

CHAPTER I

Introduction, World Gold Market And Profile Of Kolhapur Gold Market.

A1) Introduction Of Marketing

I] Definition :-

“The performance of business activities that direct the flow of goods & services from producer to consumer or user” defined by the **Marketing Association.**

“Marketing is the managerial process by which products are matched with markets and through which transfer of ownership are effected.”

“The set of human activities directed at facilitating and consummating exchanges” : **Philip Kotlar.**

“Marketing is the delivery of standard of living to society”
: **Paul Mazur.**

“Marketing is the process of satisfying human needs and wants through exchange process”,

II] What is Marketing? :-

Marketing is more than set of activities undertaken by a producer to sell his products.

Marketing is the analyzing, organizing, planning and controlling of the firms customer impinging resources, policies and activities with a view to satisfy the needs and wants of chosen customer groups at a profit.

- 1) It suggests integrated marketing to create customer satisfaction at a profit,
- 2) It suggests the Marketing mix idea and market segmentation idea,
- 3) It specifies that Marketing comprises the administrative activities of analysis, organization, planning and control Marketing Management by Philip Kotlar.

Marketing is a transaction and exchange intended to satisfy human needs or wants. Marketing consists of all the activities designed to facilitate that exchange.

Marketing is the creation and delivery of standard of living.

(A) Marketing involves -

- (a) Finding out what a customer wants,
- (b) Then planning and developing a product or service that will satisfy these wants,
- (c) And then determining the best way to price, promote and distribute that product or service,

So, Marketing is a total system of 'business activities' designed to plan, price promote and distribute what satisfying goods and services to present and potential customers.

Sometimes Marketing is confused or misunderstood in relation to some other terms, especially selling, merchandising and distribution, but Marketing is the comprehensive concept, the others are each only one part or one activity in the total Marketing system.

(B) The Marketing Concept -

Marketing concept is based on three fundamental beliefs,

- i) All planning and operations should be customer oriented,

- ii) Profitable sales volume should be the goal,
- iii) All Marketing activities should be coordinated.

A market is an area for potential exchange. A market is a group of buyers and sellers interested in negotiating the terms of purchase, sale of goods and services.

Place concept, area concept and demand concept, these are the parts of the market.

(C) The Market Exchange process -

The following are the types of markets and kinds of goals,

- 1) On the basis of selling area – Local, State, National and International,
- 2) On the basis of article of trade – Product and cotton market,
- 3) On the basis of exchange – Spot or cash and future or forward market,
- 4) On the basis of nature of goods – consumer goods and Industrial goods market,
- 5) On the basis of period – Short term and long term market,
- 6) On the basis of nature and magnitude of selling – Wholesale and retail markets,

Convenience goods, shopping goods and speciality goods are available in these markets. Marketing has been defined in many ways. A close study of the above definitions makes it clear that the concept of marketing has been changing radically.

Traditionally, marketing was viewed as an activity involving flow of goods from producer to consumer or ultimate user. Though, a

number of activities are included in this process, this definition suffers from a serious drawbacks that it is based on the assumptions that goods are sold in the market. This definition is based on production orientation and fails to present a complete picture of marketing.

A recent view about marketing is that, it is a process of satisfying human needs and wants through exchange process. The production that is ready to enter the market will enjoy the same as people have a tendency to buy what is available in the market.

The satisfaction of human needs require a complete understanding of customers and their requirements. It is therefore, defined as the process of matching products with the markets. This represents a change in marketing thinking.

Another important change that has taken place in marketing thought is about the scope of marketing. The traditional view about marketing believes that it is concerned with tangible products only with the acceptance of the idea that marketing is conserved with the satisfaction of human needs. The scope of marketing got widened. For satisfaction of human needs, tangible goods as well as intangible goods required. Intangible includes service and other marketable things. The list of the above discussion is that marketing is no longer considered as an activity of business field only. It has many applications and it is useful for all organization whether profit or non-profit business, in short, 'Exchange means Marketing'.

III] Marketing in India :-

The concept of marketing discussed above is originated and developed in affluent countries like U.S.A. The question is often raised

whether marketing is relevant to developing country like India, just as it is relevant to affluent countries. It is felt that, this question is based on misconception about marketing.

We look into the definition of marketing, we find that, it is concerned with the satisfaction of needs of target market. The organization desiring of marketing something has to define its market and identify its requirements. So the market defined may represent a group of economically richer or it may represent a group of economically poor, less advanced people. The job of the marketing organization is to offer what its target market needs. Therefore, if the target market constitutes a developing nation, organizations are supposed to plan their marketing mix in terms of the requirements of market in question. If they think of developed countries, their marketing mix is bound to be different. Therefore, it may be concluded that marketing is an equally important for both developed as well as developing nations like India.

Marketing creates demand for various goods and services. This encourages production goods and provides gainful employment to many, thereby improving their standard of living. Thus marketing is an effective instrument to reach the goals.

“The role of marketing in developing countries is quite as essential and fundamental to them as to developed societies because without effective marketing there can be little commercial progress”. It is through the pressures of marketing more than any other factor that the developing countries of the world will marginally increase their export earnings and thus reach nearer to viability. It is by effective marketing that long term and worthwhile business relationships can be built. In this connection a fundamental aim of marketing must lie in achieving

long term customer satisfaction together with that volume of repeat orders without which most business will die.

'Peter Drucker', writes in the under developed countries of the world the more glamour's fields, such as manufacturing or construction are generally high lighted while marketing is treated with neglected, if not with contempt. Yet marketing holds a key position in these countries.

Marketing not only helps people in raising standard of living but it is useful for achieving the overall objectives of economic developments. The neglect of marketing keeps these objectives far from achievements. India is the best example of this type.

Indian planners laid emphasis on production, but marketing did not receive proper attention. As a result, India has only few production centers that are developed into marketing centers also; these are 'urban pockets of the country. Naturally, benefits of economic development were largely shared by urban sector and the rural part representing the largest portion of the population remained underdeveloped.

The adoption of marketing approach would have resulted in a different picture and the problem of imbalance economic growth might not have appeared at all.

To conclude, marketing helps in accelerating the process of economic development and therefore, it is a greater significant to developing countries like India.

IV] Rural Marketing in India :-

India being a vast country populated by people of different cultural, historical and traditional background. Each state is like a huge

market in itself. There is tremendous demand for gold in rural areas. Besides, cities were getting saturated and therefore it was necessary to penetrate the rural market.

Rural marketed offers grate scope for a concentrated marketing effort because of the recent increase in rural income and the likelihood that such income will increase faster because of better production and higher prices for agricultural commodities. The rural customers are not so discriminating. However once he is induced to buy and use a particular shop he becomes a staunch supporter and loyal customer of that shop if he is satisfied with it.

The percent the total income in cash is still very much low in rural areas. The per capita income in the rural areas has not increased substantially. The transport facilities are very meagre. Distribution becomes a big problem as one has to tackle over 5,00,000 villages.

