



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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RBI 2015-16/218

IDMD.CDD.No.939/14.04.050/2015-16

October 30, 2015

The Chairman & Managing Director
All Scheduled Commercial Banks
(Excluding RRBs)

Dear Sir/Madam,

Sovereign Gold Bonds, 2015-16

It has been decided by the Government of India, as per their [Notification F.No. 4\(19\)-W&M/2014 dated October 30, 2015](#), to issue Sovereign Gold Bonds, 2015 ("the Bonds") with effect from November 05, 2015 to November 20, 2015. The Government of India may, with prior notice, close the Scheme before the specified period. The terms and conditions of the issuance of the Bonds shall be as follows:

1. **Eligibility for Investment:**

The Bonds under this Scheme may be held by a person resident in India, being an individual, in his capacity as such individual, or on behalf of minor child, or jointly with any other individual. "Person resident in India" is defined under section 2(v) read with section 2 (u) of the Foreign Exchange Management Act, 1999.

2. **Form of Security**

The Bonds shall be issued in the form of Government of India Stock in accordance with section 3 of the Government Securities Act, 2006. The investors will be issued a Holding Certificate ([Form C](#)). The Bonds shall be eligible for conversion into de-mat form.

3. **Date of Issue**

Date of issuance shall be November 26, 2015.

The investors can apply for the Bonds in receiving offices from November 05, 2015 to November 20, 2015. The issuance can be closed by Government of India earlier than November 20, 2015 with a prior notice.

4. **Denomination**

The Bonds shall be denominated in units of one gram of gold and multiples thereof. Minimum investment in the Bonds shall be 2 grams with a maximum subscription

आंतरिक ऋण प्रबंध विभाग, केंद्रीय कार्यालय, केंद्रीय कार्यालय भवन, शहीद भगतसिंह मार्ग 23 वी मंजिल, मुंबई - 400 001, भारत
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हिन्दी आसान हैसका प्रयोग बढ़ाइए।

चेतावनी : रिज़र्व बैंक द्वारा ईमेल, डाक, एसएमएस या फोन काल के जरिये किसी की भी व्यक्तिगत जानकारी जैसे बैंक खाते का ब्यौरा, पासवर्ड आदि नहीं मांगी जाती है। यह धन रखने या देने का प्रस्ताव भी नहीं करता है। ऐसे प्रस्तावों का किसी भी तरीके से जबाब मत दीजिये।

Caution: RBI never sends emails, SMSs or makes calls asking for personal information like bank account details, passwords, etc. It never keeps or

of 500 grams per person per fiscal year (April – March). In case of joint holding, the limit applies to the first applicant.

5. **Issue Price**

Price of the Bonds shall be fixed in Indian Rupees on the basis of the previous week's (Monday – Friday) simple average closing price for gold of 999 purity, published by the India Bullion and Jewellers Association Ltd. (IBJA).

6. **Interest**

The Bonds shall bear interest at the rate of 2.75 per cent (fixed rate) per annum on the amount of initial investment. Interest shall be paid in half-yearly rests and the last interest shall be payable on maturity along with the principal.

7. **Receiving Offices**

Scheduled commercial banks (excluding RRBs) and designated Post Offices (as may be notified) are authorized to receive applications for the Bonds either directly or through agents.

8. **Payment Options**

Payment shall be accepted in Indian Rupees through Cash or Demand Drafts or Cheque or Electronic banking. Cheque or draft should be drawn in favour of the bank / post office (Receiving Office), specified in paragraph 7 above and payable at the place where the applications are tendered.

9. **Redemption**

- i) The Bonds shall be repayable on the expiration of eight years from the date of issue. Pre-mature redemption of the Bond is allowed from fifth year of the date of issue on the interest payment dates.
- ii) The redemption price shall be fixed in Indian Rupees on the basis of the previous week's (Monday – Friday) simple average closing price for gold of 999 purity, published by IBJA.

10. **Repayment**

The receiving office shall inform the investor of the date of maturity of the Bonds, one month before its maturity.

11. **Eligibility for Statutory Liquidity Ratio (SLR)**

The investment in the Bonds shall be eligible for SLR.

12. **Loan against Bonds**

The Bonds may be used as collateral for loans. The Loan to Value ratio will be as applicable to ordinary gold loan mandated by the RBI from time to time. The lien on the Bonds shall be marked in the depository by the authorized banks.

13. **Tax Treatment**

Interest on the Bonds shall be taxable as per the provisions of the Income-tax Act, 1961. Capital gains tax treatment will be the same as that for physical gold.

14. **Applications**

Subscription for the Bonds may be made in the prescribed application form ([Form 'A'](#)) or in any other form as near as thereto stating clearly the grams of gold and the full name and address of the applicant. The receiving office shall issue an acknowledgment receipt in [Form 'B'](#) to the applicant.

15. **Nomination**

Nomination and its cancellation shall be made in [Form 'D'](#) and [Form 'E'](#), respectively, in accordance with the provisions of the Government Securities Act, 2006 (38 of 2006) and the Government Securities Regulations, 2007, published in part III, Section 4 of the Gazette of India dated the 1st December, 2007.

16. **Transferability**

The Bonds shall be transferable by execution of an Instrument of transfer as in [Form 'F'](#), in accordance with the provisions of the Government Securities Act, 2006 (38 of 2006) and the Government Securities Regulations, 2007, published in part III, Section 4 of the Gazette of India dated the 1st December, 2007.

17. **Tradability in Bonds**

The Bonds shall be eligible for trading from such date as may be notified by the Reserve Bank of India.

18. **Commission for distribution**

Commission for distribution shall be paid at the rate of rupee one per hundred of the total subscription received by the receiving offices on the applications received and receiving offices shall share at least 50% of the commission so received with the agents or sub-agents for the business procured through them.

19. All other terms and conditions specified in the notification of Government of India in the Ministry of Finance (Department of Economic Affairs) vide number F. No.4(13) W&M/2008, dated the 8th October, 2008 shall apply to the Bonds.

Yours faithfully,

(Chandan Kumar)
Deputy General Manager

Encls.: As above.