The Export (Quality Control and Inspection) RULES, 1964

(Corrected upto 30 September, 1986)

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The Export (Quality Control and Inspection) Rules, 1964
(Corrected upto 30th September 1986)

NOTIFICATION

S.O. 3317. - In exercise of the powers conferred by section 17 of the Export (Quality Control and Inspection) Act. 1963 (22 of 1963), the Central Government hereby makes the following rules, namely:-

(1) **Short title and commencement. (1)** These rules may be called the Export (Quality Control and Inspection) Rules, 1964.

(2) They shall come into force on 1st October, 1964.

2. Definitions. - In these rules, unless the context otherwise requires,-

(a) "Act" means the Export (Quality Control and Inspection) Act, 1963 (22 of 1963);

(aa) "Additional Director" means the Additional Director of the Council or Agency;

(b) "Agency" means any agency for quality control or inspection or both, established or recognised under section 7;

(bb) "Certificate" means certificate issued under sub-section (3) of section 7 of the Act stating that the commodity conforms to the condition relating to Quality Control and Inspection;

(c) "Chairman" means the Chairman of the Council;

(d) "Council" means the Export Inspection Council established under section 3;

(e) "Council Member" means a member of the Council;

(f) "Committee Member" means a member of any specialist committee;

(g) "Director" means the Director of Inspection and Quality Control appointed under section 4;

(h) "Form" means a form set forth in these rules;
(hh) "Joint Director" means the Joint Director of the Council or Agency;

(i) "Member" means a member of the Council;

(j) "Section" means a section of the Act;

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(k) "Specialist Committee" means a specialist committee constituted by the Council under sub-section (3) of section 5;

3. Term of office. - (1) The Chairman and the members nominated under clause (f) of subsection (1) of section 3 shall hold office for a period of [(Two years)]

(2) The membership of any person who becomes a member of the Council by virtue of an office held by him shall terminate when he ceases to hold that off ice and the vacancy so caused shall be filled by his successor holding that office.

(3) The Chairman and the members nominated under clause (f) of sub-section (1) of sections shall be eligible for re-appointment or re-nomination, as the case may be, on the expiry of his or their term of office.

(4) The Chairman or any member nominated under clause (f) sub-section 3 may resign his office by writing under his own hand addressed to the Central Government and such resignation shall be effective from the date on which it is accepted by the Central Government or on the expiry of period of one month from the date of its receipt by the Central Government, whichever is earlier.

(5) A member nominated or appointed shall cease to be such member if he dies, resigns, becomes of unsound mind, is adjudicated as an insolvent or is convicted of a criminal offence involving moral turpitude.

4. Causal vacancies. - Any casual vacancy in the office of the Chairman or of any member nominated under clause (f) of sub-section (1) of section 3 shall be filled by the Central Government and the Chairman or the member, as the case may be, appointed or nominated to fill that vacancy shall hold off ice for so long only as the Chairman or the member whose place he fills would have been entitled to hold office if the vacancy had not occurred.

5. Functions of the Council. - Besides the functions entrusted to the Council by the Act, theCouncil shall –

(i) receive and deal with reports and recommendations of specialist committee;

(ii). control its finances;

(iii) deal with such other matters as may be necessary for the administration of its affairs;

(iv) do all such other lawful acts as would be conducive for the purpose of discharging its functions under the Act.

6. Creation of posts and appointment of officers. - For the purpose of discharging its functions under the Act, the Council may create such number of posts, the maximum pay of which does not exceed Rs. 1,800/- per men sum, as it considers necessary and appoint officers and other employees to such posts.

7. Authentication of orders and other instruments of the Council. - All orders and decisions of, and ail other instruments made by, the Council shall be authenticated by the signature of such officer or officers as may be authorised by the Council in this behalf.

