

# Proceedings of



18-20 August 2023



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# PROGRAM SCHEDULE

## Day - 1: Friday, August 18, 2023

9:00 am to 1:00 pm

**Visit to Gems & Jewellery Park, Ankurhati**

1:00 pm to 3:00 pm

Delegate Registration followed by Networking Lunch  
**sponsored by Kartikey Bullion**

3:30 pm to 4:00 pm

**Master Class-1:** Refining technology

**Casting technology**

**Mr Enrico Cappellini**, IKOI spa

**Hazards associated with Refining of Gold**

**Mr Ankur Goyal**, MMTC PAMP India Pvt Ltd

4:00 pm to 4:30 pm

**Master Class-2:** PMLA compliance - What does it mean for bullion and jewellery industry

**Mr Surendra Mehta**

IBJA

**Mr Bhargava Vaidya**

BN Vaidya & Associates

**Mr Rajarshi Kumar**

Financial Intelligence Unit (FIU) India **(Online)**

4:30 pm to 5:00 pm

**Networking Break**

5:00 pm to 6:30 pm

**Inaugural session**

**Ms Sakhila Mirza**

LBMA

**Mr Vikas Singh**

MMTC PAMP India Pvt Ltd

**Mr Prithviraj Kothari**

IBJA

**Mr P R Somasundaram**

WGC

6:30 pm to 7:30 pm

**Roundtable Discussion:** India gold and jewellery sector: Regulation, Reforms and way forward

Interaction with representatives of various regulators

**Chair:**

**Mr P R Somasundaram**

WGC

**Panellists:**

**Mr Dibyendhu Chakrabarti**

DDGE, Eastern Region

Bureau of Indian Standards

**Mr Kamlesh Sharma**

GM, IFSCA

**Mr Kale Sushilkumar Govindrao**

Additional Commissioner

Kolkata Customs

**Mr Prithviraj Kothari**

IBJA

**Mr K Mahendran**

Karur Vysya Bank

7:30 pm to 8:00 pm

**IGC2023 Excellence Awards**

8:00 pm to 10:30 pm

Welcome Cocktail Dinner **sponsored by StoneX**



# PROGRAM SCHEDULE

## Day - 2: Saturday, August 19, 2023

9:05 am to 9:15 am

Announcements

9:15 am to 9:30 am

Wellness Session

9:30 am to 9:45 am

Special Address

9:45 am to 10:00 am

**Presentation-1:** Understanding rules for import of gold under CEPA with UAE and role of IIBX

**Mr Prem Nath**  
FinMet Pte. Ltd

**Mr Ashok Gautam**  
IIBX IFSC Ltd

10:00 am to 11:00 am

**Session-1:** Bullion Markets and Trade in 2022-23

**Chair:**

**Mr Harish Chopra**  
IGPC - IIMA

**Panellists:**

**Mr Shivanshu Mehta**  
MCX

**Mr Hareesh Acharya**  
Parker Precious Metals LLP

**Mr Chirag Thakkar**  
Amrapali Industries

**Mr Anshuman Sharma**  
StoneX

**Mr Ravi Ramakrishnan**  
JP Morgan

**Mr Mohammad Ayyob**  
Sam Precious Metals

11:00 am to 11:40 am

**Special Address by World Gold Council**

**Keynote:**

**Mr David Tait**  
WGC

**Discussion:** Gold Industry Declaration of Sustainability Principles

**Chair:**

**Mr John Mulligan**  
WGC

**Panellists:**

**Ms Sakhila Mirza**  
LBMA

**Mr Albert Cheng**  
SBMA



# PROGRAM SCHEDULE

## Day - 2: Saturday, August 19, 2023

11:40 am to 12:00 noon

Networking Break **sponsored by AMS Bullion**

12:00 noon to 12:15 pm

**Presentation-2:** #yellowrevolution

**Mr Ketan Kothari**

Augmont-Gold For All

12:15 pm to 1:00 pm

**Session-2:** Bullion refining in India

**Chair:**

**Mr Pramod Mohan**

FinMet Pte. Ltd

**Panellists:**

**Mr Ajay Agarwal**

SPMCIL

**Mr Harshad Ajmera**

J J Gold House

**Mr James Jose**

CGR Metalloy

**Mr Gautam Choksi**

Hindustan Platinum

**Mr Sadi Ahmad**

Sam Precious Metals

1:00 pm to 2:30 pm

Networking Lunch **sponsored by SOHAM**

2:30 pm to 2:45 pm

**Presentation-3:** Transforming Traditions - Empowering young leaders  
and enabling best practices in jewellery industry

**Prof. Arvind Sahay**

IGPC, IIMA

2:45 pm to 3:00 pm

**Presentation-4:** Ghana gold mining sector - Opportunities

**Dr. Steven Blessing Ackah**

Ghana Gold Expo Foundation (Online)

3:00 pm to 3:45 pm

**Session-3:** Discussion on India gold jewellery market

**Chair:**

**Mr Chirag Sheth**

Metals Focus

**Panellists:**

**Mr Suvankar Sen**

Senco Gold Limited

**Mr Amit Modak**

P N Gadgil And Sons Ltd

**Mr Ketan Doshi**

Modern Impex

**Mr Prayas Dugar**

India Gem & Jewellery Creation





# PROGRAM SCHEDULE

## Day - 2: Saturday, August 19, 2023

3:45 pm to 4:15 pm

Networking Break sponsored by AMS Bullion

4:15 pm to 5:00 pm

**Session-4:** Banks role and bullion market development - Current status and the way forward

**Chair:**

**Mr Neville Patel**

HDFC Bank

**Panellists:**

**Mr Manish Goel**

ICICI Bank

**Mr Harshit Doshi**

ICBC India

**Mr Manish Gavaskar**

RBL Bank Ltd

**Mr Kumar Parmani**

Yes Bank

5:00 pm to 5:15 pm

**Presentation-5:** Evaluation of Gold from 1997 till 2023: Risk adjusted return, portfolio diversification and inflation protection

**Dr. Renisha Chainani**

Augmont-Gold For All

5:15 pm to 5:30 pm

**Presentation-6: Price outlook on Gold**

**Mr Philip Newman**

Metals Focus

7:30 pm onwards

Gala Theme Dinner & Felicitation of Sponsors  
sponsored by Ariplutus & Shreeji Ornaments

## Day - 3: Sunday, August 20, 2023

08:00 am onwards

Breakfast for in-house guests

09:00 am to 1:00 pm

Field Trip (TBA)

11:00 am

Check-out



# Table of Content

IGC Proceedings 2023	11
Day 1: Master Class-1 Refining technology	11
Master Class 2 - Focusing on PMLA Compliance and Its Implications for India's Bullion and Jewellery Sector	17
Inaugural Session - Celebrating Excellence in the Gold Industry	21
Roundtable Discussion: Advancing the Gold and Jewellery Sector in India through Regulations and Reforms	24
Presentation 1 – Norms and guidelines for bullion imports from the UAE through CEPA	28
Day 2 Session 1: Bullion Markets and Trade in 2022-23	31
Special Address by World Gold Council	34
Presentation 2: #Yellow Revolution	39
Session-2: Bullion refining in India	40
Presentation 3 and Presentation 4	42
Session-3: Discussion on India Gold Jewellery Market	43
Session-4: Banks' Role and Bullion Market Development - Current Status and the Way Forward	46
Presentation 5	49
Presentation 6: Gold Price Outlook	51
India Gold Conference Excellence Awards 2022	52

# IGC Proceedings 2023

The India Gold Conference-2023, held at the JW Marriott hotel in Kolkata from August 18th to 20th, 2023, commemorates its 20th anniversary as a distinguished networking platform. This prestigious event served as a centralized forum, gathering diverse stakeholders from across the gold industry's value chain. Among these participants were gold jewellery manufacturers, industrial leaders, technology pioneers, academia, bullion traders, financial institutions, and logistics providers, all engaged in profound discussions and deliberations pertaining to the multifaceted gold sector.

## The primary objectives of this illustrious conference encompass:

- Cultivating a unifying platform that harmonizes gold producers, buyers, and sellers within the industrial realm.
- Providing a distinctive venue for the convergence of ground-breaking innovations and visionary investors.
- Nurturing the growth of consumer-centric financial investment products underpinned by gold, while fortifying the case for gold as a robust investment vehicle.
- Fostering a flourishing ecosystem conducive to innovation and investment in gold-based services, and solutions over the medium term.

## Day 1: Master Class-1 Refining technology



**Mr Ankur Goyal**, MMTC PAMP (left), Award presented by **Mr Satish Bansal**, MD Overseas (Middle), and **Mr Enrico Cappellini**, IKOI spa (Right)



**Mr Enrico Cappellini, IKOI spa**

The first speaker to kick-start this prestigious conference would be talking on the topic called “Refining Technology.” He holds a degree in chemical engineering and will be discussing the new casting technology.

The presentation was initiated **by Enrico Cappellini, General Manager of IKOI S.p.A.**, who provided an introduction to IKOI and spoke about the Evolution of the ALS technology. The presentation began with an explanation of the ALS separation systems ALS is a pre-refining process utilized to remove silver from Au/Ag/Cu

alloys using vacuum distillation technology.

It is employed to reduce the silver content in Au/Ag/Cu alloys, with the aim of making the resulting gold-based alloy suitable for treatment in the subsequent final refining step (such as Wohlwill gold electrolysis or Aqua Regia), which is limited in terms of silver content percentage.

### **ALS - Widely Adopted for Sustainable and High-Purity Refinement Worldwide**

Acid Less Separation® (ALS) has emerged as the method of choice in major refineries across the globe. In the refining of doré sourced from mining, particularly those with elevated silver content, ALS - the Acid Less separation process - assumes a pivotal role before the final refining stages, culminating in the attainment of 9999 Au purity. This environmentally-conscious process embodies sustainability, cost-effectiveness, and alignment with the latest Environmental, Social, and Governance (ESG) mandates, thereby mitigating environmental impact and enhancing workplace conditions.

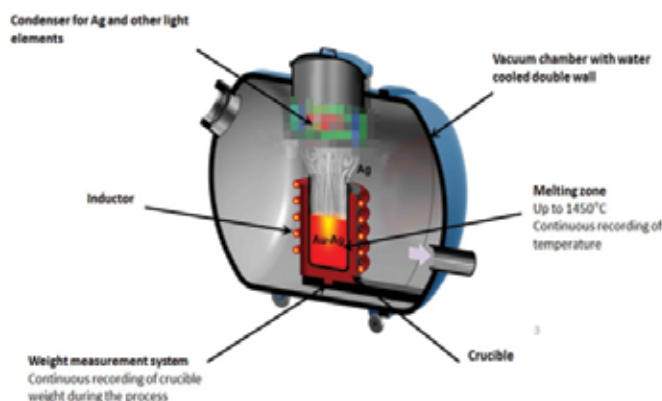
### **The Evolution of ALS Technology: Expanding Horizons**

The versatility of ALS technology extends far beyond its core application. It has demonstrated remarkable success in diverse arenas, encompassing the distillation of high-purity silver, the concentration of Rhodium alloys, and the recovery of precious group metals (PGMs) from low-grade alloys. The next horizon involves harnessing the proficiency of vacuum distillation to craft alloys tailored for the world of jewellery, spanning 18 karat, 14 karat, and 9 karat compositions.

## **Metal Vacuum Distillation and condensation**

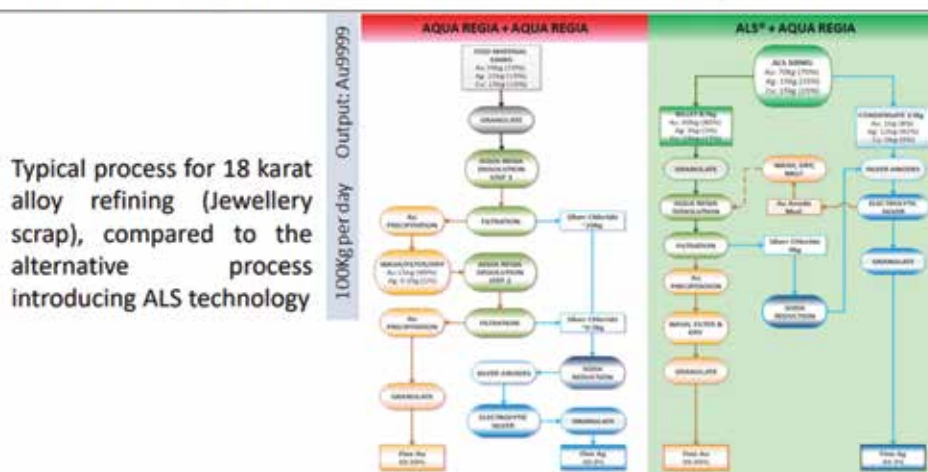
- An alloy with silver content 1 to 90% is loaded into a graphite crucible.
- Vacuum is created.
- The graphite crucible is heated and the process of vacuum distillation is performed.
- Silver from the vapour phase condenses as solid metal particles on the cooled condenser.

