

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

RAJYA SABHA
UNSTARRED QUESTION NO. 3576
TO BE ANSWERED ON TUESDAY, 27TH MARCH, 2018/CHAITRA 06, 1940 (SAKA)

INCREASING OUTFLOW OF GOLD EXCHANGE TRADED FUNDS

QUESTION

3576. SHRI ANAND SHARMA:

Will the Minister of Finance be pleased to state:

- (a): whether Government's attention has been drawn towards the recent data by Association of Mutual Fund in India (AMFI) which has revealed the increasing outflow of Gold Exchange Traded Funds (ETFs);
- (b): if so, the details thereof and the reasons therefor; and
- (c): the steps proposed by Government to address the increasing outflow of gold ETFs?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PON. RADHAKRISHNAN)

(a) & (b): As per the information furnished by Securities & Exchange Board of India (SEBI), details of outflow in Gold Exchange Traded Funds(ETFs) for the last 3 financial years and the current Financial year (till February, 2018) are as follows:

As on end of the Financial Year	Net Outflow in Gold ETF (Rs. In Crores)	Asset Under Management (Rs. In Crores)
2014-15	1474.99	6654.86
2015-16	902.67	6345.57
2016-17	775.33	5479.81
2017-18#	772.84	4829.66

Till February 2018)
Source: SEBI

It may be seen from the table above that there is net outflow in Gold ETFs to the tune of Rs. 772.84 crore during the financial year 2017-18. However, over the last four financial years, i.e., since 2014-15, the net outflow has declined by over 47%.

(c): Inflows and outflows in the Gold ETFs depend on several factors including the prevailing market conditions & business cycle of the economy, changes in investor preferences etc. Neither SEBI nor Government control for the inflows and outflows in the Gold ETFs.
