

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

RAJYA SABHA
UNSTARRED QUESTION NO. 3605
TO BE ANSWERED ON TUESDAY, THE 24th MARCH, 2026
3 CHAITRA, 1948 (SAKA)

Investor response to Sovereign Green Bonds

3605. Shri Narain Dass Gupta

Will the Minister of *Finance* be pleased to state:

- (a) whether Government has reviewed the declining investor interest in Sovereign Green Bonds issued in recent years;
- (b) whether the absence of tax incentives and limited yield advantage over conventional bonds has affected their attractiveness; and
- (c) whether Government proposes to introduce tax incentives for Sovereign Green Bond investors in the forthcoming Union Budget to strengthen climate finance mobilisation?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

- (a): The Government has reviewed the investors' interest in Sovereign Green Bonds (SGrBs). The average bid-cover ratio, an indicator of interest to purchase bond in auction, for SGrBs has so far remained above 2.0 since inception in FY 2022-23. The bid-cover ratio in FY 2025-26 stands at 2.32.
- (b): The investors of SGrBs offered a greenium (i.e. premium over conventional bonds of the same maturity) of 7bps in the latest auction held on 28.11.2025 indicating that the bonds remain an attractive option for investors.
- (c): No such proposal is under consideration.
