

APPENDIX B

**AGREEMENT BETWEEN JEWELLER AND BUREAU OF INDIAN STANDARDS
FOR SALE OF HALLMARKED JEWELLERY/ARTEFACTS**

(On Rs. 100.00 non judicial stamp paper)

THE AGREEMENT MADE ON THIS DAY OF
MONTH YEAR, BETWEEN **BUREAU OF INDIAN STANDARDS**, a body corporate
established under the Bureau of Indian Standards Act, 1986 having its Head Office at Manak Bhavan, 9,
Bahadur Shah Zafar Marg, New Delhi- 110002 (herein referred to as “Bureau”, which expression shall
include its administrators, assigns, agents and or representatives) of the one part.

AND

M/s having its sales outlet located at
..... (herein
referred to as the “Jeweller” which expression shall include its heirs, and or assigns)

WHEREAS Bureau has been established by the BIS Act, 1986 for harmonious
development of activities of Standardization, Quality Certification and Marking of goods and for matters
connected therewith or incidental thereto;

AND WHEREAS under the provisions of BIS Act, 1986 and Rules and Regulations
framed thereunder, Bureau is authorized to grant licence to the Jeweller for sale of jewellery/artefacts
with Hallmark which conform to the relevant Indian Standards and grant of such licence is subject to
complying by the Jeweller with the norms laid down in this regards by Bureau from time to time;

AND WHEREAS the Jeweller has been granted licence by the Bureau under the
provisions of the BIS Act, 1986 and Rules and Regulations framed thereunder for selling Hallmarked
jewellery/artefacts after getting such jewellery/artefacts Hallmarked from Assaying and Hallmarking
Centre (A&H Centre) recognized by the Bureau as per the procedure laid down by the Bureau.

Now the parties hereto agree as under:

DEFINITIONS

1. In this Agreement, unless the context otherwise requires, following definitions shall apply:
 - i) “Hallmarking” means the accurate determination and official recording of the proportionate content of gold or silver metal in articles made from alloys of the gold or silver respectively.
 - ii) “Assaying” means the method of accurate determination of the content of gold or silver in the sample, expressed in parts per thousand.
 - iii) “Licence” means a licence granted under section 15 of the BIS Act, 1986 to the Jeweller for selling of Hallmarked jewellery/artefacts which conform to the Indian Standard.

- iv) “Jeweller” means a business enterprise, licensed from the Bureau to sell hallmarked jewellery/artefacts from its sales outlet mentioned in the licence issued by the Bureau. The Jeweller shall get its Jewellery/artefacts hallmarked from an A&H Centre recognized by the Bureau.
- v) “Assaying and Hallmarking Centre (A&H Centre)” means a business enterprise situated at a stated location for assaying and Hallmarking of jewellery/artefacts supplied to it by Jeweller licensed by the Bureau.
- vi) “Referral Laboratory”- An assaying centre or a testing laboratory, notified by the Bureau, where sample of gold or silver jewellery/artefact is referred only for testing to determine its purity and fineness as may be required by any interested party.

AGREEMENT PERIOD

2. This agreement shall come into force from the date of grant/renewal of licence and shall be valid for a period of three years or till the validity of the licence, whichever is earlier, in accordance with the provisions of BIS Act, 1986 and Rules and Regulations framed thereunder, or under the provisions of this agreement.

3. The Jeweller shall be responsible for applying for renewal of the licence three months prior to the expiry of the validity of licence, on prescribed renewal application form along with prescribed fees.

SCOPE OF LICENCE

4. The licence is valid for sale of Hallmarked gold Jewellery/artefact conforming to IS 1417:1999 or sale of Hallmarked silver jewellery/artefact conforming to IS 2112:2003. The latest amended or their revised versions of both Indian Standards shall be applicable.

5. The licence is valid for the sale of the above items from premises located at
....., which is mentioned in the licence.

6. The Bureau shall be intimated whenever there is any change of name(s), management or address of the Firm. An endorsement to the licence will be issued by the Bureau with respect to such change(s).

BANK GUARANTEE

7. The Jeweller shall provide a Bank Guarantee towards operation of the Agreement, giving an undertaking to pay the amounts due and payable under this guarantee without any demur, merely on a demand from the Bureau either by reason of breach by said Jeweller of any of the terms or conditions contained in this Agreement or by reason of Jeweller’s failure to perform the said Agreement or for the reason to indemnify Bureau and harmless against any third party claims in respect of non-conformity of Hallmarked article sold by the jeweller. The Bank Guarantee shall also be given to cover the liability for sale of hallmarked jewellery/artefacts including their purity/fineness and indemnifying BIS against any action by the jeweller. There will also be a condition in the Bank Guarantee to pay an amount to BIS as and when such demand is made by BIS to the Bank in connection with levying penalty on the jeweller due to any discrepancies or malpractices observed by BIS in violation with the terms and conditions of agreement between jeweller and BIS or when any third party claims for compensation and/or damages from BIS for sale by the jeweller of any sub-standard quality of jewellery/artefact with Hallmark. The quantum of Bank Guarantee and applicable locations of retail outlets of the Jeweller under Corporate Licence shall be the same as described in the format given at Annex I.

8. The Jeweller can, as alternative to Bank Guarantee, give security deposit of same amount as explained in the above paragraph and also in Annex I, in terms of Fixed Deposit/NSC/NSS or other suitable instrument duly endorsed in favour of the Bureau.

DISPLAYS AT SALES OUTLET

9. The Jeweller shall display the logo of the Bureau on the outside of the sales outlet.
10. The original licence issued by the Bureau for sale of Hallmarked articles shall be displayed prominently in the sales outlet.
11. The Jeweller shall prominently display inside the sales outlet that Hallmarked gold/silver jewellery/artefacts are available there for sale. The following details shall also be prominently displayed on a display board:
 - i) the components of Hallmark and correlation between purity in terms of fineness and corresponding caratage.
 - ii) information for customer that the Hallmark can be checked with a magnifying glass of minimum 10 X magnification available at the outlet, before buying any jewellery/artefact. the contact details of Bureau's offices for lodging complaint.
 - iii) the charges for Hallmarking as may be prescribed by the Bureau.
12. The Jeweller shall also maintain in the sales counter a weighing balance, capable of weighing any of the articles on sale, for use by customer to check the weight of jewellery/artefact.
13. A magnifying glass of minimum 10 X magnification shall be available at the outlet.

