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An Analysis of the Millennial Generation's Understanding of the Sovereign Gold Bond, A Key Long-Term Gold Instrument for the Indian Economy

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Abstract

India is the world's second largestgold consumer (≈800 tons), yet the country's inability to produce enough gold has resulted in a hefty gold import bill. With the rise in Imports, India began to experience Current Account Deficit. AfterSeveral failures,GoI launched two Innovative Scheme: TheGold Monetization Scheme and the Sovereign Gold Bond. RBI issues Sovereign Gold Bonds through various authorized intermediaries at gold price. This Bond has immense future growth and it's a win-win situation for both investors and the Indian Economy. Thepresent study examines the Compounded Annual Growth Rate (CAGR) of five gold investment avenues, namely Physical Gold (Bullion, Jewelry), Gold ETFs, Digital Gold and Sovereign Gold Bond, to identify high-yielding investments under different gold schemes.It also examines the Millennial Generations'understanding of Sovereign Gold Bondsparticularly in the state of Odisha. The findings of this research will be beneficial to all stakeholders those who are contemplating gold as hedging asset/profitable investment.

Keyword: *Gold, Sovereign Gold Bond, CAGR, Odisha State, Indian Economy*

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1. Introduction:

Gold is a precious metal that, once extracted in its purest form, is indestructible and always available. Gold was discovered in streams and rivers all over the world and attracted people owing to its yellow luxurious sparkle, which led to its use as jewelry and ornaments. It was later widely employed as currency coins, and the government began to consider gold as the metal of choice for backing the value of money (Gold Standard). People in India generally use gold for consumption or investment in the form of jewelry, coins, and bullion.Though Gold symbolizes the culture and traditions of India, investors are buying gold not to hoard the commodity, but as part of a risk mitigation plan in their investment portfolio ((Parikh & Vaish, 2013).India is the world's second-largest gold consumer (25 percent of global demand). The key long-term element driving gold demand in India is the level of income of Indians; for every 1% increase in income, gold demand grows by 1%.(World Gold Council, 2016).In the near run, inflation plays an important role in driving up gold demand; for every 1% increase in inflation, demand rises by 2.6 percent(World Gold Council, 2016).In terms of gold supply, the majority of gold is imported (89 % of total supply) from over 30 countries in 2020, with Switzerland (44 %) and the United Arab Emirates (11%) accounting for 55 %(World Gold Council, 2016).

India faces the challenge of current account deficits (BOP) due to high import of crude oil and gold.Crude oil accounts for one-third of India's import cost, with gold coming in second. As Crude Oil comes under necessity commodities and fewer crude oil mines are being discovered.Therefore, Government of India is left with Gold to reduce the current account deficit, KUB Rao Committee was set up to study the issues related to Gold recommended few steps to reduce imports bill like, imposing import restrictions, implementing 80:20 rule in the year 2012-13, for importing company. Though these steps had eased gold demand but it has also increased gold smuggling,(Between Q3 2013 and Q4 2014 c335t of gold was smuggled into India).Gold Loan was also established by the GoI in order to rotate gold inside the country and meet domestic demand. In 2015, the Government of India introduced two innovative schemes: the Gold Monetization Scheme and the Sovereign Gold Bond.

1.1. Sovereign Gold Bond

Sovereign Gold Bond is an innovative gold bond issued by RBI on behalf of the Government of India in various tranches at '999 purity gold prices (simple average of closing gold prices of '999 purity published by the Indian Bullion and Jewellers Association Ltd. for the last three business days of the week preceding the subscription period). It is also traded on the open market as and when the RBI directs. The bond is available for purchase both online and offline. If an investor subscribes to the bond through digital means, he or she would receive a Rs 50 per gramme discount on the issue price.The bonds are denominated in the multiples of gram of gold with the basic unit of 1 gram. The maximum limit of subscription for Individual/HUF and for trusts and similar entities per fiscal is 4Kg and 20kg respectively.The bond has an 8-year maturity period and a 5-year lock-in period, which means that investors can leave the bond after the lock-in period and sell it on exchanges. In addition, this bond has a semi-annual interest rate of 2.5 percent.

The investors will benefit from the sovereign gold bond in two ways: first, it can be used as collateral for loans, and second, the capital gain earned by the investors is fully tax-free. The best part of Sovereign gold bond that makes different from physical gold is no GST, no Making Charges and no Safety concerns in holding Physical Gold. Banks, the Stock Holding Corporation of India Ltd (SHCIL), designated post offices, and recognised stock exchanges, such as the NSE and BSE, are all places where investors can purchase the bond.