In rural areas nearly Rs. 70 to 80 out of Rs. 100 generated are spent on food. Initially, in rural area this is a traditional habit of buying gold. The rural customer does not care much for cheaper products and wants his products to come to him neatly packed and of good quality.

Marketing is working with markets for satisfying human needs and wants. It is therefore essential for all marketing men to understand the market in all its dimensions. Organizations interested in marketing in India, therefore, need to import their understanding about Indian market. For convenience, India can be divided in to two sectors, namely the rural market and the urban market.

Basically, the urban area is industry based while the rural area is predominantly agricultural, although 40% of the rural population

lives at the low poverty level. It still constitutes a population double than the size of the urban population.

Despite this, the market has been neglected by companies in India, mainly because of lower per capita disposable income and the belief that the people are tradition bound and mostly illiterate. Selling to the rural population would be more time consuming and relatively expensive.

The existence of 16 major languages poses another problem to the marketing men. Besides, there are variations in the types of products demanded in different areas due to climate conditions, attributes towards living levels of literacy. The literacy rate over the years increasing and it is likely to increase still further. Besides banking facilities have been extended more and more into the rural areas.

It is very recently that people in industry have standard talking about the importance of rural market, e.g. Mr.L.N.Birla, a noted industrialist has said, "I believe that, the stage is now set for the rural sector to play an increasingly important role as a consumer force. Both industry and government must gear themselves to this new challenge and meet the earning demands in the country side for consumer goods including semi durable and durable."

Rural area poses problems and is relatively more expensive than entering the urban areas. There are huge potential at present and in the future. There is also gradual spread of literacy and education. Radio, T.V. and the Cinema are fast. The transistor radio is ubiquitous. Even poor man aspires to own one. The aspirations of the rural people are high. We have now new types of socio-economic and cultural conditions, new types of motivations, attitudes and behavioral patterns.

There is coming up a huge mass market which calls for a few marketing efforts. These efforts must be aimed at locating the existing and new needs of the people and catering to them.

The farmer has already demonstrated his willingness to try out new products as we see from the increase in demand for agricultural inputs and consumer goods. Such as fertilizers, tractors, new high yield seeds, transistors, ready-made cloths, furniture, clocks, cosmetics and variety of household goods.

With the increase in farmers' income, the farmer is also changing the manner in which he spends his disposable income besides spending on food and things required for farming. Farmers have now started buying gold ornaments and consumer durables like cycles, motorcycles, scooters, radios, transistors ...etc.

Farmers are accepting new agricultural inputs. They are looking upon their occupation as a business. Their outlook is no more traditional. They are showing enthusiasm to improve their material well being. This changing attitude is a unique opportunity to businessmen to expand the market for their goods in rural areas.

For successful marketing in rural areas, traditional methods of selling will not be helpful. To communicate effectively with perspective customers in rural areas, to ensure effective distribution and prompt delivery of goods, firms have to develop suitable marketing strategy base on their study and understanding of specific needs of the villagers. In order to ascertain the changing income levels of customers and to find out the preference for different types of products.

V] Marketing Activities :-

A) Marketing Activities -

Marketing is a special function. The marketing function is closely related to the basic objectives of business. In marketing customers' satisfaction is very important it only means that profit should be made by satisfying the customer. Customer is a last chain of marketing.

Marketing depends upon the economic maturity of the nation and the nature of the economy. There may be many reasons for neglecting marketing in the less developed countries. Reasons are as follows,

- 1) Due to heavy dependence on agriculture background, methods of production, over population, lower income and standard of living. As a result, the market is limited and confined to limited number of goods.
- 2) The economy is characterised by many shortages or in other words, there is an excess of demand over production. It is a sellers' market, selling efforts are not needed much. As a result, business firms do not feel the need of changing their past marketing methods and practices.
- 3) The business is often finance oriented. Marketing is the performance by an enterprise of all the activities required in order to create, promote and distribute products in accordance with the present or potential customers demanded and firms ability to produce.

These marketing activities are as under,

(a) Market Research -

Activities concerned with obtaining marketing information. It is necessary to find out the facts about the market so that decisions can be based on the actual information and not on guesswork.

(b) Production Planning -

This activity concerned with developing a product so that it satisfies the customers and enables the enterprise to use its productive capacity fully.

(c) Pricing -

Activities concerned with determining the price of the product on the basis of cost as well as market factors such as distribution channel used, discount structure applicable, level of prices of competitors' products, ability or willingness of customer to pay and so on.

(d) Advertising -

Activities concerned with making the product known to customers and creating demand for it. Really speaking advertising brings the customers to product.

(e) Sales Promotions -

Activities covering all the aids to sales other than advertising. The sales promotion stimulates demand and increases sales. Usually, sales promotion moves the product towards the customer.

(f) Distribution -

Activities concerned with distributing the product from the manufactures to the customers making the product available and easy to buy.

B) Functions of Marketing -

Marketing functions of a firm begins with planning the product to suit the needs of its customers.

Selling is successful when the customer is satisfied with the product that he buys with the price paid and other services and courtesies provided. Between products planning and customers' satisfaction after selling a number of other activities are performed that aid the whole process of marketing. In any case, there must be continuity in the chain of activities, information flowing back to the producer and products flowing towards to the ultimate customer.

Accordingly a list of marketing activities would consist of the following,

1) Buying and Assembling -

Buying may be done directly or through middleman. Manufactures buy for processing or converting into other products and in this process, there will be change in form or content of the product before to be sold. The quantity, cost and timely supply of the finished products depends on an efficient buying programmed. Assembling follows buying, as what may be brought from different sources must be assembled together.

2) Product Planning and Development -

Many manufacturers bring out a product, which is already in the market. But for successful marketing, product differentiation (to show that, it is different from what is already in the market) and product development (by making necessary changes in the existing product or by bringing out an entirely new product) are helpful.

3) Standardising and Grading -

These activities involve establishment of certain basic measures/ characteristics/ qualities/ limits to goods purchased or sold. Standard is used in providing certain basic qualities to the goods for their use. Grading is applying certain qualitative specifications.

4) Storage -

Most of the mass consumption products are produced in anticipation of demand and this requires storage for at least some time at the production centers and also at strategic distribution points. Manufactures, wholesalers and retailers hold sufficient stock to meet anticipated demand and to manage the smooth flow of goods to buyers.

5) Transportation -

Since markets are geographically separated from production areas, transportation is an essential marketing activity. Transportation gives place utility to the product, making it available at the place where it is demanded or consumed.

6) Marketing Financing -

Finance is needed for keeping sufficient stocks in anticipation of demand and also to finance the middleman.

7) Marketing Risk Bearing -

Risks are involved at almost all stages in the marketing process. Right from the product policy risk is possible due to reasons like changes in demand and supply conditions, loss in storage and transport and other natural hazards.

8) Advertising and Selling -

The contribution of advertising to marketing is significant, sometimes advertisement is also considered as part of the selling function, a way of impersonal selling or as a part of the 'Promotional mix' also known as a promotional strategy. Selling is the actual point where transfer of ownership occurs as such crucial.

