



भारतीय मानक ब्यूरो
BUREAU OF INDIAN STANDARDS

ORDER OF COMPOUNDING OF OFFENCE

Ref: NRO/DDGN/PPBO/Compounding/L-9100010803

30 June 2022

**Sub: Application for Compounding of Offence under Rule 50 of BIS Rules, 2018
by M/s Rawalwasia Ispat Udyog (P) Ltd., Hisar (HR).**

Hearing in the subject matter was held on 29 June 2022 :

A. Presentation of the Case by BIS :

PPBO presented the case as under:

M/s Rawalwasia Ispat Udyog (P) Ltd, 11th Km Stone Delhi Road, Hisar is holding BIS Certification Licence No CM/L- 9100010803 for product Hollow Steel Sections For Structural Use as per IS 4923:1997 which is valid upto 31.10.2022.

2. Existing scope of the licence is:

- i) 25x25x2.6, YST 210, SHS, ERW,
- ii) 50x50x3.6, YST 210, SHS, ERW,
- iii) 72x72x4.0, YST 210, SHS, ERW,
- iv) 50x25x2.9, YST 210, RHS, ERW,
- v) 60x40x2.9, YST 210, RHS, ERW,
- vi) 96x48x4.0, YST 210, RHS, ERW,
- vii) 20x20, YST 210, SHS, ERW,
- viii) 32x32, YST 210, SHS, ERW,
- ix) 38x38, YST 210, SHS, ERW,
- x) 60x60, YST 210, SHS, ERW,
- xi) 80x40, YST 210, RHS, ERW.

3. During the operation of the license, a market sample bearing code PPBO/70271/20210930/MS/11 was drawn and sent to NROL for testing. Description of the sample was: 50x50x2.8 mm, SHS (However, Grade and Manufacturing process not declared as not available on product).

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4. Since the aforesaid variety is not covered under the existing scope of the license which amounts to be misuse of BIS standard mark and violation of Section 13(2) of BIS Act 2016, Regulation 6 (4) of BIS(Certification) Regulations;2018. Therefore, the case was processed for cancellation of license as per item L1 of CAD guidelines CAD/Gen/25 dated 01.10.2018. A cancellation notice dt 07.04.2022 was served to the firm with direction of suspension of license as cancellation proceedings are initiated against a licensee taking cognizance of Clause C1 17 of CMD guidelines CMD-I/2:12:2 (Part 2) dt 28.12.2021 as per Scheme I of Schedule II of BIS (CA) Regulations, 2018. Firm replied to the cancellation notice dt 18.04.2022 and requested for the personal hearing.

5. Personal Hearing was held on 04.05.2022. During Personal hearing, the representative of the firm admitted their unintentional mistake of marking on SHS of size 50x50x2.8 mm which is not covered in the scope of the licence and requested for compounding of offence as per BIS Act, Rules & Regulations.

6. Firm has submitted application for compounding of offence dt 11.05.2022 along with CA certificate with UDIN no. 22017644AIRVVJ7760 for sales of SHS of size 50x50x2.8 mm.

7. The above case has been examined in line with the prevailing BIS Act, Rules & Regulations and following is submitted for kind consideration:

- a. This product is under Voluntary certification. The offence is violation of Section 17 of BIS Act 2016 and is first offence punishable under BIS Act 2016 committed by the licensee.
- b. The quantum of penalty as per 29(3) of BIS Act,2016 shall be punishable with imprisonment for a term which may extend up to two years or with fine which shall not be less than two lakh rupees for the first contravention and not be less than five lakh rupees for the second and subsequent contraventions; but may extend up to ten times the value of goods or articles produced or sold or offered to be sold or affixed or applied with a Standard Mark, including Hallmark, or with both.
- c. The quantum of penalty of compounding as per Sub Rule (8) of Rule 50 of BIS Rules, 2018 is "fifty percent of the maximum and subject to a minimum of two lakh rupees of the applicable fine".
- d. As verified by PPBO, Firm has sold 1.990 MT of SHS of size 50x50x2.8 mm with value of 1,22,000/- + GST.

B. Presentation by the Licensee:

- a) During the hearing, Mr. Sanjay Jindal stated that, during the last personal hearing i.e. on 04 May 2022, he was informed in detail about the BIS provisions of compounding of offence. Accordingly, they have submitted application for compounding of offence on 11 May 2022.
- b) During the hearing, Mr. Sanjay Jindal also presented Production Records, Despatch Records and Invoices for the period of FY 2021-22 along with CA's Certificate dated 10 May 2022 which clearly shows that they have sold 2 MT of SHS of size 50x50x2.8 mm.
- c) The firm further requested to consider their case sympathetically and keep the penalty amount as low as possible.

Penalty for Contravention:

- i) The quantum of penalty as per section 29 (3) of BIS Act, 2016 shall be punishable with imprisonment for a term which may extend upto two years or with fine which shall not be less than two lakh rupees for the first contravention and not be less than five lakh rupees for the second and subsequent contraventions, but may extend upto ten times the value of goods of articles produced or sold or offered to be sold or affixed or applied with a Standard Mark or with both.
- ii) The quantum of penalty as per Sub rule(8) of Rule 50 of BIS Rules, 2018 is "fifty percent of the maximum and subject to a minimum of two lakh rupees of the applicable fine".

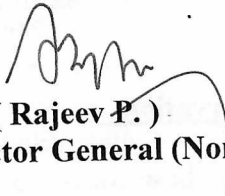
Observations :

- I. In accordance with CA certified statement provided by the firm and corroborated by the production records, despatch records & invoices, the cost of product produced is Rs.1,22,000/- which implies a maximum fine, as per Section 29(3) of BIS Act, upto ten times the value of goods produced or applied with Standard Mark, the Compounding amount as fifty percent of the maximum works out to [50% of (10 times of Rs.1,22,000/-)] = Rs.6,10,000/- + GST, as applicable and subject to a minimum of two lakh rupees as per rule 50(8) of BIS Rules, 2018.
- II. The firm has accepted their mistake in this regard. The offence is a violation of Section 17 under BIS Act 2016 and is the first offence punishable under BIS Act 2016 committed by the licensee.

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ORDER

1. In exercise of the powers delegated by Governing Council of BIS and Director General, BIS vide BIS/DGO/415/2018 dated 09 July 2018 and Rule 50 & 51 of the BIS Rules, 2018, the application for compounding of offence under provision of Section 33 of BIS Act, 2016 is allowed.
2. By taking all the facts into consideration, Compounding amount of Rs.6,10,000/- (Rupees Six Lacs and Ten Thousand only) + GST, as applicable, is imposed on M/s Rawalwasia Ispat Udyog (P) Ltd., Hisar (HR). The firm shall pay the said amount i.e. Rupees Six Lacs and Ten Thousand only) + GST to the Bureau within 30 days from the date of issue of this order failing which licence no. L-9100010803 shall stand cancelled.
3. The offence shall stand compounded subject to the remittance of the compounding amount imposed within 30 days.
4. PPBO is advised to take further action as per the guidelines.


(Rajeev P.)
Dy. Director General (North)