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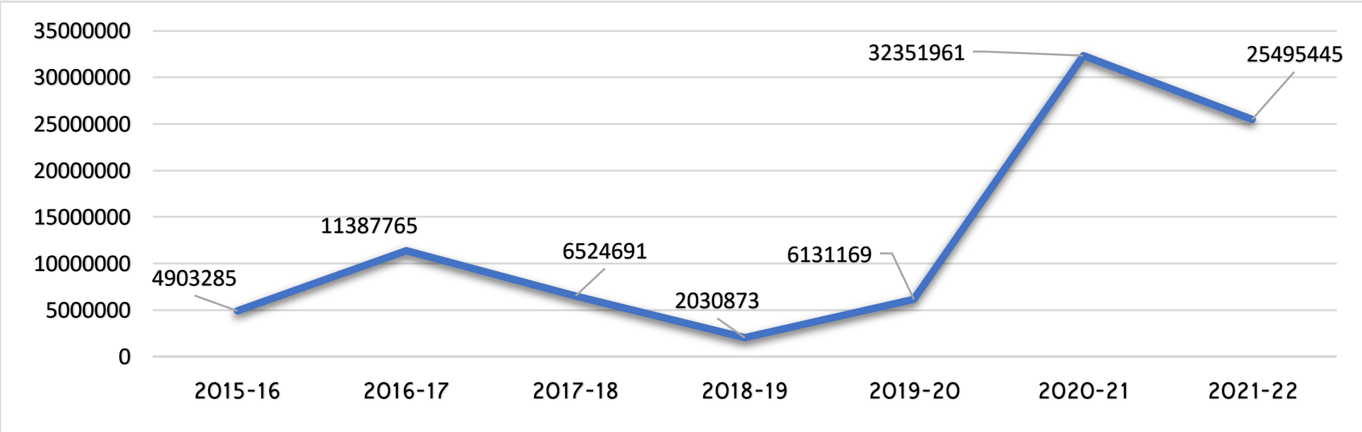
1.2. Scenario of Sovereign Gold Bond

Fig.1. Number of units subscribed (in grams)



Source: www.rbi.org.in (RBI Website)

Sovereign Gold Bonds are a win-win situation for both investors and India's economic progress. When this bond was first offered, it was well received by investors, but as time went on, the number of units subscribed fell. Again, during the Covid 19 period, demand skyrocketed and peaked at 3,23,51,961 units, the highest level to date. The demand for the Sovereign Gold Bond has surged over the course of Covid 19, indicating that investors are increasingly seeing it as a hedging alternative to physical gold (Figure 1.).

Gold is a widely utilised asset for risk diversification since it is unaffected by the volatility of other assets. Investors are preferring Sovereign Gold Bonds to Physical Gold, as seen in Figure 1, which is a healthy indicator for the economy and a promising investment opportunity.And also, Indians have sentimental feelings towards gold, the acceptance level of Sovereign Gold Bond is high compared to Gold Monetization Scheme (Chaudhary & Bakhshi, 2016).

Several literatures have been reviewed in order to understand the future of the gold market, its pricing trends, and all elements of the sovereign gold bond, which are listed in the following section of the paper, Review of Literatures.

2. Review of Literature

- **P. Parikh and A. Vaish (2013)** observes in their study that Gold's performance stays constant in a variety of market scenarios, and Gold is a widely utilised asset for risk diversification since it is unaffected by the volatility of other assets.
- **Vanitha S, and Saravanakumar K. (2019)** anticipates gold's future rate and explains the partial relationship between gold, silver, and crude oil. They also make a comparison between gold and bank interest in their research. In nutshell gold investment is one of the significant investment options.
- **Nishad Nawaz and Sudindra Vr. (2013)** Examine the many gold investment options available to investors, such as jewellery, ETFs, coins, bullions, and e-golds. They also attempted to comprehend the benefits and drawbacks, as well as raise knowledge of the many gold investment possibilities available to investors.

- **Prof. C.A. Rashmi Chaudhary and Dr. Priti Bakhshi (2016)** make a critical review of twins' scheme i.e., Gold Monetisation Scheme and Sovereign Gold Bond. They state that, as India has sentimental feelings towards gold, the acceptance level of Sovereign Gold Bond is high compared to monetisation scheme.
- **Amar G. Satijani, Dr. Jaspal Gidwani and Avinash Sahu (2018)** observed in their study that there is lack of awareness in public about three programmes offered by government i.e., Gold loan, Gold monetisation Scheme and Sovereign gold bond. They also discovered that consumers are eager to invest if given enough information.
- **Rishabh Gupta (2018)** Investor awareness was studied, and it was discovered that there is still a moderate level of awareness. The non-compounding interest and taxability of interest are the two significant disadvantages that investors have discovered. Regardless of these issues, the sovereign gold bond has a bright future in the Indian economy.

