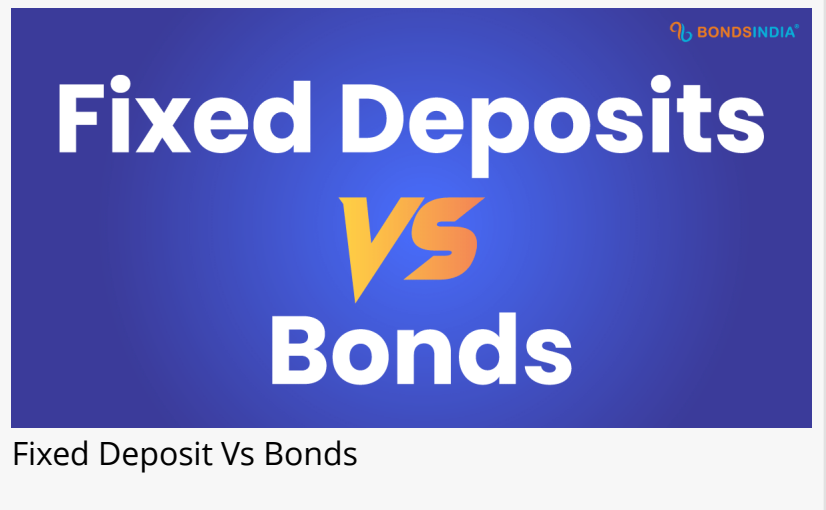


Fixed Deposit Vs Bonds: A Conclusion by BondsIndia

Fixed deposits and bonds are the two popular investment instruments in the fixed income security category in India.

GURUGRAM, HARYANA, INDIA,
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EINPresswire.com/ -- Fixed deposits and bonds are the two popular investment instruments in the fixed income security category in India. Choosing the better investment option from the two at times becomes difficult for a retail investor. The experts at BondsIndia answers one of the most common question - which is better investment avenue Bonds or Fixed Deposits?



“

Most investors don't understand bond as a investment. But compare to FD's, bonds are better yielding annuity investments which can be openly traded in secondary market.”

*Puneet Aggarwal, Founder
BondsIndia*

A quick analysis on these investment avenues will help you understand how Bonds are better than fixed deposits.

What are fixed deposits?

A fixed deposit as you know is a financial instrument facilitated by banks and NBFCs in India. It is known to provide investors the option to invest their surplus funds for a preferred tenure against a fixed rate of interest and return of capital at the end of maturity date.

Know what are Bonds?

Bonds are a debt instrument issued by private and government entities to raise the required fund for varied purposes against a fixed interest (coupon) payable at fixed interval for the declared maturity period. Certain bonds also promise the return of capital (face value) at the end date of maturity.

“Both bonds and fixed deposits (FDs) are a popular investment option in India. FDs are more popular among the retail investors while bonds are popular among both the retail and institutional investors. Both are a good investment option and have their own pros and cons. One should choose to investing in bonds or FDs considering his/her need for investment,” says Marketing Head, BondsIndia.

It is evident from the table above that Bonds in comparison to fixed deposits provide more advantages to investors.

You can choose to [invest in Bonds](#) if you are looking for relatively higher rate of interest, total capital protection, liquidity, and fixed interest income payable at different interval (monthly, quarterly, bi-annually, or annually).

About BondsIndia

BondsIndia is an online platform popular among retail and institutional investors. The company aims at making bonds accessible to the common investors. Our online bonds platform is secure, user-friendly, and professionally designed to give our users an unbelievable investment experience. You can visit our website, create an account, complete your KYC online and get ready to invest in bonds.

Within a couple of minutes, you can choose the high-performing bonds and initiate the payment transaction for the potential trade. At BondsIndia, you can find a host of other investment products, and sources to expand your knowledge about bonds. Visit www.bondsindia.com today for more information on our products and services.

Chandan Singh Dev

Particulars	Fixed Deposits	Bonds
Returns	Fixed deposits in banks are known to provide the interest income ranging from 3.25 to 5.40% based on tenure, amount invested, and the institution type.	Bonds are preferred by investors looking for relatively higher returns and provides the return ranging from 8 to 13%.
Minimum Investment	The minimum investment amount incase of regular FD is Rs. 5000.	You can start investing in bonds with a low investmen of Rs. 1000 face value.
Capital protection	Fixed deposits are secured to the amount of Rs. 5 lakhs through insurance.	Capital protection in Bonds is guaranteed in some bond type through sovereign guarantee. Government bonds are considered relatively more secure.
Ease of transaction	You need to have a saving account in the bank for investment in a FD. You cannot invest in a bank where you do not have a bank account.	To trade in bonds, you need a Demat account that can be used to buy bonds of any issuing entity. Bonds feature ease of transaction, and the trading is hassle-free.
Liquidity	The premature withdrawal incase of fixed deposits are subject to a charge ranging from 0.5 to 1% of interest.	It features liquidity and are tradeable in the secondary market. You can encash as and when required.

The comparison between the two will help you take better decision. Let us have a short comparison between the two for a better clarity.



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