7.(A) Authority of authentication and the manner of authentication of documents, - Any document received from any place outside India purporting to have affixed, impressed or submitted thereon or thereto, the seal and signature of any person who is authorised by section 3 of the Diplomatic and Consular Officer (Oaths and Fees) Act, 1948 (41 of 1948), to do any no tarial acts shall be deemed to be duly authenticated for the purpose of section 10? (7) (b) of the Export (Quality Control and Inspection) Act. 1963.

8. Proceedings of the Council. - (1) The Council shall meet at least once in every four months and all meetings of the Council shall be convened by the Chairman and called by notice issued under the signature of the Secretary of the Council.

(2) Every notice calling a meeting of the Council shall state the date, time and place at which such meeting will be held and shall be issued to every member not less than 15 days before the day appointed for the meeting.

(3) The Chairman shall preside at all meetings of the Council and if at any meeting the Chairman is absent, the members present at the meeting shall elect one from among themselves to be the Chairman of that meeting.

(4) Five members shall form the quorum, provided that if any meeting is adjourned for want of quorum, the subsequent meeting called on the basis of the same agenda may be held, whether a quorum is present or not.

(5) Each member including the Chairman shall have one vote, but if there shall bean equality of votes on any question to be decided by the Council, the Chairman shall in addition, have a casting vote.

9. Travelling and daily allowances. - (1) The Council members and the Committee members, [including those co-opted under sub-section (2) of section 5 being employees of the Central Government or any State Government or any quasi-Governmental Institution, corporate body or Government undertaking, shall not be eligible to draw any traveling or daily allowance from the funds of the Council but may do so from the source from which their salaries are drawn.

(2) All other Council members and the Committee members [including those co-opted under subsection (2) of section shall be entitled to draw their traveling and daily allowances from the fund of the Council.

(3) The rules governing the payment of traveling and daily allowances to non-official members of any committee constituted by the Central Government shall apply to the payment of traveling and daily allowances to those Council members and the committee members [including those co-opted Under sub-section (2) of section 5] who are entitled to draw such allowances from the fund of the Council.

10. Specialist Committees. – (1) The Council may constitute a specialist committee under subsection (3) of section 5 for any commodity;

(2) The specialist committee may consist wholly of Council members or wholly of other persons or partly of Council members and partly of other persons, as the Council thinks fit.

(3) Where a specialist committee consists of persons other than Council members, the Council shall, as far as possible, give representation to all or any of the following namely: -

(i) scientific and technical institutions;

(ii) State Governments;

(iii) concerned industries, and

(iv) persons having intimate knowledge about quality control or inspection.

(4) The Council may nominate a member of the specialist committee as the Chairman of the specialist committee.

(5) The procedure at meetings of a specialist committee shall be such as may be determined by the committee.

(6) A specialist committee may co-opt additional members, who, by virtue of specific attainment, knowledge or interest, in the opinion of the committee will be able to assist the committee in the discharge of its functions.

(7) A specialist committee may appoint as many sub-committees, panels or working groups as it thinks necessary for the expeditious disposal of its work.

(8) Every specialist committee shall examine all technical matters referred to it by the Council relating to the commodity which should he subjected to compulsory quality control or inspection or both prior to export (including the establishment, adoption or recognition of standards for that commodity) and make necessary recommendations to the Council.

(9) Every specialist committee shall also examine and make recommendations to the Council on the question of recognition and establishment of agencies and approval of testing houses, surveyors or samplers.

11. Procedure for quality control and Inspection, - (1)Whenever, for the development of the export trade of India, the Central Government is of opinion that any commodity should be subjected to quality control or inspection or both, prior to export, it shall formulate its proposals with respect to the same.

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(2) Where any proposals have been formulated under sub-rule (1), the Central Government shall forward the proposals to the Council and simultaneously publish the proposals in the Official Gazette with a direction that any objection or suggestion which any person may like to offer on the proposals may be sent to the Council within thirty days of such publication.

