

The Export (Quality Control and Inspection) Act, 1963

(ACT NO. 22 OF 1963)

[*As on the* 30*th Augus*t, 2026]

AMENDING ACT

The Export (Quality Control and Inspection) Amendment Act, 1984 **(**40 of 1984).

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LIST OF ABBREVIATIONS USED

Cl., cls.	*for*	Clause, clauses.
Ins.	,,	Inserted.
Notifn.	,,	Notification.
S., ss.	,,	Section, sections.
Sch.	,,	Schedule.
Subs.	,,	Substituted.
w.e.f.	,,	with effect from.

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THE EXPORT (QUALITY CONTROL AND INSPECTION) ACT, 1963

ARRANGEMENT OF SECTIONS

SECTIONS

1. Short title, extent and commencement.
2. Definitions.
3. Establishment of Export Inspection Council.
4. Director of Inspection and Quality Control.
5. Functions of the Council.
6. Powers of the Central Government in regard to quality control and inspection.
7. Machinery for quality control and inspection.
8. Power to recognise or establish marks to denote conformity with standard specifications.
9. Power to obtain information from exporters, etc.
10. Finance, accounts and audit.
10A. Power to enter and inspect.
10B. Power to search.
10C. Power to seize commodities, etc.
10D. Power to stop and seize conveyances.
10E. Search and seizure to be made in accordance with the Code of Criminal Procedure, 1973.
10F. Confiscation.
10G. Confiscation of conveyance.
10H. Option to pay fine in lieu of confiscation.
10-I. Liability to penalty.
10J. Confiscation or penalty not to interfere with other punishments.
10K. Adjudication.
10L. Giving of opportunity to the owner of goods etc.
10M. Appeal.
10N. Powers of revision.
10-O. Powers of adjudicating and other authorities.
10P. Continuance of proceedings in the event of death or insolvency.
11. Penalty.
11A. Penalty for contravention of order made by adjudicating authority or Appellate authority.
11B. Offences by officers and employees of agency, etc.
11C. Correction of clerical or arithmetical mistakes.
12. Offences by companies.
13. Delegation of powers.
14. Procedure for prosecution.
15. Officers and employees of agency to be public servants.
16. Protection of action taken in good faith.
16A. Suspension, etc., of operation of the provisions of the Act.
17. Power to make rules.
18. Act to over-ride other enactments.

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THE EXPORT (QUALITY CONTROL AND INSPECTION) ACT, 1963

ACT NO. 22 OF 1963

[24*th August,* 1963.]

An Act to provide for the sound development of the export trade of India through quality control and inspection and for matters connected therewith.

BE it enacted by Parliament in the Fourteenth Year of the Republic of India as follows:—

1. Short title, extent and commencement.—(*1*) This Act may be called the Export (Quality Control and Inspection) Act, 1963.

(*2*) It extends to the whole of India.

(*3*) It shall come into force on such date[1] as the Central Government may, by Notification in the Official Gazette, appoint.

2. Definitions.—In this Act, unless the context otherwise requires,—

[2][(*a*) "adjudicating authority" means the authority specified in, or under, section 10K;

(*ab*) "Appellate authority" means the appellate authority referred to in section 10M;]

[3][(*ac*)] "Council" means the Export Inspection Council established under section 3;

(*b*) "export", with its grammatical variations and cognate expressions, means taking out of India to a place outside India;

(*c*) "inspection", in relation to a commodity, means the process of determining whether a batch of goods in that commodity complies with the standard specifications applicable to it or any other specifications stipulated in the export contract generally by inspecting either the whole batch or a selected sample or samples which purport to represent the whole batch;

(*d*) "notified commodity" means any commodity notified under clause (*a*) of section 6;

(*e*) "prescribed" means prescribed by rules made under this Act;

(*f*) "quality control" means any activity having for its object the determination of the quality of a commodity (whether during the process of manufacture or production or subsequently) in order to ascertain whether it satisfies the standard specifications applicable to it or any other specifications stipulated in the export contract and whether it may be accepted for purposes of export.

