

## Inaugural function:



**Mr Prithviraj Kothari, National President, India Bullion & Jewellers Association (IBJA):** In 2022, Gold prices got support from the ongoing conflict in Russia and Ukraine, the trade restrictions on Russia and the increase in prices of all major commodities - crude oil, natural gas, copper, grains, edible oils, etc., leading to record high inflation. We believe high inflation will remain for at least one more year. The price of gold is caught between high inflation and recession.

As India celebrates its 75th year of independence, we also want independence from the import of gold. The government of India is taking various initiatives towards this. We at IBCA are supporting the government on all its initiatives. The government wants transparency, and the industry wants ease of doing business. IBCA proposed two model institutions to Niti Aayog and other bodies. One was IIBX and the other was the domestic spot gold exchange (DSGE). IIBX will bring complete transparency to the way India imports gold. Honourable PM Shri Narendra Modi inaugurated IIBX yesterday. DSGE is a game-changer. EGR is a one-of-a-kind product that converts gold into security for perpetuity. EGR is a reversible product, provides a robust settlement system, deliverable at multiple delivery centres, facilitates goods recycling, promotes greater integration with the financial market and assures delivery of certified goods. It would also give a fillip to GMS going forward.

**A few major initiatives of IBCA:** (a) We plan to open IBCA Stores in every district of India. It's our goal to have 3500 stores across India over the next decade.

(b) IBCA Jewellers Connect and Buyer Bazaar are our flagship B2B programmes for the jewellery sector. (c) IBCA Jewellery and Knowledge Park are being launched on August 5, 2022. It will come up on 87 acres of land in Navi Mumbai (opp. Juhinagar station), with a state-of-the-art manufacturing facility and 120,000 ft convention centre. It will also house a skill development centre for the gem and jewellery sector.

Opening up the mining sector and setting up a bullion bank are much-needed reforms. These are in alignment with the 'Vocal for Local' and 'Make in India' programmes of the government. IBCA can bring overseas investors into the mining sector. IBCA membership has shown strong growth, thanks to state presidents and their efforts. I take this opportunity to offer 200 platinum memberships by invitation in IBCA to industry participants. IBCA platinum members will hold a 30% equity stake in the proposed NSE-IBJA spot gold exchange being set up with a capital base of Rs. 125 cr.

The future growth of the industry depends on transparency from the industry and commitment from the government.



**Mr Vikas Singh, MD & CEO, MMTCPAMP India Pvt Limited:**

At MMTCPAMP, we see a very different world today. Paradigms have changed radically. Inflation rates in the US and the UK have surpassed India's inflation. It changes the way India sees the world and the world sees India. To top it all, India is the fastest growing economy in the world. While stagflation is tearing the world apart, India has been navigating it well so far. The strong government at the centre is striving to place India firmly on the global map. FTA with UAE is a new development for the bullion sector and hopefully,

it would change the trade flows for the better. All these collectively present a unique opportunity to the sector. Our possibility to contribute to the GDP growth of the country is humongous and time is appropriate to harness the same.

At MMTCP PAMP, we try and continue to raise the bar in whatever we do. We are trying to be the first player to create a truly circular economy in India in the precious metals sector. To put it simply, starting from refining to minting to recovery, thereby completing the full cycle. Through this initiative and many others, we would like to be a responsible contributor to the Indian economy. We have also started the process for ESG certification 2030 in conjunction with SBTi targets. It is a long process but our journey has begun.



**Mr Jayantilal J Challani, President, The Jewellers and Diamond Traders Association, Madras:** We are very happy to host India Gold Conference in Chennai. Such activities will make the southern gold and jewellery market strong. We welcome all of you here and hope you have two very good days of conferencing.



**Mr Shivanshu Mehta, Head – Bullion MCX:** Gold proved itself yet again during the covid times. The

gem and jewelry sector contributes 7% to GDP and 15% to merchandise export. It is selectively organized. It got the impetus from SEBI and IFSCA recently. As a Market Intermediary institution (MII), we consider it our responsibility to continue to innovate to bring useful products and services for risk management. The world's one and only one-gram deliverable product saw over 61,000 units delivered. Likewise, 131 tonnes got delivered in silver one kg contract. The gold options launched in 2017, recently touched 4000 cr in May 2022. On the regulatory front, I place on record the incredible framework put in place by our regulatory, IFSCA. The Qualified Jewellers framework is one fine example of it. Through our reach out, 61 participants have become QJs. On the domestic side, SEBI has been proactive on spot gold exchange. We have realized that the industry participants must have the benefit of all these products on one platform. We are actively working on the same. EGR leads to the financialization of gold. This would enable institutions such as mutual funds to tap into creating portfolios and innovative products.

**Special address of Mr Kamlesh Sharma, GM & Head, PM Department, IFSCA:**

**For complete transcript refer page number 14**



**Keynote address of Mr Ahmed Bin Sulayem, Executive Chairman & CEO, DMCC:**

DMCC, when conceptualized, was a gold initiative. From inception, there has been a lot of participation from the Indian community – be it in technology, market development, and in almost every field. We contributed to it. At present, three refiners operate in Dubai. There is soon going to be a fourth one. India leads the market when it comes to gold. It is an

interesting industry here. And the industry is changing. You have heard about Uptown Tower. Dubai has changed too in the last 20 years. Twenty years ago, gold in Dubai meant coins and bars and was controlled by a few families. Today we have over 3000 companies operating in gold, diamond, and precious metals in DMCC. The UAE-India agreement is just the beginning. I expect more to come. We had a Hindu temple in Dubai before the country was formed. Five decades before, the Indian rupee was an accepted currency in Dubai. We understand the rupee and hence launched the derivatives contract in rupees. We knew it would take longer to launch the rupee contract in India. I would like to discuss forward product possibilities. With Uptown Tower, we have built a new foundation. We want to climb a new mountain. We are facing the beautiful challenge of filling up 90% of office spaces in a very short time. GIA is a recent addition. Gold is what DMCC started with. Gold is what attracted some of the designers to work on the project. We are here to engage. We are looking for a representative office in India. We have not decided where yet, maybe in southern India or in Mumbai. If there is something you feel we are missing at DMCC, please let us know.

good hardness and toughness in 22K casting and handmade products.