PROCESS OF OFFERING JEWELLERY/ARTEFACT FOR HALLMARKING

14. Assaying and Hallmarking shall be got done only from an A&H Centre recognized by the Bureau. The Hallmark shall consist of various components as may be prescribed in the relevant Indian Standards from time to time.
15. The Jeweller shall segregate jewellery/artefacts, prepare individual lots based on types and purity of precious metal content and thereafter prepare a list of the consignment containing lot-wise description and weight of each article. The list shall also be forwarded on-line to the A&H Centre soon as a system for the same is made available by the Bureau. The consignment shall be submitted with the list to A&H Centre for assaying and Hallmarking. The A&H Centre shall issue on-line receipt of the consignment duly verifying the contents.
16. While submitting any gold/silver jewellery/artefact for Hallmarking, the Jeweller shall ensure the following:
 - i) The article manufactured or procured is free from the elements prohibited in IS 1417:1999 as amended by the Bureau or IS 2112: 2003 as amended by the Bureau.
 - ii) Fineness of precious metal content is not marked in any manner before its submission for Hallmarking. No other identification mark/logo or mark like "KDM" is present on the article.
 - iii) Artefacts (medallions) with designs which are likely to resemble currency of any country shall not be submitted for Hallmarking.
 - iv) The Jeweller shall use only the identification mark/logo as given at Annex II of this agreement. The Jeweller shall not use any other identification mark or logo for Hallmarking. The Jeweller shall also furnish the A&H Centre with the same identification mark or logo as submitted to the Bureau for the purpose of Hallmarking on jewellery/artefact.

- v) The Jeweller, shall not on its own, apply any identification mark/logo or any other mark, in any manner on the Hallmarked jewellery/artefact.
- vi) The Jeweller shall pay the Hallmarking charges in advance to the A&H Centre as per the rates fixed by BIS from time to time. Applicable taxes shall also be payable.

RECORDING SALES OF HALLMARKED JEWELLERY/ARTEFACT

17. The Jeweller shall maintain a stock register of Hallmarked articles available in the licensed premises. This Register shall be made available to the Bureau on demand.

18. The Jeweller shall be fully responsible for the declared fineness of Hallmarked jewellery/artefacts sold by it.

19. Appropriate record of sales of each Hallmarked jewellery shall be maintained for at least five years and made available to the Bureau on demand.

20. Charges paid to the A&H centre for Hallmarking shall be shown separately in each bill. Every sale shall be recorded on a computerized system by the Jeweller as and when such system is introduced.

RIGHT OF THE BUREAU FOR COLLECTION AND TEST OF HALLMARKED JEWELLERY/ARTEFACT

21. The Jeweller shall assist authorized representative of the Bureau to collect sample(s) of Hallmarked gold/silver Jewellery/artefacts as available for sale in the retail outlet. The sample(s) will be collected to verify correctness of the Hallmark affixed with respect to fineness of the precious metal in the Jewellery/artefacts in accordance with the Indian Standard. Sample(s) may also be drawn from a licensed outlet based on customer complaints. The sample shall be drawn by cutting or drilling method.

22. A credit note will be issued by the Bureau against the value of sample. The value shall be determined after weighing the sample being taken for testing before it is sealed. The weight shall be multiplied with the rate of precious metal prevalent on that day as maintained by the jeweller in his sales outlet and the sum of money shall be recorded in the market surveillance report jointly signed by the jeweller and Bureau's representative. If the cornet of gold after testing is returned to the Jeweller by the Bureau, a debit note will be issued by the Bureau against the value of precious metal in the cornet. Any outstanding credit note will be adjusted by the Bureau in its book of accounts against future payments to be made by the licensed Jeweller.

23. The Bureau shall send the sample to its laboratory or any other referral laboratory notified by it for testing according to the relevant Indian Standard.

COMPLAINT AND COMPENSATION

24. The Jeweller shall take responsibility to redress any complaint received on Hallmarked gold/silver jewellery/artefact sold by it with payment of compensation to the buyer at the rate stated below if a Hallmarked jewellery/artefact sold by him is found substandard on testing at a referral laboratory:

Compensation amount (Rs) = 3 X Difference observed in testing of purity X weight of gold or silver in the article X gold/silver rate (MCX spot rate, in Rs) on date of issue of the test report by the Bureau referral laboratory.

25. If the Jeweller does not redress a complaint about sale of Hallmarked jewellery/artefact found substandard on test at a referral laboratory, the buyer may file a petition against the Jeweller under Consumer Protection Act, 1986. The Bureau will help the buyer with necessary documentary evidence as may be required to substantiate the petition.

PENALTIES

26. There may be situations in the sales outlet or actions committed by the Jeweller which are likely to denigrate the sale of Hallmarked jewellery/artefact. Therefore, these have been termed as offences and categorized as follows.

Category I offences (issues likely to affect the sale of Hallmarked articles):

- i) Non-availability of magnifying glass to demonstrate Hallmarking to customer or calibrated balance for weighing of articles for sale;
- ii) Not meeting the display requirements;
- iii) Non-intimation of significant changes in Jeweller's management;
- iv) Shifting of premises without prior information to the Bureau.

Category II offences (issues likely to affect operation of the licence):

- i) Failure to take corrective actions on discrepancies reported during market surveillance within stipulated timeframe;
- ii) Lack of cooperation with the Bureau in conduct of market surveillance or in resolving issues;
- iii) Inadequate system/ record keeping of articles sent for Hallmarking or receipt of hallmarked articles from A&H Centre or sale of Hallmarked articles;
- iv) Hallmarking charges not shown in the bill or amount charged is found higher than actual amount paid to the A&H Centre for Hallmarking of a particular article;
- v) Failure to observe the terms and conditions of agreement.

Category III (unethical practices)

- i) Hallmarking done from non-recognized A&H Centre;
- ii) Counterfeiting of Hallmark on articles;
- iii) Sale of articles with incomplete Hallmark;
- iv) Jeweller found indulging in any other malpractices.

27. The Jeweller shall be required to pay penalty to the Bureau as stated below with respect to categories of offences explained above:

Sl. No.	Deviation	Proposed Penalty
1	Category I offence (s):	First offence – Nil Second offence – Rs. 2 000 Third offence - Rs. 5 000
2.	Category II offence (s):	First offence – Rs. 1 000 Second offence – Rs. 5 000 Third offence - Rs. 10 000
3.	Category III offence (s):	Rs 20 000 and cancellation of the licence.