(3) After the receipt of the proposals under sub-rule (2), the Council may. having regard to -

(i) the objections and suggestions received from the public;

(ii) the volume and trend of export of such commodity and the scope for expansion of its export;

(iii) the extent of competition from other countries;

(iv) the need for enforcing quality control or inspection or both for increasing the sale of such commodity outside India; and

(v) any other relevant factor,

Consider the proposals either at a periodical meeting or at any special meeting convened for the purpose

(4) At any such meeting, the Council shall formulate its recommendations regarding the type of quality control or inspection or both and standard specifications with respect to the commodity and a marker sea l (together with its design, in cases it is necessary) to indicate that the commodity conforms to (he standard specifications applicable to it or may require a specialist committee constituted for the purpose to make recommendations to it in such matter;

(5) Where a specialist committee has been required to make recommendations under sub-rule (4), it shall, having regard to the matters specified in sub-rule (3), make its recommendations to the Council as expeditiously as possible.

(6) The recommendations of the Council or, in a case where the recommendations have been made by a specialist committee, such recommendations subject to any modifications made by the Council, shall be forwarded by the Council to the Central Government.

(7) The Central Government shall, after considering the recommendations of the Council, issue the necessary notification under section 6 or section 8.

11. A. Procedure for Amendment, suspension or cancellation of the certificate. - (1) Where the Agency has reason to believe that the certificate issued under sub-section (3) of section 7 of the Act suffers from any of the defects mentioned in sub-section (??) of the said section 7, the Agency may carry out re-examination of the goods-

(i) during storage, at the premises of exporter or manufacturer or clearing agent or shipping agent or at warehouses and cold storage;ii.

(ii) during the transportation of good, at any place from the premises as mentioned in clause (i) to the port of shipment;

(iii) during unloading, at the port of shipment;iv.

(iv) during loading, in vessel or aircraft;

(v). during voyage, in vessel.

(2) The re-examination of goods shall be carried out in the following manner:-

(a) The re-examination shall be authorised by the Additional Director or the Joint Director by an order, in writing, and on such authorisation, the certificate of inspection issued for the concerned consignment: shall stand suspended.

(b) The re-examination shall be carried out by one or more officers of the Export Inspection Council or Agency who have not inspected the concerned consignment earlier.

(c) The re-examination shall be carried out in the presence of authorised representative of theexporter and or manufacturer the re-examination of the commodity shall be completed within a period of seven days of the period already prescribed for such commodity or the rules framed under section 17 of the Act, whichever is later, from the date when the certificate stands suspended.

(d) After consideration of the results of re-examination, the Additional Director or the Joint Director may order in writing that:-

(i) the consignment shall be released for export;

(ii) the certificate issued earlier shall be amended to the extent of the part of the consignment that meets the standard specifications;

(iii) the certificate issued earlier shall be cancelled;

(iv) any other orders which may be deemed fit.

Provided that before amending, suspending or cancelling any such certificate the officer authorised to amend, suspend or cancel the certificate shall furnish the ground which require amendment/suspension and/or cancellation of certificate to the holder thereof who shall be given an opportunity to represent against the grounds within 3 days of the receipt of the said notice and the representation, if any shall be considered by the said officer and thereafter, he shall pass final order within three days from the receipt of the representation

12. Agency for quality control or inspection or both. - (1) Any authority or organisation desiring itself to be recognised as an agency under sub -section (1) of section 7 may apply to the Central Government furnishing particulars of its constitution and the resources at its disposal for carrying out the functions of an agency specified in the Act together with an undertaking that it shall comply with the provisions of the Act and these rules or of any order, direction or instruction which may, from time to time, be made, issued or given by the Central Government or the Director.

(2) On receipt of an application from any such authority or organisation, the Central Government, if it is satisfied after making necessary enquiries that the authority or organisation is fit to act as an agency may, by notification in the Official Gazette recognise such authority or organisation as an agency for the purpose of sub-section (1) of section 7, subject to such conditions, if any, as may be specified in the notification.

