

The [Finance](#) Ministry has extended the deadline for merchant [bankers](#) to bid for creation and launch of a debt Exchange Traded Fund (ETF) for [PSUs](#) and PSBs till July 2.

In the revised request for proposal (RFP) issued on Monday, the Department of [Investment](#) and Public Asset Management (DIPAM) has tweaked the eligibility criteria for bidders, clarifying that they can also bid in consortium.

Accordingly, market regulator Sebi or banking regulator [RBI](#) registered "reputed merchant bankers/[investment](#) bankers/ consulting firms/financial institutions/asset management companies, either singly or as a consortium," can bid for creation of the [ETF](#).

"The bidders should have been involved in advisory or transaction capacity or have launched an ETF/debt ETF/ debt mutual fund/ index linked fund/corporate bond issuances during the period April 1, 2015, to March 31, 2018, aggregating to the total value of Rs 50 billion or more with minimum size of Rs 5 billion in any single issuance," the [DIPAM](#) said while issuing the revised [RFP](#).

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The [DIPAM](#) had earlier on April 18 issued the [RFP](#) for engagement of an adviser for creation and launch of debt [ETF](#) asking bidders to submit their bids by May 16. Consequently, the pre-bid meeting was held on April 27.

The [DIPAM](#) today came out with the revised RFP, inviting merchant [bankers](#) who are interested to help the government to create and launch the [debt ETF](#).

"The advisor will also analyse, assist and advise on the possible monetisation of the debt of the select CPSEs through market-oriented instruments," the [RFP](#) said, while inviting bids by July 2, 2018, from reputed merchant bankers/[investment](#) bankers/consulting firms/financial institutions/asset management companies.

They can bid "either singly or as a consortium; to act as advisor/consultant to assist and advise the government in the process," the RFP said.

The debt ETF, for the CPSEs/PSBs/[PSUs](#) would help them meet their [capital expenditure](#) and business needs by leveraging their aggregate strength.

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"This will bring enhanced liquidity, enhanced investors base and transparency and smoothening of borrowing plans of the participating CPSEs/PSBs/PSUs. This will benefit both the investors and the issuers," the RFP said.

[Finance](#) Minister [Arun Jaitley](#) had in the Union Budget 2018-19 floated the idea of a [debt ETF](#) saying that DIPAM will come up with more ETF offers, including [debt ETF](#).

As per official data, 15 central public sector enterprises (CPSEs) have together raised about Rs 3 trillion through bonds in the last three years. Of these, 12 companies are 'AAA' rated,

which is the top investment grade.