RENEWAL / EXPIRY OF LICENCE

28. The Jeweller shall apply online for renewal of the licence two months prior to expiry of validity of the licence, along with prescribed fees and fresh agreement on non-judicial stamp paper of Rs 100/-. No other documentation will be required to be submitted, provided there has not been any change in status with respect to management of the Firm or its premises. Renewal of the licence will be done online with issue of endorsement to the licence.

29. The Bureau will issue a reminder to the Jeweller one month before last date of validity of the licence if renewal application and/or agreement with fees have not been received, advising the Jeweller to comply with the requirements of renewal before the last date of licence's validity. Otherwise, the licence shall automatically expire after its last date of validity. The Jeweller in such circumstance shall not be able to sell Hallmarked articles. In the reminder-letter, provision for giving a personal hearing to the Jeweller shall be mentioned. Such Licence can be revived and renewed in case the fees are paid along with a late fee interest @ 2% per month, and within three months of the expiry of the license. Interest shall be calculated on full month basis. Thereafter, licence will not be renewed and shall be allowed to expire.

CANCELLATION OF LICENCE

30. The licence/Corporate Licence granted to the Jeweller by the Bureau may be cancelled in case of non-fulfillment of any of the conditions mentioned in this agreement and also if the Jeweller:

- i) chooses to relinquish the licence;
- ii) has not extended cooperation to representative of the Bureau during market surveillance;
- iii) is found selling jewellery/artefact hallmarked by any Assaying and Hallmarking Centre not recognized by the Bureau;
- iv) has violated any of the terms and conditions of the agreement;
- v) is found engaged in any misuse of Hallmark;
- vi) has refused to compensate the customer in the event of sale of Hallmarked jewellery/artefact of sub-standard purity.

31. The Bureau may also cancel the licence with prior notice to Jeweller either in case of consecutive failures of two samples drawn from the Jeweller's stock of Hallmarked jewellery/artefacts during market surveillance and their testing at Bureau's laboratory or a referral laboratory or if offence(s) of category III are observed.

32. The Corporate License shall be cancelled in case of any Category III offence involving unethical practices is noticed in any of the sales outlets covered in such licence.

33. A Jeweller whose licence/corporate licence is cancelled due to any one or more of the reasons explained under para 34 (iii) - (vi) above shall not be granted with a fresh licence before completion of three years from the last date of such cancellation.

LEGAL JURISDICTION

34. If any dispute arises between parties to this Agreement on any of the clauses of this Agreement or respective rights/obligations/liabilities of the parties to this Agreement, competent courts at alone shall have the jurisdiction to entertain, try and resolve such claims/rights/disputes.

ARBITRATION

35. In case of any dispute arising out of this Agreement, the matter shall be referred to sole arbitrator appointed by the Director General of the Bureau, whose decision will be final and binding on both parties. The provisions of the Arbitration & Conciliation Act, 1996 shall be applicable.

IN WITNESS WHERE OF THE PARTIES HERETO AFFIX THEIR SIGNATURE:

In the presence of :

On behalf of the Bureau

On behalf of the

Jeweller

Witnesses:

- 1.
- 2.

Signature:
Name:
For & on behalf of the Jeweller:
Date:
Seal:

Signature:
Name:
For & on behalf of the Bureau:
Date:
Seal:

ANNEX I

BANK GUARANTEE

The Director General
Bureau of Indian Standards
Manak Bhavan
9 Bahadur Shah Zafar Marg
New Delhi - 110 002

1. In consideration of Bureau of Indian Standards (hereinafter called 'the Bureau' or 'the Bureau') having agreed to exempt _____ (hereinafter called 'the Jeweller') from the demand under the terms and conditions of an agreement bearing No. _____ dated _____ entered into between the Bureau and the Jewellers in respect of grant of licence to the Jewellers (hereinafter called "the agreement"), of security deposit for the due fulfillment by the Jewellers of the terms and conditions contained in the said Agreement, on production of the Bank Guarantee for Rs. 5 00 000 (Rupees Five lakh only)/ Rs. 1 00 000 (Rupees One lakh only), we, _____ (hereinafter referred to as "the bank") at the request of M/s _____ (Jewellers), do, hereby, undertake to pay to the Director General of the Bureau by Cheque/ Demand Draft, on behalf of the Jeweller, an amount not exceeding Rs 5 00 000 (Rupees five lakhs only)/ Rs. 1 00 000 (Rupees One lakh only) against any loss or damage caused to or suffered or would be caused to or suffered by the Bureau by reason of any breach by the said Jewellers of any of the terms or conditions contained in the said Agreement.

2. We, _____, do hereby undertake to pay the amounts due and payable under this guarantee without any demur, merely on a demand from the Bureau by reason of breach by the said Jeweller of any of the terms or conditions contained in the said Agreement or by reason of the Jeweller's failure to perform the said Agreement. Any such demand made on the bank shall be conclusive as regards the amount due and payable by the Bank under this guarantee where the decision of the Bureau in these counts shall be final and binding on the bank. However, our liability under this guarantee shall be restricted to an amount not exceeding Rs 5 00 000 (Rupees five lakhs only)/Rs. 1 00 000 (Rupees One lakh only).

3. We undertake to pay to the BUREAU any money so demanded notwithstanding any dispute or disputes raised by the Jewellers in any suit or proceeding pending before any court or tribunal relating thereto, our liability under this present being absolute and unequivocal. The payment so made by us under this bond shall be valid discharge of our liability for payment thereunder, and the Jewellers shall have no claim against us for making such payment.

4. We _____ further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said agreement and that it shall continue to be enforceable till all the dues of the Bureau under or by virtue of the said Agreement have been fully paid and its claims satisfied or discharged or till the Bureau certifies that the terms and conditions of the said Agreement have been fully or properly carried out by the said Jeweller and accordingly discharges this guarantee. Unless a demand or claim under this guarantee is made on us in writing on or before _____, we shall be discharged from all liabilities under this guarantee thereafter.

