

GEMS & JEWELLERY TIMES

**National Jewellery
Awards 2015**
Event and winners

eJewellery
The dos and don'ts
of starting an online
jewellery business

Brand sense
Sensory branding as
the new retail mantra

Not all Sparkle

The problems plaguing
the diamond sector





Learn the art and science of grading coloured stones.

Study more than 60 species of gemstones.

INDUSTRY SPEAK:

I believe that GIA has invested heavily over the last several decades in developing curriculum that is well suited for sales people. What we need is for the thousands of sales people across the country to be exposed to this learning. We believe that there is enough competence amongst the people at GIA, who can reach out to people in local languages translating accurately the curriculum of GIA.

Vinod Hayagriv,
Owner, Krishniah Chetty & Sons



The GIA Graduate Colored Stones Diploma Program prepares tomorrow's leaders to succeed in the rapidly changing world of gems and jewellery.

A family business is a legacy meant to last for generations. To ensure its success, the next generation must be prepared to address the latest advances in technology, new gem materials entering the marketplace and a rapidly changing global economy where opportunities and pitfalls abound.

In GIA's Graduate Colored Stones Diploma Program, students will identify hundreds of gemstones. They will understand how to evaluate gems using GIA standards and how market factors affect value. Students will use gemmological instruments to distinguish natural, treated and synthetic gemstones. And follow-up site visits to mines and factories ensure their GIA experience is well-rounded.

Enrol your successor in the GIA Graduate Colored Stones Diploma Program today and secure the legacy of your business for tomorrow.

Batches begin in **Bengaluru - 16 April, 2015 | Mumbai - 25 June, 2015**
Delhi - 6 August, 2015

Duration - 19 Weeks | Timing - 9:30 a.m. to 4:30 p.m. (Monday to Friday)

Visit us at **Gems and Jewellery India International Exhibition | 20-22 March, 2015**
Chennai Trade Centre, Chennai | Booth No. D 41 - Hall 4



GIA®

The World's Foremost Authority in Gemology™

Named One of the World's Most Ethical Companies by Ethisphere®, 2013 & 2014

Connect with us today to find training programmes and laboratory services for diamonds, coloured stones and pearls.

Toll Free 1800 102 1566 | M 075067 32927
eduindia@gia.edu | labindia@gia.edu | www.giaindia.in





I wish to thank our members and readers for their unstinted support to the GJF. As Chairman spearheading this great Federation, I look forward to your continued support in enabling us to take confident strides towards the future.

It is the start of a new financial year for the entire country. The industry, which had been battling several issues imposed by policy makers, has been making steady but gradual progress in its path to a full recovery and the GJF has been actively pursuing the industry cause at all levels, cherishing victories and learning from defeats.

In the last few years, the GJF as the voice of the industry has been in constant dialogue with various governmental bodies, highlighting issues, addressing concerns and finding solutions to problems that plague the industry. However, we have also been working at strengthening our own foundation and pursuing our goals to become a system-driven and compliance-based organisation, which we strongly believe is the core of a successful enterprise.

Our success lies in the growth of industry, its members, stakeholders and the development of its workforce.

For the coming months, several plans have been conceived with respect to initiatives such as Trustmark, Labham and PMI — aimed at improving and upgrading businesses, steering the industry and setting best practices for members to follow. These initiatives have received much encouragement and we seek members' continued support in furthering them. The GJF has also been extensively utilising PR tools, with plans to leverage these platforms aggressively in voicing the concerns and opinions of the industry to all stakeholders as we believe it is imperative to highlight ground realities that we, as an industry, face each day.

Boosting the retail segment, which in recent months has been at a low ebb, has also been a priority and we plan to introduce activities which we believe will help fuel retail businesses, a critical component of the entire industry value chain. The industry employs over one crore people, comprising artisans and *kaarigars*. With modernisation and the ever-evolving demands of the market, it is critical to upgrade the skills of these *kaarigars*, empower them to be technology-compliant, improve working conditions and offer social security for employment generation in the times ahead. We have been working closely with several industry and government bodies on skill development programmes and these initiatives will continue to be implemented full throttle in the year ahead.

The government has recognised the immense contribution of the gems and jewellery industry and has included the same under its Make in India initiative. This is indeed a great incentive for the domestic jewellery manufacturing industry and we are confident that it will be able to avail of all the benefits of the initiative. The GJF has been in close dialogue with the Commerce Ministry in this regard and we have expressly communicated our willingness to cooperate and associate with the Government on any plans that would provide an impetus to our industry.

Lastly, it is my proud privilege to announce that *Gems & Jewellery Times* is close to completing a year since its inception and that all its issues so far have received great appreciation from various stakeholders and industry members. We are grateful to our members, advertisers and readers for their patronage and support as it is only when we receive your suggestions and feedback that we are able to improve. We have ambitious plans to take this magazine to greater heights and present more information that we believe is critical to your businesses, while keeping the content interesting and valuable. We welcome your feedback in making this magazine a grand success.

Manish Jain

Chairman

All India Gems & Jewellery Trade Federation (GJF)



Veera Gold™

STUDED GOLD JEWELLERY



Made with SWAROVSKI ZIRCONIA



12, Diamond Plaza, Dhanji Street, Mumbai - 400 003 • Tel: (91-22) 2345 4440 / 2345 0806
Cell: +91-95946 22996 • Email: marketing@veeragold.com • Website: www.veeragold.com



सबसे पहले में अपने माननीय सदस्यों और जीजेएफ मासिक पत्रिका के सभी पाठकों को अपना अमूल्य सहयोग देने के लिए धन्यवाद देता हूँ। और आगे भी मैं चैयरमैन के रूप में आपसे भरपूर सहयोग की अपेक्षा करता हूँ ताकि भविष्य की ओर हम अपने कदम पुरे विश्वास के साथ बढ़ा सके।

यह पूरे देश के लिए नए वित्तीय वर्ष की शुरुआत है। जेम्स एंड ज्वेलरी ट्रेड नीति निर्माताओं द्वारा लाए गए कई मुद्दों से जूझ रहा है, लेकिन अब सकारात्मकता के साथ जेम्स एंड ज्वेलरी क्षेत्र स्थिरता से धीरे-धीरे प्रगति कर रहा है और जीजेएफ सक्रिय रूप से सभी स्तरों पर उद्योग को आगे ले जाने के लिए पूर्ण रूप से समर्पित व प्रतिबद्ध है।

पिछले वर्षों में जीजेएफ, उद्योग की आवाज के रूप में, विभिन्न सरकारी निकायों से बातचीत करता रहा है और मुद्दों को उठाता रहा है। इस इंडस्ट्री की चिंताओं व परेशानियों से अवगत कराता रहा है और साथ ही समाधान भी निकालता रहा है। इसके साथ ही हम हमारे फाउंडेशन को भी मजबूत बनाने की दिशा में काम करते रहे हैं ताकि हमारा एक सफल उद्यम बन सके जो सिस्टम संचालित और अनुपालन आधारित हो। हमारी सफलता इंडस्ट्री अपने सदस्यों, हितधारकों और कर्मचारियों के विकास में निहित है।

आने वाले महीनों में कई योजनाएँ आनी है और कई नए पहल भी होने है। इसमें ट्रस्टमार्क, लामम और पी एम आई जैसे महत्वपूर्ण पहल है जो बिजनेस को अपग्रेड करेंगे, इंडस्ट्री को गति देंगे और सदस्यों के लिए बेहतर मानदंड की स्थापना करने में सफल होंगे। इन पहलों को प्रोत्साहन प्राप्त हुआ है और हम आने वाले समय में उन्हें आगे बढ़ाने के लिए सदस्यों से निरंतर समर्थन चाहते है। जीजेएफ पीआर टूल्स का भी इस्तेमाल कर रहा है, इस योजना के साथ कि इन मंचों का इस इंडस्ट्री और हितधारकों की चिंताओं को स्वर मिल सके और राय जाहिर हो सके। हमारा मानते है कि उद्योग जिन जमीनी वास्तविकताओं को झेल रहा है वह सामने आ सके।

रिटेल सेगमेंट को मजबूत करना, जो हाल के महीनों में कमजोर हुआ, हमारी प्राथमिकता है। इससे खुदरा कारोबार को मजबूत बनाने में मदद मिलेगी। इस उद्योग में 1 करोड़ से अधिक वर्कफोर्स कार्यदल शामिल है जिसमें बेहतरीन और कारीगर है। आधुनिकीकरण और बाजार की बढ़ती मांगों के साथ, इन कारीगरों के कौशल का विकास जरूरी है। उन्हें प्रौद्योगिकी रूप से सक्षम बनाना होगा। काम करने की स्थिति में सुधार लाना होगा और आने वाले समय में रोजगार सृजन के लिए सामाजिक सुरक्षा की पेशकश करनी होगी। हम कार्य कौशल विकास कार्यक्रमों के लिए कई उद्योग और सरकारी निकायों के साथ मिलकर काम कर रहे है और इन प्रयासों को आगे के वर्ष में जारी रखेंगे।

सरकार ने रत्न और आभूषण उद्योग के विशाल योगदान को पहचाना है और मेक इन इंडिया में इसे शामिल किया है। वास्तव में यह घरेलू ज्वेलरी विनिर्माण उद्योग के लिए एक बड़ा प्रोत्साहन है और हम इस पहल का पूरा लाभ उठाने के लिए सक्षम है, हमें विश्वास है घरेलू ज्वेलरी विनिर्माण उद्योग इस पहल का पूरा लाभ उठाएगा जीजेएफ इस संबंध में वाणिज्य मंत्रालय के साथ बातचीत कर रहा है और हम इस उद्योग को प्रोत्साहन मिलने के लिए किसी भी योजना पर सरकार के साथ सहयोग करने की इच्छा रखते है।

अंत में, मेरे लिए यह गर्व की बात है और मुझे यह घोषणा करते हुए खुशी हो रही है कि जेम्स एंड ज्वेलरी टाइम्स पत्रिका अपनी स्थापना के बाद से एक वर्ष पूरा करने के करीब है और हम यह बताना चाहते है कि इसके सभी अंक को अब तक विभिन्न हितधारकों और उद्योग के सदस्यों द्वारा ढेरों प्रशंसा मिली है। हमारा सभी सदस्यों, हितधारकों और पाठकों के शुक्रगुजार है कि आपसे मिली प्रतिक्रिया और सुझावों की वजह से ही हम इस पत्रिका को और अधिक उपयोगी बना पाते है। इस पत्रिका को और अधिक उंचाई तक ले जाने की हमारी योजना है। हम और अधिक महत्वपूर्ण सूचनाएँ इसके जरिए देना चाहते है जो आप सब के लिए उपयोगी हो। इस पत्रिका को सफल बनाने के लिए आपकी राय का स्वागत है। अपनी प्रतिक्रिया व सुझाव हमें जरूर दे।

धन्यवाद

मनीष जैन

Gems & Jewellery Times' Advisory Panel Members

RETAIL ADVISORY PANEL



Haresh Soni
Immediate Past
Chairman



Ashok Minawala
Board of Director



**Bachhraj
Bamalwa**
Board of Director



Vinod Hayagriv
Board of Director



**Anantha
Padmanaban**
Board of Director



Ramesh Narang
Board of Director

MANUFACTURING ADVISORY PANEL



K. Srinivasan
Board of Director



Pramod Agrawal
Board of Director



**Prabir
Chatterjee**
Board of Director



Hasmukh Parekh
Member



Prem Kothari
Governing Board
of Director



D.D. Karel
Governing Board
of Director



Anand Shah
Member

TECHNOLOGY ADVISORY PANEL



Vasant Birawat
Governing Board
of Director



Shaudhan Desai
Governing Board
of Director



Nickunj Shah
Member

PRECIOUS GEMSTONE ADVISORY PANEL



Nirupa Bhatt
Board of Director



Jatin Chheda
Governing Board
of Director

INFINITE CREATIVITY SWAROVSKI'S *88 Facets Cut for* ZIRCONIA



Swarovski's 88 Facets Cut for Zirconia, a symbol for infinity, good fortune and happiness. Perfectly proportioned, well-crafted, symmetrical facets and a microscopic "Swarovski Zirconia" laser engraving, all reflect the innovative quality and authenticity of Swarovski.

SIGNITY INDIA PVT. LTD. / MUMBAI - INDIA / T : +91 22 2851 6876 / F: +91 22 2851 1675 /
OFFICE.INDIA@SIGNITY.COM WWW.SWAROVSKI-GEMSTONES.COM

SWAROVSKI

September 2016 | G E M S T O N E S | E S TM



Cover Courtesy:
Anmol Jewellers

APRIL – MAY 2015

EDITOR & PUBLISHER
Sribash Dasmohapatra

OWNER
All India Gems & Jewellery
Trade Federation

CONTENT & DESIGN
Spenta Multimedia

Editorial
Monideepa Choudhuri

Design
Parvez Shaikh
Neaha Nagpal
Puja Rane

MARKETING

MUMBAI CORPORATE OFFICE
Ms. Jharna Salian
Tel: 67382727/09167620415
Email: jharna@gjf.in

BENGALURU REGIONAL OFFICE
Ms. Manjusha
Tel: 088861386931
Email: manjusha@gjf.in

RAIPUR REGIONAL OFFICE
Mr. Shrey Kamdar
Tel: 0887899919
Email: central.sec@gjf.in

KOLKATA REGIONAL OFFICE
Mr. Sandip Bachawat
Tel: 09831008307
Email: east.sec@gjf.in

DELHI REGIONAL OFFICE
Mr. Gopal Verma
Tel: 09810486777
Email: north.sec@gjf.in

CHENNAI REGIONAL OFFICE
Mr. Gopalakrishnan Venkatraman
Tel: 098417469 80
Email: venkataraman@gjf.in

MUMBAI CORPORATE OFFICE:
**ALL INDIA GEMS & JEWELLERY
TRADE FEDERATION**
P & S Corporate House, Plot no. A-56,
Road no. 1, 5th floor,
Near Tunga International,
MIDC, Andheri (East),
Mumbai – 400 093.
Phone: 022 67382727
www.gjf.in

Gems & Jewellery Times, the bi-monthly magazine of the All India Gems & Jewellery Trade Federation (GJF), is published by Sribash Dasmohapatra on behalf of the All India Gems & Jewellery Trade Federation and printed by Spenta Multimedia, Peninsula Spenta, Mathuradas Mill Compound, N. M. Joshi Marg, Lower Parel (W), Mumbai - 400 013. The views and opinions expressed or implied in *Gems & Jewellery Times* are those of the authors and do not necessarily reflect those of the All India Gems & Jewellery Trade Federation or Spenta Multimedia. Unsolicited articles and transparencies are sent in at the owner's risk and the publisher accepts no liability for loss or damage. Material in this publication may not be reproduced, whether in part or in whole, without the consent of All India Gems & Jewellery Trade Federation or Spenta Multimedia.



spenta
multimedia
IDEATE | CREATE | PUBLISH

Contents

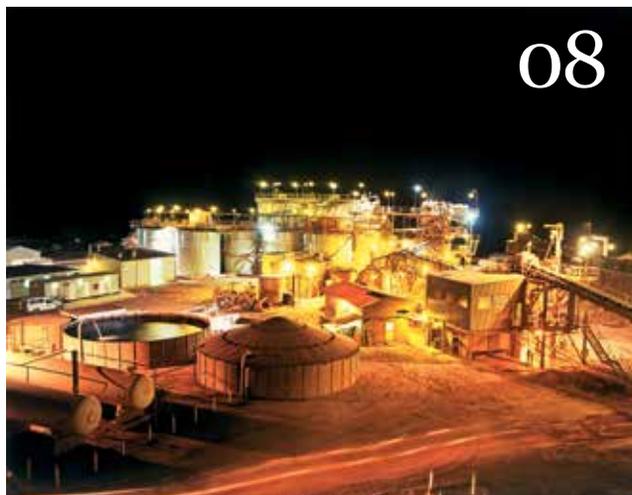
42 COVER STORY

NOT ALL SPARKLE

The problems plaguing the diamond sector in India



42



08

08 NEWS BYTES

A round-up of important news and events

28 BEST OF THE BEST

NJA event report and photo feature of the award-winning designs

48 E-JEWELLERY

The dos and don'ts of starting an online jewellery business

52 SUITE SOLUTIONS

Why ERP software is a must to grow the jewellery business

58 THE TREND MOTIFS

Creative directions for the jewellery industry as defined by Design Inspirations 2015

62 THE TRIO FEATURE

How Dominance, Emphasis and Focal Point help achieve better designs



28



48



70



88

- 68 REFLECTIONS ON BUDGET 2015**
Two young Turks comment on the Union Budget's implications for the gems and jewellery industry
- 70 BRAND SENSE**
Sensory branding as the new retail mantra
- 74 GOING GLOBAL**
Key aspects of FEMA and Income-Tax Act for ease of overseas business operations
- 80 STRIKING OPTIONS**
Few fundamentals of garnet
- 85 GJF LETTER**
Edited extracts of two letters written to Union Finance Minister Arun Jaitley after announcement of Budget 2015
- 86 STATISTICS**
Gold and jewellery import data
- 88 IN THE LIMELIGHT**
A look at the new launches in the jewellery world
- 93 EVENTS CALENDAR**
- 94 GJF MEMBERSHIP AND DONATION FORM FORMATS**



80

SOLITAIRE PRICE INDEX		
	1st April 2015 ₹ 3.73 * lakhs/ct	0.81% ↑ % change from 1st March, 2015
<small>Nationwide standard & transparent pricing since 2005. Published on the 1st of every month.</small>		
DIVINE SOLITAIRES		
<small>*This is an average of Divine Solitaires Price List</small>		
Call: 022-66264800 www.divinesolitaires.com		

GJF HAILS UNION BUDGET AND GOLD RELATED INITIATIVES

The All India Gems and Jewellery Trade Federation (GJF), the national trade federation for the promotion and growth of trade in the gems and jewellery industry across India, has hailed the Union Budget FY 2015-16 presented by Finance Minister Arun Jaitley as a progressive, growth-oriented and long-term economic blueprint. The GJF praised the “change in attitude” of the new government which has progressively stimulated several positive changes in policy such as abolition of the 80:20 Rule, inclusion of the gems & jewellery sector in the Make in India initiative and opening gold loans to the trade. It has expressed hope that customs duty reduction on gold imports will also happen soon since higher duties fuel smuggling.

According to Manish Jain, Chairman GJF, “Jewellery should be considered as a consumer product and not clubbed with policies impacting gold as a commodity and raw material. Further to the request of the Union Commerce Ministry, we hope that the Finance Minister will address the issue of reduction of import duty on gold which has created a parallel economy through smuggling and hoarding of black money. We also seek additional stimulus for Make in India jewellery. The government should consider reduction of import duty on machinery and consumables for jewellery parks and create clustered manufacturing centres with common sharing facility as discussed during the Make in India workshop.”

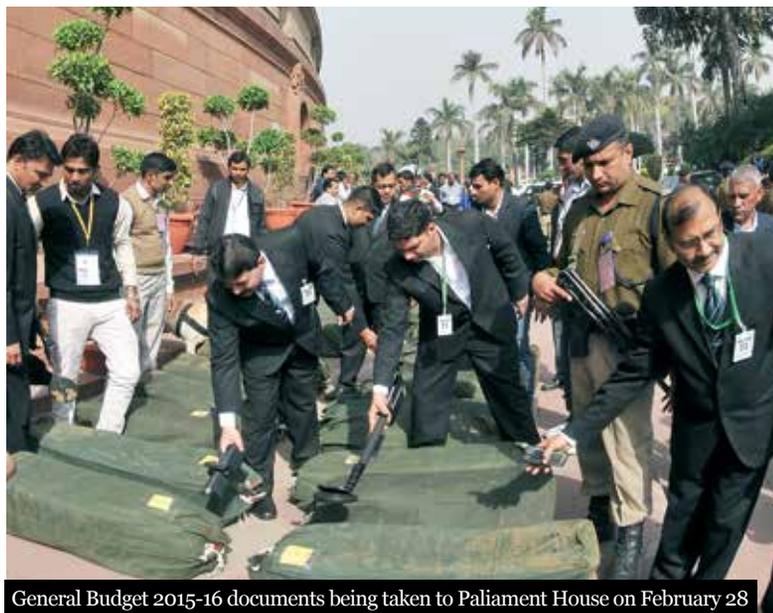
Haresh Soni, former GJF Chairman said, “The Union Budget is an extension of several positive initiatives and we welcome the change in attitude of the government towards the gems and jewellery sector. Proactive government measures such as the gold monetising scheme and indigenous manufacturing of gold coins are good. The proposed gradual cut in corporate taxes will benefit listed jewellery companies while the MUDRA bank will help small-medium jewellery enterprises. The transition to GST (Goods and Service Tax) regime is also welcome but the increase of service tax to 14 per cent and the Swachh Bharat cess will negatively impact jewellery sales. We hope the National Skills Development Mission will take up the challenge of enhancing skills

of over two crore people in the gems and jewellery sector as well as encourage youth entrepreneurs to enter the business.”

Bacchraj Bamalwa, Director, GJF, said, “The gold monetisation scheme is inspired by the GJF’s earlier recommendation of Rashtriya Swarna Nivesh (RSN) Scheme. It is a very positive move and will help control the current account deficit and allow gold owning depositors to earn interest. However, banks should not encourage consumers to buy Ashoka Chakra coins for investment purposes since consumption of gold will increase and the current account deficit will widen further. Abolishing wealth tax is also a welcome move since it will encourage consumers to buy jewellery and show it in their books of accounts.”

With respect to the Make in India initiative, the GJF urged the government to make the country a global hub by creating several domestic jewellery manufacturing parks where shared infrastructure facilities can reduce overheads and cost. If the gems and jewellery sector gets industry status, then getting land for factory units in government-owned sites will become easier. Industry status will also facilitate the provision of fiscal incentives, insurance norms and availability of credit. It can borrow from overseas and also raise domestic funds through institutional lending, tax-free bonds, tax concessions, credit ratings, etc. Industry status will also lead to more employment generation.

The GJF has been pursuing with the government to focus on development of the gems and jewellery industry and formulate a comprehensive gold policy for India. It has urged the government to develop infrastructure to improve skill sets by promoting and standardising professional vocational courses, introducing fee subsidies, offering scholarship programmes and reviving dying arts and crafts. It has sought an increase in investment in technology to improve health and working conditions as well as labour productivity. It has asked the government to provide adequate thrust for skill and infrastructure development through easy financing, incentives, subsidies, facilitation of land allocation and supply of utilities. The intent is to train four million people until 2022 as the sector is facing shortage of skilled manpower.