<http://goldconference.in/presentation/Day1/AnkurGoyal.pdf>



**Mr G K Venkatagopal, Emerald Jewel Industry India Limited**, presented on ‘**Jewellery Manufacture using Electroforming Technology (EFM)**’. He demonstrated that complex 3D articles and, hard and durable jewelry products with

high shine and good strength can be made using EFM.

<http://goldconference.in/presentation/Day1/Venkatagopal.pdf>



**Mr Shubham, Eventell Global Advisory Pvt Ltd**, share details on **Swarna Adarsh Abhiyaan** and urged jewelers to join the movement by signing an expression of interest.

### Special program on jewellery technology curated by MMTC PAMP India Pvt Ltd



**Mr Arun Brakash, Senior Manager- Upstream, Titan Company Limited-Jewellery Division**, presented on “**Scientific approach for investment casting**”. The presentation was full of implementable suggestions backed by years of R&D.

<http://goldconference.in/presentation/Day1/ArunBrakash.pdf>

**Mr Ankur Goyal, President-Works, MMTC PAMP**



**India Pvt Ltd**, shared his perspective on “**Master Alloys**”. He demonstrated that master alloys made from 99999 silver and alloy free from lead, cadmium and other noxious elements can result in higher productivity, good luster, homogeneity, less tarnish, minimum gold loss, and

### Special session on Refining Technology



**Mr Peter Bower, GM Refinery & Fabrication, Rand Refinery**, delivered an excellent presentation on “**Controlling losses in refining operations**”. The presentation was a brief experiential sharing of how Rand Refinery went about the subject and recovered millions of

dollars of precious metals using a simple motto, “Every milligram matters, every second counts”.

<http://goldconference.in/presentation/Day1/PeterBower.pdf>



**Mr Debasish Bhattacharjee, Dy. President Works, MMTC PAMP India Pvt Ltd**, elaborated on “**Hazards associated with gold refining**”. Fumes, slugs, sludges, and effluents generated during refining process can pose damage to humans and the environment.

He advocated regular safety audits, proactive monitoring of specified parameters,



# SOVEREIGN METALS LIMITED

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

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

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



use of correct PPE, and health examination of working personnel, besides upgrading the capabilities of the refinery to comply with norms.

[http://goldconference.in/presentation/Day1/Debasish\\_Bhattacharjee.pdf](http://goldconference.in/presentation/Day1/Debasish_Bhattacharjee.pdf)



**Mr Rakesh Kumar Bhan, MD, Fischer Measurement Technologies (India) Pvt Ltd.,** presented on **benefits of EDXRF** as a preferred technology to measure precious metals content in alloys. He also elaborated the effect of various parameters

such as resolution of the detector, pulse processor, collimator, measuring distance, measuring time, and calibration on the accuracy and reproducibility of the results.

[http://goldconference.in/presentation/Day1/Rakesh\\_Kumar\\_Bhan.pdf](http://goldconference.in/presentation/Day1/Rakesh_Kumar_Bhan.pdf)



**Ms Kristina Kern, Project Manager, Technology Development, Krastsvetmet,** along with her colleague Mr Stanislav Turevich delivered a presentation on **“Recent advances in gold dore refining”**.

She outlined the need for different methods of refining based on silver and PGM contents. The use of an additional precipitator in dore containing PGMs leads to increased recovery of gold. Krastsvetmet has also developed a new dissolution method for refining 20% + silver dore. She concluded by saying that her company is open to technology know-how transfer.

[http://goldconference.in/presentation/Day1/Kristina\\_Kern.pdf](http://goldconference.in/presentation/Day1/Kristina_Kern.pdf)

### Discussion- Gold Refining: Addressing Challenges and Unleashing Opportunities



**Moderator: Mr Karthik C, Surabhi Bullion**

**Panellists:**

**Mr Arjun Raghavendra M, Advocate, IGPC- IIMA**

**Mr Suresh Kumar Banga,**

**Vice President, Bright Metal Refiners**

**Mr Manish Goel, Head-Bullion, ICICI Bank Ltd**



**Mr Arjun Raghavendra M, Advocate, IGPC- IIMA on the export of gold/silver bullion from India:** As per Schedule 2- Export Policy – ITC(HS) 2018 Chapter 71, which is pertaining to gold and silver and based on Export Policy & Policy Condition there is no

restriction on the export of gold or silver bullion from India. Also, there is no mention of any value-addition norms. So, when conditions are favourable, Indian refiners may explore the exportation of bullion. Now that IIBX has become operational, it can provide a new opportunity for Indian refiners.

[http://goldconference.in/presentation/Day1/Arjun\\_Raghavendra.pdf](http://goldconference.in/presentation/Day1/Arjun_Raghavendra.pdf)



**Mr Suresh Kumar Banga, Vice President, Bright Metal Refiners on Opportunities to grow Indian refining sector:** Nominated banks are permitted to support refiners in sourcing gold dore. The government (or RBI) should make necessary regulatory changes

to enable nominated banks to source dore for the refiners. Second, the duty differential between dore bar and standard bullion should be increased from the present level to make refining operations viable. Third, refiners are permitted to import a certain portion of their licensed quantity dore as ‘duty-free’ (against a bank guarantee) to be refined and given to jewellery manufacturer-cum-exporters for manufacturing and export of jewellery.