- **Sreenivasulu Sunkara and M. Srinivasa Reddy (2017)** examine the performance of physical gold, gold ETFs, gold bonds, and gold deposits, and find that gold bonds are a superior investment option than other options.
- **Sudindra V R and Dr. J Gajendra Naidu (2019)** determined that sovereign gold bonds are superior to other gold investment instruments in their study. It also claimed that this investment is not suitable for all types of investors; if investors have a regular income, they can invest up to 5%, while those who do not have a regular income should allocate up to 10%.
- **Dr. B. Saranya and Ms. U. Jisha (2014)**found E-gold to be the most efficient type of gold investment, but that awareness of it is low. E-gold relieves investors of their concerns about the purity and quality of gold.
- **Dr. R.G. Anand (2017)** analysed and concluded that gold is the best investment options available to the Indian Retail Investors. And Gold ETF provides high return and explain market scenario which helps investors in gaining opportunities without any stress.

2.1. Research Gap

As the government devises various plans and steps to reduce demand for physical gold and supply better alternatives, the demand for physical gold is expected to decline. Recently, two schemes, Gold monetisation Scheme and Sovereign Gold Bond, were launched, with Sovereign Gold Bond being believed to be the best of the two. A few research studies have also been conducted to support this statement. However, in this study, the sovereign gold bond was examined from an economic standpoint, and the returns of gold investment alternatives such as physical gold (jewellery, coin/bullion), gold ETFs, digital gold, and sovereign gold bonds were numerically compared. This study looked into the level of investor awareness, particularly in the state of Odisha. There has been no research conducted in Odisha State as far as investors' awareness towards sovereign gold bond is concerned. And, also few practical suggestions are stated to make the bond and gold markets more appealing and appropriate for boosting the Indian economy.

Thus, there is extensive research gap and positively it will have immense contribution to the society and understanding of investors.

3. Objectives of the Study

- To Understand Sovereign Gold Bond and its efficacy on Indian Economy.
- To Compare Numerically the returns of Sovereign Gold Bond with other gold investment avenues.
- To Study the awareness level of Investors of Millennial Generation towards Sovereign Gold Bond inOdisha State.
- To Suggest few recommendationsfor gold scheme to make more attractive to investors.

4. Hypotheses of the Study

H_1: Sovereign Gold Bond has significant efficacy on Indian Economy.

H_2: Sovereign Gold Bond gives high return compared to other gold investment avenues in long term.

H_3: Investors are aware about features of the Sovereign Gold Bond.

5. Research Methodology

As per the objectives of the study, it adopts Descriptive Research design. Both primary and secondary data are considered in this study. Secondary data is needed to analyse the Sovereign Gold Bond scenario and to compare alternative gold investment channels. RBI's website, World Gold Council reports, and a variety of other government and business websites are used to gather secondary data. And to determine the level of awareness of the Millennial Generation in Odisha regarding the Sovereign Gold Bond, a questionnaire was prepared with the help of Google Forms and circulated through Online mode in five major cities of Odisha

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namely Bhubaneswar/Cuttack, Bhadrak, Berhampur, Sambalpur, and Rourkela. Total 150 responses areselected, 30 respondents from each city as per William Strauss and Neil Howe's Generational Theory.

According to William Strauss and Neil Howe's Generational Theory, there are four types of generations in the Millennial Saeculum, the third of which is known as the Millennial Generation, which ranges in age from 17 to 39 years, and as millennials are footprints for the coming generation, who will follow them in every aspect, one of which is finance management, therefore, responses are collected from this generation. To obtain 150 responses from various cities, convenience and Snowball Sampling Design are used. And responses were collected between January 1, 2022, and January 23, 2022.

Statistical Tools and Techniques used for Analysis

- Excel Spreadsheet
- CAGR (Compounded Annual Growth Rate) = $[\left(\frac{Ending\ Price}{Begining\ Price}\right)^{\frac{1}{Number\ of\ years}} - 1]$
- Indexed Cost = $Cost * \frac{Index\ for\ the\ year\ of\ Sale}{Index\ in\ the\ year\ of\ acqusition}$
- Mean and Standard Deviation
- Tables, Graphs, and Charts

6. Data Analysis and Interpretation

6.1. Efficacy of Sovereign Gold Bond in Indian Economy.

For hedging or diversifying an investor's portfolio, gold is regarded the most desirable and secure asset investment. Gold has a favourable impact on the economy when inflation is high. In India, the economy is in stagflation, and gold has performed better in this environment than baseline inflation and deflation economies (Oxford Economics, 2011).Overall, investors will gain from investing in gold because its return is consistent across market conditions(Parikh & Vaish, 2013)

As a result, investors who want to hedge their portfolio with gold in the form of jewellery, bullion, or coin can invest in a superior alternative, the Sovereign Gold Bond.Over other gold investment options in India, the Sovereign Gold Bond might be considered the finest option for long-term gold investment.

