

[I] PRESS: Block, bulk deals jump 88% to \$51 bln Jan-Aug

Informist, Friday, Aug 23, 2024

MUMBAI – Sales through block and bulk deals have risen to \$51.4 bln since January, up 88% from \$27 bln in the same period last year, The Hindu businessline newspaper reported, citing data from Prime Database. The first quarter of this calendar year saw block and bulk deals worth \$23 bln. June recorded the highest amount of such deals at over \$12 bln, the report said.

Bulk and block deal sales are driven by soaring stock prices both in the primary initial public offering market and the secondary market, the report quoted Vivek Singla, chief information officer, private equity at InCred Alternative Investments, as saying. "Today, promoters and financial sponsors are finding valuations and liquidity attractive enough to approach the public markets," the report quoted Singla as saying. He said the incredible rally in the market is providing both promoters and private equity firms the opportunity to either pare their stake or exit. "More and more exits are beating the return thresholds," the report quoted Singla as saying. He attributed this to the strength of the Indian economy, changes in geopolitical dynamics, and a surge in global liquidity.

While block and bulk deals saw a slight dip during the first two months of the second quarter of this calendar year due to volatility in the equity market during the general elections, these are gaining momentum in the third quarter, the report

said. The two largest deals that took place this year include British American Tobacco Plc, which sold shares worth 174.85 bln rupees in its Indian subsidiary Indian Tobacco Company and Vodafone Plc which sold shares in Indus Towers worth 156.37 bln rupees, the report said.

Other deals include Blackstone which sold a 15% stake in Mphasis for 67.36 bln rupees and Brookfield Asset Management which sold a stake in Data Infrastructure Trust for 66.47 bln rupees, the report said. August saw a rush of block and bulk deals with Antfin selling an over 2% stake in Zomato for 47.72 bln rupees. Blackstone also nearly halved its stake in Nexus Select Trust for 42.39 bln rupees, the report said.

So far, private equity firms have been the major sellers due to their need to provide returns to their investors and churn investments, the report said. "PE (private equity) 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," the report quoted Singla as saying. "However, a PE firm may have multiple live funds at the same time; while an earlier vintage may be a seller in today's market, a new fund from the same firm may be a buyer hunting for deals," the report quoted Singla as saying. End

US\$1 = 83.86 rupees

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Story no - 2024-08231101325646375
Transmitted Time- 08/23/2024 11:01:32 AM

COUNTRY: R/ASI R/IN R/SHA
SECTOR: I/FIN I/PEQ
SUBJECT: Q/BLO Q/BUL Q/MAR