

**STANDING COMMITTEE ON CONSUMER AFFAIRS,
FOOD AND PUBLIC DISTRIBUTION (2023-2024)**

33

SEVENTEENTH LOK SABHA

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

{Action Taken by the Government on the observations/ recommendations contained in the Twenty-Seventh Report of the Committee (Seventeenth Lok Sabha) on the subject, "BIS – Hallmarking & Jewellery pertaining to the Ministry of Consumer Affairs, Food and Public Distribution }

THIRTY THIRD REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2023/Agrahayana, 1945 (Saka)

THIRTY THIRD REPORT

**STANDING COMMITTEE ON CONSUMER AFFAIRS, FOOD
AND PUBLIC DISTRIBUTION (2023-2024)**

(SEVENTEENTH LOK SABHA)

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

{Action Taken by the Government on the observations/ recommendations contained in the Twenty-Seventh Report of the Committee (Seventeenth Lok Sabha) on the subject, "BIS – Hallmarking & Jewellery pertaining to the Ministry of Consumer Affairs, Food and Public Distribution }

*Presented to Lok Sabha on 11 December, 2023
Laid in Rajya Sabha on 11 December, 2023*



**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2023/ Agrahayana, 1945 (Saka)

CONTENTS		
Composition of the Committee		(iv)
Introduction		(v)
Chapter I	Report	1
Chapter II	Observations/Recommendations which have been accepted by Government	5
Chapter III	Observations/Recommendations which the Committee do not desire to pursue in view of Government replies	11
Chapter IV	Observation/Recommendation which have not been accepted by Government	12
Chapter V	Observations/Recommendations in respect of which final replies of Government are still awaited	13
APPENDICES		
(I)	Minutes of the Fifth sitting of the Committee (2023-24) held on 07.12.2023	18
(II)	Analysis of the action taken by the Government on the Observations/Recommendations contained in the Twenty-Seventh Report of the Standing Committee on Consumer Affairs, Food and Public Distribution (Seventeenth Lok Sabha)	20

Composition of the Standing Committee on Consumer Affairs, Food and Public Distribution (2023-24)

Smt. Locket Chatterjee - Chairperson

MEMBERS

Lok Sabha

2. Dr. Farooq Abdullah
3. Shri Sudip Bandyopadhyay
4. Shri Shafiqur Rahman Barq
5. Shri Rajendra Dhedya Gavit
6. Shri Sanganna Amarappa Karadi
7. Shri Faizal P.P. Mohammed
5. Km. Debasree Chaudhuri
6. Dr. Amar Singh
7. Shri Anil Firojiya
8. Shri Ganesan Selvam
9. Shri Khagen Murmu
10. Shri Mitesh Rameshbhai Patel
11. Shri Subrat Pathak
12. Smt. Himadri Singh
13. 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 Rajmani Patel
25. Shri Sakaldeep Rajbhar
26. Dr. Ashok Bajpai
27. Shri Baburam Nishad
28. Shri C. Ve Shanmugam
29. Shri Prakash Chik Baraik
30. Vacant
31. Vacant

LOK SABHA SECRETARIAT

1. Dr. Ram Raj Rai - Joint Secretary
2. Dr. Vatsala Joshi - Director
3. Sh. Dong Lianthang Tonsing - Deputy Secretary

INTRODUCTION

I, the Chairperson of the Standing Committee on Consumer Affairs, Food and Public Distribution (2023-2024) having been authorized by the Committee to submit the Report on their behalf, present this Thirty Third Report on Action Taken by the Government on the Observations/Recommendations contained in the Twenty Seventh Report of the Committee (Seventeenth Lok Sabha) on the subject “BIS – Hallmarking & Jewellery” of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs).

2. The Twenty Seventh Report was presented to Lok Sabha and laid in Rajya Sabha on 03.08.2023. The Government has furnished its replies indicating Action Taken on the recommendations contained in the Report on 06.11.2023.

3. The Report was considered and adopted by the Committee at their sitting held on 7th December, 2023.

4. An analysis of the action taken by the Government on Observations/Recommendations contained in the Report is given in **Appendix II**.