The following are some of the significant effects or efficacy of this revolutionary financial bond on the Indian economy:

- **Balance BOP: -** If investors begin to invest in Sovereign Gold Bonds rather than physical gold, the demand for physical gold will decline, lowering India's gold import bill. This will assist in the reduction of the current account deficit (BOP).
- **Infrastructure Development: -** Investing in physical gold (jewellery) has no bigger positive influence on the economy because it does not create any jobs or launch any development activities in the economy (gold is kept ideally in locker of the investor). However, with this bond, money can be pooled and used by the government for infrastructure and economic growth.
- **Protect the Portfolio: -** Unlike physical gold, the Bond will allow investors to hedge their portfolio without incurring additional costs such as GST or making charges. It is solely reliant on the price of gold. This will safeguard investors' interests while also improving the quality of their portfolio. This protects investors' hard-earned money against depreciation.
- **Improve Standard of Living: -** It is also a good saving option for Indians as they will be getting 2.5% p.a. interest and exempted capital gain tax, which will increase their earning and standard of living.

Hence, H1 holds to be true as Sovereign Gold Bond has significant efficacy on Indian Economy.

6.2. Long-Term Performance (CAGR) Comparison of Physical Gold (Jewellery and Bullion/Coin), Gold ETFs, Digital Gold, and Sovereign Gold Bond Investment Avenues

The Sovereign Gold Bond's compound annual growth rate (CAGR) is compared to physical gold in the form of bullion and jewelry, SBI Gold ETF (since it is one of India's top Gold ETFs), and Digital Gold (a new and advanced form of gold investment). In this table, 5-year returns (long-term) are calculated, i.e., from October 24, 2016, to November 17, 2021. According to recognized websites, all investment prices are based on 1 gram of gold. Because investors must eventually pay tax on their gains, the CAGR for all gold assets is also computed post-tax, allowing for a clearer understanding of investment returns.

6.2.1. GOLD RETURNS

PART (A): - CALCULATIONOF CAGR OF DIFFERENT GOLD INVESTMENT AVENUES (Before Tax)

Table 1. Calculation of CAGR (Before Tax)

		Date	Physical Gold(Bullion)*	Physical Gold(Jewellery)*	Digital Gold*	SBI Gold ETF*	SGBs*
	Cost Price	**24-10-2016**	-2,978.00	-2,978.00	-3,050.70	-2,834.00	-2,907.00
	Making Charges		-	-893.40	-	-	-
	Storage & Delivery		-	-	-61.01	-	-
	GST@3%		-89.34	-89.34	-91.52	-	-
	Expense Ratio		-	-	-	-14.45	-
	Total Cost Price	**24-10-2016**	**-3,067.34**	**-3,960.74**	**-3,203.24**	**-2,848.45**	**-2,907.00**
	Redemption Price	**17-11-2021**	4,927.00	4,927.00	5,014.00	4,386.00	4,860.00
	Interest@2.5%						363.38
	Exit ratio	**17-11-2021**		-147.81			
	Total Redemption Price		**4,927.00**	**4,779.19**	**5,014.00**	**4,386.00**	**5,223.38**
	CAGR		**9.94%**	**3.83%**	**9.59%**	**9.02%**	**12.43%**

PART (B): -CALCULATION OF CAGR OF DIFFERENT GOLD INVESTMENT AVENUES (After Tax)

Table 2. Calculation of CAGR (After Tax)

		Date	Physical Gold(Bullion)*	Physical Gold(Jewellery)*	Digital Gold*	SBI Gold ETF*	SGBs*
(B1)	Indexed Cost Price	**17-11-2021**	-3,573.60	-3,573.60	-3,660.84	-3,400.80	-3,488.40
	Redemption Price	**17-11-2021**	4,927.00	4,779.19	5,014.00	4,386.00	5,223.38
	Taxable capital gain		1,353.40	1,205.59	1,353.16	985.20	1,734.98
	Tax @20%		-270.68	-241.12	-270.63	-197.04	-
	Post-tax profit		1,082.72	964.47	1,082.53	788.16	-
	Net Redemption Price		**4,656.32**	**4,538.07**	**4,743.37**	**4,188.96**	**5,223.38**
(B2)	**Total Cost Price**	**24-10-2016**	-3,067.34	-3,960.74	-3,203.24	-2,848.45	-2,907.00

	Net Redemption Price	**17-11-2021**	4,656.32	4,538.07	4,743.37	4,188.96	5,223.38
	CAGR		**8.71%**	**2.76%**	**8.38%**	**8.02%**	**12.43%**

Table 2.1.Source for calculating gold investments.

*	Physical Gold(Bullion)	Physical Gold(Jewellery)	Digital Gold	SBI Gold ETF	SGBs
Source of Data	**As per goldpriceindia.com**	**As per Tanishq website**	**In comparison with SGBs (PhonePe App)**	**As per sbimf.com**	**As per RBI Issue Price.**

6.2.2. BACKGROUND OF PART(A) & (B) CALCULATION

The CAGR of various gold investment avenues is determined in both parts of the computation, i.e., Parts (A & B). All of the information is gathered through their official website, and the following variables are taken into account in the calculations:

