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MESSAGE

Frome

THE EDITOR

Dear Readers,

Dear Readers,
The first seven months of 2026 have been extraordinary for gold. During this period, gold touched an all-time high price, witnessed unseen intra-day volatility, fell steeply in a manner not seen before. The increase in import duty on gold from 6% to 15% on May 13, 2026 added further misery. Given this, we attempted to understand the markets pre and post May 10th. Between January 1 and May 10, the gold price in Indian market traded at a discount on 53 of 78 valid market days-67.9% of the period-with an average discount of approximately ₹474 per 10 gm. From May 11 through August 6, discounts prevailed on 50 of 55 valid market days, or 90.9% of the period, while the average discount widened sharply to approximately ₹1,712 per 10 gm. So, not only has the number of discount days increased but also the size of the discount too increased.

Why is the Indian gold market in discount to import parity prices?

At least four important reasons come to mind. (a) Increase in scrap or old gold jewellery supplies into the market (b) resumption of parallel trade due to higher prevailing import duties; (c) declining AUM under gold ETFs and (d) seasonal demand factors.

Prolonged periods of discount have serious implications for compliant market participants. Banks, nominated agencies, refiners and bullion dealers importing through official channels must bear customs duty, financing, insurance, logistics and compliance costs. When domestic bullion markets trade gold persistently below import parity, margins are compressed, inventories lose value and fresh imports become commercially unattractive.

Persistent discounts also weaken the practical value of preferential imports under the India–UAE CEPA. Gold doré refiners face a similar challenge. The limited duty differential intended to support domestic refining can be eroded-or eliminated-once the domestic discount and refining, financing, logistics and compliance costs are considered.

A prolonged disconnect between domestic prices and duty-paid import parity could make normal imports uneconomic, weaken CEPA utilisation, undermine domestic refining and create incentives for informal trade. India therefore needs a policy framework that balances revenue considerations with market efficiency and the viability of legitimate bullion businesses.

In this IGC 2026 Special Issue of Bullion World, we bring together perspectives, policy priorities and market developments shaping the future of India's gold and bullion ecosystem: Price Outlook, EGRs and the Road Ahead for GMS by Mr Prithviraj Kothari, IBJA; Merging Gold and the New Financial Systems in India by Mr Lamon Rutten, IGM; an examination of India's Gold Recycling Gap by MMTC-PAMP India Pvt Ltd; Building Trust in Africa's Gold by Mr Dean Subramanian, Rand Refinery; Location Swap and Global Vaulting by Mr Shamsheer C Maliyil, Rafmoh; A Walk Down IGC's Golden Memory Lane (2021–2025); highlights from the launch Swarnim Udaan 2047; Beyond KYC: Why Customer Screening Matters More Than Ever by Mr Naved Ansari, Finmet; Unlocking India's Bullion Potential: Policy Priorities for Sustainable Growth by IGPC; and The Smart Custody Vault by Mr Rajkumar S, Sequel Logistics. We also present our in-house price outlook, "The Recovery is Strong, but is the Correction Really Over?" by Mr Prathik Tambre, Bullion World examining the emerging direction for gold and silver prices.

Best wishes,
G Srivatsava
Editor

We would be happy to receive your comments and feedback on the content of this edition, please write to editor@bullionworld.in

Price Outlook, EGRs, and the Road Ahead for GMS: A Vision for India's Sovereign Gold Ecosystem

Mr Prithviraj Kothari, President, India Bullion and Jewellers Association (IBJA)

As we navigate through the mid-point of 2026, the global and domestic bullion landscapes are undergoing a profound structural evolution. We are witness to an era defined by record-breaking price dynamics, major regulatory shifts, and the strategic integration of physical gold into India's formal digital ecosystem.

To chart the path forward, we must examine three defining pillars of our industry: the sovereign Price Outlook, the revolutionary launch of Electronic Gold Receipts (EGRs), and the strategic restructuring required for the Gold Monetisation Scheme (GMS).

1. The Price Outlook: Resiliency as the Ultimate Safe Haven

The first half of 2026 has solidified gold's status as the world's premier safe-haven asset. Following a series of historic rallies driven by escalations in Middle Eastern geopolitical conflicts and structural shifts in global monetary policy, gold has commanded unprecedented attention from both retail investors and central banks.

While short-term market corrections are a natural part of any commodity cycle, the structural bull case for gold remains entirely intact:

Geopolitical Risk Premium: De-dollarization trends and persistent global friction ensure that central banks will remain aggressive net buyers of gold to secure and diversify their foreign exchange reserves.
Interest Rate Dynamics: As global central banks transition toward monetary easing and lower interest rates, the opportunity cost of holding non-yielding gold drops, creating a highly supportive environment for long-term capital appreciation.

The Domestic Reality: Domestically, recent tariff adjustments and import duty structures have increased the landing cost of physical gold. While this presents short-term headwinds for retail jewellery during peak wedding seasons, it highlights an urgent, long-term national necessity: we must unlock India's massive domestic idle gold reserves to reduce our reliance on foreign imports.

2. Electronic Gold Receipts (EGRs): The Dawn of Regulated Digital Gold

One of the most transformative developments for our bullion industry is the rapid expansion of Electronic Gold Receipts (EGRs). Following its initial implementation framework, the National Stock Exchange (NSE) has successfully scaled its EGR trading segment, creating a robust, highly regulated, and uniform transparent spot market for gold trading in India.

EGRs beautifully bridge the gap between physical custody and digital liquidity. Physical gold of standard purity is deposited into SEBI-approved vaults managed by registered Vault Managers. An equivalent value of EGRs is then credited to the investor's demat account, which can be seamlessly traded on stock exchanges or eventually converted back into physical gold bars. This eliminates the key trust, quality, and storage issues associated with traditional unregulated 'digital gold' products.

Feature	Physical Gold	Gold ETFs	Electronic Gold Receipts (EGR)
Pricing Transparency	Varies by local dealer / city tiers	Unified, tracking global spot rates	High (Exchange-traded, transparent real-time discovery)
Regulatory Oversight	Unorganized and decentralized	SEBI Regulated as mutual fund units	SEBI Regulated (Underlying physical vaults strictly audited)
Storage & Security	Safe custody risks & high insurance costs	Managed by fund house via custodian	Stored securely in accredited, fully insured vaults
Physical Delivery	Immediate possession upon purchase	Extremely difficult or unavailable for retail	Fully convertible back to physical delivery bars

3. The Road Ahead for GMS: Restructuring the Mobilization Strategy

Perhaps the most critical structural challenge for India's gold economy is mobilizing the estimated 25,000 tonnes of idle household gold currently sitting in private vaults and lockers across the country. This gold represents massive, non-productive capital that could otherwise strengthen our national balance sheet.

The policy environment has shifted dramatically. Following the government's decision to discontinue new Sovereign Gold Bonds (SGBs) and phase out the Medium-Term and Long-Term Government Deposit (MLTGD) components of the Gold Monetisation Scheme (GMS), we are left with a vital mission: making the Short-Term Bank Deposit (STBD) component of GMS highly functional, dynamic, and appealing to the general public. The primary reason GMS historically struggled to reach its true potential is a lack of localized trust and transactional convenience at the ground level. For generations, Indian families have viewed gold not just as an asset, but as an emotional security blanket and heritage heirloom.

“**The IBJA Vision:** Indians treat their local jeweller like a 'family doctor'—someone they have trusted for generations with their family's most precious assets. If we want GMS to truly succeed, the regulatory framework must allow certified local jewellers to officially act as Collection and Purity-Testing Centres (CPTCs) and core mobilization agents.”

By integrating trusted, local jewellers directly into the official GMS pipeline, we unlock three profound advantages:

Accessibility is Demystified: Households can walk into their trusted neighborhood jewellery house to deposit, evaluate, and verify their gold holdings, eliminating the friction and intimidating compliance environment of traditional banking institutions.

A True Circular Gold Economy:
The idle gold collected can be efficiently refined, standardized, and recycled directly back into the domestic jewellery ecosystem. This vastly reduces our structural dependence on foreign imports and stabilizes our national trade balances.

Productive Economic Yield: Idle assets transition smoothly into interest-bearing instruments, enriching Indian households while formalizing and bringing transparent visibility to our massive gold economy.

The Road Ahead

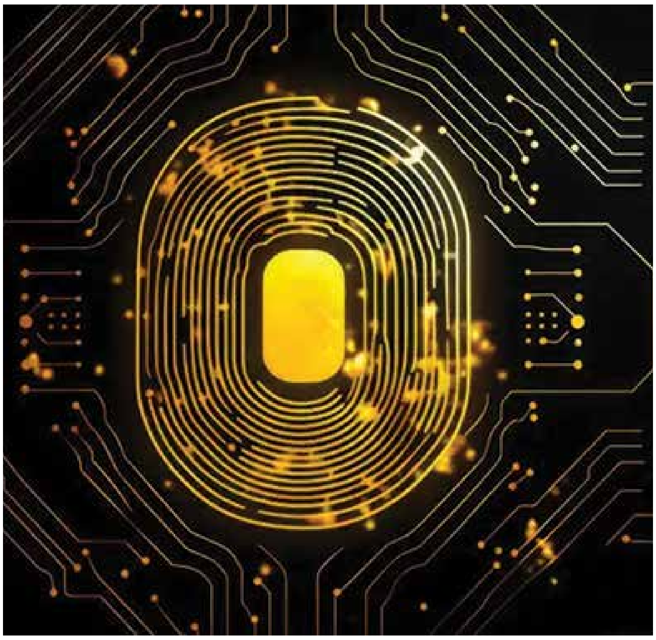
The future of India's bullion market does not lie in restricting imports through punitive duties, which historically only serve to incentivize parallel gray markets. Instead, our future lies heavily in organization, complete digitization, and aggressive domestic monetization. By prioritizing the expansion of SEBI-regulated EGRs and structurally reforming the Gold Monetisation Scheme to leverage the immense network of trusted local jewellers, we can collectively transform India's historic love for gold into an active, highly productive engine of sovereign economic growth.

