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MCX investor offers 10% stake to PSUs

Our Bureau
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IN A move that will serve a dual purpose of complying with regulatory guidelines and pave the way for listing, one of the large shareholders of commodity exchange MCX proposes to offer 10% stake in the bourse to government companies. The sale will take place through the bidding process with a total of 81.6 lakh being put on block at a floor price of Rs 563 per share or for Rs 459 crore. At the floor price, MCX is valued at Rs 4,590 crore or a little over $1 billion at current exchange rates. The shares will be locked in for three years from the date of the transaction. MCX had filed a prospectus with Sebi in 2008, but the market meltdown precluded its plans to list back then.

The shareholder has given mandate to leading investment banker Edelweiss Capital to look for buyer. However, it is not clear as to which category of the existing shareholders would sell the shares to the government companies — promoter Financial Technologies (FT) or a non-promoter shareholder.

When contacted, an MCX spokesperson did not comment. Apart from FT (31%), other shareholders of MCX include SBI and its associates (9%), Nabard (3%), Corporation Bank (3.5%), Fidelity (5%), NYSE (5%), Merrill Lynch (5%) and Passport Capital . Government companies have been defined as cooperative societies as defined in the Societies Act and federations manufacturing or marketing agri inputs or marketing agri produce or owning and operating warehouses.

Forward Markets Commission (FMC) recently gave its approval to MCX for its proposed IPO, subject to certain conditions, one of which entails the bourse divesting 10% of its paid-up capital to a government company.