5. We _____ further agree with the Bureau that the Bureau shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Agreement or to extend time of performances by the said Jeweller from time to time or to postpone for any time or from time to time any of the powers exercisable by the Bureau against the said Jeweller and to forbear or enforce any of the terms and conditions relating to the said agreement and we shall not be relieved from our liability by reason of any such variation, or extension being granted to the said Jewellers or for any forbearance, act or omission on the part of the Bureau or any indulgence by the Bureau to the said Jeweller or by any such matter or thing whatsoever which under law relating to sureties would, but for this provision, have effect of so relieving us.

6. This guarantee will not be discharged due to the change in the constitution of the Bank or the Licensee.

7. We _____ lastly undertake not to revoke this guarantee during and even after its currency except with the previous consent of the Bureau in writing.

Dated: this _____ day of _____ of 20____ for _____ Bank.

Place:

Signature:

For & on behalf of:

Name:

Seal:

ANNEX II

IDENTIFICATION MARK/LOGO OF THE JEWELLER

The identification mark/logo as given below is owned by us. We have given this mark/logo for its application as a component of Hallmark on our Jewellery/artefacts by M/s
....., an Assaying and Hallmarking Centre recognized by the Bureau.
We shall be responsible for display of the mark/logo on our jewellery/artefacts.

Signature:

Name:

For & on behalf of the Jeweller:

Date:

Seal:

FEES APPLICABLE FOR JEWELLERS

1. The application cum processing fee for grant of fresh licence or its renewal shall be Rs 2 000 per outlet.
2. The fees for grant of a license or its renewal for a period of three years shall be as given in Tables 1 and 2 below respectively in case of a Single License and a Corporate License.
3. A single licensee shall also have the option to pay the fees on an annual basis as per the rates indicated in the Table 1 below.

Table 1 Fee for Single Licence

Geographical location of the jeweller	Fee, if paid annually	Fee if paid in one instalment
Metros and cities with population of 10 lakhs and above (2011 census)	Rs. 20 000	Rs. 50 000
50% discount to jeweller with annual turnover less than Rs. 100 crores/ annum	Rs. 10 000	Rs. 25 000
Towns with 3-10 lakhs population (2011 census)	Rs. 2 000	Rs. 5 000
Towns with less than 3 lakhs (2011 census)	Rs. 1 000	Rs. 2 500

Table 2 Discounts in Fee for Corporate Licences

Number of retail outlets under Corporate Licence	Discount in fee (according to geographical location of outlets as in Table 1)
Between 5 to 25 outlets	10%
Between 26 to 100 outlets	15%
More than 100 outlets	20%

Note 1: The annual turnover shall be calculated on the basis of VAT returns filed by the jeweller.

Note 2: Fees once paid shall not be refundable.

Note 3: Application cum processing fee only shall be payable by a jeweller holding a licence for sale of Hallmarked gold articles and wanting to obtain another licence for sale of Hallmarked silver articles and vice versa. No certification fee for additional licence shall be payable. This shall be applicable for grant of fresh licence or its renewal.

Note 4: Taxes as applicable shall be extra.

Note 5: Certification fee shall be paid two months before the start of the next year if annual payment is being done.

Note 6: In case of certification fee payable by Corporate Licensee, no annual turnover based discount shall be applicable.



FORM I

BUREAU OF INDIAN STANDARDS

**APPLICATION FOR GRANT OF LICENCE TO JEWELLER
FOR SALE OF HALLMARKED ARTICLES**

(strike off whichever is not applicable)

1. Name and style of Sales Outlet (in full) :

2. (a) Postal Address of Outlet : with Pin Code, District and State

Tel :
(With STD Code)

Fax :
(With STD Code)

E mail:

(b) Location along with Landmark :
(please enclose location map)

3. (a) Type of Ownership:
(please refer to serial no. 1 of Proprietorship / Partnership / Limited Company / PSU the list of documents enclosed)

4. Details of Management:

Name	Designation
(Proprietor/Partner/Director/CEO) i) ii) iii)	
iv)	

5. Details of Contact Person:

Name: Mobile: e-mail:

6. Licence applied for: Gold Jewellery/artifacts OR Silver Jewellery/artifacts
as per IS 1417:2016 as per IS 2112 :2014

7. (a) Any other BIS Licence held: Yes / No

(b) If yes, give details: Licence No: Product: IS No.:

**8. Details of Previous Cancellation/Convictions, if any, :
under The Bureau of Indian Standards Act, 1986**

9. Details of Payment: Demand draft / Net Banking / Bank Challan
(please refer to the fees applicable for jewellers)

Amount (in Rs.)	Name of Bank	Demand draft No. /UTR No. / Bank Challan No.	Date

Signature :
(Proprietor/Partner/Director)
Name :
Designation :
Seal of Firm :

Date:

Place:

Annex A

POLICY FOR LICENSING OF JEWELLERS

GRANT OF LICENCE

1. Every jeweller intending to sell Hallmarked jewellery/artefacts shall be required to obtain licence(s) from BIS. The licence document shall contain the name of the jeweller and address of the sales outlet. A licence will be granted for sale of Hallmarked gold jewellery/artefact conforming to IS 1417 from an outlet. Similarly, another licence will be granted for sale of Hallmarked silver jewellery/artefact conforming to IS 2112 from the same outlet. The validity of a licence shall be of three years.

JURISDICTION

2. The licence will be issued by Branch Office of BIS having jurisdiction of the area where the jeweller is located.

3. A jeweller organization having at least five retail outlets anywhere in India may either apply for separate license for each of its outlets or opt for Corporate License covering all outlets. The conditions for Corporate License will be as follows:

- i. The Head Office of the jeweller organization shall apply to the nearest Branch Office (BO) of BIS for grant of Corporate Licence along with a list of retail outlets to be covered in the licence with supporting documents. The BO shall grant licence if all outlets are falling under its jurisdiction.
- ii. If these outlets are falling beyond the jurisdiction of the BO as at (i) above, may be covering several BOs, the application shall be forwarded by the BO to DDGR in the Region for grant of licence. This shall be irrespective of the locations of the sales outlets. The licence will be maintained by the BO as at (i) above. BOs having jurisdiction over such licensed retail outlets shall be informed about grant of the Corporate Licence in order to facilitate market surveillances.
- iii. Inclusion of additional outlets will be done in the same manner as above.
- iv. Every retail outlet, which has been covered under a Corporate Licence, shall be issued an independent licence document mentioning the address.

