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**STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS
AND PUBLIC DISTRIBUTION (2022-2023)**

SEVENTEENTH LOK SABHA

**MINISTRY OF CONSUMER AFFAIRS, FOOD
AND PUBLIC DISTRIBUTION
(DEPARTMENT OF CONSUMER AFFAIRS)**

Bureau of Indian Standards (BIS) – Hallmarking & Jewellery

TWENTY SEVENTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

August, 2023/ Sravana, 1945 (Saka)

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(DEPARTMENT OF CONSUMER AFFAIRS)**

Bureau of Indian Standards (BIS) – Hallmarking & Jewellery

Presented to Lok Sabha on _____

Laid in Rajya Sabha on _____



**LOK SABHA SECRETARIAT
NEW DELHI**

August, 2023/ Sravana, 1945 (Saka)

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Composition of the Standing Committee on Consumer Affairs,

Food and Public Distribution (2022-23)

Smt. Locket Chatterjee - Chairperson

MEMBERS

Lok Sabha

2. Dr. Farooq Abdullah
3. Shri Sudip Bandyopadhyay
4. Shri Shafiqur Rahman Barq
5. Shri Gangasandra Siddappa Basavaraj
6. Km. Debasree Chaudhuri
7. Shri Anil Firojiya
8. Shri Rajendra Dhedya Gavit
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12. Shri Subrat Pathak
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14. Dr. Amar Singh
15. Smt. Himadri Singh
16. Smt. Kavita Singh
17. Shri Nandigam Suresh
18. Shri Saptagiri Sankar Ulaka
19. Shri Rajmohan Unnithan
20. Shri Vaithilingam Ve.
21. Vacant *

Rajya Sabha

22. Shri Satish Chandra Dubey
23. Dr. Fauzia Khan
24. Shri Baburam Nishad
25. Shri Rajmani Patel
26. Shri Sakaldeep Rajbhar
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31. Dr. Ashok Bajpai

LOK SABHA SECRETARIAT

- | | | |
|--------------------------------|---|------------------|
| 1. Shri Srinivasulu Gunda | - | Joint Secretary |
| 2. Dr. Vatsala Joshi | - | Director |
| 3. Dr. Mohit Rajan | - | Deputy Secretary |
| 4. Shri Dong Lianthang Tonsing | - | Deputy Secretary |

* Vacant

Table Office (B) Notification No. 21/4/(5)/2023/TO(B) dated 03.04.2023, Shri Girish Bhalchandra Bapat, an elected Member of Lok Sabha had passed away on 29.03.2023.

INTRODUCTION

I, the Chairperson of the Standing Committee on Food, Consumer Affairs and Public Distribution (2022-2023) having been authorized by the Committee to submit the Report on their behalf, present this Twenty Seventh Report on the subject 'Bureau of Indian Standards (BIS) - Hallmarking & Jewellery' pertaining to the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs).

2. The subject Report was selected by the Committee for examination and report. The Committee was briefed on the subject by the representatives of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs) on 8 January, 2021. Oral evidence of the representatives of the Department of Consumer Affairs was held on 12 November, 2021. Besides non-official evidence of representatives of Stakeholders was also held on 9.11.2022.

3. The Committee wish to express their thanks to the Officers of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs) and the Stakeholders on the subject of BIS – Hallmarking & Jewellery for placing before them the necessary information in connection with the examination of the subject.

4. A Report was considered and adopted by the Committee at their sitting held on 1st August, 2023.

5. For facility of reference and convenience, the Observations/Comments of the Committee have been printed in thick type in the text of the Report.

**NEW DELHI;
01 August, 2023
10 Sravana, 1945 (Saka)**

**LOCKET CHATTERJEE
Chairperson,
Standing Committee Consumer
Affairs, Food and Public Distribution**

REPORT
CHAPTER I
INTRODUCTORY

HALLMARKING OF JEWELLERY

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

(i) THE LEGAL FRAMEWORK AND REGULATIONS

1.2 The Department of Consumer Affairs (DoCA) **in their background** note have stated as under:

“ Gold is too soft to with stand 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.

1.3 With regard to the action taken to address the malpractices and difficulties in jewellery making mentioned at para 1.2 the DoCA submitted as follows:

“... 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.”

1.4 Bureau of Indian Standards (BIS) Act , 2016 is an Act to provide for the establishment of a national Standards body for the harmonious development of the

activities of standardization, conformity assessment and quality assurance of goods, articles, processes ,systems and services and for matters connected therewith or incidental there to. BIS Act, 2016 came into force with effect from 12 October 2017.

1.5 Section 14 of BIS Act, 2016 deals with certification of Standard Mark of jewellers and sellers of certain specified goods or services. Sub section (1) and (2) of Section 14 of the Act reads as follows :

“(1) The Central Government, after consulting the Bureau , may notify precious metal articles or other goods or articles as it may consider necessary , to be marked with a Hallmark or Standard mark , as the case may be ,in a manner as specified in sub- section (2).

(2) The goods or articles notified in section (1) may be sold through retail outlets certified by the Bureau after such goods or articles have been assessed for conformity to the relevant standard by testing and marking Centre, recognized by the Bureau and marked with Hallmark or Standard mark , as the case may be , as specified by regulations.”

1.6 Government of India has notified ‘The Bureau of Indian Standards (Hallmarking) Regulations, 2018 to mark gold jewellery and gold artefacts and silver jewellery and silver artefacts with Hallmark. Subsequently, the Hallmarking of Gold Jewellery and Gold Artefacts Order, 2020 {(S.O. 205 (E)} tified on 15 January, 2020 , making hallmarking of gold jewellery mandatory and to be sold only by certified jewellers in the country from 15 January, 2021.The amendment to the Order dated 15 January was made *vide* Gazette notification no. 3513 dated 09 October,2020 to change the date of coming into force of the said Order *w.e.f* 01.06.2021. This date was further extended to 16.06.2021 *vide* Gazette notification no. 2102 dated 01.06.2021.

1.7 The Hallmarking of Gold jewellery and Gold artefacts (Second amendment Order) ,2021 published *vide* Gazette notification S.O. 2481(E) dated **23.06.2021**. has inserted the following amendment after clause 1 of the Order dated 15.01.2020.

“1A Application of Order- This order shall apply only to the districts mentioned in the Annexure and to 14,18 and 22 caratage of gold jewellery and gold artefacts”

1.8 The Government *vide* Gazette notification S.O. 1594 dated 04.04.2022 has omitted the words and figures 'and to 14,18 and 22 caratage of gold jewellery' inserted *vide* the gazette notification referred in para 1.7 above.

1.9 Hallmarking of Gold Jewellery and Gold Artefacts (Second Amendment) Order, 2021 dated 23 June, 2021 contained quality control order for mandatory Hallmarking of gold jewellery/ artefacts which made Hallmarking mandatory in 256 districts of the country where there is at least one Assaying and Hallmarking Centre (AHCs). An amendment to this order had been issued by Government of India on 04 April, 2022 making Hallmarking mandatory in 288 districts of the country.

1.10 Hallmarking of Gold Jewellery and Gold Artefacts (Amendment) Order, 2023 dated 3 March, 2023 makes the selling of Hallmarked Gold Jewellery mandatory and reads as under :-

"No person shall, after 31st March, 2023, sell or display or offer to sell any gold jewellery or gold artefacts unless it is hallmarked in accordance with the standards specified in IS 1417:2016 as amended by notification number Ref: HQ-PUB014/1/2020-PUB-BIS (191), dated the 7th July, 2021, published in the Gazette of India, Extraordinary, Part III, Section 4, dated the 15th July, 2021."

(ii) THE GUIDELINES

1.11 The Guidelines formulated for implementation of various provisions of the Act are as follows :

- a) The Guidelines for Recognition & Operation of Assaying & Hallmarking Centres (issued by BIS in September, 2018
- b) Guidelines for Grant, Operation, Surveillance and cancellation of certificate of registration of jewelers in Nov, 2021
- c) Guidelines for grant, operation, renewal and cancellation of License for refinery or mint in Sep., 2018.

1.12 The Guidelines for Recognition & Operation of AHCs, issued by BIS in September, 2018, states that recognition shall be granted as per IS (Indian Standards) 15820:2009 with scope defined for-

- (a) Gold Jewellery / artefacts (as per IS 1417) - for yellow gold jewellery /

- artefacts only; (b) for white gold jewellery / artefacts only (Nickel based); (c) for white gold jewellery / artefacts only (Palladium based); (d) for combination of all above; and
(b) For Silver Jewellery / artefacts (as per IS 2112).

(iii) INDIAN STANDARDS

1.13 Sub-section (2) of Section 10 of BIS Act, 2016 states as under:

“The Bureau may –

- (a) Establish, publish, review and promote the Indian Standard, in relation to any goods, article, process, system or service in such manner as may be prescribed;*
- (b) Adopt as Indian Standard, any standard, established by any other Institution in India or elsewhere, in relation to any goods, article, process, system or service in such manner as may be prescribed;*
- (c) Recognize or accredit any institution in India or outside which is engaged in standardization;*
- (d) Undertake, support and promote such research as may be necessary for formulation of Indian Standards.”*

(iv) INTERNATIONAL STANDARDS

1.14 In response to a query as to whether any international standards on jewellery and precious metal exist, the DoCA in a written reply submitted as below:

“The International Organization for Standardization (ISO) has published the standard ‘ISO 9202:2019 - Jewellery and precious metals — Fineness of Precious Metal Alloys’ which specifies a range of fineness of precious metal alloys (excluding solders) recommended for use in the field of jewellery.

The grades of precious metal alloys specified in this standard are Gold, Silver, Platinum and Palladium. The grades of Gold and Silver jewellery that are specified in the respective Indian standards are also available in the above ISO standard.”

1.15 When enquired whether the hallmarking obligation apply to jewellery goods for export, the Department, in a written reply, submitted as follows:

“As per the Mandatory hallmarking order any article meant for export, which conforms to any specification required by the foreign buyer and any article meant for export and re-import as per trade policy of the Government of India is exempted from mandatory hallmarking.”

1.16 The Committee note that BIS is entrusted with the task of implementing hallmarking scheme and making India a leading market for gold jewellery in the world. They also note that (i) as per sub-section (2) of Section 10 of BIS Act, 2016, the Bureau may adopt as Indian Standard, any standard in such manner as may be prescribed; (ii) the grades of gold and silver jewellery that are specified in the respective Indian standards are also available in 'ISO 9202:2019 – Jewellery and Precious Metals – Fineness of precious metal alloys' published by the International Organization for Standardization (ISO) which specifies a range of fineness of precious metal alloys; and (iii) articles meant for export which conforms to any specification required by the foreign buyers is exempted from mandatory hallmarking. While appreciating the path breaking initiative of the Govt of India for (a) formulating and prescribing Indian Standards for precious metals such as gold and silver; and, (ii) introducing mandatory hallmarking of Jewellery which ensures purity, quality and fineness and go a long way in protecting the interest of the consumers of the precious metals and jewellery, the Committee desire the Department of Consumer Affairs (DoCA) explore the possibility of aligning the BIS Standards prescribed for precious metals and jewellery with those of International Standards prescribed by International Organisation of Standards to promote exports of precious metal jewellery.

CHAPTER II

HALLMARKING OF JEWELLERY SCHEME

(i) HALLMARKING

Section 14 of the Bureau of Indian Standards Act, 2016 *inter alia*, provides as under:

“The Central Government, after consulting the Bureau, may notify precious metal articles or other goods or articles as it may consider necessary, to be marked with a Hallmark or Standard Mark, as the case may be and that the goods or articles may be sold through retail outlets certified by the Bureau after such goods or articles have been assessed for conformity to the relevant standard by testing and marking centre, recognised by the Bureau and marked with Hallmark or Standard Mark, as the case may be, as specified by regulations.”

2.2 With regard to the **objectives** of Hallmarking Scheme, the Department of Consumer Affairs (DoCA) , in a written reply submitted as under:

“...The objectives of introducing Hallmarking Scheme in the country was to protect consumer against victimization due to irregular gold or silver quality, develop India as a leading gold market centre in the World and develop export competitiveness.

2.3 The **advantages** to the jewellers due to introduction of hallmarking as furnished by DoCA is as follows :

“The scheme of hallmarking of jewellery will provide jewellers clear indication of capability, strong evidence of commitment to quality and assurance of consistency in purity and quality of gold or silver jewellery.”

2.4 Hallmarking of Gold Jewellery provides third party assurance to consumers on the purity of gold jewellery or its fineness. Under the Hallmarking Scheme, (i) the jewelers are granted certificate of registration to sell Hallmarked jewellery; and, (ii) Assaying and Hallmarking (A&H) Centres, to assay the purity of the jewellery submitted by registered jeweler along with declaration of purity and apply Hallmark on such jewellery which is found conforming to relevant Indian Standard including declared fineness, are recognized

Registration of jewellers

2.5 With regard to the process of obtaining registration by the jewellers for selling hallmarked jewellery, DoCA in their background note, submitted as under:

“ 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.

The registered jeweller submits the jewellery for hallmarking to BIS recognized AHC. The AHC applies hallmark on the jewellery which is found meeting the requirement of the standard.”

Recognition of Assaying and Hallmarking (A&H) Centres

2.6 On the process of obtaining recognition of A&H centres, DoCA in their background note , submitted as follows :

“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, capacity, and competency of personnel to carry out assaying and hallmarking. Entire process of recognition, which involves audit of the centres, submission of audit report and grant of recognition or renewal, has been automated.”

2.7 Asked about the manner in which purity or caratage in gold jewellery is determined, the Department of Consumer Affairs, in a written reply, has stated as under:

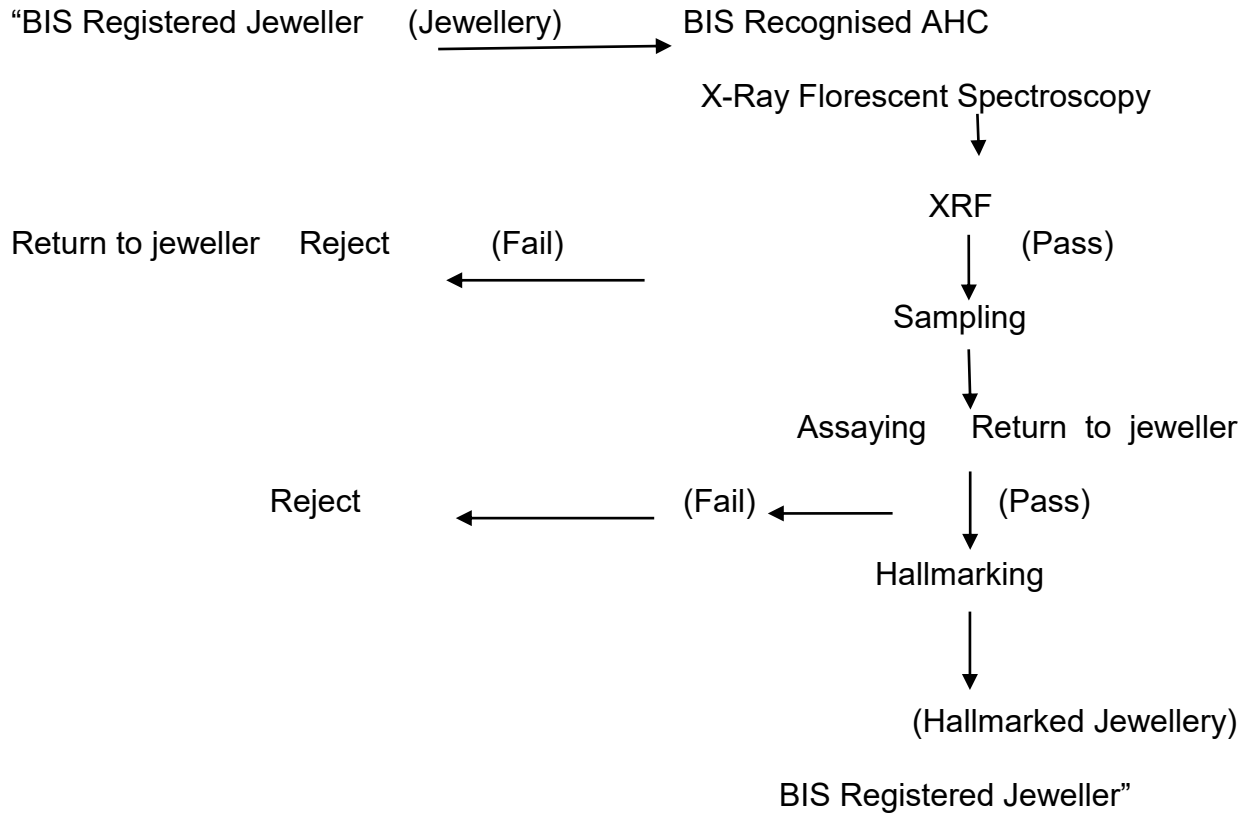
“The purity or caratage in gold is determined by fire assay method as given in Indian Standard IS 1418:2009 ‘Determination of gold in gold bullion, gold alloys and gold jewellery/artefacts – Cupellation (Fire Assay) method”

Digital solution for A&H of Jewellery

2.8 Referring to automation of workflow involved in Assaying and Hallmarking (A&H), DoCA in their background note stated as follows :

“BIS has developed digital solution wherein the entire workflow in assaying and hallmarking centre is automated and made online. The jewellers submit the request for hallmarking online and the data for all the processes undertaken in the centre from inward receipt and weighment, XRF, Sampling, Fire assay 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 along with BIS logo and purity mark.”