- **Total Cost Price:** It is the price at which 1gram of gold can be invested/purchased on 26/10/2016 in addition to making charges (applicable only in Gold Jewelry i.e., 30%), storage and delivery (only in case of Digital Gold i.e., 2%), GST@3% (charged in Physical Gold and Digital Gold), and Expense Ratio (It is the operating and administrative expenses charged by mutual funds; 0.51% in SBI Gold ETF).
- **Total Redemption Price:** It is the price of gold investment after 5 years, inclusive of 2.5% interest rate (only payable in case of Sovereign Gold Bond) and exclusive of Exit Ratio (expenses charged for withdrawal of investment; in this case applicable in sale of gold jewelry i.e., 3%).
- **Indexed Cost Price:** For ascertaining the capital gain of investment, the total cost price is indexed as per the inflation rate especially, if investment is more than 3 years. It is calculated by applying the formula of $\boxed{Cost * \frac{Index\ for\ the\ year\ of\ Sale}{Index\ in\ the\ year\ of\ acquisition}}$. In this case, Index for the year of sale (2021-22) is 317 and Index in the year of acquisition (2016-17) is 264.
- **Tax@20%:** As holding period of Investment is more than 3 years therefore, it will be considered as long-term Investment. The tax rate for long-term investment is 20%, which is charged to all Gold investment avenues except Sovereign Gold Bond (as capital gain tax is exempted by RBI)

- **CAGR:** Compound Annual Growth Rate is the growth rate of return of any investment between two given years, assuming that return of one year is again invested in next year. For this calculation the formula is $\boxed{[(\frac{Ending\ Price}{Begining\ Price})^{\frac{1}{Number\ of\ years}} - 1]}$. Here, Ending Price is Net Redemption Price, Beginning Price is Total Cost Price and Number of years is 5 years of investment.

6.2.3. <u>INTERPRETATION</u>

Sovereign Gold Bond has the best return (after tax) of 12.43 percent, followed by Gold Bullion (8.71 percent), Digital Gold (8.38 percent), Gold ETF (8.02 percent), and Physical Gold (Jewelry) with the lowest/worst return (after tax) of 2.76 percent (which majority of investors, invest in.). The exempted Capital Gains Tax, 2.5 percent interest rate due to investors, and the absence of making charges and GST are the reasons for the excellent returns in sovereign Gold Bonds. Surprisingly, Gold has a CAGR of 12 percent over the last five years. That indicates that over the course of five years, a Sovereign Gold Bond yields 0.43 percent more than gold's usual CAGR return. This also Implies that Investors can consider Sovereign Gold Bond both for Hedging and Investment purpose.

Hence, H2 hold to be true that Sovereign Gold Bond gives high return compared to other gold investment avenues in long term.

6.3. <u>Awareness Level of Millennial Generations' Investors towards Sovereign Gold Bond in Odisha State.</u>

According to Strauss-Generational Howe's Theory, the Millennial Generation is defined as people who are between the ages of 17 and 39. In this study, 150 responses were collected from millennials, each with 30 respondents, from five main cities in Odisha: Bhubaneswar/Cuttack, Bhadrak, Berhampur, Sambalpur, and Rourkela, to assess respondents' awareness level of sovereign gold bonds.

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6.3.1. Demography of Respondents

Fig. 2. Gender of Respondents

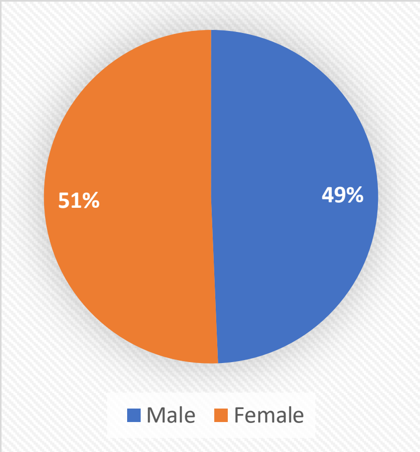


Fig. 3. Education of Respondents

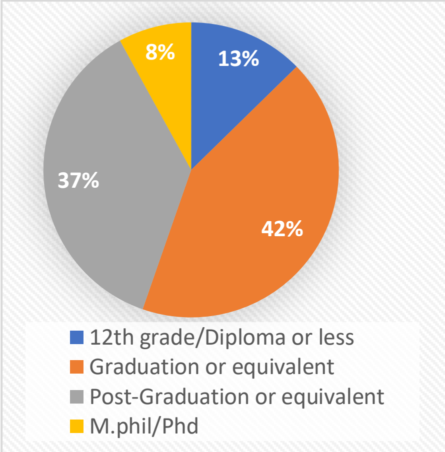
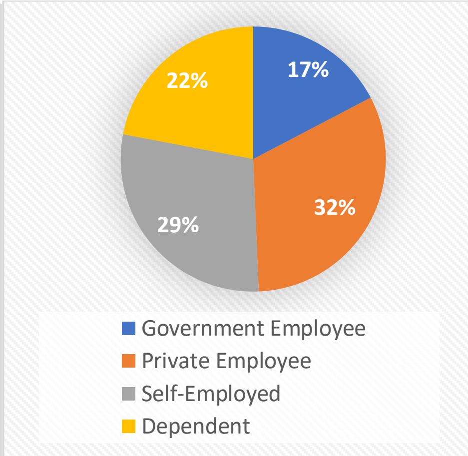


Fig 4. Occupation of Respondents



Source: Primary Data

Fig. 5. Income Level of Respondents

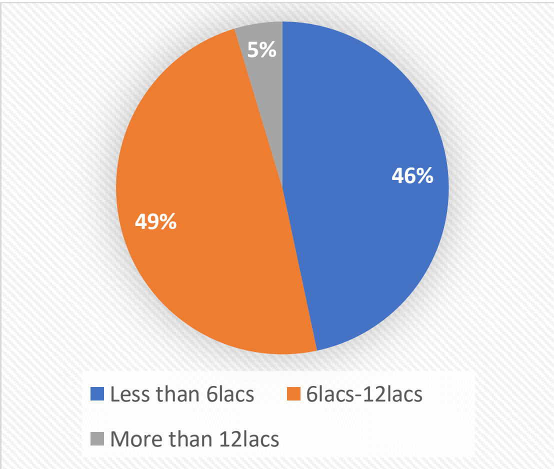
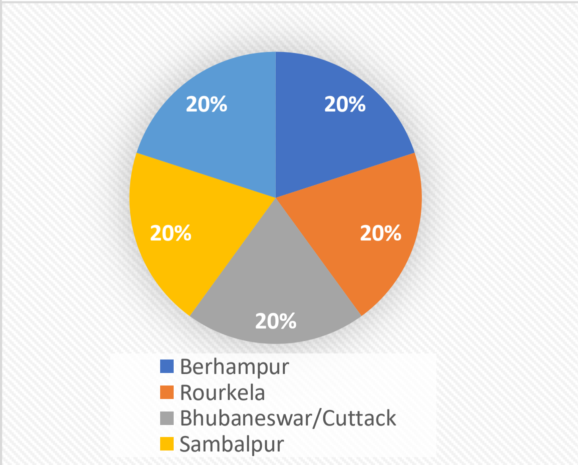


Fig. 6. Location of Respondents



Source: Primary Data

Figure no. 2,3,4,5,6 show the demographics of the 150 respondents, including Gender, Education, Occupation, Income Level, and Location. Out of 150 respondents, there are nearly equal numbers of male (49%) and female (51%) respondents, with 20 percent each from five major cities. The most common educational qualification among respondents is graduation (42%) followed by post-graduation, and the most common occupation is private employee (32%). The income groups of respondents are determined to be Less than 6 lacs (46 percent), 6lacs-12 lacs (49 percent), and more than 12 lacs (only 5%).

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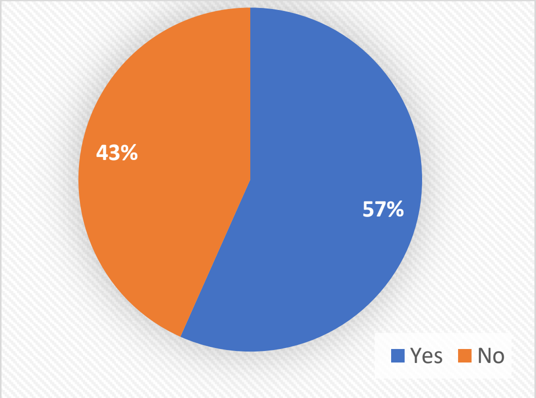
6.3.2. Respondents Investment behavior towards Gold.

Fig. 7. Gold Investment



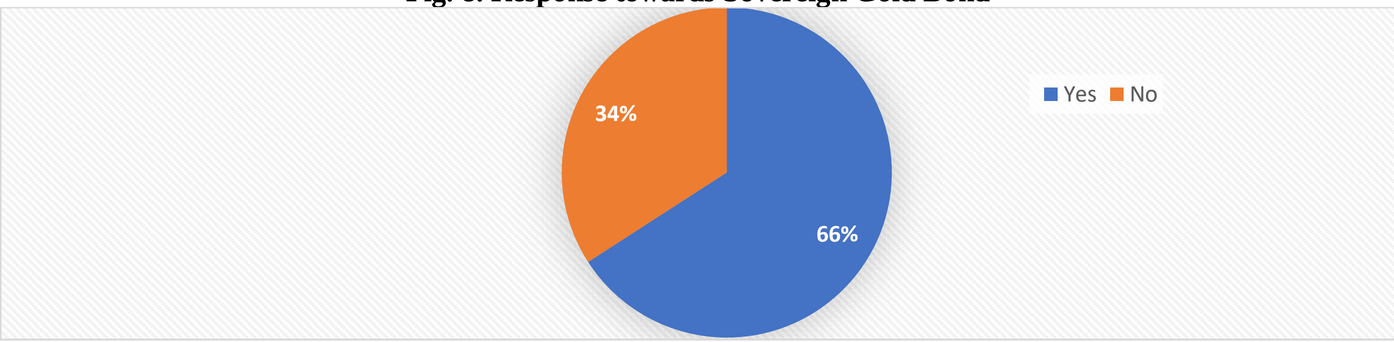
Question: Do you invest or planning to invest in Gold?