**By an appropriate choice of temperature and vacuum conditions, different metals can be distilled from the melt separately.**





## Process Comparison for 18 karat alloy (casting trees)



### Mr Cappellini's Illumination: ALS+ Aqua Regia

During his presentation, Mr Cappellini elucidated the distinction between the traditional Aqua Regia process and the synergistic ALS+ Aqua Regia approach, details of which are elaborated in the slide below. He also expounded on the manifold advantages of Vacuum distillation, a transformative process where silver undergoes vaporization and transforms into a pristine metal form. These benefits encompass:

1. Expedited gold availability, leading to reduced inventory.
2. Lower operational expenditures (Opex).
3. Minimal gold loss.
4. Reduced effluent generation per ounce of gold reclaimed.
5. Economical cost per ounce of silver recovery.
6. Enhanced control over metal properties.
7. A streamlined, in-house solution for jewellery refining.

Such advancements in technology exemplify the relentless pursuit of excellence in precious metal refining



**Mr Ankur Goyal**  
MMTC PAMP India Pvt Ltd

### An Enlightening Presentation by Mr Ankur Goyal of MMTC PAMP

The second luminary to grace the masterclass was none other than Mr Ankur Goyal, representing MMTC PAMP. He embarked on his discourse by offering a succinct glimpse into the illustrious history of the organization, accentuating the remarkable milestones it has achieved.

Mr Goyal's presentation was an exploration of four pivotal facets, delineating the intricate world of gold refining:

1. Background and Refinery Processes: Delving into the intricate processes that constitute the core of the refinery's operations.
2. Risks Inherent in Gold Refining: A contemplative examination of the inherent perils and challenges associated with the delicate art of gold refinement.
3. Assessing Hazards and Implementing Control Measures: A meticulous examination of various hazards, accompanied by the proactive measures employed to mitigate them. These encompassed fumes, molten metal, and effluent management.

4. Navigating Regulatory Norms: An insight into the rigorous regulatory framework governing gold refining, with a particular emphasis on MMTC-PAMP's diligent monitoring practices.

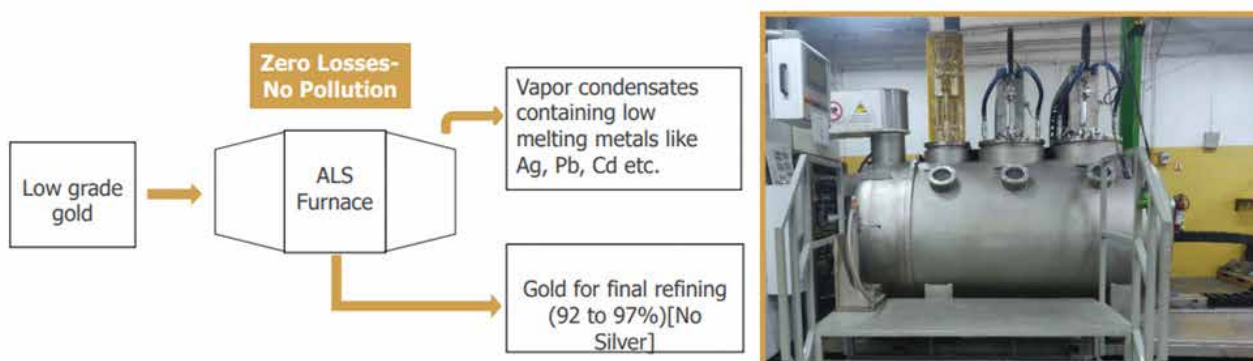
Within the realm of gold refinement, four distinctive processes hold sway:

1. **Pyro Metallurgical Process:** This process involves a series of techniques, with notable methods such as incineration for eliminating moisture and organics, volatilization through vacuum and heat to

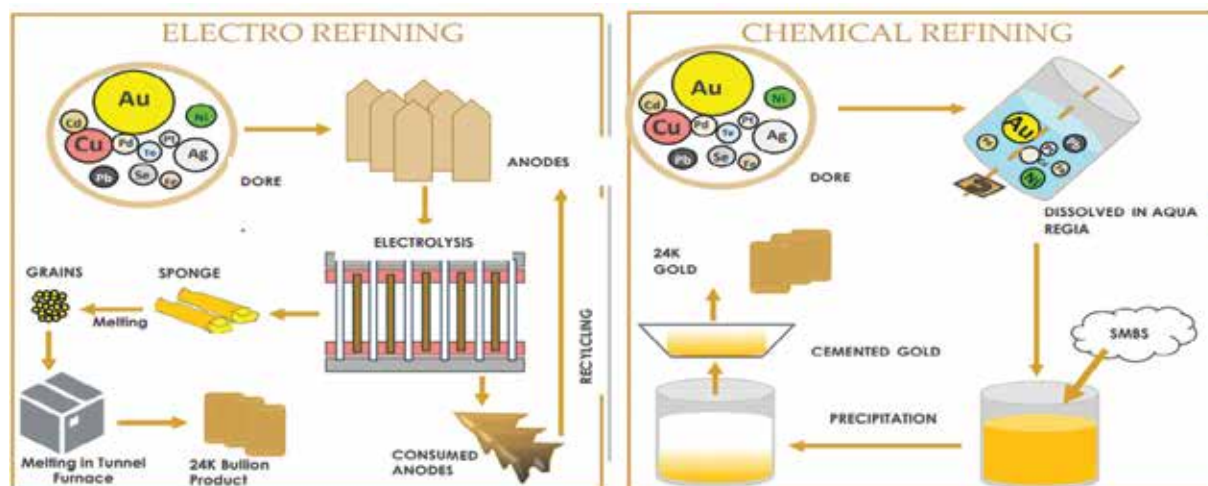
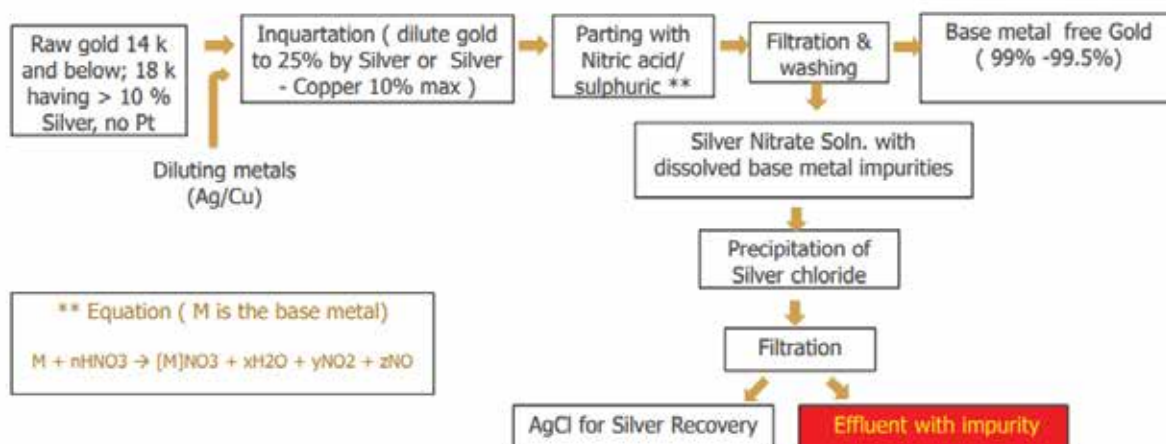
remove all metals including silver, oxidation methods like roasting and cupellation for the elimination of oxidizable metals, and chlorination, which purges pure chlorine into molten metal to transform base metals into insoluble chlorides (Miller process). Each of these techniques is a refined art in itself.

Mr Ankur Goyal's presentation served as an illuminating journey through the intricate world of gold refinement, marked by precision, diligence, and a relentless commitment to excellence.

## Acid less Separation (ALS) - the latest technology



## Inquartation and Parting





## Intricacies of Hazard Management Unveiled by the Speaker

The erudite speaker, in a comprehensive discourse, also shed light on the multifaceted hazards encountered in the realm of gold refining, adeptly categorizing them as follows:

1. Fumes: Pyro metallurgical process • Untreated carbon compounds • Metal oxides • Heavy metal particles
2. Caused by Fumes by chemical Process • Untreated acids • NO<sub>x</sub>, Sulphur dioxide, Chlorine
3. Caused by Molten Metal • Hot surfaces • Unintended metal spurts • Accidental fires
4. Caused by Effluents: - Chemical process • High acidic • Chemical salts of dissolved base metals

### Control measures to mitigate hazard from Chemical Fumes

- The **suction hoods** placed close to the reactors and adequately covering the mouth to ensure that all fumes are trapped.
- The cooled emissions are then passed through **series of filters** to trap the air - borne particulates before they are processed in the scrubber.
- The **scrubber** units spray alkaline solution and neutralize acidity if any in the fumes. The air gets washed as it flows through a column of strainers, becomes free from dust particles and exit through the stack.
- Monitoring the quality of the scrub solution as well as avoiding accumulation of sludge in the scrubber tanks to ensure efficient functioning of the scrubbing operation.

Use expert vendor who understands suction calculation and are savvy with pollution norms to design the scrubber for you .

### Control Measures to mitigate hazards from Phro process fumes

#### Measures for mitigating risks due to hazards from Fumes from incineration , smelting and melting

- The **suction hoods** should be adequately cover the furnace mouth and ensure that all fumes are trapped.
- The cooled emissions then pass through **series of filters** which trap the air - borne particulates before going to scrubber
- The **scrubber** units spray alkaline solution and neutralize acidity if any in the fumes. The air gets washed as it flows through a column of strainers, becomes almost free from dust particles and exit through its stack.
- Monitoring the quality of the scrub solution as well as avoiding accumulation of sludge in the scrubber tanks is a necessity to ensure efficient functioning of the scrubbing operation.
- Stack emission sampling at frequency defined by CPCB (by authorized lab only) is a mandatory exercise; it will ensure that processes are well controlled and avoid non-compliances during online monitoring by CPCB.

### Control measures for mitigating hazard from Effluent

#### Measures for mitigating risk due to hazards from Effluent (Chemical processes)

- The quantity of effluent to be treated should be reduced in planned manner with stoichiometric use of chemicals.
- Recycling of process water with proper study of the water parameters at all stages .
- A series of processes involving resin treatment, neutralization, flocculation, settling and filtration are adopted prior to sending to ETP which ensures that the impurities and their salt are completely removed, and compliances are duly complied.
- All effluent generated need to be treated before they can be finally discharged as per CPCB norms.

Treating all effluent with due diligence is a necessity as the refining process is a hazardous activity .

## Government Regulations, Refinery Hazards, and Safety Imperatives

The presentation thoughtfully encompassed government regulations pertinent to refiners and delved into the potential hazards inherent to refinery operations. The process of gold recovery and refining entails a meticulously choreographed sequence of intricate steps, characterized by the application of intense heat and the manipulation of hazardous chemicals. Each method delineated in the preceding slides grapples with these hazardous chemicals and by-products throughout the entirety of the refining cycle.

The gravity of the hazards in question, if not diligently managed, casts a long and ominous shadow over both human well-being and the delicate ecosystem. In light of this, the Occupational Safety and Health Assessment Series (OSHAS) guidelines, centred on Hazard Identification and Risk Assessment (HIRA), are

evolving with heightened stringency, with an unwavering commitment to ensuring the safety of our precious ecosystem.

Consequently, it becomes imperative for every refinery to embrace a robust strategy designed to comprehensively mitigate these risks. Such an approach must serve as a beacon of transparency, offering irrefutable evidence of its unwavering dedication to safety during audits. Key pillars of this initiative include periodic safety audits, vigilant monitoring of specified parameters, the judicious utilization of Personal Protective Equipment (PPE), and the regular health assessment of the dedicated workforce.

In the pursuit of sustained business continuity, refineries equipped with in-house facilities may find it prudent to embark on a rigorous re-evaluation of their existing capabilities, ushering in necessary upgrades to align with the prescribed standards.

### Questions- What is the quantum of the metal loss in the ALS process when compared to Aqua Regia? What is the maximum purity that can be achieved during this process?

**Mr Enrico Capellini** – The metal losses in this case are close to 0.0001% of the feedstock metal. This is although an imperial measurement, in the vacuum chamber has no fumes or chemicals entering or exiting the chamber. The purity wholly depends on the feedstock that is placed in the chamber. The purity of silver can go up to 98-99% whereas the gold purity is based on the alloy present.

■■■

# About our Gold Bullion Business:



For some it's a business, for others a passion. And whether you're dealing in the raw and/or refined, when it comes to risk, gold bullions need great risk insurance solutions.

Alliance's team is innovative, rapidly evolving and globally active, which provides a wide range of unique insurance services. We have wealth of knowledge, experience and global market relationships, supported by dedicated claims expertise.

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- 2** CREATIVE UNDERWRITING
- 3** AUTONOMOUS DECISION MAKING
- 4** LOCAL CLAIMS SUPPORT

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- Fire and Allied Perils Insurance
- Bullion Transit & Storage Risk

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AT SOME NUMBERS!**

Number of clients: **800+**

Total Value of Stock Insured:  
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**Crores and counting**

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and 2020-2021, for the fifth consecutive year.**



## Master Class 2 - Focusing on PMLA Compliance and Its Implications for India's Bullion and Jewellery Sector



**Mr Surendra Mehta**, National Secretary, IBJA (left), Award presented by **Alison Flynn**, WGC (Middle)  
**Mr Bhargava Vaidya**, BN Vaidya & Associates (Right)  
 and **Mr Rajarshi Kumar**, Financial Intelligence Unit (FIU) India (Online)

During this distinctive session, the central theme centred on the critical subject of PMLA (Prevention of Money Laundering Act) compliance and the profound influence it exerts on the intricate landscape of India's bullion and jewellery sector. The esteemed panel for this enlightening discourse comprised the following luminaries:

### **Mr Rajarshi Kumar Financial Intelligence Unit (FIU) India (Online)**

Mr Rajarshi Kumar started off the proceedings for this session by stating the meaning of Money Laundering which is:-

- To convert black money (illegally earned) money into legitimate money
- Invested in such a way that even the investigating agencies can't trace the main source of wealth
- The person who manipulates this money is called 'launderer'
- As per study of The United Nations Office on Drugs and Crime (UNODC), criminal proceeds amounted to 3.6% of global GDP 2.7% Laundered Money.

The speaker also presented the process of money laundering which is on the slide below



The three main stages of money laundering are

1. **Placement:** The first stage of money laundering is known as 'placement', whereby 'black' money is placed into the legal, financial systems
2. **Layering:** The second stage in the money laundering process is referred to as 'layering'. This is a complex web of transactions to move money into the financial system
3. **Integration:** The third of the stages of money laundering is 'integration'. After this stage, 'black' money is absorbed into the economy

This brings us to the last part of this presentation where the prevention of money laundering act of 2002 was explained followed by the schedules, authorities and the reporting entities under PMLA. The speaker also briefed us about the financial intelligence unit which is mentioned in the slides below.

## The Prevention of Money-laundering Act 2002

- The prevention of Money Laundering Act 2002 is applicable to whole of India, came into force with effect from **July 1, 2005**. It was enacted to prevent money-laundering and to provide for confiscation of property derived from, or involved in, money-laundering and for matters connected therewith or incidental thereto
- The Prevention of Money-laundering Act, 2002 consists of 10 chapters containing 75 sections and 1 Schedule

### The objectives are:

1. To prevent money-laundering
2. To combat/prevent channelizing of money into illegal activities and economic crimes
3. To provide for the confiscation of property derived from, or involved/used in, money-laundering
4. To provide for matters connected and incidental to the acts of money-laundering

## Scheduled Offence/Predicate Offences

Every Scheduled Offence is a Predicate Offence

- The scheduled offences are divided into three parts - **Part A, Part B and Part C**
- **Part A** of schedule to PMLA has 156 offences under 28 criminal acts
- **Part B** of schedule has offence under section 132 of the Customs Act, 1962 - false declaration, false documents, etc. (If the total value involved in such offences is 1 crore or more)
- **Part C** of schedule covers offence of cross border implications and covered in:
  - Part A
  - Chapter XVII of the Indian Penal Code
  - Section 51 of the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015

## Authorities Under PMLA

- Enforcement Directorate (ED)
- Financial Intelligence Unit (FIU) of India
- Officers to assist authorities

### Punishment for Money-laundering

- Section 4 of PMLA prescribes the Punishment for Money-Laundering as under:
- Rigorous Imprisonment minimum for 3 years and maximum up to 7 years (10 years for offence under NDPS)
- Fine (Without any limit)

## Financial Intelligence Unit of India (FIU-IND)

- Governments in several countries have formed Financial Intelligence Units (FIU) to receive, process and disseminate information on money related crimes. They function as a national centre for the receipt and analysis of suspicious transactions, information about money laundering, other related offences and financing of terrorism. FIUs in most countries has administrative and law enforcement nature. Financial Intelligence Unit work in cooperation with the international bodies like the **FATF** and the **Egmont Group**.
- The FIU-IND was set by the Government of India on 18<sup>th</sup> November 2004 as the central national agency responsible for receiving, processing, analyzing and disseminating information relating to suspect financial transactions.
- FIU-IND is an independent body reporting directly to the Economic Intelligence Council (EIC) headed by the Finance Minister.

## Reporting Entities

Banking	Financial Institutions	Intermediaries	DNFBPs*
<ul style="list-style-type: none"> <li>Public Sector</li> <li>Private Sector</li> <li>Cooperative Banks</li> <li>Regional Rural Banks</li> <li>Foreign Banks</li> <li>Payment Banks/ Small Banks</li> </ul>	<ul style="list-style-type: none"> <li>Insurance Companies</li> <li>Housing Finance Inst.</li> <li>NBFC</li> <li>Deptt. of Post</li> <li>Pre-paid Instruments (PPIs)</li> <li>Payment System Operators</li> <li>Chit fund companies</li> <li>Hire purchase companies</li> <li>Authorized Money Changers</li> </ul>	<ul style="list-style-type: none"> <li>Stock Brokers</li> <li>Recognized Stock Exchange</li> <li>Intermediary Registered by SEBI</li> <li>Mutual Funds</li> <li>Asset Management Companies</li> <li>Venture Capital Funds</li> <li>Debt Finance Co's</li> <li>FIs</li> <li>Share Transfer Agents</li> <li>Registrars to Issue etc.</li> </ul>	<ul style="list-style-type: none"> <li>Registrars, Sub-registrars</li> <li>Carte</li> <li>Real estate agents</li> <li>Dealer in precious metals and stones</li> </ul>

(\*Designated Non-Financial Businesses and Professions)



**Mr Bhargava Vaidya**  
BN Vaidya & Associates

The second speaker on the panel was

**Mr Bhargava Vaidya, BN Vaidya & Associates** who started off with the history of money laundering which are Bank Secrecy Act, 1970

- Money Laundering Control Act, 1986
- Anti-Drug Abuse Act, 1988
- Annunzio-Wylie Anti-Money Laundering Act, 1992
- Money Laundering Suppression Act, 1994
- Money Laundering and Financial Crimes Strategy Act, 1998
- USA PATRIOT Act, 2001 Intelligence Reform & Terrorism Prevention Act, 2004.

Mr Vaidya also spoke about the Financial Task force (FATF) which was Formed in 1989, G7 Summit in Paris to combat the growing problem of money laundering to set standards and promote effective implementation of legal, regulatory and operational measures for combating money laundering, terrorist financing and other related threats to the integrity of the international financial system. The FATF is considered the global money laundering and terrorist financing watchdog.

**The speaker also provided us with the recommendations regarding the FATF which are as follows:-**

The 40 Recommendations are divided into seven distinct areas:

- AML/CFT Policies and coordination
- Money laundering and confiscation
- Terrorist financing and financing of proliferation
- Preventive measures
- Transparency and beneficial ownership of legal persons and arrangements
- Powers and responsibilities of competent authorities and other institutional measures
- International cooperation.

#### SINGAPORE (APG)

##### PRECIOUS STONES AND PRECIOUS METALS (PREVENTION OF MONEY LAUNDERING AND TERRORISM FINANCING) ACT, 2019

- **MONEY LAUNDERING**
  - Part 2, 3 or 5;
  - sections 50 to 57 of the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act 1992;
  - the Terrorism (Suppression of Financing) Act 2002;
  - any regulations made under the United Nations Act 2001;
  - any provision of any other written law relating to the prevention of money laundering or terrorism financing; or
  - the law of any foreign country or territory relating to the prevention of money laundering or terrorism financing;

#### SINGAPORE (APG)

##### WHO HAS TO REGISTER

- manufacturing any precious stone, precious metal or precious product;
- importing or possessing for sale any precious stone, precious metal or precious product;
- selling or offering for sale any precious stone, precious metal or precious product;
- selling or redeeming asset-backed tokens;
- purchasing any precious stone, precious metal or precious product for the purposes of resale;
- Or intermediaries thereof above.

#### HONGKONG (APG)

- Expanding of Anti Money Laundering and Counter Terrorist Financing legislation on 7<sup>th</sup> December, 2022
- Dealers of Precious Metals and stones covered from 1<sup>st</sup> April, 2023.
- All dealers have to register under;
  - Category A – engage in non-cash transaction at HK\$120000 or above
  - Category B – engage in cash transaction at HK\$120000 or above
- Concept of fit & proper business entity

#### United Arab Emirates

- Anti-money laundering laws – Federal Decree No. 20 of 2018
- Cabinet resolution no. 24 of 2022
- Dealers in Precious Metals and Stones Report ( DPMSR) w.e.f 12<sup>th</sup> June, 2021.
- All DPMS are obligated to report transactions exceeding AED 55,000 in cash or wire transfers (in specified cases)

#### INDIA - FATF

- **Lead Ministry/Authority in the FATF Delegation**
  - Ministry of Finance: Department of Economics Affairs
- **Other Ministries / Authorities**
  - Central Board of Excise and Customs (CBEC)
  - Financial Intelligence Unit (FIU)
  - Ministry of Law and Justice



**The speaker also mentioned the Anti-Money laundering measures which should be implemented in India which are:-**

- The Unlawful Activities (Prevention) Act, 1967
- The Prevention of Money-Laundering Act, 2002
- The Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005
- United Nations Security Council resolutions.
- Instructions by RBI/CBEC/FIU

The final part of the presentation includes the Action that should be taken by the DPMS and the red flag indicators which should not be neglected followed by a short slides on the milestones.

#### **MILESTONES**

- Included DPMS in PMLA Act, 2002
- Prevention of Money Laundering (Maintenance of Records) Rules, 2005 (PMLR)
- Liability to report notified on 28<sup>th</sup> December, 2020.
- Issued guidelines on AML standards, CFT & PF obligations for DPMS on 4<sup>th</sup> May, 2023.

#### **RED FLAG INDICATORS FOR DPMS**

- Customer behaviour is suspicious or inconsistent
- Customer seeks to make purchases in foreign currency or cards
- Customer makes/ attempts to break down the purchases by paying for it through different unrelated accounts through NEFT, RTGS and UPI.
- Transaction(s) involving Fake Indian Currency Notes (FICN)
- Sudden spike in amounts in gold purchase scheme accounts.