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

NEW DELHI;
7 December, 2023
16 Agrahayana, 1945 (Saka)

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

REPORT

CHAPTER - I

This Report of the Standing Committee on Consumer Affairs, Food and Public Distribution deals with the action taken by the Government on the Recommendations/Observations contained in the Twenty Seventh Report of the Committee (17th Lok Sabha) on “BIS – Hallmarking & Jewellery”, pertaining to the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs).

1.2 The Twenty Seventh Report was presented to Lok Sabha and laid on the Table in Rajya Sabha on 3rd August, 2023. It contained 12 recommendations/observations. Action taken replies in respect of all the 12 recommendations/observations contained in the Report have been received and these have been categorized as follows:-

(i) Recommendations/Observations which have been accepted by Government :

Para Nos.: 1.16, 3.7, 4.5, 4.10, 4.12 and 5.17

(CHAPTER – II)

(ii) Recommendations/Observations which the Committee do not desire to pursue in view of Government’s replies :

Para Nos.: NIL

(CHAPTER – III)

(iii) Recommendations/Observations in respect of which replies of Government have not been accepted by the Committee :

Para No.: NIL

(CHAPTER – IV)

(iv) Recommendations/Observations in respect of which interim replies of Government have been received :

Para No. : 2.21, 2.22, 3.12, 3.15, 3.19 and 5.8

(CHAPTER – V)

1.3 The Committee trust that importance will be given to the implementation of the recommendations accepted by the Government. The observations/recommendations contained in Chapter-I and Chapter – V of this Report should be furnished to the Committee within three months of the presentation of this Report.

1.4 The Committee further emphasize that utmost importance should be given to the implementation of Recommendations/ Observations accepted by the Government. In case where it is not possible for the Government to implement the recommendations in letter and spirit for any reason, the matter should be reported to Committee in time with reasons for non implementation.

1.5 The Committee will now deal with action taken by the Government on some of the recommendations/ observations.

Recommendation (Para No. 3.12)

A. ARTICLES WITH WEIGHT LESS THAN 2 GRAMS

1.6 The Committee in their original report observed/recommended as follows:-

“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 goldjewellery 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.”

1.7 The Ministry in its action taken reply has stated as under:-

“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.

It is also informed that out of about 29 crore articles hallmarked with HUID since July, 2021, nearly 37% articles below 2g have been hallmarked.

However, the recommendation will be considered in consultation with stakeholders.

1.8 The Committee had in their original report suggested for a reconsideration of 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. The Ministry in its action taken reply has agreed that whenever possible the jewellery below 2 grams may also be

hallmarked if required and has informed that 37% of the 29 crore articles hallmarked with HUID since July 2021 are less than 2 gram. The Committee while appreciating the facts mentioned by the Ministry and the assurance given by it, the Committee desire that the stakeholders may be educated and convinced about the need for hallmarking of the small articles which cater to the lower strata of the society so that maximum number of gold articles are hallmarked. The Committee may be apprised about the progress made in this direction.

Recommendation (Para no 3.15)

B. SPECIAL CLASS OF KUNDAN, POLKI AND JADAAU

1.9 The Committee in their original report observed/recommended as follows:-

“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 Council, 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.”

1.10 The Ministry in its action taken reply has stated as under:-

“The suggestion of marking the weight and /or caratage of gold before studding with stones has been noted and be explored after consultation with the stakeholders.”

1.11 The Committee had specifically recommended that even if Kundan, Polki and Jadaau jewellerys 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. The Department while noting the suggestion of the Committee, has assured that the issue would be explored in consultation with the stakeholders. The Committee, therefore, desire that the Department should explore all the possibilities by emphasizing the importance of hallmarking of jewellery to the stakeholders and come out with a solution of

marking the weight and / or caratage of gold before studding with stones under intimation to the Committee.

Recommendation (Para no 3.19)

C. JEWELLERS WITH ANNUAL TURNOVER OF LESS THAN RS. 40 LAKH

1.12 The Committee in their original report observed/recommended as follows:-

“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 without 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.”

Reply by the Government :-

1.13 The Ministry in its action taken reply has stated as under:-

“In view of difficulty for very small jewelers having an annual turnover of less than Rs 40 lakh to adhere to mandatory hallmarking, jewellers having turnover less than Rs 40 lakhs were exempted from mandatory hallmarking.

