

CPSE-ETF's 4th tranche set to hit market next week

Base issue size is likely to be around ₹3,500 cr

OUR BUREAU

Chennai, March 13

The Centre is all set to launch the fourth tranche of further fund of fund (FFO) of Central Public Sector Enterprises Exchange-Traded Fund (CPSE-ETF) next week, after the strong response for its earlier stake-sale.

Reliance Nippon Life Asset Management has filed Supplement To Scheme Information Document paper with SEBI for CPSE-ETF FFO-4.

While the base issue could be for ₹3,500 crore, the FFO will have a green-shoe option as well to retain additional subscription, sources said, and added the government is targeting to raise about ₹10,000

crore through the issue. The issue is likely to open on March 19 (Tuesday) for anchor investors and for others from March 20-22. The Union Government had raised about ₹17,000 crore through the third tranche that received an overwhelming response of over ₹27,000 crore in November last year.

Retail individual investors can invest a minimum amount of ₹5,000 and in multiples of ₹1 thereafter in the FFO 4. While the minimum investment for non-institutional investors/qualified institutional buyers (other than anchor investors) is ₹2,00,001, anchor investors have to shell out a minimum of ₹10 crore.

The proceeds will help the government meet its ₹80,000-crore disinvestment target that it had set for the current fiscal. Accord-

ing to the Department of Investment and Public Asset Management, the Centre has so far achieved ₹56,473.22 crore through disinvestment. The Nifty CPSE Index, which is constructed to facilitate the government's divestment initiative, comprises shares of 11 state-owned companies including ONGC, Coal India, IOC, Oil India, PFC, REC and Bharat Electronics.

CPSE ETF was set up in 2014 and the government has so far sold stake in 10 companies in the basket in four tranches, raising ₹28,500 crore.

As of February 28, ONGC carries the highest weight in the index at 20.43 per cent, followed by NTPC 19.54 per cent, Coal India 19.09 per cent, IOC at 18.64 per cent and REC at 6.72 per cent.

CPSE ETF on Wednesday closed at ₹25.45 on the NSE.