

World Bank-backed US pension fund buys over 1 lakh shares in GNFC

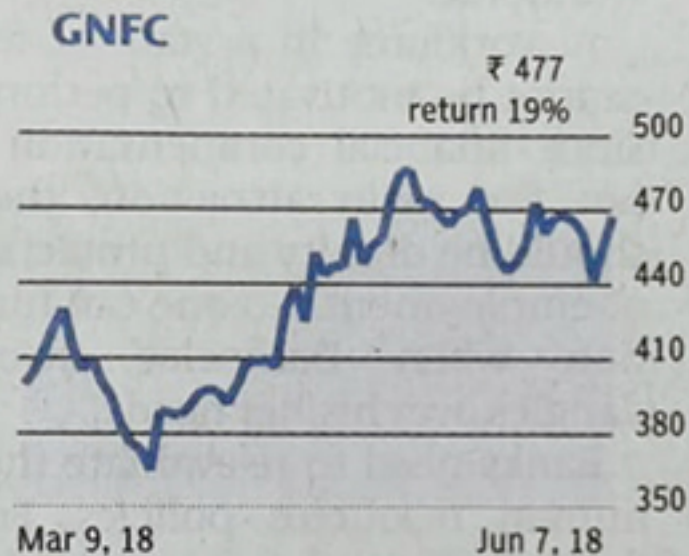
RUTAM VORA

Ahmedabad, June 7

State-owned fertiliser major Gujarat Narmada Valley Fertilizers & Chemicals (GNFC) is witnessing renewed interest from global financial institutions for investments.

In a new development, International Bank for Reconstruction and Development (IBRD), an arm of that World Bank that provides financial and policy support, has purchased a little over one lakh GNFC equity shares for their pension fund.

As of March 2018, the company's promoter and promoter group holding stood at 41.2 per cent, while 58.8 per cent was with the public, including 9.35 per cent by foreign portfolio investors. The corresponding figures in March 2017 were 41.21 per cent and 58.79 per cent, respectively, while foreign portfolio investors' holding



stood at 13.5 per cent. "The World Bank as well as other retirement/pension funds have very sophisticated and stringent means of analysing the strength of equity investment. GNFC qualified this test," said Rajiv Kumar Gupta, MD, GNFC.

Parameters

Pension funds prefer fixed income securities to fund their obligations towards their retired staff.

Hence, such funds are very selective when it comes to investing in a stock.

Shares of GNFC climbed 58 per cent in the past one year, closing at ₹477.5 on Thursday. It was ruling at ₹302 a year ago.

Prominent buyers

Funds such as Stitching Shell Pension Funds – Netherland, Florida Retirement System Aqr Capital Management LLC – USA, Shell Pensions Trust Ltd as trustee of The Shell Contributory Pension Fund – UK, Opseu Pension Plan Trust – Canada, and Sunsuper Superannuation Fund – Australia are among the prominent ones to invest in GNFC shares.

Also, investments by Indian mutual funds have increased to 4.52 per cent as in March this year, from 2.33 per cent in March 2016 in GNFC.