

## A WALK DOWN IGC'S GOLDEN MEMORY LANE (2010-2015)

**INDIA'S LARGEST BULLION CONFERENCE**  
Two Decades of Connecting India with the Global Bullion Market



Review Based on India Gold Conference Proceedings

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



**895t**  
Average annual demand · 26% of global physical gold 2010 - 2015



**Banks Only**  
Gold imports only through RBI permitted banks



**18 Months**  
Duty journey - From 2% ad valorem in Jan 2012 to 10% by Aug 2013



**3 → 32**  
Licensed domestic refineries · fastest capacity build in bullion history

### YEAR-BY-YEAR MARKET EVOLUTION · 2010-2015



**2010**  
**DIGITAL ACCESS**  
Mobile Trading  
Brokerages go mobile

Brokerages launched smartphone apps, making real-time bullion prices and MCX trading accessible to retail investors at scale for the first time.



**2011**  
**TAX & DISTRIBUTION**

Excise & Bank Curbs  
**Coins, medallions & ornament tax**  
Banks restricted from distributing gold coins.  
Excise duty levied on gold ornaments



**2012**  
**DUTY REGIME SHIFTS**

2% Ad Valorem  
**Specific → value-linked Basic Customs Duty**  
BCD shifted from specific per-unit tax to ad valorem at 2%, tying import revenue to gold prices.



**2013**  
**IMPORT TIGHTENING**

80:20 Rule  
**Strongest restrictions in post-lib history**  
BCD hiked 3 times: 4%, 6%, 10% by August.  
80:20 rule introduced



**2014**  
**RECALIBRATION**

80:20 Repealed  
**Emergency controls unwound; duty held**  
80:20 rule abolished in November 2014 after causing severe market distortions. Duty held at 10%.



**2015**  
**STRUCTURAL REFORM**

New Architecture  
**Sovereign Gold Bond, Gold Monetisation & India Gold Coin**  
Three landmark schemes launched: the Sovereign Gold Bond Scheme (paper gold replacing physical import demand), the Gold Monetisation Scheme and the India Gold Coin.

### The 18-Month Duty Reform Journey · January 2012 → August 2013



**2%**  
Jan 2012  
Launch · Ad Valorem  
Duty linked to price



**4%**  
Jan 2013  
First hike  
CAD at 4.8% of GDP



**6%**  
Jun 2013  
Second hike  
Rupee defence



**10%**  
Aug 2013  
Final hike  
Rate held to 2019

Four graduated steps across 18 months — duty quintupled without a single shock intervention, giving the industry adjustment time at each stage. Tariff measures did not result in decline in supplies. It led to a parallel trade.

## Why the Old Model Had to End

### THE UNSUSTAINABLE IMPORT-AND-CONSUME MODEL · 2010-2013

Between 2010 and 2013, India's gold economy ran on a single, one-directional model: import finished gold, consume it, lock it away in household vaults. Very little productive use of the vast above-ground stock estimated at 23,000-24,000 tonnes held by households and religious institutions. Foreign exchange flowed out for an asset that sat idle — and by FY2012-13 gold alone represented nearly 11% of India's total import bill, with the current account deficit reaching 4.8% of GDP. **This model was not sustainable — and therefore it was stopped.**

The deeper question that emerged was: **what should replace it?** Three answers became the pillars of India's gold policy for the following decade, and were later formalised in the NITI Aayog Committee report on **Transforming India's Gold Market (2018)**.

## BANKS AS THE SOLE IMPORT CHANNEL & THE DOMESTIC REFINERY REVOLUTION

### BANKS-ONLY IMPORT REGIME · 2013–2014



#### WHO WAS PERMITTED

Only RBI-nominated commercial banks — SBI, HDFC, ICICI, Axis and other scheduled banks — authorised to import gold on a consignment basis with strict end-use conditions and mandatory RBI reporting.



#### WHO WAS SUSPENDED

All nominated agencies (MMTC, HHEC, STC), all star and premier trading houses and all DGFT-authorized export houses had import rights suspended. Banks became the singular, fully regulated gatekeeper of India's entire gold supply.



#### THE 80:20 RE-EXPORT RULE

Banks had to ensure 20% of each consignment was re-exported as jewellery before the next shipment was released — tying import volumes directly to India's value-added manufacturing output.