#### **Action to be taken by DPMS**

- KYC / Client Due Diligence (CDD) – Ultimate Beneficial owner
- Internal policies, procedures & controls
- Training of staff and other stakeholders
- Risk based Assessment
- Reporting of suspicious transactions



**Mr Surendra Mehta, IBJA**

**Mr Surendra Mehta, National Secretary, IBJA** thanked Mr Vaidya and Mr Rajarshi for the insightful information about the PMLA act and regulations. Further the speaker went on to explain that the law of PMLA is very clear that any amount above 10 lakh rupees in a month which is a cash transaction (single or multiple)

must be reported to the FIU. Any suspicious transactions also must be reported, all dealers with a turnover of more than 500 crore must appoint a nodal officers from their own offices. Dealers with a turnover of less than 500 crore must be affiliated to an association, and that association must coordinate with the PMLA regulators

**Questions- As advance payment on the import of gold is not allowed. How does this correlate to the PMLA regulations?**

**Mr Bhargava Vaidya-** Well as we all know that when currency or forex is imported there cannot be any form of advance payments associated to it. The same logic of currencies are applied for the import of gold. What can be done or implemented for the small jewellers to restrict them to deal in cash sales as there are a lot of un-accounted records especially amongst the small business owners?

**Mr Surendra Mehta-** As there are close to 3 or 4 lakh jewellers in the bullion industry it can be very difficult for any regulatory authority to oversee the transactions of each and every jeweller. As explained in the presentation only turnover of more than 500 crore business must get themselves registered.

■■■



## Inaugural Session - Celebrating Excellence in the Gold Industry



**Ms Sakhila Mirza, LBMA (Left), Mr Prithviraj Kothari, IBJA,  
Mr Vikas Singh, MMTC PAMP India Pvt Ltd (Middle) , Mr P R Somasundaram, WGC  
and Mr G Srivatsava, Eventell Global (Right)**



**Ms Sakhila Mirza, LBMA**

**Ms Sakhila Mirza from LBMA** remarked on the rich tapestry of traditions and rituals that make India a unique and cherished destination. She underscored LBMA's commitment to industry standards, including the International Good Delivery Standard, the Precious Metals Code, and the Responsible Sourcing Program. Ms Mirza highlighted LBMA's collaborative efforts with other organizations to drive market innovations and ensure market efficiency and standards. She also commended the improvements at GIFT City and LBMA's partnership with the WGC to create a technological initiative that enhances transparency and traceability in the bullion ecosystem, from mining to the supply chain. Responsible sourcing, she emphasized, should be prioritized from the source itself.



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**Mr Vikas Singh, MMTC PAMP India Pvt Ltd**

**Mr Vikas Singh, MMTC PAMP India Pvt Ltd**, reflected on the challenging past few years marked by the pandemic, stagflation concerns, and global management disruptions. Throughout these upheavals, the enduring affinity between India and precious metals like gold and silver has remained steadfast. Regardless of price fluctuations, increased volatility tends to drive higher demand for these precious metals in India. The bullion industry plays a pivotal role in the nation's revenue generation, and Mr Singh called upon industry stakeholders to contribute to the country's path toward becoming a \$5 trillion economy. He highlighted the industry's duty to take significant steps in this direction, underlining its importance in achieving this national milestone.



**Mr Prithviraj Kothari, IBJA**

**Mr Prithviraj Kothari, IBJA**, commenced the inaugural session with a warm welcome to all the distinguished dignitaries and guests gathered at the India Gold Conference 2023. Reflecting on the journey from IGC 2022, where gold prices stood at \$1800 per troy ounce, he acknowledged the subsequent volatility in the gold market attributed to inflation rates and central bank behaviors. Notably, India found itself in a favorable position according to the IMF, with gold demand expected to remain resilient. Mr Kothari congratulated the IIBX team for their endeavors in establishing a robust ecosystem for bullion trading and highlighted IBJA's commitment to public and value chain education for the betterment of the bullion industry.



**Mr P R Somasundaram, WGC**

**Mr P R Somasundaram, WGC**, expressed his delight at participating in the conference and observed that the past year had witnessed numerous changes in the gold industry, ranging from government policies to intricate tax aspects. While the potential for gold in India remains immense, the practical implementation sometimes falls short. Mr Somasundaram noted that gold imports to India are subject to different tax slabs, emphasizing the need for streamlined policies. Mr Somasundaram suggested that India could become an exporter of bullion bars, commending IIBX's role in facilitating bar imports and advocating for its global expansion. Additionally, he highlighted the Swarna Adarsh Abhiyaan (SAA), aimed at enhancing industry standards.

■■■

## Roundtable Discussion: Advancing the Gold and Jewellery Sector in India through Regulations and Reforms



**Mr Pankaj Parekh**, GJEPC (Left), **Mr Dibyendu Chakrabarti**, DDGE, Eastern Region Bureau of Indian Standards, **Mr Prithviraj Kothari**, IBJA, **Mr Kamlesh Sharma**, GM, IFSCA (Middle), **Mr P. R. Somasundaram**, WGC (Chair), **Mr Kale Sushilkumar Govindrao**, Additional Commissioner Kolkata Customs, and **Mr K Mahendran**, Karur Vysya Bank (Right)



**Mr P R Somasundaram**, WGC

**Mr P R Somasundaram, WGC:** As we gather here today, we are privileged to have esteemed representatives from various facets of the bullion value chain, ranging from the Bureau of Indian Standards to the Customs of Kolkata. One pressing question that comes to mind is regarding the HUID (Unique ID) hallmarking, which commenced this year. Has it achieved the intended level of trust among stakeholders?



**Mr Dibyendu Chakrabarti**

DDGE, Eastern Region Bureau of Indian Standards

**Mr Dibyendu Chakrabarti, DDGE, Eastern Region Bureau of Indian Standards:** Gold has seamlessly woven itself into the fabric of our lifestyle. The Bureau of Indian Standards has long been the vanguard of setting quality standards. Our journey commenced in 1999, driven by the need for quality control, and it has since been punctuated by the formulation of various standards. Over time, the introduction of HUID hallmarking has been transformative. We now hallmark more than 10 million pieces every month, instilling a sense of trust among retailers and jewelers. HUID hallmarking assures quality, fostering trust organically.



**Mr Kamlesh Sharma, GM, IFSCA**

**Question:** Could you shed light on the variations in practices observed in different ports across India?

**Mr Kamlesh Sharma, GM, IFSCA:** As we begin our journey with the IIBX, our goal is to adopt the best global innovations. The bullion department at GIFT IFSC represents a promising start. Regarding the GBI program, domestic players should fully embrace it to facilitate its growth. Increased domestic participation can pave the way for government-level integration, making it a critical step towards achieving global recognition.

Macro-economic factors often go unconsidered in the reform process. Authoritative supervision with strict guidelines is essential. We, at IIBX, engage with regulatory bodies to facilitate industry growth.



**Mr Kale Sushilkumar Govindrao**

Additional Commissioner Kolkata Customs

**Mr Kale Sushilkumar Govindrao, Additional Commissioner, Kolkata Customs:** While the customs department is often perceived as an enforcement agency, we see ourselves as facilitators. The diversity in practices across Indian ports stems from several reasons, including unscrupulous elements that exploit notifications, impacting legitimate trade. Establishing communication channels between customs officers at various ports is a step in the right direction to address these challenges.

The Bullion ecosystem involves various parties with diverse interests. Export obligations, when not met, can lead to shipment delays. To effect change, value chain participants must alter their business processes.





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- ✓ Gold under India-UAE CEPA can be imported directly through IIBX at one percentage of concessional rate of duty.
- ✓ Flexibility to clear Bullion within time frame of 11 calendar days from the date of remittance.
- ✓ IIBX proposes to have IFSCA approved vaults at multiple SEZs across India.
- ✓ Non Qualified Jewellers (Non QJ)-TRQ holders can import CEPA Gold from Qualified Jewellers (QJ) of IIBX.

#### *Coming Soon*

- ✓ **GOLD Futures | Import of SILVER through IIBX |**

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**Mr Prithviraj Kothari, IBJA**

**Mr Prithviraj Kothari, IBJA:** When the duty rate was 2%, there was little distinction between domestic and international markets. Today, a significant disparity of approximately 9 lakh per kg exists between the Indian and international markets. This substantial price difference over prolonged periods has placed domestic value chain participants in a challenging position, necessitating careful consideration.

The challenges arise from India's vastness. Implementing reforms across such a large and diverse country presents a considerable educational challenge. The government often gauges public response before proceeding with full-scale reforms.



**Mr K Mahendran, Karur Vysya Bank**

**Mr K. Mahendran, Karur Vysya Bank:** While concessional rates have not seen significant changes, streamlining business operations to ensure a smooth flow is paramount. The industry as a whole must collaboratively explore and implement solutions in this regard.

■■■

Some of the recommendations offered to enhance the efficiency of the industry include encouraging legitimate players to step forward and expose counterfeit entities. Establishing a self-regulatory organization can play a crucial role in ensuring transparency and compliance. It is imperative to set long-term goals that will guide the industry toward progress as a unified entity. Another important consideration made by Mr Prithviraj Kothari is the implementation of a gold board, which can streamline government interactions and foster greater clarity among all participants in the value chain.

## PRESENTATION 1 – NORMS AND GUIDELINES FOR BULLION IMPORTS FROM THE UAE THROUGH CEPA



**Mr Prem Nath, FinMet Pte. Ltd**

**The presentation was made by Mr Prem Nath from FinMet Pte. Ltd.**

**Mr Nath's** presentation begins with an introduction to gold imports under CEPA from the UAE. The agreement between India and the UAE, signed in March 2022, spans a decade. Notably, gold can be imported into India at a custom duty rate 1% lower than the effective duty rate. The quantity of gold imports operates under the Tariff Rate Quota (TRQ) system, where eligible Indian entities must apply online to the DGFT for the allocation of gold quantities under TRQ.

Initially, eligibility conditions were stringent, limited to entities engaged in the gold jewellery business with stipulated minimum average annual sales turnover over the past three years. However, these eligibility conditions were relaxed in April 2023. Now, any Indian entity possessing an IEC Code can apply for TRQ allocation. The total annual TRQ quantity for all eligible entities is capped at a maximum of 120 tonnes for the first year (commencing FY 2022-23), 140 tonnes for the second year (FY 2023-24), with incremental increases of 20 tonnes in the third, fourth, and fifth years. From the fifth year to the tenth year, the total TRQ quantity for gold is set at 200 tonnes.

**The presentation further delves into the IGCRS rules governing gold imports into India and outlines the challenges encountered, as detailed in the tables below:**

### IGCRS Rules:-

1. Import of Goods at Concessional Rate of Duty or for Specified End Use Rules 2022 have been notified vide Custom Notification (NT) No. 74/2022 dated 9th September, 2022.
2. In this notification the definition of Job Work excludes gold, jewellery and articles thereof, and other precious metals or stones vide para 3(g) of this Notification.
3. CBIC issued a clarification to the above Notification of 9th September, 2022 in its Custom Circular No. 18/2022 dated 10th September, 2022 in which clarification about job work vide para no. 4.2(f) is as follows :
4. Para 4.2(f) : The restrictions on job work are only relating to the case where it is undertaken on the goods belonging to importer and does not apply to the end use recipient who receives the goods on the supply and deals with it as stipulated in the notification.

### Challenges:-

1. TRQ holders taking supply of gold from Nominated Agencies can use the gold for manufacturing of jewellery on job work basis as per IGCRS Rules 2022. But the QJs importing gold against TRQs in their own name through IIBX have to be manufacturer themselves as job work is restricted for them in IGCRS Rules.
2. There has to be level playing field for those importing TRQ gold through IIBX also.
3. Low utilization of TRQs allotted last year
4. TRQ holders taking supply from Nominated Agencies have to submit custom duty margin of 1% to the Nominated Agencies.
5. Nominated Agencies have to submit custom duty bond to the Custom Authorities to the extent of 1% for import of gold under TRQs of CEPA with UAE.

**Recommendations provided:-**

1. CBIC is requested to issue suitable guidelines to the field formations for the cancellation of Custom Duty Bonds of Nominated Agencies.
2. CBIC is requested to make the system for online submission of required documents through ICEGATE functional for cancellation of Bonds.
3. Nominated Agencies are requested to contact CBIC for the challenges faced and resolution of the same so that security margin of custom duty can be released to TRQ holders.
4. TRQ holders importing gold in their own name through IIBX have to use the gold in their own manufacturing unit only. It is recommended to have the treatment of gold imported through IIBX at par with the gold supplied to TRQ holders by Nominated Agencies.
5. TRQ holders taking supply of gold from Nominated Agencies should have flexibility to use it for their self-usage in manufacturing of jewellery or through job work or even for their stock and sale. CBIC is requested to issue suitable clarification for the flexibility of bullion trading with stock and sale.



