



BREAKING IN FINANCE

Gold Just Entered the DEMAT Era



Everything investors should know about NSE's newly launched **Electronic Gold Receipts (EGRs)**

Sagothia & Shah
(Chartered Accountants)

Why Gold Still Matters

Why investors still run to **GOLD** during uncertainty

Geopolitical Risk

Wars becoming more common than exceptions

Rupee Pressure

Pressure on Rupee continues; gold imports impact Current Account Deficit

Market Uncertainty

Equity markets remain uncertain and volatile

Central Banks

Central banks aggressively accumulating gold worldwide

"Gold is no longer just jewellery. It is a global hedge."

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What Exactly is EGR?

Understanding the **Electronic Gold Receipt** — India's newest regulated gold instrument



SEBI Regulated

A fully regulated security under SEBI's framework



Physical Backing

Backed by actual physical gold stored in regulated vaults



Vault Stored

Held securely in SEBI-approved regulated vault infrastructure



DEMAT Form

Held in your DEMAT account — just like shares



NSE Traded

Traded on NSE like any other listed security

"Think of it as **DEMAT Gold** backed by physical gold."

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How EGR Works

The complete lifecycle of an **Electronic Gold Receipt** — from deposit to delivery



EGRs come with standardized purity (995/999),

Market-led price discovery, and

Single price across the country — unlike physical gold which varies by city

The entire infrastructure is regulated, transparent, and exchange-backed.

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Who Can Invest?

EGR is designed for **every kind of Indian investor** — not just the wealthy

Who Is It For?

- Young earners starting their wealth journey
- Salaried individuals building portfolios
- HNIs seeking regulated gold exposure
- Housewives managing household savings
- Traditional gold buyers going digital

What You Need

- A Demat Account
- A Trading Account

That's it. If you can buy a stock, you can buy EGR.

✔ "Gold investing now works like stock investing."

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Why Young India May Prefer EGR

India's investing behaviour is **fundamentally changing** — and EGR fits right in

Old India

- Cash under the mattress
- Locker gold gathering dust
- Jewellery-first mindset
- Informal, undocumented holdings

New Bharat

- SIPs over savings accounts
- UPI over cash
- Convenience over lockers
- Clean digital records & clearer intention

"EGR bridges **traditional gold** with **digital investing habits**."

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EGR vs Physical Gold vs ETF vs SGB

Which **Gold Investment** fits your needs? A complete comparison.

Feature	Physical Gold	Gold ETF	SGB	EGR
Actual Gold Backing	✓	Indirect	Sovereign	✓
Demat Form	✗	✓	✓	✓
GST Applicable	✓	✗	✗	✗ (till physical conversion)
Making Charges	✓	✗	✗	✗
Physical Conversion	✓	✗	✗	✓
Interest Income	✗	✗	2.5%	✗
Lock-in Period	✗	✗	✓	✗
Storage Risk	✓	✗	✗	Vault-based
Price variation	✓, across cities	✗	✗	✗
Taxability/	Capital gains	Capital Gains	Capital gains on sale (No tax on maturity for original investor)	Capital gains (No tax on conversion)
Holding period for Long term capital asset	24 months	12 months	12 months	12 months

Tax, Risks & Practical Reality

EGR is a promising game-changer.. but may need some time to evolve

✔ What Works in Your Favour

- No GST until converted into physical gold
- Sale taxable like other capital assets — familiar framework
- No capital gains on conversion of physical gold into EGR or vice-versa [S. 70(1)(y) of ITA,2025]
- Regulated, transparent, exchange-backed infrastructure

⚠ Watch Out For

- Vault and storage charges may apply
- Liquidity is still developing — spreads may be wide
- Investor awareness remains low

⚠ "New ecosystem = new opportunities + new uncertainties." Proceed with awareness, not fear.

The Bigger Story Most People Are Missing

Is India slowly formalizing GOLD OWNERSHIP?

Shares Dematerialised

India successfully dematerialised shares — transforming equity markets forever

RBI Repatriation

RBI recently moved 100+ tonnes of gold from UK back to India — a signal of intent

~25,000 Tonnes Idle

India holds ~25,000 tonnes of household and temple gold — historically outside formal systems with little transparency

EGR Launches

EGR introduces vault ecosystem, KYC-linked ownership with LIVE TRAIL, exchange trading, standardized purity, market led price discovery & demat infrastructure

"Maybe EGR is not just another investment product. Maybe it's the **beginning of India's formal gold ecosystem.**"

Sources: Reuters / Economic Times / World Gold Council / ASSOCHAM

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Gold Investing Is Evolving 🏆

From jewellery shops... to **DEMAT accounts**.



Physical Gold

Tangible, traditional, but carries storage risk and making charges



SGB

Earns 2.5% interest, but has a lock-in period



Gold ETF

Liquid and digital, but no physical conversion option



EGR

Digital + physical backed + exchange traded — the new frontier

👁️ **Which would YOU choose? Drop your answer below!**



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Disclaimer: This content is purely for educational/informational purposes and should not be construed as investment advice or recommendation to invest in any gold related product. Investors should evaluate their risk profile and consult a SEBI registered investment advisor before taking any investment decision.

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