



Gold Refining & Responsible sourcing - Trends and Opportunities

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Key Developments in two years

NSE takes the initiative to integrate responsible sourcing with India Good Delivery, leading to launch of NSE-Refiner Standards

Consecutively MCX and BSE launched their standards. That said on technical and governance parameters it is all same, just the financial criteria differs.

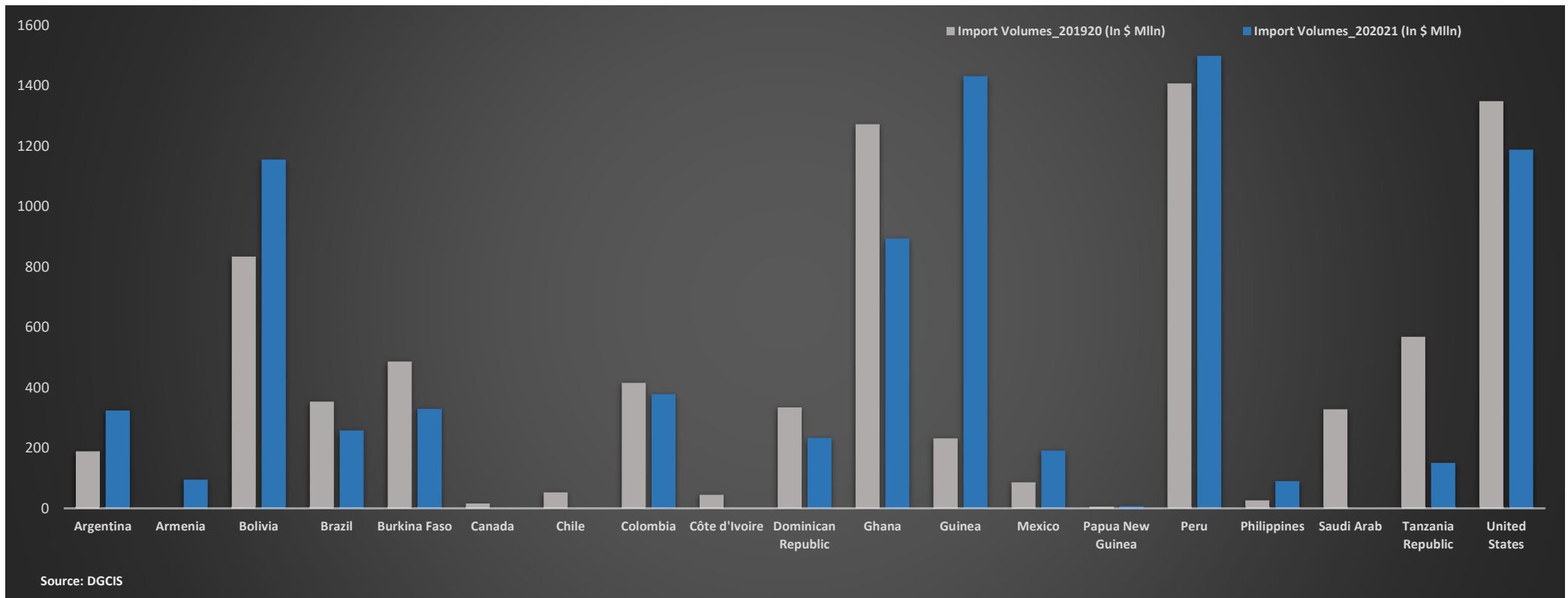
Keeping aside the financial criteria, the responsible sourcing component adapted was RMI and RJC's Chain of Custody by all the exchanges

Eight refiners in India have signed up for the responsible sourcing audit, yet any to be certified.

