

CONSUMER WELFARE FUND RULES, 1992

[M.F. (D.R.) Notification No. 29/1992-C.E. (N.T.), dated 25-11-1992
as amended by Notification No. 3/94- C.E. (N.T.), dated 27.01.1994,
01/1995 - C.E. (N.T.), dated 16.01.1995, 47/1999- C.E. (N.T.), dated 06.07.1999,
23/2002-C.E. (N.T.), dated 13.06.2002]

In exercise of the powers conferred by sub-section (2) of section 37, read with section 12D of the Central Excises and Salt Act, 1944 (1 of 1944), the Central Government, hereby makes the following rules, namely :

Rule 1. Short title and commencement -- (1) These rules may be called the Consumer Welfare Fund Rules, 1992.

(2) They shall come into force on the date of their publication in the Official Gazette.

Rule 2. Definitions -In these rules, unless the context otherwise requires, -

- (a) "Act" means the Central Excise Act, 1944 (1 of 1944), or, as the case may be, the Customs Act, 1962 (52 of 1962);
- (b) "Applicant" means any agency / organisation engaged in consumer welfare activities for a period of three years registered under the Companies Act, 1956 (1 of 1956) or under any other law for the time being in force, including village/mandal/samiti level co-operatives of consumers especially Women, Scheduled Castes and Scheduled Tribes, or any industry as defined in the Industrial Disputes Act, 1947 (14 of 1947) recommended by the Bureau to be engaged for a period of five years in viable and useful research activity which has made, or is likely to make, significant contribution in formulation of standard mark of the products of mass consumption, the Central Government or the State Government, and includes a consumer for the purpose of reimbursing legal expenses as referred to in clause (d) of rule-8 of these rules;
- (c) "Application" means an application in Form AI, appended to these rules;
- (d) "Bureau" means the Bureau of Indian Standards constituted under the Bureau of Indian Standards Act, 1986 (63 of 1986);
- (e) "Central Consumer Protection Council" means the Central Consumer Protection Council established under sub-section (1) of section 4 of the Consumer Protection Act, 1986 (68 of 1986), for promotion and protection of rights of consumers;
- (f) "Committee" means the Committee constituted under rule 5;
- (g) "Consumer" has the same meaning as assigned to it in clause (d) of sub-section (1) of section 2 of the Consumer Protection Act, 1986 (68 of 1986), and includes consumer of goods on which duty has been paid;
- (h) "Consumer Welfare Fund" means the fund established by the Central Government under sub-section (1) of section 12C of the Central Excise Act, 1944 (1 of 1944);
- (i) "Duty" means the duty paid under the Act;
- (ia) "Proper Officer" means the officer having the power under the Act to make an order that the whole or any part of the duty is refundable;
- (j) "Standard mark" shall have the same meaning as assigned to it in clause (t) of section 2 of the Bureau of Indian Standards Act, 1986 (63 of 1986);
- (k) "Welfare of the Consumers" includes promotion and protection of rights of consumers;

- (l) Words and expressions used in the rules and not defined but defined in the Consumer Protection Act, 1986 (68 of 1986) shall have the meanings respectively assigned to them in that Act.

Rule 3 Establishment of Consumer Welfare Fund :- There shall be established a Consumer Welfare Fund with the Central Government into which credits of amounts of duty and income from investment along with other monies specified in sub-section (2) of section 12C of the Central Excise Act, 1944 (1 of 1944) shall be accredited.

Provided that any amount having been credited to the Fund is ordered or directed as payable to any claimant by orders of proper officer, appellate authority or court, shall be paid from the Fund.

Rule 4. Maintenance of accounts and records of Consumer Welfare Fund :- Proper and separate accounts in relation to the Consumer Welfare Fund shall be maintained by the Central Government and shall be subject to audit by the Comptroller and Auditor General of India.

