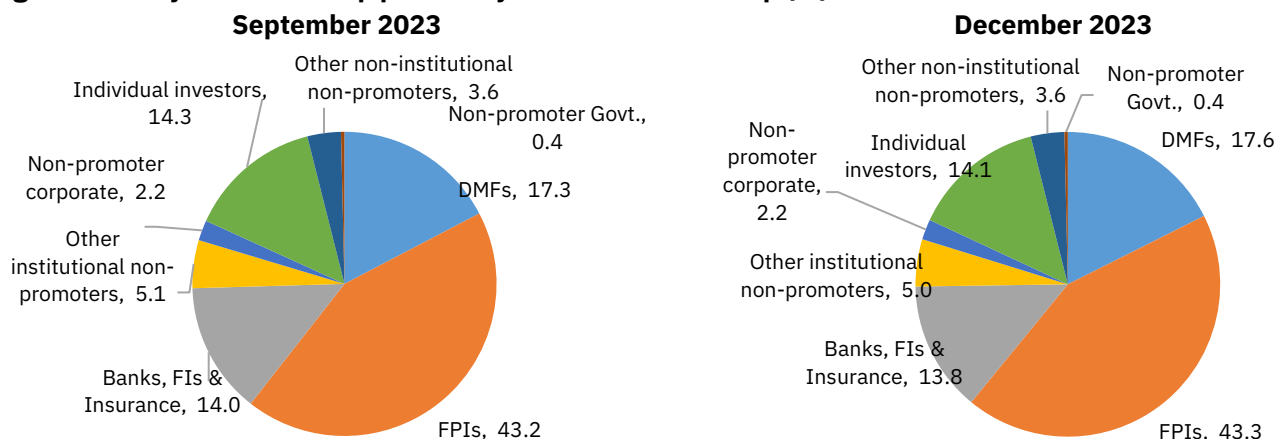
Table 7: Nifty 50: Ownership trend across key stakeholders by total market cap over the last three years

%	Private Indian promoters	Govt	Foreign promoters	Domestic MFs	Banks, FIs & Insurance	FPIs *	Non-promoter corporate	Individual investors	Others**
Mar-21	31.2	5.0	6.9	7.9	6.6	27.4	2.7	8.1	4.4
Jun-21	31.6	5.2	6.5	8.0	6.5	26.9	2.7	8.2	4.5
Sep-21	32.2	5.2	6.4	8.1	5.9	26.5	2.6	8.1	5.0
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
QoQ change	3bps	23bps	-3bps	11bps	-10bps	-4bps	0bps	-11bps	-7bps

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 the floating stock, FPI share in the Nifty 50 Index increased by 10bps QoQ to 43.3%, 8.5pp away from the highest share of 51.8% witnessed in December 2014. DMF ownership in the Nifty 50 free float market cap inched up by 25bps QoQ to reach a fresh all-time high of 17.6% in the quarter ending December 2023. This is now 3.2pp higher than the pre-pandemic level (December 2019).

The share of Banks, Financial Institutions, and Insurance companies moderated by 12bps to 13.8% in the December quarter, wiping out the marginal increase witnessed in the September quarter. Overall institutional ownership in the Nifty 50 floating stock increased by 14bps QoQ to 79.8%. The ownership of other non-institutional non-promoter (that are neither individuals nor corporates and primarily comprise of trusts, clearing members and HUFs) stood largely unchanged in the December quarter. The rise in institutional ownership in the quarter corresponded with a commensurate fall in individuals' holding, which declined by 13bps QoQ to a three-year low of 14.1%.

Figure 34: Nifty 50: Ownership pattern by free float market cap (%)


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

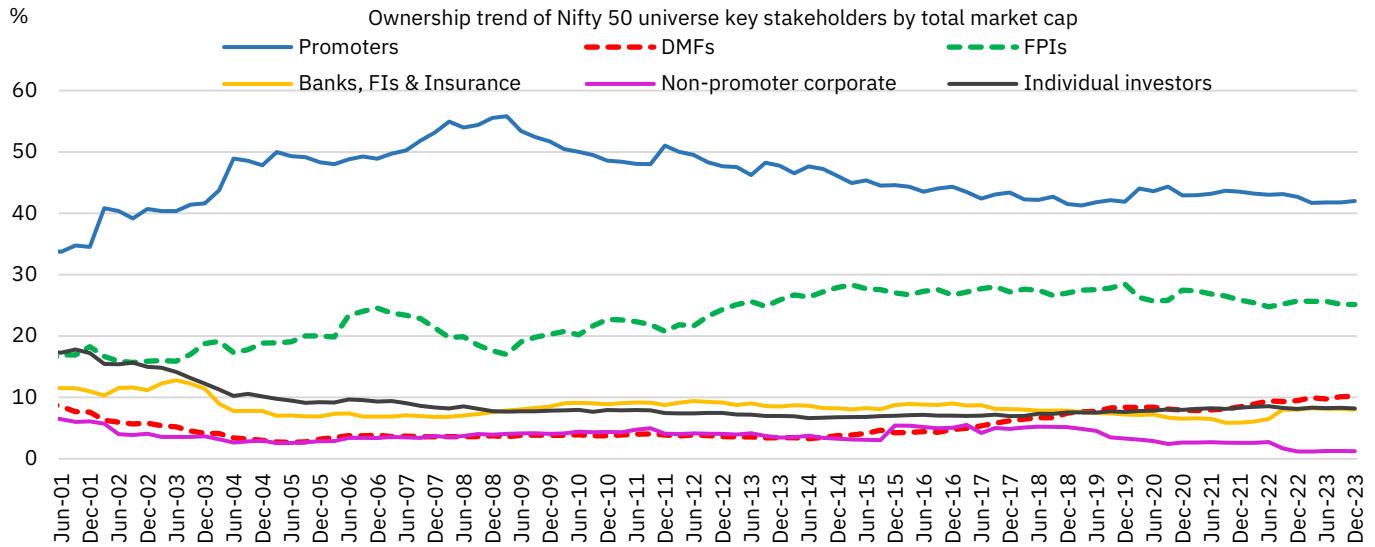
Table 8: Nifty 50: Ownership trend across key stakeholders by free float market cap over last the three years

%	Domestic MFs	Banks, FIs & Insurance	FPIs*	Non-promoter corporate	Individual Investors	Others**
Mar-21	13.8	11.5	47.9	4.7	14.2	7.8
Jun-21	14.0	11.4	47.3	4.8	14.5	8.0
Sep-21	14.4	10.4	47.0	4.6	14.4	9.1
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
QoQ change	25bps	-12bps	10bps	0bps	-13bps	-9bps

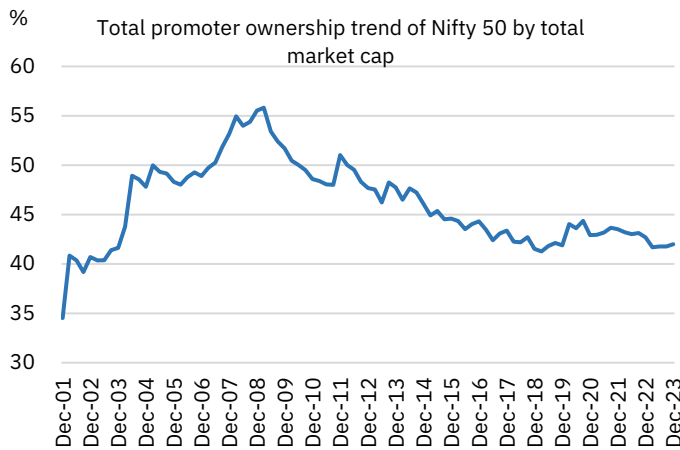
Source: CMIE Prowess, NSE EPR. Note: Ownership across key non-promoter stakeholders is based on free float market cap and add up to 100. *FPI ownership includes ownership through depository receipts held by custodians. ** Others include other institutional non-promoters, other non-institutional non-promoters 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 since 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 2019 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.

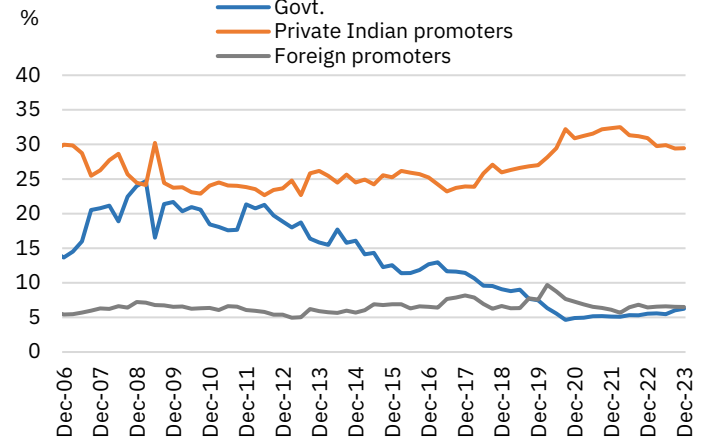
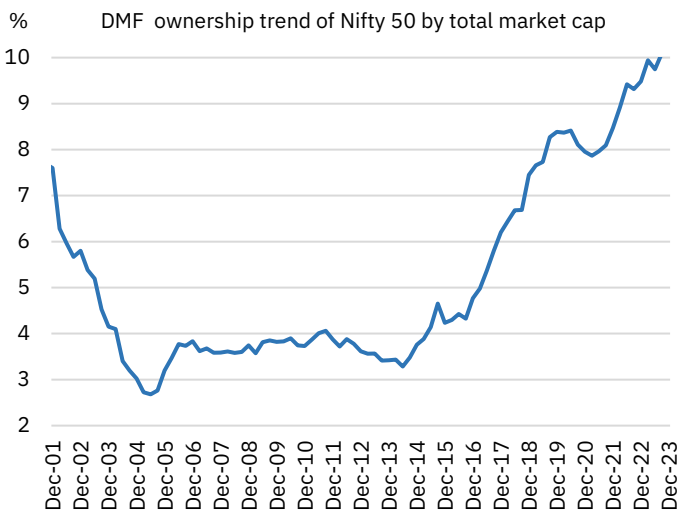
The DMF ownership has seen a sharp increase since 2014 barring the drop in 2020 and is currently only marginally lower than the peak seen over the last 22 years. FPI ownership saw a steady increase since the Global Financial crisis until early 2015, reaching the highest level of 28.3% in Mar-15 only 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 35: 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 36: Total promoter ownership trend of the Nifty 50 universe by total market cap


Source: CMIE Prowess, NSE EPR.

Figure 37: Indian and foreign promoter ownership trend of the Nifty 50 universe by total market cap

Figure 38: DMF 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

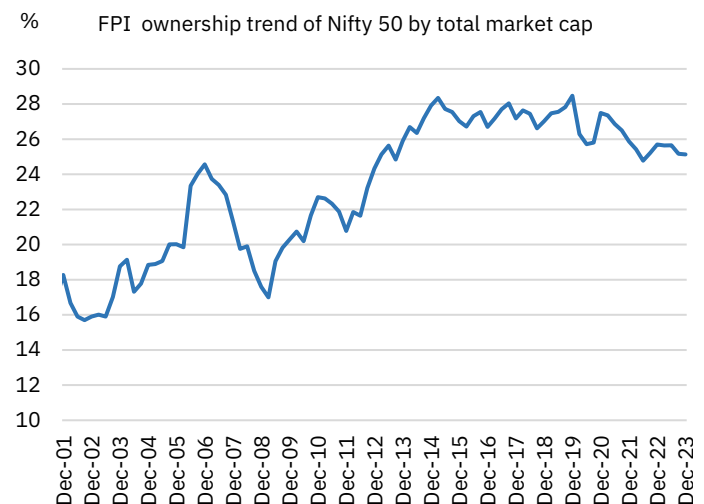
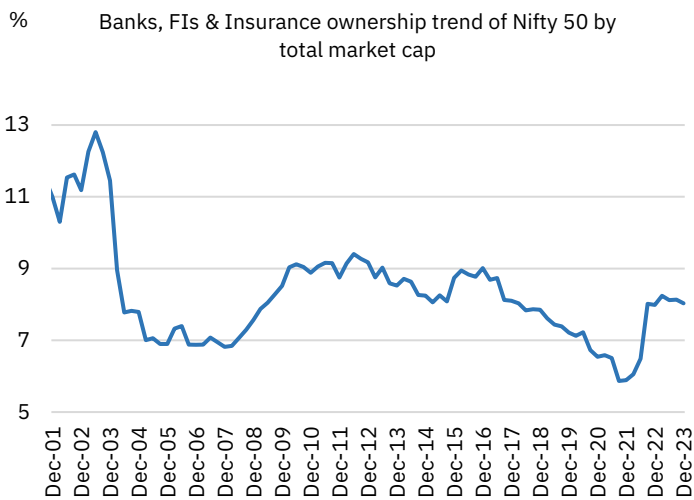
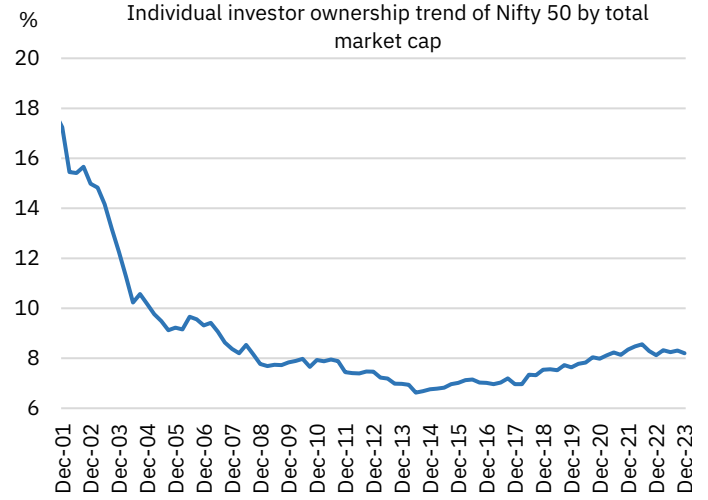
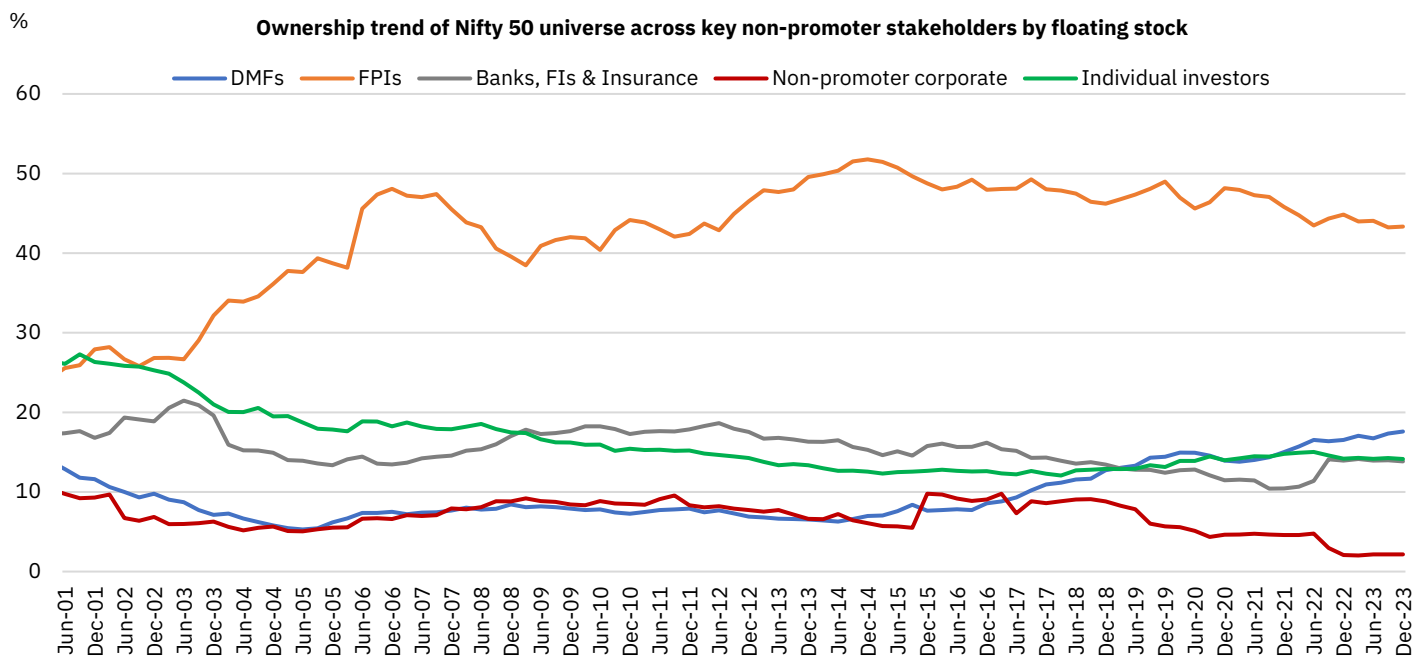
Figure 39: FPI ownership trend of Nifty 50 universe by total market cap


Figure 40: Banks, FIs & Insurance ownership trend of Nifty 50 universe by total market cap


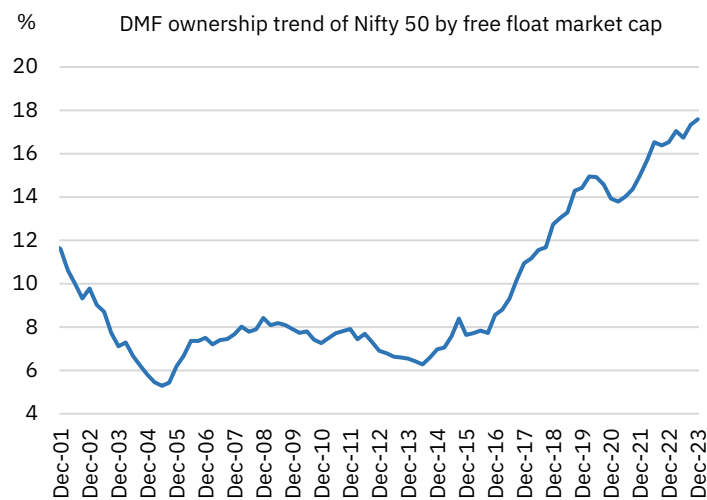
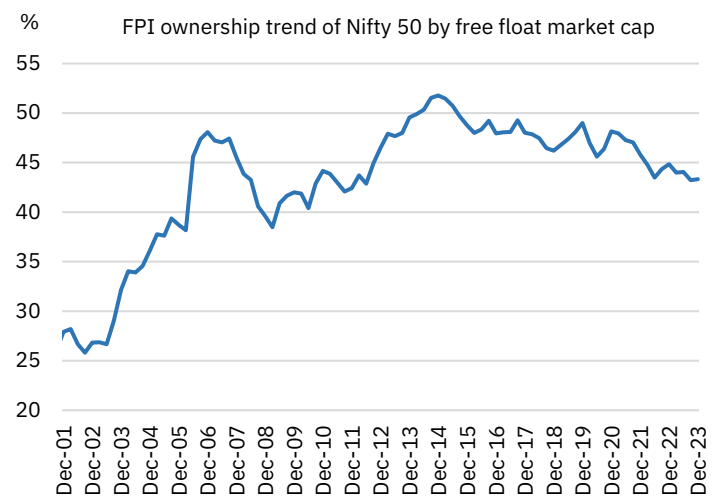
Source: CMIE Prowess, NSE EPR.

