NSE'S NEW DIGITAL GOLD

Electronic Gold Receipts (EGRs)

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Electronic Gold Receipts (EGRs)

1.What is it?

NSE launched Electronic Gold Receipts (EGRs) as a new trading segment on May 4, 2026, aiming to bring gold into the formal financial system with more transparent pricing and /easier trading.

EGRs are dematerialized securities that represent ownership of physical gold. The gold is stored in SEBI-accredited vaults, while investors hold the receipts in their demat accounts. Each EGR is fully backed by physical gold, ensuring that the value is directly linked to the underlying metal.

In simple terms — you own real gold, but digitally, just like you own shares in a company.

2.How Does the EGR Framework Work?

Under the EGR framework, physical gold deposited in approved vaults is converted into electronic receipts. These receipts are then traded on the exchange.

Importantly, every EGR is backed by actual physical gold. The gold eligible for conversion into EGRs must meet quality standards notified by the London Bullion Market Association (LBMA) and the Bureau of Indian Standards (BIS).

As a demonstration, NSE successfully converted a 1,000-gram gold bar into an Electronic Gold Receipt, showing how physical gold can be seamlessly transformed into a secure, tradable digital asset.

3.How is EGR Different from Gold ETF & Gold Fund?

Here's a clear comparison across three key dimensions:-

Feature	EGR (NSE)	Gold ETF	Gold Fund (Fund of Fund)
Nature	Direct digital ownership of physical gold	Units of a mutual fund that tracks gold price	A mutual fund that invests in Gold ETFs
Backed by	100% physical gold in SEBI vaults	Physical gold (held by AMC)	Gold ETF units
Traded on	Stock exchange (like shares)	Stock exchange	Bought/sold via AMC/broker (not exchange)
Demat needed?	Yes	Yes	No
Physical delivery	✅ Yes — you can take actual gold	❌ Retail investors generally cannot	❌ No
SIP possible?	❌ No	❌ No	✅ Yes
Price transparency	Real-time, unified national price	Real-time	NAV-based (end of day)
Fund manager involved?	No	Yes (AMC)	Yes (AMC of AMC)

The key difference is that EGRs directly represent physical gold stored in vaults, whereas Gold ETFs are units of a mutual fund scheme which invests in gold-related assets. Another important difference is that EGR holders can take physical delivery of gold by surrendering the receipts — something retail investors in Gold ETFs generally cannot do.

4.Key Advantages of EGR:-

The main benefit of NSE EGR is that investors can purchase gold in electronic format at a unified price that remains unchanged across the country at a single point in time. EGRs offer easy tradability, convenience over physical gold, liquidity, and assured gold quality. The segment also offers fungibility of gold delivery and settlement guarantee for investors.

5.How to Invest in EGR — Step by Step:-

You need: A Demat account + Trading account with a SEBI-registered broker (same as for buying stocks).

Step 1 — Open/have a Demat & Trading Account Any broker registered on NSE (Zerodha, Groww, Upstox, Angel One, etc.) will work once they enable the EGR segment.
Step 2 — Find the EGR Segment Log in to your trading platform and look for the "EGR" segment on NSE, similar to how you'd search for a stock.
Step 3 — Buy EGRs Investors can buy and sell EGRs through their trading and demat accounts on the NSE, just like shares. The receipts are credited electronically and can be traded during exchange hours.

Step 4 — Hold in Demat Your purchased EGRs reflect in your demat account as digital gold holdings. You can monitor, buy more, or sell anytime during market hours.
Step 5 (Optional) — Take Physical Delivery Since each EGR is backed by physical gold, investors can choose to convert their holdings into actual gold and take delivery if they want, by surrendering the EGRs to the vault manager through your broker.

6.Who Should Consider EGR?

EGR is best suited for investors who want direct ownership of gold (not a fund), want the option of physical delivery someday, are comfortable with a demat account and stock market, and want real-time price transparency with a nationally unified rate.

If you prefer SIP-style automatic investing with no demat account, a Gold Fund remains more convenient. If you want exchange-traded simplicity without physical delivery, a Gold ETF is a time-tested option. But for the closest thing to owning real gold — digitally — EGR is a strong new addition to the toolkit.

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