

Standard India Gold Coin

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India gold market

- 22,000 tonnes – 15% of world gold stock
- 25% of annual global demand – 800-1,000 tonnes
- Nature of demand – 50% for weddings and 60% from rural areas
- Since 2003, demand has grown 7% on CAGR and 17% on value

Industry context – strong but under leveraged

Strengths

- Gold tradition
- Household savings
- Jewellery and Handcrafting
- Large workforce
- Institutional loan against jewellery

Weakness

- Standardization
- Poor infrastructure
- Brands
- Perception

Opportunity

- Latent demand from new savers.
- > 60% of population below 30 years of age
- Demand power under leveraged in global price setting
- Gold savings schemes to expand financial inclusion

Threats

- Branded Luxury products
- Skills may disappear
- Other Asian manufacturers

Framework beyond demand curbs necessary for this vibrant industry

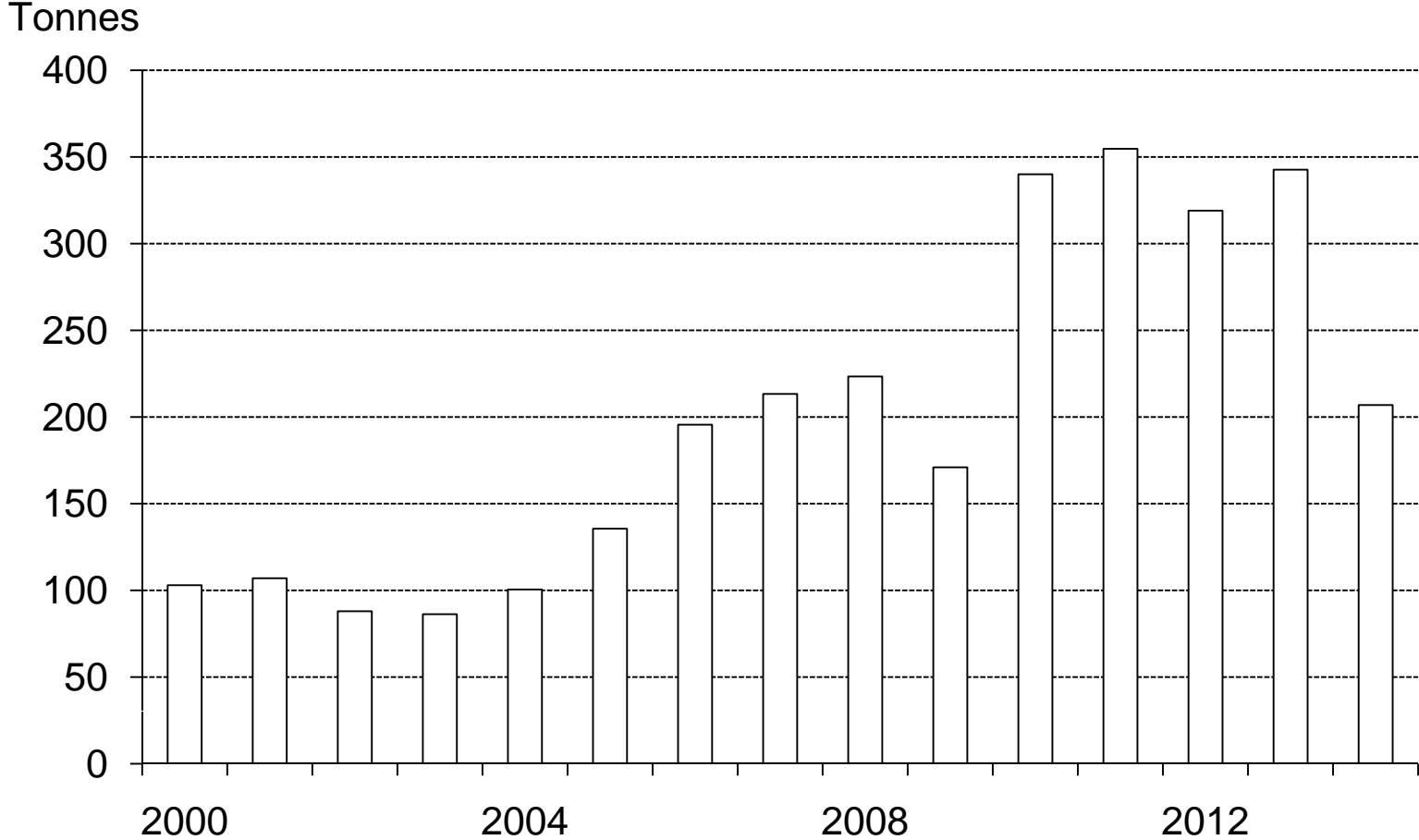
Vision 2020 | India gold industry

5 year ambitions for the Indian gold industry

1. India to be 'jeweller to the world'
2. Double Employment
3. Transparent recycling
4. Improve jewellery quality through hallmarking
5. Skill development - Karigar welfare scheme
6. Gold tourism

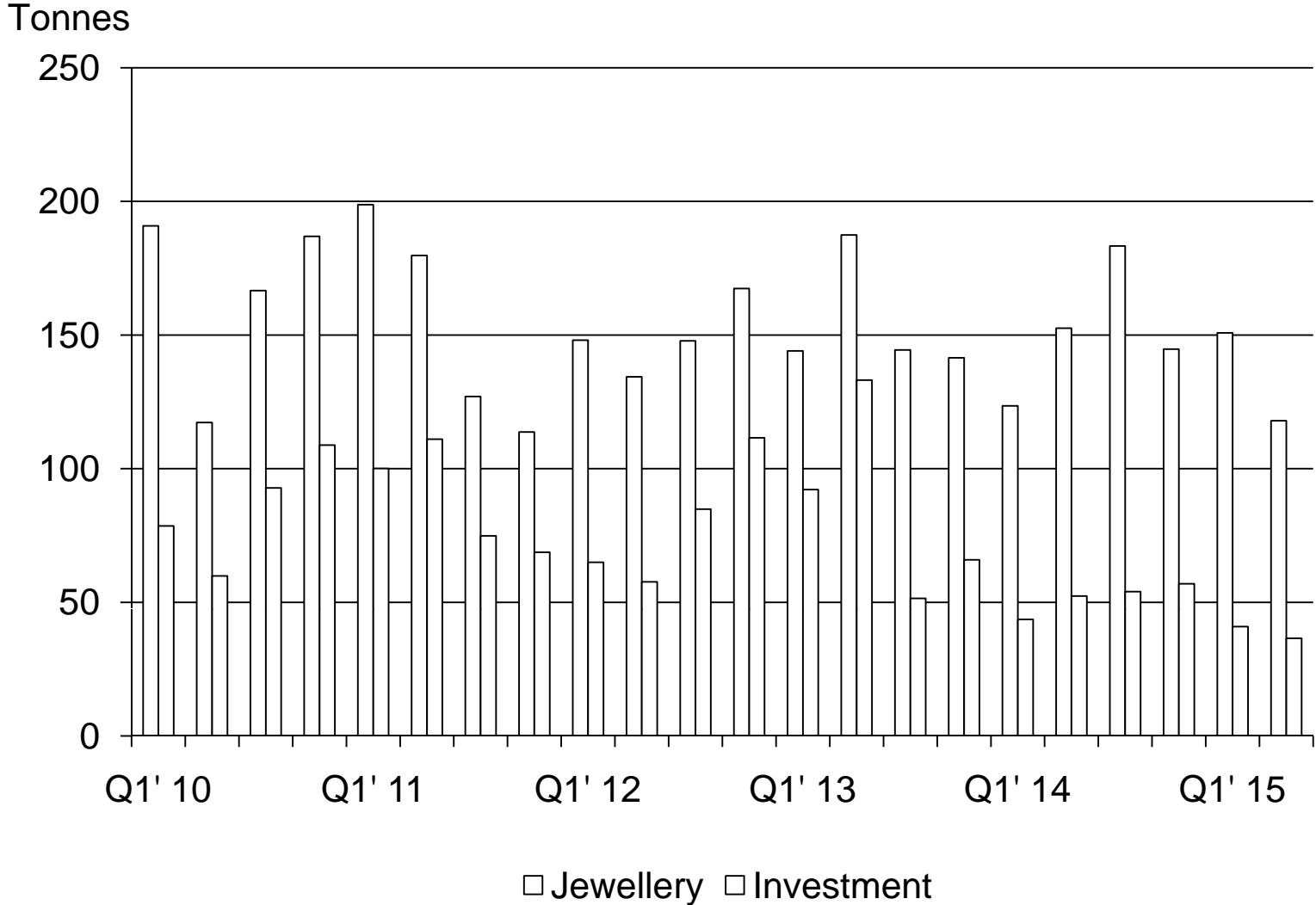
"India's prosperity – advanced by gold"

