

# Business Standard

## Banks to launch 2nd tranche of gold bonds on Jan 18: FinMin

The first tranche of gold bond scheme had got subscription for 915.95 kg of gold amounting to Rs 246 cr

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*Gold biscuits are seen in this picture illustration taken inside a jewellery showroom in Mumbai*

Aimed at curbing demand for physical gold, the government today said banks will launch the second tranche of the sovereign gold bond scheme on January 18.

The second tranche of gold bond scheme will remain open till January 22, Economic Affairs Secretary Shaktikanta Das said in a tweet.

"Next issue of gold bonds will be open from January 18 to January 22. Conference with bank CMDs held today," Das said.

The first tranche of gold bond scheme, which was launched in November, had got subscription for 915.95 kg of gold amounting to Rs 246 crore.

The gold bonds are issued in denominations of 5 grams, 10 grams, 50 grams and 100 grams for a term of 5-7 years with a rate of interest to be calculated on the value of the metal at the time of investment.

The Gold Bond Scheme will have an annual cap of 500 grams per person.

Prime Minister Narendra Modi had on November 5 launched gold schemes to wean investors away from physical gold.

India imports about 1,000 tonnes of gold every year and the precious metal is the second-highest constituent of the import bill after crude oil.

The scheme is aimed at reducing demand for gold in physical form by encouraging people to buy the commodity in demat or the paper form.

In April-November this fiscal, gold imports have declined to \$22.65 billion, from \$24.49 billion in the same period last year. In volume terms, the imports were 689 tonnes as against 628 tonnes in the same period last year.