

# Govt eyes ₹3,500 cr from fifth CPSE ETF tranche

**New Delhi:** The fifth tranche of the CPSE Exchange Traded Fund (ETF) will open for subscription on March 19, wherein the government seeks to raise at least Rs 3,500 crore.

The fourth Further Fund Offer (FFO), which would be open from March 19-22, would help the government in mopping up funds towards meeting its disinvestment target of Rs 80,000 crore for the current fiscal ending March 31.

According to Reliance Mutual Fund, which is managing the CPSE ETF, the fifth tranche would open for subscription on March 19, for anchor investors.

Non-anchor investors, including retail investors, can put in their bids from March 20-22.

This would be the second CPSE (Central Public Sector Enterprises) ETF FFO in the current fiscal after Rs 17,000 crore raised November 2018.

So far, the government has raised a total of Rs 28,500 crore from rounds through CPSE ETF, including the first offer in March 2014 that mopped up Rs 3,000 crore.

“The CPSE ETF is trading at very attractive valuations. As on February 28, the divi-



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**₹3,000cr**

Government raised through NFO in March 2014

**₹6,000cr**

It garnered from the first FFO of the CPSE ETF in January 2017

dend yield of the index was as high as 5.52% compared to 1.25% for the Nifty 50. In addition, the government is also giving a 4% discount to investors,” said Reliance Mutual Fund head (ETF), Vishal Jain.

The ETF tracks shares of 11 Central Public Sector Enterprises (CPSEs) -- ONGC, NTPC, Coal India, IOC, Rural Electrification Corp, Power Fi-

nance Corp, Bharat Electronics, Oil India, NBCC India, NLC India and SJVN.

Through the latest offer, the government aims to raise an initial amount of Rs 3,500 crore and the offer size could be raised, as per Reliance Mutual Fund.

After raising Rs 3,000 crore through New Fund Offer (NFO) in March 2014, the government garnered Rs 6,000 crore from the first FFO of the CPSE ETF in January 2017. Subsequently, Rs 2,500 crore was mopped from the third tranche in March 2017 and Rs 17,000 crore from the fourth round in November 2018.

Recently, the finance ministry was planning to launch an exchange traded fund consisting of PSU bank stocks in the next financial year, an official said. The bank exchange traded fund (ETF) would be in addition to the two ETFs- CPSE ETF and Bharat-22 ETF- launched by the government which have seen huge investor demand.

The government has raised Rs 56,473.32 crore through disinvestment till February 28, as against the target of Rs 80,000 crore for the 2018-19 fiscal. —PTI