2.9 The representatives of the Department, during oral evidence held on 12.11.2021, explained the workflow process involved in obtaining A&H certificate by the registered jewellers as follows :



HALLMARK UNIQUE IDENTIFICATION (HUID)

2.10 Before 1 July, 2021 hallmarked jewellery consisted of the 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	Jeweller's identification mark/ number

2.11 With the introduction of six digit alphanumeric code from 1 July, 2021, Hallmark which was earlier consisted of four symbols/ marks have now been replaced by three symbols/ 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
----------	---	------------------------------------

The first symbol is BIS logo, the second symbol indicates purity and fineness and the third symbol is the HUID.

2.12 Hallmark Unique Identification (HUID) number is a six digit alphanumeric code consisting of numbers and letters. HUID is given to every piece of jewellery at the time of Hallmarking at A&H Centre and it is unique for every piece of jewellery.

2.13 Responding to a clarification sought as to the stage in the value chain and entity – manufacturer, stockiest, distributor, retailer, etc is responsible for ensuring hallmarking of gold and Jewellery, DoCA in a post evidence written submitted as follows :

“...In the chain of Manufacturer, Wholesaler, Distributor and Retailer, the responsibility to get the article Hallmarked is on the one who makes the first point of sale. Thus hallmarking has to be done only once in the entire chain at the first point of sale which may be Manufacturer or Wholesaler or Distributor or Retailer.....”.

2.14 Referring to the circulation of jewellery with fake HUID, the stakeholders represented to the Committee that BIS should come out with some mechanism whereby the marking scheme is unique and cannot be duplicated or forged – a mechanism similar to one we have in currency notes. DoCA has submitted their views as under:

“The entire work-flow in an AHC, right from the receipt of the jewellery to hallmarking, has become automated where by it is possible to verify that every piece of jewellery has gone through all the specified process of hallmarking. Further the integration of Laser machine, XRF and microbalance with the BIS software is also in advance stages of implementation where by a unique HUID number is marked on each jewellery article.”

2.15 Quality Council of India (QCI) in their written representation, furnishing the feedback received from jewellers / AHCs, submitted as follows:

- “(i) The HUID Portal developed by C-DAC has significantly improved however there are occasional lags by AHC users.
- (ii) The portal lacks the features of saving the information offline which has increased the workload of AHC users in times of technical lag or network disconnection.
- (iii) The process has multiple manual interventions, for instance, the AHCs have to record each and every activity (steps involved in the preparation of the sample) in the application which takes approximately 4-5 hours.
- (iv) The web application has a significant load time based on network connectivity which slows down the work of the AHCs.
- (v) The process needs to become more intuitive for small players.
- (vi) Time taken for the process of hallmarking for bulk order is almost 3 days.”

2.16 QCI has suggested the following measures to address the problems mentioned in para 2.16 :

- (i) Blockchain Enabled Process: The entire system must be built on blockchain for increased data security, traceability, the integrity of the hallmark issued. Encrypted blockchain will ensure that the process data of each job is unalterable. HUID backed by blockchain will ensure that when the asset is transferred to another user, the chain of transactions is recorded for traceability.
- (ii) Eliminating Manual Touch Points: The number of data points that AHC inputs in the portal may be reduced to decrease the workload of the AHC user and The HUID portal needs to be completely automated; manual touch points should be completely removed.
- (iii) Integration of Offline Functionality: Generation of temporary HUID IDs when in offline mode shall ensure that the AHC job is not hindered due to application outage.
- (iv) Mandatory Inclusion of Remarks by AHC at the Time of Evaluation: Every request rejected by the AHC must include remarks explaining the need to cancel the request by the jeweller. All the remarks may be analysed to keep a check on the AHCs.
- (v) Increasing the Rate of User Adoption: User adoption can be increased by constantly updating the user manuals, availability of user manuals in local languages, and videos/GIFs to demonstrate the use of the portal for faster adoption.

2.17 DoCA in their written replies to the QCI’s suggestions to improve the HUID processes submitted as follows :

“HUID system works in online mode currently and it has incorporated standard measures like Timestamp and audit log of each transaction along with role-based

user access is maintained for security, traceability and integrity of Hallmarking process data. Also system does not allow manipulation or editing of data by user once a particular step is completed in Hallmarking process or entire Hallmarking process is completed.

Current system has tried to enforce complete removal of manual touch points as it has provision for auto capturing of weights, XRF machine data and Laser marking machines can also fetch data automatically from HUID system for marking through APIs. The feasibility of HUID application migration to Blockchain technology would be explored upon stabilization and improvement of current system.”

2.18 With regard to offline functionality , DoCA in a written reply submitted as under:

“As the current system works in online mode and it is being optimized on regular basis for handling increased workload.

.... Offline functionality would be explored upon stabilization and improvement of current system.”

2.19 The QCI also in its Memorandum, suggested that user adoption can be increased by constantly updating the user manuals, availability of user manuals in local languages, and videos/GIFs to demonstrate the use of portal for faster adoption.

2.20 Responding to the suggestion given QCI as mentioned at para 2.19, DoCA in a written reply submitted as follows :

“ Updated Users manuals in English are provided for each new functionality enabled in HUID system. The translation in other languages and manuals in audio video formats would be explored”

2.21 The Committee are happy to note that with the introduction of HUID portal, all the process of hallmarking have been made online with minimum human intervention. The Committee observe that the HUID portal in its present form does not have the features of saving the information offline and this may have increased the workload of Assaying & hallmarking Centres (AHCs) users in times of technical lag, network disconnection, malfunction of the online system and at the time of application outage. DoCA has acknowledged the issue and submitted that the option would be explored upon stabilisation and improvement of the current system. The

Committee appreciate the same and urge DoCA to explore the offline option and it may be put in place after thorough examination of various aspects at the earliest.

2.22 The Committee are of the opinion that user manuals should be updated at regular intervals to enable enhanced user adoption. They are further of the view that user manuals in local languages will be of immense help to the substantial number of common people across the country who buys gold. The Committee accordingly recommend that this may be given utmost importance and implemented at the earliest.

CHAPTER III

MANDATORY HALLMARKING

The Scheme of mandatory certification of jewellery could not be introduced for want of an enabling legislative framework for its implementation under the Bureau of Indian Standards Act, 1986. But with the coming into force of the Bureau of Indian Standards Act, 2016 on 22.3.2016, provisions for making the hallmarking of jewellery mandatory, were incorporated. Accordingly, based on Section 14 of the Act, the Bureau of Indian Standards (Hallmarking) Regulations, 2018 were notified by the Government to mark **gold and silver jewellery/ artefacts** with Hallmark. Subsequently the Hallmarking of Gold Jewellery and Gold Artefacts Order, 2020 was notified on 15 January, 2020 and subsequent amendments were issued.

(i) MANDATORY HALLMARKING

3.2 The decision to make hallmarking mandatory was taken in 2019. Quality Control Order (QCO) for mandatory hallmarking of gold **jewellery and gold artefacts was notified** by the Government of India on 15 January 2020 making hallmarking of gold jewellery and gold artefacts mandatory across the country with effect from 15 January 2021.

3.3 Several rounds of discussions, thereafter, were held by the Government of India with the stakeholders concerned and in view of the concerns raised by the stakeholders in offloading their existing stock, the Government decided to further extend the date of implementation of mandatory hallmarking to 01 June 2021 *vide* a notification dated 09 October 2020.

3.4 Hallmarking was finally made mandatory in 256 districts of the country with effect from 23 June, 2021 for 14,18 and 22 carats of gold jewellery and gold artefacts *vide* the Quality Control Order dated 23 June 2021 issued by DoCA. The reason for the coverage of only 256 districts in the 1st phase was that each of these districts had at least one AHC. Taking into consideration the availability of infrastructure for hallmarking and to facilitate the access of jewellers to BIS Recognised AHCs, mandatory hallmarking was implemented phase wise. Further,

vide hallmarking of gold jewellery and gold artefacts order dated 04 April 2022, effective from 01 June 2022, the scope of mandatory hallmarking was extended to 32 new districts and to three additional caratages of gold jewellery thus making hallmarking mandatory across 288 districts of the country and for six caratages of gold jewellery viz. 14, 18,20, 22,23 and 24 carats.