Merging Gold and the New Financial Systems in India

Mr Lamon Rutten
Managing Director & CEO, IGM (India Gold Metaverse)

IGM
India Gold Metaverse

Mr Lamon Rutten



Gold: it's time to bring India's oldest asset into its newest financial system

Long before Bombay had a stock exchange or Calcutta a central bank, India had gold. For much of its history, that was enough. It was the household's hedge against bad harvests, rapacious tax collectors and worse. Indigenous bankers (sahukars, shroffs, sarrafs) ran credit and remittance networks of striking sophistication without any central authority in sight: decentralised, though hardly trustless, long before either word became fashionable. Rural and urban borrowers alike raised liquidity by pledging jewellery, reaching places formal banking would not serve for centuries. Merchants settled distant transactions through hundis, bills of exchange that moved value across the subcontinent without a coin changing hands; a medieval wire transfer, in effect.

During the colonial days, Britain built a modern financial system atop this one, but did not replace it. It left the foundations intact but the rooms unused. Gold was pushed to the margins of a monetary order designed around imperial requirements. Indigenous bankers kept lending, taking deposits and moving money, but were steadily excluded from the state-sponsored architecture growing up beside them. By independence in 1947, India had a modern central bank and, beneath it, an enormous informal economy still running on gold, reputation and personal trust. Two financial systems occupied one country without ever quite meeting.

That was independent India's chance to fold its oldest asset into its newest institutions. Instead, the early republic tightened the separation, restricting traditional gold finance without building a formal substitute able to reach everyone who depended on it. The harshest controls were eventually lifted, but what followed was not integration so much as an oscillation between neglect and half-measures.

Official schemes to draw household gold into the banking system, from the 1999 Gold Deposit Scheme onward, repeatedly failed to attract meaningful volumes. Private lenders that did build a bridge, making loans secured against jewellery, were met with regulatory suspicion as often as support.

The macroeconomic bill is plain: gold imports still weigh materially on India's trade balance, while households and small businesses possessing real collateral remained stuck with costly informal credit, or none at all, causing a persistent drag on growth. Three-quarters of a century on, the state still treats gold chiefly as a balance-of-payments liability; most of the population still treats it as savings, insurance and emergency capital. The Raj-era wall has outlasted the Raj.

Technology should now break down the wall. The opportunity is large: the overwhelming majority of India's privately held gold sits inert in lockers, cupboards and temple vaults. But jewellery can now be authenticated cheaply and quickly, recorded securely, and pledged as collateral through a regulated digital network, without being melted, surrendered to a bank, or converted into bullion. That is not a better version of the old gold-deposit scheme; it is a different thing entirely: collateral infrastructure rather than a deposit product.

Two distinctions matter here, and conflating them would waste the opportunity. The loosely regulated "digital gold" sold today through payment apps is not a title to physical metal; it is closer to a private IOU, without audited reserves or guaranteed redemption.

A genuine digital gold instrument needs to be the opposite: a clear legal claim on identified or pooled bullion, held in bankruptcy-remote custody, independently reconciled, and governed by strict rules on valuation, transfer and use as collateral. Building that instrument, rather than merely tolerating today's informal one, is the actual task.

The last-mile network for it already exists, in India's many jewellers, who have the customer relationships and the practical skill to inspect gold that no bank branch can replicate. What they have lacked is a common framework (legal, technological, regulatory) linking them to banks, insurers, vaults and capital markets. The pieces to build one are now largely at hand: mobile identity, digital payments, cheap karat-testing devices, geotagging, electronic documentation, AI-assisted fraud checks and interoperable collateral registries can turn a fragmented trade into national infrastructure, converting wealth that behaves like cash under a mattress into wealth that behaves like capital in a bank.

None of this eliminates risk; gold-backed fintech has already produced its share of shoddy products and cash-heavy lending abuses. But leaving most household gold outside the regulated system does not remove those risks. Instead, it simply hands them to less transparent markets. Technology is no longer the obstacle. The remaining wall is regulatory and institutional: building rules fit for a genuine gold-backed instrument, and a market ecosystem that finally lets India's oldest financial habit meet its newest one.

■■■

India's Gold Recycling Gap: Why the Modern Refiner Must Anchor a Nationwide Collection Ecosystem

MMTC - PAMP India Pvt Ltd

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From Scarce Imports to Idle Reserves: Building India's Organised Gold Scrap Ecosystem

Indian households and temple trusts are estimated to collectively hold between 30,000 and 35,000 tonnes of gold, a stock larger than the official reserves of several central banks worldwide. Yet only a fraction of this re-enters the formal economy each year.

As a nation that imports the bulk of its gold to meet demand, spending an estimated $72.4 billion on gold imports in FY26 alone, India is sitting on a domestic resource that remains largely untapped, not because the gold is scarce, but because the ecosystem needed to responsibly collect, verify and refine it is still developing.

According to the World Gold Council's Gold Demand Trends India Focus, Q1 2026, net recycling (scrap supply) stood at just 31.2 tonnes for the quarter, even during a period in which market conditions would typically be expected to push far more old gold into the recycling stream.

Why Collection Remains Fragmented

Small jewellers, who remain the first point of contact for most consumers looking to recycle old gold, often prefer quick, cash-based transactions over the documentation that organised channels require. Collection infrastructure is also more concentrated in larger cities as compared to smaller towns, leaving the latter underserved and pushing scrap toward local melting shops as opposed to certified centres. Similarly, consumer awareness of purity testing and fair valuation is uneven across regions, particularly in rural India. This means many sellers still do not receive full value for the gold they exchange.

The Evolving Role of the Refiner

Addressing this requires the refiner's role to expand beyond refining alone. Increasingly, refiners are becoming anchors of the collection ecosystem itself, setting up verified purity testing centres and deploying non-destructive assaying technology such as X-ray fluorescence.

This shift matters because it addresses the two root causes of fragmentation directly: building trust where cash transactions once dominated, and extending reach into towns that certified centres have not yet touched.

The Role of Policy

While refiners are playing an increasingly important role, building a nationwide collection ecosystem ultimately requires an enabling policy environment alongside industry participation. Stronger enforcement of hallmarking and traceability norms would give consumers greater confidence that they are receiving fair value for their gold, while standardised assaying protocols across collection points would reduce the inconsistency that currently pushes sellers toward informal channels.

Expanding the network of certified collection centres beyond major cities, backed by regulatory support for organised recycling, would extend this trust to smaller towns. Public-private collaboration between refiners, jewellers and regulators will ultimately determine how quickly this infrastructure reaches the scale India's gold stock warrants.

The Sustainability Case

Every tonne of gold recycled domestically is a tonne that does not need to be freshly imported or newly mined, reducing the environmental footprint associated with extraction while conserving foreign exchange and easing pressure on the currency.

Globally speaking, this change has already started. Worldwide, the scrap gold recycling market was worth \$15.58 billion in 2025 and has grown to \$16.88 billion this year, according to a 2026 market report. By 2030, the market is expected to reach \$23.58 billion, with the growth attributed in part to strengthening sustainability initiatives and expanding gold refining technologies. As global buyers increasingly demand certified, responsibly sourced gold, a well organised domestic recycling ecosystem also strengthens India’s credibility as a supplier to the world.

A Collective Undertaking

Building this ecosystem is not the task of any single entity. It requires refiners, jewellers, regulators and financial institutions working within a shared framework of standards and trust.

The direction, however, is clear. India now needs an integrated collection network extending from metropolitan centres to Tier II and Tier III cities and rural India, ensuring that idle household gold has a trusted and transparent route back into productive use. India does not need to look far for its next major source of gold supply. It already owns it. The task now is to build the infrastructure that allows that gold to move, safely and transparently, back into productive use.

BUILDING TRUST IN AFRICA'S GOLD

Mr Dean Subramanian, CEO, Rand Refinery

Given the broader economic and social importance of artisanal and small-scale mining (ASM) and being a major source of income in many producing countries, Africa's artisanal and small-scale mining (ASM) sector can no longer be ignored. It is now one of its defining features of the bullion landscape. According to Metals Focus (2026), Africa produces approximately 1000 tonnes of gold annually, of which an estimated 500 tonnes originates from ASM. Artisanal and small-scale mining now produces around 20% of the world's gold and supports more than 100 million livelihoods.

Africa is at the heart of this sector, contributing over 60% of global ASM gold output, with roughly half of the continent's gold production coming from ASM.

These figures represent an extraordinary economic opportunity. Yet they also present one of the industry's greatest challenges. The question is no longer whether ASM should become part of the formal bullion ecosystem but rather how we integrate it responsibly, transparently, and sustainably into formal markets.

For refiners, governments and regulators alike, the future of Africa's gold industry depends on answering that question.

For many years, discussions around ASM have focused largely on its risks, transparency, fragmented production, traceability challenges and illicit trade channels. While these risks are real, they should not obscure an equally important reality, millions of livelihoods across Africa depend on artisanal mining, and the sector will continue to grow as gold prices remain strong and economic opportunities evolve.

Mr Dean Subramanian

Rather than viewing artisanal and small-scale mining as simply a challenge to be managed, the industry should recognise that responsibly produced ASM represents a strategic opportunity to build more inclusive and resilient gold supply chains. That opportunity, however, depends on strong governance, clear legal frameworks and robust traceability. This direction is further reinforced by the forthcoming Responsible Gold Guidance Version 10, which encourages Good Delivery List (GDL) refiners to engage with ASM producers on the basis of a progressive improvement plan rather than disengage from the sector.

The reality is that not all ASM operates within formal, regulated systems. In some jurisdictions significant volumes of informal production are linked to illegal mining activities, making it impossible to establish the provenance required for responsible sourcing. Without credible oversight, refiners cannot verify that material has been mined responsibly or in accordance with internationally recognised due diligence standards.

