

**Government of India
Ministry of Finance
Department of Economic Affairs**

New Delhi, dated the May 12, 2021

Notification

G.S.R.---- (E) — In exercise of the powers conferred by clause (iii) of section 3 of the Government Securities Act, 2006 (38 of 2006), the Central Government hereby makes the following Scheme, namely:

1. Short title and commencement.-

- (i) This scheme may be called the Sovereign Gold Bond Scheme 2021-22.
- (ii) There will be a distinct Series (starting from Series I) for every tranche which will be indicated on the Bond issued to the investor.
- (ii) It shall come into force on the date of its publication in the Official Gazette.

2. Definition.-

In this Scheme, unless the context otherwise requires:

- a) "Form" means a form appended to this Scheme;
- b) "Receiving office" means the offices or branches of Nationalised Banks, Scheduled Private Banks, Scheduled Foreign Banks (as specified in Annexure I to this Notification), designated Post Offices (as specified in Annexure II to this Notification), Stock Holding Corporation of India Ltd. (SHCIL) and the authorised stock exchanges as specified in Annexure III to this Notification.
- c) "Stock Certificate" means the Gold Bond issued in the form of Government of India Stock in accordance with section 3 of the Government Securities Act, 2006.

3. Eligibility for Investment.-

The Gold Bonds under this Scheme may be held by a Trust, HUFs, Charitable Institution, University or 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.

Explanation— For the purposes of this paragraph:

- (i) "person" shall have the same meaning as defined in clause (u) of section 2 of the Foreign Exchange Management Act, 1999 (42 of 1999).
- (ii) the expression "person resident in India" shall have the same meaning as defined in clause (v) of section 2 of the Foreign Exchange Management Act, 1999 (42 of 1999).
- (iii) "Trusts" to mean a trust constituted/formed as per the Indian Trusts Act, 1882, or a public or private trust constituted or recognized under the provisions of any Central or State law for the time being in force and also an express or constructive trust constituted for either a public religious or charitable purpose or both which includes a temple, a math, a wakf, a church, a synagogue, anagary or any other place of public religious worship, or a dharmada or any other religious or charitable endowment and also a society, formed either for a religious or charitable purpose or for both, registered under the Societies Registration Act, 1860 or under any other law for the time being in force in India.
- (iv) "Charitable Institution" to mean a Company registered under Section 25 of the Indian Companies Act, 1956 or under Section 8 of the Companies Act, 2013; or an institution, which has obtained a Certificate of Registration as a charitable institution in accordance with a law in force; or Any institution which has obtained a certificate

from an Income Tax Authority for the purposes of Section 80G of the Income Tax Act, 1961.

- (v) "University" means a university established or incorporated by a Central, State or Provincial Act, and includes an institution declared under section 3 of the University Grants Commission Act, 1956 (3 of 1956), to be a university for the purposes of the Act.

4. Denomination, Subscription limit and Pricing.—

- (i) The bonds will be issued in denominations of one gram of gold or multiples thereof;

Provided that the minimum limit of subscription for the Bonds issued shall be of one gram and maximum limit of subscription per fiscal year shall be of 4 kg for individuals, 4 kg for Hindu Undivided Family (HUF) and 20 kg for trusts and similar entities notified by the Government from time to time;

Provided that in case of joint holding, the above limits shall be applicable to the first applicant only;

Provided that the annual ceiling will include bonds subscribed under different tranches during initial issuance by Government and those purchased from the secondary market; and

Provided, further that the ceiling on investment will not include the holdings as collateral by banks and other Financial Institutions.

- (ii) The nominal value of Gold Bonds shall be in Indian Rupees fixed on the basis of simple average of closing price of gold of 999 purity, published by the India Bullion and Jewellers Association Limited, for the last 3 working days of the week preceding the subscription period.
- (iii) The issue price of the Gold Bonds will be ` 50 per gram less than the nominal value to those investors applying online and the payment against the application is made through digital mode.

5. Procedure for making application for subscription to Gold Bonds—

- (i) Any person who is desirous of subscribing to the Gold Bonds shall apply to any receiving office in **Form 'A'** or in any other form as near as thereto, stating clearly the grams of gold, full name and address of the applicant/s.
- (ii) Every application shall contain such documents and particulars as specified in the instructions contained in the Application Form.
- (iii) Every application must be accompanied by the 'PAN Number' issued by the Income Tax Department to Individuals and other entities.
- (iv) On receipt of an application under sub paragraph (i), the receiving office shall issue an acknowledgment receipt in **Form 'B'**, if all requirements of the application are fulfilled.
- (v) An incomplete application is liable to be rejected.

6. Date and form of issue of Gold Bonds.—

- (i) The Gold Bonds shall be issued on the in the form of a Stock Certificate, as specified in Form 'C'.
- (ii) The Gold Bonds shall be eligible to be converted into Demat form.

