MCX gets SEBI nod for listing shares

Offer for sale likely by month end

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The decks have been cleared for commodity exchange MCX to get its shares listed on the bourses. The capital market regulator has conveyed to Multi Commodity Exchange of India (MCX) its final observations for the proposed offering involving stake sale by some of the existing shareholders through an offer-of-sale route.

"SEBI on Thursday conveyed its go ahead for the issue," said Mr Venkat Chary, Chairman of MCX. He, however, said that the exact date of the issue was yet to be finalised.

He said that the red herring prospectus will now be filed with registrar of companies. This is seen as the last step in the regulatory process before an issue can hit the market. Indications are that the MCX offering will happen in the third or fourth week of this month.

As it is an offer for sale, MCX will not get the issue proceeds, but only the selling shareholders will get the funds.

In 2008, MCX was looking to come out with an IPO, involving additional issue of shares by the company itself and also enabling some existing shareholders to offload part of their holding. However, this could not go through and now only an offer for sale route is being pursued.

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"MCX is cash rich. We don't need the funds from this offering," Mr Chary noted. In all, about 64.27 lakh shares of MCX will be on offer. This constitutes about 12.60 per cent of the post offer paid-up equity capital.

Financial Technologies (India) Ltd, State Bank of India (Equity), GLG Financials Fund, Alexandra Mauritius Ltd, Corporation Bank, Bank of Baroda and ICICI Lombard General Insurance are the selling shareholders.

Citigroup Global Markets India, Edelweiss Capital Ltd and Morgan Stanley India will manage the offer for sale, according to the draft prospectus filed with SEBI in April last year.

Once the offer for issue is completed, MCX would be the first ever exchange in India to gets its shares listed.

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