4. The existing multi-chain licences shall be converted to Corporate Licences, if the organization so desires. Otherwise, individual licence shall be issued for each retail outlet covered under the multi-chain licence. This action shall be taken at the time of next renewal of the License. The Corporate Licensees shall also be given/converted to this methodology at the earliest and certainly at the time of next renewal.

FEES & HALLMARKING CHARGES

5. The application cum processing fee for grant of fresh licence or its renewal shall be Rs. 2 000 per outlet.

6. The fees for grant of a license or its renewal for a period of three years shall be as given in Tables 1 and 2 below in case of a Single License and for a Corporate License. A single licensee shall also have the option to pay the fees on an annual basis as per the rates indicated in the Table 1 below.

Table 1 Fee for Single Licence

Geographical location of the jeweller	Fee, if paid annually	Fee if paid in one instalment
Metros and cities with population of 10 lakhs and above (2011 census)	Rs. 20 000	Rs. 50 000
50% discount to jeweller with annual turnover less than Rs. 100 crores/ annum	Rs. 10 000	Rs. 25 000
Towns with 3-10 lakhs population (2011 census)	Rs. 2 000	Rs. 5 000
Towns with less than 3 lakhs (2011 census)	Rs. 1 000	Rs. 2 500

Table 2 Discounts in Fee for Corporate Licences

Number of retail outlets under Corporate Licence	Discount in fee (according to geographical location of outlets as in Table 1)
Between 5 to 25 outlets	10%
Between 26 to 100 outlets	15%
More than 100 outlets	20%

Note 1: The annual turnover shall be on the basis of VAT returns filed by the jeweller.

Note 2: Fees once paid shall not be refundable.

Note 3: Application cum processing fee shall be payable only by a jeweller holding a licence for sale of Hallmarked gold articles and wanting to obtain another licence for sale of Hallmarked silver articles and vice versa. No certification fee for additional licence shall be payable. This shall be applicable for grant of fresh licence or its renewal.

Note 4: Taxes as applicable shall be extra.

Note 5: Certification fee shall be paid two months before the start of the next year if annual payment is being done.

Note 6: In case of certification fee payable by Corporate Licensee, no annual turnover based discount shall be applicable.

7. The charges for Hallmarking payable to Assaying and Hallmarking centre shall be as fixed by BIS from time to time.

BANK GUARANTEE

8. The Jeweller shall provide a Bank Guarantee towards operation of the Agreement, giving an undertaking to pay the amounts due and payable under this guarantee without any demur, merely on a demand from the Bureau either by reason of breach by said Jeweller of any of the terms or conditions contained in this Agreement or by reason of Jeweller's failure to perform the said Agreement or for the reason to indemnify Bureau and harmless against any third party claims in respect of non-conformity of Hallmarked article sold by the jeweller. The Bank Guarantee shall also be given to cover the liability for sale of hallmarked jewellery/artefacts including their purity/fineness and indemnifying BIS against any action by the jeweller. There will also be a condition in the Bank Guarantee to pay an amount to BIS as and when such demand is made by BIS to the Bank in connection with levying penalty on the jeweller due to any discrepancies or malpractices observed by BIS in violation with the terms and conditions of agreement between jeweller and BIS or when any third party claims for compensation and/or damages from BIS for sale by the jeweller of any sub-standard quality of jewellery/artefact with Hallmark. The Jeweller shall provide the Bank Guarantee (copy at Annex I) for a sum of Rs 5 00 000 if its retail outlet is located in a Metro city or a city having more than 10 lakh population (as per 2011 census). The value of Bank Guarantee will be Rs. 1 00 000 if the retail outlet is located in a city/town with population less than 10 lakh. In case of a corporate license, the Bank Guarantee shall be for the value calculated on the basis for all the outlets for which license is sought.

9. The quantum of Bank Guarantee and applicable locations of retail outlets of the Jeweller under Corporate Licence shall be the same as described in the format given at Annex I.

10. The Jeweller can, as alternative to Bank Guarantee, give security deposit of same amount as explained in the above paragraph and also in Annex I, in terms of Fixed Deposit/NSC/NSS or other suitable instrument duly endorsed in favour of the Bureau.

MAJOR CONDITIONS OF LICENSE

GENERAL

11. An agreement will be signed jointly by jeweller and BIS on Rs 100 non-judicial stamp paper at the time of grant of licence or its renewal. Any violation of the agreement shall lead to the cancellation of the licence.

12. BIS shall be intimated whenever there is any change of name(s), management and/or address of the Firm. An endorsement to the licence shall be issued by BIS with respect to such change(s).

DISPLAYS/EQUIPMENT IN SALES OUTLET

13. On the outside of the sales outlet, at a prominent location, the jeweller shall display the logo of BIS.

14. The original licence issued by the Bureau for sale of Hallmarked articles shall be displayed prominently in the sales outlet.

15. Inside the sales outlet, the jeweller shall also prominently display on a board that Hallmarked gold/silver jewellery/artefacts are available for sale in the sales outlet. A separate prominent display shall be made containing the following:

- i. Components of Hallmark and correlation between purity in terms of fineness and corresponding caratage;
- ii. An indication that the customer can verify the Hallmark with the help of a magnifying glass of minimum 10 X magnification available in the outlet before buying a jewellery/artefact.
- iii. The customer can verify the weight through an available calibrated balance capable of weighing the jewellery on sale;
- iv. The contact details of Bureau's officers for lodging complaint; and
- v. Charges for Hallmarking as prescribed by the Bureau.

16. Each outlet shall have a magnifying glass of minimum 10 X magnification and a balance capable of weighing the jewellery.

PROCEDURE FOR HALLMARKING

17. Assaying and hallmarking shall be got done only from an A&H Centre recognized by BIS.

18. The jeweller shall prepare a list containing description and weight of each article in a consignment of jewellery/artefact being submitted to A&H Centre for assaying and hallmarking. The list shall be submitted with the consignment.

19. While submitting any jewellery for hallmarking, jeweller shall ensure the following:

- i. All articles of gold/silver jewellery/artefacts manufactured or procured are free from the various elements as prohibited in IS 1417 and/or IS 2112.
- ii. Fineness on jewellery/artefacts is not embossed before their submission for Hallmarking. Any identification mark/logo or mark like "KDM" is not applied on the jewellery/artefacts meant for Hallmarking.
- iii. Artefacts (medallions) with designs which are likely to resemble currency of any country shall not be submitted for hallmarking and only designs approved by BIS shall be submitted for hallmarking.