General Budget 2015-16 documents being taken to Paliament House on February 28



AURAJEWELS

JEWELS



SAY EVERYTHING
without saying a word



The New Delhi press conference



The Mumbai press conference

GJF EXPRESSES CONCERN OVER CONSUMER PAN CARD REQUIREMENT ON SALES OVER ₹1 LAKH

Even while welcoming several new initiatives by the government in its Budget proposals, the GJF, the national trade federation for the promotion and growth of trade in the gems and jewellery sector across India, has expressed dissatisfaction over the imposition of PAN card requirement from consumers on transactions over ₹1 lakh. It said that the imposition is impractical and discriminates against 70 per cent of rural buyers who are not under the tax net and do not have PAN cards.

At a press conference held in 12 cities across India on March 16, the GJF said that while it is true that high import duties have promoted smuggling, this new measure can in no way stop generation of black money. As a matter of fact, delay in lowering duty on gold can only hamper the economy as black money is likely to be generated and parked in gold. It suggested that the government come up with more trade-friendly policies so that industries can develop and grow to build the economy.

Addressing the press at New Delhi, Manish Jain, Chairman GJF, said, “We hope that Union Finance Minister takes in hand the important issue of reduction of import duty on gold that has created a parallel economy through smuggling of gold. The gems and jewellery industry does not generate black money but is badly affected when the government suggests so, even while actual black money generation sources are left open.”

At the press conference held in Ahmedabad, Haresh Soni, former GJF Chairman lamented that by bringing the gems and jewellery industry under the ambit of PAN cards, the government was discouraging thousands of buyers from buying jewellery. “People who are engaged in farming and small



The Bangalore press conference



The Chennai press conference



The Ahmedabad press conference



The Kolkata press conference



Tradition
Recrafted

Kindly Visit us at



VICENZAORO DUBAI

THE DEFINITIVE GLOBAL JEWELLERY SHOW

April 23rd - 26th, 2015

Venue: Sheikh Saeed Hall 1-3, Dubai World Trade Centre, Dubai

Booth No.: D225, 223

Contemporary and Exclusive 916 Antique Kundan Jewellery

by

Abhishek Zaveri
Abhishek Zaveri

Lalithbai Bababhai Zaveri (Patanwala)

Craftmanship Since 1897

'Vaishali', Gr. Floor, Opp. Pariseema, C.G. Road, Ahmedabad, Gujarat, INDIA. Ph.: +91 79 26561040-50



The Hyderabad press conference



The Kanpur press conference



The Chandigarh press conference



The Lucknow press conference



The Nagpur press conference



The Raipur press conference

private businesses in rural India do not have PAN cards. Already we have TCS on sale of bullion worth ₹2 lakh and jewellery worth ₹5 lakh. This new proposal will spell doom.”

Speaking on the PAN card issue at the press meet in Kolkata, Bachhraj Bamalwa, Director, GJF, said, “The gems and jewellery sector is not the generator of black money. More than 80 per cent of the value of jewellery is raw material like gold and silver,

legitimately imported into the country.”

The Mumbai press meet was addressed by Ashok Minawala, Director, GJF, who said that the gems and jewellery industry will face great problems in encouraging buyers to buy jewellery. “It is a negative step and this will neutralise the benefits arising out of the gold monetisation scheme. According to 2014 data, approximately 14 crore PAN cards have been issued in India, which means that 89 per cent of the population do not possess one. Is it reasonable?” he asked. ***(Please see Pg 85 for the extract of two letters written by the GJF in this regard to Union Finance Minister, Arun Jaitley.)***

Waman Hari Pethe Jewellers
are the proud recipient of
National Award



Best Paramparik Jewellery-
West 2015



**WAMAN HARI PETHE
JEWELLERS**

PURE TRUST SINCE 1909

MUMBAI : Thakurdwar : 2385 3521/2385 8470 | Ranade Road, Dadar (W) : 24301592/61304000 | Gokhale Road, Dadar (W) : 24301522/33 | Borivali (W) : 28335833/44
Vile Parle (W) : 2610 5201/02 | Goregaon (W) : 28710108/09 | Chembur : 25290171/72 | Sion : 24090225/6 | BADLAPUR : 0251-2695147/8 | VASHI : 27668407/8
VASAI : 0250-2384905/6 | ALIBAUG : 02141-221477/1577 | NAGPUR : 0712-2229660/1 | AMRAVATI : 0721-2578010/11 | AURANGABAD : 0240-2354417/8 | KOLHAPUR : 0231-2669812
PANJIM GOA : 0832-2230832/33 | INDORE : 0731-2525200/1 | AHMEDNAGAR : 0241-2321201/2 | NASHIK : 0253-2457802/902 | RATNAGIRI : 02352-234914/15



LONDON BULLION MARKET CHANGES PRICE FIXING METHODOLOGY

London is the centre of the world's physical bullion trading. The London Bullion Market Association (LBMA) sets and maintains the highest standards in refining, documenting and storing every gold and silver bar allowed to circulate at spot prices in the market.

To allow for greater transparency and easier tracking of submissions and also bring depth to the price-discovery process of the gold, the historic London Gold Fix has been discontinued and replaced by the LBMA Gold Price from March 20. The traditional process via a secure conference call has been changed to a new electronic LBMA price-discovery process. The price will continue to be set twice daily (at 10:30 and 15:00 London GMT).

Under the old process, each bank would confer by phone with clients — other financial institutions and gold producers and consumers — and, then, declare if it was a buyer, seller or had no interest. If there were only sellers, the price was lowered and vice-versa.

This was repeated until the difference between buying and selling requests was less than 50 bars and the price was fixed. However, under the new process, anonymous bids and offers will be published on screen in real time with the imbalance calculated and the price updated until the buy and sell orders are matched. If the imbalance between buy and sell orders is within 20,000 troy ounces, the price will be fixed. Each round lasts 45 seconds.

The new LBMA Gold Price will be operated and administered by an independent third-party provider, ICE Benchmark Administration (IBA), which was chosen following consultation with market participants. IBA will provide the price platform, methodology as well as the overall administration and governance for the LBMA Gold Price. The process will provide significant enhancements to the process of setting the LBMA Gold Price.

The new process opens up the playing field for gold trading. More participants will be involved in setting the benchmark price of gold. Six entities will provide the data used to establish the daily gold price. More participants should provide larger transparency.

Third, the new gold price mechanism may be positive for gold prices.

A few Chinese banks are likely to participate in setting gold prices. It means that Chinese clients will have a more direct influence on the international price of gold. This is important because the Chinese have been large buyers of gold in the last few years.

It is an open secret that gold prices trade on average at higher price levels during the Asian trading hours than during the London and New York trading hours. The government should encourage enough Indian banks to participate given that the country is the largest consumer and importer of gold. In India, SEBI had earlier notified that the gold held by a gold exchange-traded fund scheme shall be valued at the AM fixing price of LBMA in US dollars per troy ounce for gold having a fineness of 995.0 parts per thousand, which will now be LBMA Gold Price. In short, the new gold price mechanism should bring in more transparency to the market.

How are benchmark prices for gold in India fixed? The truth is that there is no commonly accepted benchmark. Given that there is no physical market where gold is bought and sold, participants still rely on informal gold price quotes disseminated by the jewellery trade.

The gold imported into the country is brought in through nominated agencies, mainly banks. Banks supply this gold to bullion dealers, at a price that includes Customs duty after adding a fee to it. The Indian Bullion Jewellers Association (IBJA), a Mumbai-based association of gold dealers, then announces a rupee price for gold every day based on quotes from its member dealers. These dealers base their quotes on how much gold they would like to buy or sell at a given price. Ketan Shroff, the spokesperson for IBJA, explains: "For the opening and closing rates we provide, we call up ten large dealers and take 'buy', 'sell' quotes from them. We then average it out to arrive at the price for the day." This is the daily gold rate (after adjusting for state taxes) that retail buyers usually pay when they purchase jewellery at outlets in their city.

Some gold dealers arrive at the day's spot price using the near-month gold futures contract on the MCX. Others arrive at the calculation by taking the international price of gold, multiplying it by the rupee/dollar exchange rate and then adding the import duty (10 per cent) and other levies such as VAT and octroi to arrive at the landed price for gold. To this they add the premium that the importing bank demands and also their own profit margins.



Gemological Science

I N T E R N A T I O N A L



LIKE NO OTHER LABORATORY IN THE WORLD

GSI - India- Trade Center, 6th Floor, Unit No. 601-B, Opposite MTNL Building , Bandra Kurla Complex , Phone: +91-22 26520354/26521081.

Thrissur-X/815-18,19,20, St.Louis Commercial Complex, Church Circle,Thrissur-680001, Kerala

Surat-Diamond World-A,A/210, 2nd floor, Varachha Road, Surat- 395006, Phone: +91 (261) 2550354

USA

India

Israel

Belgium

Botswana

WWW.GEMSCIENCE.NET

Please visit us at



VICENZAORO DUBAI

23RD TO 26TH
APRIL 2015

BOOTH NO.
F 235

DEPOSIT GOLD, EARN INTEREST: UNION FINANCE MINISTER

Union Finance Minister Arun Jaitley has announced three gold schemes, including redeemable gold bonds which will carry a fixed rate of interest, to bring down gold imports and increase financial savings. In his Budget speech, Jaitley said that a sovereign gold bond, as an alternative to purchasing metal gold, has been proposed to develop an alternative financial asset. “The bonds will carry a fixed rate of interest and also be redeemable in cash in terms of the face value of the gold at the time of redemption by the holder of the bond,” he said.

Reacting to the Budget announcements, FICCI Gems and Jewellery Committee Chairman Mehul Choksi said, “The import duty on gold levied two years back to control the current account deficit should have ideally been rolled back given the current, positive state of affairs. This did not find any mention in the sectoral or taxation reforms announcements.” He said that while the Finance Minister announced a slew of measures to curb black money in India, he ignored one of the biggest issues — smuggling of gold to the tune of 180 tonnes in 2013. “We are hopeful that the Finance Minister will consider a roll-back of this two per cent duty due to its adverse impact on the overall economy and the industry,” said Choksi.



© shutterstock.com

INDIA CONSUMES 880 TONNES OF GOLD IN 2014, BEATS CHINA

India reclaimed itself as the leading consumer of gold in 2014 with an estimated 880 tonnes against erstwhile leader China's 866 tonnes. This was amidst global demand for gold declining 18.7 per cent in 2014, said an industry report by analysts at Thomson Reuters. The demand for Indian jewellery fabrication rose by 14 per cent to a record 690 tonnes in 2014 with most of the growth occurring during the third and fourth quarters of 2014 “as retailers restocked when local premia eased and gold prices fell”.

The Indian Government may yet cut the 10 per cent import duty on gold this year despite choosing not to do so in the Budget. Somasundaram PR, the World Gold Council's (WGC) managing director in India, said, “The government has not cut it because they said “let us evolve, let us pass a few bills”, but 10 per cent is still a lot of money,” he said.

The Indian Government confounded widespread speculation for drop of two to four percentage points in the duty, with the Finance Ministry opting instead for further measures to monetise the metal through the introduction of a gold-centric bond and an overhaul of its gold deposit scheme.

These are the latest state-led initiatives to tap into the vast wealth currently stored by Indian families. Should they prove successful, they could ease over the long term the need to import gold, though previous attempts have foundered, failing to find support among grass-roots consumers. The new bonds will carry a fixed interest rate and will be redeemable in cash pegged to the face value of gold at the time of maturity. As well as giving investors long exposure to gold, they will also earn a fixed interest rate — gold typically has no direct yield.

But Somasundaram doubted whether the schemes, particularly the gold-centric bonds, will find much traction with the Indian public. “Ten per cent in import duties is still a huge incentive for smuggling. As long as smuggling prevails, none of these schemes will work,” he added. Smuggling has been an issue in the Indian gold market for some time, particularly prior to the removal of the 80:20 Rule in November, which made it mandatory to export 20 per cent of all imported metal. Somasundaram believes that some 175 tonnes of gold entered India illegally last year.



© shutterstock.com



the glimmer of oyal jewel



SIGNATURE
MUMBAI



NBJ

SONI NANALAL
BECHARDAS JEWELLERS
PRIVATE LIMITED

201, Crystal Arcade, Next to Telephone Exchange, C. G. Road,
Ahmedabad - 380 009. INDIA. Tel. : +91-79-26461600/01

Fax : +91-79-26461640

web : www.nanalaljewellers.com e mail : info@nanalaljewellers.com



MAKE IN INDIA ONSHORE DOLLAR BONDS

In Goldman Sachs Asset Management's experience, the gold investment demand in India is driven by the need to invest in instruments that beat inflation and invest in proxy foreign currency. As the Indian saver does not have easy access to invest or save in a foreign currency, he typically ends up buying gold, even though taking foreign exchange exposure is the primary reason. This effectively creates a physical implementation of "quanto gold" that can be eventually converted to any desired currency.

The K U B Rao Committee Report of RBI (2013) has explored potential issues in detail, including potential mechanics of a gold deposit scheme that could be offered to a broad retail audience, using a Bullion Corporation of India to be set up by the government. It will indeed be a huge milestone for the country if a vibrant dematerialised gold market can finally be developed over time, based on findings of this report (as well as those by prior committees that were set up by the government on this subject).

Dollar bonds for residents given that most Indians buy gold to hedge against inflation and also to diversify into foreign currency, is another instrument that could be considered. A dollar bond, issued by the Government of India, could help Indians invest in foreign currency out of the \$1,25,000 annual limit. Currently, the process is difficult for most Indians, especially for those whose threshold amounts are low. There is a large population with the need to hedge forex funds for their children's education, travel and other similar expenses. They could have a better product than gold while allowing the Indian Government access to these funds and reducing the demand for gold and for gold hedging.

The instrument could also attract other latent pockets of demand, which are currently serviced offshore, such as encouraging exporters from repatriating their earnings quickly and having them park the proceeds in these bonds, while providing an alternative for small importers to hedge on the currency futures market. The instrument could also incorporate

learning from onshore dollar bonds that have been launched in Indonesia and the Philippines as mechanisms to grow their domestic financial markets. A big collateral advantage would be the start of sovereign borrowing in forex, but limiting it within the domestic market. Thereby, this market would be within the greater control of the government or RBI, unlike the current offshore rupee non-dollar forward (INR NDF) market, where the government has little oversight.

The next step could be to allow non-government entities to issue dollar-denominated paper (currently borrowed through the European Central Bank) and then allow foreigners to invest, thereby completing "bond-currency-derivative" linkages, which have been missing in Indian financial markets. All these policies could lead to Indians having access to international investments, development of forex and forex bond markets in India while enabling the borrowing to be used by the government, rather than being invested abroad.

Indians could get the benefits of diversification, while the government gets funds at a marginally lower cost. At the same time, the instruments could reduce reliance on offshore currency markets and effectively become the Make in India initiative for the Indian financial services industry.



Designer Mangalsutras

Trident Corporaton

12, Refinery Bldg., 2nd Flr., R. No.: 02, 2nd Agiary Lane, Dhanji Street, Mumbai - 02.
Tel.: 022 - 2347 2536 / 3352 7599 / 6183 7599. E-mail Id.: tridentcorpn@gmail.com



SIGNATURE SHOWCASES BEST OF JEWELLERY AND LOOSE STONES

The eighth edition of Signature IIJS, organised by the Gem and Jewellery Export Promotion Council (GJEPC) from February 20-23, 2015, showcased the best of designer jewellery and loose stones at over 550 exhibition booths spread over the Bombay Convention and Exhibition Centre in Mumbai.

The event was inaugurated by chief guest Andrey Polyakov, Vice President of Alrosa, while industry stalwart Kirtilal Doshi and social activist Shaina NC were the guests of honour. During the inaugural ceremony, Vipul Shah, Chairman of the GJEPC, while expressing great happiness over the inclusion of the gems and jewellery sector in the Make in India initiative, added that the Council was in dialogue with the government for relaxing various policy restrictions and introducing 'ease of doing business'. Kirtilal Doshi expressed confidence that the industry would meet the present challenges and come out stronger as it had always done. In an impassioned speech, he pointed out that the industry would have to mould itself with new strategies and tactics in the digital age.

Chief guest Andrey Polyakov while referring to more interaction between the industries of Russia and India said, "New opportunities

are being explored and there is a possibility of coming together on generic marketing, synthetics, banking issues and consumer confidence." He concluded by saying that he hoped Signature would soon become a platform for professional discussion and for an exchange of views of different segments of the industry.

The show which witnessed lukewarm movement on the first day picked up bustle on the second day with fairly thick crowds in the gold section. The jewellery on display ranged from plain gold to diamond gemstone studded. Design wise there was all kinds of jewellery to be found – from traditional to modern, lightweight to heavy gold and high-end diamond, mass-produced to exquisite handmade pieces. Manufacturers of very heavy traditional gold jewellery had made attempts to cater to the young bride and the first stirrings of change were evident in the lines, motifs and embellishments.

While polka and uncut diamond jewellery has always been a popular part of the jewellery landscape in India, at the Signature show there appeared to be a particular preponderance, specifically with jewellery from Jaipur.

The loose gemstone section however lamented the lack of visitors and the timing of the show. This was attributed largely to a world tackling with recession and climbing rough diamond prices.





DEREWALA®
WORLD JEWELLERY



Indian speak Italian language
IN GOLD

DEREWALA INDUSTRIES LIMITED
(Formerly known as Derewala Jewellery Industries Limited)

E-72, EPIP, Sitapura Industrial Area, Tonk Road, Jaipur 302022, Rajasthan (India)
Tel. : +91-141-5151444, Mobile : +91 9001993073, E-mail : sales.gold@derewala.com

JEWELLERS OPPOSE NEW TAX STRUCTURE IN KERALA

Medium and small gold merchants feel that the tax structure proposed in the Kerala State Budget presented by Finance Minister K. M. Mani will harm their business prospects. In a statement, leaders of the All Kerala Gold and Silver Merchants Association said that the proposals in the Budget would only serve to cripple medium and small traders. According to Association President B. Govindan and General Secretary M. Ram Mohan Kamath, the proposal of different tax structures on gold purchased for manufacturing ornaments was a cause for distress for the medium and small traders who constitute 90 per cent of merchants in the gold sector. According to the proposal when the purchase of gold is from the Reserve Bank of India (RBI) and Directorate General of Foreign Trade (DGFT)-authorised sellers, the tax is one per cent, while it zooms to five per cent when purchased from other sellers. However, the minimum purchase from RBI and DGFT-authorised sellers is three kilograms of gold which is worth ₹ 80 lakh at current rates.



© shutterstock.com



© shutterstock.com

GOLD JEWELLERY EXPORTS DOUBLE IN FIRST 10 MONTHS OF FY14-15

Gold jewellery exports have almost doubled in the ten months of FY15 (April 2014 to January 2015) compared to the same period in the previous year. This is mainly attributed to relaxation in import duty policy and a recovery in demand from major consuming countries like USA, Russia, UAE, Hong Kong and east Asian countries. According to figures collated by the Gems and Jewellery Export Promotion Council (GJEPC), gold jewellery exports increased 108 per cent at ₹ 30,523 crore between April 2014 and January 2015 compared to ₹ 14,619 crore during the same period in the previous year. However, the export from special economic zones (SEZs) and SEEPZ SEZ in Mumbai saw a dip of 17 per cent at ₹ 19,305 crore compared to ₹ 23,255 crore in the corresponding period the previous year. Data from GJEPC showed that India exported \$8 billion worth of gold jewellery in 2013-14. Between April 2014 and January 2015, the gold jewellery exports have already crossed \$8 billion and the coming two months will add another \$2 billion to the export basket, taking total exports to \$10 billion by March 2015. Exports of gold jewellery fell by more than half last year due to non-availability of the precious metal after the government tied the import of gold to exports. Government had also raised the import duty to a record 10 per cent.

GOLD MONETISATION SCHEME GUIDELINES BY MAY

Union Finance Secretary Rajiv Mehrishi has said that the government is likely to issue guidelines for the gold monetisation scheme, announced in the Union Budget 2015-16, by May. The scheme will replace the present gold deposit and gold metal loan schemes. "We want to issue the guidelines as soon as possible. If you ask for a realistic time frame, I would say that the guidelines will be issued by May but how much time it will take I do not know," Mehrishi told reporters at a press briefing conducted by him and Chief Economic Advisor Arvind Subramanian. Finance Minister Arun Jaitley had proposed the scheme to curb gold imports and monetise large idle stocks of gold. The new scheme will allow depositors of gold to earn interest in their metal accounts and jewellers to obtain loans in their metal accounts. Banks would also be able to monetise the gold. The move would also help in containing trade deficit and current account deficit. Gold imports in January had declined to 38 tonnes from 142 tonnes in April 2014. In 2012-13, the country had imported 845 tonnes.



© shutterstock.com

WITWATERSRAND BASIN IN SOUTH AFRICA HOLDS THE EARTH'S LARGEST KNOWN HOARD OF GOLD



© shutterstock.com

Witwatersrand basin, near Johannesburg, South Africa, is at the centre of a new scientific theory that has generated considerable debate among scientists. Witwatersrand basin is a geological formation in South Africa which holds the earth's largest known hoard of gold. It was discovered in 1886 and, as per reports, around 40,000 metric tonnes of gold have

been mined from here. But, formation of new theories in this area is important as they may give explorers a clue about untapped gold deposits. So new theories and discoveries are always welcome.

From the time of the discovery of the basin, scientists have been trying to solve the mystery behind the formation of this gold deposit. One recent theory has been put forward by Christoph Heinrich, a geologist at the ETH Zurich in Switzerland. His study says ancient microbes, volcanic activity and an oxygen-depleted atmosphere are the other agents that led to the formation of this gold treasure. Heinrich's theory opposes the prevalent theory about formation of gold. As per the prevalent theory, metallic gold fragments erupted from Craton mountains and were transported by rivers into shallow lakes above the basin. Heinrich argues that the gold was first dissolved chemically by volcanic rain and then washed to the basins by the river. It was then precipitated out of the water by mats of microbes growing in shallow pools of the basin.



