

Title of Action Research Project

- To study Social Behavior, characteristics and tendencies of licensees in the process of cancellation/expiry of licenses held by BIS

Objectives of the Project

- This project is an attempt to understand and categorize all the conditions/ problems faced by licensees/ manufactures and would help/educate Licensees at early stages of proceedings of cancellation/ expiry of BIS licenses and to save the time & revenue of BIS.
- Actions to avoid cancellation/ expiry of BIS licenses.
- This is mainly to give a win-win situation to both BIS and to Licensees.
- To study reasons for cancellation/expiry of licenses held by BIS and remedies to retain such licenses
- To analyze the background for cancellation/expiry of license in view of following:
 - Administrative reason
 - Financial
 - Technological changes
 - Statutory/government orders
 - BIS procedures Communication gaps with BIS.

Research Methodology

- List of Expired/ cancelled BIS Licenses in CNBO-II during the year 2018-2019 & 2019- 2020 of Packaged drinking water units under mandatory certification as per IS 14543 :2016(The reason to select the IS 14543: 16 was CNBO-II was holding majority of Packaged drinking water files) were collected and each individual cases separately studied in detailed manner for reasons for the cancelation /expiry of licensees.
- Report will be presented for reasons for Expiration/ cancellation, short falls from licensee side and BIS side and remedies.
- Social Behavior, characteristics and tendencies of licensees in the process of cancellation shall be studied for ongoing cases of hearings of cancellation of licenses at regional level.

ACTION PLAN ADOPTED FOR COMPLETING THE PROJECT

- Cancelled and expired/cancelled data of licenses in cnbo-ii during the year 2018-2019 and 2019-2020 were collected and reasons for cancellation / expiry were studied
- As these licenses were already cancelled / expired, efforts put up to contact each licensee to study their social behavior, their feelings and situations which leads to cancellation/ expiration of licenses
- Further to know the social behavior and feelings of the licensees, efforts made to attend the personnel hearings of the ongoing cases of cancellation at the regional level.

I - Case study and analysis (expired cases due to misuse of isi mark) cases related to mandatory product of packaged drinking water

CAUSE OF EXPIRY OF LICENSE BY BIS

- Misuse of standard mark in deferment period and in suspension period
- Misuse of standard mark on the varieties which were not covered under license scope

OBSERVED SHORT FALLS FROM LICENCEE SIDE

- Most of Licensees of PDW knows only regional languages and not aware of the BIS RULES in operating the license and due to this they produce In Suspension/ Deferment periods and ignorance of marking on the varieties which are not covered under their License scope. They are dependent on experts in the field for communication with BIS. They were also not updating their registered phone numbers and E-mail ID's and communications send by BIS not reaching them.

OBSERVED SHORT FALLS FROM BIS SIDE

- BIS deferring the licenses due to non-receipt of renewal fee and renewal request. Subsequently on receipt of renewal fee, BIS renews the license without the receipt of confirmation of suspension from licensee side during the deferment period. Subsequently Licensee submits the production figures certified by chartered Accountant for the renewal of their license showing the production in deferment period on which BIS has to initiate the action of Expiration of License.
- BIS communications especially in manak online not reaching the licensees automatically after initiation of communication i.e. licensee not getting the communication either on his mobile or on their mail ID. (Now this feature Incorporated on MOL)
- Sometimes delay in processing the requests of Inclusions (This rarely appears and brought here on the previous experience of officer)

II- Case study and analysis (expired cases due to non-receipt of renewal fees and renewal application cases related to mandatory product of packaged drinking water

CAUSE OF EXPIRY OF LICENSE BY BIS

- Non- receipt of renewal fee and renewal application.

OBSERVED SHORT FALLS FROM LICENCEE SIDE

- Most of Licensees of PDW knows only regional languages and not fully aware of the BIS rules to maintain their license due to language problems. They unable to pay the required fees on time and they depend on experts in the field for communication with BIS and while paying the required fees sometimes the experts do not complete the process and the Licensee is unaware of this development.
- They were also not updating their registered phone numbers and E-mail ID's and they also depends on experts in the field for communication with BIS as the Manak online communications were not in regional languages.
- Some licensees expressed that marking fee charged by BIS are high to packaged drinking water units of small-scale Industries and asked for differential scale fee structure.

Analyzed background for cancellation/expiry of license in view of

Administrative reasons

- The running of a business, organization, not possible due to disputes among partners of organization leading to non-payment of renewal fees in time.
- Disputes with neighbours as the Packaged drinking water units draws lots off ground water through Bore wells results in reducing /no ground water in the vicinity of PDW plants and neighbours not allowing the running of plants by bringing all means of pressure on them

Financial

- In India all small-scale units of Packaged Drinking water were cottage Industries and Marking fees of BIS for such small-scale units of Packaged Drinking water leads to burden on them.
- Huge competition from other units (having licenses of Herbal and state charity permissions in some states of India) producing Packaged Drinking water at cheaper rates as they need not follow the standards and tests to produce drinking water. Due to this ISI Packaged Drinking water units were forced to sell their product at cheaper rates compared to the rates of non-ISI Packaged Drinking water units as said above there by incurring the loss of Income and in long run they unable to pay the Marking fees to the BIS leading to expiry of licenses.