3. Establishment of Export Inspection Council.—(*1*) The Central Government may by notification in the Official Gazette, establish, with effect from such date as may be specified in the notification, a Council to be known as the Export Inspection Council, which shall consist of—

(*a*) a Chairman to be appointed by the Central Government;

(*b*) the Director of Inspection and Quality Control, *ex officio,* who shall be the Secretary;

(*c*) the Honorary Adviser on Standardization to the Government of India and Director of Indian Standards Institution, *ex officio*;

(*d*) the Agricultural Marketing Advisor to the Government of India, *ex officio*;

(*e*) the Director General of Commercial Intelligence and Statistics, *ex officio*;

(*f*) [4][fifteen] other members nominated by the Central Government three of whom shall be persons representing the agencies referred to in section 7.

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1. 1st January, 1964, *vide* notifn. No. S.O. 3604(E), dated the 30th December, 1963, *see* Gazette of India, Extraordinary, Part II, Sec. 3(*ii*).
2. Ins. by Act 40 of 1984, s. 2 (w.e.f. 2-7-1984).
3. Cl. (*a*) re-lettered as clause (*ac*) by s. 2, *ibid.* (w.e.f. 2-7-1984).
4. Subs. by s. 3, *ibid.,* for "eleven" (w.e.f. 2-7-1984).

(*2*) The Council shall be a body corporate by the name aforesaid, having perpetual succession and a common seal, with power to acquire, hold and dispose of property and to contract, and shall by the said name sue and be sued.

(*3*) The term of office of, and the manner of filling casual vacancies among, the members of the Council referred to in clauses (*a*) and (*f*) of sub-section (*1*) and the travelling and daily allowances payable to the members of the Council and the procedure to be followed in the discharge of its functions by the Council shall be such as may be prescribed.

(*4*) No act or proceeding of the Council shall be invalidated merely by reason of any vacancy in, or any defect in the Constitution of, the Council.

(*5*) Subject to such rules as may be made by the Central Government in this behalf, the Council may appoint such officers and other employees as it considers necessary for the purpose of discharging its functions under this Act.

4. Director of Inspection and Quality Control.—The Central Government shall appoint a Director of Inspection and Quality Control to exercise such powers and perform such duties under this Act as may be prescribed.

5. Functions of the Council.—(*1*) The functions of the Council shall generally be to advise the Central Government regarding measures for the enforcement of quality control and inspection in relation to commodities intended for export and to draw up programmes therefore, to make, with the concurrence of the Central Government, grants-in-aid to the agencies established or recognised under section 7 and to perform such other functions as maybe assigned to it by or under this Act.

(*2*) For the purpose of performing its functions, the Council may co-opt as members such number of persons as it thinks fit who have special knowledge and practical experience in matters relating to any commodity or trade therein and any such person shall have the right to take part in the discussions of the Council but shall not have the right to vote and shall not be a member for any other purpose.

(*3*) The Council may also constitute specialist committees for conducting investigations on special problems connected with its functions.

(*4*) In the performance of its functions under this Act, the Council shall be bound by such directions as the Central Government may give to it in writing from time to time.

6. Powers of the Central Government in regard to quality control and inspection.—If the Central Government, after consulting the Council, is of opinion that it is necessary or expedient so to do for the development of the export trade of India, it may, by order published in the Official Gazette,—

(*a*) notify commodities which shall be subject to quality control or inspection or both prior to export;

(*b*) specify the type of quality control or inspection which will be applied to a notified commodity;

(*c*) establish, adopt or recognise one or more standard specifications for a notified commodity;

(*d*) prohibit the export in the course of international trade of a notified commodity unless it is accompanied by a certificate issued under section 7 that the commodity satisfies the conditions relating to quality control or inspection, or it has affixed or applied to it a mark or seal recognised by the Central Government as indicating that it conforms to the standard specifications applicable to it under clause (*c*).

7. Machinery for quality control and inspection.—(*1*) The Central Government may, by notification in the Official Gazette, establish, or recognise subject to such conditions as it may deem fit, agencies for quality control or inspection or both:

Provided that if the Central Government is of opinion that any recognition granted to any agency under this sub-section should, in the public interest, be withdrawn, the Central Government may after giving a reasonable opportunity to that agency to make representations in the matter, withdraw, by like notification, the recognition granted to it.

(*2*) Any agency referred to in sub-section (*1*) may, on application made to it or otherwise, hold or cause to be held such examination as it thinks fit relating to quality control or inspection of notified commodities, either at the time of export or earlier, in such testing houses or by such surveyors or samplers as are approved by the Central Government in this behalf and may charge such fees as may be prescribed for the purpose of such examination.