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


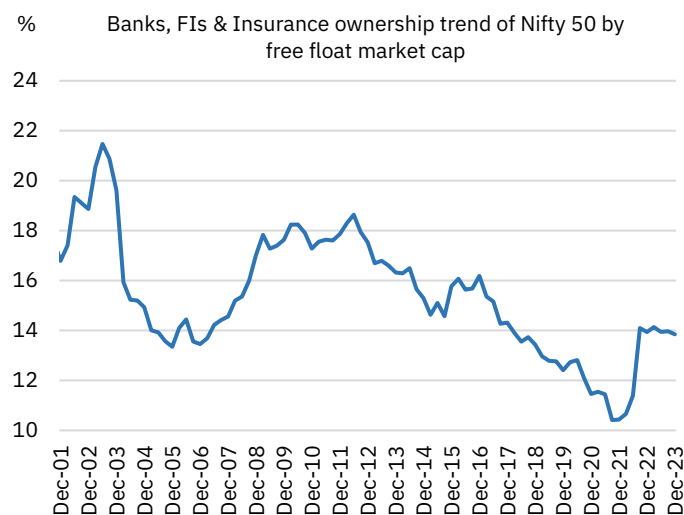
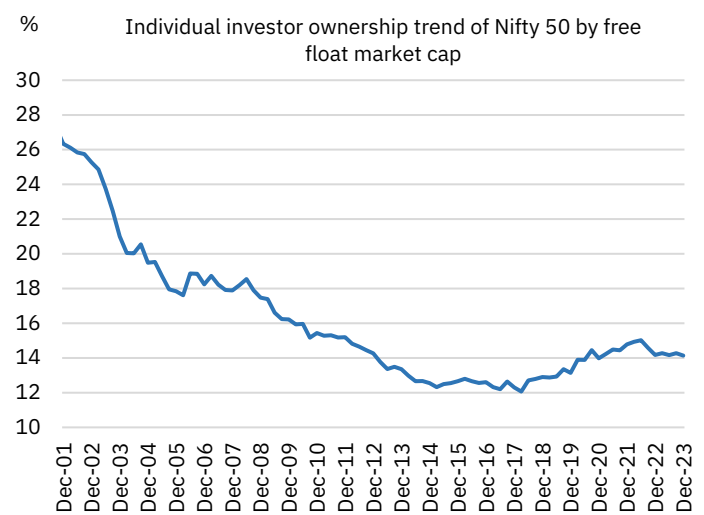
Our long-term ownership analysis on the free float market cap of the Nifty 50 Index also shows that while DMF ownership is currently at the highest ever level of 17.6%, FPI ownership is nearly 8.5pp lower than the peak of 51.8% seen in December 2014.

Figure 42: 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 43: DMF ownership trend of the Nifty 50 universe by free float market cap

Figure 44: 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 45: Banks, FIs & Insurance ownership trend of the Nifty 50 universe by free float market cap

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


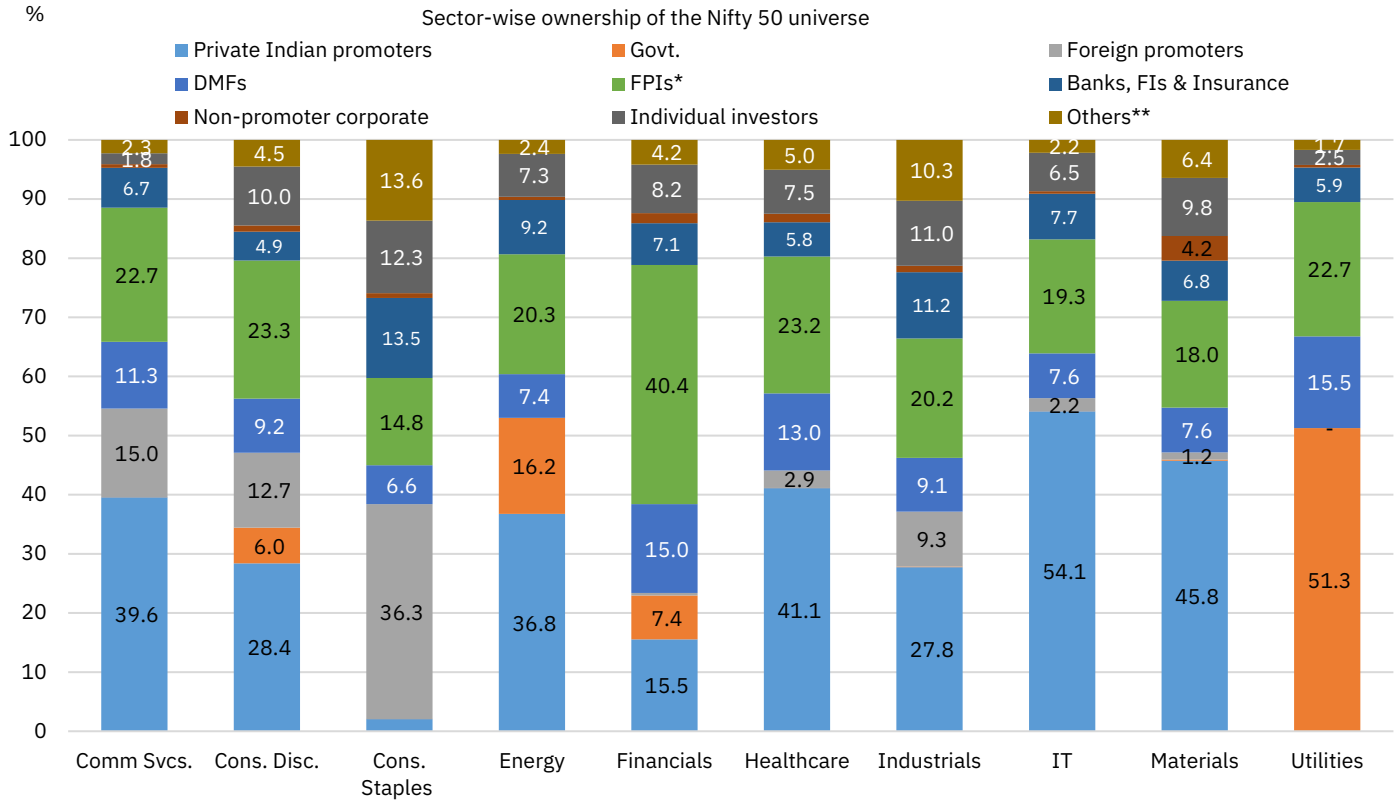
Source: CMIE Prowess, NSE EPR.

Sector-wise ownership of the Nifty 50 universe (December 2023): In the quarter ending December 2023, Information Technology within the Nifty 50 universe had the highest promoter ownership at a 14-quarter high of 56.3% (+23bps QoQ). This is followed by Communication Services at 54.6% (-18bps QoQ), Energy at 51.7% (+14bps QoQ) and Utilities at 51.2%. Utilities remained the top sector in terms of Government share within the Nifty 50 Index at 51.3%, followed by Energy at 16.2% (+70bps). Government share in all other sectors remained largely unchanged.

Utilities retained the top spot in terms of DMF ownership in the Nifty 50 market cap for the fourth consecutive quarter with a 48bps QoQ increase to a fresh all-time high of 15.5% in the December quarter. Financials remained second at the highest ever level of 15% (+28bps QoQ), followed by Health Care (13.1%, +2bps), Communication Services (11.3%, -4bps QoQ) and Consumer Discretionary (9.2%, -7bps QoQ).

FPI ownership remained largest in Financials, accounting for 40.4% (+53bps QoQ) of the market cap of this sector in the Nifty 50 universe. This was followed by Consumer Discretionary at 23.4% (- 20bps QoQ), Health Care at 23.2% (+30bps QoQ) and Utilities (22.7%, -67bps QoQ). The largest dip in FPI ownership was seen in Energy, with a 28bps QoQ decrease to 20.3%.

Figure 47: Nifty 50: Sector-wise ownership pattern across key stakeholders (December 2023)



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 (December 2023): The table below shows the sector allocation for key stakeholders in Nifty 50 companies as of December 2023. The concentration of Government ownership in Financials, Energy and Utilities sector is much higher at 91.1% in the Nifty 50 universe vs 75.2% in the broader listed universe. The Consumer sector—Staples and Discretionary, and Communication Services together accounted for 72.2% of the exposure of foreign promoters to the Nifty 50 companies as of December 2023.

In the case of institutional investors, DMFs have a much higher exposure to Financials at 38% in the Nifty 50 Index vs. 29.3% in the NSE-listed universe, even as the exposure in both universes declined for the fourth consecutive quarter, translating into a total drop of nearly 5pp in 2023. DMF exposure to Financials within Nifty50 companies is now 6.7pp lower than the two-decadal high share of 44.8% just prior to the pandemic in the quarter ending December 2019. FPIs' portfolio allocation to Financials within the Nifty 50 universe declined as well for the second consecutive quarter, and now stands slightly higher than DMF share at 41.5%.

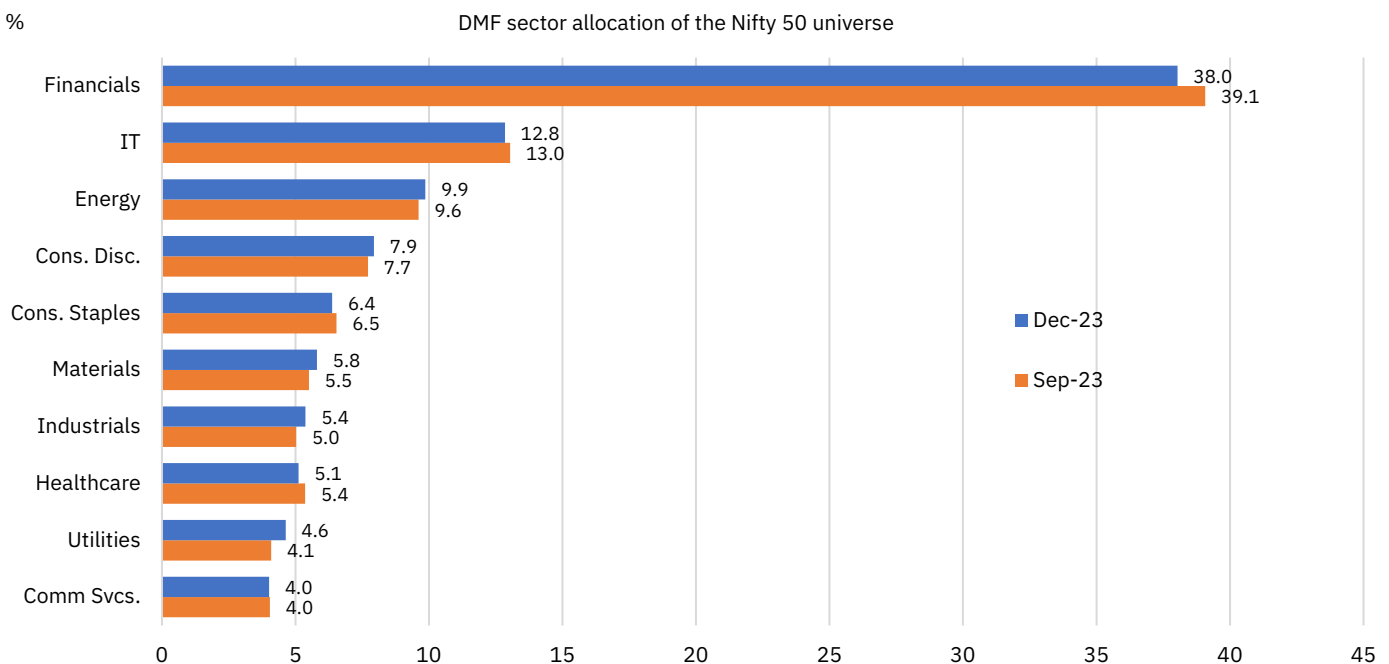
Table 9: Sector allocation of the Nifty 50 universe for key stakeholders (December 2023)

%	Private Indian promoters	Govt	Foreign promoters	Domestic MFs	FPIs*	Banks, FIs & Insurance	Non-promoter corporate	Individual Investors
Communication Services	4.9	0.0	8.4	4.0	3.3	3.0	1.8	0.8
Consumer Discretionary	8.5	8.5	17.2	7.9	8.2	5.4	7.5	10.7
Consumer Staples	0.7	0.0	55.0	6.4	5.8	16.6	6.4	14.8
Energy	17.0	35.4	0.0	9.9	11.0	15.6	5.9	12.1
Financials	13.6	30.6	1.7	38.0	41.5	22.7	35.5	25.8
Health Care	5.6	0.0	1.8	5.1	3.7	2.9	4.6	3.6
Industrials	5.7	0.1	8.6	5.4	4.8	8.4	5.2	8.1
Information Technology	31.9	0.0	5.9	12.8	13.3	16.6	6.1	13.7
Materials	12.2	0.2	1.5	5.8	5.6	6.6	26.1	9.4
Utilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grand Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

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

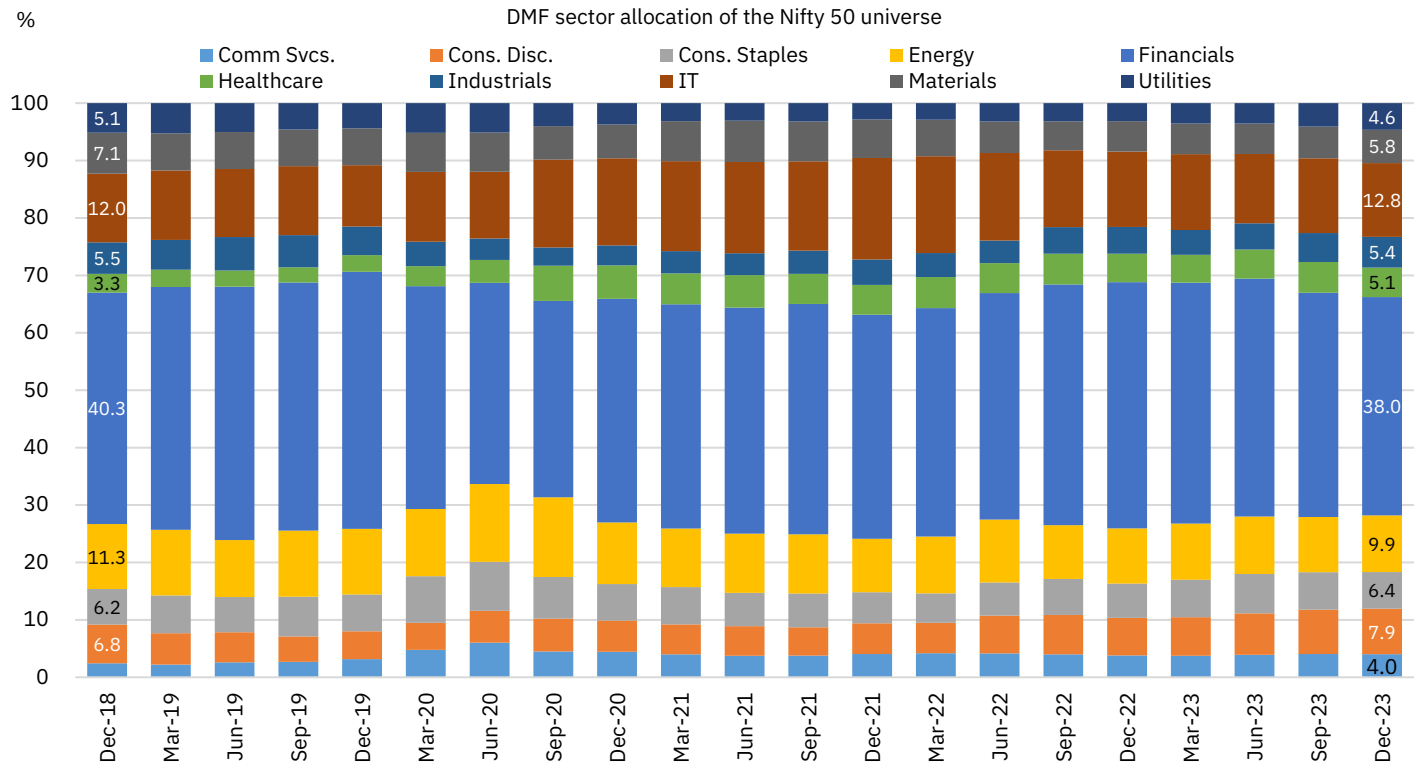
DMFs' exposure to Financials continued to decline: Even as DMFs retained their OW position on Financials, the extent of their OW position came off significantly last year. Besides Financials, DMFs maintained their positive stance on Healthcare and Communication Services for 14 and 16 quarters in a row respectively and strengthened their OW position on Utilities to 13-quarter highs. In fact, DMFs have consistently maintained their OW stance on Utilities for over seven years now. DMFs perennial negative view on India's consumption outlook is reflected in their underweight position on Consumer Staples for more than eight years now and a neutral stance on Consumer Discretionary with a negative bias. They also remained negative on commodity sectors including Energy and Materials, partly reflecting the impact of reduced global demand. Among other sectors, DMFs maintained their neutral position on Industrials and Information Technology with a negative bias.

