

Volume 3 Issue 6 June 2023

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Swarna Adarsh Abhiyaan (SAA) –  
Largest RGIP initiative globally  
Mr Mike Oswin

19

HUID- Unique global  
initiative ensuring traceability  
and quality  
Mr James Jose

21

IFSCA: Regulators' role in shaping  
financial services and  
development of IIBX at GIFT City  
Mr Kamlesh Sharma

28

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Asia Pacific Precious Metals Conference  
4-6 June 2023  
Park Royal Beach Road, Singapore

India Gold Conference  
18-20 Aug 2023  
JW Marriott, Kolkata

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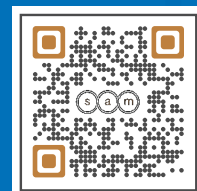
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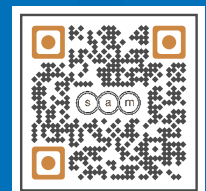
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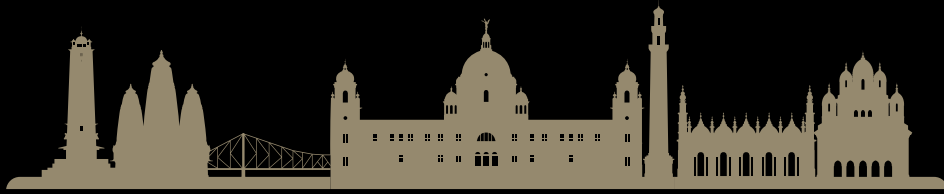
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# EDITORIAL

Dear Readers,

The Reserve Bank of India (RBI), on May 19, 2023, announced the withdrawal of INR 2,000 currency notes from circulation. It gave the public time till 30th September to deposit such notes into their bank accounts or exchange them at any bank (subject to a cap of INR 20,000 per transaction). This is a part of the "Clean Note Policy" of the RBI. Although there were initial apprehensions, there was no panic this time around among the public. No surge in gold buying was seen. The digital public infrastructure (DPI) of the government of India, including UPI, has revolutionised payment systems in India. The current move by RBI is in continuation of the overall reforms, and hence, it augurs well for the country.



Malabar Gold and Diamonds, one of the largest jewellery retailers in India, has become the first jewellery group to obtain a Tariff Rate Quota (TRQ) license from the Director General of Foreign Trade (DGFT), under which they can import gold through India International Bullion Exchange (IIBX). It is a good development for IIBX.

Swarna Adarsh Abhiyaan is an adaptation of the Retail Gold Investment Principles (RGIP) initiative of the World Gold Council for India. In an exclusive interview, Mr Mike Oswin, global head of market infrastructure and innovation at WGC, provides the latest update on the programme. The compulsory hallmarking of gold jewellery initiative of the government of India is the largest initiative of its kind anywhere in the world in quality and traceability. Mr James Jose, who has been associated with this initiative and head of the Federation of Hallmarking Association, elaborates on the programme's achievements. IFSCA's Head of the precious metals department, Mr Kamlesh Sharma, articulates IFSCA's role in facilitating the development of international financial services centres in India and provides an update on IIBX. An abstract of an interview with Mr Juan Carlos Artigas, head of research at WGC, details factors that drive gold prices. Finally, this edition also contains the Part-2 of the highlights of the India Silver Conference. Hope you enjoy the selection.

The much-anticipated three-day Asia Pacific Precious Metals Conference (APPMC) 2023 will commence on June 4, 2023. APPMC is an exclusive platform for APAC precious metals markets and would discuss issues around government policies, reforms, technology, and markets. Look forward to seeing you all there.

Do you have an interesting story pertaining to precious metals. Do write to us. Also, if you have any suggestions and feedback on Bullion World, please write to [editor@bullionworld.in](mailto:editor@bullionworld.in)

Best wishes,  
G Srivatsava  
Editor

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10

2023 India Silver Conference Highlights (part-2)

21

Swarna Adarsh Abhiyaan (SAA) – Largest RGIP  
initiative globally

[Mr Mike Oswin](#)

23

HUID- Unique global initiative ensuring  
traceability and quality

[Mr James Jose](#)

30

IFSCA: Regulators' role in shaping financial services  
and development of IIBX at GIFT City

[Mr Kamlesh Sharma](#)

34

Unveiling the drivers of gold demand

[Mr Juan Carlos Artigas](#)

37

Malabar Gold: Luxury Redefined through the  
launch of artistry stores

40

Gold: A scarce asset with a large market-  
World Gold Council

45

Data, Statistics & IBJA Rates

# 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



# India Silver Conference Highlights (part-2)

## Day 1: Session 1- Master Class: Refining, Master-alloys & Electroforming.

The first session that kick-started the inaugural India Silver Conference was on **Refining, master alloys, and Electroforming.**



### Speakers

**Mr C Chandru**, IBU CEO of Hindustan Zinc.

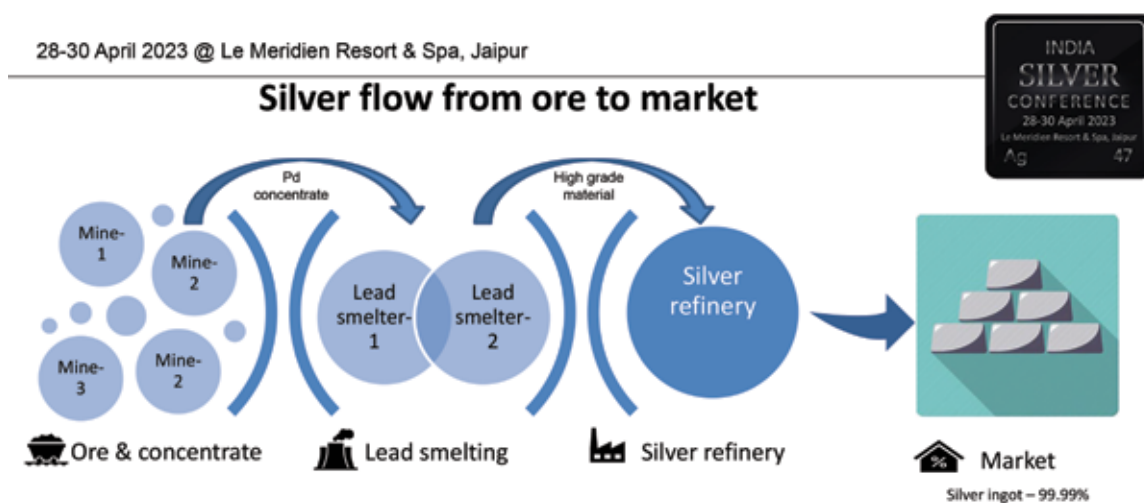
**Mr Ankur Goyal**, President Works, MMTC PAMP India Private Limited,

**Ms Nishtashri Srinivasan**, Director, Emerald Jewels Industries India Private Limited.

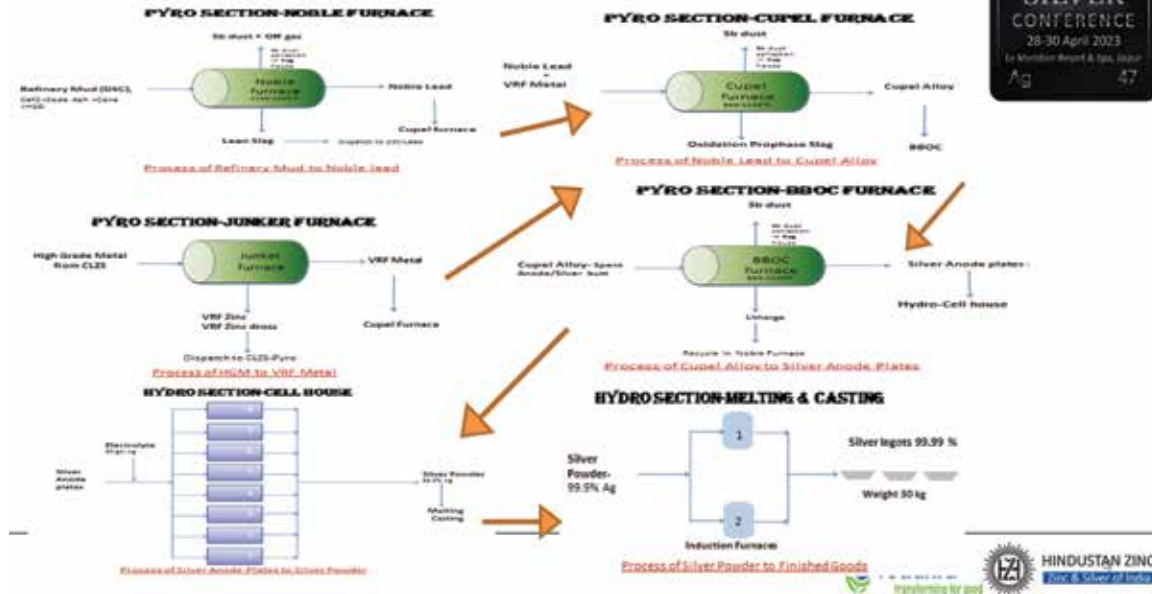
**Mr C Chandru's presentation was mainly focused on the refining aspects at Hindustan Zinc Limited.**

His speech covered the end-to-end supply chain from ore to silver and the refining capabilities of HZL.

The following slides illustrate the process flow systematically.

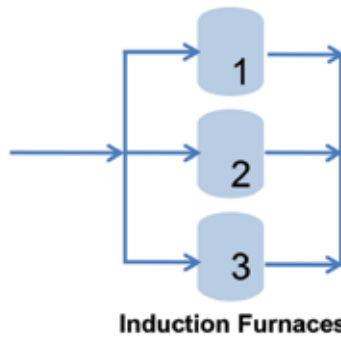


28-30 April 2023 @ Le Meridien Resort & Spa, Jaipur



### Hydro Section-Melting & Casting

Silver Powder- 99.9% Ag



Silver Ingots 99.99 %  
Weight 30 kg

### Process of Silver Powder to Finished Goods

Mr Ankur Goyal presented on silver master alloys and their applications in the industry. The key topics were the technologies and the process involved in electro-refining and chemical refining. The highlight of the speech was that of master alloys, whose applications and characteristics are shared in the below slide of his presentation.

## Range of Master Alloy in MMTC-PAMP



CODE	COLOR	KT	APPLICATION	Ag%	SPECIAL COMMENTS
<b>10K YELLOW GOLD CASTING ALLOY</b>					
SW1002	Rich Yellow	9.16	Casting	23.50	Good Luster, High Ductility
SW1014	Bright Yellow	9.220	All purpose	23.50	Economical, Good Shine
SW1040	Red Yellow	9.320	All purpose	23.50	Good Luster, Good Workability
SW1027	Rich Yellow	9.280	Mechanical	24.74	High Performance, Good Shine
<b>14K YELLOW GOLD CASTING ALLOY</b>					
SW1402	Yellow	14K	Casting	35.50	Good Luster & Reusability
SW1404	Rich Yellow	14K	Casting	35.50	Good Luster & Reusability
<b>18K YELLOW GOLD CASTING &amp; MECHANICAL ALLOY</b>					
SW1802	Deep Yellow	18K	Casting	44.50	High Performance & Luster
SW1804	Deep Yellow	18K	Casting	47.00	Reusability, Good Shine
SW1808	Rich Yellow	18K	Casting	51.00	Excellent Reusability & Shine
SW1807	Red Yellow	18K	Mechanical	53.00	Reason, for Banglari, Good Shine
<b>18K 22K YELLOW GOLD CASTING &amp; MECHANICAL ALLOY</b>					
SW1802	Yellow	18K	Casting	35.50	Good Luster, Good Hardly
SW1804	Deep Yellow	22K	Casting	35.50	Good Luster, Good Hardly
SW1808	Yellow	22K	Casting	35.50	High Performance, Low Loss
SW1812	Greenish Yellow	18K	Casting	45.50	Reusability, Tarnish Resistant
SW1816	Greenish Yellow	22K	Casting	45.50	Reusability, Tarnish Resistant
SW1820	Greenish Yellow	18K	Casting	44.00	Good with good surface luster
SW1824	Greenish Yellow	22K	Casting	44.00	Good with good surface luster
SW1828	Reddish Yellow	18K	Casting	27.50	Economical, High Reusability
SW1832	Reddish Yellow	22K	Casting	27.50	Economical, High Reusability
SW1836	Light Yellow	18K	Casting	17.00	Good Shine, Economical
SW1840	Deep Yellow	22K	Casting	17.00	Good Shine, Economical
SW1800	Reddish Yellow	18K	Mechanical	50.00	Economical, Good Shine
SW1804	Reddish Yellow	22K	Mechanical	50.00	Economical, Good Shine
SW1812	Yellow	22K	Mechanical	50.00	High Performance, Good Shine
SW1816	Rich Yellow	22K	Mechanical	50.00	High Performance, Good Shine
SW1820	Yellow	18K	All purpose	50.00	High Performance & Reusability
SW1824	Deep Yellow	22K	All purpose	50.00	High Performance & Reusability
SW1828	Yellow	18K	All purpose	50.00	High Performance, Low Loss
SW1832	Deep Yellow	22K	All purpose	50.00	High Performance, Low Loss
<b>22K YELLOW GOLD CASTING &amp; MECHANICAL ALLOY</b>					
SW2202	Deep Yellow	22K	Casting	55.00	Good Performance & Reusability

**MASTER ALLOY**

Alloys for Yellow, Pink & White Gold Alloy for Sterling Silver

Application: Gold and Silver Jewellery

Properties: Usage of 999.9+ Silver in alloy reduces casting issue and metal loss.

