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Ref.No.MAIT/PY/2309

September 22, 2023

Shri Bhuvnesh Kumar, IAS  
Additional Secretary  
Ministry of Electronics and IT

**Sub: Request for not to migrate electronic products from "Electronics and Information technology Goods (Requirement of Compulsory Registration) Order, 2021" /Scheme-II of BIS registration to Scheme I of BIS' Conformity Assessment regulation, 2018**

**Ref: MeitY Industry stakeholder meeting held on 18<sup>th</sup> September 2023 on the above subject line.**

Respected Sir,

***Greetings from MAIT!***

This is in reference to the proposal from BIS for the migration of the products covered under the Compulsory Registration Scheme (CRS) Scheme II to Scheme I of Conformity Assessment Regulations, 2018. As the nodal Ministry that had initiated the Compulsory Registration Scheme, the industry welcomes MeitY's involvement in this discussion that has far-reaching and profound implications.

The CRO Scheme was envisaged by MeitY to ensure consumer safety and restrict the flow of sub-standard products in the market keeping in consideration the need to facilitate growth in a fast-growing sector like IT. Scheme-II was commenced in 2013 and since its genesis, CRO has grown and matured into a well-stabilized regulatory framework. MeitY has organized many stakeholder discussions over the last 10 years and have evolved the CRO into a healthy safety regulation in India. Industry too has contributed extensively from time to time to improve the effectiveness of the CRO. Over the years, CRO has seen extensive growth in terms of the number of registrations of products. CRO has notified 64 product categories, 20 Indian Standards and over 40,000 registered manufacturers till date.<sup>1</sup>

Despite the Scheme-II being in operation for a decade and successfully serving as an effective mechanism to protect consumers from spurious and sub-standard products manufactured in India or abroad and facilitating growth of fast-growing sectors like ICT, BIS is contemplating a changeover. Is the IT industry not growing fast anymore as envisaged when Scheme-II was launched? Or is the end consumer safety getting compromised even after industry scrupulously adhering to the BIS Safety Standards IS 13252/ IS 616? It is pertinent to note that these standards are aligned to the global IEC standards. Indian consumer IT products for domestic and exports are growing voluminously over the last couple of years and one of the reasons is the stable compliance regime in place. India, as a country, is now emerging as a leading brand in the electronic exports. Also, all the products that are tested under Scheme II or may even be tested under Scheme I, global standards & BIS Indian standards (IS) are already aligned, which makes no difference in the end result which was ensuring safety of Indian consumers. The industry which has been assiduously compliant to the BIS standards

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<sup>1</sup> <http://electronicstds.gov.in/CREITG/esihome.do>

related to consumer safety will have to deal with a severe blow in the Ease of Doing Business if the changeover fructifies.

The flexible and light touch certification process under Scheme II by itself has helped the electronics industry to focus its energies to further augment the manufacturing infrastructure in the country. The best example is that India is now among the leaders in Smart Phone manufacturing and able to draw global majors to invest in the country.

### Key differences between Scheme I and II

	Scheme I	Scheme II/CRO	Disadvantages of Migration to Scheme I
<b>License type</b>	Factory & Scope based License.	Registration Number granted to factory for specific Brand & Product category/Model	In case the factory license gets cancelled or delayed due to one brand, all other brands will get impacted
<b>Factory Audit</b>	Physical Factory Audit/ Inspection	Not needed	Additional administrative work. High lead time causing delay in product launches.  Increase compliance cost (due to logistics) and resources
<b>Test facility</b>	Factory must have in-house test facility	Test report from BIS accredited labs	Each factory can't have in-house testing facilities as per the standards. Independent labs provide a 3 <sup>rd</sup> party objective perspective
<b>Lead time (*ref. annexure 1 for more details)</b>	<p><b><u>For Indian Factory</u></b></p> <ul style="list-style-type: none"> <li>As per BIS: 24 weeks.</li> <li>Practically: 36-48 weeks.</li> </ul> <p><b><u>For Foreign Factory</u></b></p> <ul style="list-style-type: none"> <li>As per BIS- 36 weeks.</li> <li>Practically: 50-60 weeks.</li> </ul>	6-8 weeks	<ul style="list-style-type: none"> <li>Practically launch of new products and models will be severely impacted.</li> <li>Product launch in India will not get aligned with global launches.</li> <li>Many products/ models will not be launched in India due to short product life cycle in Electronics &amp; IT industry.</li> </ul>

Fees	Marking fees as per Production quantity data+ PBG+ inspector tickets etc.	N/A	Cost of compliance in Scheme I is significantly higher from Scheme-II
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### Key concerns of the industry:

1. **No improvement in product safety:** We would like to understand from BIS about the gaps/shortcomings that they see in the existing Scheme-II that led BIS to come up with a proposal of moving all the products covered under CRO 2012/ 2021 tested under scheme 2 of BIS to Scheme I of BIS.

Since 2012, CRO has come a long way initiated with 15 product categories, it now covers 64 product categories. If the Scheme II had no benefit or had inherent flaws, MeitY/BIS would not have brought so many product categories over the years. Industry believes that changing a stable Scheme -II to Scheme-I with no ostensible benefit or enhancing safety for the end consumer, will only bring the electronics industry to its knees.

Further, it is important to understand that the additional feature of factory inspection in Scheme-I is merely an additional administrative process. Nothing really changes in the product since the testing of a product relies on the same safety standards as before in CRO. The factory inspection process will not drive any change in the product design or in the manufacturing process and therefore will not bring any additional safety in the product as it was earlier designed/manufactured & sold uniformly across all consumers. The Indian consumers will continue to use the same product that complies to the Indian standards notified under CRO 2012/ 2021.

