

**GUIDELINES FOR GRANT, OPERATION,
RENEWAL AND CANCELLATION OF
LICENCE FOR REFINERY OR MINT**

ISSUED BY

**BUREAU OF INDIAN STANDARDS,
9, BAHADUR SHAH ZAFAR MARG,
MANAK BHAWAN,
NEW DELHI**

1 GENERAL

These guidelines stipulate the procedure for Grant, Operation, Renewal, and Cancellation of Licence for Refinery or Mint. These are to be read in conjunction with BIS Act 2016, BIS Rules 2018 and BIS (Hallmarking) Regulations 2018. In particular, the Grant, Operation, Renewal, and Cancellation of BIS Licence for Refinery or Mint are addressed in Chapter III of the BIS (Hallmarking) Regulations, 2018. Any situation, in general, not covered in these guidelines is to be dealt by the Regional Offices and Branch Offices as per the provisions of Act, Rules and Regulations.

2 GRANT OF LICENCE

2.1 Application for Licence

2.1.1 Any manufacturer engaged in refining of gold by aqua-regia or electrolytic process, or refining of silver by electrolytic process, or minting of gold and/or silver, as specified in the Chapter III of BIS (Hallmarking) Regulations, 2018, shall apply online for grant of BIS licence through the BIS Website/e-BIS portal (**manakonline.in**) to the BIS Branch Office having jurisdiction over the location of the refinery or mint. The application shall be accompanied by self-certified copies of the prescribed documents.

a) Proof of establishment of the firm or company (Any one of the documents given below)

- i) Certificate of Registration issued by Registrar of companies; or
- ii) Registered Partnership Deed in case applicant is a Partnership Firm; or
- iii) Certificate from a Chartered Accountant if applicant is a Proprietorship Firm.

b) Proof of address of firm's premises (Any one of the documents given below)

- i) Registration with State Government Authority/ Trade Licences; or
- ii) GST registration certificate; or
- iii) Income Tax Assessment Order; or
- iv) Property tax receipt; or
- v) Valid Rent agreement with last rent receipt; or
- vi) Sale/ Lease Deed agreement.

c) Proof of Identity of the signatory

i) Aadhar based verification/ e- signature;

ii) Any one of following documents as identity proof of signatory on the Application:

- Aadhar Card
- Driving Licence
- PAN card
- Voter Identity card
- Passport

d) Map indicating location of the premises from nearest prominent land mark

Location map of premises from some nearest prominent landmark for each outlet, as applicable (illustrative only) along with the latitude and longitude coordinates.

e) MSME Certificate, if applicable;

f) Process Flow Chart of Refining or Minting, as applicable;

g) Design and Weight of Bullion or Coins, as Applicable;

h) List of Manufacturing Machinery in Form-IX Annexed to the BIS (Hallmarking) Regulations, 2018;

i) List of Test Equipment with Valid Calibration in Form-X Annexed to the BIS (Hallmarking) Regulations, 2018;

j) Accreditation of the Laboratory of Refinery or Mint by National Accreditation Board for Testing and Calibration Laboratories (NABL) for the scope applied for or London Bullion Market Association (LBMA);

k) Plant Layout;

l) List of Technical Personnel;

m) List of Certified Reference Material; and

n) Test Report of in-house Testing.

2.1.2 The refinery or mint shall declare the sizes (weight) and fineness of the gold/silver bullion and/or coins that are intended to be covered in the scope of licence.

2.1.3 Where a refinery/mint intends to obtain BIS licences for both gold and silver bullion and/or coins, separate applications shall be submitted for gold and silver. The applications shall be processed independently and separate BIS licences shall

be granted for gold and silver refineries/mints as per IS 1417 and IS 2112, respectively.

2.2 Rejection of Application

The Bureau may reject an application, if,-

(a) the application is found to be incomplete or without specified documents or does not fulfill the specified requirements.