[http://goldconference.in/presentation/Day1/Suresh\\_Banga.pdf](http://goldconference.in/presentation/Day1/Suresh_Banga.pdf)



**Mr Manish Goel, Head-Bullion, ICICI Bank Ltd on Reviving GMS:** Removing tenure restriction, providing tax benefits for deposits greater than one year, removing ‘fear of taxman’, and focus on investment gold rather than jewellery can create interest

in the potential investor. Likewise, making gold collected under STGD eligible for CRR, loans against GMS deposits, joint promotions and digitization can incentivise banks.

[http://goldconference.in/presentation/Day1/Manish\\_Goel.pdf](http://goldconference.in/presentation/Day1/Manish_Goel.pdf)

## Discussion- The Amazing World of Indian Silver

**Moderator: Mr Viraj Didwania, Director, Foresight Bullion**

### Panellists:

**Mr Vijay Murthy, CEO Silver, Lead & Minor Metals, Hindustan Zinc Limited**

**Mr Harshit Doshi, ICBC India**

**Mr Dhiaan Srinivasan, Director-Business Development, Emerald Jewels**



**Mr Viraj Didwania, Director, Foresight Bullion:** India produced 690 tonnes and imported 3043 tonnes silver during 2021. Of the total demand for silver in India, jewellery demand accounts for 44%, silverware 18%, physical investment 20%, and coins and

medals 5%. Industrial demand comprises electrical contacts & electronics (11%) and brazing alloys & solder (2%). Two new channels were made available for retail investors in silver – silver ETFs and digital silver (allocated as well as unallocated). Three silver ETFs are operational since the end of 2021, fairly successfully.

[http://goldconference.in/presentation/Day1/Viraj\\_Didwania.pdf](http://goldconference.in/presentation/Day1/Viraj_Didwania.pdf)



**Mr Vijay Murthy, CEO Silver, Lead & Minor Metals, Hindustan Zinc Limited:**

We are the only primary Zinc, Lead and silver mine producer in the country. Silver has been an exciting story for HZL, especially after we found silver in Sidhedurg,

near Udaipur through primary exploration. Primary exploration in precious metals is a grossly under-invested sector, unlike other sectors such as coal and oil. There is a need to bring in more investments into exploration. HZL carried out exploration between 2007 and 2012. After getting all clearances, we started operations in 2014. The ore body is rich with 100 gm silver per ton at the mine level; at the lead concentrated stage, we get about 2.3 to 2.5 kg silver per ton. HZL has been producing between 650 to 700 tonnes. Planning to move to 725 tonnes. Our focus is to grow domestic consumption. Towards that, we would love to work with players in electrical contact, silverware, conductors, cutlery or any of the upcoming applications. We are here to serve the country and work towards import substitution.



**Mr Harshit Doshi, Head-Precious Metals, ICBC India**

RBI has nominated a few banks to import precious metals. While we help our clients to import gold and silver, we also perform several other services. We ensure guidelines and policies of RBI

and DGFT are implemented. We also ensure GST compliance of our clients. Banks have given comfort to the suppliers. Banks have also given comfort to the customers. One recent example is the TDS collection by banks. Customers know that they would get back the TDS that we collect and remit to the government on time. Banks would soon be permitted to function at IIBX by the regulator. Through that, we can offer additional services to our customers. There is a lot more to do in the industrial use of silver in India. Banks are open to supporting the industry in that.



**Mr Dhiaan Srinivasan, Director-Business Development, Emerald Jewels**

The end consumer is the most important person one should start with. Young customers want a large collection of designs. Silver, being competitively priced, lends

itself to design innovation and range. While in terms of turnover silver jewellery business may be small, it provides a lot more opportunities for innovation and also gives more profits. One challenge is the tarnishing of silver jewellery over time. If we find a solution to that problem, we can take a sizeable market share from brass and copper jewellery as silver jewellery has better resale value. The growth rate in the silver jewellery business, in my view, is much higher than the growth in the gold jewellery business. With the change in demographic, the silver jewellery business has great promise. Silver is the new gold.

Having said this, the silver jewellery business cannot be modelled the way the gold jewellery business is being done. Especially given the price of gold, inventory management always comes to mind in the gold jewellery business. So it has become volume-driven and low margin. Silver business is design-driven and high margin. When the design is the most important selection criterion, the choice of metals becomes secondary.

## Gold Price outlook



### **Mr Debajit Saha, Lead Analyst-India and the Middle East, Refinitiv**

Globally we are struggling with inflation. In my view, inflation is not going to cool down any soon. Historically, every high inflation period is followed by a recession.

Are we staring at a recession? Maybe. If that is the case, gold has a useful role to play.

If we look at some of the economic indicators, we see improvement in US employment; however, the manufacturing index is deteriorating, especially after the Russia-Ukraine conflict. Gold vs US 10-year yield curve has turned positive.

Coming to price, the Gold price has been on the upswing from 2016 until recently. For this upmove, there has to be a healthy correction, which in my view is 50% retracement. I expect gold to gradually correct towards US\$ 1550 per TO soon. Of course, no market moves in a straight line, there may be a temporary upmove. I see the gold market consolidating between US\$ 1850 and US\$ 1550 per TO in the next year.

I am not bullish on silver. It is likely to consolidate in US\$18 – US\$ 21 per TO range. It may spike lower to US\$ 16 per TO also, briefly.