(*3*) If, after the examination, the agency is of opinion that the commodity satisfies the standard specifications laid down in respect of it under section 6 or, as the case may be, any other specifications stipulated in the export contract, it may issue a certificate that the commodity satisfies the conditions relating to quality control and inspection.

[1][(*3A*) Where the agency has reason to believe that a certificate issued under sub-section (*3*) has been obtained fraudulently or by misrepresentation, or the commodity in relation to, which the certificate is issued has been changed or has deteriorated in quality, the agency may, by order, amend, suspend or cancel the certificate in such manner and subject to such procedure as may be prescribed:

Provided that before amending, a suspending or cancelling any such certificate the holder thereof shall be given a reasonable opportunity of being heard.]

(*4*) Any person aggrieved by the refusal of any agency referred to in sub-section (*1*) to issue a certificate, [1][or by the amendment, suspension or cancellation of a certificate under sub-section (*3A*)] may prefer an appeal within such time as may be prescribed to such authority as the Central Government may, by notification in the Official Gazette, constitute for the purpose of hearing appeals.

(*5*) Subject to the provisions of sub-section (*6*), the decision of the agency where no appeal is filed, and the decision of the appellate authority where an appeal is filed, shall be final and shall not be questioned in any Court of law.

(*6*) The Central Government may, at any time, call for and examine the record of any proceeding relating to any decision of an agency or appellate authority under this section for the purpose of satisfying itself as to the legality or propriety of such decision and may pass such order thereon as it thinks fit.

8. Power to recognise or establish marks to denote conformity with standard specifications .—(*1*) The Central Government may, by notification in the Official Gazette, recognise or establish any mark or seal in relation to a notified commodity for the purpose of denoting that such commodity conforms to a standard specification applicable to it.

(*2*) Any such mark or seal affixed or applied to a notified commodity or to any covering containing, or label attached to, such commodity shall be deemed to be evidence of the commodity being in conformity with the standard specifications applicable to it under this Act:

Provided that nothing in this sub-section shall prevent any officer of customs from examining any consignment of a notified commodity intended for export if he has reason to believe that the seal or mark is not genuine or has been affixed or applied fraudulently or if such an examination is necessary for the purpose of any other law for the time being in force.

9. Power to obtain information from exporters, etc.—The Central Government or any officer or authority authorised by it in this behalf may, by notice published in the Official Gazette, require—

(*i*) persons manufacturing, dealing in or exporting notified commodities; and

(*ii*) such other persons as may be prescribed;

to furnish any information, return or report which the Central Government or such officer or authority may consider necessary for carrying out the purposes of this Act.

10. Finance, accounts and audit.—(*1*) For the purpose of enabling the Council to discharge its functions under this Act, the Central Government may, after due appropriation made by Parliament by law in this behalf, pay to the Council such sums of money as that Government considers necessary by way of grants, loans or otherwise.

1. Ins. by Act 40 of 1984, s. 4 (w.e.f. 2-7-1984).

(*2*) For the purpose of discharging its functions under this Act, the Council may receive grants or donations from bodies and institutions approved by the Central Government in this behalf.

(*3*) The Council shall have its own fund to which shall be credited the sums of money referred to in sub-sections (*1*) and (*2*) and the moneys in the fund shall be applied for—

(*a*) meeting the pay and allowances of the officers and other employees of the Council and other administrative expenses of the Council;

(*b*) carrying out the functions of the Council under this Act.

(*4*) The Council shall prepare, before the commencement of each financial year, a statement of programme of its activities during that year as well as a financial estimate in respect thereof.

(*5*) A statement prepared under sub-section (*4*) shall, not later than three months before the commencement of each financial year, be submitted for approval to the Central Government.

(*6*) The Council shall maintain such accounts and prepare the balance-sheet in such form as may, in consultation with the Comptroller and Auditor-General of India, be prescribed.

(*7*) The accounts of the Council shall be audited in such manner and at such times as may, in consultation with the Comptroller and Auditor-General of India, be prescribed.