**Mr Ashok Gautam, IIBX IFSC Ltd**

**Role of IIBX in importing gold from UAE under CEPA, Mr Ashok Gautam, IIBX IFSC**

This year, when TRQ quotas were allocated, the option to import through IIBX was not initially mentioned in the first round. However, it was enabled for TRQ quota import on the deadline of the second round. Another noteworthy notification was issued under CEPA regulations in May 2023, specifically referencing customs notification number 22/2022 dated 30th April. This notification allows for gold imports under HS code

71081200 to be facilitated by the TRQ holder through qualified jewellers, as notified by IFSCA. We extend special thanks to Augmont for being the first qualified jeweller through whom a TRQ holder, not originally a qualified jeweller, was able to import gold through IIBX.

Importing gold through IIBX offers numerous advantages that need to be shared with the audience. Augmont's achievement as the first non-qualified jeweller to import through IIBX sets a precedent for many more non-qualified jewellers to enter the arena. To clarify, some may be confused about importing gold through IIBX for a qualified jeweller. Custom notification point 'F' states that "The restrictions on job work apply only to cases where the goods belong to the importer and do not apply to the end-use recipient who receives the goods on supply and handles them as stipulated in the notification."

As of September 2022, nominated banks and agencies were considered the importers, while TRQ holders were the end users. Two crucial documents, IGCR 1 and IGCR 3, must be submitted by the recipient. IGCR 1 should be submitted before the gold is imported, and IGCR 3 must be submitted once the gold is procured.

Regarding the silver import section, as of 31st July 2023, IIBX has received permission for silver imports into the country. This process is in its final stages and is expected to be completed by the end of this year.

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## Day 2

### Session 1: Bullion Markets and Trade in 2022-23



**Mr Shivanshu Mehta, MCX (Left) Mr Haresh Acharya, Parker Precious Metals LLP, Mr Chirag Thakkar, Amrapali Industries, Mr Harish Chopra, IGPC - IIMA (Chair), Mr Anurag Rastogi, IBCA (Middle), Mr Anshuman Sharma, StoneX, Mr Ravi Ramakrishnan, JP Morgan, and Mr Mohammad Ayyob, Sam Precious Metals (Right)**



**Mr Harish Chopra, IGPC - IIMA**

**Mr Harish Chopra, IGPC – IIMA:** This session will focus on the Bullion industry and the state of the Gold Bullion trade in the past two years. We have a panel of industry experts who will share their thoughts and insights on the industry. In the financial year 2022-2023, India imported a total of 697 tonnes, which was 23% lower than the previous year. However, this was expected due to the high gold imports of over 1000 tonnes in 2021. The concerning aspect in the Indian context was the prolonged period of gold price discounts, making physical trading unfeasible for the supply chain.

Some reasons behind these discounted prices may include lower demand, de-stocking by jewellers, and the influx of illicit gold into the country.





**Mr Shivanshu Mehta, MCX**

**Mr Shivanshu Mehta, MCX:** Consistency in policies and simplicity in customs and import taxes are essential for the industry to thrive. MCX allows the flow of domestically cleared gold, contributing to Atma Nirbhar Bharat (self-reliant India) goals.



**Mr Chirag Thakkar, Amrapali Industries**

**Mr Chirag Thakkar, Amrapali Industries:** The demand cycle has shifted post-pandemic, and elevated gold prices have resulted in inconsistent demand patterns. Silver demand has also decreased due to high silver prices. Demand is influenced by various factors, and some of the reasons mentioned by Mr Harish could contribute to the decline in demand.



**Mr Haresh Acharya**  
Parker Precious Metals LLP

**Mr Haresh Acharya, Parker Precious Metals LLP:** High gold prices, along with mandatory hallmarking norms, may have contributed to lower demand. Hallmarking regulations increased scrutiny within the jewellery segment.



**Mr Anshuman Sharma, StoneX**

**Mr Anshuman Sharma, StoneX:** Globally, gold sentiment is price-sensitive, particularly in China and the UAE. The Chinese gold price cannot serve as a benchmark due to customs authorities' unique practices. Demand for gold depends on various economic factors and transaction costs, which have risen, impacting the industry. However, demand for investment bars remains strong worldwide, including India.





**Mr Ravi Ramakrishnan, JP Morgan**

**Mr Ravi Ramakrishnan, JP Morgan:** The Indian market's demand window is shortening, with cyclical imports instead of a continuous flow. The pandemic has introduced seasonality, with specific months seeing minimal LBMA bar imports. Bullion banks like JP Morgan aim to stock gold to serve the market quickly. High premiums in China may be due to infrequent gold imports by banks, elevating local prices.

**Question: How to deal with illicit gold?**

**Mr Chirag Thakkar, Amrapali Industries:** Maintaining transparent records of imports, alongside customs duties can help curb illicit gold activities.

**Mr Shivanshu Mehta, MCX:** MCX facilitates tracking domestic gold cleared by BIS and NABL accreditation, controlling and monitoring gold movement within the country.

**Mr Anshuman Sharma, StoneX:** Simplifying custom and import taxes can contribute to tackling the issue of illicit gold.

**MCX - A Beacon of Resilience during Challenging Times**

**Mr Shivanshu Mehta, MCX:** MCX has shown growth and resilience, with tremendous growth in gold and silver Options contracts. Open interest in these contracts has surged, serving as hedges for jewellers and Bullion dealers across India. The expected introduction of Electronic Gold Receipts (EGRs) can further drive growth once tax concerns are resolved. SEBI reforms have opened the Indian market to international participants.

UAE-India CEPA and Gold Imports



**Mr Mohammad Ayyob, Sam Precious Metals**

**Mr Mohammad Ayyob, Sam Precious Metals:** Elevated gold prices may have led to increased domestic demand for recycled gold. CEPA between India and the UAE has introduced a 1% lower duty structure for gold imports to India, fostering growth and communication between the countries. UAE's refining industries comply with social and responsible sourcing standards.

**Mr Haresh Acharya, Parker Precious Metals LLP:**

Although India imported only about 8 tonnes through CEPA last year, it represents a significant step in aligning the two countries. The CEPA channel covers most of the UAE, benefiting India through reduced taxes and customs duties. However, customs procedures in specific countries played a role in India's limited CEPA imports, requiring further examination.

**Mr Chirag Thakkar, Amrapali Industries:** Hindrances encountered in the previous year have potential resolutions, and there is optimism about achieving the 140-tonne target this year.

**Mr Mohammad Ayyob, Sam Precious Metals:** The CEPA channel, while promising, requires clarifications regarding demand and prices before both countries fully engage in this treaty.

**Mr Anshuman Sharma, StoneX:** CEPA offers more than just precious metals imports and exports. Traditionally, UAE has been a source of refined bars for India, but CEPA was expected to streamline the process. However, shipments through CEPA have faced delays, even after clearance certificates are issued, compared to other shipments from UAE.



## SPECIAL ADDRESS BY WORLD GOLD COUNCIL



**Mr David Tait, WGC**

### Keynote: Mr David Tait, WGC

- Good morning and thank you for inviting me to speak. It is my first time at India Gold Conference and this beautiful city of Kolkata. My name is David Tait, CEO of the World Gold Council.
- Before taking the role as the CEO of the WGC, I spent 35 years in investment banking and HF's - GS, BC and lastly Credit Suisse.
- During my last 5 years at Credit Suisse, I ran the firm's Global Macro division, overseeing Int Rates, FX, Commodities and Electronic trading.
- But most significantly, I was also the person who shut down Commodities trading at CS – which obviously included precious metals.
- Why? Because it was simply too difficult, risky and expensive to be involved with.
- But, at the time it wasn't my job to figure out why it was difficult, risky and expensive.
- I simply saved myself \$1/2 million and improved my ROC, just by closing the operation.
- However, now it is my job, and the job of the WGC to figure out why.
- So, with this in mind, after I joined the WGC, I recognised four issues.
- First, I recognised a huge lack of trust in gold both at retail and institutional level (at least in the western part of the world).
- We know, from our own research, that 50% of people don't trust gold, which has led to warnings not to buy the product from retailers. I asked myself, who could I turn to check the Integrity of the product?
- Second, it was clear that 60 % of people literally don't understand gold or how to safely access or invest in the asset, again leading to warnings not to buy the product from retailers. I was left asking, where do I go or how do I safely Access this product 24-7?
- Third, I recognised a highly fragmented global gold market. I have likened it to medieval England, with various Kings and fiefdoms ruling over their own patch, working together in a haphazard and inefficient manner.
- I was confused - why were the markets not joined up and Fungible and hence much more attractive to global investors and asset managers?
- And finally, there appeared a lack of Global Governance and regulatory oversight - unlike other parts of the financial market, there is no overarching entity or body drawn from the entire supply chain working for and on behalf of the gold industry.
- I asked – Who's got responsibility for our industry's future? Has its development been little more than Darwinism?
- Incidentally, I was recently asked by a journalist: "what does this Utopia you imagine look like for the gold industry? And I said, I can see that very clearly in my mind.
- I see a totally secure, immutable, totally inclusive global ecosystem for all gold, presided over by utterly trusted gatekeepers, such that people know for certain that their gold has unimpeachable credentials.
- I see a time when it is understood by all, that only gold from this ecosystem is acceptable to invest in and own, and I see a time when if your gold is not part of this ecosystem, you will need to be concerned.
- And I see a time when the need to be part of the ecosystem becomes such a necessity to sell your gold, that markets currently available for illegally produced gold or mined by exploited children decline to nothing.
- And so, and in that context, the WGC have set out to solve for gold Integrity, Accessibility and Fungibility – known as GOLD247.
- Firstly Integrity – the LBMA and WGC have partnered to develop and implement an international system of gold bar integrity.

- Last year we worked with over 30 participants globally, representing the gold value chain to trial the technology proving that the industry can collaborate to find a shared solution to a shared problem.
- The integrity programme will use blockchain to create an exhaustive, immutable database for all gold, and the aim is to expand the trusted, closed-loop ecosystem which currently exists for the 400oz gold bar market, to incorporate smaller bars including kilo-bars.
- This will help consumers, investors and all market participants trust that their gold is authentic, responsibly produced and sourced.
- Adoption of this database is the critical foundation for a more accessible and fungible market that will unlock greater demand.
- In this context, the WGC has invested in Axedras, whom we firmly believe can provide the necessary robust technology our industry needs.
- Global adoption of the bullion integrity database is also the critical foundation for a more accessible and fungible market that will unlock greater demand.
- But there is more work to do with respect to adoption and implementation across the entire industry and consequently, I am currently working with my Board, all 33 large scale mining CEO's, towards adoption and leverage of this platform to bring greater transparency to gold dore flows from mine to refiner.
- We are confident that Axedras will sign up more participants from across the global gold supply chain to join the blockchain based database and international system of integrity.
- With the integrity foundation in place, we are now turning our attention to solving for accessibility and fungibility.
- The gold market must undergo a digital transformation to allow transparent and effortless 24-7 retail and wholesale transactions. This means removing barriers to participation at both a retail and institutional level and the introduction of a modern market infrastructure.
- As I mentioned, the current global market structure is hugely fragmented and prevents gold from being an easily tradeable and globally transferable financial asset.
- Digitalizing the gold industry and market infrastructure is essential to solving this challenge.
- In order for gold to be accessible and fully fungible, the entire industry must work together to establish a global digital standard to which all participants can adhere.
- Standardising gold into a fully gold backed digital format, that removes risk, lowers barriers to entry, improves participation and lowers the capital cost for institutional investors, must be our goal.
- This will de-fragment the market, increase transparency, trust, participation and demand for gold.
- We are, in essence, working to remove the very reasons I was forced to close the Credit Suisse operation.
- There's a sea of institutional money waiting for gold to be an easy investment and waves of young future investors waiting to buy and invest in gold when it mirrors other top class financial assets.
- Just imagine the new-use cases, such as collateralization and funding, waiting for a digitalized, fungible and easy to use gold.
- And to my last point - Governance. The entire value chain needs to draw together as one to chart the next 5, 10, 25 year journey and discuss topics such as Integrity, ASM, Recycling – even hand carried gold.
- It is necessary for each market participant, to put differences to one side, and work together to grow the whole gold-market pie.
- We have before us a great opportunity.
- Technology has finally given us the chance to place gold alongside all other mainstream financial assets and remove the barriers that have held it back for so long.
- However, no one stakeholder can do this on their own.
- I will say again - Only the entire industry, working together as one, under one banner, can make this happen.
- In this context, last October, the whole gold industry came together for the first time ever in Lisbon to sign a Declaration of Responsibility and Sustainability Principles, which formally expresses a shared commitment to operating in a responsible and sustainable way based on clear set of shared goals.
- The meeting set the precedent for working together as a combined industry towards mutually beneficial goals.
- I'm thrilled to say that once again, this group has come together and the second meeting of this pan industry group is taking place here in Kolkata tomorrow. You will also hear from some of the signatories in next few minutes. It's very pleasing to me that this pan industry group is meeting here; as it reflects the importance of India to the international gold market and I'm delighted that we have such good representation from Indian associations – and indeed, associations from other leading gold markets.
- A further recent example of how powerful



collaboration can be, is at the Financial Markets Standards Board, or FMSB, and the multi-stakeholder working group convened to identify necessary enhancements, to the OTC gold market.

