
Launch of MCX Good Delivery Norms for BIS – Standard Gold/Silver

In terms of the provisions of the Rules, Bye-Laws and Business Rules of the Exchange, the Members of the Exchange are notified as under:

In continuation of Exchange circular Nos. MCX/PMT/411/2020 dated June 12, 2020 and MCX/PMT/687/2020 dated September 21, 2020, MCX hereby issues the “**MCX Good Delivery Norms for BIS – Standard Gold/Silver**” Document detailing the process of empanelment of refiners and the acceptance of delivery towards settlement of MCX bullion contracts.

The Exchange shall notify from time to time the empaneled refiners who have qualified for empanelment as per the aforesaid document and whose products are eligible to be delivered on the Exchange to settle the bullion contracts.

This initiative will go a long way in helping domestic refiners to deliver their products which are in compliance with international quality and process standards. It is also a step in the direction of Atmanirbhar Bharat mission of the Govt. of India.

The detailed MCX Good Delivery Norms for BIS – Standard Gold/Silver is available in Annexure I.

Ms. Pooja Lad
Sr. Manager

Encl.: As above

Kindly contact Mr. Amarpal Singh and Ms. Pooja Lad on 022- 6649 4000 or send an email at customersupport@mcxindia.com for further clarification.

----- Corporate office -----



MCX GOOD DELIVERY NORMS FOR
BIS – STANDARD GOLD / SILVER

MULTI COMMODITY EXCHANGE OF INDIA LTD.

www.mcxindia.com

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MULTI COMMODITY EXCHANGE OF INDIA LTD.

MCX Good Delivery Norms for BIS – Standard Gold/Silver

CHAPTER 1: BACKGROUND AND OBJECTIVE

MCX accepts serially numbered gold and silver bars of the specified quality standard of London Bullion Market Association (LBMA) approved refiners, along with bars of Emirates Gold. The specified purity/fineness for the Gold and Gold Mini contracts is 995 (with provision to deliver higher quality with proportionate premium), while for the Gold Guinea and Gold Petal contracts it is 999; and for the Silver, Silver Mini and Silver Micro contracts, the fineness is 999.

With an objective to enable delivery of gold and silver refined in India and in line with the “Aatmanirbhar” vision of the Govt., MCX has created the path for the acceptance of bullion bars refined by Indian refineries, for delivery via MCX bullion contracts. This is subject to the refiners’ meeting the exchange-set criteria as prescribed by MCX from time to time.

MCX had invited details from Indian refiners vide Circular no. MCX/PMT/411/2020 dated June 12, 2020 about “Proposed Expansion of MCX good delivery list to include Indian refineries that meet Exchange-set criteria” along with a confirmation by way of necessary documents as well as Legal Undertaking, to be part of the screening process including all related audits. MCX had issued circular no. MCX/PMT/687/2020 dated September 21, 2020 about “MCX Bullion Good Delivery List expansion - Basic Eligibility Criteria for applicant refiners to be part of screening process”

It was clarified in the above circulars that audits shall include but not limited to, audits of financial parameters, audits of supply-chain and responsible sourcing as prescribed by OECD guidelines, as well as audits of refining and assaying ability. Moreover, on an ongoing basis, pro-active monitoring including surprise audits shall be undertaken.

External auditors of international repute have been appointed for the aforementioned purpose, by the Exchange.

Once Indian refiners are shortlisted for empanelment to the MCX good delivery list, after due completion of screening process, they will need to execute an agreement and submit necessary collaterals that may be in the form of bank guarantee/ fixed deposit/ personal guarantee etc.. Further, please note that the empanelment of refiners shall be for a specific refinery at a specific location for a limited time-period, which is renewable.

The exchange may also from time to time stipulate additional/stringent conditionality based on the standards which may be prescribed by BIS or other such authorities. This may include but not limited to the process, quality, technical parameters such as the size of the bar, mandatory markings on the bar, product finish, permitted tolerances for weight and purity. The applicant refiners will be expected to meet the above requirements as stipulated. This will be in addition to the exchange-set criteria and not in derogation of it on any account.

Apropos the above-mentioned, MCX hereby issues the “MCX Good Delivery” (MCX GD) Norms for BIS – Standard Gold and Silver for the empanelment of Refiners to the MCX Good Delivery List. With an objective to enable delivery of Gold and Silver refined in India, MCX

has set the protocol for acceptance of bullion bars refined by Indian refineries, for delivery via the MCX bullion contracts.

CHAPTER 2: PRELIMINARY AND DEFINITIONS

2.1 Title and Commencement

- 2.1.1 This standard shall be called the “MCX Good Delivery (MCX GD) Norms for BIS – Standard Gold and Silver”.
- 2.1.2 The MCX GD Norms for BIS – Standard Gold and Silver is a contractual arrangement between MCX and the Approved Refiner.
- 2.1.3 The Refiner Agreement and related Undertakings, shall at all times be read with this MCX GD Norms for BIS – Standard Gold and Silver.

2.2 Definitions

In this MCX GD Norms for BIS – Standard Gold and Silver, unless the context otherwise requires, the terms defined herein shall bear the meanings assigned to them below, and their cognate expressions and variations shall be construed accordingly:

“Accreditation(s)” means certificate of accreditation obtained by the Approved Refiner for the Refinery and laboratory of refiner as prescribed by MCX from time to time.

“Anti-Corruption Laws” shall mean Applicable Law pertaining to anti-bribery and anti-corruption as applicable to the Approved Refiner and its operations, including without limitation (i) legislation adopted in furtherance of the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions; and (ii) the Indian Prevention of Corruption Act, 1988 any rules and regulations framed thereunder (and any amendments or modifications thereto).

“Anti-Money Laundering Laws” shall mean anti-money laundering-related laws, regulations, and codes of practice applicable to the Approved Refiner and its operations from time to time, including without limitation the Indian Prevention of Money Laundering Act, 2002, any rules and regulations framed thereunder (and any amendments or modifications thereto).

“Applicable Law” shall mean all applicable provisions of all (a) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, circulars, ordinances or orders of any Governmental Authority, (b) Governmental Approvals, (c) orders, decisions, directions, injunctions, judgements, awards and decrees of or agreements with any Governmental Authority or statutory regulatory authorities or courts of India, (d) rules of any stock exchange, (e) International treaties, conventions and protocols.

“Approved Referee Lab” shall mean a Referee Lab who is in compliance with applicable provisions of this MCX GD Norms for BIS – Standard Gold and Silver and has been empaneled by MCX.

“Approved Refiner” shall mean an Incorporated Person engaged in the activity of refining Gold and Silver bars who is in compliance with applicable provisions of this MCX GD Norms for BIS – Standard Gold and Silver and has been empaneled by MCX for a specific Refinery.

“Approved Refinery” shall mean a Refinery of an Approved Refiner.

“Approved Logistic Service Provider” shall mean an Incorporated Person engaged in the activity of rendering metal movement services to the Approved Refiners and who is approved by MCX.

“Assaying” shall mean the process followed by the Approved Refiner / Approved Referee Lab to measure the Gold and Silver content along with other alloys etc. in a sample of Gold and Silver.

“Assaying Reports” shall mean the Assaying report prepared by an Approved Refiner and/or Approved Referee Lab and submitted to MCX.

“As Converted Basis” means in relation to any Securities of the Approved Refiner that are convertible or exchangeable into Equity Shares, the total number of equity shares proposed to be issued upon conversion or exercise of such securities (assuming, where the number of equity shares to be issued upon conversion or exercise is indeterminate, the maximum number of equity shares that may be issued).

“Audit” shall mean audit of the Approved Refiner and/or Approved Refinery conducted by the MCX appointed Auditor for reviewing and confirming the compliance by the Approved Refiner and/or Approved Refinery with the MCX GD Norms for BIS – Standard Gold and Silver or with any other exchange set criteria.

“BIS” shall mean the Bureau of Indian Standards.

“Business Day” shall mean a day (other than Sunday or a public holiday).

“Commodity Derivatives” shall have the meaning ascribed to it in the Securities Contract Regulation Act, 1956.

“Companies Act” shall mean the Companies Act 2013 (and includes rules, regulations, circulars, clarifications issued pursuant thereto).

“Conflict Affected and High-Risk Areas” shall mean such areas that areas are identified by the presence of armed conflict, widespread violence or other risks of harm to people, such as a conflict of international or non-international character, which may involve two or more states, or may consist of wars of liberation, or insurgencies, civil wars, etc. High-risk areas may include areas of political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure and widespread violence characterised by widespread human rights abuses and violations of national or international law.

“Consent” shall mean any approval, consent, license, no-objection, registration, ratification, permission, waiver, authorization, certificate, order, and qualification whether under Applicable Law or contract.

“Control” (together with its correlative meanings, “Controlled by” and “under common Control with”) includes

- a. with respect to any Person who is incorporated under the Act (the **“Subject Person-1”**), (i) the direct or indirect legal or beneficial ownership of securities of more than 50% on a Fully Diluted Basis, and/or (ii) the possession, directly or indirectly, of (A) the power to direct or cause the direction of management or policies of the Subject Person-1 and/or (B) power to appoint the majority directors on the board of the Subject

Person-1), (whether through ownership of voting securities or partnership or other ownership interests, by contract or in any other manner); and

- b. with respect to any Person other than in sub-clause (a) above (the “**Subject Person-2**”), (i) the direct or indirect legal or beneficial ownership interest of more than 50% in the profits of the Subject Person-2, and/or (ii) the possession, directly or indirectly, of (A) the power to direct or cause the direction of management or policies of the Subject Person-2 and/or (B) power to appoint the majority partners or management of Subject Person-2), (whether through partnership or other ownership or economic interests, by contract or in any other manner).

“**Financial Year**” shall mean the period commencing on 01 April of the calendar year and ending on 31 March of the subsequent calendar year.

“**Fully Diluted Basis**” means the total of all classes and series of securities of the Approved Refiner (including existing, issued and subscribed) outstanding combined with all options (including both issued, un-issued and employee stock option shares, if any), warrants (including both issued and un-issued) and convertible securities of all kinds and the effect of any anti-dilution protection regarding previous financings, all on an As Converted Basis.

“**Gold and Silver Derivative Contract**” shall mean a Commodity Derivatives contract having Gold and Silver as the underlying commodity and such contract is approved by MCX.

“**Silver Derivative Contract**” shall mean a Commodity Derivatives contract having silver as the underlying commodity and such contract is approved by MCX.

“**Governmental Approval**” shall mean any consent, approval, authorization, waiver, no-objection certificate, permit, grant, franchise, concession, license, certificate, exemption, order, registration, declaration, filing, report or notice, of, with or to, as the case may be, any Governmental Authority.

“**Governmental Authority**” shall mean any nation or government or any province, state or any other political subdivision thereof; any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any agency, department, board, commission or instrumentality of India or any political subdivision thereof or any other jurisdiction, any court, tribunal or arbitrator and any securities exchange or body or authority regulating such securities exchange.

“**Illegal Activity**” shall mean activities which are identified as illegal under Applicable Law, including but not limited to serious abuses of human rights, violation of international humanitarian law, conflict finance, money launder, tax evasion, bribery etc.

“**Incorporated Person**” shall mean a company incorporated under the Companies Act or a limited liability partnership incorporated under the LLP Act.

“**Inspection**” shall include a technical evaluation of the Approved Refiner and/or Approved Refinery conducted by a Technical Expert.

“**Inspection Report**” shall mean the report prepared by the Technical Expert from time to time in relation to the Inspection conducted by the Technical Expert.

“**Key Management Personnel**” shall have the meaning ascribed to it under the Companies Act.

“**KYC**” shall mean the ‘Know Your Customer’ requirements prescribed by the SEBI or under Applicable Laws as the case may be.

“**Litigation**” shall include show cause notices, arbitration or conciliation proceedings, disputes before any court, regulatory authority as well as disputes arising out of any contract.

“**LLP Act**” shall mean the Limited Liability Partnership Act, 2008 (and includes rules, regulations, circulars, clarifications issued pursuant thereto).

“**Losses**” shall mean any and all losses liabilities, damages, fines, interest, penalties, deficiencies, direct losses and expenses including without limitation interest, court costs, amounts paid in settlement, reasonable expenses of investigation, reasonable fees and expenses of attorneys, accountants and other experts and expenses of Litigation, of any claim, default, assessment involving a third party claim or a claim.

“**NABL**” shall mean the National Accreditation Board for Testing and Calibration Laboratories.

“**Net Worth**” shall mean the net worth as per a formula or method or criteria prescribed by MCX from time to time.

“**MCX**” shall mean the Multi Commodity Exchange of India Limited.

“**MCX Auditor**” shall mean a Person appointed by MCX who shall be required to carry out an audit of the Approved Refiners and/or the Approved Refinery as per the terms of reference specified by MCX from time to time.

“**OECD**” shall mean Organisation for Economic Cooperation and Development.

“**Person**” means any individual, Hindu undivided family, sole proprietor, corporation, limited or unlimited liability company, body corporate, partnership (whether limited or unlimited), , trust, firm, Governmental Authority or other enterprise, association, organization or entity whether or not required to be incorporated or registered under Applicable Law.

“**Politically Exposed Person**” shall mean individuals who are or have been entrusted domestically with prominent public functions, for example heads of state or of government, senior politicians, senior government, judicial or military officials, senior executives of state-owned corporations, important political party officials.