9) Collecting marketing information and marketing research -

There must be sufficient information and data, which may be analysed, interpreted and used for making marketing decisions. Management knowledge about marketing depends very much on the information it possesses. Collection of data and research based on such data may be done by having a separate department if the company can afford to do so or they may be taken up along with other activities also.

C] Features of Marketing -

1) Agricultural marketing -

Market for agricultural products in India is the largest of all markets by its volume in terms of number of producers and consumers and area of its operations. Transport and storage problems are still common in the whole India. Another feature is that producers and consumers have no direct connection.

2) Industrial goods Marketing -

Industrial goods are those, which are produced by and sold to industries. Demand for industrial goods is a derived demand. Industrial selling is normally backed by technical details and usually done by people with some technical knowledge. This is marked difference in the channel of distribution for industrial goods.

VI] Marketing Concept -

The important of marketing after an evolutionary process has been crystallised in the marketing concept. Marketing success is turn depends on the company's ability to find a customer and to satisfy him.

In other words, the recognition of the importance of marketing leads to the acceptance of the marketing concept. It is also referred to as customer oriented approach to business.

Consumer dissatisfaction may result when the anticipated satisfaction is not realised. Consumer anticipation is usually built up on the,

- 1) Inherent ability of the product to perform as anticipated,
- 2) Promises made in the advertising,
- 3) Promises of salesman,

4) Customers use (or misuse) of the product as intended by the Manufacturer, one dissatisfied consumer may turn others too in his neighborhood.

In the other hand the satisfied customer telling about the product to others and in the process, advertise the product. Consumer advertising improves the effectiveness of the manufacturers advertising and other sales efforts.

When the marketing concept is recognised there is a total change in the basic philosophy of business. Instead of trying to sale what can be produced, such managements produce what is really needed by the customer. Through profit criteria is there the element of service and keeping the customer satisfied are equally important.

The company recognises that it is not merely selling a particular product but providing satisfaction to a particular want of the customer. Constant feedback from the customer and appropriate change in the product and distribution policy is the accepted way of such a business. The recognition and acceptance of the marketing concept is also a symbol of a socially responsible business. The concept is conspicuous by its lack of recognition by most of business houses in India.

The first advantage is that management understands recognises and appreciates that customer needs are of basic importance.

The product produced or sold are relevant only in relation to satisfaction of customer needs. They find need for a new and fairly broad definition of the uses of their products.

VII] Understanding the Customer :-

The objective of the customer oriented company is to satisfy the potential customer's needs so perfectly that they will become regular or permanent satisfied customers. Behavior pattern of the customer to achieve the goal is still another phenomenon.

To understand the potential customer's means to understand the customer's goals, this may be long-term or short-term in nature. Once goals are identified the company can help the customer to reach such goals or design the products that way and carry an advertisement message explaining how the product can help to reach the goal.

(A) Buyer's Behavior -

Every marketer must have a complete knowledge about his customer or the buyer's behavior in general.

After understanding human needs and the innate desire to fulfill these needs, another general phenomenon to understand is the customer's behavior in the process of buying. Various motives based on psychology, sociology and economics can be attributed as explanations to buyer behavior. But in a buying process, the buyer's mental activity as well as physical can be divided into certain distinct stages. These stages are known as,

- 1) Feeling the need,
- 2) Pre-purchase activity,
- 3) Final decision of an purchase and actual buying,
- 4) Using the product,
- 5) Post purchase feeling.

These logical sequences are helpful to marketers and their appeal begins with appealing to or arousing or activating the need. They

must help in the pre-purchase decisions by right approaches and rationalisation needed. In other words, the product must be under consideration right from the first stage. The marketer's strategy is to make sure that the product is actively considered at every successive stage. Marketing oriented company aiming at customer satisfaction. The satisfaction derived from the use of the product is equally important and hence such companies also want a feedback by way of post purchase feelings.

(B) Psychological approach to understand the buyer -

First of all psychology of learning explains the process of recognition recall and habitual response by customers. In other words, psychology can explain how a customer learns about a product how the learning is stored in and recall from memory and how the remembering and regular buying habits develop.

Repetition helps learning. In the first instance an advertisement message can create an 'awareness' and not more. Motivation to learn and act upon it is another factor. The human being must have interest in the knowledge and information available and one is not likely to be interested unless the knowledge and information have some use for him. This is apparently a rational behavior.

Conditionings in a learning process means by a long process of association symbols are associated with objects.

Human behavior is always directed towards satisfying certain basic needs. These basic needs are also explained in an order of priority as follows,

1) Physical needs : Like hangar, thrust and sleep. The satisfaction of these needs is essential before one can try to satisfy the next or the

rest of the needs.

- 2) **Safety needs** : Like security for one's self and secured serial life.
- 3) **Belongingness and love needs** : Like family relations, companionship, social relation.
- 4) **Esteem needs** : Like self respect, desire for independence, popularity and fame in a narrow or wider circle.
- 5) **Need for self actualization** : Like rising to one's full capability and to achieve the maximum.
- 6) **Desire to know and understand** : The quench for knowledge, creativity or intellectual pursuits.
- 7) **Aesthetic needs** : like the love of beauty in its finer forms in every thing in and around one.

As one basic need is fulfilled the individual proceeds to fulfill the next higher needs this is however a generalisation.

Marketing success depends on explain to the prospective buyer how best the product can satisfy a particular need or more needs. But before doing that the marketer must know whether his prospect is in a position to fulfill that particular need.

C) Buyer Behavior - Brand Loyalty -

It is an important aim of the marketing strategy to increase the number of buyers who are 'Loyal' to the particular brand of the marketer.

To be true brand loyal the customers must hold a favorable attitude towards the brand in addition to purchasing it repeatedly.

One may be forced to purchase a particular brand repeatedly because other brands may not be available or because other brands may

be much worse but he does so without any favorable attitude and if a better brand is available he will immediately shift over to the better one.

Measuring buyer behavior in terms of brand loyalty or patronage is a related task of market segmentation in fact brand loyalty is one way of segmenting the market. Brand loyalty cannot be directly related to number of buyer or sequences in purchasing.

If buyer repeatedly buys brand 'X' every time, he needed that product for 3 months and then buys brand 'Y' it means that the store from where he buys has stopped stocking brand 'X'.

VIII) Gold is as consumer durable goods :-

Goods are destined for use by ultimate customers or households. Durable goods mean which lasting a very long time.

These goods have unique features unusual stopping behavior is needed special purchasing effort is required. These goods act as important life style and images. These goods are costly and luxurious. This consumer durable goods available in speciality shops.

A2) World Gold Market

1) Introduction:-

Gold's beauty, its scarcity and its almost mystical appeal as a symbol of power very quickly won it as the child of God, a metal with which to adorn temples and to offer as appeasements to the Gods.

More men have been knocked off balance by gold than by love, for over five thousand years men and woman have fought for it, died for it, cheated for it, slaved for it written by **King Ferdinand**.