#### THE LASTING INFRASTRUCTURE

The consignment model and end-use tracking built India's first end-to-end traceable gold supply chain — infrastructure that became the compliance backbone of post-2014 formalisation policy.

### THE DOMESTIC REFINERY BOOM · 2012 ONWARDS

**3 → 32**  
LICENSED REFINERIES  
2012 ONWARDS

**1,400t**  
PEAK COMBINED ANNUAL  
REFINING CAPACITY



**The trigger:** The 2012 duty structure taxed imported refined gold bars at a higher rate than raw doré. Importing doré from mines and refining it domestically became profitable than importing finished bars.



**The response:** From just 3 licensed facilities in 2012, India grew to 32 licensed refineries — competing for doré supply from mines across Africa, South America, processing it into fine gold bars for the domestic market.



**The legacy:** An accidental duty differential became deliberate industrial policy. India transformed from a pure consumer of imported finished gold into a significant global refiner - adding manufacturing value, creating skilled employment.

## THE THREE PILLARS OF THE NEW MODEL · 2014 ONWARDS

01

### MOBILISE ABOVE-GROUND STOCK

India's estimated 23,000–24,000 tonnes of idle household gold form the world's largest private reserve. The 2015 Gold Monetisation Scheme sought to mobilise this: depositors earn interest, banks gain gold assets, and refineries get feedstock.

02

### EMPLOYMENT THROUGH UPSKILLING

The gems and jewellery industry employed 6.1 million workers in 2017 and was expected to need 9.4 million by 2022. Policy shifted to leverage India's strength in processing and crafting gold, making upskilling artisans, jewellery clusters, and workforce formalisation key pillars of the Make in India agenda.

03

### EXPORT EXPANSION & VALUE ADDITION

India exported US\$12.5 billion in FY2013. With value addition at about 25% of imported gold value, the new approach emphasized B2C export channels, Jewellery Parks, and an India Good Delivery Standard for refineries, aiming to position India as the "jeweller to the world."

## BIS HALLMARKING · 2010–2015 · GROWING QUIETLY ALONGSIDE THE POLICY STORM

### THE CONSUMER PROTECTION CRISIS THAT HALLMARKING WAS BUILT TO SOLVE

BIS launched voluntary gold hallmarking in April 2000 with three objectives: protect consumers, build export competitiveness, and develop India as a leading gold market centre. Yet by 2006 — the last survey BIS conducted — **90% of non-hallmarked jewellery samples still failed purity tests** across 16 cities, with an average shortfall of 13.5% and worst cases reaching 44.6% under-caratage. While the import duty crisis of 2010–2015 consumed policy attention, hallmarking was quietly expanding — and the WGC reported that purity shortfalls had already begun falling from 20–40% toward 10–15% in hallmarked segments.

**554**  
**ASSAYING & HALLMARKING CENTRES BY 2013–14**  
INFRASTRUCTURE BUILDING · 2010–2015

During the import crisis years, India's hallmarking network quietly scaled up from a few centres in 2000 to 554 by 2013–14, run by private operators and regularly audited by BIS under IS 15820 (2009).

**22,309**  
**BIS-LICENSED HALLMARKED JEWELLERS · OUT OF ~400,000 IN INDIA**  
VOLUNTARY ADOPTION · STILL THIN

By the mid-2010s, only 22,309 jewellers — about 5.5% of India's roughly 400,000 — held BIS hallmarking licences, leaving most of rural India un-hallmarked. Because the scheme was voluntary, uptake was concentrated among organised urban chains.

**3**  
**PERMITTED PURITIES PROPOSED: 22, 18 AND 14 CARAT**  
PURITY STANDARDS · THE DEBATE

India's BIS hallmarking scheme in 2010–2015 covered only three purities: 916 (22k), 750 (18k) and 585 (14k). This narrower Indian standard, the industry argued, restricted consumer choice and put exporters at a disadvantage in global markets where buyers expected a wider range of purity options.

**10–15%**  
**PURITY SHORTFALL IN HALLMARKED JEWELLERY DOWN FROM 20–40% BEFORE HALLMARKING**  
IMPACT WAS REAL · BUT INCOMPLETE

Where hallmarking was adopted, it delivered. Under caratage in hallmarked jewellery dropped from 20–40% to about 10–15%. But with only around 5% of jewellers participating, most Indian consumers still lacked protection, making mandatory hallmarking the obvious next step.

