



Operations Manual Sale of Gold Coins

Issued By:

*Business Development & Marketing Directorate
Department of Posts, New Delhi*

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1. Introduction

- 1.1 World Gold Council, a non-profit organization of world's leading gold mining companies, based in London with liaison offices in Mumbai and Chennai had approached the Department with a proposal to sell gold coins through post offices.
- 1.2 Major players in gold medallion market viz. MMTC, Reliance Money and Scotia Mocatta, were called to make business presentation. Of the offers received from the above companies, the proposal from Reliance Money, a Reliance Capital Company was found acceptable to the Department for the following reasons :-
 - 1.2.1 4% of sale value as commission/service-charges for India Post.
 - 1.2.2 Operations through Gold Inventory System software with no human intervention as regards daily rates, discounts, etc.
 - 1.2.3 It sells gold coins in popular denomination namely 0.5 g, 1g, 5g and 8g of 24 ct., 99.99% pure. Its gold coins are minted by Valcambi sa Switzerland and it has the benefits like internationally recognized certification, low risk of duplication, quality packaging, product standardization, numbering, assayer certificate, etc.
- 1.3 Department of Posts in association with Reliance Money Ltd. (RML) will sell 'Gold Coins' of 24 carat through select Post Offices. Heads of the Circles shall identify the Post Offices for sale of Gold Coins.
- 1.4 Indian Economy is one of the fastest growing economies of the world. Per capita income is rising consistently. Purchasing GOLD is an age-old tradition and even religious too. As per the recent demand, there is sale of 800 tons of gold per annum in the country out of which 200 tons are of bars & coins. The organized sector (Banks, Financial Institutions etc.) manages to get 20 tons and the rest is shared among the unorganized sector like jewelers etc.
- 1.5 The people believe in quality and they are ready to pay little more for high quality products. The organized sector provides the product to meet this demand. This sector consists of banks, financial Institutions and merchandisers.
- 1.6 This business tie-up with RML is an additional step towards optimal utilization of our network to augment revenue. It is expected that this new service will cater to the needs of the general public who want to have quality and genuine precious metal from their trusted post office.

2. Product Features

- Gold coins will be sold in tamper proof packs of 0.5 gm, 1 gm, 5 gm and 8 gm.
- RML will supply the gold coins to the select post offices.
- Department of Post will get 4 % commission on the sale price of the gold coins excluding the taxes. RML will bear Service-Tax on the commission paid to India Post, if applicable.
- Post Office will arrange for the payment to RML, after deducting the commission.

3. Gold Rates

- 3.1 Gold rates will be decided by RML on a day to day basis. The format of the Price List is provided in the application software containing the basic price of various items with Tax element (Annexure-I).

4. Supply of Gold Coins

- 4.1 The Heads of the Circles/Regions, in association with Reliance Money, shall fix the minimum and maximum level of stock to be kept in each of the identified Post Offices after taking into account the security considerations viz. availability of burglary and fire proof iron safe, night guards, business potential, existing guidelines for fixing cash and stamp balances. The Heads of circle / regions shall review the level of stock of gold coins once in three months to ensure maintaining reasonable level of stock. One copy of the authorized stock is to be provided to the concerned Head of division and another to the post office concerned. The Heads of Division/ Office shall ensure that the stock is kept within the prescribed limit.
- 4.2 Initial stock of gold coins will be provided by RML to the Post Offices based on the maximum and minimum stock levels fixed for that office. The maximum authorized limit for the stock of gold coins will be Rs 2 Lakhs worth of gold coins in GPO/ HO and Rs 1 Lakh in SOs. The Postmaster shall not indent for gold coins exceeding the maximum limit. The Head Postmasters and the Circle project officers will exercise supervision on this matter.
- 4.3 The supply of gold coins will be accompanied with RML Stock Transfer Note (STN), in duplicate as per Annexure-II.