In his memorable press conference in Feb., 1996, General **Charles de Ceaulle** said, "There will be no other criterion, no other standard than gold. Gold which never changes, which can be shaped into ingots, bars, coins, which has no nationality and which is eternally and universally accepted as the unalterable fiduciary value par excellence".

John Maynard Keynes said that, " It remains the only universally accepted medium of exchange, the ultimate method by which one nation whether capitalist or communist settles its debts with another". In time of war, it can be a crucial buttress of a nation's fate. Italy in 1936, made a desperate appeal to all its women to turn in their gold wedding rings to the government to help pay for the war in Abyssinia. India made similar pleas (without much success) to her gold hoarding millions when faced with the Chinese invasion in 1963 and the war with Pakistan in 1965.

The governments of the leading nations regard gold as the ultimate asset. Many of the world's private buyers keep their gold safely stored against evil days.

To a secret agent or the minister of a Shaky region in Africa, gold has the unique value that if he suddenly has to vanish over the border over the middle of the night. He can store enough gold in his pockets or in a canvas jacket beneath his shirt to tied him over until easier times. There is no worry about buying traveler's cheques or having a bank account blocked. Whenever he emerges, there is bound to be a market for his gold with no question asked.

“The United States is on the brink of an Age of Gold”, said by the New York Herald Tribune in Nov’1848, when the full scale of the gold discoveries in California began to percolate to New York. The newspaper might more correctly have phrased it that the world was on the brink. Suddenly in the nineteenth century the world of gold expanded beyond all previous understanding. The riches that Egypt had won nearly five thousand years before from the mines of Nubia that Roman Empire had wrested from Spain and the Spain itself had shipped from South America in the sixteenth century. In the short span of hundred years more gold was claimed from the earth than in the preceding five thousand. In the whole of the first century after Columbus discovered America the world output of total gold was roughly 750 tons.

The first appeal of gold was strictly aesthetic. Soon its beauty and versatility recommended it above all over the world. It was almost as soft as putty. It was malleable into a thin translucent wafer. One ounce of gold can be beaten into a sheet covering 100 square feet. It is also so ductile that one ounce of gold can be drawn into 50 miles of thin gold or used to plate a thread of copper or silver wire 1000 miles long. It is such a superb reflector of light and heat that a thin film of gold only millionth of an inch thick can act as insulation for delicate instrument from the great heat generated by the engines of a rocket capable of launching a man at the moon. It such an excellent conductor of electricity that a microscopic circuit of liquid gold printed on a strip of plastic can replace miles of wiring in a computer.

Jewelers and other commercial and industrial users fabricate or transform gold from bar form to semi manufactured or final product. The manufacture of carat gold jewellery has been the major use of gold in

a fabricated form? Gold is not corroded by acid except by a mixture of nitric and hydrochloric acid. In the industrial field gold have many applications with its more important users including the electronic and electrical industries, Photography, architecture, dentistry, ceramics and the space industry.

The hoarding of gold by individuals as a means of maintaining the real value of saving as well as providing a means of buying personal safety in uncertain political climate. Gold continues to be hoarded by individuals in countries, where is illegal to do so, to probably a greater extent than in those countries where it is legal to hold gold. Owing to the increased value of gold as real savings in the former countries which have a soft currency or one unlikely to hold its value. Unfortunately the illegal nature of gold hoarding in a number of countries makes its impossible to make reasonable estimates of the amount hoarded.

The term hoarding is of course very misleading. After all if, an American buys his wife a gold bracelet the gold used in its manufacture will be classed as industry and the arts. If an Indian buys his wife a bangle it is hoarding. But the motive for buying is different. The Indian buys a bangle as his standard form as saving. If the monsoon is late and the harvest ruined he can turn it in for essential cash to buy rice the American would normally save with his bank or through his favorite pastime of wheeling and dealing on the stock market. He buys the bracelet as a present or perhaps a peace offering for his wife and he is unlikely to think as he buys it, 'this will come in handy if I am fired next week'.

Dodging taxation is an increasing reason for holding gold, as taxes get bigger and more complicated people are being forced into gold.

To getting gold from mine -

To getting gold from mine nearly 80 million tons of rocks were brought to the surface from South Africa's fifty mines, milled to a fine powder and passed through tanks of cyanide solution to yield just under 1000 tons of gold.

Going down a gold mine is rather like a trial run for Hades. You even leave all your cloths including underwear behind on the surface and shrouded in white overall enter a steel cage, which plummets through a mile of rock in two minutes. There below is a noisy, hot, the dancing fireflies of the lamps on miner's helmets. A ten minute walk along a gallery cut through rock whose natural temperature is over 100 degrees, visitor is soaked by a combination of sweat and humidity. Then, above the constant hum of the air conditioning and the rumble of trucks along steel rails, comes the sound of compressed air drills biting in to solid rock. On one side of the tunnel a narrow opening begins plunging down at an angle of nearly 25 degrees toward the bowels of the earth. It is barely forty inches high. It is called, in mining parlance, a stope. Within the stope the rock seems to press in from all sides, tiny flakes fall from the roof into the pools of warm water in which every-one is lying. Almost hidden in a fine spray of water to subdue dust, the long needle nose of drill chatters into a hole in the rock marked with a blob of red point. All along the side of the stope a continuous line of red paint highlights a four inch vein of rock that even to the uneducated eye looks

mark different from the rock above and below. It is a tightly packed bunch of white pebbles and between them, here and there a minute speck of gold gleams in the beam of the miner's lamps. This vein or reef is the meat in the sandwich. This mine Free State Geduld in the Orange Free State is one of the very few in which the gold between the pebbles can actually be seen by the naked eye, for it is blessed with one of the richest reefs ever discovered in South Africa.

2) A symbol of Monetary Stability :-

One of the main reasons why the monetary role of gold is still favoured in many quarters is because it is considered a symbol of monetary and economic stability. The monetary system must surely have a 'Fixed Point' which can be depended upon in this world of uncertainties. It has been a long established opinion that money can not perform its function adequately unless it is stable. This quality is advantageous if a currency is to serve as a medium of exchange, through a moderate degree of instability does not prevent it from being used in payment for goods and services. Its stability is more important for its function as a standard of value, because a measuring rod which keeps changing its length would have distinct disadvantages. It is equally important that a store of wealth and a standard of deferred payment should have a stable value, so that it could be depend upon by debtors and creditors alike.

From this point of view gold is highly suitable for fulfilling its monetary task. Admittedly it is not the only conceivable stable standard of deferred payment or store of wealth. There are many instances of the

use of unstable currencies for those purposes, with the application of some formula by which the nominal amount of the claim or the liability in terms of current monetary unit is adjusting according to changes in the value of gold or in the average price level or in the cost of living, in terms of the current monetary unit. Or the lender may have the option choose the currency in which interest and principal are payable. All these formulas have their disadvantages and they certainly have their complications. They are not nearly as simple and straightforward as the formula under which a claim is receivable or a liability is payable in terms of the current monetary unit the value of which is, in turn, fixed in terms of a certain weight of gold.