(3) The recognition shall be granted for a period of one year and may be renewed from time to time for periods not exceeding one year at a time)

[Provided that where an authority or organisation has been recognised as an agency for certifying their own products, such recognition may be granted for a period not exceeding three years at a time and the same may be renewed from time to time for periods not exceeding three years at a time.]

13. Approval of testing houses, surveyors and samplers. - (1) For the purpose of obtaining approval of the Central Government under sub-section (2) of section, the officer in-charge of the testing house or the surveyor or the sampler shall submit an application to the Director in Form I, containing a detailed statement of particulars of the equipment and facilities available in the testing house or of the scheme of inspection or test which the surveyor or sampler follows for conducting physical and chemical tests, previous experience, the staff working in the testing unit and a general outlay of the premises in which the testing and sampling is proposed to be conducted.

(2) After the receipt of the application, the Director may direct the applicant to furnish any supplementary information or documentary evidence in support of any statement made by him in the application, within such time as may be specified in the direction and where the applicant fails to comply with such direction, his application shall be liable to be rejected.

(3) The Director shall place the application together with the particulars and other information furnished by the applicant before the Council, which shall, after making such enquiries as it deems fit in the matter, make recommendations to the Central Government as to whether approval may be given or not.

(4) While making the recommendations, the Council shall also specify the amount of cash security or the nature of surety that the applicant shall furnish before approval is given.

(5) After considering the recommendations of the Council, the Central Government may accord approval to the testing house, surveyor or sampler, as the case may be, and where such approval is accorded, the Central Government shall require the officer-in-charge of the testing house or the surveyor or the sampler to execute a bond with such cash security or surety as is necessary for the purpose in the prescribed form.

(6) After the applicant has executed the required bond, the Central Government shall issue the notification under sub-section (2) of section 7 and also issue a certificate in Form II to the applicant which shall be valid for such period not exceeding one year as may be specified therein.

(7) The Central Government may, on an application made in this behalf, at least one month before the expiry of the period for which a certificate has been granted, renew the same for a period not exceeding three years at a time.

(8) Every person in charge of a testing house and every surveyor and every sampler approved under this rule shall, submit to the Directorate a half-yearly statement containing the following particulars namely: -

(i) number of applications received for testing or sampling or surveying;

(ii) number of applications attended to;

(iii) number of cases where certificate of quality has been issued;

(iv) quality and value of goods dealt with;

(v) number of cases where certificate of quality has been refused

14. Fund of the Council and deposit of such fund. - (1) The fund of the Council shall consist of the following, namely: -

(i) such sums of money as may be paid by the Central Government to the Council by way of grants, loans or otherwise;

(ii) grants or donations from bodies and institutions approved by the Central Government;

(iii) income and receipts of the Council from other sources.

2. All moneys belonging to the fund of the Council shall be deposited in such scheduled banks as may be specified by the Central Government and the Council may authorise any of its officers to operate upon its bank account,

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14 A. Powers and duties of the Director (including as Ex-officio Secretary of the Council). - The Director shall –

(i) Administer quality control and pre-shipment inspection of the commodities notified under section 6 and matters connected therewith and co-ordinate various activities in this behalf.

(ii) exercise general supervision and control over the functions of the agencies in so far as they relate to quality control and inspection;

(iii) exercise supervision and administrative control over the employees, accounts and records of the agencies established under section 7;

(iv) subject to the supervision of the Chairman, exercise administrative control over the employees of the Council and maintain accounts and records of the said Council

(v) (deleted)

14 B. Re-examination of the goods certified by the Agencies recognised under sub-section (1) of Section 7 of the Act. - The Director or where he so desires by a general or special order may authorise any officer not below the rank of a Joint Director to carry out the re-examination of goods certificate of which has been issued by any of the Agencies recognised under section 7 of the Act, in the manner as prescribed under rule 11 A and during such re-examination, a representative of a recognised agency shall be present.

15. Preparation of budget estimate, etc. - The procedure relating to preparation and submission of budget estimates, sanction of expenditure, making investments and such other matters shall be such as may be determined by the Council with the approval of the Central Government.

