



March 2018

**LBMA Responsible Silver Guidance –  
Summary Assessment Report  
For third-party audits based on ISO19011:2011**

*According to LBMA provision this document has to be made publicly available by the refiner.*

<b>Company Name:</b>	<b>Hindustan Platinum Private Limited</b>
<b>Reference Standard:</b> LBMA RGG	Other ref.: ISO 19011:2011

Audit Team	
Team Leader:	Team Member:
Krish Sriram	-
	-
	-

Type of Audit	Date of Opening Audit	Date of Closing Audit	Total n° of man/days
Full assessment Audit	31/10/19	4/11/19	4
Assessment Review	-	-	-
Follow-up Assessment	-	-	-

<b>Site(s) address(es):</b>	C-122 TTC Industrial Area, Pawane, Navi Mumbai 400703, India
<b>Refiner Contact Person:</b>	Nidhi Batavia,
<b>Name, Title:</b>	Compliance Officer
<b>Email:</b>	<a href="mailto:Nidhi.batavia@hp.co.in">Nidhi.batavia@hp.co.in</a>
<b>Phone:</b>	+912261904000

	Non Compliance – risk level				
	Compliant	Low	Medium	High	Zero Tolerance
<b>Based on the assessment conclusions, the overall rating of the Refiner’s performance is determined to represent:</b>		Low			

<b>Is a follow up visit required? (in case of high risk non-compliance)</b>		Yes	No
<b>Date(s) of follow up visit:</b>	NA	<b>Assigned auditor:</b>	NA

<b>AUDIT SUMMARY</b>
<b>Basic Inputs</b>
<ul style="list-style-type: none"> <li>Confirm if the data provided in the application/ self-assessment phase is valid.</li> </ul>



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See Third party Audit Checklist (GENERAL INFO POINT F) and describe below percentages

The number of Silver supplying counterparties is as follows:

Industrial mining operations (large or small scale): %

Type of companies: //

Forms of Silver: //

Countries of provenance: //

Artisanal mining operations: %

Type of companies: //

Forms of Silver: //

Countries of provenance: //

Traders / brokers: %

Type of companies: //

Forms of Silver: //

Countries of provenance: //

Recycled material/collectors: %

Type of companies: //

Forms of Silver: //

Countries of provenance: //

Industrial scrap providers: %

Type of companies: //

Forms of Silver: //

Countries of provenance: //

**Others: 100 %**

Type of companies: // Petrochemical , Pharma manufacturing , Metal Manufacturing

Forms of Silver: // Spent catalyst, Spent Silver Nitrates,

Countries of provenance: // India, Germany

No high risk Silver supplying counterparty is found during the audit.

100% of the suppliers are classified as low risk suppliers during the period of assessment.

**Description of the company activities [mandatory for all audits]:**

Established in 1961, Hindustan Platinum is India's leading manufacturer and refiner of precious metal products with wide and diverse industrial applications. With experience of more than a half a century, Hindustan Platinum refines and produce high-purity precious metals and industrial products.

Hindustan Platinum's plant is located in Navi Mumbai. HPPL handles a variety of precious metal scrap and spent catalysts, containing traces of different precious metals. Each consignment received goes through an extensive process of batching, melting, sampling and assaying.

In this process the recovery of precious metal from scrap. Returns physically the recovered metal in any form to suit individual requirements. Refine up to 99.99% purity. In keeping with international standards, refine and return the metal with a minimum guarantee of 99.95%. But, we can also refine up to 99.99% purity upon requirement



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Due to certain losses during process, make up metals are required to be added to manufacture the product. These metals can either be provided physically or can be added to the customer's metal pool.

HPPL has established process for refining Platinum, palladium, rhodium, iridium, gold, silver and rhenium.

Some of the spent catalyst that are refined: Parxylene catalyst, Reforming catalyst, Isomerization catalyst, PTA catalyst, VAM catalyst, Ethylene Oxide catalyst

HPPL has established formal management system for QHSE based on ISO9001, ISO14001 and OHSAS 18001 and are certified by BV India.

Hindustan Platinum maintains metal pools for customers with open orders with metal account statements being forwarded monthly. In addition to supplying such make up metals, Hindustan Platinum also provides the customer the options to buy and sell precious metals that are traded in the international markets on a daily basis.

Refinery Process: Receiving of spent catalyst – Classification-Sampling- Analysis- refining (Hydrometallurgical and /or Pyro metallurgical)

Receiving of Spent catalyst – Classification-Sampling after making the homogenous mass lot to determine the concentration of the precious metals. Material is mechanically sampled vibro screen send classified as oversize, and fines and oversizes are discarded as they do not contain Precious metals.

Use the main catalyst and fines representative samples are taken and analyzed.

Analyze methods: Classical method: Volumetric, gravimetric and fire assay.