Rule 5. Constitution of the Committee :- (1) The Committee constituted by the Central Government under sub-rule (2), shall make recommendations for proper utilisation of the money credited to the Consumer Welfare Fund for the welfare of the consumers, to carry out the purposes of these rules.

(2) The Committee shall consist of the following Members, namely:-

- (a) The Secretary, Department of Consumer Affairs, who shall be the Chairman of the Committee;
- (b) Secretary, Department of Expenditure in the Ministry of Finance or the Financial Adviser, Department of Consumer Affairs in the Ministry of Food, Civil Supplies and Public Distribution, who shall be the Vice-Chairman of the Committee;
- (c) Chairman, Central Board of Excise and Customs or an officer not below the rank of a Joint Secretary in the Department of Revenue of Ministry of Finance;
- (d) Member (Central Excise) of the Central Board of Excise and Customs or an officer not below the rank of a Joint Secretary in the Department of Revenue of Ministry of Finance;
- (e) Secretary/Joint Secretary/Economic Adviser (Monitoring) Department of Rural Development
- (f) Director General, Bureau of Indian Standards;
- (g) The Additional Secretary or Joint Secretary in charge of Consumer Welfare Fund, in the Department of Consumer Affairs, who shall also be the Member-Secretary of the Committee:

Provided that the Chairman or Vice-Chairman, as the case may be, may invite representatives of the State Governments concerned and a nominee of the Consumer Co-ordination Council to the meetings as and when necessary.

(3) The Committee shall be a standing Committee.

Rule 6. Procedure for conduct of business :- (1) The Committee shall meet as and when necessary, but not more than three months shall intervene between any two meetings.

(2) The Committee shall meet at such time and place as the Chairman, or in his absence the Vice-Chairman of the Committee may deem fit.

(3) The meeting of the Committee shall be presided over by the Chairman, and in the absence of the Chairman, the Vice-Chairman shall preside over the meetings of the Committee.

(4) Each meeting of the Committee shall be called, by giving notice in writing to every member of not less than ten days from the date of issue of such notice.

(5) Every notice of the meeting of the Committee shall specify the place and the day and hour of the meeting and shall contain statement of business to be transacted thereat.

(6) No proceeding of the Committee shall be valid, unless it is presided over by the Chairman or Vice-Chairman and a minimum of three other members are present.

Rule 7. Powers and functions of the Committee :- (1) The Committee shall have powers :-

- (a) to require any applicant to produce before it, or before a duly authorised Officer of the Central Government, or as the case may be, the State Government, such books, accounts, documents, instruments, or commodities in custody and control of the applicant, as may be necessary for proper evaluation of the application;
- (b) to require any applicant to allow entry and inspection of any premises, from which activities claimed to be for the welfare of Consumers, are stated to be carried on, to a duly authorised officer of the Central Government or, as the case may be, State Government;
- (c) to get the accounts of the applicants audited, for ensuring proper utilisation of the grant;
- (d) to require any applicant, in case of any default, or suppression of material information on his part, to refund in lump-sum, the sanctioned grant to the Committee, and to be subject to prosecution under the Act;
- (e) to recover any sum due from any applicant in accordance with the provisions of the Act;
- (f) to require any applicant, or class of applicants to submit a periodical report, indicating proper utilisation of the grant;
- (g) to reject an application placed before it on the basis of involvement of factual inconsistency, or inaccuracy in the material particulars;
- (h) to recommend minimum financial assistance, by way of grant to an applicant, having regard to his financial status, and importance and utility of nature of activity under pursuit, after ensuring that the financial assistance provided shall not be misutilised;
- (i) to require Central Consumer Protection Council or the Bureau, to formulate broad guidelines for considering the projects/ proposals for the purpose of incurring expenditure from the Consumer Welfare Fund;
- (j) to identify beneficial and safe sectors, where investments out of Consumer Welfare Fund may be made and make recommendations, accordingly.
- (k) to relax the conditions required for the period of engagement in consumer welfare activities of an applicant as specified in clause (b) of rule 2;
- (l) to make guidelines for the management and administration of the Consumer Welfare Fund.