India - Bars & Coins demand



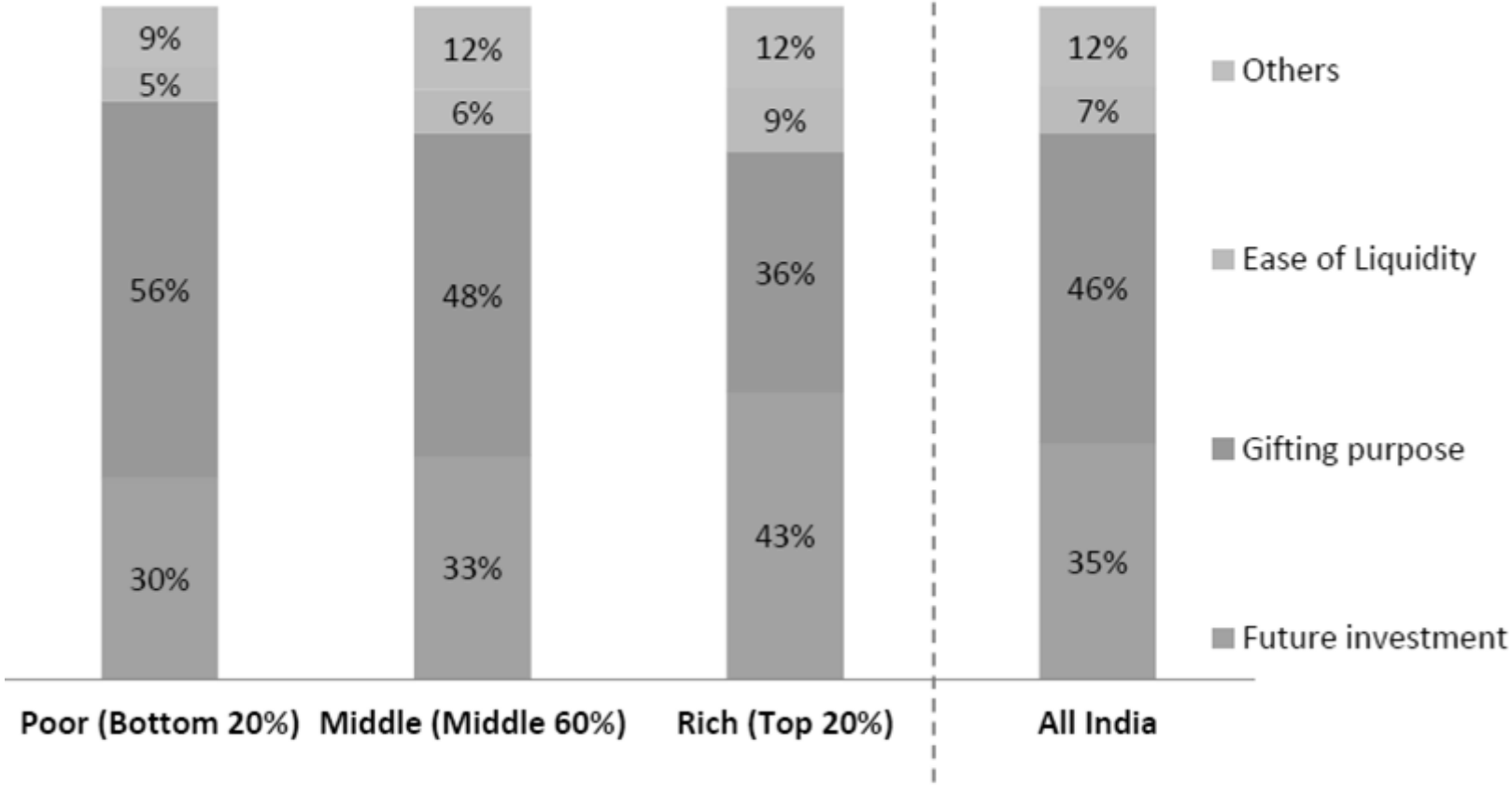
Source: Metals Focus, GFMS Thomson Reuters, World Gold Council

