

Standing Committee Report Summary

The Bureau of Indian Standards (Amendment) Bill, 2012

- The Standing Committee on Food, Consumer Affairs and Public Distribution (Chairperson: Mr. Vilas Muttemwar) presented its report on the Bureau of Indian Standards (Amendment) Bill, 2012 on August 30, 2013. The Bill was introduced in the Lok Sabha on May 3, 2012 by the Minister of Consumer Affairs, Food and Public Distribution, Mr. K.V. Thomas.
- The Bill seeks to amend the Bureau of Indian Standards Act, 1986. The Act establishes the Bureau of Indian Standards (BIS) for the harmonisation of standards, marking and quality certification of goods and processes.
- The Bill aims to: (i) establish BIS as the national standards body; (ii) empower BIS to bring important products and services under the compulsory certification scheme; (iii) allow the introduction of registration to the relevant Indian Standard as an alternative mechanism to the compulsory certification regime; (iv) to facilitate the introduction of hallmarking of precious metal articles under the compulsory certification regime; and (v) to strengthen the penal provisions of the Act.
- The Standing Committee noted the importance of the Bill and recommended its passage, subject to its observations and recommendations below.
- **Decentralisation of functions and strengthening of human resources:** The Committee noted that as a result of the amendments, the workload of BIS will increase significantly. It recommended that BIS involve other institutions such as the Quality Council of India and accreditation boards to conduct surveys, inspection, and testing the quality of goods. This will reduce its workload and help it focus on its primary responsibility of standards formulation. In addition, BIS should be strengthened in terms of manpower, technical expertise and testing facilities like laboratories.
- **Need for grievance redressal forum:** The Committee noted that neither the Act nor the Bill provide for a redressal forum for complaints relating to the faulty execution of the Bill. It recommended the setting up of a redressal forum under BIS, to exclusively deal with complaints and issues pertaining to the misinterpretation or faulty execution of the Bill.
- **Harmonisation of standards on food quality and safety:** The Committee noted that BIS has formulated around 1000 Indian Standards in the area of food quality and safety. However, the Food Safety and Standards Authority of India (FSSAI) fixes standards and regulates the sale and distribution of food as well. While the standards laid down by the two bodies have been harmonised to a large extent, the Committee recommended that remaining differences be resolved in technical committees with experts from both organisations. In unresolved cases concerning food articles, the standards laid down by FSSAI should prevail.
- **Need for effective monitoring by BIS:** The Committee noted that mandatory standards are implemented by state government officers or higher officers in the concerned central ministries. However, there is no monitoring mechanism by BIS, which often leads to inferior quality products. The Committee recommended the formulation of a well-devised policy on standards which should be properly implemented through mass and regular market checks by BIS.
- **Definitions:** The Bill defines terms such as ‘hallmarking’, ‘jeweller’, ‘precious metal articles’, etc. The Committee observed that the term ‘jeweller’ has been defined in a narrow and vague manner. It recommended that the definition include persons manufacturing and repairing precious metal articles, rather than only those who sell such articles. It also recommended defining ‘services’ in the Bill since BIS has already started certifying standards for services.
- **Clarification regarding registration and self declaration of conformity:** The Bill allows a manufacturer who has registered with BIS to self declare that his product conforms to the Indian

Standard. The Committee noted that there is ambiguity in the way the terms ‘registration’ and ‘grant of self declaration of conformity (SDOC)’ have been used in the Bill. It recommended that these terms be clarified.

- **Incentivising use of Indian standards by the industry:** The Committee noted that despite a huge expenditure on establishing standards, the standards are not used by the industry and inferior quality products are manufactured. The Committee, therefore, recommended that some portion of the budget of the Department be earmarked to oversee implementation of standards. Further, it recommended incentivising the use of standards by providing tax rebates to products that use BIS specifications for the first time in the industry.
- **Composition of the Executive Committee:** The Executive Committee of the BIS is responsible for human resource management, financial decision making, and other such tasks requiring specific knowledge and experience of the members. The quorum for Executive Committee meetings is only three members. Under the Bill, members of the Executive Committee may authorise any person to represent them in meetings. The Committee recommended that instead, at least two alternate members with the same qualifications should be appointed to the Committee. The Presiding Officer of the Executive Committee should be empowered to nominate alternate members in case of absences.
- **Compulsory use of standard mark for articles and processes:** The Committee noted that the Bill empowers the central government to bring any article or process under the compulsory certification regime on grounds of health, safety, environment, prevention of deceptive practices and security. The Committee noted that the authority to process and issue quality control orders must rest with BIS/Ministry of Consumer Affairs. It recommended inserting a clause stipulating that the decision regarding shifting a product from the voluntary to the mandatory regime should be taken by an Empowered Committee comprised of ministry officials, representatives of

BIS, the Competition Commission of India, and an association of the major consumers of the products.

- **Hallmarking of precious metals:** The Committee noted that with the implementation of compulsory hallmarking of jewellery, there will be a manifold increase in the number of licenses for hallmarking. It recommended that the government set up the required number of hallmarking centres so as to be equipped to deal with the increase in applications for licenses. To that end, it is necessary to publicise the financial assistance provided by the government for setting up hallmarking centres. The Committee also recommended that such centres be held accountable when they fail to conform to the standards of hallmarked jewellery.

The Committee recommended that the Ministry take concrete steps to prevent jewellers from charging higher prices for hallmarked jewellery, and curb related malpractices to protect the interests of consumers. It also recommended that consumers be encouraged to buy only hallmarked jewellery through wider media publicity of the benefits of hallmarked jewellery.
- **Penal provisions:** The Committee felt that the penal provisions in the Bill need to be made more stringent to serve as an effective deterrent against offenders. It noted that in case of large scale manufacturers of Fast Moving Consumer Goods Companies, the penalty imposed should reflect the scale of operation. Therefore, it recommended inserting a provision for the imposition of a fine of five percent of the average turnover of the product over the last three years subject to a minimum of Rs 10 lakh or both.
- **Other powers to BIS:** The Committee recommended that BIS be empowered to recommend the appointment of agencies for: (i) the market surveillance of products and services, and (ii) identification of products that do not conform to standards or have not been licensed or registered despite compulsory use of the standard mark. It also recommended empowering BIS to prosecute manufacturers and resellers of products who either misuse the standard mark or violate this Act.

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