



Swarnabharath

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India has an estimated 20,000 tonnes of gold lying idle with Indian households and institutions. The following schemes are aimed at bringing the gold lying with citizens into the economy, and at reducing India's dependence on gold imports.

Sovereign Gold Bond (SGB) Scheme

SGBs are government securities denominated in grams of gold. They are substitutes for holding physical gold. Investors have to pay the issue price in cash and the bonds will be redeemed in cash on maturity. The Bond is issued by Reserve Bank on behalf of Government of India.

Persons resident in India as defined under Foreign Exchange Management Act, 1999 are eligible to invest in SGB. Eligible investors include individuals, HUFs, trusts, universities, charitable institutions, etc.

The Bonds bear interest at the rate of 2.50 per cent (fixed rate) per annum on the amount of initial investment. Interest will be credited semiannually to the bank account of the investor and the last interest will be payable on maturity along with the principal.

The Reserve Bank of India, in consultation with the Government of India, issues tranches of Sovereign Gold Bonds.

Sovereign Gold Bond Scheme 2023-24

The Sovereign Gold Bond Scheme (SGB) 2023-24, issued by the Reserve Bank of India (RBI) on behalf of the Government of India, offered bonds in two tranches, Series III (December 2023) and Series IV (February 2024), with a fixed interest rate of 2.5% per annum, payable semi-annually.

Sovereign Gold Bond Scheme 2022-23

Government of India, as of December 2022, has released Series I, II and III of Sovereign Gold Bond Scheme 2022-23. Under the Scheme, there will be a distinct series (Series I, II and III) for every tranche. The terms and conditions of the issuance of the Bonds shall be as per the above notification.

In terms of Government of India Notification No.4(6)-B(W&M)/2022 dated June 15, 2022, Sovereign Gold Bonds 2022-23 (Series I) was opened for subscription during the period June 20-24, 2022 with Settlement date June 28, 2022. The issue price of the Bond during the subscription period was Rs 5,091

(Rupees five thousand ninety one only) per gram, as also published by RBI in their Press Release dated June 17, 2022.

In terms of Government of India Notification No.4(6)-B(W&M)/2022 dated December 15, 2022, Sovereign Gold Bonds 2022-23 (Series III) will be opened for subscription during the period December 19-23, 2022 with Settlement date December 27, 2022. The issue price of the Bond during the subscription period shall be Rs. 5409 (Rupees Five Thousand Four Hundred Nine only) per gram, as also published by RBI in their Press Release dated December 16, 2022.

The Bonds will be sold through Scheduled Commercial banks(except [Small Finance Banks](#) and Payment Banks), Stock Holding Corporation of India Limited (SHCIL), Clearing Corporation of India Limited (CCIL), designated post offices, and recognised stock exchanges viz., National Stock Exchange of India Limited and Bombay Stock Exchange Limited. The features of the Bond are as under:

Sl. No.	Item	Details
1	Product name	Sovereign Gold Bond 2022-23
2	Issuance	To be issued by Reserve Bank India on behalf of the Government of India.
3	Eligibility	The Bonds will be restricted for sale to resident Indian entities including individuals, HUFs, Trusts, Universities and Charitable Institutions.
4	Denomination	The Bonds will be denominated in multiples of gram(s) of gold with a basic unit of 1 gram.
5	Tenor	The tenor of the Bond will be for a period of 8 years with exit option after 5th year to be exercised on the interest payment dates.
6	Minimum size	Minimum permissible investment will be 1 gram of gold.
7	Maximum limit	The maximum limit of subscribed shall be 4 KG for individual, 4 Kg for HUF and 20 Kg for trusts and similar entities per fiscal (April-March) notified by the Government from time to time. A self-declaration to this effect will be obtained. The annual ceiling will include bonds subscribed under different tranches during initial issuance by Government and those purchase from the Secondary Market.
8	Joint holder	In case of joint holding, the investment limit of 4 KG will be applied to the first applicant only.

9	Issue price	The issue price of the Bond during the subscription period shall be Rs 5,409 per gram. Price of Bond is fixed in Indian Rupees on the basis of simple average of closing price of gold of 999 purity published by the India Bullion and Jewellers Association Limited for the last 3 working days of the week preceding the subscription period. The issue price of the Gold Bonds will be Rs 50 per gram less for those who subscribe online and pay through digital mode.
10	Payment option	Payment for the Bonds will be through cash payment (upto a maximum of Rs 20,000) or demand draft or cheque or electronic banking.
11	Issuance form	The Gold Bonds will be issued as Government of India Stocks under GS Act, 2006. The investors will be issued a Holding Certificate for the same. The Bonds are eligible for conversion into demat form.
12	Redemption price	The redemption price will be in Indian Rupees based on simple average of closing price of gold of 999 purity of previous 3 working days published by IBJA.
13	Sales channel	Bonds will be sold through banks, Stock Holding Corporation of India Limited (SHCIL), designated post offices as may be notified and recognised stock exchanges viz., National Stock Exchange of India Ltd and Bombay Stock Exchange Ltd, either directly or through agents.
14	Interest rate	The investors will be compensated at a fixed rate of 2.50 per cent per annum payable semi-annually on the nominal value.
15	Collateral	Bonds can be used as collateral for loans. The loan-to-value (LTV) ratio is to be set equal to ordinary gold loan mandated by the Reserve Bank from time to time.
16	KYC Documentation	Know-your-customer (KYC) norms will be the same as that for purchase of physical gold. KYC documents such as Voter ID, Aadhaar card/PAN or TAN /Passport will be required. Every application must be accompanied by the 'PAN Number' issued by the Income Tax Department to the investor(s).
17	Tax treatment	The interest on Gold Bonds shall be taxable as per the provision of Income Tax Act, 1961 (43 of 1961). The capital gains tax arising on redemption of SGB to an individual has been exempted. The indexation benefits will be provided to long term capital gains arising to any person on transfer of bond

