



Effect of Regulatory Changes in the Indian Bullion Market and the Road Ahead

View from a Refiner

LBMA Forum
Singapore
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Incredible India!

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Incredible Challenges

- Raw material import treated on par with refined metal import
- August 2013..Dore import brought under the 20:80 regime
- All imports affected including Dore
- Resultant plant shut-down for 2 ½ months
- Uniform application of the 20:80 scheme to refining overlooks statutory prescriptions governing domestic manufacture, in particular:
 - Excise registration to enable exporters receive duty-free gold (the 20 component)
 - Refund of Countervailing (customs) duty on the 20% gold delivered duty free to exporters
- Local manufacturing at a disadvantage to the more agile gold import service sector

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Incredible Opportunities

- Responsive interaction with Government for entire refining industry
- Ad-hoc permission to resume Dore import in October 2013
- More interaction with Government to help understand importance of continuity of feed, got resolved in February 2014
- Huge market potential in need of world class infrastructure
- Whether No 1 or No 2, India will remain a huge market
- Demand for credible and world class services and products
- Mobilizing some of India's above ground gold holdings into economic activity

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Incredible Achievements

- India is now home to the Worlds most modern refinery:
 - LBMA Good Delivery Gold & Silver
 - Certified LBMA Responsible Gold compliant
 - ISO 9001:2008, ISO 14001:2004 + AC:2009 and OHSAS 18001 certified facility
 - Certified Member of Responsible Jewellery Council

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The Road Ahead

- While the CAD is now seemingly under control the government will remain vigilant
- Tools to regulate import flows will be used as needed
- There is now a clear understanding of the advantages of world class local refining as opposed to the import of bullion
- Clear impetus to mobilize domestic gold stocks
- Key infrastructure provided by the world class domestic refining industry
- Close cooperation with all industry players, jewellers, bullion merchants, banks, RBI to provide a long term solution to India's CAD

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THANK YOU

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