Moreover, under the Scheme II, a model under each product series is tested at a BIS accredited lab for the safety standard prescribed by MeitY, which ensures more safety for the Indian Consumers.

2. **Delay in launching new models:** Scheme-I is no doubt more complex, overly burdensome, time and resource intensive regulatory regime as compared to Scheme-II. The complexity of Scheme I will result in high lead time in registration which would have a direct impact on the Indian consumers depriving them from availing the latest technology. Ironically, "Make in India" products could be launched abroad earlier than in the Indian market. Taking a retrograde step would mean that Indian consumers who have benefited availing new products in sync with global markets over the last couple of years would now be deprived of those benefits and will have to wait till the registration under Scheme-I is received after following a long approval & inspection process as known to everyone.
3. **Long lead time:** From the present testing and certification under Scheme-II, where the process is completed within 8 weeks at the maximum, the Scheme-I entails more than 4 times at the minimum and going up to 8 times for certain category of brands/factories/locations. Consumer electronic devices like Phones, etc. are fast-moving products with **short product life cycle** and a substantial part of its lifecycle will be spent in simply getting certification under the proposed scheme-I of BIS.
4. **Severely impacts Ease of Doing Business:** The proposed changeover to Scheme-I new regulations will derail the ambitious target of achieving 300 B USD from electronics manufacturing and exports by 2026. The new requirements run counter to the wishes of the Hon'ble Prime Minister Shri Narendra Modi ji who has time and again called for reducing the compliance burden.

DeitY/MeitY had initiated the process for creating a suitable framework in the country for ensuring compliance of Electronics & IT goods to the safety standards. The electronics industry has adapted to the Scheme-II over the years, aligned its internal policies to make it streamlined to ensure they are compliant to the objectives set out by DeitY/MeitY. Importantly, the Indian consumer has also benefitted from compliance to the safety standards under Scheme-II. **It is pertinent to note that Scheme-I has been primarily for industrial end products like steel, cement, toys, shoes, etc. which have very different requirements from that of the electronic consumer products covered under the CRO Scheme-II.**

Consumer electronic products are quite dynamic and OEMs keep launching new products as per the latest global standards, meeting ever-changing customer needs & to be remain relevant & sustainable in the fast-changing technology across the world. The success of Indian electronic players is owed to their timely launches, innovative offerings and technological progress.

Lastly, we would like to iterate that investors want an open, consistent, predictable and a light touch regulatory regime especially in the Electronics & IT industry. The Scheme-I is a complex, time and resource intensive regulatory regime and it will not help India in its aspiration to become a global electronics manufacturing hub. Instead, it may force brands to limit the number of offerings in India due to small volumes, high lead time and high compliance cost. Therefore, **MAIT on behalf of the electronics industry would earnestly request that the existing Scheme-II should continue for the benefit of the end consumer and to aid further growth and momentum of the consumer electronics industry. The information technology and electronics industry should be allowed to further bloom and bring more benefit to the country's economy by bringing the latest and best technology products in a timely manner without getting stifled by unnecessary and onerous compliance burden when existing processes are working smoothly.**

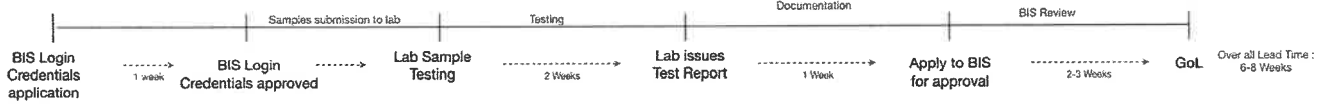
Warm regards,



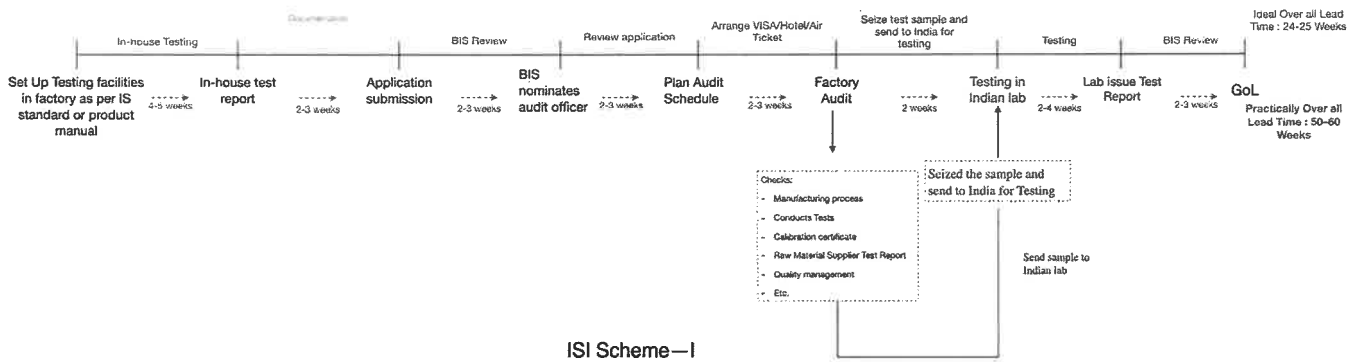
Col Suhail Zaidi (Retd)  
Director General

CC: Shri S. Krishnan, IAS Secretary, MeitY,  
CC: Smt. Asha Nangia, Scientist G and Group Coordinator, MeitY  
CC: Shri Saurabh Ranjan, Scientist D, MeitY

**\*Annexure 1: Schematic showing key milestones in Scheme-I and Scheme-II**



**Scheme -II (CRS)**



**ISI Scheme-I**