

THE INDIAN GEM AND JEWELLERY MAGAZINE » FEBRUARY 2019

# Solitaire

I N T E R N A T I O N A L

**Domestic Council For  
Gems & Jewellery  
Launched**

**GJEPC Unveils Parichay  
Card For Artisans**

**GIA India To Soon  
Offer Coloured Stone  
Identification Reports**

**ANUP BOHRA:  
A Radical Visionary**

**IIGJ Tardeo Launches  
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Incubation Centre**

DIAMOND-BACKED  
CRYPTOCURRENCY

**COIN  
OR  
CON?**



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# One Body, One Voice

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The launch of the Domestic Council for Gems & Jewellery by Suresh Prabhu, the union minister for commerce & industry and civil aviation, is a landmark joint initiative by the government and trade. For the first time ever, the export and domestic segments have come together on one platform to address and fulfil the long-term vision of India becoming “jeweller to the world” and making the industry more organised and unified. This, in turn, will fuel economic growth for the country and generate jobs for millions of people.

The Domestic Council will be all-encompassing, and will work to fulfil the aspirations of small and big associations from across the country. The core committee comprises the following members: Chairman, GJEPC; Chairman, All India Gems & Jewellery Domestic Council (GJC); Chairman, India Bullion and Jewellers Association (IBJA); Chairman, Bhartiya Swarnkar Sangh (BSS); and Chairman, Association of Gold Refineries and Mints (AGRM). The Domestic Council will be operational from May 1st this year.

Our Cover Story by renowned diamond analyst Pranay Narvekar delves into the complex world of diamond-backed cryptocurrency, and exposes the flaws of this unregulated form of investment.

In Design Corner, Anup Bohra, managing director of Jewels Emporium, Jaipur, talks about his pioneering efforts in introducing French enamelling techniques in fine jewellery in India.

As we go to press, the 12th edition of IJS Signature looks set to welcome an estimated 18,000 trade visitors from 325 Indian cities and 55 countries. With gold prices looming around ₹34,000 per 10g, exhibitors expect to see heavy demand for lightweight jewellery.

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## » INTERNATIONAL STATISTICS

### UNITED STATES

Imports	(In US\$ mn)			
	2017	January - October 2017	January - October 2018	% Change
Polished Diamonds	21,668	18,097	21,115	17%
Rough Diamonds, Sorted, Unworked	1,060	738	490	-34%
Polished Precious & Semi-precious Stones	2,252	1,992	1,830	-8%
Jewellery	9,543	7,774	7,557	-3%

Customs Value

Source: U.S. Department of Commerce and the U.S. International Trade Commission

### BELGIUM

	January - December 2017		January - December 2018		% Change	
	Ct mn	US\$ bn	Ct mn	US\$ bn	Ct	US\$
	Polished Diamonds Exports	5.0	11.3	4.7	11.4	-5%
Polished Diamonds Imports	5.6	11.1	5.7	11.4	2%	3%
Rough Diamonds Exports	127.8	12.6	121.4	12.4	-5%	-1%
Rough Diamonds Imports	95.2	10.7	92.7	10.6	-3%	-0.43%

Source: The Diamond Office, Antwerp World Diamond Centre (AWDC)

### ISRAEL

	January - December 2017		January - December 2018		% Change	
	Ct mn	US\$ bn	Ct mn	US\$ bn	Ct	US\$
Polished Exports	1.70	4.59	1.75	4.48	3%	-2.5%
Polished Imports	1.60	2.92	1.64	3.04	2.4%	4.1%
Rough Exports	6.84	2.22	6.38	2.52	-6.7%	1.1%
Rough Imports	6.11	2.85	5.63	2.65	-7.8%	-6.8%

Source: Israel Ministry of Industry, Trade and Labor – Diamonds, Precious Stones and Jewelry Administration

**Exports of gems and jewellery during April - December 2018 as compared with last year**

Items	Dec - 2018	Dec - 2017	% Change	Apr - Dec 2018	Apr - Dec 2017	% Change
Cut & Polished Diamonds (Quantity – Mct)	1313.35 1.9	1592.14 2.2	-17.51 -11.47	17859.99 22.8	17187.51 26.2	3.91 -12.83
Gold Jewellery	672.34	870.52	-22.77	8771.91	6835.70	28.32
Gold Medallions & Coins	0.00	0.01	-100	258.35	1687.13	-84.69
Coloured Gemstones	18.36	20.31	-9.60	274.73	285.33	-3.71
Silver Jewellery	75.78	220.32	-65.60	578.95	3108.36	-81.37
Pearls	0.07	0.17	-58.82	0.89	1.64	-45.73
Synthetic Stones	17.28	18.12	-4.64	151.70	155.51	-2.45
Costume & Fashion Jewellery	1.70	1.21	40.50	43.03	38.77	10.99
<b>Subtotal</b>	<b>2098.88</b>	<b>2722.79</b>	<b>-22.91</b>	<b>27939.55</b>	<b>29299.95</b>	<b>-4.64</b>
Exports of Rough Diamonds (Quantity – Mct)	105.63 2.3	117.72 3.0	-10.27 -22.64	929.82 22.6	1069.90 27.1	-13.09 -16.58
Others*	5.43	2.94	84.69	42.50	54.17	-21.54
<b>Gross Exports</b>	<b>2209.94</b>	<b>2843.45</b>	<b>-22.28</b>	<b>28911.87</b>	<b>30424.02</b>	<b>-4.97</b>
Return Consignment Others	27.69	43.87	-36.88	345.70	438.99	-21.25
Return Consignment CPD	501.70	541.29	-7.31	6149.45	5492.30	11.96
<b>Net Exports</b>	<b>1680.55</b>	<b>2258.29</b>	<b>-25.58</b>	<b>22416.72</b>	<b>24492.73</b>	<b>-8.48</b>

**Imports of raw materials for gems and jewellery during April - December 2018 as compared with last year**

I. Items	Dec - 2018	Dec - 2017	% Change	Apr - Dec 2018	Apr - Dec 2017	% Change
Rough Diamonds (Gross) (Quantity – Mct)	1736.79 19.2	2175.70 20.7	-20.17 -7.1	12073.00 126.2	14093.32 141.2	-14.34 -10.56
Rough Coloured Gemstones	28.06	122.45	-77.08	304.91	598.49	-49.05
Raw Pearls	0.83	141.51	-99.41	6.05	1036.87	-99.42
Rough Synthetic Stones	22.47	34.25	-34.39	115.14	185.41	-37.90
Gold Bar	458.51	582.18	-21.24	5969.96	3924.65	52.11
Silver Bar	2.69	3.13	-14.06	31.18	46.17	-32.47
Platinum	3.09	4.98	-37.95	43.43	49.47	-12.21
<b>TOTAL – A</b>	<b>2252.44</b>	<b>3064.20</b>	<b>-26.49</b>	<b>18543.67</b>	<b>19934.38</b>	<b>-6.98</b>
<b>II. Imports of Cut &amp; Pol Diamond</b>						
SEZ (All over India) (Quantity)	36.66 0.09	69.71 0.14	-47.41 -35.81	392.64 1.1	623.98 1.0	-37.07 12.60
Bonded Ware House (Quantity – Mct)	7.60 0.01	32.51 0.08	-76.62 -87.95	73.46 0.17	194.84 0.5	-62.30 -69.85
Mumbai (DTA) (Quantity – Mct)	66.66 0.2	106.46 0.37	-37.38 -33.69	540.03 1.6	811.32 3.9	-33.44 -59.02
Others (DTA) (Quantity – Mct)	0.03 0.00	0.24 0.00	-87.50	0.91 0.00	2.83 0.00	-67.84
Surat (DTA) (Quantity – Mct)	0.62 0.01	9.89 0.02	-93.73 -38.46	30.44 0.12	115.09 0.2	-73.55 -44.51
<b>TOTAL – B</b>	<b>111.57</b>	<b>218.81</b>	<b>-49.01</b>	<b>1037.48</b>	<b>1748.06</b>	<b>-40.65</b>
<b>III. Imports of Other Items</b>						
Gold Jewellery	20.18	21.33	-5.39	230.74	211.44	9.13
Silver Jewellery	4.09	6.58	-37.84	44.85	48.50	-7.53
Coloured Gemstones	46.57	59.02	-21.09	253.74	503.60	-49.61
Synthetic Stones	8.81	8.81		71.79	94.07	-23.68
Pearls	0.59	54.15	-98.91	6.67	1165.55	-99.43
Costume/Fashion Jewellery	0.12	0.10	20	0.97	0.68	42.65
<b>TOTAL – C</b>	<b>80.36</b>	<b>149.99</b>	<b>-46.42</b>	<b>608.76</b>	<b>2023.84</b>	<b>-69.92</b>
<b>GRAND TOTAL (A+B+C)</b>	<b>2444.35</b>	<b>3433.02</b>	<b>-28.80</b>	<b>20189.91</b>	<b>23706.28</b>	<b>-14.83</b>

All figures are provisional.

\* Others includes Rough Coloured Gemstone, Raw Pearls, Platinum and Silver Bar, etc.



## Chow Tai Fook Joins De Beers' Tracr Pilot

**T**racr, the end-to-end diamond industry blockchain traceability platform being developed by De Beers in collaboration with key industry stakeholders, said that Chow Tai Fook Jewellery Group has joined the platform's pilot programme.

Chow Tai Fook joins a range of other leading businesses from across the diamond value chain in piloting the next generation asset-tracking platform powered by blockchain and artificial intelligence. The Chinese jewellery retail giant will work with Tracr to support the objective of continuing to enhance consumer assurance over a diamond's traceability, provenance and authenticity.

Chow Tai Fook's participation will further extend the platform's reach into the Asian diamond sector, in particular in Greater China. This will help accelerate Tracr's ability to fulfil its mission of working with the industry to build a digital ledger that spans the entire diamond pipeline, helping to ensure the platform made by the diamond industry

meets the needs of all industry participants.

Bruce Cleaver, CEO, De Beers Group, said: "Chow Tai Fook is one of the world's leading diamond jewellery retailers, with great experience and expertise in the Asian retail sector. Chow Tai Fook's focus on providing their customers with full confidence about their purchases makes them an ideal participant as we continue to develop the Tracr pilot, and we are delighted to welcome them on board."

Kent Wong, managing director, Chow Tai Fook Jewellery Group, said: "Authenticity, provenance and traceability are increasingly important in the jewellery sector, particularly for consumers who pursue to know the jewellery they purchase supports their values and expectations. We are thrilled to join the pilot led by De Beers Group and are committed to continuing to be a leader in uplifting consumer experience and confidence. We believe that our participation in Tracr will help ensure we are at the forefront of this important issue."

Jim Duffy, general manager, Tracr, said: "We're very excited to have Chow Tai Fook on board and it's encouraging to see they recognise the transformative potential of Tracr as we work to help increase trust throughout the diamond industry. Chow Tai Fook's participation will help to ensure that Tracr meets the needs of all types of businesses in a range of different geographies. This is critical to Tracr's objective of establishing traceability, provenance and authenticity for the diamond industry, which consumers and businesses alike have told us is the new standard they are looking for."

Tracr is focused on providing consumers with confidence that registered diamonds are natural and conflict-free, improving visibility and trust within the industry and enhancing efficiencies across the diamond value chain. In addition, Tracr will work to complement and support the diamond industry's existing initiatives and regulations to ensure consumer confidence in diamonds. ■

## Lakmé Fashion Week & DPA Pick Talent Hunt Winners

**D**iamond Producers Association (DPA) in association with Lakmé Fashion Week announced the winners of The Real Cut, a platform which will bring together emerging diamond jewellery designers from iconic jewellery brands to define the trends of the future while drawing on their inspiration from natural diamonds.

Shazia Motiwala of A.S. Motiwala, Bhavana Jhokia of Om Jewellers, Rupam Singhal of Orra, Akshita Garg of Chiripal Jewellers, C. Raghu of Kirtilals, and Rajeshwary Singh of Senco, emerged as the final winners of the programme.

The Real Cut will give these winners an opportunity to showcase their work at Lakmé Fashion Week Summer/Resort 2019 with designer labels Rara Avis by Sonal Verma, Verandah by Anjali Patel Mehta, and Saaksha & Kinni by Saaksha Bhat and Kinnari Kamat.

The six winners were handpicked by an esteemed panel of judges from diverse backgrounds of the jewellery and fashion fraternity in Mumbai on January 21st, 2019 at Amadeus, NCPA. The jury comprised DPA India managing director Richa Singh, fashion designer Monica Shah of Jade, *Elle* fashion editor Rahul



(From left) Jaspreet Chandok of IMG Reliance, Monica Shah of Jade, brand consultant Nisha JamVal, Richa Singh of DPA and Rahul Vijay of *Elle*.

Vijay, luxury brand consultant Nisha JamVwal, and IMG Reliance vice president and head of fashion Jaspreet Chandok.

The collaboration that features diamonds with only prêt wear collections will be a first-of-its-kind initiative in the country's fashion circuit. The programme was open to diamond jewellery designers who associated with leading jewellery brands from across the country and have been in the business or are practising their craft for the past three to eight years. The Real

## De Beers' 2018 Diamond Production +6% To 35.29mct



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**D**e Beers said rough diamond production for the fourth quarter of 2018 increased by 12% to 9.1 million carats. This brought De Beers' total diamond production for 2018 to 35.29 million carats, a year-on-year increase of 6%, due to a planned production increase at the Orapa mine, although this was in the lower half of the production guidance range of 35 to 36 million carats, it noted.

In Botswana (Debswana), Q4 production increased by 15% to 6.3 million carats. De Beers' full year diamond output in Botswana grew 6% to 24.1 million carats. Orapa's Q4 production increased by 20% to 3.6 million carats driven by planned favourable grade and higher plant utilisation. Jwaneng's production increased by 9% following an increase in tonnes treated, De Beers said.