(ii) ACHIEVEMENTS OF THE HALLMARKING SCHEME

3.5 DoCA, with regard to the progress achieved so far in implementation of Hallmarking scheme , in a written reply submitted as follows:

“Since the launch of the hallmarking scheme in year 2000 there has been continuous increase in the number of registered jewelers, recognized A&H Centres and the articles hallmarked. Further, BIS is regularly drawing samples of Hallmarked jewellery and test them against the marked purity for protecting the consumer interest. The achievements of Hallmarking Scheme during last 5 years are given in the table below:

“

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
No. of Operative Jeweller Licenses/ Registered	23342	26688	30626	34647	137315	158439
No. of Operative AHCs	608	797	915	945	1079	1409
Surveillance Audits of AHC	336	420	436	111	2641	941
Market Samples Drawn report issued	3447	5017	4983	2615	3796	29753
No. of Articles Hallmarked (in crores)	4.17	4.49	3.89	2.47	8.68	11.73

”

3.6 In response to a query about the timeframe for making hallmarking mandatory in the entire country, the Ministry *vide* OM No. 14/1/2022-BIS Dated 10.7.2023 replied, *inter alia*, as under:

“AHCs have now been set up in 53 additional Districts and process of making hallmarking mandatory of gold jewellery and artifacts in these districts is under

progress. Setting up of AHCs in some more districts are also being considered in this Department.”

3.7 The data on the achievements of the hallmarking scheme since 2017-18 shows that number of operative Jeweller/ licenses / registered which stood at 23,342 in 2017-18 has increased to 1,58,439 in 2022-23, an increase of more than 6.5 times. The number of operative AHCs at 608 in 2017-18 has gone up to 1409 in 2022-23, an increase of 2.3 times. Surveillance audits of AHCs conducted at 336 in 2017-18 has increased to 941 (2.8 times) in 2022-23. Similarly, number of articles hallmarked has witnessed quantum jump – from 4.17 crore pieces in 2017-18 to 11.73 crore pieces in 2022-23, an increase of 2.8 times. The above mentioned performance indicators amply make it clear that the scheme has received positive response from the consumers. With hallmarking of precious metals – gold and silver jewellery / artefacts made compulsory, the Committee have no doubt that hallmarking will witness explosive growth in the coming years. The Committee are glad to note that within two years of launch of the Scheme, AHCs have been set up in 341 districts and the process of making hallmarking mandatory was completed in 288 districts and is in the process of implementation in additional 53 districts. Thus, so far, 45% of the districts are covered under the hallmarking Scheme. The Committee recommend that suitable plans may be formulated to cover the remaining districts for compulsory hallmarking in a defined timeframe.

(iii) EXEMPTION FROM MANDATORY HALLMARKING

3.8 The Hallmarking of Gold Jewellery and Gold Artefacts Order, 2020 of DoCA Order dated 15 January, 2020, *inter alia*, states that nothing in the order shall apply to precious metal articles, like Gold jewellery and gold artefacts in the following cases, namely:-

- “(a) any article meant for export, which conforms to any specification required by the foreign buyer;
- (b) an article with weight less than two grams;
- (c) an article which is in course of consignment from outside India to an assaying and hallmarking centre in India recognised as per the Bureau of Indian Standards (Hallmarking) Regulations, 2018, for hallmarking;
- (d) any article which is intended to be used for medical, dental, veterinary, scientific or industrial purposes;
- (e) any article of gold thread;

- (f) any manufactured article which is not substantially complete, and which is intended for further manufacture;
- (g) gold bullion in any shape of bar, plate, sheet, foil, rod, wire, strip, tube or coin.”

3.9 DoCA *vide* Hallmarking of Gold jewellery and Gold artefacts (Second Amendment Order), 2021 published in Gazette S.O. 2481 (E) dated 23 June, 2021 , amending the Hallmarking of Gold Jewellery and Gold Artefacts Order, 2020 dated 15 January, 2020, in clause 2(3) after item (g) inserted on 23 June, 2021 in the same order:-

- “(h) any article meant for export and re-import as per trade policy of the Government of India;
- (i) any article meant for international exhibitions;
- (j) any article meant for domestic business-to-business exhibitions, approved by the Government;
- (k) special categories of jewellery, namely Kundan, Polki and Jadaau;
- (l) watch and fountain pen; and
- (m) jewellers with the annual turnover of upto rupees forty lakh per annum.”

(A) ARTICLES WITH WEIGHT LESS THAN 2 GRAMS

3.10 With regard to Clause 3(b) of the Order dated 15 January, 2020 Akhil Bharatiya Grahak Panchayat (ABGP), a consumer association, has stated in its Memorandum dated 26.10.2022 submitted to the Committee as follows:-

“The Government earlier has given exemption from mandatory hallmarking of article with weight less than two grams vide “the said Order”. In this connection, we have to submit that so many items of gold jewellery are made of weight less than 2 grams and vide the said Order these items have been placed out of the purview of mandatory hallmarking leaving a huge scope for cheating of consumers. Also, poor people usually purchase items of small weight. They are illiterate and uneducated and are easily prone to cheating. Therefore, we strongly recommend to withdraw this exemption.”

3.11 *Furnishing comments on the concerns expressed by ABGP , DoCA submitted as follows:*

“In India most of the jewellery is hand made and in view of the intricacies involved in designing of jewellery there may not be enough space in small jewellery for laser marking the four points. In view of the same the jewellery less than 2g has been exempted from mandatory hallmarking order. However, wherever possible the jewellery below 2g may also be hallmarked if required. In a jewellery each detachable part has a separate entity and needs to be hallmarked separately with HUID on each detachable part.”

3.12 The Committee note that The Hallmarking of Gold Jewellery and Gold Artefacts Order, 2020 dated 15 January, 2020 of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs) Order dated 15 January, 2020, *inter alia*, has exempted an gold jewellery article with weight of less than two grams from Mandatory Hallmarking. The Committee are of the opinion that substantial number of people buy gold jewellery items weighing 1-2 grams on the occasion of festivals, functions or at regular intervals. In the absence of any quality assurance, these people are prone to cheating. The Committee therefore opine that buyer of gold should be assured of quality and fineness of the gold jewellery. They, therefore suggest to reconsider / relook into the exemption granted to gold jewellery items weighing less than 2 grams from Hallmarking requirements and explore the feasibility of prescribing smaller HUID Id consisting merely a symbol or sign.

(B) SPECIAL CATEGORY OF JEWELLERY - KUNDAN, POLKI AND JADAAU

3.13 Some stakeholders suggested that the exemption extended to Kundan, Polki and Jadaau should be continued as it is a work of art and has a unique age-old manufacturing process is involved. In a diametrically opposite view, All India Grahak panchayat has submitted that it is opposed to exemption of such jewellery from hallmarking requirements as it feels that huge scope for manipulations in such type of jewellery.

3.14 DoCA in written reply to the apprehensions of All India Grahak Panchayat mentioned at para 3.12 submitted as follows :

“Govt. of India had constituted an Advisory Committee with the specific terms of reference to examine and recommend measures to ensure smooth implementation of the mandatory hallmarking across the country and address the concerns of the gold jewellery industry in regard to various provisions of the BIS Act, 2016, Rules and Regulations made thereunder. The members of the committee include representatives from the jewellery trade, Assaying & Hallmarking Centre, Gems & Jewellery export Promotion, consumer organization, Quality Council of India and other Govt. Organisations. The issue for revocation of the exemption granted to Kundan, Polki and Jadaau from the scope of mandatory hallmarking was discussed in the committee meeting held on

22.06.2022 wherein the member from jewellery trade were not in agreement that the exemption granted to Kundan, Polki and Jadaau from the scope of mandatory hallmarking may be revoked.”

3.15 The Committee observe that the Hallmarking of Gold Jewellery and Gold Artefacts (second amendment) Order, 2020 of DoCA dated 23 June, 2021 has exempted the special category of jewellery, namely Kundan, Polki and Jadaau from the list of mandatory hallmarking. The Committee are of the opinion that such exemption makes studding one small stone in a jewellery item to bring the jewellery in the category of Kundan, Polki and Jadaau and not getting it hallmarked. They note that the exemption has not been revoked after deliberations with representatives from the jewellery trade, Assaying & Hallmarking Centres, Gems & Jewellery export Promotion Councils , consumer organizations, Quality Council of India. The Committee feel that a suitable method may be worked out wherein the interests of consumers may be protected while accommodating the concerns of the jewellery trade . They, therefore, suggest that even if Kundan, Polki and Jadaau remain exempted from mandatory hallmarking, a system of marking the weight and /or caratage of gold before studding with stones may be explored for the convenience of consumers.