ICP, Emission spectroscopy, Atomic absorption spectroscopy used to determine the accurate precious metal contents in spent catalyst.

**Note: The scope covered in this assessment is Only for Silver.**

**No LBMA bars were produced during the assessment period.**

**Purity of Silver refined: 99.99 & 99.95 in Powder, Crystal form, Wire, rod and flats forms were also produced.**

- It is important to verify that all the clauses in LBMA Responsible Silver Guidance are covered. **Yes ref: TP audit checklist attached.**
- Verify that all applicable statutory requirements are complied with. **Yes found complied.**
- **Please state whether management systems in general have remained unchanged since the last Full or Assessment audit or whether there were some changes or improvement in systems.** - Not Applicable as this is the first time being audited

**Assessment of level of compliance of Refiner's systems, processes, procedures and practices according to the LBMA Responsible Silver Guidance:**

**Step 1: Establish strong Refiner management systems**

See Third party Audit Checklist

1. Adopt a Refiner policy regarding due diligence for supply chains of Silver. Provide an overview of the management systems governing the due diligence policy for Silver supply chains.
2. Set up an internal management structure to support supply chain due diligence. Review the management structure for due diligence, including the methods of communication to internal and external parties.



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3. Establish a strong internal system of due diligence, controls and transparency over Silver supply chains, including traceability and identification of other supply chain actors. Inventory Control Mechanism: Conduct a review of the inventory control mechanism and the documentation kept on file for Silver bearing material.
4. Strengthen Refiner engagement with Silver supplying counterparties, and where possible, assist Silver supplying counterparties in building due diligence capacities. Review the due diligence policy communicated to the Silver bearing counterparties.
5. Establish a Refiner-wide communication mechanism to promote broad employee participation and risk identification to management. Review the internal communication mechanisms in place at the Refiner focusing on the mechanism for voicing concerns over the Silver supply chain.

*The refiner has developed the LBMA compliance policy regarding due diligence for supply chain of Silver in compliance with LBMA Responsible Silver Guidance. This policy is published in the company website available at <https://www.hp.co.in>. The policy provides an executive summary of the management systems and procedures governing the due diligence policy for Silver supply chains. The Policy is now taken up for revision based on the feedback of LBMA assessment received and will be uploaded once updated.*

*The refiner has implemented an internal management structure to support supply chain of Silver in compliance with LBMA Responsible Silver Guidance. Regular training sessions are held for all staff involved with or holding responsibilities related to the supply chain, as well as the management team. The Company Policy is communicated to all employees related to the Silver-refining process. The refiner has appointed Ms. Nidhi Batavia, as compliance officer responsible for enforcing the implementation of the due diligence procedures and who reports to the management. The Executive Director as a Senior Management is responsible for overseeing the supply chain and ensures that the compliance department and related departments are provided with adequate resources in order to fulfil their responsibilities.*

*The refiner upholds the implementation of their internal due diligence procedures, controls and processes. Transactions are consistently recorded and records are kept for a period of at least 5 years.*

*The refiner has requested that all Silver-supplying counterparties have committed to and acknowledged in writing compliance with the refiner's own Company Policy. The policy is communicated to all counterparties on a yearly basis along with expectations and moral and ethical principles governing the company's activities.*

*The refiner has implemented an effective, anonymized communication mechanism that allows employees to express concerns or provide feedback over issues related to the Silver supply chain.*

*As an outcome of this review 2 Non compliances with Low risk level were identified as documented in the attached Corrective action plan.*

**Following the description above, please state which are the new activities which have been implemented during the current audit period and highlight any improvements from the refiner management system related to step 1.**



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**Please specify and detail following:**

Not applicable as this is the first full assessment.

**STEP 2: Identify and assess risk in the supply chain**

*See Third party Audit Checklist*

1. Identify risks in the Silver supply chain. Assess the risk assessment policy for all Silver supply chains.
2. Assess risks in light of the standards of their supply chain due diligence system: Supply chain due diligence: Review “Silver supplying counterparty” files to verify if the Refiner collects the required basic information for all business entities
3. Risk assessment reporting. Evaluate the risk assessment reporting mechanisms, organization chart and communication

*The refiner has established process to regularly review and revise their assessment procedure. The refiner has defined risk categories and has procedures prescribing enhanced monitoring for any high-risk categories identified during the due diligence procedures. There were No high-risk transactions identified during the assessment period. All the transactions were under Low risk Non Hi Risk as classified by HPPL and the found satisfactorily managed with all steps in the procedure being followed and involvement of Senior Management.*

*The refiner collects information on clients from reliable and independent sources and conducts their activities with LBMA Good Delivery Refiners.*

*For sub-contractors, procedures have been established, however no Refiner activity is sub contracted. All the activities towards refining are performed with in by the company.*