(b) at any time during processing of application it is found that the applicant is indulging in any malpractice amounting to misuse of hallmark for which it is liable to be prosecuted under the Act;

(c) the applicant does not have the necessary infrastructure and competence as per the relevant Standard and for compliance to the provisions of scheme of testing and inspection;

(d) the refined precious metal does not conform to relevant Standard;

(e) the application is submitted before expiry of cooling period in case of cancellation or non-renewal of licence as specified in sub-regulation (9) of regulation 19 or conviction under provisions of the Act as specified in sub-regulation (12).

(f) if corrective actions taken on discrepancies raised are found to be unsatisfactory during verification audit;

(g) Prosecution case is pending or in the process of initiating prosecution case in the trial court against the applicant or person under section 29 of the BIS Act, 2016.

Note-The applicant or firm who are falling under any one of the category mentioned at (b) and (g) above are NOT eligible to apply for the Licence until they are free from these charges. In case of conviction under Section 29 of the BIS Act, such applicant or firm shall not be eligible to apply for grant of licence for a period of one year from the date of such conviction.

2.2.1 Before rejecting an application, a rejection notice of fourteen days, as specified in sub-regulation (9) and (10) of regulation 14, shall be given to the applicant citing the deficiencies therein.

The applicant may furnish his reply with necessary documents and may request for hearing, either in person or through a representative authorised by him on his behalf within fourteen days from the receipt of the notice.

In case the facts or the explanation furnished by the applicant or its representative is not satisfactory, the application shall be rejected. The decision of the Bureau with the grounds of rejection shall be communicated in writing to the applicant.

2.3 Preliminary Inspection

a) All visits to refineries/mint shall be carried out by a hallmarking auditor from the list of auditors approved for the Hallmarking scheme. The auditor shall be nominated by concerned BO. In exceptional circumstances, such as non-availability of hallmarking auditor at the concerned BO, the auditor may be nominated from another BO in the region in consultation with the DDGR.

b) The preliminary inspection for the grant of licence shall be carried out for two man-days. (i.e. one auditor for two days). In case more days are required, the decision in this regard may be taken by Head (BO).

c) All applications shall be processed based on factory testing. During the preliminary inspection the availability of infrastructure in terms of manufacturing/refining, testing facilities and competent testing personnel shall be verified. The refinery shall also demonstrate the process of refining as declared by them. The sample shall be tested in the laboratory of the refinery / mint to check conformance to IS 1417 or IS 2112, as applicable, and verify the competency of the testing personnel (assayer).

d) In case of gold bullion and/or coin, if the applicant offers both the varieties of 999 & 995 fineness, then the factory testing shall be carried out for 999 fineness only. Sample of 999 fineness variety from another lot shall be drawn and sent to BIS referral assay lab or recognised/empanelled lab for independent testing as verification sample.

e) In the case of silver bullion and/or coins, factory testing shall be carried out for all the fineness varieties offered by the applicant. For example, where the applicant offers 999, 999.5 and 999.9 ppt fineness, factory testing shall be carried out for all three fineness varieties. Thereafter, a sample of 999.9 ppt fineness, from a different lot, shall be drawn and sent to the BIS Laboratory or recognised/empanelled laboratory for independent testing as a verification sample.

f) However, in the event of failure of any sample during factory testing, no sample shall be drawn for independent testing.

g) Deficiencies/discrepancies, if any brought out in the Preliminary Inspection Report shall be intimated in writing to the applicant at the end of the inspection.

h) In case of minor deficiencies or in the event of failure of sample during factory testing, the applicant may be advised to take corrective actions, which is to be verified through special inspection.

i) Also if major discrepancies with respect to lack of infrastructure are observed during the factory visit for preliminary inspection and it is contradictory to the submitted documents establishing misrepresentation of the facts, the application shall be processed for rejection.

j) The licence shall be granted by Head of the Branch Office (BO) on fulfilment of the following conditions:-

- i) the applicant has the necessary infrastructure and competence for manufacturing and testing of refined precious metal as per the relevant Indian Standard;
- ii) the refined precious metal conforms to the relevant Indian standard;
- iii) on payment of marking fee as specified in Schedule-V of BIS (Hallmarking) Regulations, 2018.

k) Process of grant of licence is expected to be completed within 45 days from the date of receipt of the application if factory visit is satisfactory and conformance of sample to the relevant Indian Standard(s) is established at the first instance.