20. The Hallmark shall consist of various components as may be prescribed in the relevant Indian Standards. Currently there are five components, namely, the BIS logo, fineness in terms of ppt (parts per thousand), identification mark of A&H Centre, a letter denoting the year of hallmarking and identification mark of jeweller.

21. The hallmarking charges for gold/silver articles shall be paid directly by jeweller to A&H Centre as per the rates which may be fixed by BIS from time to time. Applicable taxes as per prevalent rates shall also be levied, in addition to above.

RECORDING OF SALES OF HALLMARKED JEWELLERY

- 22.** Appropriate record of sales of each Hallmarked jewellery shall be maintained for at least five years and made available to BIS on demand.
- 23.** Charges paid to the A&H centre for hallmarking shall be shown separately in each bill.
- 24.** Every sale shall be recorded on a computerised system by the jeweller as and when such system is introduced.

MARKET SURVEILLANCE AND COLLECTION OF SAMPLE(S)

25. The jeweller shall assist the BIS representative to collect sample(s) of Hallmarked gold/silver jewellery/artefacts as available for sale in the retail outlet. The sample(s) will be collected to verify the correctness of the Hallmark affixed with respect to the fineness of the precious metal in the jewellery/artefacts in accordance with the Indian Standard. Sample(s) may also be drawn from a licensed outlet based on customer complaints. A credit note will be issued by BIS against the value of the sample taken for testing. If the cornet of gold after testing is returned to the jeweller by BIS, a debit note will be issued by BIS against the value of precious metal in the cornet. In case of testing of sample of silver jewellery/artefact, there will be no remnant. Any outstanding credit note will be adjusted by BIS in its book of accounts against future payments to be made by the licensed jeweller.

26. The sample shall be drawn preferably by drilling method and to be divided into two equal parts. One part of sample shall be packed in a durable packing material duly sealed with official seal of BIS and signed by sampling personnel and the representative of jeweller licensee. It shall be ensured that the part of sample being sent for testing is without Hallmark. The second part of the sample shall also be packed, sealed and signed in the similar manner and labeled as counter sample. The counter sample shall be retained by the sales outlet till such time the test report is received and the jeweller agrees with the same / does not wish to dispute the same. A code number shall be given to the sample/label in the following manner:

Branch Office Code/Initials of the Sampling Personnel / Date of Sampling / Serial Number of the sample drawn by the person on the particular day.

27. The BIS representative shall fill up the Market Surveillance Report, in the format given at Annex II. The sample shall be brought to BIS office preferably on the same day or at the earliest if collection has been done at an out of station location. The date of collection of sample and its bringing to office shall be recorded by a competent person in the BO with supervision of the Head of BO. The sample shall be sent by insured post to the laboratory. First preference shall be given to SROL, Chennai otherwise to any BIS approved referral laboratory (as when such laboratory is notified by BIS). Under no circumstance the jeweller shall be advised to submit/dispatch sample to a laboratory. A copy of test request shall be enclosed with the sample. Test shall be done according to the relevant Indian Standard.

28. The remnants of sample (cornet in case of gold only) shall be returned to the BO by the laboratory under insured post within 30 days of the completion of the testing if the sample had passed on test. The BO shall deliver the remnant to the jeweller with a copy of the test report within 7 days of its receipt from the jeweler.

29. In case of sample has been drawn without disclosing identity on payment basis, remnant including cornet (in case of gold only), the BO shall accordingly inform the laboratory. The laboratory will disposed off the remnant after completion of all relevant actions as per the procedure prescribed and inform BO. this shall be applicable only if th sample was sent to SROL. If such sample has been sent to any other referral laboratory, the remnant would be returned to the BO. BO would appropriately dispose of the remnant.

COMPENSATION

30. The Jeweller shall be fully responsible for the declared fineness of Hallmarked jewellery/artefacts sold by it and redress any complaint on sub-standard quality received on the sold item(s).

31. The Jeweller shall pay compensation to the buyer at the rate stated below if a Hallmarked jewellery/artefact sold by him is found substandard on testing at a referral laboratory:

Compensation amount (Rs) = 3 X Difference observed in testing of purity X weight of gold or silver in the article X gold/silver rate (MCX spot rate, in Rs) on date of issue of the test report by the Bureau referral laboratory.

32. If the Jeweller does not redress a complaint about sale of Hallmarked jewellery/artefact found substandard on test at a BIS/referral laboratory, the buyer may file a petition against the Jeweller under Consumer Protection Act, 1986. The Bureau will help the buyer with necessary documentary evidence as may be required to substantiate the petition.

PENALTIES

33. There may be situations in the sales outlet or actions committed by the Jeweller which are likely to denigrate the sale of Hallmarked articles. Therefore, these have been termed as offences and categorized as follows:

Category I offenses (issues likely to affect the sale of Hallmarked articles):

- i. Non availability of magnifying glass to demonstrate Hallmarking to customer or the available weighing balance is not calibrated;
- ii. Not meeting the display requirements;
- iii. Non- intimation of significant changes in jeweller's management;
- iv. Shifting of premises.

Category II offenses (issues likely to affect operation of the licence):

- i. Failure to take corrective actions on discrepancies reported during market surveillance within stipulated timeframe;

- ii. Lack of cooperation with BIS in conduct of market surveillance or in resolving issues;
- iii. Inadequate system/ record keeping of articles sent for hallmarking or receipt of hallmarked articles from A&H Centre;
- iv. Hallmarking charges not shown in the bill or amount charged is found higher than actual amount paid to the A&H Centre for Hallmarking of a particular article;
- v. Failure to observe the terms and conditions of agreement.

Category III (unethical practices)

- i. Hallmarking done from non-recognized A&H Centre;
- ii. Counterfeiting of Hallmark on articles;
- iii. Sale of articles with incomplete Hallmark.
- iv. Jeweller found indulging in any other malpractices.

34. The Jeweller shall be required to pay penalty to the Bureau as stated below with respect to categories of offences explained above:

Sl. No.	Deviation	Proposed Penalty
1	Category I offence (s):	First offence – Nil Second offence – Rs. 2 000 Third offence - Rs. 5 000
2.	Category II offence (s):	First offence – Rs. 1 000 Second offence – Rs. 5 000 Third offence - Rs. 10 000
3.	Category III offence (s):	Rs 20 000 and cancellation of the licence.

