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|---|---|
| 07 Editorial | 20 Digital Payment Gateways can Play a Huge Part in Popularizing/Promoting Gold, Karthik Raghupathy, Phonepe |
| 09 Industry has to Take the Leadership to Making a Vibrant Gold Industry in India, Rajesh Khosla, MMTC PAMP | 21 Investment Update
Gold recoils amid selloff but may rebound |
| 12 Gold Spot Exchange will Fully Organize the Entire Trade in the Country, Prithviraj Kothari, RSBL | 30 Gold's Medium-term Outlook Brighter than at Present
G. Chandrashekhar, Bullion Bulletin |
| 14 Integrating Jewellers into GMS is the only way to Make the Scheme Successful, Surendra Mehta, IBA | 38 भारत को एक मजबूत गोल्ड बाजार बनाने में उद्योग की भूमिका अघम |
| 16 Digital Gold- A Practitioner's Perspective
Arjun Raychaudhuri, MMTC PAMP | 40 Data, Statistics & IBA Rates |
| 18 Gold Spot Exchange will Change the whole Dynamics of Trade
Sudheesh Nambiath, India Gold Policy Centre | |





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Dear Readers,

It was wonderful to see the entire gold market participants gather at the India International Gold Convention in beautiful city of Kochi between 3 and 5 August 2018. It was interesting to observe that they engaged in highly meaningful discussions on various issues as set by the organizer.



Shri Suresh Prabhu, Honourable Minister of Commerce and Industry, Government of India in his message to the delegates said that India has huge resources, market infrastructure and potential to become the export hub for gold and gold products. It was echoed in the inaugural speech of Shri Senthil Nathan S, IRS, Deputy Secretary, Commerce Ministry, as he emphasised the need to capitalise on the country's intrinsic capability to manufacture value-added gold jewellery for the global market with craftsmanship, technology and design capabilities. The new policies are mainly aimed at building institutional, regulatory and market infrastructure to streamline the industry, bring transparency and increase the global acceptance of gold and its products from India.

Central theme of the conference was "Embracing Change". Every panel debated various recommendations made by Niti Aayog committee to the Finance Ministry towards making a vibrant gold industry in India. Gold Spot Exchange was the most discussed topic. Unanimously, everybody agreed that the industry needs a spot exchange. Industry cannot run forever in the current unorganized structure. Transparency, purity of the metal, one India one rate and availability of finance are other issues that will be solved if gold spot exchange comes. I believe this is truly needed and government should be complemented for showing interest in setting up such an exchange for the benefit of the industry.

Make in India is a flagship programme of Government of India to export India's manufactured goods. Gems and jewellery sector contributes around 7 percent of India's GDP and 15% of country's merchandise export. Naturally, this sector needs attention from the government. Technology and skill development are two key parameters that are identified to lift our manufacturing standard and eventually, to push export. The theme was well debated during the conference and I am sure, trade participants will work closely with government to push export competence.

Gold monetization scheme of government of India did not take off as envisaged at the time of launch. Trade participants for long have advocated the need for including jewellers into the scheme as they are the direct point of contact with customers. This was echoed during the conference again this time. I believe government might consider the proposal (including jewellers) and decide on overhauling the scheme.

It is interesting to see if depreciation of emerging market currencies could disrupt the global financial market and its impact could be seen in investors' behaviour towards gold.

We vow to stand beside people of Kerala at this time of crisis

Best wishes!

Debajit Saha
 Editor

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Industry has to Take the Leadership to Making a Vibrant Gold Industry in India

Rajesh Khosla, Chairman, Emeritus, MMTC PAMP discussed at length about various recommendations made by NITI Aayog on developing a comprehensive gold policy in India during IIGC 2018. Excerpts...



If you look at refinery sector, the share of refining in India is increasing. Last year refiners contributed 45% of India's duty paid gold import. This year I am expecting that it will cross 60%. So, every gram of gold that is refined in India, you are creating jobs, the economic value addition is happening within the country, taxes have been paid within the country. Therefore, Make in India for refining is succeeding.

How do you like to comment on tax recommendation by NITI Aayog?

NITI Aayog report runs on 250 pages. It summarizes 62 recommendations. Their view on tax reform is very simple. It says consider reducing the import duty so that smuggling element in the industry can be taken care of. It recommends to consider tax structure in the gold value chain so as to make it more efficient. Aayog says that you must look at enabling of tax compliance rather than mandating tax compliance. If you force somebody to do something, there is obviously a reaction. Rather, if you encourage

someone to do something, then there will be co-operation. Aayog is looking at tax compliance from a friendly perspective rather than from a tough regulatory perspective.

NITI made its observation on financialization of gold. What is your view on this?

Financialization of gold has been discussed in various ways. But, one issue that has not been discussed is collateralised lending against gold what Muthoot or few other guys are doing. That is financialization of gold because you are pledging gold and taking away Rupee. Aayog

is looking at financialization of gold that people have which are not creating any economic benefit. People are reluctant to pledge their gold because they do not want money in normal circumstances (they are pledging gold only when they need money). Therefore, NITI Aayog is saying how could one incentivize the holders of gold in simple manner in which a consumer can come with his gold, put it into some deposit, take an interest payable on gold and at the end of the period take back the gold. The issue is here manifold – first is sentiment (consumers paid making charges for gold jewellery and if the same gold is being deposited, the making charges will be lost); secondly, the purity may differ while depositing the same jewellery; third, I may deposit the gold, but next day income tax officials may come to the doorstep and ask for how was this gold obtained? (this gold was not declared in tax return). So, Aayog is saying address these issues; do not expect financialization to happen unless these issues are addressed. Key is the concern regarding income tax – there is government directive that says upto 500 gms (considered as Streedhan) should not be attached. But, specifically if one encourages financialization, when it is coming for gold monetization scheme, no question will be asked by

the authority. It is not a NITI Aayog issue, but it is an implementation issue.

What is your observation on the recommendation of revamping of gold monetization scheme by NITI Aayog?

My view on revamp of gold monetization scheme is very simple. First, a normal consumer does not go to bank for gold, rather he goes to a jeweller for gold. Therefore, if I need to revamp GMS, I need to involve the jewellers. Without involving them, it is very difficult for gold monetization scheme to succeed. Secondly, when I involve jewellers I need to do the concept for 'gold clearing'. It is like when you have money in your bank account and putting it into deposit, physical rupee is in somewhere else – you can see only the deposit on your statement. Similarly, in the case of gold monetization you need to delink the physical from the account.

So, you need to create what we call 'clearer' in which rupee is moving to clearing corporation of India, same fashion you need to create a clearing corporation for metal. This will allow entity to handle the physical metal and allow banks to deal with papers. Banks are always happy dealing with papers; it is not the job of banks to handle the physical. In GMS you want banks to handle the physical gold which cannot succeed.

What is your view on Make in India?

If you look at refinery sector, the share of refining in India is increasing. Last year refiners contributed 45% of India's duty paid gold import. This year I am expecting that it will cross 60%. So, every gram of gold that is refined in India, you are creating jobs, the economic value addition is happening within the country, taxes have been paid within the country. Therefore, Make in India for refining is succeeding. It could

The concept is simple. Suppose, a person wants to buy gold and he does not know where to go because he will go to a jeweller to buy jewellery and not gold. Earlier banks used to sell gold coins, but they stopped doing it. Secondly, millennials love to do everything in a smartphone. So, you need to give them ability to buy gold on a smartphone to be able to see the balance in a smartphone, to be able to sell that gold in a smartphone and to be able to buy it for a small value. So, when we design out system, we had all these arrangements.

We believe that industry has to take the leadership. We should not wait for council to set up to promote skill development. World Gold Council and MMTC PAMP have developed precious metals assay institute, for example. Two companies have invested their money; they have not gone to the government to seek support. The institute has been created and first course is starting in first week of October. We are training assayers for the industry – the entire industry is on board with us, but financial investment is ours. We will train the assayers and then, industry participants will decide whether they want to hire these assayers.

have been done better if the sector would get some enabling provisions. I think the government has vision to become a refiner of the world and the government is seriously looking at what more it needs to do to encourage (a) more refining in India, and (b) most importantly what we call "quality refining". You must have the standard for the gold; the government is in the process of forming the standard. Refiners have to upgrade their technology to able to deliver gold to an impeccable standard.

MMTC PAMP is selling gold through various digital players. Can you describe a bit about the concept of this digitalization of gold?

The concept is simple. Suppose, a person wants to buy gold and he does not know where to go

because he will go to a jeweller to buy jewellery and not gold. Earlier banks used to sell gold coins, but they stopped doing it. Secondly, millennials love to do everything in a smartphone. So, you need to give them ability to buy gold on a smartphone to be able to see the balance in a smartphone, to be able to sell that gold in a smartphone and to be able to buy it for a small value. So, when we design out system, we had all these arrangements. You can buy now digital gold from us in one rupee. So, millennials now love it. Having Rupees 500 in hand and one can buy gold through this mean; no jeweller will give gold at that money. More so, when the same person accumulates say about 10gms of gold and goes to a jeweller and tells him he has 10 gms of gold and he wants to encash it and

make jewellery. Jeweller would tell transfer that gold into my account and he will make jewellery for the customer. It makes the entire value chain transaction very simple. For doing so, a jeweller needs to have only an account in this process. This is a typical Indian mindset that we purchase gold jewellery, but at the same time, we keep in the back of our mind that if we have a problem, we can sell it easily.

There is recommendation for forming domestic council for skill development and employability. What is your view on this?

We believe that industry has to take the leadership. We should not wait for council to set up to promote skill development. World Gold Council and MMTC PAMP have developed precious metals assay institute, for example. Two companies have invested their money; they have not gone to the government to seek support. The institute has been created and first course is starting in first week of October. We are training assayers for the industry – the entire industry is on board with us, but financial investment is ours. We will train the assayers and then, industry participants will decide whether they want to hire these assayers.

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Gold Spot Exchange will Fully Organize the Entire Trade in the Country

Prithviraj Kothari, MD, RSBL, is convinced that Gold Spot Exchange would streamline the entire value chain. He says very emphatically that small jewellers and traders need not fear losing business, as gold spot exchange will enable them to participate in the mainstream directly, providing them with better business opportunities. He also believes that spot exchange will make the industry fully transparent enabling trade participants with better access to finance. Excerpts from the interview with Mr. Prithviraj Kothari at IIGC 2018....



There are people who always look for their own benefit. They do not consider larger benefit of the trade. IBJA is an exception.

A lot of people disagree with some of IBJA's policies. But, if you read them, you will notice that it is always for national interest of the trade. Unfortunately, trade associations in India go to government individually and express their opinion, which is at times controversial and not in the larger interest of the trade. The opinion is then refuted by another association. In the bargain, government gets confused. So, government has decided that lets form a body comprising representatives of associations.

There is a misconception in the market that small jewellers and traders will be out of business if spot exchange comes. Considering my 35 years of experience in the market, I would say the misconception is wrong. Gold spot exchange will bring in transparency in pricing and resolve purity issue of gold.

NITI Aayog has recommended a Gold Spot Exchange in the country? What is your view on this?

