



ORDER OF COMPOUNDING OF OFFENCE

Ref: NRO/DDGN/CHBO-1/Compounding

18 May 2021

Sub: Application for compounding of Offence under Rule 50 of BIS Rules, 2018 by M/s Trident Limited, Mansa Road, Dhaula, Barnala (Punjab) – 148 107.

Hearing in the subject matter was held on 17 May 2021

A. Presentation of the Case by BIS :

CHBO-1 presented the case as under:

- a) M/s Trident Limited, Barnala is holding BIS Certification Licence No.CM/ L-9800035414 as per IS 14490:2018 which is valid upto 26-02-2022. The scope of the existing licence is “ Plain Copier Paper, 75 & 80 GSM with ECO Mark, Type A”. Presently, the licence is under suspension w.e.f. 12-04-2021.
- b) An online complaint P-10241 was received on 11 March 2021 stating that the firm is not following Plain Copier Paper QC Order, 2020.
- c) A visit was paid to M/s Trident Ltd., Barnala on 06 April 2021 by the Officer of CHBO-1 and observed the followings:
 - i) The firm is marking BIS Standard Mark on '70 GSM Plain Copier Paper' which is not covered under the existing scope of licence.
 - ii) Firm is also not following Q.C. Order 2020 as they are not marking/covering 70 GSM Plain Copier Paper with BIS Standard Mark manufactured by them.
- d) The QC Order no. 2020 (S.O. 2149 (E) dated 05-06-2020, Plain copier Paper (QC) Order 2020 was effective w.e.f. 06 Dec 2020.
- e) A Cancellation Notice dated 19 April 2021 was issued to the firm. The firm vide their letter dated 29 April 2021 & 03 May 2021 submitted their reply and requested for personal hearing and compounding of offense. All necessary documents including 'Annexure A' were submitted by the firm.
- f) Firm has also applied for inclusion of 70 GSM variety in the existing scope of licence on 10-04-2021 (after issuance of Cancellation Notice).
- g) As per CA's Certificate submitted by the firm, the cost of product (70 GSM) after 06 Dec 2020 is Rs.2322 lacs.
- h) The offense was admitted by the firm and this is the first offence by the firm.

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B. Presentation by the Licensee:

During the hearing, Sh. Sarvjeet Singh, Factory Manager of M/s Trident Limited stated that :

- i) For the first time in the month of March 2021, inadvertently, certain packets/rims of 70 GSM Plain copier Papers were repacked in carton on which a sticker with ISI Mark was put inadvertently by the Production staff. However, it is submitted that quality of the paper has always been excellent and we follow quality norms for 75 GSM and 80 GSM even for 70 GSM paper. He stated that the mistake is purely unintentional.
- ii) Further, due to Covid-19, inadvertently, we missed the deadline for compliance to Q.C. Order, 2020. As soon as, this advertent mistake came to their knowledge, they took immediate corrective actions.
- iii) Have send sample of Plain Copier Papers of 70 GSM for testing. We have received the test report on 09-04-2021 and submitted to BIS on 10-04-2021 for considering inclusion.
- iv) He prayed that as this is unintentional mistake, their licence may not be cancelled and they are ready for compounding of offence.
- v) He pleaded that being an inadvertent mistake due to unavoidable circumstances, a lenient view may kindly be taken considering the unprecedented challenges being faced by the manufacturing companies due to Novel Corona virus and the heavy losses being suffered by the paper industry during last one year and this is their 1st offence and undertake that this will not be repeated in future.
- vi) They agreed that they will be abiding the decision taken by the Competent Authority for amount of penalty .

Penalty for Contravention:

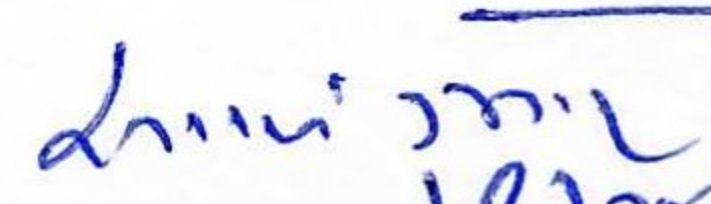
- a) The quantum of penalty as per section 29 (3) of BIS Act, 2018 shall be punishable with imprisonment for a term which may extend upto two years or with fine which shall not be less than two lakh rupees for the first contravention and not be less than five lakh rupees for the second and subsequent 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. The quantum of penalty as per Sub rule(8) of rule 50 of BIS Rules, 2018 is “minimum of Rupees Two Lacs and 50% of the maximum”.
- b) In the instant case, as per CA’s Certificate submitted by the firm, the cost of product (70 GSM) after 06 Dec 2020 is Rs.2322 lacs. The maximum fine as per section 29(3) of BIS Act would be Rs.230.22 crores and the maxium compounding amount works out to Rs.115.11 crores as per Rule 50(8) of BIS Rules, 2018.

Observations :

- a) The firm is holding BIS Certification Licence L-9800035414. The product is under Compulsory Certification.
- b) The firm has admitted the mistake by using BIS Standard Mark on the variety not covered in the scope of existing licence and also not following Plain copier paper Q.C. Order, 2020.
- c) 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.

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, it is felt that the compounding amount of Rs.3,00,000/- (rupees Three Lacs only) would be sufficient deterrent for not repeating the violation in future and hence the same is imposed as compounding amount to M/s Trident Limited, Mansa Road, Dhaura, Barnala (Punjab) – 148 107.
3. Therefore, the licence no, L-9800035414 not to be processed for Cancellation as per the provisions specified at Section 11(3) of BIS Regulations (Conformity Assessment), 2018 subject to remittance of the compounding amount imposed within stipulated time frame.
4. CHBO-I is advised to take further action as per the guidelines.


18/05/2021
(Sunjay Kumar)
Dy. Director General (North)