*The Compliance Officer regularly reports risk assessment and results to the Senior Management. The Senior Management is responsible for approving each new supply chain assessed as high risk, and re-assesses these on an annual basis to determine whether the business relationship should continue. The last Senior Management review was conducted in 15/02/19, which was reported vide report dt: 22/02/19.. There are documented consequences if the risk assessment reporting tasks are not completed. If documentation is missing or the documentation does not contain sufficient information, then the supplier is rejected until all fields are completed. During the assessment period there were no situations that needed actions.*

*The company buys Spent catalyst, Silver Nitrates from Petrochemical and pharma companies to refine the silver. These are limited companies and are sourced from India, UK and Germany. In view of this the risk was observed to be very Low.*

2 Ncs with Low risk was identified under section 2.1 and 2.2 as detailed in the Corrective action plan

**Following the description above, please state which are the new activities which have been implemented during the current audit period and highlight any improvements related to identification and risk assessment in the refiner supply chain as per step 2. Please also be reminded to provide a description on the refiner’s criteria related to risk assessment and detail supplier counterparties risk evaluation in the audit period including number of suppliers and level of risk assigned.**

**Please specify and detail following:**

During the assessment period of 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019, 10 suppliers were engaged for the supply of material. The material purchased for refining were Spent Catalyst, Silver Nitrates and from Petro chemical and Pharma industries.

The organization uses the LBMA Supply chain assessment form and applies the following criteria in



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assessing the risk. Any of the below when identified is classified as High risk :

- The mined or recycled material originates from, has transited or has been transported via a conflict-affected or human rights abuse high risk area.
- The mined material is claimed to be originated from a country that has limited known reserves, likely resources or expected production levels of gold/silver.
- The recycled material comes from a country where conflict affected and human rights abuse high risk areas are known, or reasonably suspected, to transit.
- Gold/Silver supplying counterparty or other known upstream companies are located in a country representing high risk for money laundering, crime or corruption.
- Gold/Silver supplying counterparty or other known upstream companies or their beneficial owners are politically exposed persons.
- Gold/Silver supplying counterparty or other known upstream companies are active in a higher-risk business activity such as arms, gaming and casino industry, antiques and art, sects and their leaders etc.

**STEP 3: Design and implement a management strategy to respond to identified risks**

See Third party Audit Checklist

1. Policy: formal risk mitigation strategy in place.

*HPPL has established Risk mitigation strategy in the refiner's procedure. Senior Management actively provides support for this strategy. Assessment results did not present any high-risk counterparties at this time.*

*The Compliance Officer and the compliance team is aware of the enhanced due diligence measures and these are documented ready to be implemented if necessary.*

2. Improvement plans: strategy regarding the procedures for following up on improvement plans.

*Formal improvement objectives shall be established, in both Quantitative and qualitative means.*

**1 NC with low risk was identified for improvement as reported in the Corrective action report.**

**Following the description above, please state which are the new activities which have been implemented during the current audit period and highlight any improvements from the refiner management strategy to respond to identified risks related to step 3.**

**Please specify and detail following:**

Not applicable as this is the first full assessment.

**Step 4: Arrange for an independent third-party audit of the supply chain due diligence**

See Third party Audit Checklist

*This is the first cycle for full assessment. Bureau Veritas has been engaged to perform the third party audit in accordance with the LBMA silver Guidance The first initial assessment was completed on 4th November 2019 for the assessment period April 2018 to March 2019. The refiner has ensured that these audits are diligently completed in accordance with the LBMA Guidance and the OECD Guidance.*

**Please state which are the new activities which have been implemented during the current audit period and highlight any improvements. Please specify and detail following:**

Not applicable as this is the first full assessment.



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**STEP 5: Report on supply chain due diligence**

See Third party Audit Checklist

Refiners should make available their company policy regarding Silver supply chain and the LBMA Summary Report.

**The Silver responsible sourcing policy has been published in the company’s website ref:**

<https://hp.co.in/Responsible-sourcing-policy.html>.

**The first initial assessment was completed on 4th November 2019 for the assessment period 1st April 2018 to 31<sup>st</sup> March 2019. The reports are awaited and the same will be published upon receipt from Bureau Veritas.**

Please state which are the new activities which have been implemented during the current audit period and highlight any improvements related to reporting on supply chain due diligence that the refiner might have performed. Please specify and detail following:

Not applicable as this is the first full assessment.