At the outset, I would like to say that if gold spot exchange comes, business will grow tremendously. There is a misconception in the market that small jewellers and traders will be out of business if spot exchange comes. Considering my 35 years of experience in the market, I would say the misconception is wrong. Gold spot exchange will bring in transparency in pricing and resolve

purity issue of gold. Additionally, location swap (sitting in Mumbai, for example, it is possible to swap goods with another dealers anywhere in the country where it is needed) and financing facility will be available in the market. Traders can utilize both spot and future exchanges to contain price risk. With spot exchange in place, there is no point in keeping gold in one's store; keeping it in the exchange and taking delivery only on need basis is better. The spot exchange will be run by a regulator

In India, government policy changes very fast. Even if opportunity comes to sign long term contract, we think twice because there is a risk of change in government policy. Miners are ready to supply gold dore adhering to all the international sourcing guidelines, but for us it is difficult to sign any contract for large quantity with these miners because of uncertainty in policy. Our refiners have the capacity to scale up production, but not committing any large capital because of policy uncertainty.

which would ensure full security of trade.

When gold spot exchange comes, pricing will be determined based on current gold price (basic gold rate) + location swap premium. Price will depend upon demand and supply. When demand is high, premium will be more. When there is low demand or no demand, premium may go down to negative as well. This will ensure transparency in the market and will drive away unorganized trade.

Who will regulate this exchange?

Whatever gold is transacted today in the country, we have to depend mostly on banks. Banking regulation comes under RBI. On the other hand, SEBI is the regulator of financial and commodity markets. So, we want both of them. I believe a third independent entity may be formed to regulate gold spot exchange.

How can we integrate all associations/trade bodies in the country and talk in a same language so that government can understand the need of the trade?

There are people who always look for their own benefit. They do not consider larger benefit of the trade. IBA is an exception. A lot of people disagree with some of IBA's policies. But, if you read them, you will notice that it is always for national interest of the trade. Unfortunately, trade associations in India go to government individually and express their opinion, which is at times controversial and not in the larger interest of the trade. The opinion is then refuted by another association. In the bargain, government gets confused. So, government has decided that let's form a body comprising representatives of associations.

Refining industry is growing very fast in India. The major problem

for the industry is to getting dore bars. Indian refiners are unable to sign long term contract with major miners. What can be done in this issue?

In India, government policy changes very fast. Even if opportunity comes to sign long term contract, we think twice because there is a risk of change in government policy. Miners are ready to supply gold dore adhering to all the international sourcing guidelines, but for us it is difficult to sign any contract for large quantity with these miners because of uncertainty in policy. Our refiners have the capacity to scale up production, but not committing any large capital because of policy uncertainty. I request government to permit import of scrap gold by Indian refiners so that refineries can get raw material continuously. A lot of scrap is available in international destinations like Dubai, Korea and other Asian countries. We can utilize that effectively.

Your view on the conference.

We are always with Foretell. Foretell can do wonders. They can engage with trade bodies, government and can effectively bring changes in the industry. I have been associated with this conference since the first one and I congratulate the entire team.

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Integrating Jewellers into GMS is the only way to Make the Scheme Successful

Surendra Mehta, Secretary, IBJA, shares his views on various recommendations made by NITI Aayog in a one to one conversation with Bullion Bulletin during IIGC'18. Excerpts...



During union budget 2018-19, the finance minister announced that we have to work towards making gold as an asset class. Now the gold can only become asset if various products are attached together. Today if I look at market I can buy gold through three ways – (i) I can buy physical gold; (ii) I can buy through ETF and (iii) buy sovereign gold bond. But, if you look at financial market, there are multiple products available for investors. So, until we launch some financial products of gold, financialization of gold can not become possible. I strongly recommend that the government must start gold saving scheme and gold recurring deposit scheme where investors can deposit Rupee in his account and in return will get equivalent amount of gold.

What is your opinion on NITI Aayog recommendations on Make in India?

The report, that NITI Aayog has submitted on transformation of gold market, is a comprehensive document and it is done by taking views of all industrial stakeholders. The emphasis has been put forth to decrease our dependency on gold import, and looking on domestic sourcing of gold. We have around 20 to 25 thousand tons of gold lying in Indian household and if we can bring out 1000 tons of gold into a recycling process, then it will be a great achievement. Aayog has

also recommended of formulating a mining policy. At present no gold mining is happening in the country. But we have opportunities in the country and I feel gold mining must get the priority.

Another important part is that we must have a comprehensive policy for recycled gold. I believe if we could able to link recycling and gold monetization scheme together, then we can get a huge success in mobilizing the idle gold. For example, every jeweller gets old gold which he later recycles. It means that a jeweller is running

the gold monetization scheme at individual level. This data is not available with government. If we can link that data with government, and if we can ensure that consumers' gold is secured, then in my view gold monetization can become a successful scheme. But for doing so, both banks and jewellers have to work together; and at the same time, government has to keep faith on jewellers.

What is your opinion on revamp of gold monetization?

Monetization scheme has been in circulation for two years now and it is not doing well. So, in that perspective it has to be revamped. But this can only become possible if government keeps trust on jewellers because any consumer in the country so far knows jewellers for buying gold and if you ask the consumer to go to bank and deposit their gold, it becomes a difficult proposition for consumer. Instead, if you ask the same consumer to deposit his gold to a jeweller and assures him that this will be considered as gold deposit under gold monetization scheme, I believe then this scheme may become successful.

What is your observation on the need of introducing a gold spot exchange?

It was already announced in the Union Budget this year that government will bring in a regulated gold exchange. World Gold Council has almost formed a steering committee to form this exchange.

All national associations are part of this committee and a comprehensive document has already been written after taking suggestions from various associations. This document will be submitted shortly. I believe bullion industry is all ready for this. We may soon get a gold exchange in line with international exchanges like LME, Shanghai or Turkey. Bullion business will be changed completely once this exchange comes in.

What is your view on financialization of gold?

During union budget 2018-19, the finance minister announced that we have to work towards making gold as an asset class. Now the gold can only become asset if various products are attached together. Today if I look at market I can buy gold through three ways – (i) I can buy physical gold; (ii) I can buy through ETF and (iii) buy sovereign gold bond. But, if you look at financial market, there are multiple products available for investors. So, until we launch some financial products of gold, financialization of gold can not become possible. I strongly recommend that the government must start gold saving scheme and gold recurring deposit scheme where investors can deposit Rupee in his account and in return will get equivalent amount of gold. Government should launch these schemes through post offices and banks. Even, if government gives permission, we can launch this kind of products on behalf of our association.

What do you say about domestic council and skill development and employability as recommended by NITI Aayog?

The government has made it clear that it will form a domestic council for gold market. It will be a kind of federation of associations or association of associations. The basic framework of the council has already been formulated. Skill development will be a part of domestic council. Government wants to establish around 100 skill development centres in next few years. Even industry participants have decided to form a precious metals institute. In this IBCA, GJC, GJEPC are all involved.

Indian Gold Coin is considered as expensive. What is the issue there?

Indian Gold Coin is the national coin; Ashok Chakra is embossed in the coin. I believe, if this kind of coin appears expensive, people should not complain about that. This coin is not normal circulated coin. This is pride of nation coin and it should be valued at its national emotion rather than anything else.

What is your experience in IIGC?

This is 15 years of IIGC. We always come here and learn something new. It is the real networking platform. Here every stakeholder in the value chain comes and discuss their issues. I wish all the success of IIGC for coming years.

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Digital Gold- A Practitioner's Perspective

Arjun Raychaudhuri, MD, MMTC PAMP



Indian customers are famously fond of gold, but face a multitude of challenges while buying it. Gold is a versatile product, with the potential to service customer needs as diverse as consumption, savings and even insurance. Jewellery, with its aesthetic and cultural value, satisfies consumption needs. But it is increasingly evident that it is an expensive and inefficient way for customers to meet their savings and insurance needs. To further compound matters, India's demographic shift means that customers are increasingly tech-savvy, financially literate and creative in their use of gold.

As a new innovation in a mature market, and a habit-changer for people, digital gold has generated

As a new innovation in a mature market, and a habit-changer for people, digital gold has generated much excitement and chatter. But of course, it is still nascent and while novelty and its attendant curiosity will take it some distance, the question remains- Will customers embrace it? There is good reason to believe they will. In theory, the ability to freely transact online in gold while retaining physical title is the ideal solution to the issues of the modern gold consumer.

much excitement and chatter. But of course, it is still nascent and while novelty and its attendant curiosity will take it some distance, the question remains- Will customers embrace it? There is good reason to believe they will. In theory, the ability to freely transact online in gold while retaining physical title is the ideal solution to the issues of the modern gold consumer.

But that is not enough to guarantee the success of Digital gold. Pioneers in the market have successfully taken the first step: companies are now building simple and easy-to-use technology platforms for gold transactions. These platforms need to be transparent and free of glitches, allowing for convenient buy-sell. Simultaneously, banks, brokers and mobile wallets are investing in marketing the product, targeting the early adopters in the product

lifecycle with well-managed campaigns targeted at early adopters in the product lifecycle. This is increasing customer awareness and acceptance of digital gold.

In our industry, as in others, building customer-friendly front-end UI/UX and spending heavy marketing dollars are the easy part. However, this short-term success belies the unresolved concerns that continue to plague the customer. As purveyors of digital gold mushroom in increasing numbers in response to the demand, consumers will have no clear way to assess the quality and trustworthiness of the gold they buy. Furthermore, there are no mechanisms that allow customers to sell their physical gold back to digital gold players.

Digital gold will become a sustainable proposition only when players invest heavily in the physical

infrastructure that will bring much-needed transparency into the transaction; allowing customers to reliably assess the purity of the gold they hold and sell it back at a fair price. Without the guarantee of security and quality, customers will revert to old buying channels or leave the gold ecosystem, resulting in the failure of the product.

In an opaque and unreliable digital gold ecosystem, consumers may receive gold of a lower quality than promised. Such early stage failures can sour a whole customer base, killing entire product lines and categories before they're even born. Inevitably, as customers become more aware, they will look past the immediate distributor (whether a bank, wallet or broker) to question the provenance of their gold and how its quality is assured.

However, if players are successful in gaining customer trust, customer retention and customer awareness will both increase. For this to happen, improved quality testing and accreditation will be the need of the

hour, which in turn necessitates an independent Indian Good Delivery standard and significant upgradation of the quality of hallmarking centres.

If we meet the critical success factor of being able to satisfy customers around quality, then we can progress towards a much greater future for digital gold. The same system that can allow a customer to transact digitally and also assess purity physically, can be deployed for a platform for integrating into the Gold monetization scheme, where it would reduce transaction costs and import dependence; functioning as an easy household savings choice; providing the risk hedge portfolio investors need amongst others.

This of course requires regulatory changes to create a more conducive environment for the unimpeded flow of gold through the system of financial players, gold refineries, and end customers.

The great challenge of this trajectory will be timing. Given that the product entails a huge shift in perceptions and buying behaviour,

each step of this journey will be subjected to the Goldilocks test- not too soon, and not too late. Digital gold will need to pique the interest of customers and meet their ever-growing needs, while not driving them away with the extent of change that the product demands. Move too fast, and we risk destroying the category in its infancy- witness the long gestation period of ETFs, SGB and GMS to become meaningful alternate products for the Indian customer. Move too slowly, and the customer will change over to other substitutes for gold, most notably financial institutions for savings and platinum for jewellery.

The symbiosis between customer awareness and product development will be a delicate balance, and one that needs to be perfected to ensure the continued success of Digital gold.

.....
About Author

Arjun is the MD of MMTC-PAMP, an industry leader in the field of precious metals.