The company's fourth quarter diamond production in Namibia (Namdeb Holdings) increased by 3% to 0.5 million carats, driven by the Mafuta crawler vessel at Debmarine Namibia spending fewer days in port. This was partly offset by the land operations following the transition of Elizabeth Bay to care and maintenance, the miner said. De Beers' annual diamond production in Namibia rose by 11% to 2.0 million carats.

Cut saw over 80 applications from talented jewellery designers across the country. The designers demonstrated a combination of innovative design and techniques to celebrate diamonds. They also were eloquently elaborate on the unique creative ideas and methods employed to conceptualise their original diamond jewellery collection.

Richa Singh said: “Diamonds are an integral part of Indian fashion enhancing every look, bridal or everyday prêt wear, so it made perfect sense for us to partner with Lakmé Fashion Week, which is the country’s leading fashion and lifestyle platform. I was excited by the diverse designs showcased by all the talented emerging diamond jewellery designers from across India.

“I look forward to seeing their trendsetting winning collections on the runway which will beautifully highlight the fit of everyday wear diamond jewellery with contemporary outfits. The Real Cut is a disruptive platform which will surely provide a starting point for these young Turks.”

Jaspreet Chandok added: “Lakmé Fashion Week is proud to have associated with the DPA to launch The Real Cut. We are sure that the winners are going to work together with the fashion designers to create a line which will reach out to wider audiences.” ■

## Kashi Jewellers Receives Top Exporter Award From UP Government

**K**ashi Jewellers won the Uttar Pradesh government’s No. 1 Exporter Award in the gems and jewellery industry, on January 24th 2019, in Lucknow. The award was presented to Shreyansh Kapoor, vice president, Kashi Jewellers by the state’s governor Ram Naik and chief minister Yogi Adityanath.



Established in 1955, Kashi Jewellers has made its presence felt both nationally and globally. It was one of the first Indian jewellers to begin exporting internationally back in 1979. It currently has retail clients in India, South Africa, the UK, US and UAE.

Shreyansh Kapoor said, “We believe our customers have had a great contribution in proving time and again that our tag-line, ‘Happiness is jewellery from Kashi’, is not just a statement, but an emotion that is attached to the brand. I’m very thankful to UP government for validating our efforts and honouring us.” ■

The mining major’s South African (De Beers Consolidated Mines) diamond production increased by 7% to 1.2 million carats in the fourth quarter as a result of planned higher grade ore at Venetia. However, its South African diamond output registered a 10% drop to 4.6 million carats for the full year 2018.

De Beers’ Canada production increased by 5% to 1.0 million carats in the fourth quarter due to higher grades at Victor as it reaches the end of its life. This was partially offset by planned lower grades at Gahcho Kué. The miner’s Canadian diamond output shot up 19% on a year-on-year basis to 4.47 million carats.

De Beers said rough diamond sales volumes in the fourth quarter totalled 9.9 million carats (9.3 million carats on a consolidated basis) from three sales cycles, compared with 8.2 million carats (7.5 million carats on a consolidated basis) from the same number of sales cycles during the equivalent period in 2017. Fourth quarter rough sales revenues increased year-on-year

as the re-phased allocations of some lower value rough diamonds from Sight 7 (in September) were realised in Sights 9 and 10.

For the full year, rough diamond sales volumes were 4% lower at 33.7 million carats (31.7 million carats on a consolidated basis) compared with 35.1 million carats (33.1 million carats on a consolidated basis) in 2017. The 2018 sales volumes were also lower than production, driven by lower demand for lower value rough diamonds in the second half of 2018.

The consolidated average realised price of \$171/carat was 6% higher (2017: \$162/carat), due to a lower proportion of lower value rough diamonds sold in 2018.

De Beers’ 2019 production guidance is 31 to 33 million carats, subject to trading conditions. The lower production is driven by the process of exiting from the Venetia open pit with the underground becoming the principal source of ore from 2023. Associated with this, an increased proportion of production in 2019 is expected to come from De Beers’ joint venture partners, a proportion of which generates a trading margin, which is lower than the mining margin generated from own mined production. ■



## GJSCI Ranked Among Top 3 Sector Skill Councils Of India



**G**em & Jewellery Skill Council of India (GJSCI) has been rated among the top three Sector Skill Councils (SSCs) on performance for Apprenticeship for the year 2018 by the National Skill Development Corporation (NSDC). GJSCI's achievements are further noteworthy as it is the only SSC from the 'Manufacturing' category in the top four SSCs and also the best SSC in terms of conversion ratio of openings versus actual contracts.

To date, the GJSCI's Apprenticeship Programme has registered 95 establishments, created 940 opportunities, registered 640 candidates, and has led to the signing of 590 contracts.

GJSCI has been promoting the recently revamped Apprenticeship Scheme under the National Apprenticeship Promotion Scheme (NAPS) to create a skilled workforce through its continuous efforts, by means of promotional activities and by organising Apprenticeship Road Shows across India. These shows offer a platform to connect with industry partners and are a great medium of communicating the scheme details and benefits it

has to offer to the employers. The response received from the industry has been overwhelming and awaits conversion into actual contracts on a great scale.

Under the leadership of its recently appointed chairman, Sanjay Kothari, the GJSCI has so far conducted the following Apprenticeship Road Shows:

- In Mumbai exclusively for members of the gems and jewellery industry within Seepz premises with the help of Seepz Gems & Jewellery Manufacturers' Association (SGJMA).
- At IIGJ Mumbai which has also joined this initiative as a basic training provider for the apprentices who look forward to joining this industry. GJC was highly supportive in organising this event.
- At one of the largest clusters of jewellers in Mumbai in the heart of Zaveri Bazaar through the Zaveri Bazaar Awareness Programme and Apprenticeship Workshop with the help of GJEPC, GJC, IBJA, Mumbai Wholesale Gold Jewellery Association and Shree Mumbadevi Dagina Bazar Association.

- At Ahmedabad hosted by Jewellery Association Ahmedabad (JAA), Gem & Jewellery Trade Council of India (GJTCI) and GJEPC.
- Kerala received a houseful participation of around 200 members at Kerala Gems & Jewellery Show (KGJS) with help from Jewellery Manufacturers Association (JMA) and *Art of Jewellery* magazine.
- Kolkata again witnessed some enthusiastic participation.
- Jaipur Road Show was held with core committee members from various associations in Jaipur with the help of Jewellers Association, Jaipur.

Rajeev Garg, executive director and CEO, GJSCI, said, "GJSCI aims to cover maximum possible industry members under NAPS as the Apprenticeship Act is mandatory as well as highly beneficial for all establishments employing 40 or more employees or contract workers." He further urged all industry partners to register online at [apprenticeshipindia.org](http://apprenticeshipindia.org). ■

**GJSCI has been promoting the recently revamped Apprenticeship Scheme under the National Apprenticeship Promotion Scheme (NAPS) to create a skilled workforce through its continuous efforts.**

## Sant Unveils ‘Rose of Mozambique’ Gemfields Ruby

The Rose of Mozambique, a rare, high-quality ruby sold at the Gemfields auction in Singapore to Bangkok’s pre-eminent gem specialist Sant Enterprises, has been cut and polished to reveal its true beauty.

Sant’s managing director Santpal Sinchawla has had a lifetime of experience with rubies, working in the family gemstone business since he was just 18. Led by Santpal Sinchawla, the Sant team sealed the deal, fending off many rivals in a tense sealed bid auction, Gemfields said in a statement.



The Rose of Mozambique rough gemstone weighing 12.24 carats.

“Rubies, unlike diamonds, are not about the carat – they’re valued on the intensity of the colour and how the stone will present itself once it’s cut – and it was clear the Rose had an exceptionally rich colour and fantastic clarity,” explained Santpal Sinchawla, whose family has been trading rubies since 1963 and who was present at the first ever auction of Gemfields rough rubies in 2014.

To be truly precious, a ruby’s deep red colour must blend hue, saturation, and tone perfectly. Post auction, Sant’s team of eight specialists worked on the stone to bring out these fires within. The delicate slicing, pre-forming, shaping and polishing of a ruby requires a deep understanding of the stone to ensure its true beauty and the fire within are on display.

Sant’s ruby cutters have an artisan’s skill with the steel saws, careful placing of the stone on the dop stick, critical in ensuring the coarse and fine spinning wheels slice tiny wafers in a way that enhances the ruby’s final bright facets. In the process, the rough 12.24-carat gem was cut and polished into the Rose of Mozambique, which weighs in at 7.67 carats.



Santpal’s son Anurak Sinchawla (centre), director of sales, on-site as the Rose is being pre-formed.



The finished Rose of Mozambique at 7.67 carats.

The result is a pure, vibrant red stone with crystal clarity and rich colour saturation, key in determining the Rose’s value. Rubies can command the highest prices of any coloured gemstone and, the per-carat prices of fine-quality rubies have been breaking auction records recently. The Sant team are now searching for the perfect partner to place the stone in an exceptional fine jewellery piece.

Gemfields first sent gemstones to Singapore auctions in 2014 and, since then, Mozambique has taken over from Myanmar as the source of most of the rubies found in the Thailand gem markets, the global hub for ruby trading.

“Before Mozambique, very few fine-quality, larger rubies had been discovered,” explained Adrian Banks, Gemfields product and sales director. “Our secondary deposit produces very high-quality rubies, among the best in the world. These gems have travelled along a river bed over millions of years to this site and so only the best quality ones have survived the motion of water. Since 2014, Gemfields has auctioned some unusually large sizes and exceptional rubies such as Dragon Eye and Rhino rubies – and now the Rose of Mozambique.” ■

## Thai Craftsmanship In Focus At February Bangkok Fair

The 63rd edition of the Bangkok Gems and Jewelry Fair (BGJF), which will take place from February 20th to 24th, 2019 at Challenger Hall 1-3, IMPACT Muang Thong Thani, Bangkok, will showcase extraordinary Thai skills in jewellery making, ready to serve a global audience.

Thailand's Department of International Trade Promotion (DITP), organiser of the show, will present Thailand's "Magic Hands", a global campaign to highlight the country's exceptional craftsmanship.

"For many decades, Thailand has been well recognised all over the world as a manufacturer of quality jewellery with beautiful designs and intricate craftsmanship. Over the years, stakeholders in the gems and jewellery industry, from craftspeople, designers, manufacturers, and traders, have constantly developed their



skills while seeking innovation that will uplift the industry to new heights. Today, I would rate Thai-made jewellery as one of the leading products from the country which has brought much pride and joy to all Thais," said Banjongjitt Angsusingh, director general, DITP, ministry of commerce, Thailand.

The Magic Hands campaign aims to gain international recognition for the Thai gems and jewellery industry, which is the country's third-highest export earnings. The campaign artworks reiterate strengths of Thailand's gems and jewellery industry, connecting the spirit of jewellery making to the traditional way of life and advanced skills of making intricate creations.

The Bangkok Fair, which is open to the trade and general public, will present a vast selection of gold and silver jewellery, gem-set jewellery and polished precious and semi-precious stones, as well as state-of-the-art manufacturing equipment. ■



## GIA Research Scientist Offers Seminars On Diamonds In Mumbai

Dr. Sally Magaña, Gemological Institute of America (GIA) senior research scientist from Carlsbad, California, conducted educational seminars about "Identification and Update on Laboratory-Grown Diamonds" and "The Causes of Colour in Natural Fancy-Coloured Diamonds" on January 24th, at the Bharat Diamond Bourse (BDB) convention hall in Mumbai.

Dr. Magaña is an expert in diamond physics, treatments and laboratory-grown diamonds. She has authored and co-authored numerous research articles about laboratory-grown diamonds, temperature effects on luminescence centres in natural type IIb diamonds and more.

More than 200 participants gained in-depth

knowledge on HPHT and CVD laboratory-grown diamonds, their distinguishing characteristics and identification and detection methods.

"GIA has been on the cutting edge of gemmological research for decades. As new gem materials and treatments emerge, our research efforts have consistently helped us give the trade the assurance of accurate and reliable reports with full disclosures," said Nirupa Bhatt, managing director of GIA India and Middle East." ■



**Dr. Sally Magaña, GIA research scientist, presenting a seminar at the Bharat Diamond Bourse.**



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## GJEPC Presents Pre-Budget Wish List

The Gem & Jewellery Export Promotion Council (GJEPC) released a pre-Budget wish list listing the various policy changes required for the growth of the industry. The GJEPC has sought government support in ensuring ease of doing business to help exporters to enhance exports in 2019-20.

“On behalf of the gem and jewellery industry, the GJEPC seeks a reduction of import duty on cut and polished diamonds as well as on cut and polished gemstones from 7.5% to its earlier level of 2.5%,” GJEPC chairman Pramod Agrawal said in a statement.

The Council noted that 5% of the Free on Board (FOB) value of exports of cut and polished diamonds in the preceding licensing year should be allowed to be re-imported duty-free by exporters.

“As part of the comprehensive Gold Policy on the anvil, GJEPC seeks reduction of import duty on gold from 10% to 4%.

To enhance global and bilateral trade, the GJEPC also urged the government to change Income Tax regulations enabling foreign mining companies to sell rough diamonds through the Special Notified Zone.

Emphasising its long-pending demand for the introduction of a presumptive taxation system for diamonds and gemstones in India, the GJEPC said, “The introduction of presumptive taxation would not only increase the ease of doing business of diamantaires, but also encourage diamantaires from across the world to start operations in India as against other preferred destinations such as Belgium, UAE and Hong Kong. A level playing field in India is absolutely essential for making India a global hub for gems and jewellery.”