India – Q2 2015 Jewellery and Investment Demand



Source: Metals Focus, GFMS Thomson Reuters, World Gold Council

Gifting is an important demand driver



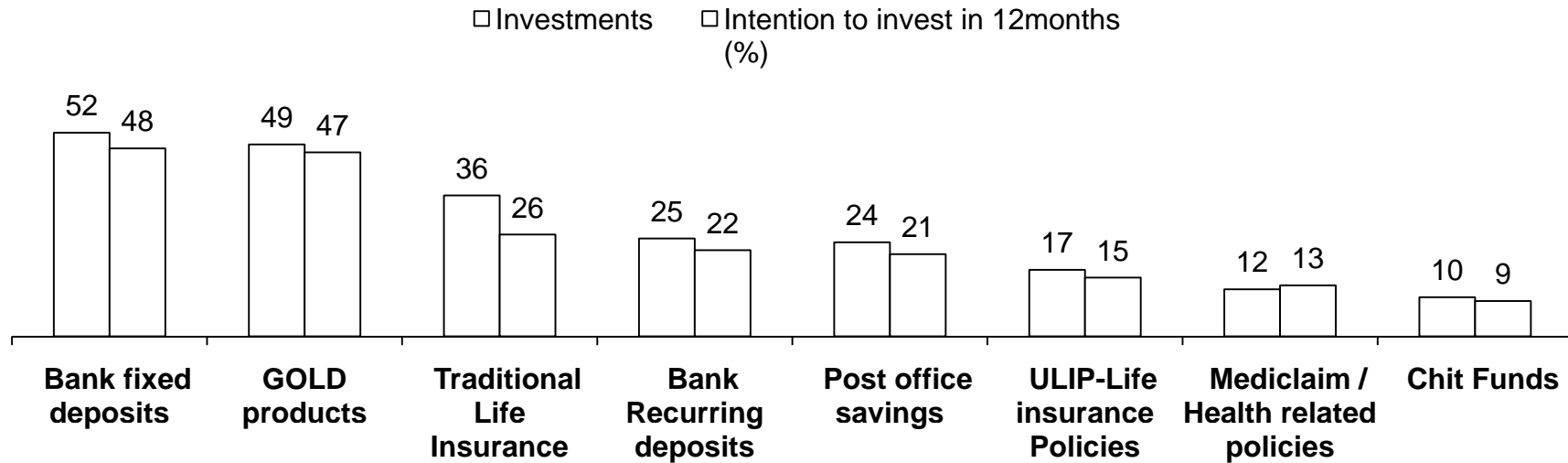
Note: Future investment includes children’s education, children’s wedding and purchase of property/real estate
Source: ICE 360^o Survey (October 2014) from People Research on India’s Consumer Economy (PRICE).

Gold purchasing in India has a deep connection with savings - 3/4th of Gold purchase is driven by personal savings

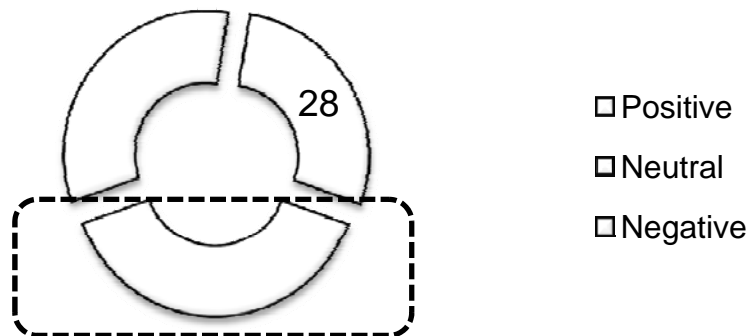
		Source of Funds (%)				
		Personal savings	Profit in business	Profit in investments	Bonus	Property
Reasons for investment in Gold (%)	ALL	74	45	34	23	23
To have a better standard of living	64	71	67	55	38	35
To secure child's future	52	53	61	54	47	44
To grow my money	51	54	61	55	47	42
For retirement Corpus	26	24	28	33	44	39
Funds for Children education	28	24	29	34	40	39

Source: Nielsen study

Gold among top 2 investment products and 4 in 10 intends to purchase branded gold coin