Where governments establish formal buying mechanisms, licensing systems and responsible sourcing frameworks, the picture changes considerably. Responsibly produced ASM gold can then enter transparent supply chains, be refined to internationally recognised standards and contribute more meaningfully to local economic development. As an LBMA Good Delivery-accredited refiner, Rand Refinery's role extends beyond producing high-quality bullion. We help ensure that gold entering international markets has been sourced responsibly, complies with rigorous due diligence requirements and can be traded with confidence across the global financial system.

Responsible integration cannot be achieved by refiners acting alone. It requires close collaboration between governments, regulators, central banks, mining communities, financial institutions and development partners. Building a responsible ASM sector demands an industry-wide approach. We recognise that risks will always exist, but they can be managed and progressively reduced as systems, oversight and practices continue to improve. Governments increasingly recognise gold as a strategic national asset capable of strengthening foreign exchange reserves, supporting currency stability and driving economic development. Local beneficiation has also become an important policy objective across much of Africa.

The challenge is ensuring that gold refined locally also meets the standards demanded by international markets. This is precisely the philosophy underpinning Rand Refinery's recent strategic partnership with Gold Coast Refinery (GCR) in Ghana. Under the agreement, Rand Refinery is providing Technical, Operational and Commercial (TOC) supervision to enable the local refining of artisanal and small-scale mining material while achieving internationally recognised assaying and refining standards.

Established in 2016, Gold Coast Refinery has a refining capacity exceeding 80 tonnes per annum and has signed an agreement with the Ghana Gold Board (GoldBod) to refine up to 1,000 kilograms of responsibly sourced ASM gold doré per week. GoldBod is the sole government entity authorised to buy, sell and export gold produced by Ghana's small-scale miners.

This partnership is far more than refining gold. It demonstrates how African countries can retain more value within their own borders while ensuring that locally refined bullion continues to satisfy globally recognised responsible sourcing standards. Rand Refinery is currently supporting the Ghana Goldbod in implementing an OECD aligned responsible souring frame together with building an ISO accredited laboratory. It provides a practical model for strengthening beneficiation without compromising transparency, governance or market access.

Ultimately, successful integration depends on trust. Trust is built through internationally recognised frameworks such as the LBMA Responsible Gold Guidance and the OECD Due Diligence Guidance. It is strengthened through robust governance, continuous monitoring and scientific verification. But it also rests on values, the commitment of every GDL refiner to act with integrity, verify the provenance of the material it sources, and refuse gold of unknown or questionable origin.

At Rand Refinery, we complement these frameworks with advanced traceability technologies, including ASM Check, Fingerprint Similarity and Fingerprint DNA, which use sophisticated analytical techniques and isotope analysis to verify the origin of gold. We also publish country-of-origin information and detailed mine disclosures through our Responsible Sourcing Compliance Report to provide greater transparency across the supply chain.

Technology will continue to play an increasingly important role.

Artificial intelligence, digital traceability platforms and advanced fingerprinting capabilities are transforming how the industry verifies provenance and identifies anomalies within supply chains. As these technologies mature, they will make it increasingly difficult for illicit gold to enter formal markets while making responsible participation easier for legitimate producers.
Africa has an opportunity to lead the next chapter of responsible ASM gold production. The continent already produces the majority of the world's artisanal gold. The next step is to ensure that more of this gold is refined locally, traded transparently and recognised internationally.

Achieving this will require strong partnerships between governments, regulators, refiners and mining communities. It requires policies that formalise responsible ASM, strengthen traceability and create pathways for locally refined gold to access global markets without compromising international standards.

Rand Refinery stands ready to support that journey. With more than a century of refining experience, LBMA Good Delivery accreditation, world-class technical capability and one of Africa's most comprehensive responsible sourcing frameworks, we have demonstrated that local beneficiation and international market access can go hand in hand. Our partnership with Ghana's Gold Coast Refinery and the Goldbod is one example of what is possible when governments and industry work together with a shared vision.

We support and enable the aspirations of governments across Africa in building responsible refining capacity, strengthening formal gold markets and creating transparent bullion ecosystems that deliver lasting value for their economies and their people. Together, we can ensure that Africa's gold transforms ecosystems where it is mined while earning the trust of markets around the world.

Location Swap and Global Vaulting

NEW TOOLS FOR MODERN BULLION TRADE

Mr Shamsheer C Maliyil
Executive Director
Rafmoh Group Of Companies

For most of its history, the bullion trade has been measured in tonnes moved: metal flown between hubs, cleared through customs, and delivered vault to vault. That model built the great trading centres, but it carries costs the modern market is less willing to absorb, including freight and insurance, settlement delays, security exposure, and inventory idle in transit. The industry's answer is quietly transforming how gold changes hands. Increasingly, the smartest trades move title, not tonnage.

A location swap is a simple idea with far-reaching consequences. Two counterparties exchange equivalent metal held in different locations, for instance kilo bars in Dubai against loco London gold, and settle the location differential in price rather than shipping the metal itself. The gold physically stays where it is; ownership and exposure move instantly. What once took days of logistics now takes a confirmation.

Swaps only work, however, on top of a credible global vaulting network. When accredited vaults in Dubai, London, Zurich, Hong Kong, and now GIFT City hold standardised certified metal, inventory anywhere becomes liquidity everywhere. Vaulting has evolved from passive storage into active market infrastructure: the collateral base for financing, the delivery mechanism for exchanges, and the settlement layer for swaps.

Dubai is exceptionally well positioned in this architecture. The UAE Good Delivery standard has given the market a trusted local benchmark, DGCX links vaulted metal to exchange settlement, and worldclass carriers and vault operators connect the emirate to every major hub. The India-UAE CEPA corridor adds a structural dimension: with IIBX at GIFT City accepting UAEGD accredited bars, metal vaulted in Dubai is effectively pre-positioned for the world's second largest consumer market. Swap and vaulting infrastructure is turning that corridor from a shipping lane into a balance sheet.

At Rafmoh, we see this shift daily. Our business has always been about managing flow rather than chasing margin, and our footprint across the UAE, India, Saudi Arabia, and Hong Kong functions as one coordinated liquidity network. Location swaps allow us to serve Gold Souk wholesalers in Dubai while meeting demand in Jeddah or Hong Kong at the same time, without waiting on aircraft. Refining at our partner refinery - RG Refinery - compresses the cycle further: material is assayed, refined, cast, and certified in a tightly managed loop, minimising idle inventory and returning metal to the vaulted, tradable pool quickly. The result is continuity of supply through volatile cycles, which is ultimately what physical markets value most.

These tools demand discipline. A swap is only as good as the equivalence of the bars behind it, the integrity of the vault, and the documentation surrounding both. Standardisation, chain of custody, responsible sourcing, and rigorous AML/CFT compliance are not administrative burdens in this model; they are the foundations that make metal in one location fungible with metal in another. Jurisdictions and firms that invest in that credibility will capture the flows.

The next chapter is already visible. Tokenisation and digital vault records promise real-time, verifiable ownership of specific vaulted bars, making location swaps faster, more transparent and accessible to a wider set of participants. Dubai is not just the historical capital of gold; it is becoming its innovation capital.

The lesson for the industry is clear. Competitive advantage in modern bullion trade no longer comes from moving the most metal, but from positioning it most intelligently. Location swaps and global vaulting are the tools of that intelligence, and the trading houses that master them will help define the market's next decade.

ELECTRONIC GOLD RECEIPT (EGR)

INDIA'S NEW WAY TO OWN GOLD

Dr Renisha Chainani,
Chief Research Officer, Augmont Enterprises Pvt Ltd

Gold has always meant more to Indians than just an investment - it is jewellery for a wedding, a coin gifted at a festival, a bar tucked away in a locker for a rainy day. But this deep attachment has come at a cost: most of that gold just sits idle, locked away, earning nothing, while India spends tens of billions of dollars every year importing fresh gold from abroad.

The Electronic Gold Receipt (EGR) is an attempt to fix this contradiction. In simple terms, an EGR is a digital certificate that represents real, physical gold sitting safely in a vault - a certificate you can buy, sell, or trade on a stock exchange, just like a share, and convert back into gold whenever you want. It is India's first serious attempt at building a proper "spot" gold market: regulated, transparent, and tradeable.

$ 72B
Gold Imports in FY26 (all-time high)

9.2%
Share of India's total merchandise imports

30,000-35,00t
Physical gold estimated idle in Indian households

Figure 1: Why EGR matters now — India's gold import bill and idle household gold

Background: How We Got Here

The idea of EGRs isn't brand new. The BSE first launched EGRs back in October 2022, during Diwali's Muhurat trading, after getting SEBI's in-principle approval. But for nearly four years, adoption stayed limited - most investors simply didn't know the product existed, and structural hiccups discouraged serious use.

Oct 2022
BSE launches EGR trading during Diwali Muhurat, with SEBI in-principle approval

FY26
Gold imports hit ~$72B (9.2% of merchandise imports), pressuring the current account

4 May 2026
NSE launches its own EGR segment - 995/999 purity, 10mg-1kg, next-day demat settlement

15 July 2026
NSE-Augmont strategic tie-up to scale distribution and liquidity

Figure 2: Key milestones in the rise of EGR

The picture began changing in 2026. On 4 May 2026, the National Stock Exchange (NSE) - India's largest exchange - launched its own EGR segment, offering gold in 995 and 999 purity, in denominations as small as 10 milligrams and going up to 1 kilogram, tradable Monday to Friday, with settlement into a demat account the very next day. This gave EGR the scale and credibility it had been missing.

The timing mattered too: gold imports had touched an all-time high of nearly $72 billion in FY26, close to 9.2% of India's total merchandise imports, putting real pressure on the country's current account. Meanwhile, Indian households are estimated to be sitting on 30,000–35,000 tonnes of physical gold - most of it doing nothing but gathering dust. EGR was designed precisely to connect these two facts: idle household gold on one side, and a nation that keeps importing more gold on the other.

How EGR Works — A Simple Example

Think of it like a locker-to-ledger conversion. Suppose you have 100 grams of gold bars sitting at home.