The GJEPC also requested the government for a segregation of ITC HS Codes for rough lab-grown diamonds and other synthetic stones to earmark clear differentiation between natural and lab-grown diamonds.

“GJEPC seeks introduction of job work policy in the gems and jewellery industry as is the practised norm in developed markets. A similar enabling policy for such a job work model for the diamond business needs to be introduced as it is available to all other sectors.”

The GJEPC is seeking an exemption from payment of Integrated Goods and Services Tax (IGST) on re-import of goods exported during overseas exhibitions/consignments/export promotion tours. Such an amendment should be done retrospectively to protect exporters from harassment, it noted.

The Council also called on GST authorities to notify a GST rate of 0.25% on input services (at least job work services and grading and certification services) and extend benefit of inverted duty structure to such services.

The GJEPC explained that the procedure of appraising exports and imports of diamonds by

Customs is subjective in nature, and has not changed much over the last few decades; this, even though exports from the sector have grown manifold, which is creating on-ground problems for exporters.

“To solve this problem and based on a review of trade practices and international norms, the Council would request the government to adopt Standard Operating Procedures (SOP) for appraising exports and imports, which contains

the tolerance range as per justified norms adapted by the trade during their regular business. Such SOP also contains Risk Management Parameters for evolving a Risk Management System for doing examination and appraising by Customs.”

The GJEPC said it was necessary to have a conducive banking environment in terms of relaxing credit norms for working capital requirements for exporters of gems

and jewellery. “We also urge the government to introduce interest subvention of 5% on export finance for the gem and jewellery sector.”

The GJEPC is quite hopeful that resolving above concerns would pave the way for Indian gem and jewellery exporters to take advantage of the optimistic scenario in the international markets and achieve the target of \$60 billion in exports for the gem and jewellery industry by 2022.

## GJEPC Welcomes 3% IGST Waiver

In a major relief, the Union Government has accepted the Gem & Jewellery Export Promotion Council’s (GJEPC’s) demand to grant exemption of Integrated Goods and Services Tax (IGST) on supply of gold by Nominated Agencies to exporters of articles of gold. The GST Council recently announced that gem and jewellery exporters will no longer have to pay 3% IGST to nominated agencies (banks) from January 1st, 2019.

Pramod Agrawal, chairman, GJEPC, said, “We commend this step undertaken by the government. On recommendations of the Council, the GST Council ruled that it was satisfied and it is necessary in public interest to exempt the intra-state supply of gold falling in heading 7108 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), when supplied by Nominated Agency under the scheme for ‘Export Against Supply by Nominated Agency’. We are also expecting a similar relief from the government to the exporters of articles of silver and platinum very soon.

“The upfront payment of IGST and import duty in the form of a bank guarantee had further led to the huge working capital blockage for various small and medium jewellery exporters, increased interest cost, and hassles of compliance to claim refund, thus consequently impacting

their business operations and global competitiveness.”

Post implementation of the GST regime and 3% IGST on gold, the industry had requested for the IGST exemption on supply of gold by Nominated Agencies to exporters. Thereafter, the Government of India vide Notification No. 77/2017-Customs dated 13.10.2017 had exempted specified banks and Public Sector Units (Nominated Agencies) from payment of IGST on import of gold but the same had not benefitted the jewellery exporters as they still had to bear the upfront payment of IGST/GST and the basic import duty to the tune of 10% on procurement of gold for the purpose of manufacture and export of jewellery.

### GJEPC is also pursuing key pending GST Issues

#### 1. With respect to the blockage of input tax credit (ITC) due to inverted duty rate structure.

Effective January 25th 2018, the GST rate on cut and polished diamonds and gemstones has been reduced from 3% to 0.25%, while GST rate of 5% (job work charges)/18% (others) applies on input services, leading to accumulation of ITC qua domestic supplies.

GJEPC’s Recommendation: Single GST tax rate regime of 0.25% across the entire value chain for diamonds/coloured gemstones/ semi-precious gemstones.

#### 2. Exports made on consignment basis (including for foreign exhibitions, export promotion tours, etc.)

As the goods sent on consignment basis for the purpose of foreign exhibitions, export promotion tours is not a supply, GST should not be levied on goods exported for such purpose or when re-imported back.

GJEPC’s recommendation: Clarification to be issued to provide with regard to exemption for consignment import and export of gems and jewellery through exhibition/export promotion tours.

#### 3. Refund of accumulated tax credit on account of inverted duty structure on input for a certain period

Refund claims filed on account of inverted duty structure being denied, substantial amount has been accumulated which has led to the capital blockage of the diamond/ coloured gemstone exporters.

GJEPC’s recommendation: Necessary instructions be issued to permit refund of accumulated ITC pertaining to stock of the stated products held as on the date of rate change.

In addition to the above issues, GJEPC has also taken up the issue pertaining to import of gold on consignment basis for manufacture and export of jewellery. ■



# DIAMOND-BACKED CRYPTOCURRENCY: COIN OR CON?

*Diamond-backed financial assets may be an exciting new avenue for investors. But this excitement needs to be tempered with caution given the lack of checks and balances through regulations, says diamond industry analyst PRANAY NARVEKAR.*

Over the last few years, the markets which have attracted the most attention are those in cryptocurrencies (cryptography-based, decentralised virtual currencies) best exemplified by its torchbearer, namely Bitcoin. However, the ride for these assets has been far from smooth. Bitcoins went from being valued at about \$1,000 in the beginning for 2017 to nearly \$18,000 by January 2018, before falling back to below \$3,500 in January 2019.

This volatility of Bitcoin is also considered by many to be its primary weakness, as the currency is driven purely by demand and supply and does not have an underlying value to it. Entrepreneurs saw an opportunity in this and focused their attention on creating cryptocurrency based on assets like diamonds, gold, real currencies (e.g. US Dollar, Japanese Yen, Chinese Yuan or Euro) oil, real estate and even carbon credits!

As diamond-backed cryptocurrencies fire up, they would need to source the diamonds from the real market. ➔

The Reserve Bank of India (RBI) in its circular dated April 6th, 2018, banned entities regulated by the RBI from dealing with or providing services to any individual or business entities dealing with or settling Virtual Currencies. The circular was upheld by the Supreme Court of India.

Effectively, this bans banks and money changers from dealing with any individual or company residing in India for transactions related to virtual currencies or setting up a Virtual Currency exchange. This breaks the link between Virtual Currencies and the real world, making it impossible to transact in any product from India.

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**Traditional currencies, like the Indian Rupee or the US Dollar, have long moved from being backed by assets, like gold, and are essentially an “I owe you” (IOU) note being issued by the concerned government.**

Diamantaires, who are traders by nature, have been tempted by these developments and it is critical for them to have a greater clarity in how these markets work and what they might want to look for before they decide to take the plunge.

### **Trust-less Digital Cash**

Having a basic, non-technical understanding of how some of the underlying technologies work is necessary to get a better idea of the products.

Traditional currencies, like the Indian Rupee or the US Dollar, have long moved from being backed by assets, like gold, and are essentially an “I owe you” (IOU) note being issued by the concerned government. Its value essentially depends on whether you trust the issuer will make good on their promise. The confidence enabled individuals to freely exchange this cash during transactions, without need for further trust.

The need for trust becomes more important when this is extended to the digital realm, where mutual trust is required between financial entities like banks, credit card companies, clearing service providers, etc. for transacting electronically, which is why these entities are regulated. Fiat money issued by governments, which is stored electronically, can also be considered as digital currencies. Digital currencies which are not issued by governments or regulators are also known as virtual currencies (e.g. loyalty points, in-game currency, etc.).

Cryptocurrencies are a kind of virtual currency designed to be

de-centralised with no single issuer and secured using cryptographic techniques. Hence, this is also a trust-less system, wherein transactions can be made with the currency, even when no party trusts the other – almost akin to cash transactions. This cash-like transaction capability also provides near anonymity, which further endeared cryptocurrencies to early adopters. Cryptocurrencies do not have a central server but are hosted across many computers connected to each other or peer-to-peer systems.







### Blockchain driving Cryptocurrencies

Cryptocurrency systems need to maintain the balance for each account, like that of any electronic wallet or bank account, and for doing the same, they carry a copy of the entire ledger of the transaction history. The technology which carries this digital ledger in a manner which cannot be changed or tampered is commonly known as the blockchain technology.

In blockchains, valid transactions are processed in batches, called

blocks. Each block is processed through a cryptographic (i.e. encoding) algorithm to generate its unique code, also called hash. The algorithm is also known as the hashing algorithm. The hash of the previous block and the valid batch of transactions are passed through the hashing algorithm to generate the hash for the current block. In turn, the hash generated for the current block is used for generating the hash of the next block. Hence every block is linked to its preceding and following blocks,

forming a chain, which is why this is called a blockchain.

Transactions are not confirmed until they are written into a completed block. The computers which collect and combine these new transactions, do the necessary mathematical calculations required for hashing, and create new blocks, are called blockchain miners.

The hashing algorithm generates a unique value for a given input. Even making the smallest change in the input value, will lead to a totally different hash value. The hashing algorithm



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used for a particular blockchain is public, making it extremely easy to check if the transactions in the block generate the hash value of the block. If any of the transactions have been changed, the hash value of the block will not match, immediately invalidating that block. This ensures the immutability (unchangeable nature) of the transactions written into the blockchain.

While the above technique ensures that data in the ledger cannot be changed, making the system truly de-centralised requires two additional pieces. Firstly, there need to be multiple copies of the blockchain data to prevent manipulation as well as a wide base of computers mining new blocks.

Computers called nodes, which hold copies of the entire blockchain data, check the validity of all transactions before accepting every new block. They then transmit this valid data to other nodes. A majority of the nodes in the system need to accept the block before it's accepted into the blockchain, ensuring that no individual node can corrupt the data. Nodes are passive, and do not need significant resources. Larger blockchains have over 10,000 nodes making them more de-centralised in nature.

In his 2008 paper, Bitcoin founder Satoshi Nakamoto, brought in the concept of competition into blockchain

mining, to ensure that the blockchain remains de-centralised and everyone has a clear view of the entire blockchain landscape. His system required that the hash of every new block meets certain criteria. This meant adding additional code to the block, apart from the hash of the previous block and the transactions. As the hashing algorithm output cannot be predicted, this additional code has to be determined using a brute force computation method.

By varying the criteria for the output hash, the difficulty level can be varied in the system, ensuring that blocks are generated at a nearly steady pace. There were other rules put in place to ensure the integrity of the blockchain. This entire process is then repeated with the new transactions which have come in, leading to the new block being added. For Bitcoins, a new block is generated roughly every 10 minutes. Based on the hashing methods, mining can be processor (and power) intensive, or memory intensive.

In short, the system works like in a production system, where the miners are like machines who are blindly producing goods, while the nodes act like the quality control mechanism, allowing only the best blocks to be added to the chain. A system of majority acceptance ensures that the system cannot be gamed by collusion between a few miners and nodes.

**In his 2008 paper, Bitcoin founder Satoshi Nakamoto, brought in the concept of competition into blockchain mining, to ensure that the blockchain remains de-centralised and everyone has a clear view of the entire blockchain landscape.**



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Compared to commodities, where prices fluctuate every second, diamond price movements might seem glacial.

### Coins & Tokens

While Bitcoin was the first blockchain, latter platforms were able to record and execute even smart contracts. Products running on their own independent blockchain infrastructure are classified as coins. Tokens on the other hand are basically smart contracts which run on another blockchain platform, without creating their own infrastructure. Most asset-backed “coins” are essentially tokens.

Tokens require minimal programming and are surprisingly easy to create and sell to the public through events called as Initial Coin Offerings (ICOs), though they actually refer to tokens! Savvy

programmers can launch a token in hours, which is why token companies usually have only a few technical experts.

There are currently between 2,000 and 2,500 “coins” which are traded.

### Asset-backed Coins

Bitcoins were created to serve as a medium of exchange, however demand and supply fluctuations could cause sudden swings in prices, with fluctuations up to 10% in a day having been recorded. This scares potential users. Hence, ICOs have seen a slew of asset-backed coins being launched, where there are real assets underlying the coins. Underlying

assets are supposed to provide a price stability to the coin, thereby making it more attractive for users.

As we all know, diamonds are an asset in their own right. While prices might not have appreciated over the last 5-7 years, many users and financial market participants view stability as a virtue as well. Compared to commodities, where prices fluctuate every second, diamond price movements might seem glacial.

This relative price stability has led to launches of diamond-backed coins. There are some interesting releases, like one coin creating a diamond listing and sales website (like IDEX or Rapnet) with transactions paid in their coins. One company has even proposed

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**When analysing a couple of serious diamond-backed ICOs, the structure looks like an asset-backed (diamond) fund.**

an ICO based on prices of lab-grown diamonds, though they do not clarify details about the mechanics yet!

**Old Fund in New Bottle**

When analysing a couple of serious diamond-backed ICOs, the structure looks like an asset-backed (diamond) fund. The funds promise the usual ability to invest in smaller units – ability gained from the overall value appreciation by investing in the underlying portfolio of certified diamonds – and have reputable diamond industry participants as partners.

As in the past, the primary investor concern is the confidence in the value of the portfolio of diamonds, leading to setting up a mechanism for regular third-party audits, separate depository holding, sealed diamond inventory and the facility for investors to redeem coins by buying diamonds.

Valuation mechanisms usually have complex-sounding algorithms with artificial intelligence thrown in for good measure, with a view to attract buyers for the ICO. Everyone in the industry knows that most large diamond companies have had similar pricing algorithms in place at least for the last 8-10 years, without the artificial intelligence of course!

