MCX $125-m public issue on February 21

Mumbai, Feb 10

MULTI COMMODITY Exchange (MCX), India's biggest commodity exchange by turnover, plans to launch an initial public offering of shares on February 21 to raise up to $125 million, sources said on Friday.

India's first IPO of the year will be a key test of investor appetite for share sales after weak markets forced many companies to shelve stock offerings last year. The MCX public offering will open on February 21 for cornerstone investors and a day later for general investors.

The issue will close on February 24, said the sources. An MCX spokesman declined to comment. MCX, which will become the first Indian bourse to list its shares on an exchange, said last year it would sell more than 6 million shares representing a 12.6% stake in the company through the IPO.

Majority shareholder Financial Technologies (India) and investors including state-controlled State Bank of India and Bank of Baroda will sell part of their holdings, the company said in its draft prospectus.

The Bombay Stock Exchange's main index dropped nearly 25% in 2011, hit by the eurozone debt crisis, rising interest rates and concerns about slowing economic growth in India. Overseas investors were net sellers of about $500 million of Indian stocks last year.

Indian companies raised less than $10 billion through share sales last year, down from more than $24 billion in 2010, according to Thomson Reuters data.

Share offerings in the pipeline include a follow-on share sale by state-run companies Oil and Natural Gas Corp, Steel Authority of India and Bharat Heavy Electricals. Hopes of a revival in share sales including IPOs have risen after Carlyle Group, Warburg Pincus and Temasek Holdings raised nearly $740 million by paring their holdings in Indian financial companies in three deals this month.

The sales followed a more than 11% jump in the market index last month, its first rise in three months and the strongest month since September 2010. *Reuters*



MONEY MATTERS

- The issue will open for general investors on Feb 22 and will close on February 24
- MCX may sell more than 6 m shares constituting a 12.6% stake in the company through the IPO
- MCX will become the first Indian bourse to list its shares on an exchange