ASSESSMENT CONCLUSIONS						
CATEGORY	SUBCATEGORY	Compliant	Non compliance – risk level			
			Low	Medium	High	Zero Tolerance
<b>General Information</b>						
<b>Step 1:</b> Establish strong Refiner management systems	<b>1.1</b>		X			
	<b>1.2:</b>		x			
	<b>1.3</b>	X				
	<b>1.4</b>	X				
	<b>1.5</b>	x				
<b>Step 2:</b> Identify and assess risk in the supply chain	<b>2.1</b>		X			
	<b>2.2</b>		X			
	<b>2.3</b>	x				
<b>Step 3:</b> Design and implement a management strategy to respond to identified risks	<b>3.1</b>	X				
	<b>3.2</b>		x			
<b>Step 4:</b> Arrange for an independent third-party audit of the supply chain due diligence	<b>4.1</b>	X				
<b>Step 5:</b> Report on supply chain due diligence	<b>5.1</b>	x				



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<b>Based on the above assessment conclusions, the overall rating of the Refiner’s performance is determined to represent:</b>		X			
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<b>Assessment scope:</b>	
<i>Refiner location(s) included in the assessment scope</i>	C-122 TTC Industrial Area, Pawane, Navi Mumbai
<i>Assessment Period</i>	1 <sup>st</sup> April 2018 to 31 <sup>st</sup> March 2019

**Assessment methodology:**  
Click here to enter text.  
*The Assessment was performed with Each area of the LBMA Responsible Silver Guidance verified by documentation review and management/employee interviews, as well as observation made during the facility tour.*  
*The evidence of compliance that was reviewed included: Sourcing policy, procedures, Risk assessment, client on board process, records and the systems followed for Identification of status, traceability, track and trace*

- The following areas of the facility were visited during the tour:*  
Security, Receiving area, Material Stores, Refinery processing area, Lab, Vault and the administrative and operational offices
- The following interviews were conducted with management:*  
Interviews were held with the Executive Director the top management and the Compliance officer, on the sourcing policy, client on board process, ensuring the implementation of the responsible sourcing practices in line with the LBMA responsible silver guidance.  
Mr. Gautam Choksi, Executive Director  
Ms. Nidhi Batavia, Compliance Officer
- The following activities of the employees were assessed as being part of the supply chain and refinery activities*  
Sandra Fernandez – Purchase Spent catalyst  
Ramdas Chandani – Procurement of silver nitrates  
Vivek Nazar- Head Sampling qc/Lab  
Madhur Pathak – Silver dispatches  
Sanush – Executive Receiving Warehouse  
Sandeep Kumbeshwar- Sr executive production

**Please state in case there were any changes during the current audit period related to company’s facilities visited or any other change, please specify and detail following:**  
*Not applicable as this was the first full assessment.*





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**Any significant or inherent limitations or areas not covered that were within the assessment scope:**

Click here to enter text.

HPPL has not produced the LBMA GDL bars during the assessment period 2018 to 2019. The refinery output was limited to production of Pure Silver of 99.99% and 99.95 purity in the form of crystals, grains and powder.

The input materials received to the refinery were Spent catalyst, Silver Nitrates used by the petrochemical and pharma industries. These were sourced from India, Germany, counterparties engaged were considered of low risk in view of the type of material and country of origin and nature of activities engaged by the counterparties.

The silver produced in the refinery is supplied to their production plant for their own consumption in the making electrical contractors and other products and if there are request from others the silver is supplied in the form of grains/powder.

The KYC, Due diligence and the risk assessment is based on the information collected from the counter parties and verifying the information in the internet and with known industry sources, MCA and bankers.

These verification of the information and due diligence on the Beneficiaries shall be formally done to assess the risk and records be maintained.

Due diligence shall be performed using the established tools which are proven to assess the risk in dealing with the entity and assess about the UBOs.

Formal documented procedures defining selection of Silver supplying counter parties. Formal Records of training on the relevant aspects of the responsible sourcing for the persons under the supply chain shall be maintained and periodically updated.

Specific information's as identified in the corrective action plan. The proposed corrective actions were reviewed and found adequate, to be verified during the next assessment.

**Assessment criteria:**

*The auditor took into account all relevant objective evidence provided by the Refiner. Relevant evidence was either qualitative or quantitative in as far as it is appropriate and sufficient to support the auditor or assessment team's conclusions. Appropriate evidence is evidence that is relevant and reliable. Sufficient evidence refers to the amount of evidence provided to allow the auditor or assessment team to reach a conclusion.*

*Any actual or potential gaps in the Refiner's systems in regards to the LBMA requirements are rated in accordance to the level of risk each presents to the credibility and integrity of the LBMA Responsible Silver Programme for the responsible sourcing of Silver-bearing materials.*

The Auditors confirm that:

- ✓ The information provided by the Refiner is true and accurate to the best knowledge of the Auditor(s) preparing this report.
- ✓ The findings are based on verified Objective Evidence relevant to the time period for the assessment, traceable and unambiguous.
- ✓ The Auditor(s) have acted in a manner deemed ethical, truthful, accurate professional, independent and objective.



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✓ The Auditor(s) are properly qualified to carry out the assessment at this Refiner's facility.

Lead Auditor: Krish Sriram

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Signature :

Date: 20/11/19

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