



**भारतीय रिज़र्व बैंक**  
**RESERVE BANK OF INDIA**

www.rbi.org.in

RBI/2016-17/96

IDMD.CDD.No.892/14.04.050/2016-17

October 20, 2016

The Chairman & Managing Director  
All Scheduled Commercial Banks,  
(Excluding RRBs)  
Designated Post Offices  
Stock Holding Corporation of India Ltd.(SHCIL)  
National Stock Exchange of India Ltd. & Bombay Stock Exchange Ltd.

Dear Sir/Madam,

**Sovereign Gold Bonds- Maximum Limit of Investment and Acceptance as  
Collateral- Clarification**

As you are aware, the Sovereign Gold Bond Scheme was notified by GOI in exercise of the powers conferred by clause (iii) of section 3 of the Government Securities Act, 2006 (38 of 2006). The scheme specifies that the maximum limit of subscription to the bonds will be 500 gm, per person per fiscal year. With respect to the scheme, we have been receiving queries from banks and others about the feasibility of lending against the bonds and whether the restrictions on subscription would extend to acquisitions through transfers etc.

In this regard, it is clarified that:

- The Sovereign Gold Bonds (SGB) are government securities issued under section 3 (iii) of the government securities Act. As the holder of an SGB can therefore create a pledge, hypothecation or lien against the security (in accordance with the provisions of the G-Sec Act 2006/ G.Sec Regulations, 2007), the SGBs may be used as collateral security for any loan.
- Banks and other eligible holders can acquire more than 500 gms. of SGBs in a fiscal year, through transfers etc., including transfers arising out of recovery proceedings.

Yours faithfully,

(Rajendra Kumar)  
General Manager

आंतरिक ऋण प्रबंध विभाग, केंद्रीय कार्यालय, 23वीं मंजिल, केंद्रीय कार्यालय भवन, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई – 400 001, भारत

फोन : (022) 2266 1602-04, फैक्स : (022) 2264 4158, ई-मेल : [cgmidmd@rbi.org.in](mailto:cgmidmd@rbi.org.in)

Internal Debt Management Department, Central Office, 23<sup>rd</sup> Floor, Central Office Building, Shahid Bhagat Singh Marg, Fort, Mumbai-400 001, India

Telephone : 022 2266 1602-04, Fax : 022 2264 4158, Email : [cgmidmd@rbi.org.in](mailto:cgmidmd@rbi.org.in)

हिन्दी आसान है, इसका प्रयोग बढ़ाइए।

चेतावनी : रिज़र्व बैंक द्वारा ईमेल, डाक, एसएमएस या फोन काल के जरिये किसी की भी व्यक्तिगत जानकारी जैसे बैंक खाते का ब्यौरा, पासवर्ड आदि नहीं मांगी जाती है। यह धन रखने या देने का प्रस्ताव भी नहीं करता है। ऐसे प्रस्तावों का किसी भी तरीके से जवाब मत दीजिये।

**Caution:** RBI never sends emails, SMSs or makes calls asking for personal information like bank account details, passwords, etc. It never keeps or offers funds to anyone. Please do not respond in any manner to such offers.