



## Buy Gold + Earn 2.50% Interest

Issue date : 24<sup>th</sup> - 28<sup>th</sup> April, 2017

A Govt. of  
India  
Security

Assurance  
of Purity

Assurance of  
Safety

### Know more about **Sovereign Gold Bond Scheme**

- SGBs are Government securities denominated in grams of gold (1 unit = 1 gram)
- Issued by the Reserve Bank of India on behalf of the Government of India
- Issue price of the bond has been fixed at Rupees 2901/- per gram
- Investors will earn returns linked to gold price
- Interest at the rate of 2.50% (fixed rate) p.a. on the nominal value
- Bonds will carry sovereign guarantee both on redemption amount and on the interest
- Minimum investment: 1 gram • Maximum investment: 500 grams
- Available in DEMAT & Paper form
- Tradable on National Stock Exchange of India Limited (NSE)
- Tenure: 8 years with an exit option from 5th year onwards
- Issuance through trading members of NSE



**ADVANTAGES OF INVESTING IN SOVEREIGN GOLD BOND (SGB)**

- | **Safest:** Zero risk of handling physical gold
- | **Earn Interest:** 2.50% assured interest per annum on the issue price
- | **Tax Benefits:** No TDS applicable on interest  
Indexation benefit if bond is transferred before maturity  
Capital gain tax exempt on redemption
- | **Assurance of Purity:** Gold Bond prices are linked to price of Gold of 999 purity (24 carat) published by IBJA
- | **Sovereign Guarantee:** Both on redemption amount and on the interest
- | **Easy Exit Option:** The tenure of the bond is for 8 years with an option to redeem from 5th year onwards on the date on which interest is payable.
- | **Ease of Borrowing Loan:** Can be used as collateral against loans
- | **Traded on Exchange:** All earlier issuance of SGB are available for trading on NSE

**COMPARISON OF PHYSICAL GOLD, GOLD ETF AND SOVEREIGN GOLD BOND :**

Points	Physical Gold	Gold ETF	Sovereign Gold Bonds
Returns	Lower than actual return on gold	Lower than actual return on gold	Higher than actual return on gold
Safety	Risk on handling physical gold	High	High
Purity of Gold	Purity of gold always remains a question	High as it is in Electronic Form	High as it is in Electronic Form
Wealth Tax	Wealth tax applicable at 1% on the total valuation of the assets every year	Not applicable	Not applicable
Capital Gain	Long term capital gain tax applicable after 3 years	Long term capital gain tax applicable after 3 years	Long term capital gain tax applicable after 3 years (No Capital gain tax if held till maturity)
Collateral against Loan	Yes	No	Yes
Tradability / Exit Route	Conditional	Tradable on Exchange	Tradable on Exchange Redemption - 5 <sup>th</sup> year onwards with Gol
Storage Cost	High	Very low	Very low

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ARIHANT Capital Markets Ltd.

**DISCLAIMER**

The National Stock Exchange of India Limited is proposing, subject to receipt of requisite approvals, market conditions and other considerations, an initial public offer of its equity shares and has filed a Draft Red Herring Prospectus dated December 28, 2016 ("DRHP") with the Securities and Exchange Board of India ("SEBI"). The DRHP is available on the websites of SEBI and the BSE Limited at [www.sebi.gov.in](http://www.sebi.gov.in) and [www.bseindia.com](http://www.bseindia.com), respectively and of the Managers, Citigroup Global Markets India Private Limited at <http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm>, JM Financial Institutional Securities Limited at [www.jmfi.com](http://www.jmfi.com), Kotak Mahindra Capital Company Limited at <http://www.investmentbank.kotak.com>, Morgan Stanley India Company Private Limited at <http://www.morganstanley.com/about-us/global-offices/india/>, HDFC Bank Limited at [www.hdfcbank.com](http://www.hdfcbank.com), ICICI Securities Limited at [www.icicisecurities.com](http://www.icicisecurities.com), IDFC Bank Limited at [www.idfcbank.com](http://www.idfcbank.com) and IIFL Holdings Limited at [www.iiflcap.com](http://www.iiflcap.com). Investors should not rely on the DRHP for making any investment decision, and should note that investment in equity shares involves a high degree of risk, and for details see the section titled "Risk Factors" in the red herring prospectus, when available.  
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