SWARNA
Vivaha
Wedding Jewels

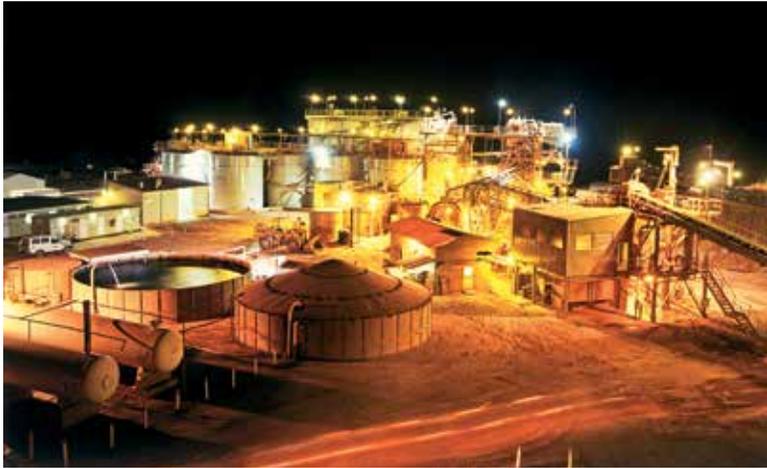
The Original Stores

SMJ 

SENTHIL MURUGAN JEWELERS Pvt.Ltd.,
South Avani Moola Street | Madurai Road,
Madurai. | Theni.

* Gold * Diamond * Silver * Gifts...

GEMS AND JEWELLERY TRADE SEEKS GOVERNMENT SUPPORT ON GOLD MINING



© shutterstock.com

The gems and jewellery trade has demanded that gold mining be given as much importance as black gold. The passing of the Mines and Minerals (Development and Regulation) Amendment Bill, 2015 and the Coal Mines (Special Provisions) Bill, 2015 marks a significant step forward in the central government's reforms push. It effectively ends government monopoly over the extraction of coal, which has been existing since coal mining was nationalised in 1973. The auctions have helped the coal-bearing states realise over ₹ 2 lakh crore by way of royalties over a 30-year period from the 33 blocks auctioned in the first round. According to media reports, internal government estimates place revenues from all the 204

blocks to exceed ₹ 15 lakh crore over 30 years. Quite apart from the windfall revenue to the states, the passage of the Bills is a game changer in other ways. It has opened up the path for foreign investments in the sector since the Indian arms of foreign companies are entitled to bid for blocks as well as for commercial mining of coal. The GJF has been pursuing with the government to formulate a comprehensive gold policy for India and make India a global jewellery hub. Australia is one of the world's largest gold mining countries. In 2013 alone, Australia mined and produced around 300 tonnes of gold. India needs to learn a thing or two from countries like Australia and China. Several geological surveys have pointed out that India is sitting on top of large tracts and resources of gold. Gold mining in China was pitiable two decades back; but today, it is the world's largest gold producing country. The right use of technology and land resources has ensured a success story for the Chinese. Today, India has just one gold mine — the Hutti gold mine in Karnataka that produces just three to four tonnes of gold annually.

INDIA TO GET ITS OWN ASHOKA CHAKRA GOLD COIN

Very soon, India will have its own gold coin inscribed with the Ashoka Chakra. This is one of the three big moves the Budget has proposed for boosting investment in the yellow metal, thanks to the under-control current account deficit. The other two steps are the launch of a gold monetisation scheme and a sovereign gold bond. "India is one of the largest consumers of gold in the world and imports as much as 800-1,000 tonnes yearly,

which is neither traded nor monetised," Finance Minister Arun Jaitley said while presenting the Union Budget 2015-16.

Jaitley proposed "to commence work on developing an Indian gold coin which will carry the Ashoka Chakra on its face." This, he said, would help reduce the demand for gold coins minted outside India and also help recycle the gold available in the country.

The response to the other two plans — a gold monetisation scheme and a sovereign gold bond — would largely depend on their design as similar schemes in the past had failed to take off.



© shutterstock.com

PLATINUM BECOMES CHEAPER THAN GOLD, SELLS MORE

Platinum jewellery retailers said that in February and March, demand shot up 40-50 per cent and this trend is likely to continue in the upcoming wedding season that kicks off in April.

Platinum price is currently hovering around ₹26,300 per 10 gm as compared to gold price of ₹26,600 per 10 gm. In the international market, platinum was trading at \$1,150 an ounce as compared to the gold price of \$1,183 an ounce. "There are two factors that are driving the platinum jewellery demand in India. First, the Platinum Guild India (PGI) has launched its wedding collection in platinum under the brand name Evara, which has given more choice to young urban Indians. Secondly, a drop in prices has further fuelled demand in the market," said an Ahmedabad-based jeweller.

Platinum is being viewed as the next generation metal. Young Indians are seeking options in jewellery metals and designs and are willing to experiment with new styles.



© shutterstock.com

According to a Mumbai-based jeweller, "Affluent young Indians like the natural colour of platinum. But, now with falling prices, even the middle class are looking at the metal. Since Evara's launch in November, we have sold 20 platinum necklaces. Overall in the current fiscal, we are expecting platinum demand to go up by 20-25 per cent."

Earlier, customers had the option of only platinum love bands and rings and other small items. Now with the Evara range, there is more choice. Among women in the 35-40 years age group, platinum jewellery is now seen as a mark of economic stability for the present and future. ■
(News compilation courtesy: ADFACTORS PR)



Anmol Jewellers™

Importers - Exporters
Hyderabad

Mfrs & Wholesellers of Fancy Gold, Ruby, Emerald, Sapphire
Polki/Chakri & Designer Handmade CZ Jewellery in 916 Gold.

Authorised Distributor Of

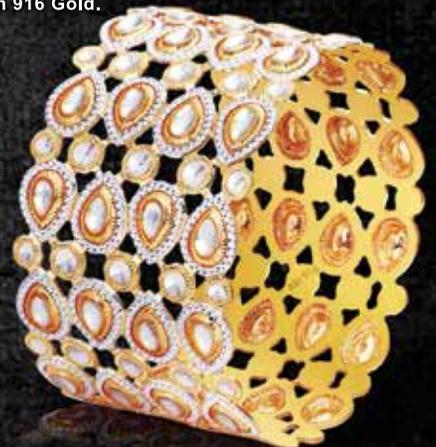
zar
Machine Cut Bangles

Kindly visit us at

V O D
VICENZAORO DUBAI

APRIL 23 - 26, 2015

Stall No. E192/E194



Mahender Kumar Tayal +91 9848012001
Surya Prakash Tayal +91 9849447104

#210 A/B, 2nd Floor, B-Block, MayurKushal Complex Gunfoundry, Abids, Hyderabad - 500 001, Telangana, India.

Ph: +91 40-66682001, 23215994

Website : www.anmoljewellershyd.com / www.zarjewels.com • E-mail : anmol_jew@yahoo.co.in

k*olears[®]
TARE GOLD CREATI★N



k*olears[®]
TARE GOLD CREATION





*Unique Jewellery
Design of the Year*

Anand Shah

Best of the Best

The National Jewellery Awards 2015 ceremony was a spectacular affair that recognised the finest of innovation and creativity across 26 categories. Woven into the celebration of talent was the launch of the Jewellers Identification Card, a smart card to establish the credentials of GJF member jewellers and their employees. A report...

The fifth edition of the National Jewellery Awards (NJA) on February 21 set new milestones with the All India Gems and Jewellery Trade Federation (GJF) rolling out the largest number of awards across 26 categories at a glittering evening awards ceremony.

Attended by the who's who in the industry, the awards function also achieved another landmark – the launch of a smart identity card by Kalraj Mishra, the Union Minister for Micro, Small and Medium Enterprises (MSME). The unique card, called the Jewellers Identification Card (JID), will establish the credentials and legitimate businesses of member jewellers and their employees.

In pursuance of its commitment to the progress and promotion of the gems and jewellery trade, the GJF left no stone unturned to make this gala event a grand success, honouring the best jewellery designs, the best diamond and precious metal jewellery and even the best showroom ambience.

Widely acknowledged as the most prestigious of awards in the gems and jewellery industry, NJA 2015 made utmost effort to identify talent, innovation and creativity of its valued member jewellers in design and manufacturing. This year's awards ceremony set higher benchmarks by applauding the finest of innovative designs with the capacity to spark global trends.

NJA was, in fact, set in motion to motivate and praise creative work and put the spotlight on the talent and hard work of designers and manufacturers. Addressing the audience at the ceremony, Manish Jain, GJF Chairman, said, "The trust and faith of its members, industry and the government have undoubtedly contributed to this non-profit organisation's growth and established the NJA as the most prestigious and coveted in the industry."

Hareesh Soni, former GJF Chairman, added, "This year's awards recognised the spirit of our members in overcoming various challenges. We salute them for forging ahead with passion and applaud their urge to contribute to the overall growth of the industry. The GJF honours every aspect, contribution and endeavour that goes into encouraging and enhancing innovation, creating masterpieces and setting new benchmarks in achieving business growth in the gems and jewellery sector."



CLOCKWISE FROM TOP: Models sashay down the NJA 2015 stage, winners in the student category and Mithun Sancheti, CEO, Caratlane (second from left) with the Yuva Ratna Award.

Nitin Kadam, Chairman, NJA Committee, GJF, said, “Craftsmen and artisans are the lifeline of India’s gems and jewellery industry. The sector has gained global recognition because of its talented craftsmen and jewellery designs, its superior practices in cutting and polishing fine diamonds and precious stones and its cost-efficient methods. NJA 2015 has been about motivating and inspiring passion and devotion in the sector.”

This year’s NJA-Retail was bagged by Reliance Jewels, Mumbai — for Best Diamond Jewellery In Vogue; Reliance Jewels, Mumbai — for Best Diamond Jewellery Bridal; Tribhovandas Bhimji Zaveri-The Original, Mumbai — for Best Gold Jewellery In Vogue and Chintamani’s Jewellery Arcade, Mumbai — for Best Gold Jewellery in Bridal.

In the NJA-Jadau Jewellery segment,

awards were given to Mahesh Notandass, Mumbai (Precious Stone), Shree Raj Mahal, Delhi (Non-Precious Stone) and Jewel Emporium, Jaipur (Coloured Stone).

Anand Shah from Mumbai won the Unique Jewellery Design of the Year award.

In the NJA-Paramparik category, Manik Chand & Sons (Jewellers) Private Limited, Guwahati was awarded with the Paramparik Jewellery Award (Central Eastern Region), Hari Prasad Gopi Krishna Saraf Pvt. Ltd., Gorakhpur with the Paramparik Jewellery Award (Northern Region), Waman Hari Pethe Jewellers, Mumbai with the Paramparik Jewellery Award (Western Region) and Navarathan Jewellers, Bengaluru with the Paramparik Jewellery Award (Southern Region).

The Best Single Store awards in the north, south and west were won by PC Jewellers Pvt.



Ltd., KGK Entice India Pvt. Ltd. and Dass Jewellers respectively. The Best Single Store (Central-East) was won by Kothari Jewellers and L. Gopal Jewellers. PC Jewellers Pvt. Ltd. also won the award for the Best Retail Chain. The Best Advertising Campaign of the Year in both Print and Audio/Visual was won by Kirtilal Kalidas Jewellers Pvt. Ltd., Coimbatore while Punjabi Saraf Jewellers won the Best Unique and Innovative Promotion of the Year award. The Anmol Ratna and Yuva Ratna awards were won by G. Rajendran of the GRT Group and Mithun Sancheti of CaratLane respectively.

In the Manufacturing Category, the Best Diamond, Gold, Jadau and Platinum Jewellery awards went to the Hari Krishna Group, Mumbai, Anand Shah, Mumbai, Rosentiques Fine Jewellery, Mumbai and BN Jewellers, Mumbai. The best CZ Jewellery Design of

the Year was bagged by M. Mehta & Sons, Mumbai.

NJA also crowned Sankar Sen, Chairman & Managing Director, Senco Gold & Diamonds with the Gem of the Year (Central Eastern Region), Pramod Kumar Agarwal, President, Derewala Jewellery Industries Ltd., with Gem of the Year (Northern region), G. R. Anantha Padmanabhan with Gem of the Year (Southern region) and Nitin Khandelwal, Khandelwal Jewellers with Gem of the Year (Western region).

The jury panel of NJA 2015 also selected three students from the National Institute of Fashion Technology for awards in the student category. In addition, two students — one each from the National Institute of Design and the Aesera Academy of Jewellery Design — were also selected out of the remaining participants.

CLOCKWISE FROM TOP: Best Advertising Campaign Print award to Kirtilal Kalidas Jewellers, Best Unique Innovative Promotion award to Punjabi Saraf, Anmol Ratna award to G. Rajendran of GRT Group and dignitaries launching the Jewellers Identification Card.

The Award Winners



Best CZ Jewellery of the Year

M. Mehta & Sons



*Best Diamond Jewellery
of the Year - Bridal*

Reliance Jewels





*Best Diamond Jewellery
of the Year*

Hari Krishna Group



*Best Platinum Jewellery
Design of the Year*

B N Jewellers

*Best Diamond Jewellery
of the Year - In Vogue*

Reliance Jewels



*Best Gold Jewellery
of the Year - Bridal*

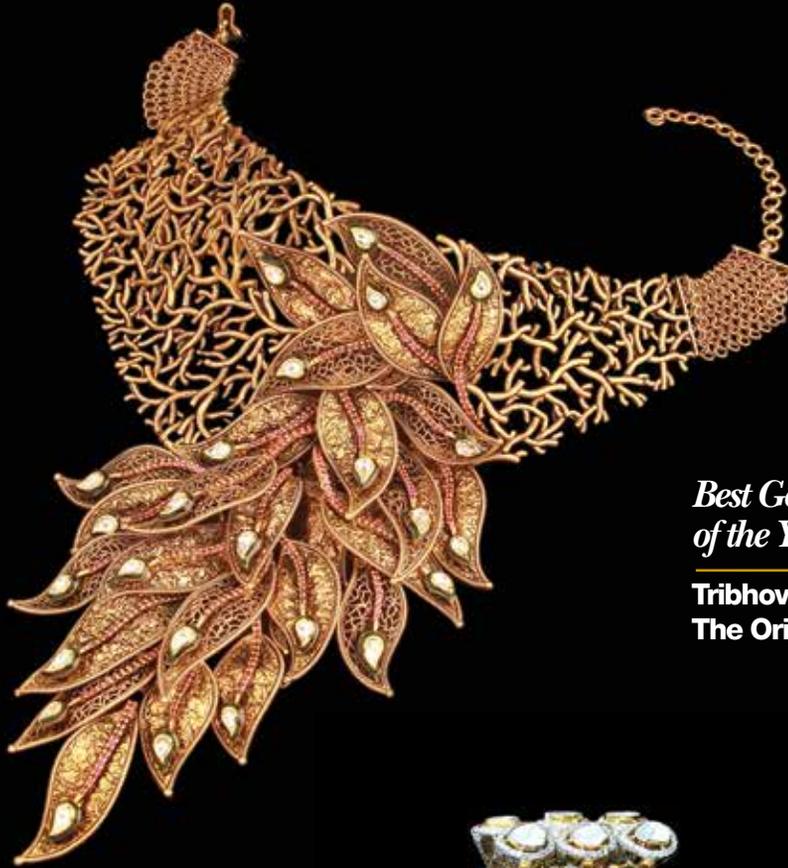
Chintamanis - The Jewellery
Arcade



*Best Coloured Stone
Jewellery of the Year*

Jewel Emporium





*Best Gold Jewellery
of the Year - In Vogue*

**Tribhovandas Bhimji Zaveri -
The Original**



*Best Jadau Jewellery
Design of the Year*

Rosentiques Fine Jewellery





*Best Gold Jewellery
of the Year*

Anand Shah



*Best Jadau Jewellery of the Year
Non-Precious Stone*

Shree Raj Mahal Jewellers



*Best Jadau Jewellery of
the Year
Precious Stone*

Mahesh Notandass





Paramparik - North

**Hari Prasad Gopi Krishna
Saraff Pvt. Ltd.**



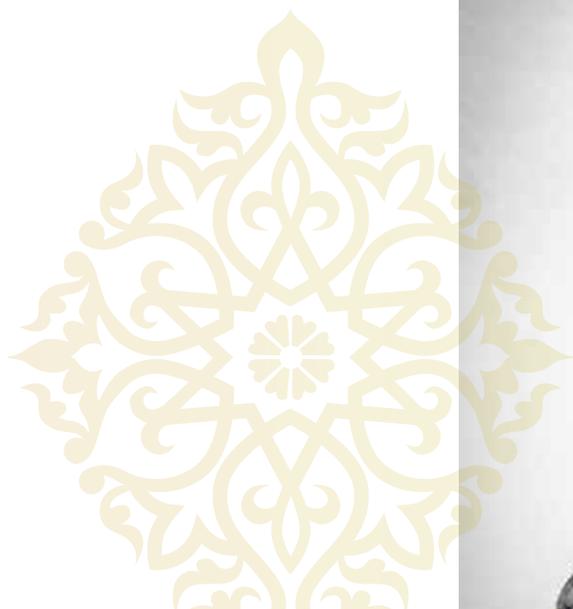
Paramparik - South

**Navarathan Jewellers
Pvt. Ltd.**



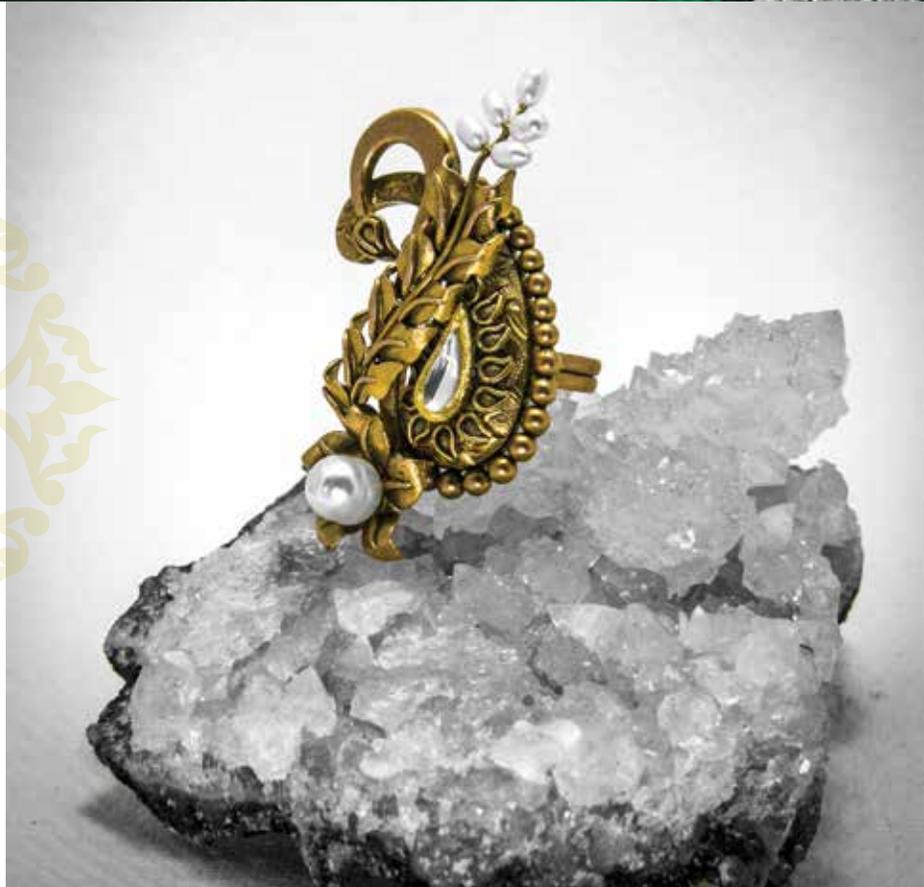
Paramparik - West

Waman Hari Pethe Jewellers



Paramparik - East

Manik Chand & Sons Pvt. Ltd.



PMI Grand Networking Meet in Mumbai

The GJF's Preferred Manufacturer of India (PMI) Grand Networking Meet (GNM) will be held at Hotel Sahara Star in Mumbai from April 10-12. The GJF's primary goal — to introduce prominent retailers to the best jewellery manufacturers from across India — will be fulfilled when 47 PMI participants will interact and conduct business with prominent retailers of the gems and jewellery industry, including major chain stores. The PMI Grand Networking Meet will create a valuable platform for increasing the supply chain management and thereby ease the procurement process of retailers.

The focus of this Grand Networking Meet will be on innovation and promotion of new designs.

GJF's Preferred Manufacturer of India (PMI) programme has achieved tremendous success since its launch in 2011. In the first edition of the PMI programme, the GJF had conducted nine networking meets across the country, thereby attaining credibility and confidence of participating members. Seven networking meets have been scheduled under the second PMI programme, of which four have already been conducted.

The GJF has, in turn, been inspired by members drawing mileage from this innovative and promising Initiative. ■

Jignesh N. Mehta, Divine Solitaires: "PMI is a wonderful platform for great interaction with industry peers. Divine Solitaires is a concept which can be best explained to businesses only at a niche forum such as PMI. These meets allow businesses to have undisturbed one-to-one meetings, which is not possible at larger events or shows. In fact, I would say that PMI meets have played a significant role in establishing Divine Solitaires as a brand. It truly is immensely encouraging for suppliers and manufacturers."

Vipul Shah, Aura Jewels: "I expect this PMI Grand Buyer Networking Meet to bring in quality customers who seriously wish to do business. PMIs are great for business meetings; but coordination has to be carried out seamlessly by well-trained hostesses. I am looking forward to interacting with customers who are interested in diamond, not gold."

Saurabh N. Soni, Soni Nanalal Becharadas Jewellers: "The basic idea of participating in the PMI Grand Buyer Networking Meet is to increase sales. It is a good platform for quiet, one-to-one meetings. The contacts are face to face and it always helps when both the buyer and the seller are serious about getting business done. It is a great marketing tool for my company and I hope my company is able to achieve greater sales targets."

Yogendra Garg, Derewala Jewellery: "The PMI Grand Buyer Networking Meet will be a great platform for manufacturers to showcase their products. In fact it is a great opportunity for manufacturers and retailers to share their views at a common platform. The essence of this meet will lie in the value that businesses attending the meet will create."



GIA Graduate Gemologist Diploma
 Earn the most prestigious credential in
 the world of gemstones.