“**Promoters**” shall have the meaning ascribed to it under the Companies Act.

“**Proper Legal Channels**” shall mean Gold and Silver that has been brought into the country through customs and after payment of Taxes under Applicable Laws to the relevant Governmental Authorities and which has been brought into the country in compliance with Applicable Laws.

“**Referee Lab**” means an Incorporated Person engaged in the activity of testing and Assaying of Gold and Silver bars.

“**Referee Lab Agreement**” shall mean a duly stamped and executed agreement entered into between MCX and the Referee Lab, including via MCX Auditor in a form and manner prescribed by MCX.

“**Reference Samples**” shall mean the sample of Gold and Silver provided to / by a Referee Lab.

“**Refinery**” shall mean a refinery engaged in the Refining Business.

“**Refiner Agreement**” shall mean a duly stamped and executed agreement entered into between MCX and the Approved Refiner in a form and manner prescribed by MCX.

“**Refining Business**” shall mean and include all activities expected to be undertaken by the Approved Refiner, including and not limited to operating an in-house NABL accredited laboratory.

“**Restructuring Event**” means any of the following events (whether pursuant to a single transaction or a series of transactions) in relation to the Approved Refiner:

- a. any direct or indirect change in shareholding or partnership or economic interest exceeding 26% of the Approved Refiner;
- b. any direct or indirect change in the Control of the Approved Refiner;
- c. any direct or indirect Transfer of shareholding of the Approved Refiner or economic interest in the Approved Refiner by the Promoter or any shareholder or partner Controlling the Approved Refiner;
- d. any direct or indirect merger, consolidation, amalgamation, demerger, or similar schemes of arrangement between the shareholders or creditors of the Approved Refiner and any third Person;
- e. direct or indirect Transfer of the Approved Refinery or the undertaking (as defined in the Act) or the substantially the whole of the undertaking (as defined in the Act) of the Approved Refiner; or
- f. any combination of the above.

“**Sanctions**” shall mean the economic sanctions laws, regulations, embargoes or restrictive measures or prohibition on imports administered, enacted or enforced by: (i) the United Nations (ii) the United States government; (iii) the European Union; (iv) the United Kingdom; (v) Republic of India; (vi) Financial Action Task Force sanctioned countries; (vii) the respective governmental institutions and agencies of any of the foregoing, including, without limitation, the Office of Foreign Assets Control of the US Department of Treasury (“**OFAC**”), the United States Department of State, and Her Majesty’s Treasury (“**HMT**”); or (vi) other similar governmental bodies with regulatory authority over any Person including the Approved Refiner issuing, administering, enacting or enforcing economic sanctions laws, regulations, embargoes or restrictive measures of the nature set out above, from time to time (together “**the Sanctions Authorities**”).

“**Sanctions List**” shall mean the list maintained by, or public announcement of Sanctions designation made by, any of the Sanctions Authorities.

“**Scrap Gold and Silver**” shall mean Gold and Silver that has been previously refined, such as end-user, post- consumer and investment Gold and Silver and Gold and Silver-bearing products, and scrap and waste metals and materials arising during refining and product

manufacturing, which is returned to a refiner or other downstream intermediate processor to begin a new life cycle as 'recycled Gold and Silver'.

“Security Deposit” shall have the meaning ascribed to it in Clause of this MCX GD Norms for BIS – Standard Gold and Silver.

“Tax” means all forms of taxation, duties (including stamp duties), levies, imposts an, whether direct or indirect including corporate income tax, wage withholding tax, value added tax, service tax, goods and service tax, customs and excise duties, capital tax, dividend withholding tax, taxes on immovable property, environmental taxes and duties and any other type of taxes or duties payable under Applicable Law; together with any interest, penalties, surcharges or fines relating to them, due, payable, levied, imposed upon or claimed to be owed in any relevant jurisdiction or political sub-division, and “Tax” shall be construed.

“Technical Expert” shall mean expert appointed by MCX for the purpose of carrying out technical evaluation of the Approved Refiner’s refining standards, assaying capabilities, etc.

“Transfer” includes

- a. any transfer or other disposition of the Securities or ownership or economic interest (including the legal and/or beneficial ownership) or voting interests (of such Securities) or any interest therein, including, without limitation, by operation of Applicable Law by court order, by judicial process, or by foreclosure, levy or attachment;
- b. any sale, assignment gift, donation, redemption, conversion or other disposition of such securities or ownership or economic interest (including the legal and/or beneficial ownership) or any interest therein, pursuant to an agreement, arrangement, instrument or understanding by which legal title to or beneficial ownership of such Securities or any interest therein passes from one Person to another Person or to the same Person in a different legal capacity, whether or not for value;
- c. the granting of any encumbrance in, or extending or attaching to securities or ownership or economic interest or any interest therein.

2.3 Interpretation

In this MCX GD Norms for BIS – Standard Gold and Silver, unless the context otherwise requires, the following rules of interpretation apply:

2.3.1 The terms referred to in this MCX GD Norms for BIS – Standard Gold and Silver, unless defined otherwise or unless inconsistent with the context or meaning thereof, shall bear the same meaning as defined under the relevant statute/ legislation under Applicable Law and/or as per customary trade usage.

2.3.2 All references in this MCX GD Norms for BIS – Standard Gold and Silver to statutory provisions shall be construed as meaning and including references to:

2.3.2.1 any statutory modification, consolidation or re-enactment (whether before or after the date of commencement of this MCX GD Norms for BIS – Standard Gold and Silver) for the time being in force;

2.3.2.2 all statutory instruments or orders made pursuant to a statutory provision; and

- 2.3.2.3 any statutory provisions of which these statutory provisions are a consolidation, re-enactment or modification.
- 2.3.3 Words denoting the singular shall include the plural and words denoting any gender shall include all genders.
- 2.3.4 References to Clauses or Schedules are references to, unless the context otherwise requires, recitals to, clauses of, or schedules to, this MCX GD Norms for BIS – Standard Gold and Silver.
- 2.3.5 Any reference to “*writing*” includes printing, typing, lithography and other means of reproducing words in visible form. All approvals and/ or consents to be granted under this MCX GD Norms for BIS – Standard Gold and Silver shall be deemed to mean approvals and/ or consents in writing.
- 2.3.6 The terms “*include*” and “*including*” shall mean “include/including without limitation”.
- 2.3.7 The chapters and titles of the clauses and sub-clauses of this MCX GD Norms for BIS – Standard Gold and Silver are for convenience of reference only and are not to be considered in construing this MCX GD Norms for BIS – Standard Gold and Silver.

CHAPTER 3: APPLICATION TO BE PART OF SCREENING AUDITS FOR EMPANELMENT TO MCX GOOD DELIVERY LIST

3.1 As per MCX circular no. MCX/PMT/411/2020 dated June 12, 2020 about “Proposed Expansion of MCX good delivery list to include Indian refineries that meet Exchange-set criteria”, following list of documents is to be submitted with application:

Norm/Criteria	Information
Net Worth # (Tangible)	1. Current Networkth (as per the latest balance sheet and in the prescribed format, certified by Statutory Auditor)
Track Record #	<ol style="list-style-type: none"> 2. Installed Capacity 3. Gold and Silver refined in the last 3 years: FY 16-17, FY 17-18, FY 18-19, FY 19-Year to date 4. (Name change and change in management control will also be taken into consideration subject to all documents being in place). (Auditor’s certificate should confirm the existence for number of years and production details). 5. Sales turnover from bullion (gold and silver) 6. Environmental clearance from Pollution Control Board 7. NABL and BIS certificate no. and validity 8. Audit reports of NABL and BIS (last two audits) 9. Annual Report (past 3 years) 10. Whether refiner has gone through any existing OECD guidance based gold refiner audit programme (such as the Responsible Minerals Initiative-RMI) or LBMA responsible sourcing audit. If yes, then the Audit certificates were sought. 11. Number of employees on rolls alongwith their qualifications, their total years of experience and number of years with your organisation. 12. Any Regulatory action taken by BIS/NABL/Customs/Law Enforcement/Taxation Authorities against the company-If yes, then submission of the documents was sought 13. List of Directors and DIN numbers 14. Shareholding pattern of the company 15. Whether registered for the Gold Monetisation Scheme (GMS)-If yes, details of work done for the Govt. under GMS for the last 3 years was sought. 16. Whether the refining process followed is aqua regia / electrolytic refining <ol style="list-style-type: none"> a. Brief note on the type of machinery (including make) installed in the premises for which empanelment is sought, as under: Refining, b. Assaying, c. Bar making, d. Coin minting 17. Confirmation that for delivery of bullion bars on the exchange platform, refiner will be fully compliant with the Indian Good Delivery Standard (IGD) published by the BIS and gazetted on January 15, 2020. This compliance may include but not be limited to process, quality, technical parameters such as the size of the bar, mandatory markings on the bar, product finish, permitted tolerances for weight and purity as stipulated by the IGD.

#The Exchange reserves the right to get these verified via independent audit agencies. The Exchange shall not be under any liability whatsoever either in contract or in tort to any member or other person in respect of any act or omission in relation to the listing of any refiner or the maintenance, suspension or termination of any such listing.

3.2 NETWORTH COMPUTATION- EXCHANGE APPROVED METHODS

(To be provided on the Letterhead of the certifying Chartered Accountant)

Networth Certificate Format

Certificate dated _____ Submitted by to MCX

CERTIFICATE

This is to certify that the Networth of M/s. _____ (Name of the Refinery) as on 31.03.20__ is Rs. _____/- (Rupees _____ only) and the same is as per the statement of computation of even date annexed to this report.

We certify that the computation of Networth is strictly as per the Method as prescribed by the Exchange. Also, we hereby confirm that we are not the related party to the aforesaid entity.

It is further certified that the computation of Networth, based on my / our scrutiny of the books of accounts, records and documents, is true and correct to the best of my / our knowledge and as per information provided to my / our satisfaction.

Date:

For (Name of Certifying Firm)

Place:

Name of Partner / Proprietor

Chartered Accountant Membership No.

(Rubber stamp of CA Firm)

UDIN:

(To be provided on the Letterhead of the certifying Chartered Accountant)

Composition of Net worth of the Refinery

The Refinery will have the option of computing their net worth as per any of the two methods given below. However, once a Refinery chooses one of the two given methods, he will have to continue to compute his net worth using the same method unless a change of method is specifically approved by the Exchange.

Refinery Name: _____

Method 1:

The Networth should be computed either as per the formats given below:

Paid up Capital *	
Net worth calculated as follows:	
Paid up Capital	
Add: Reserve & Surplus (excluding revaluation reserves)	
Less: Accumulated losses if any	
Less: Miscellaneous Expenditure	
Total Net worth	

* Give details of capital issued after the date specified above.

Date: _____ For (Name of Certifying Firm)
 Place: _____ Name of Partner / Proprietor
 Chartered Accountant Membership No.
 (Rubber stamp of CA Firm)
UDIN: _____

OR

(To be provided on the Letterhead of the certifying Chartered Accountant)

Refinery Name: _____

Method 2:

By valuation of assets on the following basis:

A.	Listed (Quoted) investments in the name of the applicant (at market value) (Detailed list to be enclosed)	
B	Margin of 30% on market value of listed (quoted) Investments	
C	Net value of listed Investments (A) – (B)	
D	Investments in unlisted (unquoted) companies (as per note no. 2)	
E	Margin of 50% on (D)	
F	Net value of unlisted Investments (D) – (E)	

G	Other Investments (at cost) with PPF and NSC at current value, Statutory deposits with MCX, Deposits with registered NBFCs, Bank FDs	
H	Total Net Investments (C) + (F) + (G)	
I	Market Value of Land & Building component of the Fixed Assets (Full details of such assets like survey number, location, address, extent of land & building to be furnished)	
J	Margin on (I) at 50%	
K	Net value of such fixed assets (I – J) .	
L	Debtors not exceeding 3 months + Cash & Bank balance	
M	Current Liabilities	
N	Long term liabilities	
O	Net worth (H + K + L) – (M + N)	

Date:

For (Name of Certifying Firm)

Place:

Name of Partner / Proprietor

Chartered Accountant Membership No.

(Rubber stamp of CA Firm)

UDIN:

Notes:-

1. Valuation of fixed assets for the consideration of net worth would have to be certified by government approved valuers which should not be more than 2 years old. Only those Items of land & building that are in the name of the Refinery as well as in the possession of the Refinery shall be included under the head (I) - Land & Building component of the Fixed Assets. Those properties that are leased out by the Refinery or taken on lease shall not be included for computation of net worth. Fixed Assets other than Land & Building shall not be included for the purpose of computation of net worth.
2. Valuation of unlisted investments would be at “fair value” of the said investment, i.e. the average of the “break-up value” and the “earning value”. For this purpose: -
 - a) The “break-up value” means the equity capital and reserves as reduced by intangible assets and revaluation reserves, divided by the number of equity shares of the investee company.
 - b) The “earning value” means the value of an equity share computed by taking the average of profits after tax as reduced by the preference dividend and adjusted for extra-ordinary and nonrecurring items, for the immediately preceding three years and further divided by the number of equity shares of the investee company and capitalised at the following rate: -
 - In case of predominantly manufacturing company, eight percent;
 - In case of predominantly trading company, ten percent; and
 - If, an investee company is a loss making company; the earning value will be taken at zero.
3. Details of items comprising investments, current assets, current liabilities and long term liabilities should be given separately.
4. Current assets should exclude loans to related entities, bad and doubtful debts and debts outstanding for more than 3 months, advance against capital assets, pledged securities / assets, prepaid expenses and also intangible assets.
5. Debtors should be distinguished as debtors arising from commodity operations and others.
6. Advance / Investment with or debts due from persons / entities notified under Special Court (Trial of Offences Relating to Transactions in Securities) Act, 1992 are to be excluded for the purpose of computation of net worth.

