

Tiger Global fund exits Zomato by offloading 1.43% stake via block deal

SIDDHANT MISHRA

MUMBAI, AUGUST 28

Internet Fund III, a Tiger Global-backed VC fund, exited Zomato by offloading 122 million shares representing a 1.43 per cent stake via a block deal on Monday. At Rs 91 a share, the deal value amounted to Rs 1,115 crore. The lock-in period of shares allotted to Blinkit shareholders during Zomato's acquisition of the quick commerce entity ended on Monday.

Among the major buyers were Kotak MF (41 million shares), Societe General (38.4 million), Axis MF (19.7 million) and Morgan Stanley Asia (15.3 million). Goldman Sachs Singapore, Citigroup Global Markets Mauritius and BNP Paribas Arbitrage were other buyers. The Zomato stock closed up 1.53 per cent at Rs 92.33 on the BSE. At present, it is over 20 per cent its listing price.

On the NSE, Apoletto Asia sold close to 32 million shares or a 0.37 per cent stake at Rs 90.10 for Rs 288 crore. Axis MF, Morgan Stanley Asia, ICICI Prudential and SBI Life were among major buyers.

Blinkit shareholders, who

were issued shares of Zomato in exchange for the deal, were subject to a lock-in period of one year beginning in August last year.

According to an August 18 report by JM Financial, the fresh equity shares to selling shareholders were issued at an implied price of Rs 70.76 per share. Zomato had negotiated a 12-month lock-in, compared to the statutory requirement of 6 months.

"We note that several of them are already sitting on sizeable gains, albeit a large chunk of it is unrealised. A few cues from past actions of these investors suggest that at least some of them would be eager to book profits post the recent run-up in the stock," said the report.

It pointed out that a majority of these were owned by three VC investors – SoftBank, Tiger Global, and Sequoia – and only 50 per cent of shares attributable to Blinkit founders would be tradable; the remaining 50 per cent remaining locked for another 12 months.

Zomato completed the acquisition of Blinkit (erstwhile Grofers), a quick commerce firm, on August 10. **FE**