Regular asset-backed funds and financial products like diamond futures contracts are highly regulated. Governments have a history of regulating and monitoring these products, with clear rules which need to be followed as well as clear

disclosures which need to be made to investors. In fact, some diamond-backed fund products would have to be sold only to institutional buyers and high net-worth individuals, who have the capacity to understand and analyse the products.

ICO's can be launched on the basis of a simple white paper. Marketing these fund-like products as coins may allow the promoters to indulge in regulatory arbitrage and escape detailed scrutiny. This greatly increases the chances of hidden costs, inadequate disclosures as well as mis-selling of the product.

**Show me the Money**

When analysing any financial product, be it a fund or a coin, understanding the business model of the promoter is a good indication of whether it is sustainable. ICOs are clearly trying to cash in on the current speculation in cryptocurrency. Investors hope to get in early and benefit from the appreciation as the usage of the product takes off. Promoters usually allocate a significant portion of the coins for themselves.

Liquidity is the life-blood of any financial product, including coins. Liquidity gives investors the confidence that they can exit the investment without a heavy penalty, which in turn will sustain the coin infrastructure. Hence coins are hesitant to levy any charges on transactions or for maintenance of the coins, unlike in asset-backed funds.

## Changes to FATF Recommendations

**M**oney-laundering risk in cryptocurrencies is a known problem, as entities could trade almost anonymously.

In October 2018, the Financial Action Task Force (FATF), the world body which is focused on anti-money laundering and countering financing of terrorism, amended their recommendations to include virtual asset service providers (i.e. exchanges, companies launching the currencies, etc.) under the list of entities that are to be regulated. Individual governments who are part of FATF would be expected to make the necessary changes into their respective local laws.

Virtual asset service providers like wallets and coin issuers will now need to be licensed/registered and subject to same monitoring and relevant compliance practices followed by other financial institutions like KYC, suspicious transaction reporting, etc.

Going forward, anonymity provided by cryptocurrencies, which was treasured by participants of unauthorised markets, will be lost. However, in the long run, this might be for the good as only the persons who are genuine traders or investors in the virtual assets or currencies will remain.

In asset-backed cryptocurrency, coins can only be issued against assets. Hence, if no coins can be issued to promoters in the ICO, other innovative options, many of which are also drawn from funds, are used. These include charging fees, either for buying the coins or on redemption, having a coverage ratio which is less than coins issued (i.e. the assets held is a fraction of the total money invested in the coin).

Coins can also have restrictive redemption options, including only allowing redemption through delivery of physical diamonds.

At times, even the purchase of diamonds into these coins is through associate companies. These coins imply that their prices are at near wholesale level, however a quick check by the author indicated prices seemed to be 15-30% above wholesale prices! This would not be possible with regulated funds.

While the reported information on charges is vague, it indicates that coin issuers are incentivised only to encourage investors to enter and exit (through diamond delivery) the scheme (i.e. the churn), rather than hold and

transact in coins. The sustainability of such a model is debatable and in the long term would lead to disenchantment among users of diamond-backed coins.

### Closing Thoughts

The diamond industry needs diamond-backed financial assets in order to successfully channelise the latent demand for investment diamonds. However, in their current form, diamond-backed coins look far too flawed to become a sustainable and healthy product.

For a diamantaire or an industry service provider, selling diamonds into these products should be similar to any other customer, as long as the payment is in normal currencies (though in India it would be prudent to check whether RBI regulations will allow US Dollar payments from coin companies). For diamantaires looking to sell their diamonds for cryptocurrencies, all one can say is *Caveat Venditor* or seller beware! ■



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# Domestic Council For Gems & Jewellery Launched



(From left) Sanjay Kaka Patil, Dulichand Karel, Mohit Bharatiya, Suresh Prabhu, Rajesh Khosla, Pramod Agrawal and Rupa Dutta at the opening ceremony in Mumbai.

**S**uresh Prabhu, the union minister for commerce & industry and civil aviation, inaugurated the Domestic Council for Gems & Jewellery (DCGJ) at a glittering function organised by the Gem & Jewellery Export Promotion Council (GJEPC) in Mumbai on January 29th.

Addressing the gathering, the minister said that the Domestic Council will solve all the major issues of the sector; and will be operational from May 1st, 2019, on the occasion of Labour Day and Maharashtra Day.

Among the dignitaries present at the launch were commerce secretary Anup Wadhawan; Rupa Dutta, economic adviser, ministry of commerce & industry; Pramod

Agrawal, convener, national ad-hoc committee, DCGJ and chairman of the Gem & Jewellery Export Promotion Council (GJEPC); and all the 14 representatives of the ad-hoc committee.

For the formation of the Domestic Council for Gems & Jewellery, an ad-hoc committee has been formulated comprising representatives of following associations: All India Gems & Jewellery Domestic Council (GJC), Mumbai; Association of Gold Refineries and Mints (AGRM), Cochin; Bangiya Swarna Shilpi Samiti, Kolkata; Bharat Diamond Bourse (BDB), Mumbai; Bhartiya Swarnkar Sangh (BSS), Jaipur; Gem & Jewellery Export Promotion Council (GJEPC), Mumbai;

Imitation Jewellery Manufacturers Association (IJMA), Mumbai; India Bullion and Jewellers Association (IBJA), Mumbai; India Jewellers Forum (IJF), Amristar; Karnataka Jewellers Federation, Bangalore; Odisha Jewellers Association, Cuttack; Rajkot Gems & Jewellery Association, Rajkot; Tamil Nadu Jewellers Federation (TNJF), Chennai; and Uttar Pradesh Sarafa Association, Kanpur.

Also present on the occasion were member of parliament Sanjay Kaka Patil; Senthil Nathan, deputy secretary, union ministry of commerce & industry; Anantha Padmanaban, chairman, GJC; Dulichand Karel, chairman, BSS; Mohit Bharatiya of IBJA; and Rajesh Khosla chairman, AGRM.



**Today is a historic day as a new chapter opens in India's 5,000-year-old legacy in gems and jewellery. The launch of the Domestic Council for Gems & Jewellery is a significant step and one amongst a series of several structured reforms undertaken by our Government.**

Prabhu said, “Today is a historic day as a new chapter opens in India’s 5,000-year-old legacy in gems and jewellery. The launch of the Domestic Council for Gems & Jewellery is a significant step and one amongst a series of several structured reforms undertaken by our Government to make the industry more organised and unified. We have followed a democratic process and given representation to the key jewellers, manufacturers, miners and artisan/craftspersons associations from different geographies and industry segments. The Domestic Council will represent the culture and ethos of India’s gems, gold and jewellery business, while addressing global

market opportunities to create economic value for the country. The Government will create and facilitate and leave it to the industry to take it forward.”

On the occasion, the minister also launched a Parichay Card for labourers of the gems and jewellery sector.

The minister also informed that the Government will soon come out with an integrated gold policy. He said that gold has been the cultural face of India since ancient ages and that the need of the hour is to give more attention to enhance the gold and gold jewellery business. The sector can provide employment for skilled workers, contribute to strengthening the Indian economy,

and in the making of a New India, he added.

Prabhu noted that the gold jewellery export market is huge and its potential needs to be tapped adequately. In March-April 2019, top 20 global companies will be invited to India so that they themselves can craft a strategy for buying from India, added the minister.

An official from the ministry of commerce & industry said, “The launch of the Domestic Council is the culmination of decades of planning right from the days of the submission of the Sivaraman Report to the recent Niti Aayog report. A fairly represented Domestic Council can help jewellers and craftsmen/artisans to represent the key issues and demands to the ministry in a structured manner.”

Pramod Agrawal said, “We welcome the Government’s decision to form the Domestic Council for the Indian gems and jewellery sector. This will help to organise our unorganised and small-scale based domestic jewellery industry and help it to scale new heights. As envisaged by the union minister, my efforts as the convener will be to seek consensus in opinion to make this Domestic Council a national body which belongs to all and works to fulfil the aspirations of all small and big associations from across the country. GJEPC is happy to offer all support and guidance in the formation of an inclusive, democratic and self-sustainable council. It is important for the industry to have one voice one body. The Domestic Council



Suresh Prabhu lighting the ceremonial lamp.



Suresh Prabhu addressing the gathering.

will help create 3 million more jobs and new artisans/craftsmen in the business.”

The idea of a Domestic Council for gems and jewellery was first suggested in 2005-06 by the Sivaraman Committee that was constituted to study the entire gem and jewellery sector and submitted its report to the union finance ministry. The responsibility was eventually given to union commerce & industry ministry and then the Department of Industrial Policy and Promotion (DIPP).

In 2017, Prime Minister Narendra Modi said that gems and jewellery was a good example of Make in India and wanted jewellers

to come up with a strategy for increasing India’s share of the hand-made jewellery market in a global market. In February 2018, the Niti Aayog panel, in its report on the need for a comprehensive gold policy, had also proposed setting up of a dedicated Domestic Council for the gems and jewellery sector. And finally, now the Council has been launched.

The task ahead comprises framing the constitution of the Domestic Council as well as its Election Rules and other activities. GJEPC would offer all the secretarial support in this regard for the incorporation of the Council. All the drafting of the constitutional documents as well as



**The idea of a Domestic Council for gems and jewellery was first suggested in 2005-06 by the Sivaraman Committee that was constituted to study the entire gem and jewellery sector and submitted its report to the union finance ministry.**



the Election Rules of the Domestic Council would be completed by March 31st, 2019.

The core committee comprises the following members: Chairman, GJEPC; Chairman, GJC; Chairman, IBJA; Chairman, BSS; and Chairman, AGRM.

Anantha Padmanaban, chairman, GJC, said, "Today is a historic day for the gems and jewellery industry as the formation of the Domestic Council was the need of the hour and it is a very good move by the union ministry of commerce & industry. The domestic gems and jewellery retail business is around ₹4 lakh crore as of 2018 and the domestic gems and jewellery sector is going through a challenging situation and all diverse constituents have to unite for a positive outcome for the betterment of the sector.

"The first priority of the Domestic Council should be to uplift the living standards of artisans. It is also imperative for industry to have one voice across all segments. A Domestic Council for the gem and jewellery industry will help tackle key issues faced by the industry, such as harassment of jewellers during transit, PAN card limit, EMI on jewellery, insurance for jewellery, bank credit rating for jewellers and many more. Another important priority is to create national level B2C programmes to attract millennials. We have to make investments towards brand building, designing, manufacturing and customer reassurance. The Domestic Council will play a pivotal role in all these aspects."

Shaankar Sen, vice chairman, GJC, added, "The industry finally

has its own Council that will help jewellers from small to large category represent their concerns and work towards the betterment of the industry. The first step of Council will be to sit together with key stakeholders of the industry, including GJC, to chart out the road map for the next five years. The overall business in this sector is not witnessing growth; hence short-term and long-term revival plans need to be drafted as a priority. We repose full faith in the performance of the Council and GJC will actively support and continue to play a pivotal role of promoting, protecting and progressing the gem and jewellery industry."

The Domestic Council is an all-inclusive body and would move ahead with the support of all members of this fraternity. ■

## GJEPC Unveils Parichay Card, Health Insurance For Artisans

**S**uresh Prabhu, the union minister for commerce & industry and civil aviation, launched the Parichay Card for gem and jewellery sector workers, artisans and craftspersons in India – an initiative of the Gem & Jewellery Export Promotion Council (GJEPC).

GJEPC is already in final stages of talks with the union ministry of skill development and entrepreneurship (MoSDE) for national classification of gem and jewellery sector workers/craftsmen under Labour Management Information Systems (LMIS). This segment-wise classification of workers, craftsmen and artisans will provide additional benefits under relevant MoSDE schemes.

The national launch of Parichay Card will benefit the entire gem and jewellery industry and ensure proper authentication for social security purposes. The objective of this project is to create a verified, well-crafted database of gem and jewellery workers to provide them better job opportunities, help to find financial support from banks and financial institutions, and provide better health care services through the specially designed smartcard.

This card not only gives the workers a valid proof of their employment or identity, but also makes them eligible for various initiatives. Along with the card, GJEPC will also provide an optional health insurance cover 'Swasthya Kosh' for all Parichay Card holders.

Pramod Agrawal, chairman, GJEPC, said, "The \$40 billion gem and jewellery industry is heavily dependent on the karigars, artisans and craftspersons of India. Today, India has become a global pioneer in the business of diamond processing only because of this extremely talented and skilled workforce. As a token of appreciation and with the intention to give back to these precious jewels of the industry, the Council has come forward for the betterment of these workers."

Agrawal added, "The Swasthya Ratna Scheme received a phenomenal response and several GJEPC member companies have taken this policy for their workers and office staff. Currently, it is in



(From left) Rupa Dutta, Sanjay Kaka Patil, Suresh Prabhu, Pramod Agrawal and Anantha Padmanaban unveiling the Parichay Card.

its third year of operations and to date it has covered more than 4 lakh lives. It motivated us to do more for the industry and hence we launched the Parichay Card.”

“We feel proud of the talented workforce of over 5 million craftspersons, artisans and karigars, who are an integral part of the overall ecosystem of gems and jewellery exports. As a token of appreciation and to support and nurture the talent, this is a small initiative from the GJEPC,” he noted.

In 2015, the GJEPC had initiated a Group Mediclaim Scheme, named ‘Swasthya Ratna’, to provide health insurance benefit to the entire workforce of the gems and jewellery industry and their family members. Under the scheme, all GJEPC member companies can enrol employees and their families. The primary objective of launching this scheme all over India was to help identified workers and their families gain improved access to quality medical care.

The Council plans to integrate the benefits of the Swasthya Ratna policy with the Parichay Card. All

Parichay Card holders will be given a choice to opt for a health insurance policy, assured of ₹1,00,000 for themselves and their family (spouse and two children) by paying just 25% cost for the premium. The remaining 75% of the premium will be paid through a specially created fund called Swasthya Kosh.