It may also be noted that exemption upto Rs 40 lakh have also been provided in mandatory GST registration for goods sellers.

However, the issue raised regarding selling jewellery without 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 will be taken up with stakeholders.”

1.14 The Committee in their earlier recommendation, had highlighted the apprehensions of the consumer associations and suggested that enforcement authorities be made to address the issue of possible misuse of provision for exemption of jewellers with annual turnover of less than Rs. 40 Lakh. The Ministry in its reply, stated that the issue would be taken up with stake holders. The Committee while appreciating the assurance by the Ministry, desire that an action taken status be made available to the Committee within three month’s time.

CHAPTER II

OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation No. 1.16

2.1 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.

Reply by the Government :-

2.2 The issue of aligning the Indian Standards for precious metals has been referred to the concerned Technical Department assigned for formulating the Standards and following is submitted:

- i) ISO grades are at variance with that required in India.
 - a. In case of gold ISO 9202 mentions 8, 9, 10, 14, 18, 22 and 24 carats whereas the grades prevalent in India are 14, 18, 20, 22, 23, 24 carats and accordingly mentioned in IS 1417. Also IS 1417 specifies that the detrimental elements like Cd, Ir, Ru, Os shall not be present, whereas no such requirement is specified in ISO 9202.
 - b. In case of silver, ISO 9202 mentions 800, 925, 958, 990, 999 fineness whereas IS 2112 mentions 800, 835, 900, 925, 970, 990, 999, 9995, 9999. Also IS specifies that the detrimental elements like Cd, Pb shall not be present, whereas no such requirement is specified in ISO 9202.
- ii. Further for exports purpose the standard followed in the country in which the material is being exported has to be complied.

- iii. However, it is to inform that Indian Standard, IS 1418 prescribed for the assaying and hallmarking of gold jeweller is completely aligned with the ISO Standard, ISO 11426.

[Ministry of Consumer Affairs, Food and Public Distribution
Department of Consumer Affairs
O.M. No. N-19/3/2023-P&C dated 06.11.2023

Recommendation (Para no 3.7)

2.3 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.

Reply by the Government:-

2.4 At the time of implementation of mandatory hallmarking 948 AHCs were operating in 256 districts of the country, which have now increased to 1497 spreading in about 346 districts. Mandatory hallmarking has been implemented at first point of sale so that if hallmarking centre is not present in the city, a BIS registered jeweler can purchase the already hallmarked jewellery and sell it in his outlet. Also, the jeweller can hallmark the Jewellery /artefacts from nearby Assaying & Hallmarking Centres which are situated in nearby districts.

Further for increasing the spread of AHCs in deficient locations, Govt. also provides subsidy to the tune of upto 75% of the total cost of machinery and equipment for setting up the AHC at deficient locations.

In addition to the above, BIS has launched the scheme for setting up of Offsite centres (OSC) by the BIS Recognised AHCs with the objective to provide the jewellers easy access to the hallmarking facility. An OSC is conceived of as an extended arm of AHC. As on date, 60 OSCs setup by BIS Recognised AHCs are operational.

It may also be noted that setting up of A&H centres 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. It is expected that market would drive more AHC to come at locations where there are no centres at present

[Ministry of Consumer Affairs, Food and Public Distribution
Department of Consumer Affairs
O.M. No. N-19/3/2023-P&C dated 06.11.2023

Recommendation (Para no 4.5)

2.5 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.

Reply by the Government:-

2.6 For effective monitoring over the scheme the market surveillance of the registered jewelers has been increased manifold. In comparison to 356 samples drawn from jewellers during 2020-21 and 12995 samples drawn from jewellers during 2021-22, during FY 2022-23 38,846 samples of hallmarked jewellery were drawn from jewellers for testing at BIS referral assay labs.

It is also informed that for monitoring the entire work-flow in an AHC, right from the receipt of the jewellery to hallmarking, has been 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 testing equipment used in AHCs viz. 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.

However, as desired by Committee BIS is also conducting hallmarking survey in districts not covered under mandatory hallmarking.

[Ministry of Consumer Affairs, Food and Public Distribution
Department of Consumer Affairs
O.M. No. N-19/3/2023-P&C dated 06.11.2023

Recommendation (Para no 4.10)

2.7 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.