[http://goldconference.in/presentation/Day1/Debajit\\_Saha.pdf](http://goldconference.in/presentation/Day1/Debajit_Saha.pdf)



### **Mr Chirag Mehta, CIO, Quantum AMC Pvt Ltd on Gold in Investment Portfolio-An India Perspective:**

As of March 2022, the total household assets of Indians are estimated at USD10.7 trillion, 15% is into gold (Source: Jefferies).

Gold has been an excellent portfolio diversifier in India, based on the analysis of data on annual returns from equity and gold between 1990 and 2022 (Source: Bloomberg). Gold has been an excellent store of value. It has given an average nominal return of 11% pa during the high inflation period (inflation >6%) and 7% pa during the low inflation period (<6%). In recent times, physical investments in gold coins and bars are giving way to paper products such as Sovereign

gold bonds due to incentives. Gold ETFs, launched in 2007 in India, grew well till 2012 to almost 40 tonnes, then lost its sheen between 2013 till 2020 only to raise phenomenally again to 40 tonnes during the covid period. Gold Jewellery has enormous emotional value but compares poorly as an investment option. Gold financialisation needs actions in terms of treating gold as currency, eradicating barriers of taxation and movement and coming out with product-driven innovations along the value chain. New institutions such as IIBX and domestic gold spot exchanges provide a great opportunity for the creation of an integrated ecosystem bringing in efficiency and fungibility. On price outlook, recessionary concerns could limit the downside in gold prices, while a U-turn on hawkish stance could push gold higher.

[http://goldconference.in/presentation/Day1/Chirag\\_Mehta.pdf](http://goldconference.in/presentation/Day1/Chirag_Mehta.pdf)

## Special address by

### **Mr V S Sundaresan, Executive Director, Securities & Exchange Board of India (SEBI)**

For more details refer page number 18

## Discussion- India - UAE CEPA: Opportunities for Precious Metals Sector

### **Moderator: Mr Sadi Ahmad – SAM PRECIOUS METALS**

#### Panellists:

**Mr Sanjeev Dutta, Executive Director – Commodities & Financial Services DMCC**

**Mr Mohammed Ayyob – General Manager SAM PRECIOUS METALS**

**Mr Pramod Mohan – Managing Director FinMet Pte Ltd**

**Mr Chirag Thakkar- Amrapali Industries**

**Mr Kinjal Shah- RJC**

**Mr Harish Pawani, Director, Peekay Intermark Pvt. Ltd**



### **Mr Sadi Ahmad – SAM PRECIOUS METALS**

Significant events like the launch of IIBX in India and the announcement of the new policy on responsible sourcing involving refiners and importers in the UAE by the UAE Ministry of Economy



# AL ETIHAD GOLD

## PURITY & QUALITY AT ITS BEST

Al Etihad is a story of awe-inspiring growth and transition, a journey that has made the company one of the most recognised and trusted gold and silver brands globally.

[www.aletihadgold.com](http://www.aletihadgold.com)



P.O. Box 283648 | Tell: +971 4 242 4813 | Fax +971 4 242 4836

will provide a great opportunity for precious metal trade. CEPA is hailed to boost the trade between the two non-oil businesses. The industry must understand the advantages of CEPA and the benefits thereof. Apart from gold, the silver industry is also going to benefit from the tariff elimination scheme. CEPA has put more emphasis on responsible sourcing in the sense that, gold or silver that gets benefited under the CEPA has to be certified by UAE of India good delivery bar.



**Mr Sanjeev Dutta, Executive Director – Commodities & Financial Services DMCC**

UAE has been working on creating a robust regulatory framework. Similarly, on the governance side, quite a lot of developments are shaping up.

Dubai Good Delivery for which DMCC is the custodian has been elevated as UAE good delivery with the support of key stakeholders. Another significant development is the establishment of the Emirates Bullion Committee chaired by the Minister of State for foreign trade. DMCC is working on implementing a trading platform to track and trace gold flow. Most of the trade pacts existing or worked upon ultimately point towards multilateralism in trade. A combination of the governance, platform and multilateral trade agreements augers well for the future of the bullion and jewellery trade. It is the time we define the standards to ensure responsible and seamless trade.

[http://goldconference.in/presentation/Day2/Sanjeev\\_Dutta.pdf](http://goldconference.in/presentation/Day2/Sanjeev_Dutta.pdf)



**Mr Mohammed Ayyob, General Manager, SAM PRECIOUS METALS**

Under India – UAE CEPA refineries have more responsibility and a significant role to play. Dubai not only provides a very good foundation for business but also

for investments to create infrastructures. Regarding SAM Precious the company has invested heavily in infrastructure creation, and the company is well equipped to support such comprehensive agreements. SAM has created a capacity to produce 2 tons of gold per day working 24/7.

The focus should be on the quality of service and products to gain more customer confidence. SAM precious is accredited with UAE good delivery and also an RJC gold custody. Apart from quality, SAM precious is more focused on compliance and accreditations

which will go a long way in supporting bi-lateral trade agreements.

[http://goldconference.in/presentation/Day2/Mohammad\\_Ayyob.pdf](http://goldconference.in/presentation/Day2/Mohammad_Ayyob.pdf)



**Mr Pramod Mohan, Managing Director, FinMet Pte Ltd**

Under the able leadership of Mr Ahmed Bin Sulayem DMCC was the first to come out with the protocol in terms of Dubai Gold Delivery which is in line with OECD principles and global

regulations. Unlike IIBX which has ISFCA and DIFC which has DFSA as regulators, DMCC does not have regulators to oversee the enforcement. The transition from the DGD era to UAE good delivery has been significant, smooth and facilitated by the government. Recently the ministry has come out saying that all the refiners, numbering around 28 have to do responsible sourcing, failing which, they would be fined 5 million dirhams. In the UAE, with the government acting as the regulator and enforcing agency, the country would be a secure market in terms of precious metal sourcing

On providing liquidity to the UAE bullion market, DMCC was all supportive and DGCX as an exchange active in metal products realised an opportunity. They came out with a product where fresh UAE good delivery bars go directly into DGCX warrants being created and banks provide the liquidity. Now that CEPA is happening, it is now a great product for providing liquidity for UAE refiners.