Toll free 1800 102 1566 | eduindia@gia.edu | www.giaindia.in



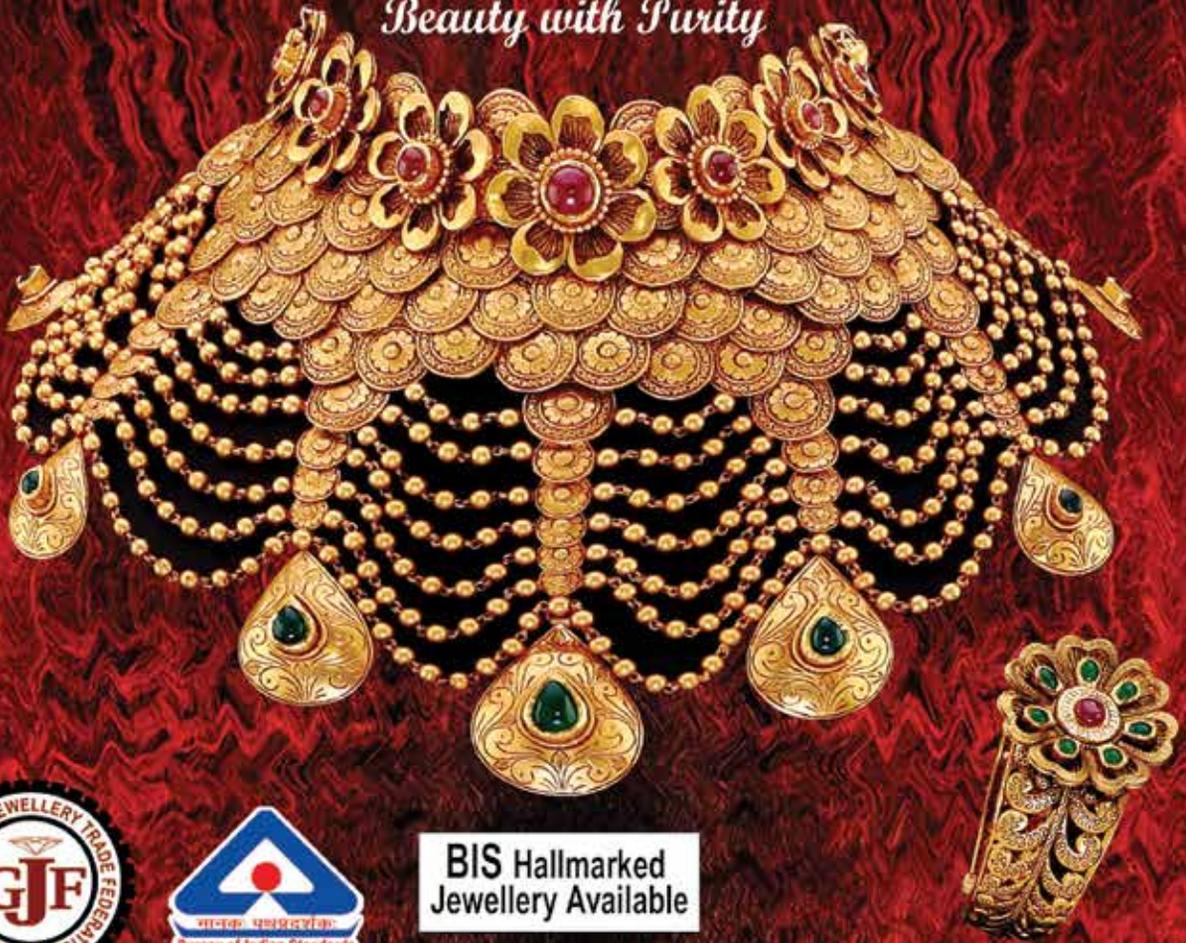
GIA[®]

The World's Foremost Authority in Gemology™



TM
MANIK CHAND
JEWELLERS
GOLD ♦ DIAMOND ♦ PLATINUM

Beauty with Purity



**BIS Hallmarked
Jewellery Available**

MANIK CHAND & SONS (JEWELLERS) PVT. LTD., Christian Basti, G.S. Road, Guwahati-5, Ph.: 0361-2343186 / 2343189
MANIK CHAND & SONS (J) PVT. LTD., Shop No-2, 4, 6, 8, 1st Fl., Shoppers Point, Fancy Bazar, Ph.: 0361-2732767 / 2736102
MANIK CHAND JEWELLERS PVT. LTD., K. C. Road, Fancy Bazar, Guwahati-1, Ph.: 0361-2547454 / 2516922
M. B. JEWELLERS (Silver Divn.), H.B. Road, Fancy Bazar, Guwahati-1, Ph.: 2635949 / 2517932
Email : info@mcj.net.in Web : www.manikchandjewellers.com

**EXCHANGE YOUR OLD GOLD JEWELLERY WITH NEW JEWELLERY
WE ACCEPT ALL MAJOR DEBIT AND CREDIT CARDS**

Not all

SPARKLE



© shutterstock.com

The challenges posed by global economic uncertainties, China's fast-developing diamond polishing industry, increasing transaction costs, manpower crunch and slowness in adopting modern technologies has put the spotlight on the need to bolster the diamond business in India. **Siddhartha Sawansukha** analyses the current state of the sector, discusses the strategies that have been adopted and elaborates on the road ahead.



SIDDHARTHA SAWANSUKHA,

CEO and MD, Sawansukha Jewellers, is a seventh generation jeweller and a gemmology and design graduate. Winner of several awards, his jewellery pieces have also been auctioned at Sothebys in London.

The gems and jewellery sector in India plays a significant role in the Indian economy, contributing around six to seven per cent of the country's GDP. The domestic market alone is over ₹2,50,000 crore and growing at a healthy pace. The jewellery industry is also among India's largest foreign exchange earners, contributing nearly US\$ 35 billion (₹2,00,000 crore) annually.

Over half of the export earnings of the country come from the diamond manufacturing sector. India is the world's largest centre of cutting and polishing diamonds both in quantity and value. According to the Gems and Jewellery Export Promotion Council (GJEPC), India exports 95 per cent of the world's diamonds by pieces, making it a dominant player in the global industry.

With projected annual growth rates of 10 to 15 per cent each year for the next five years, India's diamond industry presents a rosy picture: at least outwardly. But, is everything as bright and buoyant as it appears?

Global shrinkage

In recent years, growing concerns have been voiced about the health of the Indian diamond industry and its ability to retain its stranglehold on the world market. The post-2008 recession provided the first shock, when demands plummeted, forcing many small units to lay off workers. Indian exports of cut and polished diamonds fell sharply during FY 2011-12 and 2012-13. While there has been some recovery in recent times, global markets, particularly Europe, remain under stress. As an export product, the Indian diamond industry is highly vulnerable to today's uncertain international economy. When money is short, buying diamonds is on nobody's top-of-the-list.

Fast Facts:

- ❖ A diamond is the hardest material on earth.
- ❖ Worldwide reserves are estimated to be some 600 million carats.
- ❖ Every year, around 26,000 kilograms of diamonds are produced from mines worldwide.
- ❖ Major producing countries include Botswana, the Democratic Republic of Congo, Russia, and Australia.
- ❖ Congo has the largest reserves, estimated at some 150 million carats.

(<http://www.statista.com>)



© Sawansukha Jewellers

LEFT:
A choker-cum-necklace that is beautifully set with marquise-shaped diamonds, flowing out like waves from a half leaf made of baguettes.

On the supply side, a worrisome external factor has been the steady decline of global diamond mining production. Diamonds after all are extremely rare and what was “easily” available has been largely mined. The growing scarcity has been reflecting in rising rough diamond prices over the last decade and this trend may well accelerate in the future. Such enforced shrinkage of volume is likely to have disastrous consequences for small manufacturers and their employees.

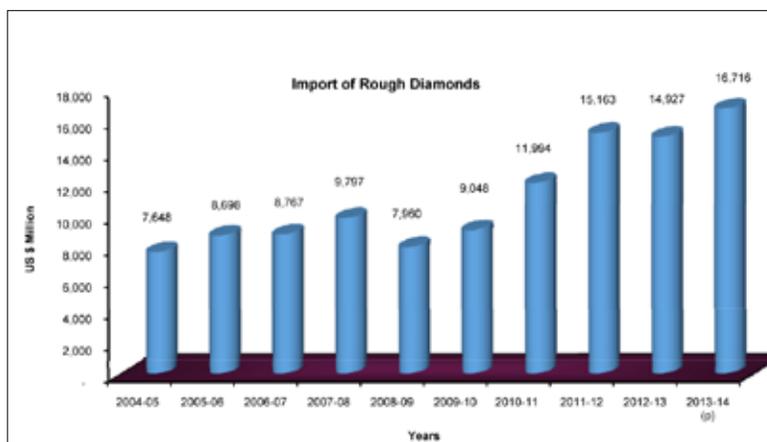
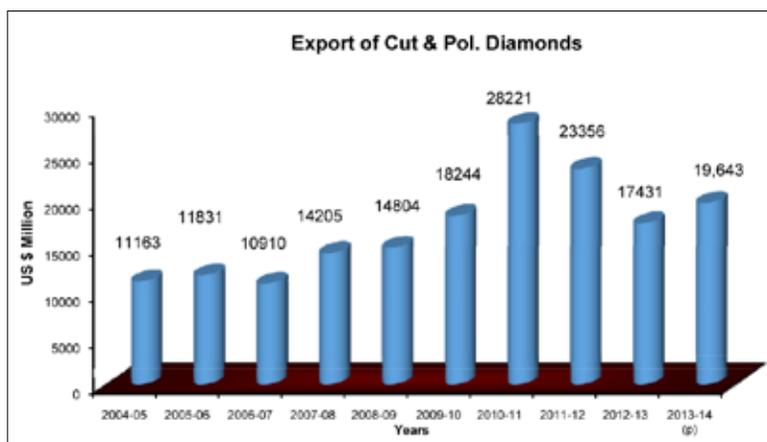
As global trends cannot be influenced by the Indian government or its manufacturers, the only option is to prepare for it and ensure that the Indian diamond industry retains its competitive edge. The principal concern is, therefore, the industry’s ability to counter both external threats and internal weakness while seizing shrinking opportunities. Any complacency based on its long and successful history may well see it going the way of many other traditional industries.

Chinese threat

For Indian manufacturers, the global supply side squeeze has been further exacerbated by China, which has successfully bypassed middlemen to source diamonds directly from African mines in which Chinese companies have a stake. The country has systematically encouraged its industries to acquire mining resources abroad – something that India has strangely failed to do. India has always been relying on middlemen in the trading hubs of Antwerp, Tel Aviv and Dubai for its supply of rough diamonds, which mainly come from Russia or Africa. Most of the world’s diamond output comes into the country for cutting and polishing before being retailed around the world.

China, however, has adopted a different strategy by actively seeking to strike direct deals with African governments and tie up supply lines further. Along with skill training and manufacturing incentives China has managed to triple its share of the global polished diamond market in the past decade – at the cost of India. China’s net export of polished diamonds has increased by 72 per cent in the past five years to \$8.9 billion while in the same period India’s export has risen by 49 per cent to \$14 billion.

“China’s active procurement of rough supply from African countries was reducing the supply available to Indian manufacturers,” says



Sandeep Varia of Assocham. “Many units across the country had to lay off workers due to losses.”

The Narendra Modi Government has sought to counter Chinese threat by signing deals with Russia’s state-run diamond monopoly Alrosa to increase direct rough diamond deliveries

TOP: India’s export of cut and polished diamonds over the last ten years. (Source: GJEPC)

ABOVE: India’s imports of rough diamonds over the last ten years. (Source: GJEPC)



to India and re-import polished stones. Apart from propping up both supply and demand, this would help reduce costs in the form of trade commissions to middlemen. However, the broader issue of declining mining output and Chinese control of African mines will continue to plague the Indian industry given its huge demand.

Although in the foreseeable future, China is also not likely to catch up with India in organisation, scale and expertise, the Chinese have already made a dent in polishing small stones and — in view of their formidable capabilities across manufacturing sectors — can be expected to make further inroads. It is for the Indian government and industry to rise to the challenge.

Cost squeeze

Success in the diamond industry depends not only on quality and expertise but also on cost. Indian diamond manufacturing has historically thrived due to its low wage structure, trading efficiency and economies of scale. Unfortunately, despite its size and dominance, the country has failed to capitalise on this and emerge as a hub for rough diamonds, mainly because of lack of supportive policies. This has led to increasing transaction costs, particularly for small manufacturers, who have to depend entirely on secondary dealers for their rough diamond supplies.

Taxation is another cost issue the industry in India has to grapple with. “India needs to reform its archaic tax rules to make the Indian diamond polishing industry more attractive for foreign miners,” says Martin Rapaport, chairman of diamond and jewellery service firm Rapaport Group. The Indian diamond industry simply does not receive the kind of reliefs, incentives and financial assistance it deserves as a major foreign exchange earner and employment generator. Diamond jewellers have been particularly hard hit, as rising gold import duties have meant that diamond jewellery made in Hong Kong and Bangkok is much cheaper. The growing disparity in prices has created an ironical situation with many well-heeled Indians also preferring to buy their diamonds from abroad rather than in their home country.

In the context of rising raw material costs, a vital measure is to set up special zones with tax benefits for diamond import and trading as announced by Prime Minister Narendra Modi at the World Diamond Conference held in Delhi



© shutterstock.com

Apart from being a major foreign exchange earner, the diamond sector is also a large employer, with over one million people employed in it.

in December 2014. Such Special Notified Zones (SNZs), currently envisaged in Mumbai and Surat, will enable companies to import rough diamonds on a consignment basis and re-export unsold ones, avoiding the complications of import and export duties. Their success will encourage overseas diamond mining companies to open their offices in India to sell their produce directly to Indian manufacturers, reducing the influence of middlemen. The SNZs can also be expected to ensure steady supply of rough diamonds in the country. The day, however, is still in the undefined future and meanwhile the Indian diamond industry will continue to suffer from higher costs as well as from growing constraints of rough diamond supply.

Manpower crunch

Apart from its role as a foreign exchange earner, the diamond industry is also a large employer. Nearly one million people work in the industry, which comprises numerous small and medium sized units. As owners of such units have limited education, management skills or financial resources, the advantages of

technology and modernisation are slow to percolate, wages are low and working conditions are poor. As the recession of 2008 demonstrated, such units have little capacity to withstand external shocks. As a result of low wages and uncertain prospects, the children of skilled workers are no longer willing to remain in the industry, preferring more lucrative or stable professions. As skills have traditionally been handed down from generation to generation, this is creating a vacuum which grows larger and more acute each year.

To meet the requirements of manpower, the Gems and Jewellery Skill Council of India is planning to train over four million persons by 2022 in the sector by tying up with the existing training institutes such as the Gemological Institute of America (GIA) and the Indian Gemological Institute (IGI), besides setting up new institutes in major diamond cutting and processing centres.

While the ambition is laudable, there are serious questions whether such a large number of people can be attracted for training even while keeping wages at the current level. At the same time, raising wages in the industry may not be viable if India is to retain her competitive

Even with the best training, few can match up to the skills of traditional family craftsmen who virtually learn skills in the womb.



© Sawansukha Jewellers

Global diamond industry facts

RESERVES AND PRODUCTION

Australia has the largest diamond reserves	VALUES 250m carat
DR Congo leads in diamond mine production	18m carat
Global annual production of rough diamonds	130m carat
Global spending on the exploration of diamond deposits	\$320 m

TOP COMPANIES

Diamond production share of Alrosa	VALUES 27%
World diamond sales share of De Beers	33%

PROCESSING AND ADDED VALUE

Price of polished diamonds	VALUES \$900/carat
Global sales of polished diamonds	\$22 bn
Diamond sales in Antwerp (high estimate)	\$55 bn

JEWELLERY MARKET AND DEMAND

Forecasted global rough diamond demand by 2020	VALUES \$26 bn
--	--------------------------

(<http://www.statista.com>)

advantage. As it is, wages are already rising, adding to the list of manufacturers' woes.

It also needs to be recognised that, even with the best training, few can match up to the skills of traditional family craftsmen who learn virtually from the womb. Measures to retain the children of the present generation of craftsmen should be given extreme priority if the problem of skill shortage is to be solved.

Technology test

A shortcoming of being a traditional industry with a preponderance of small players is the slowness in adapting modern technologies. The bulk of C & P units and jewellers in India continue to depend on manual skills and expertise in small diamonds. In the modern world the use of lasers, computerised



© shutterstock.com

equipment, sophisticated bruiting lathes, diamond impregnated scaives, etc., will only increase. As with all industries, keeping up with the technology of the times is a pre-requisite for survival. Awareness campaigns, training and incentives are therefore required to encourage the adoption of current tools and systems.

Road ahead

The diamond industry in India has flourished for over 50 years. Despite the problems it faces, its inherent strengths are many and varied. It will continue to retain its dominant role in world trade. At the same time the industry itself is too fragmented and depends largely on individual enterprise. Cohesive action by government and industry bodies is required to prevent erosion in market share and move up the value chain.

The All India Gems & Jewellery Trade Federation (GJF) has long been asking the government to grant “industry” status to the sector. This would help it gain fiscal benefits, facilitate bank credit, enable competitive insurance rates and make it easier to get land, among other things. While indications are that the government is taking the issues of the industry seriously, the action so far has

Programmes for promotion of Indian diamonds abroad, skill development and technology improvements are urgently required to keep the flag flying.

been limited. Task groups, talks and financial assistance for participation in international meets are no doubt necessary — but many a time fall short of requirements. It has been disappointing to note that while the 2015 Budget spoke at length about gold, the wish list of the diamond industry was ignored.

The diamond industry’s wish list is simple and perhaps common to many other industries. Foremost is a low and stable tax regime that will enable it to remain competitive in international markets. Streamlining of procedural formalities with reduced documentation is another step which can be easily undertaken. Suitable trade policies to encourage and protect the Indian industry are desirable. Finally, large-scale programmes for promotion of Indian diamonds abroad, skill development and technology improvements are urgently required to keep the flag flying. ■

FACING PAGE: An inspired necklace with pear drop rose-cut diamonds flowing out through tendrils of gold and a centrepiece of ruby petals in pave setting.

e-Jewellery



SHAUDHAN DESAI

is a technology expert with a focus on the gems and jewellery sector. He is the CEO of D'Soft Infotech Pvt. Ltd.

Investors are taking great interest in e-jewellery companies as the three news items mentioned below bear out.

- Titan in advance talks to buy 15 per cent stake in CaratLane – *The Economic Times* dated February 13, 2015

Selling jewellery online has a lot of market potential. However, there are a few dos and don'ts that need to be adhered to if you wish to successfully run an online business, says **Shaudhan Desai**.

- Ratan Tata has made a personal investment in online jewellery retailer Bluestone – *The Times of India* dated September 11, 2014
- Flipkart joins hands with PC Jewellers to start online jewellery business – *Business Today* dated September 30, 2014

A report published by McKinsey & Company in February 2014 titled "A Multifaceted Future: The Jewelry Industry in 2020", also speaks volumes about online opportunity in jewellery retailing. According to the study, approximately 10 per cent of total sale of jewellery is expected to be transacted online by 2020.

In view of the promise that an online business holds for jewellery retail, it is quite natural for many in the trade today to wish to explore the e-route. However, before finalising a company's e-strategy, a few points need to be considered very seriously. Going online requires different kinds of skill sets and is generally not as easy as a website developer may claim.

Website design

Just as the interior design of a retail store is an important aspect to attract customers, an attractive design and easy manoeuvring of a website is also significant in drawing new users to your site.

Thus, your e-commerce website has to be designed well and in a user-friendly manner. It should be such that it supports all browsers in PCs, tablets and mobile phones.



All images © Shutterstock.com

Quality of photographs

The most important aspect of an online jewellery store is the quality of photographs. Hence, each product image that will be displayed on the website has to be of exceptionally high quality. Online buyers are usually interested in knowing details and it is a good idea to describe a product with the maximum possible details such as the type of diamond or stones studded in the piece of jewellery, quality certification, etc.

A word of caution

A typical Indian jewellery store turns its inventory three to four times in a year. So, if a retailer is planning to sell the store's inventory both online and in-store, the images clicked for online sales is likely to become useless every 90 to 120 days — whether or not the product is sold.

The cost of photography is an ongoing expense, whether or not online sales of the store picks up.

Logistics

Logistics is one of the most important criteria as well as a major cost centre as far as jewellery is concerned.

The logistics partner has to be capable of delivering anywhere across the nation and, most importantly, safely. In view of the competitive environment in online businesses, it would be almost impossible to charge for home deliveries. So, one has to consider the cost of logistics making a dent in the overall earnings from online sales.

Most of the online stores offer free-buy-back or buyer-can-return-the-product-without-any obligation-within-30 days. One would thus need to organise such arrangements with the logistics partner.

Online stores today also offer options of payment on delivery. To ensure the same, they have either their own logistic arrangements or special arrangements with logistics partners.

A word of caution

When any product is ordered from Flipkart or Amazon, constant automated messages and mails informing you of the status of your order is sent right until the product is delivered.

Such IT infrastructure needs to be created around the logistics division to ensure a professional approach as well as build the confidence of customers in your online store.

After-sales service

When you buy an electronic product from an online store, you are not bothered about after-sales service: the reason being that most companies have a parallel support network across the nation. When you buy apparel also you are not bothered about after-sales service since the products do not require any after-sales support.

Jewellery is, however, a different category altogether. Here, after-sales service is required many a time. The requirement may be for repairing or re-sizing or refitting of a diamond or stone, etc. Customers wanting a repair service would definitely like to go back to the same store from where they purchased their

jewellery. Thus, having an arrangement for after-sales support is crucial to the success of your online jewellery store.

One more service that clients often look forward to from a jeweller is buy-back or exchange of jewellery. This service may appear a little difficult to provide in case of an e-jewellery store.

Cost of promotion

This is one of the most important areas that require caution. It is a myth that just by creating an online store and having a few promotions here and there one can establish a brand in such a way that people will start buying jewellery.

People buying from online stores are much more conscious about brands. This is because online buyers usually belong to the educated class and most are young corporate executives who are extremely brand-conscious. Apart from brands, online buyers always verify the experiences of past buyers.

This is precisely the reason why players like Flipkart, Snapdeal and Amazon spend fortunes in advertising and promotions.

A word of caution

Typically, a moderate campaign on print, hoarding and television across the nation — spread over two to three months — would require an investment of around ₹8 to 10 crore. While preparing for a launch online, one has to have very deep pockets. If brand-building is not done properly, the entire idea can simply fail.

In a nutshell, while it is a very good idea to take your physical store online, you must be prepared to invest enough resources to make it a successful venture. If a diversification in this area is planned without appropriate strategy, there is the possibility of suffering huge losses.

However, one should not forget that in the next five years, almost eight to 10 per cent of total business is expected to shift to the online medium and such opportunities cannot be completely overlooked.

