

Features of SGB – Tranche – V

| S.No | Item | Details |
|------|-------------------------|--|
| 1 | Issuance | To be issued by Reserve Bank of India on behalf of the Government of India |
| 2 | Eligibility | The bonds will be restricted for sale to resident Indian entities including Individuals, trusts, Universities, Charitable Institutions |
| 3 | Denomination | The Bonds shall be denominated in multiples of grams of gold with basic unit of 1 gram. |
| 4 | Tenor | The tenor of the bond will be for a period of 8 years with exit option from 5 th year to be exercised on the interest payment dates. |
| 5 | Minimum Size | Minimum permissible investment will be 1 gram of gold |
| 6 | Maximum Size | The maximum amount subscribed by an entity will not be more than 500 grams per person per fiscal year (April-March). A self-declaration to this effect will be obtained. |
| 7 | Joint Holder | In case of joint holding, the limit of 500 grams applies to the first applicant only. |
| 8 | Frequency | The bonds will be issued in tranches. Each tranche will be kept open for a period to be notified. The issuance date will also be specified in the notification. |
| 9 | 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) for the week preceding the subscription period. Gold bond issue price for this tranche is Rs.3150/gm. |
| 10 | Payment Option | Payment for the Bonds will be through cash payment upto a maximum of Rs. 20,000/- or demand draft or cheque or electronic banking. |
| 11 | Issuance Form | Government of India Stock under Government Securities Act, 2006. The investors will be issued a Holding Certificate. The Bonds are eligible for conversion into de-mat form. |
| 12 | Redemption Price | The redemption price will be in Indian Rupees on the basis of the previous week's (Monday – Friday) simple average closing price of gold of 999 purity, published by IBJA. Receiving Office needs to inform the investor the date of maturity of the bond one month before its maturity. |
| 13 | Interest Rate | 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. |

| | | |
|----|--------------------------|--|
| 14 | Collateral | 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. |
| 15 | KYC Documentation | Know-your-customer (KYC) norms will be the same as that for purchase of physical gold. KYC documents such as Voter ID, Aadhaar card/PAN or TAN /Passport will be required. |
| 16 | Tax Treatment | The interest on Gold Bonds shall be taxable as per the provision of Income Tax Act, 1961 (43 of 1961). The capital gains tax arising on redemption of SGB to an individual has been exempted. The indexation benefits will be provided to long term capital gains arising to any person on transfer of bond. |
| 17 | Tradability | The Bonds shall be eligible for trading within 15 days of issuance on a date notified by the Reserve Bank of India. |
| 18 | SLR eligibility | The Bonds will be eligible for Statutory Liquidity Ratio purposes |
| 19 | Commission | Commission for distribution shall be paid at the rate of 1% of the subscription amount. |