As experience has amply proved, the gold value of monetary units is not fixed permanently. It is subject to adjustment by legislative measures. The gold parity of sterling was reduced on to occasions since the war. A currency may be devalued or revalued, in which case the gold equivalent of the claims or liabilities fixed in terms of that currency is changed accordingly. But under a stable monetary system such changes are few and far between. During the interval between such changes of parities the currencies are stable in terms of gold, which does not mean that their value is stable in terms of purchasing power of goods itself in terms of goods and services in subject to changes. Nevertheless, has long been considered is a symbol of stability. A currency that is stable in terms of gold is considered to be more stable then a currency the value of which would be fixed in terms of any other single commodity. It is arguable that it not as stable as money the value of which is adjusted according to changes in average price of a number of commodities. But mankind had so far very little experience in such system and the

maintenance of the value of the currency in terms of gold is widely regarded as the most stable system in practice.

Gold was generally regarded as the ideal standard of value or at any rate as being as near the ideal as we could expect it to be in this imperfect world of ours. When a currency is stabilised it means that its international value is fixed in terms of gold. When it maintained stable it means that's its value is kept unchanged in terms of gold. When a system of floating currency is adopted it means that the value of the monetary unit is allowed to fluctuate in terms of other currencies and also in terms of gold. The parities of currencies were fixed in terms of gold as well as dollars under the rules of the IMF. This was because, since the dollar was convertible into gold at any rate for official holders, the fixing of parities in terms of dollars was considered to be just another way of expressing their value in terms of a fixed quantity of gold.

Those who are in favour of monetary flexibility are opposed to the maintenance of fixed gold purities. So long as the value of a currency is fixed in terms of a certain quantity of gold's. It remains more or less stable in terms of all other currencies the parities of which are also expressed in terms of a certain quantity of gold. Stability in terms of gold does not of course prevent the fluctuation of the currencies in terms of commodities, because gold itself need not necessarily be stable in terms of commodities. But the maintenance of currencies stable in terms of gold is considered to be the highest degree of stability that is practicable under the existing system.

When there is an upward or downward trend in prices aboard a country would be able to insulate its economy from the world trend by adjusting the value of its currency in terms of other currencies. And if

the latter are stable in terms of gold this would mean adjusting its value also in terms of gold.

There can be more than one gold price. Since the adoption of the two tiers system there is the official price and the market price. Even before the adoption of that system. The market price of gold was not internationally uniform, it was much higher in hoarding countries such as India. But the widely accepted rule is that stability of a currency means its stability in terms of the official price of gold. Stability need not mean absolute rigidity. It means the maintenance of the exchange rates in the close vicinity of their gold parities. Exchange rates may be subject to fluctuations around their parities under the gold standard between their gold import points and their gold export points. Forward rates are of course subject to much wider fluctuations without limits, but so long as spot rates do not exceed their 'band' around their parities. The exchange is considered stable in spite of any erratic movements within their support points. So long as the exchange rates are in the vicinity of their gold parities they are stable. A certain fixed weight of gold is supposed to represent their value. Under that system gold is the symbol of monetary stability.

Possibly this state of affairs is not permanent. It might have been changed if the annual output of newly mined gold had come to represent a higher proportion of the existing stock of gold. Or if the amount of hoarded gold had greatly exceeded that of monetary gold stocks and large-scale de hoarding or increase in hoarding demand might have unsettled the stability of the value of gold. But in existing circumstances the value of gold is more stable even now than any other metal or any non-metallic material. It is certainly more stable than silver

the price of which had considerable ups and downs in recent years. It is much more stable than platinum.

The stability of the value of gold is largely the result of its extensive monetary use, so that it is arguable that in a sense the contention that gold is that most suitable monetary material because of its stability is begging the question. But stability is not the only reason for gold's unique prestige since time immemorial. Although platinum is much more valuable somehow it does not commend the same prestige as gold. That prestige is deeply rooted in human nature and cannot be explained altogether on rational grounds. Most people like to possess gold in some form. It is the favorite means by which possessions are hoarded and displayed whenever trouble is threatening the inhabitants of countries with hoarding habits increase their gold hoards. Gold coins or gold objects in other forms are preferred to some even more valuable and more easily concealable object, presumably because gold is more easily marketable owing to the uniformity of its quality.

This preference of hoarders for gold countries and there is no reason to suppose that it will not continue indefinitely subject to temporary ups and downs of its extent. It goes a long way towards ensuring the maintenance of the privileged position of gold balance of payments surpluses, in so far as they do not find their way into official reserves, are liable to be mopped up by hoarders. Hoarding is not necessarily a stabilizing influence, however any considerable increase of its extent, or any considerable de-hoarding is liable to be unseated also by speculation anticipating changes in its official or unofficial price. Even allowing for all this, however gold is likely to continue to symbolize monetary stability.

3) Gold Market in India :-

Across the Indian Ocean in India the grip of gold is just as strong. Walk slowly through the narrow jumble of alleyways of the 'Javeri Bazaar' in Bombay, side-stepping the sacred cows and there amidst the stench of disease and poverty, are scores of little goldsmiths shop hung with a jumble of 22 carat necklaces, bracelets, armlets, anklets. Gold to the Indian is like an American Express card and life insurance policy.

A) How Gold comes in Indian market -

India is a biggest gold market in world. India has the world's largest stock of privately hoarded gold. There are two types to gold comes in Indian market i.e. from,

i) Gold mining in India -

India's gold deposits occur both as native gold in quartz veins or reefs and as alluvial or detrital gold in rivers. Though the distribution of alluvial gold is widespread, it hardly ever contains sufficient quantity for commercial exploitation. The state Mysore contains the majority of the country's economic deposits, the main operation benign the Kolar mines Nandydroog Champion Reef and Mysore are over then hundred years old. The Mysore mine is virtually exhausted and although Champion Reef has payable is at depths lower more than 9000 feet. Estimates of the gold reserves are estimated at about three million tones with a possible 3.5 million more capable of development yielding about 5.6 grams per tone. The kolar mines should last perhaps another ten years.

The gold mining companies are both public sector enterprises Bharat GML (BGML) the main mine producer and Hutti GMCL which has a much smaller one also in Karnataka.

The Indian geological Survey has identified an area of gold liberalisation in the Chi Kargunta-Nandimaduyu locality in Andhra Pradesh, for which the gold content has been estimated at 8.8 Grams Per tone. Other gold deposits of possible development interest have been identified near Kolar and closely in the Bisnath area.

World demand is approximately 3300 tones while gold mined is 2400 tones. The gap is substantial, so there should be no alarms of over supply. India gets just 2% of gold from mine at a fraction of world gold mine.

ii) By way of Smuggling -

The smuggling of gold is an international activity. 'Smuggling is a wonderful art'. It can make a pauper into a rich man overnight. There is another smuggling pipeline in the world to Brazil or Japan, to South Vietnam or Turkey, to the Yemen or Cambodia. None of the routes is as clearly charted as the run from Dubai to India, in fact they change from day to day depending on the whim of politicians or of customs men, on the availability of seats on planes and of dollars.