As India's first LBMA accredited gold and silver refinery, MMTC-PAMP has been at the forefront of bringing global standards and breakthrough innovation to the Indian precious metals business. In line with its commitment to developing world class products for Indian consumers, MMTC-PAMP pioneered digital gold products for the jewellery industry in 2016.

Digital gold will become a sustainable proposition only when players invest heavily in the physical infrastructure that will bring much-needed transparency into the transaction; allowing customers to reliably assess the purity of the gold they hold and sell it back at a fair price. Without the guarantee of security and quality, customers will revert to old buying channels or leave the gold ecosystem, resulting in the failure of the product.

Disclaimer: Views are personal and not the views of the publisher.

Gold Spot Exchange will Change the whole Dynamics of Trade

Sudheesh Nambiath, Head, India Gold Policy Centre, believes gold spot exchange will help building an ecosystem which will bring transparency in trade, create jobs and deliver single gold rate in the country. Excerpts from an exclusive interview with Mr. Sudheesh Nambiath at IIGC'18.

What is your view on some of the recommendations made by NITI Aayog in developing India's Gold Market?

Personally, the recommendation of establishing a gold spot exchange and the digital gold are the two things that I liked the most in NITI Aayog report. I believe the gold spot exchange will create an ecosystem that will not only bring transparency in the trade, but also create standardization and add value to the real economy in the form of job creation. Further, there is a necessity for an exchange which can deliver a single gold rate in the country through quantifiable method, which is not happening currently. We certainly have a futures rate in MCX, but we do not have a spot rate. This is where whole importance of spot exchange comes in.

What is your view on financialization of gold?

For this we can talk on prospective basis and retrospective basis. When we talk on retrospective basis, it means the gold that I currently have in hand. When we talk about prospective basis, it is the gold that we will be buying in future. It is very important that we should move towards prospective basis. For example, if I want to buy gold,

I would rather buy through a bank under monthly accumulation plan to be redeemed with a jeweller through transfer of metal to the jeweller's account. So, various ways the product can be structured. This is nothing but unlocking of value of gold through a process. Again, we buy gold as insurance, we buy for inflation hedge and so on. If it is so, why should we not have a gold-backed retirement plan? Whatever way we develop the products, ultimately the value will be unlocked for future consumption.

What is your idea on Make in India?

"Make in India" is the first step towards realizing the export potential. The value that one can bring in by exporting bullion is quite exponential. We currently have only one refinery accredited by LBMA and making world class products. For exporting bullion, there is basic requirement of 1.5 percent value addition. A gold bar does not have that kind of value addition. So, we need to have different kind of process to be put in place. When that gets through, India could become a huge market for refining dore. If we take the international example, Switzerland exports close to \$85 billion of bullion bars. We have the opportunity to tap at least



a fraction of that business, but we are losing business because of our value addition norms. Hopefully, that will get corrected in the next foreign trade policy.

Tell us about your experience at IIGC this time.

It is always a new and wonderful experience. Discussions are enlightening. Best wishes to the organizer.

Disclaimer: Views are personal and not the views of the publisher.



Elemental Analysis Solutions for Precious Metals

Accuracy of elemental analysis is often critical — especially in assessing precious metals. Assayers and refiners need instruments with the sensitivity to detect and precisely analyze even minor or trace amounts, to assess true composition and value. Other users may prioritize speed. High-volume hallmarking centers demand both fast and accurate analysis. In addition, all users prefer analyzers that are robust, convenient, and easy to operate, with helpful software and easy transfer of results into a lab network.

Good to know that SPECTRO's affordable analyzers are fully optimized for precious metals applications and fit to the most challenging business conditions.

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Digital Payment Gateways can Play a Huge Part in Popularizing/Promoting Gold

Karthik Raghupathy, Head of Strategy, Phonepe, discusses about benefits of digital payments gateways both from seller of gold and consumers' perspective during a conversation with Bullion Bulletin in IIGC'18. Excerpts...

What is your view on gold and how are you into this business?

Gold is a very interesting commodity. We think gold as an alternative to currency, an alternative to Rupee. If you think how money is used by people in the country, it is through some spending in the market, sending money to someone, managing money through loans or insurance and grow their money by investing. Gold can play the same role in Indian market. A person can send gold to another person by gifting, spending gold at a jeweller's shop for making a jewellery, managing gold so that it can be used to take loan against that gold or earning interest in your gold balance. Our view as a digital payment player is that gold should be used across these cases described here.

Digital players like us have the tremendous opportunity to grow the market working with companies like MMTC PAMP or jewellers and so on and primarily it happens because multiple ways we can do this. First, we have millions of customers already in our payment app transacting in other categories. So, we give the opportunity to our suppliers to distribute into larger base of customers. Secondly, we can target our customers with precision because we have lot of information

of customers which allows us to target our customers. It comprises of demography, income, location and so on. Third, what we offer to our suppliers is the speed of innovation. We can innovate things at much faster speed. So, broadly I would say that when it comes to distribution, customization, speed and innovation, digital payment gateways really can provide good solutions to jewellers or suppliers by tapping our large customer base.

Are you targeting tech-savvy customers into this digitalization of gold?

We have been pleasantly surprised with our penetration of the digital gold product which we have partnered with couple of suppliers has been quite broad-based. We have managed to attract people at the low end who, for example, are delivering foods or goods. They just save little cash and buy small ticket size gold. We have also seen large high ticket size purchase where people are buying one lakh a month or so. So it has been very broad penetration when it comes to gold and I think the main segment is those who want to buy gold either for investment purpose or because they believe that gold is a good currency hedge for themselves. So, it is a broad-based adoption across the segment.



Now, if I buy gold through Phonepe and if I want to get that gold back, what is the process?

Gold is actually quite liquid. If you bought gold already, you have two options today – either you can sell gold instantly and get your money deposited in your bank account or you can get it delivered also. The delivery will come in the form of bar or coin depending upon the size. This is what MMTC PAMP does with our customers. Minimum 1 gm of gold is required in a customer's account for taking the delivery. In the future we will also provide option to our customers to redeem directly to the jewellery store for converting into jewellery.

Since we introduced the scheme, we have added 30 lakh customers with 800 kgs of gold are bought.

Disclaimer: Views are personal and not the views of the publisher.



Investment Update

Gold recoils amid selloff but may rebound

August 2018

www.gold.org

Gold has fallen to a 20-month low amid sharp EM currency depreciation. At these levels, we believe the gold price may bounce back. Consumer demand is likely to be supportive in H2. And short positioning may quickly reverse should one of the many current macroeconomic risks materialise, increasing investment demand.

Momentum built as gold fell

The gold price lost 3% during the first half of August, a downturn that was exacerbated by gold's fall below US\$1,200/oz - an important technical support level - for the first time since early 2017.

Gold was propelled down by the strength of the US dollar (Chart 1) against both developed and emerging market currencies, particularly, a weakening of the Chinese yuan first and Turkish lira later. In fact, the dollar's strength has been one of the most important drivers of gold's performance this year as confrontational trade rhetoric and sanctions has so far played in favour of the US.¹ In addition, both the ECB and BOJ have delayed policy rate hikes, increasing differentials between interest rates in the US. But gold may rebound due to both technical and fundamental reasons.

An unusually 'short' market

Gold speculative positioning in futures markets is increasingly short. CME managed money net long positions stand at a record low since 2006 - when data was first broken down by investor type (Chart 2). Furthermore, net combined speculative positions, which go back further, are negative for the first time since December 2001 (Chart 3).

Chart 1: Gold's pullback has been partly driven by dollar strength

Gold (US\$/oz) and US Dollar Index (DXY)*

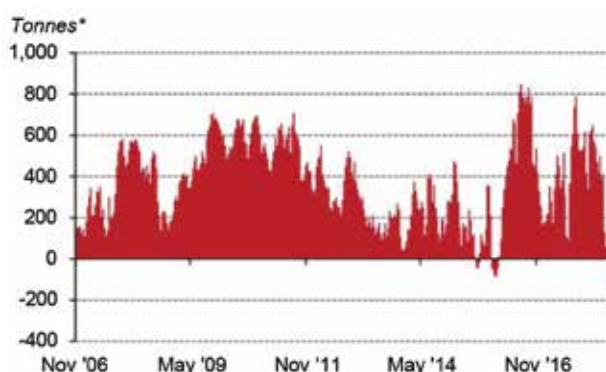


*As of 22 August 2018.

Source: Bloomberg, ICE Benchmark Administration, World Gold Council

Chart 2: Positioning in gold futures by money managers stands at a record low...

CFTC managed money net longs*

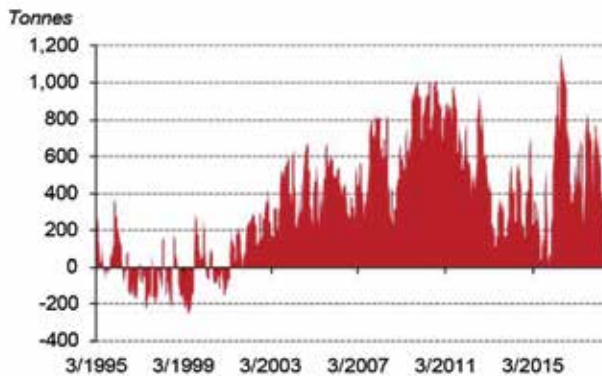


*As of 14 August 2018; expressed in tonnes equivalent. Positioning by investor type is not available prior to 2006.

Source: Bloomberg, CFTC Commitment of Traders, World Gold Council

¹Gold tracks the dollar as rates take a back seat, April 2018.

Chart 3: ...while speculative net long positioning has turned negative for the first time since 2001
Non-commercial and non-reportable net long positions*



*As of 14 August 2018; based on futures and options contracts and expressed in tonnes equivalent.
 Source: Bloomberg, CFTC Commitment of Traders, World Gold Council

In recent years, a large increase in short positions has been followed by a sharp rally in gold. And while net shorts were more prevalent in previous decades, there have been structural changes that make these positioning levels different and likely short lived. Among them are:

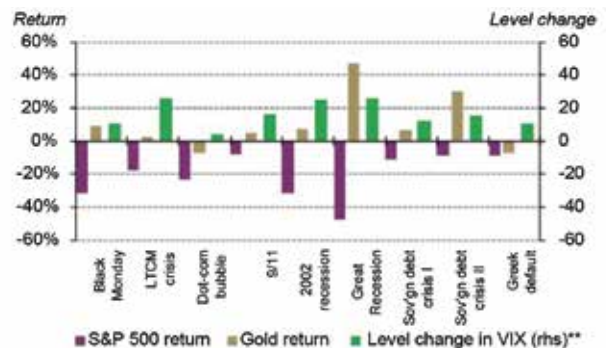
- Economic development in emerging markets (EM), especially China and India, has increased and diversified gold's consumer and investor base, as the combined share of annual demand of those two markets has doubled over the past 20 years from 25% to 50%
- For almost a decade, the expansion of EM foreign reserves has resulted in net gold demand by central banks - approx. 500 tonnes per year - as a source of return, liquidity and diversification²
- Gold production hedging has also changed dramatically, as miners have not only reduced forward sales but also consistently de-hedged their cumulative positions since 2000
- The opportunity cost of holding gold is considerably lower as nominal and real interest rates are approx. 3% below their average level during the 1990s.

But a bounce back in the gold price can only be sustained if there are fundamental reasons to encourage consumers and long-term investors to seek exposure to gold.

Financial markets risks remain

Many market participants have questioned why gold has failed to benefit from recent market turmoil. In reality, gold has indeed allowed non-US investors to hedge risks associated with a depreciating currency - for example, the euro, Chinese yuan or Turkish lira to name a few.