GJEPC has tied up with the Gem and Jewellery National Relief Foundation (GJNRF), whereby anyone can donate into the fund and the proceeds go towards paying the premiums of the policy. The scheme will also offer an 80G tax benefit to the all the institutions who donate for this cause. GJEPC has roped in Edelweiss Insurance Brokers, which already manages the Swasthya Ratna Scheme along with the Swasthya Kosh insurance brokers.

The premium for the comprehensive health insurance policy is capped at ₹1,400 for self-cover and ₹2,200 for family cover. With 75% of the premium being paid by GJEPC’s Swasthya Kosh, the discounted premiums are just ₹350 for self and ₹550 for family cover. ■

ANUP BOHRA

# A RADICAL VISIONARY

*Anup Bohra, CEO and managing director, Jewels Emporium, Jaipur, is way ahead of his times. A patron of jewellery arts and crafts, his forward-thinking vision has helped him popularise his limited edition collection Masterstrokes globally. He and his team have been pioneers in introducing French enamelling techniques in fine jewellery in India. The sole purpose that keeps his creative and adventurous spirit alive is the desire that India must be recognised not just for its traditions, but for its talent, innovation and artistic excellence. A brave heart, he opts to tread paths that are difficult in order to create something original. Bohra puts it aptly, "If you succeed in everything that you are doing, it means that you are attempting things that are far too easy. Thus, I choose paths where failure is inevitable initially, yet if you are persistent and have the courage to stay original, you will succeed. It isn't the mind that creates beautiful work, it's the soul!"*

#### Garden in Bloom

The stunning necklace gets its glow from 53.5 carats of Mexican fire opals, and 5 carats of orange sapphires edged as well as embellished with diamonds, thus recreating the hues of sunset. French enamelled, studded stems and leaves complete the necklace that has been named after Hesperis, the Greek goddess of sunset. Courtesy: ADORN magazine. Photograph by Vishesh Verma

BY SHANOO BIJLANI





*The beauty of a jewel is boundlessly enhanced when colour is added to it in the right proportion and combination.*



Selene cuff from the Shades of Lotus collection.



Anup Bohra

**Jewels Emporium, Jaipur, has been a pioneer in introducing the art of Plique-à-jour and Basse-taille enamelling in India. Tell us about the journey. Why did Jewels Emporium bring the French enamelling techniques into India?**

In 1983, I joined Jewels Emporium after graduating from the Gemological Institute of America (GIA) and started assisting my father and grandfather in the business. We were well established in retailing to foreign tourists, but it did not intrigue me enough to continue doing the same thing day in and day out. I was doing a lot of soul-searching to create an identity where I could not only build my company into a brand, but I could also take India to the world.

After much deliberation and research, along with my better half, Smriti, I decided to explore the world of enamelling.

Colours always bring out evocative emotions. The beauty of a jewel is boundlessly enhanced when colour is added to it in the right proportion and combination.

And since colours excite both me and Smriti, exploring enamelling techniques was an obvious choice. Further, we realised that enamel in India, especially Jaipur, was only being used in the traditional format.

Enamelling, or what is termed as meenakari, is said to have flourished under Raja Mansingh of Jaipur, who brought experts from Lahore to set up karkhanas (workshops) to popularise the technique of Champlevé enamelling. Since then, the technique was being used on the back of jadau jewellery to enhance its life. The palette was limited to six or seven colours, which were used as solid hues in flat engraved geometric shapes from



The Autumn Saga earrings from the Music to My Ears collection.



Hawaiian Hibiscus from the Jekyll & Hyde collection.

Islamic tradition, interwoven with patterns displaying acanthus, birds, flowers and animal forms of Hindu aesthetics.

While studying further about the history of enamel art, we came across Art Nouveau jewellery and we were intrigued by the experimentation of that time. It was a eureka moment for me; it provided me a direction. One thing led to another, and soon we started understanding, exploring and appreciating French enamelling in our atelier. Brilliant minds and the script in place, we were ready for laying the foundation of a new chapter in the history of contemporary jewellery in India; the search for talented craftsmen-cum-artists began, which finally culminated in West Bengal.

We then embarked on this journey of turmoil and challenges.

We failed many times only to try again and again. We wanted to break the traditional barriers.

Soon, we experimented and introduced the techniques of Plique-à-jour and Basse-taille along with Champlevé, bringing the colours from the back to the front of the jewel.

We found single, solid colours lifeless. Hence, we tried and achieved shading of not just dark to light, but also shading of two or more different colours. We live in a three-dimensional world, then how can enamel be restricted only to flat surfaces?

We conquered our next challenge of deploying enamel in contoured forms. The more we explored the more we achieved and that gave us the impetus to be more adventurous!

Today, we have a palette of almost 300 enamel hues and we can

proudly say that we have pioneered French enamelling in India with reference to its use in contemporary jewellery. We started this journey in 2001, and today our avant-garde jewellery brand Masterstrokes is known for revolutionising and crafting unique pieces of wearable art, not just in India but in many other countries too.

**Please throw light on the techniques for our readers and how difficult it is to achieve the finesse in fine jewellery. What are the hurdles that a manufacturer or a designer faces, and how long does it take to make a piece clad with these enamelling processes?**

First let's understand what fine jewellery is. Simply put, when a well-thought-out design is created responsibly, using quality materials, while adhering to international standards, the result is a jewel that speaks excellence.



Smriti Bohra,  
Creative Head of Jewels Emporium

*We brainstorm to find flaws and demerits and constructively proceed in raising our standards of excellence to a higher level.*

And how you achieve this excellence is even simpler! Just don't compromise at any level and never stop learning and innovating. When I see a piece of jewellery that I made a few years ago with my team, we brainstorm to find flaws and demerits and constructively proceed in raising our standards of excellence to a higher level.

Today, owing to this consistent creative post-mortem, we have evolved to create tell-tale marvels of fine jewellery and extraordinary wearable art!

I assure you, this is a never-ending pursuit of experimenting and going a step ahead each time you create a thing of beauty. Any art, when explored, poses new challenges every day.

Referring particularly to French enamelling, we faced challenges from achieving the right amount of heating, to which colour combinations looked good, to how we can best enamel on curved surfaces and much more. It's not possible to compress my experiences of so many years in just a few words. I could probably write a book on it!

The key is to keep questioning one's own skills and be your own harshest critic. Further, there is no specific parameter on how long it takes to create a jewel dressed with French enamel. Some jewels may

take as long as six months to a year! It all depends on the intricacy and details of the design.

**We would like to know about the first collection that was enhanced with this technique. How long did it take you to complete the collection?**

We were making single pieces for a long time before I had a crazy idea to make a collection inspired by the mesmerising peacock. The inspiration was not new, peacocks have always been used in Indian jewellery; but that was the challenge, to portray the peacock in a radically different way, yet make it appealing for the Indian clientele. At that time, we were focussing only on the Indian customer before embarking on our international journey. To top it, I don't know why, but I wanted to create an enormous 80-piece collection, which we titled Romance of the Peacock! It took some years to come up with that number prior to the launch.

**Importantly, how did it fare in the Indian market? Where did you first introduce the collection?**

I had decided to launch the collection at Jaipur Jewellery Show (JJS) 2006, but I was getting the jitters when we completed 45 pieces in the Peacock collection! This fear led me to start selling much in advance than the JJS. The collection did extremely well. In fact, I was able to sell approximately 40 pieces even before I introduced the collection at JJS 2006! We re-launched the collection with new pieces at IJW 2011.

**What gives Champlévé an edge over other types of enamelling techniques?**

It's not the Champlévé, Plique-à-jour or Basse-taille enamelling techniques that have an edge over the others; it's how you deploy the technique in jewellery that gives it an edge. We used the same old technique, but we tweaked it. From



From the series of Alibaba and Forty Thieves, the pendant features four thieves.



The grand necklace and earrings set from the Romance of the Peacock collection.



*I simply want to develop craft techniques of any kind to a high standard of excellence whereby it is a piece of distinctive art which is appreciated globally.*

a passive existence we made enamel a proactive element of the design. We made it as important as the gold, diamonds, coloured stones and the form of the design. We then enlightened the customer to change their perception, from buying jewellery for its material value, to buying jewellery for its astonishing work – the enamel work!

Let me put it on record, the Indian customer was in awe with our French enamelling works of art!

**How did you get the metal workers and enamellers to train in this technique? Or did you import and adapt the art?**

When I forayed into this journey of experimentation, I already had a team of artists who could dream design, manufacturing experts who were ready to face challenges, and my better half whose understanding of colours was par excellence!

We went all the way to Kolkata to bring the artisans to Jaipur; fortunately they, too, were willing to share our passion and enthusiasm. To develop any art form, someone must patronise it. In olden times, kings were the patrons. Today, someone like us, one who has the vision beyond just making money, must do it. When

you develop or adapt art, which we did, there are no manuals for training; it's not a technology one can import just through reading.

I had never acquired any professional training on enamelling. Thus, at Jewels Emporium, we continuously had to brainstorm, accept challenges, find solutions and were busy perfecting the art. Though, now I can pretty much create a manual for someone else to train; at that time we just followed our instincts, came up with our own methods to achieve what we have achieved today. The only disadvantage is that it takes a painstakingly long time to reach this level. Yet, it is extremely gratifying! Today, I have a team of gifted artists who are involved in the entire process, from getting the design on paper to the completion of the jewel.

But I have not restricted myself to this art form. I simply want to develop craft techniques of any kind to a high standard of excellence, whereby it is a piece of distinctive art which is appreciated globally.

In 2012, we participated in the 'Craft to Jewellery' project of the GJEPC where we incorporated the unique crafts of bamboo and bidri into fine jewellery.

**Do you also have elements of enamel in your limited and signed edition Masterstrokes?**

Every Masterstrokes jewel exhibits one or a combination of French enamelling techniques. It may be Champlevé, Plique-à-jour or Basse-taille. And, inevitably, every Masterstrokes jewel also carries the brand's registered trademark signature, an 'M' with a small diamond (see left). The 'M' is very subtly placed, incorporated sensibly in the design of the Masterpiece, most often on the front side of the piece.



The floral ring from Masterstrokes bearing the signature M.



Prie Dieu-Feu Opale  
collier from the collection,  
Celebrating Gaudi.

**What is your take on plagiarism?  
How do you feel when others copy  
your designs or call themselves the  
pioneers of French enamelling in the  
country?**

Copying is the biggest form of flattery. It is the best tribute one can pay to a pioneer!

Several of our contemporaries and designers copy our designs, and have learnt to incorporate French enamelling and some even replicate what is our style of incorporating the monogram! Some are audacious enough to calling themselves as the pioneers of French enamelling in India!

My gratitude to all such human beings for honouring us and paying such great respect to what we initiated and created. I take pride in being a game changer and

will remain ever ecstatic that I have pioneered enlightening the Indian jewellery fraternity with the art of French enamelling, which otherwise may not have seen the light of day and would have continued to remain a beautiful form of an existing art not pursued by the jewellers, designers and worksmen in our country.

I will remain ever indebted to all who have copied us in some form or the other by learning to incorporate and adapt the art of French enamelling in their pieces of jewellery, as it is because of them that this art has gained quicker and wider acceptability with the Indian consumer, thus making my task much easier.

Plagiarism has challenged me and my team to continue evolving further and stay far ahead of any competition. It has helped build my brand Masterstrokes and enabled it to stay on top!

**Tell us about your philosophy  
towards the brand.**

My desire is to patronise and promote jewellery-related crafts in India to whatever level I can to the best of my abilities and create wearable art that surpasses its intrinsic value. I desire to become rich by growing wealth for my company and, in turn, for my nation. The word wealth needs to be understood in the right spirit and larger perspective! ■

# ‘GIA India To Soon Offer Coloured Stone Identification Reports’

*In an exclusive interview, Nirupa Bhatt, managing director of GIA India and Middle East, talks about major trends that will play out this year, the potential of AI-based grading, the imminent launch of GIA coloured stone identification reports in India and much more.*



Nirupa Bhatt,  
Managing Director of  
GIA India and Middle East

## **For GIA India, what are the key advantages of exhibiting at IIJS Signature?**

Over the years, IIJS Signature has emerged as an important trade show to showcase new jewellery collections. It helps manufacturers, wholesalers and retailers stay updated with new designs and plan their inventory for the upcoming year.

For GIA India, IIJS Signature gives the ability to connect with members of the trade interested in GIA’s diamond grading services and our education offerings. It presents a platform for us to connect with diamantaires and jewellery manufacturers, wholesalers and retailers to understand their challenges and understand how GIA can assist. We also get an opportunity to connect with mid-to high-end businesses, for whom the latest knowledge on lab-grown diamonds and treatments will be extremely beneficial.

## **Are trade shows a core component of GIA’s overall marketing strategy?**

While GIA’s independent gem identification and grading reports and globally-recognised educational programmes are well-known in the

industry, trade shows help us reach out to more and more members of the trade and spread awareness about the Institute’s mission.

Including IIJS Signature, GIA India participates in many trade shows across the country, including in tier-II and tier-III towns, to reach out to small and medium-size businesses. We also conduct complimentary seminars on various topics to share knowledge about the important aspects of the industry and help build consumer confidence in the gem and jewellery industry.

## **What opportunities does the Indian market present for GIA in the areas of grading and education?**

The Indian market continues to remain the epicentre for the global gem and jewellery industry. Indian manufacturers produce more



GIA’s continued investment in gem research and development.



Classroom in GIA India's Mumbai campus.

than 85% of the world's polished diamonds in terms of volume, and I believe GIA India has contributed to this growth story. We have also helped exporters increase their online presence, explore newer markets and provide stones 0.18 carat and up with GIA's globally-recognised reports. Through professional gem and jewellery education from GIA India, students gain not just knowledge, but also the conviction to buy and sell confidently, and also convey the same to consumers.

