

RBI to launch CPI-indexed bonds by December end: Khan

The Reserve Bank of India ([RBI](#)) said on Monday it will launch CPI-indexed [bonds](#) aimed at protecting the savings of retail investors from the impact of price rise by the end of next month.

“Guidelines will be out soon...We are likely to launch the first tranche before end of December. We will come out with details (quantum),” RBI Deputy Governor [H R Khan](#) said on the sidelines of a National Housing Bank event.

“This year it should be between Rs 10,000-15,000 crore (wholesale price and consumer price indexed bonds) but exact amount will come out. This is part of overall borrowing programme,” he said.

The RBI in its policy statement last month had said [inflation](#)-indexed securities for retail investors of 10-year tenor would be linked to the new (combined) consumer price index. Interest would be compounded half-yearly and paid cumulatively at redemption, according to the statement.

Inflation-indexed bonds were designed to offer investors an option to guard their savings against price rises and dissuade them from buying [gold](#). The bonds are part of the government's borrowing programme.

The government had announced plans to issue Rs 12,000-15,000 crore of inflation-indexed bonds with 10-year maturity in tranches during the current financial year. While the first series of bonds was open to all categories of investors, the second series will be exclusively for retail investors.

(Business Standard)