MCX IPO gets Sebi nod, may hit market in Nov

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MULTI Commodity Exchange (MCX), the country's biggest commodity exchange, has received the capital market regulator's approval for its proposed sale of 6.43 million equity shares to public shareholders. "MCX, promoted by Financial Technologies, is planning to hit the market by November, subject to market conditions," MCX chairman Venkat Chary told *Financial Chronicle*.

"Much will depend on market sentiments, as the overall market has been weak. We may come out with road shows and will talk to our investment bankers in this regard. It should happen in the next couple of months,: he said.

The commodities bourse first filed for IPO in February 2008, but had to withdraw it due to unfavourable market conditions. In 2008, Euronext NV bought nearly 5 per cent stake in MCX, which was then valued at around $1.1 billion.

In March, MCX filed its draft red herring prospectus with the Securities and Exchange Board of India (Sebi) with an initial public offering of 64.27 lakh equity shares, constituting 12.60 per cent of the paid-up equity share capital of the company. "We are coming out with an IPO not because we need capital, but as a good corporate governance practice. We are building an exchange, which would be a major global exchange," MCX managing director and chief executive officer Lamon Rutten had then said.MCX's IPO includes offer for sale by Financial Technologies India, State Bank of India, GLG Financials Fund, Alexandra Mauritius, Corporation Bank, ICICI Lombard General Insurance Company and Bank of Baroda. In its previous DRHP filed with Sebi in 2008, MCX had planned to sell 60 lakh equity shares with an offer for sale of 40 lakh equity shares by Financial Technologies and Corporation Bank. The National Stock Exchange (NSE), which holds 2.45 per cent stake in MCX, is retaining its stake in the exchange.

MCX may begin roadshows for the IPO over the next couple of months

The five investment bankers that were earlier the lead managers to the MCX IPO in 2008, only Citigroup Global Markets has been retained in the new issue.

In 2008, bankers for the issue were DSP-Merrill Lynch, Kotak Mahindra Capital Company, Citigroup Global Markets India, Enam and JM Financials. Besides Citigroup Global Markets, this time the two other book running lead managers to the issue will be Edelweiss Capital and Morgan Stanley India Company.

After the public issue, Financial Technologies India's stake in MCX will fall to 26 per cent from 31.18 per cent at present. MCX plans to list its shares first on the BS) and later on the NSE.

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