New carriers are thoroughly interviewed before they are taken on for smuggling. They will be asked what previous work they have done and why they left it. Do they have a criminal record? It is most important to have faith in a carrier. Crime never comes in to this business and the syndicates don't want people with a criminal record. You can make more money by being a straight and good carrier than you can by running off with one load and if you do that they will follow you to the moon. If the

new carrier's credentials are approved, he will try wearing for five or six hour's one of the canvas jacket in which the smugglers carry the gold beneath their shirts. These jackets normally made by the smugglers wives, have pouches front and back designed to take either kilo bars, which are the size of a ten tolas bars which are smaller than a match box. A strongly made jacket can hold at least 40 kilos of gold and requires considerable practice before the carrier can walk properly.

Airport is the main way of smuggler, yet the simplest possible gambit to stop the carriers a weighing platform in the floor of airport by the immigration desk. As each passenger presented his passport his weight would flicker up on a scale by the officer. If a short thin man tipped the scale at above 80 Kg, immigration way immediately alertly the customs. In now days, gold detector gadget has been devised at airports. The detector is transistorised and completely portable. It uses a radio-isotope emitting low energy gamma radiations, which causes gold to give off X-rays. Filters shift out on a radiation counter, when the machine records someone carrying gold it starts a high pitched birdlike whistle. So the carriers change their route.

Dubai, which is the third largest buyer country imports gold directly or with bank from England and U.S.A., packed in wood fiber, boxes who containing 10 tolas bars. By way of smuggling gold goes to India. A fishing boat sets out from one of the fishing villages in Bombay like Virar, Dadar or Bandra, just north of Bombay as well as in the states of Gujrat, Karnataka and Tamilnadu boarder. There is another source of gold, which comes from Vietnam and Hong Kong in India at Bengal, Tamilnadu and ~~Odiassa~~. Orissa

Indian government plays profitable game by giving permission to import gold 10 Kg of every six months by paying custom duty of just Rs. 400 per 10 ~~Kg~~^{gms} in foreign currency. Because of this policy, smuggling of gold in India is maximum restricted. Now custom duty is hardly charged Rs. 250 per 10 ~~Kg~~^{gms}

B) Hindu Tradition in India -

India is the world's largest stock of privately hoarded gold. Gold hoarding in India takes the form of bullion, ornaments and jewellery. The mobilisation of this gold could affect the international market, besides improving economic conditions in the country. But this is unlikely to happen unless a social revolution takes place.

The National Geographic (White and Stanfield^c - 1974) study on gold and describes gold's uses to Indians. This Hindu tradition says that, gold is the noblest of metals, one of the foremost among the things pure and auspicious. When a father sees newborn child, he should touch it with gold's. When a person leaves the world, on the burning pyre, a speck of gold should be put in the mouth. Wearing gold brings prosperity and luck, giving it removes one's sins. Gold kills infections, advices a distinguished doctor of Hinduism's traditional Ayurvedic medicine. Does your body have a deficiency? Gold will fill it. Take these pills you will fill spring in your life.

It stems from a simple rural economy in which there is distrust of currency, almost total ignorance of banking and fierce family pride in the value of gold ornaments that can be given to a newly born child or a bride.

The outlook of the peasant is very narrow says J.P.Tiwari, a former President of the Bombay Bullion Association, he is always faced with the fear of famine; his crops depend on the whim of the monsoon, he knows nothing of banking or credit. Now what is the one thing to tide him and his village over an emergency? When famine comes they must have something tangible to convert gold. Gold ring and necklaces are always lavished on a newly born child and these will be restyled and enlarged as the child grows. For a girl, gold assumes increasing importance. Under Hindu law, it was long impossible for a woman to have any proprietary rights over her father's or her husband's property. So some extra provision had to be made for her security in the event of their death. She could always keep her personal ornaments and jewellery a tradition known as the '**Stridhana**'. Thus a bride was always heaped with gold ornaments, and the Stridhana became a walking insurance policy against evil days. The value of the new gold bestowed on a new bride by her husband and his family was vital to family prestige. Their status is judged by the gold. In the country, where a girl frequently marries a man from another village, the honour of both communities was involved. Even the poorest families would endeavour to muster at least one tolas of gold. The Bombay Bullion Association has calculated that if each of the 120 million families in India has a marriage once every fifteen years and a minimum of one-tola changes hands at the ceremony, the annual demand would be 8 million tolas of gold.

Over the centuries, gold has become so closely interwoven with the religious and social life of India that no amount of legislation for bidding its import or controlling its holding can quench the demand.

C) Gold Control Act 1963 -

The local goldsmith obtains his gold always in the form of 10 tola bars from wholesalers in New Delhi, Kanpur, Indor^o and Ahm^eadabad, who in turn draw on the gold markets of Culcutta (Kolkata) and Bombay (Mumbai). The Bombay market presided^a over by the Bombay Bullion Association is in the narrow tangle of streets called the Javeri Bazar. Finance Minister Morarji Desai campaigns against gold, in 1963 of 10 January.

The Association Gold and Silver Exchange boasted a turnover of up to 40 million ounces of gold a year and was the largest market for the forward buying of gold a year and was the largest market for the forward buying of gold in the world. Desai's gold regulations closed the exchange and despite the relaxation of the rules on the buying of 22 carat gold, it has not reopened. Nor it its refinery, which used to melt up to a million ounces of gold a year, now permitted to handle gold. It has however, found a lucrative alternative occupation in melting down the silver which is being smuggled out of India by the ton to pay for gold. Stand in the refinery for half an hour and there is a constant parade of people picking their way through the sacred cows in the street outside to the refinery door.

Finance Minister Morarji Desai tried to change India's gold addiction overnight by introducing a Bill forbidding the manufacture of gold ornaments of over 14 carat. Normally 80% of the gold going into India is made into 22 carat ornaments. The Morarji's said, "I have no doubt that most families in India will welcome these decisions with a sense of relief", but the actual workers business became blocked and

hundreds of goldsmiths committed suicide. Who had capital for new business, they changed their business or do farming.

There were protest demonstrations in New Delhi and a flourishing black market in 22 carat gold soon developed. In the autumn of 1966, the government had to admit defeat. Once again 22 carat gold ornament could be made, but only that goldsmith who had licensed to do that business and maintained books of accounts and checked every three months. No one could hold more than 171.5 tolas of gold without declaring it.

Announcing this capitulation to gold Mrs. Indira Gandhi said, "A measure of socio-economic reform which is aimed at changing the countries old traditions and custom cannot be expected to become fully effective within a few years. The gold habit is in fact so deeply inbred in India that only a social revolution will ever change it."

The Gold Control Act was abolished in 1989. The Finance Minister Mr. Madhu Dandavate sends order for an open gold market in India. You can bring gold from abroad by paying gold tax. This was very beneficial policy for government. Open market get double profit for government, one is to restrict smuggling of gold and other is large scale of income from gold import tax.

