

NSE shareholder seeks buyers for up to 5 pc stake

NEW DELHI: A major shareholder of leading stock exchange NSE is looking for buyers to sell up to 5 per cent stake, estimated to be worth about Rs 1,000 crore.

IDBI Capital, which has been tasked by NSE shareholder to find prospective buyers over the next one week, said that it is seeking bids for "sale of equity shares not exceeding 5 per cent of the total equity share capital of the National Stock Exchange of India Ltd."

However, IDBI Capital did not disclose details like name of its client, exact number of shares and price being sought by the unnamed NSE shareholder.

As per the last major dealing in NSE shares, which occurred late last year valuing the bourse at more than USD 4 billion (over Rs 18,000 crore), a five per cent stake in the country's biggest stock exchange could be in the vicinity of Rs 900-1,000 crore.

IDBI Capital, which has asked the interested parties to submit their bids by March 11, also said that NSE itself is not a party to the proposed transaction.

However, NSE would have a right to approve or reject any transfer of shares, it added.

When contacted, NSE officials also said that they had no role in any stake transfer between different investors.

IDBI Capital said that the buyer could be a foreign institutional investor (FII), a resident Indian individual investor or any other domestic entity.

While name of the shareholder wanting to sell NSE stake could not be ascertained, sources said that the investor might be an FII and could decide to sell its holding due to a proposed regulatory move to bar bourses from getting listed.

A high-profile panel, set up by regulator Sebi, late last year recommended that the stock exchanges should not be allowed to list and their profits should also be capped.

The recommendations, on which Sebi is yet to take a final call, have created an impression that investing in stock exchanges is no longer a value proposition for FIIs, which consider listing as a good exit opportunity for their investments, market sources said.

Various private sector entities from India and abroad together hold nearly half the equity in NSE, while the remaining stake is owned by public sector banks, financial institutions and insurance companies.

In November 2010, [Financial Technologies](#), which has floated a new stock exchange MCX-SX rivalling NSE, announced sale of its 4.4 lakh shares in National Stock Exchange for a price of Rs 3,800 per share, aggregating to Rs 167.2 crore. These shares accounted for less than one per cent stake of NSE and the deal is said to have valued the bourse at over USD 4.5 billion.