

MMTC - PAMP INDIA PRIVATE LIMITED  
Attn. Mr. Arjun Raychaudhuri  
Rojka Meo Industrial Estate Tehsil Nuh  
District Mewat Sohna  
HR 122103 India

Geneva, 29 March 2019

## **Independent Reasonable Assurance Report to MMTC-PAMP INDIA PRIVATE LIMITED**

### **General information**

We were engaged by MMTC - PAMP INDIA PRIVATE LIMITED ("MMTC-PAMP") to provide reasonable assurance on its Refiner's Compliance Report for the year ended 31 December 2018. MMTC-PAMP has also decided to voluntarily apply the requirement of the LBMA Responsible Gold Guidance to all precious metals sourced.

The assurance scope consists of the Refiner's Compliance Report.

### **Management's responsibilities**

The management of MMTC-PAMP is responsible for the preparation and presentation of the Refiner's Compliance Report in accordance with the LBMA Responsible Gold and Silver Guidance. This responsibility includes establishing appropriate risk management and internal controls from which the reported information is derived. The criteria identified by the management as relevant for demonstrating compliance with the Guidance are the activities described within the Refiner's Compliance Report.

### **Our responsibilities**

Our responsibility is to carry out a reasonable assurance engagement in order to express a conclusion based on the work performed. We conducted our assurance engagement in accordance with International Standard on Assurance Engagements ISAE 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board and the guidance set out in the LBMA Responsible Gold Programme - Third Party Audit Guidance for ISAE 3000 Auditors (v.3) of 1 September 2017 ("Audit Guidance").

This report has been prepared for MMTC-PAMP for the purpose of assisting the management in determining whether MMTC-PAMP has complied with the Guidance and for no other purpose. Our assurance report is made solely to MMTC-PAMP in accordance with the terms of our engagement. We do not accept or assume responsibility to anyone other than MMTC-PAMP for our work, or for the conclusions we have reached in the assurance report.

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about the fairness of the Refiner's Compliance Report. The fact that management's overall conclusion has been drawn in accordance with the requirements of the LBMA Responsible Gold and Silver Guidance and the Audit Guidance. The nature, timing and extent of procedures selected depend on our judgment, including the risk of material misstatements, whether due to fraud or error, in the Refiner's Compliance Report. In making those risk assessments we considered internal control relevant to MMTC-PAMP's preparation of the Refiner's Compliance Report. A reasonable assurance engagement also includes:

- ▶ Walkthrough refiner's due diligence process to gain an understanding of implemented controls and procedures;
- ▶ Discussion with refiner's management, compliance and operations team on the content of the report and various supply chain due diligence processes in place;
- ▶ Site visits to the refinery to evaluate if the management system is in place as described in the compliance report;
- ▶ During site visits we have interviewed personnel that are directly linked with either sourcing, processing or storing the Precious Metal;
- ▶ Testing, on a sample basis, of account opening procedures and due diligence conducted before engaging with a potential gold or silver supplying counterparty;
- ▶ Testing, on a sample basis, of transactions to evaluate if due diligence processes are being followed;
- ▶ Review of whether systems used for registering, adapting, aggregating and reporting are satisfactory;
- ▶ Obtaining and considering evidence to support the assertions and claims made in the Refiner's Compliance Report;
- ▶ Review the statements made by the management in the Refiner's Compliance Report as compared to the findings arising from the above procedures performed.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

We refer to the fact that the Refiner's Compliance Report subject to our assurance engagement comprises the Annex "Countries of origin of precious metals". In accordance with the LBMA Responsible Gold and Silver Guidance and the treatment of the Annex detailing the countries of origin of precious metals has to be submitted to the LBMA Executive only and does not need to be disclosed publicly.

### **Inherent limitations**

Non-financial information, such as that included in the Refiner's Compliance Report, is subject to more inherent limitations than financial information, given the more qualitative characteristics of the subject matter and the methods used for determining such information. The methods used by Refiners to comply with the Guidance may differ. It is important to read the MMTC-PAMP's gold supply chain policy available on MMTC-PAMP's website ([www.mmtcpamp.com/reports](http://www.mmtcpamp.com/reports)).

### **Independence and competency statement**

In conducting our engagement, we have complied with the applicable requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

In conducting our engagement, we confirm that we satisfy the criteria for assurance providers as set out in out in the Audit Guidance to carry out the assurance engagement.

### **Conclusion**

In our opinion, the MMTC-PAMP's Refiner's Compliance Report for the year ended 31 December 2018, in all material respects, describes fairly the activities undertaken during the year to demonstrate compliance, and management's overall conclusion contained therein, is in accordance with the requirements of the LBMA Responsible Gold and Silver Guidance.

Ernst & Young Ltd



Milena De Simone  
Partner



Stéphane Muller  
Partner

**Enclosure:** Compliance Report dated 27 February 2019