(Please send your valuable feedback to shaudhan@ornatesoftware.com) ■



CHENNAI DIAMONDS

Exclusive Diamond Showroom

Celebration of Trust

On our 7th anniversary, we are set to open yet another store at

Anna Nagar

Choose from a wide range of Dosham Free Belgium Diamond jewellery. **Take Home Good Luck!**



Sundays Open

Best Value Purchase • 100% Buyback Guarantee

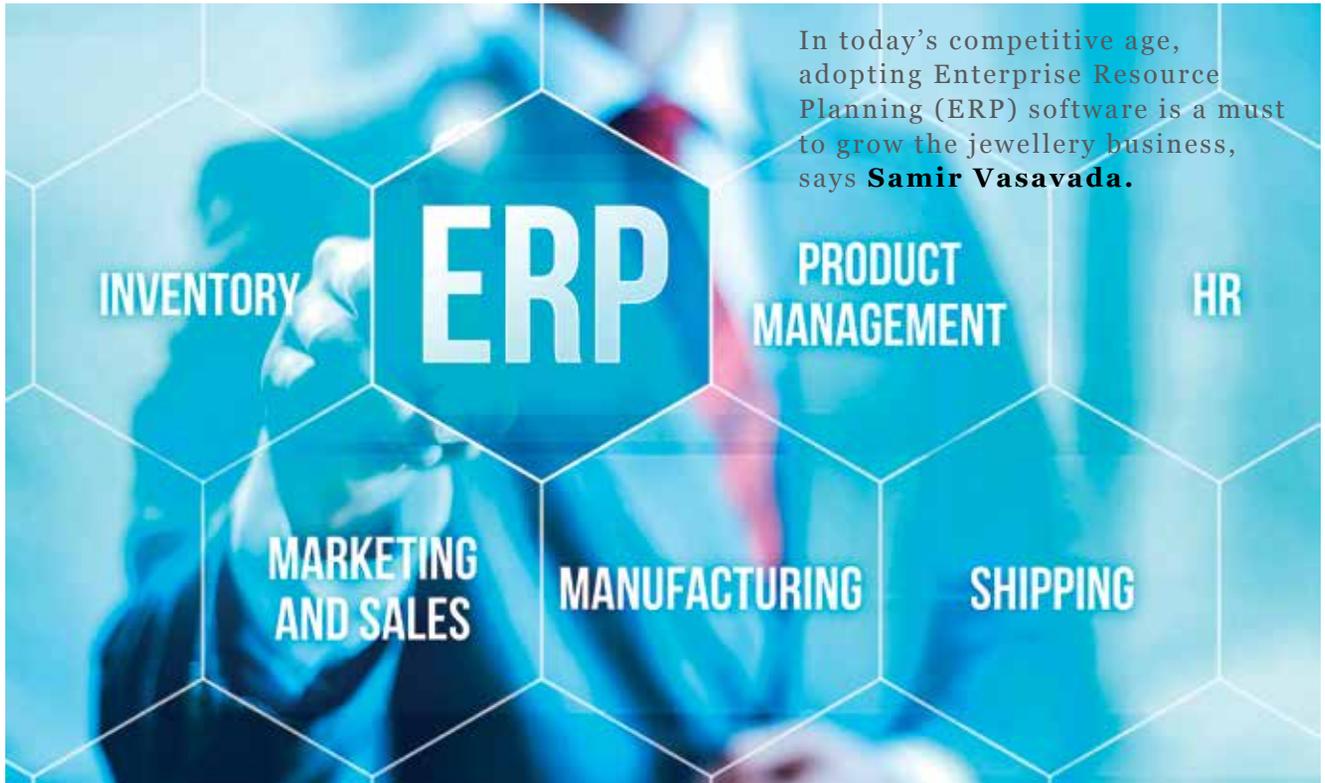
GIA Certified Solitaire Diamonds at best prices.

46, Cathedral Road
Ph: 4210 4050

145, North Usman Road, T. Nagar
Ph: 4358 9299

shop@chennaidiamonds.in
www.chennaidiamonds.in |  

Suite solutions



In today's competitive age, adopting Enterprise Resource Planning (ERP) software is a must to grow the jewellery business, says **Samir Vasavada**.

All images © Shutterstock.com



SAMIR VASAVADA,

Director (Marketing), D'Soft Infotech Pvt Ltd., has more than 20 years of experience in ERP software consulting for various industries. Since 2003, he has been focusing on ERP consulting for jewellery retail.

Whenever there is a discussion on ERP software, the tale of the elephant and seven blind men comes to mind. In the story, each of the blind men visualises the elephant on the basis of the part of the body that he touches. Similar is the case as far as ERP software is concerned, with different people holding different ideas on what it is all about.

Most people, particularly in the small and medium enterprises (SME) segment, believe that whatever software/functionalities they use is ERP and this is largely because they are misinformed by software vendors!

The full form of ERP is Enterprise Resource Planning. According to Wikipedia, Enterprise Resource Planning (ERP) is business management software — usually a suite of integrated applications — that a company can use to collect, store, manage and interpret

data from many business activities, including product planning, cost, manufacturing or service delivery, marketing and sales, inventory management, shipping and payment.

In a nutshell, ERP is a computer software that has a common pool of data across all departments of the company so that every function works in coordination with the rest and duplication of work is avoided.

What should a jewellery business look for in ERP software — without being bogged down by too many technical details? When it comes to ERP software for jewellery, three basic rules must be followed:

Error proofing: The software should be designed in such a way that erroneous data cannot be entered — intentionally or otherwise. **Control:** The system should provide complete

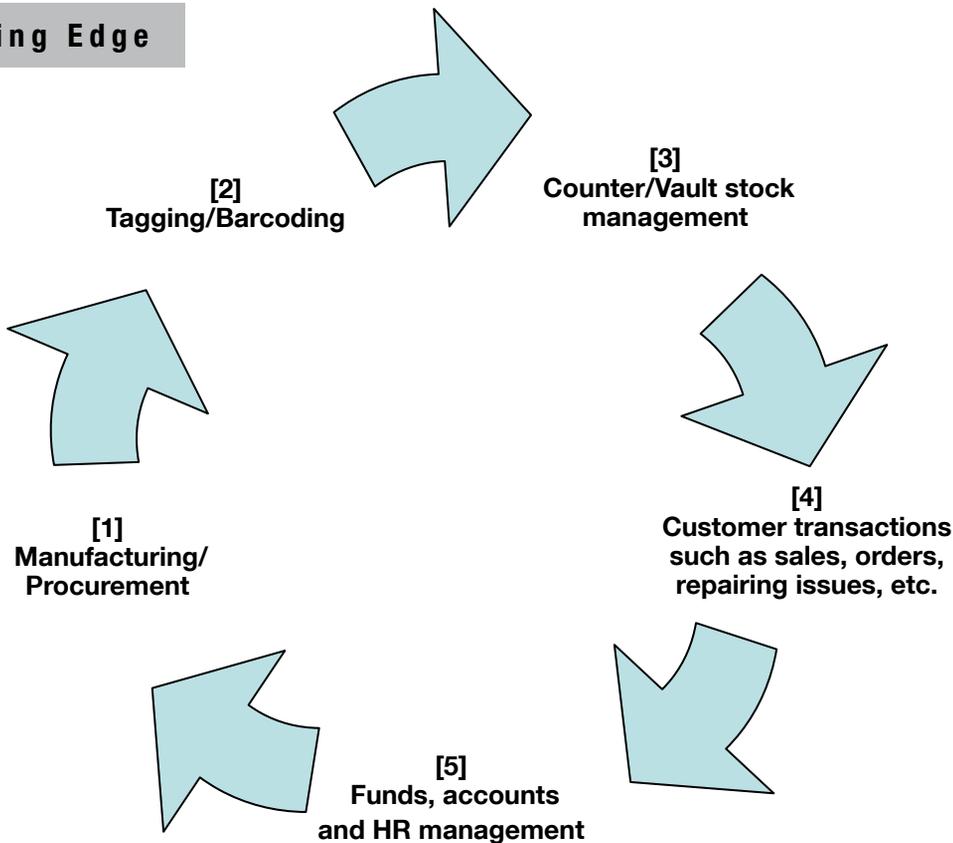
Damara
GOLD

*The
Falaksa
Collection*

V O D
VICENZAORO DUBAI

APRIL 23 - 26, 2015

Visit Us : India Pavallion
B 225, 223
The Definitive Global jewellery Show



control over the working of each and every department in such a way that personal supervision is not required.

Enterprise risk management: Business secrets of the company should remain intact even though transactions are entered in by any member of the staff.

Let me explain these points with some practical examples from retail jewellery stores.

Every business works on certain processes. Sometimes, such processes are well-defined, sometimes they are not. In either case, some organisations have owner-supervised processes while others have key employee-supervised processes. The point to understand is: be they processes that are owner/family member oriented or key employee oriented, they are human dependent and every human dependent process has a chance of generating errors.

For example, while preparing tags/barcode for each item in a jewellery retail store, who decides the amount of making charges?

- a. Owner/family member
- b. Key employee

Whether the answer is 'a' or 'b', I would say that it is time to look for an ERP.

Why?

Tagging is a routine process for any retail jewellery store. Now, when a routine process is

done with manual intervention or judgement, there are chances of error, particularly in a country like India where a jeweller dealing in gold jewellery would be buying two to three kilograms every day. Let alone gold jewellery, even in case of diamond or stone-studded jewellery, the computation of making charges is very complicated. Thus, such routine processes should be left to ERP so that the chance of error is almost nil.

Thus, **Rule No. 1: A good ERP for jewellery should ensure that users cannot make any errors, intentionally or unintentionally.**

The above figure shows a summary of important functional areas of a typical retail jewellery store. Each of these functional areas involves a variety of activities which needs to be controlled appropriately in order to run the business profitably.

Once again, as a rule of thumb, whenever control has to be implemented, typically small and medium organisations look to directors, owners or key employees only. Instead, if there is appropriate ERP software, such controls can be exercised with plenty of automation.

Let us observe certain situations of day-to-day business:

One can save ₹1,000 a day by ensuring that



SENCO
GOLD & DIAMONDS™

— Be the New You —



Crown of East India

78 years of heritage, trust and craftsmanship
63 stores across India - largest jewellery retail chain of the East

Coming soon at Vashi, near Navi Mumbai and Bangalore

Mumbai: Plot No.: 11, S.V. Road, Opposite Sangita Hospital, Beside NADCO,
Andheri West, Mumbai-400058 Ph.: 022 2624 1707

Delhi: K-93A & 93B, Veer Savarkar Marg, T-Point, Beside PNB and Invent Apple Store,
Lajpatnagar - 2, New Delhi-110 024, Ph: 011 4241 4500, 4155 5700, 4155 5710

Kolkata: "Diamond Prestige", 10th Floor, 41, A.J.C. Bose Road, Kolkata - 700017,
Ph: 033 40215000

Showrooms at Bhopal • Bhubaneswar • Dhanbad • Patna • Silchar • Lucknow

Like us at  SencoGoldIndia • www.sencogoldanddiamonds.com

Toll Free Helpline: 1800 120 0017 • For franchise contact: +91 9874027010, 9874027016



once goods are available from suppliers, they are placed on the counter as soon as possible.

How?

If one kilogram worth of goods are placed on the counter late by a day, interest costs would be ₹1000.

That is why store owners prefer to be in their store every day to ensure that such leakages can be checked and avoided.

Such and many other situations can be easily controlled with good ERP software — without being personally present at the store.

Thus, our **Rule No. 2: A good ERP for jewellery should ensure that all processes are controlled without personal supervision.**

Information security is another area which is very important in the business of jewellery. Jewellers compete based on exclusivity of designs. Consumers also choose one store over another, based on exclusivity as well as price points i.e. making charges.

This means that if I am running a successful jewellery retail business, I need to ensure that information about my suppliers and the designs and costs that I am paying to my suppliers becomes the most important information to protect from my competitors. Such information

becomes crucial as it can make or break a business.

How does one protect such information? This can be done by keeping such data with owner/director or a trusted employee.

This means either the owner needs to be around in the store all the time or he is dependent on an employee who knows that he holds the key to business success. And, this is not the only information about business which needs to be secured. There are scores of such information flowing across the organisation which need protection to ensure that businesses keep growing.

Thus, a smart ERP for jewellery companies must have options developed in such a way that despite keeping important data secret, it allows users to work seamlessly.

Thus, our **Rule No. 3: A smart ERP for jewellery should ensure that while all important information about business remains protected, the business can still be managed through staff.**

Thus, ideally an ERP software should not only help you to create a paperless environment, but should also help you to grow your business by providing correct information at any time without limitation of personal intervention. ■



DIVINE SOLITAIRES

Because
the brightest
is the best.

Every Divine Solitaires diamond is exquisitely crafted to
'(Ex.Ex.Ex.)^{plus} Hearts & Arrows' cut and is stringently tested on 123
parameters, so you outshine the rest.

www.divinesolitaires.com

CONCEPT

Available at 103 select jewellers in 61 cities across India.
For Trade Enquires, Contact: Bhavesh Sheth (022) 2266264880/09870089599. To track current diamond prices, download the Divine Solitaires App.



The trend motifs

Design Inspirations 2015 stimulated significant deliberations and defined some creative directions for the jewellery industry, says **Yuriko Menon**.



YURIKO MENON

is GM-PD of the domestic unit of the Gold Star Group and for the last three years has been jury member for the GJF National Jewellery Awards.

Gone are the days when international buyers would give us a concept and Indian designers would be asked to use their creative skills and sketch almost similar models in multiples. Today, foreign buyers respect India's creative abilities and believe that we are abreast and at par with global trends. Soon, hopefully, we will also be one of the major trendsetters.

Design Inspirations 2015, the trends seminar conducted recently by internationally-renowned jewellery trends forecaster Paola de Luca, was a delightful one in that it was attended not just by owners and heads of jewellery companies but also by design teams and students — the perfect audience who need to understand that trends are not just inspirational images to derive a collection, but are overall behavioural patterns that take a certain direction because of happenings around us and our world.

ABOVE AND FACING PAGE TOP: The floral theme is evident in Farah Khan's captivating designs for Tanishq.



It could be fashion, the changing weather, the stock market or just simply how one needs to be groomed all the time in case Facebook tempts with yet another post!

A fabulous mix of experts and designers unravelled trends in India, USA and Europe, keeping the audience enthralled during the two-day marathon presentations. Every aspect of design was reflected upon and if all are collated, some important insights emerge — which when explored allow us to get a feel of the trends.

The most important takeaway is that the consumer is no longer waiting to be led to a purchase. She is completely tech-savvy and the internet has a large influence in her buying patterns. She is independent, well-travelled and is looking for design solutions that go with her fast-paced yet fun-filled, emotionally-fulfilling lifestyle. She meditates, travels, enjoys good cuisine, good books, fancy cars, branded bags and also a big fat traditional wedding. She parties like a rock star but prays like her mother and wants to be attached to her roots each day.

To cater to her lifestyle, the following trends would fit appropriately:

Minimalistic

The mantras are — simple, honest, toned down, subtle, less is more and sometimes it is best to keep things to a bare minimum.

Simple rings, bracelets, necklaces and body chains are the preferred jewels. Here, though the idea is simple, the styling should be such as to make the wearer stand out.

Symbolism

For the well-travelled consumer, it is not just scenic locales anymore: she also attaches herself to the mores of different societies and so, symbols from a plethora of cultures from around the world are all the rage — be it the Hamsa hand, the evil eye, the dreamcatcher, Buddha, lotus flower, Jewish "chai" and more. One could derive symbolic jewellery based on



© shutterstock.com

ABOVE: Less is more is the mantra of the minimalistic trend.

RIGHT: *Haathphool* such as this one by Kama Jewellery is a huge fad all over the world.

EXTREME RIGHT AND BELOW: Symbols from a plethora of cultures such as the Hamsa hand and the Dreamcatcher are now being used in jewellery design.

BOTTOM: Jewellery could symbolise emotion such as PGI's Evara clasp.



© shutterstock.com

other aspects as well — quite similar to what Biren Vaidya of Rose has done, by using dances of the world in his fabulously-themed jewels. Jewellery could also symbolise emotions such as the Infinity Knot, the Evara Clasp by the Platinum Guild of India (PGI) and the Spirituality Collection by Nazrana.

Heritage/strong traditions

India is one of the richest countries as far as fine crafts and heritage go; yet, it is the rest of the world that makes the *haathphool* and *maangtika* a fad. A huge trend now is dressing up the hand, be it a two-finger ring, a chain extension connecting to the bracelet or a hand ornament. Never again will only a ring be visualised when a designer thinks of styling for the hand: the scope to explore this theme further is huge. Clubbed with touching campaigns, brands are selling big on traditions. Some brands like Semetree that restore our treasures are creating heirloom jewels that will be cherished for generations. Beyond this, we also find some brands amalgamating ancient crafts with modern motifs and offering refreshing ideas.



© shutterstock.com





Dramatic nature

We cannot survive without nature, nor can we stop deriving from it, each time soaking in its ever-changing, enchanting beauty. From PGI's modern floral depictions to Farah Khan's new captivating creations for Tanishq, themes derived from nature are being explored yet again.

Drawing inspiration from the drama or the subtlety or sublime serenity of nature — from flora to fauna to twigs and leaves to stars and corals — is always in vogue. But, whatever is the inspiration — be it the aroma of natural green tea or flush floral or even the wild of the Amazon — it is important to maintain a visual sophistication.

Digitally pixelated

Micro textures, geometric repetitions, overlapping checks, deco styling is all going to be trending this year. To go with the pixie hairdo that is trending like it did in the 1920s, large deco earrings will also soon be in fashion.

Cross combinations

This is basically a theme that gives us a chance to be different, bold and unique. In this case different materials are experimented with, art is blended with the fine, technology plays an important role and quality is of supreme importance. The materials should be user-friendly and long-lasting.

However, as a designer one needs to know more than just the current trends in jewellery. The concept of the family jeweller is changing



and the idea of chain stores is rapidly taking over the market. In such a situation, the designer has to keep in mind that replicated pieces and not highbrow, stand-alone design pieces is the way to go. As Farah Khan commented, what is designed for her store is different from what is designed for a chain store.

What was mostly agreed upon is that the Internet has a huge influence on the consumer today. If it is put up, it is definitely noticed, liked, picked and, if the business is lucky, also ordered! A designer needs to know more than just the current trends in jewellery because it is not just about the motifs, but about the mood and the feeling. One needs to be a step ahead of the multifaceted consumer and offer innovative solutions like Pallavi Foley offers in her studio where the consumer is involved in the process of design. Customised jewellery is the biggest trend and the way forward. A personal touch, a personal experience — be it in the jewellery or in the entire process from design to product — that could create the magic. ■

TOP: A Pallavi Foley necklace created at the designer's studio.

ABOVE: Brands like Semetree create heirloom jewels such as this ring.

The **trio** feature

The nucleus of any design is the most significant and understanding the correlation between Dominance, Emphasis and Focal Point is critical in learning how each of these principles is adapted to achieve better designs, says **Gunjan Suri**.



GUNJAN SURI, design manager with Shrenuj & Company, is an award-winning jewellery designer and a qualified gemmologist with more than ten years experience in designing conceptual jewellery.

An ideal design is a combination of dominance, emphasis and focal point. These are overlapping, coexisting and correlative elements and the more we train our minds, the more will clarity and distinction arise, separating these elements from one another.

ELEMENTS AND THEIR THEORY

Emphasis

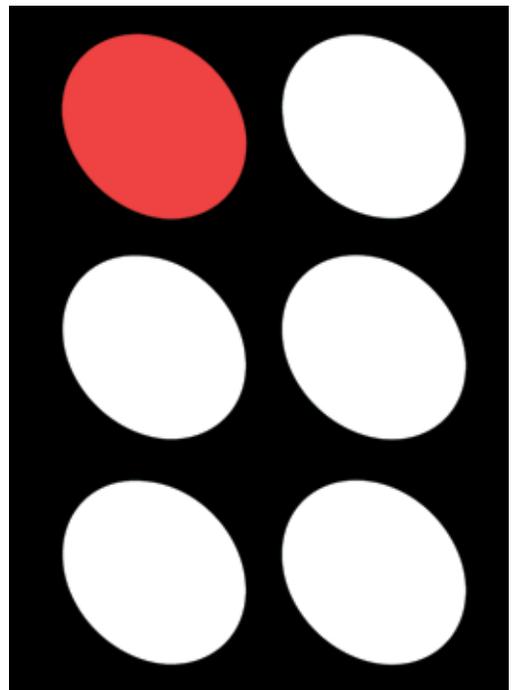
Emphasis is about stressing the prime features in a design. It is created by visually reinforcing something we want the viewer to pay attention to. It helps create an area of interest and a starting point in the design.

In interior design, for instance, emphasis prescribes that every room has a specific area of interest. Architectural features such as a fireplace, an impressive staircase or a window with a beautiful view, are natural points of emphasis and it is easy to design an interior around them. Striking groups of artwork, a wall of books, an attractive fireplace, or a stunning wall décor are all visually important enough to draw and hold attention.

Dominance

Through emphasis, one or more element becomes the dominant feature in the design. It could be a design component or surrounding elements. It creates an instinctive magnetic appeal that commands attention and prevails over other elements. The dominant element should be the element that people would want to see first.

Dominance creates a visual hierarchy in the design. A lack of dominance can lead to a clash of elements, causing a confused picture. For example, if there are two paisley motifs



All images courtesy: Gunjan Suri

of the same size, colour and pattern, different viewers will choose either. The eye will bounce back and forth between the motifs and, therefore, keeping one of the motifs dominant is important — it is only then that the viewers' attention will go to the motif that commands more visual interest.

A dominant design can be a new technology product or a set of key features.

In the above picture the red oval is dominant because of its stand-out colour.

Focal Point

Focal point is the core of the design. Every design should have a primary area of interest or focal point that serves as a way into the design.

GOLDEN MOMENTS OF EXCELLENCY

We feel proud to announce the recognition we got in Design Excellency.

FINALIST - ARTISAN AWARD 2015 - COLOURAMA



THE Artisan
JEWELLERY DESIGN AWARDS 2015

**CERTIFICATE
OF DESIGN EXCELLENCE**

Being awarded to,
Mr. *Sushil Salunki*
of Sangam Chains
recognizing the above individual as an
outstanding jewellery designer.

**FINALIST
COLOURAMA**



Vijayalaxmi
Chairman - GJEPC



Vijayalaxmi
Chairman - GJEPC



**FINALIST
AMARUAM**

Order from our Online Catalogue at
www.sjg.co.in

SJG

SANGAM JEWELS N GOLD LLP

SANGAM JEWELS N GOLD LLP, 'DD Jewels', 4th Floor, 28, 1st Agyari Lane, Zaveri Bazar, Mumbai - 400 002, India

Tel: +91 22 2345 2827 / 2345 2745 / 2345 2810 / 2345 2777 | Email: sangam@sjg.co.in | Web: www.sjg.co.in



SANGAM
Diamonds

SANGAM DIAMONDS Tel: +91 22 2345 0078 / 2345 0080
Email: info@sangamdiamonds.com | Web: www.sangamdiamonds.com



Focal point as we know it is the prime visual centre of an object; it could also be on the side or any other position of the object as long as it is striking enough to catch attention.