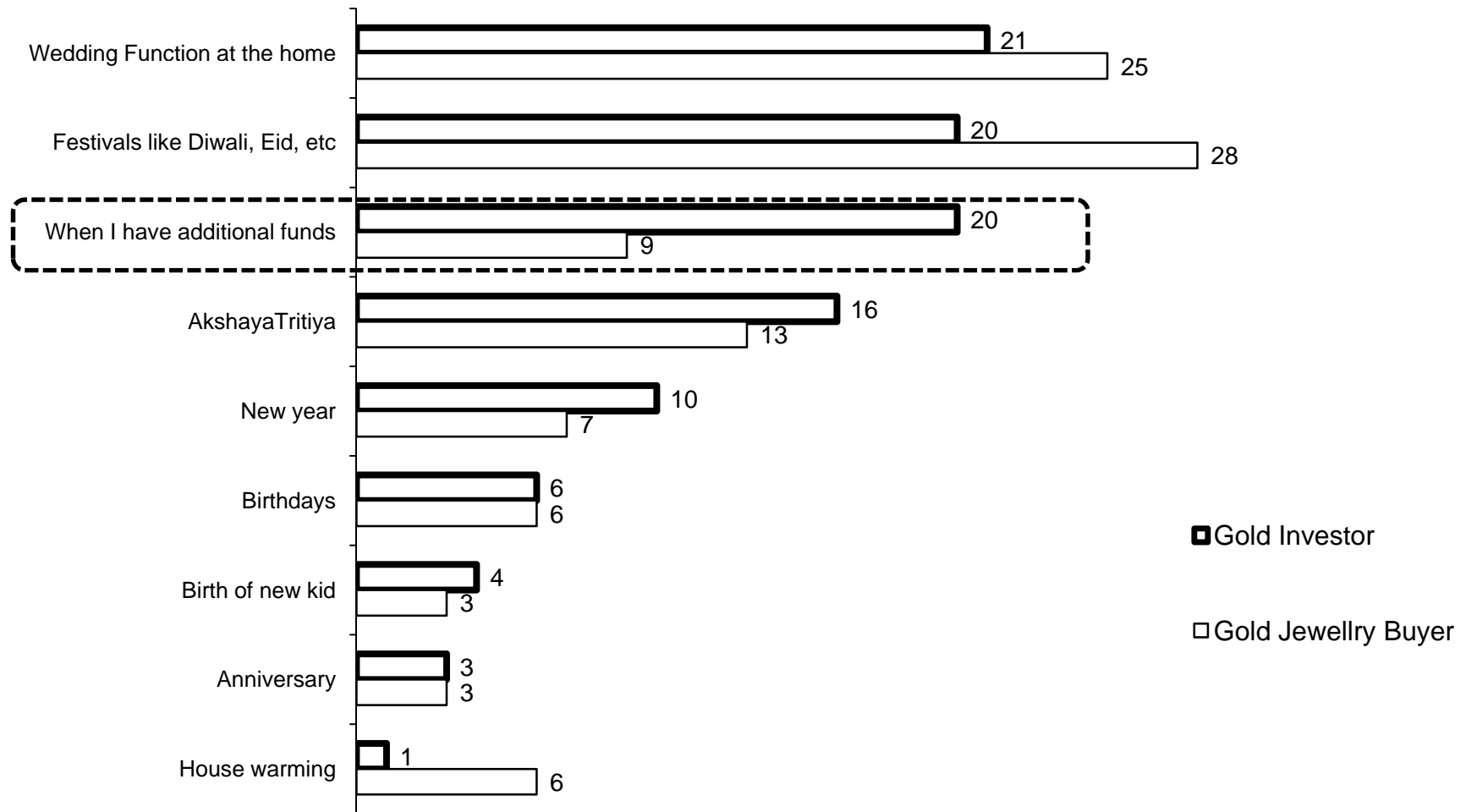


Opinion on Idea of purchasing Branded Gold Coin



Source: Nielsen study

Traditionally, gold was bought on occasions like weddings, festivals etc. But as an emerging trend gold investments comes majorly from the surplus funds