Reply by the Government:-

2.8 The recommendation of the committee as cited in its report has been noted for compliance.

[Ministry of Consumer Affairs, Food and Public Distribution
Department of Consumer Affairs
O.M. No. N-19/3/2023-P&C dated 06.11.2023

Recommendation (Para no 4.12)

2.9 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.

Reply by the Government:-

2.10 The date of hallmarking of the article has been retained in the BIS Care App. In view of the difficulties expressed by jewellers the name of the jeweller has not been displayed, however, as the registration number of the jeweler is being displayed on the app. the consumer may trace the name of the jeweller from this registration number from BIS website.

However, matter will be reviewed in consultation with stakeholders for name of the jeweller.

[Ministry of Consumer Affairs, Food and Public Distribution
Department of Consumer Affairs
O.M. No. N-19/3/2023-P&C dated 06.11.2023

Recommendation (Para no 5.17)

2.11 The Committee observe that the Government extend 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.

Reply by the Government:-

2.12 The rate of financial assistance (% of the total cost of machinery and equipment given to A&H Centre as assistance) for 'Setting up of Gold Assaying and Hallmarking Centres' in India where no Assaying & Hallmarking Centre (assisted or otherwise) exists, have been revised by Government of India w.e.f. 9 December 2010 and are given below:

Area	Earlier	Revised Rate	
		Private	PSU
Normal	15%	30%	50%
NE/SCS/RA	30%	50%	75%

NE – North East States; SCS - Special Category States; RA – Rural Areas

However, the recommendation of the committee regarding the change in the incentives for private entrepreneurs in NE and far flung areas for encouraging to set up AHCs has been noted.

[Ministry of Consumer Affairs, Food and Public Distribution
Department of Consumer Affairs
O.M. No. N-19/3/2023-P&C dated 06.11.2023

CHAPTER III

**OBSERVATIONS/RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE
TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLIES**

-Nil-

CHAPTER IV

**OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE
GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE**

-NIL-

CHAPTER V

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH THE FINAL REPLIES OF THE GOVERNMENT ARE STILL AWAITED

Recommendation (Para no 2.21)

5.1 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.

Reply by the Government:-

5.2 Issues of technical lag and network disconnection were observed initially at the time of launch in July 2021 in software system for HUID. However, the same has now been rectified with increase of server capacity and other improvements. In fact no downtime has been reported in the system in the last six months.

However, the recommendation will be discussed with the concerned stakeholders.

[Ministry of Consumer Affairs, Food and Public Distribution
Department of Consumer Affairs
O.M. No. N-19/3/2023-P&C dated 06.11.2023

Recommendation (Para no 2.22)

5.3 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.

Reply by the Government:-

5.4 The user manuals have been taken up for updation and will also be translated in local language for display in Branch Offices.

[Ministry of Consumer Affairs, Food and Public Distribution
Department of Consumer Affairs
O.M. No. N-19/3/2023-P&C dated 06.11.2023

Recommendation (Para no 3.12)

5.5 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 goldjewellery 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.

Reply by the Government:-

5.6 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.

It is also informed that out of about 29 crore articles hallmarked with HUID since July, 2021, nearly 37% articles below 2g have been hallmarked.

However, the recommendation will be considered in consultation with stakeholders.

[Ministry of Consumer Affairs, Food and Public Distribution
Department of Consumer Affairs
O.M. No. N-19/3/2023-P&C dated 06.11.2023

Comments of the Committee

(Please see in Para No. 1.8 if Chapter-I of the Report)

Recommendation (Para no 3.15)

5.7 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 Council, 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.

Reply by the Government:-

5.8 The suggestion of marking the weight and /or caratage of gold before studding with stones has been noted and be explored after consultation with the stakeholders.

[Ministry of Consumer Affairs, Food and Public Distribution
Department of Consumer Affairs
O.M. No. N-19/3/2023-P&C dated 06.11.2023

Comments of the Committee

(Please see in Para No. 1.11 if Chapter-I of the Report)

Recommendation (Para no 3.19)

5.9 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 without 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.