A3) Profile of Kolhapur Gold Market

1) Profile of Kolhapur city :-

Kolhapur is situated on banks of the sacred river Panchganga flowing in southwest part of Maharashtra. Kolhapur is famous as the

residence of the mother goddess 'Mahalaxmi', alias Ambabai. This commercial and educational city has temples and palaces, which still has archaeology importance. Kolhapur is situated 225 km. south of Pune. Kolhapur has become a major industrial centre with more than 100 foundries and numerous machines shops. The population size of city is more than 7,38,000. Kolhapur is situated at an attitude of 563 mt. Kolhapur is heaven for connoisseurs of good food. An important center of Marathi film industry, Kolhapur possesses historical as well as mythological importance. It is known as 'Dakshin Kashi'.

a) History -

Kolhapur has emerged as a city with a rich colorful, historical and mythical past. The Padmapurana and Skandapurana mention about 'Karveer' or 'Dakshin Kashi' which is infact the modern day of Kolhapur. According to legend after the great deluge goddess Mahalaxmi salvaged the city by using her mace (Kur) and hence the city is known as Karveer. There is another thrilling tale of an invincible demon named 'Kolasur' who eventually overpowered than the gods but Mahalaxmi killed him and thus the city came to known as Kolhapur. According to Padmapurana lord Mahadeva dwells here in the form of water, Lord Vishnu in the form of rock. Between the 10th and 13th centuries the city was ruled by the Yadavas, later it come under the Moghuls and in 1675 it was conquered by the Maratha chief Chhatrapati Shivaji.

b) Culture -

Chhatrapati Shahu maharajas reign lent a progressive spirit to the city and the king extended his patronage to arts like Theatre, film making, music, painting, sculpture, wrestling and craft like tanning and jewellery making. The city has a profusion of musicians and

musicologists. Marathi is the regional language. The Rang Panchami-Holi is highly colourful, Janmashtmi in July-August celebrates the birth of lord Krishna, Men and boys from human pyramids to break pots of curds that have been hung to high places. On Ganesh Chaturthy, massive figures of the popular Lord Genesh is worship for ten days with joy and then immersed in the Panchaganga River. The ^A D~~ess~~era and Diwali ^{are} is the festivals of lights are also celebrated with joy. The Muslim festival of Mohurram, which commemorates the martyrs of Islam, is also celebrated as well.

2) Kolhapur city is famous for :-

a) **Kolhapuri feta -**

A turban cloth 6 meters long, 1 meter wide cotton or silk generally of saffron colour may be of and ferrite colour, it is not famous for cloth or its colour but it is famous for in which way turban is ~~wear~~ worn.

b) **Kolhapuri Wrestler -**

Wrestling is the favourite sport in Kolhapur. Kolhapur kings have supported and encouraged 'Kusti' i.e., wrestling and wrestlers. Kolhapur wrestling fame spread till Punjab. Thus word wrestler remains when Kolhapur's name comes across.

c) **Kolhapuri Milk Platform -**

It is only in Kolhapur, milk is sold by milking the buffalo in presence of customer, in a public place as Gangavesh and Mirajkar Tikti. Separate platforms are made for this business. Visitors enjoy this fresh milk providing facility of Kolhapur. Wrestlers in Kolhapur have special liking for this milk.

d) Kolhapuri Chappels (Leather Slippers) -

A leather footwear made out of specially chrome tanned leather its straps made with minutely woven leather threads, decorated with beautiful tassels made out of leather and some colored artifice threads, easy to wear, light and luxurious in wearing this footwear are world famous.

e) Kolhapuri Misal -

A Mataka (a mixture of different beans), spicy soup mixed with snacks like Sheva and Gaathiya (fried gramme powder chips in different form), small sliced onion, coriander, forms Misal, a delicious dish, famous for light eating.

f) Kolhapuri White Soup of Mutton -

Mutton soup (Rassa) is generally a hot spicy and red in colour due to use of red chilly powder. In Kolhapur, Mutton soup is prepared by using coconut milk and hot spicy without chilly. Red Mutton soup is too hot for drinking, while this white Mutton soup can be drank without any troubles. So this white Mutton soup a product of Kolhapur is famous all over.

g) Kolhapuri Jaggery -

The sugarcane produced in fertile land of Kolhapur is rich in sugar grain and the colour body proportion is less compared to other areas. So white preparing Jaggery, the coloured impurity is easily removed to maximum extent. The traditional Jaggery blenders are specialized in the blending it to light red-brown colour as required. This light colored and rich in sweetness jaggery is very famous. The place where jaggery is made is called 'Gurhala'.

h) Kolhapuri Saaj -

Kolhapuri Saaj is a special type of necklace, which is very popular with Maharashtrian Woman. The Saaj is designed in all over Maharashtra but the Kolhapuri Saaj is famous. The gold plated Saaj is also famous.

3) Industrial Development :-

Kolhapur has progressed on its own merit in business and industry. It is business centre in the south west part of Maharashtra. In spite of all the traditional business, new many industries and business have come to Kolhapur in the past few years. Now it is well recognized city in the business world. There are three industrial centres in the city itself; they are Shivaji Udyannagar, Y.P. Powar Nagar, Panjarpol Industrial Estate. Two big Industrial Centres are at the short distance from Kolhapur. They are Shirol MIDC and Gokul Shirgao MIDC. The Industrial Map of Kolhapur is expanding day by day. Recently Govt. of Maharashtra has sanctioned a new industrial centre in Kolhapur district which is between Kagal and Hupari. Kolhapur is very well situated on highway NH4 almost half way between Mumbai and Bangalore. Industrial development is because of well connected by road and heavy transport services like Rail and Air. A highly manpower in automotive, foundry, Agricultural industry ensures a high per capita income in Kolhapur. There are three big industrial Organisation is known as

a) SMAK -

Shirol Manufacturer Association Kolhapur [SMAK] established in 1983 a dynamic association in Kolhapur with the aim to

solve the problem faced by the manufactures. SMAK also help in arranging regular meetings of members and solved common difficulties faced in business as well as in general. Industrialist have to face many problems in the phase of business and trade, these problems vary from finance, worker facilities and labour etc. To solve these problems SMAK come into existence.

b) Goshima -

Gokul Shirgao Manufacturers Association [GOSHIMA] established in 15th August 1985 by Maharashtra Industrial Development Corporation. It is established in Kolhapur with aim to solve the problem of manufactures.

c) KEA -

Kolhapur Engineers Association, is workshop owners union. Who manufactures engines and vehicle parts and set up foundries are the member of KEA. The Organisation KEA is established in Udyam Nagar. It is inside the Kolhapur City.

4) Transport Facility :-

Transport is the important factor for the development of market. Most of the rural markets in India are not developed mainly because of no means of transport are available to reach them.

