Headline: NSE gets pat on the back for promoting gold bond scheme	
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The fourth series of the gold bonds scheme opens on Monday and closes on March 3. The bonds carry an annual interest of 2.5 per cent, payable semi-annually SHUTTERSTOCK.COM

NSE gets pat on the back for promoting gold bond scheme

FinMin urges bourse to help push fourth series of scheme that opens today

KR SRIVATS

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Praising the National Stock Exchange (NSE) for its efforts so far in the Sovereign Gold Bond (SGB) Scheme, the Finance Ministry has written to the bourse, urging it to actively create awareness among investors for the upcoming fourth series, too.

The fourth series of the gold bonds scheme opens on Monday and closes on March 3. The bonds will be issued on March 17.

Till date, for FY17, NSE has been ranked second among the top receiving offices. The other entities that had been allowed to perform the role of receiving offices include banks, Stock Holding Corporation of India, Bombay Stock Exchange and designated post offices.

A few days back, Economic Affairs Secretary Shaktikanta Das had written to NSE Managing Director & CEO Vikram Limaye, and urged the bourse to advice the respective depositories to begin fullfledged efforts to promote the gold bond scheme. NSE has been asked to better its performance in the next tranche, sources said.

For 2016-17, the Centre hopes to mobilise about ₹3,800 crore through the gold bonds scheme. In 2015-16, it had raised ₹1,318 crore through three tranches of the scheme. In the six tranches issued till date, 14,071 kg of gold amounting to ₹4,127 crore has been subscribed.

Following the 2015-16 Budget announcement, the SGB was launched as an alternative to physical gold in November 2015. The aim is to reduce demand — including through imports — for physical gold, and in the process trim the nation's current account deficit.

Annual interest

Under the fourth series, SGBs carry an annual interest of 2.50 per cent payable semi-annually. The tenure of the bond is eight years, with exit options at the end of the 5th, 6th and 7th year. The minimum subscription is 1 g.

The issue price of the gold bonds is ₹50 per gram less than the nominal value. The bonds, which can be used as collateral for loans, will be traded on the exchange, thus providing investors with an opportunity to exit early.