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# Bullion World

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Fundamental and highly  
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Differentiator and innovator  
to transform every vision  
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## Protect clients' assets, and we'll earn their trust. **Isi Mey Faida Hai.**

Imagine a world where a business has no liabilities. Even the ones that come when we hold on to a customer's assets on their behalf. What if we could turn those liabilities, into an asset of our own? Like a swarm of bees fiercely protecting their honeycomb, what if we protect our customer's assets as our own? So, they become an asset of honour, of confidence by the customer, that their assets are safe with us.

Presenting the **Third of the Seven Retail Gold Investment Principles**



### **Protection of client assets**

All providers must ensure adequate protection for customers' gold holdings, or other assets held on behalf of customers.

Remember, those who own the principle earn the interest! **Isi Mey Faida Hai.**

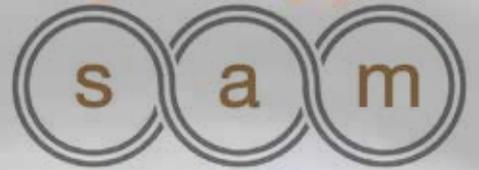
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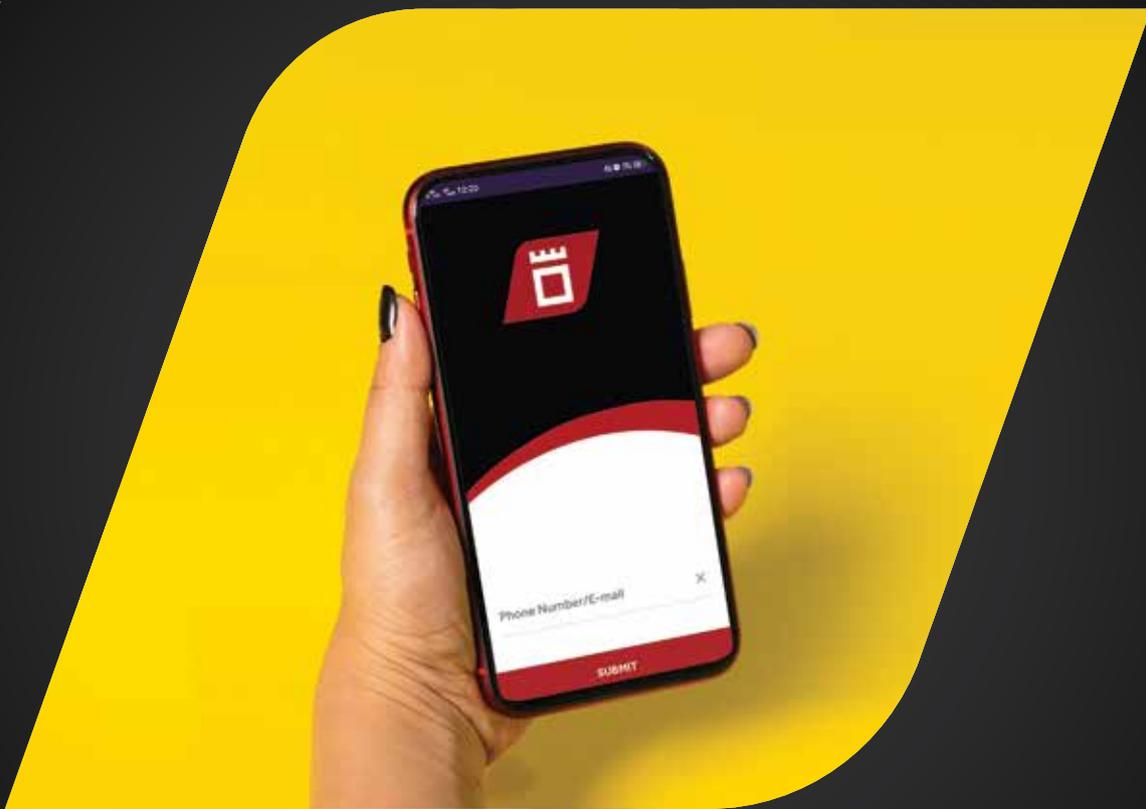
SAM PRECIOUS METALS



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# EDITORIAL

Dear Readers,

Government of India, as a measure to curb gold imports amidst widening trade deficit, has increased the basic import duty on the gold from 7.5 % to 12.5% with effect from 1st July, 2022. Together with agricultural cess of 2.5% and GST of 3%, total tax on gold for end-customer would be 18%.

The move to disincentivize gold imports has come at the moment when gold import bill witnessed a steep surge and had started exerting pressure on INR/USD. Gold import bill surged from USD 22 billion in 2020 to USD 55.7 billion in 2021. Gold imports for the first two months (April & May) of FY 2022-23 stood at 59,723.32 crore rupees as compared to 51,423.59 crore rupees during the same period of FY 2021-22, registering an increase of 16.14% year on year basis.

The import duty hike has come about unfortunately at a time when several structural reforms and market infrastructure ecosystem initiatives such as IIBX, compulsory hallmarking and of late CEPA between India and UAE to boost jewellery exports, are under implementation. We presume that the import duty hike would be a temporary and tactical measure and government would soon revert to lower duties.

In the current edition, Ms. Renisha Chainani of Augmont speaks about the constraints faced by Indian refiners while importing dore, Mr. Vidit Garg of Kundan Gold throws light on digital gold business and their new gold refining facility, Mr. Vipin Raina of MMTC-PAMP details about product innovation and retail push and Mr. James Jose, President, Hallmarking Federation of India shares his views on challenges in jewellery hallmarking in India and the way forward.

This issue also carries a special coverage on Mr. Jayantilal Challani, Managing Partner of M/s. Challani Jewellery Mart and President, The Jewellers and Diamond Traders Association, Chennai. On global coverage, Ms. Sakhila Mirza, Executive Board Director and General Counsel at LBMA details about Gold Bar Integrity Programme while Mr. Jeffrey Premer speaks about his company Vaultex which is the World's first institutional grade and entirely cloud-based digital exchange.

India Gold Conference 2022 is scheduled between 29 and 31 July in Chennai. IGC2022 would be hosting market participants from across the spectrum of gold value chain ranging from refining, trading, banking, jewellery and many more. Besides the regular sessions on bullion market, refining, digital gold and price outlook, IGC2022 will feature five special sessions- on jewellery, refining technology, IIBX, India-UAE CEPA and silver. Looking forward to meet you all at IGC2022.

Do you have any interesting story to share? Please write to us at [editor@bullionworld.in](mailto:editor@bullionworld.in) It can be on the Indian or global precious metals market and jewellery industry.

Best wishes,  
*G Srivatsava*  
 Editor



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# ‘Responsible Sourcing’ - Fundamental and highly significant principle for SAM Precious Metals



**Mr Sami Abu Ahmad**

Chairman, Sam Precious Metals

**Sam Precious Metals has been pursuing several initiatives like RJC with Chain of Custody and UAE Good Delivery. Can you enlighten our readers on the updates and status on the same?**

Founded in 2018 and headquartered in Dubai, the city of gold, SAM Precious Metals is one of the top three gold, silver and other precious metals refineries in the UAE and is globally renowned in the industry with high end and efficient facilities in Dubai, and Egypt. The cutting edge for the company is the strong network that helps connect the gold, silver and precious metals producing

countries with the consuming countries. In carrying out the operations, SAM strictly ensures adherence to ethical and moral standards and follows the process of responsible sourcing.

SAM Precious Metals believes in the value of gold and silver as a commodity of the future. The company is focused on long term sustainable future and the primary attention is always on the business areas where the company can attain recognized leadership position that will allow SAM Precious Metals to create value for customers, people, society and other stakeholders. The primary goal of SAM is to create sustainable value for clients, investors, people, society, and other stakeholders, while operating in a culture of responsible sourcing, adhering to regulations, and demonstrating excellence in performance, innovation, governance, trust, and respect. The senior management of SAM strongly believe that growth and sustainability go hand in hand, and it is a priority for the company to consider wider environmental, social and governance factors and invest into the development of the industry and the wider community.

As we continue to grow, innovate, establish a culture based on the principles of mutual respect and transparency, and be a

transformative force in the precious metals market, it's our duty to our clients, our stakeholders, the communities we serve, and our organisation to uphold the highest standard of ethical conduct, integrity, and compliance in all that we do.

SAM Precious Metals is committed to map its supply chain in order to identify and assess the risks of contributing to conflict, Money Laundering, Terrorism Financing, or serious Human Rights abuses, associated with gold and precious metals which they produce, distribute, transport, export, sell and/or purchase. SAM ensures that any material, whether recycled or mined products, entering the refinery is from responsible and sustainable sources.

SAM Precious Metals continuously operates and strongly recommends and regularly seeks confirmations from its suppliers to operate in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, RJC Code of Practices and Chain of Custody, the LBMA Responsible Gold Guidance and the EBC Rules for Risk Based Due Diligence in the Gold Supply Chain. Policies are developed to meet the highest compliance with statutory regulations about human rights, child labour, forced labour,

environmental protection, business ethics, and commitment to applying a risk-based approach to the management of supply chains.

'Responsible Sourcing' is a fundamental and highly significant principle for SAM Precious Metals. Thus, in order to assess and monitor the risk, SAM Precious Metals conducts thorough due diligence on the gold, silver and precious metals supply chain including both new and existing counterparts, corporate customers and individual members of corporate customers, the location of the operations and the country of origin of the gold, silver and precious metals. A detailed Know Your Customer ("KYC") process has been put in place by the company under the supervision of the in-house Legal and Compliance department to ensure that strict compliance is maintained with all relevant Regulatory requirements and international best practices and standards around Supply Chain Management, Anti Money Laundry / Countering Financing of Terrorism (AML/CFT), and Anti Bribery and Corruption (ABC).

SAM Precious Metals' Supply Chain Policy outlines the company's responsibility and commitment for conducting risk-based due diligence, screening and monitoring of transactions and governance in place accordingly, in order to achieve a responsible supply chain of minerals. The company has adopted a comprehensive on-going, proactive and reactive process that is being implemented and maintained by the Compliance Department. The policies and procedures, which covers in-depth all aspects of our internal and external processes towards KYC documentation, country risk assessment, supply chain risk assessment, and reporting, and risk mitigation plan, serves as guidance to all departments involved in the supply chain to successfully comply with the company's policies. A robust supply chain management system has been developed, which includes centralized information and several departments participating in daily transaction and shipment verification leading to strong monitoring and surveillance of all shipments.

Certification is the bridge between standards and impact – they help you transform your management practices into measurable action. SAM Precious Metals has been a UAE Good Delivery member for Silver since 2021, and currently our application for UAE Good Delivery member for Gold is being processed by the authority. We are extremely proud that recently SAM Precious Metals has been recertified by Responsible Jewellery Council (RJC) for Code of Practices (COP) and become an RJC Chain of Custody (COC) Certified Entity. We are the first refinery in the whole of Middle East to become an RJC Chain of Custody (COC) Certified Entity, which we believe demonstrates our efforts and contributions towards responsible sourcing.

The COP provides a common standard for ethical, social, human rights and environmental practices. COP certification provides a strong system for assuring stakeholders, shareholders, customers and business partners that a company conducts its business responsibly. A chain of custody (CoC) is a



documented sequence of custody of material as it moves along the supply chain. The RJC's CoC Standard defines the requirements for creating a CoC of precious metals that are responsibly produced, processed, and traded through supply chains, and that are third-party assured at every stage. The Chain of Custody certification provides a guarantee of the integrity of our products and materials – allowing us to tell the complete story about how they were sourced, traced, and processed, from mine to retail.

SAM's vision includes creating a support system for the Gold and Precious Metals Industry organisations to be compliant with Responsible Sourcing. Thus, SAM Precious Metals has led various initiatives to raise awareness on Responsible Supply Chain, Human Rights, and AML/CFT. SAM has worked with a wide variety of stakeholders, providing support in developing improved regulatory outcomes and a strong Responsible Sourcing culture within the Gold and Precious Metals Industry. The focus is to prevent shortcomings, identify issues before they become a concern, and lead to more efficient compliance solutions.

The Senior Management is committed to drive SAM's governance and Compliance standards to an even higher level. This commitment applies to our relationships with customers, partners, suppliers, vendors, employees, competitors, consultants, and investors, and the public at large. It is our Policy to conduct our affairs in accordance with all applicable laws, rules, and regulations of the jurisdictions in which we do business or seek to do business, as well as with industry best practices and standards.