(C) JEWELLERS WITH ANNUAL TURNOVER UPTO RS. 40 LAKHS

3.16 Jewellers with the annual turnover of upto rupees forty lakh per annum are exempted from the applicability of The Hallmarking of Gold Jewellery and Gold Artefacts Order, 2020 as amended time to time under Clause 3(m).

3.17 Akhil Bhartiya Grahak Panchayat, referring to the practice of not issuing the proper invoices to avoid GST and forming new entities in the name of their relatives , employees, etc ensuring the turnover below Rs. 40 lakh per annum, suggested to withdraw such exemption as mentioned below:

“Jewellery being a very high value item, but the retail jeweller’s are not issuing invoices to the consumers on the pretext of extra levy of GST. Therefore, their turnover always remains below Rs. 40 lacs per annum and most of the retail jewellers will be out of purview of necessary registrations for selling hallmarking jewellery. Jewellers can form new entities in the name of their employee /

relatives keeping full control with themselves to avoid requirement of mandatory registrations and to facilitate selling of low caratage jewellery to consumers. It is surprising that most of the retail jewellers are having inventory of 4 to 5 kg of Gold Jewellery value of which is about Rs. 2 Crores, but their turnover is below Rs. 40 lacs per annum. The retail jewellers are thus creating black money and also causing loss of the revenue in the form of GST and also cheating consumers. Therefore, we strongly suggest that exemptions given to Jewellers with Annual Turnover up to Rs. 40 lacs per annum should be withdrawn.”

3.18 The representatives of the Department of Consumer Affairs also elaborated during oral evidence held on 12 November, 2021 as follows :

“इसलिए हमने यह सोचा था कि प्रिलिमिनरी स्टेज में उनको हम एग्जैम्प्ट कर देते हैं और बाद में जब स्कीम सक्सेसफुल्ली रोल-आउट हो जाएगी, तब उनको भी इसमें शामिल कर लेंगे। अब हम ऐसा कर सकते हैं।”

3.19 The Committee note that mandatory hallmarking order of the Government has certain exemptions which, *inter alia*, includes jewelers with an annual turnover of upto Rs. 40 lakh. While noting the apprehensions of the consumer associations about the unscrupulous traders resorting to selling jewellery with out proper invoices and opening of sales entities in the name of employees, relatives , etc to keep the turnover less than Rs 40 lakh per annum to remain exempted from mandatory hallmarking, the Committee hope that relevant enforcement authorities may address suitably the issues raised by the consumer association.

CHAPTER IV
ENFORCEMENT

With regard to enforcement of the provisions of the Hallmarking of Gold Jewellery and Gold Artefacts Order, 2020, DoCA, in their background note, submitted as follows:

“BIS periodically visits 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 AHC to ascertain its continuation with the specified requirements.”

4.2 Section 9 of The Bureau of Indian Standards Act, 2016 defines the powers and function of the Bureau. This includes power to enter into and search places, premises or vehicles, and inspect and seize goods or articles and documents to enforce the provisions of this Act. Further, Sub-section (2) of Section 9 of the Act reads as under:

*“The Bureau shall take all necessary steps for promotion, monitoring and management of the quality of goods, articles, processes, systems and services, as may be necessary, to protect the interests of consumers and various other stake holders which may include the following namely:—
(a) carrying out market surveillance or survey of any goods, article, process, system or service to monitor their quality and publish findings of such surveillance or surveys;.....”*

(i) ASSESSMENT OF PURITY

4.3 In a written reply to a query regarding assessments undertaken/done on the extent of adulteration of the various grades/carats of gold jewellery in the country, the Department of Consumer Affairs in written reply, has submitted as below:

“BIS had conducted two market surveys in the year 2001 & 2006 of non-hallmarked jewellery being sold by the jewellers across the country as under:

Particulars	2001 (120 samples in 8 cities)	2006 (162 samples in 16 cities)
Sample failing	89%	90%
Average shortage in purity	11%	13.5%

Highest purity shortage	38.6%	44.6%
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The Department has further stated that BIS is regularly drawing samples from registered jewellers and test it against the marked purity at its own Labs. In 2020-21, 2615 test reports of hallmarked jewellery were received out of which 2318 samples were found of equal to or higher purity than the declared purity. 297 samples were found of marginally lower purity with 0.5% average shortage of purity. In all, the above mentioned 297 cases, actions were taken against the concerned jewelers/ assaying & hallmarking centres in accordance with the Hallmarking Scheme of BIS.”

4.4 As a result of tests of non hallmarked samples conducted in the country , 13.5% average shortage in the purity of gold was found in the year 2006. The tests of hallmarked jewellery conducted in the year 2020-21 found 0.5% average shortage of purity. In written reply to a query on the reasons for decline in the average shortage of purity of gold , DoCA submitted as under :

“BIS organized a number of training programmes for the personnel of Assaying and Hallmarking Centres (AHCs), artisans making jewellery, awareness programmes for jewellers and enhanced surveillance of Jewellers and AHCs for effective monitoring of the scheme.”

4.5 The Committee note that the mandate of Bureau of Indian Standards (BIS) is to promote and monitor quality of goods and services. They also note that regular market surveys of gold jewellery carried out in the year 2006 found that the average shortage in purity was 13.5% which was higher than the average shortage of purity found in the survey conducted in 2001 i.e. 11%. On the contrary, test reports of hallmarked jewellery in the year 2020-21 reveals an average shortage of purity of 0.5%. The Committee are of the view that introduction and implementation of the Bureau of Indian Standards (Hallmarking) Regulations, 2018, the average shortage in purity of jewellery has considerably come down. The Committee are glad to note that the BIS has organized a number of training programmes for the personnel of AHCs, artisans and undertaken awareness among jewellers and strengthened surveillance over jewellers and AHCs so as to keep effective monitoring over the scheme. The

Committee desire the Department to conduct market surveys at frequent intervals and further intensify their monitoring mechanism.

(ii) PUBLICITY, COMPLAINTS AND REDRESSAL

4.6 In a written reply, apprising the Committee of the concerted awareness programmes about HUID carried out for generating awareness amongst the consumers, jewellers and other stakeholders, DoCA submitted the *following publicity/outreach initiatives taken by BIS :*

“a) A 30 day Pan India campaign through AIR was executed on 29 FM Stations, 42 Vividh Bharati National stations and Mann ki Baat, in which Hallmarking HUID was also highlighted.

b) Hallmarking Publicity Campaign through "DD Conclave" to mark the completion of eight year of Union Government was executed. The telecast of this conclave was on DD News daily from 6pm to 8pm from 03.06.2022 to 11.06.2022.

c) Hallmarking publicity campaign was executed through Cycle Stand Outdoor Display media, located in front of BIS Main Building at ITO, New Delhi, for a duration of 1 month.

d) Along with the Headquarter, the publicity activities are being executed through Regional and Branch offices of BIS to ensure eloquently reaching each and every corner of the country. In Regional/Branch Offices of BIS, Publicity on Hallmarking-HUID has been undertaken through –

- A Hallmarking Print Advertisement on the eve of Akshay Tritiya was released on 3 May 2022.

- A print campaign on second phase of mandatory hallmarking scheme on 14 May 2022 and 27 May 2022.

- Hoardings in Post Offices & LED displays inside Post Offices in Rural Areas

- Hoardings in Mofussil Bus Terminus

- Branding inside Metro Trains

- LED Screens in Cinema Malls

- Select Metro Train Stations

- Display Screens at Railway Stations.

- Standards Clubs in Educational institutions, Door-to-Door Campaigns etc.,

Hallmarking HUID is also regularly publicized through static/Gif/Reel Posts through BIS social media platforms.

All the 41 Branch Offices of BIS are regularly organising consumer awareness programme wherein consumers are apprised about the schemes of BIS including hallmarking scheme.

BIS also organized Quality Connect programme wherein more than 1 Lakh households were visited by approx. 4,000 youth volunteers on World Standards Day 2022. Further, about 3,800 Standards Clubs have been formed in schools and colleges involving more than 85,000 students for consumer awareness and outreach activities”

4.7 Responding to a query regarding the procedure for redressal to aggrieved buyer, if any deficiency is found in the purity of gold, DoCA in a written reply submitted as follows:

“BIS has a well-established procedure for handling of complaints related to purity of hallmarked jewellery procured by customers. After formal registration of the complaint through Consumer Engagement Portal of BIS, the complaint is investigated at the end of complainant, wherein, the sample of jewellery is collected for testing in BIS lab. In case the jewellery is found short of purity upon testing, action against registered jeweller is taken in accordance with BIS Rules/Regulations. Jeweller is also liable to compensate the complainant in accordance with BIS Rules 2018.”