Chart 4: Gold prices tend to rise as volatility increases
Performance of gold during stock market corrections*



*Dates used: Black Monday: 9/1987-11/1987; LTCM: 8/1998; Dot-com bubble bust: 3/2000-3/2001; September 11: 9/2001; 2002 recession: 3/2002-7/2002; Great Recession: 10/2007-2/2009; Sovereign debt crisis I: 1/2010-6/2010; Sovereign debt crisis II: 2/2011-10/2011; Greek default: 6/1/2015-9/30/2015. ** The VIX is available only after January 1990. For events occurring prior to that date, annualised 30-day S&P 500 volatility is used as a proxy. Source: Bloomberg, World Gold Council

Historically, risks that have been contained within an industry or region - even with an accompanying surge in local gold demand - have not been enough to push the gold price higher in US dollar terms. Yet when these risks become widespread, flight-to-quality flows have resulted in higher dollar gold prices and reduced portfolio losses. So far market volatility has been relatively low, yet investors remain wary. An example of this can be seen by the increase in flows from equity to bond funds over recent months, as well as the consistent flattening of the bond yield curve in the US. And there are good reasons for that:

- The current US expansion is the second longest in history; it has delivered the longest stock bull market in modern times, pushing valuations to multi-year highs while real rates remain subdued
- So far, effects of trade sanctions have mainly affected emerging markets - such as China or Turkey - but

²<https://www.gold.org/what-we-do/official-institutions/the-case-for-gold>

expanding or maintaining sanctions for a longer period will likely damage global growth

- Developed market economies are heating up. Increasingly nationalistic economic policies in many countries, combined with a desire by some governments, if not central banks, to maintain competitive currencies by means of low interest rates, may result in higher inflation
- Although European economies are expanding, risks - ranging from Brexit negotiations to financial institutions' exposure to emerging market debt - may create a spillover effect that, to date, has been averted.

The past has shown that any of these risks can be the catalyst that elicits strong investment demand.

Natural buyers of gold

Consumers and long-term investors can provide additional support for gold going forward.

Gold's recent price pullback will likely support consumer demand as, historically, lower prices have increased jewellery buying. For investors, gold's current price range may offer an attractive entry level.

Chinese demand has proven resilient so far in 2018; the rise in investment demand in Q2 has been linked in part to the depreciation of the yuan, as gold is often used as a currency hedge. This trend has continued into Q3 with increasing volumes in Shanghai and robust inflows in Chinese-listed ETFs over recent weeks.

In India, gold premiums are now positive again, showing a tilt towards buying. And while the monsoon has brought devastating floods to parts in the south India, expectations remain positive for H2 as consumers prepare for their traditional buying period (see additional commentary on India).

Widespread gold selling in Turkey is unlikely

Gold market participants have been closely following developments in Turkey - a key market of gold jewellery, investment and central bank demand. Historically, a

depreciation in the Turkish lira has resulted in safe-haven flows for gold. Anecdotal evidence so far, however, suggests that currency volatility, high local gold prices, and a call from the government to defend the lira, has kept retail consumers and investors away from the market.

In addition, there have been fears that lower reserve requirements for commercial banks,³ some of which are linked to gold, would result in further selling pressure. So far, this doesn't seem to have materialised as anecdotal evidence suggest that the Turkish gold premium has started to tighten up.

While risks remain, and while consumer demand may slow should the economy decelerate, contagion from exposure to Turkish debt by developed market banks may also result in more widespread flight-to-quality flows.

Potential for upside

A period of heightened geopolitical risk with the potential to impact the global economy could, thus, be supportive of gold even if the dollar were to strengthen.

Gold could trade lower if the US dollar increases its strength, but in the light of positioning in US, and increased interest from buyers in China and India, the risks seem skewed towards a recovery.

As such, we believe that investors can benefit from holding gold as a strategic asset (Focus 1).

Focus 1: The strategic case for gold

Gold is a highly liquid yet scarce asset with no credit risk. It is bought as a luxury good as much as an investment. As such, gold can play four fundamental roles in a portfolio:

- a source of long-term returns
- a diversifier that can mitigate losses in times of market stress
- a liquid asset with no credit risk that has outperformed fiat currencies
- a means to enhance overall portfolio performance.

Our analysis shows that, over the past decade, adding 2%, 5% or 10% in gold to the average pension fund portfolio would have increased returns and reduced volatility, resulting in higher risk-adjusted returns (for more information on the methodology, see The relevance of gold as a strategic asset, January 2018).

³ See press release on reserve requirements by the central bank of Turkey.





Senthil Nathan S, IRS, Ministry of Commerce, GoI

I feel there is lot of variety in speakers with different perspectives which we do not get sitting in a particular office or otherwise. Only when we come to this kind of conventions, we get to hear people from the other side with multiple points of view- not just from India, but across the world - what they are doing in their markets and what they are looking at in India.

Rajkumar S, Sequel Logistics

We have been a regular participant and sponsor over the years. It helps us build a lot of relationship with people both in business and at personal level.

Raguram, Logimax

This is the sixth year that I have been participating. Through this conference, every year we get new clients and it is very helpful for us.

Rakesh Bhan & Vijay Rai- Fisher India

IIGC is always a great platform to interact with people from the industry and every year it is getting better.

It is always a wonderful experience at IIGC. Every year we see lot of people coming from outside India and we are really getting mileage out of that.

Samir Patel, BSE

This is my 15th year in IIGC. This conference has grown leaps and bounds. It is a perfect platform for networking and meeting delegation not only from India but also overseas. I wish all the best to IIGC for its future plans as well.

Anand R K and Rathan Palasamudham - S S Jewels

We get lot of information on the world market by meeting different people in this conference. I thank IIGC for organizing this beautiful event.

For the first time I am attending this conference. We wanted some information while coming here and we got it. It is really helpful for us; we also met many people throughout the world across the value chain.

Meenakshi Ganesan, BIS

The conference is thoroughly professionally managed having good crowd from various stakeholders. It is excellent experience for BIS to show our presence here.

Eerasha R, Nucleus Analytics Pvt Ltd

It is really great platform to meet people across the value chain. This time I came to know about industry is starting precious metals assay and training institute, which, I feel, is required to improve the quality of the refining industry.

Yuvasri - Actizone Gold Trading LLC

It is a fantastic platform. We get always very good contacts and our business is growing like anything after coming here. Through the platform we come in contact with delegation of many countries. For example, this time we got very good contact of Peru. I wish all the best.

Alexey Kornienko - Krastsvetmet

The quality of the sessions is impressive. We can't imagine any other international events having so many international participants in a session. Thanks for that and we definitely are coming next year.

Vasiliev Andrey & Sudakov Andrey - VTB Bank

That was absolutely amazing the reception we got here. We are absolutely astonished with way it is organized and we also astonished to see the professionalism of Indian gold community.

First of all it is a good networking experience, meeting everybody in the same place. We continue to build India and Russia relationship in doing business.

First time we have participated in this conference.

The quality of the programmes is very rich – here we see diversity in participants and topics discussed. We manage to link ourselves with many organizations in this conference.

Charles de Meester, Metals Focus

This is the finest Indian conference from precious metals which we always chose first. It is honour to be here.

Emmanuel T. T. Swen, Ministry of Mines and Energy of Liberia

For us, this is really a fruitful conference. I found people here with diverse background. I learned a lot from this conference which I feel will help a lot in making policies back home.

The conference is very much informative for beginners. It gave us lot of hope.

Narender Jain & Srinivas Murthy - Bharni Gems

For the first time I attended this event and I found it excellent. What I want to say specially here that this is best place to understand the Indian gold market in broader way.

Ashish Marlecha, Marlecha Gold Refinery

First time I attended this event. I got to know about this conference through an online advertisement. What is great to see that more than 400 people attended and still, I get personal assistance from the organizer. I would certainly try to implement the same in my business and hopefully I will come back next year.

Priya Agarwal – Hindustan Zinc

I have been associated with IIGC since 2004. We have seen some competition also all these years, but I would say this conference is organized fairly and in good manner.

Harshal Barot, Metals Focus

First time I came. It provided me lot of networking opportunities. I got to meet lot of people from across the value chain.

Albert Cheng, CEO, SBMA

I learned a lot from this conference about Indian market – what stakeholders are going to do next and updated me about Indian market. I am glad that I have come to this conference.

Sanjay Dash- National Stock Exchange

It has been a great occasion for us to be here in the event. It helped us to meet various participants of gold industry working in India and also we have seen many companies coming here overseas.

Nitin Kadam – GJC

IIGC in 15th year which means it required lot of efforts to execute. In this platform we get all knowledge ranging from mining to refinery to jewellery and so on.

Chirag Sheth, Metals Focus

I think it is fantastic; this is the one conference that we also look forward. It is an excellent platform to meet lot of people in the industry and experience is outstanding.

Marcus Garvy, ICBC Standard

I think it has been a very successful conference from our perspective. This is my first time to attend this conference, but my colleague Avadhani has been a regular here. I certainly look forward to coming here again in future.

David McCann, Bullion Mart

This event is one short crash course of Indian bullion market. It is really great place to network.

Cameron Alexander, Thomson Reuters

It is great to see so many industry people come to single place. It is a large range people within the industry comprising local participants as well as international. People across the value chain are present here. It is really good to see.

Shekhar Gund -SG Aqua Services & Technologies Ltd

We found it very useful; we have lot of interactions with our customers. I will be looking forward to coming here every year in all possibility.

15th India International Gold Convention 2018

Press Coverage

BusinessLine

Gold convention at Kochi focusses on streamlining bullion industry

KOCHI, AUGUST 3

The 15th India International Gold Convention has commenced here on Friday with palpable optimism following the release of NITI Aayog report on Transforming Indian Gold Markets this February.

Over 400 delegates representing different limbs of gold industry from India and abroad, trade organisations, financial institutions and policy experts are attending the deliberations on the newer opportunities and future plans in view of the changing face of gold industry in the country.

The gathering consists of 11 bullion banks, 6 nominated banks, 6 international refiners, 25+ domestic refiners, leading jewellery manufacturers from India, official/trade representatives from Canada, Peru, Ghana, Liberia, Myanmar and Singapore.

The conference is organised by Foretell Business Solutions in association with India Bullion and Jewellers Association (IBJA). Suresh Prabhu, Union Minister of Commerce and Industry, in his message said that India has huge resources, market infrastructure and potential to become the export hub for gold and gold products.

Inaugurating the conference, Senthil Nathan S, Deputy Secretary, Commerce Ministry, emphasised the need to capitalise on the country's intrinsic capability to manufacture value-added gold jewellery for the global market with craftsmanship, technology and design capabilities.

The new policies are mainly aimed at building the institutional, regulatory and market infrastructure to streamline the industry, bring transparency and increase the global acceptance of gold and its products from India, he said.

There are special sessions on the changing face of gold imports into India, NITI Aayog recommendations titled 'Make in India in Gold', 'Proposed Bullion Exchange of India', 'Financialisation of gold', 'Proposed Domestic Council Skilled Development and Employability' and 'Proposed Tax reform'.

Published on August 03, 2018



ഇന്ത്യ ഇന്റർനാഷണൽ ഗോൾഡ് കൺവെൻഷൻ പൊതുയിൽ ചെറിയൊരു ക്ഷണത്തിൽ വെളിച്ചം പങ്കുവെക്കുകയും ചെയ്തു.