3 REVIEW OF LICENCE ON RECEIPT OF TEST REPORT OF VERIFICATION SAMPLE

3.1 Test Report of the verification sample shall be scrutinised by the BO within 5 working days of its receipt.

3.2 The normal operation of the licence shall be allowed to continue if the verification sample passes.

3.3 In case of failure of verification sample drawn for independent testing during PI, suspension of marking shall be imposed. A special visit shall be made on the request of refinery for verification of corrective actions and drawl of sample for independent testing. Resumption of marking shall be permitted if the sample is found conforming to the requirements in independent testing. If the sample fails again the case shall be processed towards cancellation as per Hallmarking Regulations, 2018.

4 SCOPE OF LICENCE

4.1

A. For Gold as per IS 1417

Licence is granted to use Standard Mark as per IS 1417:2016 with the following scope:

Name of the product	<i>[Gold Bullion and/or coin]</i>
Fineness (in ppt)	<i>[Mention the fineness as per IS 1417]</i>
Design and Weight	<i>[Mention the design and weights of the bullion/coin]</i>

B. For Silver as per IS 2112

Licence is granted to use Standard Mark as per IS 2112:2025 with the following scope:

Name of the product	<i>[Silver Bullion and/or coin]</i>
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Fineness (in ppt)	<i>[Mention the fineness as per IS 2112]</i>
Design and Weight	<i>[Mention the design and weights of the bullion/coin]</i>

4.2 After grant of licence the refinery / mint shall be required to operate the licence as per Scheme of testing and inspection as amended from time to time.

4.3 Refinery / Mint shall maintain records of raw material received in terms of type, quantity and the source of raw material as per BIS (Hallmarking) Regulations, 2018. In addition all records as per Scheme of testing and inspection shall also be maintained to ensure identification and traceability of final product.

4.4 The following types of changes or in combinations thereof may occur during the operation of the licence:

- a) Change in address of the firm or company;
- b) Change in the name of the firm or company;
- c) Change in the Management of the firm or company, with or without change in the name; and
- d) Change in the identification mark of firm or company.

For the above situations, the following type of actions shall be taken:

4.4.1 In the case of (a), the firm shall inform the complete address of the new premises to which they intend to shift their firm and also intimate suspension of Hallmarking at the old premises to the Bureau. Suspension of Hallmarking at the old premises shall be imposed in accordance with Hallmarking Regulations, 2018. Use of Standard Mark shall be stopped till the new premises are inspected and found to be satisfactory by BIS in respect of manufacturing and testing facilities available there and the address of the new premises is endorsed in the licence which shall be done on factory test basis for a duration of two man-days.

4.4.2 In the case of (b) suitable documents as indicated at 2.1 of this guidelines according to the type of change shall be obtained. An endorsement for change shall be issued.

4.4.3 In the case of (c), suitable documents establishing the name/ownership of the firm by the new management are to be obtained and other required documents as indicated at 2.1 of these guidelines according to the type of change shall be submitted by the new management. If there is a change in name of the firm, then an endorsement for the same shall be issued.

4.4.4 In the case of (d), an undertaking signed by the Proprietor/Partner/Director in their letter head shall be obtained and noted in our records.