- 4.4 On receipt of supply, the Postmaster shall check and Count the coins received in respect of each denomination. He shall ensure that the stock is received in good condition viz. properly sealed packing conditions, etc. In case of any discrepancy regarding quantity, denomination, packaging etc., the coins should not be accepted. DPM/APM (Treasury) will retain the original copy of STN for office record and return the signed duplicate copy of STN as acknowledgement to RML. Both the copies of STN will be duly date-stamped with treasury date stamp. The Stock Transfer Note (STN) will be kept serially in a guard file in the custody of the DPM/APM (Treasury).
- 4.5 The DPM/APM (Treasury) will enter the details of the supply received in the Gold Register as per Annexure III. The stock received through STN will be entered into the system software by the Postmaster and Goods Receipt Notice (GRN) will be created in the system. The stock of the gold coins will be kept securely in the iron safe in the treasury under joint custody. A copy of the GRN will be printed and kept in the Post Office records.
- 4.6 The Sub Offices will reflect the stock of gold coins in their daily Account sent to their H.O. The details of stock of H.O/ S.O. under it may be shown in H.O summary and S.O. summary.

5. Sale of Gold Coins

- 5.1 Sale of Gold Coins will be done only in select Post Offices. The list of Post Offices selected is given in Annexure IV
- 5.2 Sale of Gold Coins through POs will be done during normal working hours as in case of Western Union Money Transfer.
- 5.3 Sale of Gold coins will not be done over the counter. It will be effected through Postmaster in association with the DPM/ APM (Treasury)/ Treasurer.
- 5.4 Customer approaches the Postmaster for purchase of gold coins and tenders cash for the same as per the day's selling rate including applicable taxes.
- 5.5 Transaction of 'Sale of Gold Coins' of Rs 50,000 and above shall be regulated by KYC norms. In such cases, the copy of PAN Card of the buyer is required to be kept in office records. In cases where the sale amount is less than Rs 50,000, this provision will not be applicable.
- 5.6 After receiving the payment from the customer, the Postmaster enters the information in the application software and prepares the invoice/ bill in triplicate as

- per Annexure-V and put his signature with his designation and post office date stamp on all the copies of the invoice/ bill.
- 5.7 The Postmaster sends the second copy of the invoice/ bill to the DPM/APM (Treasury) for supply of gold coins along with the cash received.
 - 5.8 The DPM/APM (Treasury)/Treasurer on receipt of the second copy of the invoice/ bill and the cash from the Postmaster will arrange to hand over the number of gold coins to Postmaster under dated acquaintance on second copy of invoice/ bill along with the treasury date stamp. Entries relating to transaction of sale shall be made immediately in the stock register.
 - 5.9 On receipt of the gold coins, the Postmaster shall handover them and the original copy of the invoice/ bill to the customer after taking his acquittance in the office copy of the bill / Invoice.
 - 5.10 The Postmaster and the DPM/APM (Treasury) will keep their copies of the Invoice/ bills serially in a guard file.
 - 5.11 A printout of daily stock in hand of gold coins at the end of the day will be taken using the application software everyday as per Annexure-VI. Then Post Master will verify the same by comparing it with the stock shown in the Gold Register (Annexure III) and sign on the report as well as in the stock register as token of having exercised the required checks.
 - 5.12 The printout of daily stock in hand of gold coins will be kept serially in a guard file in the custody of the Postmaster.
 - 5.13 At the end of the day, The DPM/ APM (Treasury) shall prepare the Daily sales statement as per Annexure VII. The copy of daily sales statement of gold coins will be kept serially in a guard file in the custody of the DPM/ APM (Treasury).

6. Replenishment of stock of gold coins

- 6.1 Indents for replenishment of the stock of gold coins using the application software as per Annexure-VIII may be placed as and when needed ensuring that the stock lies between the maximum and minimum prescribed for the office. The Post Master will prepare the indent and sends it electronically.
- 6.2 A printout of the indent will be taken and kept serially in a guard file by the Postmaster after affixing signature with date stamp. The indent shall also be signed by DPM/ APM (Treasury).
- 6.3 The Nodal Office of the Reliance Money limited will arrange for supply of the indented stock immediately on receipt of the indent.