1 Deposit	2 Creation	3 Choose your path	4 Put it to work
Take your gold to a SEBI-registered valut manager for purify & weight checks	Vault issues an EGR credited to your demat account-the same one holding your shares or mutual funds	Hold it, sell on NSE/BSE at live prices, or redeem for physical gold from the vault	Lend EGR gold to jewellers via the securities lending & borrowing (SLB) mechanism and earn interest

Figure 3: The four-step EGR journey — from home locker to demat ledger

EGR vs Gold ETF, SGB, and Digital Gold

Instrument	Key Traits	How EGR Compares
Gold ETF	Mutual-fund units backed by gold, exchange-traded, but cannot be converted into physical gold; carries fund-management costs.	Offers actual physical redemption while still being exchange-traded - combining ETF liquidity with real metal.
Sovereign Gold Bond (SGB)	Interest plus price appreciation, but an 8-year lock-in with limited early-exit windows; the scheme has effectively been discontinued.	Offers same-day liquidity on the exchange with no lock-in at all.
Digital Gold (fintech apps)	Unregulated by SEBI; has faced credibility concerns and recent controversies around some providers.	Sits inside a formal SEBI-regulated framework, with accredited vaults, standardised purity, and depository-backed ownership.

In short: EGR tries to combine the best features of all three - exchange liquidity, physical convertibility, and regulatory safety - into one instrument.

The Augmont–NSE Strategic Tie-Up

On 15 July 2026, NSE entered a strategic partnership with Augmont Enterprises Ltd, one of India's largest integrated gold platforms, to give the EGR ecosystem real muscle. Augmont brings scale that few players can match:

42M+	~5,000	4,600+	80+	$3B
Registered users	Jeweller Network	Retail touchpoints	"Gold for All" stores	Assets on Augmont's tokenised gold platform

Figure 4: Augmont's on-ground distribution scale

Under the partnership, Augmont will support EGR creation, redemption, liquidity provisioning, delivery, and price discovery - essentially acting as the bridge between millions of ordinary gold buyers and the formal exchange ecosystem. Augmont's leadership has pointed out that its own tokenised gold platform already manages close to $3 billion in assets, and expects EGR-linked assets to grow far larger over the coming years as the lending and jeweller-financing use case scales up.

Way Forward — and the One Speedbump

The biggest hurdle EGR still faces is tax-related, not technological.

Physical Gold	EGR (Demat)	Physical Gold
3% GST on purchase	EGR (Demat) GST-free to trade/hold	3% GST again on redemption

Net effect: Retail investors who cycle gold in and out of EGR form pay GST twice

Figure 5: The GST speedbump on gold-to-EGR-to-gold conversion

For registered jewellers, the redemption GST can partly be offset through input tax credit, but ordinary retail investors get no such relief - effectively paying GST twice if they cycle gold in and out of EGR form.

Industry outlook on the GST fix

Industry bodies, including the India Bullion and Jewellers Association, have been in talks with SEBI, RBI, and the finance ministry, and are hopeful the GST Council will address this soon by treating gold-to-EGR conversion as a commodity transfer rather than a fresh taxable sale.

Beyond the tax fix, the road ahead includes expanding vault infrastructure to more cities, building investor awareness (most Indians still haven't heard of EGR), integrating more brokers and depository participants, and linking EGR more closely with jewellery manufacturing supply chains through the SLB mechanism.

How India Stands to Benefit

If EGR genuinely succeeds at scale, the gains for India could be substantial:

- **Lower import dependence:** Even mobilising a small fraction of the 30,000–35,000 tonnes of gold lying idle in Indian homes could meaningfully cut the need for fresh imports.
- **A healthier current account:** Gold imports have been a major drag on India's trade balance; reduced imports ease pressure on the current account deficit and the rupee.
- **Better price discovery:** A formal, exchange-based gold market means transparent, uniform pricing - buyers in smaller towns get the same fair price as those in Mumbai.
- **Formalisation of the gold trade:** It brings unorganised, cash-heavy gold trade into a regulated, traceable system, improving tax compliance and investor protection.
- **Productive household wealth:** "Dead" gold becomes an income-generating asset through lending, without forcing anyone to give up their emotional attachment to owning real metal.
- **Deeper financial market infrastructure:** It strengthens India's commodity-securities ecosystem, positioning NSE and BSE alongside established global bullion exchanges.

To Sum Up

EGR is not just another gold product - it is India building the missing piece of its bullion market: a transparent, regulated, exchange-traded link between the metal Indians already own and the capital markets they increasingly trust.

The building blocks are now in place - SEBI's regulatory framework, NSE's exchange infrastructure, and Augmont's on-ground distribution reach. What remains is execution: resolving the GST anomaly on redemption, deepening vault capacity, and - most importantly - convincing millions of gold-owning households that this isn't a compromise on tradition but an upgrade to it.

Bottom line

If this shift in mindset happens, EGR could do for India's gold market what dematerialisation did for equities: turn a fragmented, trust-based system into a liquid, transparent one, while keeping the gold itself exactly where Indians have always wanted it - within reach.

A WALK DOWN

IGC'S GOLDEN MEMORY LANE (2021–2025)

INDIA'S LARGEST BULLION CONFERENCE

Five years that rebuilt, reformed and reconnected India's gold market

Review Based on India Gold Conference Proceedings

www.goldconference.in

INDIA GOLD CONFERENCE

6%
Where import duty landed by 2025 - down from 15%, after the landmark 2024 cut reset the entire trade.

2022
IIBX goes live - India gets its own international bullion exchange, launched at GIFT City.

UAE
The CEPA trade lane comes of age - India–UAE bullion flows and refiner-led exports scale up under the tariff pact.

12%
Gold's share of the RBI's forex reserves by March 2025 - nearly double the ~6% it started the window at, as the bank kept buying.

Highs
Gold reached unprecedented highs across these years, cementing its role as the safe haven buyers reached for.

YEAR-BY-YEAR MARKET EVOLUTION · 2021–2025

2021
THE REBOUND · RECOVERY YEAR

Paper gold turns the corner

After a bruising pandemic, confidence crept back. Gold ETFs that had drained to barely 10–11 tonnes swung back toward 40 tonnes, and three silver ETFs launched at the close of the year - giving retail investors a brand-new door into precious metals.

2022
INFLATION SHOCK · WAR & INFLATION

Caught between inflation & recession

The Russia–Ukraine war sent crude, gas and grain into record inflation, and gold became the hedge everyone reached for. India signed its CEPA with the UAE and lit up IIBX. The RBI, too, stepped up its gold buying as it diversified reserves away from the dollar.

2023
THE PLUMBING YEAR · CEPA & TRQ

Import rules find their shape

The India–UAE CEPA opened a 1%-cheaper duty channel under a Tariff Rate Quota - capped at 120 tonnes and rising 20 tonnes a year. Eligibility relaxed to any IEC holder, while the trade tightened its grip on anti-money-laundering compliance.

2024
THE BIG CUT · DUTY → 6%

A 9% duty cut resets the trade

On 23 July, the Budget slashed import duty on gold and silver by 9 percentage points - the industry's most consequential tax change in years. Business with the UAE surged in step: the CEPA lane matured, refiners took on a bigger role, and India–UAE flows scaled up.

2025
Record Highs · Global & Digital

Gold stood by households

Gold hit unprecedented highs as geopolitics and deficits drove buyers to safety. With ~25,000 tonnes already in Indian hands, the conversation turned to dematerialising gold - and 680 delegates from 25 countries came to shape it.

THE DUTY STORY · HOW 15% BECAME 6%

15% → 6%
THE HEADLINE MOVE

The July 2024 Budget cut import duty by 9 points in one stroke - the single biggest lever pulled on the gold trade in the whole 2021–25 window.

1% Lower
THE CEPA CHANNEL

The 2022 India–UAE pact let eligible importers bring gold in 1% cheaper under a Tariff Rate Quota - a parallel route the trade learned to work.

65 bps
DORÉ'S EDGE

Duty tweaks handed doré a 65 basis-point advantage over bullion, sharpening competition among India's refiners for global mine supply.

$30–35/oz
THE DISCOUNT STING

Even after the cut, tight scrap supply and stalled TRQ allocations pushed market discounts to $30–35 an ounce through 2025.

96% Au
The Alloy Dodge

With gold taxed high, part of the trade slipped it in disguised as "platinum alloy" to pay a lower rate. Delhi answered in stages - lifting alloy duty in 2024, then shutting the platinum, palladium and colloidal-gold routes through 2025.

A duty that fell from 15% to 6% didn't just lower a number-it redrew smuggling maths, import routes and refiner economics all at once.
The trade's clearest ask by 2025: harmonise the tangle of duty rates across gold, doré and alloys- with 64% of the IGC audience backing a single, simpler regime.

REFORM IN EVERY SENSE · THE INSTITUTIONAL MARCH

If 2016–2020 was the era of formalisation, 2021–2025 was the era of institution-building. The market didn't just get cleaner - it got new plumbing. IIBX gave India an international bullion exchange; CEPA and the Tariff Rate Quota created a formal, quota-based import lane from the UAE.

Self-regulation, meanwhile, started not with a rulebook but with a campaign. The Swarna Adarsh Abhiyaan, built on the World Gold Council's Retail Gold Investment Principles, set out best practice across retailing, refining, bullion trading and assaying - principles the industry then hardened into an accredited self-regulator, IAGES.

Hallmarking turned mandatory in 2021 and widened from three caratages to six, every piece now carrying a traceable HUID; gold dealers came under PMLA reporting. Each reform arrived in quick succession, and each nudged more of the trade onto documented, exchange-visible rails.

Through it all, gold reached unprecedented highs - a backdrop that only sharpened the case for reform. The paradox of the period: a market that had never been more transparent was also, with metal so dear, never harder to source cheaply. Scrap holders sat tight, discounts stayed stubborn, and the trade spent 2025 debating how to simplify the very duty rules it had spent five years learning to navigate.

