

Why SGB is a Golden Opportunity for you!



Sovereign Gold Bond 2023-24 Series 1

Subscription period	19-23 June, 2023
Issue Price	Rs 5,876/gm (on ICICI direct web & app)

SWIPE >>>

Where can you buy?

ICICI Direct website & app; online applications avail at a
Rs 50 discount/gram

When does it mature?

After 8 years, but early redemption can be
done post 5th year

Fact sheet:

- Date of Issuance: **27 June 2023**
- Minimum investment: 1 gm
- Maximum investment: 4 kg
- Fixed interest: 2.5% pa, paid semi-annually
- Maturity proceeds are **exempt from tax**,
if held to maturity



Why should I invest in an SGB?

- Gold is a good hedge against inflation and a great portfolio diversifier.
- Sovereign guaranteed**-SGBs are safer to hold than physical gold assets.
- SGBs offer fixed interest and its maturity proceeds are exempted from tax.



Physical Gold Gold ETF SGB

Investment per 100 gm	Rs 5,60,000	Rs 5,60,000	Rs 5,55,000
GST @ 3%	Rs 16,800	Rs 0	Rs 0
Making charges @ 8.4%	Rs 47,040	Rs 0	Rs 0
Locker charges @1.2k pa for 8 years	Rs 9,600	NA	NA
Expense ratio @0.80% pa for 8 years	NA	Rs 35,840	NA
Total investment (cost to customer)	Rs 6,33,440	Rs 5,95,840	Rs 5,55,000
Maturity value (Considering 9% CAGR)	Rs 11,15,835	Rs 11,15,835	Rs 11,15,835
Fixed interest @2.5% pa	Rs 0	Rs 0	Rs 1,11,000
Pre-tax profit	Rs 4,82,395	Rs 5,19,995	Rs 6,71,835
Tax (assuming indexation @6%)	Rs 44,656	Rs 1,71,598	Rs 0
Post tax gain; Annualised post tax retrn (%)	Rs 4,37,739 6.8%	Rs 3,48,397 5.9%	Rs 6,35,205 10%

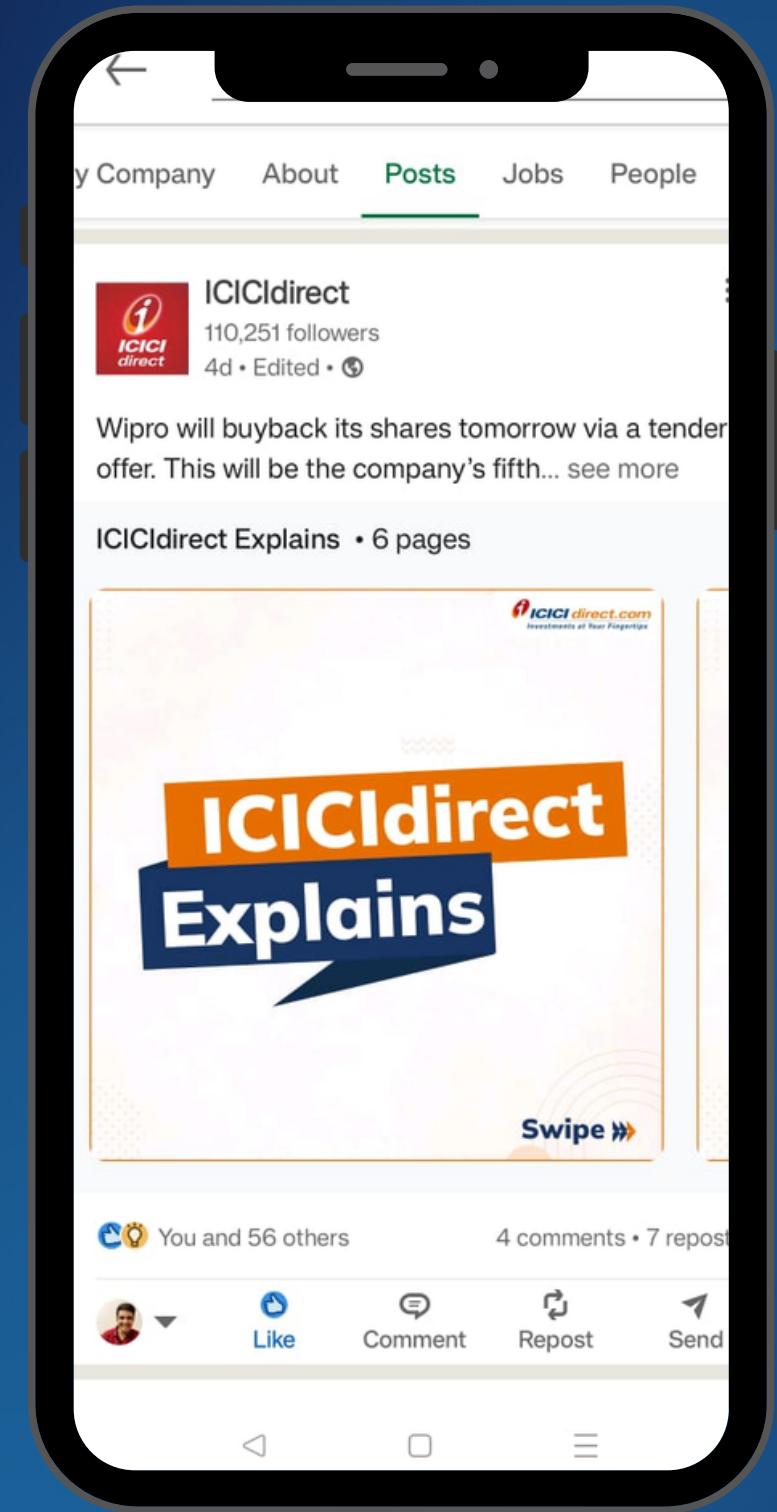
After 8 years of holding

Post Union Budget 2023, **SGBs have become more attractive** than gold ETFs. This is because the latter no longer have benefits of long-term capital gains tax (LTCG) & indexation, and is being taxed at the marginal tax rate effective April 1, 2023

Comment below if you're purchasing any SGB units this week!

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