4.8 In written reply to a query on the data on the number of complaints lodged with BIS with regard to the purity of hallmarked jewellery and other grievances during the last three years till date, DoCA submitted as follows :

“

Nature of Complaints	2018-19	2019-20	2020-21	2021-22	2022-23	Total
Related to Purity	07	00	09	10	19	45
Related to Unauthorized Use of BIS Hallmark	51	15	30	53	149	298

”

4.9 With regard to the steps taken to facilitate the customers to find out the fitness of jewellery, the DoCA has, in a written submission, stated as follows:

“Jewellers have been instructed by BIS that the bill or invoice of sale of hallmarked precious metal articles shall also mention that the consumer can get the purity of the hallmarked jewellery/artefacts verified from any of the BIS recognized A&H centre. The list of BIS recognized A&H centres along with

address and contact details is available on the website www.bis.gov.in. Further, during consumer awareness programmes it is informed to consumers that they can get their hallmarked jewellery tested at any of the BIS recognized centres for purity.”

4.10 The Committee note that BIS has taken publicity/outreach initiatives through Print and electronic media radio, TV and social media. As far as complaints related to purity of gold is concerned, there are a total of 45 purity related complaints during the last 5 years. The Committee learned that BIS has a well-established procedure for handling of complaints related to purity of hallmarked jewellery procured by customers. The Department informed that after formal registration of the complaint through Consumer Engagement Portal of BIS, the complaint is investigated and during the investigation, the sample of jewellery is collected for testing in BIS lab. Jewellers have been instructed by BIS that the bill or invoice of sale of hallmarked precious metal articles shall also mention that the consumer can get the purity of the hallmarked jewellery/artefacts verified from any of the BIS recognized A&H centre. In this regard, the Committee desire that information about such facilities may be in suitably included in the publicity/outreach initiatives of the BIS and that the information regarding Consumer Engagement Portal of BIS be distinctly displayed in the jewellery markets/ shops in order to improve the outreach of the portal.

(iii) MANAK ONLINE APP AND PRIVACY ISSUE

4.11 The Manak App/ BIS Care App shows the manufacturer's name and manufactured date once HUID number is entered in the App. Some stakeholders expressed their concerns as this is leading to privacy issues and also denting the retailer's business as the customer can approach the manufacturer directly for the articles. Accordingly, the Industry body suggested that BIS should come out with a mechanism where by name of the manufacturer and hallmarking date is not visible on the manak online App, DoCA in written reply to the aforementioned suggestion submitted as follows :

“The provision in Mobile BIS care app wherein after entering the HUID the consumer can verify the details such as purity of jewellery, type of jewellery, details of AHC who has tested the jewellery, the name of jeweller who has hallmarked the jewellery, date of hallmarking etc. has only been made keeping in view consumer interest. This provision helps the consumer to check authenticity of the hallmark at the time of purchase. The name and address of the jeweller should be visible to consumer as having knowledge of jeweller selling/manufacturing the article plays an important role in instilling confidence and assurance in consumers regarding purity of the hallmarked article and ensures transparency in the system.

However, it may also be noted that this provision is similar to the other product certification scheme being operated by BIS.”

4.12 The Committee note that the Customer who uses the BIS Care app can trace the source and date of manufacturing and Hallmarking as the Manak App/ BIS Care App shows the manufacturer’s name and manufactured date once HUID number is entered in the App. This has prompted some stakeholders to raise the issue of privacy. While noting that such transparency provision is similar to the other product certification schemes being operated by BIS, they suggest that no change may be made in this regard and these features – source and date of manufacturing , of the Manak App may be retained as it will protect the interest of the consumers.

CHAPTER – V
ASSAYING & HALLMARKING CENTRES

(i) ASSAYING AND HALLMARKING CENTRES

5.1 BIS Act, 2016 defines Assaying and Hallmarking Centre as under :-

“Assaying and Hallmarking Centre means a testing and marking centre recognized by the Bureau to determine the purity of precious articles and to apply hallmark on the precious metal articles in a manner as may be determined by regulations”

5.2 The criteria for recognition of Assaying and Hallmarking Centres, as submitted by DoCA in a written reply is as follows :

“The criteria for recognition of Assaying and Hallmarking Centers is specified in the Indian Standard IS 15820:2009-‘General Requirements for Establishment and Operation of Assaying and Hallmarking Centres’. The Standard specifies Management as well as Technical requirements for Assaying and Hallmarking Centers.”

5.3 The guidelines for recognition as submitted by DoCA are as follows:

“Any assaying centre set up in accordance with requirements specified in IS 15820:2009 for assaying and hallmarking of gold and /or silver jewellery / artefacts, shall apply to the Regional office of BIS with self-certified copies of following documents.

a) Proof of establishment of the firm or company (Any one of the document given below), such as (i) Certificate of Registration issued by Registrar of companies along with memorandum of articles or (ii) Registered Partnership Deed in case applicant is a Partnership Firm or (iii) Certificate from a Chartered Accountant if applicant is a Proprietorship Firm;

b) Proof of address of firm's premises (Any one of the document given below) such as (i) Registration with State Government Authority/ Trade Licences or (ii) GST registration certificate or (iii) Income Tax Assessment Order or (iv) Property tax receipt or (v) Rent agreement with last rent receipt or (vi) Sale/ Lease Deed agreement;

c) Proof of Identity of the signatory (i) Aadhar based verification/ e-signature and(ii) Self-certified copy of any one of following documents as identity proof of signatory on the Application: - Aadhar Card - Driving Licence - PAN card - Voter Identity card - Passport - Identity Certificate with photo issued by Gazetted Officer on official letterhead;

d) Map indicating location of premises from nearest land mark Location map

of premises from some nearest prominent landmark for each outlet, as applicable (illustrative only);

e) Quality manual of the A&H Centre prepared based on the Generic Quality Manual provided by BIS; and

f) Affidavit cum undertaking as specified in regulations.”

5.4 The guidelines prescribe that after recording the application, a Recognition Assessment of the AHC (of 4 man-days duration i.e. by a team of two officers for two days either for gold or gold & silver) preferably within 15 days of recording the application to determine whether the AHC has created the necessary infrastructure for assaying and hallmarking according to IS 15820:2009 shall be carried out.

5.5 DoCA, furnishing the further processing of the assessment report submitted as follows :

“If the assessment report is found in order, Hallmarking Officer (HMO) shall prepare the proposal for grant of recognition and put up to the DDGR as per Hallmarking Regulations 2018. Recognition will be granted by the DDGR in respect of gold and/or silver hallmarking.”

5.6 In response to a request to furnish the State/UT-wise names of AHCs granted recognition, DoCA in their written replies have furnished a list of 1409 AHCs granted recognition as per IS 15820: 2009 with scopes defined for Gold Jewellery/artefacts (as per IS 1417) as well as Silver Jewellery/artefacts (as per IS 2112) which includes 162 Assaying and Hallmarking Centres granted recognition as per IS 15820:2009 with various scopes for Silver Jewellery / artefacts (as per IS 2112).

5.7. DoCA have also submitted to the Committee that during the last three years and the current year i.e.2022-23 a total of 796 recognitions have been granted and 727 got renewed.

5.8 The Committee note that as per the Guidelines for Recognition & Operation of Assaying and Hallmarking Centres (AHCs), any Assaying and Hallmarking Centre (AHC) may apply for recognition with self-certified copies of necessary documents and within 15 days, a Recognition Assessment of the AHC to determine whether the AHC has created the necessary infrastructure for assaying

and hallmarking according to IS 15820:2009, is carried out. They also note that if the assessment report is found in order, DDGR grants recognition in respect of gold and/or silver hallmarking. The Committee further note that till March, 2023, 796 recognitions were granted and 727 were got renewed. In this context , the Committee suggest that timelines for every step in the process for granting recognition should prescribed and such timelines should adhered to .

(ii) AHCs IN REMOTE/BACKWARD AREAS

5.9 The status on setting up of AHCs in North East and remote/ backward areas, as submitted by DoCA is as under :

“setting up of AHC is a market driven activity where decision to open an AHC at a particular location is taken by the private entrepreneur based on the demand at that location. In view of the commercial viability the AHCs have been mostly setup in and around the city and that 12 AHCs were setup in the North-East region. However, for increasing the spread of AHCs in deficient areas, BIS is regularly inviting Expression of Interest for setting up the AHC in deficient locations with Central Assistance. Against the previous Expression of Interest invited in Sep. 2021, Applicants for 7 deficient locations in the North-East were given go-ahead for setting up the AHC with Central Assistance. “

5.10 In this regard, a representative of BIS deposing before the Committee on 12 November, 2021 submitted as under:

“Opening of Assaying and Hallmarking Centre (AHC) is a private business and that BIS only recognizes them.”