**SILVER ANODE**

Min. 999+ Silver Purity

Dimension: Length Max. 800 mm

Width 15 - 50 mm

Thickness 3.0 - 6.0 mm

Application: Electroplating

Properties: Uniform Plating, Conforms to IS Spec (IS 17021:2017)

**SILVER POWDER**

Min. 999.9+ Silver Purity

Dimension: upto 50 Micron Size

Application: Electrical Contact, Solar Panel, Medicines, Plating

Properties: Consistent Quality, High Reusability, Increased Conductivity

**STRIPS, WIRES & RODS**

Gold: 1. Fine Gold- Min. 999+ Purity

2. Alloyed Gold (K to 22K Karat)

Silver: 1. Fine Silver- Min. 999.9+ Purity

2. Alloyed Silver Sterling (Min. 92.5% Purity)

Application: Jewellery Findings, Accessories

Properties: Uniform Color

**SILVER GRAINS**

Min. 999.9+ Silver Purity

Application: Jewellery, Bullion

Properties: Uniform Size, Zero Oxidation & Impurity Content as per ASTM B413-17 (2017)

**Ms Nishtashri Srinivasan:** Ms Nishtashri Srinivasan, Director, Emerald Jewels Industries India Private Limited who was the final speaker in the panel spoke about the process of electroforming which included the basic meaning, followed by the briefing of the whole process involved in electroforming, and the benefits of using electroforming products.

### The Benefits of **Electroforming** Products

- We can produce jewellery/idols which are large in size but light in weight
- Complex 3D articles can be made employing this technology with high dimensional accuracy.
- Hard and durable statues & jewellery products with 0.1-0.6 mm thickness.
- Our 15 Years of experience gives us the edge to produce products of absolutely any thickness
- We make EFM products in both a dull & High Shine finish with good strength



### Process Flow of **Electroforming**

- Jigging
- Cleaning Process :
  1. Electrolytic Cleaning
  2. Acid Dip Cleaning
- Forming Process :
  1. Electroforming Process
- Mandrel Removing or Emptying process



### ELECTROFORMING PROCESS

- A unique feature of the electroforming process is that the silver grows over the Mandrel atom by atom and this process imparts absolute accuracy and high aspect ratio.
- In Electroforming, thickness ranges from 100 micron to 600 Micron.
- The solution or bath contains the required silver metal in the form of Salts.
- The process continues until the required thickness is achieved by maintaining optimum level of bath contents & operating parameters.
- Operating the bath is complicated and continuous monitoring is required while the silver idol is forming.
- Maintenance of chemical parameter is essential to control rejections and ensure surface quality.
- In Silver electroforming we can produce a wide variety of products like Idols, Jewellery, Lamps, Garlands, Gift articles etc.

### Questions from the audience-

**Mr Abhishek Jain to Mr Ankur Goyal- Is Cadmium being explored or used in the making of Master-alloys?**

No, it is not used in the making of master alloys as it is toxic and cancerous in nature which is also banned by the government of India. We use substitutes like copper or zinc instead of cadmium.

**Mr Kishore Choksi to Mr Ankur Goyal - As stated in your presentation, one cannot achieve high purity levels through chemical refining. What do you think is the reason for this?**

In the case of electro-refining the anodes are covered with an anodic bag which restricts the flow of impurities, thus giving a higher purity content. But, in the case of chemical refining the whole manufacturing process should be monitored to obtain a higher purity percentage.



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**Day 1: Session 2- Roundtable discussion- Issues and Challenges Concerning the Indian Silver Industry.**



**Session moderator: Mr Chirag Sheth - Metals focus**

**Panellist**

**Mr Thomas Kendall, ICBC Standard Bank**

**Mr Gautam Choksi, Hindustan Platinum**

**Mr Chirag Thakkar, Amrapali**

**Mr Manish Gavaskar, RBL**

**Mr Shivanshu Mehta, MCX**

**Mr Kishore Choksi, Choksi Heraeus,**

**Mr Vijay Murthy, Hindustan Zinc Limited.**

**Moderator: What has changed the silver market in recent years? According to you, what could be the major demand drivers?**

**Mr Chirag Thakkar:** With silver prices relatively lower than gold, many retail and small investors shifted their focus from gold to silver a few years ago. Post 2011, demand for silver has been increasing at a gradual pace. As an industrial metal, silver is used in various applications like artefacts, silver jewellery, and silverware. Silver imports have been stable throughout. The demand story for silver has been steadily growing, with the same to remain in the years to come.

**Moderator: ICBC Standard Bank is the biggest supplier of silver to India. As a foreign bank, how do you manage the volatility in demand and mitigate the risk involved in trade with countries like India? Can you also brief on the demand for silver originating from India?**

**Mr Thomas Kendall:** The strength of ICBC Standard Bank, being one of the largest silver bullion banks globally, helps navigate market hindrances like

volatility in demand, etc. If demand is low in India, adopting creative and innovative approaches help overcome the crisis

Adapting and reacting quickly to market sentiments helps to take informed calls. ICBC Standard Bank's presence throughout the value chain helps manage adversity.

In India, silver is mainly used for jewellery or other applications, and the requirement is mainly in physical form rather than digital. The Impact arising from the demand side in India provides a kind of floor for silver prices.

**Moderator: Being one of the most prominent banks in the Indian silver market, why are the banks not playing an essential role as they do in the gold market?**

**Mr Manish Gavaskar:** India, on average, imports 6000 tonnes of silver. Imports have been gradually increasing since 2013, when most investors started looking for alternatives to gold, making silver a viable and comparatively cheaper option. Holding physical silver in Kg bars is difficult, which is not the case in gold. The major role of Indian banks with reference to silver is to provide consumers with digital options in silver, like ETFs, where any investor can hold a pocket size. Indian banks are striving to provide product innovations like arbitrage, hedging options, and funding, giving a distinct role to the banks as it is supposed to be.

**Moderator: We have seen that the government of India has focused on Silver manufacturing for the past couple of years. Many semiconductor and mobile manufacturing factories are being set up. How does it affect Hindustan Platinum and Choksi Heraeus, as they are prominent players in the Silver industry? In addition, does the increase in silver prices hurt its usage in industrial applications?**

**Mr Gautam Choksi:** Industrial demand for silver is rising, whether for photovoltaic applications or in using EVs, making it better for manufacturing units in India. The main effect depends on how much of this demand is catered by the Indian manufacturers. There is an inverted duty structure in India for silver, making it a lot more difficult as the price of bullion import would be much higher than the import of silver salts and silver paste.

**Mr Kishore Choksi:** The inverted duty structure that exists should be rectified. The duty structure on electrical contacts is significantly lower than that on metal. This anomaly does not create a level playing field between domestic manufacturing and imports. The contact import duty structure should be on par with the silvers to rectify this.

The rise in silver prices can hurt the industrial application industry, making it costlier for the manufacturer. Some innovations to reduce the silver content in industrial applications are in process, which will help to minimize the silver usage

**Moderator: Hindustan Zinc Limited is the 5th largest producer of silver in the world. The company has a target of 1,000 tonnes of silver production. What are the measures taken to achieve this self-set target?**

**Mr Vijay Murthy:** Hindustan Zinc is on course to achieve the target of 1000 tons of silver in the next few years. For 2022, Hindustan Zinc managed to produce 714 tonnes of silver, and the projection for 2023 is 750 tonnes. Coming to the target of 1000 tonnes per year, one of the top mines in Rajasthan is being explored to find rich silver content, which will help the company realize this goal. At the same time, there are varieties of obstacles that must be overcome to achieve this goal.

**Moderator: MCX is considered one of the top global exchanges in the market. In the past year, MCX has introduced new products like the right options and**

**Bullion index; how does this help the mid/small size players in the Indian market?**

**Mr Shivanshu Mehta:** As a leading market infrastructure institution, MCX must support the physical players. For silver which is both a precious and an industrial metal, the exchange has launched various contracts traded on the exchange. To mention futures, options, and indices. These contracts can cater to all the uncertainties, like the disparity of discount and volatility. Over the past year, records have shown that silver futures are one of the most traded contracts in the world. These contracts must only be used for hedging and not for speculating. Hedging instruments help keep the asset safe from any imbalances caused by volatility.

**Questions from the audience.**

**Question- Where do you see the bullion tech market, especially digital gold and silver, in the near future?**

As the demand and popularity for digital silver and gold markets grow, it becomes a more viable option for bankers. There is a growing trust amongst retailers in India, making it a good investment and hedging option for all the value chain participants.

**Question to Mr Kishore Choksi: Since Choksi Heraeus is an industrial manufacturer, what strategy would you advise a price-sensitive consumer given the price fluctuations that happen intraday?**

Primarily Choksi Heraeus deals with customers who are mainly focused on product quality. We offer various price options, like the average of the month or the opening and closing on a particular day, based on the consumer. Fixing the price of silver with the buyer is a must to eliminate price fluctuations.

**Question to Mr Shivanshu Mehta- Can you briefly explain how the two exchanges, MCX and IIBX, will work together in the coming times?**

IIBX is a national project and is a vision of the Indian government. It is under the regulation of IFSCA. IIBX is considered a gateway for gold imports into the country. MCX, on the other hand, is a domestic platform mainly used for hedging purposes. MCX caters to three types of risks – Commodity price risks, currency risks and risks arising from the change of customs duty. There will be integration in future between these exchanges, which will benefit the whole bullion industry.

**Day 2: Session 1: Indian Silver jewellery, silverware, and the strategies to increase its presence in the global market.**



**Session moderator: Mr Chirag Sheth**, Principal Consultant, Metals Focus

**Speakers:**

**Mr Khun Kittisak Udom**, President of the Thailand Silver Exporters Association

**Mr Avinash Gupta**, Argentum Arts

**Mr Rahul Mehta**, Silver Emporium,

**Mr Krishna B Goyal**, Dwarka Gems Ltd.

**Presentation by Mr Khun Kittisak Udom (SAM)**

The presentation gave insightful information about Thailand’s silver exports highlighting the work done by the Thailand Silver Exporters Association and its roles and responsibilities. Finer details like major exports, the export value of silver jewellery, the major customers of silver jewellery from Thailand, and many more were covered.

28-30 April 2023 @ Le Meridien Resort & Spa, Jaipur

**Silver Jewelry accounts for 11.50 % of total export value in 2022.**



28-30 April 2023 @ Le Meridien Resort & Spa, Jaipur

**Comparison between importing value (raw material) and exporting value (finished products)**





28-30 April 2023 @ Le Meridien Resort & Spa, Jaipur



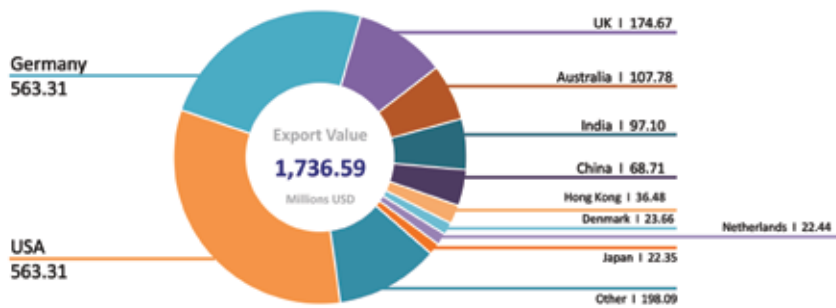
**Thailand's silver jewellery export value 2013-2022**



28-30 April 2023 @ Le Meridien Resort & Spa, Jaipur



**Major Customers of Thailand's Silver Jewellery in 2022**



28-30 April 2023 @ Le Meridien Resort & Spa, Jaipur



**Silver Jewellery Export from Thailand to India 2018-2022**



**Moderator: What is your opinion on the growth and evolution of the silver jewellery market in recent years? Is silver jewellery demand mainly because of the elevated gold prices, or is it a structural shift from gold to other precious metals?**

**Mr Krishna Goyal:** The Indian market has evolved in the past 10-15 years; with the upgrade in craftsmanship, demand for designer jewellery has increased. Gemstones have brought creativity to silver jewellery, which has helped in domestic consumption and global exports. Initially, the shift to silver was mainly because of the elevated gold prices; eventually, the variety and dexterity of silver jewellery designs

took over consumer preference making it a prevalent means of jewellery in India.

