

Kaiser, Caldwell acquire stake in BSE

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Despite Dubai Financial Group calling off its plans to sell stake in the Bombay Stock Exchange (BSE), Toronto-based investment broker Thomas Caldwell and philanthropist George Kaiser have managed to acquire shares in Asia's oldest bourse.

Over the past few months, Kaiser has acquired over 3 per cent in BSE, while Caldwell has increased his shareholding from 3.8 per cent last year to 4.25 per cent through multiple private deals, exchange officials said. They said the shares had been purchased from brokers, as well as some of the institutional investors in BSE.

Along with US hedge fund legend George Soros and private equity firm J C Flowers, Caldwell and Kaiser were in the race to buy Dubai Financial Group LLC's four per cent stake in BSE. Kaiser, through his private equity firm, Argonaut, was the highest bidder and had offered to pay Rs 370 a share. But, looking at the rush, embattled Dubai Financial deferred its stake sale plans in anticipation of higher valuations in the future, said a deal maker.

Taking a cue from Caldwell and Kaiser, Soros and J C Flow-

TOP 10 SHAREHOLDERS

Name	Holding (in %)
Deutsche Boerse	4.94
Singapore Stock Exchange	4.94
LIC	4.86
SBI	4.86
Caldwell	4.25
Actius	3.89
Dubai Financial	3.89
Acacia Bannian	3.89
Argonaut	3.00
Bajaj	2.91
MFPL	1.16

ers have also initiated talks with broker-members and institutional investors to acquire some stake in BSE.

According to market players, the rush for BSE stake is in anticipation of improved performance and further gains in the coming months. More players are expected to rush in following the BSE board's approval to issue 6.5 million fresh shares.

The valuation of the exchange has seen a sudden spurt in the recent past. Under the new management, BSE changed its derivative trading cycle to compete with the National Stock Ex-

change (NSE), launched a mutual fund trading platform and is upgrading its technology platform. The exchange has a near-28 per cent share of the equity spot market in India and has been making efforts to develop its derivative trading segment, where NSE is a monopoly player. BSE will launch currency derivatives in June and is also in the process of increasing its stake in Central Depository Services to 51 per cent.

Currently, six foreign investors hold 25.65 per cent of BSE and five Indian institutions hold 12 per cent. A little under 62 per cent of the exchange's shares are widely held.

Kaiser is the majority shareholder of a largely successful Bank of Oklahoma and GBK Corporation, parent of Kaiser-Francis Oil Company (an independent oil and gas exploration and production company) and founder of Excelerate Energy.

Caldwell is recognised as one of the world's foremost investors in securities exchanges and his clients have holdings in Hong Kong, Johannesburg, London, Osaka, Toronto, the Chicago Board Options Exchange and the International Stock Exchange. Caldwell has been at the helm of affairs during every major consolidation of stock exchanges in the US.