5 INCLUSION/REDUCTION OF VARIETY

The following types of requests for inclusion of varieties may be considered during the operation of a refinery/mint:-

5.1 Inclusion of additional grades without change in product type i.e bullion/coin

5.1.1 Where inclusion of a higher fineness grade is sought, the request shall be processed after satisfactory verification, through a special visit, of the additional manufacturing and infrastructural facilities required, including factory testing. The special visit shall be chargeable as per the provisions of the BIS (Hallmarking) Regulations, 2018.

5.1.2 In case of gold, if inclusion of a lower fineness grade is sought, the request may be processed on a desktop basis, subject to receipt of the inclusion request along with the in-house test report and applicable inclusion fee, as specified under the BIS (Hallmarking) Regulations, 2018.

5.1.3 In case of silver, if inclusion of a lower fineness grade is sought, the request shall be processed after satisfactory verification, through a special visit, of the additional manufacturing and infrastructural facilities required, including factory testing. The special visit shall be chargeable as per the provisions of the BIS (Hallmarking) Regulations, 2018.

5.2 Inclusion of product type i.e bullion/coin

If the inclusion is being sought for different product type (bullion/coin), then irrespective of the fineness grades applied for, the inclusion request shall be processed after satisfactory verification of the additional manufacturing and infrastructural facilities required including factory testing through special visit which is chargeable as per the BIS (Hallmarking) Regulations, 2018.

5.3 Inclusion of additional size/design/ weight of bullion/coin

Where inclusion of additional size/design/weight of bullion/coin is sought, without any change in the product type or grade, the request may be processed on a desktop basis, subject to receipt of the inclusion request along with the technical drawing of the product, list of additional manufacturing facility and applicable inclusion fee, as specified under the BIS (Hallmarking) Regulations, 2018. The availability of the necessary infrastructure for manufacturing the additional size/design/weight of bullion/coin shall be verified by BO in the subsequent visit to the refinery/mint.

5.4 All inclusions shall be processed within 30 days of receipt of request.

5.5 The factory visit for inclusion shall be of one man-day. In case more days are required, the decision in this regard may be taken by Head (BO).

5.6 The change in scope of licence shall be endorsed as per Form – XII of BIS (Hallmarking) Regulations, 2018.

5.7 Reduction of Scope

- (a) If at any time, there is reason to reduce the scope of licence, a notice of one month shall be issued by the concerned BO to the licensee stating the reasons for the same.
- (b) The change in scope of licence shall be informed and endorsed as per Form – XII of BIS (Hallmarking) Regulations, 2018.
- (c) The Head of BO shall pass speaking orders for decision taken.

6 OPERATION UNDER GOLD MONETIZATION SCHEME

6.1 The refinery wish to list under Gold Monetization Scheme shall be in operation for at least one year as on the date of making application to BIS or one year after grant of Licence.

6.2 In case of the gold received under the Gold Monetization Scheme (GMS), the cast gold bar received from the Collection and Purity Testing Centres (CPTC) shall be kept in safe custody in the refinery for at least 48 hours before taking up refining of the same. BIS shall carry out periodic surveillance inspections of the refineries. The refiner shall declare the stock of gold available with it under the GMS. The BIS Inspecting Officer shall be well within his rights in drawing a sample for assaying in the laboratory of the refinery.

6.3 During inspections, records of receipt and testing will be checked besides carrying out testing of the gold bars received from the CPTCs on random sampling basis. One sample of gold/gold alloy in duplicate shall be assayed in accordance with IS 1418 during the visit for determining the purity. Duplicate determination shall not give results differing by more than 0.5 parts per thousand (ppt) by mass for yellow and red gold alloys and maximum 0.2 ppt by mass for gold alloys containing 990 ppt or more gold.

6.3.1 In case, the purity of the sample assayed in presence of BIS Inspecting Officer in the lab of the refinery is at variance with the purity mentioned in the certificate issued by the CPTC, another sample shall be drawn and sent to BIS referral laboratory. However, the sample shall be drawn and sent to the referral laboratory, only if the variation observed is more than that as mentioned at **6.3**.