**Moderator: Silver Emporium is one of the largest silverware manufacturers. Manufacturing silver-based products need craftsmanship expertise. What is your view on the silverware market compared to the jewellery market?**

**Mr Rahul Mehta:** The silver jewellery market has scaled much faster than silverware. India's population is one of the largest in the world, which helps to drive the silverware demand as most Indian households use silver which will eventually help the silverware market flourish.

**Moderator: Does the Thailand Exporters Association have any promotion or marketing strategies for the consumers of silver jewellery in Thailand?**

**Mr Khun Kittisak:** Yes, it is essential for promoting domestic consumption. The Thailand Exporters Association organises various domestic exhibitions to promote new brands and designs to attract consumers. The growing awareness of these designs, especially on the online

platform, has picked up since the start of Covid-19, which makes silver jewellery an exciting prospect for the domestic consumers of Thailand.

**Moderator- A lot of jewellery and silverware in the market is about 60-70% pure, which the public does not know. Why are there no industry initiatives for the awareness of purity?**

**Mr Rahul Mehta-** With respect to awareness of the product World Gold Council regarding gold serves as an excellent platform to educate the public. However, in the case of silver, with the absence of any such platform, we at silver emporium have put our best to



create awareness about the quality of the product. Most of the silver karigars are small entities having limited knowledge about the type of alloys to be used, making it more difficult to provide the standard purity. Thus it is essential to impart appropriate knowledge to the karigars

**Moderator- Why is there no marketing done for silver as it is done for the gold jewellery segment?**

**Mr Avinash Gupta-** Most silver retailers do not have any custom-made variety-specific silver jewellery and artefacts. However, things are changing over the past two years, with several stores coming up which are only silver-specific. The stand-alone stores will start the marketing and brand promotion efforts, which will, in turn, bring visibility to jewellery and artefacts.

**Moderator- How can the silver industry keep up with the newer generation and changing trends of the modern era?**

**Mr Krishna Goyal-** This segment is growing and offers a good opportunity to tap. Understanding the needs of the new generation and meeting their expectations in terms of product uniqueness, Dwarka Gems has instilled new and custom-made designs to address the segment. The Ad-campaigns and social media marketing helps us facilitate and educate the younger generation.

**Moderator- Silver jewellery exports from India have reduced. Is there any particular reason for this?**

**Mr Krishna Goyal-** The silver jewellery export market is highly competitive. There is always an alternative manufacturer/supplier for the buyer in the global markets. In India, we have a 15% duty on silver and 5% elsewhere. With this duty differential, competing in pricing in the global markets is difficult. The government must address this issue to boost domestic manufacturing and exports.

**Questions from the audience.**

**What is the enticement behind organised players in the silver retail market to create separate outlets/ segments for silver jewellery and silverware?**

**Mr Avinash:** The unorganised players often sell low-quality silver with a lesser percentage of pure silver to the consumers. Indian consumer lack knowledge of the purity aspects of silver. This opportunity motivated organised players to enter the segment. Organised

players have set a standard for the purity of silver content, which benefits consumers.

**How should one strategize to keep the consumer's reliability and trust through e-commerce websites and social media? How to develop a sense of trust amongst the consumers about the product.**

**Mr Rahul Mehta:** Social media promotion, availability of all the products on the company's websites and enhancing the company's visibility across all the platforms play a huge role in building trust with the consumer for a particular product.

Silver Emporium has organised road shows to educate consumers about hallmarked silver jewellery and the importance of hallmarking. Knowledge about your brand and product is needed for the day to build consumers' awareness and trust.

**What is your view on the use of cadmium in the silver industry? How to overcome this difficulty, as cadmium is harmful to the people involved in the manufacturing process?**

**Mr Krishna Goyal:** The unorganised players in the silver market mostly use Cadmium as a substitute for zinc or copper. Making it mandatory to not use cadmium can be one of the ways to eradicate the use of cadmium as an alloy. Most of the organised players use ready-made alloys of zinc or copper, which can be one of the solutions not to use cadmium.

**Day 2: Session 2- Investment landscape, opportunities provided by digital options and silver ETFs.**



**Session moderator: Mr Harshal Barot, Metals Focus**

**Speakers:**

**Mr Rajesh Kapoor**, VP of business development at Kundan Group

**Mr Rajeev Ranjan**, Business Lead, eBullion Pvt. Ltd

**Mr Vikram Dhawan**, Nippon India AMC (Online)

**Mr Rajeev Ranjan** provided a holistic roadmap for the Indian Silver ecosystem and gave insightful information about the asset’s intrinsic value. He emphasised on benefits of digital silver and how it maps all mobile users. He paved the road ahead for silver by ONDC and bullion tech, elaborated in the slides below

28-30 April 2023 @ Le Meridien Resort & Spa, Jaipur



**Digital Silver is all about returning the shine to Physical Silver**

- Physical silver’s intrinsic value as an asset derives from multiple uses:
  - **Store of value** [ an affordable mode of storage especially in hinterlands due to its low unit value, and hedge against inflation/currency depreciation, source of instant liquidity ]
  - **Exchange of value/ payment systems** [ First coins minted in 800 BC -->Silver Standards-->Silver backed block-chain stablecoins]
  - Industrial and other applications from **silverware to solar panels**
  - **Investment** [ portfolio diversification, limited supply leading to a steady appreciation]
- The Indian demand for silver assets is impaired for all of these uses:
  - **Store of value** [ Rising crime rates and storage costs are creating a disincentive for holding physical assets, while large haircuts on buy-backs erode value]
  - **Exchange of value** – The embedded value in Silver cannot be exchanged for other goods and services.
  - Industrial use of silver is on the rise in India. However, the supply chain faces several logistical challenges leading to large working capital investments
  - Investments [ Commendable growth in **ETF Aum in 2022** and, **MCX India** notwithstanding, **traction is still limited to urban financial investors**, while physical investment demand may be in **T2/T3 cities and rural areas**. , Pricing and purity concerns remain alleviated]



**Digital Silver’s intent is to increase the uses of Silver for its holders**

28-30 April 2023 @ Le Meridien Resort & Spa, Jaipur



**Digital Silver – An asset is what an asset does**

The Digital Silver addressable market can be mapped to mobile –users

- **Store of value**
  - **24/7 liquidity** akin to Physical metal but without the melting charge and market hour restrictions.
  - **Securely stored** in an independent third-party vault, thus removing storage risk.
  - **Clearing house type settlement** – Customer funds are retained in an escrow account till the metal is delivered
  - **100 percent metal pooled allocated ownership with bankruptcy planning** – Customers receive a legal title in the underlying large bars, while custodial agreements provide for smooth distribution of the customer segregated assets in case of a liquidation event for the customer.
  - **Purpose built for micro-savings** due to low ticket size and near-zero administrative overheads
  - **Zero asset risk on account of purity as only Good Delivery refiner bars will be used and vaulted sales prevent a break in the chain of integrity**
- **Exchange of value**
  - Customers can monetize their metal balances against the purchase of goods and services from partner outlets. While this feature is being used for the **procurement of jewelry, bars, and coins**.
  - Redemption journeys developed by Google Pay, and Phonepe is finding end-user acceptance.

28-30 April 2023 @ Le Meridien Resort &amp; Spa, Jaipur



## Digital Silver enabling investments in Silver – The road ahead

Digital Silver will find traction as it retains the best of physical silver while removing the difficulties of owning the same.

- **Bringing the horse to well – accessibility to mobile devices users rather than to DMAT accounts or mutual fund account holders.** This market is increasing exponentially.
- **Bullion Tech : Its going to stay with Increasing uses of trusted digitally held physical silver, not just for savings but to seamlessly purchase other goods**
- **ONDC ( Open Network for Digital Commerce) : Grew manyfold since inception and Digital Silver becomes more accessible.**
- **Securing metal and asset governance is key- No compromise on customer assets: metal or funds**
- **Tax friendly investment : LTCG benefits along with the benefit of Indexation ( after 3 years)**

**Mr Rajesh Kapoor-** Kundan Group have been in the bullion industry for the past two decades. There is good demand for digital investment as product knowledge has been increasing. Silver is more affordable, and the surge for silver coins on e-commerce websites has picked up recently, giving us a good indication of the digital platform.

Mr Vikram Dhawan, Nippon India AMC, Delivered insightful information about the mutual fund sector / ETFs' and various costs involved in ETF pricing. Speaking on digital platforms, he stated the easiness and user-friendly nature of the product, where anyone from anywhere in the world can buy the product.

He insisted the consumer should be aware of these charges beforehand on transaction charges, which are generally high, as they can vary from one platform to another.

In the case of silver ETFs, the expense ratio and impact cost play a vital role. ETFs strive to provide a cost-effective method to invest in precious metals. Considering the costs and the safety aspects, ETFs can be considered one of the best modes of investment. The global AUM for silver ETFs is almost 24,000 tonnes, indicating recognition of the product by the investment market. In conclusion, such products can be regarded as to be one of the best product innovation in the past

**Question to Mr Vikram Dhawan and Mr Rajeev Ranjan: What are the challenges digital platforms face in context with ETFs and the price discounts**

### we see in Silver?

**Mr Vikram Dhawan:** As per SEBI guidelines, silver ETFs must be backed by physical silver. The Indian ETFs essentially track the local spot market, meaning if there is any discount or premium in the spot, it will also reflect on the ETFs, whether gold or silver. It removes the possibility of arbitrage as well.

**Mr Rajeev Ranjan:** Ebullion Pvt Ltd has tie-ups with global service providers giving real-time information about the price, making it easier to set the Indian price according to the customs duty. At the same time, some overheads are involved in physical bullion, which is not the case for digital investment methods like ETFs or Digital gold/silver.

**Question to Mr Rajesh Kapoor: Silver Jewellery segment has many issues regarding purity and hallmarking. Do you see this as an opportunity to address and tackle these issues as a refiner?**

Kundan Group adopts rigorous process and system that allows the company to address any issues related to purity. Kundan Group educates their customers on various aspects of purity through social media platforms. Ultimately, consumer trust is the most important aspect of silver jewellery and artefacts.

**Question- Is there a space for commemoration coins for collectors, especially in India?**

There is a good opportunity for commemorative coins as many corporate entities look for silver coins. Above a certain weight of 50 grams, it can be a good means of investment.

*(Part-3 will be published in July edition)*



# Swarna Adarsh Abhiyaan (SAA) – Largest RGIP initiative globally

**Mr Mike Oswin**, Global Head of Market Structure and Innovation, World GoldCouncil

*SAA has enrolled 1,100 expressions of interest (EOIs) from industry stakeholders across the value chain, from refiners, jewellery manufacturers, bullion dealers and retail jewellers. The adoption indicates the next stage set for the Indian gold market evolution.*

*Mike Oswin, who was in India to review the progress of SAA, articulates the experience from the Indian version of RGIP and its adoption elsewhere.*

## **First, as global head of market structure and innovation at WGC, what are the programmes that you are driving presently?**

We have a number of initiatives underway at present, all aimed primarily at enhancing the fairness and effectiveness of global gold markets and increasing the trust and understanding of investors, which in turn will grow participation. One of the major projects I am overseeing is our Retail Gold Investment initiative which is bringing together retail gold players in various markets globally to partner with the WGC in implementing our Retail Gold Investment Principles (RGIP)<sup>™</sup>. Other programmes of work include finalising the WGC's participation in the Precious Metals Working Group which was established by the Financial Markets Standards Board in 2019 to scrutinise the OTC gold market and publish a series of Spotlight Review documents setting out observations for enhancements to the OTC market structure. The working group, which is composed of major global banks, the LBMA and WGC, has captured a number of key themes for the development of the market including increased data

transparency, efficiencies in post-trade settlement, and the overall benefits that digitalisation of the gold market can bring. Another significant observation made by the working group is that gold is not considered as a High-Quality Liquid Asset under Basel III which we will be analysing and engaging with industry stakeholders. Last but not least is our Gold 247 initiative.

