

PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA

Finance Minister Shri Arun Jaitley: Asks all the banks to make their best efforts to reach-out to potential investors to invest in the Second tranche of the Sovereign Gold Bonds which will be kept open from 18th January, 2016 to 22nd January, 2016.

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The Union Finance Minister Shri Arun Jaitley asked all the banks to make their best efforts to reach-out to potential investors to invest in the Second tranche of the Sovereign Gold Bonds which will be kept open from 18th January, 2016 to 22nd January, 2016. He said that this is an attractive opportunity for the investors. The Finance Minister was addressing the CMDs of the banks through video conferencing here today. He also discussed the banks' preparedness for the second tranche of the **Sovereign Gold Bond Scheme**. He said that the Government is keen to expand the scheme in the subsequent tranches as well. This was followed by a review by Shri Shaktikanta Das, Secretary, Department of Economic Affairs (DEA) with all the CMD's of the Banks. All the banks assured to activate their branch network to inform the investors about the advantages of the bonds.

To increase the awareness among depositors, the Government is continuing with the Media campaign on AIR and FM radio, in print media and through Mobile SMS campaign. Information is also available on the website www.finmin.nic.in/swarnabharat and on the toll free number 18001800000.

The First Tranche of **Sovereign Gold Bond** (SGB) was issued on behalf of the Government of India by RBI at the branches of scheduled commercial banks and designated post offices through its e-kuber system from 5th November, 2015 to 20th November, 2015 . A total of 62169 applications were received for a total subscription of 915.953 Kilograms of gold amounting to Rs 246.20 Cr by the Banks and Post Offices.

Earlier, the Government had launched **Sovereign Gold Bond** on 5th November, 2015. The main objectives of the scheme is to reduce the demand for physical gold and shift a part of the gold imported every year for investment purposes into financial savings through Gold Bonds.

Sovereign Gold Bonds are issued by RBI on behalf of the Government of India on payment of the required amount in rupees and are denominated in grams of gold. The Bonds are restricted for sale to resident Indian entities including individuals, HUFs, trusts, Universities, charitable institutions. Minimum permissible investment is 2 grams of gold to be paid in rupees. The maximum amount subscribed by an entity will not be more than 500 grams per person per fiscal year (April-March). Government has fixed the rate of interest for the year 2015-16 as 2.75 % per annum , payable on a half yearly basis. The bonds will be available both in demat and paper form. The rate for the Bonds will be fixed on the basis of simple average of closing price for gold of 999 purity of the previous week published by the India Bullion and Jewellers Association (IBJA). These bonds will be available at Banks and Post Offices. The tenor of the Bond will be for a period of 8 years with exit option from 5th year onwards to be exercised on the interest payment dates. KYC norms will be the same as that for gold. Exemption from capital gains tax will also be available. On maturity, the investor will get the equivalent rupee value of the quantum of gold invested at the then prevailing price of gold.
