

# Hallmarking of Silver Articles - Are We Ready for the Mandatory Regime ?

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Bureau of Indian standards started the Hallmarking of silver articles in 2005, but the momentum has been very slow for a variety of reasons, the primary factor being the comparatively low emphasis on the value for the silver contained in an article, as compared to its making /value addition charges. Eventhough daily per gm silver prices are published by various agencies, it is mostly applied to silver coins and bars, where the purity of its silver content is a deciding factor.

However for silver jewellery and small artefacts, the pricing of silver is often on lumpsum basis for a gram, wherein the making charge also is factored into the daily silver price. For eg in mature markets, when the silver price is Rs 100/gm, the selling price of silver hallmarked jewellery may be Rs 120 per gm on gross weight basis. And in some silver jewellery manufacturing locations, the price of non hallmarked silver jewellery may be Rs 100 / gm on gross weight basis, but the silver purity may vary from 50% to 80%, as indicated by various market surveys.

In nutshell, the purity or the hallmarking of silver jewellery appears to take a back seat, when it comes to retail sales of silver jewellery. Eventhough the permitted fineness in silver hallmarking starts from 800 onwards, many jewellery associations have been demanding silver hallmarking to start from fineness 500 onwards, but has been refused by the BIS, citing consumer interests and protection



Over the years, the silver prices have been going up, mostly in tandem with the rising gold prices and a gradual shift in consumer purchases and preferences is witnessed, from light weight gold jewellery to silver jewellery or to gold plated silver jewellery, especially among the younger generation. This has also witnessed the emergence of organized silver manufacturers and factories using modern manufacturing methods, and they have been supplying quality certified and hallmarked silver jewellery across India. Also we have

been witnessing leading jewelers earmarking separate floors for silver articles in their shops, or even stand alone silver jewellery shops of major brands, which are always hallmarked in various permitted fineness, starting from 800 to 990. Sale of silver jewellery is very robust in the southern states of Tamil Nadu, Andhra and Telangana.

Hallmarking, whether it is gold or silver, is mostly done in the jewellery manufacturing locations and then gets distributed to the retailer locations across India. The country is having around 250 BIS recognized silver hallmarking centres spread across the silver jewellery manufacturing locations of India, and this network is adequate enough to hallmark all the silver jewellery coming under the mandatory regime..

The past experience of mandatory gold jewellery hallmarking amply illustrates the width and depth of the hallmarking ecosystem under a mandatory regime. In 2020, when mandatory gold hallmarking was announced, only 350 tonnes of jewellery was hallmarked in a year by the 25,000 BIS registered jewelers. But the trade associations demanded that for mandatory hallmarking of gold to be implemented, the country shall have a minimum of 5000 Ahcs or at least one Ahc in every taluk. Over the subsequent 3 years of mandatory hallmarking, the number of BIS licensed jewelers went up to 2 lakhs and the hallmarking centre's network went up from 750 to 1800 Ahcs. Along with that, the quantity of jewellery hallmarked went up from 350 tonnes to 1200 tonnes per annum, with hallmarking and delivery done in 6 hours time, without any infrastructural bottlenecks. This indicates that setting up hallmarking centres is a commercial activity and that new Ahcs will come up in any location, whenever there is business potential.

Under gold mandatory regime, jewellery manufacturers too were given license by BIS, and hence the hallmarking business got shifted from the retailer locations, to the 10 major gold jewellery manufacturing locations, were presently 70% of the gold jewellery hallmarking is happening. Presently only 360 districts in India are having hallmarking centres – Ahc and hence covered under the mandatory hallmarking regime. These 360 mandatory districts are also supplying hallmarked jewellery to the remaining 400 districts of India. Because of their low hallmarking business potential, Ahcs may not be coming up in these 400 districts, even

when the Govt is offering 50% investment subsidy for setting up an Ahc in uncovered districts

The scenario is similar for silver hallmarking also under a mandatory regime, as and when there is hallmarking business, more of silver HM centres shall be coming up in the silver jewellery manufacturing cities, but Ahcs may not be coming up in the silver retailer locations due to their low hallmarking business potential.

Coming to the technical aspects, presently BIS is operating the silver hallmarking scheme under various standards 1) IS 2112 : 2014, for various grades of silver hallmarking permitted for the retailer industry such as 800, 835, 900, 925, 970 & 990 fineness. 2) IS 2113 : 2014, for the 2 silver assaying methods of gravimetric and potentiometric methods, for assessing the silver content in articles at the hallmarking centres. The conventional gravimetric method though cost effective, is not so environmental friendly due to the use and storage of acids etc. Whereas the potentiometric method is user friendly, but needs high levels of competency for the operating staff in preparing solutions for achieving the stipulated levels of accuracy. 3) The next method of cupellation for silver assay under ISO 25643 : 2024, is very fast and reliable, as indicated in field level trials, and is understood to be undergoing evaluation by the BIS for adoption in India.

The challenges to silver hallmarking are many; silver articles like lamp and utensils often come in single pieces and destructive sampling cannot be taken from these articles, without which silver assay and hallmarking cannot be done. Another challenge is doing xrf checking of big silver articles, which cannot be placed inside the xrf machines available at the Ahcs.

It may also be noted that the Parliamentary committee on Consumer Affairs and various trade associations have been requesting the mandatory hallmarking of silver jewellery, considering that it is poor man's gold. Various surveys have indicated that the silver jewellery sold in smaller cities and towns and in lady's fancy stores are having only 30-40 % silver content, and the women folk is losing heavily on their silver purchases. BIS has indicated their readiness to adopt the HUID traceability system for hallmarking of silver articles. Mandatory hallmarking of silver jewellery appears to be the need of the hour, it shall be announced without further delay, starting from silver articles of 10gms and above weight.