NEW MARKETS, NEW METALS, NEW MONEY

THE EXCHANGE ERA · 2022 ONWARDS

IIBX GOES LIVE
Launched in 2022, the India International Bullion Exchange gave the country its own price-discovery platform - assured quality, responsible sourcing and a real shot at becoming a global trading hub.

EGR & THE SPOT EXCHANGE
Electronic Gold Receipts and SEBI's spot-gold framework moved gold toward being treated as a financial security - reversible, deliverable, portfolio-ready. SEBI notified EGRs as securities in December 2021, and BSE listed India's first EGRs in October 2022 - the opening move in dematerialising gold, the debate that would dominate 2025.

SILVER FINDS A DOOR
Three silver ETFs launched at the end of 2021 - alongside digital silver - opening the white metal to retail investors for the very first time. "Silver is the new gold" became a recurring refrain.

BEYOND MCX
For two decades MCX all but owned commodity derivatives. Across this window NSE and BSE moved into bullion - smaller gold and silver contracts, low-cost delivery - widening both the venues and the participant base.

THE REFINING & SOURCING STORY

THE DORÉ CHASE
Of ~3,640 tonnes of global mine gold in 2023, only about 1,210 tonnes came as refinable doré - roughly a third of supply. Indian refiners competed hard for it, and drew still more gold as a by-product of imported copper concentrate, with duty tweaks handing doré a slim but decisive edge.

INDIA GOOD DELIVERY
From 2020, BIS's India Good Delivery Standard let accredited domestic refiners deliver bars straight to the exchanges - a role once reserved for LBMA bars alone, and a quiet step toward India setting its own benchmarks.

EVERY MILLIGRAM MATTERS
Refining sessions turned technical - controlling losses, safer handling of fumes and effluents, EDXRF assaying, and advances in doré refining - as the sector chased both yield and compliance.

EXPORTS ON THE TABLE
With no bar on bullion exports and IIBX now operational, the question shifted from "how do we import?" to "when conditions are right, can India export refined gold to the world?"

FROM REBOUND TO RECORD RUN

THE TURN · 2021–2025

Early in the window, the mood was cautious - a market that had spent years consolidating, with few expecting the run that followed. Then war, sticky inflation, US debt worries and steady central-bank buying combined to carry gold to unprecedented highs, one ceiling after another. The metal proved, all over again, exactly why roughly 25,000 tonnes of it sits in Indian households today - and why the conversation shifted from simply owning gold to putting it to work.

THREE FORCES THAT DEFINED 2021–2025

01 Institutions
IIBX, EGR and the domestic spot exchange gave gold a market structure; the Swarna Adarsh Abhiyaan and IAGES gave the trade a self-regulator. India stopped importing gold in the dark and started trading it on exchanges - visible, assured and financialised.

02 Reform
CEPA and the Tariff Rate Quota built a formal import lane; the 2024 Budget's 9% duty cut reset trade economics overnight. By 2025 the debate had matured into how to harmonise a tangle of duty rates the market itself found unviable.

03 Resurgence
Gold broke out of years of consolidation into unprecedented highs, silver stepped into the spotlight, and a rising share of the metal was bought as savings rather than adornment. With 680 delegates from 25 countries in 2025, India had moved from price-taker to agenda-setter.

A WALK DOWN IGC'S GOLDEN MEMORY LANE (2021–2025)

From 2021 to 2025, IGC moved from a hybrid, half-virtual recovery to a room full of global players — and the industry moved with it. In five years the conversation turned from "how do we reform?" to "how do we build the institutions, exchanges and standards that reform demands?" IIBX went live, the India–UAE trade lane took shape, hallmarking went mandatory, and gold reached unprecedented highs — each edition raising the stakes for India's ambition to sit at the centre of the global bullion map.

2021 - 18th IGC @ Marriott, Jaipur

Reforms Shaping India's Bullion Markets

With the industry still finding its feet after the pandemic, IGC met half in the room and half online in Jaipur. The mood was forward-looking: delegates rallied around the coming IIBX at GIFT City, the case for treating gold as a financial asset, and a simple headline number that framed every session — roughly 25,000 tonnes of gold already sit above ground in Indian hands.

"Gold is a part of India's culture and a way of life of every Indian. It's time for the financialisation of gold."

LASTING IMPACT Set the reform agenda for the next four years — and put the coming bullion exchange at the centre of the story.

"India accounts for 25% of global gold consumption — yet it is still passive in the global market."

India Bullion & Jewellers Association

Reform message, IGC 2021, Jaipur

2022 - 19th IGC @ ITC Grand Chola, Chennai

"The domestic spot gold exchange is a gamechanger. EGR converts gold into a security for perpetuity."

Mr Prithviraj Kothari

National President, IBJA · IGC 2022, Chennai

The Year the Exchange Went Live

Held as India marked 75 years of independence, IGC 2022 opened the day after the Prime Minister inaugurated IIBX — the country's own international bullion exchange. Against a backdrop of the Russia–Ukraine war and record inflation, speakers framed gold as the hedge of the moment, while the newlysigned India–UAE trade pact promised to reshape import flows for good.

"As India celebrates its 75th year of independence, we also want independence from the import of gold."

LASTING IMPACT Gave India a real price-discovery platform — and turned "financialisation of gold" from a slogan into infrastructure.

2023 - 20th IGC @ JW Marriot, Kolkata

Building the Plumbing of a Modern Market

The 20th-anniversary edition got practical. With the India–UAE CEPA now live, sessions dug into the mechanics of the new import architecture — the Tariff Rate Quota, IGCR rules, and eligibility that had just opened to any IEC holder. Money-laundering compliance and responsible-sourcing standards moved from the margins to centre stage as the trade professionalised.

"When conditions are favourable, Indian refiners may explore the export of bullion — IIBX now provides a new opportunity."

LASTING IMPACT Turned CEPA and IIBX from headlines into working trade routes — and pointed India, for the first time, toward exporting refined gold.

"These sustainability principles are essentially very easy to understand — but equally difficult to implement."

Ms Sakhila Mirza

Deputy CEO, LBMA · IGC 2023, Kolkata

2024 - 21st IGC @ Hilton Manyata Business Park, Bengaluru

The Duty Cut That Reset the Trade

IGC 2024 met just weeks after the Budget slashed import duty on gold and silver by 9 percentage points — the most consequential tax change the trade had seen in years. Business with the UAE surged in step as the CEPA lane matured and refiners took a bigger role. The industry answered with a milestone of its own: IAGES, its first self-regulatory organisation.

"The unexpected 9% duty reduction will lead to more transparent trade and help eliminate illegal practices." — Prithviraj Kothari, IBJA

"July 23rd, 2024 was a landmark day for the bullion industry — the day import duty on precious metals was cut."

Mr Srivatsava Ganapathy

2025 - 22nd IGC @ Novotel & Pullman Aerocity, New Delhi

"Reflect on 1971 — the delinking of the dollar from gold. India can transform its gold into productive assets."

Shri R. Arulanandan
Director, Kimberley Process, Ministry of Commerce · IGC 2025, New Delhi

Global, Digital — and Record-Breaking

The biggest IGC yet drew 680 delegates from 25 countries as gold hit unprecedented highs. Mandatory hallmarking with HUID had taken hold — over 5.48 crore articles hallmarked and 200,000-plus registered jewellers — and the debate turned to what comes next: dematerialising gold, unlocking India's vast household holdings, and building the trading ecosystem to match. Five formal debates put the industry's sharpest questions on the record.

"India must unlock its latent 'kinetic' financial energy — putting its vast gold ownership base to work through secondary-market liquidity." — Jignesh Shah, India Gold Metaverse

LASTING IMPACT Marked India's shift from price-taker to agenda-setter — and reframed the goal from owning gold to making it productive.

POINTS DISCUSSED AT THE CONFERENCE

WHAT THE INDUSTRY TALKED ABOUT · 2021–2025

The sessions, panels, roundtables and debates each year - the questions on the table, before any recommendation was made.

IGC 2021 · JAIPUR
Reforms Shaping India's Bullion Markets
- IIBX at GIFT City — the biggest reform ahead
- Financialisation of gold & the 25,000-tonne base
- A comprehensive gold policy for the sector
- Recovery of demand after the pandemic
- Building a transparent, documented market

IGC 2022 · CHENNAI
Independence from Gold Imports
- IIBX goes live & the domestic spot exchange (DSGE)
- Electronic Gold Receipts (EGR) & financialisation
- The amazing world of Indian silver
- Gold refining: challenges & opportunities
- Jewellery & refining technology sessions
- Gold price outlook amid war & inflation

IGC 2023 · KOLKATA
The Plumbing of a Modern Market
- Bullion import from UAE through CEPA & TRQ
- IGCR rules and import compliance
- Anti-money-laundering & PMLA obligations
- Attracting doré flows into India
- Tech-backed gold products
- Gold Industry sustainability principles

IGC 2024 · BANGALORE
The Duty Cut & the Road Ahead
- The 9% import-duty reduction & its impact
- Launch of IAGES, the industry's own SRO
- Special session on gold doré & global supply
- "India's Gold Market — What Next?" roundtable
- Organised retail: price, volume & margins
- First dedicated technology seminar

IGC 2025 · NEW DELHI
Global, Digital & Record-Breaking — The Year of Debates
- Mandatory hallmarking & HUID roll-out
- Dematerialisation of gold & "kinetic" liquidity
- Where is gold demand coming from?
- Avoiding disputes in bullion imports
- Debate: harmonise customs-duty concessions
- Debate: One India, One Price for gold
- Debate: single-channel bullion imports
- Assaying, hallmarking & refining technologies

SWARNIM UDAAN 2047

A Blueprint for Unlocking Gold's Full Potential in India's Journey Towards Viksit Bharat

For centuries, gold has occupied a unique place in India's economy, culture and society. Beyond being a symbol of wealth and tradition, it supports millions of livelihoods across mining, refining, jewellery manufacturing, retail, exports and financial services. Yet, despite its strategic importance, discussions surrounding gold have largely been limited to imports, consumption and foreign exchange outflows.

