

Now E Gold and E Silver can be converted into jewellery

The overwhelming response by the masses towards investing in E- Gold and E- Silver is set to get interesting as the National spot exchange has started to empanel as many as reputed jewellers from different parts of the country, from where the investors of NSEL's E-gold or E-silver products will get an option to purchase jewellery worth market value of their investments by paying the making charges for their chosen jewellery. National Spot Exchange Limited (NSEL) will offer investors an option to exit in style - by converting their investments in jewellery of their choice.

What's more, the selection of jewellers will be made on the basis of certain criteria, which would include strict compliance of code of conduct including hallmarking and BIS certification, among others. This scheme will enable investors to buy gold from NSEL platform and buy jewellery worth of their investment by paying additional making charges.

Investors will be entitled to convert E-Gold / E-Silver units into jewellery in two ways:

1:- By getting jewellery of equivalent weight in gold terms against transfer of E-Gold units to the demat account of the jeweler through off-market transfers. This is subject to payment of making charges by the investor to the jewelers, which may vary from jeweler to jeweler and from design to design. This is also subject to increase in deliverable jewellery, as E-Gold is for 995 purity (24 carat), while design jewellery may be of varying purity (18 carat, 20 carat, 22 carat, etc.)

2:- By selling E-Gold units on the Exchange at prevailing price through the members of NSEL, with a request to get "jewellery voucher" of the amount equivalent to sale proceeds (net of brokerage, fee, etc.), which can be redeemed at respective jewellery house. For this purpose, the investor may choose any jeweler, which has empanelled itself with NSEL under this scheme. The investor, through his broker, can mention name of such jeweler along with request for getting redeemable voucher instead of sale proceeds. Thereafter, the Exchange will transfer such amount to the respective jeweler and get a Redeemable voucher in the name of the investor. The Exchange will forward such voucher to the investor through his broker. The investor can present such voucher before the respective jeweler at the time of purchase of jewelry and get equivalent credit against jewelry purchased by him. The empanelled jewelers, under both the schemes, may notify various discount and incentive schemes, which in turn will be notified by the Exchange from time to time.

Even E-Gold has more edge over Gold ETF as it cannot be converted into jewellery Gold coins and small denomination Gold bars. In case of E-Gold, investors can get physical delivery of Gold coin and bar in various denominations at various locations

without any premium. On the other hand NSEL provides a transparent pricing mechanism. It enables an investor to buy and sell on an electronic screen at any point of time through out the day. The total impact cost, which includes all costs relating to transaction, is less than 1 %. Hence, the investor can pocket the entire appreciation in value of gold through this mechanism.

Buying gold and silver through E-Series serves the purpose of savings for a household and investment requirement of investors as well. Investors which holding the E-series products in their demat has an option to get the physical delivery of the same. This feature of the product is useful for those household which saves money for purchase of gold for the marriage of their children's. Instead of savings money for purchase in the futures date purchase of Gold units will enable fetch more gold units from the same amount of money and these gold units converted into physical jewellery when required.

Moreover the jewelry house empanelment with the Exchange under these schemes would get exposure to the large network of clients, who are investing into E series products through the chain of retail broking houses spread across the country. So the reputed jewellery House operating anywhere in the country can enhance their sales by availing the huge network of National Spot Exchange.