
EXPORT (QUALITY CONTROL AND INSPECTION) RULES, 1964

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EXPORT (QUALITY CONTROL AND INSPECTION) RULES, 1964

S.O. 3317, dated 14th September, 1964. Published in the Gazette of India, Extraordinary, Part II, Sec, 3(ii), p. 907 (w.e.f. 1st October, 1964). In exercise of the powers conferred by Sec. 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 1 st 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);

(b) "agency" means any agency for quality control or inspection or both, established or recognised under Section 7 .

(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;

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

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

(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 Cl. (f) of sub-section (1) of Section 3 shall hold office for a period of ¹ [one year].

(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 office and the vacancy so caused shall be filled by his successor holding that office.

(3) The Chairman and the members nominated under Cl. (f) of sub-section (1) of Section 3 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 Cl. (f) of sub-section (1) of 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 expiry of a 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.

1. Substituted by S.O. 103, dated 6th January, 1973.

4. Casual vacancies. :-

Any casual vacancy in the office of the Chairman or of any member nominated under Cl. (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 office 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, the Council shall

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

(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 mensem, 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 all 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.

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 be an 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 travelling 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 sub-section (2) of Section 5 shall be entitled to draw their travelling and daily allowances from the fund of the Council.

(3) The rules governing the payment of travelling and daily allowances to non-official members of any committee constituted by the Central Government shall apply to the payment of travelling 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 be 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

(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.

(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 mark or seal (together with its design, in cases it is necessary) to indicate that the commodity conforms to the 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 .

1. Substituted by S.O. 3100 dated 29th September. 1965.

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 ¹[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.

2 (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.

1. Inserted by S.O. 2603, dated 20th August, 1977.

2. Inserted by S.O. 1855, dated 22nd July. 1972.

13. Approval of testing houses, surveyors and samplers. :-

1

(1) For the purpose of obtaining approval of the Central Government under sub-section (2) of Section 7 , the officer in charge of the testing house or the surveyor or the sampler shall

submit an application to the Director in Form 1, containing a detailed statement of particulars of the equipments and facilities available in the testing house or of the scheme of inspection or test which the surveyors 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 enquires 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.

1. Subs, by S.O. 2:7, dated 18th January, 1969.

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 schedule banks as maybe specified by the Central Government and the Council may authorise any of its officers to operate upon its bank account.

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

¹The Director shall

- (i) administer quality control and pre-shipment inspection of the commodities notified under Section 6 and matters connected therewith and coordinate 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;

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1. Inserted by S.O. 2603, dated 20th August, 1977.

2. Omitted by S.O. 2745, dated 23rd September. 1978.

15. Preparation of budget estimates, 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

(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 offices and to explain its transactions and prepare Income and Expenditure Account and Balance sheet as prescribed by the Comptroller and Auditor General of India set out in Forms 3 and 4 respectively or as nearer thereto as the circumstances admit; and such Income Expenditure Account and Balance-sheet shall be signed on behalf of the Council by the Secretary and the Additional Director of the Council.

(2) All such accounts of the Council shall be subject to audit annually by the Chartered Accountants appointed by the Council with the approval of the Central Government and any expenditure incurred in connection with such audit shall be payable by the Council.

(3) The Chartered Accountants appointed under sub-rule (2) shall have the rights and privileges and authority in connection with such audit as exercised, enjoyed and enforced by the Chartered Accountants in connection with the audit of accounts of similar other organisations and in particular, shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect the offices of the Council.

(4) The accounts of the Council as certified by the Chartered Accountants in this behalf together with the audit report thereon shall be forwarded annually to the Central Government and that Government shall cause the same to be laid before each House of Parliament.

1. Substituted by S.O. 2865, dated 30th September. 1978.