(iii) FINANCIAL ASSISTANCE

5.11 BIS has been implementing the Plan scheme for setting up of gold Assaying and Hallmarking (A&H) centres in India with central assistance.

The components of the scheme are indicated below:

- a) Infrastructure building- Setting up of Assaying & Hallmarking (A&H) Centres
- b) Capacity building
 - i) Training of artisans
 - ii) Training of Trainers (BIS auditors)
 - iii) Training of personnel of assaying and hallmarking Centres.

5.12 The Committee sought details of the financial assistance for setting up of Gold Assaying and Hallmarking Centres in those places in India where no such centre exists along with the plan, if any, to enhance the assistance. DoCA in their written reply, submitted as under:

“Under the Plan scheme, setting up of AHCs is envisaged. This is through a one-time financial assistance for ‘Setting up of Gold AHCs’ in India at locations where no AHC (assisted or otherwise) exists, the rates of financial assistance given are as under:

Area	% of the total cost of machinery and equipment given to A&H Centre as assistance	
	<i>To Private Entrepreneur</i>	<i>To PSUs</i>
<i>Normal</i>	30%	50%
<i>NE/SCS/RA</i>	50%	75%

*NE – North East States; SCS - Special Category States; RA – Rural Areas
The Special Category states include the seven north east states, Sikkim, Jammu and Kashmir, Himachal Pradesh, and Uttarakhand.”*

5.13 With regard to the reasons for giving lesser financial assistance to private entrepreneurs compared to PSUs, DoCA, in a written reply that higher financial assistance to PSUs are given as they have proven credibility.

5.14 About the proportion of AHCs established with financial assistance of the Central Government to the total number of AHCs, the DoCA stated in a reply furnished on 6 December, 2022:

“At present 1423 number of AHCs have been operating across the country. Out of these 1423 AHCs, 89 AHCs have been established with financial assistance of the Central Government of the Central Government as per the request received”.

5.15 In written reply to a query whether assessment of the Hallmarking Scheme was carried out and the details there of, DoCA submitted as follows :

“After implementation of BIS(Hallmarking) Regulations, 2018, a study on Evaluation of the Schemes of the Department of Consumer Affairs, was entrusted to the National Productivity Council, New Delhi (NPC) by the Department of Consumer Affairs, Ministry of Consumer Affairs, Food and Public Distribution, Government of India in year 2019. Under this evaluation the study of gold hallmarking scheme was also carried out by NPC. NPC in its report has mentioned that the scheme of Hallmarking and Assaying of gold jewellery is

becoming popular among registered jewellers and consumers. The Hallmarking centers are becoming economically viable. Further, it was suggested that more and more hallmarking centres may be set up in different States.”

5.16 With regard to the achievements made by BIS in protecting the consumers against cheating, developing export competitiveness and making India a leading market for gold jewellery in the world under the hallmarking of jewellery scheme, the Department, in a written reply, stated as under:

“Since the launch of the hallmarking scheme in year 2000 there has been continuous increase in the number of registered jewellers, recognized AHCs and the articles hallmarked. Further BIS is regularly drawing samples of Hallmarked jewellery and test them against the marked purity for protecting the consumer interest.”

5.17 The Committee observe that the Government extends financial assistance to private entrepreneurs and PSUs for ‘Setting up of Gold Assaying and Hallmarking Centres’ (AHC) in India, to the tune of 30% and 50% respectively. The assistance is 50% and 75% for private entrepreneurs and PSUs respectively in the case of North East/ Special Category States/ Rural Areas. The Committee also note that higher financial assistance to PSUs is stated to have been given on the basis of proven credibility. They also note that BIS is regularly inviting expression of interest for setting up of AHCs in deficient locations with Central assistance. Out of the 1423 AHCs, as on 30.5.2023, 89 AHCs have been established with financial assistance of the Central Government as per the request received. The Committee are of the view that private entrepreneurs in NE and far flung areas needs to be encouraged to set up AHCs and the possibility of change in the incentives may also be explored.

**NEW DELHI;
01 August, 2023
10 Sravana, 1945 (Saka)**

**LOCKET CHATTERJEE
Chairperson
Standing Committee Consumer
Affairs, Food and Public Distribution**

APPENDIX I

MINUTES OF THE SEVENTH SITTING OF THE STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (2020-2021) HELD ON FRIDAY, 08 JANUARY, 2021

The Committee sat from 1200 hrs. to 1300 hrs. in Committee Room 'D', Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Shri Ajay Misra Teni - Acting Chairperson

Members

Lok Sabha

2. Shri Shafiqur Rahman Barq
3. Ms. Pratima Bhoumik
4. Shri Bhagwant Mann
5. Shri Khagen Murmu
6. Shri Mitesh Rameshbhai (Bakabhai) Patel
7. Shri Subrat Pathak
8. Smt. Himadri Singh
9. Smt. Kavita Singh
10. Shri Saptagiri Ulaka
11. Shri Rajmohan Unnithan

Rajya Sabha

12. Smt. Shanta Chhetri
13. Shri Satish Chandra Dubey
14. Smt. Roopa Ganguly
15. Shri Rajmani Patel
16. Shri Sakaldeep Rajbhar

SECRETARIAT

1. Shri Pawan Kumar - Joint Secretary
2. Shri Lovekesh Kumar Sharma - Director

WITNESSES

Sl No.	Name	Designation
1.	Shri Vineet Mathur	Joint Secretary, D/o Consumer Affairs
2.	Shri Sanjiv Chaturvedi	DDG- Hallmarking (BIS)
3.	Shri Dharmesh Makwana	Director, D/o Consumer Affairs
4.	Shri Sanjiv Maini	Head-Hallmarking (BIS)

2. At the outset, the Committee were informed that due to certain exigencies, the Hon'ble Chairperson was not in a position to preside over the sitting of the Committee and were requested to choose one amongst themselves to preside over the day's sitting. Accordingly, in terms of Rule 258(3) of the Rules of Procedure and Conduct of Business in Lok Sabha, the Committee chose Shri Ajay Misra Teni, MP (Lok Sabha) to preside over the sitting of the Committee for the day. Thereafter, the Acting Chairperson welcomed the Members to the sitting of the Committee convened to have briefing by the representatives of the Department of Consumer Affairs on the subject 'BIS – Hallmarking & Jewellery'.

[The witnesses were then called in.]

3. The Acting Chairperson then welcomed the representatives of Department of Consumer Affairs to the sitting and apprised them about Direction 55 (1) of the 'Directions by the Speaker' regarding confidentiality of the proceedings. Thereafter, the witnesses introduced themselves and then the representatives of the Department of

Consumer Affairs briefed the Committee on various aspects of the subject 'BIS – Hallmarking & Jewellery' with the help of power point presentation. The main issues covered, *inter-alia*, included Gold Consumption- Indian Scenario, Objectives of Hallmarking, Grades of Gold Jewellery/Artefacts covered under IS 1417:2016, Hallmarking Scheme Operation, New initiatives in Hallmarking Scheme, Monitoring of Hallmarking Scheme, Capacity Building-Promotional/Training Activities, Mandatory Hallmarking, etc. The queries raised by the Acting Chairperson and the Members on various issues during the course of briefing were responded to by the witnesses.

4. The Hon'ble Acting Chairperson then thanked the representatives of Department of Consumer Affairs for briefing the Committee and directed them to furnish information to the Committee on the issues that remained unanswered/partially answered and also some further clarifications in connection with detailed examination of the subject.

[The *Witnesses* then *withdrew.*]

A verbatim record of the proceedings has been kept.

The Committee then adjourned.

MINUTES OF THE SEVENTH SITTING OF THE STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (2020-2021) HELD ON FRIDAY, 12 NOVEMBER, 2021

The Committee sat from 1100 hrs. to 1245 hrs. in Committee Room '2', First Floor, Block-'A', Parliament House Annexe Extension, New Delhi.