[1][**10A. Power to enter and inspect.**—The Director of Inspection and Quality Control or any officer of the Central Government authorised by him in writing in this behalf (hereinafter referred to as the "authorised officer") may enter at any reasonable time, any premises which—

(*a*) any commodity which has been changed after inspection by any agency referred to in sub-section (*1*) of section 7; or

(*b*) any books of account or other documents or things which, in his opinion, will be useful for, or relevant to, any proceeding under this Act,

are suspected to have been kept or concealed, and inspect such commodity, books of account, other documents or things and may take such notes or extracts from such books of account or, other documents as he may think fit.

10B. Power to search.—If the authorised officer has any reason to believe that—

(*a*) any commodity which has been changed after inspection by any agency referred to sub-section (*1*) of section 7; or

(*b*) any books of account or other documents or things which, in his opinion, will be useful for, or relevant to, any proceeding under this Act,

are secreted in any place, he may enter into and search such place or premises for such commodity, books of account, other documents or things.

10C. Power to seize commodities, etc.—(*1*) If the authorised officer has any reason to believe that any commodity is liable to confiscation under this Act, he may seize such commodity together with the package, covering or receptacle, if any, in which such commodity is found and where such commodity is found to have been mixed with any other goods or materials, he may seize such commodity together with the goods or materials with which it is so mixed:

Provided that where it is not practicable to seize any such commodity, the authorised officer may serve on the owner of the commodity an order that he shall not remove, part with, or otherwise deal with, the commodity except with the previous permission of such authorised officer.

(*2*) Where any commodity is seized under sub-section (*1*) and no notice in respect thereof is given under section 10L within six months of the seizure of such commodity, it shall be returned to the person from whose possession it was seized:

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1. Ins by Act 40 of 1984, s. 5 (w.e.f. 2-7-1984).

Provided that the aforesaid period of six months may, on sufficient cause being shown, be extended by the Director of Inspection and Quality Control by a further period not exceeding six months.

(*3*) The authorised officer may seize any documents or things which, in his opinion will be useful for, or relevant to, any proceeding under this Act.

(*4*) The person from whose custody any documents are seized under sub-section (*3*) shall be entitled to make copies thereof or take extracts there from in the presence of the authorised officer.

(*5*) If any person legally entitled to the documents or things seized under sub-section (*3*) objects, for any reason, to the retention by the authorised officer of the documents or things, he may make an application to the Central Government staling therein the reasons for such objection and requesting for the return of the documents or things.

(*6*) On receipt of an application under sub-section (*5*), the Central Government may, after giving the applicant an opportunity of being heard, pass such order as it may think fit.

(*7*) Where any document—

(*a*) is produced or furnished by any person or has been seized from the custody or control of any person under this Act or any other law for the time being in force; or

(*b*) has been received from any place outside India (duly authenticated by such authority or person and in such manner as may be prescribed) in the course of the investigation of any offence alleged to have been committed by any person against this Act,

and such document is tendered in evidence against the person by whom it is produced or from whom it was seized or against such person and any other person who is jointly tried, or proceeded against, with him, the Court, or, as the case may be, the adjudicating authority shall, notwithstanding anything to the contrary contained in any other law for the time being in force,—

(*i*) presume, unless the contrary is proved, that the signature and every other part of such document which purports to be in the handwriting of any particular person or which the court or the adjudicating authority may reasonably assume to have been signed by, or to be in the handwriting of, any particular person, is under that person's handwriting, and, in the case of a document executed or attested, it was executed or attested by the person by whom it purports to have been so executed or attested;

(*ii*) admit the document in evidence notwithstanding that it is not duly stamped, if such document is otherwise admissible in evidence.

10D. Power to stop and seize conveyances.—Any authorised officer may, if he has any reason to suspect that any conveyance or animal is being, or is about to be, used for the transportation of any commodity which is liable to confiscation under this Act and that by such transportation any provision of this Act has been, is being or is about to be, contravened at anytime, stop such conveyance or animal or, in the case of an aircraft, compel it to land, and

(*a*) rummage and search the conveyance or any part thereof,

(*b*) examine and search any goods or materials in the conveyance or on the animal,

(*c*) if it becomes necessary to stop any conveyance or animal, he may use all lawful means for stopping it and where such means fail, the conveyance or animal may be fired upon,

and where he is satisfied that it is necessary so to do prevent the contravention of any provision of this Act, he may seize such conveyance or animal.

