Gold is a brilliant yellow precious metal that is resistant to air and water corrosion. Since ancient times, gold has always been an important asset and a value store. Gold was used as an exchange medium even before the Roman Empire existed. The gold was also used for currency by Chinese and Hindu cultures. This shows that the gold was used not only by the western cultures but the eastern cultures also.

Great Britain started the suit by adopting a gold-backed paper currency and the rest of the industrialized world followed this. The United States also started using gold in its currency and by the end of 1933, the United States Dollar was equal to 1/20th of an ounce of gold. Gold backed up the United States Dollar under an agreement known as the Bretton Woods agreement. Under this agreement, a specific value of gold tied the Dollar and also the other global currencies. This specific value was $35/oz of gold from 1934 to
1968. That made it illegal for the citizens of the US to own gold so that the level of gold and subsequently the value of dollar could be protected.

When the Gold Standard was evoked, it became a popular investment medium, and it led to risen gold prices to $800/oz from $35/oz. Since then, no matter whatever happened, be it famines, floods or even world wars, gold’s importance as an investment medium has not changed at all.
Prior to 1962, India was the world's largest gold market and the main trading center was Bombay. In 1962, the government enacted the Gold Control Act, which prohibited the citizens of India from holding pure gold bars and coins due to loss of reserves during the Indo-China war. It was declared that the old holdings in pure gold had to be compulsorily converted into jewellery. Pure gold bars and coins were to be dealt only by licensed dealers.

A large unofficial market sprung up which dealt in cash only as a consequence of this legislation that adversely affected the official gold market. This also made way for smuggling and black marketing, which comprised of many jewelers and bullion traders.

In 1990, India was on a verge of default of external liabilities as it had a major foreign exchange problem. It had to give up the concept of controlling and licensing as it led to nothing more than corruption and shortages. As a
result, the Indian government pledged 40 tonnes from their gold reserves with the Bank of England. India had to adopt the concept of liberalization. The government abolished the 1962 Gold Control Act in 1992 and liberalized the import of gold in India for a duty payment of Rs. 250 per 10 grams. The government made up for the foreign exchange problem by allowing free imports and earning the taxes. This step expanded the gold market and it also waved off the unofficial trade i.e. smuggling and black marketing. This makes India the most price-sensitive market for gold in the world.
Over a few thousands of years, many kings, emperors and dynasties featuring countless wars, conquests and political upheavals have ruled the Indian sub-continent. Different dynasties rules different parts of India with different monetary systems. Gold acted as a common medium of exchange or store of value among the monetary systems of different kingdoms across the sub-continent. Gold was preserved as wealth for centuries in spite of wars, political turbulence, natural calamities and disasters. It was the only means of savings in rural India, land being the other main asset of economic value. This has largely helped to formulate or evolve the Indian sentiment and fanatical passion for gold, which holds true even today.

As with most old civilizations, traditions are very strong in the Indian society and that is much more so in rural India. India is a vast country - a culture which is a heterogeneous mixture of different sub-cultures, communities, customs, food and dress habits, but the love of gold is universal across the length and breadth of the country. Gold is the only item that permeates every strata and class of the Indian society; it is equally sought by a wealthy urban businessman or a poor farmer in a village. Indians
see the metal as a symbol of purity, prosperity and good fortune.

Jewellery (also spelled as Jewelry and Jewelery) are ornaments like necklace, rings, earrings, bracelets, bangles, toe rings, etc. made of different precious metals like gold, silver and platinum and also from precious and semi-precious stones like pearls, gemstones, diamonds, etc. Jewellery is the one of the oldest form of body ornament. Earlier jewellery was made from natural materials, such as bones, animal teeth, shells, wood and carved stones.
These days, beads are frequently used in jewellery. Beaded jewellery commonly encompasses necklaces, bracelets, earrings, belts, and rings and the beads can be both large and small. Around the world, the demand of gold jewelry is on the rise and so are the prices. This form of jewellery looks beautiful and the Jewellers are coming up with new mesmerizing exquisite designs every day.

**Hallmarking of Gold Jewellery**

The Indian people have a great fascination for gold. It should be recognized that in India, in common with other Asian Countries, gold has a very important role in our cultural heritage. Gold is considered as a commodity, and not a product. Any form of gold is equal to any other form of gold. It is viewed to be homogenous and indistinguishable, having no brand or expiry date. As a result, gold demand is not price-elastic. Rather it is prosperity elastic - that is, increments in household income are generally matched by purchases of more gold.
Unless alloyed with a comparatively small proportion of some other metal, both pure gold and pure silver are too soft to withstand wear as an article for use or adornment. This necessity has always demanded some system of control if frauds on the public are to be prevented, because adulteration of articles manufactured from the precious metals by the introduction of too much of the strengthening alloy is a type of fraud to which the public is extremely vulnerable. It is easy to perpetrate, because with both
It is estimated that there are 100,000 manufacturing units throughout India mostly employing up to 10 workers, although, there are above 100 large mechanized factories employing up to several hundred workers. There is an abundance of cheap skilled labour. Because the traditional jewellery is almost totally hand-made, the workforce is large and totals about 2 million. Many of these artisans have been trained in jewellery making skills from the age of 10 years and they lack formal education. Many manufacturers and retailers sub-contract work out to small workshops and this makes gold stock control and caratage quality control difficult to achieve.

Indian consumer is very often a victim of irregular metal quality. A buyer, for instance, will be told that he has bought gold of 22 carats. When he goes to sell or exchange it he discovers that the gold is actually only of 18 carats or many customers have lost
money in this way. In India the emphasis is on high caratage jewellery, and problems have also arisen through the lack of suitable high carat solders. The traditional handcrafted pieces in 22 carat contain many soldered joints and the use of solder alloys of a much lower caratage has meant a serious level of under-carating.

The oldest types of fraud are those of adulteration by the addition of too much alloy, and the similar fraud of selling, as of gold or silver, articles externally of standard fineness but with base metal cores. These frauds continued till Hallmarking.