GOLD BONDS SCHEME, 1993

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In exercise of the powers conferred by sub-section (1) of section 3 of the Gold Bonds (Immunities and Exemptions) Ordinance, 1993 (No. 22 of 1993), the Central Government hereby makes the following Scheme, namely :-

1. Short title and commencement :-

(1) This Scheme may be called the Gold Bonds Scheme, 1993.

(2) It shall come into force on the 15th day of March, 1993.

2. Definitions :-
In this Scheme, unless the context otherwise requires,-

(a) "Form" means a form appended to this Scheme;

(b) "Ordinance" means the Gold Bonds (Immunities and Exemptions) Ordinance, 1993 (No. 22 of 1993);

(c) "receiving office" means the offices or branches of the Reserve Bank of India or of the State Bank of India specified in Annexure I to this Scheme;

(d) all other words and expressions used in this Scheme but not defined and defined in the Ordinance, shall have the meanings respectively assigned to them in the Ordinance.

3. Eligibility for subscribing to Gold Bonds :-
Subscription to Gold Bonds may be made by a resident in India, being :-

(i) an individual, in his capacity as such individual or on behalf of a minor child or jointly with any such other individual;

(ii) a Hindu undivided family;

(iii) trustees of a trust;

(iv) a firm; or

(v) a company.

4. Form of subscription :-

(1) Subscription will be only in the form of gold. In case of ornaments, the same should be melted after removing the stones, if any, and then the gold should be tendered: Provided that where the gold tendered is found, after assaying, to contain deleterious elements, such as selenium and tellurium beyond limits acceptable to Government Mint, it will not be accepted for the issue of Gold Bonds and will be returned to the tenderer.

(2) The minimum limit for subscription will be five hundred grammes of gold. There shall be no maximum limit for subscription.

(3) The gold tendered will be assayed by Government Mint and expressed in terms of 0.995 fineness. The Gold Bonds to be issued shall specify the weight of gold of 0.95 fineness as determined after assay of the gold tendered and after deducting refining losses as provided in Annexure IIto this Scheme.

(4) The weight of the gold at 0.995 fineness as determined by the Government Mint and indicated by the Reserve Bank of India in the Gold Bonds shall be binding on the subscriber.

(5) The Gold Bond will be issued for the quantity equal to the nearest lower whole gramme of gold and the value of the fraction over and above the quantity accepted for issue of the Gold Bond will be paid to the subscriber at the time of delivery of the Gold Bond at the rate of rupees 'four hundred per gramme.

(6) The Bonds will be issued for a minimum denomination of five hundred grammes of gold, except in cases where the gold tendered after assaying is of a weight of less than five hundred grammes.

(7) The date of issue of Gold Bonds shall be the date on which the gold is tendered at the receiving office.

5. Procedure for making application for subscription to Gold Bonds :-

(1) Every subscriber who is desirous of making subscription to the Gold Bond shall apply to any receiving office in Form 'A' or as near thereto as possible and tender at least five hundred grammes of gold along with the application.

(2) On receipt of an application under sub-paragraph (1), the receiving office shall issue a provisional receipt for the weight of the gold tendered by the subscriber.

(3) After the gold has been assayed by the Government Mint, the Gold Bond will be issued by the Public Debt Office of the Reserve Bank of India indicating weight of the gold of 0.995 fineness as determined by the Government Mint rounded to the nearest lower whole gramme along with the final receipt.

6. Form of issue of Gold Bonds :-

(1) The Gold Bonds will be issued in the form of either Government Promissory Note or Stock Certificate, depending upon the option exercised by the subscriber : Provided that where no option is exercised by the subscriber, the Gold Bond shall be issued in the form of Stock Certificate.

(2) The Gold Bond issued in one form cannot be converted into the other form.

7. Period of subscription :-
The subscription for the Gold Bonds under this Scheme shall open on and from the 15th day of March, 1993 and will close on the 14th day of June, 1993.

8. Repayment and interest :-

(1) The Gold Bonds will be repaid in the form of gold of 0.995 fineness five years after the date of issue.

(2) The Bonds will bear a lump sum interest for the period of five years payable on maturity in rupees at the rate of rupees forty for each gramme of gold of 0.995 fineness.

(3) The tender of the gold on maturity of the Gold Bonds along

with the interest due thereon will be made from the receiving office as specified by the subscriber in the application form.

9. Transfer of Gold Bonds :-

(1) The Gold Bond in the form of Stock Certificate is transferable by execution of an Instrument of transfer annexed to it.

(2) On transfer of the Gold Bond issued in the form of Stock Certificate, the transferee shall get the Instrument of transfer registered in Public Debt Office of the Reserve Bank of India at Bombay.

(3) In the case of transfer the stock certificate should be surrendered at the Public Debt Office, Bombay where it stands registered. Where the stock is transferred in full or in part the purchaser will receive a certificate for the quantity of gold transferred and the transferor a new certificate for the balance, if any,

(4) The Gold Bonds in the form of Promissory Note are transferable by endorsement and delivery.

10. Loans and advances :-
The Gold Bonds can be held by any banking company, State Bank of India, a subsidiary bank, a corresponding new bank or a co-operative bank as defined in the Banking Regulation Act, 1949, Regional Rural Banks established under section 3 of the Regional Rural Banks Act, 1976, if the Gold Bonds arc transferred to them under paragraph 9 for the limited purpose of obtaining an advance against the security of such Bonds.

11. Nomination by the subscriber :-

(1) The provisions contained in this paragraph shall apply to the Gold Bonds issued in the form of a Stock Certificate.

(2) The sole holder or sole surviving holder of a Gold Bond being an individual, may nominate in Form B or as near thereto as may be, one or more persons who shall be entitled to the Bond and the payment thereof, in the event of the death of the subscriber: Provided that no nomination shall be made under sub-paragraph (2) where the individual has subscribed to the Gold Bond on behalf of a minor.

(3) If the nominee is a minor, the subscriber may appoint any

person to receive the gold due under this Scheme in the event of the death of the subscriber during the minority of the nominee.

(4) A nomination made by a subscriber may be cancelled or varied by a fresh nomination in Form B or as near thereto as possible, or may be cancelled by giving notice in writing to the Public Debt Office of the Reserve Bank of India in Form C.

(5) Every nomination and every cancellation or variation thereof shall be registered at the Public Debt Office of the Reserve Bank of India and shall be effective from the date of such registration.

(6) Where the nomination is in favour of more than one person, the nominee first named shall alone have the right to receive the gold on maturity along with interest which is due to the deceased subscriber.

(7) Where the nominee first named has predeceased the subscriber and the subscriber has not cancelled the nomination or substituted the nomination, the nominee second named shall be entitled to receive the gold on maturity along with the interest which is due to the deceased subscriber and so on in respect of other successive nominees: Provided that if any nominee is dead, the surviving nominee or nominees shall in addition to the proof of the death of the subscriber also furnish proof of death of the deceased nominee or nominees, as the case may be.