**Describe three major scenarios that will play out in the coming year.**

One of the trends I see playing out this year is provenance. A growing number of consumers today wish to see the mine-to-market journey of a diamond. GIA is already working with mining companies, diamond manufacturers and retailers to help them tell that story.

Another trend I see is the creation of distinct markets for natural and laboratory-grown diamond jewellery. This will help ensure that everyone in the natural diamond supply chain invests in screening and identification

of undisclosed laboratory-grown diamonds. Laboratory-grown diamonds give consumers another choice, as long as the transaction takes place with full disclosure. GIA is in a great position to help the industry through our Synthetic Diamond Grading Reports, the GIA Melee Analysis Service and the GIA iD100™ diamond testing device.

Also, as the Indian jewellery industry gets more organised and as regional and national retail chains

expand, there is a crucial need for skilled professionals. Similar to B-schools – which ensure there is a decent pool of talented management resources available to businesses – GIA offers a mix of courses in gemmology, jewellery design, merchandising and sales for professionals to scale greater heights in the industry. Ultimately, a trained professional will have a far-reaching impact in earning consumers' trust and confidence in the gem and jewellery industry.

**Do you perceive automated AI-based diamond grading as a threat or an opportunity?**

GIA has been involved in supplementing visual grading with instrumentation for several decades. The first GIA colorimeter developed was in the 1940s and we have continued to add more instrumentation into the grading process. As you are aware, we introduced GIA Facetware® a number of years ago that is integrated into measurement scanners that give a predicted GIA cut grade.



GIA India offered complimentary seminars on laboratory-grown diamonds at IJS Signature 2018.

GIA will continue to add technology and automation to the grading process, but without a deep understanding of the GIA system, automation may lead to more consistency but not greater accuracy.

**As the head of GIA India and Middle East, what short-term and long-term goals have you set for yourself?**

As a public benefit, non-profit institute, GIA's mission is to ensure the public trust in gems and jewellery. We remain committed to the mission by ensuring the highest level of integrity and

accuracy in every report we issue, offering comprehensive education for students and professionals to succeed in the industry, pioneering cutting-edge research to identify practical solutions to gemmological challenges, and advancing development of instruments to determine the distinctive characteristics of natural, laboratory-grown and treated gem materials.

There have been requests from the industry to start offering coloured stone identification reports in India. Considering that India – one of the biggest cutting and trading centres for emerald

and tanzanite – is a market with tremendous potential, we are already in talks and are hopeful of getting the necessary permissions to start the service. This move, I believe, will significantly aid the growth of coloured stone market in India.

We also work closely with national, regional and local associations to organise education seminars for trade members on various topics. This helps us share knowledge about important aspects of the industry, build consumer confidence and ultimately it supports the Institute's mission. ■

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**MANSUKH KOTHARI:**

# Industry Needs To Speak In One Voice

*MANSUKH KOTHARI, director, Vasupati Jewellers India Pvt. Ltd., and co-convenor of the GJEPC's gold jewellery panel, speaks to Solitaire International about the many benefits of the recently announced Domestic Council for Gems & Jewellery, the need to have generic gold promotions, gold jewellery trends and more.*



Mansukh Kothari

**The World Gold Council seems to have stopped all jewellery promotion activity. Do you think that industry bodies like GJEPC and GJC should take on this responsibility for generic promotion of gold?**

This is the need of the hour! Manufacturers, retailers and trade bodies should definitely come forward to work on this much needed initiative.

**The Domestic Council for Gems & Jewellery has been recently launched by commerce minister Suresh Prabhu, and the ad hoc committee will be formulated with representatives from various trade bodies. Your thoughts.**

The commerce minister has said that the new Domestic Council for Gems & Jewellery has to be put together by May 1st. It is a very important platform so that all the primary and ancillary trade bodies representing karigars, manufacturers, hallmarking centres, bullion

banks, and retailers will speak in one voice as representatives of the industry.

The more organised we get, the better it will be for the trade to stem the ongoing attrition of craftsmen. Recognising their skills, adding value to the craft, increasing exports, will, in turn, secure their future and the crafts. It will also attract the young generation to this industry.

**Give us some update about the Jewellery Park in Navi Mumbai. What are the sentiments of the jewellers situated in Zaveri Bazaar about having to shift there?**

The government has identified the proposed land which will be given to the gems and jewellery industry. Jewellery manufacturers are keen on shifting from all over Mumbai. However, awareness programmes are being conducted in Zaveri Bazaar and Borivali, the main hubs of jewellery manufacturing in Mumbai, to explain to karigars about the benefits of moving to safe and de-congested working conditions with the latest infrastructure facilities. The GJEPC has signed an MoU with the Maharashtra Industrial Development



Corporation (MIDC) to establish the “India Jewellery Park Mumbai” which will generate employment for around 1,00,000 workers in Maharashtra.

**How is the gold policy shaping up? From the trade perspective, has the government agreed to most of the demands?**

The government is working on the gold policy, which will be announced soon and the same will benefit the industry for a long time to come.

**What are the collections that you are introducing this year at Signature?**

Lightweight, fancy and contemporary gold jewellery set with fancy stones and coloured beads. Deviating from our regular necklace, choker and pendant sets, we have begun to concentrate on rings, jhumkis, maang tikas and haathphools. But the slant in all the designs is modern.

**You have been participating in Signature and IJS since many years. Are shows like these vital trading platforms for your business growth?**

Yes, it is a must to exhibit in trade shows of this stature, as it motivates us round the year to make high quality, innovative designs to cater to the ever-evolving taste of today’s modern consumer. This year, too, we are anticipating a good response



at the show, but we are a little apprehensive as gold prices have shot up. Buying may be less in terms of volumes, but since we do our homework well, we are coming up with a variety of lightweight ornaments that are pocket-friendly. However, we are leaving no stone unturned and we are engaged in tapping new markets in India. Every year, we have a target list and we send invitations to new potential customers in order to expand our footprint.

**Apart from meeting your regular clients, do you also get the chance to meet new clients?**

Yes, we do get to meet old and new clients; I would say the ratio is 80:20 respectively. ■



# Interim Budget – Limited Expectations

*On February 1st, the finance minister of India would be presenting the Interim Budget or Vote on Account for the financial year commencing April 1st, 2019. The key question is that since elections are due in May 2019, what should one expect? Dr. Suresh Surana, a chartered accountant and founder of RSM Astute Consulting Group, explores the possible outcomes.*



Dr Suresh Surana,  
Founder, RSM Astute  
Consulting Group

## Can tax reforms be announced in an Interim Budget?

Express legislative prohibition against announcement of major tax policy changes through an Interim Budget do not exist in India.

Certain restrictions are imposed by way of Model Code of Conduct (MCC) laid down by the Election Commission of India which comes into force once the election schedule is declared.

The provisions of MCC applicable to the party in power (outgoing government) requires that the party in power, whether at the centre or in the state or states concerned, shall ensure that no cause is given for any complaint that it has used its official position for the purposes of its election campaign and in particular ministers and other authorities shall not sanction grants/payments out of discretionary funds (from the time elections are announced by the Commission); and (from the time elections are announced by the Commission), ministers and other authorities shall not announce any financial grants in any form or promises thereof.

But, if the Interim Budget is presented before the declaration of election schedule, the outgoing

government is at full freedom (i.e. there is no binding legal restriction) to introduce any number of policy decisions through the Interim Budget.

## Past precedents

Interim Budgets in the past have marginally deviated from the unwritten convention of not initiating major tax reforms in an election year. The Interim Budget of 2004-05 presented by Jaswant Singh had proposed some changes to the taxation regime. It had extended the period of exemption from long-term capital gains for listed equities to three years and likewise extended the fiscal benefits available to new power plants up to 2012 for corporations. Thus, though the interim budget speech of 2004-05 promised reforms in direct tax, none of them were actually carried into effect. The last Interim Budget presented by the then finance minister, P. Chidambaram, in the Congress government, had also announced marginal changes in excise duty rates and provided relief from service tax in certain cases. However, no changes were proposed on the income tax front.

It is difficult to insulate the expectations from the political scenario. The ruling government and the opposition seem set for an intense battle and uncertain outcome. Therefore, considering the need to extend relief to a vast majority, it can be expected that the Interim Budget of 2019 would use the legroom available.

Generally, the outgoing government only passes an appropriation bill, also known as Vote



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on Account, to meet expenses of the administration till the newly elected government presents a full Budget after elections. However, this Budget is expected to be more than a formal Vote on Account, with some relief to the taxpayers. A Vote on Account usually deals with the expenditure side of the government's Budget, i.e. only approval for expenses during the intervening period till declaration of general election results is sought after. However, an Interim Budget deals with both expenditure and receipts and as such represents a complete set of accounts being very similar to a full Budget. The Interim Budget does not incorporate estimates for the full year, as the incoming government can partially change or give it a full makeover while presenting the Union Budget after the declaration of election results.

### Expectations

#### **Increase in the basic IT exemption limit from the present threshold of ₹2,50,000 to ₹3,00,000**

The basic exemption limit for individuals and Hindu Undivided Families (HUFs) has not been

increased for the past three financial years despite inflation, which ranges from 5% to 7% per annum. The increase in the basic exemption limit from the present threshold of ₹2,50,000 to ₹3,00,000 so as to adjust for inflation would provide relief to all individual taxpayers. This could benefit over 5 crore individual/HUF taxpayers. The increase in the basic exemption limit would benefit the gems and jewellery sector which employs around 46 lakh people. This shall also result in reduced compliance burden on the part of employers in this sector. Though the increase in basic exemption limit shall benefit the taxpayers, it is estimated that every ₹10,000 increase of basic exemption limit shall lead to a loss of ₹2,000 crore to the revenue department.

#### **Reduction in cess**

The rate of health and education cess, which is 4% of the tax at present, may be removed. This would effectively result in reduction of tax rate from 0.4% to 1.38% depending on the tax slab of the taxpayer. This shall provide huge relief as cess is applicable to all taxpayers.

#### **Administrative relief**

The measures such as expediting income-tax refunds, withdrawal of departmental appeals below a certain threshold, grant of GST refunds, etc., will go a long way in improving the taxpayers' sentiments without amounting to any legislative reform. This would be of great relief for gem and jewellery sector as a part of working capital, which is currently blocked in the process of claiming refunds, would get released and shall, in turn, facilitate more trade in these sectors.

#### **Closing Thoughts**

Interim Budgets in the past have not come up with major tax policy changes as discussed above. Any amendment in the Income Tax Act, 1961 can be brought only if the same is passed by both the houses of Parliament. In view of this, it can be said that changes in direct tax may not be expected. One key aspect the markets would be looking for is the fiscal deficit which was estimated at 3.3% in the last budget and given the need for populist measures, the extent of slippage beyond this level. ■





# Vicenzaoro Draws More Global Visitors

*Vicenzaoro January, the first event of the year on IEG's Jewellery Agenda, closed with over 35,000 visitors at the six-day show and a tangible upsurge in international visitors.*



DINOS KARALIS

The six-day Vicenzaoro January (VOJ) held from January 18th to 23rd, 2019, organised by Italian Exhibition Group (IEG), was inaugurated in the presence of the Minister for Regional Affairs and Autonomies, Erika Stefani, who in her address, stated, “Vicenzaoro brings with it all the territory’s dynamics and ability to promote development and training within the sector.”

In his greetings, IEG president, Lorenzo Cagnoni, referred to Italian Exhibition Group’s role as the leading Italian trade show player in terms of the number

of shows organised directly, announced that this edition of Voj, which hosts the most famous international brands alongside the more recent and emerging companies, is totally sold out.

Managing director, Ugo Ravanelli, proclaimed the theme of this year’s show: Sustainable Creativity, which is no longer a trend but, fortunately for our planet, the direction in which the whole sector is decidedly steering towards.

Vicenzaoro January saw formidable growth in foreign participation. According to a press release, over 60% of operators

came from foreign countries. The number of buyers from Germany, Switzerland and Austria registered a + 12% rise, the United Kingdom walk-ins saw a growth of 11.7%, France, 10.5%, and Spain marking a 9.6% jump. Northern Europe also grew by 10.5%. The United Arab Emirates and Saudi Arabia registered a strong recovery despite the ongoing issues in regard to the taxation of the former, marking a 24.2% rise in visitors. Russia and Ukraine, fundamental markets, not only for the Made in Italy gold and jewellery supply chain, but also for the demand on a global scale, grew by 10.4%. The number of buyers from Kazakhstan was up by 46%.

Fundamental once more at this edition was the support of the Ministry of Economic Development - MISE and ICE Agency. Thanks to this collaboration, over 400 buyers were welcomed at Vicenzaoro January, selected from the main markets in addition to over 2,000 buyers managed directly by Italian Exhibition Group (IEG), a leader in Italy for holding organised trade fairs.

The recently concluded edition featured 1,500 brands, 42% of which came from 35 countries and from the most important

production areas within Italy.

Now at its 41st edition and organised by IEG on the same dates of Vicenzaoro January, the T Gold show confirmed its international leadership and its role as a representative of Italian technological excellence.

The quality of buyers at the trade show has been growing, attracted by the physical and digital Vicenzaoro business platform, with its matchmaking ability. The new #primavicenzaoro project, in collaboration with Confindustria Federorafi, attracted selected buyers from among the most influential in the world for high-end jewellery purchases.

The presence of independent designers in the Design Room, as well as the increasingly successful trend of the big brands to present new collections and a new space at the trade show, the Fashion Room, a workshop dedicated to fashion jewellery, the seminar of the Vicenzaoro observatory, Trendvision Jewellery + Forecasting dedicated to the profile of consumers, transformed the six days of the event into a 'Trend Show', an inspiration for exhibitors and visitors.