[http://goldconference.in/presentation/Day2/Pramod\\_Mohan.pdf](http://goldconference.in/presentation/Day2/Pramod_Mohan.pdf)



**Mr Chirag Thakkar, Amrapali Industries**

To touch on the important milestones and timelines when the Indian government opened the consignment business in 1997-1998, it took 10-15 days to clear the consignment. There

was no system put in place then. In 2013 when dore imports were opened up it took around 15-20 days to clear the first shipment. These were followed by the implementation of India's good delivery standard and the recent big milestone is the launch of IIBX. The recent India – UAE CEPA is an advantage for both nations. Dubai as a nation is a very supportive partner in the bullion trade and a significant bullion exporter. Government through TRQ and qualified jeweller criteria is trying to ensure that the bullion supply under

CEPA actually goes to the jeweller and sustain the entire value chain and does not get disrupted by the market forces. Silver is also going to follow the same strides as gold with the actual user/manufacturer criteria benefitting the actual manufacturing hubs.



#### **Mr Kinjal Shah, RJC**

Responsible Jewellery Council is a not-for-profit organization with the ultimate goal to uplift industry practices. RJC has two standards one is the code of practices with a main focus on ethical and sustainable management practices

and the second is a chain of custody with a focus on ethical sourcing and transparent tractability

Chain of custody is the highest category of standards which is complicated to comply with. On the commercial advantages of RJC standards, whomsoever the exchanges have accredited and eligible as India Good Delivery has placed RJC membership as a mandatory criterion. Chain of custody ensures that the process of making jewellery/ ornament follows ethical and sustainable business practices



#### **Certiline presentation by Mr Jacopo Monteforte Specchi**

We are a 25-year-old family-owned company that is into anti-counterfeiting solutions for the precious metals and the diamond industry. We started our

business, offering secured solutions to the diamond industry, and then moved to have refiners, mints and other fabricators of gold and precious metals as our customers.

Why is our packaging solution accepted worldwide? It adds value to the product, protects the market and facilitates trade.

Cryptoprint is one of our security systems. Once the packaging is opened, another script will appear in this. The second security system is the UV membrane. Once the packaging is open, the UV membrane cannot be replaced, as it is very thin. Laser engraving is the third security system. Then we have a machine for sealing the packing. We have expanded our offering of secured solutions to documents, food, clothes and bags.

Now, I would like to draw your attention to the Certieye app. It is a new addition to our offering. Let me demonstrate it to you. Once I scan the packaging, I can get all the details of the product on my screen. It will show the geo-location of the product. If it is counterfeit, then it can easily be detected. So, it is easy to monitor and manage. We introduced the solution last year.

[http://goldconference.in/presentation/Day2/](http://goldconference.in/presentation/Day2/Jacopo_Monteforte.pdf)

[Jacopo\\_Monteforte.pdf](http://goldconference.in/presentation/Day2/Jacopo_Monteforte.pdf)



#### **Discussion: IIBX Ecosystem- The way forward**

**Moderator:**

**Mr P R Somasundaram,  
Regional CEO- India, World  
Gold Council (WGC)**

**Panellists:**

**Mr Ashok Gautam, MD & CEO, IIBX IFSC**

**Mr Anshuman Sharma, Head Precious Metals- Middle East & India, StoneX**

**Mr Sharad Jobanputra, Chairman, Sequel Global Logistics**

**Mr Haresh Acharya, Director, Parker Precious Metals**

**Mr Mahendran K, Head-Precious Metals Business, Karur Vysya Bank**

**Mr Ravi Ramakrishnan, Head Precious Metals Trading Asia, J P Morgan**

**Mr P R Somasundaram: Ashok, congratulations on the launch of IIBX. Now that there is a huge responsibility, how do you see yourself resourced to handle the expectation?**



**Mr Ashok Gautam, MD & CEO,**

**IIBX:** Thank you all for your support that resulted in the launch of IIBX yesterday. We have the top 5 MIs as promoters. They are giving their expertise to this initiative. We also have WGC, and associations such as IBJA

to support us on policy matters. On the resources part, because of the grand launch, we have started getting a lot of resumes now. We have a plan for HR, which will be calibrated. Resources also include tech (BSE Tech). There also we are working on several changes. We are tailoring the technology for spot trade and physical delivery and taxation compliance.

So, we are adequately resourced.

Issues to be focussed on – Ensure supply-side is working smoothly. Second, Even in QJ, consider multiple options such as a client of a member or a Limited purpose company.

**Mr P R Somasundaram: Anshuman, what do you think we should focus on?**



**Mr Anshuman Sharma, Head Precious Metals- Middle East & India, StoneX:** First, I would like to congratulate IIBX. From an international perspective, we would love to work with exchanges. It's a great opportunity for us. Having said this, a lot of infrastructures have to be enabled around IIBX. We also need more visibility of the whole process.

One issue that IIBX should focus on - enabling people to come on the platform.

**Mr P R Somasundaram: Sharad, you have put an excellent vaulting at IIBX. How are you going to make people aware of it?**



**Mr Sharad Jobanputra, Chairman, Sequel Global Logistics:** We have the largest vaults. We have also invested in keyless technology. At Rs 100 per sqft for 18000 area my rentals are very high. Our monthly fixed cost is Rs. 25 lakhs. However, being the

market leader, we have to maintain competitive pricing. Our vaulting charges in IIBX are at par with that of what we charge in DTA. We have already moved a lot of cargoes from that IIBX infrastructure.