7. Payment to Reliance Money Ltd.

Sale at Head Post offices/ GPO

- 7.1 All the Head Postmasters of identified Post Offices will draw a crossed cheque in favour of RML on daily basis for the amount of previous day sale after deducting the commission and applicable taxes.
- 7.2 The cheque will be drawn on the next day and will be handed to the authorized representative of the RML under acquittance.

Sale at Sub Post offices

- 7.3 In case of SOs, The amount realized from 'Sale of Gold Coins' will be shown on the receipt side of the SO daily account. Account bag from SO to HO will include the Daily Sales sheet of the SO.
- 7.4 The Sub account PA/ APM/ Postmaster at HO will examine the SO daily account to see whether the amount shown on the receipt side of the SO daily account matches with the particulars given in the Daily Sales sheet of the SO.
- 7.5 The Head Post Master will go through the Daily Sales Report available in the system (RML Gold inventory system) and based on the sales report in the system and the sales report sent by the Postmaster/ Sub-Postmaster, the cheque will be drawn after deducting the commission.
- 7.6 The Head Post master at HO shall draw cheque for the amount pertaining to SOs under it and the HO and hand over to the authorized representative of the RML under acquittance.

8. Customer Support

- 8.1 All identified locations of India Post locations would be attached to a particular RML office in the City/State as identified by RML.
- 8.2 RML will designate a dedicated staff to service and handle all Post Office queries and grievances.
- 8.3 Any complaint regarding quality and quantity of the product will be routed to the authorized representative of Reliance Money Limited by the Postmaster, whereas any service related grievances will be promptly handled by the Postmaster, as per the existing public grievance handling procedure.

9. Software Installation

- 9.1 Installation and maintenance of RML application software would be done in Post Offices by the officials of RML
- 9.2 User access levels would be assigned for the Postmaster during installation of the application package.

10. Commission

- 10.1 Department of Post will get 4 % commission on the sale price of the Gold Coins excluding taxes.

11. Control Room

- 11.1. The following control Room shall be functioning in the Business Development & Marketing Directorate & RML Head Quarters at Delhi. This control room may be contacted in case of any kind of problem. Similar Control rooms will be established in all the circles, which will be handling the routine queries of their circles:

<i>Business Development & Marketing Directorate</i>	<i>Name of the Project Officer</i> : Mr. B. SELVA KUMAR, Additional General Manager, BD&M Directorate, <i>Telephone</i> : 011 – 2309 6110 <i>Fax</i> : 011 – 2309 6144 <i>e-Mail</i> : agm.bdd@gmail.com
	<i>Name of the Project Manager</i> : Mr. GAURAV MEHTA, Dy. Manager(P&L), BD&M Directorate <i>Telephone</i> : 011 – 2309 6148 <i>e-Mail</i> : bddirectorate@gmail.com
<i>Reliance Money Limited</i>	<i>Name of the Project Officer</i> : Mr. Anand Krishnamoorthy, Product Manager, RML <i>Telephone</i> : 022 – 3044 3643, <i>Fax No.</i> : 022 – 3044 3306 <i>e-Mail</i> : Anand.Krishnamoorthy@relianceada.com

12. Inspection/Preservation of records

- 12.1. The visiting/inspecting officers of these post offices selling gold coins shall check :-
- the physical stock with reference to the stock register and the MIS in the application system software.
 - adherence to the norms prescribed for transfer of sale proceeds, maintenance of prescribed guard files, preservation of KYC documents.

- c). adherence to the security guidelines for safe keeping of gold coins, user name and passwords.
- d). conduct of the business in a customer friendly atmosphere with all promotional/publicity materials in place including prominent display of the rates.

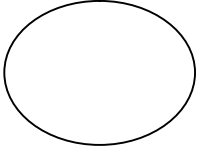
12.2 Period of preservation of Know Your Customer (KYC) documents will be one year. The documents shall be bundled month-wise and preserved during the period. Periodical weeding out of the documents must be carried out.