ROBERTO COIN



MONICA RICH  
KOSANN



SICIS

### The ICON Community

The section ICON Community was dedicated to fine jewellery brands. The community included Italian and international companies that combined classic design and the heritage of artisanal tradition with avant-garde and contemporary styles, enriching their creations with materials and precious stones of the utmost value.

The essential but highly evocative lines of the Petals collection by the maestro Roberto

Coin, were enriched by malachite, nacre, diamonds, while Damiani Fine Jewelry presented precious extensions of the D.Side and Eden collections. The Florentine brand Anna Maria Cammilli showcased a new exclusive gold hue, a result of years of research and experimentation. The colour called Chocolate Brown is a sophisticated original shade in strictly 18-karat gold, an uncommon colour that further enhances the unique shapes and the recognizable design of Cammilli jewels.

Fope, Crivelli, Leo Pizzo, Palmiero, Picchiotti and Giorgio Visconti, to name a few, were among the most anticipated Made in Italy brands.



MAGERIT



CEDILLE



MARIE MAS

### The Design Room

Twelve top independent designers were the life and soul of The Design Room section with participation from the likes of Alessio Boschi and Alessa Jewelry, as well as interesting new entries on the international scene, such as Anna Maccieri Rossi, Lydia Courteille and Sicis.

The Melting Arctic ring with a global warming theme, encloses a miniature story just waiting to be discovered and is a perfect

balance of white gold, diamond, topaz, precious stones and South American walnut: this was the star feature by Alessio Boschi, the ace Italian designer.

Time, on the other hand, is a priceless luxury to which designer Anna Maccieri Rossi dedicated fine jewellery creations characterised by an automation that makes the item a constantly changing lucky talisman, inspired by the designer's inherited watch-making profession.

Other presentations were the creations that "came to life" and changed colour by following body movements thanks to the ingenious mechanism by French designer Marie Mas, a new entrant in the jewellery panorama, the modern geometries by Cedille, the innovative jewellery by Vicenza-born Mattia Cielo that united goldsmith craftsmanship with modern industrial design, and the proposals by Eclats Jewels. Attention to the tiniest details and selecting precious stones by hand and raw materials from every corner of the world characterised designer Alessa Jewelry, while the jewellery presented by French gemmologist, traveller and

collector, Lydia Courteille, was ironic and surreal.

The Design Room also displayed the necklace medallions by Monica Rich Kosann, the micro and nano-mosaics by Ravenna-based Sisis Jewels created with ancient techniques entrusted to innovative languages, the Bee Goddess Turkish jewellery inspired by archaic shapes and talismans by Tanita Tasarim, and miniature sculptures from the Spanish company, Magerit.

### Exhibitors' View

Exhibitors were satisfied with the response they received at the fair. Divyanshu Navlakha, owner of Sutra, said, "VOJ has always been an important meeting point for the international jewellery sector. It is a strategic moment for us because, every year, we always meet potential new customers. I think that Vicenzaoro has improved greatly in recent years, and we now see many top-quality selected buyers at the show. There was also good attention from the Italian market."

Chiara Carli, creative director, Pesavento, observed, "We witnessed huge enthusiasm and we had



ALESSIO BOSCHI

numerous meetings and now it is up to us to select who could become our partners. We also saw the potential opening of new international markets where we are not yet present, for example, Kazakhstan, which would be a really interesting market to get into."

Natasha and Julian Tirisi, owners of Tirisi, revealed, "Thanks to the format of the show, buyers have enough time to look at the jewellery and, exhibitors can explain details in terms of production, design and pricing. In this way buyers feel more confident. During the show we met three new customers, of which one was based in Dubai; a high-end store in Palestine, was an unexpected client at the show. Finally, we found a company that was transparent in its dealings and placed a good order."

Andrea Visconti, CEO Giorgio Visconti, noted, "The contacts were mainly international from China to Dubai, from South America to Northern Europe, with a significant increase in the German market, which we did not record during previous years. We were extremely pleased to have met buyers from the Russian market again, who usually only attend Baselworld or Hong Kong. Also, the fact of having invested more heavily in Vicenzaoro this year, and giving up on Basel, seems to have been the right move for us, judging from the contacts we made." ■

## GJEPC's India Pavilion at Vicenzaoro Winter 2019

The Gem & Jewellery Export Promotion Council (GJEPC) organised the India Pavilion at the Vicenzaoro January 2019 with 19 exhibitors participating in the show. Spread over 355 sq m, the exhibitors showcased exquisite jewellery collections and loose stones in Hall no. 3.0 and Hall no. 3.1 respectively.

GJEPC chairman Pramod Agrawal said, "India's total exports of gems and jewellery to Europe accounted for \$3.94 billion in 2018. Europe has been an important market for India, and Italy has been an entry point for Europe, in general, and other EU countries. Vicenzaoro offers a perfect platform for our exhibitors to learn and understand the market here and, also come up with jewellery pieces as per the changing trends. This also provides us the opportunity to enhance our existing trade relationship and create new ones."

# Trends

# @VICENZAORO 2019

*As is the annual ritual, the first trade show of the global calendar year, Vicenzaoro January 2019, throws light on design directions for the year ahead.*



ALUNNO E MARCANTONI



FACCO

## Slim Fit

Jewellery is increasingly getting minimalistic and wiry, especially in the daily wear segment. Tiny, cute motifs add a touch of whimsy to the pieces, a perfect fit for today's generation.



MARCO GERBELLA



MAMAN ET SOPHIE

NOMINATION

**DESIGN TRENDS** »



MARIA DE TONI

TAMARA COMOLLI



EDDIE MANZARDO

ANNA MACCIERI ROSSI



ANNA MACCIERI ROSSI



OTTO JEWELS



LUCY G

MAGERIT



NANIS



BRUSIDUE



BIZZOTTO



ANTONINI



S A SPOLKA AKCYJNA



OTTO JEWELS



## Fab Finishes

Gold gets a contemporary makeover every time it gets satiny, grainy, lustrous surface treatments. Here are some samples.



BAUMGARTEN

ANNA MARIA CAMILLI





ANTONINI



SANKET



ROBERTO COIN



NIKOS KOULIS

### Only Diamonds!

White, sparkling diamonds lend a classic look to any piece. Check out these glittering stunners.



OTTO JEWELS



CHANTECLER

ARTLINEA





# ICRA: Stable Outlook For India's Gold Jewellery Retail Sector

ICRA, an investment and credit ratings agency affiliated to Moody's, has issued a stable outlook for the Indian gold jewellery retail industry. Over the medium to long term, the gold jewellery demand growth is projected at 6–7% supported by the cultural underpinnings, evolving lifestyle, growing disposable income, favourable demographic dividend and the growing penetration of organised sector.

Following a strong 9% volume growth in fiscal year 2018, gold jewellery demand has been subdued in the current year, ICRA said. Jewellery sales during the critical festive period of August to November 2018, was relatively sluggish due to various factors like elevated gold prices, and floods in Kerala. Other factors impacting demand in the current year include fewer auspicious days, and cautious lending by banks to the gems and jewellery sector, thus curtailing the store expansion plans of the players.

“Gold jewellery demand in India varies across rural and urban markets, right from the type of jewellery bought, timing of purchases, etc. With around 65% of population in India living in rural areas, favourable farm output in the last two years on the back of good monsoons has been a positive trigger for rural demand, where jewellery is a traditional store of wealth. On the other hand, urban demand has gained traction from rising per capita income and demographic dividend,” the study said.

Jewellery buying is spread throughout the year with an increased skew towards September



Zaveri Bazaar, a busy jewellery quarter in Mumbai, India.

to January, led by festive and marriage seasons. This apart, factors like gold price, inflation, priority of needs, etc. are other key determinants while buying jewellery. Consumers time their purchases depending on price levels and especially when it coincides with festive seasons, there is a significant impact on demand, ICRA noted.

Being a price-sensitive market, higher gold prices results in deferment of purchases by consumers. Gold prices increased by over 6% in the last one year with consequent impact on consumption demand. This apart, financing to the gems and jewellery sector has been under increased scrutiny in the last one year following reporting of fraud by a few lenders on exposures to leading diamond jewellers, and on exposures to a couple of gold jewellery retailers in South India. Lending to the sector remains cautious with enhanced due diligence and checks on credit

quality and inventory quality. Tightened credit has affected the store expansion plans and working capital position of industry players, especially the unorganised ones, it added.

While the overall demand has been largely subdued in the current year, the performance of organised players (ICRA's sample set) has been relatively better. Post currency demonetisation and implementation of Goods and Services tax (GST), a marked shift is visible from unorganised to organised trade. This apart, assurances on quality, purity, and the availability of a wider design range and rising preference for fashion jewellery further supported organised trade. Going forward, ICRA expects these regulatory measures to continue to accelerate the formalisation of sector and the market shares of organised players are accordingly expected to increase. ■

# GJC Elects Anantha Padmanaban As Chairman



Anantha Padmanaban,  
Chairman, GJC



Shaankar Sen,  
Vice Chairman, GJC

The All India Gem & Jewellery Domestic Council (GJC), the national apex body of the gem and jewellery industry, has elected Anantha Padmanaban as chairman and Shaankar Sen as vice chairman for a two-year period. The list of other newly elected directors of GJC has been uploaded on the GJC website.

Padmanaban, managing director of NAC Jewellers, Chennai, has been closely associated with GJC since its inception. Over the years, he has successfully conceptualised and executed innovative programmes for the benefit of the industry. He was instrumental in addressing many burning issues like excise, GST, customs duty, PMLA, etc., GJC said.

Padmanaban stated, “I am grateful to the board and it is an honour to accept the responsibility

of steering the national domestic council. We shall work closely with the government and take up various issues facing the industry. In sync with government’s policies, my first effort will be to transform and energise jewellers across India to bring more synergies within the indigenous industry.

“We shall strive to unite the entire industry and work towards achieving GJC’s set goal of ‘One Industry, One Voice’. GJC will strive to inspire many more jewellers and their associations to get more organised so as to project a unified approach to policy changes. We also want to tackle contentious issues such as the banking sector’s hesitancy to provide loans to the gem and jewellery sector.”

Shaankar Sen, chairman and managing director of Senco Group, Kolkata, is known for his



(From left) Anantha Padmanaban, Vijay Khanna, Shaankar Sen, Avinash Gupta and Nitin Khandelwal on the day of the announcement.



The GJC committee members felicitating the new chairman and vice chairman.

vision to create benchmarks in gold, silver and fashion jewellery that reflects excellence in design and artistry. On his election, the board complimented his commitments towards innovation and visualising future trends all these years and expressed confidence that he will continue to work for the benefit of the industry.

Sen said, “It is my proud privilege to work for the growth of this pivotal trade organisation and contribute my vision for the development of its member jewellers across the region. There is a need for the industry to become more organised and compliant. GJC will continue to create better and newer platforms for the industry.”

Nitin Khandelwal, the departing GJC chairman, said, “I want to thank the board for bestowing their trust in me for the last two years, in most of the crucial decisions that I have taken for GJC. Our priority is to be a friend, philosopher and guide to the jewellers of India, who are grappling with diverse issues.

“In the past couple of years, GJC has worked as custodian of the gems and jewellery industry by taking up the issues with government like GST, PMLA,

hallmarking, etc. GJC has initiated state-of-the-art programmes such as Manthan for sharing expertise and knowledge within industry. Besides, we have organised Labham seminars to shed light on various subject matters related to day-to-day business practices in more than 45 locations.”

Among the new committee of administration (COA) members elected through e-voting were Mohanlal Jain and S. Abdul Nazar from the south, Nilesh Shobhawat from the west, and Kamal Singhania from the east. Shaankar Sen – zonal chairman east, Ashish Pethe – zonal chairman west, Anantha Padmanaban – zonal chairman south, Avinash Gupta – COA member, and Madan Kothari – COA member were elected unopposed as there were no other candidates in their respective zone/panel.

The entire e-voting election process was conducted by an authorised independent person (chief election authority), and the voting platform was created by a digital agency, both appointed by GJC. The voting took place over six days, starting from December 19th to 24th, 2018. The results were declared on December 26th, 2018. ■

# ABN Amro: Diamonds Entering Growth & Disruption Phase

The diamond industry has moved from a relatively stable environment to a highly uncertain environment, according to an ABN Amro report. Edited excerpts below:

In a diamond sector outlook report dated January 15th, 2019, ABN Amro senior precious metals & diamonds analyst, Georgette Boele, notes that following the launch of De Beers' lab-grown diamond jewellery brand last year, "2019 and the years ahead will see lab-grown diamonds for jewellery entering the growth phase".

This has serious consequences for the actors in the diamond industry. Natural diamond buyers such as retailers, consumers and jewellery manufacturers will likely de-stock and hold less inventory. This will result in lower demand for natural diamonds and weigh on prices. Miners will rethink their strategy in light of uncertainty about natural diamond demand, and questions about the value of a diamond. Lab-grown diamond producers will probably focus on technology to become less energy dependent, or use more sustainable energy sources, to increase the product suite and lower prices for the lab-grown diamonds used in jewellery. Consumers will profit from the wider variety of diamonds at more attractive prices.

On May 29th, 2018, De Beers launched a laboratory-grown diamond jewellery brand, Lightbox Jewellery. This was a shock to the industry. Gem-quality lab-grown diamonds threaten the business

case of miners, now even more so than before. This has created a lot of uncertainty in the diamond industry. If 2018 was the year that lab-grown jewellery diamonds were officially introduced as an acceptable new product, what will 2019 bring?