DMFs maintained an OW stance on Financials, albeit with a reduced extent, and remained negative on India's consumption outlook and commodity linked sectors, viz., Energy and Materials.

Figure 48: DMF sector allocation of the Nifty 50 universe (September 2023 vs. December 2023)


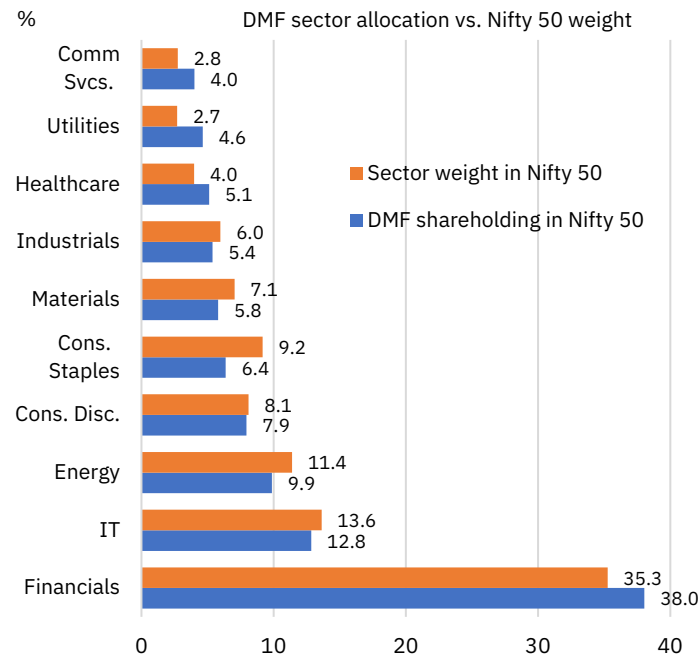
Source: CMIE Prowess, NSE EPR.

Figure 49: DMF sector allocation of the Nifty 50 universe over the last five years



Source: CMIE Prowess, NSE EPR.

Figure 50: DMF sector allocation vs sector weight in Nifty 50 (December 2023)



Source: CMIE Prowess, NSE EPR.

Figure 51: DMF sector-wise OW/UW in Nifty 50 relative to sector weight in the index (December 2023)

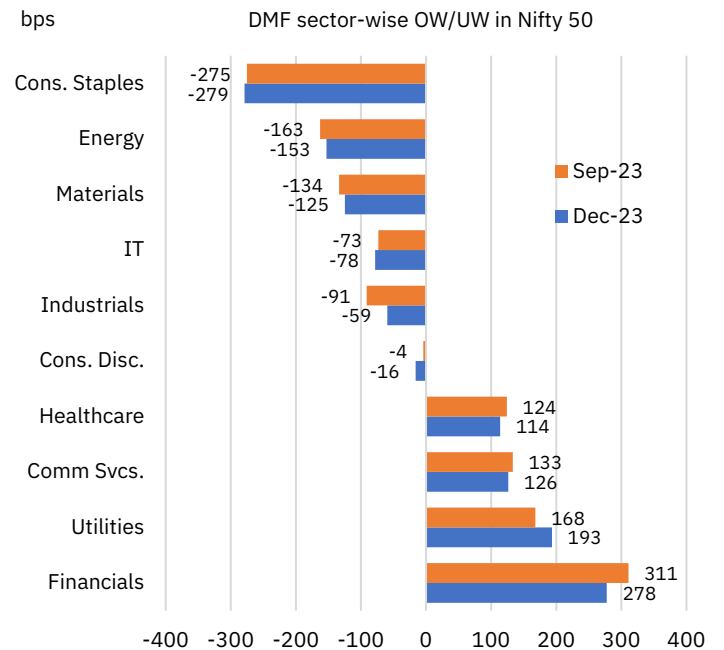
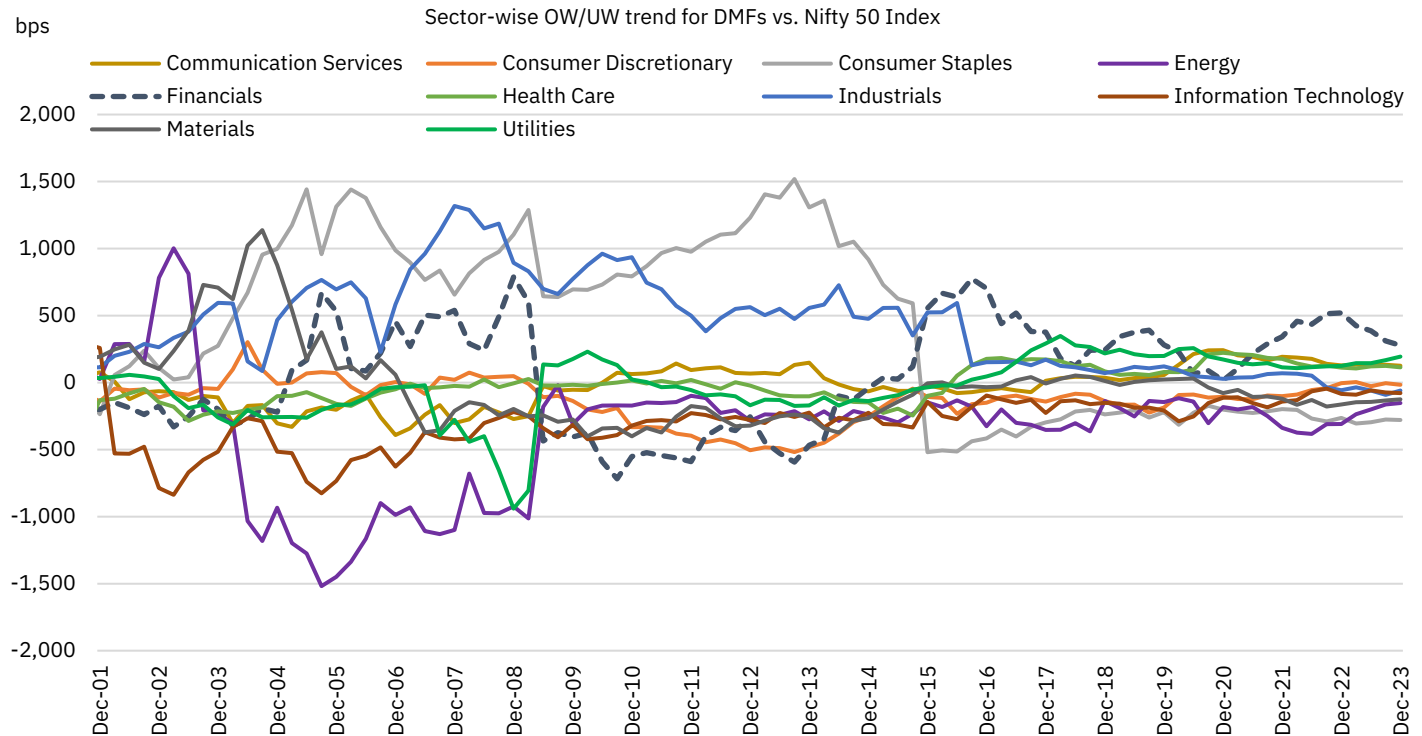


Figure 52: DMF vs Nifty 50—Sector-wise OW/UW trend (bps)



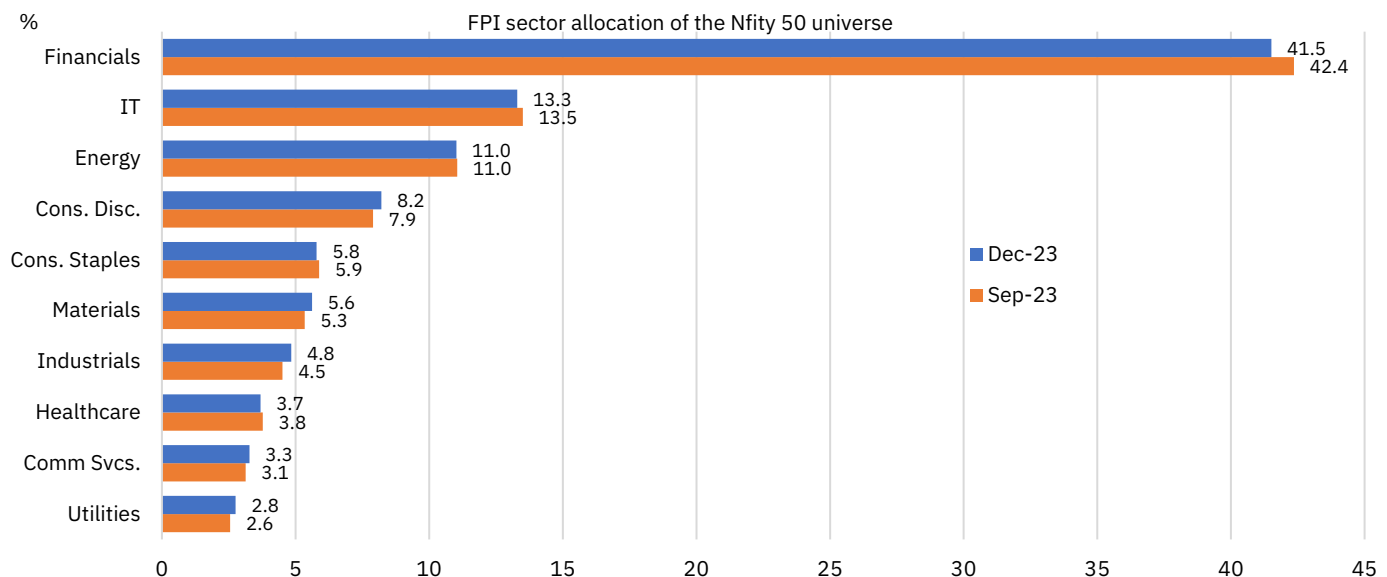
Source: CMIE Prowess, NSE EPR.

FPIs maintained their outsized OW on Financials and UW on Consumer Staples:

Notwithstanding reduced share of Financials in the aggregate FPI holding in the Nifty 50 companies in the December quarter owing to the sector’s relative underperformance, they continued to play India story via Financials with a perennially outsized bet on the sector. In fact, Financials is the only sector FPIs have been OW on for the sixth quarter in a row. Among other sectors, FPIs maintained their strong negative view on Consumer Staples, an UW stance on Real Estate and Industrials, albeit incrementally less so and a neutral position on Consumer Discretionary, Healthcare, Information Technology, Energy, Utilities and Communication Services.

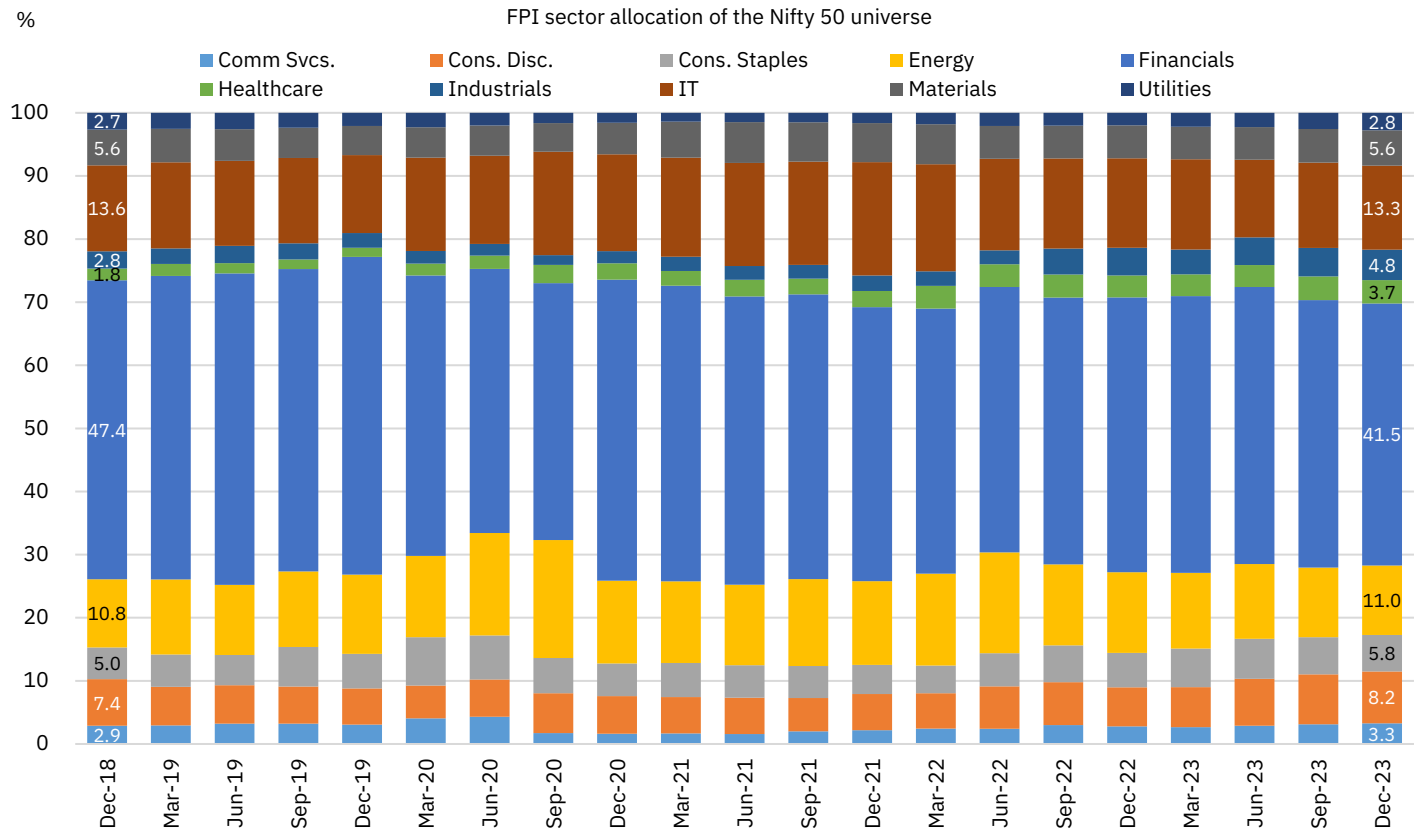
FPIs maintained their OW view on Financials, and remained negative on Consumer Staple, Industrials and Materials.

Figure 53: FPI sector allocation of the Nifty 50 universe (September 2023 vs. December 2023)



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

Figure 54: 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 55: FPI sector allocation vs sector weight in Nifty 50 (December 2023)

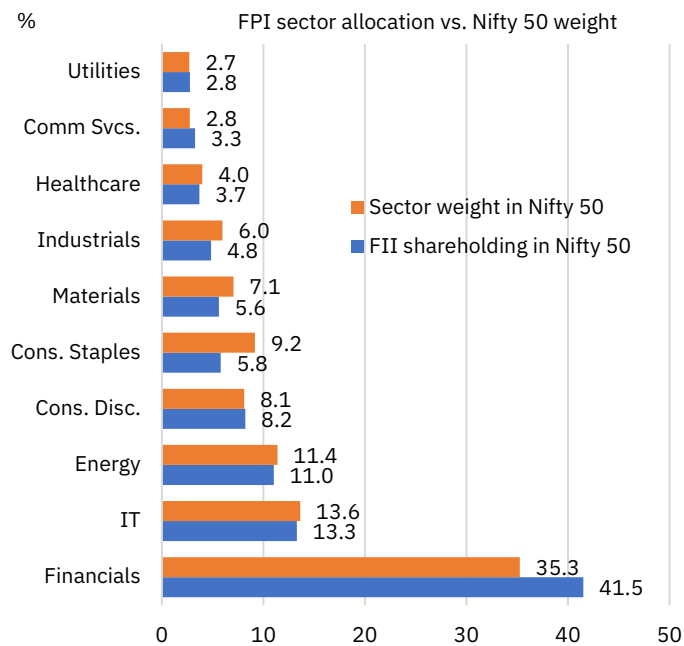
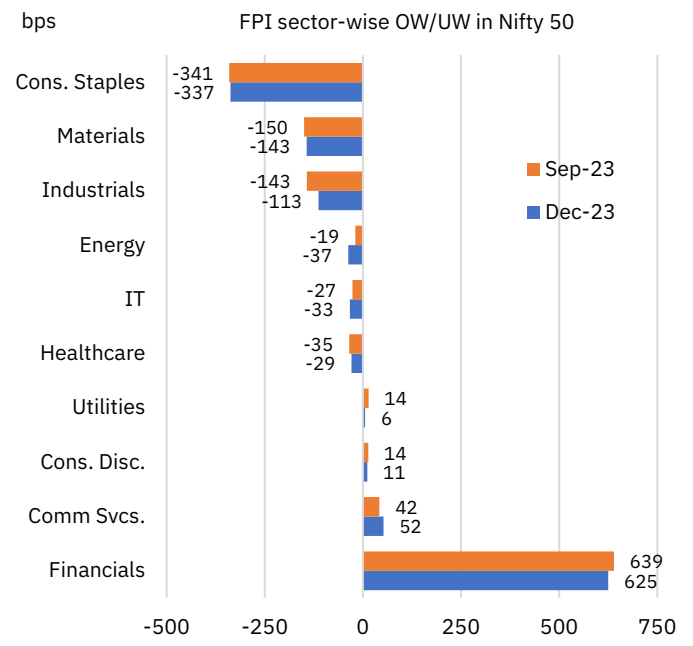
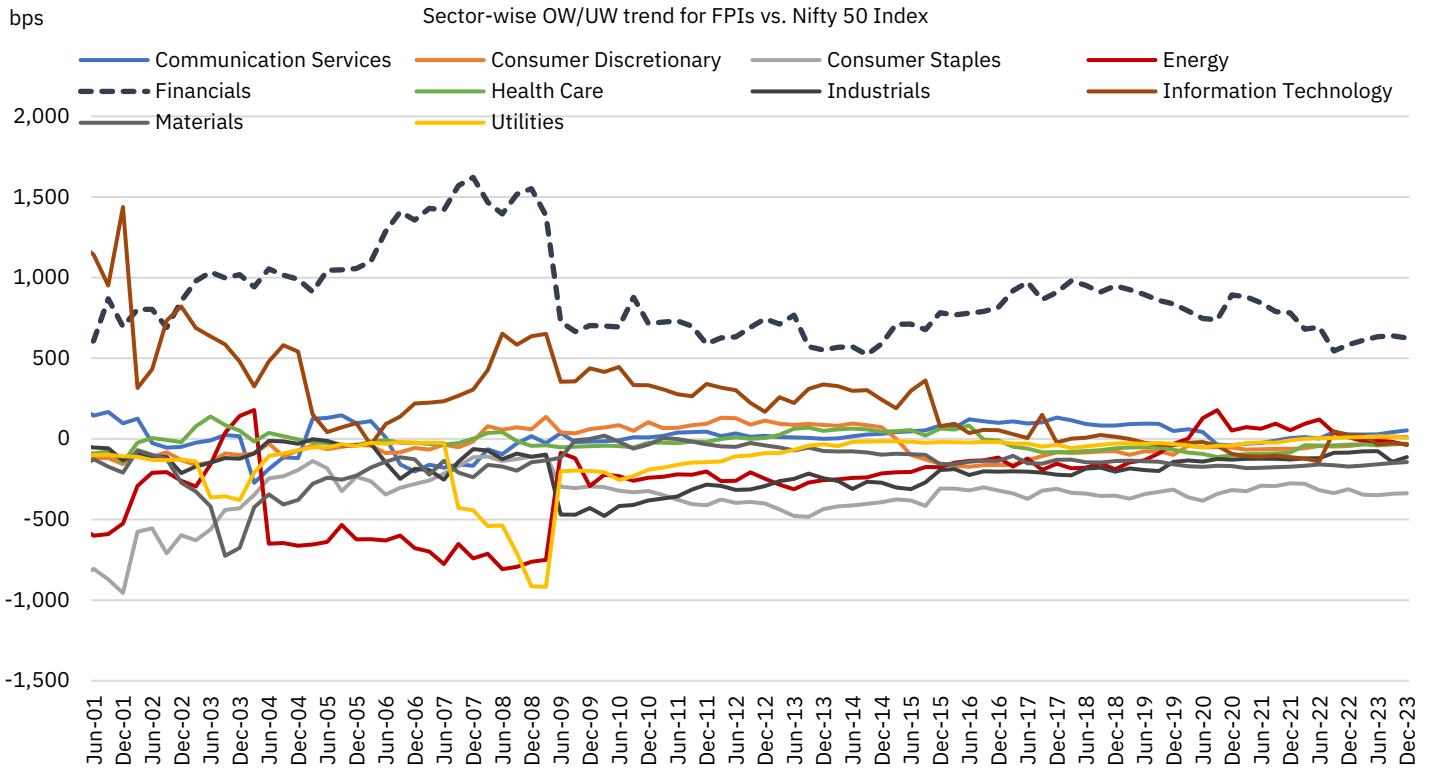


