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Sovereign Gold Bonds Yield Up to 147% Return as RBI Sets Premature Redemption Price

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The Reserve Bank of India (RBI) has announced the premature redemption price for Sovereign Gold Bonds (SGBs) from the 2019-20 Series IX and 2020-21 Series V, offering investors a significant opportunity to book profits ahead of the full maturity period.

As per the RBI's notification, the early redemption date is scheduled for August 11, 2025. The redemption price has been set at ₹10,070 per unit. This figure is based on the simple average of closing gold prices of 999 purity over the three business days preceding August 8, 2025.

For investors who subscribed to the 2019-20 Series IX bonds at ₹4,070 per unit, this early redemption translates into a return of approximately 147 percent, excluding the 2.5 percent annual interest that SGBs also offer. Meanwhile, those who invested in the 2020-21 Series V will see returns close to 89 percent.

SGBs have a tenure of eight years, but investors are allowed to exit from the sixth year onward, on the interest payment dates. The latest redemption window provides a profitable exit point for long-term investors who wish to liquidate their holdings early.

This development follows similar trends seen in previous tranches. Earlier this year, investors in the 2017-18 Series II SGBs saw returns of over 250 percent upon maturity. The performance highlights the strong growth in gold prices over recent years and reaffirms SGBs as a valuable alternative to holding physical gold.

With gold prices remaining high, the current redemption window offers an attractive opportunity for investors to realise significant gains while also enjoying fixed annual interest over the holding period.