## **Coming to RGIP, could you please elaborate the programmes that are on in Germany, Singapore, and North America? How has been the progress so far in each of these programmes? What is the initial response from the stakeholders?**

Our Retail Gold Investment Principles (RGIP) are very much aimed at international markets and we are working with industry groups in a number of countries to implement best practices for retail investment providers. We have had a tremendous response from all the members of our various working groups and have been overwhelmed by the support this initiative has received. As a rough estimate, across our established working



**Mr Mike Oswin**

Next few years, WGC's focus would be setting up India Gold industry SRO and successfully operationalise it. I believe adopting the move towards self-regulation will benefit the entire Indian gold industry, making their businesses sustainable and trustworthy, in turn driving demand for gold as a safe retail investment option



groups and committees globally, plus those we aim to create in UAE and Australia this year, we are working with over 100 key stakeholders and partners, and that number doesn't include the expressions of interest we have received from jewellers across India to be part of the initiative. In Germany, the RGIP™ working group has completed the drafting of their Code of Conduct which has been used as the foundation for the publication of a DIN SPEC by the German national standards body, DIN. In Singapore, we are working closely with the Singapore Bullion Market Association and the local working group to finalise a regional Code of Conduct and integrate this into a retail markets committee under the auspices of the SBMA. Similarly, the working groups in North America and the UK are too progressing well.

**Swarna Adarsh Abhiyaan, is an Indian adaptation of RGIP. When did it start? What has been achieved so far? What has been the learning so far? What does WGC propose to do over the next two to three years under SAA in India?**

In consultation with the leading industry stakeholders Swarna Adarsh Abhiyaan (SAA) was launched in August 2021 in India. Since launch, we have rolled out comprehensive codes of conduct to guide every vertical across the gold industry value chain on the best practices for their specific areas and how best to adopt them. You can read them here - <https://swarnaadarsh.com/> Since launch, we have extensively marketed SAA pan-India through a multi-faceted industry awareness and education campaign that includes B2B advertising, and

participation in leading trade events, seminars, and exhibitions organised by the leading jewellery associations. We have also tapped social media outreach to tap the industry.

As a result, we have received over 1,100 expressions of interest (EOIs) from industry stakeholders across the value chain that would like to join this movement. This shows that India's gold market is ready for the next stage of evolution which is setting up a self-regulatory organisation (SROs) to adopt industry best practices and deliver high standards to customers. This will be first of its kind initiative in the global gold industry and India is taking the lead on it.

Next few years, our focus would be setting up India Gold industry SRO and successfully operationalise it. I believe adopting the move towards self-regulation will benefit the entire Indian gold industry; making their businesses sustainable, and trustworthy in turn driving demand for gold as a safe retail investment option.

**Is WGC planning RGIP like programmes for Middle East region, which is also a big consumer of gold, especially in physical forms?**

Yes, indeed, as mentioned earlier, the RGIPs is a global initiative, and we are at the early stages of engagement with a number of regional markets including the Middle East. To date, this includes high-level discussions with industry participants in the UAE to understand how we can operationalise the RGIPs in the main market of Dubai, especially in light of the recent free trade agreement

signed with India and the relevance this has for the gold market across the two countries.

**Let's now focus on "Innovation". What role does WGC play in promoting innovation in the gold industry? Can you share some of the recent innovations that are supported by WGC? Can you detail the latest initiatives of WGC on Technology and product strategy/ Marketing/ Operations/ Government Relations and Human Resources?**

Market structure and innovation are a cornerstone of our work at the World Gold Council. Our strategic vision 'Gold247' is a long-term initiative seeking to transform the global gold market and is focused on three core pillars which are integrity, accessibility, and fungibility. This initiative aims to enhance trust in and adoption of gold which should unlock substantial demand. This programme is underpinned by the digitalisation of gold and the digital transformation of the gold market's infrastructure, and the latter is already well underway. In 2022, The LBMA and the WGC brought together representatives from the global gold supply chain to pilot and implement a secure, confidential, digital supply chain solution for the gold industry. Over 30 participants took part in the pilot across 13 locations around the world and the programme continues to gain momentum as more industry players look to implement distributed ledger technology that will eventually assure the integrity of a gold asset. This is an exciting start and an essential foundation that needs to be in place to create a trusted, transparent, and digitalised gold asset that is relevant to more investors today, and in the future.



# HUID- Unique global initiative ensuring traceability and quality

**Mr James Jose**, President, Hallmarking Federation of India

*Mandated hallmarking of gold jewellery, which has been a great success. Mr James Jose an industry veteran who has been long associated with and an expert in this initiative, shares the achievements of the programme and guides us through mandatory hallmarking of bullion and the way forward*

The proposed mandatory hallmarking of gold bullion shall take forward the rich legacy and experience of the 23 years of jewellery hallmarking in India, starting from April 11, 2000. Hallmarking volumes have gone up from the earlier 1 lakh jewellery articles per day in the voluntary hallmarking regime, to 10 lakh / 1 million jewellery articles per day in the mandatory hallmarking regime, that too with a unique HUID traceability code for each hallmarked article, generated from the BIS HUID portal. In terms of quantity, this may be more than 1000 tonnes of jewellery articles annually, sold through 1,50,000 retail jewellers nationwide. The HUID hallmark, which is unique globally, shall reveal the provenance of the

jewellery article and can be verified by the customer in the BIS Care App downloaded to a mobile phone. Compared to jewellery hallmarking, bullion hallmarking shall be much easier; the number of articles shall be much lower, but bullion being an asset class product, the task ahead is to ensure that all the hallmarked bullion bars shall be confirmed to good delivery parameters. The majority of the bullion in India and its raw material, gold dore, is imported through official channels, through limited gateways, and hence the data on bullion is reliable, with downstream dealers being GST registered, and hence mandatory hallmarking of bullion can easily be tracked and enforced. Less than 10,000 GST regd dealers trade bullion, mostly



**Mr James Jose**

used for B2B sales as raw material for jewellery manufacturing across India. The jewellery trade and the various artisan's associations have been demanding the mandatory hallmarking of bullion at the various stakeholders' meetings in New Delhi. The proposal for the first phase of mandatory bullion hallmarking shall commence with the bullion bars manufactured by the 44 BIS-recognized gold refineries in the country, and the 2nd phase may cover the remaining portion of the bullion originating from various other sources and trade across India.

## Size of Indian bullion industry – Bullion supply and demand, average quantity per year

No	Item of bullion	Official supplies	Demand / Consumption	Percentage share of emand
1	Bullion imported from LBMA sources	400 tonnes		
2	Bullion domestically refined from gold dore imported by BIS-licensed refineries	300 tonnes		
3	Bullion from Domestic recycling	200 tonnes		
4	Bullion from Unorganized retailers and grey market (estimated 300 tonnes)			
<b>A</b>	<b>Total official supplies of bullion</b>	<b>900 tonnes</b>		
1	Central bank purchase		126 tonnes	20%
2	Investment bars and coins		126 tonnes	20%
3	Industrial purposes		30 tonnes	5%
4	For Jewellery fabrication		900 tonnes	55%
<b>B</b>	<b>Total consumption of bullion per year</b>		<b>1200 tonnes</b>	<b>100%</b>

The imported bars need to be brought under mandatory hallmarking for traceability purposes as well, so as to curb smuggled gold entering official channels, which often get converted to duplicate 100 gm bars minted in the name of reputed refineries abroad. Smuggled bullion in various forms entering India through the airports and porous borders of eastern India is estimated to be 300 tonnes per annum

being located in the industrial areas of major cities, the old daily gold from jewellery shops for refining, as well as refined bullion from the refinery, needs to be transported across the consuming / retailer locations, through secured logistics agencies .who are regularly transporting gold by various modes, charging Rs. 1000 and upwards for 1 kg of gold, depending on the distance, and these logistics expenses are affordable for the jewellers and bullion trade.

### **1-Demand and bullion consumption are concentrated**

in the 10 jewellery manufacturing locations like Mumbai, Rajkot, Ahmedabad, Kolkata, Chennai, Coimbatore, Trichur, other major jewellery retailing hubs like Bangalore, Hyderabad, New Delhi etc.

### **Whereas demand and consumption of gold jewellery**

is spread all over India, with the majority of 60% happening in the five southern states, 18% in Kerala, 18% in Tamil Nadu, 10% in Karnataka, 7% in Telangana, 7% in Andhra Pradesh

### **2-Geographical spread of BIS-licensed gold refineries**

- mostly in metro cities of Delhi, Mumbai, Ahmedabad, Kolkata, Bangalore, Cochin, Hyderabad, Himachal etc.; these 44 BIS-recognized gold refineries are willing and ready to adopt mandatory hallmarking of their 24 kt cast and minted bars of 995 or 999 fineness.

### **3-capacity of domestic BIS licensed refineries**

– totalling 2500 tonnes of bullion per annum  
Small refineries of up to 5 tonnes per annum – 20 refineries  
Medium refineries of up to 50 tonnes per annum -14 refineries  
Large refineries of up to 200 tonnes per annum- 10 refineries

**4-Unorganised segment of bullion supply:** there are other smaller non-BIS licensed refiners,

mostly artisanal workshops in the unorganized sector – in smaller towns and cities, catering to the refining needs of smaller jewellers.

Unorganized refiners, including jeweller workshops, are running their own melting and refining units, using the nitric acid method of gold refining, which may not be able to produce adulterant free 995 or 999 bullion. Their bullion being in the region of 990 fineness, may not come under good delivery parameters but need to be covered with a different set of hallmarking parameters in the 2nd phase of mandatory hallmarking of bullion.

### **5-the first phase of mandatory bullion hallmarking shall be limited to 100 gm and 1 kg bars;**

exemption may be given for below 100 gm bars. : Operations and livelihood of these artisanal refiners may not get impacted by the mandatory regime of bullion hallmarking if and when smaller weights of below 100 gms are exempted from the purview of mandatory hallmarking of bullion. This will, in turn, help the smaller jewelers and goldsmiths in smaller towns / unorganized trade to carry on their regular business without the botheration of searching for BIS-licensed gold refineries/ hallmarked bullion bars at remote locations.

**6-logistics expenses for transporting old gold for refining/ bullion:** the BIS licensed refineries

**7-Hallmarking of imported bullion bars:** presently, all the bullion imported is in 1 kg bars of 995 and 999 fineness from LBMA-accredited gold refineries, mostly from Europe. However, often when Indian buyers place their purchase order for LBMA bars with the vaulting agents abroad, what gets supplied to India may be non-LBMA non-standard bullion bars from local sources, flouting all quality norms of bullion. Hence to ensure the quality of all bullion bars sold in India, imported bars, too, shall be brought under Indian hallmarking norms. When tires or toys coming under mandatory regime are imported with ISI marks from BIS-recognized manufacturers abroad, bullion too can be imported with mandatory Indian hallmarks of the BIS, for which the bullion manufacturers abroad may have to take a BIS license. The imported bars need to be brought under mandatory hallmarking for traceability purposes to curb smuggled gold entering official channels, which often get converted to duplicate 100 gm bars minted in the name of reputed refineries abroad. Smuggled bullion in various forms entering India through the airports and porous borders of eastern India is estimated to be 300 tonnes per annum. Smuggling is detrimental to the national exchequer

and security and can easily be controlled and confiscated only if imported gold bars too are brought under a mandatory hallmarking regime, with each bar having a unique traceability number, and this traceability code shall be mentioned in every sales invoice for bullion. However, importing bullion bars pre-hallmarked with BIS logos from refineries abroad poses a challenge when such bullion is imported on a consignment basis to the vaults in the free trade zones of India, from where the goods may get transhipped to other countries as well, depending on the market conditions for bullion. Regulators may have to evolve a mechanism for hallmarking such bullion bars imported on a consignment basis to the free trade zones in India.

**8-India good delivery standard for bullion** is technically at par with LBMA's good delivery standards, etc. However, presently the Indian standard 17278:2019 covers only 1 kg bars, which may be extended to 100 gm bars also by amending the standard to have uniform size and parameters for 100 gm bars across India. Also, the Indian standard is yet to incorporate the parameters of environmental norms for gold refineries and compliance with responsible sourcing guidelines so as to give comfort to the buyers

#### **Challenges of hallmarking bullion from unorganized/artisanal sources**

In addition to the above 900 tonnes of bullion coming from official channels, another 300 tonnes of bullion is estimated to be transacted in the unorganized segment of bullion supply, and these are mostly artisanal refiners attached to melting shops and jewellery shops, operate mostly for in-house purposes and their process & products and its

end users are entirely different from the operations of organized gold refineries.