Table 3. Reasons for not investing in Gold

Reasons	No. of Responses	Percentage
Difficulty in investment	20	31%
Doesn't find it to be good investment	30	46%
Other reasons	15	23%

Out of 150 respondents, 57 percent are investing in gold, while the remaining 43 percent are not, as shown in Figure 7. Their reasons for not investing include difficulty in investing (31 percent), does not believe it is a suitable investment (46 percent), and various other reasons (23 percent) (Table 3.). And from there, 57 percent of respondents, or 85 people (Fig. 7) are asked if they have heard of or are familiar with Sovereign Gold Bonds (Shown in Figure 8.)

Fig. 8. Response towards Sovereign Gold Bond



Question: Have you heard about Sovereign Gold Bond?

66% of respondents (respondents, who are investing in Gold) have heard about Sovereign Gold Bond through various mode of advertisementsmajorly, word of mouth (from family and friends) and Online platforms. But, 34% of respondents have not heard about the bond. Few questions are asked to 66% respondents (56 number of respondents) relating to Sovereign gold bond to check their awareness level and segregated them in 3 groups(as depicted in **Fig. no. 9**)

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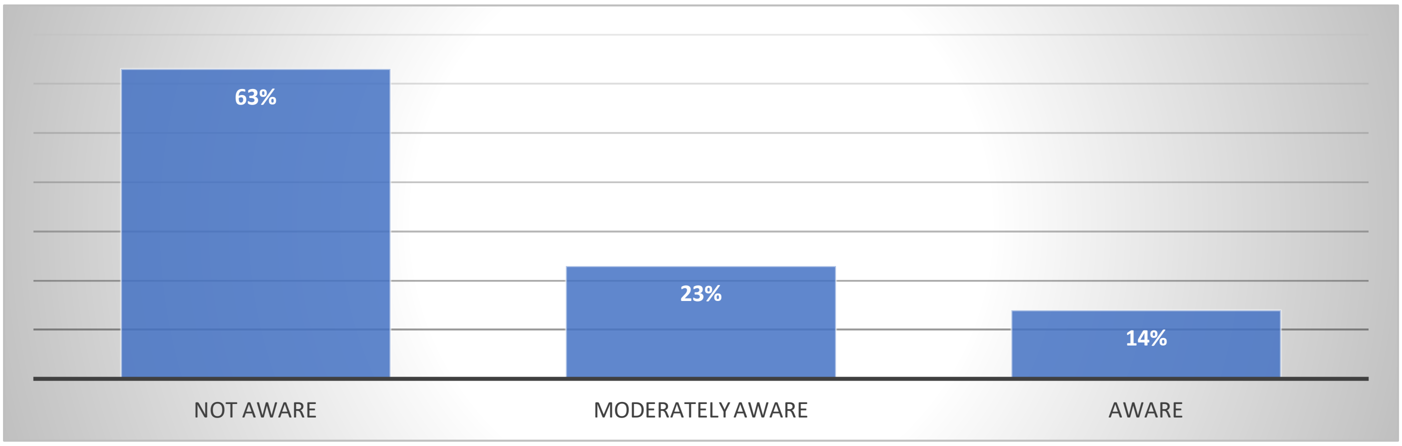
6.3.3. Millennial Generations' Awareness towards Sovereign Gold Bond

Figure 9. Awareness Level of the Respondents



Note: 9 no. of questions were asked regarding Sovereign Gold Bond.

To examine respondents' awareness of the Sovereign Gold Bond, they were asked nine questions. Each respondent received a score card, which was used to divide them into three groups based on their scores (number of correct answer). These 3 groups are depicted in the Figure 9, Respondents who have replied correct to 1-4 questions or given all erroneous answers are allocated to the group 'Not Aware', respondents who have provided 5-7 answers accurate are in the group 'Moderately Aware' and lastly, who have scored 8-9 answers correct are classified under the group 'Aware'. Figure 9 reveals that the majority of millennials in Odisha are unaware of the Sovereign Gold Bond, with only 14% of respondents being aware of the bond.It will take a lot of public awareness campaigns to raise awareness about it.Consumers are eager to invest if given enough information(Satijani, Gidwani, & Sahu, 2018).

*Hence, **H3**does not hold true as it could be clearly observed from above explanation that Investors in Gold (63%) are not aware of Sovereign Gold Bond.*

And, according to millennials, safety is the most important issue that motivates people to invest, followed by tax benefits and interest rates. Out of 56 respondents, 38 are willing to buy or invest in a sovereign gold bond, indicating that it has future growth potential.