(2) The Committee shall not consider an application, unless it has been inquired into, in material details and recommended for consideration accordingly, by the Member Secretary.

Rule 8. Specification of purposes for utilisation of credits available in Consumer Welfare Fund :-

The Committee shall make recommendations :-

- (a) for making available grants to any applicant;
- (b) for making available grants recommended by the Bureau for activities relating to standard marks, which may be considered essential by the Central Government, for the welfare of the consumers;
- (c) for investment of the money available in the Consumer Welfare Fund;
- (d) for making available grants, on a selective basis for reimbursing legal expenses incurred by a complainant, or class of complainants in a consumer dispute, after its final adjudication;
- (e) for making available grants for any other purpose recommended by the Central Consumer Protection Council, as may be considered appropriate by the Committee.

FORM-AI

[See Rule 2 (c) of Consumer Welfare Fund Rules, 1992]

IMPORTANT: Please fill up this form, furnishing correct details sought for, based on verifiable true state of affairs without causing suppression of any material information which, if resorted to, shall entail prosecution under the Act.

Note : All applications must be submitted along with their enclosures in duplicate duly attested by any gazetted officer of the Central or State Government.

1. Name and full postal address of the applicant :
2. Status of the applicant under clause (b) of Rule 2 :
3. Date of establishment :
4. Whether registered under the Societies Registration :
Act, 1860 (21 of 1860) or any other relevant Act
5. If yes, number and year of registration (Attested copy :
of registration certificate to be enclosed)
6. Whether the organisation is of national or State level :
7. Number of Managing Committee members together :
with list of names, addresses and occupation of the
office bearers
8. Brief details of the organisation, objectives and :
activities during the last three years
9. Purpose for which the amount is required (please state :
the details of the project and its proposed (implementation)
10. Amount of grant required - itemwise details under :
non-recurring, recurring to be enclosed
- 11 Time Schedule of the activities arranged :

12. The total amount incurred or invested by the applicant, :
or likely to be incurred by the applicant

13. Sources of funding of balance amount whether the :
organisation is getting financial assistance from any
other official or non-official source, if yes, give details

14. Details of prosecution, if any, in a court of law :
launched against the applicant, during the last five years

15. Copies of the following documents (duly attested by
a gazetted officer of the Central or State Government)
to be attached -

(i) Constitution of the organisation and Articles of Association.

(ii) Annual reports of the organisation for last three years (please furnish separate
Annual Reports for each year).

(iii) Annual Audited Statement of accounts for each of last 3 years duly signed by
Chartered Accountant. These Statements must bear the registration number and
official seal or stamp of the Chartered Accountant.

DECLARATION

(To be signed by the applicant or its authorised agent)

The particulars heretofore given, are true and correct. Nothing material has been suppressed. It is
certified that I/we have read the guidelines, terms and conditions governing the scheme and undertake to
abide by them on behalf of our organisation/institution. The financial assistance, if provided, shall be put
to the declared use, for promotion and protection of rights of consumers or for standard marks. (Strike out
whichever is inapplicable).

APPLICANT

Dated
Station

To
Member-Secretary
Committee (Consumer Welfare Fund)
Krishi Bhawan
New Delhi

Recommendation of Member-Secretary

Factual details furnished in the application have been verified in consultation with Ministry/Department of
agency who is/are administratively concerned in the matter and found to be correct/incorrect. The claims
of the applicant are recommended for consideration by the Committee (Please give reasons in support of
your recommendation).

Member-Secretary
Committee (Consumer Welfare Fund)

Recommendation of the Committee

Recommended for grant of Rs. _____ Rupees _____ (in words) from
the Consumer Welfare Fund as discussed in the meeting held on _____ (date).

Chairman
Committee