Sovereign Gold Bond (SGB)

Gold in paper form with 2.5% extra interest, but no new issues are being sold.

2.5% p.a. + gold price (existing bonds) | Tax-free capital gain at maturity

In brief

Suits	Existing holders; no new bonds have been issued since February 2024.
You get	The gold price at redemption plus 2.5% a year interest on the issue price.
Your money	8-year bonds; RBI announces early-redemption windows from year 5.
Tax	Capital gain is tax-free if held to maturity; interest is taxable.
Watch for	Bonds bought on the stock exchange count the same at maturity; check redemption dates in RBI notices.

Key facts

Status	Discontinued for new issues (no tranche since Feb 2024)
Interest	2.5% p.a. on issue price, paid half-yearly (existing bonds)
Return	Tracks the gold price + the 2.5% coupon
Tenure	8 years (existing bonds; exit option from year 5)
Tax	Capital gain tax-free if held to maturity (original subscribers)

What's new

Oct 2026 RBI fixed ₹14,725 a unit for early redemption of SGB 2019-20 Series V on 15 October 2026.

Feb 2026 From 1 April 2026 the tax-free gain at maturity applies only to people who bought at the original issue and hold to maturity, not to bonds bought on the exchange.

> The full guide answers 7 questions on SGB, from eligibility to tax and withdrawals: merasip.com/guides/sovereign-gold-bond. To talk it through, WhatsApp 60039 03737.

Sources: RBI press release; Value Research on the SGB tax change.

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