



WHAT IS SGB?

- Govt. Securities denominated in grams of gold, Issued by Reserve Bank of India (RBI)
- Substitute for physical gold
- Interest rate: 2.50% p.a. payable half-yearly
- Minimum investment: 1 gram of gold

WHAT IS SGB?

- **Maturity:** 8 years with exit option after 5th year on Interest Payment dates from RBI
- Listed and tradable on Stock Exchanges

- **Nominal Value of Gold Bond:** Simple average of INR closing price of gold of 999 purity for last 3 working days of week preceding subscription period, as published by Indian Bullion & Jewellery Association (IBJA).
- **Issue Price:** Nominal Value less Rs.50 per gram for online applications with payment via digital mode.

- Interest is taxable. No TDS.
- Capital gains tax exemption on maturity/ early redemption - primary issuances only
- Indexation + LTCG on secondary market sales

- Individual investors / HUFs
- Trusts
- Universities & Charitable Institutions
- Maximum investment:
 - Individuals (incl. minor) & HUFs – 4 kgs / FY
 - Non – individuals: 20 kgs / FY

COMPARISON: SGB, PHYSICAL GOLD & GOLD ETF

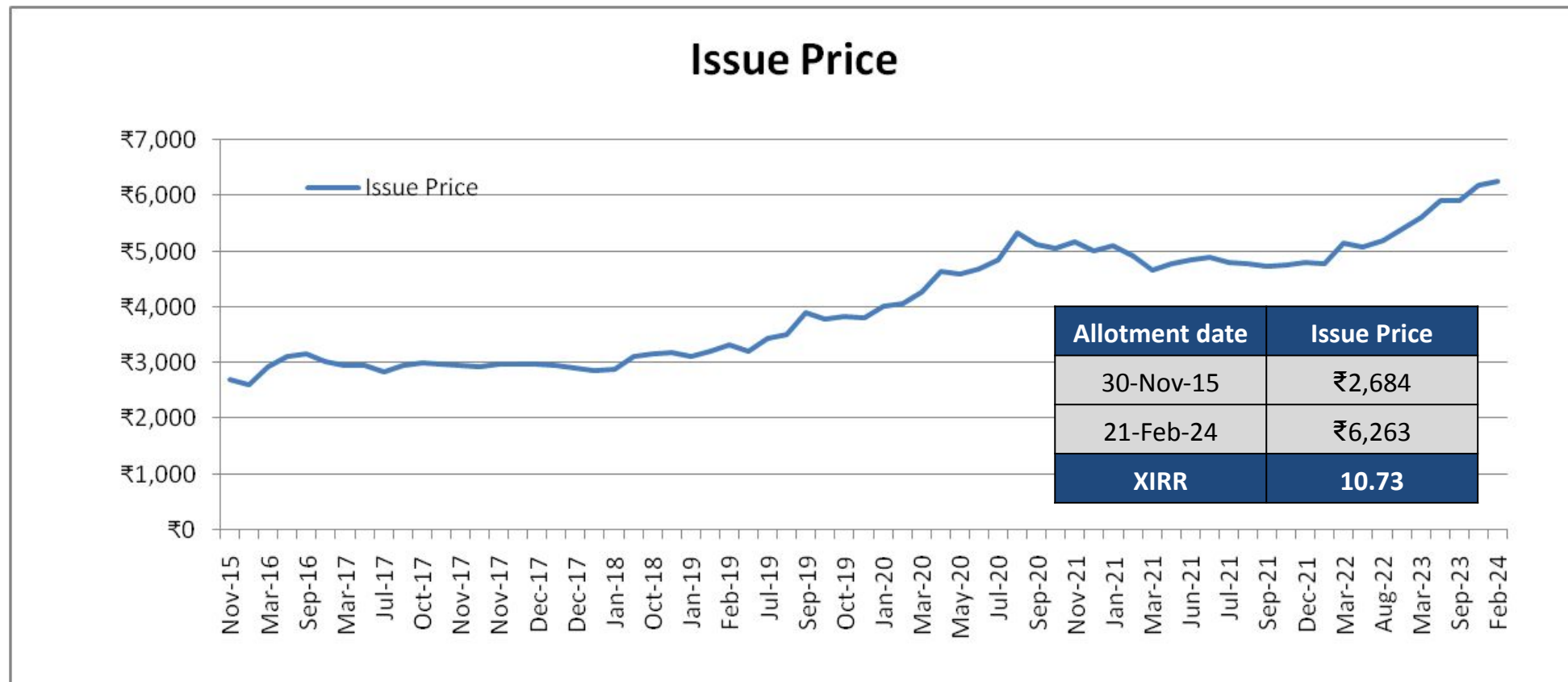
PARTICULARS	SOVEREIGN GOLD BONDS	PHYSICAL GOLD	GOLD ETF
Returns / Earnings	Higher returns than Physical Gold	As per current market prices	Lower returns than Physical Gold, due to AMC fees
Sovereign Guarantee	Yes	N.A.	No
Interest on Investment	Yes	No	No
Capital Appreciation / Depreciation	Yes	Yes	Yes
Fund Management Fees	No	No	Yes
Broker's charges on buying	No	No	Yes
Exit / Redemption option	Only from the 5th year	Anytime exit	Anytime exit
Tradability	Yes	Yes	Yes
Liquidity	Limited	Highly Liquid	Highly Liquid
Storage / Insurance charges	No	Yes	No
Quality check required	No	Yes	No