## A WALK DOWN IGC'S GOLDEN MEMORY LANE (2010-2015)

From 2010 to 2015, IGC brought together traders, regulators, refiners, bankers and policymakers from India and around the world. Each edition centred on the most pressing questions facing the gold industry — on policy, trade, refining, investment and international standards.

**2010**  
**2015**

SIX EDITIONS · SIX CITIES · THE  
CONVERSATIONS THAT SHAPED  
INDIA'S GOLD INDUSTRY

**INDIA  
GOLD  
CONFERENCE**



**2010**  
Goa

### WHAT NEEDS TO BE DONE TO CREATE A VIBRANT INDIAN BULLION INDUSTRY?

The 7th IIGC opened with Mr Paul Walker, CEO, GFMS delivering a special address on the global gold and silver supply-demand picture. Panels examined what banks, exchanges, jewellers and refiners needed from the market; unresolved issues in spot and derivatives trading; and new opportunities in refining, investment products and jewellery retail. Mr Stewart Murray, CEO, LBMA led a special session on London and India as two great interlocking markets. A global price outlook closed the day.



**2011**  
Kerala

### SETTING THE AGENDA — FEDERATION, EXCHANGES AND REFINING

Three opening presentations asked what international suppliers, Indian users and the jewellery industry want from bullion markets — addressed by Mr Harish Pawani (Bin Sabt), Mr Konal Doshi (GJEPC) and Mr Mohit Kamboj (KBJ Group). Panel 1 on reducing transaction costs and spot market reforms featured Mr S K Jindal, Mr Prithviraj Kothari and Mr Rajan Venkatesh. Mr Sunil Kashyap, Bank of Nova Scotia, delivered a standalone presentation on regulatory changes in the Chinese bullion market and lessons for India. Panel 4 examined bullion investment products — ETFs, coins, bars, structured notes and gold-linked bonds.



**2012**  
Hyderabad

### VOLATILITY, HEDGING, REFORM AND PROFESSIONALISING THE TRADE

A pre-conference master class on price volatility and hedging - covering options contracts and mining cost overlays - was led by Mr Bimal Das (ScotiaBank), Mr Anindya Boral (CME Group) and Mr Rohit Savant (CPM Group). The inaugural roundtable on financially inclusive reforms for the Indian bullion industry featured Dr. Anup Pujari, IAS, DGFT. Day 2 covered the paper vs physical debate, cross-border partnerships with Mr Jeremy East (Standard Chartered), professionalising the family business with Mr Shrikant Zaveri (TBZ), and exchange innovation with Mr Sameer Patil (MCX) and Mr William Barkshire (HKMEX).



**2013**  
Jaipur

### CAD CRISIS, RESPONSIBLE SOURCING AND GLOBAL MARKET SHIFTS

Focused pre-sessions covered bullion refining and responsible sourcing of gold — the latter led by Mr Tyler Gillard (OECD), Mr Rajesh Khosla (MMTC-PAMP) and Mr David Gornall, Chairman, LBMA addressed innovation as the mantra for tough times, followed by a roundtable on working with government on CAD and gold imports. Mr Jeffrey Christian (CPM Group) delivered the global economic trends keynote on Day 2. Mr Stewart Murray, CEO, LBMA presented "London Good Delivery - Moving East". Mr Bhaskar Bhat, MD, Titan Industries delivered a leadership lecture on building growth-oriented business.



**2014**  
Pune

### 10-YEAR ROADMAP, GOLD MONETISATION AND OVERSEAS PARTNERSHIPS

Mr Jeremy East, Standard Chartered Bank delivered the keynote on the changing global bullion landscape and India's relevance. The inaugural roundtable on a 10-year roadmap for Indian bullion included Mr Krishna Pratap Singh from the Ministry of Finance and Prof. Charan Singh (IIM-B). A formal representation session — led by Mr Prithviraj Kothari (RSBL), Mr Mayank Khemka and Mr Satish Bansal — called for a nodal agency, reduced customs duty and abolition of the 80:20 rule. Prof. Errol D'Souza, IIM Ahmedabad presented the economic case for a Gold Monetisation Scheme. Mr Philip Newman, Metals Focus mapped global gold dore sources.



