

At \$51 b, sell-downs rise 88% YTD

BLOCKBUSTER DEALS. June saw highest sell-offs at over \$12 billion; BAT Plc, Antfin, Blackstone cashed out

Janaki Krishnan
Mumbai

Block and bulk deals have gained momentum and sell-downs through such transactions in 2024 have risen over 88 per cent year to date to \$51.4 billion, driven by soaring stock market valuations.

In the same period a year ago, sell-offs worth a little over \$27 billion took place, according to data provided to *businessline* by Prime Database.

UPBEAT Q3

June saw the highest amount of sell-offs at over \$12 billion. The first quarter of 2024 saw over \$23 billion of sell-offs. The second quarter saw a slight dip, especially in the first two months when the equity markets witnessed considerable volatility in the

midst of the General Elections. The momentum is upbeat in the third quarter as the data show.

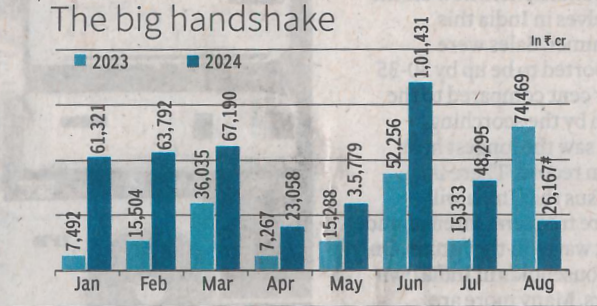
SOARING STOCK PRICES

“The sell-downs are motivated by the soaring stock market valuations – both on the primary IPO market and in secondary trades,” said Vivek Singla, CIO, Private Equity, InCred Alternative Investments.

“Today, promoters and financial sponsors are finding valuations and liquidity attractive enough to approach the public markets,” he said.

The still incredible rally in the markets has provided both promoters and private equity (PE) firms the opportunity to either pare stake or exit.

“More and more exits are beating the return



Source: primedatabase.com; #Till August 21

thresholds,” said Singla. This was due to three factors — the strength of the Indian economy, change in geopolitical dynamics and surge in global liquidity. They were “all aligning to bring India its due from global investors,” he added.

The two largest deals this year was BAT Plc selling stake in its Indian subsidiary ITC for ₹17,485 crore and

Vodafone Plc selling stake in Indus Towers for ₹15,637 crore.

Other notable deals were Blackstone selling 15 per cent stake in Mphasis for ₹6,736 crore and Brookfield Asset Management selling stake in Data Infrastructure Trust for ₹6,647 crore.

August has seen a rash of blocks and bulks with Antfin selling over 2 per cent stake

in Zomato for ₹4,772 crore, and Blackstone nearly halving its stake in Nexus Select Trust for ₹4,239 crore.

PE MAJOR SELLERS

As the data show, PE firms have particularly been major sellers following their own compulsions for returns to their investors or to churn investments.

“PE firms rotate capital all the time. While some of them do re-invest proceeds from exits of previous deals, others may choose to redistribute the proceeds outright to their investors,” said Singla.

“However, a PE firm may have multiple live funds at the same time; while an earlier vintage fund may be a seller in today’s market, a new fund from the same firm may be a buyer hunting for deals,” he explained.