Capital Gains tax on redemption is exempted for individuals

WHY SGB?



HISTORICAL ISSUE PRICE - SGB



Source : RBI

ISSUANCE CALENDAR 2023-24

Sr No.	Trance	Period Of Subscription	Date Of Issuance	Issue Price (Rs./gm)
1	2023-24 Series I	June 19 - June 23, 2023	June 27, 2023	₹5,876/-
2	2023-24 Series II	September 11-September 15, 2023	September 20 2023	₹5,873/-
3	2023-24 Series III	December 18 - December 22, 2023	December 28 2023	₹6,149/-
4	2023-24 Series IV	February 12 – February 16, 2024	February 21 2024	₹6,213/-

- E-Wealth A/c >> Transact >> Public Offers >> Sovereign Gold Bond (SGB)
- Payment modes:
 - Net Banking
 - Auto Debit
 - UPI
 - NEFT / RTGS

(* Not available for E-MF clients)

- Can I buy/sell SGBs on the Secondary Market?
 - Yes, SGBs are listed and traded on the Secondary Market under the Debt Market segment.
- What are the interest payment dates for SGB?
 - Interest payment dates are decided based on date of issuance.
 - E.g. if date of issuance is January 5th, 2021, then IP dates will be January 5th & July 5th.

- Is the interest paid on SGBs taxable or tax free?
 - Interest paid is taxable and will be added to investor's taxable income.
 - There is no TDS on interest paid.
- What is tax treatment for SGBs purchased on Secondary Market?
 - SGBs held for more than 3 years will be taxed @ 20% with indexation benefit.
 - SGBs held for less than 3 years will be taxed as short term capital gains & added to investor's income.

- Will I get gold on maturity of the bonds?
 - Gold bonds will be redeemed in Indian Rupees
 - Redemption price shall be simple average of closing price of 999 purity gold of previous 3 working days, published by Indian Bullion & Jewellers Association.
- Can I do a SIP in SGBs?
 - There is no SIP option in SGB.
 - RBI has been issuing SGBs on a monthly basis which can be purchased from E-Wealth A/c.

- Can I buy gold worth 5 crores through E-Wealth A/c?
 - Individuals can buy 4 kgs of gold in a financial year through the SGB route. At current prices, this works out to approx. Rs.2 crores.
- Does the Govt buy gold on my behalf?
 - The Govt. does **not** buy gold on behalf of the investor.

THANK YOU

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