

Public sector ETF sale gets ₹6000 cr bids

THE second tranche sale of government's exchange traded fund (ETF) of top 10 state-owned companies on Tuesday attracted a robust response with the portion reserved for anchor investors getting subscribed over three-fold to the tune of Rs 6,000 crore on the opening day.

The Reliance Mutual Fund-managed Central Public Sector Enterprises - Exchange Traded Fund (CPSE ETF) has Further Fund Offer (FFO) size of Rs 4,500 crore, with an option to retain another Rs 1,500 crore in case of over-subscription.

As much as 30 per cent of total issue size, or Rs 1,800 crore, was reserved for anchor investors who put in bids worth about Rs 6,000 crore today, a top official said.

Nomura, Morgan Stanley, SBI, LIC, Axis Bank and Birla MF are some of the anchor investors which placed bids. The issue received all round participation from all categories of investors - banks, insurance companies, FIIs and MFs - both domestic and foreign. The government is looking to raise a total Rs 6,000 crore in the second tranche issue of the CPSE ETF, which is part of its disinvestment plan aimed at narrowing Asia's widest fiscal deficit without reducing public spending. This would be the single biggest disinvestment proceed this fiscal. The issue will open for subscription for retail investors and qualified institutional buyers tomorrow and will remain open till January 20. Retail investors will get 5 per cent discount, the official said.