Propose to have a customer-centric approach to communicate the benefits to existing and new clients.

**Mr P R Somasundaram: Haresh, you have been involved with this initiative for a long time. What is your reading?**



**Mr Haresh Acharya, Director, Parker Precious Metals:** What we saw yesterday at IIBX was the mindset of the government. PM's vision for the industry is to make it organised. Stakeholders should prepare their minds for

compliance-oriented businesses, going forward. If we are not ready, then it will be forced on the stakeholders.

When Mr Jignesh Shah started MCX in 2003, it took nearly three years of continuous efforts to build volume. So, the exchange ecosystem takes time to grow and mature. However, when it comes to IIBX, people want everything on day-1 only. It is not possible. If we stay on and work together, then things will happen.

One thing IIBX should focus on is minimum compliance.

**Mr P R Somasundaram: Mahendran, what is the way forward?**



**Mr Mahendran K, Head-Precious Metals Business, Karur Vysya Bank:** Firstly, congratulations to Mr Ashok for the historic event. Everyone knows what needs to be done to make IIBX a success. Bullion banks have been serving the industry by importing tons of

metal over the years and ensuring compliance. It is heartening to hear from GM, and IFSCA that policy on banks' participation in IIBX will be available within the end of the year. Whenever it is ready, banks will be ready to participate. Aside from looking at it as an alternative channel of imports, we can explore newer possibilities including the export of bullion.

One thing IIBX should focus on is improving connectivity. This would expand the market.

**Mr P R Somasundaram: Ravi, as an overseas supplier and a bullion bank, how do you see the development?**



**Mr Ravi Ramakrishnan, Head Precious Metals Trading Asia, J P Morgan:** Congratulations to Ashok and his team for a great start yesterday. We are 100% supportive of the IIBX initiative. It will help both sides. The key to the market is liquidity. With

the exchange in place, there is a strong chance of both sides participating in large numbers and driving

liquidity. We have opened our branch office at GIFT City yesterday. There is a push toward being a part of the GIFT city ecosystem and developing it. IIBX and bullion will form a part of these initiatives.

One thing IIBX should focus on is Liquidity. From the supplier side, we can ensure liquidity. We need someone on the demand side to match the same.



**Comment from Mr Prithviraj Kothari:** The supply-side should be well represented. Ease of compliance on the buyer side is needed. Also, a concession is needed as capital is blocked in the new system for 48 hours against the current system.



**Mr Ashok Gautam:** We are working on a model where the entire trade cycle (from remitting USD till delivery of Bullion Depository Receipt (BDR)) is compressed to under three hours. We are working on that now and hope to come up with a solution very soon.

**Mr P R Somasundaram:** One suggestion to IIBX; have regular interactive sessions with industry stakeholders once a fortnight for the first year. This engagement process would be effective in identifying and resolving issues.

### Discussion- Opportunities in South Indian Gold / Silver Jewellery Market

**Moderator: Mr Surendra Mehta, National Secretary, IBJA**

**Panellists:**

**Mr Jayantilal J Challani, President, The Jewellers and**

**Diamond Traders Association, Madras**

**Mr Sabarinath B, President,**

**Coimbatore Jewellers Association**

**Mr Ba Ramesh, President,**

**Madurai Jewellers Association**

**Mr Chetan Mehta, Vice-President, IBJA**

**Mr Chanda Sreenivas, President, IBJA- Telangana**



**Mr Surendra Mehta, National Secretary, IBJA:** As you all know, South India is one of the largest gold jewellery markets. About 60% of India's gold jewellery is sold in South India. What is there in the South Indian gold jewellery market? Let us try to find out. Let me begin with Jayanti bhai.



**Mr Jayantilal J Challani, President, The Jewellers and Diamond Traders Association:** South Indians are very conservative. They save first and then spend the rest. For men, investment in gold means financial security. For women, gold

jewellery symbolises social status. Thus, gold jewellery purchase satisfies the requirements of both heads of the family.

**Mr Surendra Mehta: Sabarinath Ji, what more can further be done to improve the jewellery market in south India?**



**Mr Sabarinath B, President, and Coimbatore Jewellers Association:** The South Indian jewellery market is developing fast with population. The design concept has improved a lot in the last three years. Companies such as Emerald are leading the way in

this, as they have an excellent design team. This has opened up the market for Coimbatore manufactured jewellery to other parts of India and the rest of the world.

People attach sentimental value to gold jewellery. Thus, jewellery gets passed on from one generation to another.

**Mr Surendra Mehta: Ramesh sir, you have 52 retail stores and have an expansion plan. What is the reason the chain store concept does not succeed in north India? Why does it succeed in south India?**



**Mr Ba Ramesh, President, Madurai Jewellers Association:**

I can tell why it is successful in South India. After covid, people are investing about 15 to 20% of their earnings in gold. Covid has proved the utility of gold compared to other assets such as cars,

mobile phones, etc. Second, common people in South India are not that aware of equity, mutual funds and so on. About 95% of the gold purchase is in the form of jewellery. Making a charge of 10% is affordable, as with time, gold appreciates. Last, in South India, we sell 22 kt jewellery of assured purity.

**Mr Surendra Mehta: Chetan bhai, share with us something about the South Indian diamond market.**



**Mr Chetan Mehta, Vice-President, IBJA:** After gold, the best quality diamond is sold in Southern India. After covid, even with the increase in the price of diamonds by 10 to 15%, the demand for diamonds has grown by over 80%. Diamonds are

associated with prosperity. We see a great future for quality diamond jewellery in Southern India. In terms of demand for higher caratage diamonds, the south is ahead of north India.

