



**MINUTES
FOR THE NINETY SEVENTH MEETING
OF THE COUNCIL**

**11.00 HOURS
FRIDAY, 28 JANUARY 2005
COMMITTEE ROOM
EXPORT INSPECTION COUNCIL
NEW DELHI**

EXPORT INSPECTION COUNCIL OF INDIA
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**MINUTES OF THE 97th MEETING OF THE
EXPORT INSPECTION COUNCIL
28 JANUARY 2005**

- Chairman** : **Dr. Christy L. Fernandez**
Additional Secretary,
Ministry of Commerce & Industry,
New Delhi.
- Member Secretary** : **Ms. Shashi Sareen ,**
Director (Insp. & Q/C)
Export Inspection Council,
New Delhi
- Members Present** : **As per list given at Annex 1**

ITEM 1 **GENERAL**

Item 1.1 **Welcome to Chairman and Opening remarks by Chairman**

Director, EIC extended a very warm welcome to Dr. Christy. L. Fernandez, who had taken over as Chairman of the Council with effect from 1 November 2004. The Chairman, while welcoming the members, expressed that since he had taken over as Chairman, he had a clear objective and vision for the organisation wherein the organisation would need to shed its past image and become a modern, professional user-friendly organisation and more responsive to its clients. He also informed that he had taken meetings of senior officers and staff of some EIAs and had expressed the need for them to change their approach to make the organisation a more user-friendly and proactive one. He also expressed that to improve the image of the organisation there was a need to upgrade the performance of the entire organization and also carry out a PR exercise through a professional agency which could project the core competency and services of this organisation. He invited the support and cooperation of the Council members in making the Council more efficient and effective.

Item 1.2 **Leave of absence**

Leave of absence was granted to:

1. Director General, BIS, New Delhi
2. Shri K.S.Money, Chairman APEDA, New Delhi
3. Shri MVPC Sastry, Joint Secretary (Incharge Export Inspection),
Min. of Commerce & Industry, Govt. of India, New Delhi
4. Shri Irfan Allana, M/s Frigorifico Allana Ltd., Allana House,
Mumbai.
5. Shri N.C.Chatterji, Director General, National Test House, Kolkata.

6. Shri Anil K.Mittal, M/s Khusi Ram Behari Lal Ltd.,Delhi.
7. Shri J.S Bhasin, M/s. Bharat Springs Pvt. Ltd., Mumbai.
8. Shri Rajesh Bahl, M/s Geo Chem Laboratories Pvt. Ltd., Mumbai.
9. Shri P.R.Saha, Director General Commercial Intelligence and Statistics, Kolkata.

ITEM 2 96th meeting of the Export Inspection Council

Item 2.1 Confirmation of the Minutes

The Council confirmed the Minutes of the 96th meeting of Export Inspection Council as circulated.

Item 2.2 Action Taken Report

While noting the actions taken on the Minutes of the last meeting, the Council decided as follows:

Item 3.4 Upgradation of EIA Labs

The Council decided that EIC should invite the EU Expert at the earliest so that the trainings could be imparted to the EIA lab officials. On a request from Chairman, MPEDA it was agreed that MPEDA officials may also participate in the training as appropriate.

Item 4 Appellate Panels – Amendment with regard to time period for disposal of appeals

The Council noted that the amendment notification had so far not been published and that more than two months had elapsed since the time the final draft was sent to MOC&I for publication and desired that immediate follow up should be done with MOC&I to ensure that the same are published in the Official Gazette before 15 February 2005.

Item 10.2 Peer Review – Follow up action

While discussing the progress made by IIFT regarding the peer review report, the Council expressed concern at the delay and decided that the exercise should be completed by IIFT latest by end February 2005.

Item 11.2 Manpower Requirement

While noting that there was a separate item on recruitments, it was pointed out by the Council members that EIC/EIAs are autonomous bodies and all decisions should be taken by the Council including those on recruitments, TA/DA etc. It was also pointed out that in the ninety fourth meeting of the Council, there was an item on enhancement of TA/DA for the employees as per the rates notified by Bureau of Indian Standards. However, inspite of the Council agreeing to the same, it had

not been implemented as it had been referred to the government who had turned it down. It was agreed to re-look into the same and place it before the Council at its next meeting.

ITEM 3 ITEMS FOR CONSIDERATION AND DECISION

Item 3.1 Basmati Rice

The Council considered the issue of penalties related to non-conformity in consignments of basmati rice exported as given under Item 3.1 of the Agenda and agreed to the penalties as recommended in the 56th meeting of BDF Committee held in APEDA on 28 December 2004. The Council further decided that the penalty amount should be deposited in the account of the EIAs as was being done in the case of marine products and not into the BDF account.

Item 3.2 Designation of MFPI as an Agency for pre-shipment inspection Raw Meat (Chilled/Frozen) meant for export

The Committee considered Item No.3.2 of the Agenda. The representative of Ministry of Food Processing Industries expressed that as Meat Products Order had been transferred under their Ministry alongwith appropriate manpower, they should be designated as an Agency for meat product certification instead of Directorate of Marketing & Inspection. Further, they informed that they were in the process of setting up two laboratories one at Delhi and the other at Mumbai for the purpose.