16. Audit of accounts. - (1) The Council shall maintain proper books of accounts in respect to all transactions for all sums of money received and expended and the matter in respect of which the receipt and expenditure take place, all sales and purchases, the assets and liabilities so as to give a true and fair view of the state of affairs of the Council and its off ices and to explain its transactions and prepare Income and Expenditure Accounts and Balance-sheet as prescribed by the Comptroller and Auditor-General of India set out in Forms III and IV respectively or as nearer thereto as the circumstances admit; and such Income and Expenditure Account and Balance-Sheet shall be signed on behalf of the Council by the Member Secretary and Director of the Council.

(2) The accounts of the Council shall be subject to audit annually by the Comptroller and Auditor General of India or by any person appointed by him in this behalf and any expenditure incurred by him in connection with such audit shall be payable by the Council.

(3) The Comptroller and Auditor General of India and any person appointed by him in connection with the audit of the accounts of the Council shall have the same rights and privileges and authority in connection with such audit as the Comptroller and Auditor General of India has in connection with the audit of Government accounts and, in particular, shall have right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect the office of the Council.

(4) The accounts of the Council as certified by the Comptroller and Auditor General of India or any person appointed by him in this behalf together with the audit report thereon shall be forwarded annually to the Central Government and the Government shall cause the same to be laid before each House of Parliament.

17. Laying of Annual Reports and Audited Accounts. - The Annual Reports and Audited Accounts of the Export Inspection Council/Agencies shall be laid before the House of Parliament nine months from the closing of the accounting year.

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FORM I

Application for recognition as Testing House/Surveyor/Sampler
[See Rule 13 (1)]
PART I

To
The Director of Inspection and Quality Control,
Ministry of Commerce,
Government of India,
New Delhi
Sir,

I/We, the firm known under the name and style..... desire to be recognised as approved Testing House/Surveyor(s)/Sampler(s) for the pre- shipment inspection of the following commodities and furnish the detailed particulars in Part II of the application.

2. I/We hereby declare that I/We shall when called upon to do so execute a bond in proper form with such security as may be required binding myself/ourselves to faithfully carry out the duties prescribed under the Act or the Rules or by any order issued by the Director on behalf of the Central Government.

3. I/We hereby enclose a crossed bank draft of Rs .... as fee (The fee is not refundable whether the applicant is given recognition or not).

4. I/We agree to undertake the work of testing, survey or sampling at the rates prescribed by the Central Government.
5. I/We have read the rules regarding the pre-shipment inspection, testing, survey and sampling and undertake to abide by them.

Yours faithfully,

Signature and Seal or Stamp of the Applicant

FORM NO. II
[See Rule 13 (6)]
GOVERNMENT OF INDIA MINISTRY OF COMMERCE
Certificate of approval of testing house/surveyor/sampler.

In terms of section 7(2) of the Export (Quality Control and Inspection) Act, 1963, the Testing House/Surveyor(s)/Sampler(s) whose particulars are given below having complied with the prescribed procedure is/are approved by the Central Government for testing/surveying/sampling, commodities that are intended for export.

Name.....
Address.....

Location of Laboratory/Testing House.....

II. This approval enables its holder to carry out examination of commodities and to issue certificate of examination in the matter provided in the Export (Quality Control and Inspection) Act, 1963, and rules and orders issued thereunder the further to charge such fee, as is notified by the Central Government, from the owner whose goods are examined.

III. This approval shall be valid from.....to..... and may be renewed as prescribed in the Export (Quality Control and Inspection) Rules, 1964.

Director of Inspection and Quality Control
for and on behalf of the Government of India

NEW DELHI
DATE

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FORM III

(See Rule 16 (1))

EXPORT INSPECTION COUNCIL

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDING.....