Recognising the need for a broader perspective, the World Gold Council, in collaboration with Monitor Deloitte, has released Swarnim Udaan 2047 – Unlocking the Full Potential of Gold Towards Viksit Bharat 2047. The report presents a long-term vision for transforming India's gold ecosystem from a consumption-driven industry into a strategic pillar of national economic development.

As India works towards becoming a developed nation by 2047, the report explores how gold can play a far greater role in supporting manufacturing, exports, financial markets, technological innovation and economic resilience. It argues that gold should no longer be viewed merely as a precious metal or investment asset, but as a strategic national resource capable of contributing to India's long-term growth ambitions.

At the heart of the report are five strategic pillars that together provide a roadmap for strengthening India's gold ecosystem:

- Promoting "Mine in India" by expanding responsible domestic exploration and mining.
- Making India the "Jeweller to the World" by strengthening manufacturing competitiveness, branding and exports.
- Enabling greater financialisation of gold through recycling, bullion banking, Gold Monetisation, Electronic Gold Receipts (EGRs) and innovative financial products.
- Reimagining gold jewellery for the modern consumer through design innovation, digitalisation and changing consumer preferences.
- Unlocking gold's potential as a strategic national asset and mineral to support advanced manufacturing, electronics, semiconductors and future technologies.

The report also examines the major forces that will shape the future of the gold industry, including artificial intelligence, digitalisation, responsible sourcing, evolving consumer behaviour, demographic shifts, geopolitical developments and the emergence of Gen Z as the next major consumer segment. It further recommends the establishment of institutional mechanisms such as a National Gold Board and a Gold Innovation Centre to drive coordinated policy reforms, innovation and industry development.

This article presents a concise overview of the report's key messages, strategic priorities and long-term vision. It is intended to provide readers with a quick understanding of the opportunities identified in Swarnim Udaan 2047 while encouraging them to explore the complete report for its detailed analysis, supporting data and comprehensive recommendations.

Source: www.gold.org/news-and-events/press-releases/world-gold-council-launches-swarnim-udaan-2047


ENGINEERING
ASSAY
MELTING
CASTING
REFINING
FUME TREATMENT
ASHES TREATMENT PLANTS
THERMAL TREATMENT
E-WASTE
AUTOMATION
MINTING & COINING
INGOTS PRODUCTION
INGOTS HALLMARKING
METAL GRAIN DOSING & PACKAGING

Beyond KYC: Why Customer Screening Matters More Than Ever

Mr Naved Ansari
CA, LLB, ACAMS, Associate Director – Compliance, FinMet India Pvt. Ltd.

Mr Naved Ansari

The precious metals industry has long been built on trust, relationships and reputation. Yet, in today's evolving regulatory environment, trust alone is no longer sufficient. Businesses must also demonstrate that they have robust systems in place to prevent financial crime and ensure compliance with Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT) regulations.

As an Associate Director – Compliance at FinMet India Pvt. Ltd. and a Visiting Faculty at NMIMS, Mumbai, I have had the privilege of working closely with jewellers, bullion dealers, refiners and precious metals businesses across India and internationally. Through my interactions with industry stakeholders, regulators and financial institutions, along with delivering lectures on AML/CFT and regulatory compliance in India and Dubai, I have witnessed the compliance landscape evolve significantly over the years.

Having conducted more than 150 AML/PMLA training sessions, one question consistently arises:

"We have known our customers for years. Why do we still need customer screening?"

The answer is simple-because regulatory expectations have changed.

Gold, silver, platinum and precious stones are high-value, easily transportable and globally accepted assets. While these characteristics make them commercially valuable, they also make the sector vulnerable to money laundering, terrorist financing and sanctions-related risks. Recognising these vulnerabilities, the Financial Action Task Force (FATF) identifies Dealers in Precious Metals and Precious Stones (DPMS) as a sector requiring a strong Risk-Based Approach to AML/CFT compliance.

Accordingly, the CBIC Guidelines for Reporting Entities under the Prevention of Money Laundering Act, 2002 require businesses to implement customer due diligence, risk assessment, transaction monitoring, employee training and effective internal controls.
One of the most common misconceptions is that customer screening and Know Your Customer (KYC) are the same. They are not.

KYC establishes the identity of a customer, whereas customer screening determines whether that customer appears on sanctions lists, terrorist lists or other prohibited lists. Collecting identity documents alone does not complete the compliance process. Businesses must also ensure they are not dealing with individuals or entities who are legally prohibited from conducting financial transactions.

REGULATORY SPOTLIGHT

Section 51A – Unlawful Activities (Prevention) Act, 1967 (UAPA)

"The reporting entity should not enter into a transaction with a client whose identity matches with any person in the sanction list or with banned entities and those reported to have links with terrorists or terrorist organizations."

- CBIC Guidelines for Reporting Entities (Dealers in Precious Metals and Precious Stones)

Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005 (WMDA)

Recent regulatory developments under the WMDA have expanded compliance expectations by requiring businesses to ensure that funds or economic resources are not made available, directly or indirectly, to designated individuals or entities. Together, these obligations reinforce the importance of effective sanctions screening and ongoing monitoring.

In my experience, businesses that embrace compliance early rarely view it as a regulatory burden. Instead, they recognise it as an investment in governance, reputation and long-term sustainability. Strong compliance frameworks not only help meet regulatory expectations but also build confidence among banks, suppliers, customers and international trading partners.

Technology has also made compliance far more efficient than ever before. Modern compliance solutions enable businesses to screen customers, suppliers and counterparties within seconds against sanctions and prohibited lists while maintaining a complete audit trail. Solutions such as ScreenMate, designed specifically for the precious metals industry, help businesses integrate customer screening seamlessly into their day-to-day operations. However, technology alone is not enough. It must be supported by trained employees who understand AML/CFT obligations, recognise suspicious activities and exercise sound judgement when reviewing potential matches. The CBIC Guidelines rightly emphasise ongoing employee training as a core element of an effective AML/CFT programme.

As regulations continue to evolve, customer screening is no longer simply a legal requirement-it is a business imperative. Businesses that embed screening into their daily operations will not only strengthen regulatory compliance but also protect their reputation, preserve customer trust and position themselves as responsible, future-ready organisations.

In today's precious metals industry, customer screening is not just about complying with the law-it is about safeguarding the integrity of a business and protecting the trust that generations have worked so hard to build.

Unlocking India's Bullion Potential: Policy Priorities for Sustainable Growth

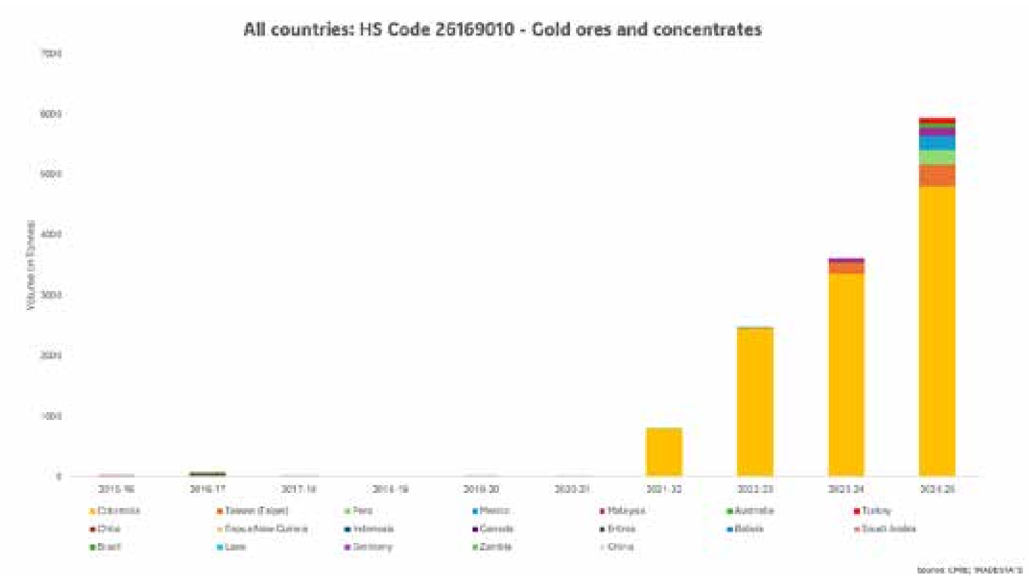
Prof Sundaravalli Narayanaswami, Chairperson, India Gold Policy Centre
Mr Arjun Gopakumar, Research Associate, India Gold Policy Centre
Mr Vaidant Dixit, Research Associate, India Gold Policy Centre

The gold economy of India is characterized by a distinctive paradox. Although the nation has an estimated 25,000–30,000 tonnes of household-held gold, it continues to be one of the world's largest importers of gold, as the immense stock of wealth is mainly outside the formal financial system. This dual reality results in a national asset that is largely unproductive, even though it is valued at nearly the same as India's GDP, and it places sustained pressure on foreign exchange reserves through annual imports of 700–800 tonnes. Gold is significantly more than a traded commodity; it serves as a strategic store of value, hedge against uncertainty, and quasi-currency. The importance of bullion to financial stability, external account management, and economic resilience necessitates a specialized policy framework that acknowledges it as a strategic sector.
If India is to achieve its goal of becoming a global bullion centre, it is imperative that it follow this approach.

Reframing Gold Imports Through HS-Code Intelligence and Downstream Value Addition

A critical objective of India's bullion policy should be to shift the focus from estimating the quantity of gold imported to examining the imports, their origin, and the Harmonized System (HS) classifications under which they are classified. Gold is imported into India in a variety of forms, including refined bullion, recycled gold, waste, ores, concentrates, compounds, and colloids. Each of these forms has its own unique implications for trade, value addition, and policymaking. In the past, India's gold imports have been analyzed in the context of HS Chapter 71, which pertains to precious metals and jewelry. Nevertheless, the increasing proportion of imports under HS Chapter 26, particularly gold ores and concentrates from countries such as Colombia, indicates a structural shift toward domestic refining and downstream value addition. This transition offers an opportunity to enhance India's refining capabilities, generate qualified employment, and elevate the nation in the global bullion value chain.

