BRIEF ON HALLMARKING SCHEME

Introduction

Gold has fascinated Indians from ancient times for reasons of its intrinsic value and reverence attached to it during auspicious occasions. Gold is also a popular investment choice for the vast population living in villages to keep them secured during times of need. Thus, to protect the consumer against adulteration and to obligate jewelers to maintain legal standards of purity, government mandated Bureau of Indian Standards to start the Hallmarking Scheme for gold in the year 2000. The scheme for hallmarking of silver was later introduced in the year 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 16 June 2021 by the Govt. of India which makes it hallmarking mandatory in 256 districts of the country where there is at least one Assaying and Hallmarking centre. The mandatory hallmarking order is applicable on 14, 18 and 22 carats of gold jewellery/artefacts only.

- 2.2 The registration process has been made completely online. The jeweller needs to apply online to obtain a registration from BIS and the registration is granted instantly and the certificate can be downloaded by the jeweller.
- 2.3 A&H centres are the testing centres where the jewellery is tested. The registered jeweller submits the jewellery to be hallmarked to BIS recognized Assaying & Hallmarking (A&H) centre. 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 centres can apply online for recognition by BIS. 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** The list of registered jewellers and BIS recognised A&H centres is available on the BIS website <u>www.bis.gov.in</u>.

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With the introduction of the six digit alphanumeric code the four marks have now been replaced by the three marks for gold jewellery/ artefacts as given below:

BIS Mark (e.g.22K916,18K750, 14K383) AAAA		Purity in carat and fineness for gole (e.g.22K916,18K750, 14K585)
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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 standard is being 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 manufacturing 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 samples of Hallmarked articles 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.

Growth of Hallmarking Scheme

3.1 As on 31 March 2021, 34,647 Jewellers have taken registration from BIS for selling hallmarked jewellery. The average growth in the number of registered jewellers during the last three years has been nearly 18%. Similarly, the number of A& H Centres have also

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grown at an average growth rate of nearly 25% during the last three years. As on 31 March 2021, 945 BIS recognized assaying and hallmarking centers were operative in the country.

Consumer Protection

- **4.1** Consumer should buy Hallmarked Jewellery from BIS registered jewellers and the following points should be taken care of:
 - Check the BIS certificate of registration displayed in the shop.
 - Check the signs of Hallmark on the article with the help of a magnifying glass of 10X magnification available in the shop.
 - Do not pay Hallmarking cost more than Rs.35/- + GST per piece for gold jewellery and Rs.25/- + GST per piece for silver jewellery.
 - Do not forget to take the bill which should mention hallmarking cost, net weight of precious metal, purity in carat and fineness of the jewellery.
- **4.2** BIS follows a well-established complaint redressal procedure. Complaints are recorded centrally at Complaints Management and Enforcement Department (CMED) of BIS. Complaints can be made both offline and online. Online complaints can be made through mobile app BIS CARE or through Consumer Engagement Portal at BIS website www.bis.gov.in.
- 4.3 Consumers can get their hallmarked jewellery tested from any of the BIS recognized A&H Centre on chargeable basis and can lodge a complaint with BIS in case any shortage in purity is observed. BIS ensures its redressal by the registered jeweller. In case of shortage of purity, consumer is entitled to get the compensation calculated as two times the shortage in purity for the weight of the article sold.