18	Tradability	Bonds will be tradable on stock exchanges within a fortnight of the issuance on a date as notified by the RBI.
19	SLR eligibility	Bonds acquired by the banks through the process of invoking lien/hypothecation/pledge alone, shall be counted towards Statutory Liquidity Ratio.
20	Commission	Commission for distribution of the bond shall be paid at the rate of 1% of the total subscription received by the receiving offices and receiving offices shall share at least 50% of the commission so received with the agents or sub agents for the business procured through them.

Benefits

- The Sovereign Gold Bonds will be available both in demat and paper form.
- The tenor of the bond is for a minimum of 8 years with option to exit from 5th year.
- They will carry sovereign guarantee both on the capital invested and the interest.
- Bonds can be used as collateral for loans.
- Bonds would be allowed to be traded on exchanges to allow early exits for investors who may so desire.
- The Capital gain tax arising on redemption of SGB to an individual is exempted.

How and where to buy it

Sovereign Gold Bonds will be issued on payment of rupees and denominated in grams of gold. Minimum investment in the bond shall be 1 grams. The bonds can be bought by Indian residents or entities and is capped at 500 grams.

Investors can apply for the bonds through scheduled commercial banks and designated post offices. NBFCs, National Saving Certificate (NSC) agents and others, can act as agents. They would be authorised to collect the application form and submit in banks and post offices.

Sovereign Gold Bond, 2020- 21

Government of India, in consultation with the Reserve Bank of India, has decided to issue Sovereign Gold Bonds-2020-21. The Sovereign Gold Bonds were issued in six tranches from April 2020 to September 2020.

Sl.No.	Tranche	Date of Subscription	Date of Issuance
1	2020-21 Series I	April 20 - 24 , 2020	April 28, 2020
2	2020-21 Series II	May 11 - 15, 2020	May 19, 2020

3	2020-21 Series III	June 08 - 12, 2020	June 16, 2020
4	2020-21 Series IV	July 06 - 10, 2020	July 14, 2020
5	2020-21 Series V	August 03 - 07, 2020	August 11, 2020
6	2020-21 Series VI	Aug 31 - Sep 04, 2020	September 08, 2020
7	2020-21 Series VII	October 12 - 16, 2020	October 20, 2020
8	2020-21 Series VIII	November 09 - 13, 2020	November 18, 2020
9	2020-21 Series IX	December 28 2020 - January 01, 2021	January 05, 2021

For FAQs on SGB scheme, [Click here](#) .

Gold Monetisation scheme

It is a gold savings account which will earn interest for the gold that you deposit in it. Your gold can be deposited in any physical form – jewellery, coins or bars. This gold will then earn interest based on gold weight and also the appreciation of the metal value. You get back your gold in the equivalent of 995 fineness gold or Indian rupees as you desire (the option to be exercised at the time of deposit).

The Gold Monetisation Scheme will replace the existing Gold Deposit Scheme, 1999. However, deposits outstanding under the Gold Deposit Scheme will be allowed to run till maturity unless the depositors prematurely withdraw them.

Amendment to Gold Monetisation Scheme

Government of India, vide its press release dated March 25, 2025 regarding Gold Monetization Scheme (GMS) has decided to discontinue the Medium Term and Long Term Government Deposit (MLTGD) components of GMS with effect from March 26, 2025. Accordingly, any gold deposits tendered at the designated Collection and Purity Testing Centre (CPTC) or GMS Mobilisation, Collection & Testing Agent (GMCTA) or the designated bank branches towards MLTGD component of GMS shall not be accepted after March 25, 2025. The designated banks, at their discretion, may offer Short Term Bank Deposits (STBD) under GMS. The MLTGD mobilized till March 25, 2025 shall continue till redemption as per the extant guidelines.

Benefits

- The gold monetisation scheme earns interest for your gold jewellery lying in your locker. Broken jewellery or jewellery that you don't want to wear can earn interest for you in gold.
- Coins and bars can earn interest apart from the appreciation of value
- Your gold will be securely maintained by the bank.
- Redemption is possible in physical gold or rupees hence giving your gold purchase further earning opportunity.
- Earnings are exempt from capital gains tax, wealth tax and income tax. There will be no capital

gains tax on the appreciation in the value of gold deposited, or on the interest you make from it.