Explanation.—Any reference in this section to a conveyance shall, unless the context otherwise requires, be construed as including a reference to an aircraft, vehicle or vessel.

10E. Search and seizure to be made in accordance with the Code of Criminal Procedure, 1973.—The provisions of the Code of Criminal Procedure, 1973 (2 of 1974), relating to searches and seizures shall, so far as may be, apply to every search or seizure made under this Act.

10F. Confiscation.—Any commodity in respect of which—

(*a*) a certificate has been obtained from an agency referred to in sub-section (*1*) of section 7 fraudulently or by misrepresentation, or

(*b*) any provision of this Act has been, is being, or is attempted to be, contravened, shall, together with any package, covering or receptacle in which such commodity is found, be liable to confiscation and, where such commodity is so mixed with any other goods or materials that it cannot be readily separated, such other goods or materials shall also be liable to confiscation:

Provided that where it is established to the satisfaction of the adjudicating authority that any commodity, which is liable to confiscation under this Act, belongs to a person other than the person who has, by any act or omission, rendered it liable to confiscation, and such act or omission was without the knowledge or connivance of the person to whom it belongs, such commodity shall not be ordered to be confiscated; but such other action as is authorised by this Act may be taken against the person who has, by such act or omission, rendered such commodity liable to confiscation.

10G. Confiscation of conveyance.—Any conveyance or animal which has been, is being, or is attempted to be, used for the transport of any commodity which is liable to confiscation under this Act, shall be liable to confiscation unless the owner of the conveyance or animal proves that it was, is being, or is about to be, so used without the knowledge or connivance of the owner himself, his agent, if any, and the person in charge of the conveyance or animal and that each of them had taken all reasonable precautions against such use:

Provided that in the case of a conveyance or animal used for the transport of goods or passengers for hire, the owner of the conveyance or animal shall be given an option to pay, in lieu of confiscation of the conveyance or animal, a fine not exceeding the value of the commodity which has been, is being, or is attempted to be, transported by such conveyance or animal.

10H. Option to pay fine in lieu of confiscation.—Whenever confiscation of any commodity is authorised by this Act, the officer adjudging it shall, without prejudice to the provisions of the proviso to section 10G, give to the owner of the commodity an option to pay in lieu of confiscation such fine not exceeding the value of the commodity.

10-I. Liability to penalty.—Any person,—

(*a*) who, in relation to any commodity, does or omits to do any act which act or omission would render such commodity liable to confiscation under this Act, or abets the doing or omission of such an act; or

(*b*) who acquires possession of or is in any way concerned in carrying, removing, depositing, keeping, concealing, selling or purchasing, or in any manner dealing with, any commodity which he knows or has reason to believe is liable to confiscation under this Act,

shall be liable to a penalty not exceeding five times the value of the commodity or five thousand rupees, whichever is more, whether or not such commodity has been confiscated or is available for confiscation.

10J. Confiscation or penalty not to interfere with other punishments.—No confiscation made or penalty imposed under the foregoing provisions of this Act shall prevent the infliction of any other punishment to which the person affected thereby is liable under the provisions of this Act or under any other law for the time being in force.

10K. Adjudication.—Any confiscation may be adjudged or penalty may be imposed under this Act by the Director of Inspection and Quality Control, or, where he so directs, by a general or special order, by any officer subordinate to him.

10L. Giving of opportunity to the owner of goods etc.—No order of adjudication of confiscation or imposing a penalty shall be made unless the owner of the commodity, conveyance or animal or other person concerned is given a notice in writing—

(*a*) informing him of the grounds on which it is proposed to confiscate such commodity, conveyance or animal or to impose a penalty;

(*b*) giving him a reasonable opportunity of making a representation in writing within such reasonable time as may be specified in the notice against the confiscation or imposition of penalty mentioned therein, and, if he so desires, of being heard in the matter.