3.3 LEGAL UNDERTAKING:

ON RS100 STAMP PAPER OR FRANKING OF EQUIVALENT AMOUNT UNDERTAKING

I/We _____ (full name of refiner), is a sole proprietor/ partnership firm/company/ LLP actively involved in the Business of refining of _____ and _____ (hereinafter referred to as “refiner”). My/our registered office/office is at _____ and production facilities of _____ and _____ are at _____, _____ and _____. My/Our Permanent Account Number/ Partnership Registration Number/ Company Identification Number for the purpose of identification is _____. I/We, in response to letter from Multi Commodity Exchange of India Limited (hereinafter referred to as “MCX”) am/are pleased to apply for screening process, for empanelment to the prestigious “**MCX GOOD DELIVERY LIST**”; for our _____ and _____ products refined at _____ and _____ facilities.

In connection, with the documents sought by MCX, and submitted by me/us through our covering letter dated _____, I/we are providing this undertaking to MCX, a company incorporated under the Companies Act, 1956 with its registered office at Exchange Square, Suren Road, Chakala, Andheri (East), Mumbai 400093, Maharashtra, and shall agree to unconditionally abide by the following terms and conditions:

1. I/We, the refiner undertake that I/we have willingly given my/our documents as a confirmation to participate in the Screening process conducted by MCX for empanelment of potential refiners on MCX for “**MCX GOOD DELIVERY LIST**” and further undertake to execute all necessary agreements, subject to mutual agreement, and provide necessary collaterals once informed to be shortlisted by MCX.
2. I/We the refiner state and affirm that all the information provided by me/us, in accordance with the said letter of MCX for the screening process, is accurate, complete and error-free, based on my/our belief and knowledge of the records. I/We also affirm that all the documents provided are authentic and genuine. I/We also understand that the existing set of documents and/or information furnished by me/us is not exhaustive and MCX may ask for any additional information and/or documents before shortlisting.
3. I/We the refiner undertake that provision of any information and/or documents by me/us, will suo-moto, not create any rights and privilege in my/our favour with respect to listing by MCX and MCX will have the final and conclusive say whether to include any refiner in the “**MCX GOOD DELIVERY LIST**”.
4. I/We the refiner will allow and co-operate with MCX or external auditors appointed by MCX to conduct audit and/or Surprise audit of my/our entities/firm/ Company’s financial parameters, supply chain, responsible sourcing, audit of my/our refining and assaying ability, investigate and inspect my/our location(s), as required without any restriction. Further, I/We shall have the privilege to provide my/our clarification and/or response on the observations, if any, communicated to me/us by MCX within the stipulated timeframe.
5. I/We further undertake, to immediately inform MCX, if there is any change in the status of BIS or NABL License accreditation held by the refinery, or details, criteria, information and/or documents provided to MCX for screening subsequent to sending such details,

criteria, information and/or documents and before communication of shortlisting by MCX.

6. The executor of this undertaking represents and warrants that it has all necessary powers, authority and approvals to execute and deliver this undertaking and to perform all of its obligations arising or created hereunder. The undertaking shall be read in conjunction with the documents submitted for empanelment of potential refiners on MCX for “**MCX GOOD DELIVERY LIST**”.
7. I/We the refiner also undertake to comply with all other requirements or procedures as may prescribed by MCX, any regulatory body, or any statutory authority from time to time.
8. I/We the refiner undertake that if any of the above mentioned terms for which this Undertaking is given is violated then MCX may reject my/our application.
9. I/We the refiner understand, that all disputes with respect to my/our application and the Undertaking will be subject to the laws of India and the Courts at Mumbai will have exclusive jurisdiction.

Signed & Sealed on behalf of Sole Proprietary/ Partnership Firm/ Company/LLP

Date:

Place:

In presence of witnesses hereof:

Name of witness 1

Name of witness 2

Designation

Designation

Signature

Signature

3.4 Eligibility Condition for Empanelment

Please refer to MCX circular no. MCX/PMT/687/2020 dated September 21, 2020 regarding “Basic Eligibility Criteria for applicant refiners to be part of screening process”.

S. No.	Criteria	Requirement
1	Net Worth (as per the computation methodology prescribed in MCX Circular MCX/PMT/411/2020, dated June 12, 2020)	Minimum Rs. 10 Crore
2	Bureau of Indian Standards (BIS)	Valid BIS License
3	BIS- Standard for refined Gold & Silver bars for Good Delivery	Compliance with IS 17278: 2019

4	BIS-Standard for determination of Gold in Gold Bullion, Gold Alloys and Gold Jewellery/artefacts by Cupellation (Fire Assay) method	Compliance with IS 1418: 2009
5	National Accreditation Board for Testing and Calibration Laboratories (NABL)	Valid NABL accreditation, ISO 17025-2017
6	Track Record	The applicant refinery should have been involved in the refining business for a minimum of three years.
7	Minimum Refined Production	Minimum average yearly refined production of not less than 3 tonnes. For points 6 and 7, Auditor's certificate should confirm the existence for number of years and production details.
8	Responsible Sourcing Certification	The refiners must be Responsible Sourcing compliant in terms of OECD guidelines. If they are not currently certified by OECD approved auditors for responsible sourcing, they may comply with the same within 12 months from the date of letter of empanelment.
9	Approved Security, Logistics and Vaulting agency	As per current practice; only Refiner-to-Vault and Vault-to-Vault transfer permitted for delivery.
10	Deposit Requirement	At the time of empanelment, the refiners selected to be part of the MCX Good Delivery List, need to provide an Interest-free deposit of not less than Rs. 4 Crore. The interest-free deposit may be provided by the refiner in the form of Bank Guarantee/Fixed Deposit.

CHAPTER 4: SCREENING AUDITS

4.1 TECHNICAL QUALIFICATION AUDITS

The Technical Qualification audits will include but not be limited to the following aspects:

- 4.1.1 Process-Melting, Homogenization
- 4.1.2 Process-Casting, Weighment
- 4.1.3 Assaying Ability
- 4.1.4 Compliance with BIS – India Good delivery Standard

4.2 FINANCIAL AUDIT

The Financial Audits will include but not be limited to the following aspects:

- 4.2.1 Verification of Balance Sheet
- 4.2.2 Networth, Inventory and Working Capital
- 4.2.3 Financial Ratios: Balance Sheet Ratios, Profitability Ratios, Working Capital Ratios
- 4.2.4 Bankers Certificate
- 4.2.5 Feedback from clients
- 4.2.6 Regulatory action if any and compliance thereof

CHAPTER 5: CLEARANCE BY MCX BULLION REFINER'S EMPANELMENT COMMITTEE (MCX-BREC)

In order to consider for approval the applications along with audit results of applicant Indian refiners, MCX Bullion Refiners Empanelment Committee (MCX-BREC) is constituted and appointed. Out of the applications received, the ones that meet exchange set basic eligibility norms, are eligible to undergo technical qualification audits and financial audits. Based on the above audit reports and subject to all conditions being met, MCX-BREC will consider for approval, the applications for empanelment as an approved refiner.

5.1 Grant of Letter of Empanelment

For the purposes of granting a letter for empanelment, apart from the eligibility conditions mentioned in chapter 3, MCX shall consider the following conditions:

- 5.1.1 The Approved Refiner shall be an Incorporated Person permitted to carry on the activities as a refiner.
- 5.1.2 The Approved Refiner shall conduct its Refining Business within its Approved Refinery and shall not outsource and/or sub-contract any of its refining activities.
- 5.1.3 The Approved Refiner shall have in place its own safe deposit vaults and surveillance and security mechanism as per industry standards.
- 5.1.4 The Approved Refiner confirms that there is no Litigation against the Approved Refiner or any of its Promoters, directors, Key Management Personnel which will adversely affect their compliance of their respective obligations under this MCX GD Norms for BIS – Standard Gold and Silver. The Approved Refiner shall have no pending Litigation which prohibits the Approved Refiner from conducting the Refining Business.
- 5.1.5 The Approved Refiner having complied with the requirements and provisions of this MCX GD Norms for BIS – Standard Gold and Silver.
- 5.1.6 The Approved Refiner having procured all requisite insurance (for example including in relation to natural disasters and calamities as well as in relation to theft, burglary and terrorist activities) as per industry practice in relation to the Refining Business.
- 5.1.7 The Approved Refiner having procured all Consents, and having complied with the terms of all such Consents, in relation to the Refining Business.
- 5.1.8 MCX may require the Approved Refiner to furnish any further information or clarification regarding the Approved Refiner, the Approved Refinery, or any such matter connected thereto to consider the application for the grant of a letter of empanelment.
- 5.1.9 The Approved Refiner shall promptly inform MCX of any change in the information submitted to MCX at the time of application for letter of empanelment.
- 5.1.10 The letter of empanelment shall be granted for one Refinery of the Approved

Refiner at one concrete location. The Approved Refiner shall submit an individual application for each Refinery to be empaneled with MCX.

- 5.1.11 MCX shall take into account the requisites as designated in this MCX GD Norms for BIS – Standard Gold and Silver (as amended from time to time) for the purpose of considering the grant of letter of empanelment to the Approved Refiner for a categorical Refinery.
- 5.1.12 The Approved Refiner shall ascertain that its Net Worth does not fall below the amounts prescribed by MCX and shall submit a Net Worth certificate by an eligible chartered accountant at the cessation of every Financial Year.
- 5.1.13 MCX may publish a list of all Approved Refiners along with the name and/or location of the Approved Refinery on its website.
- 5.1.14 In the event of any amendment in the Key Managerial Personnel or amendment in promoters, the Approved Refiner and/or the new Promoter and/or the new Key Managerial Personnel shall continue to comply with this MCX GD Norms for BIS – Standard Gold and Silver
- 5.1.15 MCX might refuse to grant letter of empanelment to an Approved Refiner for such reasons as it may deem fit and MCX's call shall be final and binding on the Approved Refiner.
- 5.1.16 MCX could at its discretion, from time to time, impose position limits for the Gold and Silver bars on the Approved Refiners.
- 5.1.17 The Approved Refiner shall intimate MCX concerning the modification in location of the Approved Refinery and submit an application for empanelment of the Refinery as per the provisions of this document. An on-site review/inspection of the new refinery location could also be conducted by the Technical Expert and based on the report submitted by the Technical Expert, MCX may grant the letter of empanelment to the Approved Refiner for the new Refinery location, subject to the Approved Refiner and therefore the new Refinery meeting all conditions as required under the MCX GD Norms for BIS – Standard Gold and Silver.
- 5.1.18 MCX may grant letter of empanelment to an Approved Refiner, if it is satisfied that such Approved Refiner fulfils the requirements as specified in this MCX GD Norms for BIS – Standard Gold and Silver and based on the findings of the Inspection Report and for such reasons as it may deem fit.
- 5.1.19 The letter of empanelment could also be granted with such conditions as could also be deemed appropriate by MCX.
- 5.1.20 Simultaneously with the grant of the letter of empanelment, the Approved Refiner shall execute Refiner Agreement which is duly stamped as per Applicable Laws in a form and manner prescribed by MCX.
- 5.1.21 The Approved Refiner shall at all times be liable for any breach of this MCX GD Norms for BIS – Standard Gold and Silver.

5.2 Empanelment Validity

- 5.2.1 In case of any changes within the Key Managerial Personnel and/or any direct or indirect Restructuring Event, MCX shall have the right to forthwith terminate the Refiner Agreement in the manner contemplated therein.
- 5.2.2 The letter of empanelment granted to the Approved Refiner shall be valid for a period of 3 years from the date of the letter of empanelment and shall be auto renewed for further periods of 3 years each, subject to the Approved Refiner complying with all the requisites under the MCX GD Norms for BIS – Standard Gold and Silver and the Refiner Agreement without any earnest breaches/serious violations / visual examinations in the audits carried out.
- 5.2.3 In the event of rejection or revocation of an application for letter of empanelment by MCX, such refiner may submit a fresh application after a period of not less than 1 year or such other period as may be specified by MCX from the date of such rejection or revocation of application.

5.3 Compliance with Anti-Money Laundering Laws and Anti-Corruption Laws

- 5.3.1 An Approved Refiner seeking registration of empanelment as per this MCX GD Norms for BIS – Standard Gold and Silver shall submit to MCX the Anti-Money Laundering and Anti-Corruption Law compliance undertaking in the format specified in this MCX GD Norms for BIS – Standard Gold and Silver along with the application.
- 5.3.2 An Approved Refiner, its Promoters, officers, directors and employees, acting in an official capacity for and on behalf of the Approved Refiner shall at all-times comply with the Anti- Money Laundering Laws and Anti-Corruption Laws.
- 5.3.3 Each Approved Refiner and/or Approved Refinery (as the case may be) shall comply with all Applicable Laws and the terms of the Refiner Agreement.

