



भारतीय मानक ब्यूरो
BUREAU OF INDIAN STANDARDS

ORDER OF COMPOUNDING OF OFFENC

Ref: NRO/DDGN/HM/compounding/S&S

12 May 2022

**Sub: Application for Compounding of Offence under Rule 50 of BIS Rules, 2018
by M/s Shree Jee Hallmarking , Karnal.**

Hearing in the subject matter was held on 11 May 2022

A. Presentation of the Case by BIS :

Sh. Satish Kumar, Sc. F & RHMCO(N) presented the case as under:-

1. Application (A-90000000123) for recognition of Shree Jee Hallmark Centre, Karnal was received on 28-10-2021.
2. Based on complaint received vide email dated 22-02-2022, a discreet investigation was conducted at Shree Jee Hallmark Centre, Karnal.
3. During the search & seizure conducted on 01-03-2022, the Centre was found indulged in the hallmarking of precious metal articles during the processing of application.
4. Accordingly, a notice for rejection of application was sent to the Centre on 08-04-2022 in accordance with Sub-regulation (7) of Regulation 8 of BIS (Hallmarking) Regulations, 2018.
5. Due to non-receipt of any reply to our rejection notice dated 08-04-2022 within the stipulated time, the application was closed on 28-04-2022 vide rejection letter dated 29 April 2022.
6. Further, the Centre vide letter dated 28-04-2022 submitted application for Compounding of offence alongwith required documents and also requested for personal hearing which was agreed to by the CA for today i.e. 11-05-2022 at 1500hrs.
7. As per Sub Section 2 of Section 29 of BIS Act, 2016, the penalty for contravention is " imprisonment for a term which may extend upto one year or with fine which shall not be less than one lakh rupees but may extend upto five times the value of goods or articles produced or sold or offered to be sold or affixed or applied with a Standard Mark including hallmark or with both". As per rule 50, the compounding amount has been stipulated as 50% of the maximum subject to a minimum of Rs.1 Lakh to the applicable amount.
8. In the instant case, as per the CA Statement, the compounding amount comes to Rs.655x5(+2) Rs.1637.50 or a minimum of Rupees One Lakh.

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During the hearing the representative of the Centre stated that:

- a) They admit their mistake and this happened due to lack of knowledge and have used Hall Mark on 13 pcs. only without having BIS Recognition as they were in the process of approval of BIS Registration.

Penalty for Contravention:

- i) Contravention of Sub-section (8) of Section 14 of BIS Act, 2016, as specified under Sub-section (2) of Section 29 of Act is punishable with imprisonment for a term which may extend upto one year or with fine which shall not be less than one lakh rupees, but may extend up to five times the value of goods or articles produced or sold or offered to be sold or affixed or applied with a Standard mark including Hallmark, or with both.”
- ii) As per sub-rule 8 of Rule 50 of BIS Rules, 2018, the compounding amount is specified as 50% of the maximum subject to a minimum of one lakh rupees of the applicable fine.
- iii) In accordance with statement provided by the Centre, the Centre has realised a total amount of Rs.655/- on the jewellery hallmarked on which the misuse has taken place.

Following observations are made after going through the facts, circumstances, records of the case and the submissions made by the Centre during the hearing :

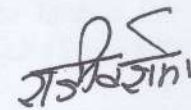
I) The Centre had admitted that ornaments were hallmarked by their Centre by mistake resulting into misuse of hallmark.

II) The offence is a violation of Section 14(8) under BIS Act, 2016 and is the first offence punishable under BIS Act, 2016 committed by the Centre.

ORDER

1. In exercise of the powers delegated by Governing Council of BIS and sub delegation of powers by Director General, BIS vide BIS/DGO/450/2018 dated 09 July 2018 and Rule 50 & 51 of the BIS Rules, 2018, the application for compounding of offence under provision of Section 33 of BIS Act 2016 is allowed.

2. By taking all the facts into consideration, Compounding amount of Rs.1,00,000/- (Rupees One Lakh Only) is imposed on M/s. Shree Jee Hallmark Centre, Paharganj, Shop No. 588, Sarafa Bazar, Karnal (Haryana) as sufficient deterrent for not repeating the violation in future. The offence shall stand compounded subject to the remittance of the compounding amount imposed within 30 days.



(Rajeev Sharma)
Dy. Director General (North)