**Can you give your views about the Gold Bullion business to India before and after CEPA.**

UAE and India have long-standing cultural, religious, and economic ties that have fostered a healthy strategic relationships between the two nations. Over the years, UAE and India have become strong trading partners, currently having a bilateral trade of about \$60 billion. Now, with the newly implemented Comprehensive Economic Partnership Agreement (CEPA), it is expected that trade between the two countries will reach \$100 billion dollars in the non-oil sector within the next few years.

India is one of the larger consumers of gold in the world, with India's gold imports ranging to 1,067.72 tonnes in 2021. India's gold demand is driven by a wide range of factors, with cultural affinity, longstanding customs and festive gifting traditions playing an important role. Indian have historically considered gold as an important investment instrument, treating it as a hedge against inflation. In India, gold is regarded as auspicious and sacred, which many believe brings wealth and good fortune and thus, plays an important role in various ceremonies and rituals, leading to a high demand for gold jewellery in the Indian markets during the wedding and festival seasons. India's total gold demand was 797.3 tonnes in 2021, showing a significant jump of 78.6% as compared to the previous year. Further, the jewellery demand during 2021 increased by 93% to 610.9 tonnes, compared to 315.9 tonnes in 2020.

Switzerland was the larger exporter of gold to India in 2021 with a quantity of 469.66 tonnes, followed by UAE (120.16 tonnes), South

Africa (71.68 tonnes) and Guinea (58.72 tonnes). Under the CEPA, India has extended UAE a 1% custom duty concession for up to 200 tonnes of gold imports. As a result of this concession, the import of gold bullion from UAE will provide Indian traders with a significant commercial advantage with respect to the tariff India charges rest of the world. Thus, over time, UAE has the potential to replace Switzerland as the largest gold exporter to India. In the coming times, SAM Precious Metals, with its highly quality products and strong international reputation, will play a significant role in providing the Indian market with access to sustainable supply of gold bullion and contributing to bringing the benefits of CEPA to the Indian precious metals traders.

# EXCHANGE TRADED BULLION CONTRACTS - FAIR AND TRANSPARENT MEANS OF INVESTMENT



## SMALLER DENOMINATION GOLD & SILVER FUTURES CONTRACTS

**Developing gold and silver as an asset class.** Investment in smaller denomination contracts backed with delivery is witnessing an increasing interest from retail participants.

Smaller denomination contracts are designed to cater to the organized retail investor demand. They also capture the imagination of a fast emerging new-age clientele with an evolving view on gold and silver as an investment class.

### SALIENT FEATURES

- Smaller denomination contract
- Providing a systematic investment plan (SIP) type of flexibility
- Coins and bars can be held and accumulated in the electronic format and physical delivery also available
- It comes with an individual assaying certificate with quality assurance
- Convenience of transaction and liquidity of exchange platform are key advantages
- Better Cash flow management and margin protection
- Inventory hedging amid volatile prices

# MMTC-PAMP: Focus on Retail expansion/digital gold and product innovation



**Mr Vipin Raina**  
President-Marketing  
MMTC-PAMP India Pvt Ltd.

**Can you detail the MMTC- PAMPs new B2C business model? Does the new store expansion follow the existing retail format (which has a purity verification facility and bullion bar / minted products sale counter)?**

MMTC-PAMP plans to expand its presence across India by offering people in the trade opportunity to become an MMTC-PAMP franchise. As a part of our retail expansion plan, we intend to open close to 50 franchise outlets and 15 wholly-owned Purity Verification Centres in the current fiscal.

**How significant is Eastern India markets being one of the major gold recycling hubs for MMTC PAMP**

The eastern market is significant to MMTC-PAMP as it is a major gold recycling hub. As per a recent World Gold Council report, India has

emerged as the fourth largest gold recycling market. About 75 tonnes of gold was recycled in FY 2021 in India. MMTC-PAMP's presence in the eastern market marks the entry of an organised player in the gold mining and recycling business. Most of the gold is recycled through local scrap collectors, and there is a need for organised players in the region. As we have taken the lead, we plan to expand further into the market and offer all our services. While we aim at a revenue of Rs 1,000 crore from the eastern region in the next five years, we also aim to cater to the existing demand for gold refining, as 11% of gold supply came from old gold, driven by price movements and expectations. With this strategic move, we plan to strengthen our presence in the eastern market and offer our 999.9 purest gold and silver products to our consumers.





**MMTC-PAMP has established a new facility for silver refining and manufacture of electrical contact business. What is the motivation for this? How big is the opportunity?**

Silver's share in the industrial space is gradually growing in India, and we can see huge demand coming in from the electrical sectors. In 2021, global physical silver demand increased by 19 percent from 2020 to reach 1.049 billion ounces. As per Metals Focus, India consumed about 4,500 tons of silver in 2021, with 40% of it in jewelry and nearly a quarter in the industrial sector. This demand is projected to rise by a third to reach 5,900 tons this year. MMTC-PAMP's new industrial plant has been set up in Haryana's Mewat to foray into the industrial silver business. It is a strategic move aligned with Govt of India's focus on boosting the share of manufacturing in the economy and expanding into an industry that positively impacts day-to-day life. The electric contacts are used in switches, circuit

breakers, relays, etc., and are a part of almost every appliance. PAMP Precision, MMTC PAMP's wholly-owned subsidiary, produces these contacts made of silver and silver alloys and delivers on the highest quality standards. This extension of our business opens an excellent opportunity to cater to a new and more significant segment. MMTC-PAMP industrial silver plant plans to produce more than 100 million pieces of contacts this year and double the digits by the end of next financial year.

**MMTC-PAMP is a pioneer in online/digital gold and silver initiatives. What are the new innovative products/strategies MMTC-PAMP is pursuing to expand its presence in the space? Any new end-use cases?**

At MMTC-PAMP, we strive to bring our customers the best and most innovative products. Keeping in mind the rich cultural heritage of India, we have been launching coins for various occasions. We crafted a

beautiful Shankh-shaped 24k 999.9 purest gold coin for Akshaya Tritiya and have now brought 8 gm King & Queen guineas to cater to the gifting demand in the wedding season. We also launched unique silver collectibles in collaboration with the World Wildlife Fund on World Wildlife Day to raise awareness about endangered species.

**Master alloys are another value-addition route taken up by MMTC-PAMP. How is that business doing? What is the total market size of master alloys in India currently? What are the growth levers?**

The Master alloys business is thriving, and we have seen a 130% growth since the previous fiscal year. The key growth lever there is MMTC-PAMP's integrated offerings which ensure jewellery manufacturers can get the entire gamut of services, from recycling old gold to bullion bars and now master alloys too.

# Challani Jewellery Mart Differentiator and innovator to transform every vision into reality



**Mr Jayantilal Challani**  
Managing Director  
Challani Jewellery Mart

Have you ever been to T. Nagar, the commercial hub of Chennai, where the crowds throng every day and hour? And, have you ever been to Challani Jewellery Mart, slightly away from those commercial establishments? If not so, you are missing the finest collection of exotic and exciting jewellery. At the helm of the jewellery business is its Managing Director, Mr. Jayantilal Challani, a connoisseur in the wholesale and retail jewellery trade for the past five decades and the brain behind Challani Jewellery Mart. His three sons Rishub Challani, Goutam Challani and Sripal Challani are fortifying the Challani's presence across the country.

Bringing together the skills and experience of well-trained artisans and in-house designers, their plethora of collections in Gold, Diamond, Jadau, Italian Jewellery, and antique jewellery stand testimony to their excellence, uniqueness, and intricate workmanship. From daily wear to jewellery that embellishes the bride, they have products for all occasions that enhance your feminine features and make you feel like a royal princess. For the pompous brides, they have an exclusive bridal collection of antique jewellery, an exhaustive range that includes the tiniest ring to a heavy necklace, and products that can weigh between 35 to 300gms.



Starting as gold traders, the Jayantilal Challani Group of Companies ventured into the jewellery retail sector and made a mark with the brand "Challani" concisely. Their vision and belief are to offer their clients jewelry they genuinely deserve with excellent craftsmanship, uncompromising quality, and constant innovation with new designs. Offering a vast collection of jewellery and pricing at levels within reach keeps them ahead in the customers' minds.

The finest Jadau jewellery, from traditional bridal sets to everyday wear, would enrapture your minds and hearts in one go. The intricate craftsmanship coupled with passion and perfection would linger for generations. The fabulous antique jewellery would bring back the nostalgic memories of the good old days of the Emperors and Kings. Reviving those works without disturbing the mood of tradition has been well crafted and created for modern-day women. The tantalizing temple jewellery displayed here imparts the rich fragrance of divinity in its highest form with idols of Lord Krishna, Lord Ganesha, Goddess Lakshmi, and so on, giving away a sea of serenity in our minds. Constantly thriving to keep the traditional jewellery designs alive, and when it is needed, they blend it with contemporary patterns. Many love their fusion jewellery and feel it has the complete blend of ancient and modern thoughts. Globalization and western trends are influencing contemporary brides who opt for Italian jewellery and jadau polki more than our traditional gold. Italian jewellery is the latest fad as it's lightweight gold and budget-friendly. Challani Jewellery Mart has Middle-eastern options too. They are one step ahead and



have Turkish-style gold jewellery in their showroom.

Not leaving the men behind, the golden bracelets, golden cufflinks, diamond-studded belts, and much more would leave them in awe. Challani Jewellery Mart values customer relations the most. Challani Jewellery Mart has a range of customer-centric initiatives to address the client's needs. They issue in-house certificates for their diamond jewellery and have a 100 percent buy-back option (exchange); for the jadau polki, it is 85 percent. Adding one more feather in the cap is their new Silver Store, Challani – House of Silver on North Usman Road, showcasing the finest and hallmarked Silver Articles, Artefacts, Jewellery, and Furniture, to inhale the lustrous beauty of Silver. Challani Jewellery Mart has received many coveted awards as icing on

the cake. Most recently, the Leading English Daily Times of India was awarded the FINEST JEWELLERY IN TOWN. No wonder they were awarded in different genres in the previous four years.

#### **SOCIO-CULTURAL ACTIVITIES:**

Jayantilal Challani is also very active in social and cultural activities. He has contributed liberally to various social welfare activities, including constructing Water Booths, Dharmashalas, Goshalas, etc., and helping the flood victims. He has recently built a massive temple in Madurantakam. Recently he has offered Pandiyan Kondai, a divine crown made out of 3 kgs of gold and studded with precious stones, to Lord Parthasarathy Temple, Triplicane.



**PRESIDENTSHIP with MADRAS JEWELLERS AND DIAMONDS’ ASSOCIATION**

The Madras Jewellers and Diamond Merchants’ Association which regulates 35000 jewellers across the State of Tamil Nadu, is headed by him. During the regime, the **One State, One Rate** evolved. He abolished this discrepancy in the gold rates, and today you can find the same gold rate across Tamilnadu. The unsung heroes, Artisans & Craftsmen were brought to the limelight by honouring their skills amidst a huge gathering. Not leaving their kids behind, the deserving’s are given scholarships to pursue higher education. The unskilled and semi-skilled are given proper training to hone their skills and accommodated in various stores, ensuring their good living.

He holds the position of **COA with All India Gem & Jewellery Domestic Council and President ship, Tamilnadu State with Indian Bullion and Jewellers Association.**

**AWARDS & ACHIEVEMENTS:** There is a saying that “Some are born great, some develop greatness while some are thrust upon with greatness” here is a man who developed greatness by his sheer hard work and selflessness. His list of awards is galore, and he cites a few.

**Best Entrepreneur Award from “Jewel Trendz” magazine.**

**Outstanding Services Award from Tamilnadu Jewellers Federation.**

**Times Business Award for 2017/2018/2019/2020/2021**

**Ananda Vikatan Pinnacle Award 2021**

**MISSION AND VISION:**

He sees Innovation as a clear differentiator; innovation, with a focus on deep, long-lasting client relationships and a vision to offer more, drives every facet of his day-to-day operation. He believes in leveraging the power of innovation to seize new opportunities. So, under his leadership, everyone is encouraged to challenge opinions and ideas and to push the boundaries of what is possible. Different perspectives that arise blend to transform every vision into reality.

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studded with precious stones, to Lord Parthasarathy Temple, Triplicane.



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# Vaultex: World's first institutional grade and entirely cloud-based digital exchange



**Mr Jeffrey Premer**  
CEO & Director, Vaultex

## **Can you explain your company and business model?**

Vaultex operates a high-speed gold spot exchange (the "Vaultex Exchange") through its wholly-owned subsidiary, Vaultex Exchange Pte. Ltd., based in Singapore. The Vaultex Exchange is a 100% asset-backed, allocated spot gold exchange that combines regulatory compliance with blockchain technology to facilitate asset tokenization and a secondary trading platform for institutional and accredited investors around the globe, where regulations allow. The Vaultex Exchange will have virtually unlimited opportunities to expand its offerings in the future to include other commodities, securities,

derivatives, and tokenizable assets, subject to regulatory approval.

The Company has a very experienced management team with combined more than 100 years of experience in different areas of capital markets and commodities trading. In particular, the management team brings senior expertise to securities and trading firms. In addition to trading, investment banking, and commodities experience, the management team has expertise in technology development in the financial services industry. The personal and professional networks of the management team have greatly accelerated the development of the relationships to launch the Vaultex Exchange and facilitate trading.

However, it is essential to note that although the Vaultex Exchange utilizes blockchain technology to store data and facilitate transactions securely, it is fundamentally different from a cryptocurrency exchange. The Vaultex Exchange is a spot market for physical assets tokenized for security, instant settlement, and efficiency. The Vaultex Exchange does not trade cryptocurrencies or similar digital assets and is not a custodian of any cryptocurrency or similar digital assets.



The Vaultex Exchange is the world's first institutional grade and entirely cloud-based digital exchange with comprehensive capabilities and the potential to act as an asset-agnostic full-service exchange, secondary marketplace, clearinghouse, and broker-dealer time. The Company is targeting a spot market launch in September 2022, followed by a soft launch with select trading partners in July and August 2022.

The Vaultex Exchange operates similarly to a traditional spot exchange. However, it focuses its technology on tokenizing real-world assets with reputable support partners around industry-proven technology incorporated in an AAA-rated jurisdiction.

Moreover, at Vaultex, tokenized gold is 100% backed by physical gold supplied by SBMA members that will be stored in Brinks Co. vaults or with other qualified bullion custodians in Singapore. Market participants are reassured of the security of their investments as they are offered the choice to redeem physical gold at their will. Vaultex will not make spreads on trades but will only charge a minimal maker/taker basis points fee and pass-through allocated gold carry costs.

Vaultex, in partnership with Air Carbon Exchange, is launching a carbon-neutral gold contract, where 1 kilobar of gold is bundled with 15 tons of CORSIA-compliant carbon offset credits into a single agreement. If the underlying 1 kilobar is redeemed as physical metal by a market participant, the associated 15 tons of carbon offset credits are liquidated as a cash settlement to the redeemer.

**What are the various financial instruments you trade, and what is the share of precious metals in volumes and values? How depth is the liquidity in precious metals?**

We will begin test trading in August and go live in September 2022 with spot gold. We expect a modest volume at launch but see the potential for considerable growth over time. At launch, we expect to have the following contracts on exchange:

- Spot 1kg bar gold
- Carbon neutral spot 1kg bar gold (bundled with 15 tons CO2 offset credits)
- Another product TBD

**What is Security Token Offering?**

Tokens backed by a security, such as equities, debt, and commodity-based securities, such as gold bonds, gold streams, gold royalties, etc. Vaultex will be a secondary market for such products once regulatory approval is achieved and Vaultex is granted the Recognized Market Operator license.





**You have offered to tokenize traditional, new, and alternative financial instruments and assets that contain features not found in the present market. Can you explain in detail?**

We will not trade security tokens until the Monetary Authority of Singapore grants a Recognized Market Operator license. Once granted, however, we plan to act as a trading platform for:

- Equities
- Debt
- Commodity-backed securities:
- Gold bonds

- Commodity streams and forward contracts
- Net Smelter Royalties

Commodity-backed securities are not readily available on electronic exchanges. We see the market for these products to be much larger than the present day once there is a secondary trading venue that opens up liquidity and the ability to collateralize these types of assets.

**How does Vaultex bridge the gap between off-chain and on-chain markets?**

All Vaultex trades and market participant positions are stored on

the Algorand public ledger, ensuring reliable and secure operations 24/7/365. All products that will trade on the Vaultex exchange are either backed by physical spot commodities (at market launch) or supported by securitized assets (after being granted a Recognized Market Operator license).

**Who are the Vaultex Approved Investors, and how do you regulate them?**

Vaultex only allows Accredited and Institutional Investors as defined in the Singapore Securities and Futures Act to trade on the exchange.



# Global Precious Metals Conference 2022

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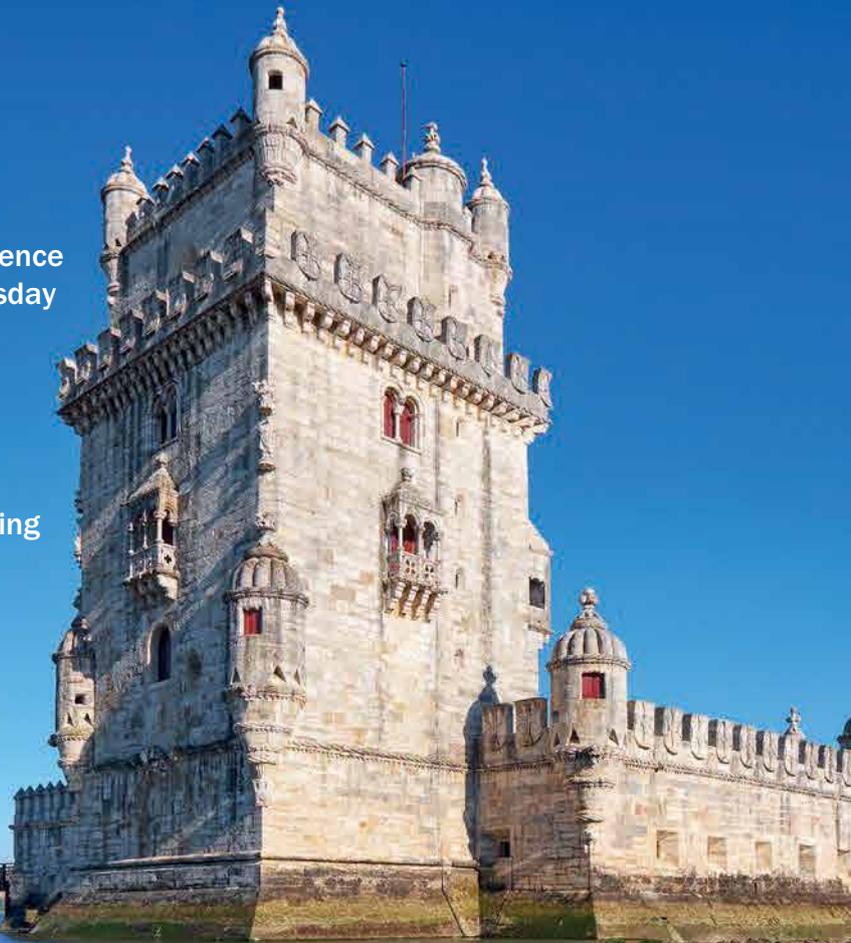
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# Gold Bar Integrity Programme: Next Steps to Success



**Ms Sakhila Mirza**  
Executive Board Director  
& General Counsel  
LBMA

## The Vision

In March 2022, LBMA and the World Gold Council announced a pilot phase for the Gold Bar Integrity (GBI) joint initiative, which aims to digitally monitor gold moving through the global supply chain by:

- Ensuring gold supply integrity through verifying authenticity
- Confirming provenance; and
- Providing transparency over the Chain of Custody

through the entire value chain – from rock to ring.

The initiative aims to increase trust in gold purity and the provenance of gold bars by offering greater transparency across the entire gold supply chain, mitigating illicit trade risks, and a secure chain of custody to reduce the chance of fraudulent bars entering the formal supply chain.

## Gold Bar Integrity – Project and Scope

The Gold Bar Integrity is split into the Security Feature and the GBI Database. The intention is for the Security Features and the Database to work together to ensure a robust digital ecosystem.

**Security Feature** – A Security Feature is a physical feature that will establish the identity and verify the authenticity of a gold bar. This is akin to a bar passport, which will link to the GBI Database. The market standards for the Security Features were launched back in 2020 by the LBMA, and the associated application process opened in 2021. A working group has been established: a panel of technical experts review the Security Feature applications and determine if the standards are met. Further updates will be announced once the GBI Database has been established.

## Did you Know?

- 48% of those considering gold cited lack of trust as a barrier to investment
- 28% are worried about buying fake gold
- 21% are concerned about the purity of gold
- 14% do not trust the businesses selling gold

Source: Retail Gold Insights 2019, World Gold Council

Base: Total retail investors (US, China and India)



**Gold Bar Integrity Database** – A transparent ledger of gold bars will give consumers, investors, and traders greater confidence in gold as an asset class and advance standards for the common good of the global industry. The GBI Pilot will provide market participants with the opportunity to help define the scope of the database, identify priorities, and better understand how interoperability may work.

### The GBI Pilot

The Pilot involves the implementation of two vendor solutions with participants' internal systems. Several Market Participants have volunteered to participate in the pilot, testing the two platforms to understand the technology and associated benefits better. This will enable participants to see the life cycle of a particular gold bar (from mine to refiner, to the vault) and work through all the various ways the bar enters and exits the professional eco-system.

A crucial consideration in the development of this global digital ecosystem is the treatment of data. The pilot will allow for scrutiny of data storage practices and an understanding of the governance requirements. Participants will provide feedback on what should be the mandatory data fields and identify the challenges of using the technology.

The pilot is crucial to bringing a digital ecosystem into reality and is expected to last three months. At the end of the three months, LBMA and the WGC will gather and reflect on feedback from the broad selection

of participants. Understanding this feedback and identifying solutions to any issues raised is pivotal to determining the next phase of work.

### The Future State of the Global Digital Ecosystem

The success of the initiative will be judged on the successful implementation of the following:

- Verifying the integrity of the gold being traded
- Gold provenance record illustrating the origin and transaction information
- Chain of custody records to increase accessibility to the secondary market

- Verification of participants against a set of qualification requirements to ensure ecosystem integrity
- An interoperable system that can be scaled as required
- A global integrity ledger with widescale acceptance and participation, including all key trading hubs
- The broader industry will discuss any next steps and help determine the implementation plan.



### Find Out More

If you'd like to learn more about the Gold Bar Integrity initiative or the pilot, please email [Sakhila.Mirza@lbma.org.uk](mailto:Sakhila.Mirza@lbma.org.uk). You can find out more about LBMA's initiatives and events in our newsroom, [www.lbma.org.uk/newsroom](http://www.lbma.org.uk/newsroom), or sign up to receive news from LBMA by visiting <https://portal.lbmahosting.org.uk>.

# MGK - Making Trade & Investment Stress free, Affordable and Profitable



**Mr Vidit Garg**  
Director  
Kundan Group

**Can you share your experience from the launch and the path for your digital gold initiative: MyGoldKart. How has the business been on your digital platform, this Akshaya Tritiya?**

MyGoldKart, Our Digital Gold initiative, was launched during Covid Pandemic, facing many hurdles. Our experience in Digital Gold so far has been challenging yet rewarding. Kundan Group has been a leader in the B2B segment as far as precious metals are concerned. Therefore, B2C has been great learning for us. In this journey, we have gotten more than 1Lakh plus registrations on Our Platform and more than 1.5 Lakh downloads for MyGoldKart Mobile App. We expect to grow in double digits in the next couple of years. Akshaya Tritiya 2022 has been good for us business-wise. We got more than 1000+ Orders and thousands of Transactions during Akshaya Tritiya.

**Digital Gold Business has become overcrowded with many players in the space. How does Kundan differentiate itself to gain visibility and acceptance from the customers?**

Oligopoly or hyper-competition is always good for any market; the Digital Gold market is still evolving and growing; therefore, there is a lot of scope for multiple players. MyGoldKart offers 24K 99.99% Pure Digital Gold at the most competitive prices. Additionally, we are offering Digital Silver which none of the other players offer. MyGoldKart is the only player in the market with its backend and frontend Application with its supply chain. Our Platform has Mobile App (Android and iOS), and our platform is Multilingual. We have more than 140 product SKUs, and each transaction is Instantly Certified. Customers also have an



option to accumulate and save for their future through MGK plans, where a customer can start saving from as low as ₹ 100 per week to thousands to lakhs. This also allows for creating weekly, monthly, half-yearly, and yearly plans.

Apart from this, we have a vast network of more than 2000+ Partner stores for our customers in India-wide offline redemption options.

The products that a customer redeems are NABL and BIS certified.

**How do you see the potential of the Digital Gold business in the future? Do they compete with the retail store or supplement them in creating demand for Gold Products?**

The potential of Digital Gold is enormous as the Digital Gold market is still in its nascent phase, and Digital Gold Market shall continue to grow for the next five years. Digital Gold does not compete with Retail Stores. Instead, it offers an investment option and supplements Retail Stores as it offers Redemption of Digital Gold into Jewelry Items also. With this use case, Digital Gold customers can redeem their accumulated digital gold into jewelry, artifacts, or other items.

**Can you share the latest developments on the new gold refining facility. How do you compare the new facility's technology and operational efficiency to the existing one? Also, share some details on the current accreditation that Kundan refinery has.**

The new refining facility established by Kundan is one of the state-of-art refineries with the latest technology and modern equipment. The quality of the final products matches the world standard, and quite often, it is better than similar products

manufactured by international brands. This is due to the designs generated by 3D images and by expert-experienced artisans hired from various states. The quality of the product is superb, and wastage in manufacturing is minimal compared to existing refineries.

Kundan Refinery is accredited with NABL certification for its lab and BIS certification. Its product (Bullion) is accepted as 'Good delivery' at various Indian exchanges such as NSE/MCX/BSE.

**Share some details on the jewellery business initiative of the group. What prompted Kundan to move into jewellery? What are the drivers of the growth of the Kundan jewellery business?**

The longing for jewellery by Indians has been since time immemorial. Indians have a very passionate, sensitive, and intimate relationship with jewellery. It is most sought on all occasions, be it a wedding, childbirth, or any other religious festival.

Zeya, by Kundan, visualized the great opportunity in the gold jewellery sector and also observed that in the market, many jewellers were duping and charging abnormally high rates to the customers. Moreover, the quality was also not up to the desired level, not to speak of the international level. Zeya by Kundan's mission is to fulfill the quest of every Indian woman to buy chic, trendy, and unique lightweight gold jewellery at affordable prices by making it accessible to them.

The dedicated, inspired team has full liberty in their area, i.e., to design, market, and mold the product up to their whims and fancy. The various artisans drawn for multiple states of India, whose ancestors have been in this craft for centuries and were instrumental in designing jewellery not only for Kings but also for the deities to be decorated in temples - are the main force behind the Kundan family and its growth.



## Krastsvetmet - only Russian refiner with international gold quality accreditation of UAE GD and Shanghai Gold Exchange

**What are the key verticals in the company's precious metals space? Can you brief in detail about the volumes processed and operating efficiency of your refineries?**

Krastsvetmet processes mineral and secondary raw materials containing eight known precious metals, such as gold, silver, platinum, palladium, rhodium, iridium, ruthenium, and osmium producing fine metals out of it. Last year we processed more than 200 tons of gold, 480 tons of silver, and 100 tons of PGMs.

Apart from processing and refining precious metals feeds, Krastsvetmet offers a variety of industrial solutions to fertilizer and glass-making industries, including technical products manufacturing and making jewelry articles.

**Can you detail the company's refining and processing capabilities?**

The refining capacities of Krastsvetmet can handle up to 640 tons of gold, 1000 tons of silver, and 270 tons of platinum group metals annually. Krastsvetmet operates hydrometallurgy and pyro metallurgy and owns an analytical laboratory and a research and development center. Platinum group metals extracting is our company's core expertise as we were initially built to process Norilsk Nickel concentrates and were part of NN. Since then, the company became state Krasnoyarsk



**Mr Sergei Belov**

Deputy CEO-Head of the Refinery Division, Krastsvetmet

region owned and gained more expertise in industrial and automobile catalysts refining. We are focusing on more recently; we are extracting such metals as platinum, palladium, rhodium, iridium, and ruthenium from chemical, petrochemical, and oil industrial catalysts.

**How does your company differentiate itself from its competitors in the gold refining business? What are the strengths and uniqueness?**

The government approved 11 precious metals refineries in Russia. 6 of them used to be LBMA good

delivery with a temporary suspension starting on March 7, 2022. Currently, Krastsvetmet is the only refinery in Russia that has international gold quality accreditation of UAE GD and Shanghai gold exchange. Krastsvetmet is well recognized internationally with more than 30 years of worldwide export experience. Thus, the domestic suppliers seek cooperation that can ensure international sales of their gold.

Apart from that, we offer our suppliers a wide range of services that can meet their needs in the

entire cycle, from production to logistics and sales. Miners can shorten their production cycle of dore and save the melting costs by delivering its' precursors for processing. Associated metals in Dore, such as iridium and platinum, can also be extracted and paid for. We openly share our 79 years of expertise with other players in accurately establishing their sampling, assaying, and refining processes to avoid discrepancies. The research and development center is a unique space for all the colleagues in the industry to be engaged in research of new technologies and products along with our team.

**Does the company own gold mines, or is it a standalone refiner. In case of dore sourcing can you elaborate the following:**

**1. How do you ensure sustainable and responsible sourcing of Dore.**

**2. How do you ensure the quality, supply consistency and safety of gold dore are addressed. Do you have any foolproof mechanism put in place?**

Krastsvetmet does not own any mines in Russia or elsewhere. We focus on providing a wide range of services and products of high quality. The benefits of our company start from the technical consultancy and audits, technology transfers for the refineries and processing companies, logistic services, customs clearance services, and ending with IT support and consulting, various online portals for our suppliers and consumers to make their life easier. The same is true for the dore: we provide logistic and refining services for the domestic miners. Russian dore, in its initial form, is obliged by the

law to be processed at the Russian refineries.

We also source internationally, and despite our LBMA Good Delivery status being suspended, we continue to follow the guidance. Domestic AML law also requires burdensome paperwork to be done correctly. In addition, there is an implemented digital tracking system of origin for the precious metals in Russia. The Ministry of Finance of the Russian Federation, together with Goznak, implemented the system last year. The system is a coding of metal at different stages of the supply chain. When we receive gold scrap or dore for processing, it already has the code in the system and information about where this gold is coming from. It is the same with imported materials coded by importers during customs clearance, declaring their origin. All miners in Russia have licenses limited by time and volumes produced. The state institution for the formation of the State Fund of Precious Metals and Precious Stones of the Russian Federation is registering the

production of gold. The Ministry of Finance of the Russian Federation is registering refined gold volumes within 11 refineries along with gold production volumes by the regions of the Russian Federation.

All suppliers, whether foreign, local, miners, or secondary materials collectors, are screened in databases and mass media. We have to ensure everything is clear and there are no issues connected with violation of human rights and any other breakage of responsible sourcing policies. The annual PwC audit confirms the effectiveness of our compliance process.

Ensuring the safety of gold is easy as, by the law, only authorized logistic companies are allowed to collect and deliver precious metals within Russia. Such equipped with armored trucks, security convoys, and covering insurance. Ensuring no difference is determined during the assays is also not an issue, as, from the beginning, we are discussing the process of sampling and assaying of our suppliers, helping them to improve it at every





stage, describing our methods and schemes, welcoming them to attend weighing, sampling and assaying at our facilities.

We have contracted with major Russian miners for a very long time, even though the contracts are regularly extended annually.

Thus, we would like to emphasize that despite any suspended statuses, we comply with all international sourcing standards to produce responsibly sourced products with a transparent supply chain.

**What are the top gold refining products produced? Does the company focus on domestic requirements markets or supply to global markets?**

Traditionally, most volumes were produced in large bars, kilobars,

and minted bars for the banking or jewelry sectors. Krastsvetmet gold in Shanghai gold exchange and UAE Good delivery accredited. The gold fineness of our company can be purer than 99,995, and impurities composition complies with every international standard. The second large type of product is the jewelry produced by Krastsvetmet. Lastly is an industrial sector, for which we dedicate products such as catalytic systems, bushings and class melters, anodes, standard reference materials for the labs, stipes, and wires.

The domestic market in Russia for gold does not consume all the production volumes. Traditionally, a significant part of the production was always exported in large bars form, which remains our focus. Approximately 30 tons of gold is

required for jewelry production. This year higher demand from the private investing sector is expected due to VAT 20% abolishment where another 30 tones could be placed.

**Can you elaborate on your jewelry business?**

The jewelry business of Krastsvetmet is precise technologies and world quality standards. Italian chain knitting machines fleet, in-house developments of alloys, weaves, and coating technologies are the production base. The company's flagship jewelry product is machine-woven chains made of gold in 5 colors, platinum, rhodium-plated and gilded silver. The product line is more than 2000 items of jewelry and semi-finished products for jewelry.

## Introduction of 1 gram Gold contract with delivery-based settlement on NSE Commodity Derivatives segment.



In addition to the Gold Futures (1 Kg) contracts and Gold Mini (100 gms) contracts, NSE is pleased to launch 1 gram Gold contracts w.e.f. June 07, 2021, on its NSE Commodity Derivatives segment.

### Key Highlights

- Assured delivery of 999.0 purity gold
- Competitive making charges
- Delivery only from NSE approved Domestic Refiners or London Bullion Market Association (LBMA) certified Refiners
- One step closer to Atmanirbhar Bharat

### List of NSE Approved Refiners

- M/s Augmont Enterprises Pvt. Ltd.
- M/s GGC Gujarat Gold Centre Pvt. Ltd.
- M/s Kundan Care Products Ltd.
- M/s M. D. Overseas Ltd.

For more details, log onto [www.nseindia.com](http://www.nseindia.com) or contact your **SEBI registered broker**

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# Challenges in jewellery hallmarking in India and the way forward



**Mr James Jose**

President

Hallmarking Federation of India

Managing Director - CGR Metalloys Pvt Ltd and CGR Hallmarkers Pvt Ltd

the details of the hallmarking center where it is hallmarking, purity / fineness of the metal, type of jewellery (ring, eardrops, chain, etc), and the date of hallmarking. The weight of each item also is available in the BIS portal, as uploaded by the the hallmarking entity or the hallmarking center.

Data available at the BIS HUID portal indicate that around 11 crore articles, weighing around 1000 tonnes of gold, was hallmarking in the past year, as against the 4 crore articles hallmarking every year prior to the mandatory hallmarking regime. Also, the number of BIS registered jewellers has gone up from 35,000 to 1,40,000 dealers in the mandatory regime, which include jewellery manufacturers,

suppliers, and retailers. However only around 25,000 dealers, mostly manufacturers and corporate jewellers are sending their goods to the hallmarking centers for hallmarking, and the remaining BIS registered dealers are selling the jewellery coming in hallmarking condition from these BIS registered manufacturers. Data also indicate that 80% of the hallmarking work in the country is now happening in the 10 jewellery manufacturing cities of India such as Mumbai, Kolkata, Chennai, Coimbatore, Ahmedabad, etc. This is leading to a situation of the country's hallmarking work getting diverted to these 10 cities and in the rest of India, hallmarking centers are struggling for survival with meager volumes.

Hallmarking of jewellery articles in HUID (Hallmarking Unique ID) launched on 1st July 2021. It is a pioneering software-based traceability mechanism in jewellery hallmarking and a landmark in consumer protection, ensuring end-to-end traceability for the jewellery articles hallmarking.

The 6-digit alphanumeric HUID code can be verified from the App - 'BIS CARE' and it reveals the credentials of the hallmarking article, such as the name of the hallmarking entity (manufacturer, supplier, or jeweler),





Coming to the challenges in HUID hallmarking, it initially took 24 – 36 hours for HUID hallmarking, mostly due to the bandwidth and agility problems of the HUID software at the BIS server. Most of these issues are now sorted out; presently, it takes 6 – 8 hours for HUID hallmarking of around 500 pcs. at an HM center with one set of machines. Now the BIS has initiated the online integration of HM center machines with the HUID portal of BIS, wherein manual data entry is eliminated and real-time data uploading is envisaged from the HM center machines directly to the BIS portal. This automation, though intended to curb data manipulation and fake hallmarking at the HM centers, may lead to the same old bandwidth and server problems of the HUID portal, resulting in huge time delays for hallmarking. However, this is a move in the right direction, to ensure genuine hallmarking with full traceability, for consumer protection. When the government is proposing mandatory hallmarking all over

India in the next year, from the 300 districts presently covered under the mandatory regime, the lack of hallmarking infrastructure in smaller towns and cities shall pose a serious challenge for smaller jewellers and local artisans in these districts. Another challenge is the transfer of HUID numbers from the manufacturer to the retailer to the consumer, which is presently not activated in the HUID portal. At the retailer's level, operating the BIS portal for transferring the HUID of each article to the consumer's name, while selling each and every jewellery piece, may create huge operational and software issues. The 5-year-old GST portal is still riddled with hiccups, E-invoicing is now mandated for shops with turnover above Rs.20 crores, and only the total quantity needs to be uploaded for E-invoicing. Whereas for HUID transfer, the HUID number of each article needs to be individually uploaded to the BIS portal. Considering these operational issues, the HUID transfer facility

to consumers shall not be made mandatory for jewellery shops, but may be adopted on a voluntary basis in the initial years. The HUID portability and registering it in the end consumer's name at the HUID portal offers foolproof traceability for every hallmarked jewellery, similar to the registration number of a vehicle getting transferred at the Vaahan portal, every time the ownership of that vehicle is transferred to a new owner. This will also help in the seamless transfer of HUID across various segments, especially when gold jewellery is mortgaged or monetized as old gold, ensuring asset class value for gold jewellery

Another contentious issue is the hallmarking of Kundan, Polki, and Jedau jewellery, mostly studded with precious and semi-precious stones, which is presently exempted from mandatory hallmarking due to its intricate and nonhomogenous nature. BIS guidelines stipulate that when studded or filled articles are



hallmarked, the hallmarking center shall also mark the weight of the gold contained in that article, as declared by the jeweler. The Ministry has proposed to remove the exemption, aimed at protecting the consumer interest, on the quantity of gold contained in these studded items. The recent gazette notification has permitted jewellery hallmarking in 6 karatages of 14, 18, 20, 22, and 23. and 24 KS, with 24 KS indicating standard gold of 995 purity. However, the majority of the hallmarking done is in 22 kt and the remaining in 18 kt. Whereas the next karat 24 KF (fine gold 999) manufactured by BIS licensed gold refineries, is hallmarked by these gold refineries, under the product certification scheme, after rigorous assaying as per IS 17025: 2017, the highest international standard for gold assay laboratories.

The launch of HUID hallmarking has opened up several vistas of opportunities, especially for exporting it to quality-conscious

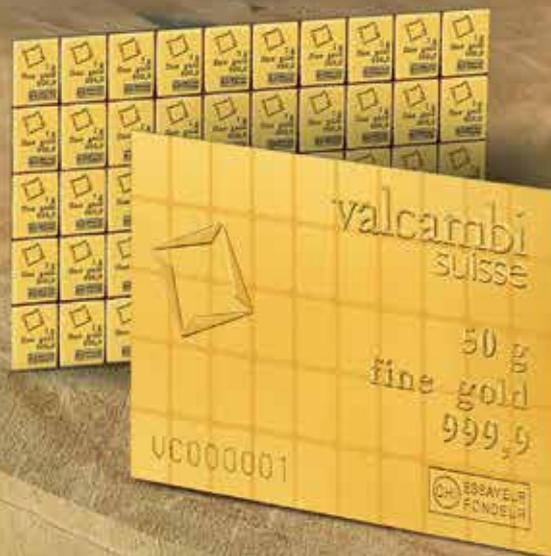
buyers abroad. Presently 80% of India's jewellery exports are to the UAE and other Indian diaspora abroad. As and when India joins the International Vienna convention on hallmarking, the Indian jewellery articles shall be carrying the additional mark –Common control mark of the Vienna convention, ensuring its conformity to Vienna standards of hallmarking and such articles are accepted abroad without retesting and hallmarking. India started the process of joining the Vienna convention several years back and now it needs to be pursued vigorously, so as to penetrate the quality-conscious western markets, especially in the context of India targeting humongous growth in merchandise exports in the coming years

With gold being classified as an asset class, the soon-to-be-launched domestic spot exchanges for gold shall open up gold products to a new set of buyers and investors, in Demat and physical form, in addition to the

fractional buying of gold bullion on the online platforms. With these certified gold and bullion products available at such transparent pricing platforms, the investment demand for gold, in hallmarked jewellery and smaller bullion bars and coins, may go up considerably, even from the rural areas. The HUID hallmarking and its traceability the mechanism can always be extended to cover the hallmarked bullion bars coming from BIS licensed gold refineries, elevating gold purchases to a greater level of credibility and transparency, for personal use and investment purposes.

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The second best time is now.



# Implementation of IGDS to boost organized gold scrap market



**Mr Sameer Patil**

Chief Business Officer, BSE Ltd

## **Can you brief about Options in Goods contract and its relevance to bullion trade in the exchange?**

Since the inception of commodity derivatives trading in India, i.e., from 2003 onwards, all trading was focused on futures or options that devolved in futures. Innovative products were need of the hour to widen and deepen the commodity derivatives markets.

BSE commenced trading in the same set of contracts that were available, but our focus was that of overall transformation. On the suggestion of BSE, a working group to study the introduction of new commodity derivative products as formed by SEBI. BSE, now designated as the lead coordinator of the working group, sought to deepen the commodity ecosystem in India and the recommendation to the benefit of small and medium sized jewellers, traders, bullion dealers in the gold ecosystem was implemented.

This led to the introduction of the necessary framework to introduce 'options on spot' prices of commodities

instead of futures prices. This innovative framework led the deepening and expansion of the bullion derivatives markets in India by permitted participants to give or take delivery of the underlying without getting into the futures contract at the time of expiry.

This enabled exchanges to launch innovative 'options' products by enabling the rollout of 'options-in-goods' contracts but also paved the way for further integration of the spot market with the derivatives market. On 1 June 2020, BSE launched India's first 'options in goods' contracts on gold and silver, a contract which offered superior flexibility and a cost-efficient hedge than any comparable product in Indian markets as there is no obligation on the part of the buyer to buy/sell the underlying. These enabled market participants to not only hedge their price risk but also avail delivery on expiry of the contract, benefitting the entire spectrum from jewellers, dealers, and traders.

It has been more than 2 years, since BSE launched Options in Goods contracts and they have been extremely beneficial and cost efficient for Jewellers, bullion dealers and other physical market participants as it empowers them to not only hedge their price risk but also avail delivery on expiry of the contract.





### **Can you explain in detail about BSE- BIS India Good Delivery standards for gold?**

Good delivery working system is a controlled working system surrounding the global trade of gold and silver bars. Refiners of gold and silver bars are assessed and certified based on their capability to produce gold and silver bars for good delivery as per the specified guidelines set out by the certifying agencies.

BSE is a steadfast supporter of Government Initiatives and Vision of "Make in India" and "Atmanirbhar Bharat" of a self-reliant nation. Under this initiative, the Bureau of Indian standard (BIS) notified standards - IS 17278: 2019, for delivery of gold and silver. The notifications set the standards for purity, form and provenance of gold and silver bars and the way in which they are manufactured, traded, and delivered.

This standard prescribes the technical requirements for good delivery and the refiners will have to produce the refined gold and silver bars according to this specification and guidelines issued by the certifying agencies. The bars which

meet the requirements standards will be accepted by all the stakeholders in the global trade of gold and silver bars.

Accordingly, BSE became India's first exchange to comply by India Good Delivery Standard on its commodity platform. By promoting Indian standards, BSE aimed to create linkages between bullion financial and physical markets, to reduce dependency on imports and lower disparity between domestic prices and international prices.

### **What is the standard denomination set for gold bar delivery?**

Based on our interactions with the Bullion market, the standard denominations preferred are 1KG and 100 Grams.

### **Does the exchange plan to introduce lower denomination?**

In our endeavor to widen and deepen the Bullion ecosystem, the vision is to reach every stakeholder. All of BSE's initiatives are based on internal research, stakeholder consultations, physical market outreach and feedback. Yes, based

on this process, the plan is to introduce denominations as low as 1 Gram, and maybe even lower, if there is a requirement.

### **How robust is the option in goods delivery framework for gold in the exchange?**

BSE has seen delivery both in BIS & LMBA standards. The entire physical delivery process is seamlessly completed at the exchange designated vault in Ahmedabad, Gujarat. BSE has completed seen deliveries in 19 expiries since launch of the contract i.e., since June-2020. BSE's seamless trading platform, integrated with a robust delivery framework for 'options in goods' contracts have proved extremely beneficial and cost efficient for market participants.

On exercise, option contract shall be settled through delivery of goods.

- ❖ All option contracts belonging to 'CTM' option series shall be exercised only on 'explicit instruction' for exercise by the long position holders of such contracts.
- ❖ All In the money (ITM) option contracts shall be exercised



automatically, unless 'contrary instruction' has been given by long position holders of such contracts for not doing so.

- ❖ All Out of the money (OTM) option contracts, except those belonging to 'CTM' option series, shall expire worthless.
- ❖ All exercised contracts within an option series shall be assigned to short positions in that series in a fair and non-preferential manner.

**What is the average volume of gold delivered through the exchange through option in goods?**

Since the launch of options contract, BSE has executed seamless delivery in almost every expiry. So far, the exchange platform has seen deliveries in almost all contracts in gold mini options contract .

**Has the delivery and acceptance of Indian refined gold product facilitated greater domestic participation if so, can you elaborate on it?**

Despite being one of the largest consumers and importers of Gold globally, India did not exert any significant impact in discovery of prices and depended on

the international market for the benchmark based on London prices. By conforming to its own Good Delivery Standard, India is in the process to soon emerge as the as the price-setter instead of a price-taker in bullion trade. This is backed by facts.

In recent years, India has emerged as the fourth largest recycler in the world and the country has recycled 75 tonnes in 2021, according to a World Gold Council (WGC) report titled 'Gold refining and recycling'. The report notes that from 300 tonnes in 2013, India's gold refining capacity increased by 1,500 tonnes (500 per cent) in 2021, and there was a transformational change in the gold refining landscape in the country over the last decade.

India has potential to emerge as a competitive refining hub if the bullion market including exchanges promotes responsible sourcing, exports of bars and consistent supply of dore or scrap. Domestic recycling market, driven by local rupee prices and economic cycle, is relatively less organized but can gain support if Exchanges promote through enhanced liquidity, in addition to initiatives such as revamped Gold Monetization Scheme.

By advocating our commitment and priority towards development of the Indian bullion market, the acceptance of Indian standard gold has ensured trust of purchasers of the purity, form, and provenance of domestic sourced Bullion.

**From a jeweler point of view how does your exchange place itself as a cost efficient and robust price discovery platform to take delivery against goods in option contract for gold?**

BSE offers significantly greater convenience for investors and traders, who can trade in all asset categories from a single account, reaping benefits arising from enhanced competition across all categories. BSE has, as I detailed earlier, continuously endeavors to create deeper markets with lower spreads and cost-effective transaction charges.

This has enabled market participants to not only hedge their price risk but also avail delivery on expiry of the contract, benefitting the entire spectrum from jewellers, dealers, and traders.

We also offer BOW (Bolt Plus on Web) software free of cost to market participants. BOW is a powerful real-time trading solution provided by BSE Tech Infra Services Pvt. Ltd. The application is available as a hosted solution and allows the user to watch real-time market prices and execute orders in multiple exchanges and markets instantaneously.

**Can you explain how India Good Delivery will integrate exchange ecosystem with the domestic physical bullion industry**

The implementation of IGDS has definitely boosted the organized scrap market as it allows refineries to aggressively source scrap in



the domestic market, especially from organized retailers. This helps refineries to establish a chain of custody and produce bars that meet the requirements of commodity and stock exchanges. This in turn lessens the dependency of refineries on doré as they are now able to deliver bars refined from recycled gold onto the exchange, in the process benefiting from more transparent price discovery due to the higher number of refineries now able to deliver bars on local exchanges. Going forward, a collective effort is required from both BIS and industry players to ensure that, over the next five years, all refineries become IGDS compliant, standards are implemented, and overall trust is enhanced.

**Can you detail what are the exchange-set eligibility criteria and requirements for the domestic refineries to give delivery on the exchange against India Good Delivery**

BSE earlier accepted only specified quality standard of LBMA approved

refiners. Based on the feedback received from market participants, BSE issued the “BSE – BIS Standard Gold/Silver” - 2020 Refiner Standards for the empanelment of Refiners.

The standards were developed by BSE in 2020 and are regarded as the benchmark for quality and technical specification to produce gold and silver which will be delivered on the Exchange.

A Refinery must satisfy the certain minimum criteria to be eligible for to be considered for Empaneled Refinery which are as follows:

- ❖ The refinery must have been operational for at least 3 years
- ❖ The applicant must have a total net worth of Rs. 30 Crs as set out on its latest audited balance sheet and must submit their audited balance sheet for last three years.
- ❖ In the event the Refiner does not meet the net worth criteria mentioned above, the Refiner should have a minimum tangible

net worth of Rs. 5 Crs. The applicant must have refined around 10 tons of gold and/or 10 tons of silver, during the last three years.

- ❖ The applicant should be approved by BIS and should have a NABL laboratory

For detailed guidelines one can refer BSE's circular number 20200918-31 dated 18th September 2020.

**Who are the domestic refineries empaneled to give gold delivery against options in goods? How is the response from domestic refineries?**

The domestic refineries empanelled include Augmont Enterprises Pvt. Ltd, Parker Precious Metals LLP, M D Overseas Pvt Ltd, Sovereign Metals Limited, Kundan Care Products Limited and GGC Gujrat Gold Centre Pvt Ltd.

# Constraints faced by the Indian refiners importing Dore and the way forward



**Renisha Chainani**

Head - Research

Augmont GoldTech Pvt Ltd.

## History of duty deferential in Gold Imports

India's gold refining landscape has changed notably over the last decade, with the number of formal operations increasing from less than 5 refiners in 2013 to 41 refiners in 2021. As a result, the country's organised gold refining capacity has surged to an estimated 1,800 tonnes compared to just 500 tonnes in 2013.

The import duty differential doré enjoyed over refined bullion has spurred the growth of organised

refining in India. Although the gold market was liberalised in the 1990s, efforts to curb gold imports only began in 2012, when India's Current Account Deficit widened. Over just eight months, between January and August 2013, the government raised the import duty on bullion fivefold, from 2% to 10%. The table below shows the Duty differential of Dore Imports (from countries like Ghana, Peru, Bolivia, etc.) and Bullion Imports (from countries like Switzerland, UAE, South Africa, etc.) for the last decade:

### Gold doré/bullion duty differential of last decade

	Dore Imports	Refined Bullion Imports	Tax Differential
<b>From 13 Aug 2013</b>	Refiner in EFZ: Effective Tax: 8% (8% CVD, no excise Duty)	Tax: 10% BCD	Between EFZ Refined Bar and Imported Bullion bar: 2%
	Refiner in DTA: Effective Tax: 9% (CVD rebated, 9% Excise Duty)		Between DTA Refined Bar and Imported Bullion bar: 1%
<b>From 1st Feb 2016</b>	Refiner in EFZ: Effective Tax: 8% (8% CVD, no excise Duty)	Tax: 10% BCD	Between EFZ Refined Bar and Imported Bullion bar: 1.25%
	Refiner in DTA: Effective Tax: 9.35% (CVD rebated, 9.35% Excise Duty)		Between DTA Refined Bar and Imported Bullion bar: 0.65%
<b>From 1st July 2017</b>	Tax: 9.35% (effective tax is the same in EFZ and DTA as local taxes subsumed under GST)	Tax: 10% BCD	The tax differential between gold doré and imported bullion bars: 0.65%
<b>From 1st July 2019</b>	Effective Tax Rate: 11.85%	Effective Tax Rate: 12.5%	The tax differential between gold doré and imported bullion bars: 0.65%
<b>From 1st Feb 2021</b>	Effective Tax Rate: 10.09%	Effective Tax Rate: 10.75%	The tax differential between gold doré and imported bullion bars: 0.66%
<b>From 1st July 2022</b>	Effective Tax Rate: 14.35%	Effective Tax Rate: 15%	The tax differential between gold doré and imported bullion bars: 0.65%

Source: World Gold Council

Note: CVD - Counter Veiling Duty, BCD - Basic Custom Duty, EFZ - Economic Free Zone, DTA - Domestic Tariff Area, GST - Goods and Service Tax

## Share of Dore in Total Gold Imports

Today, India depends on gold imports, either refined or doré, to meet its needs. Gold Dore Imports + Domestic Gold Scrap account for around 30-40% of the total supply for the last few years. The refining sector plays a vital role in taking these inputs and putting them in a form suitable for India's Bullion industry. This growth in refining capacity has facilitated a dramatic rise in doré shipments: from just 37 tonnes in 2013 to a record 276 tonnes in 2018. As a result, gold doré's share of overall imports has risen from just 7% in 2013 to around 22% in 2021.

### India's dependence on Gold Import

(in Tonnes)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Gross Bullion imports</b>	974.5	959.4	994.8	1,065.0	642.1	975.3	871.7	827.4	399.6	1,003.4
<b>of which Gold doré</b>	23.2	36.9	84.1	229.0	141.9	250.6	275.9	211.5	107.6	219.6
<b>Net bullion imports</b>	842.8	876.4	898.6	913.6	551.5	879.0	755.7	646.8	349.5	924.6
<b>Gold Scrap</b>	118.0	95.8	92.5	80.2	79.5	88.4	87.0	119.5	95.5	75.2
<b>Domestic supply from other sources<sup>1</sup></b>	10.0	9.6	9.9	9.2	9.9	8.8	10.5	11.1	9.0	6.9
<b>Total supply</b>	<b>970.8</b>	<b>981.8</b>	<b>1,001.0</b>	<b>1,003.0</b>	<b>640.9</b>	<b>976.2</b>	<b>853.1</b>	<b>777.4</b>	<b>454.0</b>	<b>1,006.7</b>

Source: Metals Focus, World Gold Council

## Issues in Dore Gold Refining business

The expansion of the Indian refining sector has slowed in recent years as GST eliminated the advantage enjoyed by EFZs and led to a cutback in new capacity within these zones. New refinery capacity was further discouraged when the Uttarakhand government levied an entry tax of around 0.2% in March 2016 to narrow the duty differential between DTAs and EFZs. Even today, the remaining small-scale refineries face stiff competition for a limited amount of imported gold doré.

Moreover, gold is available at a disparity in India compared to international prices. Therefore, the refining margins are not adequate to support doré imports for refining locally. This is the primary reason for a sharp decline in doré import for processing in Indian refineries. Indian refineries, despite having all the wherewithals, have not been able to procure even a single contract of long-term dore supplies from large international mines. Following are the

constraints faced by mid and small-sized gold refiners in India.

### a) LBMA accreditation

Indian refiners face a chicken and egg situation regarding LBMA accreditation. They cannot get dore bars from large mines because they are not LBMA accredited and cannot become LBMA accredited unless they have a large amount of dore coming from recognised mines with required documents per LBMA accreditation criteria. Even though at least 4-5 Indian refiners meet LBMA accreditation's net worth, experience, and volume criteria, they can still not get it. India has only one LBMA refinery compared to 12 refineries in China and 73 globally.

### b) Long-term Commitments

Globally medium and large gold mines have committed or tied up their long-term production capacities with the big refinery firms operating in Europe, Africa, and Australia. These rock gold mines' vertical

drilling operations require significant capital investments and long-term commitments. Policy barriers to doré import prevent Indian refineries from entering into long-term contracts with these mines.

These large miners have long-term contracts with globally domiciled LBMA licensed refiners to whom they submit doré bars on a toll basis (job work), and these are then processed and sold as pure bars to the banks from whom they have obtained finance. As a result, Indian refineries are forced to buy from artisan mines and pay for them in advance. This has the following consequences:

- ❖ India is at risk of non-compliance with the Organization for Economic Cooperation and Development (OECD) India Good Delivery Standards (IGD) fail because of a lack of doré supplies.
- ❖ International banks do not lend to Indian refineries.

### c) Bank Financing

Indian banks do not lend advance payments for dore imports, so aggregators facilitate import finance. In most cases, small/medium refiners do not have much bargaining power regarding contract terms. Because banks do not lend for dore imports, refiners' money is frequently locked up for months due to imports and related formalities. Indian or international banks should ideally finance such transactions. However, all refineries in India are now self-sufficient. Furthermore, gold importers are considered nominated agencies, whereas gold doré importers are not. As a result, gold doré cannot be imported on a consignment basis.

### d) Sourcing of Dore

Dore gold can only be obtained from a few countries because seven of the world's largest twelve gold mining countries prohibit the export of doré bars. The remaining five countries, as well as several other countries with minor production, have contractual obligations with foreign banks from whom they have borrowed money only to have their doré refined by toll refineries in countries such as Switzerland.

Due to a lack of indigenous supply of dore or scrap, most Indian refiners have to rely on imports of gold dore, which regularly causes supply interruptions. The limited availability of dore on the global market is due to the practice of captive mining in many gold-rich countries. Given the circumstances, the majority of Indian refiners, due to their small size and variable demand compared to the other players in the global dore market, cannot enter into a

B2B contract with other miners for imports. Furthermore, administrative complexity is associated with responsible dore sourcing, making it impossible for a single refiner to tackle this issue.

### e) Export Regulations

Because India prohibits the export of pure bars, significant mines are hesitant to sign long-term contracts with Indian refineries for the outright selling of doré. Export of refined gold bar, which is not allowed now by law, could expand the market for Indian refiners and reduce the volatility of demand as they would stop relying only on domestic demand.

This is because, during times of disparity in prices, suddenly, Indian mines may not be able to buy dore since they will have to sell at a discount.

### A prominent role for IGD Refiner - A Need for an hour

Before 2020, only LBMA-accredited 99.5% purity gold bars were accepted for delivery by domestic commodity exchanges. However, the Bureau of Indian Standards (BIS) created the India Good Delivery Standards (IGDS) in 2020 to help support the government's objective of Atmanirbhar Bharat (Self-reliant India).

The Indian government should promote an 'Indian Gold Delivery' (IGD), which would compete with LBMA certification in foreign and domestic markets. If the correct laws are in place, Indian refiners with IGD will be allowed to play a prominent role under the Revised Gold Monetization Scheme (R-GMS).

Refineries in India will serve as collection, testing, and assaying centres. They will also be in charge of providing gold to banks for use in leasing under the GML. The R-GMS allows all Scheduled Commercial Banks (SCBs) to act as custodians, but only BIS-approved refiners can refine this gold, benefiting the entire sector. Notably, the scheme's deposits can now be dematerialised (converted to a digital certificate), making them tradeable and mortgageable.

Furthermore, allowing banks to purchase locally made IGD bars and accept GML payments in Indian refined gold will eliminate the need to lease gold from outside. If R-GMS is implemented with appropriate bank incentives, input supply disruptions may be reduced.

### The way forward

There is no doubting that policymakers and other stakeholders recognise the significance of a rising domestic gold refining business. The Association of Gold Refineries and Mints (AGRM) has made a few recommendations to the government on the issues mentioned above, which might be addressed to provide India with world-class refineries and eventually become the world's gold price setter.





# SOVEREIGN METALS LIMITED

Sovereign Metals Limited is in the business of refining precious metals (gold and silver) and supplying highest and most consistent quality products and related services and solution to customers at their place of convenience by leveraging its competent and customer-focused human resources, industry-leading technology infrastructure and transparent and globally compliant-sourcing practices.

Sovereign Metals Limited would pursue environmentally sustainable manufacturing practices and would strive to be a world leader in its chosen segment from India.

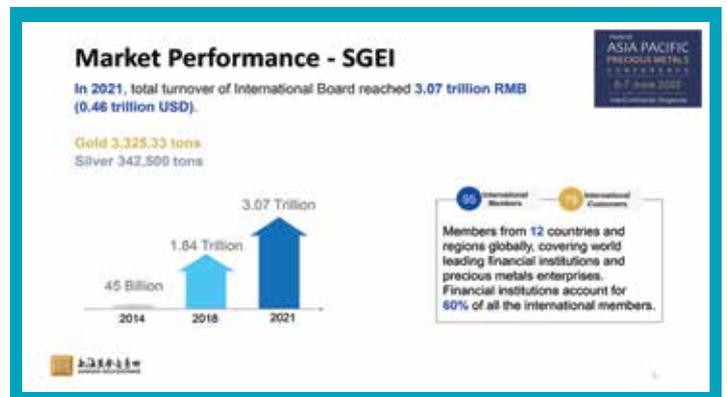
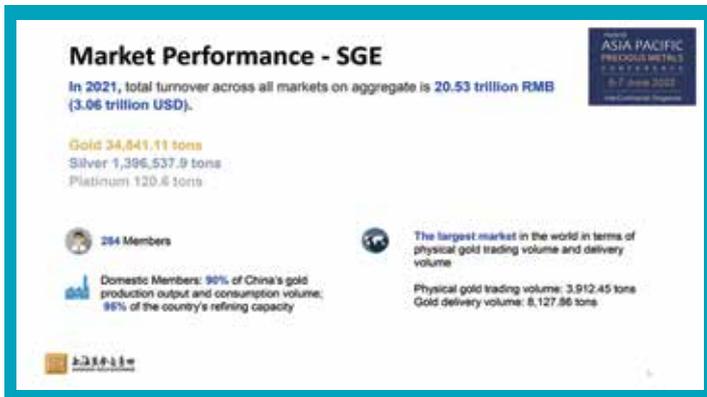
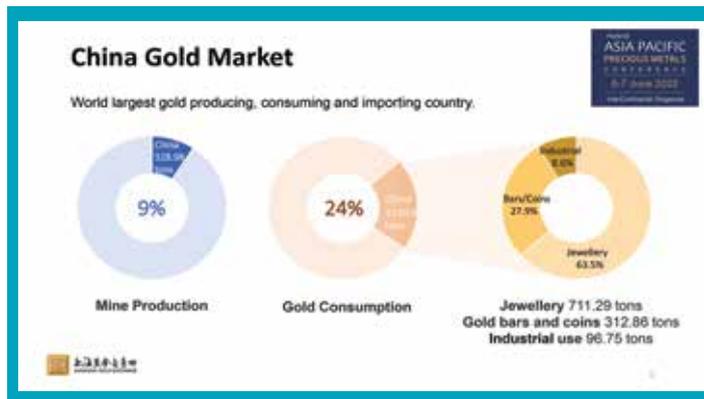
[www.sovereignmetals.in](http://www.sovereignmetals.in)



# Abstract of country wise presentation

## Asia Pacific Precious Metals Conference - 2022

### Country - China



## Country - Indonesia

The government has finally established the national standard of gold content (called "SNI" / Indonesian National Standard) and started the implementation in 2021. The minimum carat to be called as the gold product is 8K or 33.33%. The regulation is still not mandatory to implement however it shows a significant progress of Indonesia gold regulation that hasn't been developed before.

Hybrid ASIA PACIFIC PRECIOUS METALS CONFERENCE 6-7 June 2022 IntelContinental Singapore

Government stamp for the certified gold content products

Example of The Government Certification for the Manufacturer

Gold Content	Carat	Test Method
Kadar emas (%)	Karat	Metode uji
99,99	Emas murni	Inductively Coupled Plasma (ICP)
99,90 – 99,96	24	Fire Assay
96,83 – 99,89	23	
91,67 – 96,52	22	
87,50 – 91,66	21	
83,33 – 87,49	20	
79,17 – 83,32	19	
75,00 – 79,16	18	
70,83 – 74,99	17	
66,67 – 70,82	16	
62,50 – 66,66	15	
58,33 – 62,49	14	
54,16 – 58,32	13	
50,00 – 54,15	12	
45,83 – 49,99	11	
41,67 – 45,82	10	
37,50 – 41,66	9	
33,33 – 37,49	8	

## Country - Malaysia

Performance of Jewellery Industry

Hybrid ASIA PACIFIC PRECIOUS METALS CONFERENCE 6-7 June 2022 IntelContinental Singapore

Domestic Jewellery Consumption 2017 – 2021 (MT)

Year	Volume (MT)
2017	13.3
2018	12.9
2019	12.2
2020	9.2
2021	10.1

Retail Investment 2017 – 2021 (MT)

Year	Volume (MT)
2017	5.8
2018	6.0
2019	5.4
2020	3.9
2021	4.4

\*source: Metals Focus

## Country - Thailand

Thailand Gold Investment Recap

Hybrid ASIA PACIFIC PRECIOUS METALS CONFERENCE 6-7 June 2022 IntelContinental Singapore

In the present

**OTC Market**

- Largest OTC market in Asia after China and India
- ~60 Wholesalers
- ~7,000 Retailers
- Online trading

**Gold Funds**

- Large asset holding in gold funds
- ~49 Gold funds

**Thailand Futures Exchange**

“Central bank is looking into the digitize of spot market”

# INDIA news



## RBI issues norms for gold import by qualified jewellers through IIBX

As per the guidelines of the RBI, banks may allow Qualified Jewellers to remit advance payments for 11 days for the import of gold through IIBX in compliance with the extant Foreign Trade Policy and regulations issued under IFSC Act. It also said all payments by qualified jewellers for imports of gold through IIBX should be made through the exchange mechanism approved by IFSCA.

**Source:** <https://www.business-standard.com>

## PhonePe launches UPI SIP for gold investments

The digital payments company, PhonePe has announced the launch of UPI SIP for investing in gold. Users can now invest in 24K gold for a specified amount every month and accumulate their gold in insured bank-grade lockers maintained by PhonePe's partners, MMTC-PAMP and SafeGold. The user has to select the gold provider, mention the monthly investment amount, and authenticate with the UPI PIN, and the deposits will be deducted automatically every month.

**Source:** <https://www.thehindubusinessline.com>



## Digital Gold is the Most Preferred Investment, Finds Survey by SafeGold

According to a survey, 90% of the participants expressed interest in digital gold as their preferred investment choice. Almost 26% said that they make regular monthly investments in gold. On the other hand, 46% of the respondents stated that they make the gold investment only during festival seasons or on the occasion of events such as marriages. The survey highlighted gold's appeal as a durable store of value and a hedge against inflation, with 67% choosing gold investment owing to its ability to deliver long-term returns. The millennials tend to shun traditional assets like bonds, real estate, and equities in favor of digital options, including digital gold, the survey said.

**Source:** <https://www.scrapmonster.com>



### Central banks are increasing gold reserves as inflation, supply chains fear looms

The amount of gold held in reserve by the world's central banks has been increasing gradually over the last decade. During this period, gold holdings by central banks have grown to almost 35,600 tonnes in early 2022, according to the International Monetary Fund (IMF). As experts and central banks expect the demand for gold to grow, and as most market participants hail the yellow metal for its safe-haven store of value abilities, it isn't easy to make a case against gold.

**Source:** <https://finbold.com>

### ACM launches a digital gold investment option on its platform

Financial services company Asit C. Mehta Financial Services Ltd (ACMFSL) has launched 'Chhota Nivesh Gold' to enable retail investors to invest small amounts in gold or silver. Investments will be made through the company's subsidiary Edgytal Fintech Services Pvt Ltd. Using the platform; investors can invest as little as Re 1 in gold or silver. "This unique feature makes Chhota Nivesh Gold an absolute democratic investment platform that is flexible for anyone who wants to begin investing with a small amount, keep up the investment in a disciplined manner and build wealth over time.

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



### FinMin issues draft SoP for e-commerce jewelry exports through courier route

The finance ministry has developed a draft SoP for facilitating e-commerce jewelry exports through courier route, as it looks to provide a simplified regulatory framework for manufacturers and traders who want to export jewelry. The CBIC proposes to amend the Courier Imports and Exports (Electronic Declaration and Processing) Regulations, 2010, and related forms and come out with a notification prescribing conditions for reimporting returned jewelry. The new rules stipulate that jewelry export through courier mode is permitted only after receipt of full advance and photos of the export jewelry, product package/outer covering, product listing on the e-commerce platform, and Hallmark certificate are uploaded on the customs system.

**Source:** <https://www.financialexpress.com>



### India can be a Competitive Gold Refining Hub: WGC

Nearly 468 tonnes of old gold have been used in the last five years to partly meet India's domestic consumption of about 850 tonnes annually, according to a report by the WGC. Upward movements in the gold price, particularly in the last two Covid years, had led people to offload old gold in the market. The WGC launched a report titled 'Gold refining and recycling, 'highlighting that amid India's growing demand for gold, recycling would continue to be crucial, and the refining industry would witness steady development.

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



### GST council to consider making e-way bill mandatory for gold, precious stones

The GST Council will likely consider making an e-way bill mandatory for intra-state movement of gold or precious stones worth ₹2 lakh and above and e-invoicing mandatory for certain B2B transactions. The panel suggested that e-invoicing should be mandatory for B2B transactions by all taxpayers supplying gold/precious stones and having an annual aggregate turnover above ₹20 crores. The panel also suggested that an officers committee from both the Centre and States examine the levy of GST on a reverse charge mechanism (RCM) basis on purchasing old gold by registered dealers/jewelers from unregistered persons. Businesses with a turnover of over ₹50 crores have to generate e-invoices for B2B transactions mandatorily. However, the condition does not apply to gold and precious stones.

**Source:** <https://www.thehindubusinessline.com/>



### Sovereign Gold Bonds Witnessed Record Inflows in FY22

The demand for gold as a medium of investment has surged significantly over the past couple of years. This is evident from the recently released data, which suggests increased investments in sovereign gold bonds (SGBs) and gold exchange-traded funds (ETFs). Traditionally, gold is considered a hedge against stock market volatility. However, the relatively stable stock markets made many investors park their money in equity and equity-related assets. The dip in prices of gold also made investors shy away from it. However, with the advent of the Covid-19 pandemic, the stock markets became volatile again. The pandemic-related uncertainties and geopolitical tensions pushed up gold prices, thus making it a preferred investment choice.

**Source:** <https://www.scrapmonster.com/>



# INTERNATIONAL news



## **G7 nations announce Russia gold ban as the summit starts under the shadow of war**

Members of the Group of Seven wealthy nations on Sunday announced a ban on imports of Russian gold as the G7 summit in the Bavarian Alps begins under the shadow of the war in Ukraine and consequences ranging from energy shortages to a food crisis.

The move by Britain, the United States, Japan, and Canada is part of efforts to tighten the sanctions squeeze on Moscow and cut off its means of financing the invasion of Ukraine more than four months into a conflict.

**Source:** <https://www.nasdaq.com>



## **Uganda discovers gold deposits worth 12 trillion USD**

After several surveys, Uganda found that it had discovered 31 million metric tons of gold waiting to be mined in the country. A spokesperson from the Ministry of Energy and Mineral Development in Uganda, Solomon Muyita, said that these reports aim to attract gold miners and investors in the crypto sector.

**Source:**  
<https://www.miningreview.com/>



### **Franklin Templeton launches responsible gold ETF**

Franklin Templeton launches a new gold-backed ETF that also looks to improve a portfolio's ESG rating. The international investment firm launched its Franklin Responsibly Sourced Gold. The fund will hold gold refined by London Bullion Market Association's Good Delivery List.

**Source:** <https://www.kitco.com>



### **Ghana: PMMC warns public against activities of gold scammers**

The PMMC has highlighted various modus the scammers use to target and extort their victims. The Precious Minerals and Marketing Company Limited (PMMC) is urging the public to be wary of the activities of some fraudsters in the gold trading business. PMMC, in a statement, detailed the modus operandi of these criminals and appealed to the public, especially persons in the extractive industry, to be on the lookout for such persons. The PMMC assured the public of its availability to provide guidance and expert advice to persons who wish to purchase gold.

**Source:** <https://www.ghanaweb.com>



**Cleaner gold extraction technology goes global**

A technology that enhances the extraction process of several metals developed by scientists at Australia's Curtin University made it to the global market after selling the researchers' industry partners, Mining and Process Solutions (MPS). Czech multinational chemical supplier Draslovka is the company behind the acquisition of MPS, whose leaching technology uses amino acids such as glycine to extract gold, copper, cobalt, and nickel. The technology is still in the trial phase and does not eliminate cyanide but reduces its use to varying degrees depending on the ore being treated.

**Source:** <https://www.mining.com>

**Gold refineries to be established in Saudi Arabia soon: Official**

The gold extracted from Saudi mines is refined in Switzerland, implying a very high cost for the mines, amounting to nearly 35% of their profits. The Precious Metals & Gemstones National committee communicated with the Ministry of Industry and Mineral Resources to issue a decision on refining gold in the Kingdom.

**Source:** <https://www.argaam.com>



**Iraq ranked sixth among Arab countries in gold reserves**

The gold reserves of Arab countries by the end of the first quarter of 2022, where Iraq came sixth. The report showed that Iraq has 6.8 percent of the Arab countries' gold reserves with about 96.4 tons, while Arab countries together owned about 1412.7 tons at the end of the first quarter of 2022. The global resources of gold are 35.59 thousand tons, and the reserves of Arab countries represent around four percent of the international funds. Saudi Arabia ranked 18 globally and came first among Arab countries with gold reserves of 323.1 tons representing 22.9 percent of the gold reserves of Arab countries.

**Source:** <https://www.iraqinews.com>





**Global silver production recovery to continue in 2022**

Overall, global silver mine production over the 2022-2026 period is forecast to grow at a compound annual growth rate (CAGR) of 1.3% to reach 945.8Moz in 2026. After four consecutive annual declines, global silver production recovered in 2021, growing by 5.3% to 884.5 million ounces (Moz). This rise was linked to post-pandemic recoveries, as most mines could operate at total capacity throughout that year. Output from Peru (+21.5%) and Mexico (+9.2%) significantly contributed to the overall growth. In addition, 38.7% growth was observed in Bolivia, while there were significant declines in production in Chile (-13.1%), Russia (-8.6%), and Kazakhstan (-5%).

**Source:** <https://www.mining-technology.com>

**S. Africa's Gold Fields to become fourth biggest gold miner with Yamana deal**

South Africa's Gold Fields (NYSE: GFI) Ltd is set to become one of the four biggest gold miners in the world after agreeing to acquire Canada-based Yamana Gold (NYSE: AUJ) in a \$6.7 billion all-share deal, the biggest in the region in years. Shares in the South Africa-listed mining company fell 20%, though investors voiced concern about dilution on a call with Gold Fields CEO Chris Griffith and Yamana CEO Peter Marrone. Yamana shares rose 8.6% on the deal and were last up 4.2%.