PRESENT

Shri Sudip Bandopadhyay - Chairperson

Members

Lok Sabha

17. Shri Shafiqur Rahman Barq
18. Ms. Pratima Bhoumik
19. Shri Bhagwant Mann
20. Shri Khagen Murmu
21. Shri Mitesh Rameshbhai (Bakabhai) Patel
22. Shri Subrat Pathak
23. Smt. Himadri Singh
24. Smt. Kavita Singh
25. Shri Saptagiri Ulaka
26. Shri Rajmohan Unnithan

Rajya Sabha

27. Smt. Shanta Chhetri
28. Shri Satish Chandra Dubey
29. Smt. Roopa Ganguly
30. Shri Rajmani Patel
31. Shri Sakaldeep Rajbhar

SECRETARIAT

3. Shri Pawan Kumar - Joint Secretary
4. Shri Lovekesh Kumar Sharma - Director

WITNESSES

SI No.	Name	Designation
1.	Shri Vineet Mathur	Joint Secretary, D/o Consumer Affairs
2.	Shri Sanjiv Chaturvedi	DDG- Hallmarking (BIS)
3.	Shri Dharmesh Makwana	Director, D/o Consumer Affairs
4.	Shri Sanjiv Maini	Head-Hallmarking (BIS)

2. At the outset, the Committee were informed that the sitting of the Committee was held to take oral evidence of the representatives of the Department of Consumer Affairs on the subject 'BIS – Hallmarking & Jewellery'.

[The witnesses were then called in.]

3. The Chairperson then welcomed the representatives of Department of Consumer Affairs to the sitting and apprised them about Direction 55 (1) of the 'Directions by the Speaker' regarding confidentiality of the proceedings. Thereafter, the witnesses introduced themselves and then the representatives of the Department of Consumer Affairs briefed the Committee on various aspects of the subject 'BIS – Hallmarking & Jewellery' with the help of power point presentation. The main issues covered, *inter-alia*, included Gold Consumption- Indian Scenario, Objectives of Hallmarking, Grades of Gold Jewellery/Artefacts covered under IS 1417:2016, Hallmarking Scheme Operation, New initiatives in Hallmarking Scheme, Monitoring of Hallmarking Scheme, Capacity Building-Promotional/Training Activities, Mandatory Hallmarking, etc. The queries raised by the Acting Chairperson and the Members on various issues during the course of briefing were responded to by the witnesses.

4. The Hon'ble Acting Chairperson then thanked the representatives of Department of Consumer Affairs for briefing the Committee and directed them to furnish information to the Committee on the issues that remained unanswered/partially answered and also some further clarifications in connection with detailed examination of the subject.

[The *Witnesses* then *withdrew.*]

A verbatim record of the proceedings has been kept.

The Committee then adjourned.

APPENDIX III

MINUTES OF THE SECOND SITTING OF THE STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (2022-2023) HELD ON WEDNESDAY, 9th NOVEMBER, 2022

The Committee sat from 1500 hrs. to 1730 hrs. in Committee Room '2', Block 'A', Extension to Parliament House Annexe, New Delhi.

PRESENT

Smt. Locket Chatterjee - Chairperson

Members

Lok Sabha

32. Dr. Farooq Abdullah
33. Shri Anil Firojiya
34. Shri Khagen Murmu
35. Shri Mitesh Rameshbhai (Bakabhai) Patel
36. Shri Subrat Pathak
37. Dr. Amar Singh
38. Smt. Kavita Singh
39. Shri Saptagiri Sankar Ulaka
40. Shri Rajmohan Unnithan

Rajya Sabha

41. Shri Satish Chandra Dubey
42. Dr. Fauzia Khan
43. Shri Baburam Nishad
44. Shri Rajmani Patel

SECRETARIAT

5. Shri Srinivasulu Gunda - Joint Secretary
6. Dr. Vatsala Joshi - Director
7. Shri Ram Lal Yadav - Additional Director
8. Dr. Mohit Rajan - Deputy Secretary

LIST OF NON-OFFICIAL WITNESSES ON THE SUBJECT, 'BUREAU OF INDIAN STANDARDS (BIS) - HALLMARKING & JEWELLERY'

Sl. No.	Name	Organization
1	Shri Ashish R. Pethe	Chairman, Gem and Jewellery Domestic Council (GJC)
2.	Shri Karthik Kuppuraj	Advisor (Founder) Surabhi Bullion (Jewellery Trade)
3.	Shri R.P. Singh	Secretary General , Quality Council of India (QCI)
4.	Shri P.K. Bansal	National Treasurer, Akhil Bharatiya Grahak Panchayat (ABGP)
5.	Shri Chetan Bhandari	Managing Director, All India Hallmarking Centre (AIHC)
6.	Shri James Jose	Promoter, Hallmarking Federation of India (HFI)

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2. At the outset, LAARDIS officials gave power point presentation about various facilities provided by the Research and Library Division. Thereafter, the Chairperson welcomed the Members to the sitting of the Committee convened to (i) consider and adopt the draft reports on Action Taken by the Government on observations/recommendations contained in the 18th Report(17th LS) on Demands for Grants (2022-23) pertaining to Department of Food and Public Distribution; and the 19th Report (17th LS) on Demands for Grants (2022-23) pertaining to Department of Consumer Affairs; (ii) Take oral evidence of experts/stakeholders on the subject 'Bureau of Indian Standards (BIS)- Hallmarking & Jewellery' and (iii) have briefing by the representatives of the Department of Food and Public Distribution on the subject 'Sugar Industry in India- A Review'. Thereafter, the Committee took up for consideration the Draft Reports. After due deliberations, the Committee unanimously adopted the said two Action Taken Reports without any amendment/modification and authorized the Chairperson to carry out verbal and consequential changes, if any, therein and present the same to the Parliament.

[The witnesses on the subject, 'Bureau of Indian Standards (BIS)- Hallmarking & Jewellery were then called in.]

3. The Chairperson welcomed the non-official witnesses/experts/stake holders on the subject 'BIS-Hallmarking & Jewellery' to the sitting and apprised them about Direction 55(1) of 'Directions by the Speaker' regarding confidentiality of the proceedings. The witnesses after introduction briefed the Committee on various aspects of the subject 'BIS - Hallmarking & Jewellery'. The main issues covered, *inter-alia*, include Homogeneity of Gold Jewellery Articles, Definitions of various terms in the BIS Act, 2016 and the Hallmarking of Gold Jewellery and Gold Artefacts Order, exemption from the Order, Awareness on Hallmark Unique Identification (HUID), etc. The Members raised clarificatory questions on the subject which were responded to by the witnesses.

4. The Hon'ble Chairperson thanked the witnesses for their free and frank discussion and directed them to furnish information to the Committee on the issues that remained unanswered /were partially answered in connection with examination of the subject.

[The Witnesses then withdrew]

5.	XXXX	XXXX	XXXX
6.	XXXX	XXXX	XXXX

The Committee then adjourned.

XXXX Matter is not related to the Report.

APPENDIX IV

MINUTES OF THE EIGHTEENTH SITTING OF THE STANDING COMMITTEE ON CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (2022-2023) HELD ON TUESDAY, 1st AUGUST, 2023

The Committee sat from 1500 hrs. to 1515 hrs. in Committee Room 'C', Parliament House Annexe, New Delhi.

PRESENT

Smt.Locket Chatterjee - Chairperson

Members

Lok Sabha

2. Dr. Farooq Abdullah
3. Ms. Debasree Chaudhuri
4. Shri Anil Firojiya
5. Shri Rajendra Dhedya Gavit
6. Shri Khagen Murmu
7. Shri Mitesh Rameshbhai Patel
8. Shri Ganesan Selvam
9. Dr. Amar Singh
10. Smt. Himadri Singh
11. Smt. Kavita Singh
12. Shri Saptagiri Sankar Ulaka
13. Shri Ve. Vaithilingam

Rajya Sabha

14. Shri Satish Chandra Dubey
15. Dr. Fauzia Khan
16. Shri Harbhajan Singh
17. Ms. Dola Sen
18. Dr. Ashok Bajpai

SECRETARIAT

1. Shri Srinivasulu Gunda - Joint Secretary
2. Dr. Vatsala Joshi - Director
3. Dr. Mohit Rajan - Deputy Secretary
4. Shri Dong Lianthan Tonsing - Deputy Secretary

2. At the outset, Hon'ble Chairperson welcomed the Members to the sitting of the Committee convened for consideration and adoption of the following Draft Reports of the Committee:

(i) Twenty Seventh Report on the subject- "BIS-Hallmarking & Jewellery" of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs);

(ii) XXXXXX XXXXXXXXXXX XXXXXXX

(iii) XXXXXX XXXXXXXXXXX XXXXXXX

(iv) XXXXXX XXXXXXXXXXX XXXXXXX

3. Thereafter, the Committee took up for consideration the above mentioned Draft Reports of the Committee.

4. After deliberations, the Committee adopted the above mentioned Draft Reports without any amendments/modifications.

5. The Committee then authorized Hon'ble Chairperson to finalize and present the aforesaid Reports.

The Committee then adjourned.

XXX Matter does not relate to the Report.