

SOVEREIGN GOLD BOND SCHEME OPENS TOMORROW: DISCOUNT, PRICE AND OTHER DETAILS

Relevant for: Economy | Topic: Issues relating to Mobilization of resources incl. Savings, Borrowings & External Resources

Sovereign Gold Bonds are sold through banks, designated post offices, and recognised stock exchanges National Stock Exchange of India Limited and BSE

The Reserve Bank of India (RBI) has announced the Sovereign Gold Bond Scheme 2021-2022, Series 6, that will be open for subscription for five days from tomorrow (August 30) to September 3, 2021. The issue price for the next tranche of Sovereign Gold Bond Scheme 2021-22, has been fixed at 4,732 per gram of gold. "The nominal value of the bond...works out to 4,732 per gram of gold," the central bank said on Friday.

"Planning to invest in Gold? Here are 6 golden reasons to invest in Sovereign Gold Bonds. SBI customers can invest in these bonds on <http://onlinesbi.com> under e-services," [State Bank of India](#) tweeted.

Planning to invest in Gold?

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Know more: <https://t.co/H4BpchASeA#Gold> [#GoldBond](#) [#SGBWithSBI](#) [#SovereignGoldBonds](#) pic.twitter.com/uflD5egzep

Discount for those applying online

The government, in consultation with the Reserve Bank of India (RBI), also provides a discount of 50 per gram less than the nominal value to those investors applying online and where the payment against the application is made through digital mode.

"For such investors, the issue price of Gold Bond will be 4,682 per gram of gold," the RBI said. The RBI issues the bonds on behalf of the Government of India.

Where can I buy Gold Bonds?

The bonds are sold through banks (except small finance banks and payment banks), Stock Holding Corporation of India Limited (SHCIL), designated post offices, and recognised stock exchanges National Stock Exchange of India Limited and BSE.

Who all can invest in these Gold Bonds?

Any individual who is a resident in India, Hindu undivided families, trusts, universities and charitable institutions are eligible to invest in the sovereign gold bond scheme. These bonds are denominated in multiples of gram (s) of gold with a basic unit of 1 gram.

Tenor

The tenor of the bond is for a period of 8 years with an exit option after the 5th year to be exercised on the next interest payment dates.

Minimum and maximum permissible investment

The minimum permissible investment is 1 gram of gold. The maximum limit of subscription is 4 kg for individuals, 4 kg for HUFs and 20 kg for trusts and similar entities per fiscal (April-March).

How is the price of SGB fixed?

The price of the bond is fixed in Indian rupees on the basis of a simple average of the closing price of [gold](#) of 999 purity, published by the India Bullion and Jewellers Association Limited for the last three working days of the week preceding the subscription period.

Sovereign Gold Bond Scheme or Gold scheme

Sovereign Gold Bond Scheme was launched by Govt in November 2015, under Gold Monetisation Scheme. Under the scheme, the issues are made open for subscription in tranches by RBI in consultation with GOI. RBI Notifies the terms and conditions for the scheme from time to time. As per RBI instructions “Every application must be accompanied by the ‘PAN Number’ issued by the Income Tax Department to the investor(s)” as the PAN number of the first/ sole applicant is mandatory.

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