**Mr Surendra Mehta: So, one thing that comes out clearly is the South Indian jewellery market is quality conscious. Chanda Srinivasan ji, why is the demand for gold jewellery less in Hyderabad?**



**Mr Chanda Srinivas, President, IBJA- Telangana:** Silver is picking up very much in Telangana. Gold jewellery demand is more in Andhra compared to Telangana. In terms of investment, gold, silver, land and shares are the preference of common people.

Compared to Tamil Nadu, the demand for plain gold jewellery in Telangana is less. However, there are new stores coming up in Telangana for gold jewellery, silver jewellery and diamond jewellery. Telangana is more of a studded jewellery market.

**Mr Chetan Mehta:** Would like to add to Srinivasan ji point. Telangana is the place for the largest diamond sale.

**Mr Surendra Mehta: How is the demand for silver jewellery? Does silver jewellery compete with gold jewellery?**

**Mr Ba Ramesh:** Silver jewellery demand has increased very much in recent times. It is a different segment compared to the gold jewellery segment. Silver jewellery demand does not affect demand for gold jewellery.

**Mr Surendra Mehta: Jayanti bhai, what should North learn from south India's success?**

**Mr Jayantilal J Challani:** Quality of jewellery should improve in North India. For example, in North India, silver jewellery with 30 – 40% silver content is still sold. In south India, the standard is a minimum of 87.5% silver for silver jewellery. In diamond jewellery, south India will not buy if you sell diamonds at 15,000 to 20,000/carats.

**Mr Surendra Mehta: Srinivasan ji, what should North India jewellers do?**

**Mr Chanda Sreenivas:** Transparency is important. In the South, the number of occasions for the purchase of jewellery is very high. Promotion is also high in the South.

**Mr Ba Ramesh:** in Tamil Nadu, there is a custom of giving 4 to 5 kgs of gold jewellery to the bride and groom at the time of marriage. In Kerala, new jewellery is bought for all close relatives also, in addition to the bride and groom.

**Mr Sabarinath B:** In the North, the buyback rate is also very low compared to the selling rate. In the South, it is usually weight for weight in any exchange programme.

**Additional comments from Delegates:**

**Mr A S Sriram, President, Tamil Nadu Jewellers Federation:** In South India, the bottom pyramid is very large. Each one is buying a small quantity. In North India, the top end of the pyramid buys more gold. However, the bottom pyramid may not be buying. So, with overall economic growth in the North, there is a scope for growing the market.

**Mr James Jose, President, Hallmarking Federation of India:** Every year, Kerala buys about 100 -120 tons of gold jewellery and recycles another 80 tons of gold. I have been a refiner for 27 years. About 15 years ago, the average purity of gold jewellery in Kerala used to be 82%. These days, the average purity of old gold jewellery coming to refineries from Kerala and Tamil Nadu is about 90%. It is about 75% of gold jewellery scrap coming from Bangalore and upwards even now.



# Global Precious Metals Conference 2022

3

Days

30+

Expert Speakers

300+

Organisations

5\*

Venue

## REGISTER YOUR PLACE NOW

LBMA/LPPM Global Precious Metals Conference will be an in-person event taking place in Lisbon, Portugal, from Sunday 16 – Tuesday 18 October 2022.

Register your place now and look forward to a prestigious five-star venue and high-profile speakers. You'll have plenty of opportunities to network, expand your business interests, and reconnect with others within the precious metals industry – including the LBMA Executive.



**16 - 18 OCTOBER 2022, LISBON, PORTUGAL**

## Discussion on Bullion Market and Trade post-Domestic Gold Spot Exchange

**Moderator: Mr Harish Chopra, IGPC, IIMA**

**Panellists:**

**Mr Shivanshu Mehta, Head-Bullion, MCX**

**Mr Kumar Parmani, President- Trade & Bullion, Yes Bank**

**Mr Deepak Gupta, CEO, Kundan Group**

**Mr A S Sriram, President, Tamil Nadu Jewellers Federation**

**Mr Nagendra Kumar, Chief Business Officer, NSE**

**Mr Ranjith Singh, Head Commodities, BSE**

**Mr Manish Gavaskar, Senior VP- Treasury & Head Bullion Sales, Ratnakar Bank Ltd**



**Mr Harish Chopra, IGPC, IIMA:**

We just heard Mr V S Sundaresan, ED, SEBI. He has addressed many of the issues. Thank you, sir. The plans for developing the market ecosystem are very encouraging.

We have all three exchanges here. We will find out what their plans are in so far as Domestic Spot Gold Exchange (DSGE). BSE has been given in-principle approval by SEBI. Starting with Shivanshu, how soon are you planning to start the DSGE?



**Mr Shivanshu Mehta, Head-Bullion, MCX:**

At MCX, we already have derivative products in gold, silver, and indices. We have also demonstrated our delivery capabilities. Now that SEBI has put in place a system for DSGE, we will be there very soon.

**Mr Harish Chopra: Kumar Parmani, as a banker in the precious metals sector, how do you see DSGE? is it good news or a threat?**



**Mr Kumar Parmani, President-Trade & Bullion, Yes Bank:**

Any news is good news. DSGE is a good development. There is a space for everyone. We may have to realign ourselves, as banks cannot play directly in the

exchange, as per the current regulation. We need to find out how we can collaborate with other partners. Banks have their strengths in financing and it will be relevant for the sector.

**Mr Harish Chopra: Deepak Ji, as a refiner what are the opportunities that you see?**



**Mr Deepak Gupta, CEO,**

**Kundan Group:** We will get more opportunities. The idle gold with the public will come on the exchange. Second, as per the current guidelines, only India Good Delivery (IGD) refiners can deliver gold and silver into the exchange.

