

Headline: Assets of equity ETFs triple at Rs 43,234 crore

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Currently, 47 equity based ETFs are listed on the bourses

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The asset base of equity exchange-traded funds (ETFs) has grown nearly three times to ₹43,234 crore at the end of last fiscal, mainly on account of rising popularity of such products among retail investors.

The assets under management (AUM) stood at ₹15,066 crore for ETFs, which have equity as the underlying benchmark, at the end of March 2016, according to latest data from the NSE.

The growth in asset base can be attributed to increasing popularity of ETFs among retail investors, investment by pension funds, including Employees' Provident Fund Organisation, in

equity through the ETF route and the government using it for disinvestment.

Last fiscal, the government had mobilised ₹8,500 crore through the CPSE ETF, which tracks the Nifty CPSE index.

Currently, there are 47 equity-based ETFs listed on the exchanges. Of this, 34 are benchmarked to the Nifty family of indices. The AUM of equity ETFs tracking Nifty indices surged to ₹36,803 crore at the end of March from ₹12,865 crore in FY16.

"ETFs are increasingly becoming popular in India. Large institutional investors are also taking equity exposure via ETFs. In addition to interest in broad-based indices such as Nifty 50, we have also seen interest in sectoral indices such as Nifty Bank index and other factor-based indices," Mukesh Agarwal, CEO at IISL, said in a statement.