Source: Nielsen study

Change in approach



- **Ashok Chakra Gold Coin**
- **Monetisation**
- **Sovereign Gold Bond**

Gold coins worldwide

Australia



OBVERSE REVERSE OBVERSE REVERSE
 Australian Kangaroo Australian Lunar Series

South Africa



OBVERSE REVERSE
 Krugerrand

Canada



OBVERSE REVERSE
 Gold Maple Leaf

USA



OBVERSE REVERSE OBVERSE REVERSE
 American Eagle American buffalo

Austria



OBVERSE REVERSE
 Vienna Philharmonic

China



OBVERSE REVERSE
 Gold Panda

Turkey



OBVERSE REVERSE OBVERSE REVERSE
 Meskuk (standard) Ziynet decorative

Mexico



OBVERSE REVERSE
 Libertad

UK



OBVERSE REVERSE
 Britannia



Analysis of worldwide coins

Count-ry name	Coin name	Year launched	Marketing entity	Carat	Purity (%)	Legal tender status	Symbolic importance	Coins sold (mn)	Coins sold (tons)
Australia	Australian Kangaroo	1987	GoldCorp Australia.	24	99.99	Under the Australian Currency Act 1965	The coin features a kangaroo, which is the international recognized symbol of Australia and its wildlife	10	173
	Australian Lunar Series	1996	GoldCorp Australia.	24	99.99	Under the Australian Currency Act 1965	Each year the coin depicts one of the 12 animals associated with the ancient Chinese Lunar Calendar	1	21
South Africa	Krugerrand	1970	Rand Refinery	22	91.67	Under the South African Reserve Bank Act (No 90 of 1989)	The coin features the springbuck, an African antelope, a national symbol of SA and an international symbol of wildlife	60	1,445
Canada	Gold Maple Leaf	1979	Royal Canadian Mint (RCM)	24	99.99	Under the Currency and Exchange Act as specified in Part 1 of the schedule to the Act	With a maple leaf motif on the reverse, this coin features a depiction of Queen Elizabeth II on the obverse.	39	751
USA	American Eagle	1986	United States Mint	22	91.67	Under the Gold Bullion Coin Act of 1985.	The coin features "lady Liberty", the traditional U.S. symbol of freedom, encircled by 50 stars, representing the 50 States in the Union.	35	567
	American buffalo	2006	United States Mint	24	99.99	Under the Presidential \$1 Coin Act of 2005.	The coin follows the greatly admired design of the Indian Head nickel and has gained its nickname from the American Bison on the reverse side of the design	2	45
Austria	Vienna Philharmonic	1989	Austrian Mint LC	24	99.99	In accordance with the Currency Act 1988.	The obverse of the coin depicts the pipe organ in the Vienna Musikverein's Golden Hall. The reverse of the coin shows instruments of the Vienna Philharmonic	15	291
Turkey	Meskuk (standard)	1944	Turkish State Mint	22	91.66	Passed on 8 August 1951	The coin features the head of Kemal Ataturk, encircled by the words "HAKIMIYET MILLETINDIR" and "ANKARA" -the capital city of Turkey	31	187
	Ziynet decorative	1944	Turkish State Mint	22	91.66	Passed on 8 August 1951	The coin features the head of Kemal Ataturk, he first President of Turkey, encircled by 32 stars and a decorative design incorporating flowers	180	5,467
China	Gold Panda	1982	China Gold Coin Inc.(CGCI)	24	99.99	People's Bank of China with the authority of the State Council of the People's Republic of China	The coin features different portraits of the panda that change every year	16	139
Mexico	Libertad	1981	-	22	90.00	-	The coin features the Mexican National Seal with an eagle atop a cactus, clutching a serpent in its beak.	-	-
UK	Britannia	1987	-	24	99.99	-	The coin features the effigy of her Majesty, Queen Elizabeth II and displays the depiction of the Iconic Warrior Maiden "Britannia" - a symbol of	-	-

Banks' promotion of gold coins



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Preferred features of India Gold Coin

Features	Percentage
Standard 24 carat gold coins minted only by RBI	77.68%
Per gram buying and selling price to be fixed by RBI on a daily basis	48.12%
Availability of these coins across all the existing channels	48.38%
Accepted by banks and other financial institutions as repayment of loan in addition to money	36.57%
Banks and Financial Institutions will buy back 'India Gold Coin'	39.77%
Can be bought/ordered directly from RBI	26.78%
Can be bought/ordered through exchange of unbranded gold coins	4.85%