സുഗമ നയത്തിലെ മാറ്റങ്ങൾ ചർച്ച ചെയ്ത് ഇന്ത്യ ഇന്റർനാഷണൽ ഗോൾഡ് കൺവെൻഷൻ

കൊച്ചി: നിലവിൽ ആഗോളവൽക്കരണത്തിന്റെ ഭാഗമായി ഇന്ത്യയിലെ ഗോൾഡ് കൺവെൻഷൻ പൊതുയിൽ ചെറിയൊരു ക്ഷണത്തിൽ വെളിച്ചം പങ്കുവെക്കുകയും ചെയ്തു. ഇന്ത്യ ഇന്റർനാഷണൽ ഗോൾഡ് കൺവെൻഷൻ പൊതുയിൽ ചെറിയൊരു ക്ഷണത്തിൽ വെളിച്ചം പങ്കുവെക്കുകയും ചെയ്തു. ഇന്ത്യ ഇന്റർനാഷണൽ ഗോൾഡ് കൺവെൻഷൻ പൊതുയിൽ ചെറിയൊരു ക്ഷണത്തിൽ വെളിച്ചം പങ്കുവെക്കുകയും ചെയ്തു.

INT'L GOLD CONVENTION GETS UNDER WAY

EXPRESS NEWS SERVICE @ Kochi

THE 15th India International Gold Convention kick was started at Le Meridien Convention Centre with palpable optimism following the release of NITI Aayog report on Transforming Indian Gold Markets this February.

Over 400 delegates representing different limbs of gold industry from India and abroad, trade organisations, financial institutions and policy experts will be holding deliberations in the next three days on the newer opportunities and future plans in view of the changing face of gold industry in the country.

The gathering consists of 11 bullion banks, 6 nominated banks, 6 international refiners, 25+ domestic refiners, leading jewellery manufacturers from India, official / trade representatives from Canada, Peru, Ghana, Liberia, Myanmar and Singapore.

The conference is organised by Foretell Business Solutions in association with India Bullion and Jewellers Association (IBJA). Suresh Prabhu, Union Minister of Commerce and Industry and Civil Aviation, in his message said India has huge resources, market infrastructure and potential to become the export hub for gold and gold products.

Senthil Nathan S IRS, deputy secretary, Ministry of Commerce, inaugurated the conference. "With craftsmanship, technology and design capabilities in hand, our country needs to capitalise its intrinsic capability to manufacture value-added gold jewellery for the global market," Nathan said. "The new policies are chiefly aimed at building the institutional, regulatory and market infrastructure to streamline the industry, bring transparency and increase the global acceptance of gold and its products from India. Good delivery norms, responsible sourcing guidance and compulsory hallmarking are also being proposed to protect consumer interest," he added.

G Srinavasa, president, Foretell Business Solutions Pvt Ltd; Mohit Kamboj, National president, IBJA; Pramod Agrawal, chairman, GJEP; Arjun Raychaudhuri, Managing Director and CEO, MMTC PAMP; P R Somasundaram, Managing Director-India, World Gold Council; Mrugank Paranjape, Managing Director and CEO, MCX spoke in the inaugural session. John Reade, Chief Market Strategist, World Gold Council, Dr Rathin Roy, director, National Institute of Public Finance and Policy; and Arvind Sahay, chairperson, India gold policy Centre, delivered the keynote address.

Online gold sales moving at a snail's pace

Kochi: The bullion market too is taking the online route to keep up with the times. Even though only 5 per cent of sales happen online, those in the industry believe sales will take a leap in the near future. According to Rajesh Khosla, chairman emeritus, MMTC-PAMP India Pvt Ltd, at present, the online sales show only a 1 per cent increase annually. "But we know this sluggish movement will build up in the future thanks to the smartphone-savvy generation. The graph that is at present showing a flat line will peak in the coming years," he said. The gold council is revamping the delivery system, said P R Somasundaram, managing director, World Gold Council (India).

LOST

The Sale Deed No.3706/1988 of Ernakulam Sub Registry in my name for 06.4 Ares in Survey No.217/2, Elankulam Village, Kanayannur Taluk is lost. If found, please contact within 15 days; otherwise certified copy will be treated as original. Mavilla Kamalakshy, Devalayam, Shenoy Road, Kallur, Cochin - 682 017. Tele : 9495352623

രാജ്യാന്തര സ്വർണവിപണിയിൽ ഇന്ത്യയ്ക്കു തിളങ്ങാനാവും: കേന്ദ്രമന്ത്രി സുരേഷ് പ്രഭു



കൊച്ചിയിലെ ആരംഭ ചടങ്ങിൽ ഇന്ത്യയുടെ വിപണിയിൽ നിറവേറ്റുന്നതിനായി രാജ്യാന്തര സ്വർണവിപണിയിൽ ഇന്ത്യയ്ക്കു തിളങ്ങാനാവും: കേന്ദ്രമന്ത്രി സുരേഷ് പ്രഭു

കൊച്ചി • ഗ്രാമീണപ്രദേശങ്ങളിലുള്ള ഇന്ത്യൻ മാർക്കറ്റ് സർവ്വീസുകളിലെ വഴി മാറ്റം വരുത്തുന്നതിനായി രാജ്യാന്തര സ്വർണവിപണിയിൽ ഇന്ത്യയ്ക്കു തിളങ്ങാനാവും: കേന്ദ്രമന്ത്രി സുരേഷ് പ്രഭു.

ഇന്ത്യയ്ക്കു തിളങ്ങാനാവും: കേന്ദ്രമന്ത്രി സുരേഷ് പ്രഭു. ഇന്ത്യയ്ക്കു തിളങ്ങാനാവും: കേന്ദ്രമന്ത്രി സുരേഷ് പ്രഭു.

മുഖ്യമന്ത്രി സർവ്വീസുകളിലെ വഴി മാറ്റം വരുത്തുന്നതിനായി രാജ്യാന്തര സ്വർണവിപണിയിൽ ഇന്ത്യയ്ക്കു തിളങ്ങാനാവും: കേന്ദ്രമന്ത്രി സുരേഷ് പ്രഭു.

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കേന്ദ്രമന്ത്രി സുരേഷ് പ്രഭു. ഇന്ത്യയ്ക്കു തിളങ്ങാനാവും: കേന്ദ്രമന്ത്രി സുരേഷ് പ്രഭു.

സമഗ്ര മാറ്റങ്ങൾ ചർച്ച ചെയ്ത് അന്താരാഷ്ട്ര ഗോൾഡ് കൺവെൻഷൻ

കൊച്ചി നഗരത്തിൽ ആരംഭിച്ച 15-ആം ഇന്ത്യൻ അന്താരാഷ്ട്ര ഗോൾഡ് കൺവെൻഷൻ. ഇന്ത്യയുടെ വിപണിയിൽ നിറവേറ്റുന്നതിനായി രാജ്യാന്തര സ്വർണവിപണിയിൽ ഇന്ത്യയ്ക്കു തിളങ്ങാനാവും: കേന്ദ്രമന്ത്രി സുരേഷ് പ്രഭു.

കേന്ദ്രമന്ത്രി സുരേഷ് പ്രഭു. ഇന്ത്യയ്ക്കു തിളങ്ങാനാവും: കേന്ദ്രമന്ത്രി സുരേഷ് പ്രഭു.

കേന്ദ്രമന്ത്രി സുരേഷ് പ്രഭു. ഇന്ത്യയ്ക്കു തിളങ്ങാനാവും: കേന്ദ്രമന്ത്രി സുരേഷ് പ്രഭു.

India Int'l Gold Convention begins

TIMES NEWS NETWORK

Kochi: The 15th India International Gold Convention was started at Le Meridien Convention Centre on Friday. Over 400 delegates from India and abroad are participating in the convention, which is being organized by Foretell Business Solutions in association with India Bullion and Jewellers Association (IBJA).

Banks, international and domestic refiners, major jewellery manufacturers and trade representatives from Canada, Peru, Ghana, Liberia, Myanmar and Singapore are also attending it.

Senthil Nathan S, deputy secretary, the ministry of commerce, inaugurated the conference. Financial institutions and policy experts will be holding deliberations during the convention. TNN

രാജ്യാന്തര മികവിലേക്ക് ഇന്ത്യൻ സ്വർണം

ആന്റണി ജോൺ

കൊച്ചി • ഇന്ത്യയിലെ മൊത്ത സർവ്വീസ് വിപണി 'ഇന്ത്യ ഗോൾഡ് കൺവെൻഷൻ' ചടങ്ങിലെ കേന്ദ്രമന്ത്രി സുരേഷ് പ്രഭു.

കേന്ദ്രമന്ത്രി സുരേഷ് പ്രഭു. ഇന്ത്യയ്ക്കു തിളങ്ങാനാവും: കേന്ദ്രമന്ത്രി സുരേഷ് പ്രഭു.

കേന്ദ്രമന്ത്രി സുരേഷ് പ്രഭു. ഇന്ത്യയ്ക്കു തിളങ്ങാനാവും: കേന്ദ്രമന്ത്രി സുരേഷ് പ്രഭു.

സ്വർണനയത്തിനു സാധ്യത

ഇന്ത്യൻ സർവ്വീസ് വിപണി മാറ്റങ്ങൾ സംബന്ധിച്ച നിയമങ്ങൾ റിപ്പോർട്ടിന്റെ തുടർച്ചയായി സമഗ്ര സർവ്വീസ് നയത്തിനു സാധ്യത. ഗോൾഡ് ബോർഡ് ആഭ്യന്തര കൺസിൽ വരും.

ഇന്ത്യയ്ക്കു തിളങ്ങാനാവും: കേന്ദ്രമന്ത്രി സുരേഷ് പ്രഭു.

കേന്ദ്രമന്ത്രി സുരേഷ് പ്രഭു. ഇന്ത്യയ്ക്കു തിളങ്ങാനാവും: കേന്ദ്രമന്ത്രി സുരേഷ് പ്രഭു.

ഇന്ത്യ ഇന്റർനാഷണൽ ഗോൾഡ് കൺവെൻഷൻ തുടക്കം

കൊച്ചി: രാജ്യാന്തര സ്വർണവിപണിയിൽ ഇന്ത്യയ്ക്കു തിളങ്ങാനാവും: കേന്ദ്രമന്ത്രി സുരേഷ് പ്രഭു.

കേന്ദ്രമന്ത്രി സുരേഷ് പ്രഭു. ഇന്ത്യയ്ക്കു തിളങ്ങാനാവും: കേന്ദ്രമന്ത്രി സുരേഷ് പ്രഭു.

കേന്ദ്രമന്ത്രി സുരേഷ് പ്രഭു. ഇന്ത്യയ്ക്കു തിളങ്ങാനാവും: കേന്ദ്രമന്ത്രി സുരേഷ് പ്രഭു.

Gold's Medium-term Outlook Brighter than at Present

G. Chandrashekhar, Consulting Editor, Bullion Bulletin



Gold continued to languish for most part of August with Turkey's economic crisis dominating the headlines. Prices fell below the psychological \$ 1200 an ounce in the third week of the month, falling to levels not seen since January 2017.

Its occasional burst above \$ 1200/oz and decline below that level was primarily driven by the dollar. The inverse relationship between dollar and gold is well known; in some sense, they are substitutes.

On August 24, the yellow metal was trading at \$ 1203/oz having risen due to a slight weakness in the greenback. A week earlier the rate was \$ 1184/oz and a month ago \$ 1224/oz.

