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## ● DISINVESTMENT TARGET

# Bharat-22 ETF additional sale on Feb 14, govt eyes ₹3,500 cr

Proceeds from the ETF sale would help the government move towards meeting the ₹80,000-cr disinvestment target set for the current fiscal

PRESS TRUST OF INDIA  
New Delhi, February 12

**THE GOVERNMENT WILL** launch an additional offering of Bharat-22 Exchange Traded Fund (ETF) on February 14 to raise at least ₹3,500 crore, officials said on Tuesday.

The ETF sale would be for a single day, in which both institutional and retail investors can participate, they said.

“The additional offering of Bharat-22 ETF would be on February 14. This is an on-tap issuance. The base issue size has been fixed at ₹3,500 crore, with an option to retain any additional subscription,” one of the officials said.

The proceeds from the ETF sale would help the government move towards meeting the ₹80,000-crore disinvestment target set for the current fiscal.

So far, the government has mopped up approximately ₹36,000 crore by paring minority stake in public sector companies, and through ETFs.

Conventionally, the follow-on fund offer



(FFO) of an ETF remains open for four days in which the first day of the sale is reserved for anchor investors. The next three days are kept open for subscription from retail and other institutional investors.

Since this is an additional on-tap offering of Bharat-22 ETF, the issue would open for a single day for both institutional and retail buyers. The government has so far raised ₹22,900 crore through the Bharat-22 ETF. While ₹14,500 crore was raised in November 2017, another ₹8,400 crore was raised in June 2018. The central public sector enterprises (CPSEs) that are part of the ETF include ONGC, IOC, SBI, BPCL, Coal India and Nalco.

Other constituents include Bharat Electronics, Engineers India, NBCC, NTPC,

NHPC, SJVNL, GAIL, PGCIL and NLC India. Only three public sector banks – SBI, Indian Bank and Bank of Baroda – figure in the Bharat-22 index.

Also, the government's strategic holding in Axis Bank, ITC and L&T, held through Specified Undertaking of Unit Trust of India (SUUTI), has been put in the ETF basket. This would be the second ETF offering by the government in the current fiscal, which ends in March.

In November last year, the government had raised ₹17,300 crore through a follow-on offer of another exchange traded fund – CPSE ETF, which comprises shares of 11 public sector enterprises. This was the biggest-ever fund raising from an ETF domestically.



## PETROTECH SUMMIT

# Vedanta expects first OALP output by 2022

SHINE JACOB

New Delhi, 12 February

The Vedanta group, which won the maximum number of blocks in the first round of oil and gas auctions under Open Acreage Licensing Policy (OALP), said production at the blocks will start by 2022.

“We should be able to bring the first oil before 2022,” said Sudhir Mathur, chief executive officer at Cairn Oil & Gas, Vedanta’s oil and gas subsidiary.

The Union government has launched the third round of auctions under OALP, in which 23 blocks were put on bidding for global oil and gas majors on Sunday.

Of the 55 blocks that were on offer during the first round, Vedanta has got 41 — while the remaining were shared between Oil India, GAIL (India), Hindustan Oil Exploration Company (HOEC) and Bharat PetroResources.

“Our vision is to have 50 per cent of India’s total production, hopefully more. To achieve this, we have lined up a very large capital investment programme of \$3.5 billion,” he added.

The company also submitted bids for the second



round of discovered small field (DSF-II) auctions. Of the 25 oil and gas contract areas on offer, the Anil Agarwal-led company submitted the maximum number of bids — 21. A total of 39 players participated in the auctions.

The 25 contract areas cover 59 discovered oil and gas fields, spread over 3,000 sq km with prospective resource base of over 190 million metric tonne of oil and oil equivalent gas. Regarding the company’s aggressive bidding for the current round, Mathur said, “They are not big major movers but it helps us understand India’s geology lot better, train or people and bring oil to the country,” he added.

On the lacklustre response by foreign players for OALP

rounds, he said, “It is difficult to put myself in their shoes but I think they find policy consistency a bit of an issue in India as things keep changing. They need much greater freedom. Like, we have always requested the government to allow us to export oil.” In 2013, the company had approached the government to get permission for exporting crude oil from its Barmer block in Rajasthan.

Agarwal had recently written to Prime Minister Narendra Modi, saying the company is planning to invest \$3-4 billion in the oil and gas sector over the next two years. At present, Vedanta is the largest private sector oil producer in India contributing around 27 per cent to the domestic production.