6.3.2 The test results of the referral laboratory shall be final. Whenever it is found that test results of CPTC or refinery differ from test results reported by referral lab by more than the variation permitted as at 6.3, action against the erring party shall be taken. In case of CPTC, qualification shall be withdrawn and in case of refinery, license shall be processed towards cancellation.

7 SURVEILLANCE OF REFINERY/MINT

7.1 BIS shall carryout surprise surveillance visits to the refinery/mint to keep a check on the operation, witness of testing and inspection and also draw sample from the refinery/mint for independent testing in BIS referral assay lab or recognised/empanelled lab. Discrepancies observed, if any during the surveillance

shall be brought to the notice of the refinery/mint. Corrective actions on the discrepancies, if any pointed out during the visit, shall be completed by the refinery/mint and intimated to BIS within the agreed time.

7.2 At least one surveillance inspection of each licensee in a year shall be ensured. More frequent inspections if required may also be carried out from time to time.

7.3 Surveillance visit shall be carried out for one-man day.

7.4 If non-conformity of refined precious metal is established after in-house or independent testing, action shall be taken as per BIS (Hallmarking) Regulations, 2018.

8 RENEWAL

8.1 The renewal audit shall be carried out for two man-days. (i.e. one auditor for two days). In case more days are required, the decision in this regard may be taken by Head (BO). The consignment details of hallmarked bullion and coins shall be obtained from the refinery at the time of renewal as per the Annexure to Form-XIII of the BIS (Hallmarking) Regulations, 2018. The renewal shall be undertaken as per the requirements stipulated in Hallmarking regulation, 2018. However, the validity of NABL accreditation shall be ensured by the renewing authority at the time of renewal of BIS licence.

8.2 On the discretion of the Competent Authority, the renewal may be limited to one year for licences whose performance was unsatisfactory during the operative period or where no material was marked for two successive years. Renewal Authority of BO shall record speaking orders.

9 ACTION ON FAILURE OF SAMPLE DRAWN DURING SURVEILLANCE INSPECTION

9.1 Test Report of the sample drawn during surveillance inspection shall be scrutinised by the BO within 5 working days of its receipt.

9.2 In case of failure of sample drawn during surveillance inspection, suspension shall be imposed. A special visit shall be made on the request of refinery for verification of corrective actions and drawl of sample for independent testing. Resumption of marking shall be permitted if the sample is found conforming to the requirements in independent testing. If the sample fails again the case shall be processed towards cancellation as per Hallmarking Regulations, 2018.

9.2 If the refinery/mint does not agree with the results obtained, they may send formal request to BO with proper justification for testing the counter sample at BIS referral lab. BO shall seek DDGR's approval for testing the counter sample for which double the testing charges shall be paid in advance by the refinery/mint. In cases where tests are carried out in outside laboratories, testing charges for testing of counter samples at the request of refinery shall be borne by them irrespective of the results obtained. In case of BIS laboratory, if the results of counter sample are found to be conforming to the requirement of the standard they may not be

charged. This shall be made clear to the party before undertaking the testing of the counter sample. In the event of the failure of the counter sample, the licence shall be processed towards cancellation.

10 CANCELLATION OF LICENCE

10.1 The licence shall be processed towards cancellation for the situations stipulated in Hallmarking regulations 2018.

10.2 The licence shall be processed towards cancellation under the following situations also:-

- i) the licensee had used the Hallmark in respect of a process that was not approved by BIS;
- ii) Application of unauthorized Hallmark;
- iii) Hallmarking done without BIS Standard Mark and/or refinery's name;
- iv) Non-settlement of financial dues, non- redressal of complaints, etc.;
- v) Hallmarking done using name of another refinery; and
- vi) Refinery found indulging in any other unfair practices.

11 PROVISION OF APPEAL

Any person aggrieved by an order made under Regulation 19 of the BIS (Hallmarking) Regulations, 2018 may prefer an appeal as prescribed in BIS Rules 2018.