**2015**  
Goa

### GMS, SOVEREIGN GOLD BOND, INDIA COIN AND GLOBAL REFINING STANDARDS

**Mr Grant Angwin, Chairman, LBMA and Ms. Ruth**

Crowell, CEO, LBMA headlined the inaugural. Mr Erkan Kilimci, Executive Director, Central Bank of Turkey presented recent developments in gold deposit accounts. Dr. Sneha Bhatla, DDG, BIS outlined the role of BIS in GMS. Mr G Padmanabhan, former Executive Director, RBI covered the Sovereign Gold Bond scheme. Mr P R Somasundaram, WGC addressed the India Coin agenda. Mr Pankaj Chadha, E&Y presented a responsible gold auditing roadmap. Mr Amit Kumar Sarkar, Grant Thornton India LLP delivered a GST impact analysis for the bullion and jewellery industry.



*"India should permit export of gold bullion through banking channels. By enabling two-way trade, India would start to influence the global bullion market."*

**Mr Prithviraj Kothari,**  
National President, IBJA  
Inaugural Roundtable - IGC  
2012, Hyderabad



*"Time has come for financialisation of the Indian bullion market. A Gold Deposit Scheme has to be inclusive and based on three pillars: credibility, liquidity and execution capabilities."*

**Mr Jignesh Shah, Mentor & Coach, IGM (India Gold Metaverse), Founder: MCX, DGCX, IEX, SMX, MSE, ODIN** Inaugural Roundtable - IGC 2012, Hyderabad

*"While Indian Good Delivery could be a short-term goal, the refiners should aim at LBMA accreditation if they aspire to reach out to global markets."*

**Mr Philip Clewes Garner,**  
HSBC, Cross-Border  
Partnerships - IGC 2012

# A WALK DOWN IGC'S GOLDEN MEMORY LANE (2010-2015)



## KEY SESSIONS, POLLS & VOICES FROM THE FLOOR

### FROM THE FLOOR - 2010-2015

#### IGC 2011 · INAUGURAL ROUNDTABLE

##### Financialisation, gold deposit and banking reform

Mr Jignesh Shah, MCX said the time had come for financialisation of the Indian bullion market and supported a Gold Deposit Scheme built on "credibility, liquidity and execution capabilities." Mr Rajan Venkatesh, ScotiaMocatta stressed the need for banks to participate in commodity derivatives and to be permitted to buy back coins and bullion. Mr Rajesh Khosla, MMTC-PAMP highlighted pending reforms: taxation on scrap imports, gold loans for refiners and the need for two or three dedicated bullion banks in India.

#### IGC 2012 · INAUGURAL ADDRESS

##### Dr Anup Pujari, IAS, DGFT - engaging with the government

The Chief Guest emphasised the need for industry to engage with government, citing successful examples of how such engagement enables the flow of information and sharing of aspirations. He offered to listen to the industry's suggestions and proposals.

#### IGC 2012 · ROUNDTABLE

##### Innovative and financially inclusive reforms

Mr Prithviraj Kothari, RSBL proposed permitting export of gold bullion through banking channels, arguing that India had imported over 10,000 tonnes at an average of US\$600/oz over 15 years and there would be willing sellers keen to export. Mr Pradeep Nagori, Edelweiss Bullion called for permitting leasing of gold held with custodians and a mechanism to encash ETF units against jewellery purchases.

#### IGC 2013 · INAUGURAL ROUNDTABLE

##### Working with government on CAD and gold imports

Industry leaders including Mr S K Jindal, Mr Prithviraj Kothari, Mr Rajan Venkatesh, Mr Rajesh Khosla, Mr Satish Bansal, Mr Mayank Khemka and Mr Pradeep Nagori discussed managing CAD and reforming import policy. The panel called for transparency and a unified industry voice to government.

#### IGC 2014 · REPRESENTATION TO GOVERNMENT

##### Industry demands presented on the convention floor

Led by Mr Prithviraj Kothari (RSBL), Mr Mayank Khemka (Khemka Group) and Mr Satish Bansal (MD Overseas), the session called for: (1) a nodal agency for bullion, (2) the 80:20 scheme to be replaced with a simpler quota/licence system, (3) reduction of customs duty to 4-6%, (4) NRIs permitted to bring up to 5kg gold on which duty is payable in USD, and (5) banks permitted to run Gold Accumulation Plans and Gold Deposit Schemes.