- Over the past 4 years, the Precious Metals Working Group, made up of the world's leading banks, financial associations, the LBMA and World Gold Council, has undertaken an extensive review of this market and published a number of observations as to how fairness, effectiveness and transparency can all be enhanced. In fact the latest and final report was published in the last few months and I'd encourage you to read the reports and find out more about how this work will change and indeed, improve the global gold market.
  - For example, in the FMSB's final report – one of the many observations identified by the working group, was the fact that gold is not recognised as a High-Quality Liquid Asset, requires collective industry action and we will be working alongside the LBMA, and key industry stakeholders, to address both this hugely important issue, and a number of other significant market developments.
  - I'd now like to bring your attention to some of the work we are doing right here in India to help improve access to and trust in gold. India, we are actively working in enhancing gold's relevance among young Indian consumers through multi-media marketing campaigns like 'You are Gold' and 'Power your portfolio with gold.' These campaigns showcase gold as a symbol of self-expression and a trusted asset in investment portfolios, emphasising its versatility and long-term value.
  - In addition to these impactful campaigns, we have
- actively supported Indian government's efforts in the establishment of India International Bullion Exchange (IIBX). We believe this exchange will provide liquidity, price transparency, and risk management features, ensuring the quality and authenticity of gold. By embracing technology and creating a seamless marketplace for gold, India can position itself as a significant bullion trading hub.
  - We are also actively working to create a Self-Regulatory Organization (SRO) which manages to draw together all the stakeholders from the value chain. We are very proud of it. It's been very inclusive. We have listened to all. It's critical as the industry in India comes under one unified banner and improves its standards and best practices. That process and concept is being adopted globally, in places like Germany and are working in similar initiatives in Singapore, Australia and the USA. It is my ultimate goal and intention to draw the SROs across the board and represent them in the global scenario.
  - It is clear for all to see that the world's governments and regulatory bodies will continue to push for a totally transparent, fair and effective gold market, so we must work together, as an industry, to develop universally accepted solutions that ensure our market operates at the highest levels of integrity.
  - And, digitalisation will transform our market, but there is no point digitalising an asset that isn't completely trusted.
  - We have an opportunity to make gold accessible to all at a time in our history when the world is crying out for safe assets.

■■■



## Discussion

### Gold Industry Declaration of Sustainability Principles



**Chair: Mr Shivanshu Mehta, MCX ( Left) presenting momentos to the speakers  
Mr John Mulligan, WGC, Ms Sakhila Mirza, LBMA, and Mr Albert Cheng, SBMA (Right)**



**Mr John Mulligan, WGC**

#### **Mr John Mulligan, World Gold Council**

The gold industry has continuously evolved and embraced various initiatives and innovations over the years. However, the significance of principles, particularly related to sustainability, is not always fully understood or implemented across the industry. It's essential to establish a strong foundation based on these principles. In collaboration with LBMA, the WGC has initiated the process of bringing together key market participants. Some signatories to the declaration include LBMA, WGC, SBMA, CGA, ASFCMP, DMCC, IBJA, IIBX, IGPC, RJC, among others.

**Question – What can be the evolutions that can be brought about to the industry from these principles?**

**Ms Sakhila Mirza, LBMA**

As there are several competitors amongst group of companies within the declaration, there must be market integrity which should be given utmost importance. The ultimate goal of protecting the integrity of the market should not be lost amongst the various other initiatives brought in. This collective responsibility of sustainability will inturn help us work together and bring the industry leaders closer from all over the world. Communication and transparency is key for these principles. As Mr David Tait mentioned technology will be another key aspect to make all these initiatives and principles to work. In terms of responsible sourcing which has been scaling up since its inception in 2012, has become far more diverse since the beginning.

**Question – How do you think this declaration will impact or change the way business is implemented in the gold industry?**

**Ms Sakhila Mirza, LBMA**

From the LBMA perspective, the need for education from the regulatory side is a must as they need to



**Ms Sakhila Mirza, LBMA**

understand the underlying wants and needs from the industry. Having one united voice for this cause is mandatory to be heard by all the governing bodies across the world as it might not be effective if we the industry do not stand tall and together.

**Question – How do you think this declaration will impact or change the way business is implemented in the gold industry?**

**Mr Albert Cheng SBMA –**

According to the SBMA these declarations and principles are a way forward to bring all the gold industry associates together in a global platform especially two recognised leaders like WGC and LBMA leading the way and helping the industry to work together can be the best possible start to these principles. Speaking from the Singapore perspective which has a lower population when compared to others, we think of the other countries like fore-fathers. Singapore is always looked at as a hub to connect the ASEAN region to the rest of the world. The SBMA is not run by a specific person but a committee is set which decides the trajectory. We also exchange ideas and insights between the other ASEAN countries to develop and help each other.



**Mr Albert Cheng, SBMA**

**Question – How do you see the interaction between stakeholders and governments, as none of these principles can be addressed by one entity alone?**

**Mr Albert Cheng SBMA –**

The framework is not fully discussed, but the main prin-

ciples, which are sustainability and responsible sourcing are being addressed all across the ASEAN region even to the small time refiners present in this region. As Ms Sakhila stated the WGC and LBMA who are a big part of the Gold industry must be a leader and demonstrate how to abide and follow these principles.





## PRESENTATION 2: #YELLOW REVOLUTION



**Mr Ketan Kothari, Augmont-Gold For All**

### **Mr Ketan Kothari, Augmont-Gold for All**

This presentation stands out due to its unique focus on catalysing what we call the “Yellow Revolution.” It encompasses an introduction, outlines the objectives, and delves into the strategies and potential benefits and challenges of this revolutionary concept.

The Yellow Revolution is a visionary initiative designed to address India’s heavy reliance on gold imports and foster a self-sustaining and efficient gold ecosystem. Inspired by successful agricultural and milk revolutions of the past, the Yellow Revolution envisions a thriving gold industry that benefits all stakeholders, including consumers, jewellers, refiners, and the Indian economy as a whole.

### **Objectives of the Yellow Revolution**

- The primary objectives are as follows:
- Self-Reliance: Reduce India’s dependence on gold imports and promote domestic gold production and refining.
- Efficiency: Create a seamless and efficient gold ecosystem benefiting consumers, jewellers, and refiners.
- Regulation: Establish a unified regulatory authority to oversee various gold-related products and operations.

### **Key Strategies:**

The Yellow Revolution proposes the following strategies to achieve its objectives:

- EGR - Electronic Gold Receipt: Link Electronic Gold Receipts (EGR) with GMS, SLB & GML, allowing consumers to exchange physical gold for a digital certificate. EGRs provide flexibility and deposit options with interest.
- Encouraging Jewellers: Develop a system where commissions paid benefit jewellers, incentivizing their participation in the gold ecosystem.
- Leveraging Accredited Refiners: Empower accredited gold refiners to handle physical gold, playing a crucial role in seamless gold handling.
- Integrating Gold Recycling: Utilize India’s mature gold recycling market and integrate it with other gold products to reduce wastage and ensure responsible handling.

### **Benefits of the Yellow Revolution:**

Successful implementation promises several significant benefits:

- Economic Self-Reliance: Reducing gold imports strengthens India’s economic position and reduces the impact of import bills.
- Stakeholder Satisfaction: The revolution benefits consumers, jewellers, and manufacturers, creating a win-win situation for all.
- Unified Regulation: A single regulator streamlines gold-related products and operations, promoting efficiency and transparency.
- Reduced Import Dependency: India’s gold industry becomes more self-sufficient, reducing reliance on foreign markets.

**Challenges and the Way Forward:** While promising, the Yellow Revolution faces challenges such as resolving EGR-GST issues, enabling EGR as a deposit option under GMS, and encouraging widespread adoption of the proposed system.



## Session-2: Bullion refining in India



**Mr Harshad Ajmera**, J J Gold House (Left), **Mr James Jose**, CGR Metalloy, **Ms Anindita Chakrabarti**, IIT Kanpur, **Mr Pramod Mohan**, FinMet Pte. Ltd (Chair), **Mr Gautam Choksi**, Hindustan Platinum, **Mr Ajay Agarwal**, SPMCIL, and **Mr Sadi Ahmad**, Sam Precious Metals (Right)



**Mr Pramod Mohan**, FinMet Pte. Ltd

### **Mr Pramod Mohan, FinMet Pte. Ltd**

India boasts the largest recycled gold market in South-east Asia, with over 11% of total consumption originating from old gold. Recycled gold supply has increased in the last three years, driven by rising gold prices. What is the state of the refining industry in India? Let's hear from experts.



**Mr Ajay Agarwal**, SPMCIL

**Mr Ajay Agarwal, SPMCIL** The Security Printing and Minting Corporation of India serves a customer base exclusively in India, with the highest customer volume for coins and currency in the country. SPMCIL has minting operations in Hyderabad and Nasik. SPMCIL produces over 300 different products, including prestigious awards like the Padma Bhushan. Our refining capacity currently stands at 50 metric tonnes, catering mainly to the India Government Mint (IGM).





**Mr Harshad Ajmera, J J Gold House**

**Mr Harshad Ajmera, J J Gold House**

The first Dore shipment to India dates back to 2012, and since then, we've witnessed substantial growth in Dore imports. India has 44 BIS accredited refiners handling Dore imports, but the complexities in the import structure have hindered efficient importation.



**Mr Gautam Choksi, Hindustan Platinum**

**Mr Gautam Choksi, Hindustan Platinum**

In addition to gold, silver and platinum have received government incentives similar to those for gold. A 0.65% reduction in catalysts given to importers is one such measure. However, the differential duty structure must be carefully considered, accounting for demand factors rather than pre-established rates.



**Mr James Jose, CGR Metalloy**

**Mr James Jose, CGR Metalloys**

As of now, significant gold imports through the CEPA channel to India have not materialized. Most imports have been by manufacturers. The channel's potential for increased imports may become apparent once issues related to the CEPA channel are resolved, ensuring streamlined and expedited clearance.



**Mr Sadi Ahmad, Sam Precious Metals**

**Mr Sadi Ahmad, Sam Precious Metals**

UAE has been a jewellery hub since the 1950s, & recent years have witnessed significant growth in bullion trading. Factors contributing to this growth include strategic location, excellent connectivity, and favourable government business policies. Technological advancements and a diverse culture further support business activities.



## Presentation 3



**Prof. Arvind Sahay, IGPC, IIMA**

### Transforming Traditions - Empowering young leaders and enabling best practices in jewellery industry

**Professor Arvind Sahay, IGPC, IIMA** Prof. Sahay initiated his presentation by highlighting the transformative phase in the fundamental aspects of the gold industry. This transformation, ongoing for the past 10-15 years, is steering the industry toward greater transparency, sustainability, and modernization. Block chain technology plays a crucial role in achieving transparency and keeping businesses current. Key aspects include digitalization and scalability.

For example, a diamond certification company in India, backed by significant investor "BlackRock," offers third-party certification to diamond jewellers, emphasizing the importance of having a clear vision for future goals. Customer engagement, especially among the younger generation, is vital. Marketing strategies and brand image are essential to attract a wider customer base.

