

Exclusive Interview with Mr Prithviraj Kothari on Gold and Silver Markets Post-Budget 2024

Mr Prithviraj Kothari, National President, IBJA



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Bullion World recently organized a special interview to gain insights from Mr Prithviraj Kothari, the National President of the Indian Bullion and Jewellers Association (IBJA), regarding the gold and silver market following the 2024 Budget. In this exclusive conversation, Mr Prithviraj Kothari shared his views on the recent policy changes and their implications for the bullion industry.

Mr Prithviraj Kothari began the interview by expressing his gratitude towards the government. "I personally would like to thank the honourable prime minister and the honourable Finance Minister for the import duty cut. We have been asking for it for the last 10 years. This will bring in honesty and integrity in the bullion business," he stated, acknowledging the positive impact of the new budget measures on the sector. Read on the full interview.

BW: Sir, let's begin with your views on the Union Budget 2024

Mr Prithviraj Kothari highlighted the industry's long-awaited expectations from the government. "To be honest, duty cut was expected for quite a while. We have anticipated a significant cut in duty rates for gold and silver. Overall, the decision made by the Finance Minister is positive for the bullion sector and will benefit the industry in the long term." He elaborated that the reduction in duty rates was a necessary step to boost the industry, fostering a more transparent and regulated market. The reduction in import duty on gold and silver is seen as a crucial move to curb smuggling and promote legal imports, which will ultimately benefit both consumers and the industry by providing a stable and fair pricing environment.

BW: Congratulations on being re-elected as National President of IBJA for 2024-2029. Please share some of the programmes planned?

Discussing the future plans of IBJA, Mr Prithviraj Kothari revealed several ambitious initiatives aimed at enhancing the organization's role and services for its members.

"We have laid out many different plans. One major objective is to become a nominated agency. That would allow us to directly import metal for our members, thus eliminating the need for our members to seek alternative methods for procuring metals," he explained. This move is expected to streamline the procurement process, reduce costs, and ensure the quality and authenticity of the metals imported.

Furthermore, Mr Prithviraj Kothari introduced the 'IBJA Verified' initiative, designed to bring in trust among jewellers and consumers. "This program will include a credit rating for every verified member, conducted by a third-party audit firm before on boarding the business into the program," he said. The IBJA Verified initiative aims to enhance transparency and accountability within the industry, ensuring that consumers receive genuine products and services from reputable jewellers.

BW: Government is finalising regulations on Compulsory Hallmarking of Bullion Bars. What is your view on the subject?

On the topic of compulsory hallmarking, Mr Prithviraj Kothari stressed the necessity of certification for all bullion-based products sold over the counter. "All bullion products, regardless of their form, should be compulsorily hallmarked. There must be NABL or BIS certification for all counter sales, ensuring a purity

stamp on every piece of metal, whether bullion, coins, or jewellery. This should be mandatory for the B2C segment as a whole," he asserted. He elaborated that such measures would ensure the authenticity and purity of the metals, protect consumers from fraud, and promote confidence in the market. The hallmarking requirement is expected to standardize the quality of bullion products and reduce discrepancies in the market, leading to a more organized and reliable industry.

BW: Gold and silver prices hit all-time high recently. Where do you expect price to go from here?

Providing his outlook on gold and silver prices, Mr Prithviraj Kothari noted, "Recently, gold has reached new highs in the international markets. I expect the coming quarter to be bearish for gold, with at least an 8-10% drop in prices. In the Indian market, the upper limit for gold would be ₹80,000, and the downside could be around ₹62,000." He explained that the recent surge in gold prices was driven by various global factors, including economic uncertainty and geopolitical tensions.

However, he anticipates a correction in the near term as the market stabilizes. "Silver, on the other hand, is poised to be more bullish than gold. While there may be a correction to the ₹77,000 level in the short term, the long-term outlook remains very bullish, with prices potentially soaring up to ₹100,000 per kilogram," he added. Mr Prithviraj Kothari emphasized that silver's industrial demand, coupled with investment demand would drive its prices higher over time, making it a lucrative investment option.