Figure 56: FPI sector-wise OW/UW in Nifty 50 relative to sector weight in the index (December 2023)



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

Figure 57: FPI vs Nifty 50—Sector-wise OW/UW trend (bps)


Nifty 500 ownership trends

Ownership pattern of the Nifty 500 universe (December 2023)

Promoter stake in the Nifty 500 universe inched up for the third quarter in a row: Total promoter holding in the Nifty 500 universe increased by 29bps QoQ to a four-quarter high of 50.1%. This was once again driven by an increase in the ownership of Government promoters by 84bps QoQ to 10.2%, the highest in 25 quarters, on the back of relative outperformance of PSU companies in the quarter. This was partially offset by moderation in the share of both foreign (-38bps QoQ to a nine-year low of 8.1%) as well as Indian private promoters (-18bps QoQ to 31.8%). Nearly 138 out of 500 companies saw the share of private Indian promoters falling in the quarter gone by.

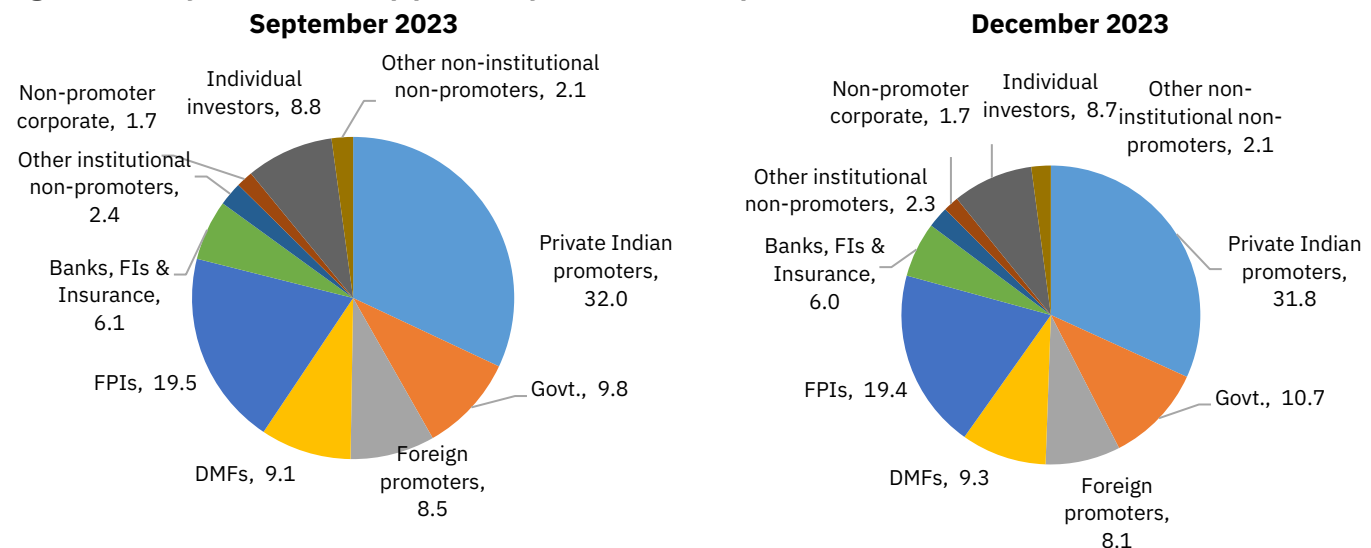
Total promoter stake in the Nifty500 universe inched up to 50.1%, with an increase in Govt. share partially offset by a drop in foreign and private Indian promoter share.

Institutional ownership of the Nifty 500 universe moderated in the December quarter: Institutional share in the Nifty 500 total market cap declined for the second quarter in a row, dipping by 19bps QoQ to 36.9%. That said, the share is still 2.5pp higher than the post-pandemic low of 34.4% in the quarter ending March 2022. DMF ownership inched up by 12bps QoQ to a fresh all-time high of 9.3% in the December quarter. On the other hand, FPI ownership dipped by 10bps QoQ to near 12-year lows of 19.4%. Banks, Financial Institutions and Insurance companies' share moderated for the third quarter in a row by 11bps QoQ to 6%.

DMF ownership in the Nifty reached fresh all-time highs in the December quarter.

Individual investors' ownership in the Nifty 500 universe moderated: Individual investors' ownership in the Nifty 500 companies moderated marginally by 7bps QoQ to 8.7%, in line with net outflow from individual investors in the quarter gone by. Their share in the Nifty 500 universe is now 36bps lower than the near 14-year high share of 9.1% in March 2022. The drop from the peak has been fairly modest, indicating sustenance of retail interest in the equity market despite heightened financial market volatility.

Figure 58: Nifty 500: Ownership pattern by total market cap (%)



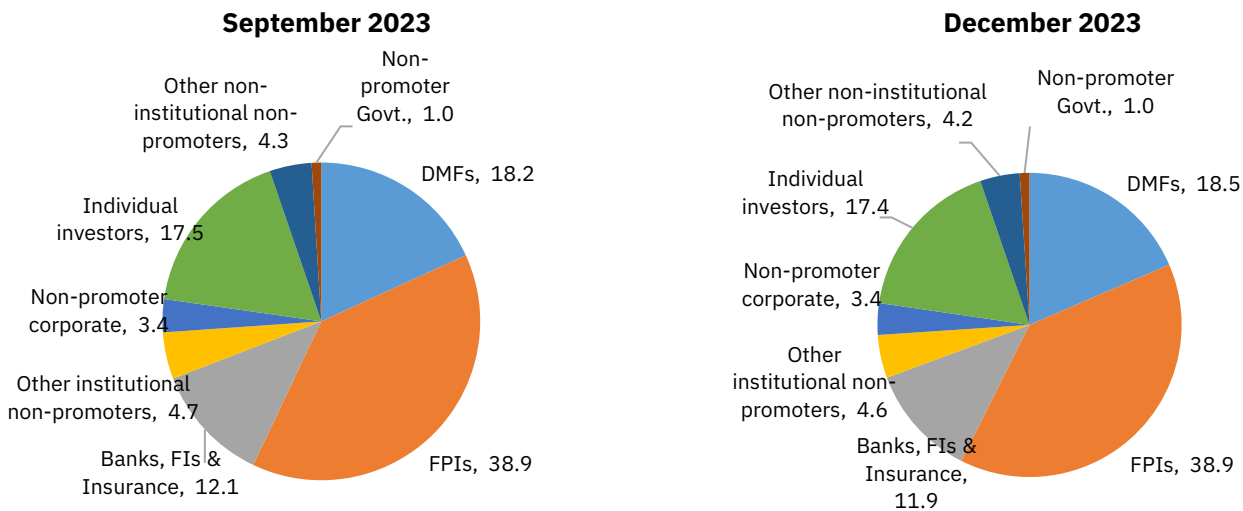
Source: CMIE Prowess, NSE EPR. *FPI ownership includes ownership through depository receipts held by custodians.

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**
Mar-21	34.3	6.2	9.4	7.4	5.3	22.2	3.0	8.6	3.7
Jun-21	34.5	6.6	9.2	7.4	5.2	21.6	3.0	8.8	3.7
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
QoQ change	-18bps	87bps	-38bps	12bps	-11bps	-10bps	-1bps	-7bps	-14bps

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 Nifty 500 Index remained largely unchanged at 38.9%. FPI stake is now 8.6pp lower than the peak share over the last 22 years. On the other hand, DMFs increased their share in the Nifty 500 floating market cap by 35bps QoQ to a new record high level of 18.5% in the December quarter. Individual ownership marginally dipped by 5bps QoQ to 17.4%, 12.3pp below the peak share over the entire analysis period (March 2001 onwards).

Figure 59: 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**
Mar-21	14.6	10.5	44.0	5.9	17.0	8.0
Jun-21	14.9	10.3	43.2	6.0	17.5	8.1
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
QoQ change	35bps	-15bps	2bps	0bps	-5bps	-17bps

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.

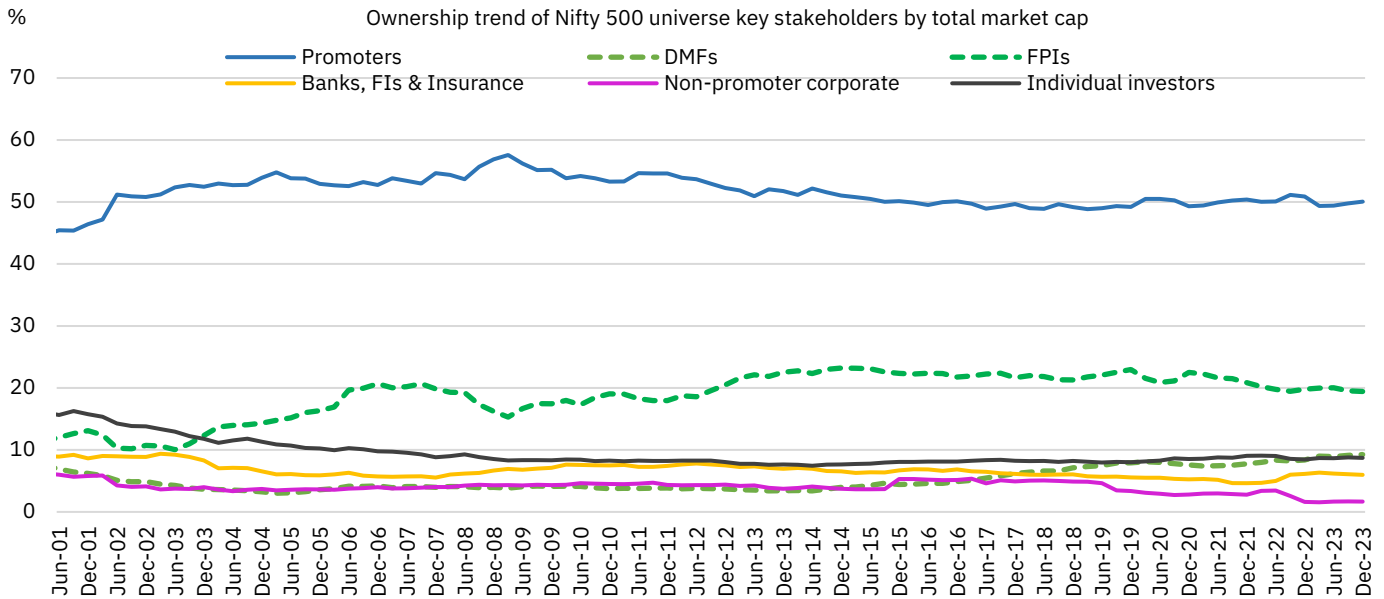
Long-term ownership trend of the Nifty 500 universe: Overall promoter ownership in Nifty 500 has also seen a steady decline since 2009 until March 2019, albeit at a slower pace than the Nifty 50 Index, entirely led by a sharp dip in Government ownership, while the share of private Indian promoters has 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 fairly steady.

DMF ownership in Nifty 500 saw a gradual increase beginning 2014 to reach the highest level in 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. FPI ownership in the Nifty 500 universe 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. Banks, financial institutions, and insurance, however, have been steadily reducing their exposure to Indian equities over the last decade until 2021 only to see a meaningful spike last year, which has continued up to the most recent quarter as well.

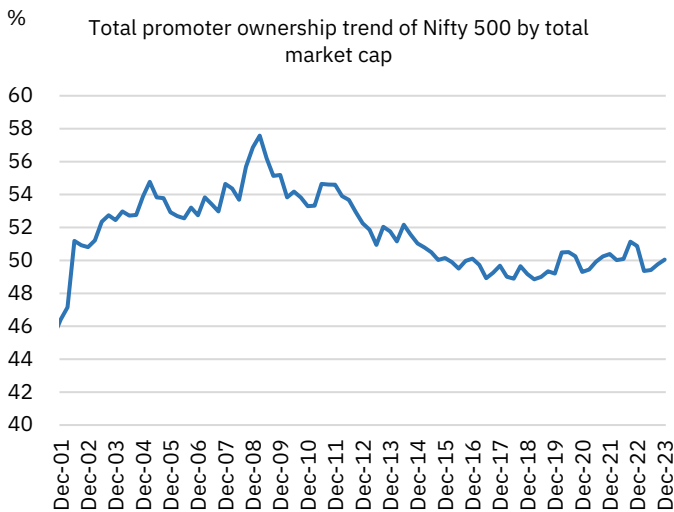
Retail ownership in the Nifty 500 Index fell sharply from the north of 16% in 2001 to sub-8% in 2013, hovered around these levels until December 2019 only to rise steadily until FY22. The following five quarters, however, saw a slight dip in retail share, mimicking the trend seen in their trading activity during this period, with a slight uptick in the quarter gone by.

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 marginally after that.

DMF share in Nifty 500 has been gradually rising since 2014, barring a dip in FY21, and is currently slightly lower than peak high levels.

Figure 60: 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 61: Total promoter ownership trend of the Nifty 500 universe by total market cap


Source: CMIE Prowess, NSE EPR.

