

Sovereign Gold Bond (SGB) 2016-17 Series – IV (7th Tranche).

Product name	Sovereign Gold Bond (SGB) 2016 -17 — Series IV (7th Tranche)
Issuance	To be issued by Reserve Bank India on behalf of the Government of India.
Application	Request for the Bonds are accepted at All the Branches of the Bank
Eligibility	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. Accordingly, The Bonds will be restricted for sale to resident Indian entities including individuals, HUFs, Trusts, Universities, charitable institutions.
Denomination	The Bonds will be denominated in multiples of gram(s) of gold with a basic unit of 1 gram.
Tenor	The tenor of the Bond will be for a period of 8 years with exit option from 5th year to be exercised on the interest payment dates
Minimum size	Minimum permissible investment will be 1 unit (i.e. 1 gram of gold).
Maximum limit	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.
Joint holder	In case of joint holding, the investment limit of 500 grams will be applied to the first / single applicant only
Frequency	Each tranche will be kept open for a period to be notified. The present 7th tranche of SGB 2016 — 17 — Series-IV is opened from 27th February, 2017 to 3rd March, 2017 and bond shall be allotted on 17th March 2017.
Issue price	Issue price for the present 7th tranche of SGB 2016 - 17 - Series-IV (7th Tranche) is Rs. 2893/- per gram after Rs. 50/- discount on nominal value of Rs. 2943/- per gram.
Payment option	Payment shall be accepted in Indian Rupees through Cash up to a maximum of Rs. 20,000/-.
Issuance form	The investors will be issued a Stock/ Holding Certificate. The Stock holding Certificate shall be issued by RBI. The Bonds are eligible

	for conversion into de-mat form. PAN No. is mandatory in case of Demat.
Redemption price	The redemption price will be in Indian Rupees based on previous week's (Monday-Friday) simple average of closing price of gold of 999 purity published by IBJA
Interest rate	The investors will be compensated at a fixed rate of 2.50 per cent per annum payable semi-annually on the nominal value.
Collateral	Bonds can be used as collateral for loans. The loan-to-value (LTV) ratio is to be set equal to ordinary gold loan mandated by the Reserve Bank from time to time.
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.
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 Tax treatment 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'
Tradability	Bonds will be tradable on exchanges/NDS-OM from a date to be notified by RBI.