EXPENDITURE			INCOME		
Figures for the previous year (Rs.)	Particulars	Figures for the current year (Rs.)	Figures for the previous year (Rs.)	Particulars	Figures for the current year (Rs.)
(1)	(2)	(3)	(4)	(5)	(6)
	1. Establishment			**1.Income other than Government Grant**	
	To pay of officers			By Application fee from Candidates applied for various posts	
	To pay of Staff			By fees for issuing certificates of origin under Generalised System of Preferences	
	To DearnessAllowance			By Foreign Service Contribution received	
	To Other Allowances (CCA, HRA).			By interest	
	To Travelling Allowance			By Other Income (To be specified)	
	a) Officers			By Miscellaneous	
	b) Staff				
	c) Council and other Committee Members			**2. Government Grant**	
	To Medical Assistance				
	To Assistance for Welfare to employees			**3. Grant from marketing Development Fund received from Govt. to meet deficit for operation of various preshipment inspection schemes operated by the Export inspection Agencies.**	
	To Contribution towards leave salary and pension or its equivalent for employees on deputation to the Council				
	To Council's contribution to Contributory Provident Fund			**4. Excess of Expenditure over Income carried over to Balance-Sheet.**	
	Other Establishment charges (To be specified)				
	2.Other Charges				
	To stationery To printing and binding				
	To postage and telegram To rent for Office accommodation				
	To electricity charges To telephone To audit fee To repair and renewals				
	To advertisement for recruitment				
	To subscriptionss and membership fees				
	To local conveyance charges				
	To depreciation				
	To other specified items of				

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expenditure To
miscellaneous To publicity
To Marketing Development
Fund-Payment to Export
Inspection Agencies to meet
the deficit for operation of
various preship-ment
inspection
To training programme
abroad
To training programme for
"trainees from abroad
To participation in
committees/council/ other
similar bodies abroad
To participation in 'trade
fair/delegation
To certificate of origin under
Generalised System of
Preferences
To organisation of
seminars/conventions and
such otheractivities
To other specified
expenditure
Excess of Income over
expenditure carried
over to Balance-Sheet

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FORM IV (See Rule 16(1))
EXPORT INSPECTION COUNCIL Balance Sheet as on.....

Figures for the previous year (Rs.) (1)	Liabilities (2)	Figures for the current year (Rs.) (3)	Figures for the previous year (Rs.) (4)	Assets (5)	Figures for the current year (Rs.) (6)
	1. CAPITAL ACCOUNT Balance of Excess of Income Over expenditure or vice-versa transferred from the Income and Expenditure Account)			**1.** FIXED ASSETS (Distinguishing as far as possible between expenditure upon all items.)	
	2. RESERVES AND SURPLUS (To be specified if so created)			**2.** INVESTMENT	
	3. SECURED LOANS			**3.** CURRENT ASSETS, LOANS AND ADVANCES	
	4. UNSECURED LOANS			**A. Current assets,** Interest Accrued on Investments Stock & Stores Sundry Debtors Cheques/Drafts/ IPO's etc. in transit Cash in Office Bank Balances	
	5. CURRENT LIABILITIES AND PROVISIONS			**B. Loans and Advances** Interest bearing Advances to Employees (House Building, Purchase of Conveyance and other similar advances) Interest Free advances to Employees (Festival, Flood, Travelling, Pay, Medical, LTC and Other- - similar advances) Permanent Advance with Regional/Sub offices (Imprest, Revolving ?? and other such advances) Miscellaneus Advances Deposit witn- Land lord for office accommodation Telephone Authority Postal Authority Electricity Authority	
	A. Current Liabilities Salary and Other personal claims , payable to employees Contributory Provident Fund, Gratuity Fund. Additional DA. and Wage Deposits, Security Deposits, Other Deposits (To be Specified) Interest accrued but not due on loans.				
	B. Provisions, pension and other similar employees benefit schemes, contingencies Other Provisions (To be specified)				

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	Other Deposit (To be specified) Pre-paid expenses (Unexpired portion of rent, rates, taxes, duties and insurance)

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