



## Bombay Stock Exchange looking to list next year - CEO - Reuters News

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- Expects regulatory approval within 9 months -CEO
- Could be valued up to \$1 bln -bankers
- Listing will allow investors such as Deutsche Boerse, SGX to cash out -CEO
- Deutsche Boerse has shown interest in raising stake -BSE CEO

By Sumeet Chatterjee

MUMBAI, April 5 (Reuters) - Bombay Stock Exchange Ltd (BSE) aims to list next year, its CEO said, in a deal that will raise the profile of Asia's oldest bourse at a time of industry consolidation, as investors such as Deutsche Boerse AG DB1Gn.DE get the opportunity to cash out.

The exchange expects to file a prospectus for its initial public offering (IPO) and get regulatory approval within six to nine months, Chief Executive Ashishkumar Chauhan told Reuters in an interview. The comment comes just weeks after the Securities and Exchange Board of India said it would allow BSE to apply.

Chauhan declined to comment on BSE's valuation or the likely size of the IPO, but investment bankers involved in the process said the exchange could be valued at \$750 million to \$1 billion.

Founded in 1875, BSE, whose first venue for broker meetings was under a banyan tree in the financial capital Mumbai, has long considered an IPO. However, lack of clarity on rules for the listing of stock exchanges has delayed the process.

The revival of BSE's IPO hopes comes against a backdrop of recent exchange tie-ups and attempted takeovers, with Deutsche Boerse and London Stock Exchange Group PLC LSE.L agreeing to merge in a \$30 billion deal. nL5N16O14Z

Chauhan said BSE's IPO would not involve the issuing of new shares, and would see existing shareholders, which include Deutsche Bourse and Singapore Exchange Ltd (SGX) SGXL.SI, selling some of their holdings.

"BSE has a large balance sheet and it doesn't require capital (via the IPO)," he said. "BSE operates like a public utility and all public utilities should be accountable, listing is one way to achieve that."

Deutsche Boerse and SGX declined to comment.

Overseas investors own about 30 percent of BSE, which competes with local rival National Stock Exchange (NSE). The remaining equity is owned by local corporate entities including banks and insurance firms and brokers.

BSE's profit in the three months through December rose 56 percent to 525 million rupees (\$7.9 million). The combined market capitalisation of the companies listed on the exchange totals \$1.4 trillion.

### OWNERSHIP RULES

In February, Finance Minister Arun Jaitley announced the raising of the investment ceiling for a foreign investor in local stock exchanges to 15 percent from 5 percent, as part of government efforts to attract foreign capital.

Bankers said the move could enthruse foreign shareholders in Indian exchanges to raise ownership, and also attract new overseas investors ahead of BSE's IPO.

BSE is currently not in talks with any existing or potential investor, Chauhan said. But he said Deutsche Boerse had expressed interest in raising its stake before the IPO from a little under 5 percent. Deutsche Boerse would then be able to profit on the sale of shares during the IPO.

Though ownership rules have eased, Indian bourses are not expected to play a role in the global wave of mergers-and-acquisitions due to government reluctance to give control of the two top exchanges to foreign investors.

"Indian exchanges operate in a different framework. We are highly regulated. The role of exchanges as a public utility is much more prevalent here," Chauhan said.

(\$1 = 66.4575 Indian rupees)

(Reporting by Sumeet Chatterjee; Editing by Lisa Jucca and Christopher Cushing)