



The Government of India introduces a transition facilitation mechanism for certain Quality Control Orders

I. EXECUTIVE SUMMARY

On June 25, 2026, the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (DPIIT), notified the Transition Facilitation (Quality Control) Order, 2026 (**Transition Order**), which came into force on the same date.¹

The Transition Order applies only to goods or articles covered by the Quality Control Orders (**QCOs**) specified in their Schedule (**Scheduled QCOs**), which are as follows:

- Toys (Quality Control) Order, 2020
- Personal Protective Equipment - Footwear (Quality Control) Order, 2020
- Air Conditioner and its related Parts, Hermetic Compressor and Temperature Sensing Controls (Quality Control) Order, 2019
- Footwear made from All Rubber and all Polymeric Material and its components (Quality Control) Order, 2024
- Footwear made from Leather and other Materials (Quality Control) Order, 2024
- Electrical appliance for domestic water heating (Quality Control) Order, 2025
- Electrical appliance for domestic clothes washing (Quality Control) Order, 2024
- Hinges (Quality Control) Order, 2025
- Furniture (Quality Control) Order, 2025
- Safety of Household, Commercial and Similar Electrical Appliances (Quality Control) Order, 2026

The Transition Order provides an alternative route to Bureau of Indian Standards (**BIS**) certification for goods covered by the Scheduled QCOs. Manufacturers required by the Scheduled QCOs to obtain BIS licences under the BIS's Scheme I (a more stringent certification procedure) may now obtain licences under the BIS's Scheme II (a self-declaration registration scheme) if the goods are intended for supply to DPIIT-permitted companies. For the industry, the immediate opportunity is that a company permitted by the DPIIT may procure covered goods from manufacturers holding Scheme II licences, potentially shortening supply chain lead times where Scheme I certification has been a constraint. However, the

¹ Transition Facilitation (Quality Control) Order, 2026 dated June 25, 2026.

Transition Order defers critical operational details to forthcoming DPIIT guidelines, which will determine whether the mechanism is commercially viable in practice.

II. BACKGROUND: SCHEME I AND SCHEME II

QCOs issued by DPIIT mandate that specified goods must conform to the relevant Indian Standards and bear the Standard Mark under a licence from the BIS. The Scheduled QCOs require manufacturers to obtain BIS licences under Scheme I of Schedule II to the Bureau of Indian Standards (Conformity Assessment) Regulations, 2018 (**Scheme I**) - a comparatively longer and more stringent certification route.² It typically involves the submission of an application, scrutiny by BIS, a factory inspection or visit, the drawing of samples during the factory visit, and the parallel testing of factory-visit samples in BIS laboratories or BIS-recognized laboratories prior to the grant of a licence.

The Transition Order allows manufacturers to obtain a BIS licence under Scheme II of Schedule II to the Bureau of Indian Standards (Conformity Assessment) Regulations, 2018 (**Scheme II**). Unlike Scheme I, Scheme II operates as a registration-based mechanism.³

Under Scheme II, the manufacturer must obtain a test report for the relevant product from a BIS-recognised laboratory and submit an application supported by that report. The BIS then reviews the application and, if satisfied, grants the licence. Unlike Scheme I, Scheme II does not ordinarily require a pre-grant factory inspection or testing of samples drawn during a BIS factory visit before the licence is granted.

III. KEY OPERATIVE FRAMEWORK UNDER THE TRANSITION FACILITATION ORDER

The Transition Order provides that while goods or articles covered under the Scheduled QCOs remain subject to mandatory BIS certification, manufacturers of these goods may be granted a BIS licence as per Scheme II, subject to the provisions of the Transition Order.

The Scheme II route is not open to all market participants; it is available only to a manufacturer supplying to a company incorporated under the Companies Act, 2013, which has been granted specific permission by the DPIIT under the Transition Order. The DPIIT grants this permission after a risk assessment conducted by an Implementation Committee (**Committee**) constituted under the Transition Order.