Very clearly, at least for the present, the precious metal has lost its safe haven status. It is the US dollar which

is now the safe haven as investors flock to the currency given the fact that the U.S. economy is performing creditably at near-full employment levels. It is therefore not surprising that the dollar is gaining in strength from time to time.

At the same time, as we have been emphasizing in these columns from time to time, the demand side for the yellow metal is far from robust. Two of world's largest importers and consumers China and India currently face their own set of problems. Consumption demand growth is weak.

While China is facing an economic slowdown and credit tightening, India is currently in the midst of agricultural season. Additionally, in August, the State of Kerala, arguably the largest consumer of the yellow metal faced nature's fury in the form of incessant rains and widespread floods that have left the state somewhat devastated. It would take months for Kerala to limp back to normalcy.

Also, the widespread expectation that the U.S. Federal Reserve is likely to raise interest rates twice in the second half of this year provides additional boost to the greenback. The sentiment towards precious metals in the ETF market too has deteriorated. There has been a sizeable outflow of gold and silver. On the bourses, the net short positions have been rising. In other words, do not expect any dramatic turnaround

in the fortunes of the yellow metal anytime soon.

Silver too has been performing rather poorly. As is well known, silver usually tags on to the coattails of gold. Additionally, the industrial use of silver accounts for over 50 percent of demand and the prices of industrial metals have slumped in recent weeks. Silver is currently at \$ 14.75/oz while it was trading at \$ 15.44/oz a month ago.

On current reckoning, till the end of the year and into early 2019, the dollar is expected to remain strong which in turn will continue to pressure gold down. However, there is a view that the U.S. will begin to witness slower growth by mid-2019 and in the event, the Fed may be prompted to bring the tightening cycle to an end. The process may be accelerated if the ongoing trade friction escalates into a full-fledged trade war. In other words, the medium-term outlook for gold appears brighter than at present.

So, one year from now, can we see gold trading at over \$ 1300/oz? Time will tell.

.....
(G. Chandrashekhar, Consulting Editor, Bullion Bulletin, is a well known commodities market specialist. He is an Independent Member of SEBI-Commodity Derivatives Advisory Committee. He can be reached at gchandrashekhar@gmail.com. Views are personal)

F.No. 1/1006/2014-EP(G&J)
Government of India
Ministry of Commerce & Industry
Department of Commerce

New Delhi, the 16th August, 2018.

ORDER

Subject: Constitution of Working Group for formation of Domestic Council for Gem & Jewellery Sector.

A Working Group for formation of Domestic Council for Gems & Jewellery Sector has been constituted under the Chairmanship of Shri Manoj Kumar Dwivedi, Joint Secretary, Department of Commerce, with the following mandate:

- Preparation of database of all associations of gems and jewellery sector, product-wise and region-wise
- Decide eligibility criteria for association to be part of electoral college
- To work out other details of the Domestic Council

2. The Composition of the Working Group is as under: -

Composition:

Chair

Joint Secretary, EP(G&J) Division, Department of Commerce.

Members

- i. Chairman, Gem & Jewellery Export Promotion Council (GJEPC), Mumbai
- ii. President, India Bullion & Jeweller Association (IBJA), Mumbai
- iii. President, Association of Gold Refineries & Mints (AGRM), Cochin
- iv. Chairman, Imitation Jewellers Manufacturer Association (IJMA), Mumbai
- v. Chairman, Tamilnadu Jewellers Federation, Chennai
- vi. Chairman, Bangiya Swarna Shilpi Samity, Kolkata
- vii. Chairman, Bharat Diamond Bourse (BDB), Mumbai
- viii. Chairman, Rajkot Gems & Jewellery Association, Rajkot
- ix. Chairman, India Jewellers Forum (IJF), Amritsar
- x. Chairman, Uttar Pradesh Sarafa Association, Kanpur
- xi. Chairman, Bhartiya Swarnkar Sangh, Jaipur
- xii. Chairman, Odisha Jewellers Association, Cuttack
- xiii. Chairman, Karnataka Jewellers Federation, Bangalore

Circular No. 25/2018-Customs

F.No. DGEP/G&J/22/2018

Government of India
Ministry of Finance
Department of Revenue
Central Board of Indirect Taxes & Customs
(Directorate General of Export Promotion)

New Delhi, Dated: 8th August, 2018

To,

All Pr. Chief Commissioners/ Chief Commissioners of Customs/ Customs & Central Tax/ Customs (Preventive)

All Pr. Commissioners/ Commissioners of Customs/ Customs & Central Tax/ Customs (Preventive)

Subject: Standard operating procedures for discharge of bonds executed by nominated agencies/ banks under Notification no. 57/2000-Customs dated 08.05.2000.

Madam/ Sir,

References have been received from the exporter associations that there is an inordinate delay in release of bonds executed by the nominated agencies/ banks under Notification no. 57/2000-Customs dated 08.05.2000, while importing gold for the purpose of export of gold jewellery/ articles. Accordingly, the matter was examined and the reports received from the field formations confirm that there is indeed a large pendency of subject bonds.

2. In the aforementioned background, in the interest of trade facilitation, it has been decided that following standard operating procedure will henceforth be followed for the expeditious discharge of the said bonds.

(i) Nominated agencies/ banks would electronically provide the prescribed documents as proof of exports as provided under Para 4.68 of Handbook of Procedures of the Foreign Trade Policy, (2015-20) (FTP) within the time period prescribed in the FTP. These documents are (i) EP copy of shipping bill, (ii) Customs attested invoice, (iii) Bank certificate of realization/ eBRC.

(ii) The prescribed documents would be submitted electronically by the nominated agencies/ banks to the Assistant/ Deputy Commissioner of Customs using dedicated e-mail. For this purpose suitable Trade Notice specifying the said e-mail address shall be issued by the Commissioners.

The e-mail may also be displayed in the public domain on the website of the field formation concerned.

(iii) The concerned officer i.e. Assistant/ Deputy Commissioner of Customs would issue an electronic acknowledgement immediately within 24 hours of receipt of the documents.

(iv) If the submitted documents are found to be incomplete or additional documents are required, a deficiency memo would be issued to the nominated agency/ banks for submission of missing/ additional documents within 5 days of receipt of the documents.

(v) The additional documents, other than the prescribed documents, would be requisitioned only with the prior approval of the Additional Commissioner of Customs concerned.

(vi) Nominated agencies/ banks would electronically provide the deficient/ additional documents so required within 7 days of the receipt of the deficiency memo.

(vii) Within 7 days of the receipt of the prescribed documents or the receipt of the deficient/ additional documents, as the case may be, the Assistant/ Deputy Commissioner of Customs would confirm the fact of export. This can also be done by viewing the relevant documents on the ICES application of Directorate General of Systems (invoices would be available thereon once e-Sanchit is rolled out on the export side).

(viii) Assistant/ Deputy Commissioner would discharge the bond of nominated agency/ banks within 7 days of confirmation of the export.

3. A concerted drive may be started for the discharge of the pending bonds as it is seen that a large number of bonds are pending release. The pendency of bonds needs to be cleared within 2 months. A report regarding the discharge of the bonds may be submitted by 05.10.2018 through e-mail at dgep-dor@nic.in

4. Difficulties, if any, may be brought to the notice of the Board.

5. Hindi version follows.

Yours faithfully,

(Saroj Kumar Behera)
Joint Director

Circular No. 6/2018

F. No. 370142/9/2018-TPL
Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes
TPL Division

New Delhi, Dated the 17th of August, 2018

Order under section 119 of the Income-tax Act, 1961

Section 44AB of the Income-tax Act, 1961 ('the Act') read with rule 6G of the Income-tax Rules, 1962 ('the Rules') requires prescribed persons to furnish the Tax Audit Report along with the prescribed particulars in Form No. 3CD. The existing Form No. 3CD was amended vide notification no. GSR 666(E) dated 20th July, 2018 with effect from 20th August, 2018.

Representations have been received by the Board that the implementation of reporting requirements under the proposed clause 30C (pertaining to General Anti-Avoidance Rules (GAAR)) and proposed clause 44 (pertaining to Goods and Services Tax (GST) compliance) of the Form No. 3CD may be deferred.

The matter has been examined and it has been decided by the Board that reporting under the proposed clause 30C and proposed clause 44 of the Tax Audit Report shall be kept in abeyance till 31st March, 2019. Therefore, for Tax Audit Reports to be furnished on or after 20th August, 2018 but before 1st April, 2019, the tax auditors will not be required to furnish details called for under the said clause 30C and clause 44 of the Tax Audit Report.

(Sanyam Suresh Joshi)
DCIT (OSD) (TPL)-III

Copy to:

1. PS to FM/OSD to FM/PS to MoS(F)/OSD to MoS(F)
2. PS to Secretary (Revenue)
3. Chairman, CBDT
4. All Members, CBDT
5. All Pr. DGsIT/Pr. CCsIT
6. All Joint Secretaries/CsIT, CBDT
7. Directors/Deputy Secretaries/Under Secretaries of CBDT
8. DIT (RSP&PR)/Systems, New Delhi
9. The C&AG of India (30 copies)
10. The JS & Legal Adviser, Ministry of Law & Justice, New Delhi
11. The Institute of Chartered Accountants of India
12. All Chambers of Commerce
13. CIT (M&TP), Official Spokesperson of CBDT
14. O/o Pr. DGIT (Systems) for uploading on official website
15. JCIT (Database Cell) for uploading on departmental website

[To be published in the Gazette of India, Extraordinary, Part II, Section 3, Subsection (i)]

**Government of India
Ministry of Finance
Department of Revenue
Central Board of Indirect Taxes and Customs**

Notification No. 22/2018 – Central Tax (Rate)

New Delhi, the 6th August, 2018

G.S.R. (E).- In exercise of the powers conferred by sub-section (1) of section 11 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on being satisfied that it is necessary in the public interest so to do, on the recommendations of the Council, hereby makes the following further amendment in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), No. 8/2017 – Central Tax (Rate), dated the 28th June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 680 (E), dated the 28th June, 2017, and last amended vide notification No. 12/2018-Central Tax (Rate), dated the 29th June, 2018, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 594 (E), dated the 29th June, 2018, namely:-

In the said notification, for the figures, letters and words “30th day of September, 2018”, the figures, letters and words “30th day of September, 2019” shall be substituted.

[F. No.349/58/2017-GST (Pt.)]

(Dr. Sreeparvathy S.L)

Under Secretary to the Government of India

Note: - The principal notification No.8/2017-Central Tax (Rate), dated the 28th June, 2017 was published in the Gazette of India, Extraordinary, Part II, Section 3, Subsection (i) vide number G.S.R. 680 (E), dated the 28th June, 2017 and last amended vide notification No. 12/2018-Central Tax (Rate), dated the 29th June, 2018, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 594 (E), dated the 29th June, 2018.



RBI buys gold for first time in nearly a decade

The Reserve Bank of India (RBI) has bought gold for the first time in nearly a decade, signalling that the metal could be in demand

as a store of value when returns and capital values of fixed-income bonds are declining in a rising rate environment.

The RBI added 8.46 metric tons of gold to its stock of holdings during the financial year 2017-18 that ended June 30, taking the level of gold reserves to 566.23 metric tons, according to its latest annual report.

It last bought 200 metric tons from the IMF to boost its reserves in November 2009.

Over the past nine years, the gold stock in RBI reserves was stable at 17.9 million troy ounce. But RBI has started adding to its stock since December 2017, data submitted to the IMF indicate.

