

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:

Name:

For & on behalf of:

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: