

DESPITE PRICE FALL

Gold sales likely to lack lustre on Akshaya Tritiya

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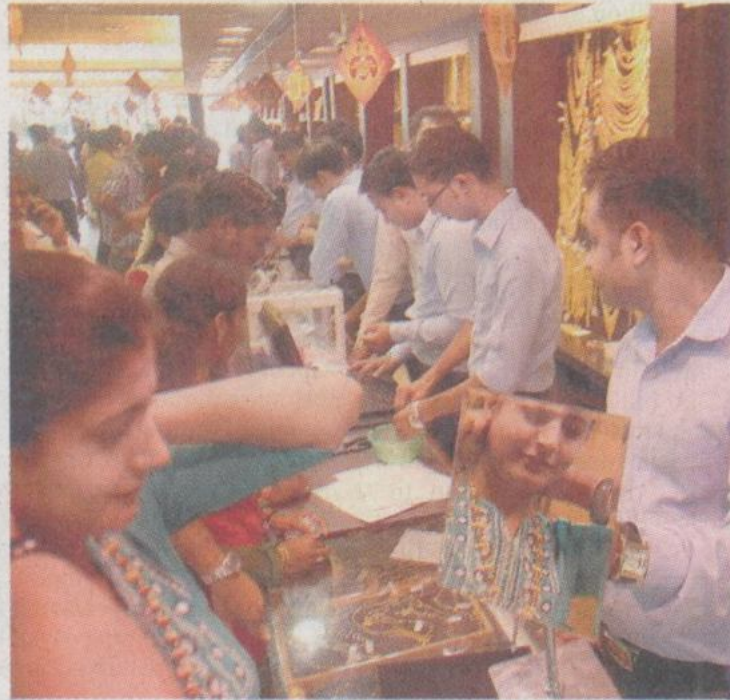
Gold retailers, primary dealers and wholesalers in India seem unenthusiastic about Akshaya Tritiya sales this year despite a fall in price of the yellow metal. Retailers, including online merchants, said they are not expecting a 'gold rush' this Akshaya Tritiya (May 13) as people have already completed most of their purchases after gold prices crashed between April 12 and 16.

Besides, many retailers said they are out of stock due to frantic buying in jewellery and bullion in the last three weeks.

The metal fell to its lowest levels at Rs 25,000 per 10 gm three weeks ahead of Akshaya Tritiya, a day considered auspicious among the Hindus to invest in gold and the second largest festival after Dhanteras, which falls around Diwali.

Mukesh Kothari, Director, RiddiSiddhi Bullions Ltd (RSBL) said, "Eighty per cent of gold purchases have already been made. Most retailers made the most of this crash and purchased gold at this discounted price for Akshaya Tritiya. Since most of the gold sales have already been made I don't see much demand for gold on that particular day. In fact, if the sales would be as much as last year, I would consider that an increment."

Several buyers also have pre-booked the precious metal so that they can take



The recent fall in gold prices saw people buying to their heart's content. — M. A Sriram

delivery on May 13. Karan Vasa, Assistant Vice-President, RSBL, said that there will be problems with delivery of gold on that day as they have to pay a premium of \$10 -15 per ounce for immediate delivery.

HYPE

Sandeep Kulhalli, Vice-President, Tanishq, said that there has been a huge hype in the jewellery industry in the last few weeks. "We don't see a huge volume game this year. Normally we start promotions and offers two weeks ahead of Akshaya Tritiya but this time we will start it 3-4 days before the day," he said.

Meanwhile, Gaurav Khushwaha, founder of

jewellery portal Bluestone, which saw its sales treble post the drop in gold prices last month, said that people are holding onto their purchases as they expect another fall after Akshaya Tritiya. Snapdeal also has slashed prices by 15-17 per cent to woo buyers.

Market analysts believe buyers are expecting a further price correction towards Rs 25,000 in course of time. Meanwhile, Kolkata-based retailer Sree Ganesh Jewellery's Managing Director Umesh Parekh said that he expects a 25 per cent growth in volumes at 100 tonnes across the country but the prices would remain flat.

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