

## Cash Holding Trends in Equity MFs as of March 2026

### Cash Reserves Across AMCs: Who's Holding How Much?

- **Mutual Funds Deploy Cash Aggressively Amid Market Correction:** Mutual funds turned record buyers in Indian equities in March, investing ₹98,746 crore, the highest-ever monthly buying, as they used the market correction to deploy money actively. Meanwhile, cash holdings declined to ₹1.86 lakh crore from ₹2.10 lakh crore in February. As a result, the cash-to-equity AUM ratio edged lower, indicating stronger equity deployment despite healthy inflows.
- **AMC Cash Levels Ease, but Caution Persists:** The average cash holding ratio across the top 20 AMCs eased to 5.16% in March from 5.39% in February, reflecting higher cash deployment as market opportunities improved. However, with equity AUM under pressure and the ratio still above 5%, fund managers appear to be maintaining a cautious stance while retaining sufficient liquidity to manage volatility and capitalise on emerging opportunities.
- **Equity MF Inflows Rebound; SIP Flows Hit Record High:** Equity-oriented mutual fund inflows jumped 56% MoM to an 8-month high of ₹40,450 crore in March, signalling a strong rebound in investor interest. Meanwhile, SIP inflows touched a record ₹32,087 crore, underscoring the continued strength of retail participation despite volatile market conditions.

### Cash-Heavy AMCs: PPFAS Leads with 21.76%

- **PPFAS Mutual Fund** holds the highest cash-to-AUM ratio at 21.76% (₹29,327 Cr), reflecting a distinctly defensive stance with strong flexibility for future deployment. **Quant MF** follows with a notable 13.82% (₹10,005 Cr), while **Axis MF** (9.31%) and **Bandhan MF** (6.31%) also maintain relatively elevated cash allocations, indicating a cautious yet opportunity-driven investment approach.
- Among the larger fund houses, **SBI Mutual Fund** holds one of the largest cash reserves at ₹27,463 Cr (3.98%), followed by **HDFC Mutual Fund** with ₹21,353 Cr (5.08%) and **ICICI Prudential Mutual Fund** at ₹17,290 Cr (3.53%), highlighting healthy liquidity buffers.
- **Franklin Templeton** (4.88%), **Tata MF** (4.86%) and **DSP MF** (4.81%) continue to maintain moderately higher cash levels, signalling preparedness to navigate market volatility while retaining flexibility to capitalise on emerging investment opportunities.

### Top 20 AMCs Holding the Largest Cash Piles

#### Based on Equity-Oriented Mutual Fund Schemes

AMC	Equity Allocation (₹ Cr)	Cash Holding (₹ Cr)	Cash as % of AUM
SBI MF	662,312	27,463	3.98
ICICI Pru MF	472,829	17,290	3.53
HDFC MF	399,219	21,353	5.08
Nippon India MF	398,052	7,811	1.92
UTI MF	242,376	2,972	1.21
Kotak MF	226,863	5,711	2.46
Axis MF	160,434	16,469	9.31
Mirae MF	148,302	1,920	1.28
Aditya Birla SL MF	135,957	2,485	1.79
PPFAS MF	105,451	29,327	21.76
DSP MF	104,979	5,304	4.81
Motilal Oswal MF	100,686	3,123	3.01
Franklin Templeton MF	84,162	4,317	4.88
Canara Robeco MF	82,430	3,063	3.58
Tata MF	72,465	3,699	4.86
Bandhan MF	70,973	4,779	6.31
Invesco MF	66,476	1,379	2.03
HSBC MF	63,655	2,266	3.44
Quant MF	62,385	10,005	13.82
Sundaram MF	40,915	1,730	4.06

\*Source: ACE MF; data as of 31st March 2026.

\*Average of Cash Holding Ratio= simple average of the cash-to-AUM ratios of the AMCs.

## Cash Reserves Across Equity MF Categories: A Deep Dive

- ❖ **Contra & Flexi Cap Funds Remain Cash Leaders:** Contra Funds continue to top the liquidity spectrum with an **11.77% cash-to-AUM ratio**, reflecting a cautious yet opportunity-oriented stance. Flexi Cap Funds follow with **9.38% in cash (₹47,557 Cr)**, underscoring their flexibility to dynamically allocate across market segments as opportunities evolve.
- ❖ **Focused & Small Cap Funds Hold Elevated Buffers:** Focused Funds maintain **6.91% cash (₹10,786 Cr)** to support their concentrated investment approach, while Small Cap Funds hold **6.94% (₹23,235 Cr)**, indicating prudence amid higher volatility in the small-cap universe.

### Equity MF Categories & Their Cash Pile: A Comparative View

Category	Equity Allocation (₹ Cr)	Cash Holding (₹ Cr)	Cash as % of AUM
Contra Fund	58,316	7,781	11.77%
Flexi Cap Fund	459,533	47,557	9.38%
Dividend Yield Fund	26,999	2,078	7.15%
Small Cap Fund	311,591	23,235	6.94%
Focused Fund	145,309	10,786	6.91%
Value Fund	121,035	6,932	5.42%
Mid Cap Fund	399,595	21,013	5.00%
Sector/Thematic Fund	454,952	22,785	4.77%
Large Cap Fund	351,953	16,840	4.57%
Multi Cap Fund	192,711	8,604	4.27%
Large & Mid Cap Fund	288,155	11,722	3.91%
ELSS Fund	211,392	5,773	2.66%

## Breaking Down Cash Reserves Across Equity MF Schemes

- ❖ **Flexi Cap Funds Lead in Cash Intensity:** Parag Parikh Flexi Cap Fund holds the **highest cash-to-AUM ratio at 22.25% (₹28,698 Cr)**, signalling a defensive yet opportunity-ready stance. HDFC Flexi Cap Fund follows with **₹6,327 Cr in cash, or 6.93% of AUM**, indicating liquidity available for tactical deployment as market conditions evolve.
- ❖ **Contra, Focused & Small Cap Schemes Hold Strong Buffers:** SBI Contra Fund maintains high liquidity at **16.33% (₹7,143 Cr)**, reflecting a cautious yet opportunistic approach. SBI Focused Fund holds **10.58% (₹4,206 Cr)** in cash, while SBI Small Cap Fund and HDFC Small Cap Fund maintain **11.76%** and **10.30%** respectively, highlighting prudent buffers amid market volatility.

### Top 10 Equity MF Schemes with High Cash Stash

Scheme Name	Category	Equity Allocation (₹ Cr)	Cash Holding (₹ Cr)	Cash as % of AUM
Parag Parikh Flexi Cap Fund	Flexi Cap Fund	100,268	28,698	22.25%
SBI Contra Fund	Contra Fund	36,611	7,143	16.33%
HDFC Mid Cap Fund	Mid Cap Fund	78,855	6,503	7.62%
HDFC Flexi Cap Fund	Flexi Cap Fund	85,008	6,327	6.93%
SBI Focused Fund	Focused Fund	35,533	4,206	10.58%
ICICI Pru Large Cap Fund	Large Cap Fund	66,014	3,934	5.62%
SBI Small Cap Fund	Small Cap Fund	28,488	3,797	11.76%
Axis Midcap Fund	Mid Cap Fund	25,060	3,774	13.09%
HDFC Small Cap Fund	Small Cap Fund	30,252	3,473	10.30%
Axis Large Cap Fund	Large Cap Fund	25,271	3,391	11.83%

\* Source: ACE MF; data as of 31st March 2026.