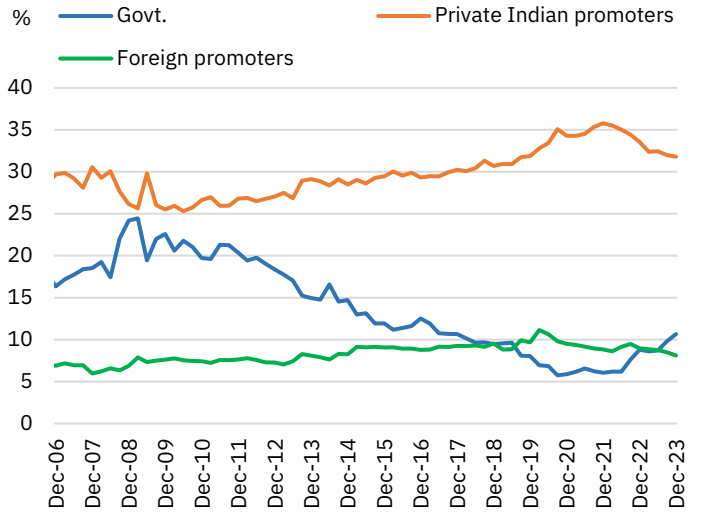
Figure 62: Indian and foreign promoter ownership trend of the Nifty 500 universe by total market cap


Figure 63: DMF ownership trend of the Nifty 500 universe by total market cap

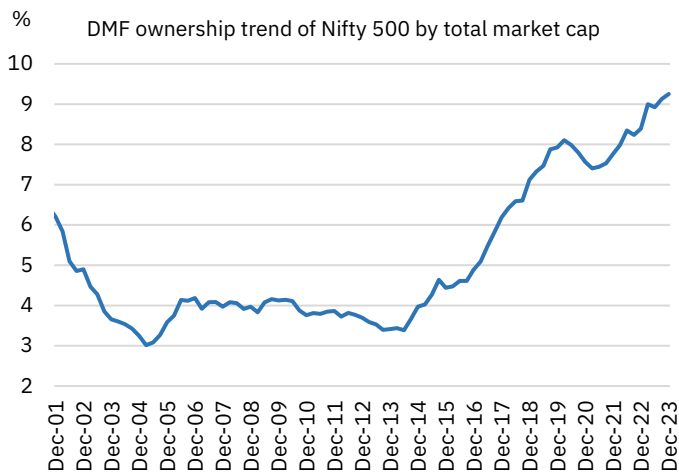
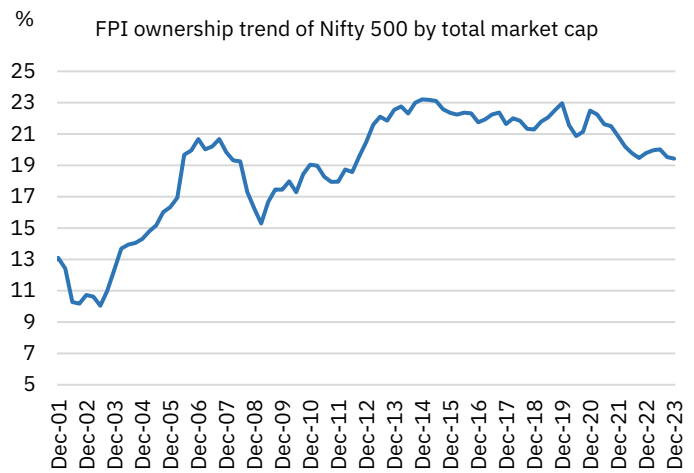


Figure 64: FPI ownership trend of the Nifty 500 universe by total market cap



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

Figure 65: Banks, FIs & Insurance ownership trend of the Nifty 500 universe by total market cap

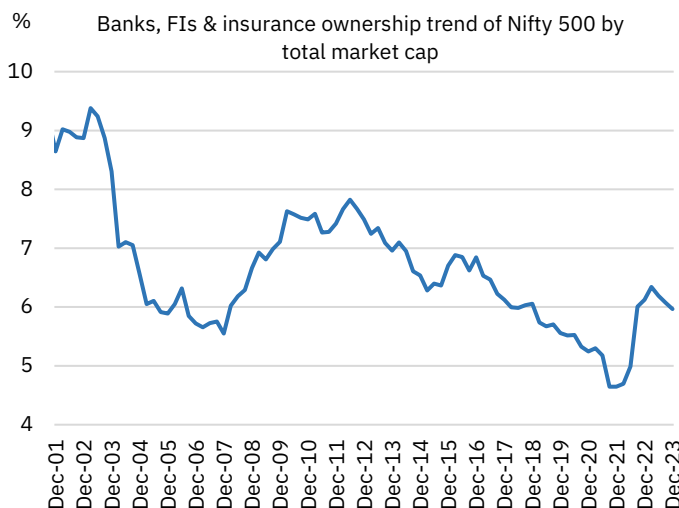
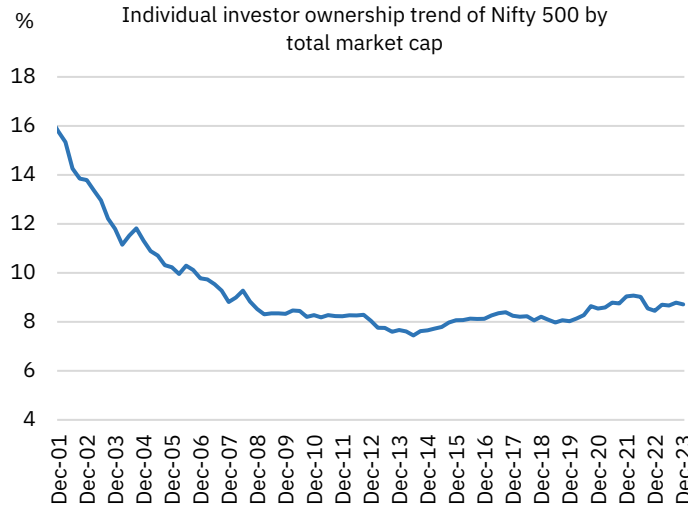
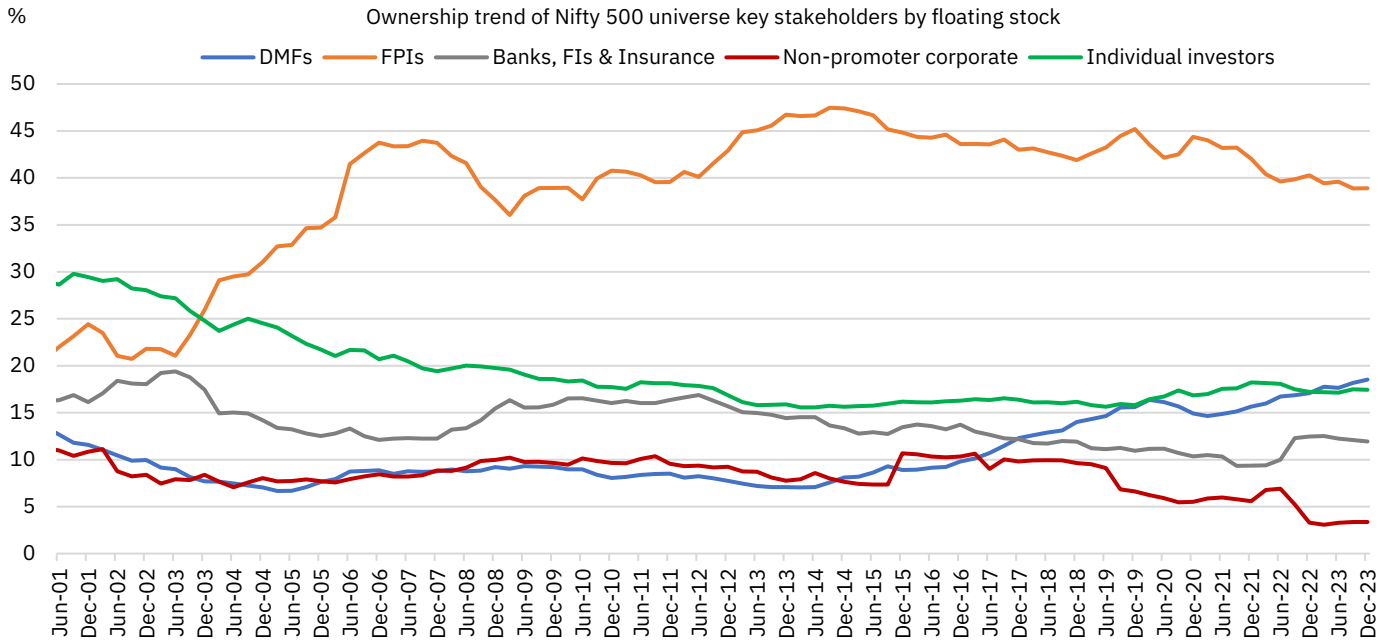


Figure 66: Individual ownership trend of the Nifty 500 universe by total market cap

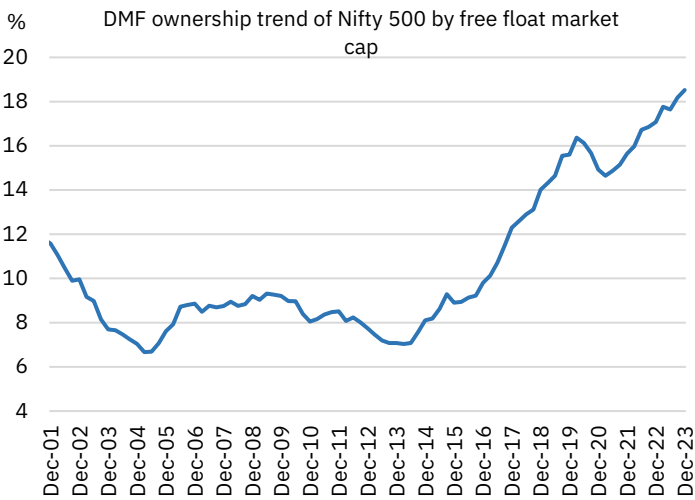
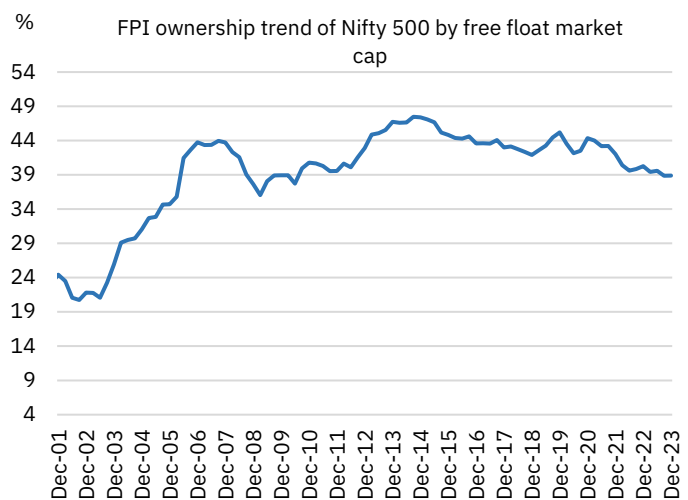


Source: CMIE Prowess, NSE EPR.

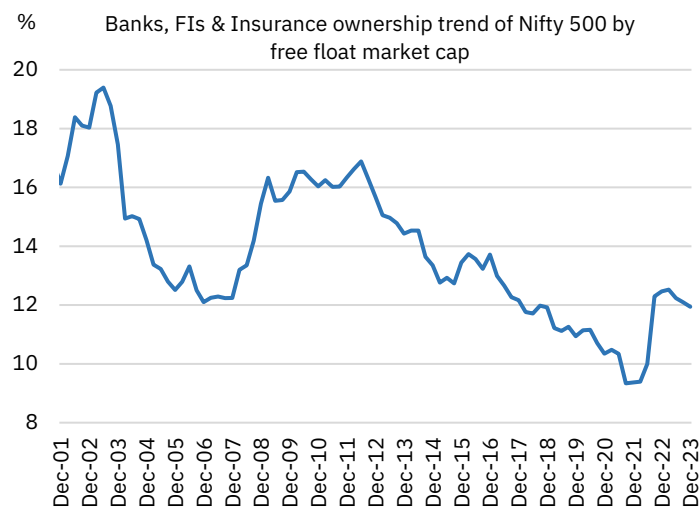
Our long-term ownership analysis on the floating stock of the Nifty 500 Index also shows that while DMF ownership is currently at the highest level since 2001, current FPI ownership is 8.6pp lower than the peak of 47.5% observed in the quarter ending September 2014.

Figure 67: Nifty 500: Long-term ownership trend across key stakeholders by free float market cap


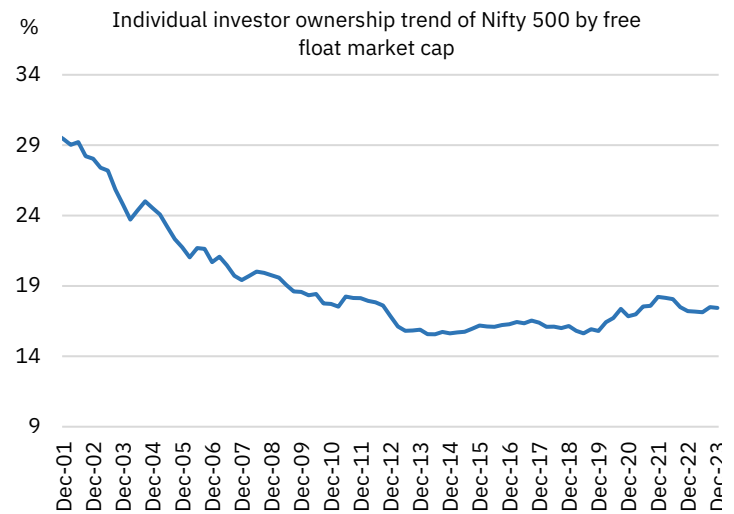
Source: CMIE Prowess, NSE EPR. *FPI ownership includes ownership through depository receipts held by custodians

Figure 68: DMF ownership trend of the Nifty 500 universe by free float market cap

Figure 69: FPI 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 70: Banks, FIs & Insurance ownership trend of the Nifty 500 universe by free float market cap


Source: CMIE Prowess, NSE EPR.

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


Sector-wise ownership of the Nifty 500 universe (December 2023): As of December 2023, Real Estate sector had the highest promoter shareholding at 67.0% (-2bps QoQ), followed by Utilities at 59.7% (+60bps QoQ) and Materials at 55.6% (+24bps QoQ). Consumer Staples recorded the largest increase in promoter stake (+58bps QoQ to 50.2%), while Consumer Discretionary recorded the biggest decline of 40bps QoQ to 38.5%.

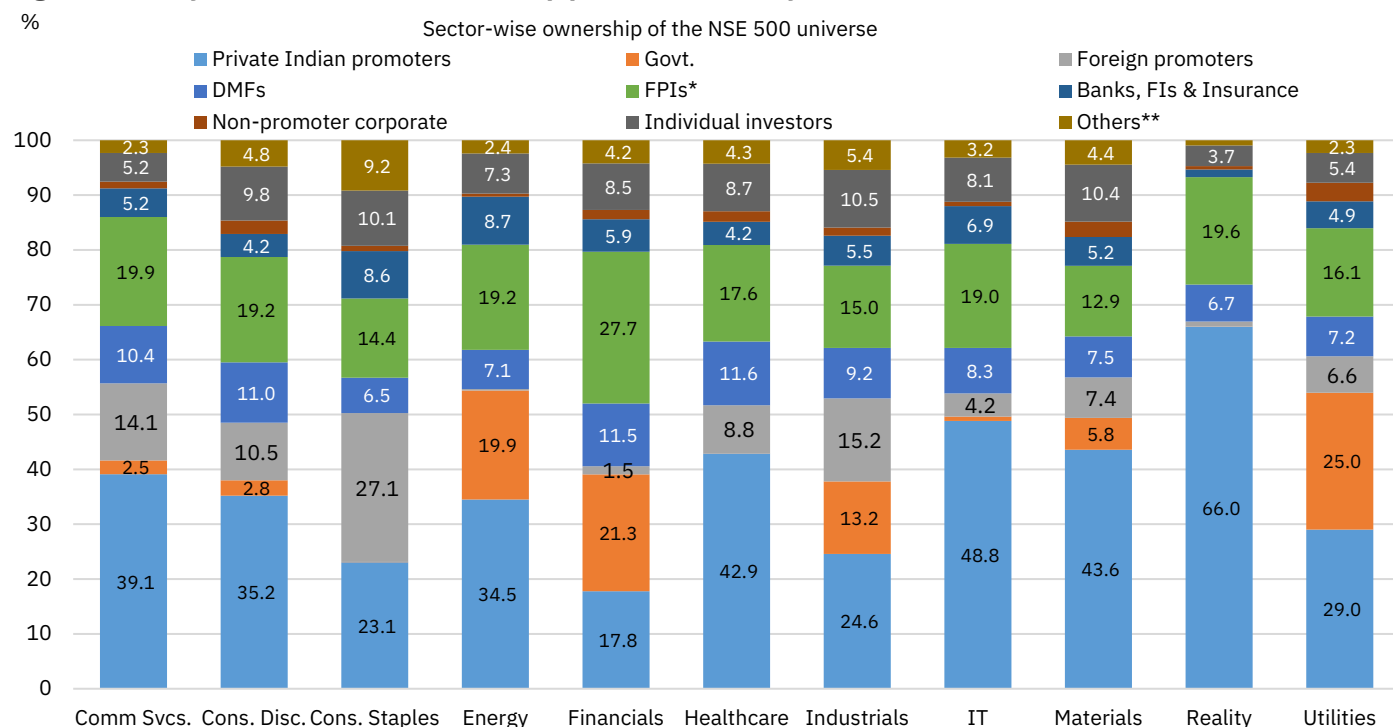
Utilities remained the top sector in terms of Government ownership, even as it recorded a 77bps dip to 25%. Financials stood second with a steep 1.6pp QoQ increase in Government share to a near ten-year high of 21.3% on the back of relative outperformance of PSU banks as compared to the broader banking sector in the quarter yet again. This was followed by Energy with a 1.4pp QoQ increase to 19.9%, and Industrials at 13.2% (+1.6pp QoQ).

DMF share increased in the Nifty 500 universe across all sectors. Health Care overtook Financials to become the sector with the highest DMF ownership, registering a 61bps QoQ increase to 11.6% compared to 11.5% in Financials (+10bps QoQ). This was followed by Consumer Discretionary at 11% (+12bps QoQ), Communication Services (10.4%, +15bps QoQ) and Industrials (9.2%, -2bps QoQ).

FPIs remained the biggest non-promoter owners of Financials at 27.7%, registering a marginal decline of 8bps QoQ. Communication Services stood second in terms of FPI ownership, with a 13bps QoQ rise to 19.9%, followed by Real Estate (19.6%, -11bps QoQ) and Consumer Discretionary (19.2%, +32bps QoQ).

DMF share within the Nifty 500 universe remained steady or rose on a QoQ basis across all sectors.

FPIs have remained the biggest non-promoter owners of Financials within the Nifty 500 universe at 27.7%.

Figure 72: Nifty 500: Sector-wise ownership pattern across key stakeholders (December 2023)


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 (December 2023):

The table below shows the sector allocation for key stakeholders in Nifty 500 companies as of December 2023. Nearly 90% of the Government ownership in the Nifty 500 companies remained concentrated in Financials, Energy, Industrials and Utilities sectors, even as the ownership dropped by 38bps QoQ. This was slightly higher than Government exposure to these four sectors in the overall listed universe (88.7%), but marginally lower than 91.2% in the Nifty 50 Index. In the case of institutional investors, DMFs have a lower allocation to Financials at 31.0% compared to FPIs at 30%; this gap increased slightly in the December quarter. While both DMFs and FPIs reduced their allocation to Financials in the December quarter, the drop was slightly higher for FPIs. That said, the gap still remains much lower than the average 8.8% over the last 22-year period.