Stock of gold, as of June 30, amounted to 18.20 million troy ounce or equivalent to 566.23 metric tons, up from 17.9 million troy ounce in November, 2017.

The RBI's decision to buy gold is significant because unlike many other central banks such as the People's Bank of China, RBI does not regularly trade in gold, although the RBI Act permits it to do so.

Economists reckon that investing in gold is a prudent treasury move by the central bank at a time of rising yields. RBI has already sold close to \$10 billion worth US treasury securities between April and June, data with the US treasury department suggest.

"The addition of gold to RBI's forex reserves is probably a diversification of assets for their deployment, keeping in mind both the build-up of reserves in 2017 as well as the evolving global risks, including market volatility and rising policy rates in the US," said Saugata Bhattacharya, chief India economist at Axis Bank.

Rising yields could trigger mark-to-market losses for RBI's bond portfolio. Of the \$405 billion worth reserves with the central bank, \$245 billion were held in the form of bonds and securities as of June 30, data submitted to the IMF show.

Diversifying reserves to include gold is a prudent measure at such times. The Annual Report points out that RBI continued diversification of foreign currency assets with attention to risk management. The gold portfolio had also "been activated," said Bhattacharya.

The RBI has to redeem the three- to eight-year bonds at the prevailing price of the metal and keep an extra stock of gold in its kitty to hedge against price risks.

Source: <https://economictimes.indiatimes.com/>



Gems, jewellery exports decline by about 5% in April-July

The country's gems and jewellery exports contracted by around 5% to ₹10.64 billion in April-July this fiscal, mainly

on account of demand slowdown in major developed markets. According to the Gems and Jewellery Export Promotion Council (GJEPC) data, exports stood at ₹11.2 billion in April-July period of 2017-18. The labour-intensive sector contributes about 14% to the country's overall export. The decline in shipments is mainly due to negative growth in the export of silver jewellery, gold medallions and coins, along with a rise in the return of consignments. Industry experts said that the dip in exports during the period is because of slow growth in demand but the order books are gradually improving. "Exporters are optimistic that from September, things will start improving as there will be good demand on account of NRI's diwali, Christmas and Thanksgiving in the US," an official in the council said.

As per the data, silver jewellery shipments during April-July 2018 dipped by 91% to ₹172 million. Similarly, export of gold medallions and coins contracted by 87.2% during the period under review. Gold jewellery shipments doubled to \$4.3 billion during the period from \$2.1 billion in April-July last fiscal. India's main export destinations are the US, Europe, Japan and China. America accounts for about one-fourth of the country's total gems and jewellery exports. During the period, consignments worth \$2.8 billion were returned compared with \$2.6 billion in April-July 2017. China is the biggest competitor of India in the sector. Imports of gems and jewellery too dipped by 3.78% in April-July 2018 to \$10.4 billion.

Source: <https://www.livemint.com/>



Developing, Driving and Connecting ASEAN'S Bullion Market

The SBMA is the principal market development agency for the precious metals trade in Singapore.

Our mission is to develop Singapore as ASEAN's precious metals trading hub.

As the first touch point between governmental/regulatory bodies and market participants, we maintain good links and relationships with fellow associations in ASEAN countries and beyond, further connecting our market participants through networking events and outgoing business missions to these countries.

We are also a source of industry knowledge and information, and can share best practices and industry know-how.

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Singapore Bullion Market Association

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भारत को एक मजबूत गोल्ड बाजार बनाने में उद्योग की भूमिका अहम

राजेश खोसला, चेयरमैन, एमेरिटस, एमएमटीसी पैम्प, ने भारत में विस्तृत गोल्ड नीति की स्थापन के लिये नीति आयोग को दिये गये सुझावों के बारे में आईआईजीसी २०१८ के दौरान विस्तार से चर्चा की। सारांश.....



नीति आयोग को टैक्स सुझावों पर आपका क्या विचार है?

नीति आयोग ने २५० पृष्ठों की रिपोर्ट तैयार की है, इसका सुझाव सारांश ६२ पन्नों का है। टैक्स सुधार पर इनका सुझाव एकदम सरल है। इसमें कहा गया है कि गोल्ड पर आयात शुल्क घटाया जाना चाहिये ताकि उद्योग में इसके तस्करी पर अंकुश लग सके। इसमें गोल्ड वैल्यू चेन पर टैक्स लगाने का सुझाव दिया गया है जो कि काफी प्रभावी साबित हो सकता है। आयोग का कहना है कि हमें टैक्स अनुपालन पर ध्यान देना चाहिये बजाय टैक्स अनुपालन को अनिवार्य बनाये जाने पर जोर देने का। यदि आप किसी को कोई कार्य करने के लिये बाध्य करेंगे तो इस पर निश्चित प्रतिक्रिया होगी लेकिन यदि किसी को कोई कार्य करने के लिये प्रोत्साहित किया जाये तो सहयोग मिलेगा। आयोग टैक्स अनुपालन को एक मैत्रीपूर्ण संदर्भ में देखता है न कि नियामक संदर्भ से।

नीति आयोग ने गोल्ड फायनान्शियलाइजेशन पर अपनी प्रतिक्रिया व्यक्त की है। आपके इस पर क्या विचार है?

गोल्ड फायनान्शियलाइजेशन या वित्तीयकरण पर अनेक प्रकार से चर्चा की जा चुकी है। लेकिन एक मुद्दा जिस पर कोई चर्चा नहीं की गयी है वह यह कि गोल्ड की प्रतिभूति के आधार पर लोन दिया जाना जैसा कि मुथुट व

अन्य कुछ लोग कर रहे हैं। यह वास्तव में फायनान्शियलाइजेशन है जहां गोल्ड को गिरवी रखकर रकम दिया जाता है। आयोग ने इसे लोगों के पास रखे गोल्ड से समझा है जिसका कोई आर्थिक लाभ नहीं है। लोग गोल्ड को गिरवी रखने में हिचकिचाते हैं क्योंकि उन्हें सामान्य परिस्थिति में धन नहीं चाहिये होता है। इस संदर्भ में आयोग का कहना है कि एक ऐसी सरल व्यवस्था का निर्माण हो जिसमें ग्राहक अपना गोल्ड लाये, इसे किसी खाता में जमा करें, एक तय अवधि पूर्ण होने पर इस जमा से ब्याज अर्जित करें और आखिर अपना गोल्ड वापस ले जायें। इस मुद्दे के कई आयाम हैं – पहला भावनात्मक जुड़ाव, (ग्राहक ने ज्वैलरी खरीदते समय मजदूरी दी है और यदि इसे जमा किया जाता है तो उसे यह घाटा सहना होगा); दूसरा ज्वैलरी जमा करते समय शुद्धता में अंतर आ सकता है; तीसरा, आज मैं गोल्ड जमा करूं तो दूसरे दिन आयकर अधिकारी मुझसे इस गोल्ड के बारे में पूछताछ करने लगेंगे कि मैंने इसे कहाँ से लिया और अपने रिटर्न में नहीं दर्शाया है। इस परिस्थिति में आयोग का मानना है कि इन मुद्दों का समाधान किये बिना वित्तीयकरण होना संभव नहीं है। प्रमुख चिंता का विषय आयकर का डर है, हालांकि एक सरकारी आदेश में यह कहा गया है कि ५०० ग्राम तक गोल्ड कि अटैच नहीं किया जायेगा। लेकिन यदि किसी को फायनान्शियलाइजेशन विशेष

रुप से प्रोत्साहन देना है तो यह करना होगा कि जमा कराते समय गोल्ड के संबंध में कोई सवाल नहीं पूछा जाये। यह नीति आयोग का मुद्दा नहीं है बल्कि क्रियान्वयन का मुद्दा है।

नीति आयोग द्वारा गोल्ड मॉनेटाइजेशन की पुनर्गठन पर दिये गये सुझाव को आप किस तरह से देखते हैं?

मेरे अनुसार जीएमएस का पुनर्गठन एकदम सरल है। पहला, एक सामान्य ग्राहक गोल्ड के लिये बैंक के पास नहीं जाता बल्कि ज्वैलर के पास जाता है। इसलिये अगर हमें जीएमएस को सुधारना है तो इसमें ज्वैलरों को शामिल करना होगा। इन्हें शामिल किये बिना जीएमएस की सफलता नहीं सोंची जा सकती है। ज्वैलरों को शामिल करने के लिये गोल्ड क्लीयरिंग लाना होगा। यह उसी प्रकार है जिस तरह से आपका पैसा बैंक में है और आप इसे किसी खाते में जमा करते हैं बिना भौतिक नगद रखे और आपको यह केवल स्टेटमेंट में ही यह दिखायी देता है। इसी तरह का कार्य आपका जीएमएस में करना चाहिये जहां पर मेटल के लिये क्लीयरिंग कार्पोरेशन ऑफ इंडिया का निर्माण करना होगा। इससे निकाय को मेटल तथा बैंक को पेपर लेनदेन करने में आसानी होगी। बैंक पेपर के हस्तान्तरण में खुश रहते हैं भौतिक लेनदेन उनका कार्य नहीं है। जीएमएस में बैंक को गोल्ड हैंडलिंग करने को कहा गया है जो कि सफल नहीं हो सकता है।

मेक इन इंडिया को लेकर आप क्या सोचते हैं?

यदि आप रिफायनिंग क्षेत्र को देखें तो भारत में इसका कार्य बढ़ रहा है। पिछले साल भारत में आयातित ड्यूटी पेड गोल्ड

में ४५% हिस्सेदारी रिफायनरों की थी। इस साल मेरा अनुमान है कि यह ६०% से अधिक हो सकता है। इस तरह से भारत में रिफाइन हुए प्रत्येक ग्राम गोल्ड से देश में रोजगार पैदा होता है और साथ टैक्स के माध्यम से अर्थव्यवस्था में मौद्रिक योगदान भी होता है। इस तरह से रिफायनिंग क्षेत्र में मेक इन इंडिया सफल रहा है। यदि इस क्षेत्र को कुछ और सहयोग मिलता तो इसका प्रदर्शन और बेहतर हो सकता था। मुझे लगता है कि सरकार का पूरे विश्व के लिये रिफायनर बनने की आकांक्षा है और वह इस पर गंभीरता से कार्य कर रहा है और रिफायनिंग क्षेत्र को और प्रोत्साहित करने के बारे में सोच रहा है। गोल्ड के लिये मानक का होना आवश्यक है और सरकार मानक बनाने की दिशा में कार्य कर रही है। रिफायनरों को अपनी प्रणाली और उन्नत कर इस सर्वोच्च मानक का अनुपालन करने के लिये सक्षम बनना चाहिये।

एमएमटीसी पैम्प अनेक डिजीटल प्लेयर्स के साथ मिलकर गोल्ड की बिक्री कर रहा है। क्या आप हमें इसके बारे में संक्षिप्त में बता सकते हैं?