7. Period of subscription.-

The Subscription of the Gold Bonds under this Scheme shall be open as specified in Section 8 below.

Provided that the Central Government may, with prior notice, close the Scheme at any time before the period specified above.

8. Calendar of Issuance.-

S. No.	Tranche	Date of Subscription	Date of Issuance
1	2021-22- Series I	May 17-21, 2021	May 25, 2021
2	2021-22 Series II	May 24-28, 2021	June 01, 2021
3	2021-22 Series III	May 31-June 04, 2021	June 08, 2021
4	2021-22 Series IV	July 12-16, 2021	July 20, 2021
5	2021-22 Series V	Aug. 09-13, 2021	Aug. 17, 2021
6	2021-22 Series VI	Aug. 30-Sept.03, 2021	Sept. 07, 2021

9. Interest.-

- (i) The interest on the Gold Bonds shall commence from the date of issue and shall be paid at a fixed rate of 2.50 percent per annum on the nominal value of the bond.
- (ii) The interest shall be payable in half-yearly rests and the last interest shall be payable along with the principal on maturity.

10. Receiving Offices.-

The receiving offices shall be authorised to receive applications for the bonds either directly or through agents.

11. Payment Options.-

- (i) All payments for Gold Bonds shall be accepted in Indian Rupees through cash (upto a maximum of ₹ 20,000/-) or demand draft, or cheque, or electronic banking.
- (ii) Where payment is made through cheque or demand draft, the same shall be drawn in favour of the receiving office.

12. Redemption.-

- (i) The Gold Bonds shall be repayable on the expiration of eight years from the date of the issue of the Bonds:

Provided that premature redemption of Gold Bonds may be permitted after fifth year from the date of issue of Bonds and such repayments will be made on next interest payment date.

- (ii) On maturity, the Gold Bonds shall be redeemed in Indian Rupees and the redemption price shall be based on simple average of closing price of gold of 999 purity of previous 3 working days, published by the India Bullion and Jewelers Association Limited.
- (iii) The RBI / depository shall inform the investor one month in advance, about the date of maturity of the Bond.

13. Eligibility for Statutory Liquidity Ratio.-

Bonds acquired by the banks through the process of invoking lien/hypothecation/pledge alone, shall be counted towards Statutory Liquidity Ratio.

14. Loan against Bonds.-

- (i) The Gold Bonds issued under this Scheme may be used as collateral security for availing any loan. Such loans could be granted by marking lien on SGB appropriately.
- (ii) The Loan to Value ratio as applicable to any ordinary gold loan mandated by the Reserve Bank of India shall also apply to the Bonds issued under this Scheme.

Note: The loan against SGBs would be subject to decision of the bank/financing agency, and cannot be inferred as a matter of right.

15. Tax Treatment.

The interest on the Gold Bond shall be taxable as per the provisions of the Income-Tax Act, 1961 (43 of 1961). The capital gains tax arising on redemption of these bonds to an individual is exempted. The indexation benefits will be provided to long-term capital gains arising to any person on transfer of bond.

16. Nomination.-

- (i) Nomination of 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.
- (ii) An individual Non-Resident Indian may get the security transferred in his name on account of his being a nominee of a deceased investor;
Provided that the Non-Resident investor shall need to hold the security till early redemption or till maturity;
Provided further that the interest and maturity proceeds of the investment shall not be repatriable.

17. Transfer of Gold Bonds.-

The Gold Bonds issued in the form of Stock Certificate are 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.

18. Trading of Gold Bonds.-

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

19. Commission for mobilizing subscription.-

The commission for mobilising subscription towards these bonds shall be paid at the rate of Rupee one per hundred Rupees of the total subscription received by the receiving offices 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.

20. 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(2) W&M/2018, dated the 27th March, 2018 shall apply to the Gold Bond issued under this scheme.

By Order of the President of India
[F. No.4(5)-B(W&M)/2021]


(Rajat Kumar Mishra)

Additional Secretary to the Government of India

Annexure-I
(Refer to para 2(b) of notification dated October 09, 2020)

List of Receiving Offices (Banks) is provided in the Press Release of Reserve Bank of India dated May 12, 2021 at www.rbi.org.in

Annexure-II
(Refer to para 2(b) of notification dated October 09, 2020)

List of Post Offices is provided in the Press Release of Reserve Bank of India dated May 12, 2021 at www.rbi.org.in

Annexure III
(Refer to para 2(b) of notification dated October 09, 2020)

List of recognised stock exchanges authorised as receiving offices for the Sovereign Gold Bonds 2020-21

1. National Stock Exchange of India Ltd. (NSE)
2. Bombay Stock Exchange Ltd. (BSE)