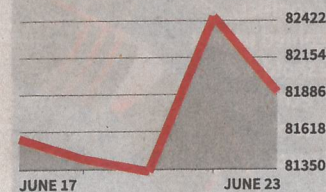


the hindu businessline

SENSEX 81896.79 (-511.38)

IN FOCUS



	LATEST	CHANGE
Nifty 50	24971.90	-140.50
P/E Ratio (Sensex)	23.45	+0.40
US Dollar (in ₹)	86.72	+0.14
Gold Std 10 gm (in ₹)	98950.00	+654
Silver 1 kg (in ₹)	107063.00	+288

NO BASMATI WORRY.

India's basmati rice exports to Iran will likely be at last year's level. However, one lakh tonnes are held up at ports **p10**



DEEP DIVE.

Tepid bank credit growth of 11% in 2024-25 has raised eyebrows after the robust 20% surge in 2023-24 **p8**

BENGALURU - CHENNAI - COIMBATORE - HUBBALLI - HYDERABAD - KOCHI - KOLKATA - MADURAI - MALAPPURAM - MANGALURU - MUMBAI - NOIDA - THIRUVANANTHAPURAM - TIRUCHIRAPALLI - VIJAYAWADA - VISAKHAPATNAM

RNI No. UPENG/2022/86886

MFs 'stocking up' via bulk and block deals

QUALITY PORTFOLIO. This route avoids volatility, price slippage

Suresh P. Iyengar
Mumbai

Mutual funds have emerged as aggressive buyers in the bulk and block deal space over the past three to four months, capitalising on discounted valuations and growing market volatility.

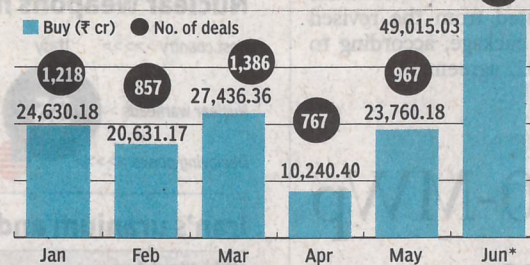
This strategic shift allows them to acquire large quantities of shares without triggering price distortions. Among the top 20 bulk and block deals so far this year, mutual funds have participated in four, with SBI MF, ICICI MF and HDFC MF leading the charge.

An analysis of deals since January shows domestic funds accounted for 20 per cent of the top transactions, primarily where promoters or private equity players were offloading stakes.

SBI Mutual Fund invested ₹12,303 crore while ICICI MF pumped in ₹4,232 crore, followed by Kotak MF and Motilal Oswal at ₹2,578 crore and ₹2,156 crore respectively, according to Prime Database.

That all the four fund houses restricted their investments to 10 deals shows

Block deal blitz



Source: primedatabase.com; * As of June 18

their selective approach to entering these deals.

AMPLE LIQUIDITY

Pranav Haldea, MD, Prime Database Group, said the steady rise in bulk and block deals points to sufficient liquidity in the hands of investors even as it boosts foreign investors' confidence in Indian markets in terms of ease of exit (and entry).

Typically, large institutional investors find it convenient to take the block deal route as they can take a position in a stock at a known price without the fear of impact cost. The MF industry has been requesting SEBI to increase the cap on discount over the previous day's closing price that can be offered

under block deals, said Haldea.

Swapnil Aggarwal, Director, VSRK Capital, said MFs prefer bulk and block deals "to strategically accumulate quality stocks with less volatility and better pricing control".

Anil Rego, Founder and Fund Manager, Right Horizons PMS, said block deals — executed during special trading windows at predetermined prices — help MFs avoid market volatility and price slippage when making large investments.

Passive funds also stand to benefit as SEBI's proposed third block deal window during the closing auction session could help them reduce tracking errors, he said.