



FFO of CPSE ETF gets overwhelming response as issue gets oversubscribed by wide margin

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The Central Public Sector Enterprises (CPSE) Exchange Trade Fund (ETF) gets overwhelming response as issue gets over-subscribed by wide margin. CPSE ETF FFO gets bids of approx Rs. 12,000 crore (US\$ 1.7 billion) -- Over two and half times the Base Issue size of Rs 4,500 crore (US\$471 million). FFO was launched from January 17, 2017 till January 20, 2017. Investors across all categories offered 5% upfront discount.

CPSE ETF FFO received applications from over 2 lakh investors across 300 cities across India. This was the largest Disinvestment Program undertaken by the Government of India using ETF and largest fund offering by any Mutual Fund in India till date. Anchor investors submitted bids of Rs 6,000 crore (US\$ 895.5 Million).

Morgan Stanley, Nomura, Kotak MF, EPFO, SBI Bank, LIC amongst prominent Domestic and Foreign Institutions that participated as Anchor Investors. Non-Anchor portion received bids of Rs 6,000 crore -- two times of Rs 3,000 crore (Base) reserved in the issue. Non-anchor portion was largely subscribed by retail investors and PFS - both domestic and foreign.

Retail Investors will get First Preference and assured allotment as part of the CPSE ETF FFO norms. CPSE ETF FFO planned to raise up to Rs 4,500 crore (US\$ 671 Million). As Base Issue size, with an option to retain over-subscription of Rs. 1500 crore.

Further Fund offer is part of larger Disinvestment Program announced by the Department of Investment and Public Asset Management (DIPAM), Ministry of Finance.

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