Table 4. Demerits of Sovereign Gold Bond

Demerits	No. of Responses	Percentage
Lack of trust/faith	1	2%
Lack of knowledge / awareness	16	29%
Liquidity Issues	10	18%
Limited time period to purchase gold bond	4	7%
Non delivery of physical gold after maturity	10	18%
Others	3	5%
Nothing	12	21%

Question: What Demerits you find in Sovereign Gold Bond?

Lack of understanding, limited time period to purchase the bond, liquidity concerns, and other demerits are considered by the respondents (both willing and not willing, 56 respondents) (Table 4.). 29 percent of respondents believe that the biggest challenge is a lack of awareness or complete understanding of the bond, implying that the government of India should hold various workshops and awareness programmes both online and offline, and 21% of respondents believe that the bond has no flaws, implying that they are satisfied with it.

Table 5. Ratings of the Sovereign Gold Bond as per 5 parameters.

Parameter	Mean	SD
Risk	1.58	0.82
Liquidity	3	0.97
Safety	4.39	0.87
Ease	3.29	0.73
Transaction Cost	1.95	0.94

On the basis of five characteristics, such as risk, liquidity, safety, ease, and transaction cost, 38 respondents who have invested in or are ready to invest in Sovereign Gold Bonds were asked to rate the Sovereign Gold Bond on a scale of 1 to 5, using the Interval Scale. Because respondents only knew the descriptions of the scale's extreme ends, i.e., '1' for 'Low' and '5' for 'High,' the Mean is calculated to get the average rating for the Sovereign gold bond. All of the parameters' standard deviations are less than one, indicating that there is little variation in the answers.Sovereign Gold Bonds are considered to be extremely safe, moderately liquid, have a low transaction cost, are less risky, and are easily accessible to Odisha's Millennial Investors.

7. Suggestions and Recommendations

According to the study and research on Sovereign Gold Bonds at both the primary and secondary levels, a few recommendations for the future development of this Bond and the Gold Market have been highlighted.

- **Sovereign Gold Bond 2.0**: GoI can issue a mini-version of the bond with a 5-year maturity and a 3-year lock-in period. Because premature withdrawals result in a loss of tax benefits, a bond with a short lock-in period will help to attract more investors. This will also aid in the resolution of liquidity problems.
- **Committee for Digital Gold**: Because Millennials are drawn to digital services, the Government of India should establish a committee to study this sophisticated manner of gold investment via payment apps, known as Digital Gold. Consider including it in the list of regulations if at all possible.
- **Advertisements and Awareness campaign (online & offline):** With the support of financial and educational institutions, the Government of India should raise awareness about the bond and its benefits to the country's population and economy. As the contemporary era is known as the Digital Era, the GoI should also use various internet platforms (YouTube, Twitter, and several government websites) to publicize the bond.
- **Incentives to Intermediaries:**As recommended by RBI, those Authorized Institutes shall be incentivized to encourage investors to subscribe to the bond. They will be motivated and would strive to persuade the investors in this manner.

8. Conclusion.

Gold is purchased in India in the form of coins, bars, and jewelry as a symbol of Hindu culture and heritage, as well as to hedge one's investment portfolio. Physical gold is in high demand in India, yet due to the country's limited gold resources, it is imported, resulting in higher import bills and current account deficits. To deal with the high import bill crisis, the government of India devised a number of methods, including a high import charge and an 80:20 rule, but these eventually had a negative influence on the economy by increasing gold smuggling.

Finally, after numerous policy failures, the Government of India announced three major gold schemes: Gold Loan, Gold Monetization Scheme, and Sovereign Gold Bond, all of which revolutionized the gold market.

Sovereign Gold Bonds are an innovative gold investment that not only provides significant long-term returns (12.43 percent) when compared to other gold investment avenues (given in Tables 1 and 2), but is also in great demand during financial crises, such as the Covid 19 pandemic (Shown in Figure 1). In terms of Millennials' understanding of Sovereign Gold Bonds in Odisha, it has been discovered that multiple awareness campaigns are required (Figure 9.). If investors are properly informed about long-term returns and hedging investment, this bond has a lot of potential in the future. Sovereign Gold Bond is considered to be highly Safe, Moderately Liquid in nature, Low Transaction Cost and Less Risky in nature, and Easily Accessible by the Millennial Investors of Odisha State (Table 5.). Several demerits are addressed by millennials regarding Sovereign Gold Bond (Shown in Table 4).A few recommendations are made in this study to make sovereign gold bonds and the gold market more appealing and economically advantageous. In addition, the current Direct Retail Investment Policy initiative will increase its role in the Indian economy.

Because the study on Millennial Generation Awareness Levels was only done in Odisha, the results cannot be generalized to other geographical areas, and owing to time constraints, samples were collected from only 5 cities in Odisha, resulting in a sample size of only 150.Further Study can be done by considering other Gold Instrument avanues, for estimating long-term returns, and awareness levels in different geographical areas in India can be assessed.

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