

**BUREAU OF INDIAN STANDARDS**  
**(NORTHERN REGIONAL OFFICE, CHANDIGARH)**  
**ORDER OF COMPOUNDING OF OFFENCE**

Ref: NRO/DDGN/Compounding/008

04<sup>th</sup> August 2020

**Sub:** Application for compounding of offence under Rule 50 of BIS Rules, 2018 by M/s. Baba Steel Industries, Peer Gajju Shah Road, Village Alour Khanna- 141 401 Distt Ludhiana (Punjab)

Hearing in the subject matter was held on 21 July 2020.

**Presentation of the case by Chandigarh Branch Office:**

1. M/s. Baba Steel Industries, Khanna was holding BIS Certification Marks Licence CM/L-9700000412 for 1786:2008.
2. Misuse of the BIS Standard Mark by the firm was established and the licence was cancelled after 26.07.2016 by the authority competent to do so after according a personal hearing to the representative of the firm.
3. The cancellation of the licence was duly communicated to the firm vide BIS letter dated 28.07.2016. The firm was advised, vide this letter, that they were not allowed to mark their product with the ISI Mark and were also advised to furnish details of the ISI Marked stock available with them.
4. Subsequently during a visit to the firm on 24.08.2016 observations made by Inspecting Officers were summarized in the discrepancy and variation report that was issued to the firm. In the report, details of ISI marked material available with the firm was also indicated. The firm's representative duly acknowledged the receipt of the discrepancy and variation report and stated in writing that they would not be dispatching the material with ISI Mark.
5. On the basis of information made available to the BIS, a search and seizure operation was carried out on 06.01.2017 and it was found that the firm was misusing the ISI Mark on their product High Strength Deformed (TMT) Bars.
6. A seizure memo was issued and prosecution launched against the firm in the appropriate court at Ludhiana vide CWP/7885/2017.
7. Subsequently the firm submitted an application requesting for compounding of the offence. The firm vide their dated 19.03.2020 admitted their mistake and indicated their readiness to bear all the penalties for composition of the offence.
8. During the personal hearing given to the firm for compounding of the offence on 21 July 2020 the authorized representative of the firm Sh. Ranvir Singh admitted that they have produced ISI Marked material after cancellation of the licence No. CM/L-9700000412. Sh. Ranvir Singh has also submitted that the mistake was made in ignorance of the Guidelines and has requested for leniency. The representative of the firm has submitted a certificate of a Chartered Accountant indicating that the value of finished goods in the financial year 01.04.2015- 31.03.2016 is Rs.4943807.00.

Contd.....2..

### Observations

- a) The firm has admitted the misuse of Standard Mark after cancellation of their licence.
- b) 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 applicant.
- c) The plea for leniency can not be entertained as the cancellation of licence was done after according a personal hearing to their representative and the communication of cancellation being very clear in its content regarding the continued use of the Standard Mark as being a contravention under BIS Act 2016.
- d) As per the certificate issued by the Chartered Accountant the turnover of finished goods is Rs 4943807.00. The maximum fine as per Section 29 (3) of BIS Act would be Rs. 49,438,070.00 and the maximum compounding amount works out to Rs.24,719,035.00 as per Rule 50(8) of BIS Rules 2018.

### ORDER

- a) 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.
- b) The minimum fine that can be imposed for the offence is Rs.2,00,000/- (Rupees Two Lakhs only) and the maximum fine that can be imposed is Rs.24,719,035.00. It is felt that the compounding amount of Rs 5,00,000/- (Rupees Five Lakh only) would be sufficient deterrent for not repeating the violation in future and hence the same is imposed as compounding amount to . M/s. Baba Steel Industries, Peer Gajju Shah Road, Village Alour Khanna- 141 401 Distt Ludhiana (Punjab)
- c) The offence shall stand compounded subject to the remittance of the compounding amount imposed within the time frame stipulated by the Court of Chief Judicial Magistrate, Ludhiana.
- d) This order to be brought to notice of Hon'ble Chief Judicial Magistrate, Ludhiana in the matter of CWP/7885/2017 alongwith related documents.

  
(Anilesh M David)  
Deputy Director General (North)