When there is no given focal point, one way to create it is via placement; where you position your intended point of emphasis within a space is an important consideration. Another way you can achieve a strong focal point is via elements of design such as texture, form, pattern or colour.

A common example of adding focal point is through the use of colour. In interior décor, for example, when there is a beautifully crafted artifact at the end of a long hallway, the eye is immediately drawn to it.

PROCESS

The process by which a specific design can incorporate these three elements and factors necessary to enhance it are:

Decorative additive It is the distinguishing feature of a design. It can manifest itself in a number of ways — from historic motifs to culture-inspired forms; it can also be interpreted by displaying a particular technique or craft of any country. Sometimes an addition of colour can also do the needful.

Placement

An element placed in the front and centre generally confronts the viewer and maintains eye contact. On the other hand, placement on the sides or a unique spot can establish a bond between the creation and the creator and force the viewer to look for an extended period of time at the creation.

Functionality

A function like a lever or a rivet or anything that jingles or immediately attracts attention generates a keen interest in the creation.

Identification or origination

Elements are of prime importance since they lend a touch of heritage and history and always have a story to tell.

Process and techniques

An innovation in technology may become the dominant design feature. One gets competitive advantage by experimenting with technology and innovation.

Isolation

One can spot focal points well by separating the subject from other distracting elements and placing it against a plain background or even have a background that accentuates the centre and the viewer is left with nothing else to focus on.

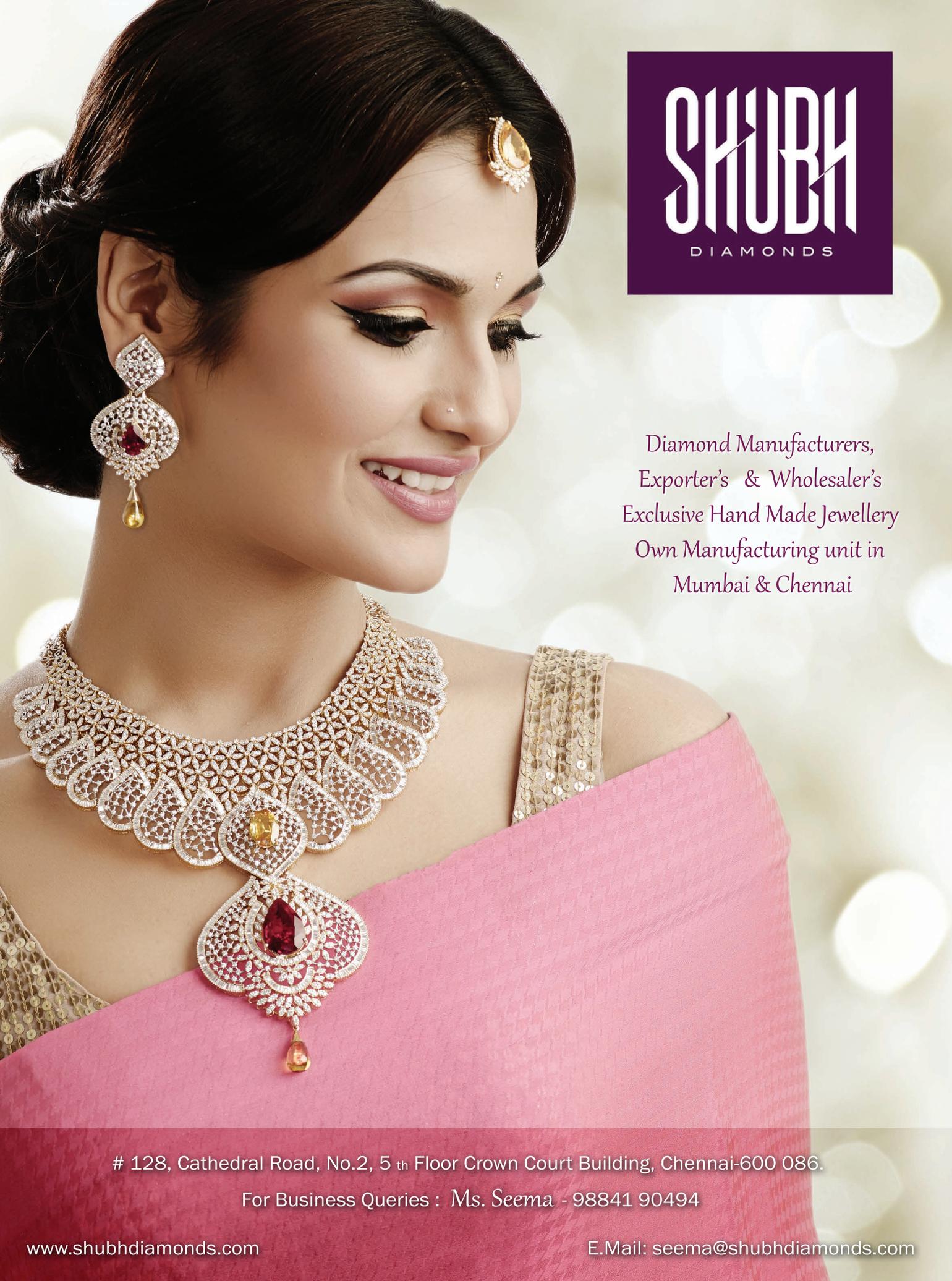
Leading lines and convergence

Leading lines and convergence can lead to stressing emphasis. A line or pattern can indicate a direction and point towards something, thus leading the eye in that direction. When multiple elements converge toward a point they lead to origination of a focal point.

Background

Just as photographers need to pay special attention to what is in the background of the picture and work to eliminate unwanted clutter by either changing the viewpoint the photo is taken from or by masking unwanted objects from the view, designers too need to do the same.

When one looks out at a landscape, for example, everything from pretty close to far away appears in focus and the depth of the field is said to be large (deep focus). In this case, other factors than focus will direct attention. However, if you are looking at someone's face close to yours, you may only be able to focus on their eyes, while everything else is blurry. This is called shallow depth of field (shallow focus). Using a shallow depth of field gives the artist the ability to direct attention by choosing just what needs to be in focus. Blurring the background can be a good way to reduce distracting elements and help isolate the subject.



SHUBH
DIAMONDS

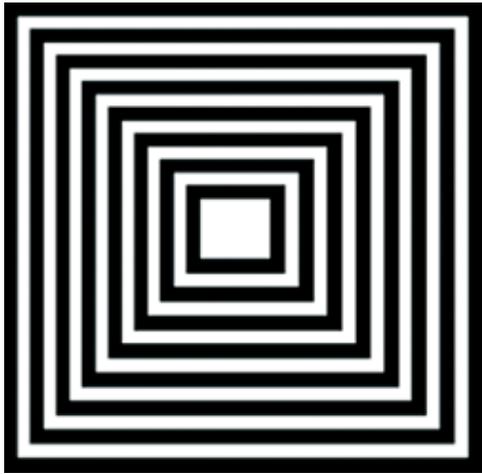
Diamond Manufacturers,
Exporter's & Wholesaler's
Exclusive Hand Made Jewellery
Own Manufacturing unit in
Mumbai & Chennai

128, Cathedral Road, No.2, 5th Floor Crown Court Building, Chennai-600 086.

For Business Queries : Ms. Seema - 98841 90494

www.shubhdiamonds.com

E.Mail: seema@shubhdiamonds.com



In the above image, the eye falls on the centre square (the smallest square in the picture) simply because it is surrounded by a repeated pattern. The concentration on the white square is the most and, therefore, carries the most visual weight. This explains the importance of background while trying to emphasise a unique feature.

Contrast

By means of contrast we can create emphasis dominance in a design. The focal point can also appear as a contrasting feature in order to stand out. The more strongly something contrasts with its surroundings, the easier it is to see and the more energy it will seem to have. Strong contrast in value, colour and so on can make elements “pop”. A single square in a repeating pattern of circles will stand out. In something perfectly flat, smooth, white, etc., our eye will always be drawn to the one little flaw – the pencil scratch, the rough spot, the wrinkle. Anomaly can also be created by juxtaposing things that are not normally seen together.



Antonio Bernarcho

ABOVE: **Emphasising element:** Leading lines and convergence
 RIGHT: **Focal point:** Contrasting centre leaf
Dominant feature: Contrasting black leaves

Size

Size speaks of visibility and exaggeration. Consider a virtual frame and try to fit the work in it, even if it means not all of the elements are gaining that much importance. Concentrate on and enlarge what is important, so that the viewer can connect with it

EVIDENCE AND EXAMPLES

It is not necessary that all three elements have to be present in a design. It all depends on the creator whether there are one, two or all three of the elements in a design. Just as a picture frame sets off a painting from the wall and calls attention to the artwork, similar elements within an artwork can help direct attention and appreciation.



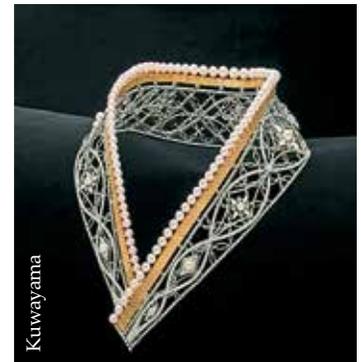
Lazerian Hippopopus

ABOVE: **Emphasising element:** Leading lines and convergence
Dominant feature: Contrasting lines in black



Karbirski

ABOVE RIGHT: **Emphasising element:** Yellow gold side element
Focal point: Blue stone bezel set
Dominant feature: Contrasting black gold area of the ring



Kuwayama

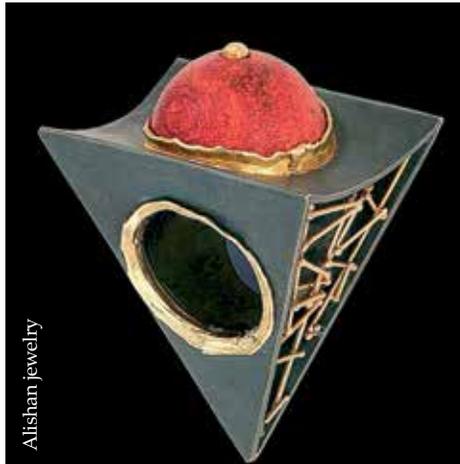
RIGHT: **Emphasising element:** Decorative *jali*-pattern work
Focal point: Decorative line of pearls
Dominant feature: Contrasting line of textured gold



Ina



Adeler Jeweller



Alishan jewelry

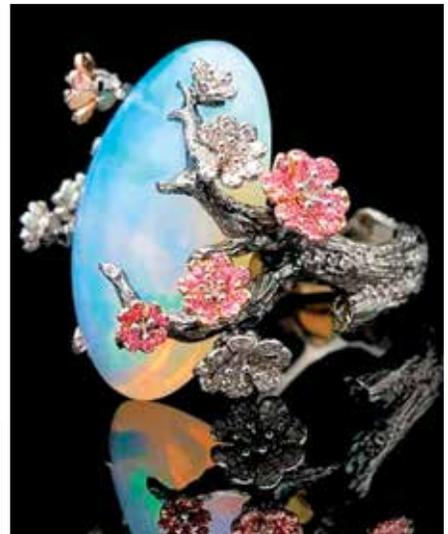
EXTREME LEFT: Focal point: Pearl in a contrasting colour
Dominant feature: Organic shape of the pendant
LEFT: Emphasising element: Geometric patterns of gold
Focal point: Red centre stone
BELOW: Emphasising element: Nature design of the ring
Focal point: Blue centre stone
Dominant feature: Pink flowers



Oseo



Hughes Bosca



ABOVE: Emphasising element: Thumb print pattern work
ABOVE RIGHT: Emphasising element: Diamonds encased within blooming florets
Focal point: Centre stone
BELOW: Focal point: Blue centre stone.



Galatea

ABOVE: Focal point: Pearl
Dominant feature: Cutwork pattern



Georg Jensen



Viktoria Muenzker

ABOVE: Dominant feature: Large structural component. ■

Reflections on Budget 2015

Two young Turks comment on Union Budget 2015's implications for the gems and jewellery industry.



PRAYAS DUGAR

Director
Indian Gem &
Jewellery Creation
Kolkata

There are a few positive signals in the Budget 2015, the second Union Budget presented by Finance Minister Arun Jaitley. The first, of course, is the gold monetisation scheme which will bring out into the system all the gold that is lying idle with the common man. It will allow depositors of gold to earn interest in their metal accounts and jewellers to obtain loans in theirs. Banks and other dealers would also be able to monetise this gold. This is a great scheme in a country whose consumption of gold is the highest in the world. The second positive is the abolishment of wealth tax as it is likely to lead to tax simplification and widening of the tax base. The introduction of branded Ashoka Chakra gold coins and the proposal to develop sovereign gold bonds are also good initiatives.

What is of great concern though is the announcement in Budget 2015 that henceforth it will be compulsory for consumers to quote their PAN card numbers while purchasing jewellery above ₹1 lakh. This could spell doom for the gems and jewellery industry since it will inhibit a lot of consumers from buying, especially in rural and semi-rural pockets where the majority do not have PAN cards. As it is we already have TCS applicable on sale of bullion over ₹2 lakh and jewellery over ₹5 lakh.

Also, with respect to the Make in India initiative, if consumers are discouraged from buying jewellery, the government's plan to make the country a global hub for jewellery manufacturing will come to nought.



PRAVEEN GOEL

Director
Shree Raj Mahal
Jewellers
New Delhi

The gems and jewellery sector in India plays a significant role in the Indian economy by contributing a good percentage of the country's GDP. It is also one of the fastest-growing sectors that is export-oriented as well as labour-intensive.

In the Union Budget 2015, Finance Minister Arun Jaitley announced some schemes that appear to be very encouraging for the gems and jewellery sector. The gold monetisation scheme is the most significant: if this scheme is well implemented and is investor friendly, it could be a milestone for the Indian gems and jewellery industry. This scheme will appreciate gold investment. This innovative idea will help convert a physical asset into a liquid financial asset, thereby reducing demand for overseas gold and controlling the current account deficit (CAD). Introduction of Ashoka Chakra gold coins is also a positive step since it will

encourage recycling of gold among domestic consumers and give a fillip to Make in India.

On the flip side, the Union Budget has overlooked the long-pending demand of the gems and jewellery industry to reduce gold import duty. The 10 per cent import duty on gold levied two years back should have ideally been rolled back given the current situation. But it did not find any mention in either the sectoral or in the taxation reforms announcements. The industry has suffered a loss in sales and export because of this and it has also led to a surge in smuggling of gold.

Other critical matters that should have been addressed in the Budget are simplification in the process of direct sourcing of roughs, introduction of turnover-based income tax system and an exclusive and separate duty structure for natural and man-made diamonds.



REACH HIGH
FOR THE LIGHT




GURJAR
GEMS PVT. LTD
INDIA • UAE • USA

Now you need not hold your dazzle. Saanvi presents a light and timeless collection of diamond pendants, rings, earrings, pendant-sets, necklace-sets and more to light up your beauty. Making you dazzle more – with Saanvi.

For trade enquires mail at rajesh@gurjargems.com or call +91 22 6620 5000.
www.gurjargems.com & www.saanvijewel.com



saanvi

bringing diamonds closer to you



All image © Shutterstock.com

Brand Sense

Sensory branding – seducing customers by using their senses to appeal to their emotions – is the new retail mantra. In the retail of jewellery, essentially sensory in nature, a multi-sensory experience can create an engaging and immersive experience for the customer and give an impetus to business and overall growth of the company, says **Monideepa Choudhuri**.



Sound

Music has a subtle but profound effect on how customers behave.

The sense of sight

is the most overwhelmed. But today branding embraces the other four senses too.

Smell

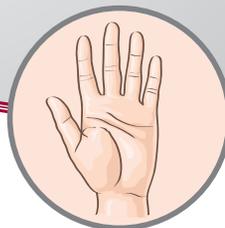
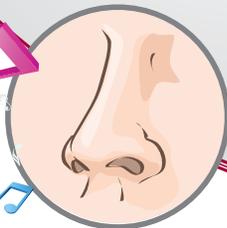
Smell is the fast track to the system in the brain that controls both emotions and memory – two important factors why we choose one brand over another.

Touch

The easiest to get right by giving customers the ability to touch and feel whatever they fancy. (This is effortless for a jewellery store.)

Taste

A refreshing or stimulating or even a soothing taste has the ability to relax customers.



Essentially, branding is a broad concept encompassing assorted strategies of which sensory branding is relatively new, having emerged only over the last few years. A strategy that is still evolving, it targets any one or a mix of the five senses — touch, taste, smell, sound and sight — to create an association between the product and the customer. According to branding guru Martin Lindstorm, using this strategy to make consumers think of a brand, is now all the rage. “It is extraordinary given that 75 per cent of our day-to-day emotions are influenced by what we smell and the fact that there’s a 65 per cent chance of a mood change when exposed to positive sound, the importance of senses has been completely overlooked in the branding business...until now.”

There is no denying the impact that senses have on our minds. The blue packaging of Tiffany & Co, the refreshing drink served at Kaya Clinics, the unique ringtones of mobile phone companies and the fragrant ITC luxury hotel lounges are experiences that have a quick positive recall and the one thing in common is that they appeal to the senses.

The most overwhelmed and traditionally targeted by companies is, of course, the sense of sight, whereby a customer is made to recognise



LEFT: A signature scent could create deep bonds with customers.

a brand through pictures or logos or even the visual ambience inside a brick-and-mortar store through an interplay of colours, lighting, symmetry, balance, contrast and focus to direct/control where the customer looks and for how long. But today, branding embraces the other four senses too.

How did sensory branding emerge?

Sensory branding has been a response to intensely competitive times. Entrepreneurship has expanded and so has fierce competition; businesses are introducing the new and the novel with alacrity. This, in turn, is creating pressure on existing players who are facing diminishing returns. Quite obviously, all are climbing on to the brand-making bandwagon.

Second, brand consciousness is a societal norm today and businesses are laying emphasis on creating a good image rather than introducing new product genres. This is more so in the gems and jewellery industry where, except for design, the distinction or differential advantage is minimum.

Third and most significantly, studies show that there is a strong relation between non-visual sensory stimuli and human behaviour. The science behind sensory branding is that our basic understanding of environment is through our senses, which are linked to our memory. The smell of popcorn for instance could take one back to childhood and its association with movie halls. The best use of sensory branding has been by Singapore Airlines, with its in-flight experience appealing to all the senses — from its use of Stefan

BOTTOM LEFT AND RIGHT:

Customers must be readily given the option to try out the jewellery since most unplanned purchases depend on the experience of its touch and feel.

Floridian Waters on its hot towels to its music to even the gentle and calm manner of its flight attendants.

Our senses are linked to memory that taps into emotions and impacts purchasing decisions. So when a brand attracts more than one sense, its appeal is stronger.

Sensory branding in jewellery retail

Jewellery is a luxury product and is by nature sensory. Consumers are known to appreciate its high aesthetics by using the senses of sight and touch — which is really half of the brand-creation job done. But then, the conventional jewellery shopping experience of a customer is only complete during a store visit; and this is when a customer must feel immersed in a highly creative and prestigious retail atmosphere. The experience must be memorable to the point where customers decide to assign their loyalty to the business and become advocates of the brand.

The stimulation of the senses has only a small percentage to do with jewellery, yet it creates an impression in the minds of the people.

- It influences choice
- It creates a connection with the brand

The mantras that should underscore sensory





TOP AND ABOVE:
An attractive display of jewellery can score immensely on the sense of sight parameter.

store branding are subtlety, singularity and relentlessness. Jewellery stores have the scope to create a multi-sensory experience. Jewellery by itself is a visual delight; when combined with music, fragrance or even a taste that could become identified with the store, it would score high on branding parameters.

First, of course, is the visual ambience — colours, lighting, symmetry and display all should create a look that attracts instantly. A logo or a colour can also be an emphasis to identify the jewellery brand. It is by far the most effective tool.

The fragrance used and the music played should be consistent and enduring and be able to keep the customer in the store for a longer time. As a matter of fact, research says that if music is played according to the profile of customers in a store, it could keep them in longer and also prompt unplanned purchases.

Studies have also proved that 75 per cent of our decisions are influenced by smell and adding a signature scent creates bonds with the customer. The sense of smell is linked to our

emotions and decision making and scents work well, triggering a memory or a desire besides making us feel comfortable. A scented room also gives an illusion of more space vis-à-vis an unscented one. And, even though taste is the focal sense in the food industry, even in the jewellery business, offering customers a distinctive drink can help a brand to leave a mark.

Customers must be readily given the option to touch and try out the jewellery since most unplanned purchases depend on the experience of its touch and feel. Sensory perceptions are unique to each one of us, just as memories are. We experience powerful stimulations from them. So, the brand should be in one word — experiential. Businesses should leverage all touch points — store ambience, store experience, innovation and guest service and make a first impression.

Sensory branding brings flexibility to the table. It opens new channels to connect with customers and creates a lasting impact. ■

Going global

For the Indian gems and jewellery industry today, expansion of business overseas is fast becoming a norm. Acquainting oneself with certain key aspects of FEMA and IT Act, therefore, becomes crucial and invaluable in ensuring smooth operations abroad, say **Ravindra Jain** and **Amol Bongale**.



RAVINDRA JAIN is Senior Principal Consultant, Corporate Advisory & Taxation Services at RSM Astute Consulting Pvt. Ltd.



AMOL BONGALE is Consultant, Taxation at RSM Astute Consulting Pvt Ltd.

Globally, the gems and jewellery retail industry is on a major expansion spree. Indian jewellery retailers too are moving ahead, spreading their operations across several countries in the Middle East, South East Asia, European Union and the USA — mainly to capture the non-resident Indian market.

With economies growing closer because of pro-business government policies, setting up of operations outside India has become relatively easy — at least from the regulatory point of view. However, to ensure smooth functioning of businesses outside India, one must understand the legal intricacies involved. Mistakes and non-compliance could cost the business dearly since penal provisions under the Foreign Exchange Management Act (FEMA) and Income-tax Act (1961) are extremely stringent.