Additionally, fostering discipline and accountability in the next generation of leaders involves overseeing day-to-day operations and business transactions systematically. The Indian gold industry stands at a crossroads, with significant steps taken toward transparency and responsible sourcing.

## Presentation 4



**Dr. Steven Blessing Ackah,**  
Ghana Gold Expo Foundation

### Dr. Steven Blessing Ackah,

Ghana Gold Expo Foundation As the Director of the Ghana Gold Expo, we aim to participate and grow within the bullion sector, considering Ghana's prominent position as one of Africa's leading gold producers and miners. We closely collaborate with the government to ensure the welfare and integrity of miners in Ghana. Our work primarily revolves around responsible sourcing and ensuring miner welfare, with Ghana's central bank playing a pivotal role in creating safer working environments during the gold extraction process.

Ghana currently leads in gold production across Africa, and authorities have simplified the process for small-scale miners to sell their gold directly to the government, streamlining transactions. Aggregators in Ghana, supported by the central bank, are implementing a program to facilitate seamless transactions. While there is only one certified refiner in Ghana (unlike India), efforts are underway to expand the number of certified refiners and internationalize operations.

Despite rising gold prices, the demand for gold, especially in the jewellery sector, remains robust. Ghana is working on implementing a verification process called the "Goods Management Unit" to respond efficiently to local and international needs.



## Session-3: Discussion on India Gold Jewellery Market



**Chair: Mr Chirag Sheth** Metals Focus, (Left)

**Mr Suvankar Sen**, Senco Gold Limited, **Mr Amit Modak**, P N Gadgil and Sons Ltd (Middle), **Mr Ketan Doshi**, Modern Impex, and **Mr Prayas Dugar**, India Gem & Jewellery Creation (Right)



**Mr Chirag Sheth**, Metals Focus

### **Chair: Mr Chirag Sheth, Metals Focus**

Over the past decade, the Indian jewellery market has witnessed significant changes. We've seen growth in per-capita income and overall economic development in the country. However, two aspects have remained relatively stable: the manufacturing and consumption of gold jewellery. When we compare gold jewellery to other life-style products such as automobiles, where despite rising prices, consumption has increased. Gold jewellery market doesn't show the same trend. The share of retail chain outlets have increased to a significant 39% of the total demand since the beginning of 2001, indicating a shift in market dynamics. In South India, where plain gold jewellery used to dominate, there has been a change in consumer preferences towards diamond and studded jewellery. Now, let's hear from the panelists about their insights on the future of the jewellery industry.



**Mr Suvankar Sen, Senco Gold Limited**

**Mr Suvankar Sen, Senco Gold Limited**

As a retailer, we've observed a significant shift in consumer behaviour. Consumer preferences today are vastly different from what they were a decade ago. The shift from plain gold jewellery to diamond, platinum, or studded jewellery is evident. Technological advancements play a crucial role in creating new designs and attracting customers. Conducting business today is more challenging as consumers have specific design preferences that must be met, unlike in the past.



**Mr Amit Modak, P N Gadgil And Sons Ltd**

**Mr Amit Modak, P N Gadgil and Sons Ltd**

Technology will be a key driver in the jewellery industry. Different machinery leads to different designs, but changing compliances make business operations more challenging. Consumers now care more about services, designs, and the ambiance of retail showrooms. With the introduction of mandatory hallmarking and HUID (Hallmark Unique ID), traditional selling points based on purity are no longer sufficient. We need new marketing strategies to entice consumers.



**Mr Ketan Doshi, Modern Impex**

**Mr Ketan Doshi, Modern Impex**

Jewellery artisans are highly skilled but often lack awareness of government regulations and changes in the sector. Education programs, workshops, and webinars are needed to educate artisans beyond just jewellery making, particularly on tax and regulatory aspects.

Jewellery manufacturers often operate with tight margins, acting as intermediaries between retailers and artisans. Uplifting artisans is crucial as Indian jewellery is predominantly handmade. Manufacturers must balance the interests of both parties, which can be challenging.





**Mr Prayas Dugar,**  
India Gem & Jewellery Creation

### **Mr Prayas Dugar, India Gem & Jewellery Creation**

Medium-sized jewellers face challenges in capturing market share. Despite efforts to satisfy customer demands, it can be challenging to provide the right design within a budget. Consumers today don't prioritize purity as much due to mandatory hallmarking.

### **Question:**

**Mr Chirag Sheth – What are your views on jewellery margins? Do you anticipate them increasing or decreasing?**

**Mr Amit Modak, P N Gadgil and Sons Ltd –**

Margins are likely to increase. New reforms like HUID are compelling unorganized players to follow regulations, which can lead to increased margins benefiting retailers.

**Mr Ketan Doshi, Modern Impex –** Jewellery manufacturers often operate with tight margins, acting as intermediaries between retailers and artisans. Uplifting artisans is crucial as Indian jewellery is predominantly handmade. Manufacturers must balance the interests of both parties, which can be challenging.

**Mr Chirag Sheth –**

Returning to my initial statement, why isn't gold jewellery sales trending upward like automobiles or mobile phones?

**Mr Suvankar Sen, Senco Gold Limited –**

Branding plays a significant role. While people aspire to own better cars or clothes, jewellery consumers prioritize lighter designs and aesthetics. Only a small

percentage looks for specific brands. As an industry, we must collectively build these aspirations to drive jewellery purchases.

**Mr Amit Modak, P N Gadgil and Sons Ltd –**

Jewellery offers a wide range of options today, from gold and silver to diamonds and lab-grown diamonds. Unlike automobiles, jewellery is not considered a necessity, which explains the stagnant sales trend unless there's a compelling reason to purchase.

**Mr Ketan Doshi, Modern Impex –**

Yes the jewellery sales have not been trending when compared to prioritized consumer items but the recycling of jewellery which in the past was done once in a decade has reduced drastically. With the advent of technology the churn cycle for gold has increased by a good margin which is a good sign for the jewellery industry.

■■■

## Session-4: Banks' Role and Bullion Market Development - Current Status and the Way Forward



**Mr Harshit Doshi**, ICBC India (Left), **Mr Manish Goel**, ICICI Bank, **Ms Anna Dinzler**, IGR Metals Trading DMCC, **Mr Neville Patel**, HDFC Bank (Middle), **Mr Manish Gavaskar**, RBL Bank Ltd, and **Mr Kumar Parmani**, Yes Bank (Right)

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**Mr Neville Patel**, HDFC Bank

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### **Mr Neville Patel, HDFC Bank**

The majority of the Bullion entering the country is facilitated by the five banks represented on this panel today. As bankers, we play a vital role in the exchange of Bullion from various parts of the world. So, my first question to all the panellists is, what is the current role of banks in the Bullion industry, and what are our future aspirations for this sector?



**Mr Manish Goel, ICICI Bank**

#### **Mr Manish Goel, ICICI Bank**

The GMS Scheme has been in existence since 1999 with only minor changes. Initially, it was primarily focused on temple trusts and considered a whole-sale scheme. Efforts to involve retail participation and collaborations with jewellers were made but didn't yield substantial results. There have been concerns about low interest rates, but the fundamental aspects of the scheme remain unchanged.



**Mr Harshit Doshi, ICBC India**

#### **Mr Harshit Doshi, ICBC India**

Exports are a significant contributor to the Indian economy, with gems and jewellery exports constituting approximately 10% of the economy. Banks facilitate these exports and have seen consistent growth in supporting exporters over the years. The number of banks involved in gold exports has also increased recently after a period of stagnation.



**Mr Manish Gavaskar, RBL Bank Ltd**

#### **Mr Manish Gavaskar, RBL Bank Ltd**

GIFT City is an important topic for all banks, and we are eager to contribute to its success. Once regulators approve, this platform can serve purposes like hedging and funding on the banking platform for lenders in the GIFT City network. We maintain ongoing dialogues with regulators to improve this platform.

Refiners in the GMS ecosystem play a role in purifying and casting gold. Private sector banks would likely collaborate with the India Government Mint to work toward common goals.

In the last decade, the share of banks importing gold into the country has decreased, which may continue to decline. So, IIBX might become the primary source of gold, with its own advantages and disadvantages. In conclusion, the banking sector is committed to serving the industry in every possible way, just as it has for many years.





**Mr Kumar Parmani, Yes Bank**

#### **Mr Kumar Parmani, Yes Bank**

Initially, this account operated on a consignment basis. Borrowing from fellow banks might be more feasible than purchasing metal from a counterparty. Banks have implemented risk mitigation measures to manage this effectively.

#### **Question:**

**Mr Neville Patel, HDFC Bank** – What are your thoughts on the Gold Monetization Scheme (GMS), and do you believe that banks are playing a vital role in this scheme?

**Mr Manish Goel, ICICI Bank** – The GMS Scheme has been in existence since 1999 with only minor changes. Initially, it was primarily focused on temple trusts and considered a wholesale scheme. Efforts to involve retail participation and collaborations with jewellers were made but didn't yield substantial results. There have been concerns about low interest rates, but the fundamental aspects of the scheme remain unchanged.

**Mr Neville Patel, HDFC Bank** – How can banks contribute to the betterment of GIFT City, and what role can they play in facilitating this initiative?

**Mr Manish Gavaskar, RBL Bank Ltd** – GIFT City is an important topic for all banks, and we are eager to contribute to its success. Once regulators approve, this platform can serve purposes like hedging and funding on the banking platform for lenders in the GIFT City network. We maintain ongoing dialogues with regulators to improve this platform.

**Mr Neville Patel, HDFC Bank** – Concerning the gold loan account, it creates a chain between banks for the movement of metal and allows customers to accumulate metal. How can this account support fractional banking?

**Mr Kumar Parmani, Yes Bank** – Initially, this account operated on a consignment basis. Borrowing from fellow banks might be more feasible than purchasing metal from a counterparty. Banks have implemented risk mitigation measures to manage this effectively.

**Mr Harshit Doshi, ICBC India** – Bullion banking can offer solutions to the industry by providing gold savings accounts to customers. Bullion banks have international units to source gold, but regulatory agreements must be reached on both sides.

**Mr Neville Patel, HDFC Bank** – The India Government Mint is interested in the Gold Monetization scheme. How can IBBA and IGM collaborate on this?

**Mr Manish Goel, ICICI Bank** – Refiners in the GMS ecosystem play a role in purifying and casting gold. Private sector banks would likely collaborate with the India Government Mint to work toward common goals.

In the last decade, the share of banks importing gold into the country has decreased, which may continue to decline. So, IIBX might become the primary source of gold, with its own advantages and disadvantages. In conclusion, the banking sector is committed to serving the industry in every possible way, just as it has for many years.