## **Growth phase for lab-grown diamonds**

We think that 2019 and 2020 will be the years that lab-grown diamonds take off and move from an introduction phase (2018) to a growth phase. Lab-grown diamond producers have been able to produce larger and better-quality lab-grown diamonds. Moreover, more companies and persons in the diamond industry are willing to jump on the lab-grown diamond experience.

For example, New Diamond Technology LLC – a Russian company – has announced that it has produced a 103.50-carat lab-grown diamond. This is the largest ever lab-grown diamond.

Moreover, Lightbox of De Beers plans to sell its lab-grown diamond jewellery not only via its own website, but through retail partnerships for online and in-store sales.

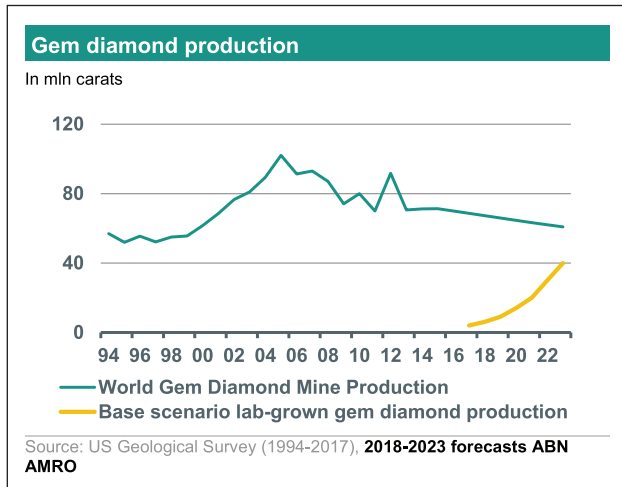
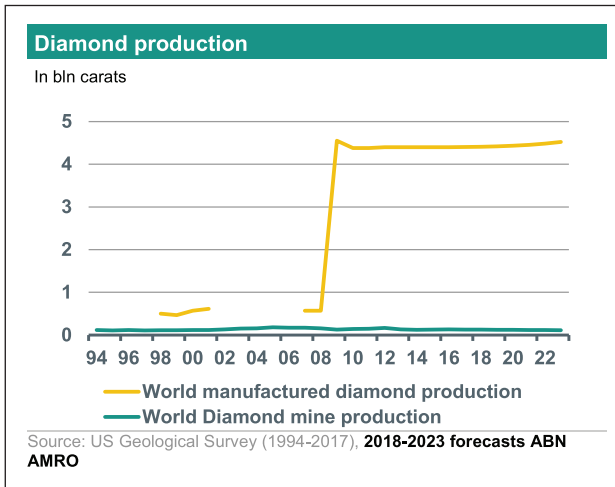
In future there will most likely be a wider variety of colours. Lightbox and some other lab-grown diamond (jewellery) providers have decided to leave wedding jewellery or engagement rings out of the offering (for now). We think sooner rather than later

lab-grown diamond wedding jewellery will be part of the offering.

We think that because of technology and the attractive margins in this segment, it is just a matter of time before the larger stones will also face serious competition from lab-grown diamonds. As a result, it is likely or even recommended that the inventory of natural diamonds decreases, as there is great uncertainty about the future value of natural diamonds. So traders and other buyers will probably hold lower inventories and be less aggressive in buying new diamonds. In addition, jewellery houses will decide whether they will offer lab-grown diamond jewellery pieces or not. If they were to offer lab-grown diamond jewellery as well, they would probably adjust the offering of natural diamond jewellery accordingly. As a result, it is likely that demand for natural diamonds will decline.

## **Changing strategies**

Manufacturers will polish both natural and lab-grown diamonds. The polishing of lab-grown diamonds could be somewhat different as the growth-structure differs (flat, cubic or octahedral growth structures). Most natural diamonds have an octahedral or dodecahedral growth structure. An octahedral natural diamond will be cut in two, resulting in a larger round brilliant diamond



and a smaller brilliant diamond. If the growth form is cubic there are other possibilities to cut and polish diamonds. In short, the skill-set of the polisher will be enhanced in this new phase of growth.

The natural diamond miners will have some possible strategies to brace for the growth of lab-grown diamonds. First, they could speed up mining activity to cash in on their diamond reserves. In a few years from now it is highly uncertain if natural diamonds will hold their value as always has been assumed. Some producers and/or countries have indicated that they will step up production in the future.

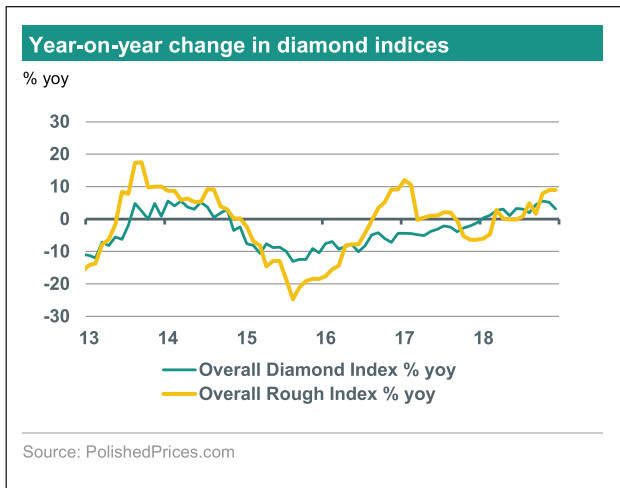
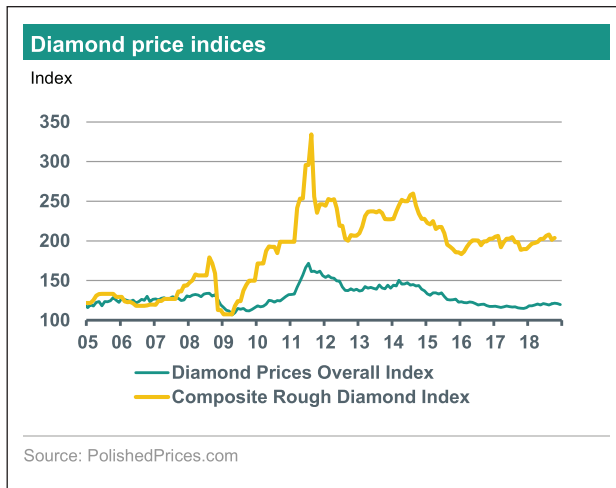
De Beers has announced that it expects output for 2018 to reach 35 to 36 million carats. This is the highest output since 2008. In 2019 there will probably be a fall in output because of some production challenges but the output for 2020 and 2021 is expected to surpass the level of 2018. Moreover, Angola has signalled that it will double production. It is unclear if the step-up in production has anything to do with the developments in lab-grown diamonds. However, Alosa has indicated that it will hold back supply in 2019 to avoid flooding the market.

Second, the miners could stop searching for new mines as the high exploration costs will unlikely be paid back by future income from natural diamonds.

But if consumers were to increasingly opt for the lab-grown diamond jewellery this would negatively impact demand for natural diamonds. Consumers will probably get a larger and better quality stones for their money. As a result, it is likely that natural diamonds will decline in value because of lower demand.

Third, miners could launch lab-grown diamonds or team up with a lab-grown diamond producer. We think this will increase the future survival changes of a natural diamond miner.

The lab-grown diamond producers have also a few strategies to survive in this highly uncertain environment: securing cheaper and more sustainable sources of energy; focusing on technology could result in lower energy and production costs as well as a wider product range; improving distribution by building a sophisticated website and/or partner up with jewellery brands and stores; and offering lab-grown diamonds for wedding jewellery at more attractive prices.



### Diamond prices will decline

We expect lower rough and polished prices for various reasons. First, natural diamond buyers will scale back their natural diamond purchases because they will probably like to bring down their current inventory and keep it smaller. With the uncertainty about consumer natural diamond demand and uncertainty over how stable the value of natural diamonds is, buyers are likely to be more cautious.

Second, it is likely that some of the natural diamond buyers including retail houses will want to offer a wider range of diamonds, including natural and lab-grown diamonds. This will eat into the budget of buying natural diamonds.

Third, the power of the miners is decreasing because of higher uncertainty. An oligopolistic market structure as seen in the diamond industry is not suitable for an uncertain environment. The industry will probably change from an oligopolistic structure to a structure with more competitors and stronger competition.

Fourth, if consumers are more attracted to lab-grown diamonds for jewellery, this will also result in lower demand for certain groups

of natural diamonds. If lab-grown diamonds are able to compete with the higher quality and larger stones of natural diamonds, this will likely also add pressure on polished and rough natural diamond prices. It is likely that the wider acceptance of lab-grown diamonds will result in rough and polished diamond prices moving more in sync because the power of the supplies/miners is moving towards the buyers and competition is increasing.

Last but not least, we also expect lower prices for lab-grown diamonds. Higher lab-grown diamond production and better technology will drive lab-grown prices lower.

### Consumers stand to gain

We are of the view that the consumers are the clear winners. Consumers will be able to buy a diamond at more attractive prices. But they also have to realise that lab-grown diamonds do not hold investment value. In addition, lab-grown diamonds will give consumers larger, better quality stones for more affordable prices. Moreover, a range of colours will be more accessible for consumers. ■

# IIGJ Tardeo Launches Innovation & Incubation Centre



Chief guest Arun Mehta inaugurating the Innovation & Incubation Centre.



(Top) Nirmal Kumar Barmecha, Shishir Nevatia, Arun Mehta, Namita Pandya, Kirit Bhansali, Sanjay Kothari and Sanjoy Ghosh at the launch. (Above) Dignitaries and faculty with students.

Members of the Gem & Jewellery Export Promotion Council (GJEPC) and the board of directors of Indian Institute of Gems & Jewellery (IIGJ) gathered with students, faculty and esteemed guests at IIGJ Tardeo in Mumbai on January 21st, to inaugurate the Innovation & Incubation Centre.

According to the IIGJ, the centre is being established to foster a culture of research and entrepreneurship amongst the student community from any of the IIGJs in the country. One of the main objectives behind setting up this centre is to promote innovation in jewellery by creating an ecosystem that is conducive for the growth of start-ups in the country.

Among those who graced the occasion were chief guest and Rosy Blue founder & chairman Arun Mehta, IIGJ Mumbai chairman Kirit Bhansali, IIGJ directors

Namita Pandya and Shishir Nevatia, GJSCI chairman Sanjay Kothari, industry veteran Nirmal Kumar Barmecha, and IIGJ head Sanjoy Ghosh.

Monica Jhaveri, HOD, IIGJ Tardeo, shared an overview of various jewellery courses conducted at the institute; she also shared some of the students' achievements.

Ghosh spoke about the objectives and vision of the Innovation &

Incubation Centre, while Pandya appreciated the hard work and diligence of all the members for making the centre a dream come true.

Arun Mehta congratulated GJEPC and IIGJ for establishing the incubation centre in the city. The event concluded with an inspirational speech and vote of thanks delivered by Sanjay Kothari. ■



## A Cut Above The Rest

**A** Star Jewellery, Mumbai, romances the simple and unpretentious baguette diamonds and highlights their creative journey with its new collection at IJS Signature 2019.

Commonly used as a side or accent stone, the versatility of the baguette diamond shines through as it plays a pivotal role in this inspired collection. As the designs switch from simple, asymmetrical and random formations to seamless illusions of fancy shapes of entrancing floral motifs and peacock silhouettes, you fall in love with this diamond cut.

Created in 18-karat white, yellow and pink gold, the diamond-studded rings, earrings and pendants offer a wide choice of styles and are a perfect fit for not only the wearer's wardrobe but also her pocket.





## Festive Look

Recently, Varda Goenka Fine Jewels by Diagold launched the collection titled The Bejeweled Crystals that underscores the purity of diamonds. Crafted in 18-karat gold, the assortment consists of statement earrings, necklaces and bracelets with a dash of colour in the form of emeralds, sapphires and pearls. These jewellery pieces can be playfully mismatched and worn in different ways to upgrade even the simplest outfit.



## Diamond Entrees

Ratan Jewellers launches a range of mouth-watering, diamond-studded contemporary jewellery. The high-end yet affordable collection consists of glamorous bracelets, necklaces and cocktail rings. The collection also has a sparkling but stylish fare for men that includes cufflinks, tiepins, bands and bracelets.



## Soft-hued Beauties

Anmol, a couture jewellery retail brand, Mumbai, unveils an eye-pleasing and classy collection of pastel jewellery. Rightly defining the aesthetic of an 'Anmol bride', the splendid creations in 22-karat gold are decorated with restrained shades of pink and turquoise enamelling combined with kundan and meenakari work. Play it subtle with these standout necklace sets.



## Love Goes Around

ORRA Platinum Couples brings to you the Cubism collection consisting of platinum love bands. Patterned with intermingling geometric shapes, each band is a reminder of the beautiful journey with your partner. Defining your precious bond in this rare metal, the love bands are accented with diamonds that add a permanent sparkle to your ties. Priced from ₹34,000 onwards, the bands are available at ORRA's 34 stores across 21 cities.



## Tasselled Trends

**R**K Jewellers, New Delhi, a leading manufacturer of fancy diamond jewellery presents its latest Fringe Benefits collection bringing alive the beauty of tassels. Sautoirs and earrings in the collection redefine style with motifs inspired by Art Deco aesthetic. Tanzanites, emeralds, sapphires and rubies together with sparkling diamonds add an elegant touch to the collection.



## Romantic Rendezvous

**J**ewellery boutique Shobha Shringar Jewellers, Mumbai, offers a new collection dressed up in ravishing rubies, fancy-cut diamonds and pearls to celebrate the season of love. The collection of mesmerizing rings, bangles, bracelets, and necklaces is forged in rose and yellow gold that represent the harmonious union of two souls. Floral- and heart-shaped motifs complement geometric shapes to add a modern slant to the collection. The jewels team well with evening gowns.