PROCEDURE FOR GRANT OF LICENSE

35. The jeweller will have to submit application on-line (the system is under development). Scanned copies of documents as mentioned below should be submitted with the on-line application:

- i. Self certified copy of any one of following documents establishing the Firm:

Registration with State Government Authority/ Trade Licence **OR** Certificate of Registration issued by Company Registrar **OR** Registered Partnership Deed in case applicant is a Partnership Firm **OR** Certificate from a Chartered Accountant if applicant is a Proprietorship Firm.

- ii. Self certified copy of any one of the following documents authenticating the Firm's premises (not older than 3 months):

Registration with State Government Authority/ Trade Licences **OR** Sales Tax/ VAT registration **OR** Income Tax Assessment Order **OR** Insurance Policy **OR** Property tax receipt **OR** Rent agreement with last rent receipt **OR** Sale/ Lease Deed agreement **OR** Electricity Bill **OR** Telephone Bill **OR** Water Bill **OR** Gas connection **OR** Bank Statement/Pass Book containing the address of the sales outlet.

iii. Any one of following documents as identity proof of signatory on the Application:

Aadhar Card **OR** Driving Licence **OR** PAN card **OR** Voter Identity card **OR** Passport **OR** Photo Bank ATM card **OR** Photo Credit card **OR** CGHS/ECHS photo card **OR** Arms licence **OR** Identity Certificate with photo issued by Gazetted Officer on official letterhead **OR** Disability ID card/ Handicapped Medical Certificate issued by State Govt. **OR** Freedom Fighter photo card **OR** Pensioner photo card **OR** Ration/PDS photo card **OR** Photo ID issued by recognized educational institution **OR** Kissan Photo Pass Book

36. The jeweller shall be required to pay the fees online or through a challan printed from the online facility in the form of Demand Draft/Pay Order drawn in favour of Bureau of Indian Standards payable at place where the Branch Office of BIS is located.

37. A print out of the submitted online application along with the copy of the above-mentioned documents fees or with proof of on-line submission of fees is required to be sent to the nearest Branch office of BIS. The additional documentation required to be submitted with the application are as follows:

- i. Agreement on non-judicial stamp paper of Rs 100/- in the format given at Annex A.
- ii. Location map of premises from some nearest prominent landmark (illustrative only).

38. BIS will issue the licence on the same day the on-line application is made and in no case later than 3 days of receipt of original application with fees and documents. Till such time the on-line system of submission of application has been made operational by BIS, the applications in hard copies shall be received. However, grant of licence shall be done within 3 days of receipt of application.

RENEWAL / EXPIRY OF LICENCE

39. BIS will issue a notice three months before the last date of validity of the licence requesting for submission of online renewal application with supporting documents (scanned copies) and applicable fees. The Jeweller shall be responsible for applying for online renewal of the licence two months prior to the expiry of the validity of licence, along with prescribed fees and agreement on non-judicial stamp paper of Rs 100/- in the prescribed format. No other documentation will be required to be submitted, provided there has not been any change in status with respect to ownership of the Firm or its premises. Renewal of the licence will be done online with issue of endorsement to the licence on the same day the on-line application is made and in no case later than 3 days of receipt of original application with fees and documents. Till such time the on-line system of submission of application has been made operational by BIS, the applications in hard copies shall be received. However, renewal of licence with issue of endorsement shall be done within 3 days of receipt of application.

40. If renewal application and/or agreement with fees have not been received by BIS, a reminder will be issued to the jeweller one month before the last date of validity of the licence, advising to comply with the requirements of renewal before the last date of licence's

validity. Otherwise, the licence shall automatically expire after its last date of validity. The jeweller in such circumstance shall not be able to sell Hallmarked articles. In the reminder-letter, provision for giving a personal hearing to the jeweller shall be mentioned. Such License can be revived in case the Fees are paid along with an interest @ 2% per month, and within three months of the expiry of the license.

CANCELLATION OF LICENCE

41. A licence/Corporate Licence may be cancelled by BIS if :

- i. fee, in case of an individual licence, is not paid within the stipulated time.
- ii. the jeweller is found selling jewellery hallmarked by any centre not recognized by BIS.
- iii. any terms and conditions of the agreement is violated.
- iv. the jeweller is found engaged in any misuse of Hallmark.
- v. in the event of sale of Hallmarked article of sub-standard purity, compensation to customer is refused.
- vi. during market surveillance, cooperation is not extended to representative of BIS.
- vii. two consecutive failures in one year are reported on independent testing of the samples drawn by BIS during market surveillance.
- viii. the jeweller chooses to relinquish the licence.
- ix. in case of a Corporate License, the licenses of all the sales outlets shall be cancelled in case of any major irregularity is noticed.

42. A jeweller whose licence/corporate licence is cancelled due to any one or more of the reasons explained, above shall be granted with a fresh licence before completion of three years from the last date of such cancellation.

ANNEX I

BANK GUARANTEE

**The Director General
Bureau of Indian Standards
Manak Bhavan
9 Bahadur Shah Zafar Marg
New Delhi - 110 002**

1. In consideration of Bureau of Indian Standards (hereinafter called 'BIS' or 'the Bureau') having agreed to exempt _____ (hereinafter called 'the Jeweller') from the demand under the terms and conditions of an agreement bearing No. _____ dated _____ entered into between the Bureau and the Jewellers in respect of grant of licence to the Jewellers (hereinafter called "the agreement"), of security deposit for the due fulfilment by the Jewellers of the terms and conditions contained in the said Agreement, on production of the Bank Guarantee for Rs. 5 00 000 (Rupees Five Lakh only)/Rs. 1,00,000(Rupees One Lakh only), we, _____ (hereinafter referred to as "the bank") at the request of M/s _____ (Jewellers), do, hereby, undertake to pay to the Director General of the Bureau by Cheque/ Demand Draft, on behalf of the Bureau, an amount not exceeding Rs 5 00 000 (Rupees five lakhs only)/Rs. 1,00,000(Rupees One Lakh only) against any loss or damage caused to or suffered or would be caused to or suffered by the Bureau by reason of any breach by the said Jewellers of any of the terms or conditions contained in the said Agreement.

