

# MFs pare Zee holdings after Sony merger fallout

Shares held by active MF schemes dip 40% to touch 173 mn

Fund house	Shares held*	Current value** (₹ crore)
HDFC	54.4	901
ICICI Pru	44.8	742
Nippon India	25.0	414
ABSL	20.3	336
Kotak	14.9	247
Tata	3.0	50
DSP	2.6	43
Franklin Templeton	2.1	35
UTI	2.0	34
Bandhan	1.5	25

\*Shares held by active schemes as of January 31; \*\*At Wednesday's closing  
Arbitrage and equity savings schemes not considered Source: PRIME Database

Mutual funds (MFs) pared their holdings in Zee Entertainment by 40 per cent in January after the planned \$10 billion merger with the Sony Group Corp got called off. At the end of January, 67 active MF schemes were holding 173 million shares, valued at nearly ₹3,000 crore. At the end of December 2023, 102 schemes were holding 243 million shares.

The stock went into a free fall, declining 37 per cent in January, after about a dozen brokerages reduced their ratings on Zee and derated the stock. Shares of Zee are down nearly 5 per cent so far this month. Mahindra Manulife, PPFAS and ITI, which had small holdings in Zee as of December, exited the stock completely in January. According to the

latest MF portfolios, HDFC, ICICI Prudential and Nippon had the highest exposure to Zee Entertainment among fund houses, shows data from Prime Database. Nippon MF had sold half of its holding in January. During the three-month period ended December 2023 shareholding data, the MF holding in the broadcaster rose by 2.4 percentage points (ppts) to 32.5 per cent and retail shareholding rose 1.38 ppts to 12.41 per cent.

Meanwhile, foreign portfolio investors (FPIs) cut their stake in Zee Entertainment Enterprises by over 6 ppts to 28.2 per cent during the three-month period. The churn seen in January will reflect in the March quarter shareholding data, which will be released in April.

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