Table 12: Sector allocation of the Nifty 500 universe for key stakeholders (December 2023)

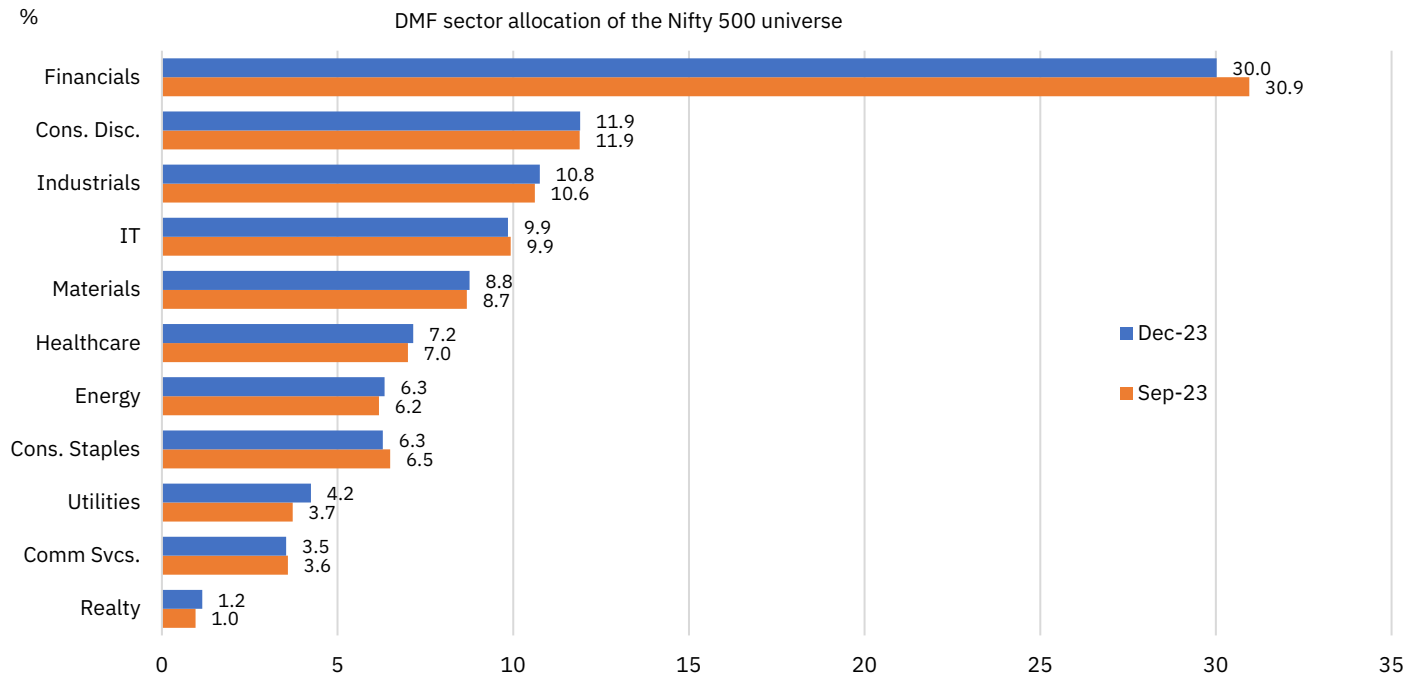
%	Private Indian promoters	Govt	Foreign promoters	Domestic MFs	FPIs*	Banks, FIs & Insurance	Non-promoter corporate	Individual Investors
Communication Services	3.9	0.7	5.4	3.5	3.2	2.7	2.3	1.9
Consumer Discretionary	11.1	2.6	13.0	11.9	9.9	7.1	14.6	11.3
Consumer Staples	6.5	0.0	30.1	6.3	6.7	13.0	5.0	10.4
Energy	8.9	15.3	0.3	6.3	8.1	12.0	2.7	6.9
Financials	13.6	48.4	4.5	30.0	34.5	24.1	24.5	23.6
Health Care	7.7	0.0	6.2	7.2	5.2	4.0	6.5	5.7
Industrials	8.4	13.4	20.3	10.8	8.4	10.0	9.5	13.1
Information Technology	16.9	0.8	5.7	9.9	10.7	12.7	5.1	10.2
Materials	14.9	5.9	9.9	8.8	7.2	9.5	18.2	12.9
Real Estate	3.3	0.0	0.2	1.2	1.6	0.4	0.6	0.7
Utilities	5.0	12.7	4.4	4.2	4.5	4.5	11.0	3.4
Grand Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

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

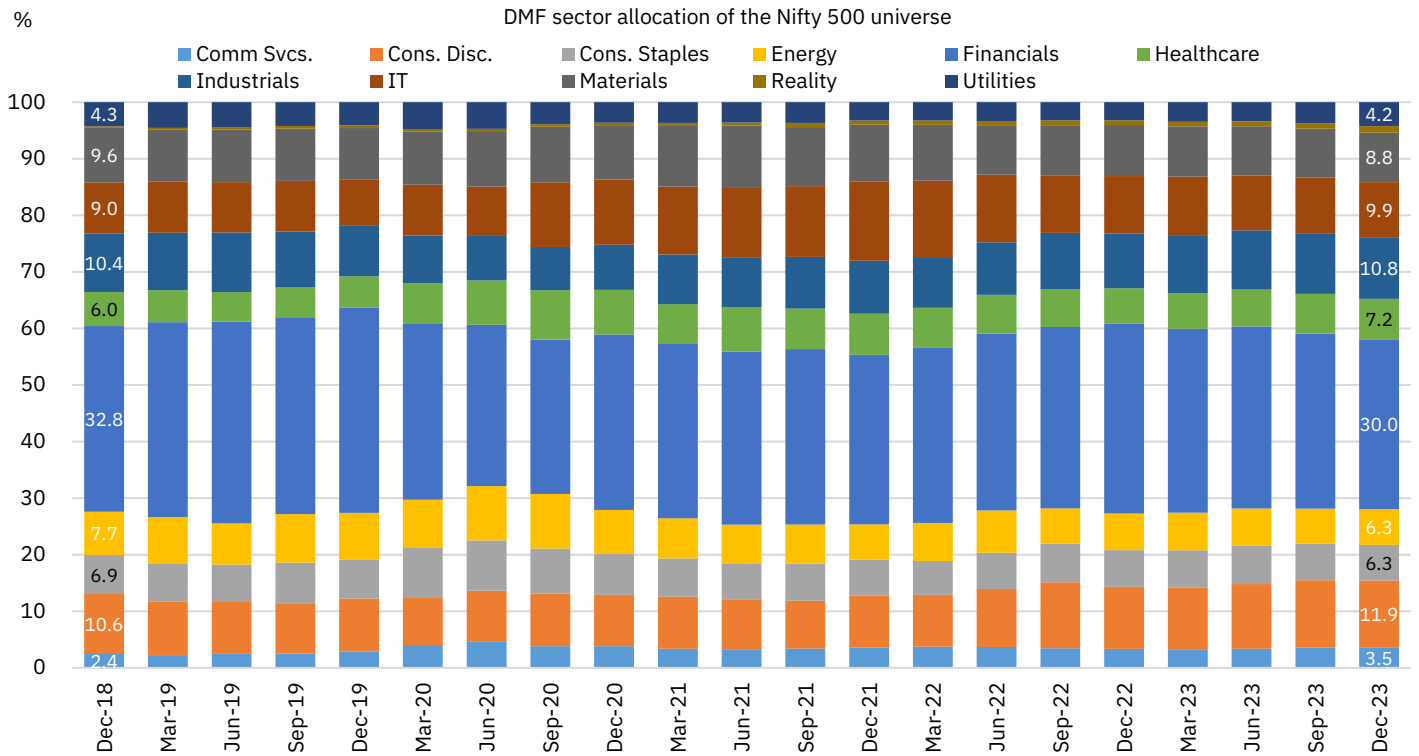
DMFs turned incrementally negative on Financials and Consumer Discretionary: After turning neutral on Financials in June 2023, DMFs cut their exposure further for the fourth quarter in a row, a part of which is attributed to the sector’s underperformance and a cautious view in the light of rising cost of funds and shrinking margins. DMFs strengthened their OW view on Healthcare, with the extent of OW stance rising to four-year high levels. They also maintained an OW stance on Consumer Discretionary, albeit incrementally less so, but retained a strong negative view on Consumer Staples amid weak rural demand recovery and fading margin tailwinds. Among other sectors, DMFs maintained a neutral stance on Industrials and Communication Services with a positive bias, and on Information Technology and Materials with a negative bias.

DMFs continued to cut exposure to Financials, and remained neutral on Industrials for the second consecutive month after perennial over weightage to the sector.

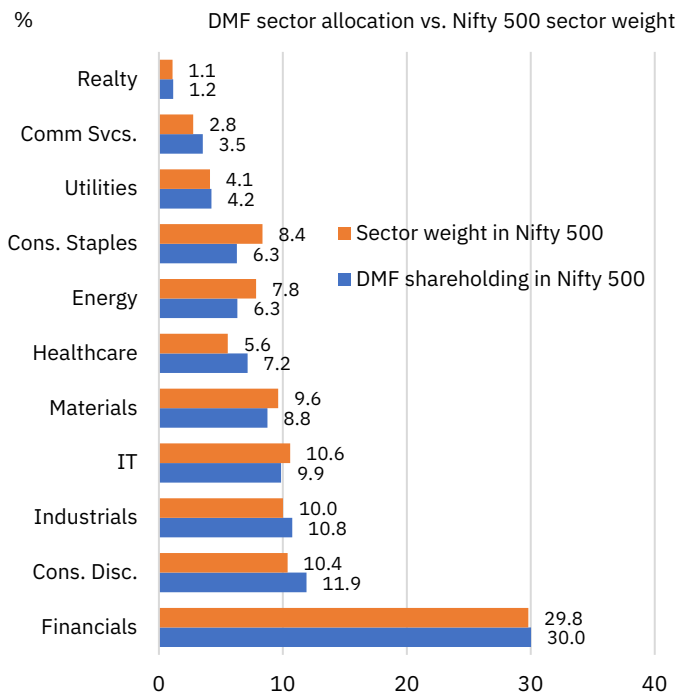
Figure 73: DMF sector allocation of the Nifty 500 universe (September 2023 vs. December 2023)



Source: CMIE Prowess, NSE EPR.

Figure 74: DMF sector allocation of the Nifty 500 universe over last five years


Source: CMIE Prowess, NSE EPR.

Figure 75: DMF sector allocation vs sector weight in Nifty 500 (December 2023)


Source: CMIE Prowess, NSE EPR.

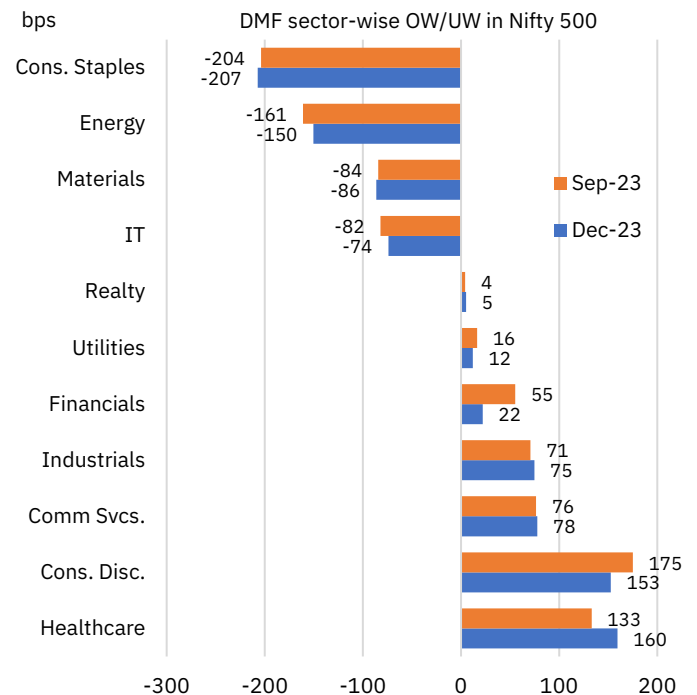
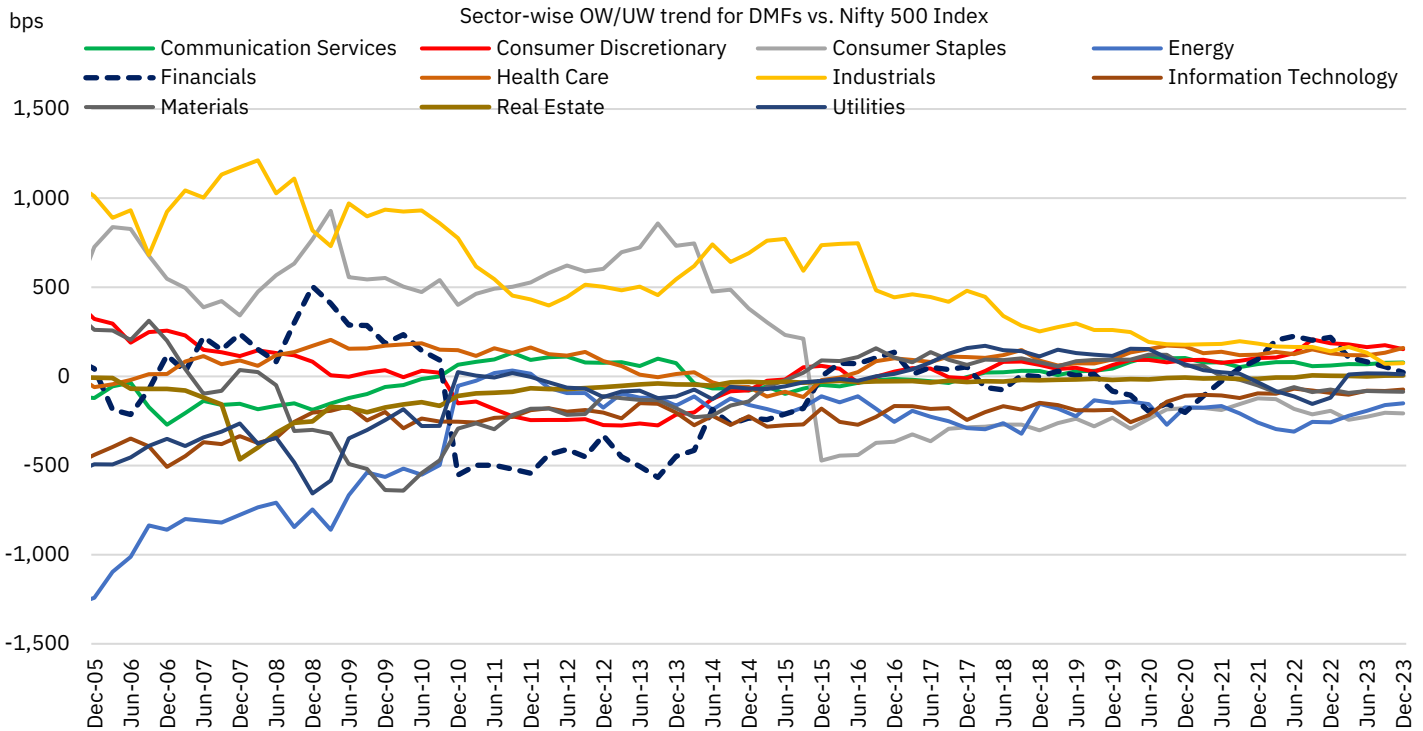
Figure 76: DMF sector-wise OW/UW in Nifty 500 relative to sector weight in the index (December 2023)


Figure 77: DMF vs Nifty 500—Sector-wise OW/UW trend (bps)

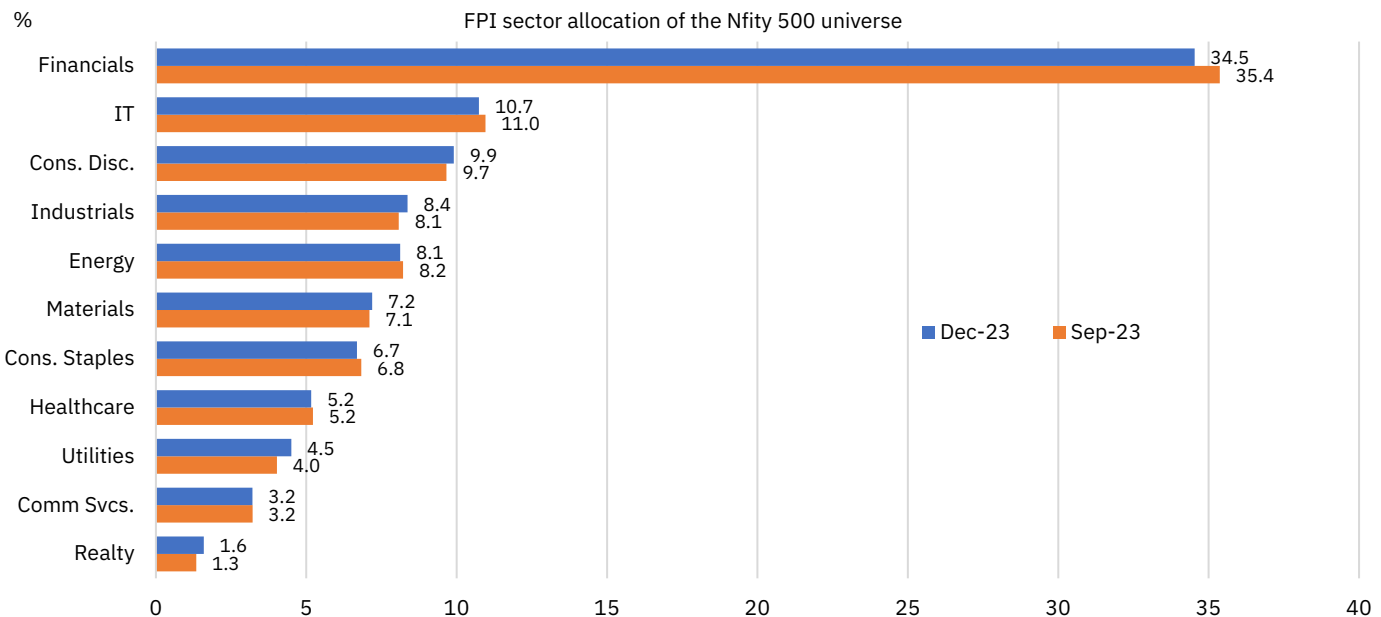


Source: CMIE Prowess, NSE EPR

FPIs’ trimmed their outsized bet on Financials and remained negative on India’s consumption story: FPIs maintained their perennial outsized OW bet on Financials, albeit with an incrementally reduced exposure to the sector. In line with the Nifty 50 Index, no sector other than Financials within the Nifty 500 universe had an OW position of FPIs compared to the Index in the December quarter. Among other sectors, FPIs remained UW on Information Technology, Industrials and Consumer Staples, and maintained their neutral stance on Consumer Discretionary, Communication Services, Energy, Health Care, Real Estate and Utilities.