Shri Elias Sait pointed out that all quality certification activities for exports should be covered under the Export (Quality Control & Inspection) Act, 1963 and EIC, through EIAs, should do the certification as this was the role which had been provided for them under the Act. Further, the role of Commodity Boards was to provide technical assistance to industry as well as to carry out promotional activities for exports and not certification. He further expressed that it is appropriate that EIC enters into certification in all other areas also else the entire burden on account of food certification of EIC/EIAs would have to be borne by the marine products industry. Other members supported the stand and also expressed that the entire area of food certification for exports should be made mandatory.

While agreeing in principle to the stand as expressed by Shri Elias Sait, as it involved other departments and Ministries, it was decided to have an Inter-departmental meeting to bring out a clear structure and role clarity for export certification. It was further decided that the meeting would be held under the Chairmanship of Chairman, EIC/Commerce Secretary. Director, EIC was requested to develop a background paper for the meeting.

Item 3.3 Budget Estimate 2004-2005, Revised Estimate 2004-2005 and Budget Estimate 2005-2006 of Export Inspection Agencies and Export Inspection Council

While going through the Budget Estimate of EIC and EIAs, Shri Elias Sait pointed out that about 44% of the income for 2003-2004 was seen to be from fishery sector while all other sectors contributed to only around 56%. Further, he observed that EIA-Kolkata contributed to 25% of the expenditure while revenue from this EIA was only 9%. He expressed that the burden of this mismatch was being borne by the fishery trade and there was a strong need to rectify the situation and find a solution for the same. The Council while noting the observations, approved Revised Estimate 2004-2005 and Budget Estimate 2005-2006 of EIC and the EIAs.

Item 3.4 Issues pertaining to Personal Matters of the employees of EIAs/EIC

Item 3.4.1 *Implementation of Assured Career Progression Scheme (ACPS) for the employees of EIC/EIAs appointed from Group-D to Group-C posts*

The Council noted that 141 officials initially appointed as Group-D were then appointed/promoted to Group-C posts about 15-20 years back. While as per the Recruitment Rules, these posts are required to be filled 100% by Direct Recruitment, no DR procedure was followed as was observed from the appointment letters issued to the employees. The basic issue before the Council was how to treat the upgradation of Group-D officials to Group-C, whether as a promotion or as direct recruitment. After deliberations, the Council decided that since the promotion/appointment from Group-D to the lowest cadre in Group-C were made without following any DR procedure, the employees have already got the benefit of upgradation and the same should therefore be treated as promotion for the purpose of ACP.

Item 3.4.2 *Regularisation of promoted employees continuing on adhoc basis for the last 15-20 years*

The Council noted that around 125 employees had been promoted from their substantive posts to a higher post on adhoc or temporary basis and were continuing on these posts as adhoc for more than 15-20 years. The Council although sympathetic to these cases, observed that as per rules, there was absolutely no possibility for an adhoc employee to be regularised. It would therefore be necessary to revert the employees back to their substantive posts and then promote them through a regular DPC. The Council advised that this may be expedited as in the absence of following correct procedure, employees would continue to remain as on adhoc and be deprived of any further benefits with regard to promotions, ACPs etc.

Item 3.4.3 Regularisation of the services of the employees appointed/engaged

on adhoc/contract/daily wage basis in EIAs

The Council noted that 37 employees (16 Group-C and 21 Group-D) had been continuing on adhoc basis in EIC/EIAs for more than 10-20 years. The Council was also informed that 26 officials out of 37 are covered by different court decisions which in most cases went in favour of the employee. The Council felt that the issue would need further detailed examination before a final decision could be taken. It was therefore decided that the issue may once again be examined on file, categorywise bringing out complete details for due consideration of the Chairman, EIC and subsequently put up to the Council at its next meeting.

Item 3.4.4 Special upgradation scheme for non-qualified but deserving employees of EIC/EIAs

The Council considered the proposal regarding relaxation of Recruitment Rules with respect to grant of ACP to non-qualified but deserving employees. The members though sympathetic to the fact that these employees would not be eligible for any promotion or ACP benefits, observed that the same rules were applicable to promotions and ACP and rejected the proposal on the ground that there was no provision for relaxation under the ACP Rules to cover such employees.

Item 3.4.5 Filling up of vacant posts under Group-C cadre by way of promotion from the feeder cadre, Agency-wise.

The Council was informed that posts in Group-C cadre were lying vacant in some EIAs while in other Agencies there was a surplus at the same level. It was also pointed out that posts at the level of Group-C and Group-D cadres are Agency specific and inter-agency transfers are neither possible nor practicable. The vacant posts in the EIAs had however not been filled up from the feeder cadre as based on the IWSU study there was an overall surplus in all EIAs put together and filling up of such posts would further increase the overall surplus. This had also led to a situation where there was an acute shortage of manpower in some of the Agencies as a result of which work had been suffering. After detailed deliberations, the Council took a conscious decision that vacant posts in the EIAs where qualified officials are available in the feeder cadre and Recruitment Rules provide for its filling, should be filled up by promotion from its feeder cadres. The Council also decided that the DPC for this purpose be held immediately to fill up these vacancies.