यह एक आसान व्यवसाय है, यदि किसी को गोल्ड खरीदना है तो उसे यह नहीं पता कि कहा जाना और निश्चित ही वह ज्वैलर के पास जायेगा ज्वैलरी खरीदने न कि गोल्ड। पहले बैंक गोल्ड सिक्कों की बिक्री करते थे लेकिन अब यह उन्होंने बंद कर दिया है। दूसरा, आज की पीढ़ी सबकुछ स्मार्ट फोन के माध्यम से करना चाहती है, इसलिये आपको ऐसा प्रणाली बनाने की जरूरत थी जिसमें छोटी मात्रा में गोल्ड की खरीदी-बिक्री की जा सके। हमने जब अपना तंत्र बनाया तो इसमें ये सभी खूबियां शामिल की जिसमें आप एक रुपये

के मूल्य की खरीदी बिक्री कर सकते हैं। इसे नयी पीढ़ी ने खूब पसंद किया क्योंकि ५०० रुपये में गोल्ड खरीदने बेचने की सुविधा कोई ज्वैलर नहीं दे सकता है। इस तरह से ग्राहक यदि १० ग्राम गोल्ड इकट्ठा कर लेता है और ज्वैलर के पास ज्वैलरी बनवाने जाता है तो ज्वैलर उसे गोल्ड को अपने खाते में ट्रांसफर करने को कह ज्वैलरी बना कर दे सकता है। यह तंत्र इतना सरल है। इसमें ज्वैलरी इसी तरह का खाता रखना आवश्यक है।

स्किल डेवलपमेंट तथा रोजगार सृजन के लिये डोमेस्टिक काउन्सिल बनाने का सुझाव दिया गया है, आपका इस पर क्या विचार है?

मैं समझता हूं कि इस दिशा में उद्योग को पहले कदम बढ़ाना चाहिये, इसके लिये काउन्सिल के बनने और उसके कार्य करने का इंतजार नहीं करना चाहिये। उदाहरण के लिये वर्ल्ड गोल्ड काउन्सिल तथा एमएमटीसी पैम्प ने मिलकर प्रिंशियस मेटल्स असे इन्स्टिट्यूट की स्थापना की है। दो कंपनियों ने मिलकर इस पर निवेश किया है और अनुदान के लिये सरकार के पास नहीं गये हैं। इस संस्थान के द्वारा पहला कोर्स अक्टूबर से शुरू किया जायेगा। हम उद्योग के लिये परीक्षक तैयार कर रहे हैं जिसके लिये पूरा उद्योग साथ है लेकिन निवेश केवल हमारा है। हम परीक्षकों को प्रशिक्षित करेंगे और उसके बाद उद्योग यह तय करेगा कि वह इन्हें नौकरी देगा या नहीं।

Disclaimer: Views are personal and not the views of the publisher.

IBJA Opening & Closing Rates for Gold and Silver

(All rates in INR)

Date	(AM Price) 10 Gms	(PM Price) 10 Gms	(AM Price) 10 Gms	(PM Price) 10 Gms	(AM Price) 10 Gms	(PM Price) 10 Gms	(AM Price) 10 Gms	(PM Price) 10 Gms	(AM Price) 10 Gms	(PM Price) 10 Gms	(AM Price) 1 Kg	(PM Price) 1 Kg
08-01-2018	29820	29815	29670	29665	27315	27311	22365	22361	17445	17442	37905	37870
08-02-2018	29705	29740	29555	29590	27210	27242	22279	22305	17377	17398	37660	37890
08-03-2018	29565	29605	29415	29455	27082	27118	22174	22204	17296	17319	37575	37760
08-06-2018	29660	29645	29510	29495	27169	27155	22245	22234	17351	17342	37785	37720
08-07-2018	29665	29680	29515	29530	27173	27187	22249	22260	17354	17363	37800	37935
08-08-2018	29640	29590	29490	29440	27150	27104	22230	22193	17339	17310	37775	37650
08-09-2018	29665	29640	29515	29490	27173	27150	22249	22230	17354	17340	37855	37960
08-10-2018	29600	29640	29450	29490	27114	27150	22200	22230	17316	17339	37755	37825
08-13-2018	29835	29805	29685	29655	27329	27301	22376	22354	17453	17436	37885	37825
08-14-2018	29675	29705	29525	29555	27182	27210	22256	22279	17360	17377	37565	37530
08-16-2018	29410	29520	29260	29370	26940	27040	22058	22140	17205	17270	36650	36790
08-17-2018	29400	29465	29250	29315	26930	26990	22050	22099	17199	17237	36780	36875
08-20-2018	29495	29565	29345	29415	27017	27082	22121	22174	17255	17296	36915	36910
08-21-2018	29640	29690	29490	29540	27150	27196	22230	22268	17339	17369	36920	37010
08-23-2018	29730	29720	29580	29570	27233	27224	22298	22290	17392	17386	36785	36700
08-24-2018	29690	29680	29540	29530	27196	27187	22268	22260	17369	17363	36625	36715
08-27-2018	30040	30035	29890	29885	27517	27512	22530	22526	17573	17575	37165	37105
08-28-2018	30160	30230	30010	30080	27627	27691	22620	22673	17644	17685	37315	37445
08-29-2018	30165	30215	30015	30065	27631	27677	22624	22661	17647	17676	37135	37120
08-30-2018	30225	30295	30075	30145	27686	27750	22669	22721	17682	17723	37125	37085
08-31-2018	30380	30400	30230	30250	27828	27846	22785	22800	17772	17784	37085	37135

The above rates are exclusive of GST/VAT

Bullion - Data & Statistics

Gold Spot Market, International (Per Troy Ounce)			
Spot gold	01 st Aug	31 st Aug	% Change
Australia (AUD)	20.80	20.19	-2.90
Britain (GBP)	11.74	11.20	-4.59
Canada (CAD)	20.02	18.93	-5.41
Europe (Euro)	13.19	12.51	-5.16
Japan (Yen)	1719.31	1607.80	-6.49
Switzerland (CHF)	15.28	14.06	-7.95
USA (USD)	15.37	14.52	-5.53

Silver Spot Market, International (Per Troy Ounce)			
Spot Silver	01 st Aug	31 st Aug	% Change
Australia (AUD)	1644.28	1670.56	1.60
Britain (GBP)	927.62	927.20	-0.05
Canada (CAD)	1582.90	1565.55	-1.10
Europe (Euro)	1043.89	1035.56	-0.80
Japan (Yen)	135945.00	133417.30	-1.86
Switzerland (CHF)	1207.6	1164.06	-3.61
USA (USD)	1217.66	1201.50	-1.33

Monthly Exchange Data (Gold) (From Aug 01-31)						
Exchange	Commodity	Open	High	Low	Close	% Ch.
COMEX ²	Gold Dec 18	1232.70	1233.70	1167.10	1206.70	-2.18
SHANGHAI –SHFE ⁴	Gold Dec 18	271.35	271.55	262.70	267.40	-1.60
Singapore- ICE (ICESA) ⁵	Gold Dec 18	39.55	39.58	37.99	38.89	-1.74
MCX ¹	Gold Dec 18	30085.00	30580.00	29500.00	30335.00	0.60
TOCOM ³	Gold Dec 18	4362.00	4410.00	4119.00	4291.00	-2.39

1- Rs/10 gms, 2- \$/oz, 3- Jpy/gm 4 (RMB) Yuan/gram 5 - \$/gram

Monthly Exchange Data (Silver) (From Aug 01-31)						
Exchange	Commodity	Open	High	Low	Close	% Ch.
COMEX ²	Silver Dec 18	15.65	15.67	14.41	14.56	-7.04
MCX ¹	Silver Dec 18	39048.00	39114.00	37277.00	37482.00	-4.29
TOCOM ³	Silver Dec 18	55.70	55.80	49.40	53.00	-4.50

1- Rs/kg, 2- \$/oz, 3- Jpy 0.1/gm

Gold Spot Market, India			Rs/10gm
Spot Gold	01 st Aug	31 st Aug	% chg
Ahmedabad	29640.00	30226.00	1.98
Bangalore	29421.00	29630.00	0.71
Chennai	29881.00	30412.00	1.78
Delhi	30800.00	31340.00	1.75
Mumbai	31016.00	31066.00	0.16
Hyderabad	29927.00	30375.00	1.50
Kolkata	30830.00	31170.00	1.10

Currency Change (Monthly)		
	01 st Aug	31 st Aug
EUR/USD	1.1660	1.1603
USD/AUD	1.3506	1.3897
USD/GBP	1.3126	1.2958
USD/INR	68.43	70.98
USD/JPY	111.72	111.09

Silver Spot Market, India			Rs/kg
Spot Silver	01 st Aug	31 st Aug	% chg
Mumbai	41200.00	40000.00	-2.91

Bullion - Data & Statistics

LBMA Gold & Silver Price (Per Troy Ounce)										
GOLD AM			GOLD PM				SILVER			
DATE	USDAM	GBPAM	EURAM	USDPM	GBPPM	EURPM	DATE	USDPM	GBPPM	EURAM
08-01-2018	1222.75	932.47	1046.55	1219.00	929.12	1043.46	08-01-2018	15.48	11.79	13.24
08-02-2018	1217.60	931.22	1048.23	1215.45	931.03	1045.89	08-02-2018	15.45	11.78	13.29
08-03-2018	1207.70	928.60	1042.97	1216.30	935.33	1050.40	08-03-2018	15.36	11.81	13.26
08-06-2018	1212.00	934.94	1048.26	1209.65	935.18	1047.44	08-06-2018	15.35	11.86	13.30
08-07-2018	1215.40	937.32	1048.77	1212.35	936.30	1045.05	08-07-2018	15.47	11.93	13.34
08-08-2018	1212.35	939.57	1045.17	1209.55	939.46	1043.72	08-08-2018	15.35	11.93	13.24
08-09-2018	1215.50	944.08	1048.13	1214.35	942.70	1047.62	08-09-2018	15.48	12.01	13.35
08-10-2018	1211.65	947.87	1056.44	1214.40	952.94	1062.60	08-10-2018	15.38	12.04	13.41
08-13-2018	1204.40	944.85	1058.19	1200.35	939.27	1050.55	08-13-2018	15.19	11.91	13.35
08-14-2018	1195.30	935.32	1049.11	1197.00	937.37	1051.68	08-14-2018	15.04	11.77	13.18
08-15-2018	1186.70	933.10	1047.74	1182.00	932.83	1045.72	08-15-2018	14.83	11.66	13.10
08-16-2018	1179.65	928.38	1037.74	1180.40	926.61	1035.33	08-16-2018	14.61	11.51	12.85
08-17-2018	1176.70	925.59	1032.79	1178.40	925.63	1032.51	08-17-2018	14.66	11.54	12.87
08-20-2018	1188.75	933.29	1042.41	1184.35	927.58	1036.31	08-20-2018	14.76	11.57	12.93
08-21-2018	1194.10	931.28	1036.12	1190.95	925.61	1033.63	08-21-2018	14.79	11.52	12.83
08-22-2018	1196.85	928.52	1032.88	1196.65	926.21	1031.51	08-22-2018	14.81	11.49	12.77
08-23-2018	1187.30	923.24	1027.61	1192.35	927.05	1029.24	08-23-2018	14.63	11.34	12.62
08-24-2018	1189.95	928.76	1029.43	1197.70	930.73	1030.86	08-24-2018	14.62	11.37	12.63
08-28-2018	1212.75	939.88	1037.02	1212.25	938.28	1033.93	08-28-2018	14.90	11.56	12.74
08-29-2018	1204.30	935.14	1032.33	1204.20	927.84	1029.59	08-29-2018	14.69	11.40	12.60
08-30-2018	1202.35	924.25	1028.49	1197.30	920.60	1026.80	08-30-2018	14.67	11.27	12.54
08-31-2018	1206.85	927.58	1034.03	1202.45	927.21	1033.27	08-31-2018	14.66	11.27	12.56

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