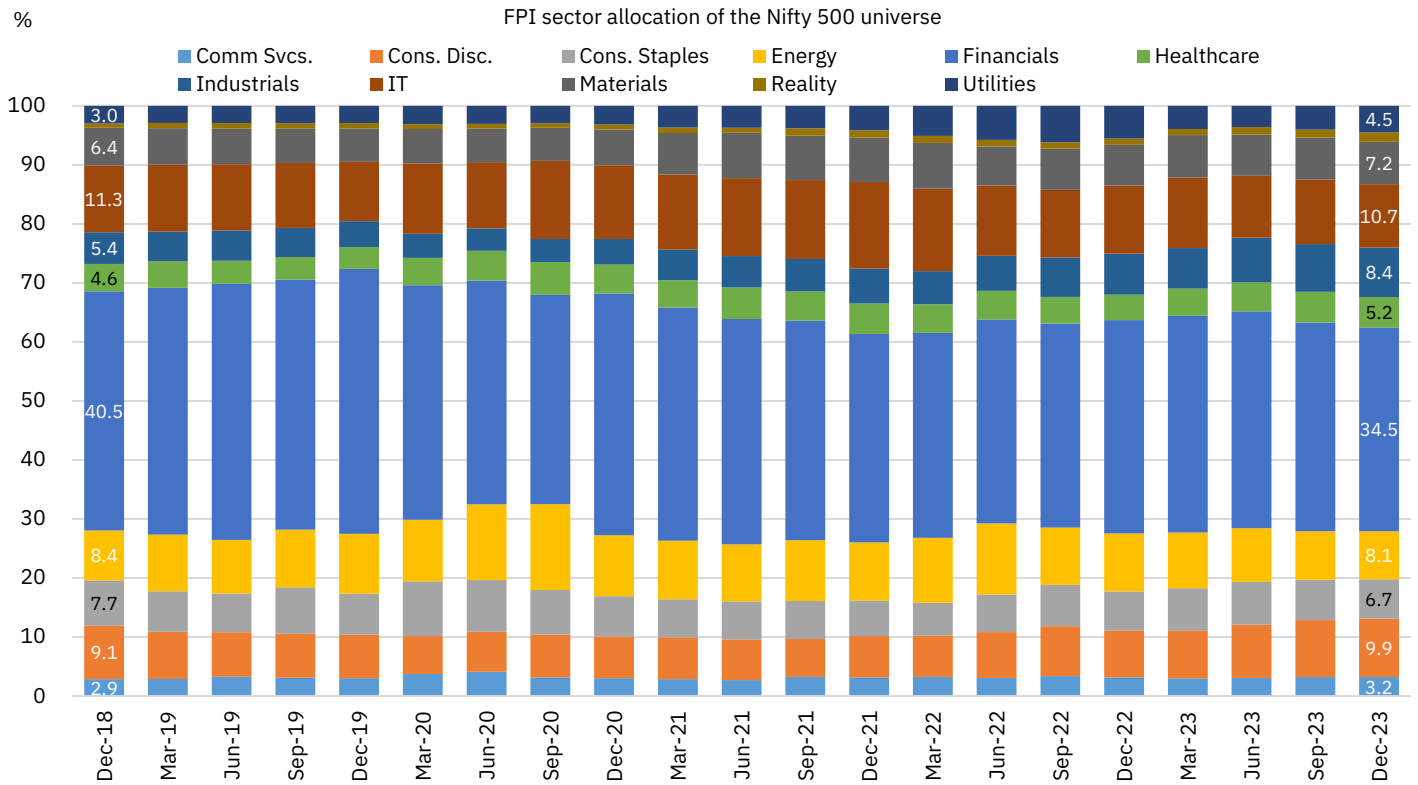
FII’s maintained their outsized bet on Financials and remained bearish on the India’s consumption and investment story via UW positions on Consumer Staples and Industrials.

Figure 78: FPI sector allocation of the Nifty 500 universe (September 2023 vs. December 2023)



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

Figure 79: 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 80: FPI sector allocation vs sector weight in Nifty 500 (December 2023)

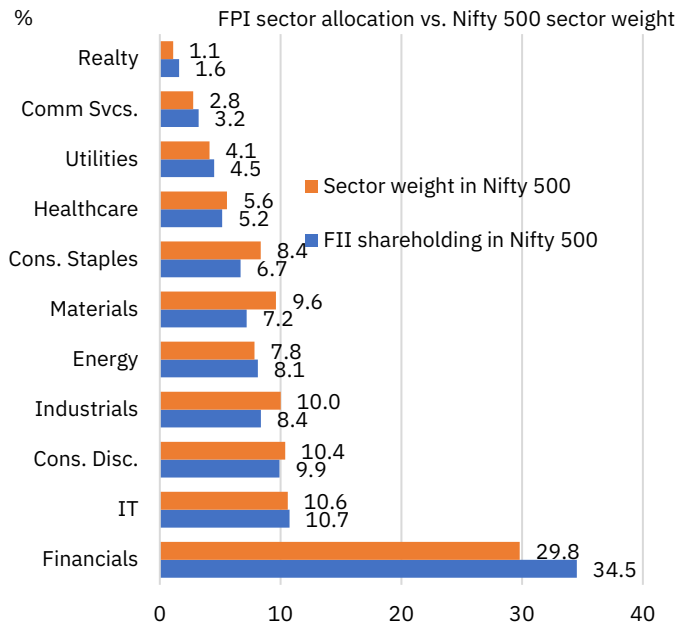
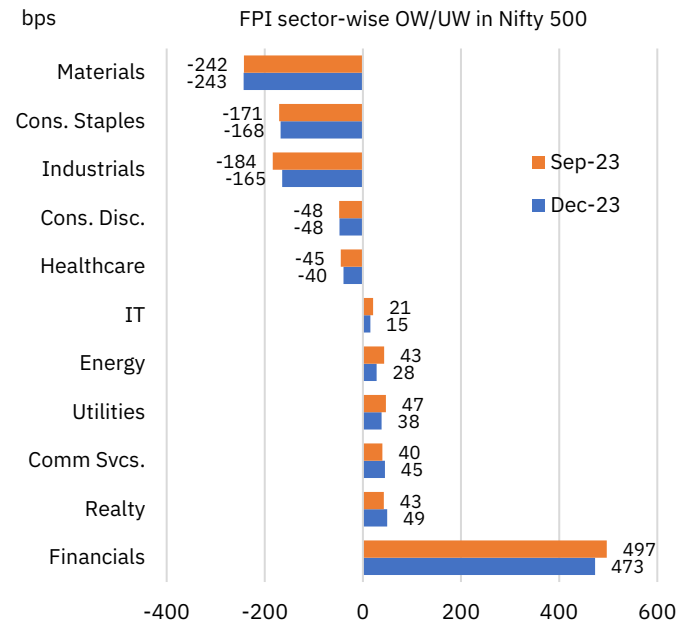
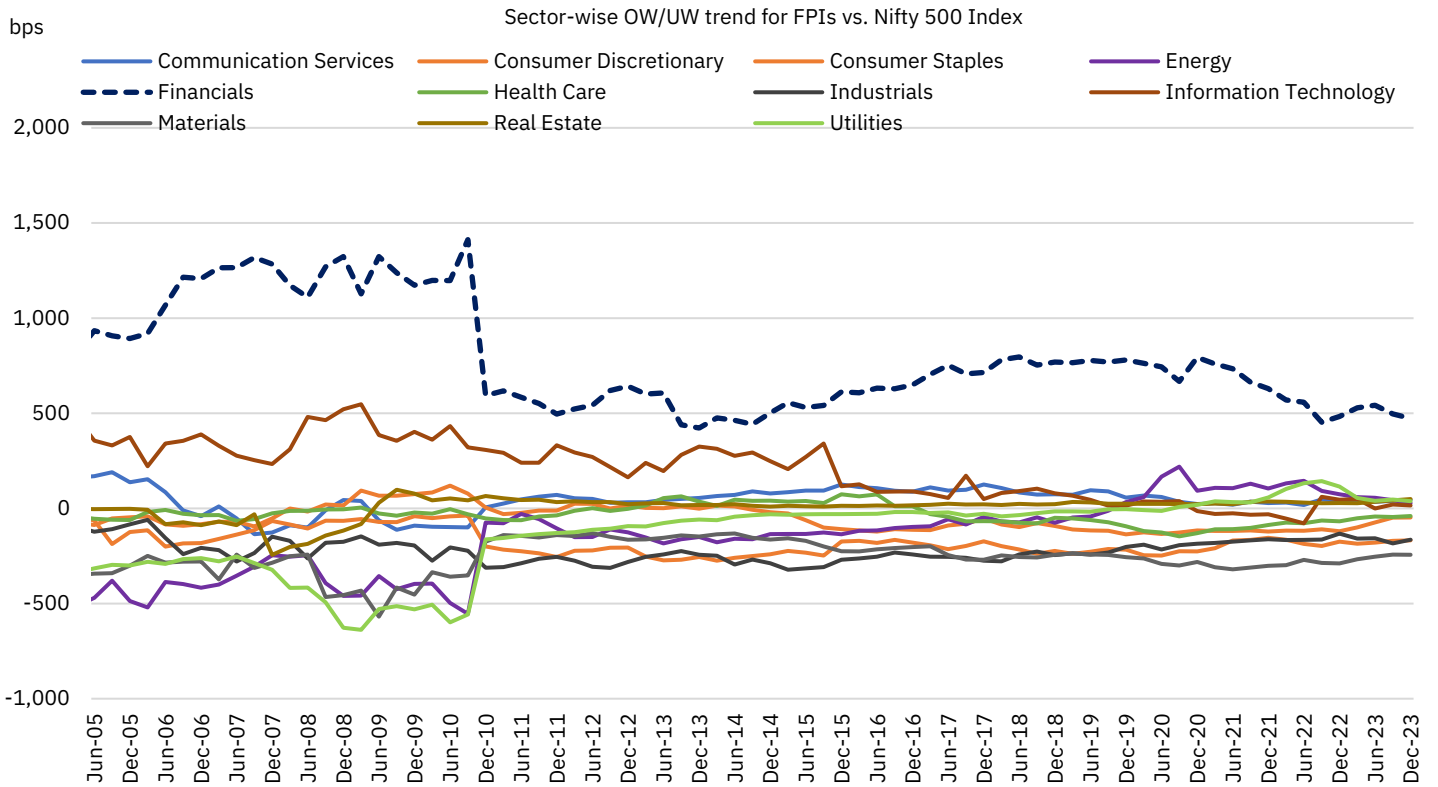


Figure 81: FPI sector-wise OW/UW in Nifty 500 relative to sector weight in the index (December 2023)



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

Figure 82: 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 moderated for the third quarter in a row...

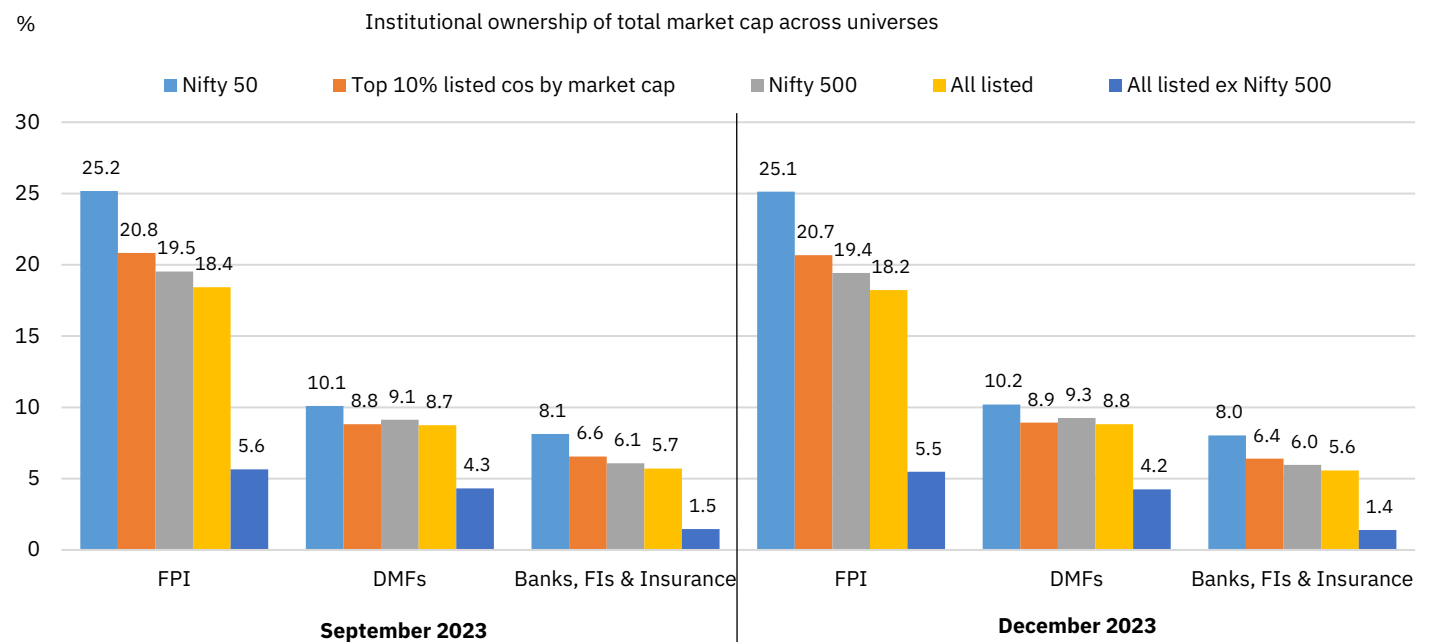
The charts below depict how ownership for all institutional investor categories in the total market cap has changed in the December quarter vis-à-vis the previous quarter.

Institutional investments historically have remained concentrated to Nifty50 companies. In the December quarter, however, share of Nifty50 companies in overall institutional investments fell for the third quarter in a row by 130bps QoQ to a 16-year low of 63.2%. This translates into a 5.9pp drop in the share of Nifty50 companies in overall institutional holding in the NSE listed universe in the first three quarters of this fiscal. This is a result of a combination of incrementally higher allocation to mid- and smaller companies during this period owing to higher inflows in such funds as well as relative outperformance of such companies vis-à-vis the large-cap universe. While the Nifty 50 Index generated a return of 10.7% in the December quarter, Nifty Midcap 50 and Nifty Smallcap 50 Indices gained 13.2% and 21.2% respectively during this period. This is also evident in a steep 6.1pp drop in the share of Nifty 50 market cap in the total market cap of NSE listed companies in the first three quarters of FY24 to two decadal low of 47.6%.

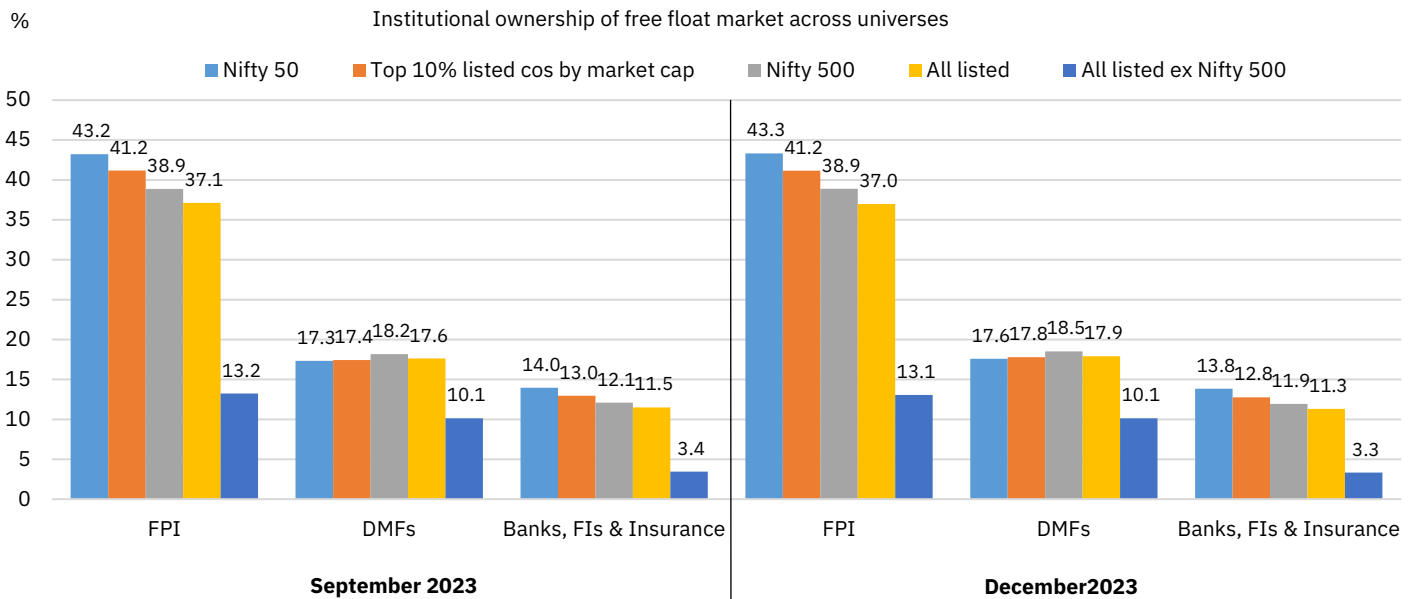
Among institutional investors, Banks, Financial Institutions and Insurance companies had the highest concentration to Nifty 50 companies at more than 18-year low of 68.6%, down 4.4pp in 9MFY24, followed by FPIs at a 16-year low of 65.7% (-6.4pp in 9MFY24) and DMFs at a 23-quarter low of 55.1% (-6.0pp). Notably, all institutional investor categories saw their share in the listed companies excluding Nifty 500 falling marginally in the December quarter.