Technological changes

- Indian Industry of packaged drinking water uses Membrane Filtration Technology
- There are two classes of membrane treatment systems that should be discussed: low-pressure membrane systems (such as microfiltration and ultrafiltration) and high-pressure membrane systems (such as Nano filtration and reverse osmosis). Low-pressure membranes, including microfiltration (MF) and ultrafiltration (UF), are operated at pressures ranging from 10 to 30 psi, whereas high-pressure membranes, including Nano filtration (NF) and reverse osmosis (RO), are operated at pressures ranging from 75 to 250 psi.
- using low-pressure membrane filtration for surface water treatment began developing in the early 1980's .At the time, low-pressure membranes had long been used in the food-processing industry as nonchemical disinfectants, which involves less capital to set up the PDW unit.
- Due to technological changes and due to limitation of the availability of surface water & heavy demand for Packaged drinking water the manufacturers compelled to go for the usage of high-pressure membranes, including Nano filtration (NF) and reverse osmosis (RO), are operated at pressures ranging from 75 to 250 psi. naturally involves more capital.

Statutory/government orders

- Statutory/government orders on Packaged Drinking water units from CGWA (Central Ground Water Authority) to close down the operations of Packaged Drinking water units falling under Exploited and over Exploited ground water regions and these orders varies from time to time.

BIS procedures

- **BIS follows the International standard to Packaged Drinking water as per IS 14543:2016 which prescribes the many chemical and Microbiological requirements to the Packaged Drinking water and towards testing as per SIT (Scheme of Inspection and testing) both BIS and Licensee to spend lot of money.**
- **In view of the environmental conditions of India and quality of the available ground water Majority of the Packaged Drinking water samples passes in the chemical requirements of prescribed standard.**
- **Most of the cases for cancellation of the licenses of Packaged Drinking water units due to failure of the samples in Microbiological requirements of Aerobic Microbiological count and Yeast & Mould.**
- **BIS to review the standard and Scheme of Inspection and Testing for above requirements in view of the environmental conditions of India and quality of the available ground water.**

Communication gaps with BIS

- **To avoid misuse of standard mark in deferment period, BIS to renew the deferred licenses only after the receipt of reply to our deferment communication from the licensees.**
- **Creating separate consumer awareness cell to create awareness of BIS rules in local languages to avoid misuse of Standard Mark and to update the mobile numbers and E mail IDs of the licensees.**
- **Modify the manak online software so that if any communication send by BIS should reach the licensee on his mobile/ mail ID in local Languages**

BEHAVIOUR AND FEELINGS OF THE LICENSEE DURING AND AFTER CACELLATION OF LICENSE

- **Efforts made to attend the personnel hearings at the regional levels to study the behavior and feelings of the license. Only few cases were attended due to limited availability of the ongoing cases of cancellation and the following observations were made**
- **During hearing of cancellation, Licensees admit their mistakes and pleaded with heart burn feelings and gestures to restore their license with penalties as they had Invested huge money through Loans and paying heavy Interests and due to cancellation of License many people lose their jobs if their license gets cancelled and their reputation gets damaged**

CONCLUSIONS AND RECOMMENDATIONS

- **To avoid misuse of standard mark in deferment period licensee, BIS to renew the deferred licenses only after the receipt of reply to our deferment communication from Licensee.**
- **Creating separate consumer awareness cell to create awareness of BIS rules in local languages to avoid misuse of Standard Mark**
- **BIS can explore on short Films or Advertisements for the benefit of Licensees on BIS web site /Email ID's of Licensees about the consequences of misuse of Standard Mark.**
- **Suggested to adopt the differential scale fee structure of marking fees to small scale Industries of Packaged drinking water under mandatory certification**
- **Suggested to modify the Manak on Line Software to send the communication alerts/ direct communication in local languages.**
- **Most of the cases for cancellation of the licenses of Packaged Drinking water units due to failure of the samples in Aerobic Microbiological count and Yeast & Mould requirements. Suggested to review the standard of PDW for above requirements in view of the environmental conditions of India and quality of the available ground water.**

- **As per BIS act there is a provision to impose fixed penalties irrespective of quantity of seized material on misuse of standard mark through courts on non Licensees when they were caught in misusing the standard mark during the raids of BIS i.e. BIS is liberal to Non Licensees who are misusing the standard mark repeatedly also by imposing financial penalties and BIS not liberal in cancelling/ expiring the License of the holders of BIS License when misuse observed during the operation of license.**
- **During cancellation / Expiration of the License due to misuse of standard mark the Licensees were expressing with heart burn feelings that if BIS cancel/ Expire license, their credibility and name in their locality gets damaged in addition to the monetary loss due to closure of the Organization.**
- **It is suggested that BIS can impose penalties without cancellation/Expiration of the License in case of misuse detected during the operation of license. The amount of penalty may be in proportion to the quantity of the product on which licensee misused the standard mark may be two times of marking fee at prorata basis/annual minimum marking fee whichever is higher for first time misuse. For the second time misuse the penalty may be three times the marking fee calculated on quantity of the misused product at prorata basis/ two times of annual minimum marking fee whichever is higher. For third time misuse cancellation/ Expiration of License.**
- **In view of the Quality conscious of BIS standard marked products, It is suggested that the above said penalties are applicable to the cases where no failure of Packaged Drinking Water in the operative period in which Licensee misused the standard mark.**
- **Similarly, it is also suggested that BIS can make provision to restore the same License Number to the cases of Expired licenses due to non-payment of Renewal fee by imposing the penalty of Two times of the last marking fee paid by them.**