CHAPTER 6: SPECIFICATIONS

6.1 Specifications: Gold and Silver Bar

- 6.1.1 Refined Gold Bar — Refined gold casted in the form of a rectangular parallelepiped and manufactured in an Exchange approved refinery for good delivery.
- 6.1.2 Refined Silver Bar — Refined silver casted in the shape of an ingot having trapezoidal cross section, both along the length and across the width of the bar and manufactured in an Exchange approved refinery for good delivery.
- 6.1.3 Further, the Approved Refiner shall be required to adhere to the Gold & Silver bar specifications as prescribed by BIS in the Refined Gold and Silver Bars for Good Delivery – Specification, reference no IS 17278:2019 issued in December 2019. The bar appearance, dimensions and marking shall be strictly in adherence to the said BIS specifications. Moreover, any changes in the said specifications as informed by BIS from time to time shall be incorporated by the refiners.
- 6.1.4 Refined silver bars for good delivery shall be of fineness of 999.0 ppt or above strictly as per the respective MCX product contract specifications. Irrespective of any other Standards, no negative tolerance shall be allowed on the declared silver content. Weight tolerance as per product specific MCX contract specifications only.
- 6.1.5 Refined gold bars for good delivery shall be of fineness of 995.0/ 999.0 ppt or above, strictly as per the respective MCX product contract specifications. Irrespective of any other Standards, no negative tolerance shall be allowed on the declared gold content. Weight tolerance as per product specific MCX contract specifications only.
- 6.1.6 The bars shall carry at least following distinct marks and should be distinctly legible with naked eyes.
- (i) Refinery's logo
 - (ii) Fineness mark in PPT
 - (iii) Weight in Kilogram/Gram system up to four decimals.
 - (iv) BIS Hallmark as per standard mark size and shape prescribed by BIS
 - (v) Serial Number traceable to production batch and market delivery records.

CHAPTER 7: PROFICIENCY TESTING, PERIODIC AUDITS OF ASSAYING CAPABILITY

- 7.1 Only those refiners that are NABL and BIS approved maybe considered.
- 7.2 Compliance to the BIS's India Good Delivery Standard maybe made mandatory by the exchange. Exchange may ask all Indian (non-LBMA) refiners to follow that for quality in terms of the technical parameters such as the size of the bar, mandatory markings on the bar, product finish.
- 7.3 The first audit for initial eligibility will be conducted.
- 7.4 Post that, refiners will be audited pro-actively by LBMA approved good delivery supervisors/any other Exchange approved auditor upto twice a year including right to conduct a spot/surprise audit.
- 7.5 For assessing the assaying ability, proficiency testing audit will be conducted by the auditors.
- 7.6 Exchange may decide on the cost to be borne by the refiner or it's sharing by the exchange thereof, from either the first year or from subsequent years.
- 7.7 Decision of MCX in relation to deciding whether the results of the Assaying Report are Acceptable shall be final and binding on the Approved Refiner.

7.8 Types of Testing

Testing shall be carried out in each of the following circumstances:

- 7.8.1 **Applications for Empanelment:** Initial testing at the time of the application may be required, where the applicant is required to meet the minimum criteria set out by Exchange;
- 7.8.2 **Renewal of Accreditation Standards:** Empanelled Refinery Members seeking to renew their Accreditation Standard may be tested in order to ensure that the Accredited Member continues to meet the minimum criteria set out in by Exchange;
- 7.8.3 **Random Sampling/Spot Check Testing:** spot checking on an ad-hoc basis may be required for determining that an empanelled refiner continues to meet the minimum criteria for Accreditation set out by Exchange. The MCX empanelled auditor may at any point in time randomly collect samples of the metal produced by any MCX – BIS Standard Gold/Silver from the Refinery where the metal is being produced and subsequently test it at independent laboratories for verification that the metal meets the specifications set out in these MCX- GD Norms for BIS Standard Gold and Silver.
- 7.8.4 Details of the procedures used for testing in accordance with these MCX GD Norms for BIS standard gold and silver rules will be provided by the MCX from time to time.

- 7.8.5 The MCX may at its sole discretion revoke the Empanelment of any approved Refinery who does not fully co-operate with the MCX with regard to any testing and move that Empanelled Refinery to the applicable List (including Former List) in respect of that particular empanelment.

CHAPTER 8: RESPONSIBLE SOURCING AND COMPLIANCE

8.1 Responsible Sourcing

8.1.1 The main objective of these responsible sourcing requirements is to ensure that the Approved Refiner has:

- Mechanism to identify and assess risks associated with sourcing of Gold and Silver;
- Adequate and Structured management systems are in place to ensure effective due diligence for sourcing of Gold and Silver;
- Mechanism to evaluate the risks identified and take measures to prevent / mitigate its impact.

8.1.2 MCX has laid down the responsible sourcing requirements under MCX GD Norms for BIS – Standard Gold and Silver, which shall be stringently complied with by all the Approved Refiners, in order to ascertain genuineness of the Gold and Silver sourced by the Approved Refiners (whether in the form of Gold and Silver dore or Scrap Gold and Silver).

8.2 Responsible Sourcing Requirements

8.2.1 In order to substantiate its adherence to the MCX's responsible sourcing requirements, the Approved Refiner shall provide the responsible sourcing undertaking as defined in the MCX GD Norms for BIS – Standard Gold and Silver.

8.2.2 The MCX Auditor may from time to time validate the compliance of the Approved Refiner with the provisions of the MCX GD Norms. MCX may also provide an indicative list of information to be maintained by the Approved Refiners for sourcing Gold and Silver.

8.2.3 It shall be the sole responsibility of the Approved Refiner to ascertain that the Gold and Silver (whether in the form of Gold and Silver dore, Scrap Gold and Silver, or in any other form) are sourced in the manner set out in this MCX GD Norms for BIS – Standard Gold and Silver and the Approved Refiner shall be solely liable for any Loss arising out of non-compliance with this MCX GD Norms for BIS – Standard Gold and Silver.

8.2.4 The Approved Refiner shall ensure that the necessary risk identification, assessment and mitigation policy / framework is in place and the relevant escalation levels and authorities are identified.

8.2.5 The Approved Refiner shall ensure that necessary internal procedures and ongoing monitoring and control mechanism is in place to ensure strict adherence of the above internal supply chain policy / guideline.

8.2.6 The Approved Refiner shall ensure that the sourcing of Gold and Silver is carried out after payment of timely and adequate applicable Taxes to the concerned Governmental Authorities.

8.2.7 The Approved Refiner shall ensure that the appropriate senior management official i.e., director is responsible for overseeing the adherence of the entire internal supply chain policy/guideline

- 8.2.8 The Approved Refiner shall ensure that the payment in respect of all the transactions related to sourcing of Gold and Silver, covering the complete trail till the payment reaches the supplier / miner, is carried out through official banking channels through an independent commercial bank.
- 8.2.9 The Approved Refiner shall undertake and ensure that the Gold and Silver is not sourced from a Politically Exposed Person and that it is sourced through Proper Legal Channels free from any conflict.
- 8.2.10 The Approved Refiner shall ensure that the sourcing of Gold and Silver shall not violate any Anti Money Laundering Laws.
- 8.2.11 The Approved Refiner shall ensure maintenance of documentation and records related to sourcing of Gold and Silver including records for full traceability from source to finished products for a period of at least 3 years. The Approved Refiner shall also undertake to make such records available to MCX Auditors for verification as and when required the Approved Refiner shall comply with the Responsible Minerals Assurance Process/other process as specified by the Responsible Jewellery Council (RJC), the Responsible Minerals Initiative (RMI) or with any other certification programme aligned with OECD Due Diligence Guidance for Responsible Supply chain of Minerals from Conflict Affected and High-Risk Areas, within one year from the date of empanelment.
- 8.2.12 The Approved Refiners shall adopt the necessary due diligence procedures in respect of the sourcing of Gold and Silver and ensure compliance with the responsible sourcing requirements as mentioned herein.
- 8.2.13 The Approved Refiners shall have a written, approved and effective internal supply chain policy / guideline for sourcing of Gold and Silver aimed at ensuring that the Gold and Silver sourced by the Approved Refiner for its refining activities is sourced through genuine and responsible methods and sources. The internal supply chain policy / guideline shall contain certain key aspects including, but not limited to, the following:

- **KYC checks of the supplier**

- For corporate entities the basic KYC checks may include the necessary documents validating the key information about such entity including legal status, category, full name, domicile / country of registration, principle business activities, address of registered office and principle place of business, KYC of authorized representatives and their authorization as a representative
- For natural person the basic KYC checks may include national identity card or / original domicile, employer details wherever applicable

- **The additional due diligence and process checks for the following:**

- The sourced Gold and Silver originates or is claimed to originate from:
 - A country that has limited known reserves or stocks;
 - A country through which Gold and Silver from Conflict-Affected and High-Risk

- Areas is known or reasonably suspected to transit;
 - Recyclable/scrap or mixed sources and has been refined in a country where Gold and Silver from Conflict-Affected And High-Risk Areas is known or reasonably suspected to transit;
 - A Conflict-Affected and High-Risk Area or has been transported through a Conflict-Affected and High-Risk Area;
 - Any anomalies or unusual circumstances are identified through the information collected during the risk assessment of the source which give rise to a reasonable suspicion that the Gold and Silver may contribute to conflict or serious abuses associated with the extraction, transport or trade of Gold and Silver.
 - Suppliers are known to have sourced Gold and Silver from a red flag country / location of Gold and Silver origin and transit in the last 12 months;
 - The suppliers operate in or have shareholders or other interests in suppliers of Gold and Silver from one of the abovementioned red flag countries / locations of Gold and Silver origin and transit.
- Documented process in identification of red flag countries using reliable sources including but not limited to:
 - Mining countries under international Sanctions;
 - The global conflict tracker identified by the Council on Foreign Relations;
 - Countries bordering the Democratic Republic of Congo;
 - FATF sanctioned countries;
 - Areas listed as 4 or 5 rating by Heidelberg Conflict Barometer.

CHAPTER 9: INSPECTION, AUDIT AND DISCLOSURES

9.1 Inspection and Audit Right of MCX

MCX shall have the right to (a) appoint a Technical Expert to conduct the Inspection; (b) appoint a MCX Auditor to conduct Audit; and (c) authorise any Person to act as representatives of MCX to accompany the Technical Expert and/or the MCX Auditor.

9.2 Inspection at the time of Empanelment of Approved Refiner

- 9.2.1 At the time of empanelment of the Approved Refiner, MCX shall have the right to require the Technical Expert to conduct on-site Inspection and assessment of the Approved Refinery for which an application has been submitted by the Approved Refiner and shall submit an Inspection Report to MCX.
- 9.2.2 The Technical Expert shall evaluate inter alia, including but not limited to, the following in its Inspection Report:
- Refining standards;
 - Areas of risks and its recommendations if any;
 - Assaying facility;
 - Quality of Gold and Silver bars;
 - In-house standards and capabilities including but not limited to, the melting facilities, melting procedure, casting, sampling, weighing and final sampling and Inspection of the quality and condition of the refined bars and the bar marks;
- 9.2.3 Based on such on-site inspection, the Technical Expert shall certify whether the Refinery has the ability to produce Gold and Silver bars as per this MCX GD Norms for BIS – Standard Gold and Silver.
- 9.2.4 MCX may provide a checklist to each Approved Refiner on a case to case basis and such documents as required under such checklist shall be furnished to the Technical Expert within the specified time in order to ensure timely and accurate completion of the Inspection process.
- 9.2.5 The MCX Auditors may verify the adherence to the undertaking provided by the Approved Refiner and during the course of its predefined Audits and the Approved Refiner shall ensure that complete support is extended to the auditor for successful completion of the Audit including provision of the documents / proofs sought by the MCX Auditors.

9.3 Ongoing Inspection and Audit of the Approved Refiners

- 9.3.1 The Approved Refiners shall be subject to the ongoing Inspection and/or an Audit.
- 9.3.2 Annual review and Inspection by Technical Experts
- 9.3.2.1 The Technical Experts appointed by MCX shall conduct an annual review and Inspection of the Approved Refiners.

- 9.3.2.2 Any adverse findings identified during the course of the Inspection shall be communicated to the Approved Refiner by MCX. The Approved Refiner shall undertake necessary actions as may be prescribed by MCX. The Approved Refiner shall be required to respond to the findings within a period of not more than 21 days of receiving the communication from MCX.

9.4 MCX Audit Process and Information

- 9.4.1 The MCX Auditor shall, on an annual basis or at such other frequency as may be specified by MCX, conduct an Audit to ensure compliance with this MCX GD Norms for BIS – Standard Gold and Silver. MCX shall provide the Approved Refiner with a prior written notice to conduct the aforesaid Audit along with the tentative scope of audit.
- 9.4.2 The Approved Refiner shall maintain accurate and complete records in accordance with this MCX GD Norms for BIS – Standard Gold and Silver and shall provide MCX Auditor with such information as may be required by MCX Auditor and/or the Technical Expert.
- 9.4.3 The Approved Refiner shall extend full support to the MCX Auditor for the purpose of conducting such requisite Audit. The necessary documents shall be furnished to the auditors within the specified time in order to ensure timely and accurate completion of the Audit process.
- 9.4.4 MCX shall have the right to require such other information as it may deem fit and such information shall be provided to MCX by the Approved Refiner such time as may be mutually agreed from the date of receipt of the request for such information.
- 9.4.5 The Approved Refiner shall take full responsibility to understand and abide by the Audit findings prior to the next periodic Audit and document necessary steps taken to comply with the same. The Auditor shall submit its findings to MCX with its observations and based on such observations, MCX may initiate any action against the Approved Refiner as it may deem fit.