The Committee will assess companies based on factors including technical capability, demonstrated experience, quality assurance across the supply chain, control over design and manufacturing, history of conduct and compliance integrity, and commitment to establishing supply-chain capabilities in India for the relevant goods and articles. Alternatively, the Committee may consider compliance with the relevant QCO for a continuous period of three years without default, and “any other relevant factors”. It may interact with the company and rely on documents, declarations, certifications, undertakings, independent assessments, and other material considered appropriate for its assessment.

² Guidelines for Grant of Licence (GoL) as per the conformity assessment Scheme – I of Schedule – II of BIS (Conformity Assessment) Regulations, 2018 dated February 26, 2026.

Available at <https://www.bis.gov.in/wp-content/uploads/2026/02/GrantofLicence-Guidelines-25Feb2026.pdf>.

³ Guidelines for Grant of Licence (GoL) as per the conformity assessment Scheme – II of Schedule – II of BIS (Conformity Assessment) Regulations, 2018 dated August 20, 2019,

Available at https://www.crsbis.in/BIS/app_srv/tdc/gl/docs/Guidelines_Grant_of_Licence.pdf.

The Transition Order thus establishes a linked framework: (i) a DPIIT-permitted company authorised to procure the covered goods; and (ii) a manufacturer holding a Scheme II BIS licence to supply such a DPIIT-permitted company.

Notably, the DPIIT-permitted company must ensure that goods supplied under the Transition Order comply with the applicable Indian Standards. BIS, in consultation with DPIIT, is empowered to conduct market surveillance - directly or through notified agencies - to verify continued conformity.

IV. APPLICATION WINDOW AND DURATION

Applications for permission under the Transition Order will be accepted within twenty-four months of the date of commencement of the Transition Order. As the Transition Order commenced on June 25, 2026, the application window should, unless clarified otherwise by DPIIT, run until June 24, 2028.

The Transition Order will remain in force for five years from the date of commencement and will thereafter stand rescinded unless extended by the Central Government. Accordingly, unless extended, the Transition Order should remain in force until June 24, 2031.

Any permission granted before rescission will remain valid for the period specified in that permission, unless suspended, modified or withdrawn in accordance with the Transition Order. Rescission will not affect any right, obligation, liability, investigation, proceeding or action arising under the Transition Order before rescission.

V. CONSEQUENCES OF NON-COMPLIANCE

The Central Government may, after giving an opportunity of being heard, suspend, modify or withdraw any permission granted under the Transition Order in case of breach of conditions, misrepresentation of material facts, or failure of the product to conform to applicable Indian Standards. This creates ongoing compliance exposure for DPIIT-permitted companies, not merely manufacturers. A permitted company must maintain documentary evidence that products supplied under its permission continue to conform to the applicable Indian Standards.

VI. KEY AMBIGUITIES PENDING DPIIT GUIDELINES

The Transition Order expressly states that all relevant details on the application process, documentation requirements, entitlements, monitoring and compliance will be specified in DPIIT guidelines and made available on DPIIT's website. Until these guidelines are issued, the practical utility of the mechanism remains uncertain due to the following ambiguities:

- **Sequencing of permission and BIS licensing:** A Scheme II licence is available only to a manufacturer supplying to a DPIIT-permitted company. While the Transition Order suggests that DPIIT permission must precede a manufacturer's application for a Scheme II licence, an explicit observation to this effect in the DPIIT's guidelines would allow greater clarity for industries when undertaking supply-chain planning.
- **Processing of Scheme II applications:** The Transition Order does not specify how BIS will process Scheme II applications for products covered by Scheduled QCOs that have been administered through Scheme I. The form, documentary requirements, product categorisation and customer-specific endorsement mechanics remain to be clarified.
- **Status of existing Scheme I licensees:** The Transition Order does not address whether manufacturers already holding Scheme I licences for the same goods may also obtain Scheme II licences for supply to DPIIT-permitted companies. It is also unclear whether BIS will permit dual licensing or require a manufacturer to surrender its license under Scheme I in order to obtain a license under Scheme II.
- **Scope of DPIIT permission:** The Transition Order does not clarify whether permission will be product-specific, Indian Standard-specific, QCO-specific, or manufacturer-specific. The Transition Order does say that the permission may be subject to additional conditions – this may mean that the DPIIT issues permissions which may be quantity-specific, time-bound or subject to end-use restrictions.
- **Import and distribution structures:** The Transition Order states that Scheme II licences will be given to

