

# CPSE second tranche sale sees robust interest

The CPSE-ETF has a Further Fund Offer size of ₹4,500 crore, with an option to retain another ₹1,500 crore in case of over-subscription; the first tranche raised ₹4,300 crore against a target of ₹3,000 crore

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ROBUST interest was observed in the second tranche sale of the exchange traded fund comprising the top 10 state-owned companies. On Tuesday, the portion reserved for anchor investors was oversubscribed three-fold to the tune of ₹6,000 crore on the opening day.

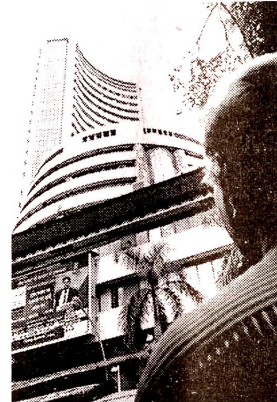
Managed by Reliance Mutual Fund, the Central Public Sector

Enterprises - Exchange Traded Fund (CPSE ETF) has a Further Fund Offer (FFO) size of ₹4,500 crore, with an option to retain another ₹1,500 crore in case of over-subscription.

According to officials familiar with the issue, as much as 30 per cent of total issue size, or ₹1,800 crore, was reserved for anchor investors who put in bids worth about ₹6,000 crore on Tuesday. Among investors who placed bids were global financial giants like

Nomura and Morgan Stanley, while domestic players like SBI, LIC, Axis Bank and Birla MF also placed bids. According to officials, the issue received all round participation from all categories of investors - banks, insurance companies, FIIs and MFs - both domestic and foreign.

The ETF launched in March 2014 by Goldman Sachs Asset Management. The inaugural issue had raised ₹4,300 crore against a target of ₹3,000 crore. However, the ETF is now managed by Reliance Mutual Fund after it bought out Goldman's mutual fund business in India in 2015. "The issue saw very strong participation from the private



sector, in addition to government participation, on the first day itself and we are hopeful of strong momentum in the retail category that opens tomorrow," Reliance Mutual Fund CEO Sundeepp Sikka said.

The target of ₹6,000 crore in the second tranche is part of the government's disinvestment plan aimed at narrowing fiscal deficit. If achieved, this will be the single biggest disinvestment proceed this fiscal. The issue will open for subscription for retail investors and qualified institutional buyers on Wednesday and will remain open till January 20. Retail investors will get 5 per cent discount.



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Sundeepp Sikka, CEO, Reliance Mutual Fund,