

## E-Gold coins are more cost effective than bank and jewellers

Gold is one of the most precious metals ever mined. It not only acts as a secure investment, but is an efficient store of value offering high security & credibility. An instrument of long term investment, Gold acts as a hedge against inflation besides providing high liquidity. Most Indians share an emotional bond with Gold nearly bordering on spirituality. Festive occasions & auspicious days like Akshaya Trithiya, Dussehra, Dhanteras/Diwali are days when customers throng Gold selling outlets to have a piece of this precious metal.

But in a highly disorganized Gold market, the purity aspect and thereby the value for one's Money during the purchase of Gold has always been a question mark. For the customer, the lack of access to a branded, affordable, reliable Gold coin has always been a matter of concern. But buying gold bars or coins is easy nowadays. If you are not sure of the quality of gold you purchase at crowded jewellery shops, you can just walk into any one of members and DPs of NSEL across India, open a demat account, buy E Gold units. Investor can surrender e-Series units to the Exchange and get physical delivery, at any point of time at his discretion.

NSEL aims to bridge this gap by giving 99.95% pure, certified E-Gold coins through its large distribution network on pan India basis. Available in 8.0 gm, 10.0 gm gold coins and 100 gm and 1 kg gold bars these certified Gold denominations cater to a large segment of the society in both the retail and the corporate world. Available in tamper proof packaging, the overall look and feel of these coins is far superior & they possess a great finish. These Gold coins are Ideal for customers or corporates to be used as a gifting idea, for retail/agent contests, as employee rewards etc. Retail customers buy these coins just for the pleasure of owning it or as an investment idea.

### Price comparison of E-Gold Coin from various sources as on 14<sup>th</sup> June 2011

Particulars	E-Gold	HDFC Bank*	State Bank of India	Jeweller* (Tanishq)
	Delivery			
No. of Unit (Gram)	10.00	10.00	10.00	10.00
Base Price ₹/gram( Previous close)	2271.00	2626.70	2413.00	2610.00
Premium for 999 purity**	9.09	0.00	0.00	0.00
Price for 999 fineness ₹/10 gram coin	22800.93	26267.00	24130.00	26100.00
Brokerage @ ₹ 0.25% of purchase rate (₹/Unit)	5.68	0	0	0
Total Brokerage (₹/10 gram)	56.78	0	0	0
Service <a href="#">Taxes@10.30%</a> on brokerage	5.85	0	0	0
Delivery Charge (₹/10 gram)	200.00	0.00	0.00	0.00
Coin Making Charge (₹/10 gram)	200.00	0.00	0.00	0.00
Storage Charge ( ₹)	0.000	0.000	0.000	0.000
Vat Tax (1%)	228.01	262.67	241.30	261.00
Total Overheads (₹/10 gram)	690.63	262.67	241.30	261.00
Net Cost of 10 grams coin of 999 fineness ( ₹)	23,491.56	26,529.67	24,371.30	26,361.00

Price difference E-GOLD Coin Vs others ( ₹ )	3038.11	879.74	2869.44
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Delivery of physical E-Gold is offered in specified lots/ denominations and at specified locations only like Mumbai, Delhi, Ahmedabad, Kolkata, Chennai, Hyderabad, Jaipur and Bangalore. In respect of lifting of, the Exchange shall levy the delivery/lifting charges and will charge a total of Rs. 200 per lifting, irrespective of number of coins/ bars involved in the delivery instruction. The client opting for conversion of e gold demat units into gold coins will be required to pay VAT/ GST and other local taxes, octroi, if any, applicable at the place of delivery.

#### Advantages of E-Gold coins

- 1. Ease:** If you want to invest in gold, you just purchase the units of the E gold units, just sit back and relax! And if you want to sell, no need to go to the market to a jeweler - just sell the units like online, get delivery and you're done!
- 2. Quality:** If you are buying physical gold, your first concern would be to be sure about the quality of gold. With E Gold, that worry is gone too.
- 3. Small Investments:** With E Gold, you can invest in as less as 1 gram of gold and accumulate it. Is that possible with any other option of buying gold and the answer is no? This also means that you can make regular (maybe monthly) investments in gold, just like Systematic Investment Plans (SIPs) of Mutual Funds (MFs).
- 4. Liquidity:** E-Gold is traded in open markets in a transparent manner, and they have ample liquidity. This means that you get a price that is very close to the actual prevailing price of physical gold.

Due to rising price of gold many individual investors are turning their attention to gold investment. If one were to compare the options of investing/buying in physical gold, E Gold stands tall among all such as, jewelery buying, physical gold investment in Indian banks and gold ETF. From a long term perspective, E-Gold is the best option.