Sovereign Gold Bond 2018–19 Series-II completes its 8-year term on 23 Oct – redemption price ₹14,425 per gram

Science, Economy & Defence · 23 October 2026 · https://www.shanmugamiasacademy.in/current-affairs-english/2026/10/23



News

Sovereign Gold Bond (SGB) 2018–19 Series-II, issued on 23 Oct 2018, matured on 23 Oct 2026 on completing its eight-year term. The RBI fixed the final redemption price at ₹14,425 per unit (1 gram) – the average of IBJA's closing prices for 999-purity gold on 19, 21 and 22 Oct. The issue price was ₹3,146 a gram (₹3,096 for online/digital payers), plus 2.5% annual interest. The price gain alone is about 358% (online: 366%).

Key facts

Issue	Subscription 15–19 Oct 2018; issued 23 Oct 2018; ₹3,146/g (online ₹3,096)
Redemption	23 Oct 2026; ₹14,425/g (RBI)
Price basis	Average IBJA closing price of 999-purity gold, previous 3 business days
Return	Price gain ~358% (online ~366%) + 2.5% a year interest
Tax	Interest taxable; capital gains exempt if bought at issue and held to maturity

Background

- Scheme: the SGB scheme was launched by PM Modi on 5 Nov 2015 (Cabinet approval 9 Sep 2015). The RBI issues it on behalf of the Government of India; tenure 8 years, premature exit after the 5th year; units of 1 gram, up to 4 kg per individual per year; tradable on stock exchanges.
- Aim (economy): reduce household demand for physical gold, curbing gold imports and the current account deficit. The 'Gold Monetisation Scheme' (GMS – depositing idle household gold in banks for interest) and the 'Indian Gold Coin' were launched the same day.
- Discontinued: the last issue was 2023–24 Series-IV (21 Feb 2024). As rising gold prices made it costly borrowing for the government, FM Nirmala Sitharaman indicated after the 1 Feb 2025 Budget that there would be no new issues; existing bonds are unaffected.
- Science: gold's chemical symbol is Au (Latin 'Aurum'); atomic number 79. '999 purity' = 99.9% pure (24-carat) gold; jewellery is usually 22 carat (91.6%).

Tamil Nadu link: Tamil Nadu's 'Moovalur Ramamirtham Ammaiyar Ninaivu Marriage Assistance Scheme' gave an 8-gram 22-carat gold coin for making the thirumangalyam (raised from 4 g from 23.05.2016), plus ₹25,000 for a Class-10-pass bride and ₹50,000 for a graduate. The scheme is named after Moovalur Ramamirtham Ammaiyar, who campaigned to abolish the Devadasi system. In 2022 it was converted into the 'Moovalur Ramamirtham Ammaiyar Higher Education Assurance Scheme' ('Pudhumai Penn'), giving girl students ₹1,000 a month.

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