Term involved

The designated banks will accept gold deposits under the Short Term (1-3 years) Bank Deposit at the discretion of the banks.

Who and where can the account be opened?

Response: Resident Indians [Individuals, HUFs, Proprietorship & Partnership firms, Trusts including Mutual Funds/Exchange Traded Funds registered under SEBI (Mutual Fund) Regulations, Companies, charitable institutions, Central Government, State Government or any other entity owned by Central Government or State Government].

Modifications in the Gold Monetisation Scheme

Government of India, vide its press release dated March 25, 2025 has discontinued the Medium and Long Term Government Deposit (MLTGD) components of GMS. Accordingly, the mobilization of a MLTGD, including renewal, has been discontinued with effect from March 26, 2025. There is no change in the provisions pertaining to STBD under GMS.

RBI had issued a Master Direction on GMS on 21st January, 2016, which amends the Master Direction dated 22nd October, 2015 earlier issued by RBI on GMS. The changes made in the scheme are given below:-

- Premature redemption under Medium and Long Term Government Deposits (MLTGD) Any Medium Term Deposit will be allowed to be withdrawn after 3 years and any Long Term Deposit after 5 years. These will be subject to a reduction in the interest payable.
- Fees to be paid to Banks for their services i.e. gold purity testing charges, refining, storage and transportation charges etc. on Medium and Long Term Gold Deposits. Effectively the banks would be getting a 2.5 % commission for the scheme which will include the charges payable to the Collection and Purity Testing Centres/Refiners.
- Gold depositors can also give their gold directly to the refiner rather than only through the Collection and Purity Testing Centres (CPTCs). This will encourage the bulk depositors including Institutions to participate in the scheme.
- Bureau of Indian Standards (BIS) has modified the licensing condition for refiners already having National Accreditation Board for Testing and Calibration Laboratories (NABL) accreditation from the existing three years refining experience to one year refining experience. This is likely to increase the number of licensed refiners.
- BIS has published an Expression of Interest (EOI) on its website inviting applications from the more than 13,000 licensed jewellers to act as a CPTC in the scheme, provided they have tie-up with BIS's licensed refiners.
- The quantity of gold collected under the scheme will be expressed up to three decimals of a gram. This will give the consumer better value for the gold deposited.
- Gold to be deposited with the CPTCs/Refineries can be of any purity. The CPTC/Refiner will test the gold and determine its purity which will be basis on which the deposit certificate will be issued.
- Banks are free to hedge their positions in the case of short-term deposits.

- Issues like the method of interest calculation and mechanism for taking loans against GMS deposits have also been clarified. Indian Banks Association (IBA) will communicate the list of the BIS licensed CPTCs and refiners to the banks. To increase awareness among depositors, Government had continued the Media campaign in AIR and FM radio. Print media and Mobile SMS campaign is also being undertaken.

It is again clarified that Tax exemptions under the GMS include exemption of interest earned on the gold deposited and exemption from capital gains made through trading or at redemption. It is also reiterated that as per CBDT instructions No. 1916 dated 11th May, 1994, in course of IT Search u/s 132, gold jewellery to the extent of 500 gms per married lady, 250 gms per unmarried lady and 100 gms per male member of the family, need not be seized by tax authorities.

The scheme has been further modified on 31st March, 2016. Now, for the gold deposited under Medium and Long Term Government Deposits (MLTGD), the redemption of principal at maturity shall, at the option of the depositor, be either in Indian Rupee equivalent of the value of deposited gold at the time of redemption or in gold. Where the redemption of the deposit is in gold, an administrative charge at a rate of 0.5% (w.e.f. August 04, 2022) of the notional redemption amount in terms of INR shall be collected from the depositor. However, the interest accrued on MLTGD shall be calculated with reference to the value of gold in terms of Indian Rupees at the time of deposit and will be paid only in cash.

Further amendments to the Scheme was made on 4 August 2022. The changes have been made related to Guidelines for Renewal/Redemption of MLTGD.

To view the updated scheme, [click here](#) .

Indian Gold Coin

The Indian Gold Coin is part of Indian Gold monetisation program. The coin will be the first ever national gold coin will have the national emblem of Ashok Chakra engraved on one side and the face of Mahatma Gandhi on the other side. Initially, the coins will be available in denominations of 5 and 10 grams. A 20 grams bar/bullion will also be available. The Indian Gold Coin is unique in many respects and will carry advanced anti-counterfeit features and tamper-proof packaging that will aid easy recycling.

Coin features

- Purity - The Indian gold coin will be of 24 karat purity and 999 fineness.
- Hallmarked - All coins will be hallmarked as per the BIS standards.
- Security - The tamperproof packaging and advanced anti-counterfeit features on the coin cover make s it very safe and easily recyclable.
- Availability - This coin will distributed through designated & recognised Metals and Minerals Trading Corporation of India (MMTC) outlets.

Source : [RBI](#) 



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