12.3 Accounting Operating and Security Guidelines will be issued separately.

Annexure – I

Price List of Gold Coins		
Date		
Category	Price	
	Before Tax	After Tax
0.5 gm		
1 gm		
5 gm		
8 gm		

Annexure - II

Stock Transfer Note				
STN No		Indent No		
Package serial No		Challan No		
Vehicle No		Date		
Consignor Name				
Product Name	Product Code	Unit Weight	Quantity	Current price
0.5 gm				
1 gm				
5 gm				
8 gm				
Total Quantity				
Sign of consignor:			Sign of consignee:	
Place:			Signature of Postmaster:	
Date:			Date:	
Time:			Time:	
			 Office Round Seal	



Annexure IV
LIST OF IDENTIFIED POST OFFICES

S.No.	Location	Name of the PO	S.No.	Location	Name of the PO
1.	Chennai	Anna Road HO	51.	Surat	Surat HO
2.		T.Nagar HO	52.		Nanpura HO
3.		Mylapore HO	53.		Sagrampura Putli
4.		Teynampet SO	54.		Surat City
5.		AnnaNagar SO	55.		Varachha Road
6.		Adyar SO	56.		Bombay Market
7.		Tambaram HO	57.		Udhna
8.		Tiruvanmiyur SO	58.		Surat Textile Market
9.	Trichy	Trichy HO	59.	Navyug College	
10.		Trichy Fort S.O.	60.	SVR College	
11.		Boiler Project S.O	61.	Vadodara HO	
12.	Madurai	Madurai HO	62.	Fateganj HO	
13.		Tallakulam HO	63.	Mandvi	
14.		Arignar Anna nagar SO	64.	Racecourse	
15.	Coimbatore	Coimbatore HO	65.	Sayajiganj	
16.		RS Puram HO	66.	Chemical Industries	
17.		Ganapathy SO	67.	Subhanpura	
18.		SRK Vidhyalaya SO	68.	M.I. Estate	
19.	Salem	Salem HO	69.	ONGC	
20.		Suramangalam HO	70.	Pune GPO	
21.	Delhi/New Delhi	Delhi GPO,	71.	Shivaji Nagar	
22.		New Delhi GPO	72.	Marketyard	
23.		Sansad Marg HO	73.	Dunkirk Line	
24.		Indraprastha HPO	74.	Pune City HO	
25.		Lodi Road HO	75.	Parvati	
26.		Sarojini Nagar HO	76.	Nagpur GPO	
27.		Ramesh Nagar HO	77.	Nagpur City HO	
28.		Ashok Vihar HO	78.	Shankarnagar	
29.		Krishna Nagar HPO	79.	Katol Road	
30.		Kalkaji HO	80.	Ayodhyanagar	
31.	Ahmedabad	Naraina Ind. Estate HO	81.	Nashik	
32.		Jhilmil HO	82.	Nashik Road HO	
33.		Hauz Khas	83.	Mumbai GPO	
34.		Janakpuri(B-1 Block)	84.	Borivali West	
35.		Karol Bagh	85.	Goregaon East	
36.		Connaught Place	86.	Malad	
37.		Lajpat Nagar	87.	Dadar HO	
38.		Shahdara	88.	Parel	
39.		Rohini Sector –VII	89.	Mahim HO	
40.		Vasant Vihar(C-Block)	90.	Mumbai Central HO	
41.	Ahmedabad GPO	91.	Malabar Hill		
42.	Navrangpura HO	92.	Worli Naka		
43.	Revdi Bazar HO	93.	Andheri HO		
44.	Ambawadi Vistar	94.	Andheri R.S.		
45.	Naranpura Vistar	95.	Bandra (West)		
46.	Ellisbridge	96.	Vile Parle R.S.		
47.	Paldi	97.	Nariman Point		
48.	Shahibaug	98.	Mantralaya		
49.	Maninagar	99.	Chembur		
50.	I E Bapunagar	100.	Ghatkopar(West)		
			101.	Matunga East	
			102.	Mulund (West)	

