

MFs offloaded shares in PowerGrid, InterGlobe Aviation in May

Sell-off in PowerGrid was led by a large AMC: Morningstar

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The mutual fund industry has offloaded 22 per cent of PowerGrid Corporation shares worth ₹1,905 crore in May, as prospects of the company looked bleak with no major new power project being launched and a sharp decline in power generation.

Kaustubh Belapurkar, Director (Fund Research), Morningstar, said the recent sell-off in the PowerGrid stock in May was largely due to offloading by one large AMC which had been holding the stock for a long time and

looked to book some profit.

Led by investment in NTPC at ₹2,700 crore, mutual funds' investment in power companies so far this year was up at ₹28,000 crore (₹26,000 crore), he added.

Mutual funds have also sold shares of InterGlobe Aviation and Pidilite Industries worth ₹523 crore and ₹297 crore, respectively.

IndiGo's woes

Among small- and mid-cap stocks that were hived off by mutual funds are Cyient (₹133 crore), Recco Home Finance (₹118 crore), Crisil (₹111 crore), Reliance Infrastructure (₹95 crore) and PC Jeweller (₹93 crore).

While rising fuel prices have put pressure on margins of air-

Holdings in small-caps		
Stock	Value (₹ cr)*	As a % of sector
Tata Chem	4,237	0.48
Divi's Labs	4,178	0.48
Max Fin	3,767	0.43
Chola	3,733	0.43
Bharat Fin	3,615	0.41

*Total value of MF holdings

lines, IndiGo has its own set of problems with multiple aircraft being grounded by the Directorate General of Civil Aviation due to engine issues, leading to weak outlook on airline stocks, said Belapurkar.

The exposure of mutual funds to aviation stocks is down 35 per cent this year to ₹3,200 crore

Holdings in large-caps		
Stock	Value (₹ cr)*	As a % of sector
HDFC Bank	53,104	6.07
ICICI Bank	27,652	3.16
Infosys	27,177	3.11
SBI	23,454	2.68
L&T	23,051	2.64

*Total value of MF holdings

(₹4,900 crore). Majority of the investments are in InterGlobe Aviation (₹2,600 crore).

Prominent scrips

Fund houses have sold close to ₹1,200 crore in InterGlobe Aviation and ₹200 crore in Jet Airways so far this year.

HDFC and Infosys were on top

of the buying list of large-cap funds, with share purchases of ₹1,424 crore and ₹1,145 crore, respectively. Fund houses mopped up 14 per cent in HCL Technologies for ₹935 crore, while ITC attracted an investment of ₹952 crore.

HDFC Bank topped the list of mutual fund holdings at ₹53,104 crore, while ICICI Bank and Infosys followed with investment of ₹27,652 crore and ₹27,177 crore, respectively.

With investment of ₹4,237 crore and ₹4,178 crore, Tata Chemicals and Divi's Labs topped the small- and mid-cap holdings, followed by Max Financial Services (₹3,767 crore) and Cholamandalam Investment & Financial Services (₹3,733 crore).