**1-Process, machinery, and technology** used by the artisanal refiners are entirely different from the organized BIS-licensed gold refineries. The larger refineries adopt aqua regia or electrolytic method of gold refining, capable of producing bullion of 999 and above fineness, and the refined gold is converted to cast and minted bullion bars using tunnel furnaces and heavy-duty minting pieces of equipment. At the same time, artisanal refiners use a nitric acid method of silver refining for their gold refining, with its inherent limitation in purifying gold bullion and in the removal of trace elements. Hence their end product bullion may have fineness in the range of 990 and is often delivered as a single melted bar of assorted weights. This is immediately delivered for jewellery fabrication without any shelf life, and hence serial numbering or good delivery size parameters are not relevant or required; only hallmarking of its purity is required.

**2-Raw material for bullion** manufacturing at organized refineries is mostly imported gold dore and to some extent, domestic jewellery scrap received for recycling, coming from organized retailers. Whereas for artisanal refiners, their refining of old jewellery scrap is mostly on job work basis, coming from smaller jewellers, etc, and may not be maintaining an accounting trail of operations

**3-Certifying the product:** BIS-recognized gold refineries deliver their products in specific bar sizes of 1 kg, 100 gms, etc confirming good delivery parameters, and the product is assayed at their own fire assay labs certified as per 17025:2017

by NABL, by qualified assayers of several years of experience, ensuring an accuracy of +/- 0.002 fineness in repeat assaying of bullion bars. Various analytical methods like spark oes, ICP oes, etc are used to ensure that the bullion bars are free of prohibited trace elements. Whereas the artisanal refiners do not have their own laboratories, instead depend on the fire assay services of nearby BIS-recognized hallmarking centres to confirm the purity of their refined bullion. This is then delivered to parties in melted bars or cut pieces, depending on customer requirements.

**4- Regulatory compliances:** BIS-licensed gold refineries, by virtue of their operational ecosystem of importing raw material as per government guidelines and selling their end product bullion bars to organized retailers, religious institutions, commodity exchanges, and banks, necessarily comply with the various operational parameters of environmental norms stipulated by the pollution control board, etc. The gold refineries using various acids and chemicals in their production process are listed in the red category of consent as per the CPCB/ ministry re-categorization of 2016 and their citing criteria require a minimum 50-meter distance away from other commercial buildings and hence are mostly located in industrial areas away from the cities. Whereas artisanal refiners, mostly operating in commercial areas, with limited infrastructure, may not be conforming to the requirements of environmental clearances stipulated by the pollution control board or other statutory licenses.

**5-Responsible sourcing compliances:** some of the BIS-licensed refineries are certified as per the OECD responsible sourcing



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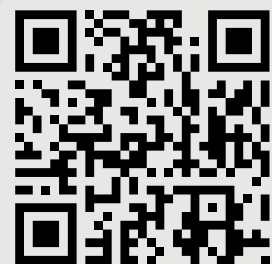
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guidelines and several others are in the process of getting their responsible sourcing certification. Also, these refineries need to be adhering to PMLA and FATF guidelines on financial compliances and audit trails, however, these compliances may not be feasible for artisanal refiners.

Considering the operational constraints of artisanal refiners, in having a full-fledged gold refinery ecosystem as above, there is a resultant need to provide 3rd party certification for their refined melted bullion bars, and this can be addressed with a new scheme of 3rd party hallmarking of melted bullion bars, with a new hallmarking grade/kt as below:

In the 2nd phase of mandatory hallmarking, artisanal refiners may be permitted to HUID hallmark their refined melted bars in any size below 100 gm weight, with the grade - 24 KJ 990, at BIS-recognized assay and hallmarking centres, for which BIS shall make necessary amendments in HM regulations. These bullion bars shall be having a minimum declared purity of 990.0 fineness and their HUID hallmark shall reveal the identity of these bars such as the name of the hallmarking entity/artisanal refiner, name of the hallmarking centre, purity/grade of the bar, type of item and date of hallmarking and can always be verified in the BIS care App downloaded to a mobile phone.


Artisanal refiners may be permitted to take BIS registration similar to the jeweller's registration for hallmarking and their melted bars can be submitted under the category – of gold artefacts. A new grade/ karat - 24 KJ 990 may be added to the permitted karatages listed in IS 1417:2016 and the samples may be fire assayed as per the new test method A in the upcoming revised version of IS 1418:2009. The India good delivery standard IS 17278:2019 also may have to be amended to add 100 gm bars into the good delivery list of bullion bars.




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# IFSCA: Regulators' role in shaping financial services and development of IIBX at GIFT City



**Mr Kamlesh Sharma**, GM and Head, Precious Metals Department, IFSCA

*IFSCA shall soon be issuing enabling guidelines for Gold Loans / Leasing and investment products in Bullion Depository Receipts (BDRs). As the Government of India (notification issued on August 3, 2022) has exempted income arising out of trading in BDRs from capital gains tax for non-resident individuals and foreign companies, IIBX shall pave the way for greater financialization of gold as an asset class.*

## About GIFT-IFSC

India's first International Financial Services Centre (IFSC) was established at Gujarat International Finance Tec-City (GIFT City) in Gandhinagar. Although the idea was first mooted in 2007 and the groundwork for building GIFT City commenced in 2011, the GIFT-IFSC became operational in April 2015.

In April 2020, the International Financial Services Centres Authority (IFSCA) was established as an independent unified regulator for businesses and entities in IFSCs in India under the International Financial Services Centres Authority Act, 2019. The IFSCA, headquartered in GIFT City, Gandhinagar, is vested with the powers under the relevant statutes (mentioned in the First Schedule to the IFSCA Act) exercisable by the four financial sector regulators in India viz, RBI, SEBI, IRDAI, and regulate financial institutions, services, and products in IFSCs.

After assuming regulatory authority in October 2020, IFSCA has endeavoured to ensure an internationally oriented and benchmarked regulatory framework to facilitate rapid growth across all business areas such as banking, capital markets, insurance, global

in-house centres, fund management, fin-tech, and precious metals.

## Establishment of a bullion exchange at GIFT-IFSC

The establishment of the International Bullion Exchange at GIFT-IFSC has its roots in the February 2018 Report of the NITI Aayog – constituted Committee on Transforming India's Gold Market. The objective was to create a centralised platform for gold imports and exports that would function as the primary intermediary. Such an exchange would provide a standardised and efficient trading environment for gold market participants for price discovery and potentially position India as a significant player in setting international gold prices.

The IFSCA endeavoured to set the groundwork by bringing the IFSCA Bullion Regulations and creating the necessary infrastructure for bullion trading. The IFSCA Bullion Regulations permitted the bullion to be traded in the form of a Bullion Depository Receipt (BDR). BDRs serve to ensure the authenticity and verified the existence of the bullion managed by the depository through regulatory oversight of the vault managers and help achieve the promotion of gold financialization.



**Mr Kamlesh Sharma**

Multi Commodity Exchange, National Stock Exchange, and Indian INX Exchange (a subsidiary of BSE in GIFT-IFSC), CDSL and NSDL came together to form a holding company to establish the India International Bullion Exchange and the Clearing Corporation [viz. India International Bullion Exchange IFSC Ltd. (IIBX)]. The holding company later took control of the depository in GIFT-IFSC which was renamed India International Depository IFSC Ltd. (IIDIL) and functions as a depository for IIBX as well as the stock exchanges in IFSC. The BDRs are treated as a security, and IIDIL functions as a depository for BDRs that are created against the holding of physical gold of a specified quality, quantity, and identity parameters,

IFSCA is working with the concerned regulatory / government authorities to explore the ways to increase the participation of Indian banks' IBUs, on IIBX as they may play a useful role by establishing the linkages with the domestic gold markets through resident entities (including QJs) seeking to import bullion or / and hedge their gold price risks through IIBX.

stored in IFSCA-designated vault managers.

IIBX was formally launched by the Hon'ble Prime Minister of India on July 29, 2022, at GIFT IFSC, Gandhinagar, Gujarat.

### **IIBX as an alternative channel for import of bullion into India**

The Niti Aayog Report recommended the international bullion exchange in GIFT-IFSC to facilitate gold imports in India and the vaults to work with the proposed Bullion Exchange in DTA (domestic tariff area) India for distribution of bullion in the local markets.

With the trade liberalisation and implementation of reforms since the early and mid-1990s, gold imports were permitted through the nominated agencies as notified by DGFT (such as MMTC, HHEC, STC, etc) and nominated banks as permitted by the RBI.

With the establishment of the IIBX at GIFT-IFSC, the DGFT in January 2022 allowed IFSCA-notified Qualified Jewellers (QJs) in India to import gold directly through the IIBX. Thus, resident entities meeting the eligibility criteria (including a minimum net worth of INR 25 crore) could apply for QJ status and purchase BDRs on IIBX and rematerialize them to physical bullion bars of corresponding quality,

quantity and identity parameters stored with the IFSCA-designated vault managers. This additional channel is expected to result in disintermediation benefits when compared to import consignments through nominated banks/agencies.

The RBI Circular issued on May 25, 2022, to Authorised Dealer Banks in India (DTA) facilitates foreign exchange remittance by QJs for gold import through IIBX. QJs are permitted to participate as clients of bullion trading members (brokers) of IIBX or directly as limited-purpose trading members (QJ-LPTM). However, QJ-LPTM entities must utilise the services of a Clearing Member for trade clearing and settlement.

The IFSCA has also issued guidelines for eligible suppliers, including banks, trading houses, and refiners to participate as Qualified Suppliers (QS) in the IIBX. These guidelines aimed at fostering a diverse and competitive marketplace for bullion trading, laying out the eligibility norms for to ensure efficient and transparent transactions.

While the QS-Client can engage in trading (buy and sell) through bullion trading members (brokers) of IIBX, QS-LPTM entities can directly supply (sell only) gold on the IIBX without a broker. QS-LPTM entities must also utilise the services of a Clearing

Member for clearing and settlement of their trades on IIBX.

### **IIBX as a platform for hedging of bullion price risk by resident entities**

The December 2022 RBI Circular permits resident entities in India to hedge their gold price risk on the exchanges in GIFT-IFSC. Once IIBX launches derivatives trading, QJs and other entities will be able to hedge their USD gold price risks on the same platform. IFSCA has issued regulatory guidelines for enhancing IIBX's capital in a gradual manner. With a stronger capital base and risk management systems, IIBX will attract increased participation of the resident entities (in addition to QJs) as well as international market participants.

### **IIBX to facilitate imports under India-UAE CEPA through ICEGATE System**

The India-United Arab Emirates (UAE) Comprehensive Economic Partnership Agreement (CEPA) signed in February 2022 promotes bilateral trade in bullion and gems and jewellery sectors. The Customs notifications and the DGFT Public Notices allow IFSCA-notified QJs to import gold (under Tariff head-7108) directly through IIBX, under the India-UAE CEPA, in addition nominated agencies / nominated banks and other eligible entities. As required under the procedure, the imports under CEPA are to be processed through ICEGATE system. To enable imports under the India-UAE CEPA by QJs holding Tariff Rate Quota (TRQ) issued by DGFT, it became necessary for the GIFT-SEZ port to migrate to the ICEGATE system.

Thus, GIFT-SEZ is the first SEZ to migrate to the ICEGATE system, facilitating QJs (holding TRQ) to import through IIBX at a concessional duty rate of 1% under the India-UAE CEPA. QJs can also utilise duty credit scrips to pay import duty. These enhancements are expected to boost IIBX trading volumes.

### **Gold loans and other gold-related investment products through IIBX**

IFSCA shall soon be issuing enabling guidelines for Gold Loans / Leasing and investment products in Bullion Depository Receipts (BDRs). As the Government of India (notification issued on August 3, 2022) has exempted income arising out of trading in BDRs from capital gains tax for non-resident individuals and foreign companies, IIBX shall pave the way for greater financialization of gold as an asset class.

Further, with a view to encourage participation, especially from non-resident entities, Gold Exchange Traded Funds (ETFs) and Silver ETFs linked to BDRs may be introduced on the IIBX.

### **Vaulting Infrastructure at GIFT-IFSC**

The Government of India amended the SEZ Rules in July 2022, permitting the IFSCA to regulate additional vaults in SEZs (beyond GIFT-IFSC) across the country that hold gold for sale/trade on IIBX. While trades will continue to be executed on the IIBX at GIFT-IFSC, these vaults outside GIFT-IFSC will be considered IFSC Units for creating BDRs for trading on the IIBX against gold holdings meeting specified quality, quantity, and identity parameters held with such

IFSCA-designated vault managers vaults in GIFT-IFSC or other SEZs.