10M. Appeal.—(*1*) Any person aggrieved by any decision or order made under this Act may prefer an appeal,—

(*a*) where the decision or order has been made by the Director of Inspection and Quality Control, to the Central Government;

(*b*) where the decision or order has been made by any officer subordinate to the Director of Inspection and Quality Control, to the Director of Inspection and Quality Control.

within a period of forty-five days from the date on which the decision or order is served on such person:

Provided that the appellate authority may if it is satisfied that the appellant was prevented by sufficient cause from preferring the appeal within the aforesaid period of forty-five days, allow such appeal to be preferred within a further period of forty-five days:

Provided further that in the case of an appeal against an order imposing a penalty, no such appeal shall be entertained unless the amount of the penalty has been deposited by the appellant:

Provided also that where the appellate authority is of the opinion that the deposit to be made will cause undue hardship to the appellant, it may at its discretion, dispense with such deposit either unconditionally or subject to such conditions as it may impose.

(*2*) The appellate authority may, after giving to the appellant a reasonable opportunity of being heard, if he so desires, and after making such further inquiries, if any, as it may consider necessary, pass such orders as it thinks fit, confirming modifying or reversing the decision or order appealed against or may send back the case, with such directions as it may think fit, for afresh adjudication or decision, as the case may be, after taking additional evidence, if necessary:

Provided that an order enhancing or imposing a penalty or confiscating commodity of a greater value shall not be made under this section unless the appellant has had an opportunity of making a representation and, if he so desires, of being heard, in his defence.

10N. Powers of revision.—The Central Government may, on its own motion or otherwise, call for and examine the records of any proceeding in which an order of adjudication of confiscation or imposing any penalty has been made by any officer under this Act and against which no appeal has been preferred, for the purpose of satisfying itself as to the correctness, legality or propriety of such order or decision and pass such orders thereon as it may think fit:

Provided that no decision or order shall be varied under this section so as to prejudicially affect any person unless such person—

(*a*) has, within a period of two years from the date of such decision or order, received a notice to show cause why such decision or order shall not be varied, and

(*b*) has been given a reasonable opportunity of making a representation and, if he so desires, of being heard in his defence.

10-O. Powers of adjudicating and other authorities.—(*1*) Every authority making any adjudication or hearing any appeal or exercising any powers of revision under this Act shall have all the powers of a civil court under the Code of Civil Procedure, 1908 (5 of 1908), while trying a suit, in respect of the following matters, namely:—

(*a*) a summoning and enforcing the attendance of witnesses;

(*b*) requiring the discovery and production of any document;

(*c*) requisitioning any public record or copy thereof from any court or office;

(*d*) receiving evidence on affidavits; and

(*e*) issuing commissions for the examination of witnesses or documents.

(*2*) Every authority making any adjudication or hearing any appeal or exercising any powers of revision under this Act shall be deemed to be a Civil Court for the purposes of sections 345 and 346 of the Code of Criminal Procedure, 1973 (2 of 1974).

(*3*) Every authority making any adjudication or hearing any appeal or exercising any powers of revision under this Act shall have the power to make such orders of an interim nature as it may think fit and may also, for sufficient cause, order the stay of operation of any decision or order.

10P. Continuance of proceedings in the event of death or insolvency.—(*1*) Where a penalty has been imposed by the adjudicating authority and—

(*a*) no appeal against the order imposing such penalty has been preferred to the Appellate authority and the person entitled to file such appeal dies or is adjudicated an insolvent before the expiry of the period within which the appeal can be preferred; or

(*b*) an appeal has been preferred to the Appellate Authority against the order imposing such penalty but the appellant dies or is adjudicated an insolvent during the pendency of the appeal,

then, it shall be lawful for the legal representatives, of such person or the Official Assignee or the Official Receiver, as the case may be, to prefer an appeal to the appellate authority or, as the case may be, to continue the appeal before the Appellate authority, in place of such person and the provisions of section 10M shall, so far as may be, apply or continue to apply to such appeal.

(*2*) The powers of the Official Assignee or the Official Receiver under sub-section (*1*) shall be exercised by him subject to the provisions of the Presidency-towns Insolvency Act, 1909 (3 of 1909), or the Provincial Insolvency Act, 1920 (5 of 1920), as the case may be.]

11. Penalty.—(*1*) If any person contravenes any order under clause (*d*) of section 6, or fraudulently obtains a certificate under section 7, or fraudulently affixes or applies any such mark or seal as is referred to in sub-section (*1*) of section 8, he shall, on conviction, be punishable—

(*i*) for the first offence, with imprisonment for a term which may extend to two years, or with fine which may extend to five thousand rupees, or with both;

(*ii*) for the second or subsequent three offence, with imprisonment for a term which may extend to [1][three years] and also with fine which may extend to five thousand rupees and in the absence of special and adequate reasons to be mentioned in the judgment of the court, such imprisonment shall not be less than three months.