The share of Nifty50 companies in overall institutional investments has fallen by 5.9pp in the first three quarters of FY24 to a 16-year low of 63.2% as of December 2023.

Figure 83: Institutional share of total market cap (September 2023 vs. December 2023)

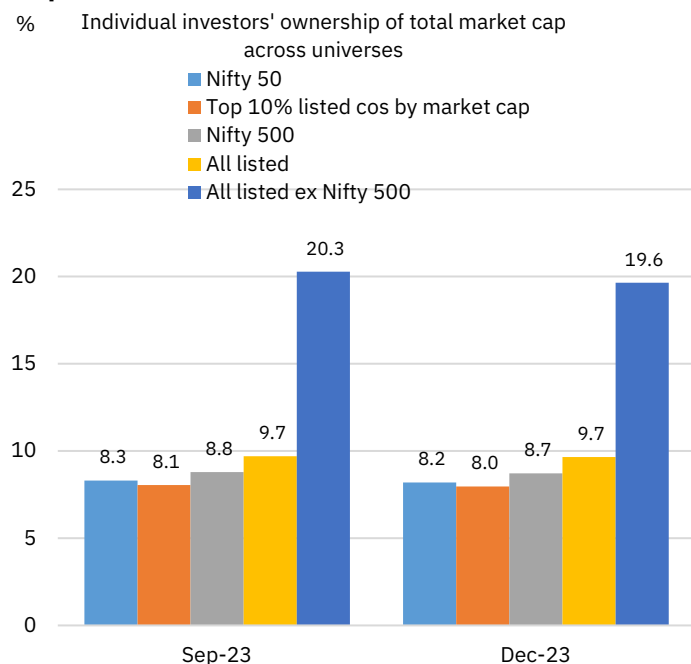


Source: CMIE Prowess, NSE *FPI ownership includes ownership through depository receipts held by custodians.

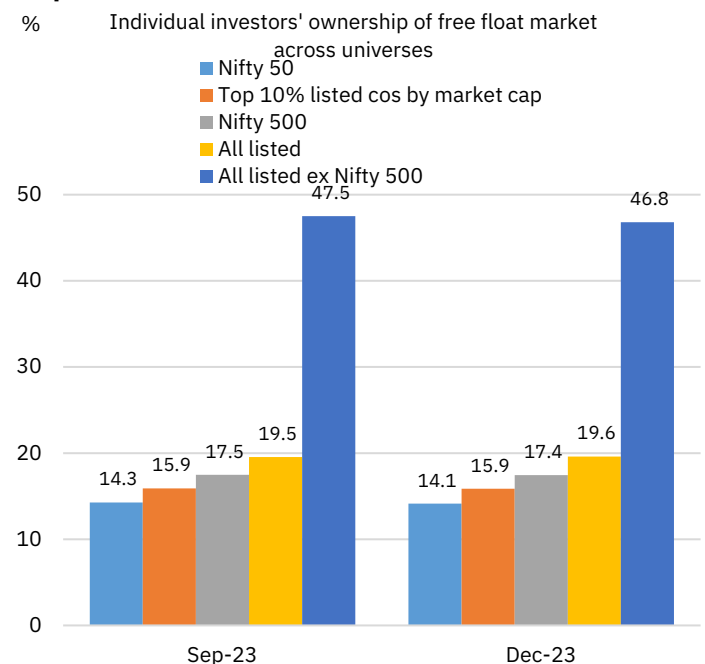
Figure 84: Institutional ownership of floating stock (September 2023 vs. December 2023)


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

...And so is for individual investors...: The drop in the share of Nifty 50 companies in the overall investments of individuals has fallen by a higher quantum this fiscal year. In fact, the share of Nifty 50 companies in the overall direct investment portfolio of individual investors at a 23-quarter low of 40.4% in the December quarter, down 7.4pp in the first three quarters of FY24, is much lower than the share of these companies in the overall listed space (47.6%). This indicates incrementally higher allocation to mid and smaller companies. Individuals owned 19.6% of the total market cap of listed companies excluding the Nifty 500 universe as of December end, marginally lower than 20.3% in the previous quarter. In terms of floating stock, this translates into a share of 46.8%.

Figure 85: Individual share of total market cap (September 2023 vs. December 2023)


Source: CMIE Prowess, NSE EPR.

Figure 86: Individual ownership of floating stock (September 2023 vs. December 2023)


...Even as large caps still account for a disproportionate share of individuals' portfolio:

The tables below summarise the distribution of individuals', DMFs' and FPIs' portfolio across different market capitalisation deciles within the NSE listed universe. While the share of large-cap companies in the institutional as well as individuals' portfolio has been declining over the last few quarters, they still contribute to a disproportionate share of their portfolios. For instance, individual investors have nearly 65% of their portfolio invested in the top decile companies by market capitalisation (about 200), with the next decile contributing another 14%. Notably, the bottom 50% of the NSE listed companies by market capitalisation account for a mere 4.1% of the individuals' total holding, even as the share has nearly tripled since the pandemic. While a large part of this is attributed to a significant rally seen in smaller companies during the last few years, it is also due to incrementally higher allocation of smaller companies in the individuals' portfolio. 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 nearly 90% of their investments made in the top 200 companies by market capitalisation (top decile), DMFs have a nearly 10pp lower share of such companies in their investment portfolio. That said, 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

	FY20	FY21				FY22				FY23				FY24		
	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec
1	79.6	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
2	10.3	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
3	5.0	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
4	2.3	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
5	1.4	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
6	0.7	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
7	0.4	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
8	0.2	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
9	0.1	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
10	0.0	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

Source: CMIE Prowess, NSE EPR.

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

Rs lakh crore	FY20	FY21				FY22				FY23				FY24		
	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec
1	7.5	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
2	1.0	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
3	0.5	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
4	0.2	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
5	0.1	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
6	0.1	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
7	0.0	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
8	0.0	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
9	0.0	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
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
Total	9.4	12.0	13.8	16.8	18.3	21.4	24.0	25.4	25.3	22.9	24.7	25.6	23.8	27.4	30.5	34.7

Source: CMIE Prowess, NSE EPR.

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

	FY20	FY21				FY22				FY23				FY24		
	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec
1	87.1	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
2	9.8	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
3	2.2	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	0.7	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
5	0.2	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
6	0.0	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
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
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
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
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

Source: CMIE Prowess, NSE EPR.

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

Rs lakh crore	FY20	FY21				FY22				FY23				FY24		
	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec
1	7.7	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
2	0.9	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
3	0.2	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
4	0.1	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
5	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	0.2
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
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
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
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
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
Total	8.8	10.8	11.7	13.8	14.7	16.5	18.9	19.6	20.1	19.1	21.3	22.6	22.2	25.1	27.5	31.7

Source: CMIE Prowess, NSE EPR.

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

	FY20	FY21				FY22				FY23				FY24		
	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec
1	93.5	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
2	4.9	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
3	1.2	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
4	0.3	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
5	0.1	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
6	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	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
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
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
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

Source: CMIE Prowess, NSE EPR.

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

Rs lakh crore	FY20	FY21				FY22				FY23				FY24		
	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec
1	21.8	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
2	1.1	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
3	0.3	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
4	0.1	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
5	0.0	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
6	0.0	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
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
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
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
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
Total	23.3	27.9	31.5	40.6	43.6	47.2	53.0	51.9	50.2	44.3	49.8	52.6	48.6	55.4	58.0	65.5

Source: CMIE Prowess, NSE EPR.

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

	FY20	FY21				FY22				FY23				FY24		
	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec
1	87.1	84.6	85.4	84.0	84.4	81.5	82.8	81.0	81.5	82.1	80.0	82.0	80.9	79.6	79.1	78.9
2	8.3	9.5	9.2	9.5	9.6	10.6	10.0	10.9	10.5	10.2	11.0	10.1	10.6	11.1	11.1	11.2
3	2.6	3.1	3.0	3.5	3.3	4.1	3.8	4.1	4.0	3.8	4.3	3.9	4.2	4.4	4.7	4.8
4	1.0	1.3	1.2	1.5	1.4	1.9	1.7	1.9	1.9	1.8	2.2	1.9	2.0	2.3	2.3	2.4
5	0.5	0.7	0.6	0.8	0.7	1.0	0.9	1.0	1.0	1.0	1.2	1.1	1.1	1.3	1.3	1.3
6	0.2	0.4	0.3	0.4	0.3	0.5	0.4	0.6	0.6	0.6	0.7	0.6	0.6	0.7	0.7	0.7
7	0.1	0.2	0.1	0.2	0.2	0.3	0.2	0.3	0.3	0.3	0.4	0.3	0.3	0.4	0.4	0.4
8	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.1	0.2	0.2	0.2	0.2	0.2	0.2
9	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	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

Source: CMIE Prowess, NSE EPR.

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

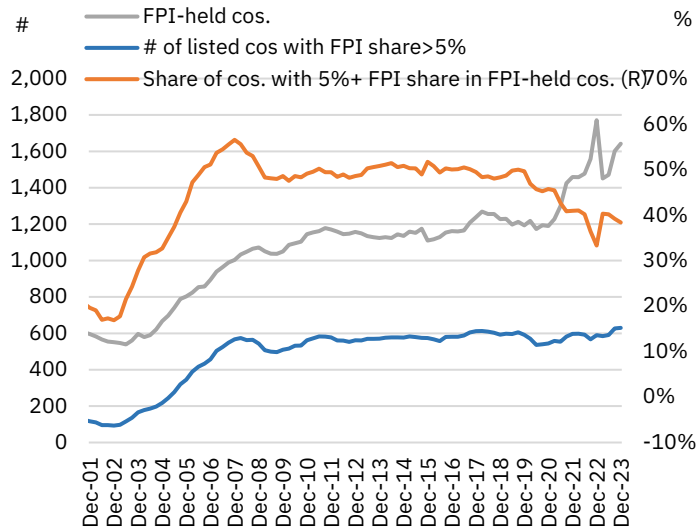
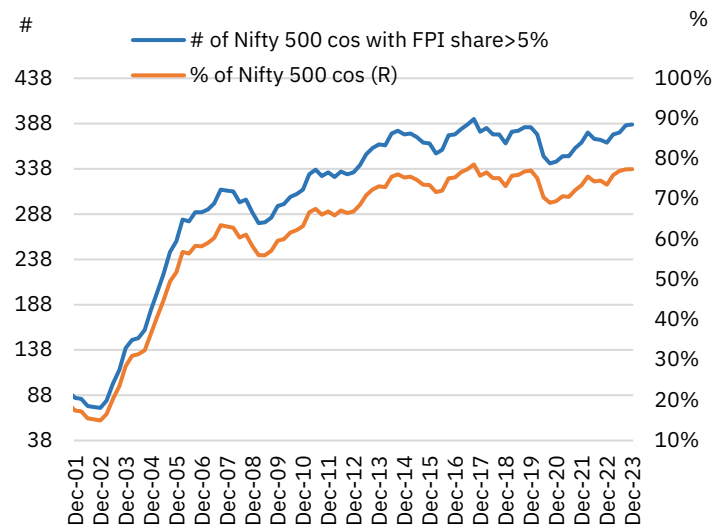
Rs lakh crore	FY20	FY21				FY22				FY23				FY24		
	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec
1	97.5	117.1	130.8	156.9	171.4	185.9	213.7	213.0	212.7	197.3	214.0	228.7	205.5	232.0	249.1	283.7
2	9.3	13.1	14.0	17.7	19.4	24.3	25.8	28.6	27.3	24.5	29.3	28.0	26.9	32.3	35.0	40.3
3	2.9	4.4	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
4	1.1	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
5	0.6	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
6	0.3	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
7	0.1	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
8	0.1	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
9	0.0	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
10	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.1	0.0	0.1	0.1	0.1
Total	112.0	138.4	153.1	186.7	203.1	228.2	258.0	263.0	261.0	240.5	267.4	278.9	254.2	291.2	314.8	359.5

Source: CMIE Prowess, NSE EPR.

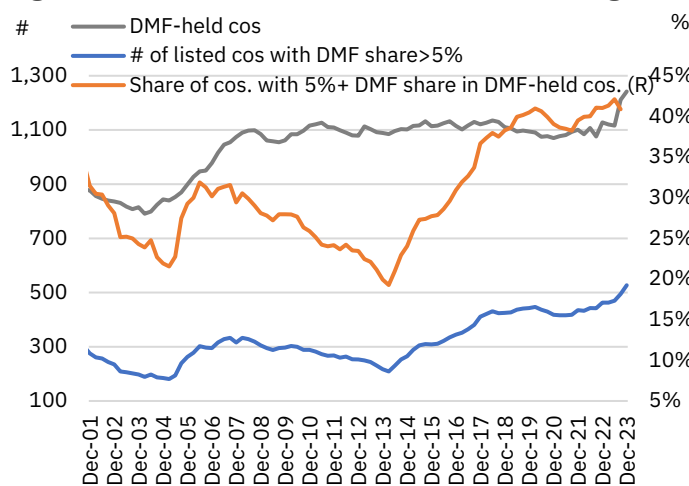
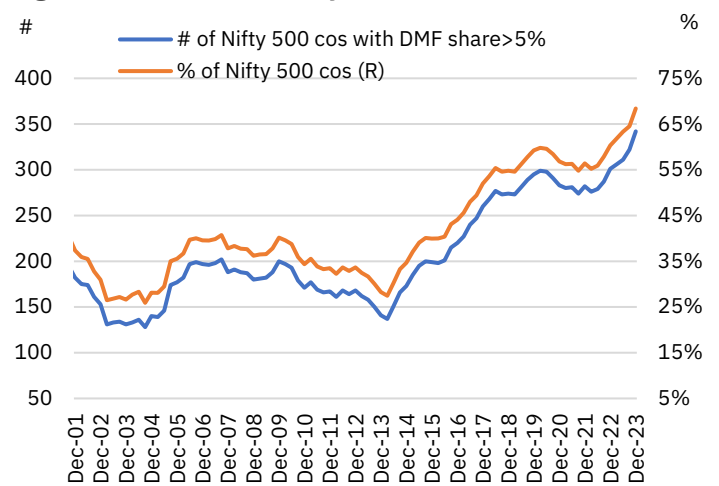
Ownership concentration in terms of no. of companies with holding greater than 5%:

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. After dropping sharply to about 1470+ in June 2023, the number of companies held by FPIs increased for two straight quarters, currently standing at nearly 1650 in December 2023. The number of companies where FPI holding is greater than 5%, however, stayed at 630 (vs 627 in Sep'23), indicating that while FPIs have expanded their pool of companies, they have not necessarily chosen to have big bets on them. That said, a part of this increase can also be attributed to several new companies getting listed this year (194 in Apr'23-Feb'24 vs. 101 in FY23).

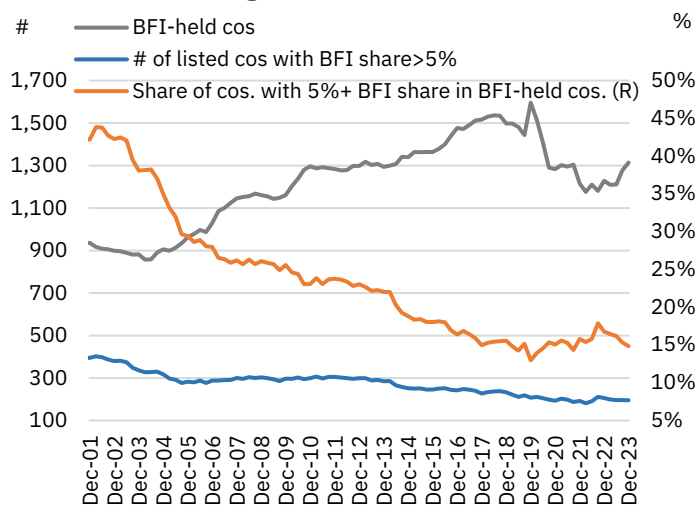
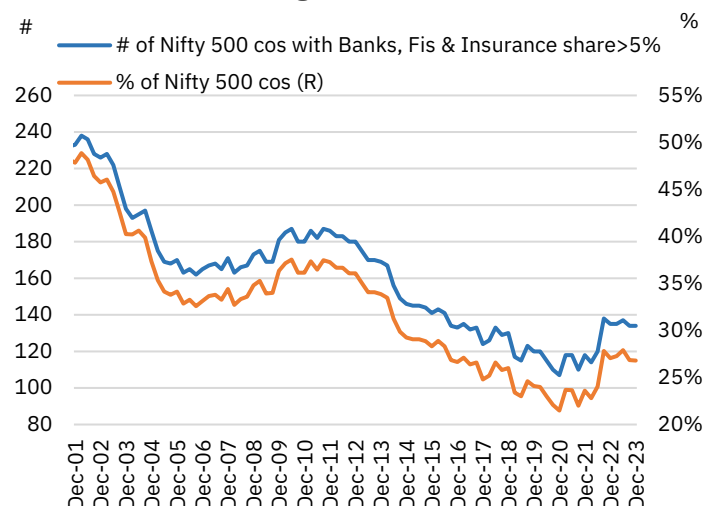
In line with foreign investors, the number of companies held by DMFs increased by about 30 to nearly 1250 in the December quarter. The number of companies in which DMFs hold more than 5% stake also went up commensurately to 527 in the quarter gone by. As a result, the ratio of count of such companies to the total number of DMF-owned companies in the NSE-listed universe rose significantly to an all-time high level of 42.4%.

Figure 87: Number of listed cos with FPI holding >5%

Figure 88: Number of Nifty500 cos with FPI holding >5%


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

Figure 89: Number of listed cos with DMF holding >5%

Figure 90: Number of Nifty500 cos with DMF share >5%


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

Figure 91: Number of listed companies with Banks, FIs & Insurance holding >5%

Figure 92: 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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