This expansion of vaulting infrastructure will provide convenience to market participants and ensure efficient trading and settlement on the IIBX platform.

### **Role of Banks**

Similar to the role played by banks in other major global exchanges and markets, IFSC Banking Units (IBUs) may act as market makers on IIBX and offer bid and ask prices for bullion products to provide liquidity. In June 2022, the RBI allowed eligible IBUs of Indian banks to become Professional Clearing Members (PCMs) on the IIBX. This has strengthened the credibility and robustness of IIBX's clearing and settlement mechanisms. IFSCA is working with the concerned regulatory / government authorities to explore the ways to increase the participation of Indian banks' IBUs, on IIBX as they may play a useful role by establishing the linkages with the domestic gold markets through resident entities (including QJs) seeking to import bullion or / and hedge their gold price risks through IIBX. The participation of Indian banks' IBUs may also propel a greater interest from the major international bullion banks which will bring greater liquidity and activity on IIBX.

### **Refining:**

The IFSCA aims to advance the GIFT-IFSC as a complete ecosystem for precious metals, one that features vaulting, refining, assaying and testing. The IFSCA is particularly looking to attract global and Indian refining entities that can offer financial services based on BDRs created against bullion bars manufactured by them. This will also

promote the export of bullion bars through IIBX. IFSCA also plans to initiate work on IFSC / India Good Delivery norms by incorporating 'responsible sourcing' standards set by the OECD covering the aspects of transparency, sustainability, protection of human rights and environment. The current India Good Delivery norms are based solely on the BIS technical standards. Alignment with international norms to ensure ethical practices and supply chain integrity will increase acceptability of India's gold bars and assist the GIFT-IFSC's bullion ecosystem integration into the global bullion market.

### **Conclusion**

The establishment of IIBX marks the first step towards the GIFT-IFSC's development into a comprehensive ecosystem for precious metals. IIBX is projected to become a prominent trading hub for physical bullion and hedging instruments, positioning GIFT-IFSC as a viable alternative to existing well-established offshore financial services centres.





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

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# Unveiling the drivers of gold demand

Mr Juan Carlos Artigas, Head of Research, World Gold Council

Mr Juan Carlos Artigas delivered a keynote speech at India International Bullion Summit held during the month of March 2023. In that he articulated that China and India as super consumers, the evolution of new demand centres like ETFs and economic expansion, risk and uncertainty, opportunity cost and momentum as the major demand drivers of gold



Mr Juan Carlos Artigas

## Snap Shots of the presentation

### 2022: strongest year for gold demand in over a decade

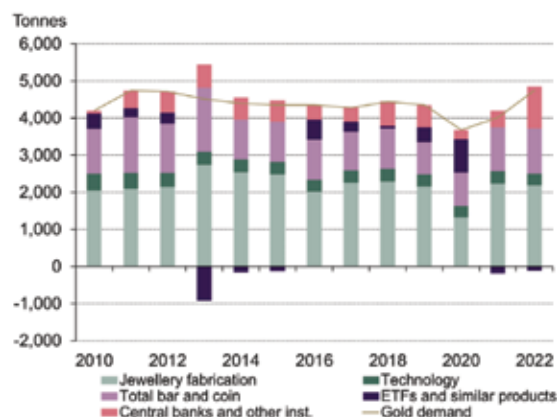
Central bank purchases, retail investment and slower ETF outflows lifted 2022 annual demand to an 11-year high.

- Annual jewellery consumption fell 3% at 2,086t; most of the weakness came in Q4 as the gold price surged
- Demand for gold bars and coins grew 2% to 1,218t, while holdings of gold ETFs fell by 110t – significantly less than in 2021
- A second consecutive quarter of huge central bank demand (417t) took annual buying to a 55-year high of 1,136t
- Demand for gold in technology saw a sharp Q4 drop, resulting in a full-year decline of 7%.

See [Gold Demand Trends: Full Year and Q4 2022](#) for more details.

\*We refer to 'gold ETFs' as the universe of physically-backed gold exchange traded funds, exchange traded products, closed-end funds and other similar structures we track on regular basis. See [Gold ETF flows](#) for more details.

Annual gold demand by sector, tonnes

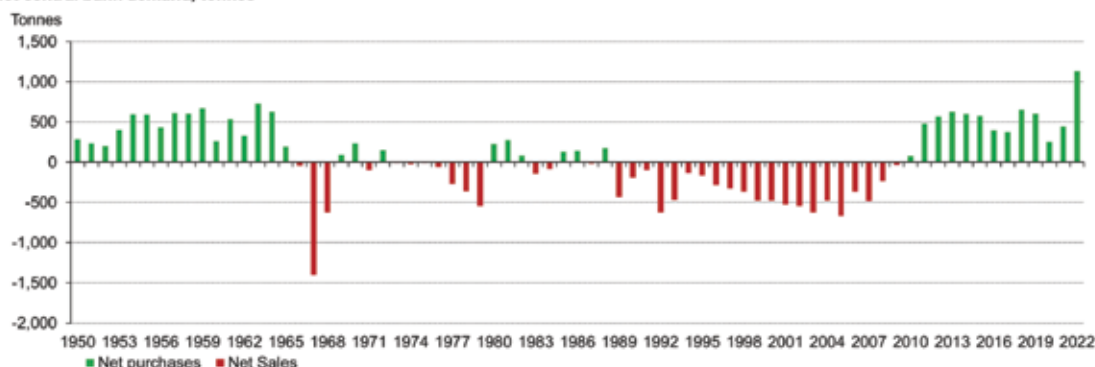


Note: Data as of 31 December 2022. For an explanation of gold market sectors, please see the Notes and definitions download: <http://www.gold.org/goldhub/research/gold-demand-trends/gold-demand-trends-of-2022/notes-and-definitions>

Source: Metals Focus, Refinitiv GFMS, World Gold Council

### Central bank buying hits new record in 2022

Net central bank demand, tonnes



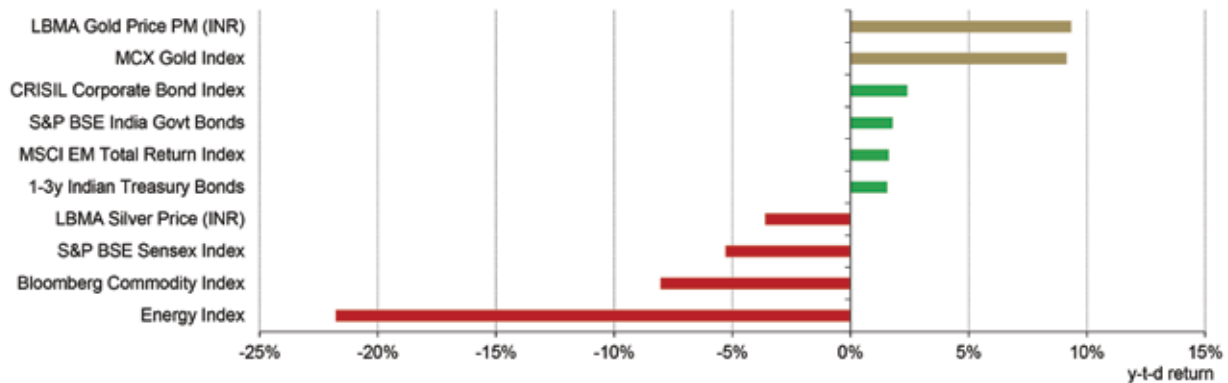
Note: Data as of 31 December 2022. For an explanation of central bank demand, please see the Notes and definitions download: <http://www.gold.org/goldhub/research/gold-demand-trends/gold-demand-trends-of-2022/notes-and-definitions>

Source: Metals Focus, Refinitiv GFMS, World Gold Council

See [Gold Demand Trends: Full Year and Q4 2022](#) for more details.

# Gold has been one of the best performing assets of 2023

## Year-to-date performance of key Indian assets

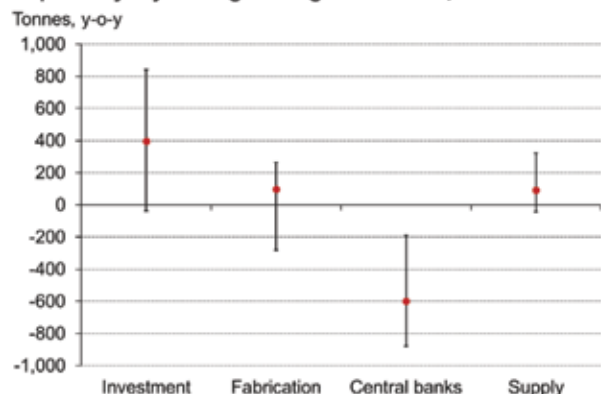


\*As of 24 March 2023. Returns based on Bloomberg Energy Total Return Index, Bloomberg Commodity Total Return Index, CRISIL Corporate Bond Index, MSCI EM Total Return Index, LBMA Gold Price PM (INR/oz), Bloomberg Barclays 1-3 Year Indian Treasury Bonds, MCX Gold Index, S&P BSE Sensex Total Return Index, LBMA Silver Price (US\$/oz), S&P BSE India Govt Bonds  
 Source: Bloomberg, Crisil, ICE Benchmark Administration, World Gold Council

## Outlook 2023

- Investment**  
 Bar and coin to pass baton to ETFs and OTC
- Jewellery and tech**  
 China will likely lead jewellery growth  
 Tech is likely to struggle again
- Central banks**  
 may not top record but upside surprises can't be ruled out
- Supply**  
 Mine supply continue upward while recycling will likely respond to economic conditions

### Expected y-o-y tonnage change in demand, 2023 vs. 2022\*



\*Data to 31 Dec 2022. Fabrication combines global jewellery and technology demand. Investment includes ETFs, bar and coin and OTC demand. Supply includes mine production and recycling. We have omitted hedging and assume it to be unchanged. Range estimates are generated by a combination of inputs including our independent analysis of the gold market, consensus market expectations for the global economy and Metals Focus forecasts. The width of the range reflects our confidence in the outlook, while the ratio of one tail to the other captures whether we see upside or downside risk to our view

**Bullion World** is delighted to have an exclusive interview with Mr Juan Carlos covering central banks, the main factors driving gold, and the outlook for the Indian market.

**Bullion World - As mentioned in your presentation, the central banks purchased a record quantity of gold in 2022. Who were the main buyers? Is it one, or do you see a continuity this year too?**

As we all know, central banks play a vital role in the pricing of gold and have a big influence over the market. The magnitude of purchases from central banks last year certainly hit a record. But this cannot be considered as an exception. Central banks have been consistently buying gold for the past 13 years. Hence the year 2022 marked the 13th consecutive year, of net, central bank purchases. Central bank purchases are a regular phenomenon that is happening, these banks buy a little bit more or a little bit less, but you start to see significant diversity. Here, we have seen significant diversity happening for the past 13 years.

**Bullion World - Could you explain the different factors that affect the price of Gold?**

One of the most important things about gold is that it has a dual nature. It's an asset that is both a consumer good (an adornment, a piece of jewellery, a part of the technology, and so on) and an investment. Those two market segments do not move for the same reasons simultaneously.

I'll explain to you how that works. Generally speaking, our analysis shows that there are four drivers of gold (1) Economic expansion, (2)

Risk and uncertainty (3) Opportunity cost, and (4) momentum.

The first two drivers - **economic expansion/risk and uncertainty** are linked to the dual nature of gold. Consumer demand – jewellery, technology, and so on - is positively linked to economic expansion. Economic expansion is a sustained economic growth characterised by rising real output and typically rising employment, prices, and profit.

When the economy grows, people will have more disposable income and can spend more on jewellery and technology, and all of those factors support the demand side of gold. Positive economic growth is not harmful to investment. It is often the case that when you have positive economic growth, you have less risk in the market. Risk is one of the drivers of investment. And so when there's higher risk, you can have more need for hedging and so on. Let me give you an example. In 2010 and 2011, emerging markets rebounded from the global financial crisis. So, there was support for that. Yet the Western world was experiencing the European sovereign debt crisis and was still in risk-off mode. We can have circumstances where both factors are positive. In this case, the supporting factor for consumer demand is emerging markets but also supporting demand for investment in other markets. The first two factors do not always go against each other even though oftentimes it may happen. The point is that those two drivers tend to have more of a long-term effect on gold.

Let us understand the next two sets of drivers - opportunity cost and momentum. Opportunity cost is usually linked to interest rates

to the dollar. When interest rates increase, investors are compelled to put money into banks as opposed to investing in other things like gold.