9.5 DISCLOSURES

- 9.5.1 The Approved Refiner shall disclose to MCX of all events or information, as specified in in this Clause 15, as soon as reasonably possible but not later than 72 hours from occurrence of the event or information:
- 9.5.1.1 Shut down /disruption of operations;
- 9.5.1.2 Litigation against the Approved Refiner or any of Promoters, directors, Key Management Personnel or any other event which will adversely affect their compliance of their respective obligations under this MCX GD Norms for BIS – Standard Gold and Silver or which prohibits the Approved Refiner from conducting the Refining Business;
- 9.5.1.3 Breach of any of the provisions of this MCX GD Norms for BIS – Standard Gold and Silver;

- 9.5.1.4 Commencement of corporate insolvency resolution process under the Insolvency and Bankruptcy Act, 2016 and the regulations made thereunder;
- 9.5.1.5 Any changes in the general character or nature of business / activities, disruption of operation due to natural calamity or otherwise;
- 9.5.1.6 Any other event that is likely to impact the business of the Approved Refiner.

CHAPTER 10: MISCELLANEOUS

10.1 Power to take certain Action

- 10.1.1 MCX shall have the right to publish on its website a list of all Approved Refiners, Approved Referee Labs and Approved Logistic Service Providers.
- 10.1.2 MCX has no negative tolerance with respect to the quality and weight of the Gold and Silver (as per current tolerance limits) bars produced by the Approved Refiner.
- 10.1.3 In the event that the Gold and Silver /silver delivered by the Approved Refiner is not as per the provisions of this MCX GD Norms for BIS – Standard Gold and Silver with respect to quality or quantity, MCX shall have the right to undertake the following actions:
- 10.1.4 Seek from the Approved Refiner all details pertaining to the particular batch in question and confirm that all the assaying was done as per the defined procedure of NABL & MCX GD Norms for BIS – Standard Gold and Silver. The approved refiner shall be required to provide such details within 2-3 business days.
- 10.1.5 Send the Gold and Silver/silver for Assaying to one or more of the Approved Referee Labs. The approved referee labs shall be required to submit the assaying report within 3 working days from the date of receipt of metal and in the event of deviation the approved referee labs shall retain the sample of the tested metal for a period of 6 months or till the completion of appeal period and settlement of differences / fees whichever is later.
- 10.1.6 If the deviation is confirmed based on the approved referee lab report:
- Buyer and seller / refiner shall have an option to mutually negotiate the final settlement proceeds within one working day from receipt of assayer's report (as per the current procedure for deliverable bullion futures contracts traded on MCX)
 - All the cost for assaying and transportation etc shall be borne by the Approved Refiner
 - Non-compliance fee shall be imposed on the refiner and shall be treated as an instance

Or

- MCX shall direct the Approved Refiner to replace the Gold and Silver with Gold and Silver that is as per the provisions of this MCX GD Norms for BIS – Standard Gold and Silver;
- All costs for Assaying, transportation, etc shall be borne by the Approved Refiner.
- MCX clearing shall ensure that any bars from the specific batch number shall not be released to the market (move out of the vault) and shall direct the approved refiner to replace all the bars under the specific batch number with bars that are as per the provisions of this MCX GD Norms for BIS – Standard Gold and Silver.

10.1.7 If there is no deviation based on the referee lab report, all the cost for assaying, metal loss and transportation etc to be borne by Buyer

10.1.8 In respect of the confirmed deviations based on the assaying report of the approved referee labs:

- The copy of assaying report from the referee lab along with the metal shall be sent to the approved refiner and seller.
- If the buyer and seller are unable to mutually negotiate the final settlement proceeds, then the approved refiner shall be required to replace the metal within 3 business days of receiving the assaying report
- Approved Refiner shall be required to pay a deposit amount equal to the current value of the metal plus potential adverse price movement expected in the replacement period (in the form of BG / FD / Cash)
- MCX Clearing shall release the metal delivered to the approved refiner post receiving the deposits (BG / FD / cash deposit)
- A non-compliance fee as mentioned below shall be levied on the approved refiner by the exchange
- The approved refiner shall be provided a time period of 5 days, from the date of intimation of the levy of fee, to appeal to the exchange regarding levy of the said fee.
- The appeal may be considered by MCX if the approved refiner is able to justify that the metal delivered meets the quality specifications
- If by the end of the appeal period, if the results of the appeal are declared against the approved refiner then, MCX shall collect the applicable non-compliance fee from the approved refiner.

10.1.9 Multiple buyers raising a concern on metal delivered from a single batch shall be treated as a single instance only.

10.1.10 In case of deviation in the fineness or weight, MCX may impose an additional non-compliance fee or initiate actions as specified below:

Instance	Non-compliance fee for Fineness Deviation*	Non-compliance fee for Weight Deviation*	Other actions
1 st	5% of Final Settlement Price + Replacement Cost#	5% of Final Settlement Price + Replacement Cost#	MCX may send a warning letter to the refiner
2 nd	10% of Final Settlement Price + Replacement Cost#	10% of Final Settlement Price + Replacement Cost#	MCX may send a final warning letter to the refiner. MCX may revoke the letter of empanelment of such Approved Refiner and impose a ban for a period of 1 year.

3 rd	20% of Final Settlement Price + Replacement Cost#	20% of Final Settlement Price + Replacement Cost#	MCX may revoke the letter of empanelment of such Approved Refiner and impose a ban for a period of 1 year. MCX may send notification to BIS, NABL and / or initiate any further legal action under Applicable Law as it may deem fit
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*The non-compliance fee shall be computed on each bar. # **Replacement Cost** - Difference between Final Settlement Price (FSP) and higher of the last spot prices on the commodity pay-out date and the following day, if the spot price so arrived is higher than FSP, else this component will be zero.)

10.2 Power to Call for Information

MCX may from time to time call for any information from an Approved Refiner with respect to any matter or activity of the Approved Refiner.

10.3 Maintenance of Records

An Approved Refiner shall be required to maintain all information pertaining to the Refining Business including but not limited to procurement / sourcing / logistics / refining/sales for a period of 3 years.

10.4 Power of MCX to amend, issue clarifications

1. In order to remove any difficulties in the application or interpretation of this MCX GD Norms for BIS – Standard Gold and Silver, MCX may from time to time issue clarifications in the form of circulars.
2. MCX shall issue circulars and/or notices and/or other forms of communication in relation to this MCX GD Norms for BIS – Standard Gold and Silver.
3. MCX may by notification and/or notices and/or circulars and/or any other form of communication, prescribe, amend or alter this MCX GD Norms for BIS – Standard Gold and Silver.
4. Without prejudice to the foregoing, MCX may issue circulars and notifications for all matters or any matter which by this MCX GD Norms for BIS – Standard Gold and Silver are required to be made or may be prescribed.

10.5 Delegation of Powers

The rights and powers exercisable by MCX under this MCX GD Norms for BIS – Standard Gold and Silver and/or the Refiner Agreement and/or the Referee Lab Agreement shall also be exercisable by MD & CEO, MCX or any officer and/or employee and/or representative who have been authorised by the MCX MD & CEO in this regard.

10.6 Compliance

The Approved Refiner shall be solely responsible for complying with this MCX GD Norms for BIS – Standard Gold and Silver as applicable to them including without limitation the obligations, roles and responsibilities cast on them respectively under this MCX GD Norms. Notwithstanding any provision to the contrary under this MCX GD Norms for BIS – Standard Gold and Silver and/or the Refiner Agreement, MCX shall not be liable in any manner whatsoever in relation to the breaches and/or failure of the

Approved Refiner and their representatives, to adhere to and comply with their respective obligations, roles and responsibilities including but not limited to any defect in the production and/or refinement of Gold and Silver. Further The Approved Refiner or any other party that MCX may enter into an agreement within the framework of this MCX Refiner Standard, agree that MCX in framing these Gold and Silver standards shall not at any time be liable or accountable for, nor any claim shall lie on MCX or any of its directors, officers except for claim, if any, arising on account of fraud, willful default and gross negligence on the part of MCX.

10.7 Costs

All expenses, taxes, stamp duty and any other costs in relation to or in connection with this MCX GD Norms for BIS – Standard Gold and Silver or any agreement hereunder shall be borne by the Approved Refiner.

Annexure 1 – Fee Structure

The fees applicable to the Approved Refiners are provided below:

Type of Fee*	Applicable Fee*	Payable*
Application fee	Application fee: Rs.5 lacs + GST	As decided by MCX
Audit fee	Audit fee: Rs.5.5 lacs + GST	Along with the application and other supporting documents, prior to screening audits
Annual maintenance fee	Annual fee: Rs.3 lacs + GST	Within 15 Business Days from letter of empanelment. The annual maintenance fee shall be payable in the month of April. The fee shall be levied on a pro-rata basis for the empanelment done during the year.
Renewal fee	Rs.3 lacs + GST	Within one month from start of renewal period.

*Subject to change by MCX from time to time

The fees may be payable by way of demand draft in favour of 'Multi Commodity Exchange of India Ltd.'.

The **Security Deposit** payable by the Approved Refiner is as below:

An interest free deposit of not less than INR 4,00,00,000 (Four crores rupees only) in the form of bank guarantee or fixed deposit receipt (duly endorsed in favour of MCX).

Annexure 2 – Approved Refiner Undertaking on Empanelment

(On Stamp Paper of Rs.500 – undertaking to be executed by Approved Refiner and submitted to MCX at the time of empanelment)

Date

To,
Multi Commodity Exchange of India Ltd.
Exchange Square, Suren Road,
Chakala, Andheri (East),
Mumbai 400093, Maharashtra

We M/s. _____ undertake the Refining Business. We have applied for empanelment as an Approved Refiner with MCX for delivery of Gold and Silver bars (which may / may not be approved by LBMA), as per MCX standards for settlement of Gold and Silver Derivative Contract available on the Commodity Derivatives segment of MCX.

We, _____ hereby declare that,

A. **EMPANELMENT UNDERTAKING**

We have the necessary clearance certificates from the environmental authorities, local pollution board, and other concerned authorities in place for our refining business. We confirm that we have all the relevant statutory registrations with the concerned central and state governments.

We have the factory establishment license from the state in which we operate.

We are not involved in any terrorist financing activities and do not support any such activities during the course of our business or otherwise.

We have not outsourced any part of our Refining Business.

There are no Litigations pending against us or any of our Promoters, directors, Key Management Personnel in India which will adversely affect our compliance of the respective obligations under this MCX GD Norms for BIS – Standard Gold and Silver. We have no pending Litigation which prohibits us from conducting the Refining Business.

We have our own safe deposit vault and have adequate surveillance mechanism in place.

We agree to have adequate insurance cover, as per the Industry practices, against all potential perils relevant to our Refining Business.

We hereby agree to completely abide by the MCX GD Norms for BIS – Standard Gold and Silver all subsequent operational and other guidelines as may be laid down by MCX from time to time.

We shall ensure accuracy of both weight as well as quality of the delivered Gold and Silver bars at all points of time in respect of all finished Gold and Silver bars produced by us.

We shall extend full support to MCX and / or any entity appointed by them during the course of our empanelment as an Approved Refiner with MCX and for ensuring subsequent ongoing compliances in this regard including onsite inspection and evaluation of our refining and Assaying capabilities.

We appoint following principal points of contact for co-ordination with MCX in matters pertaining to us being an Approved Refiner with MCX.

	Contact 1	Contact 2
Name		
Designation		
Address		
Telephone		
Email		

In the event of any change in our principal point of contacts, we shall inform MCX in writing as soon as is reasonably possible.

We confirm that we shall inform the exchange of any material change in the ownership structure, or such other material information immediately on such change.

We confirm to abide by any actions taken by MCX in the event of non-adherence of any of the points mentioned in this undertaking.

B. ANTI MONEY LAUNDERING AND ANTI CORRUPTION LAW COMPLIANCE UNDERTAKING

We and our Promoters, officers, directors and employees, acting in an official capacity for and on our behalf shall at all-times comply with the Anti-Money Laundering Laws and Anti- Corruption Laws.

We, shall not, whether directly or indirectly use any monies, or lend, contribute or otherwise make available such consideration (or any part thereof) to any subsidiary, joint venture partner or other Person, for the purpose of financing the activities of any Person currently subject to any Sanctions.

We are not identified on any Sanctions List

We shall maintain procedures and mechanisms for the internal reporting of actual or suspected activities which are, or are likely to be, in contravention of any Anti-Corruption Laws, and any such reports shall be investigated and promptly disclosed.

