GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

RAJYA SABHA
UNSTARRED QUESTION NO. 3434
TO BE ANSWERED ON TUESDAY, THE 01st APRIL, 2025
11 CHAITRA, 1947 (SAKA)

Outstanding liability of SGBs

3434. Shri Narain Dass Gupta

Will the Minister of ***Finance*** be pleased to state:

(a) the total number, value, and outstanding liability of Sovereign Gold Bonds (SGBs) since 2015, including gold quantity represented;

(b) the year-wise projected financial liabilities, considering gold price appreciation until final redemption;

(c) the risk management measures to address rising liabilities;

(d) the rationale and cost-benefit analysis behind discontinuing SGBs in 2025;

(e) the plans for a revised SGB scheme or alternatives to curb gold imports;

(f) whether an independent review was conducted before discontinuation; and

(g) the steps taken by Government to hedge against rising gold prices and available reserve funds for redemptions?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) & (b): There have been a total of 67 tranches wise issuance of Sovereign Gold Bonds (SGBs) till FY 2024-25 amounting to 146.96 tons of gold. The outstanding value as on 20th March, 2025 on issue price is ₹ 67,322 crore for 130 tons of gold. Redemption of SGBs are based on prevailing market price.

(c) to (g): The government has maintained a Gold Reserve Fund (GRF) in Public Account where price and interest differential amount is credited in time. The SGBs, in addition to other borrowing instruments, has been an instrument for raising resources for financing fiscal deficit. However, in addition to these, SGBs also served the purpose of savings/financial instrument as an alternate to physical gold. Due to the recent gold price volatility and global economic headwinds, this form of borrowings have become relatively expensive. Therefore, based on maturing and deepening of Indian G-Sec market, which helped in mobilising relative low cost borrowing, resources were not raised through SGBs in FY 2024-25.

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