So that can create headwinds, and momentum is just going to come. It gives you a positive or negative trend depending on where you are in the system. But those two are more short-term.

The dollar has strengthened a lot already against other currencies. It is strengthening partly because of US growth expectations and increasing interest rates.

In response, all other central banks too started increasing their interest rate. The dollar has been weakening recently. The falling differential is already creating a slightly more favourable environment for gold. On the interest rates, the US might increase it further, but it will likely not increase as much, especially from the Fed's perspective and even some of the European central bank's perspective; interest rates are slightly closer to where they need to be.



# Malabar Gold: Luxury Redefined through the launch of artistry stores

Malabar Gold & Diamonds, one of the largest gold and diamond retail chains of the country, has launched the world's biggest jewellery showroom in Kozhikode, Kerala to offer a world class jewellery shopping experience.

The Artistry Store, which will be a new global destination for gold and diamond shopping, incidentally is being set up at the same place where Malabar Group originated three decades ago.

The Artistry Store will be the world's biggest jewellery showroom, covering an area of 1,10,000 square feet with five floors for shopping and three for parking.

The showroom offers a differentiated shopping experience and innovative bouquet of services to the customers. It has a dedicated wedding arena exclusively for the selection of ornaments for the brides. A bespoke suite will enable the customers to customise their choices. A privilege lounge with personalised services is another feature of the showroom, to be run by a set of specially trained staff.

The store has a set of experts who brief the customers on the sourcing, value and features of different gemstones. The experience zone, set up as part of the showroom, offers an immersive experience to the customers on the gold and diamond manufacturing process. More than being a sales point, it has

been conceived to be a jewellery tourist destination where the customer gets to know the depth, diversity and styles of traditional ornament making and jewellery craft. There is a special pavilion to showcase the precious and age-old diamonds, jewellery and antiques collected from across the world. The express billing counter, vast collection of light-weight ornaments, multi-level parking are added features of the store.

Malabar Group Chairman M P Ahammed termed the completion of 30 years as a momentous occasion

in their journey which was made possible only because of the trust and affection of the customers. "Their continued support and trust took us where we stand now as one of the biggest jewellery groups in the world. We are delighted to set up this store at the same place where we started our humble journey. This is a significant step towards our journey to emerge as the biggest jewellery retailer in the world," he said.

Similar Artistry Stores are already operating in Hyderabad, Bengaluru, Chennai and Delhi. Work is in progress to set up 20 more such





stores in other prominent cities in the country, he added.

“The artistry store here gives an indication of how we want to move ahead in the coming years. We aim to give a completely different experience to the customers, providing them information on design development and manufacturing. This is one of the crucial results of our continued and sustained research and development on how to elevate the shopping experience. The trust from the customers and our commitment to give back the best to them made this brand the most favourite of the people,” said O Asher.

The Group at present has showrooms in India, UAE, Bahrain, Kuwait, Malaysia, Oman, Qatar,

Saudi Arabia, Singapore and the United States. The Group plan to expand its footprint to more countries such as United Kingdom, Bangladesh, Australia, Canada, Egypt, Turkey and South Africa in the coming years, he added.

Malabar Gold & Diamonds has also introduced a special reward scheme for the customers to celebrate the 30 years of operations. It will give a gift, the value of which will be equal to that of 100 mg gold coin, against every purchase worth Rs 30,000. In case of diamonds, gems, precious stones and ornaments, the gift will be equal to that of a 250 mg gold coin. The offer will continue till May 31, 2023. This will be applicable also to those making advance purchase booking.

Malabar is the first jewellery group in the country to implement HUID hallmarking across its showrooms for all its products. It has 317 showrooms across 10 countries at present. It plans to execute each project by fully adhering to Environment Social Governance to fulfill its commitment to the society and nature. The Group runs on its 10 cardinal promises that include the life-long free maintenance, buy-back guarantee, free insurance protection, complete transparency, 100% value on changing the ornaments, fair price policy, quality-certified diamond products, responsible sourcing, and fair wages and benefits to the employees.



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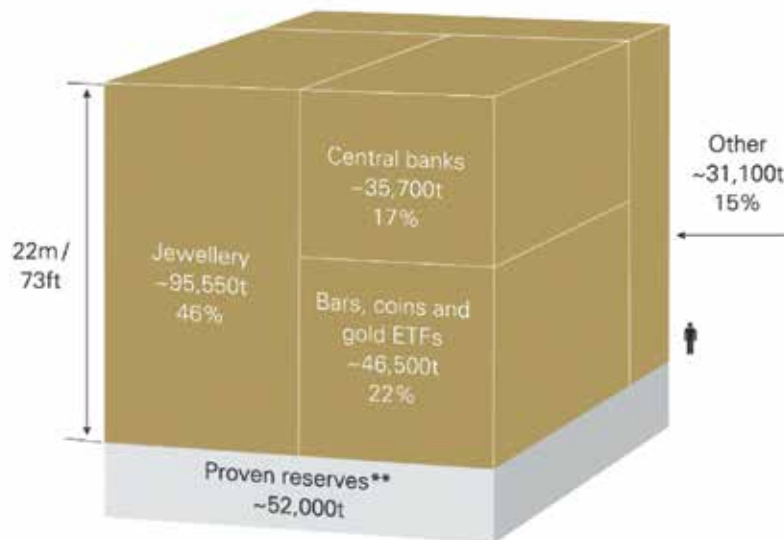
# Gold: A scarce asset with a large market- World Gold Council

**Gold production is geographically well diversified, with no single region producing more than a quarter of the world's total mine production. This lessens the possibility of supply shocks and adds to gold's comparatively low volatility compared to other commodities with less dispersed mining.**

Gold has been coveted for a very long time. Over the course of human history, over 209,000 tonnes of gold have been extracted, with about two-thirds of it occurring since 1950. Gold is practically unbreakable; it is still accessible in almost all of its original forms. To put this into perspective, the above-ground gold hoard, valued at US\$12 trillion, could be contained in a cube with sides measuring roughly 22 metres (73 feet) in height.

**To give a break up -** The percentage of jewellery is 46% (95,547t, or US\$6tn). Reserves held by central banks total 17% (35,715t, \$2 trillion), and 21% (43,044t, \$3tn) are bars and coins, 2% (3,473t, US\$0.2tn) in the form of gold ETFs which are physically backed. The remainder, which is 15% (31,096t, US\$2tn), is primarily industrial applications and holdings by financial institutions. Importantly, gold is a scarce element, and above-ground stocks grow slowly. Mine production adds approximately 3,500t per year, equivalent to an annual 2% increment.

**The total amount of gold above ground is estimated at 209,000t worth US\$12tn\***



Source: Metals Focus, Refinitiv GFMS, US Geological Survey, World Gold Council

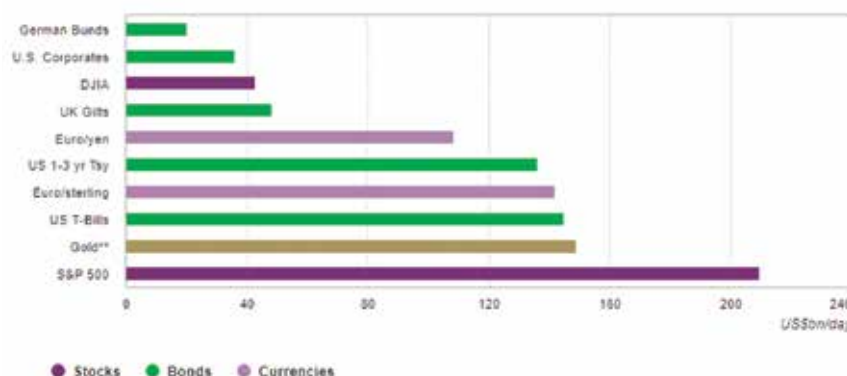
\*As of the end of 2022. Value calculated using the LBMA Gold Price at the end of the year.

Note: Proven reserves as defined by the US Geological Survey.

## Gold's liquidity is on par with other major assets

Only a small amount of gold is lost due to technical and industrial use. Since gold can be recycled indefinitely, a sizable portion of the above-ground stocks may be mobilised and sold at the secondary market. As a result, few financial assets have the same level of liquidity as the gold market. Apart from actual gold holdings exchange derivatives and OTC markets increase overall liquidity

## Gold trades more than many other major financial assets-



Additionally, the gold market is more liquid than many other important assets. Over the previous five years, gold trading volumes have averaged around US\$149 billion daily, surpassing the Dow Jones Industrial Average and matching those of US 1-3-year treasuries and US T-Bills among principal dealers.

Due to the market's size, it can accommodate substantial purchases and sales by central banks and institutional investors without causing price distortions. Additionally, gold has remained liquid even during financial duress, in sharp contrast to many financial markets, making it a significantly less volatile asset.

**Composition and Trends of gold supply and Demand**

The demand and supply for gold come from a variety of sources that are spread throughout a variety of industries and geographical regions.

**Supply:** Gold supply can be apportioned as a combination of mined (75%) and recycled (25%) gold. Gold production is geographically well diversified with no single region producing more than a quarter of the world's total mine production

This lessens the possibility of supply shocks and adds to gold's comparatively low volatility compared to other commodities with less dispersed mining. When primary gold production cannot keep up with demand, recycling fills the gap and restore market equilibrium.

**Demand:** People purchase gold all around the world for various reasons, such as a luxury commodity, a component in high-end electronics, a safe haven investment, or a way to diversify their portfolios. With significant gold markets existing all throughout the world, the demand for gold is also geographically

diverse. Around 75% of the annual demand for gold is driven by emerging markets, primarily China and India, with developed markets driving the remaining.

**Major trends have changed the demand for gold**

Gold has always been a mainstay throughout human history. However, the global gold market has had substantial structural changes during the past 30 years. Wealth expansion and economic growth have been key in fuelling jewellery consumption, investment in technology, and the acquisition of gold bars and coins. The introduction of physically-backed gold ETFs has also had a material impact on institutional investment demand for gold. Since 2010 central banks have shifted from net sellers to net buyers, in an attempt to diversify their foreign reserves.

**Gold mining is geographically diverse, helping to reduce volatility\***



Source: Metals Focus, World Gold Council

\*Computed using average annual mine production from 2012 to 2021.





# GLOBAL MINING

## news

### Top 10 largest gold mining companies in 2022 ranked by reserves.

Russian gold mining giant **Polyus** boasts the largest gold reserves base globally. As at 31 December 2022, the company reported 97 million ounces of gold in reserves compared to 101 million ounces as at 31 December 2021. The company said the year-over-year decrease in gold reserves was due to depletion by mining and changes to stockpile inventories due to additions from mining and reclaim for processing.

**Newmont** has the second largest gold reserves base across the industry. For 2022, Newmont reported 96.1 million ounces of gold mineral reserves, a 3.6% increase from the prior year total of 92.8 million ounces. The company explained that additions of 8.6 million ounces and acquisitions of 3.1 million ounces were partially offset by depletion of 7.2 million ounces and unfavorable net revisions of 1.2 million ounces.

**Barrick** is third with 76 million ounces of gold reserves reported in 2022, an increase of 10% over 2021 (69 million ounces). The company said that its gold mineral reserves growth was led by Pueblo Viejo and the Africa & Middle East region, with nearly 12 million ounces of attributable proven and probable

reserve gains in 2022 before depletion.

**Newcrest** sits fourth. The company reported 61 million ounces of gold reserves as at 30 June 2022, which is a 3% decrease compared to reserves as at 31 December 2021 (63 million ounces), primarily due to mining depletion.

**Gold Fields** is fifth with 52.1 million ounces of gold in reserves reported in 2022 compared to 47.4 million ounces in 2021.

**Agnico Eagle** sits sixth. The company's proven and probable mineral reserves increased by 9% year-over-year to 48.7 million ounces of gold (1,186 million tonnes grading 1.28 grams per tonne gold). The company said the increase in mineral reserves was largely due to significant additions at Detour Lake as well as successful conversion of mineral resources at several other operations.

