

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF INVESTMENT AND PUBLIC ASSET MANAGEMENT

**LOK SABHA**  
**UNSTARRED QUESTION NO. 1065**  
TO BE ANSWERED ON MONDAY, FEBRUARY 8, 2021  
19 MAGHA, 1942 (SAKA)

**Raising of Funds through Bharat Bond ETF**

1065. SHRI DUSHYANT SINGH:

Will the Minister of Finance be pleased to state:

(a) whether the Government plans to raise Rs. 15000 crore through Bharat Bond Exchange Traded Fund (ETF) along with a green shoeing option and if so, the details thereof;

(b) the percentage of disinvestment target that has been achieved by the Government with the issuance of Bharat Bond ETF;

(c) whether the Employees' Provident Fund Organisation (EPFO) and exempted provident funds are allowed to invest in the units of Bharat Bond ETF;

(d) if so, the difference between the average rate of return of Bharat Bond ETF and the current desired rate of return being paid by EPFO on its corpus i.e. 8.5 percent;

(e) the reasons for EPFO organisations being not permitted to invest in Bharat Bond ETF when they were issued previously; and

(f) the details of the spending generated by Bharat Bond ETF classification based on the amount invested in each of PSUs that are currently part of ETF?

**ANSWER**

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE**  
**(SHRI ANURAG SINGH THAKUR)**

**(a) & (b):** There is no such proposal under the consideration of Government. The New Fund Offer (NFO) (Tranche I) of Bharat Bond ETF was successfully launched on 12.12.2019 with tenure of 3 years and 10 years mobilising an amount of Rs.12,445 crore. Subsequently, another NFO Tranche of the ETF (Tranche II) with 5 years and 11 years tenures was successfully launched on 14-17 July, 2020 mobilising an amount of Rs. 10,992 crore. As provided in the Scheme, the Asset Management Company (AMC) for the ETF offered ETF Units to the investors on the basis of Bond ETF Index created.

The AMC invested the funds so mobilised in the Bonds issued by the participating CPSEs.

**(c) to (f):** As per Ministry of Labour and Employment Notification S.O. 28 (E) dated 04.01.2021 Employees' Provident Fund Organisation (EPFO) is allowed to invest in Bharat Bond ETF. BHARAT Bond ETF is a vehicle to invest in CPSE/PSU Bonds and returns depends on the yields in CPSE/PSU Bonds prevailing at the time of their investment. EPFO earning, therefore, depends on the levels at which interest rates were for the CPSE/PSU Bonds at the time of investment. The same is reflected in Bharat Bond ETF yield.