C. RESPONSIBLE SOURCING UNDERTAKING

We adopt the necessary due diligence procedures in respect of the sourcing of dore / raw material including recycled Gold and Silver and also to ensure compliance with the MCX's requirements for genuine sourcing of metals under the MCX GD Norms for BIS – Standard Gold and Silver. We undertake that we shall undergo the Responsible Jewellery Council (RJC) audit, Responsible Minerals Initiative's (RMI) audit and be conformant with the RMAP (Responsible Minerals Assurance Process) standards/other standards as laid down by RJC, RMI, or any other certification

programme aligned with OECD Due Diligence Guidance for Responsible Supply chain of Minerals from Conflict Affected and High Risk Areas within a period of 12 months from the date of our empanelment as an Approved Refiner with MCX.

In respect of the procedures adopted by our organisation for sourcing of dore / raw material including recycled Gold and Silver, we hereby submit that,

We and / or our suppliers, have a written, approved and effective internal supply chain policy/ guidelines for sourcing of metal.

This internal supply chain policy / guideline aims to ensure that the dore / raw material including recycled Gold and Silver, if any, required for our refining activities is sourced through genuine and responsible methods and sources.

The key aspects covered in our / our supplier's* internal policy / guidelines related to Gold and Silver supply chain are as mentioned below:

- KYC checks of the supplier
 - For natural person: National identity card or passport considered for full name and nationality, place of residence / original domicile, employer details wherever applicable
 - For Corporate entities: Necessary documents validating the key information about such entity including legal status, category, full name, domicile / country of registration, principle business activities, address of registered office and principle place of business, KYC of authorised representatives and their authorisation as a representative
- Additional due diligence and process checks for the following:
 - The metal originates or is claimed to originate from:
 - ✓ A Conflict-Affected and High-Risk Area or has been transported through a Conflict-Affected and High-Risk Area
 - ✓ A country that has limited known reserves or stocks
 - ✓ A country through which Gold and Silver from Conflict-Affected and High-Risk areas is known or reasonably suspected to transit
 - ✓ recyclable/scrap or mixed sources and has been refined in a country where Gold and Silver from Conflict Affected and High-Risk Areas is known or reasonably suspected to transit
 - ✓ The suppliers operate in or have shareholders or other interests in suppliers of Gold and Silver from one of the abovementioned red flag countries / locations of Gold and Silver origin and transit
 - ✓ Suppliers are known to have sourced Gold and Silver from a red flag country / location of Gold and Silver origin and transit in the last 12 months.
 - ✓ Any anomalies or unusual circumstances are identified through the information collected during the risk assessment of the source which give rise to a reasonable suspicion that the

Gold and Silver may contribute to conflict or serious abuses associated with the extraction, transport or trade of Gold and Silver

- Documented process in identification of red flag countries using reliable sources including but not limited to:
 - ✓ FATF sanctioned countries;
 - ✓ The global conflict tracker identified by the Council on Foreign Relations;
 - ✓ Areas listed as 4 or 5 rating by Heidelberg Conflict Barometer
 - ✓ Countries bordering the Democratic republic of Congo
 - ✓ Mining countries under international Sanctions
- Sourced after payment of timely and adequate applicable taxes to the concerned government authorities
- Not sourced from a Politically Exposed Person
- Not sourced through any fraudulent / Illegal Activity
 - Risk identification, assessment and mitigation policy / framework adopted by us / our suppliers* and the relevant escalation levels and authorities.
 - Maintenance of records
 - Mechanism to ensure traceability
 - Internal procedures and ongoing monitoring & control mechanism adopted to ensure strict adherence of the said policy / guidelines

We confirm that all the financial transactions, covering all transactions in the complete trail till the payment reaches the supplier / miner, carried out by and on behalf of our Refinery are carried out through official banking channels through an independent commercial bank.

We confirm that all the documentation and records related to the sourcing of raw materials and identification of material from its source to finished products are maintained at our end for atleast 3 years and the same may be made available to MCX appointed auditors for verification as and when required.

We will provide the board resolution confirming our earlier documents, to be part of screening process and further confirming to get into the refiner agreement for the purpose of empanelment for MCX Good Delivery List and we agree to bind by the terms and conditions of the Refiner Agreement. The said undertaking shall co-exist till the validity of Refiner Agreement and cease to be effective upon termination of the Refiner Agreement as per the terms of the agreement and delisting of the refiner on the MCX Good Delivery list.

We will provide the details of insurances obtained by the Refiner.

We confirm that an appropriate senior management official i.e., our company director is responsible for overseeing that the above-mentioned policy / guidelines are strictly adhered to by our Refinery and all its officials.

We agree to MCX conducting Audit of our Refining Business as per the periodicity decided by MCX from time to time. We agree to extend full support to the MCX

Auditors for the purpose of conducting the requisite Audit. We also agree to take full responsibility to understand and abide by the Audit findings prior to the next periodic Audit and document necessary steps taken to comply with the same.

We hereby confirm that our Refining Business abides by all the relevant taxation and legal guidelines of India as well as of other concerned jurisdictions from where the material has been sourced. We hereby confirm that MCX is not and shall not be responsible, in case if any deviations, of our Refining Business, from this undertaking are identified by any authority. We hereby agree to indemnify MCX in case of any financial loss caused on account of our deviation from the details provided in this undertaking.

We shall enter into a Non-Disclosure Agreement (NDA) with MCX and agree to share relevant information as and when the same is sought by MCX for the purpose of our empanelment as an Approved Refiner with MCX and for ensuring our continued empanelment on MCX.

For [Approved Refiner Name]

Authorized Signatory

(to be duly signed and stamped) Name & contact number Designation:

Date:

Annexure 3**[ON STAMP PAPER OF APPROPRIATE VALUE]****REFINER AGREEMENT**

THIS AGREEMENT is made and entered into on this _____, 2020. (“**Execution Date**”) at Mumbai and shall be effective from _____, 2020

BETWEEN

THE Multi Commodity Exchange of India Ltd., a company incorporated in India and having its registered office at Exchange Square, Suren Road, Chakala, Andheri (East), Mumbai 400093, Maharashtra (hereinafter referred to as the “**MCX**”, which expression shall unless contrary to/or repugnant to the context thereof mean and include its successors and assigns) of the One Part; and

[•] a company incorporated under the provisions of the Companies Act, [•] and having its registered office at [•] (hereinafter referred to as “**Refiner**” which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successors and assigns) and having its refinery at [•] (hereinafter referred to as “**Refinery**”) of the Second Part.

“MCX”& “Refiner” shall hereinafter be referred to individually as a “Party” and collectively as the “Parties”.

WHEREAS:

- (A) MCX is a recognised Stock Exchange under the Securities Contracts (Regulation) Act, 1956 carrying out activities of assisting, regulating or controlling the business of buying, selling or dealing in commodity derivatives and such other contracts as may be permitted by the Securities Exchange Board of India (SEBI).
- (B) MCX offers Commodity Derivative products which are based on gold and in this regard, MCX has introduced the MCX Good Delivery (“MCX- GD”) Norms for BIS – Standard Gold and Silver.
- (C) MCX- GD Norms for BIS – Standard Gold and Silver prescribes detailed framework including the qualitative and quantitative criteria for empanelment of refiners for acceptance of the gold bars produced by them towards exchange settlement mechanism and also prescribes the operational procedures and empanelment requirements for refiners empaneled by MCX.
- (D) MCX based on the representations and warranties made by the Refiner in the application, agreeing to abide by MCX-GD Norms for BIS- standard Gold and Silver, shall empanel the Refiner and its Refinery on the terms and conditions of this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES AND IN CONSIDERATION OF THE PREMISES, MUTUAL PROMISES, COVENANTS, WARRANTIES SET FORTH

HEREINAFTER, IT IS MUTUALLY AGREED AND DECLARED BY AND AMONG THE PARTIES AS UNDER:

1. DEFINITIONS

In this Agreement, except as otherwise provided, capitalized terms shall have the meaning assigned to them herein below:

Action” means any claim, demand, dispute, litigation, petition, suit, investigation, inquiry, opposition, proceeding, mediation, arbitration, conciliation, enforcement proceeding, hearing, complaint, assessment, fine, penalty, judgment, order, injunction, decree or award (administrative or judicial (criminal or otherwise)) by or before any Governmental Authority, and shall without limitation include any Insolvency Proceedings.

“Agreement” means this Agreement and shall include any schedules that may be annexed to this agreement, now or at a later date, and any amendments made to this agreement by the Parties in writing.

“Insolvency Proceedings” means one or more of the following:

- (a) initiation of any Action or a declaration of insolvency, liquidation or bankruptcy under the Insolvency and Bankruptcy Code, 2016, or any Applicable Law ;
- (b) the making of a general assignment for the benefit of, or entering into a re-organisation, arrangement, compromise or composition with its creditors;
- (c) the presentation or filing of a petition or application before any relevant authority for seeking winding up, re-organisation, administration, liquidation or dissolution of such Person; and
- (d) the appointment of a receiver, administrator, liquidator, trustee, provisional liquidator, compulsory manager, supervisor or analogous officer in its respect or any of its assets.

“Intellectual Property Rights” shall mean all intellectual property, including patents, inventions (whether or not patentable and whether or not reduced to practice), utility models, trade and service marks, trade names and the goodwill associated therewith, domain names, right in designs, copyrights, rights in databases, proprietary rights, technical, commercial or financial information of a proprietary or confidential nature (including without limitation manufacturing and production processes and techniques, improvements, customer proposals, customer and supplier information, technical and computer data and software), trade secrets and know-how, in all cases whether or not registered or registrable and including registrations and applications for registration or renewal of any of these, and all rights to apply for the same, rights to receive equitable remuneration in respect of any of these and all rights and forms of protection of a similar nature or having equivalent or similar effect to any of these anywhere in the world.

“**MCX-GD Norms for BIS – Standard Gold and Silver**” means the detailed framework including quantitative and qualitative criteria for empanelment of the refiners; the operational procedures for refiner empanelment and ongoing compliance requirements for the refiners issued by MCX from time to time and shall include all circulars, notifications, guidelines, directions issued by MCX from time to time.

2 INTERPRETATION

In this Agreement, unless the context otherwise requires, the rules of interpretation as provided in Clause 2.3 of the MCX-GD Norms for BIS – Standard Gold and Silver shall apply. The terms referred to in this Agreement, unless defined otherwise or unless inconsistent with the context or meaning thereof, shall bear the same meaning as defined under the relevant statute/ legislation including the Companies Act, 2013, the LLP Act, the Securities Contract (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 and/or as per the MCX-GD Norms for BIS – Standard Gold and Silver and/or as per customary trade usage.

3 EMPANELMENT OF REFINER

- 3.1 The Refiner shall submit an application for empaneling its Refinery with MCX. The Refiner agrees that it has read and shall abide by the provisions under the MCX-GD Norms for BIS – Standard Gold and Silver.
- 3.2 Upon grant of letter of empanelment by MCX to the Refiner, the Refiner shall become an Approved Refiner and the Refinery for which such letter of empanelment has been granted shall become the Approved Refinery. All references to the Refiner and the Refinery in this Agreement shall be deemed to be the Approved Refiner and the Approved Refinery.
- 3.3 Refined Gold and Silver bars for good delivery shall be of fineness of 995.0/999.0 ppt or above. No negative tolerance shall be allowed on the declared Gold and Silver content as per BIS Standard in compliance with IS 17278: 2019 and IS 1418:2009. Irrespective of any standard, the minimum purity of bullion bars/coins which is acceptable to be delivered will be strictly as per the respective product contract specifications of MCX.
- 3.4 The Refiner shall submit an interest free deposit of not less than INR 4,00,00,000 (Four crores rupees only) in form of cash, bank guarantee, fixed deposit receipt from scheduled commercial bank/public sector bank (having minimum networth of Rs. 10,000 Cr) duly endorsed in favour of MCX.
- 3.5 This bank guarantee shall remain valid with MCX for a period of three (3) years ie. from _____ till _____. (Initial term of empanelment of Refiner) Thereafter, as and when the empanelment of Refiner gets extended/renewed for a further period of 3 years, a fresh bank guarantee will be issued by the bank for another period of three (3) years in favour of MCX at least 10 days prior to the expiry of initial term/renewal term (Renewal term of empanelment of Refiner is 3 years).

- 3.6 Provided however, that during the term of the Bank Guarantee, if the Refiner is dis-empanelled by MCX and the refiner agreement is terminated or if the Refiner terminates the agreement in terms of clause 6.3, Refiner undertakes to arrange a fresh Bank guarantee in favour of MCX for a period of three (3) years within 10 days of the date of termination. The said Bank Guarantee shall be kept as deposit by MCX as a security towards any claims which may arise towards the quality of gold and silver bars of the Refiner already traded on the Exchange delivered through clearing and settlement corporation and in circulation against MCX and/or the Refiner.
- 3.7 However if the refiner fails to provide the said fresh Bank Guarantee within 10 days of the date of termination, MCX will encash the Bank Guarantee and retain the amount of Rs. 4,00,00,000 with MCX for a period of 3 years with no interest to be paid by MCX. Thereafter, MCX shall return the said amount to the refiner in case there are no claims against MCX on account of quality or any other aspect of gold and silver bars refined by the refiner.