Reply by the Government :-

5.10 In view of difficulty for very small jewelers having an annual turnover of less than Rs 40 lakh to adhere to mandatory hallmarking, jewellers having turnover less than Rs 40 lakhs were exempted from mandatory hallmarking.

It may also be noted that exemption uptoRs 40 lakh have also been provided in mandatory GST registration for goods sellers.

However, the issue raised regarding selling jewellery without 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 will be taken up with stakeholders.

[Ministry of Consumer Affairs, Food and Public Distribution
Department of Consumer Affairs
O.M. No. N-19/3/2023-P&C dated 06.11.2023

Comments of the Committee

(Please see in Para No. 1.14 if Chapter-I of the Report)

Recommendation (Para no 5.8)

5.11 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.

Reply by the Government:-

5.12 The entire process of grant of recognition to AHC including application submission by AHC, the auditor allotment and audit report submission has been made online to avoid any delay. As the recognition to AHC depends on the satisfactory verification of infrastructure capability and competence to carry out the assaying and hallmarking through preliminary inspection no timeline has been prescribed at present.

However, the suggestion of the committee has been noted for suitably incorporating in the guidelines.

[Ministry of Consumer Affairs, Food and Public Distribution
Department of Consumer Affairs
O.M. No. N-19/3/2023-P&C dated 06.11.2023

NEW DELHI;
7 December, 2023
16 Agrahayana, 1945 (Saka)

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

MINUTES OF THE FIFTH SITTING OF THE STANDING COMMITTEE ON CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (2023-2024) HELD ON THURSDAY, 7TH DECEMBER, 2023

The Committee sat from 1500 hrs. to 1530 hrs. in Committee Room No. 4, Extension to Parliament House Annexe, New Delhi.

PRESENT

Smt.Locket Chatterjee - Chairperson

Members

Lok Sabha

2. Dr. Farooq Abdullah
3. Shri Shafiqur Rahman Barq
4. Shri Anil Firojiya
5. Shri Rajendra Dhedya Gavit
6. Shri Khagen Murmu
7. Shri Ganesan Selvam
8. Dr. Amar Singh
9. Smt. Kavita Singh
10. Shri Saptagiri Sankar Ulaka
11. Shri Vaithilingam Ve.

Rajya Sabha

12. Shri C.Ve Shanmugam

SECRETARIAT

1. Dr. Ram Raj Rai - Joint Secretary
2. Dr. Vatsala Joshi - Director
3. Dr. Mohit Rajan - Deputy Secretary
4. Shri Dong Lianthang 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) Thirty Third Report on Action Taken by the Government on the Observations/ Recommendations contained in the Twenty Seventh Report of the Committee (Seventeenth Lok Sabha) on the subject 'BIS-Hallmarking & Jewellery' of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs);

(ii) Xxxx xxxx xxxx xxxx

(iii) Xxxx xxxx xxxx xxxx

(iv) Xxxx xxxx xxxx xxxx

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.

xxxx Matter does not pertain to Report

(Vide Para No. 4 of Introduction of the Report)

**ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE
OBSERVATIONS/RECOMMENDATIONS CONTAINED IN THE
TWENTY-SEVENTH REPORT OF THE STANDING COMMITTEE
ON CONSUMER AFFAIRS, FOOD AND
PUBLIC DISTRIBUTION (2022-23)
(SEVENTEENTH LOK SABHA)**

- (i) Total number of Recommendations: 12
- (ii) Observations/Recommendations which have been accepted by the Government:
Para Nos. 1.16, 3.7, 4.5, 4.10, 4.12 and 5.17

(Chapter – II, Total -6)
Percentage: 50 %
- (iii) Observations/Recommendations which the Committee do not desire to pursue in view
of the replies received from the Government
Para No. Nil

(Chapter – III, Total - 0)
Percentage: 0 %
- (iv) Observations/Recommendations in respect of which replies of the Government have
not been accepted by the Committee and which require reiteration:
Para No. Nil

(Chapter – IV, Total - 0)
Percentage: 0%
- (v) Observations/Recommendations in respect of which the interim replies of the
Government have been received.
Para No. 2.21, 2.22, 3.12, 3.15, 3.19 and 5.8

(Chapter – V, Total - 6)
Percentage: 50 %