Source: FICCI Survey

India Gold Coin Proposition

Guarantee of purity

Transparent pricing

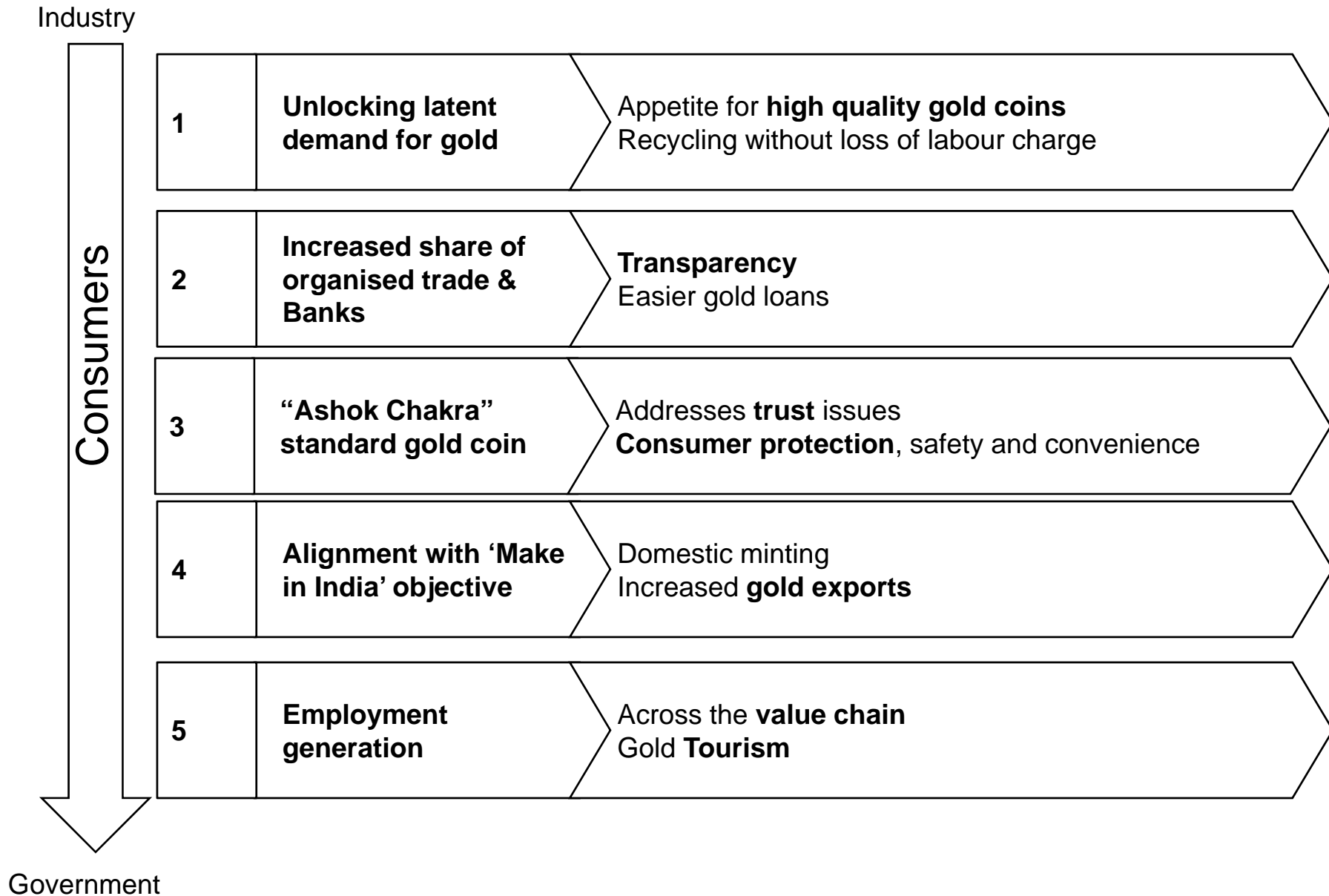
Minted in India

Recycling through buy back

Driver of Monetisation & other gold banking products



Benefits to Stakeholders



Evolving scenario

- Sourcing
- Face value
- Standards
- Brand
- Pricing
- Distribution – including jewellers
- SKU's
- NRI market
- Regulatory facilitation

India Gold Coin is an important piece for the future

Redefine India's relationship with gold by creating

- best in class infrastructure**
- new relevance**
- higher and more transparent value addition**
- ecosystem for smooth recycling**

Make gold a fungible asset