4 REPRESENTATIONS AND WARRANTIES

- 4.1 The Refiner provides to MCX the representations and warranties more particularly set out in Schedule 1 of this Agreement (“**R&W**”).
- 4.2 The Approved Refiner agrees and acknowledges that each of the R&W:
- 4.2.1 is true, accurate and not misleading on the Effective Date and during the term of this Agreement; and
- 4.2.2 is separate and independent and, except as expressly provided to the contrary to any other R&W or any other provision of this Agreement.

5 COVENANTS

- 5.1 Until the expiry of the Agreement, the Approved Refiner hereby agrees, acknowledges, undertakes and covenants that the Approved Refiner and/or the Approved Refinery shall comply with the MCX-GD Norms for BIS – Standard Gold and Silver; it being clarified that the provisions of the MCX-GD Norms for BIS – Standard Gold and Silver form an integral part of this Agreement.
- 5.2 The Approved Refiner shall defend and hold harmless MCX (and its directors and officers) from and against any Losses, direct or indirect arising out of or resulting from:
- 5.2.1 any breach of any R&W and/or breach of any covenant, obligation or undertaking or provision of this Agreement and/or of the MCX-GD Norms for BIS – Standard Gold and Silver.
- 5.2.2 fraud, negligence or willful default by the Approved Refiner.
- 5.3 All payments made pursuant to Clause 5.7 shall be made free and clear of, and without withholding or deduction for any Tax unless required under Applicable Law, in which case the sum payable by the such Party shall

be increased to the extent necessary to ensure that the other Party receives a sum net of any deduction or withholding equal to the sum which it would have received had no such deduction or withholding been made or required to be made.

- 5.4 The rights of the Parties under this Clause 5 are independent of, and in addition to, such other rights and remedies as the Party suffering Loss may have under Applicable Law or in equity or otherwise, including the right to seek specific performance or other injunctive relief, none of which rights or remedies shall be affected or diminished thereby.
- 5.5 The Approved Refiner agrees that in the event of occurrence of any Losses or Claim to the MCX, MCX shall have right to adjust or set off with the Security Deposit without prejudice to any other rights available to it provided the Refiner fails to act in accordance with Clause 5.7.
- 5.6 Notwithstanding any provision under this Agreement, under no circumstances MCX shall be liable or accountable for and no claim shall lie against MCX or any of its directors and officers except for claim, if any, arising on account of fraud, willful default and gross negligence on the part of MCX.
- 5.7 MCX shall not be liable in any manner whatsoever in relation to the breaches and/or failure of the Approved Refiner and their representatives, to adhere to and comply with their respective obligations, roles and responsibilities including but not limited to any defect in the production and/or refinement of Gold and Silver.
- 5.7 The Approved Refiner agrees to pay such fee as applicable to them and prescribed by MCX under the MCX-GD Norms for BIS – Standard Gold and Silver.

6 TERM AND TERMINATION

- 6.1 This Agreement shall be effective for a period of three (3) years from the Execution Date and at the end of such 3 year period shall be auto renewed for further periods of 3 years each, in accordance with f the MCX-GD Norms for BIS – Standard Gold and Silver, unless terminated earlier as per Clause 6.3 below .
- 6.2 In the event of rejection or revocation of an application for letter of empanelment by MCX, the Refiner may submit a fresh application in accordance with the provisions of the MCX-GD Norms for BIS – Standard Gold and Silver after a period of not less than 1 year or such other period as may be specified by MCX from the date of such rejection or revocation of application.
- 6.3 Either party at their option and discretion may terminate this Agreement without assigning any reason or payment of any compensation, upon three (3) month prior written notice.

- 6.4 MCX may terminate this agreement forthwith in the event of:
 - 6.4.1 Material breach of the MCX- GD Norms for BIS – Standard Gold and Silver and/or terms of this Agreement by the Refiner.
 - 6.4.2 In case of any changes within the Key Managerial Personnel and/or any direct or indirect Restructuring Event of the Refiner.
 - 6.4.3 MCX receives any direction, notification or instruction from any Governmental Authority or Authority to suspend or terminate the agreement.
- 6.5 Upon termination of the said agreement, the Refiner will no longer be empaneled with MCX as an Approved refiner and will be delisted from the MCX Good Delivery list.
- 6.6 This Agreement shall cease from the date of termination of this Agreement, other than with respect to those Clauses which, by their nature, survive any termination of this Agreement including Clause 1 (Definitions), Clause 2 (Interpretation), Clause 5.2, Clause 6.5, Clause 7 (Confidentiality) and Clause 9 (Miscellaneous), without, prejudice to the accrued rights and obligations of the Parties at the date of such termination, including the rights of any Party in respect of a breach of this Agreement prior to such termination.

7 CONFIDENTIALITY

- 7.1 The Approved Refiner undertakes to keep all information received by it under the terms of this Agreement as confidential and shall not disclose the same to any third party without prior consent of MCX. The term “**Confidential Information**”, as used in this Agreement, means: (a) any information concerning this Agreement and any information that may be disclosed by MCX to refiner in written or oral, or (b) any information or materials prepared by MCX for the Refiner or any of its Representatives that contain or otherwise reflect, or are generated from, Confidential Information; or (c) Price Sensitive information, businesses, assets or affairs of MCX.
- 7.2 The provisions of Clause 7.1 above shall not apply to:
 - 7.2.1 disclosure of Confidential Information that is or comes into public domain other than through the act or omission of, of the Approved Refiner or any of its representatives in breach of this Agreement;
 - 7.2.2 disclosure, required to be made under Applicable Law or as part of judicial process;
 - 7.2.3 Confidential Information acquired/developed independently by the Approved Refiner or its representatives from a third Person source not known to such party or representative to be obligated to the Party disclosing Confidential Information to keep such information confidential;

- 7.2.4 Confidential Information already known or already in the lawful possession of the Approved Refiner or its representatives receiving Confidential Information, as of the date of its disclosure by the Person disclosing such Confidential Information;
- 7.3 The Refiner acknowledge that the breach of any portion of this clause would cause MCX irreparable harm for which monetary damages would be inadequate. Accordingly, in addition to other remedies available to it, MCX shall be entitled to seek injunctive or other equitable relief to remedy any threatened or actual breach of any portion of this clause by the Refiner.
- 7.4 Notwithstanding anything contained herein, the Refiner is bound, strictly not to discuss and/ or disclose in writing and/ or by any other means to any third party, any information knowingly allusive to any Confidential Information and commission of such an act would constitute a material breach of the terms of this Agreement.
- 7.5 Neither disclosure of Confidential Information nor this Agreement shall be construed as a license to make, use or sell the Confidential Information to products derived therefrom.
- 7.6 The liability to keep the information confidential shall survive thereafter from the date of expiry or termination of this Agreement.

8 INTELLECTUAL PROPERTY RIGHTS

Respective Parties recognize that each Party has Intellectual Property Rights which may be shared in implementing this Agreement, and nothing in this Agreement shall confer any right or title in the intellectual property of the other Party except for the right to use intellectual property authorized by Party in written or by entering into an agreement.

9 MISCELLANEOUS

- 9.1 Successors and Assigns: The rights and obligations of the Parties under this Agreement shall inure to the benefit of, and be binding upon, the successors and permitted assigns of the Parties. The Approved Refiner shall be prohibited from assigning or subcontracting this Agreement or any part thereof without the prior written Consent of MCX (which Consent shall be at the sole discretion of MCX and/or subject to such conditions as may be deemed fit by MCX.).
- 9.2 Further Assurances: The Parties shall from time to time and at their own cost do, execute and deliver or procure to be done, executed and delivered all such further acts, documents and things required by, and in a form satisfactory to the other Party, in order to give full effect to this Agreement and its rights, powers and remedies under this Agreement.
- 9.3 Entire Agreement: This Agreement, together with any other documents referred to in this Agreement, constitutes the entire agreement and supersedes any previous agreements between the Parties relating to the

subject matter of this Agreement. This Agreement supersedes any contrary arrangement or understanding amongst the Parties.

- 9.4 **Severance and Validity:** If any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under Applicable Law, it shall be deemed to be severed from this Agreement and the Parties shall use all reasonable efforts to replace such provision with one having an effect as close as possible to the deficient provision. The remaining provisions will remain in full force in that jurisdiction and all provisions will continue in full force in any other jurisdiction.
- 9.5 **No Variation:** No variation or amendment of any provision of this Agreement shall be effective unless such variation or amendment is executed in writing and signed by or on behalf of all the Parties.
- 9.6 **Remedies:** Each of the rights of the Parties hereto under this Agreement are independent, cumulative and without prejudice to all other rights, powers, privileges or remedies available to them under this Agreement, under law or in equity.
- 9.7 **No Partnership or Agency:** The relationship between the Parties shall be on a principal to principal basis and nothing in this Agreement shall, or shall be deemed to, constitute a partnership between the Parties nor constitute any Party as an agent of any other Parties for any purpose.
- 9.8 **Stamp Duty and Cost and Expenses:** Each Party shall pay its own costs and expenses in connection with the negotiation, preparation and performance of the Agreement and any other document executed in connection with this Agreement. Any stamp, registration fees and other cost and expenses payable in India on this Agreement shall be borne by the Refiner.
- 9.9 **Notices:** Any notice or other communication to be given under or in connection with this Agreement (“**Notice**”) shall be in the English language in writing and signed by or on behalf of the Party giving it. A Notice may be delivered personally, by facsimile transmission, by e-mail or sent by pre-paid recorded delivery or international courier to the address provided in the Preamble of this Agreement. A Notice shall be deemed to have been received:
- 9.9.1 at the time of delivery, if delivered personally;
- 9.9.2 at the time of transmission if sent by facsimile or by electronic mail (excluding any answer or confirmation automatically generated by electronic means, such as out-of-office replies); or
- 9.9.3 at the time of delivery if sent by pre-paid recorded delivery or international courier, provided that if receipt of any Notice occurs after 6.00 p.m. or is not on a Business Day, deemed receipt of the Notice

shall be 9.00 a.m. on the next Business Day. References to time in this Clause 9.9 are to local time in the country of the addressee.

9.9.4 A Party shall notify the other Parties of any change to its details of its address in the Preamble in accordance with the provisions of this Clause 9.9, provided that such notification shall only be effective on the later of the date specified in the notification and 5 (five) Business Days after deemed receipt.

9.9.5 In the event that a Party refuses delivery or acceptance of a Notice, request or other communication, under this Agreement, it shall be deemed that the Notice was given upon proof of the refused delivery, provided such Notice was sent in the manner specified in this Agreement.

9.10 Force Majeure: No Party shall be liable to the other if, and to the extent, that the performance or delay in performance of any of its obligations under this Agreement is prevented, restricted, delayed or interfered with specifically due to Government legislations, fires, floods, explosions, pandemic, epidemics, accidents, acts of God, wars, riots, strikes, lockouts, or other concerted acts of workmen ("**Force Majeure Event**"). The Party claiming a Force Majeure Event shall promptly notify the other Parties in writing within 24 hours of the occurrence of such event and provide full particulars of the cause or event and the date of first occurrence thereof, and also keep the other Parties informed of any further developments. The Party so affected shall use its best efforts to remove the cause of non-performance, and the Parties shall resume performance hereunder with the utmost dispatch when such cause is removed. If either Party is unable to carry out its obligations by reason of Force Majeure as defined above or the force majeure continues for a period of fourteen (14) days, then the other Party may by giving thirty (30) days' notice in writing, terminate this Agreement. Any such termination shall be without prejudice to any of the right of the Parties accrued prior to the date of such termination

9.11 Counterparts: This Agreement may be executed in any number of originals or counterparts, each in the like form and all of which when taken together shall constitute one and the same document.

9.12 Governing Law and Jurisdiction: This Agreement shall be governed by Indian laws. Subject to Clause 9.14, Courts in Mumbai shall have exclusive jurisdiction.

9.13 Public Announcement: The Refiner shall not make any public announcement without the prior written consent of MCX.

9.14 Dispute Resolution:

- 9.14.1 Any and all disputes or differences between the parties arising out of or in connection with this Agreement or its performance shall, so far as it is possible, be settled by negotiations between the Parties amicably through consultation between representatives of both the Parties. All disputes or difference arising out of or in connection with any of the matters set out in this Agreement, if not resolved by amicable settlement within 30 (thirty) days, shall be referred to a committee of the MCX as may be directed by MCX from time to time. The Refiner shall have the right to represent itself at meetings of such committee. If the dispute is still not resolved within 30 days, it shall finally and conclusively be determined by arbitration by a sole arbitrator appointed by the Parties to the dispute. . If the Parties cannot mutually agree upon the same within 7 days, then the dispute shall be decided by panel of 3 (three) arbitrators, one arbitrator each being appointed by the MCX and Opposite party and the third arbitrator shall be appointed by the two arbitrator so appointed by the parties. The arbitration shall be governed in accordance with the Arbitration and Conciliation Act, 1996 of India, as amended from time to time. The seat and venue of the arbitration shall be in Mumbai, India and the arbitration shall be conducted in the English language. Any document not in English submitted by any Party shall be accompanied by an English translation.
- 9.14.2 A written transcript of the proceedings shall be made and furnished to the Parties. Notwithstanding anything to the contrary contained herein, in the event various Disputes arise in relation to the same or substantially similar set of facts, cause of action or claim, the Parties undertake that all such Disputes shall be dealt with under the same arbitral proceeding and separate arbitral proceedings shall not be initiated with respect to each such Dispute.
- 9.14.3 The arbitrator shall have the power to grant any legal or equitable remedy or relief available under law, including injunctive relief (whether interim and/or final) and specific performance and any measures ordered by the arbitrator may be specifically enforced by any court of competent jurisdiction.
- 9.14.4 During the course of any arbitration under this Clause 9.14 except for the matters under dispute, the Parties shall continue to exercise their remaining respective rights and fulfil their remaining respective obligations under this Agreement to the extent applicable. Each Party shall participate in good faith to reasonably expedite (to the extent practicable) the conduct of any arbitral proceedings commenced under this Agreement. The arbitration shall be kept confidential and the existence of the proceeding and any element of it shall not be disclosed beyond the arbitrator, the Parties, their counsel and any Person necessary to the conduct of the proceeding, except as

may be lawfully required in judicial proceedings relating to the arbitration or otherwise.