So, as an IGD refiner, we are at an advantage and we expect our volumes to increase.

**Mr Harish Chopra: Sriram sir, the ecosystem is aimed at catering to the last mile. What is going to be the role of bullion dealers/traders going forward?**



**Mr A S Sriram, President, Tamil Nadu Jewellers Federation:**

I thought of asking the same question to you. From what I have heard and read, IIBX is a good platform. It is in alignment with the Athma Nirbhar vision of the prime minister. At the end of the day, the regulations have to be pronounced. It has to be clear as to how is it going to help the stakeholders.

**Mr Harish Chopra: Nagendra, can you give us an understanding as to how DSGE would help the stakeholders?**



**Mr Nagendra Kumar, Chief Business Officer, NSE:**

Even at IIBX, initially banks were not permitted. Now, we all know banks have been permitted to function as professional clearing members (PCM). Soon we believe they may be permitted to offer trading services to their clients. I expect similar developments at DSGE as well going forward.

Secondly, all of you are aware of NSE-IBJA MoU. According to this, NSE and IBJA will create DSGE, wherein 51% ownership will be with institutions

## 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**

**DISCLAIMER:** The information contained in this brochure including text, graphics or other items are provided on an 'as is', 'as available' basis. NSEIL does not warrant the accuracy, adequacy or completeness of this information and material and expressly disclaims liability for errors or omissions in this information and material. No warranty of any kind, implied, express or statutory, including but not limited to the warranties of non-infringement of third party rights, title, merchantability and fitness for a particular purpose is given in conjunction with the information and materials. In no event will NSEIL be liable for any damages, including without limitation direct or indirect, special, incidental, or consequential damages, losses or expenses arising in connection with this brochure or use thereof or inability to use by any party, or in connection with any failure of performance, error, omission, interruption, defect, even if NSEIL or representatives thereof, are advised of the possibility of such damages, losses or expenses.

(NSE owning 15% and other institutions owning the remaining. BSE and MCX can also participate in this). The balance of 49% will be owned by the industry. For the first time, we are introducing the concept of a depository. With IBJA we are planning an awareness programme. We believe the new system will change the entire delivery ecosystem, especially the B2C segment.

In the proposed exchange, there are going to be B2B as well as B2C segments where EGRs would be traded. At present, SEBI's regulations are more toward B2C. We will work with SEBI on EGR utilization for B2B.

**Mr Harish Chopra: Ranjith, continuing the same subject, what do you think is a good business proposition for BSE?**



**Mr Ranjith Singh, Head-Commodities, BSE:** Let me at the outset thank SEBI for giving us the permission. We will start DSGE as a segment of BSE. We have already conducted mock testing. SEBI did their checking last week.

Once we have all approvals in place, and clarity on some of the taxation issues, we will start. As far as viability is concerned, we see good potential. The official import number is about 1000 tonnes a year. We are promoting this as a SIP option for retail investors as well. For jewellers, we are looking at it as a kilobar product.

**Mr Harish Chopra: Deepakji, Kundan also has a digital gold business. How would DSGE affect Kundan's digital gold business?**

**Mr Deepak Gupta:** EGR will work for limited hours. Digital gold is 24\*7. So, in our view, it will co-exist. NK: In digital gold, the key is the bid-ask spread. Current spreads are very large. As against that, the bid-ask spread in gold ETFs (Exchange-traded products) is very narrow. Also, in a regulated environment, there are mechanisms to incentivise the channel. So, over a period of time, the digital gold volume will shift to exchange.

**Mr Shivanshu Mehta:** I agree with Nagendra's point. Our gold petal contract saw the delivery of 61,000 units. Like-wise, 130 metric tonnes of silver were delivered against the silver one-kg contract. So, exchange-traded products have an inherent advantage in terms of liquidity.

**Mr Harish Chopra: Manish, how do you see banks continue working capital financing and other services?**



**Mr Manish Gavaskar, Senior VP & Head-Bullion Sales, Ratnakar Bank Ltd:**

Banks have played a variety of roles in serving the needs of customers in the current market. Even under IIBX and DSGE, banks will support and play a variety of roles. PCM at

IIBX is known to all. Likewise, it will evolve as with the evolution of the market.

**Mr Kumar Parmani:** As of today, banks enable importation, provide a working capital loan, run Gold Metal Loan books, and also provide loans for CAPEX. Going forward, if there is an exchange model, banks would provide an extra line of service as permitted by the regulator and as demanded by customers.

**Mr Harish Chopra: Sriram sir, do you have enough information on IIBX and DSGE?**

**Mr A S Sriram:** Not yet. But I think we will get all the information very soon. I would like to focus on the capital gains tax aspects related to exchanging old gold jewellery with new gold jewellery. Here the buyer has to pay capital gains tax on the difference between the purchase price and the resale price. If the capital gains are exempted, then it will enable the flow of old gold jewellery into the system and in some ways will reduce the import requirements. We have similar exemptions on capital gains on the sale of land or building if the proceeds are reinvested in land or building within a specified time. The regulator should kindly look into this and permit the same.

**Mr Harish Chopra: Dubai has introduced some stringent measures on responsible sourcing. What is the plan of exchanges in India?**

**Mr Nagendra Kumar:** From an operational point of view, if all three exchanges operate the same contract (EGR) and if the same refiner is empanelled with all exchanges, then we need to standardise the accreditation norms. Else, we will run into serious challenges.

To be continued in next issue - **Discussion on Tech-backed gold products & more on IGC 2022**

valcambi  
suisse

The best time to buy a  
CombiBar™ was 10 years ago.  
The second best time is now.