The increased utilization of HS Chapter 28, which permits the importation of gold compounds and colloids through preferential trade agreements like FTAs and ASEAN agreements, is equally significant. Given the recent increase in customs duty on refined bullion from 6% to 15%, these alternative channels have become increasingly appealing. This has created the opportunity for tariff arbitrage and necessitated an assessment of gold imports across all pertinent HS classifications, rather than solely under Chapter 71.




The same,
yet so different.
Valcambi Regular Gold
Valcambi Green Gold
Valcambi Artisanal Gold
Valcambi Recycled Gold
valcambi
suisse

Modern policy must tightly monitor imports under HS Chapters 26, 28, and 71 while enforcing strict traceability standards. This integrated approach will protect the supply chain while driving domestic refining and high-value exports.

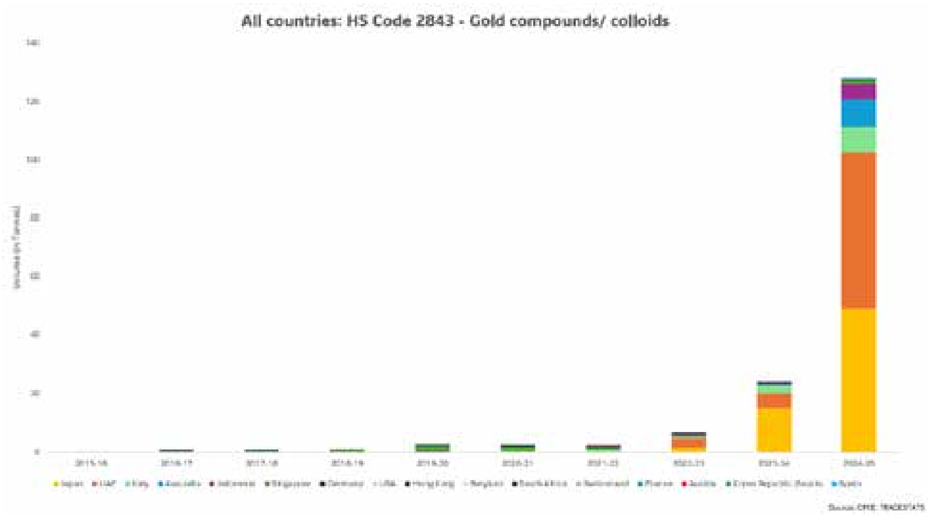


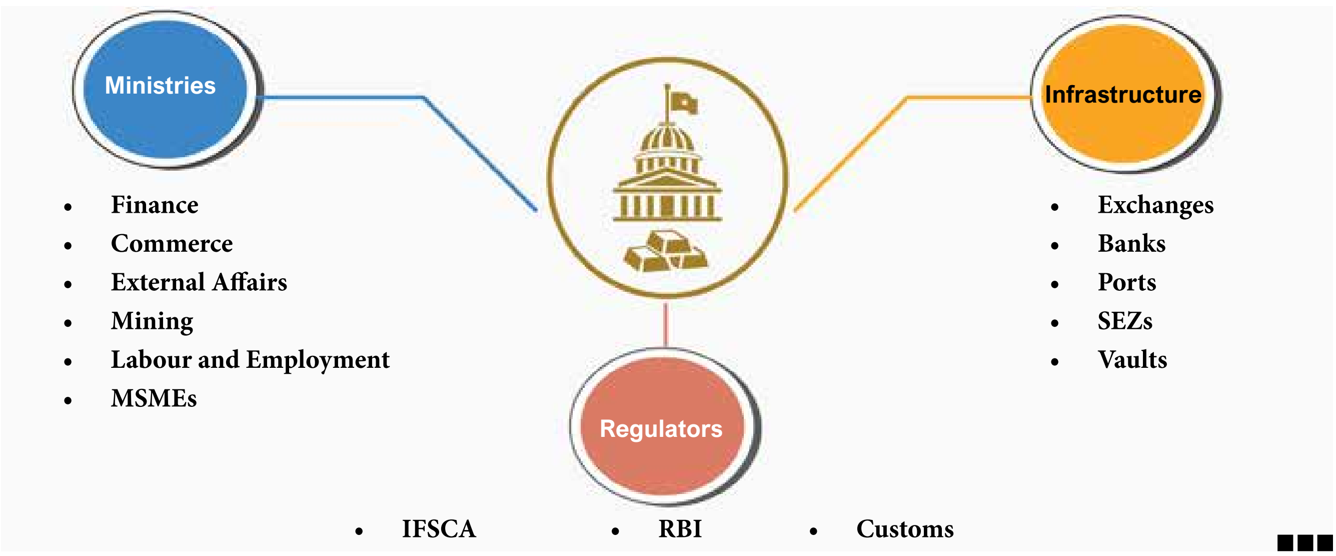
Fig: The increasing importation of unrefined gold, ores, and concentrates, particularly from countries like Colombia indicates a structural shift toward domestic refining and value addition.

Securing India’s Bullion Future: Strategic Trade and Sourcing

India must transition from an import-dependent model to a strategic, export-driven powerhouse in order to establish a secure and competitive bullion market. Initially, trade policies should prioritize domestic refining, jewelry exports, and non-dollar trade settlements in order to prevent inexpensive imports and exclude gold from Free Trade Agreements (FTAs). By consolidating all trading through dedicated Market Infrastructure Institutions (MIIs) rather than the current consignment model, India could enhance transparency, fortify its global negotiating power, and facilitate its transition from a price consumer to a price maker in the global bullion market. Second, India can guarantee its long-term supply by leasing foreign gold mines through government-backed, public-private partnerships. The protection of India's supply chain and foreign exchange reserves will be achieved by settling these mining transactions in bullion rather than US dollars.

Institutional Reforms: Mobilising India's Idle Gold & Regulation

As part of broader institutional reforms, India could explore mechanisms that improve the mobilisation, coordination and formalisation of the domestic gold economy. One possible approach is a voluntary “Gold Trust of India”, through which taxpayers may contribute small quantities of unused gold through authorised banks or jewellers in return for a carefully calibrated tax benefit, without being required to disclose their total household holdings. Such a mechanism would require further examination of its fiscal implications, incentive structure and ability to mobilise existing household gold rather than encourage fresh purchases just for the tax benefit. Institutional coordination could also be strengthened through a platform such as “Swarn Shakti”, bringing together relevant ministries, regulators and market participants to improve policy alignment across taxation, trade, refining, supply, traceability and market infrastructure. Together, these ideas may provide a basis for considering more coordinated and transparent institutional arrangements for India’s gold sector.



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2021

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Bringing the trade together to strengthen transparency, compliance and the path towards an organised bullion market.

18th IGC @ Marriott, Jaipur

2022

BUILDING A STRONGER BULLION ECOSYSTEM

Uniting industry leaders and institutions to advance collaboration, reforms and the development of India's gold market.

19th IGC @ ITC Grand Chola, Chennai

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2023

EXPANDING INDIA'S GLOBAL GOLD CONNECT

Strengthening India's engagement with the global bullion community through dialogue, partnerships and industry leadership.

20th IGC @ JW Marriott, Kolkata

1st Gold Seminar on Assaying, Hallmarking and Refining Technologies

2024

ADVANCING STANDARDS & TECHNOLOGY

Taking a major step towards technical excellence with the launch of the Gold Seminar on Assaying, Hallmarking and Refining Technologies.

21st IGC @ Hilton Manyata Business Park, Bengaluru

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2025

2nd Gold Seminar on Assaying, Hallmarking & Refining Technologies

DEEPENING TECHNICAL EXCELLENCE

Building on the momentum with the 2nd Gold Seminar, bringing greater focus to assaying, hallmarking, refining and global best practices.

22nd IGC @ Novotel & Pullman Aerocity, New Delhi

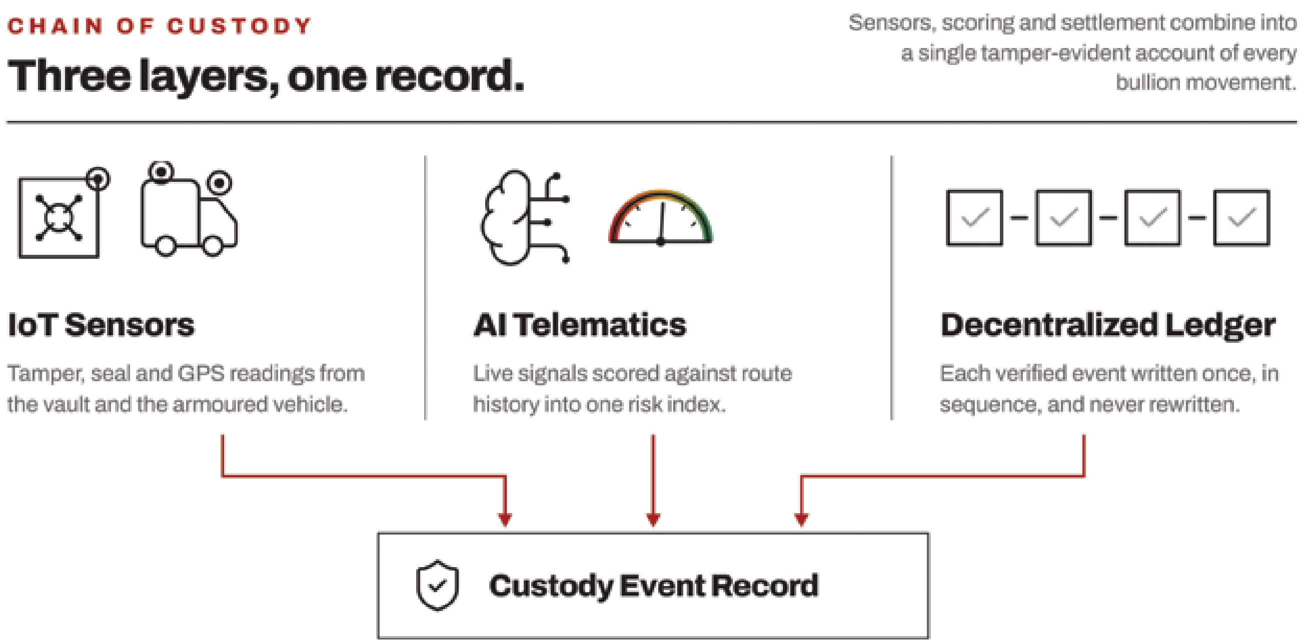
THE SMART CUSTODY VAULT

Mr Rajkumar S
Founder, MD & CEO
Sequel Logistics Private Limited

Integrating IoT, AI Telematics, and Decentralized Ledgers for Fault-Tolerant, High-Volume Bullion Transit

Every bar of gold that leaves a refiner's gate carries an unspoken question: can anyone prove where it is, who has touched it, and that nothing about it has changed until it reaches its destination? For India's bullion vaulting and logistics industry, that question is no longer answered by physical security alone; it is increasingly a matter of information architecture.