India is the world's largest cutting and polishing centre for diamonds and exports 95 per cent of the world's diamonds, according



*An Integration of
Promising
Jewellers in
India*



All India Gems & Jewellery Trade Federation

P & S Corporate House, Plot No. A-56, Road No. 1, 5th Floor, Near Tunga International, MIDC,
Andheri (East), Mumbai - 400 093. ☎ +91 22 6738 2727 | www.gjf.in

Non-compliance could cost the business dearly since penal provisions under FEMA and Income-tax Act are extremely stringent.

to Gem & Jewellery Export Promotion Council (GJEPC) statistics. In order to raise the economies of doing business and also expand operations, Indian entities consider exploring markets outside the country. However, a preliminary background in setting up of overseas operations — at least from the Indian regulatory perspective, keeping FEMA and Income-tax regulations in mind — is essential.

What are the forms in which business operations can be set up abroad?

An Indian company or a partnership firm registered under the Indian Partnership Act, 1932 or a Limited Liability Partnership (LLP) incorporated under the LLP Act, 2008 (Indian Entity) can set up a Wholly Owned Subsidiary (WOS) outside India. Where business is to be carried out jointly in association with a local resident of the host country or any other Indian entity, the investor can set up a Joint Venture (JV). The Indian entity can also set up a branch office (BO) which can act as the foreign arm of the Indian entity.

What are the regulatory provisions governing the setting up of WOS/JV abroad?

Foreign Exchange Management Act, 1999 (FEMA) is one of the vital Indian legislations that governs the setting up of overseas entities. The important provisions in relation to the setting up of a WOS/JV are:

- The total financial commitment of the Indian entity shall not exceed 400 per cent of net worth as per last audited financial statements.
- Financial commitment shall include all types of investment such as equity, loan,

preference shares, debentures and guarantees issued on behalf of WOS/JV.

- The limit of 400 per cent shall be applicable to Indian investors as a whole and not separate to each WOS/JV of the same Indian entity.

What are the regulatory provisions governing the setting up of a BO outside India?

FEMA does not contain specific regulations with respect to the setting up of overseas BOs. However, it does provide an overall limit on remittance of funds to BOs as under:

- **To meet initial expenses of BO:** Fifteen per cent of average annual sales/income or turnover of the Indian entity during the last two financial years or up to 25 per cent of net worth, whichever is higher.
- **To meet recurring expenses of BO:** Ten per cent of such average annual sales/income or turnover of the Indian entity during the last financial year.

The BO also needs to adhere to certain other specified conditions.

What are the reporting requirements applicable to Indian investors in respect of WOS/JV and BO abroad under FEMA?

In respect of a JV/WOS, the Indian investor is required to submit annual performance reports (APR) on or before June 30 every year. The Indian investor needs to obtain share certificate/s confirming investment in JV/WOS and submit the same to the Reserve Bank of India (RBI) through AD (authorized dealer) banks within six months. Further, it needs to report the details of the decisions taken by a JV/WOS regarding diversification of its activities/setting up of step down subsidiaries/alteration in its share holding pattern within 30 days of the approval of those decisions by the competent authority concerned of such JV/WOS.

No specific reporting requirements exist in case of a BO under FEMA regulations.

24 Karat Gold Jewellery

*Time to tell your disbelieving mom
this is possible after all...*



PRIMA GOLD®

24K Pure Gold Jewellery

Made in Thailand

Exclusive Boutiques PRIMA GOLD

FF-56B, Viviana Mall, Next to Jupiter Hospital, Thane (W) - 400606 | Tel: 022 - 61701409

F-10, 1st Floor, Phoenix Market City, Kamani, Kurla (W), Mumbai - 400070 | Tel: 022 - 61801410

response@pranda.co.in | www.primagold.in | Mob - 7506 197 675 |  PrimaGoldIndia



What is the tax implication on profits of JV/WOS and dividend received from JV/WOS?

The profits of the JV/WOS will be taxed in the host country as per local laws and no tax credit will be available for the same in India. Further, any dividend declared by the JV/WOS shall be subject to tax in host country as per local laws.

As per provisions of the Income-tax Act, 1961 (IT Act), dividend received by an Indian company from JV/WOS shall be subject to tax at the rate of 15 per cent, plus applicable surcharge and education cess. In case of an Indian investor being a firm or LLP, the dividend shall be subject to normal tax rate.

In both the above cases, the Indian investor, while computing the Indian tax liability on dividend income, shall be eligible for tax credit of taxes withheld, if any, on such dividend income in the host country.

What is the tax implication on profits earned by BOs?

Any profits earned by a BO shall be subject to

tax in India with benefit of credit of taxes paid in the host country in respect of such profits.

Will transfer pricing provisions be applicable in respect of transactions entered with JV/WOS and/or BO?

In case of transactions entered into with JV/WOS, Indian Transfer Pricing (TP) provisions shall be applicable as the JV/WOS falls within the definition of an associated enterprise. In such cases, all transactions need to be entered into at Arms' Length Price (ALP).

As a BO is the extended arm of an Indian company overseas, TP provisions may not be applicable in case of transactions entered into by it.

An appropriate structure needs to be analysed for carrying on business outside India, considering various objectives such as commercial feasibility, tax efficiency, regulatory implications, potential market and other business factors. ■



© shutterstock.com



DIAMONDWORLD
WHERE FACETS MEET

Jaipur

Kolkata

Mumbai

Bengaluru

Chennai



Diamond World launches its "Indian Diamond Pentagon"

Just after introducing "Price Compare Service" and "Mobile News App" online, DiamondWorld.Net has executed another unique service to bridge the gap between buyers and sellers in Indian Jewellery and Diamond Industry. Diamond World has launched '**Diamond Viewing Spots (DVS)**' service in 5 Major cities of INDIA which will help buyers and sellers to sync business in diamonds in time and save money. This service will help buyers to inspect, view and confirm diamonds in their own cities. DiamondWorld.Net will send secured parcels to their DVS offices and buyers can view, inspect and confirm or return as per their convenience.

To register for 'Diamond Viewing Spots' service, call +91 22 2675 6066, or email: support@diamondworld.net

Striking OPTIONS

Garnet is a semi-precious gemstone that occurs in a variety of colours, with red being the most common. Usually sold without treatments of any kind, garnets are durable, have a high refractive index and can be used in jewellery at a relatively low cost. **The Gemological Institute of America** shares a few fundamentals of this lovely gemstone.



© shutterstock.com

Garnets come in a rich palette of colours: greens, oranges, yellows, purples and purplish reds. Red garnet is the most common and widespread; all other colours of garnet are not so abundant. There are more than 20 garnet categories called species. The birthstone for January, garnet includes affordable dark red varieties, rare and valuable greens and many colours in between. The degree of rarity of each of these garnets has a direct impact on their relative value.

History and lore

Thousands of years ago, red garnet necklaces adorned the necks of Egypt's pharaohs and were entombed with their mummified corpses as prized possessions for the afterlife. In ancient Rome, signet rings with carved garnets were used to stamp the wax that secured important documents.

Ancient Egyptians, Greeks and Romans thought of garnet as a protective gemstone that would light the night and protect wearers from

© GIA/Robert Weldon



LEFT:

Top row from left: 16.94-carat yellow oval garnet; 19.89-carat round orange spessartite garnet; 44.28-carat round, deep pink rhodolite garnet; 16.99-carat reddish orange cushion cut garnet and 7.26-carat cushion cut tsavorite garnet.

Bottom row from left: 8.20-carat oval, greenish yellow garnet; 12.36-carat oval golden yellow garnet; 9.22-carat pink pear cut garnet; 14.53-carat light green cushion cut grossular garnet and 4.32-carat bluish green cushion cut garnet.

evil and doom. Travellers are known to carry garnet to protect themselves against accidents.

The gemstone symbolises faith, truth, compassion and fidelity and is also rumoured to increase confidence, courage, energy and security.

Red garnets

Rhodolite

The garnet species rhodolite was first discovered in the US state of North Carolina. East Africa has been the most important source of rhodolite in recent years, found widely in Tanzania. Other significant sources include Sri Lanka, Madagascar and Orissa in India. Rhodolite is the most valuable of the red garnets. At its best, it is a lovely and vibrant purplish red that has done much to bring red garnets back into fashion.

Pyrope and Almandine

Pyrope and almandine appear in a range of orange red to slightly purplish red to strongly reddish purple hues. Dark red garnets abound in mass-produced jewellery. These mixtures of pyrope and almandine are usually a dark-toned, brownish orange to brownish red to purplish red hue with low saturation.

Green garnets

Tsavorite

Most tsavorite garnets come from the East African countries of Tanzania, Kenya and

Garnets symbolise faith, truth, compassion and fidelity.

Garnet is the birthstone of January and the zodiac stone for those born under the sign Aquarius, the mid-winter season between January 20 and February 18. It is a semi-precious stone that has always been in fashion, lending vitality and strength to the wearer.

Garnets come in many colours such as red, orange, yellow, green, purple, brown, blue, black, pink as well as colourless and anyone who loves what is pure and natural and the warm, sun-bathed colours of late summer will be fired with enthusiasm by the colour spectrum of the garnet. Today, garnets are very much in fashion in India.

They are sourced mostly from African countries, although we do have garnets that come from India and Russia and Central and South America. Skilled hands of cutters the world over work them into many classical shapes, but of late we are increasingly getting modern, imaginative designer cuts as well.

Garnets are a compelling semi-precious stone whose beauty is natural and unadulterated. The variety of colours and tremendous brilliance is also extremely alluring. Anyone who possesses garnet jewellery can be assured of long-lasting joy.

Of course, these days there are also plenty of lab-created garnets, which come under the category of synthetic corundum. Synthetic garnets are made by a method called flame fusion and look like natural gemstones. They also have the same chemical properties of the real stones and only a trained eye can make out the difference between the two.

Nadim Ansari
Takat Gems, Jaipur



Madagascar, with some minor sources in Pakistan.

Tsavorite's vibrant green comes in a range of colours. Gem dealers place the highest value on vivid, strongly saturated bluish green to green gems of medium to medium-dark tone. Tsavorite can be used as a less-expensive alternative to emerald because it is more consistent in colour, more brilliant and easier to match. Large tsavorites – from two to three carats and more – are sold as beautiful gems in their own right, not just as emerald alternatives.

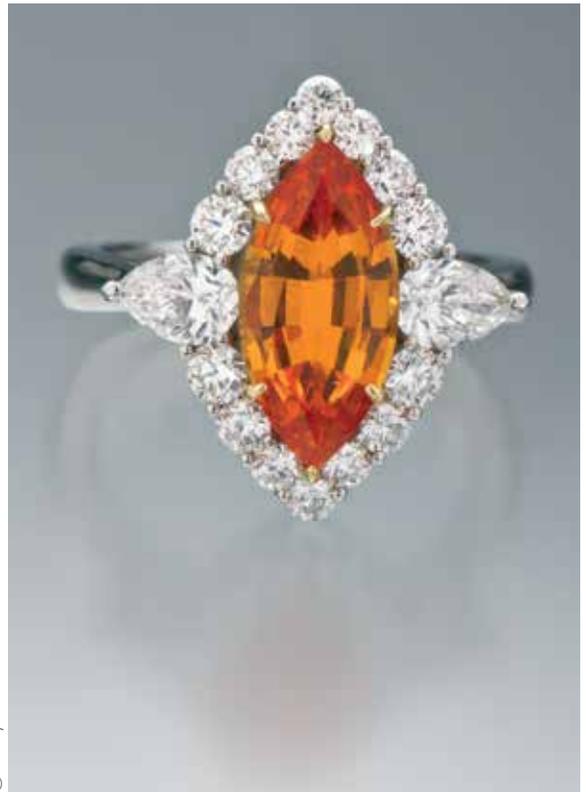
Demantoid

Demantoid is a rare and beautiful gem. Like tsavorite, high-quality, vivid green demantoid can rival emerald in price. Demantoid is found in Russia, Central Namibia, Iran, Italy, Greece and Mexico.

Demantoid colours range from a yellowish or brownish green hue to a very rare, intense green that is similar to fine emerald. Gem dealers consider the best colour to be a moderately strong to strongly saturated green of medium to medium-dark tone. Greenish

RIGHT:

A 3.47-carat orange garnet ring that was designed by Maria Canale.



© GIA/Robert Weldon

Garnets are the most affordable of gemstones, a stone of purity and truth as well as a symbol of love and compassion. They are a much sought-after and much-worked-upon gemstone. It is not only the classical gemstone colours – red and green – that are highly esteemed and valued but also the fine hues in between like yellow, orange and purple. There are more than 20 species of garnet but only six are used widely – pyrope, almandine, spessartite, grossularite, uvarovite and andradite. Pyrope, almandine and spessartite are known as aluminium garnets and the remaining three are calcium garnets.



The Indian market has a totally different view on garnet than a gemmologist. According to the market, garnet is a stone used in fashionable jewellery whereas *gomedhak* is what is used following astrologers' recommendations. Even today, most businesses classify garnets by their colour – all red and red to purple garnets are almandite and orange-coloured are hessonite or *gomedhak*. Obviously, because of pronounced astrological beliefs, the Indian market emphasises more on hessonite garnet. In order to cater to requirements, the Indian market imports good quantity of hessonite garnets from Sri Lanka, Africa and Madagascar. We do get hessonite garnets from Orissa in India, but they are generally considered of low quality and value in comparison to Sri Lankan ones (commonly known as Ceyloni *gomedh*). According to astrologers, a bright orange colour is the best colour of hessonite garnet, with the colour often compared to a cow's urine.

Hessonite garnet alone makes up a share that is equal to other Navagraha gemstones. Generally, hessonite prices vary between ₹10 and ₹5,000 per carat, depending on its quality and origin. In recent years, tsavorite garnet (green) has gained popularity as a substitute for emeralds in view of the sudden increase in prices of emeralds. Its price ranges between ₹500 and ₹5,000 per carat.

Garnet (hessonite) has a good reputation among Indian astrologers and is believed to cure the ill-effects of Rahu. In ancient times, red garnets were generally donated to priests for bringing prosperity and good luck to the giver and the same is still practised and advised by astrologers in India today. Astrologers believe that *gomedhak* should be worn at a specific time to get the most powerful results – two hours after sunset on Wednesday and after having energised the stone by chanting Rahu mantras. Three or more garnets on the desk are also known to stimulate success in business. It is also believed that a garnet under a pillow cures depression. It can be used to regain lost self-esteem when worn as jewellery. Garnets are also known to absorb negative energies from the environment and used to reduce body toxins, purify vital organs and blood and assist in assimilation of vitamins and minerals.

Dhiraj Gupta

GJSPC, New Delhi



© GIA / Eric Welch

yellow, yellowish green and brownish stones are still attractive due to the gem's high lustre and dispersion. Prices for demantoid are high because supplies are inconsistent. Green demantoid garnet has a dispersion of 0.057 that gives it a "fire" that exceeds that of diamonds at 0.044.

Orange garnets

Spessartite

Spessartite was once a rare garnet known mostly to collectors. Until recently, most spessartite sources were inconsistent, but new deposits in Madagascar, Namibia, Zambia, India, Pakistan, Sri Lanka, Brazil and especially Nigeria, has helped increase the supply of this attractive garnet.

Spessartite can range in colour from a pale yellowish orange to bright orange to a dark orange red. The most favoured colour is a vivid aurora red, which is a highly saturated, slightly reddish orange hue with medium to medium-dark tone. Although new finds have made spessartite much more available, large, fine-quality stones above five carats remain rare. As a result, prices for large, good-quality stones are high.

LEFT: The intense green tsavorite garnet is named after the Tsavo National Park, a game reserve in Kenya where it is found. The tsavorite necklace is courtesy of a private collector and Mone Lee Nesseth of Laguna Beach, California.

BOTTOM LEFT: These garnets from East Africa are coveted for their strong natural colours. Gems courtesy: JOEB Enterprises, Solana Beach, California.

BELOW: Hessonite crystal from Italy

Garnets range from 6.5 to 7.5 on the Mohs scale of mineral hardness.



© GIA / Robert Weldon



© shutterstock.com



©GIA/Robert Weidon

ABOVE: This platinum, diamond and demantoid garnet ring has a total diamond weight of 1.06 carats and demantoid garnet weight of 3.20 carats.

Special notes

Colour-change garnets from Africa and Sri Lanka are strong reddish purple to purple under one light source and green, or even green-blue, under another. A small market of collectors seeks these rare, unusual garnets to sell at a premium.

Star garnets are not as rare as colour-change stones. Usually almandine or rhodolite, star garnets are filled with rutile silk needles that cause asterism. Star garnets are found in India, Sri Lanka, and the US state of Idaho.

Demantoid garnet is one of the few gems where the presence of certain distinctive inclusions can have a positive influence on value. Horsetails, which resemble fine silky strands that radiate out – often from a small central inclusion – like the tail of a horse, or a comet are not found in other green stones and not all demantoid garnets show them.

Garnet ranges from 6.5 to 7.5 on the Mohs scale of mineral hardness. Demantoid garnet is the softest of the varieties and is better suited for round and oval cuts. The gem wears best in pins, pendants or earrings. As with most gemstones, a soft moistened cloth or a soft bristle toothbrush can be used with mild, non-abrasive soap and water to clean garnet. ■

(GIA offers several coloured gemstone courses you can take online from the comfort of your home or through on-campus programmes in Mumbai and classes and seminars in various cities throughout India. To find out more, visit www.giaindia.in or email giaindiainfo@gia.edu)



Garnet is a family of minerals, not just one mineral species. There are six well-known garnet minerals such as almandine, grossularite, pyrope, spessartite, andradite and uvarovite. Garnet is very popular in today's market. It is the birthstone for January and the oldest-discovered gemstone, having been in use since the Bronze Age.

As far as colour is concerned most people think that garnets are only dark red. However, the assumption is wrong since I have seen garnets in green, colourless, pink, yellow, orange, purple and brown shades. Black and near-black are also common varieties. The rarest colour of garnet is blue. The colour of garnets is always natural because any treatment on the stone is ineffective. Doublets (the thin flat section of a gemstone that is pasted atop a thick base such as glass) of garnet are also available but rare because of the affordability factor.

The gemstone is also used in many industries. The most valuable of garnets are the green coloured ones such as tsavorite and demantoid. Colour-changing garnets from Tanzania and Malaysian garnets are also popular. Garnets that are well-crystallised and attractive are extremely valuable in today's markets. Its benefits are many and hence it is popularly recommended. Garnets bring balance in life and eliminate all the negativities from the mind. It enhances the composure, strength, contemplation and generosity of the wearer. It is also believed that wearing a garnet promotes good health, with folklore creating a strong link between red garnet and blood. As far as mental health is concerned, garnets help the wearer resist melancholy and ward off evil spirits. It has the ability to help overcome depression and strengthen survival instinct in a crisis or traumatic situations.

Durgesh Sharma

Pink City Gems and Jewels, Jaipur

Following the announcement of the Budget, the All India Gems & Jewellery Trade Federation (GJF) wrote two letters – dated March 10 and March 23 – to Union Finance Minister Arun Jaitley expressing the gems and jewellery sector's concern over the government decision to make it mandatory for consumers to produce pan cards on purchase of jewellery over ₹1 lakh and the continuation of the import duty on gold. Below is an edited version of extracts from both letters.

Dear Sir,

The All India Gems & Jewellery Trade Federation (GJF), established in 2005, is a national trade federation representing over six lakh jewellers from across the country and a one crore strong workforce, formed with the singular objective of promoting growth and development of the gems and jewellery industry in India.

Foremost, we extend our sincere congratulations for the Budget presented. It has sound initiatives for infrastructure development, exemption and benefits for individual tax payers and provides an excellent start towards propelling the economy into the Make in India growth trajectory. We applaud the bold and defined Budget that aims at the holistic growth of industries at large. We also welcome the series of gold-related policies and initiatives that have been announced in this year's Budget.

Our industry has been going through some very rough times since the past few years. In Budget 2015, Sir, you have announced the need for customers to produce pan cards for all transactions over ₹1 lakh. As jewellers, we can ensure fulfillment of this requirement from suppliers and business associates; but ensuring fulfillment of pan card requirement from customers would be a difficult task and one that could tantamount to loss of business and considered as harassment by consumers. Most of the times, jewellery is bought by a housewife who quietly invests her savings in gold and jewellery for herself and her children's future needs. How many housewives' would carry a pan card with them? When only 14 crore (11 per cent of the population) pan cards have been issued so far, is it justifiable to ask for one from 89 per cent of the population who do not possess any? We already have KYC and TCS requirements on sale of bullion over ₹2 lakhs and on jewellery over ₹5 lakhs.

We do not doubt the government's intention to combat black money, but such measures will not stop its generation; rather it will increase it. This is not a practical solution and is discriminatory towards 70 per cent of rural consumers since they do not fall under the tax net and do not have pan cards. Jewellery is sold across the country, even in the smallest of villages – unlike many other products that have limited markets. By restraining spending we will restrain growth and this will affect economic development.

On the other hand, the high import duty of 10 per cent on gold import has been giving good revenues to the government but it has made gold smuggling a big business. It has made our economy weak and delay in lowering duty on gold will only hamper it further as black money is continuously being generated and parked in smuggled gold. High gold duty has been causing much agony to domestic manufacturing, resulting in lower production and loss of livelihood on a mass scale across the business segment. Domestic manufacturing is fast becoming less competitive compared to other global jewellery hubs and if this scenario continues we will never be able to meet up to the core objectives of the Make in India initiative.

Post-liberalisation, the gems and jewellery sector has gradually been transforming itself from a predominantly unorganised sector to a better organised one. Substantial progress has also been made with an estimated 22 per cent of the sector becoming organised. The pan card rule would put to risk the transformation process since a large number of industry constituents who have been making progress towards getting organised would resort to non-compliance as a means to retaining the customer. Consumers who currently buy from established retailers would move towards patronising the unorganised segment to circumvent the pan card policy.

We strongly recommend that the government comes up with more business friendly policies, where industries can grow and develop to build our ailing economy. The gems and jewellery industry does not generate black money but is badly affected when the government suggests so. The requirement of consumers producing pan cards is an indirect way of curtailing the growth of this industry. This will directly affect manufacturing as business activities will drop and parallel business opportunities will start blooming. The organised sector will die and the unorganised sector will thrive. The accountable will be punished while the unaccountable will flourish. The industry is in transition with family-owned entrepreneurial businesses slowly evolving and transforming into professional organisations. Thus, creating a proper policy framework is the only way to stimulate growth.

Sir, within two hours of the announcement of the Union Budget, we were flooded with phone calls from anxious members from across the country who have raised concern and earnestly urged the Federation to deliberate the matter with your good self. We want to see a positive change of approach from this government after many years of negativity. We hope the government will be more reasonable and proactive with us. Our demands are justified and are the need of the hour. We have desire to build this 2000-year-old craft of goldsmithing to the best industry India can ever have. We seek a place in the future, for our workers and new generation.