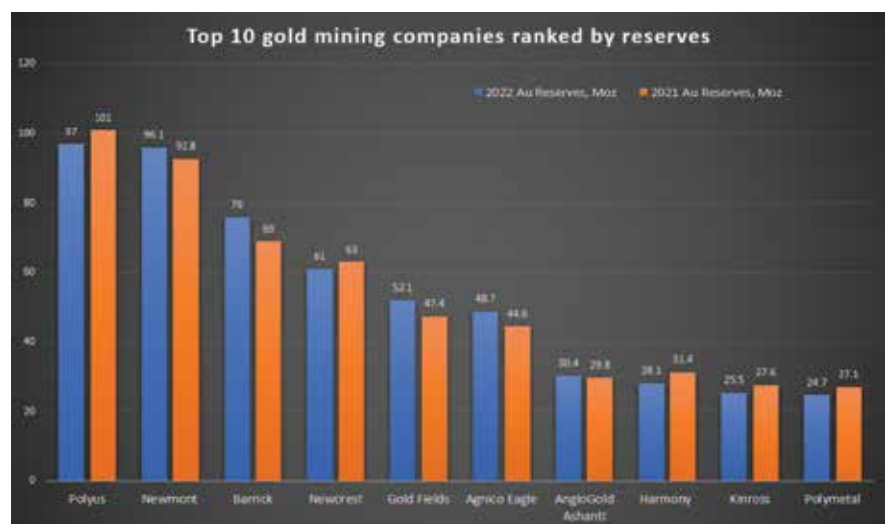
**AngloGold Ashanti's** ore reserves increased from 29.8 million ounces in December 2021 to 30.4 million ounces in December 2022. This annual net increase of 0.6 million ounces includes additions due to exploration and modelling changes of 2.8 million ounces, and changes in economic assumptions of 1.0 million

ounces. This increase was partially offset by depletion of 2.9 million ounces and reductions due to other factors of 0.3 million ounces.

**Harmony Gold's** total attributable gold mineral reserves amounted to 28.1 million ounces at 30 June 2022, compared to 31.4 million ounces at 30 June 2021. The decrease was mainly due to the mineral reserves reduction at the Tshepong and Bamabanani operations as a result of the reduction of the life-of-mine of the respective operations.

**Kinross'** total estimated proven and probable gold reserves at December 31, 2022 were approximately 25.5 million ounces, a decrease of 2.1 million ounces from 27.6 million ounces (excluding 5.0 million ounces related to the Chirano and Russian operations) at December 31, 2021. The decrease in estimated gold reserves compared to December 31, 2021 was mainly a result of production depletion.

In 2022, Russian mining giant **Polymetal's** gold reserves decreased by 9% year-on-year to 24.7 million ounces, mostly due to mining depletion. This was partially offset by the successful exploration results at Omolon hub (Burgali and Nevenrekan), Pesherny (Voro hub), as well as initial reserve estimates at Galka and Tamunier (Voro hub).



## Wheaton acquires gold stream from Lumina Gold's Cangrejos project in Ecuador for \$300M

Wheaton Precious Metals (TSX: WPM) (NYSE: WPM) announced on Tuesday that its wholly-owned subsidiary has entered into a definitive precious metal purchase agreement with Lumina Gold (TSX: LUM) in respect to its 100% owned Cangrejos gold-copper project located in Ecuador.

Wheaton said that under the agreement, the company's subsidiary Wheaton Precious Metals International will purchase 6.6% of the payable gold from the project until 700,000 ounces of gold has been delivered, at which point the stream will be reduced to 4.4% of the payable gold production for the life of the mine.

Wheaton noted that Cangrejos, Ecuador's largest primary gold deposit, is forecast to be a high-margin mine in the lowest half of the cost curve with a 26-year mine life, adding that attributable production is forecast to average over 24,000 ounces of gold per year for the first ten years of production and over 24,500 ounces of gold per year for the life of mine.

According to a company statement, Wheaton Precious Metals International will pay Lumina total upfront cash consideration of \$300 million, \$48 million of which is available pre-construction, and the remaining \$252 million will be payable in staged equal installments during construction, subject to various customary conditions being satisfied.

President and CEO Randy Smallwood commented, "The Cangrejos project is an excellent

addition to Wheaton's existing portfolio of high-quality, low-cost assets as it should provide accretive, long-term growth as well as significant exploration potential.

"We welcome the opportunity to work with the team at Lumina who have done an outstanding job at working to de-risk the project and advancing it towards construction. As with any transaction Wheaton enters into, responsible and sustainable mining practices are paramount, and Wheaton looks forward to supporting Lumina both financially as they construct Cangrejos and with their ongoing comprehensive community engagement efforts."

Wheaton Precious Metals is one of the largest precious metals streaming companies in the world. Wheaton currently has streaming agreements for 21 operating mines and 13 development stage projects.

## IAMGOLD announces \$400 million loan

IAMGOLD (NYSE: IAG) announced today that it entered into a five-year second lien secured term loan in a principal amount of \$400 million from three institutional lenders.

The company said that the second lien term loan is part of the ongoing initiatives by IAMGOLD to increase the strength of its balance sheet during the construction, commissioning and ramp up of the Côté Gold Project.

The construction budget and schedule of Côté Gold remains on track, with the project approximately 80% complete as of the end of March 2023, noted IAMGOLD.

## Newmont enters into a definitive agreement to acquire Newcrest.

Newmont (NYSE: NEM) announced today that it entered into a definitive agreement to acquire Newcrest. By 2022 production numbers, Newmont is the world's number one gold miners. Newcrest is number eight. Newcrest said that shareholders will receive 0.400 Newmont shares for each Newcrest share and a special dividend of up to \$1.10 per share paid by Newcrest, representing a 30.4% premium.

The transaction still has to be approved by shareholders. "The combination of Newmont and Newcrest represents an exceptional value proposition for shareholders and other stakeholders. It creates an industry-leading portfolio with

a multi-decade gold and copper production profile in the world's most favorable mining jurisdictions," said Tom Palmer, President and CEO of Newmont. "Following a robust due diligence process, we have identified a number of opportunities to unlock substantial value and will apply our experience and expertise to Newcrest's complementary and exceptional portfolio of long-life, low-cost gold, and copper assets.

Leveraging our experience from the acquisition of Goldcorp four years ago, we are positioned to deliver an estimated \$500 million in annual synergies and an estimated \$2 billion in incremental cash flow from portfolio optimization opportunities, both part of our strategy to maximize value for shareholders and other stakeholders."

## 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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## 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)	(AM Price)	(PM Price)	(AM Price)	(PM Price)	(AM Price)	(PM Price)	(AM Price)	(PM Price)	(AM Price)	(PM Price)
	10 Gms	10 Gms	10 Gms	10 Gms	10 Gms	10 Gms	10 Gms	10 Gms	10 Gms	10 Gms	1 Kg	1 Kg
05-02-2023	60220	60417	59979	60176	55162	55342	45165	45312	35229	35343	74233	74226
05-03-2023	61071	61044	60827	60800	55941	55916	45803	45783	35726	35710	75173	75282
05-04-2023	61565	61646	61319	61400	56393	56467	46173	46234	36015	36062	76359	76464
05-05-2023	61739	61496	61492	61250	56552	56330	46304	46122	36117	35975	77251	77280
05-08-2023	61108	61169	60864	60925	55974	56030	45831	45876	35748	35783	76231	76315
05-09-2023	61370	61533	61125	61287	56214	56364	46027	46149	35901	35996	76285	76399
05-10-2023	61430	61495	61185	61249	56269	56329	46072	46121	35936	35974	76351	76261
05-11-2023	61539	61585	61293	61339	56369	56411	46154	46188	36000	36027	75688	74795
05-12-2023	61037	60964	60793	60720	55909	55843	45777	45723	35706	35663	72354	72040
05-15-2023	61235	61208	60990	60963	56091	56065	45926	45906	35822	35807	72565	72455
05-16-2023	61079	61066	60834	60821	55948	55936	45809	45800	35731	35724	72015	71930
05-17-2023	60618	60646	60375	60403	55526	55552	45464	45485	35462	35478	71739	71808
05-18-2023	60512	60474	60270	60232	55429	55394	45384	45356	35400	35377	71745	71496
05-19-2023	60512	60474	60270	60232	55429	55394	45384	45356	35400	35377	71745	71496

.....

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	02 <sup>th</sup> May	19 <sup>th</sup> May	% Change	Spot Silver	02 <sup>th</sup> May	19 <sup>th</sup> May	% Change
Australia (AUD)	3020.28	2968.14	-1.73	Australia (AUD)	38.01	35.82	-5.76
Britain (GBP)	1614.94	1586.76	-1.74	Britain (GBP)	20.33	19.15	-5.80
Canada (CAD)	2744.90	2671.04	-2.69	Canada (CAD)	34.55	32.23	-6.71
Europe (Euro)	1831.25	1827.6	-0.20	Europe (Euro)	23.06	22.06	-4.34
Japan (Yen)	274968.00	272674.00	-0.83	Japan (Yen)	3461	3292	-4.88
Switzerland (CHF)	1799.03	1777.71	-1.19	Switzerland (CHF)	22.65	21.46	-5.25
USA (USD)	2015.98	1977.16	-1.93	USA (USD)	25.36	23.84	-5.99

Monthly Exchange Data (Gold) (From May 02-19)						
Exchange	Contract	Open	High	Low	Close	% Ch.
COMEX <sup>2</sup>	Gold Aug 23	2019.10	2102.20	1973.00	2000.30	-0.89
SHANGHAI -SHFE <sup>4</sup>	Gold Aug 23	458.26	459.98	446.10	447.30	0.46
MCX <sup>1</sup>	Gold Aug 23	60280.00	62285.00	59950.00	60753.00	0.75
TOCOM <sup>3</sup>	Gold Aug 23	8625.00	8861.00	8625.00	8712.00	1.30

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

Monthly Exchange Data (Silver) (From May 02-19)						
Exchange	Contract	Open	High	Low	Close	% Ch.
COMEX <sup>2</sup>	Silver Sep 23	25.65	26.63	23.69	24.27	-4.60
MCX <sup>1</sup>	Silver Sep 23	77127.00	79350.00	72940.00	74435.00	-2.63
TOCOM <sup>3</sup>	Silver Aug 23	105.00	110.00	103.10	105.00	0.67

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

Gold Spot Market, India			Rs/10gm
Spot Gold	02 <sup>th</sup> May	19 <sup>th</sup> May	% chg
Ahmedabad	59897.00	60031.00	0.22
Bangalore	59690.00	59690.00	0.00
Chennai	58960.00	59060.00	0.17
Delhi	59640.00	59640.00	0.00
Mumbai	59476.00	60232.00	1.27
Hyderabad	58960.00	59060.00	0.17
Kolkata	60010.00	60010.00	0.00

Currency Change (Monthly)		
	02 <sup>th</sup> May	19 <sup>th</sup> May
EUR/USD	1.0999	1.0821
USD/AUD	1.5002	1.5101
USD/GBP	1.2464	1.2444
USD/INR	81.75	82.878
USD/JPY	136.53	137.71

Silver Spot Market, India			Rs/kg
Spot Silver	01 <sup>st</sup> May	19 <sup>th</sup> May	% chg
Mumbai	72413.00	71496.00	-1.27

Sources:

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## 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
05-02-2023	1980.90	1590.07	1808.56	1995.40	1601.51	1819.61	05-02-2023	24.77	19.86	22.60
05-03-2023	2016.90	1611.70	1826.71	2014.30	1609.83	1825.16	05-03-2023	25.25	20.19	22.89
05-04-2023	2036.05	1619.88	1842.63	2044.70	1626.15	1855.16	05-04-2023	25.63	20.38	23.16
05-05-2023	2038.90	1617.46	1848.87	2000.95	1588.15	1820.86	05-05-2023	25.84	20.49	23.44
05-09-2023	2025.60	1605.49	1844.31	2030.20	1610.15	1852.15	05-09-2023	25.57	20.26	23.28
05-10-2023	2029.60	1607.65	1852.82	2037.15	1610.57	1852.99	05-10-2023	25.52	20.24	23.30
05-11-2023	2025.75	1609.66	1854.17	2015.95	1611.55	1849.03	05-11-2023	24.89	19.74	22.78
05-12-2023	2006.65	1601.31	1839.90	2019.90	1614.10	1854.27	05-12-2023	23.86	19.03	21.88
05-15-2023	2015.30	1614.46	1855.49	2019.90	1613.29	1856.49	05-15-2023	23.89	19.10	21.97
05-16-2023	2009.90	1602.49	1843.88	2007.45	1604.15	1846.05	05-16-2023	23.79	18.98	21.83
05-17-2023	1985.75	1597.73	1834.04	1974.40	1586.04	1825.93	05-17-2023	23.69	19.03	21.87
05-18-2023	1976.95	1589.86	1828.09	1960.30	1577.85	1818.37	05-18-2023	23.52	18.92	21.75
05-19-2023	1965.55	1582.86	1821.48	1961.60	1577.52	1817.42	05-19-2023	23.66	19.03	21.92

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