BSE was first to get the deliveries from Indian refiners, followed by MCX

RBI allows banks to accept IGD for GMS (GML)

Dore Import Values (In \$ Mln)





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Five Step Framework For Ensuring Responsible Sourcing Practices

Establish internal management systems on supply chain due diligence

Establish traceability or chain of custody to point of origin

For red flagged supply chains, undertake or review on-the-ground assessments of mines, producers, and traders for conflict, serious abuses, bribery, tax evasion, fraud, money laundering

Refiners are expected to undergo an independent third party audit on due diligence management systems

Report publicly on due diligence efforts

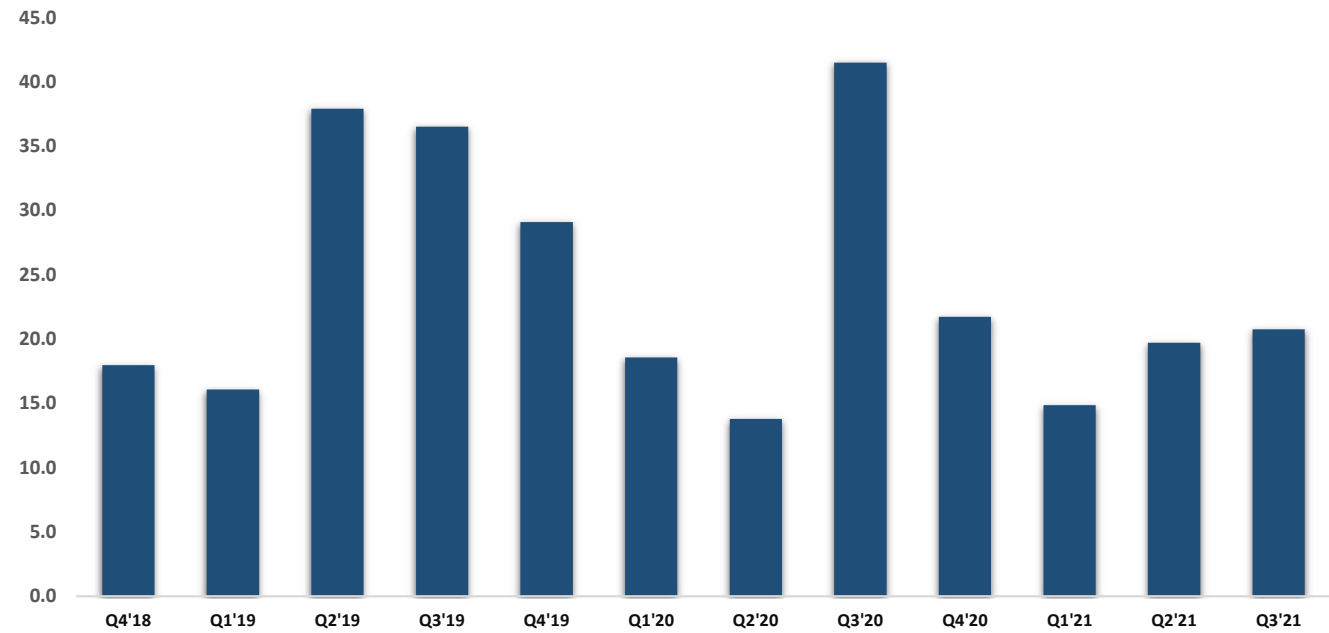
Ministry of corporate affairs releases National Guidelines for Responsible Business Conduct (NGRBC)

Business Responsibility Reporting Framework for reporting of actions taken by businesses vis-à-vis the eight Principles and corresponding Core Elements.

Creates a case for MSME to consider NGRBC with following benefits outlined, it is significant for Indian refiners as well:

- Increased access to markets and customers
- Better preparedness for compliance
- De-risking operations
- Cost savings and increase in productivity
- Access to funds

Scrap Flow (In tons)



Source: WGC

Deferred exports

- Risk of diversion of metal for domestic consumption
- Smuggling through Air, land, sea are getting riskier
- Gets diverted as scrap and creates sourcing risks.

	UNITS RS. IN CRORES	2017-18	2018-19	2019-20	2020-21
A	Total value of gold imported includes duty and duty free (source: DGCIS)	2,93,001	3,11,934	1,99,250	2,54,289
B	Customs duty (actual- 2017-19 & Estimates- 2019-21)*	13,625	10,570	8,200	~14,000
C	Derived value of duty paid imports	1,36,255	1,05,705	65,600	1,12,000
D	Actual gold and jewellery exports reported by GJEPC (value addition not discounted)	74,796	90,126	93,818	37,945
	Excess not exported (A-D) or deferred	1,56,746	2,06,229	1,33,650	1,42,289