9.14.5 The arbitrator shall decide on and apportion the costs and reasonable expenses (including reasonable fees of counsel retained by the Parties) incurred in the arbitration.

9.14.6 The Parties agree that the arbitration award shall be final and binding on each the Parties that were parties to the dispute. Judgment upon the arbitration award may be rendered in any court of competent jurisdiction or application may be made to such court for a judicial acceptance of the award and an order of enforcement, as the case may be. The Parties would be entitled to seek interim relief from the courts of Mumbai.

9.15 Power to levy additional noncompliance fee: In the event of breach of the terms of this Agreement and/or the MCX-GD Norms for BIS – Standard Gold and Silver, MCX shall have the power to levy such additional non-compliance fee and/or take any other action as it may deem fit.

9.16 Amendment: No modification or amendment to this Agreement and no waiver of any of the terms or conditions hereof shall be valid or binding unless made in writing and duly executed by both the Partie

IN WITNESS WHEREOF, this Agreement has been signed by both Parties through their authorized representatives here below.

<p>MULTI COMMODITY EXCHANGE OF INDIA LTD.</p> <p>NAME:</p> <p>DESIGNATION:</p>	<p>[•]</p> <p>NAME:</p> <p>DESIGNATION:</p>
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SCHEDULE 1 – R&W

The Refiner hereby represents and warrants the following:

1. The Refiner is duly incorporated and organized and existing under the laws of India and is validly existing under Applicable Law.
2. The Refiner is not in receivership or liquidation and has/have taken no steps to enter into liquidation and it has not received any notice presenting a petition for winding-up or dissolution. There are no grounds on which a petition or application could be based for the winding-up or appointment of a receiver for the Refiner.
3. The director/partner of the Refiner executing this has full power and authority to enter into and comply with its obligations under this Agreement and has obtained, in writing, all necessary consents from the company or LLP to enter into and comply with obligations under this Agreement. The execution and delivery by the Refiner of this Agreement and the performance by the Refiner of the transactions contemplated herein and therein have been duly authorized by all necessary corporate or other action of the Refiner.
4. This Agreement constitutes valid and legally binding obligations of the Refiner enforceable in accordance with its terms and this Agreement will constitute valid and legally binding obligations of the Refiner, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally.
5. The execution, delivery and performance of this Agreement by the Refiner shall not:
 - (a) conflict with or result in any material breach or violation of any of the terms and conditions of, or constitute (or with notice or lapse of time or both constitute) a default under, any agreement to which the Refiner is a party or by which the Refiner is bound;
 - (b) violate any court order, judgment, injunction, award, decree or writ against, or binding upon, the Refiner or upon its assets; or
 - (c) violate any Applicable Law;
6. Neither the Refiner, or where applicable, their respective employees, officers or directors, any agent or other third party representative acting on behalf of any of the Promoters, is currently, or has prior to the Execution Date, offered, promised, provided, or authorized the provision of any money, property, contribution, gift, entertainment or other thing of value, directly or indirectly, to any Governmental Authority, or any other Person acting in an official capacity, to influence official action or secure an improper advantage, or to encourage the recipient to breach a duty of good faith or loyalty or the policies of his/her employer, or otherwise engaged in any conduct that would be in violation of any applicable Anti-Corruption Laws.
7. Neither the Refiner nor its employees, officers, directors, employees, agents, or representatives acting on behalf of any of the Refiner in relation to their business: (i)

is identified on any Sanctions List; (ii) is a Sanctioned Person; or (iii) has transacted business with a Sanctioned Person or in violation of Sanctions.

8. The Refiner has not violated and is not in violation of any Anti-Money Laundering Laws.
9. No funds, proceeds, or assets contributed, sold, or otherwise made available to or for the benefit of the Refiner, or invested by the Refiner were obtained or derived from any unlawful or criminal activity (including without limitation activity in violation of Anti-Corruption Laws, Sanctions, or Anti-Money Laundering Laws).
10. The information provided to MCX by the Refiner is true and complete.
11. Neither the Refiner nor any of their respective assets or properties are involved in, or subject to, any Insolvency Proceedings. There are no circumstances which require or would enable any Insolvency Proceedings to be commenced or initiated against them or any of their assets or properties.
12. The Refiner and/or its Promoters/ partners are not engaged (whether as claimant, defendant, plaintiff or otherwise) in any Action and there is no Action passed, in progress, pending, outstanding or to the best knowledge of the Refiner threatened.
13. The Refiner is not convicted of any economic offence, offence involving securities laws or fraud of any nature.
14. The accounts submitted by the Refiner to MCX has been duly prepared, and filed in accordance with the Companies Act, 2013 and correctly states the Assets and liabilities (including off balance sheet liabilities) of the Refinery, are otherwise accurate and complete, and gives a true, fair and complete view of the financial condition of the Refiner as at the last day of the Financial Year to which they relate.

Annexure 4 - Format of Bank Guarantee for Security Deposit

GUARANTEE

This guarantee **bearing No. [●]** is issued by [●] (bank), a body corporate constituted under the [●] Act [●], having its Head Office at [●] (hereinafter referred to as the “Bank” which term shall wherever the context so permits, includes its successors and assigns) in favour of Multi Commodity Exchange of India Ltd, a company established under the Companies Act, 1956 and having its registered office at Exchange Square, Suren Road, Chakala, Andheri East, Mumbai - 400093 (hereinafter referred to as “MCX” which expression shall include its subsidiaries, successors and assigns),

WHEREAS

1. M/s [●], a limited liability partnership registered under the Limited Liability Partnership Act, 2008 and having their office at [●] (Complete Address), (hereinafter referred to as the “Approved Refiner”, which expression shall include their successors and assigns) /

M/s [●], incorporated as a company under the Companies Act, 1956/2013 and having its registered office at [●] (Complete Address), (hereinafter referred to as the “Approved Refiner”, which expression shall include its successors and assigns).

2. One of the conditions of the MCX GD Norms for BIS – Standard Gold and Silver and Refiner Agreement is that the Approved Refiner maintains with MCX a **security deposit** in the form of a bank guarantee from a scheduled commercial bank or scheduled commercial bank fixed deposit receipt (duly endorsed in favor of MCX) of a value not less than Rs.4,00,00,000 (Rupees Four Crores only) as prescribed by MCX.
3. At the request of the Approved Refiner, MCX has agreed to accept **security deposit** in the form of cash, bank guarantee, fixed deposit receipt from scheduled commercial bank/public sector bank (having minimum networth of Rs. 10,000 Cr) in favour of MCX for an equivalent amount of Rs. 4,00,00,000 (Rupees Four Crores only).
4. The Approved Refiner has requested the Bank to furnish to MCX a guarantee for Rs.4,00,00,000 (Rupees Four Crores only).

NOW IN CONSIDERATION OF THE FOREGOING,

1. We, the [●] (Name of Bank) having a branch at [●] (Complete Address of Branch) at the request and desire of the Approved Refiner do hereby irrevocably and unconditionally guarantee to pay a sum of Rs. 4,00,00,000, (Rupees Four Crores only) to MCX as a security for due performance and fulfillment by the Approved Refiner of its engagements, commitments, operations, obligations or liabilities as an Approved Refiner of MCX including any sums due by the Approved Refiner to MCX or any other party as decided by MCX arising out of or incidental to any contracts made, executed, undertaken, carried on or entered into or purported so to be, by the Approved Refiner. The Bank agrees and confirms that the said guarantee shall be available as a security for meeting, satisfying, discharging or fulfilling all or any obligation or liability of the Approved Refiner as directed and decided by MCX, with no reference to the Approved Refiner.

2. The Bank hereby agrees that if in the opinion of MCX, the Approved Refiner has been or may become unable to meet, satisfy, discharge or fulfill any obligations, liability or commitments or any part thereof to MCX, or to any other party as decided by MCX, then without prejudice to the rights of MCX under the MCX GD Norms for BIS – Standard Gold and Silver and Refiner Agreement or otherwise, MCX may at any time thereafter and without giving any notice to the Approved Refiner invoke this guarantee to meet the aforesaid obligations, liabilities or commitments of the Approved Refiner.
3. The Bank undertakes that it shall, on first demand of MCX, without any demur, protest or contestation and without any reference to the Approved Refiner and notwithstanding any contestation by the Approved Refiner, pay to MCX such sums not exceeding Rs. 4,00,00,000 (Rupees Four Crores only) as may be demanded by MCX. The decision of MCX as to the obligations or liabilities or commitments of the Approved Refiner and the amount claimed shall be final and binding on the Bank, and any demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this guarantee.
4. The guarantee shall be a continuing guarantee and remain operative in respect of each of the obligations, liabilities or commitments of the Approved Refiner severally and may be enforced as such in the discretion of MCX, as if each of the obligations, liabilities or commitments had been separately guaranteed by the Bank. The guarantee shall not be considered as cancelled or in any way affected on any demand being raised by MCX but shall continue and remain in operation in respect of all subsequent obligations, liabilities or commitments of the Approved Refiner. However, the maximum aggregate liability of the Bank during the validity of the guarantee shall be restricted to an aggregate sum of Rs. 4,00,00,000 (Rupees Four Crores only).
5. Notwithstanding the above, the Bank notes that the nature of operations of the Approved Refiner is such that the obligations, liabilities or commitments of the Approved Refiner are of a continuing nature and as such, Bank agrees that this guarantee can be invoked by MCX even in respect of the obligations, liabilities or commitments of the Approved Refiner towards MCX which might have arisen prior to the execution of this guarantee.
6. This guarantee shall not be prejudiced by the failure of the Approved Refiner to comply with the Rules or Bye Laws or Regulations of MCX or any terms and conditions of the MCX GD Norms for BIS – Standard Gold and Silver and Refiner agreement. MCX shall be at liberty to vary, amend, change or alter any terms or conditions of the MCX GD Norms for BIS – Standard Gold and Silver and Refiner Agreement in general or as applicable to the Approved Refiner in particular from time to time, without thereby affecting its rights against the Approved Refiner or the Bank or any other security belonging to Approved Refiner now or hereafter held or taken by MCX at any time. The discretion to make demands under this guarantee shall exclusively be that of MCX and MCX is entitled to demand hereunder notwithstanding being in possession of any deposits or other securities of the Approved Refiner.
7. The validity of this guarantee shall not be affected in any manner whatsoever if MCX takes any action against the Approved Refiner including revocation of letter of empanelment of the Approved Refiner.
8. This guarantee shall not be affected by any change to the constitution of MCX or the Approved Refiner or the Bank and it shall remain in force notwithstanding any

forbearance or indulgence that may be shown by MCX to the Approved Refiner.

9. The Bank undertakes to pay to MCX, the amount hereby guaranteed **within 24 hours** of being served with a written notice requiring the payment of the amount either by hand delivery or by registered post or by speed post.
10. This guarantee may be invoked by MCX in part(s) without affecting its rights to invoke this guarantee for any liabilities that may devolve later.
11. This bank guarantee shall remain valid with MCX for a period of three (3) years ie. from _____ till _____).
12. The Bank undertakes not to **amend or revoke** this guarantee or **reduce the amount** during its currency except with the previous consent of MCX in writing and this guarantee shall be a continuous and irrevocable guarantee upto a sum of Rs. 4,00,00,000/- (Rupees Four Crores only).
13. Notwithstanding anything mentioned herein above,
 - (a) the liability of the Bank under this guarantee shall not exceed Rs. 4,00,00,000 (Rupees Four Crores only)

(b) This guarantee shall be valid for a period of 3 years i.e. from ____ upto _____ .

Executed this [●] day of [●] at [●] (place).

FOR [●] (BANK)

[●] (BRANCH)

AUTHORIZED
SIGNATORIES

SEAL OF THE BANK

- **Strike out whichever is not applicable**

Instructions:

- 1) The above printed format is required to be used.
- 2) **The Bank Guarantee to be stamped for Rs.100/- or the value prevailing in the State where executed, whichever is higher. Bank Guarantee to be executed on Non-Judicial stamp paper(s) or on paper franked from Stamp Office**
- 3) **All the blanks in the format are required to be duly filled by the issuing bank along with the signature of the authorized signatory and seal of the bank.**
- 4) **Each page of the bank guarantee should bear the bank guarantee number and issue date and should be signed by two authorized signatories of the bank unless the bank has specifically intimated MCX that only one authorized signatory shall sign the bank guarantees issued by them in favour of MCX.**