(*2*) Any person who attempts to commit or abets the commission of an offence punishable under sub-section (*1*) shall be deemed to have committed such offence.

(*3*) If any person contravenes or attempts to contravene or abets the contravention of any other provision of this Act or any rules or orders made thereunder, he shall be punishable with fine which may extend to one thousand rupees.

[2] **[11A. Penalty for contravention of order made by adjudicating authority or Appellate authority.—**If any person fails to pay the penalty imposed by the adjudicating or the Appellate authority or fails to comply with any direction or order made, or deemed to have been made, under this Act, he shall, on conviction, be punishable with imprisonment for a term which may extend to two years, or with fine, or with both.

11B. Offences by officers and employees of agency, etc.—(*1*) If any officer or employee of the Council or of any agency referred to in sub-section (*1*) of section 7, or any surveyor, sampler or employee of any testing house, referred to in sub-section (*2*) of that section enters into, or acquiesces in, any agreement to do, abstains from doing, permits, conceals or connives at, any act or thing whereby any provision of this Act is or may. be contravened, he shall, on conviction, be punishable with imprisonment for a term which may extend to two years, or with fine which may extend to five thousand rupees, or with both.

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1. Subs. by Act 40 of 1984, s. 6, for "two year" (w.e.f. 2-7-1984).
2. Ins. by s. 7, *ibid.* (w.e.f. 2-7-1984).

(*2*) If any officer searches or authorises any other officer of the Central Government to search any place without having reason to believe that any commodity, books of account or documents or things of the nature referred to in section 10B are secreted in that place, he shall, on conviction, be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

(*3*) If any officer or employee of the Council or of any agency referred to in sub-section (*1*) of section 7, or any surveyor, sampler or employee of any testing house, referred to sub-section (*2*) of that section, except in the discharge in good faith of his duty as such officer or employee or in compliance with any requisition made under any law for the time being in force, discloses any particulars learnt by him in his official capacity in respect of any commodity, he shall, on conviction, be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

11C. Correction of clerical or arithmetical mistakes.—Clerical or arithmetical mistakes in any decision or order, or errors arising therein from any accidental slip or omission may, at any time, be corrected by the authority by which the decision or order was made either on its own motion or on the application of the aggrieved person:

Provided that where any correction proposed to be made under this section will have the effect of prejudicially affecting any person, no such correction shall be made except after giving to that person a reasonable opportunity of making a representation in the matter and no such correction shall be made after the expiry of a period of two years from the date on which such decision or order was made.]

12. Offences by companies.—(*1*) Where an offence under this Act has been committed by a company, every person who, at the time the offence was committed, was in charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment, if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(*2*) Notwithstanding anything contained in sub-section (*1*), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any negligence on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section,—

(*a*) "company" means a body corporate and includes a firm or other association of individuals; and

(*b*) "director", in relation to a firm, means a partner in the firm.

13. Delegation of powers.—The Central Government may, by notification in the Official Gazette, direct that any power exercisable by it under this Act shall, in relation to such matters and subject to such conditions, if any, as may be specified in the direction, be exercisable also by—

(*a*) the Council;

(*b*) such officer or authority subordinate to the Central Government, or such State Government or such officer or authority subordinate to a State Government as may be specified in the direction.

14. Procedure for prosecution.—No prosecution for an offence punishable under this Act shall be instituted except by or with the consent of an officer authorised by the Central Government by general or special order in this behalf.

15. Officers and employees of agency to be public servants.—All officers and employees of the Council or of any agency established or recognised under sub-section (*1*) of section 7 and all surveyors, samplers and employees of testing houses, referred to in sub-section (*2*) of that section shall, while acting or purporting to act in pursuance of the provisions of this Act or any rule or order made there under, be deemed to be public servants within the meaning of section 21 of the Indian Penal Code (45 of 1860).

16. Protection of action taken in good faith.—(*1*) No suit, prosecution or other legal proceeding shall lie against the Council or any officer or employee of the Government or the Council or any agency referred to in sub-section (*1*) of section 7 for anything which is in good faith done or intended to be done in pursuance of this Act or any rule or order made thereunder.