## Presentation 5



**Dr. Renisha Chainani,**  
Augmont-Gold For All

### Dr. Renisha Chainani, Augmont-Gold For All

This presentation focused on the assessment of gold from 1997 to 2023, considering risk-adjusted returns, portfolio diversification, and inflation protection. The initial segment of the presentation covered policy alterations since 1997 and gold's performance during national crises. The following slides pertain to these two aspects:

#### Evaluation of Gold Policy Changes since 1997 (25 yrs)

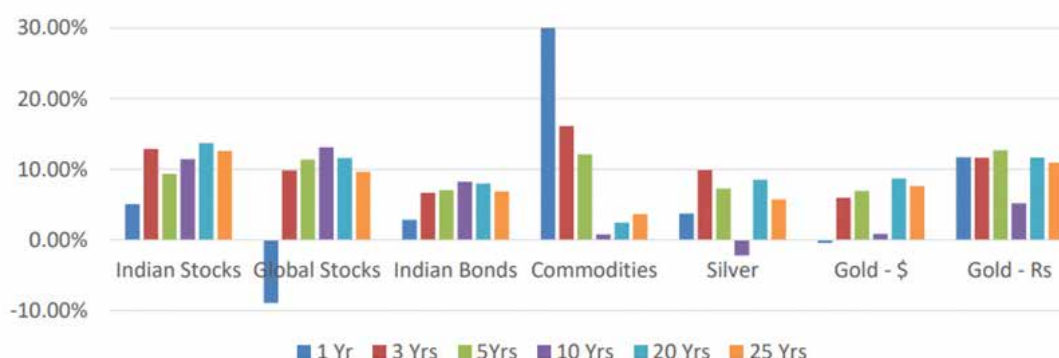
1997	Banks allowed to import gold
1999	Gold Deposit Scheme introduced
2002	Banks permitted to sell gold coins
2003	MCX launched Gold Future trading
2007	Gold ETF launched
2008	Post Office allowed to sell gold
2012	Multiple Import duty hikes from 2% to 10%
2013	80:20 rule for exporting atleast 20% of Imported Gold
2014	80:20 rule abolished
2015	GMS and SGB launched
2016	Disclosure of PAN for all purchases above Rs 2 lakh
2017	3% GST introduced on Gold
2021	Revamped GMS introduced, Hallmarking introduced
2022	Import Duty hiked to 15%
2022	IIBX and Domestic Gold Spot Exchange launched Gold trading

#### Gold performance during "Sell-off in other asset Classes"

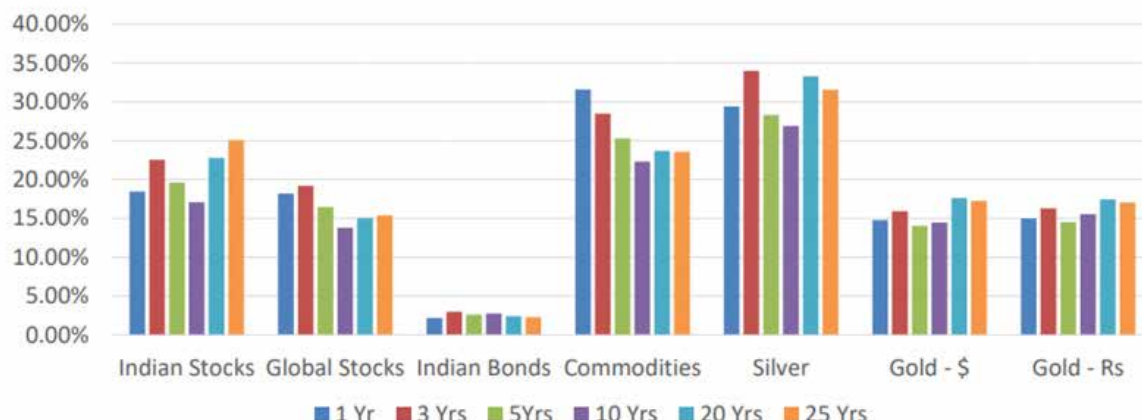
Event	Gold movement between peak and trough
2000 Dotcom Burst	11.7%
2006 Market Crash	-20.7%
2008 Stock and Oil Market Crash	-23.3%
2015 Oil Market Crash	-14.5%
2018 Crypto Crash	7.4%
2020 Pandemic Sell off in Crude Oil	11.5%
2021 Crypto Crash	9.6%

The second part of the presentation included a CAGR returns and volatility of different asset categories which are pasted in the slide below:-

#### CAGR Returns of different assets

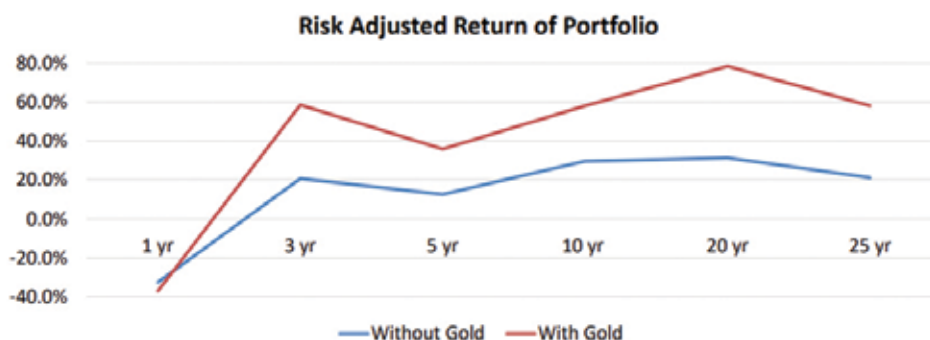


## Volatility of different assets

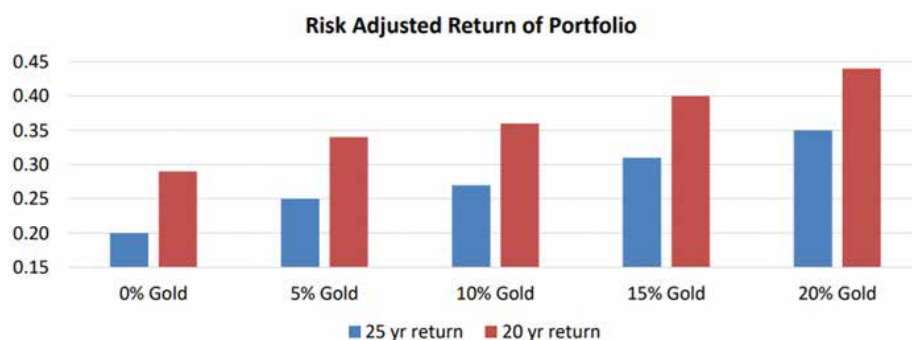


Lastly, the presentation included the risk adjusted returns with and without gold followed by the performance of a portfolio when gold is included and excluded.

## Performance of a portfolio with and without gold



## Performance of a portfolio with and without gold



Gold provides the highest returns during periods of financial crises, elevated inflation, and loose monetary policies such as interest rate cuts and quantitative easing by the FED. Gold exhibits minimal correlation with equities and bonds. A hypothetical portfolio with a 20% allocation to gold delivers the most favourable risk-adjusted returns over the long term.

**Questions:** Does the information presented rely solely on the physical market price of gold, or does it encompass other instruments like futures or ETF returns?

Dr Renisha: In this presentation, I have used the LBMA spot price within the Indian context. The calculated returns are specific to the Indian market and do not encompass the international context. Returns for futures would closely align with those displayed in the slides, but variations may occur when considering ETFs due to associated costs.



## Presentation 6: Gold Price Outlook



**Mr Philip Newman, Metals Focus (Left), Ms Arti Saxena, WGC (Right)**

### **Mr Philip Newman, Metals Focus**

This presentation commenced with an introduction to Metals Focus operations, encompassing weekly and monthly reports, a 10-year PGM report, and mine cost services.

Transitioning to the gold price dynamics, it's noteworthy that gold had a lacklustre performance in 2022 but started the year strongly, testing all-time highs. Although gold temporarily dipped below the \$1900 mark, it might be perceived as somewhat overvalued.

Surprisingly, Metals Focus finds mixed indicators from investors. Currently, there is a lack of uniformity between ETP holdings and contracts at the CME, which is unusual. The influence of US bond and treasury yields is putting downward pressure on the US dollar, posing challenges for gold price increases. Moreover, core inflation in the US remains above the Federal Reserve's long-term target, even though it has been gradually decreasing. This lack of clarity in core inflation complicates predictions about the Fed's stance in upcoming FOMC meetings.

Another crucial indicator is the tight labour market conditions. Presently, there are one and a half job openings for every non-working individual in the US. The expected soft landing, aimed at reducing GDP growth rates, could potentially deliver more negative surprises for gold prices.

Despite signs of economic easing, recession concerns still linger within the US banking community and among investors. It's anticipated that there is still a substantial duration left in the tightening cycle, possibly another 6 to 9 months. In terms of global demand, 2021 and 2022 recorded 4200 tons and 4814 tons, respectively. The 600-ton increase is primarily attributed to central bank buying, predominantly concentrated in the second half of the year. We anticipate a modest year for official sector demand, with expectations for it to return to 4200-ton levels.

Additionally, there has been a notable increase in selling compared to the previous year. From a medium-term perspective, we foresee a gradual downward movement in gold prices, possibly continuing into this quarter or even the beginning of next year.



## India Gold Conference Excellence Awards 2022



Best Gold Bullion  
Dealer of the  
year 2022-2023,  
South India,  
DP Gold



Best Gold Bullion  
Dealer of the  
year 2022-2023,  
Eastern India,  
Kartikey Bullion



Best Gold Bullion  
Dealer of the  
year 2022-2023,  
Western and  
Central India,  
Amrapali



Best Silver  
Bullion Dealer of  
the year 2022-23,  
Amrapali



## India Gold Conference Excellence Awards 2022



Best Gold Bullion  
Dealer of the year  
2022-2023, All  
India, RSBL



Best Nominated  
Bank For Gold,  
Silver & GML of  
the year 2022-23,  
HDFC Bank



Leading  
Nominated Bank  
For Gold of the  
year 2022-23,  
ICICI Bank



Best Overseas  
Supplier of Gold  
& Silver of the  
year 2022-23,  
J P Morgan



## India Gold Conference Excellence Awards 2022



Leading Overseas  
Supplier of Gold  
of the year  
2022-23, ANZ



Leading Overseas  
Supplier of  
Silver of the year  
2022-23, ICBC  
Standard Bank



Best Indian  
Commodity  
Exchange of the  
year 2022-23,  
MCX



Best International  
Logistics Service  
Provider of the  
year 2022-23,  
Brinks

## India Gold Conference Excellence Awards 2022



Promising  
Logistics Service  
Provider of the  
year 2022-2023,  
Sequel Logistics



Largest  
Integrated Gold  
Refiner (All-India)  
of the year 2022-  
2023, MMTC  
PAMP



Leading Gold  
Refiner (All India)  
of the year 2022-  
23, Augmont-  
Gold for All



16\_Digital Gold  
Platform of the  
year 2022-2023,  
SAFEGOLD



















# PROTECTION against PRICE VOLATILITY for BULLION VALUE CHAIN

## OPTION ADVANTAGE

- Options offer the buyer an Insurance against adverse movement, but allow for participation on favorable side
- Flexible Pricing via Put options.
- Maximum Loss to the extent of Premium paid for Buyer
- Exchange Traded options free from counter party risk
- Futures & Options combination: Profit from change in future prices but limit losses via Options
- Participants can devise hundreds of effective hedging strategies
- Better Cash-flow management: one-time payment of Premium
- Low Transaction Cost, low capital intensive

## MCX Bullion Contracts

- Rupee-denominated contracts.
- Smaller contract size allows hedging strategies for even small-sized physical players.
- Trading is available from 9.00 a.m. to 11.30 / 11.55 p.m.
- Efficient price discovery, reflecting physical market fundamentals.
- Highly liquid contracts with low impact cost. • Compulsory delivery contracts.
- Domestic Price Benchmark
- Comprehensive hedge against changes in international prices, currency and duty tariff
- \*Delivery: Gold - 138 MT and Silver- 4734 MT" \*since inception
- **Atmanirbhar Bharat Mission:** 7880 kg of Indian refined Gold valued at 4200 crore has been delivered via MCX empanelled domestic refiners since inception

## Continued Success of New Product Design in Bullion:

- Gold Petal futures contracts saw successful delivery of 89 kgs (89823 coins) since its launch in October 2019.
- Similarly, Silver (1kg) Micro & Silver (5 kg) Mini contracts saw successful delivery of 2,68,973kgs of silver Kilo bars.

## Recent All Time Highs:

- Bullion Options registered all time high turnover of Rs. 33389 crores as well as volume of 54 MT on July 25, 2023
- Gold (1 kg) Options recorded all time high turnover of Rs. 30940 crores, volume of 52 MT on July 25, 2023
- Gold Mini (100 gram) Options registered all time high turnover of Rs. 1952 cr. and volume of 3298 kg on September 25, 2023 and highest open interest of 883 Kgs on October 03, 2023.
- Silver (30 kg) Options registered all time high turnover of Rs. 16653 crores and volume of 2275 MT on August 23, 2023.
- Silver Mini (5 kg) Options recorded all time high turnover of Rs. 2674 crores, volume of 378 MT on August 21, 2023 and highest open interest of 96 MT witnessed on October 04, 2023.

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**MCX**  
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# MMTC-PAMP

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WHEN IT COMES TO GOLD,  
SETTLE FOR NOTHING BUT THE PUREST  
EVEN GOLD HAS A GOLD STANDARD



GODDESS LAKSHMI  
SHANKH GOLD COIN 5gm, 20gm

GODDESS LAKSHMI GOLD BAR 10gm

GODDESS LAKSHMI  
GOLD PENDANT 2gm



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