Sir, it is our humble prayer to you to reconsider the imposition of pan cards for transactions over ₹1 lakh.



Warm regards,
Haresh Soni
Chairman (GJF)

Statistics

HS Code 7113: Import of articles of jewellery and parts thereof; of precious metals. Break-up in terms of country of origin.

Imports of HSC 7113	Mar '15	Mar '14	Feb '15	Feb '14
Italy	57	23	75	21
United States	64		35	73
China	20	22	31	49
Hong Kong	9	7	105	6
Switzerland	50	21	64	33
France	2		7	38
Germany	1			5
Oman	2			
Singapore	1	1	1	6
Japan	17		1	1
Malaysia	11		4	
Turkey	1	2		
India	10	36	10	4
United Kingdom	1	95		
UAE	7	42	10	106
Indonesia	86		53	
Thailand	5	473	2	81
Total	344	722	398	423

HS Code 7113: Import of articles of jewellery and parts thereof; of precious metals. Break-up in terms of port of discharge.

Imports of HSC 7113	Mar '15	Mar '14	Feb '15	Feb '14
Delhi Air Cargo	114	547	166	234
Bangalore Air Cargo	1	5	102	82
Hyderabad Air Cargo	44	17	22	3
Ahmedabad	107	103	46	63
Chennai Air Cargo	37	12	33	29
Nhava Sheva Seaport				
Bombay Air Cargo	1		3	1
Chennai Seaport			6	
Garhi Harsaru - Gurgaon				
Bangalore				
Kolkata Seaport				
Cochin	6	24	2	11
Tughlakabad				
Bombay Seaport	3	2	4	
Kolkata Air Cargo	31	12	14	
Total	344	722	398	423

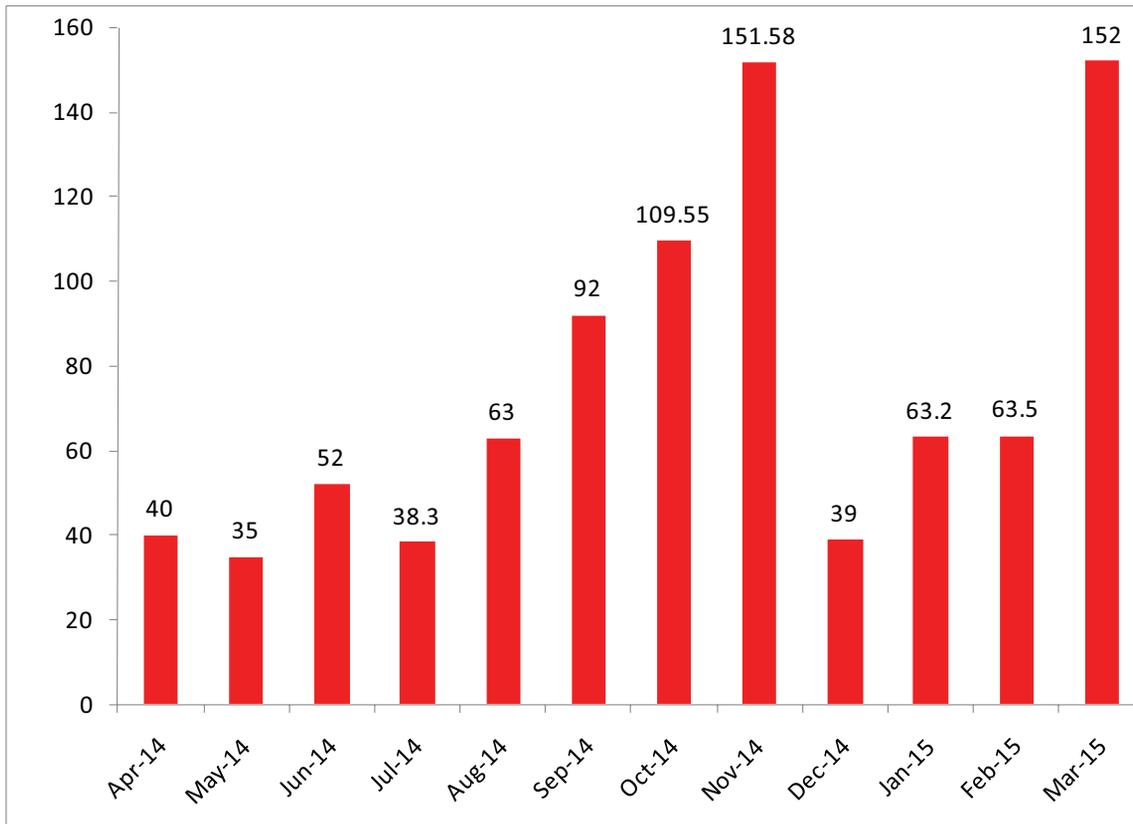
HS Code 7108: Import of gold (including gold-plated with platinum) unwrought or in semi-manufactured form/powder form. Break-up in terms of country of origin.

Imports of HSC 7108	Mar'15	Mar'14	Feb'15	Feb'14
Switzerland	298	93	97	68
United Arab Emirates	62	28	77	24
Malaysia		15		8
United States	32	26	21	16
Australia	31	6	9	1
South Africa	35	14	13	6
Peru	34	7	25	3
Singapore	16	13	13	15
Saudi Arabia	4	3	4	
Tanzania	12	9	7	2
Colombia	9	1	4	
United Kingdom	8	10	9	5
Canada	11	8	14	7
Indonesia	2			
Philippines	2			
Ghana	152	19	103	21
South Korea	1			
Turkey	25	1	8	
Swaziland	1			
Brazil	5	6	5	
Guinea	3	2	1	
Dominican Republic	1		1	
Hong Kong		1		1
Germany		1		1
China			1	
Belgium			1	
Burkina Faso	4		3	
Total	748	263	416	178

HS Code 7108: Import of gold (including gold-plated with platinum) unwrought or in semi-manufactured form/powder form. Break-up in terms of port of discharge.

Imports of HSC 7108	Mar-15	Mar-14	Feb-15	Feb-14
Delhi Air Cargo	412	87	247	65
Ahmedabad	79	33	37	16
Bangalore Air Cargo	56	26	34	24
Chennai Air Cargo	75	43	21	36
Kolkata Air Cargo	30	25	17	15
Bombay Air Cargo	23	37	18	18
Cochin	15	4	11	1
Hyderabad Air Cargo	57	8	30	3
Coimbatore	1		1	
Total	748	263	416	178

Month wise import of gold in tonnes



April '14	40
May '14	35
June '14	52
July '14	38.3
Aug '14	63
Sep'14	92
Oct '14	109.55
Nov '14	151.58
Dec '14	39
Jan '15	63.2
Feb '15	63.5
March '15	152

trivia

Gold was first used as money in approximately 560 B.C. in the form of gold coins. <http://www.saffronart.com/>

One of the earliest known gold treasures unearthed was the "Gold of Troy" dating to the era 2450 -2600 B.C., excavated in Turkey. <http://www.saffronart.com/>

What makes the pearl unique and truly exquisite is that it is the only gem created by a living organism. <http://www.saffronart.com/>

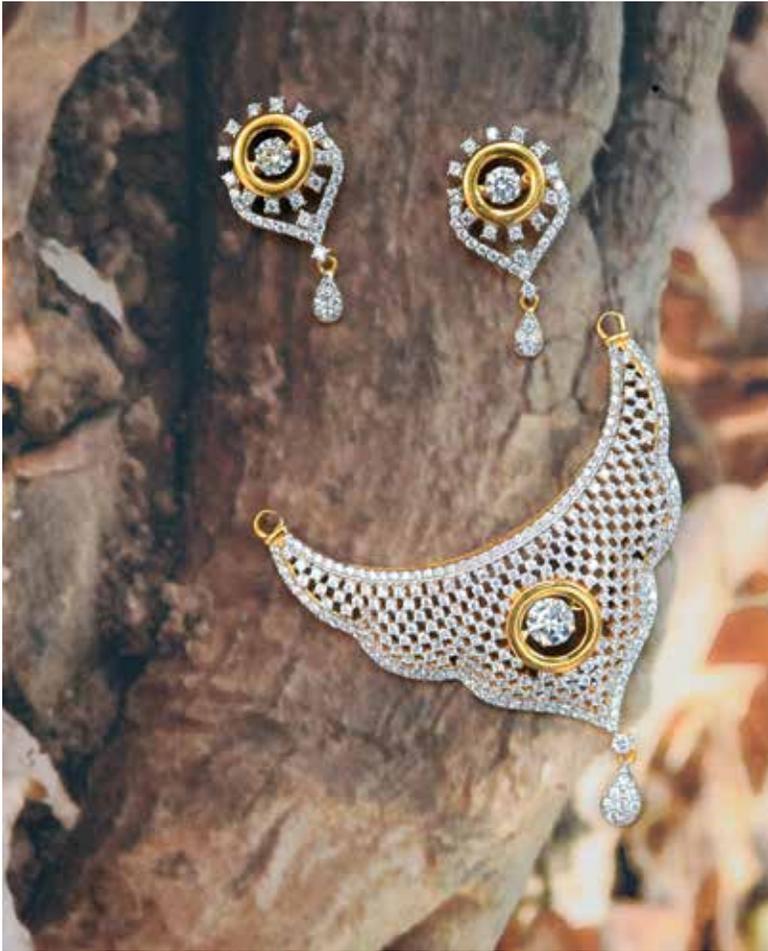
In the 1920s, white gold was created as a common substitute for platinum in jewellery. White gold is an alloy of gold mixed with white metals such as silver, palladium, or nickel. <http://www.saffronart.com/>

Platinum came to be known to modern societies with the Spanish conquest of the "New World" in the 15th and 16th centuries. The Spanish named the metal "platina" or "little silver", from which it derived its modern name platinum. <http://www.saffronart.com/>

The word topaz comes from the Sanskrit *tapas*, meaning fire. <http://www.ephemerala.com>

Amazonite, called "the prosperity stone", is sometimes hung over doorways to bring in new business. It is worn by gamblers to attract money. <http://www.ephemerala.com>

Sapphires come in all colours of the rainbow. <http://www.gotrocks.com>

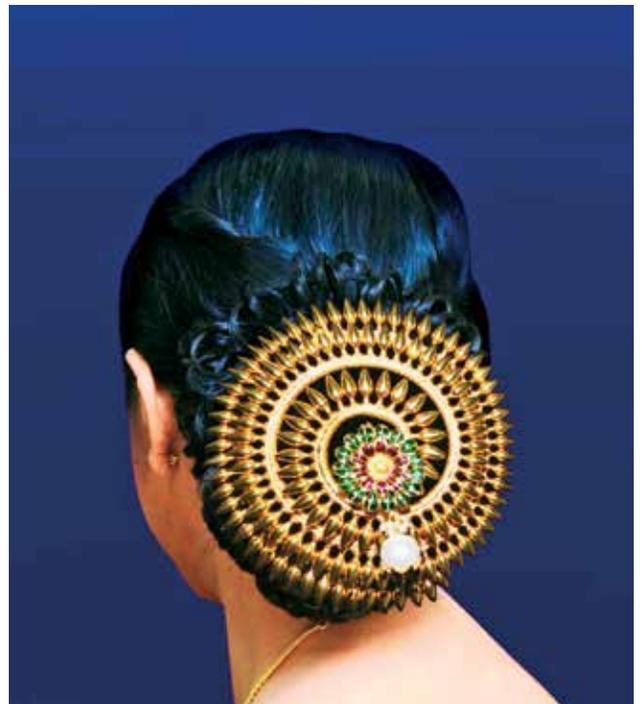


DANCING GOLD

New technology and innovation has led to the introduction of magical and dancing gold zirconia jewellery for the first time in India by **Raj Jewellers**. A jewellery house that always strives to introduce innovative designs with a traditional touch, each design of the Dancing Gold collection is studded with Swarovski's 88 Facets Cut. Perfect for the bride-to-be, the 88 Facets Cut is an auspicious choice since the name of the cut is representative of good fortune and happiness.

TRESS ADORNMENT

Waman Hari Pethe Jewellers' kalyanchi veni is an exquisite hair ornament made with flower buds. An intrinsic part of a Maharashtrian bride's look, the design starts with a round textured 22k gold pipe adorned with gold buds all over. The pipe takes three turns and ends with fabulous *meenakari* work on a round centrepiece, further enhanced with pearls. The piece is accompanied by *aakada*, an antique-style bun pin that is part of traditional Maharashtrian hair dressing.





LIGHT IN WEIGHT

Shubh Diamonds has launched a collection of budget, lightweight diamond pendant sets and necklaces. The collection comprises 300 select designs (from 0.50cts weight onwards) that are both trendy as well as traditional. The design, quality and finish of the ornaments are their highpoints.



A WEB OF PATTERNS

The Jalaksa collection of bangles from **Damara Gold** brings to life the skilled art of lattice work, each piece a reflection of the dreams of master craftsmen. Myriad geometric and floral patterns, encrusted with Swarovski crystals, makes each bangle a timeless masterpiece.



Defining global standards in gems and jewellery through Research, Education, and Laboratory Services.

Toll free 1800 102 1566 | labindia@gia.edu | eduindia@gia.edu | www.giaindia.in



GIA[®]

The World's Foremost Authority in Gemology™

CONCEPT JEWELLERY

India's first concept jewellery with the magic of various colours of **Swarovski** zirconia has been launched by **Kolears**. The innovative 22k jewellery collection studded with Swarovski zirconia was inaugurated in the presence of Rajendra Jain, Managing Director, Swarovski Gemstones, India and Snehal Ambekar, Mayor of Mumbai. The ornaments reflect the fusion of a golden era artistically fused with modern designs. Swarovski's new cut for zirconia is the first in history to adhere flawlessly to the comprehensive set of standards for grading diamond cut quality of the Gemological Institute of America (GIA). Its unprecedented brilliance makes it the finest and most diamond-like zirconia available in the market.



YOURS TRULY

Each piece of **Divine Solitaires** is crafted with exceptional care. Nationwide standard pricing and authentic certification with laser inscription also makes a diamond truly yours.

Solitaire Marvel: A 0.81ct Divine Solitaires with diamond surrounds.

Twisted with Grace: Entangled, yet looks splendid with a knot of 0.32ct Divine Solitaire.

Diamond Bud: Divine Solitaire clutched with diamond sprinkles creates a bigger and a brighter look.

Dancing Diamonds: Diamonds sparkle as they dance around this classy 18K white gold ring holding a 0.60ct Divine Solitaires with (Ex. Ex. Ex.) Plus Hearts and Arrows cut.

Classic Charm: A classic solitaire ring for those special moments

Star Earrings: Something more than a solitaire stud, a perfect combination of beauty and brilliance.

Princess Dream: Some diamond shapes are just irresistible, such as this one

Diamond Aura: 0.62ct Divine Solitaires and 18K white gold intertwined with glimmering diamonds.

Diamond Surprise: A solitaire ring to leave a woman awed.



Dancing Diamonds



Diamond Aura



Star Earrings



THE COLOURS OF LIFE

Kolears is a unique jewellery collection in which each item is distinctively different from the other in terms of design and craftsmanship. It bestows magic on the ornaments through pure gold, precious gemstones and colourful designs. It depicts portraits on the jewellery according to the desire of the customer, making it especially unique.

IMPECCABLY CRAFTED

Derewala's stunning line of gold jewellery has been designed for elegant and sophisticated women. Each piece has been carefully crafted with the help of Italian technology to appeal to the impeccable taste of those who pay attention to fine details. Fashioned under the supervision of world-renowned jewellery experts, it is durable and the perfect accessory for workplace or daily wear.



DELICATELY YOURS

Trident Corporation's collection of gold *mangalsutras* are delicate and are a vibrant take on the traditional *mangalsutras*. They come in combinations of white *moti*, temple jewellery *moti* and black stone.



**Trusted.
Independent.
Unbiased, expert analysis.**

T 022 4085 1523 | labindia@gia.edu | www.gjaindia.in



GIA[®]

The World's Foremost Authority in Gemology™

HERE COMES THE BRIDE

The latest collection from **Anmol Jewellers Hyderabad** is a mix of bridal and fusion. Every piece in the collection has been conceptualised, designed and crafted to complement the beauty of the bride. From choker sets to necklace sets to bangles to *chandbalis*, the collection has every adornment for the Indian bride. The piece alongside has been crafted out of rubies, emeralds and CZ set in 22k gold.



CRAFTING TRADITIONS FOR LIFE

This exquisite peacock bangle from **Chennai Diamonds** is sure to inspire envy. Crafted for the modern woman holding traditional values, its blue enamel contrasts beautifully against the diamond crusted wings framed by tricoloured enamel. Colourful feathers of white diamonds, within the colourful frames of the tail, flow effortlessly over the woven pattern of the gold bangle to create a timeless design.

FROM A ROYAL PAST

An immortal bond with the native land of Patan in north Gujarat has inspired **Abhishek Zaveri** to cull memories, emotions and experiences into a jewellery collection whose essence is classic modernity. The architectural forms of the jewels represent the famous heritage of Rani Ki Vav, Patan, Gujarat. The designs are immensely detailed and reflect royal heritage in the floral motifs and sharp colour combinations. ■



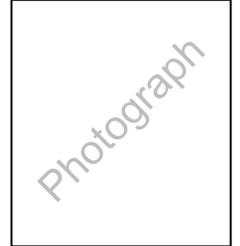
IMPORTANT UPCOMING INTERNATIONAL EVENTS	DATES	PLACE	COUNTRY	ORGANISER
China International Gold, Jewellery & Gem Fair	April 20-22	Shenzhen	China	UBM Asia Limited
Vicenza Oro Dubai	April 23-26	Dubai	UAE	Fiera di Vicenza and Dubai World Trade Centre
Indo-USA Business Development Conference	April 30-May 3	Chicago	USA	Gems and Jewellery Export Promotional Council
JWS Abu Dhabi	May 05-09	Abu Dhabi	Abu Dhabi	Reed Exhibitions
Beijing International Jewellery Fair	May 23-24	Beijing	China	Neway International Trade Fairs
Muscat International Jewellery Exhibition	May 26-30	Muscat	Oman	Oman International Exhibitions Centre SAOC
JCK Las Vegas Show	May 29-June 01	Las Vegas	USA	Reed Exhibitions
Jewellery & Watch London	June 18-19	London	United Kingdom	i2i Events
Malaysia International Jewellery Fair	August 21-24	Kuala Lumpur	Malaysia	Elite Expo Sdn Bhd
56th Bangkok Gems and Jewellery Fair	September 10-14		Bangkok	Department of International Trade Promotion, Thailand and Thai Gem and Jewelry Traders Association
Vicenza Oro Fall	September 05-09	Vicenza	Italy	Fiera di Vicenza
Jewellery Arabia	November	Bahrain	Bahrain	Arabian Exhibition Management WLL, Overseas Exhibition Services and International Expo Management

IMPORTANT UPCOMING EVENTS IN INDIA	DATES	PLACE	COUNTRY	ORGANISER
Preferred Manufacturers of India	April 10	Mumbai		All India Gems & Jewellery Trade Federation
Jewellery Wonder	May 09-11	New Delhi		Jewellery Market
India China Diamond BSM	May/Nov	Jaipur		The Gem & Jewellery Export Promotion Council
Hyderabad Jewellery, Pearl and Gems Fair	June 05-07	Hyderabad		UBM India
Regalia	July 18-20	Mumbai		UBM Asia
India International Jewellery Show	August 6-10	Mumbai		The Gem & Jewellery Export Promotion Council
Jewellers Association Show (JAS)	August 21-24	Jaipur		Jewellers' Association
Delhi Jewellery and Gem Fair	September 26-28	Delhi		UBM India
Abhushanam and Alankarik	October	Raipur		All India Gems & Jewellery Trade Federation
Gold Buyer Seller Meet	November (Tentative)	Chennai		The Gem & Jewellery Export Promotion Council
IGJME	November (Tentative)	Surat		The Gem & Jewellery Export Promotion Council
India-Russia BSM on Gemstone	December (Tentative)	Jaipur		The Gem & Jewellery Export Promotion Council
Gold Jewellery BSM	December	Kolkata		The Gem & Jewellery Export Promotion Council
Gold Jewellery BSM	December	Delhi		The Gem & Jewellery Export Promotion Council

ALL INDIA GEMS & JEWELLERY TRADE FEDERATION

PROMOTING • PROTECTING • PROGRESSING

P & S Corporate House, Plot No. A-56, Road No. 1, 5th Floor, Near Tunga International, MIDC, Andheri (East), Mumbai 400093
 Board Line: +9122 67382727 Fax Line: +9122 67382709 Email : info@gjf.in Website : www.gjf.in



Application Form

COMPANY / FIRM DETAILS

Name of Company / Firm

Address

Name of Representative

Date of Birth

Office Tel. / / Fax

Mobile No. E-mail

Whether member of GJEPC: Yes / No If yes, GJEPC membership No: _____

Pan No. Date of Issue

Sales Tax / TIN. No.

Type of Establishment: Private Ltd. Co. Public Ltd. Co. Sole Proprietary Partnerships Firm Trust Other

Type of Business: Jewellery Retail Manufacturer Wholesale Exporter Coloured Stones

Diamonds Pearls Media Service Lab Designer

Consultant Educational Institutions Other (Tick as many as applicable)

If other, Please specify:

Year of establishment:

No. of Showroom Total area of showroom / No. of Offices Total area of office

What is your specification? (In 10 words):

Qualification of member - general education:

Special / Technical qualification:

No. of employees (Total under your direct and exclusive control only - on rolls/on contract basis included:
 Less than 50 51 to 100 101 to 200 201 to 500 More than 500

Turnover in crore (Optional) Within 5 crores 5 to 100 crores 101 to 200 crores 201 to 301 crores
 301 to 500 crores more than 500 crores



Programme for Compliance & Best Business Practices

Intensive Educational Programme by:
All India Gems and Jewellery Trade Federation

Powered by:



GIA®

The World's Foremost Authority in Gemology™

Supported by:



P & S Corporate House, Plot No. A-56, Road No. 1, 5th Floor, Near Tunga International, MIDC, Andheri (E), Mumbai - 93.

+91 22 6738 2727 | +91 22 6738 2706 | infodesk@gjf.in | www.gjf.in



TRUSTMARK

THE INDIAN
GEMS & JEWELLERY
INDUSTRY WILL
SHINE BRIGHTER



- A Business Excellence Protocol for the Gems and Jewellery Industry
- A system certification model and not product certification
- A symbol of trust, credibility and complete transparency
- A game changer for industry

For further information please contact:

Pooja Daya - 022 40851584, Daniel Anu - 8879774413

trustmark@gjf.in | www.gjf.in