

BRIEF ON HALLMARKING SCHEME

Introduction

Since ancient time Gold is considered as a store house of value in India. In villages, people invest in gold to keep them secured against inflation and to be able to raise loans by mortgaging it in the time of need. A large number of artisans buy gold to handcraft magnificent jewellery for domestic as well as export market. In recent years annual demand for gold has been in the range of 600 - 800 tonnes.

Background

2. Gold is too soft to withstand wear, therefore, for jewellery making, gold is always alloyed with some other metal. The need for alloying of gold also makes public extremely vulnerable to excessive adulteration. Detection of adulteration in gold is difficult without performing technical tests. The complex nature of Indian jewellery mostly made of high caratage gold and containing numerous soldered joints of much lower caratage makes the job of determination of purity even more difficult. In addition, 24 carat plating of articles of low caratage is also common. The common consumer though well aware of such malpractices still has no option but to submit himself to repeated cheating by unscrupulous traders.

3. It was in this background that Government of India took cognizance of the need for protecting consumers. A mandate was, therefore, given to Reserve Bank of India (RBI) Standing Committee on Gold and Precious Metals to look into the issues relating to Standardization of Gold products and introduction of Gold Hallmarking in the country. The Committee identified Bureau of Indian Standards (BIS) in the year 2000 as the sole agency to operate the Hallmarking Scheme in India, and entrusted BIS with the task of implementing hallmarking scheme to protect the consumer against cheating, develop export competitiveness and make India a leading market for gold jewellery in the world. The Scheme for Hallmarking of Silver articles was launched later in 2005.

Hallmarking

2.1 Hallmarking is the accurate determination and official recording of the proportionate content of precious metal in the jewellery/artefacts or bullion/coins.

Quality control order for mandatory hallmarking of gold jewellery/artefacts has been issued on 23 June 2021 by the Govt. of India which makes hallmarking mandatory in 256 districts of the country where there is atleast one assaying and hallmarking centre. The mandatory hallmarking order is applicable on 14, 18 and 22 carats of gold jewellery/artefacts only.

2.2 For hallmarking of jewellery, a jeweler who wants to sell hallmarked jewellery has to obtain a registration from BIS. The registration of jeweler's process has been made online. The jeweler fills the application form online, and the registration is granted

instantly and can be downloaded by the jeweler. The registration of jewelers is free and valid for life time.

2.3 The registered jeweler submits the jewellery for hallmarking to BIS recognized Assaying & Hallmarking (A&H) centre. A&H centres are the testing centres where the jewellery is tested. After testing, the A&H centre applies hallmark on the jewellery which is found meeting the requirement of the standard.

2.4 The A&H centre can apply for recognition to BIS online. The recognition is granted to A&H centres for hallmarking of jewellery/artefacts after verifying the infrastructure requirements, capability and competency of personnel to carry out assaying & hallmarking. Entire process of recognition, which involves audit of the centres, submission of audit report, and grant of recognition or renewal, has been automated.

2.5 BIS has developed digital solution wherein the entire workflow in assaying and hallmarking centre is automated and made online. The jeweler will submit the request for hallmarking online and the data for all the processes undertaken in the centre from inward receipt and weighment, XRF, Sampling, Fireassay and laser marking is maintained online and can be monitored on real time basis. At the end of the testing , a unique six digit alpha numerical code is generated from the BIS server for each jewellery article and is laser marked by the assaying and hallmarking centre on the jewellery alongwith BIS logo and purity mark.

2.6 Earlier (Before 1 July 2021) hallmarked Jewellery consist of following four marks:

 BIS Mark	Purity in carat and fineness for gold (e.g.22K916,18K750, 14K585) In case of silver only fineness of 990,970,925,900,835,800	Assay centre's identification mark / number	Jewellers identification mark/number
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With the introduction of six digit alphanumeric code from 1 July 2021, the four marks have now been replaced by three marks for gold jewellery/ artefacts as given below

 BIS Mark	Purity in carat and fineness for gold (e.g.22K916,18K750, 14K585)	Six digit alphanumeric code AAAAAA
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2.7 The Indian Standard on Gold Hallmarking IS 1417:2016 specifies three grades for hallmarking of gold jewellery/ artefacts which are 14 Carat, 18 Carat and 22 Carat. The same has been amended to include additional grades of 20 carat, 23 carat and 24 carats.

Indian standard on Silver hallmarking IS 2112: 2014 specifies six grades of silver alloys viz 990,970,925,900,835,800 used in the manufacture of jewellery/artefacts of silver.

2.8 Hallmarking charges for the jewellery are – Rs.35/- per piece for gold jewellery and Rs.25/- per piece for silver jewellery irrespective of the weight of the jewellery.

2.9 After grant of registration to jeweller, BIS periodically visit the sales outlet(s) and randomly draws sample of Hallmarked article as on sale and gets it tested according to the relevant Indian Standard at its own referral assay labs at Chennai, Sahibabad and Kolkata to ascertain the purity of the precious metal content in the sample. In case of failure of sample, action is taken on both the jeweller and the assaying and hallmarking centre .BIS also carries out periodic surveillance audit of the A&H centre to ascertain its continuation with the specified requirements.

2.10 For hallmarking of gold bullion and coins of fineness 995 and 999 parts per thousand a refinery or a mint obtains a license and applies hallmark during the manufacturing. At present 44 refineries have taken licence from BIS for refining of gold.

Growth of Hallmarking Scheme

3.1 As on 31 December 2021, around 1 lakh 30 thousand Jewellers have taken registration from BIS for selling hallmarked jewellery and artefacts while 1004 BIS recognized assaying and hallmarking centers are operative in the country. In the past, in a year maximum number of jewellery hallmarked was 4.49 crore in the year 2018-2019. However, after the launch of automation software, around 5.5 crore jewellery have been hallmarked with HUID in the period from 1st July 2021 to 31 December 2021.