**Source:** <https://www.investing.com>



**Egypt tops central bank gold purchases so far in 2022**

Gold holdings of central banks expanded in April by 19.4 tonnes, driven primarily by purchases in specific markets. Central banks in Uzbekistan, Kazakhstan, and Turkey were the significant buyers during the month, adding 8.7 tonnes, 5.3 tonnes, and 5.6 tonnes to their gold reserves, respectively. However, Egypt emerged as the largest gold buyer on a year-to-date basis.

**Source:** <https://www.zawya.com>

# IBJA Opening & Closing Rates for Gold and Silver

(All rates in INR)

Date	Gold 999		Gold 995		Gold 916		Gold 750		Gold 585		Silver 999	
	(AM Price)	(PM Price)										
	10 Gms	1 Kg	1 Kg									
06-01-2022	50702	50606	50499	50403	46443	46355	38027	37955	29661	29605	60765	60811
06-02-2022	51080	51205	50875	51000	46789	46904	38310	38404	29882	29955	61605	62076
06-03-2022	51080	51205	50875	51000	46789	46904	38310	38404	29882	29955	61605	62076
06-06-2022	51167	51112	50962	50907	46869	46819	38375	38334	29933	29901	62471	62592
06-07-2022	50850	51089	50646	50884	46579	46798	38138	38317	29747	29887	61668	62052
06-08-2022	51038	51038	50834	50834	46751	46751	38279	38279	29857	29857	62287	62685
06-09-2022	51136	51029	50931	50825	46841	46743	38352	38272	29915	29852	62048	61806
06-10-2022	50984	50935	50780	50731	46701	46656	38238	38201	29826	29797	61203	60881
06-13-2022	51657	51435	51450	51229	47318	47114	38743	38576	30219	30089	61325	60912
06-14-2022	50725	50647	50522	50444	46464	46393	38044	37985	29674	29628	60164	59966
06-15-2022	50619	50954	50416	50750	46367	46674	37964	38216	29612	29808	60193	60750
06-16-2022	50861	50614	50657	50411	46589	46362	38146	37961	29754	29609	61074	60550
06-17-2022	51185	51169	50980	50964	46885	46871	38389	38377	29943	29934	61673	61576
06-20-2022	51064	51005	50860	50801	46775	46721	38298	38254	29872	29838	61067	60979
06-21-2022	50943	50914	50739	50710	46664	46637	38207	38186	29802	29785	60773	61077
06-22-2022	50764	51155	50561	50950	46500	46858	38073	38366	29697	29926	60383	60744
06-23-2022	50994	50853	50790	50649	46711	46581	38246	38140	29831	29749	60409	59999
06-24-2022	50776	50829	50573	50625	46511	46559	38082	38122	29704	29735	59666	59350
06-27-2022	51021	51094	50817	50889	46735	46802	38266	38321	29847	29890	60507	60832
06-28-2022	51039	51029	50835	50825	46752	46743	38279	38272	29858	29852	60488	60518
06-29-2022	51039	51029	50835	50825	46752	46743	38279	38272	29858	29852	60488	60518
06-30-2022	50970	50863	50766	50659	46689	46591	38228	38147	29817	29755	59500	58803

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The above rates are exclusive of GST/VAT

## Bullion - Data & Statistics

Gold Spot Market International (Per Troy Ounce)				Silver Spot Market International (Per Troy Ounce)			
Spot Gold	01 <sup>st</sup> June	30 <sup>th</sup> June	% Change	Spot Silver	01 <sup>st</sup> June	30 <sup>th</sup> June	% Change
Australia (AUD)	2573.85	2617.35	1.69	Australia (AUD)	30.56	29.52	-3.40
Britain (GBP)	1479.83	1485.35	0.37	Britain (GBP)	17.57	16.75	-4.67
Canada (CAD)	2335.1	2327.5	-0.33	Canada (CAD)	27.72	26.25	-5.30
Europe (Euro)	1735.93	1724.84	-0.64	Europe (Euro)	20.6	19.45	-5.58
Japan (Yen)	240455.00	245292.00	2.01	Japan (Yen)	2853	2766	-3.05
Switzerland (CHF)	1778.62	1724.96	-3.02	Switzerland (CHF)	21.11	19.45	-7.86
USA (USD)	1846.02	1806.8	-2.12	USA (USD)	21.79	20.26	-7.02

Monthly Exchange Data (Gold) (From June 01-30)						
Exchange	Commodity	Open	High	Low	Close	% Ch.
COMEX <sup>2</sup>	Gold Aug 22	1840.00	1882.50	1802.50	1807.30	-2.22
SHANGHAI –SHFE <sup>4</sup>	Gold Aug 22	398.58	406.12	392.26	393.62	-1.39
MCX <sup>1</sup>	Gold Aug 22	50700.00	51797.00	50151.00	50517.00	-0.65
TOCOM <sup>3</sup>	Gold Aug 22	7599.00	8120.00	7583.00	7943.00	4.49

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

Monthly Exchange Data (Silver) (From June 01-30)						
Exchange	Commodity	Open	High	Low	Close	% Ch.
COMEX <sup>2</sup>	Silver Sep 22	21.54	22.57	20.15	20.28	-6.48
MCX <sup>1</sup>	Silver Sep 22	62200.00	63721.00	58536.00	58887.00	-4.78
TOCOM <sup>3</sup>	Silver Oct 22	87.40	92.10	87.40	90.10	2.62

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

Gold Spot Market, India			Rs/10gm
Spot Gold	01 <sup>st</sup> June	30 <sup>th</sup> June	% chg
Ahmedabad	50423.00	50699.00	0.55
Bangalore	51262.00	50353.00	-1.77
Chennai	49781.00	49236.00	-1.09
Delhi	51130.00	50267.00	-1.69
Mumbai	50403.00	50659.00	0.51
Hyderabad	49790.00	49224.00	-1.14
Kolkata	51669.00	50796.00	-1.69

Currency Change (Monthly)		
	01 <sup>st</sup> June	30 <sup>th</sup> June
EUR/USD	1.0646	1.0482
USD/AUD	1.3935	1.4484
USD/GBP	1.2482	1.2175
USD/INR	77.55	78.95
USD/JPY	130.11	135.73

Silver Spot Market, India			Rs/kg
Spot Silver	01 <sup>st</sup> June	30 <sup>th</sup> June	% chg
Mumbai	60811.00	58803.00	-3.30

## Bullion - Data & Statistics

### LBMA Gold & Silver Price (Per Troy Ounce)

GOLD AM			GOLD PM			SILVER				
DATE	USD AM	GBP AM	EUR AM	USD PM	GBP PM	EUR PM	DATE	USD	GBP	EUR
06-01-2022	1829.70	1453.51	1706.56	1844.90	1473.52	1726.46	06-01-2022	21.61	17.17	20.16
06-06-2022	1851.50	1473.05	1723.01	1847.20	1471.48	1723.99	06-06-2022	22.26	17.73	20.75
06-07-2022	1846.80	1477.44	1728.24	1849.60	1476.54	1730.86	06-07-2022	22.09	17.68	20.70
06-08-2022	1848.35	1474.80	1727.65	1852.95	1476.06	1725.28	06-08-2022	21.92	17.49	20.45
06-09-2022	1849.25	1477.37	1725.72	1844.85	1469.79	1727.89	06-09-2022	21.93	17.50	20.46
06-10-2022	1843.35	1477.45	1738.83	1830.00	1481.02	1739.96	06-10-2022	21.59	17.35	20.38
06-13-2022	1855.95	1519.47	1771.88	1830.85	1503.13	1753.95	06-13-2022	21.56	17.68	20.60
06-14-2022	1823.65	1501.59	1745.42	1818.30	1509.37	1741.57	06-14-2022	21.24	17.57	20.35
06-15-2022	1823.15	1509.57	1739.47	1823.75	1510.07	1749.52	06-15-2022	21.46	17.75	20.47
06-16-2022	1831.55	1511.40	1758.84	1826.50	1491.15	1747.60	06-16-2022	21.44	17.72	20.61
06-17-2022	1849.85	1503.74	1757.54	1841.55	1506.39	1756.47	06-17-2022	21.85	17.77	20.77
06-20-2022	1841.20	1502.60	1746.75	1836.50	1501.52	1745.41	06-20-2022	21.66	17.68	20.56
06-21-2022	1836.50	1491.61	1736.23	1840.25	1498.33	1742.72	06-21-2022	21.67	17.64	20.53
06-22-2022	1827.30	1494.37	1738.49	1841.85	1501.66	1744.97	06-22-2022	21.42	17.49	20.36
06-23-2022	1831.40	1500.28	1742.94	1841.90	1499.12	1746.31	06-23-2022	21.19	17.35	20.17
06-24-2022	1826.50	1484.94	1730.79	1825.45	1483.54	1728.52	06-24-2022	20.86	16.95	19.79
06-27-2022	1838.05	1495.81	1737.69	1826.30	1486.79	1725.49	06-27-2022	21.46	17.49	20.28
06-28-2022	1827.00	1488.82	1725.97	1819.05	1488.89	1727.37	06-28-2022	21.24	17.35	20.08
06-29-2022	1811.85	1487.89	1723.43	1817.75	1499.64	1733.41	06-29-2022	20.98	17.25	19.93
06-30-2022	1813.60	1495.13	1739.42	1817.00	1493.57	1744.87	06-30-2022	20.42	16.87	19.63

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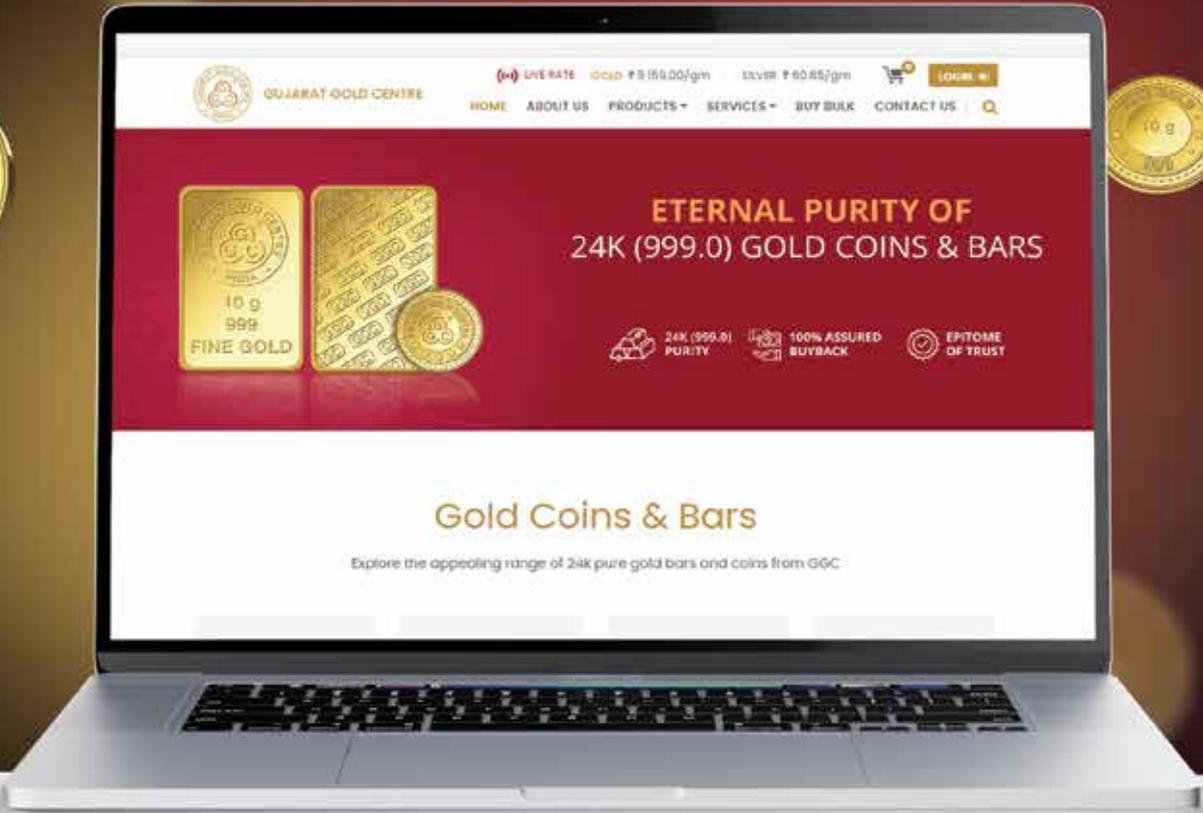
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