

CPSE ETF gets bids of ₹12,000 crore

■ It's nearly two-and-a-half times the issue size of ₹4,500 crore

By **Financial Express**

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THE Centre's disinvestment drive got a boost on Friday with the second tranche of central public sector enterprise (CPSE) exchange-traded funds (ETF) getting bids of approximately ₹12,000 crore as per figures available at 6.30 pm – nearly two and half times the issue size of ₹4,500 crore.

The non-anchor portion of the issue, which concluded on Friday, received bids of ₹6,000 crore, twice the amount of ₹3,000 crore reserved in the issue. The CPSE ETF planned to raise up to ₹4,500 crore with an option to retain oversubscription of ₹1,500 crore. On Tuesday, the anchor portion of the ETF received bids worth ₹6,000 crore, four times more than the units on offer.

The Employees' Provident Fund Organisation (EPFO) was one of the biggest bidders in the anchor category, it submitted an application worth ₹800 crore, according to sources. Morgan



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Stanley, Nomura, Kotak MF, State Bank of India, and LIC were among the other domestic and foreign institutions that participated in the anchor allotment.

Retail investors will get first preference as part of the CPSE ETF further fund offer (FFO). CPSE ETFs include stocks such as ONGC, Coal India, Indian Oil, Gail (India), Power Finance Corp, Rural Electrification Corp, Container Corporation of India, Bharat Electronics, Oil India and Engineers India.

ETF is a marketable security

that tracks a basket of assets such as stocks. Unlike mutual funds, it trades like a stock.

“We received encouraging responses especially from retail investors across the country and are confident that ETF as a category will gain momentum in future,” said Sundeep Sikka, ED and CEO, Reliance Nippon Life Asset Management.

The government aims to raise ₹56,500 crore by selling stakes in state-owned enterprises in financial year 2016-17. So far, it has disinvested up to ₹23,528 crore.