manufacturers “supplying” to a DPIIT-permitted company. It is unclear whether permission must be obtained by an importer, trader, end-user, or all of the above, especially since “control over design and manufacturing” for the purposes of ensuring supply-chain quality is recognized as a specific factor for the grant of permissions.

VII. RECOMMENDED ACTIONS FOR INDUSTRY

We recommend the following actions in order to identify if the Transition Order can benefit your supply chain:

- Map covered products: Identify whether any products manufactured, imported, procured or used by the business fall within the Scheduled QCOs.
- Review supplier licensing status: Determine whether current and proposed suppliers hold valid BIS licences under the existing QCO framework, and whether Scheme II facilitation may be commercially relevant.
- Engage with manufacturers: Discuss whether suppliers are willing and able to pursue Scheme II licensing under the facilitative route once DPIIT and BIS procedures are clarified.
- Update procurement contracts: Build provisions addressing BIS licensing, Indian Standard conformity, testing, traceability, market surveillance cooperation, recall or replacement obligations, indemnities, and consequences of suspension, modification or withdrawal of permission.
- Monitor DPIIT guidelines: Track the forthcoming guidelines on application process, documentation, entitlements, monitoring and compliance before treating the framework as operationally settled.

VIII. CONCLUSION

The Transition Order is a significant intervention within India’s QCO framework. While it does not dilute the substantive requirement for mandatory BIS certification introduced by the Scheduled QCOs, it offers a potentially faster and more flexible route to BIS licensing for certain products supplied to a DPIIT-permitted company.

The Transition Order is particularly relevant for sectors where Scheme I certification timelines have disrupted supply-chain continuity, product launches, localisation plans, or the availability of specialised components and finished products. The inclusion of toys, footwear, air conditioners and related parts, domestic electrical appliances, hinges, furniture, and household/commercial electrical appliances indicates that DPIIT intends the mechanism to operate across a broad set of consumer and industrial product categories.

That said, the commercial utility of the Transition Order will depend substantially on the forthcoming DPIIT guidelines. The present text leaves open important questions about the sequencing of user permission and manufacturer licensing, the treatment of existing Scheme I licensees, the nature and scope of permissions, and the mechanics of Scheme II licensing for products previously administered under Scheme I. Industry participants should therefore treat the Transition Order as an enabling framework rather than a self-executing compliance solution.

The DPIIT’s guidelines would be especially critical in ensuring that the requirement for DPIIT permission does not become a bottleneck to the Transition Order’s intended objectives. The Transition Order does not specify the time within which the DPIIT must issue or refuse permission, the weightage given by the Committee to each factor examined in its risk assessment, or the criteria a company must fulfil under each of these factors. These elements introduce a significant degree of subjectivity into the BIS’s generally objective licensing process, under which manufacturers obtain BIS licences upon compliance with the technical requirements set out in the Indian Standard and the procedural requirements laid down by the BIS. Accordingly, the forthcoming DPIIT guidelines should provide objective criteria for the grant or refusal of permissions and strict timelines for such decisions.

Until further guidelines are issued, companies should adopt a cautious implementation approach: continue procuring from Scheme I-licensed manufacturers where available; identify cases where Scheme II facilitation may be required; prepare permission applications in anticipation of DPIIT guidance; and build contractual protections against conformity, surveillance and regulatory change risks.

We trust you will find this an interesting read. For any queries or comments on this update, please feel free to contact us at insights@elp-in.com or write to our authors:

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