

CHAPTER IV : MINISTRY OF CONSUMER AFFAIRS

Bureau of Indian Standards

4.1 Avoidable loss

Failure of Bureau of Indian Standards to get the revised marking fee notified and published in the official gazette led to an avoidable loss of Rs. 1.63 crore.

The Bureau of Indian Standards (BIS) grants license for use of its Standard Mark to the manufacturers after ensuring the capacity of a manufacturer to manufacture the products continuously in accordance with the relevant Indian Standard. For grant of such license, BIS realises the marking fee from the manufacturer which is determined by BIS and then published in the official gazette. The detailed basis and the guidelines for fixation of fee, as also review and revision of the marking, is to be worked out by the Central Marks Department (CMD) from time to time. Para 2.5.3 of the Operation Manual for Product Certification of BIS provides that the CMD shall review periodically and at least once in three years, the marking fee fixed for various products and communicate the revised marking fee with its date of implementation to Branch Offices (BO)/Regional Offices (RO). The BOs shall intimate to all the concerned licensees about the scheme in the prescribed proforma and licensee's acceptance shall be taken on the prescribed proforma before the date of implementation of revised marking fee. In case, the licensees fail to give either their acceptance about the revised marking fee or deposit the requisite revised marking fee, their license shall be processed for cancellation.

Audit ascertained (February 2004) that BIS had revised the marking fee of IS 10914 Part II Truck/Bus and Light Tyres and IS 10914 Part III Passenger Car Tyre with effect from August 1994 as per detail given below and circulated the same to all BOs/ROs.

IS 10914 Part II Truck/Bus and light Tyres	
Fee before revision	Revised fee
Rs. 3.00 per tyre for first 25000 units	Rs. 2.00 per unit with minimum Rs. 1,00,000 for LS and Rs. 90,000 for SS
Rs. 2.00 per tyre for next 25000 units	
Rs. 1.00 remaining units Minimum Rs. 80,000 for large scale (LS) and Rs. 50,000 for Small Scale (SS)	

IS 10914 Part III Passenger Car Tyres	
Re. 1.00 per unit for all units	Rs. 2.00 per unit with minimum
Minimum Rs. 50,000 for LS and Re. 35,000 for SS	Rs. 80,000 for LS and Rs. 70,000 for SS

Though BIS revised the marking fee in August 1994, these rates were never gazetted. Management notified and published (July 2005) further revised rate in the official gazette. The Finance Committee of BIS in July 2004 had also explored the possibility of gazetting the marking fee rates fixed in 1994. But the Additional Solicitor General of India, opined that BIS would be entitled to recover the increased rate of marking fee from the date of publication in the official gazette. As a result of undue delay in notification, BIS could not recover marking fees at revised rates, the impact of which aggregated to Rs. 1.63 crore during the period August 1994 to July 2005.

In response to Audit observations, BIS accepted (August 2005) the facts and in fact investigated the issue of fixing responsibilities for not gazetting/for not having taken approval for not gazetting marking fee rates fixed in 1994. It also stated that collective responsibilities rested with some officers who had since retired. Since the default continued for more than a decade, it cannot be the stand of BIS that every official related to the case has retired.

The Ministry (July 2006) accepted the fact and endorsed the views of BIS.