Annexure - V Invoice

Print



 Anil Dhirubhai Ambani Group	 भारतीय डाक India Post																					
GP - MUMBAI / Tel: ,0																						
RECEIPT TAX INVOICE																						
Name: Anand Krishnamoorthy Address: 250 -A /1 Baburao Pendharkar Marg, Worli, Mumbai -400025 Tel No:	Invoice No: INV/400025/00003 Invoice Date: 06/10/2008 Remarks																					
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Particulars</th> <th style="width: 10%;">Purity</th> <th style="width: 10%;">Qty.</th> <th style="width: 10%;">Rate/Unit</th> <th style="width: 10%;">Amount(Rs)</th> <th style="width: 10%;">Discount(Rs)</th> <th style="width: 10%;">Net Amount(Rs)</th> </tr> </thead> <tbody> <tr> <td>Pure Gold 5g</td> <td>24 Ct</td> <td style="text-align: center;">1</td> <td style="text-align: right;">7600.38</td> <td style="text-align: right;">7600.38</td> <td style="text-align: right;">0.00</td> <td style="text-align: right;">7600.38</td> </tr> <tr> <td>Pure Gold 8g</td> <td>22 Ct</td> <td style="text-align: center;">1</td> <td style="text-align: right;">12042.96</td> <td style="text-align: right;">12042.96</td> <td style="text-align: right;">0.00</td> <td style="text-align: right;">12042.96</td> </tr> </tbody> </table>		Particulars	Purity	Qty.	Rate/Unit	Amount(Rs)	Discount(Rs)	Net Amount(Rs)	Pure Gold 5g	24 Ct	1	7600.38	7600.38	0.00	7600.38	Pure Gold 8g	22 Ct	1	12042.96	12042.96	0.00	12042.96
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<table style="width: 100%;"> <tr> <td>Sub Total(Rs)</td> <td style="text-align: right;">19643.34</td> </tr> <tr> <td>VAT/Trade Tax/Sales Tax@ 1% (Rs)</td> <td style="text-align: right;">196.43</td> </tr> <tr> <td>Grand Total (Rs)</td> <td style="text-align: right;">19840.00</td> </tr> </table>		Sub Total(Rs)	19643.34	VAT/Trade Tax/Sales Tax@ 1% (Rs)	196.43	Grand Total (Rs)	19840.00															
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Subject to Jurisdiction T.I.N. No: 33701562134 w.e.f :01/01/2007 C.S.T. No: 865875 w.e.f :03/10/2006																						
Authorised Signatory Name & Address																						
Terms and Conditions: By purchasing the Gold pieces the Customer agrees, confirms, and acknowledges without any contestation to the following:																						

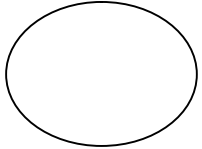
Annexure - VI

Daily Stock Sheet					
Post Office name			Post Office Code		
Date					
Product category (1)	Opening Stock (2)	Sales (3)	Supply Recd (4)	Closing Balance (5)=(2)+(4)-(3)	GRN No (If supply recd)
0.5 gm					
1 gm					
5 gm					
8 gm					

Annexure - VII

<u>Daily Sales Statement</u>					
Product Category	No. of Gold Coins sold	Price per coin (Excluding tax)	Tax	Total amount	Commission (4%) on Sales price excluding tax
0.5 gm					
1 gm					
5 gm					
8 gm					
Grand Total					
Amount Payable to Reliance (Total Amount – Commission)					
Dated Signature of DPM/ APM (Treasurer)					
Signature of the Postmaster along with the date stamp					

Annexure - VIII

<u>Indent</u>			
Post Office name		Post Office Code	
Date		Indent No	
Product category (1)	Stock Available (in No)	Stock Indented (in No)	Due date of receipt of Stock
0.5 gm			
1 gm			
5 gm			
8 gm			
Total Quantity			
Checked By :			
Name & Signature of DPM/ APM (Treasury):			
Submitted By :			
Name & Signature of Postmaster:			
Date:		Time:	
			 Office Round Seal