(*2*) No suit or other legal proceeding shall lie against the Government for any damage caused or likely to be caused by anything which is in good faith done or intended to be done in pursuance of this Act or any rule or order made thereunder.

[1][**16A. Suspension, etc., of operation of the provisions of the Act.—**(*1*) If the Central Government is satisfied that circumstances exist which render it necessary or expedient so to do in the public interest, it may, by notification in the Official Gazette, suspend or relax to a specified extent, the operation of all or any of the provisions of this Act in respect of such notified commodity or commodities generally or in respect of any area and for such period as may be specified in the notification.

(*2*) Where the operation of any provision of this Act has, under sub-section (*1*), been suspended or relaxed, such suspension or relaxation may, at any time be removed by the Central Government by a like notification.

(*3*) Every notification issued under this section shall be laid, as soon as may be after it is issued, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the notification or both Houses agree that the notification should not be issued, the notification shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that notification.]

17. Power to make rules .—(*1*) The Central Government may, by notification in the Official Gazette, make rules to carry out the purposes of this Act.

(*2*) In particular and without prejudice to the generality of the foregoing power, such rules may provide for—

(*a*) the travelling and daily allowances payable to members of the Council, persons co-opted under sub-section (*2*) of section 5, and members of specialist committees referred to in sub-section (*3*) of that section;

(*b*) the functions of the Council and the procedure to be followed by it;

(*c*) the appointment of officers and other employees of the Council;

(*d*) the procedure to be followed for various types of quality control and inspection;

(*e*) the conditions which a testing house, surveyor or sampler should satisfy for purposes of approval by the Central Government;

(*f*) the fees chargeable for purposes of examination and issue of certificates under section 7;

[2] [(*ff*) the manner in which, and the procedure subject to which, any certificate issued under sub-section (*3*) of section 7 shall be amended, suspended or cancelled;]

(*g*) the filing of appeals under section 7 and the fees payable therefore;

[2][(*gg*) the authority or person by which or by whom, and the manner in which, any document received from a place outside India shall be authenticated;]

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1. Ins. by Act 40 of 1984, s. 8 (w.e.f. 2-7-1984).
2. Ins. by s. 9, *ibid,* (w.e.f. 2-7-1984).

(*h*) the manner in which the accounts of the Council shall be maintained and audited;

(*i*) any other matter which is required to be, or may be, prescribed.

(*3*) Every rule made by the Central Government under this section shall be laid as soon as may be after it is made before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session [1][immediately following the session] or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so however that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

18. Act to over-ride other enactments.—As from the date on which a commodity is notified under clause (*a*) of section 6, the provisions of this Act or anything done or any action taken there under shall have effect in relation to that commodity notwithstanding any provisions (relating to quality control and inspection prior to the export of such commodity) contained in any enactment other than this Act or in any instrument having effect by virtue of any enactment other than this Act.

IndiaCode

1. Subs. by Act 40 of 1984, s. 9, for "immediately following the session" (w.e.f. 2-7-1984).

STATEMENT OF OBJECTS AND REASONS

The Government of India appointed an ad hoc Committee on Quality Control and Pre-shipment Inspection to examine the question of enforcing quality control and inspection on various goods exported from India. The Committee, after reviewing the existing statutory provisions relating to the export of goods, recommended that separate legislation should be undertaken covering all aspects of quality control in respect of export commodities. The present Bill seeks to give effect to this recommendation of the Committee which has been accepted by the Government.

2. The Bill provides for the establishment of an Export Inspection Council with a Chairman and 15 members to advise the Government regarding the measures to be adopted for the enforcement of quality control and inspection in relation to commodities intended for export and to draw up programmes therefor.

3. Under the Bill, the Government will be empowered to notify commodities which shall be subject to quality control or inspection prior to export, specify the type of quality control and inspection to be applied to the commodities so notified, establish, adopt or recognise standard specifications for such notified commodities, and prohibit the export in the course of international trade of a notified commodity unless it is accompanied by a certificate issued by an agency, established or recognised by the Government for this purpose, that the commodity statisfies the conditions relating to quality control and inspection.

4. The Bill also provides for appropriate penalties for contravention of the provisions of the Bill.

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NEW DELHI; MANUBHAI SHAH.

The 16th March, 1963.