



HUID HALLMARKING OF GOLD JEWELLERY: THE JOURNEY AHEAD

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Mandatory hallmarking of gold jewellery with a unique Hallmark Unique Identification (HUID) number, introduced in July 2021, has quickly reshaped India's jewellery ecosystem. In just four and a half years, around 57 crore jewellery articles have been hallmarked and recorded on the BIS portal, and every piece can be verified through the "Verify HUID" dashboard on the BIS Care app. This end to end digital traceability, linking each article to its provenance, is virtually unique in global hallmarking practice.

Expansion in Scale and Reach

The hallmarking regime has expanded dramatically along the value chain. The number of BIS registered jewellers has risen from about 25,000 at the start of the mandatory phase to nearly 1.9 lakh registered gold dealers and around 24,000 silver dealers today. Assaying and hallmarking capacity has grown to roughly 1,600 BIS recognised centres operating across some 375 districts covered under the mandatory regime.

These centres now hallmark close to 12 crore pieces a year, up from around 3.5 crore earlier, corresponding to an estimated 1,200 tonnes of jewellery annually. Even though items below 2 grams are exempt, about 22% of all hallmarked pieces fall into this lightweight category, driven purely by consumer demand, while exempt categories such as studded ornaments, kundan, jadau and polki remain largely outside the mandatory net.

Structural Fault Lines in the Mandatory Regime

Rapid expansion has also exposed weaknesses. Under the mandatory system, responsibility for hallmarking has shifted from retail jewellers to the first point of sale-upstream manufacturers and vendors. Hallmarking that was earlier concentrated near retail markets is now heavily clustered in the ten major jewellery manufacturing hubs, which together handle nearly 70% of all hallmarking business.

This migration has undermined the viability of centres in smaller cities and towns, leading to the closure of around 200 assaying and hallmarking centres across India. The growing distance between retail jewellers and nearby hallmarking centres has created room for vendors to choose any convenient hallmarking facility, sometimes prioritising speed over rigour and contributing to an erosion of quality standards.

The Problem of HUID Duplication

The most serious challenge is the duplication of genuine HUIDs on sub standard or unaccounted jewellery. A vendor may get ten bangles hallmarked, obtain ten authentic HUIDs, and then emboss those numbers on hundreds of similar looking bangles produced off the books. Because the HUIDs are valid in the BIS database and the items still appear as bangles, these pieces can pass casual checks on the BIS Care app.

Such misuse fuels tax evasion and an unaccounted jewellery trade, while shifting liability to the assaying centres that issued the original HUIDs. When BIS market sampling detects sub standard items bearing a particular HUID, the centre that originally hallmarked the genuine piece can face derecognition, even though it never handled the duplicates. As instances of duplication have multiplied, stakeholders have demanded tighter traceability and more intelligent control mechanisms.

HUID Transfer: Tracking Articles to the Point of Sale

A practical solution is to track each HUID tagged article up to its final retail sale and then “close” that HUID in the system. Once a piece is sold and its HUID is marked as closed in the BIS portal, any attempt to verify the same number on another article would immediately trigger suspicion.

To enable this, BIS is rolling out a HUID transfer facility on a voluntary basis. The first phase focuses on corporate jewellers with a single BIS registration at the

head office and at least five outlets, along with other interested retailers. Under this model, the corporate office initially owns the HUIDs; as jewellery moves to branches, the corresponding HUIDs are digitally transferred, and when a branch sells a piece to a customer, it marks that HUID as “closed” in the BIS Care app, preventing further transfers. If a duplicated ornament with the same HUID is later checked, its details will not be visible, helping expose fake hallmarking.

Photo Upload: Adding a Visual Layer of Security

A second safeguard is the proposed photo upload for every hallmarked article. In a pilot programme at about 25 centres, each hallmarked piece is photographed along with a close up of the hallmarking area, and these images-linked to the article’s weight and HUID-are visible in the BIS Care app. This visual record makes it far more difficult to manipulate data at the centre or reuse a valid HUID on a different design or weight of jewellery.

However, photo capture demands additional equipment, trained staff and more processing time, often increasing hallmarking time for a batch by around 50% and raising costs. With the hallmarking fee held at ₹45 per piece since 2021, despite higher logistics, insurance and security expenses in a high price gold environment, a periodic review of charges may be needed to keep centres viable while maintaining rigorous standards.



The Road Ahead

The HUID hallmarking framework has already taken India from basic purity stamps to a sophisticated, data driven traceability regime. The next phase is less about expanding volumes and more about deepening integrity-widespread adoption of HUID transfer, scaling up photo based verification, and revitalising hallmarking centres across regions. If implemented thoughtfully, with fair cost structures and robust digital infrastructure, these reforms can turn India into a global benchmark for jewellery traceability and cement hallmarking as a shared commitment to quality and consumer trust rather than a mere compliance obligation.