Three key technologies are now converging to answer this question—not just for a single vault or shipment, but across an entire operational network.



IoT Makes the Network Legible

Across a multi-hub network spanning several states, a consignment today carries far more than a simple seal and signature. Tamper-evident sensors continuously log jolts and unauthorized access attempts inside vaults or vehicles. GPS tracking and geofencing turn every truck into a live data point rather than a black box between origin and destination.

For the receiving bank, exchange, or jeweller, this real-time visibility enables faster verification upon arrival alongside tighter monitoring during transit. In an industry where a five-minute unexplained stop can trigger significant client anxiety, real-time network-wide visibility is rapidly becoming the core service product.

AI Telematics Turns Sensor Noise into Foresight

Data is only as useful as the intelligence layer interpreting it. The industry is shifting from reactive alerts—such as notifying dispatch when a vehicle stops unexpectedly—to predictive risk scoring.

Machine learning models flag unusual route deviations before they turn into incidents, optimize hub and route allocations across expanding networks, and identify which movement patterns precede potential problems. This proactive approach establishes operational fault tolerance: no single point of failure—whether a driver, a route, or a vault node—should halt a high-volume network. AI-driven telematics integrate redundancy directly into decision-making, automatically escalating alerts once risk thresholds are crossed, long before a human operator would notice.

Decentralised Ledgers Separate Custody from Ownership

India's Electronic Gold Receipt (EGR) framework, along with similar exchange-backed global models, provides a practical execution model. Under these structures, KYC and ownership verification remain with the exchange, while physical custody resides with an appointed vault manager.

This separation operates effectively at scale only if every movement, weighment, and assay result is recorded on a shared, tamper-evident ledger that all participating parties and regulators can independently audit. Decentralization allows distinct organizations to trust a unified record without relying on each other's internal IT systems. As tokenized gold and blockchain-backed settlements gain global momentum, shared, immutable custody records are becoming the industry standard rather than an exception.

Fault Tolerance as the Core Design Principle

The unifying thread across these technologies is network-wide fault tolerance, extending beyond individual vaults or vehicles. A smart custody model assumes systemic failures will occur and builds resilience across every operational layer:

Redundant Connectivity: Ensures signal interruptions do not cause a loss of visibility.

Automated Escalation Pathways: Designed so anomalies reach authorized personnel within minutes rather than hours.

Distributed Ledger Architecture: Guarantees that an outage at a single node never breaks the chain of custody.

None of this replaces the fundamentals of secure logistics: vetted personnel, armoured transit, and adequately insured custody. Technology does not substitute for trust; it continuously verifies it at a scale manual processes could never achieve. As India's bullion trade expands in volume and complexity, continuous, verifiable proof of custody will distinguish compliant operators from genuinely secure market leaders.

THE RECOVERY IS STRONG, BUT IS THE CORRECTION REALLY OVER?

Mr Prathik Tambre
Senior Analyst - Precious Metals, Bullion World

In my June outlook, Scenario 1 called for a deeper correction towards $3,900, while maintaining a constructive medium- to long-term view on gold. That scenario has played out exceptionally well, with gold correcting sharply towards the $4,000 region before staging a strong recovery.

Gold is currently trading around $4,362. Following a series of weaker economic data releases and developments around Federal Reserve expectations, prices recovered rapidly from the $4,000 area. The speed of this rebound naturally raises an important question: has gold completed its correction and resumed its larger bull trend?

In my view, not yet.
Despite the strength of the recent recovery, the broader corrective structure does not appear complete. A significant liquidity zone remains around $3,900, and I believe this area could still attract price before the market establishes a stronger foundation for the next major bullish leg.
On the upside, gold has already moved back through the previous high around $4,380, removing an important near-term liquidity level. The next significant area to watch is approximately $4,500. A move towards this zone could represent the final extension of the current recovery rather than confirmation of a fresh sustained bull run.

The Road Ahead

My base-case scenario is for gold to test the $4,500 region and subsequently face renewed selling pressure, potentially restarting the bearish trajectory towards the $3,900 liquidity zone.

The $3,900 area therefore remains extremely important. If gold eventually reaches this level, I would reassess the market structure at that point rather than automatically assuming further downside.

Importantly, a correction towards $3,900 would not necessarily invalidate the long-term bullish outlook. On the contrary, if liquidity around this level is absorbed and buyers respond strongly, it could provide a much healthier technical foundation for the next major leg of the gold bull market.

Key levels to watch: $4,500 on the upside and $3,900 as the major downside liquidity zone.

Bottom line: The recovery from $4,000 has been impressive, but I would be cautious about interpreting it as the beginning of a new sustained uptrend. The larger bull story may remain intact, but the correction may still have one unfinished chapter.

Silver: Liquidity Sweep Before the Next Major Move?

Silver continues to follow a similar technical structure to gold. After creating an inducement around the $55 level, prices moved sharply higher alongside gold, with silver currently trading near $64.46.

In simple terms, an inducement is a price level that attracts traders into positions, creating liquidity that the market may target before making its larger directional move.

Despite the strength of the recent recovery, I do not believe it necessarily confirms the beginning of a sustained bullish trend. From a liquidity perspective, there remains a significant pool of resting liquidity around $71.50, making this the next important upside level to watch.

My base-case scenario is that silver could extend its rally towards $71.50, potentially sweeping the liquidity resting at these higher levels. Similar to my outlook for gold, such a move could prove to be a liquidity sweep rather than a genuine breakout, followed by renewed selling pressure.

If silver fails to sustain above the $71.50 region, a reversal could push prices back towards the $50 level. This would broadly align with the expected structure in gold, where I anticipate an upside move before another corrective leg lower.
The $50 region would therefore become a crucial level for silver. If prices reach this zone and the remaining liquidity is absorbed, I would reassess the market structure before determining the next major directional move.

Key levels to watch: $71.50 on the upside and $50 as the major downside target and reassessment zone.

Bottom line: Silver's rally from $55 has been impressive, but the presence of liquidity around $71.50 suggests there may still be room for one more push higher before a potentially deeper correction. The broader bullish story may remain intact, but just like gold, silver may still have unfinished business on the downside.

Bullion - Data & Statistics

Gold Spot Market International (Per Troy Ounce)			
Spot Gold	01st July	31st July	% Change
Australia (AUD)	5895.06	5792.17	-1.75
Britain (GBP)	3063.18	3023.34	-1.30
Canada (CAD)	5781.17	5711.84	-1.20
Europe (Euro)	3573.47	3534.91	-1.08
Japan (Yen)	661073.00	646981.00	-2.13
Switzerland (CHF)	3289.94	3291.39	0.04
USA (USD)	4068.48	4074.33	0.14

Silver Spot Market International (Per Troy Ounce)			
Spot Silver	01st July	31st July	% Change
Australia (AUD)	86.96	83.06	-4.48
Britain (GBP)	45.18	43.35	-4.05
Canada (CAD)	85.28	81.90	-3.96
Europe (Euro)	52.71	50.67	-3.87
Japan (Yen)	9750.00	9312.00	-4.49
Switzerland (CHF)	48.53	47.21	-2.72
USA (USD)	60.00	58.39	-2.68

Monthly Exchange Data (Gold) (From July 01-31)						
Exchange	**Contract**	**Open**	**High**	**Low**	**Close**	**% Ch.**
COMEX[2]	Gold October 26	4055.4	4243.20	3989.90	4076.60	0.23
SHANGHAI –SHFE[4]	Gold October 26	878.98	920.60	868.20	891.92	1.85
MCX[1]	Gold October 26	145297.00	151548.00	140500.00	143376.00	-1.71
TOCOM[3]	Gold October 26	21240.00	21820.00	20830.00	21103.00	0.71

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

Monthly Exchange Data (Silver) (From July 01-31)						
Exchange	**Contract**	**Open**	**High**	**Low**	**Close**	**% Ch.**
COMEX[2]	Silver September 26	59.79	64.41	55.60	58.43	-3.55
MCX[1]	Silver September 26	229846.00	244678.00	217938.00	221313.00	-5.33
TOCOM[3]	Silver October 26	300.00	332.80	290.00	305.00	1.67

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

Gold Spot Market, India			Rs/10gm
Spot Gold	**01st July**	**31st July**	**% chg**
Ahmedabad	140269.00	142219.00	1.39
Bangalore	136660.00	140230.00	2.61
Chennai	137550.00	138920.00	1.00
Delhi	136550.00	140230.00	2.69
Mumbai	141065.00	142288.00	0.87
Hyderabad	137550.00	139180.00	1.19
Kolkata	137080.00	140750.00	2.68

Currency Change (Monthly)		
	01st July	**31st July**
EUR/USD	1.14	1.15
USD/AUD	1.45	1.42
USD/GBP	1.33	1.35
USD/INR	95.25	95.39
USD/JPY	162.57	157.58

Silver Spot Market, India			Rs/kg
Spot Silver	**01st July**	**31st July**	**% chg**
Mumbai	225430.00	218295.00	-3.17

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