Item 3.5**One more option to switchover from CPF to GPF (Pension) to the employees of EIAs/EIC still under CPF**

The Council noted that as on 31 December 2004, 288 employees of EIC/EIAs were governed under the CPF Rules. The proposal to offer a VRS for CPF employees alongwith Pension as given in Agenda Item No.3.5 was considered specifically in view of the financial implications. It was estimated that if CPF optees in the surplus cadres accept this scheme, the organisation would be in a position to abolish around 130 posts to be vacated by these officials which would lead to reduction in establishment cost to a level of around Rs.2.5 crores which would not only offset the pension component but would also result in trimmer and more efficient organisation. The Council therefore granted in principle approval to float a VRS package for the officials who are under CPF Scheme and also in surplus cadres as per IWSU study. The option to switch over from CPF to GPF (Pension) scheme will be limited to those who accept the VRS package.

Item 3.6**Manpower Requirement in EIC/EIAs**

The Council was apprised of the position regarding present vacancies arising out of retirements as well as the scenario emerging on account of retirements in the next 5 years. It was also pointed out that EIC/EIAs are carrying out the work of technical nature which is essential for maintaining quality of products as per international requirements and without the right quantity and quality of manpower, it would not be possible to maintain a high standard of certification and maintain its credibility which would ultimately lead to loss of image of Indian products in the overseas markets. The SEAI representative also supported the contention of EIC and informed that trade had been facing lot of problems on account of shortage of manpower in the organisation both of the right quality and quantity and expressed that the issue must be taken serious note of and a high priority accorded to fill up the vacant technical posts in the organisation. The Council appreciated the urgent need for recruitment of technical manpower for EIAs and observed that all the 67 posts (53 Direct Recruitment and 14 promotional quota) belonging to EIAs who are not dependent upon government for any budgetary support, may be filled up after following the due procedure. The Council authorised EIC to immediately fill in vacancies arising out of retirements/resignations etc. subject to the following:

- (1) Recruitments should not be done by de-reserving vacancies earmarked for SC/ST.
- (2) A vacancy based roster to be followed in the organisation.
- (3) The principle of optimisation as per Annual Direct Recruitment Plan namely need to reduce manpower by 2% per year so as to achieve a target of reduction of 10% workforce in 5 years to be implemented.

- (4) Only the posts belonging to EIAs should be filled up as the EIAs are not dependent upon government for any non-plan budgetary support.

The Council further directed that recruitments in the technical cadre at the level of Assistant Director, Technical Officer and Junior Scientific Assistant as per Recruitment Rules should be completed by April 2005.

After detailed deliberations, the Council decided the EIC should immediately go ahead with fresh manpower recruitment in the technical cadre at the level of Assistant Director, Technical Officer and Junior Scientific Assistant as per Recruitment Rules and should complete the activity by April 2005.

Item 3.7 Review of EIC/EIA activities

Item 3.7.1 *Peer Review – Follow up action*

The Council noted the information given under Item 3.7.1 of the Agenda and while expressing unhappiness at the delay, decided that the exercise should be completed by IIFT latest by end February.

Item 3.7.2 Need for Professional Analysis of role and activities EIC/EIAs

The matter regarding need for a professional analysis of role and activity of EIC/EIA was discussed in detail and the Council decided that reputed Agencies mentioned in the Agenda as also M/s. Ernest & Young may be approached for conducting a professional analysis of role and activities of EIC. The Council empowered Chairman and Director, EIC to redraft the terms of references for the consultant for the organisation with specific reference to the vision which this organisation would need to have both in short as well as long term.

ITEM 4 ITEMS FOR INFORMATION OF COUNCIL

The Council noted the information given under Item 4 of the Agenda.

There being no other business, the meeting ended with a vote of thanks to the Chair and members.

LIST OF MEMBERS PRESENT AT THE NINETY SEVENTH MEETING OF THE EXPORT INSPECTION COUNCIL HELD ON 28 JANUARY 2005

1. Shri G. Mohan Kumar, Chairman, MPEDA,
P.B.No.4272, MPEDA House, Panampilly Avenue,
Cochin-682036.
2. Dr. S.R. Gupta, Joint Drugs Controller, Office of Drugs
Controller of India, Ministry of Health & Family
Welfare, Department of Health.
3. Dr. G.R. Bhatia, Additional Agricultural Marketing Adviser to the
Government of India, New Delhi.
4. Shri R.K. Bansal, Director, Fruits and Vegetables and
Preservation, Ministry of Food Processing Industries, New Delhi.
5. Shri Elias Sait, M/s.Alsa Marine & Harvests Ltd.,
AF-54, 11th Main Road, Anna Nagar, Chennai.
6. Shri S.K. Bhalla, M/s.Gujarat Co-operative
Milk Marketing Federation Ltd.,
Amul Dairy Road, Anand (Gujarat).

Invitee

7. Dr. Jaman Lal, Deputy Agricultural Marketing Adviser,
Fruits and Vegetables and Preservation, Ministry of Food Processing Industries,
New Delhi.