

Block deals surge 60% in 2024 as promoters, PEs divest stakes

CHANGING HANDS. H1 saw sell-offs worth ₹3.53 lakh crore, second half of the year witnessed ₹2.74 lakh crore

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Private equity firms and promoters have been actively monetising their stakes in listed companies in 2024.

The proof is in the surge in sell-downs via block and bulk deals at around \$74 billion so far, higher by 60 per cent from last year, according to data provided by Prime Database.

Even if market sentiments have dampened a bit toward the end of the year, for most of 2024 there have been good rallies prompting PEs and promoters to take money off the table and re-invest in other opportunities.

“Over the past year, we have noticed that many PE

players are booking profits and looking at reinvesting their proceeds in early-stage start-ups, where they have more chances to earn in multiples.”

“This is a shift from the tendency to remain invested in matured companies with limited growth potential,” said VLA Ambala, co-founder Stock Market Today and a registered research analyst.

TRUMP'S INFLUENCE

The early part of the year saw the most deals being done peaking at over ₹1 lakh crore in June, falling sharply in July, spiking in August, before tapering off, as FPI outflows intensified when it became clear that Donald Trump would be the next US

The big sell-offs

Sell amount (in ₹ crore)

	2023	2024
January	7,492	61,321
February	15,504	63,792
March	36,035	67,190
April	7,267	23,058
May	15,288	35,779
June	52,256	1,01,431
July	15,333	48,295
August	77,469	75,054
September	31,769	57,085
October	20,549	30,889
November	34,944	25,669
December	78,786	37,339

Till Dec 23, 2024

President. Trump's policies are perceived as favouring America and encouraging investor flows there, negatively affecting emerging

markets such as India. November saw the lowest block deals at ₹25,669 crore.

LARGEST DEALS

Some of the largest deals involved promoters divesting stakes. BAT Plc sold stake in its Indian arm for ₹17,485 crore, Vodafone Plc sold stake in Indus Towers for ₹15,637 crore, Hoechst divested its entire stake in Sanofi Consumer Healthcare for ₹6,927.4 crore, Blackstone sold 15 per cent stake in Mphasis for ₹6,736 crore and Antfin sold Zomato's shares for ₹4,771.7 crore.

“We can say that the market's outperformance was among the prominent reasons why profit booking and fund rotation were at a record level this year,” said

Ambala, pointing out that the Nifty Midcap index has rallied 25 per cent this year so far while the benchmark Nifty 50 has risen 18 per cent.

The first half of the year saw sell-offs worth ₹3.53 lakh crore while in the second half it has been ₹2.74 lakh crore, but still nicely ticking at an average of over ₹52,000 crore a month.

The high volume selling by FPIs toward the later part of the year may have reduced the divestments but did not totally scotch it.

“With more lucrative start-ups coming into play and investors inclining towards small-cap options, we can expect them to carry forward this trend in 2025,” said Ambala.