2. We, _____, do hereby undertake to pay the amounts due and payable under this guarantee without any demur, merely on a demand from the Bureau by reason of breach by the said Jeweller of any of the terms or conditions contained in the said Agreement or by reason of the Jewellers's failure to perform the said Agreement. Any such demand made on the bank shall be conclusive as regards the amount due and payable by the Bank under this guarantee where the decision of the Bureau in these counts shall be final and binding on the bank. However, our liability under this guarantee shall be restricted to an amount not exceeding Rs 5 00 000 (Rupees five lakhs only)/Rs. 1,00,000 (Rupees One Lakh only).

3. We undertake to pay to the BIS any money so demanded notwithstanding any dispute or disputes raised by the Jewellers in any suit or proceeding pending before any court or tribunal relating thereto, our liability under this present being absolute and unequivocal. The payment so made by us under this bond shall be valid discharge of our liability for payment thereunder, and the Jewellers shall have no claim against us for making such payment.

4. We _____ further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said agreement and that it shall continue to be enforceable till all the dues of the Bureau under or by virtue of the said Agreement have been fully paid and its claims satisfied or discharged or till the Bureau certifies that the terms and conditions of the said Agreement have been fully or

properly carried out by the said Jeweller and accordingly discharges this guarantee. Unless a demand or claim under this guarantee is made on us in writing on or before _____, we shall be discharged from all liabilities under this guarantee thereafter.

5. We _____ further agree with the Bureau that the Bureau shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Agreement or to extend time of performances by the said Jeweller from time to time or to postpone for any time or from time to time any of the powers exercisable by the Bureau against the said Jeweller and to forbear or enforce any of the terms and conditions relating to the said agreement and we shall not be relieved from our liability by reason of any such variation, or extension being granted to the said Jewellers or for any forbearance, act or omission on the part of the Bureau or any indulgence by the Bureau to the said Jeweller or by any such matter or thing whatsoever which under law relating to sureties would, but for this provision, have effect of so relieving us.

6. This guarantee will not be discharged due to the change in the constitution of the Bank or the Licensee.

7. We _____ lastly undertake not to revoke this guarantee during and even after its currency except with the previous consent of the Bureau in writing.

Dated: this _____ day of _____ of 20____ for _____ Bank.

Place:

Signature:

Name:

For & on behalf of:

Seal:

ANNEX II

DOC: BIS/HM/F-03
MAY 2014

BUREAU OF INDIAN STANDARDS

REPORT ON MARKET SURVEILLANCE AT LICENSED JEWELLER

Date of Visit:

Gold/Silver

1. Licence No:

2. Valid up to:

3. Jeweller's name and address:

4. Check whether address of sales outlet is the same as stated in the licence YES/NO Report deviations, if any

5. Check whether following details are displayed. Mark Report deviations, if any

- a) Hallmarked jewellery / artefacts are available here.
- b) BIS Licence Number. CM/L -
- c) Illustration of the components of Hallmark
- d) Relationship of fineness with caratage as specified in IS 1417/IS 2112
- e) Magnifying glass of 10X magnification is available (check physical availability as well)
- f) Complete name and address of licensee
- g) Hallmarking charges are mentioned on the bill (check bill book).
- h) Customer can verify purity of purchased items from BIS approved referral laboratory
(Address of BIS approved referral laboratory is available on BIS website www.bis.org.in)

6. Check available Hallmarked articles and report:

- a) Whether markings are as approved and legible YES/NO Report deviations, if any
- b) Whether all detachable parts are marked YES/NO Report deviations, if any

7. Sample Details:

- a) Description of the article:
- b) Marking details on sample:
- c) Total weight:
- d) Weight of sample:
- e) Weight of counter sample:
- f) Code as written on sample:
- g) Code as written on counter sample:
- h) Impression of seal applied on the sample:

8. Cost of the sample taken for test (Rs):

The sample as at 7 (f) is sealed and being taken to BIS office by Inspecting Personnel signed below.
The counter sample as at 7 (g) is being retained with the jeweller.

Signature of Jeweller's Rep:
Name:
Designation:
Date:

Signature of BIS Representative
Name:
Designation:
Date:

List of Documents to be enclosed with the Application

- 1) Self certified copy of any one of following documents establishing the Firm:
 - i. Registration with State Government Authority/ Trade Licence **OR**
 - ii. Certificate of Registration issued by Company Registrar **OR**
 - iii. Registered Partnership Deed in case applicant is a Partnership Firm **OR**
 - iv. Certificate from a Chartered Accountant if applicant is a Proprietorship firm.

- 2) Self certified copy of any one of following documents authenticating the Firm's premises (not older than 3 months) :
 - i. Registration with State Government Authority/ Trade Licences **OR**
 - ii. Sales Tax/ VAT registration **OR**
 - iii. Income Tax Assessment Order **OR**
 - iv. Insurance Policy **OR**
 - v. Property tax receipt **OR**
 - vi. Rent agreement with last rent receipt **OR** Sale/ Lease Deed agreement **OR**
 - vii. Electricity Bill **OR**
 - viii. Telephone Bill **OR**
 - ix. Water Bill **OR**
 - x. Gas connection **OR**
 - xi. Bank Statement/Pass Book containing the address of the sales outlet.

- 3) Any one of following documents as identity proof of signatory on the Application :
 - i. Aadhar Card **OR**
 - ii. Driving Licence **OR**
 - iii. PAN card **OR**
 - iv. Voter Identity card **OR**
 - v. Passport **OR**
 - vi. Photo Bank ATM card **OR**
 - vii. Photo Credit card **OR**
 - viii. CGHS/ECHS photocard
 - ix. Arms licence **OR**
 - x. Identity Certificate with photo issued by Gazetted Officer on official letterhead **OR**
 - xi. Disability ID card/ Handicapped Medical Certificate issued by State Govts **OR**
 - xii. Freedom Fighter photo card **OR**
 - xiii. Pensioner photo card **OR**
 - xiv. Ration/PDS photo card **OR**
 - xv. Photo ID issued by recognized educational institution **OR**
 - xvi. Kissan Photo PassBook **OR**

- 4) The additional **documentation** required to be submitted with the application are as follows:
 - a. Agreement on non-judicial stamp paper of Rs 100/- in the prescribed format.
 - b. Location map of premises from some nearest prominent landmark (illustrative only).