It helps to supply goods as per demand we can not reject the importance of it in the modern age. The cost of things more or less depends on it. Taking into consideration transport cost the price of things are fixed. Transportation has more importance in a continental

country like India. More or less the development of the country depends on the transportation. There is lack of perfect means of transport in rural India so it has remained undeveloped.

Centralisation, decentralisation and equalisation are the three important functions of transport. Transport is like selling, purchasing, financing, warehousing and insurance an act. Transport creates time and place utility. Transport delivers goods from production centre to consumption centre.

Kolhapur city is situated near main highway NH4. Here are every types of facilities of transportation. Rail, Lorries are mainly use for long transport. Tractor, Vans, Auto and also carts are used for local transport.

5) Education :-

There is one university name as "Shivaji University", two engineering colleges, sixteen colleges some of that only for Commerce and Arts either English or marathi medium. There are ten medical college, two agricultural colleges near Shivaji University, six technical colleges, one Architect College, and three other colleges for B.ed., D.ed., eighteen high school, some of that only for girls and some of for only English medium. Thus education side of Kolhapur city is very strong.

Education provides thinking power. Education is very important thing for the well development of country and people. Educated people are expected to judge the merit of different type of goods and services before they buy them. Uneducated people is believed either

go by tradition of seek advice from others. Therefore marketing men must study the educational status of markets to be served.

6) Gold Market of Kolhapur City :-

In old day's goldsmith are not centralised in specific market. They do their work in their own houses, people also trust on him whose house is their or who work in his own house. Because on that time there is lack of ready ornaments and ornaments are manufactured as per order. Farming is the main source of earning of every goldsmith. In those days type of work depend upon his cast. Fabricator known as Lohar, carpenter known as Sutar, same like that goldsmith known as Sonar and by cast they are known as "Daivadnya", that means they are Daivadnya Sonar. In those days gold has very less face value. Gold coins are used in currency.

Chhatrapati Shahu Maharaj reign lent the progressive sprit to the gold market in Kolhapur City. And the market of gold established slowly near Mahalaxmi Temple, step by step shops are built and scattered by link. The development of gold market is very fast because of lots of villages are near the city and there are neither goldsmith in every village. Hence nearer villager are depends upon gold market of Kolhapur City. Villagers ~~are~~ always come ^{to} at Kolhapur for business or market purpose. In those days the pattern of market is weekly market. It is also in now days too, Sunday is the market day of Kolhapur City. Villagers come to sell their farm or other product in the city market for big market and large income. And purchase gold articles or give order from that

money. Soon it becomes a continuous process and that cause is helpful to build a specific gold market in Kolhapur city.

a) Location of Kolhapur Gold Market -

In old days there was a single lane of gold market. Today it is known as a “Gujari” market. The map of Kolhapur gold market is expanding day by day. It is scattered over and around the Gujari market. That is in Jotiba Road, Bhausingji Road and Bhende Galli and sub lane in between and near those roads. These are the central place of the main gold market of Kolhapur City.

b) Shop outside the market -

The structure of gold market is limited up to the two lanes known as Gujari and Bhende Galli up to the year 1970. After 1970 map of actual gold market was enlarged and jewellery shop are scattered outside the market. And maximum Jewellers are members of the Kolhapur Saraf Vyapari Sangh, whose shops are inside the market. Kolhapur Saraf Vyapari Sangh is an association of the Jewellers of Kolhapur city but very few Jewellers are member of Saraf Vyapari Sangh whose shops are outside the market.

Every owner has a dynamic business, after all it is depend upon trust and service. Rate of gold must be same in each and every shop wherever the shop is inside or outside the market. Customers are the regular customer in outside market and their requirement of ready material is less. There is more than 200 jewellery shops are established out side the market.

c) Speciality of Kolhapur Gold Market -

Each and every article is manufactured in Kolhapur gold market. Traditional or modern both type ornaments are made here. Kolhapuri traditional gold jewellery has great outside demand in all over Maharashtra. You can get ornaments spark with diamonds, Ruby and other precious stones.

The main Speciality of Kolhapur gold market is,

I) Saaj -

Kolhapuri Saaj is special type of Necklace which is very popular with Maharashtrian women. Saaj is used to wear regularly in village. The Saaj is designed all over Maharashtra but the Kolhapuri Saaj is the famous. The gold plated Saaj is also famous.

II) Bajubandh -

Bajubandh is a traditional craft which is wear on the front of the upper arm on the right hand. Thin gold wires are used to design the Bajubandh. In old days it was used in both hand but it is more costly item in jewellery. Minimum 6 to 7 Tolas gold will be required for each Bajubandh. Hence in now days it is used only one on right hand. But there is no rule about that.

III) Bormal -

Bormal is the pattern of necklace. It is consist 33 to 35 pieces. It requires gold from 3 to 7 grams. Hence it is very popular in village women. This is second demanded ornament of poor women after Mangalsutra. Bormal is exported out side India.

7) Organisation of Jewellers :-

Organisation of Jewellers is known as Kolhapur Saraf Vyapari Sangh, it was established in 26th Jan., 1955 and registered under Society Registration Act 1860 on 7th March, 1958. Kolhapur Saraf Vyapari Sangh (KSVS) is the member of Maharashtra State Saraf Sangh.

a) Working area -

Working area of KSVS is limited up to Kolhapur Municipal Corporation area. Either it is limited but they help to member across the area any type of lawful help.

b) Members -

In starting period member of Kolhapur Saraf Vyapari Sangh is limited. They are hardly 50 to 60. But the members are not decreases when in 10th Jan., 1963 Finance Minister Morarji Desai announcing the gold control act.

Today member of KSVS is up to 495. Some collect regular yearly fee from members as a service charge. Jewelers who pay sales tax to Govt. are liable for membership of Sangh. Sales tax No. is main important thing for membership.

c) Dharmkata -

Final and correct official weight center is known as a Dharmkata. Association established special center in his own building for weight in 1980. If any confusion between Jewellers and customers about weight of gold, you can confirm there by weighting your jewellery. They give official receipts of the correct weight of ornament and that is the final and perfect weight. So no clashes will be made about weight in transaction. Fee is only 1/- Rs. for per receipts.

In 1990 Association used modern technology by using electronic scale for weight. Its accuracy is up to 0.010 gm.

d) Testing Refinery -

There is two testing refinery in association one for gold and other for silver. Testing refinery is useful for worker or Jewellers to knowing, how much fine the gold is? Association gives receipts of weight of taken sample of gold from given bar and by using chemical process they define percentage of fine gold. Fee is Rs.25/- for per testing it is useful for further works.

e) Other Services -

Kolhapur Saraf Vyapari Sangh is dynamic association in Kolhapur city with the aim to solve the problem faced by the Jewellers. Association also helps in arranging regular meeting of Bodies to solve the common difficulties face in business as well as in general. Jewellers have to face many problems vary from worker facility, labour, Govt. rules, Govt. policy, purchase of stolen ornaments, thefts in transport association help in every transaction, but every services of Kolhapur Saraf Vyapari Sangh is lawful.