#### IGC 2015 · ROUNDTABLE

##### Recent policy announcements on bullion — impact and implications

Moderated by Mr S K Jindal and Mr Shekhar Bhandari, Kotak Mahindra Bank. Panellists: Mr Rajesh Khosla, MMTC-PAMP · Mr Pradeep Nagori, Edelweiss Metals · Mr Rajan Venkatesh, Scotiabank. Ms Neerja Nigam, SBI. Mr Bhargava Vaidya, BN Vaidya and Associates. Mr Amar Singh, JP Morgan.

*"Within the first month of the scheme it is possible to collect 15 tonnes of gold with 10 assaying centres. By end of year one this can be scaled up to 40 tonnes per month."*

**Prof Errol D'Souza, IIM Ahmedabad**  
GMS Presentation - IGC 2014, Pune

#### Would recent changes in London markets affect business in India?



#### Should India follow the Chinese model — a licensing and quota system for gold imports?



#### Best way to increase dore supplies from South America to India?



#### Cost of bank finance to bullion & jewellery industry is too high



#### The 80:20 rule increased costs across the supply chain and should be replaced



#### PSU agencies should work with temples & trusts to bring gold back into the system



#### Tonnes brought back through an effective Gold Deposit Scheme?



#### Highest GDS potential segment?





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*Where The World Meets India*

www.goldconference.in

A JOURNEY OF TRUST, LEADERSHIP & GROWTH  
CELEBRATING PEOPLE. HONOURING PARTNERSHIPS. BUILDING THE FUTURE.



## 2010

REFORMING BULLION MARKETS AND CREATING A  
VIBRANT INDIAN BULLION INDUSTRY

*7<sup>th</sup> IGC @ The Zuri, White Sand Resort & Casino, Varca, Goa*



*8<sup>th</sup> IGC @ The Leela Kempinski Kovalam Beach, Kerala*



SETTING THE AGENDA - REDUCING TRANSACTION  
COSTS AND FORGING A UNITED INDUSTRY FEDERATION

## 2011



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## 2012

INNOVATIVE AND FINANCIALLY INCLUSIVE REFORMS  
FOR THE INDIAN BULLION INDUSTRY



*9th IGC @  
Hyderabad  
International  
Convention Centre*



*10th IGC @ Marriott, Jaipur*

WORKING WITH GOVERNMENT ON CAD MANAGEMENT AND  
UNLEASHING INNOVATION IN BULLION MARKETS

## 2013



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## 2014

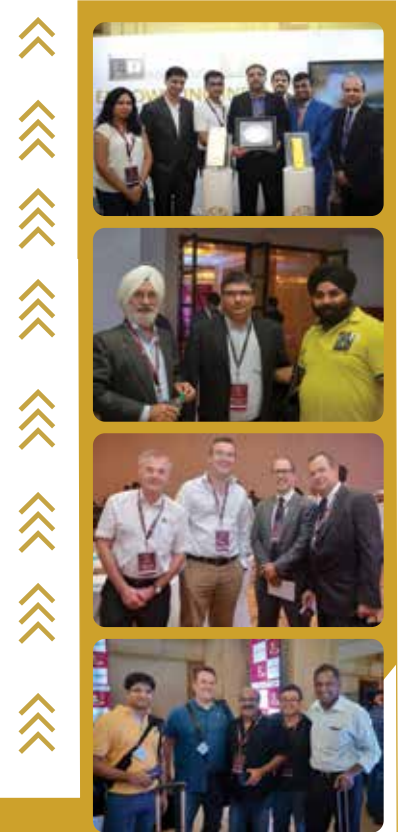
CHARTING A ROADMAP FOR THE INDIAN BULLION INDUSTRY FOR THE NEXT TEN YEARS







*11th IGC @ JW Marriott Pune*



## 2015

MAKING GOLD MONETISATION WORK AND ATTAINING GLOBAL STANDARDS FOR INDIAN REFINING









*12th IGC @ Grand Hyatt, Goa*