

# CONSUMER WELFARE FUND RULES 1992

**Department of Consumer Affairs  
Ministry of Consumer Affairs, Food and Public Distribution  
Government of India**

## **The Consumer Welfare Fund Rules, 1992\***

G.S.R. 895 (E) - In exercise of the powers conferred by sub-section (2) of Section 37, read Section 12D of the Central Excises and Salt Act, 1944 (1 of 1944), the Central Government hereby makes the following rules namely:-

### **1. Short title and commencement:**

- (i) These rules may be called the Consumer Welfare Fund Rules, 1992.
- (ii) These shall come into force on the date of their publication in the Official Gazette.

### **2. Definitions:**

In these rules, unless the context otherwise requires,

'Act' means the Central Excises and Salt Act, 1944 (1 of 1944), or as the case may be, the Customs Act 1962 (52 of 1962) ;

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\*Principal rules were published in the Gazette of India vide Notification No.29/92 Central Excise (N.T.) dated 25/11/1992 (G.S.R.895(E) dated 25.11.92)

\*(b) 'Applicant' means any agency/ organization 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 / 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 Bureau to be engaged for a period of five year 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 or \*\*Central Govt. or 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:

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\*Substituted by the Consumer Welfare Funds (Amendment) Rules. 1994 published in the Gazette of India vide Notification No.3/94-Central Excise (NT) dated 27.1.94 (G.S.R. No.33 (E) dated 27.1.94)

\*\*Substituted by the Consumer Welfare Fund (Amendment ( Rules, 2002 published in the Gazette of India vide Notification No.23/2002-Central Excise (NT) dated 13<sup>th</sup> June,2002 (G.S.R. No.430 (E) dated 13.6.2002)

(c) 'Application' means an application in Form A1 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 and Salt Act, 1944 (1 of 1944):

(i) 'Duty' means the duty paid under the Act;

\**(i)(a)* '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 (68 of 1986);

(k) 'Welfare of the Consumer' Includes promotion and protection of rights of consumers;

(l) Words and expression 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.

### **3. Establishment of Consumer Welfare Fund:-**

There shall be established a Consumer Welfare Fund with the Central Government into which credits of amount of duty and income from investment along with other monies specified in sub section (2) of section 12C of the Central Excises and Salt Act, 1944 (1 of 1944) shall be accredited;

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\*Inserted by the Consumer Welfare Fund (Amendment) Rules, 1994 w.e.f. 27.1.1994 published in the Gazette of India vide Notification No.3/94-Central Excise (N.T.) dated 17.1.94 G.S.R. No.33(E) dated 27 .1.94)

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.

#### **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.

#### **5. Constitution of the Committee:-**

(i) The Committee constituted by the Central Government under sub-rule shall make recommendations for proper utilization of the money credited to the consumer Welfare Fund for the Welfare of the consumers to carry out the purpose of these rules.

(ii) The Committee shall consist of the following members, namely,

a) The Secretary, Ministry of Food and Consumer Affairs (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 Consumer Affairs Food 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 the 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 the Ministry of finance

# (e) Secretary/Joint Secretary Economic Adviser, Department of Rural Development;

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\*substituted by the Consumer Welfare Fund (Amendment) Rules,2002 published in the Gazette of India vide Notification No.23/2002-Central Excise (NT) dated 13<sup>th</sup> June, 2002 (G.S.R. No.430 (E) dated 13.6.2002)

\*\* substituted by the Consumer Welfare Fund (Amendment) Rules,2002 published in the Gazette of India vide Notification No.23/2002-Central Excise (NT) dated 13<sup>th</sup> June, 2002 (G.S.R. No.430 (E) dated 13.6.2002)

\*\*\* substituted by the Consumer Welfare Fund (Amendment) Rules,2002 published in the Gazette of India vide Notification No.23/2002-Central Excise (NT) dated 13<sup>th</sup> June, 2002 (G.S.R. No.430 (E) dated 13.6.2002)

# substituted by the Consumer Welfare Fund (Amendment) Rules,2002 published in the Gazette of India vide Notification No.23/2002-Central Excise (NT) dated 13<sup>th</sup> June, 2002 (G.S.R. No.430 (E) dated 13.6.2002)

##(f) Director General/ Additional D.G. Bureau of Indian Standards;

!!(g) The Additional Secretary/ Joint Secretary in charge of Consumer Welfare Fund in the Ministry of Consumer Affairs, Food and Public Distribution 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 Government concerned and a nominee of the Consumer Co - ordination Council to the meetings as and when necessary

(iii) The Committee shall be a standing committee.

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##Inserted by Consumer Welfare Fund (Amendment)Rules, 1994 published in the Gazette of India vide Notification No. 25/94 – Central Excise (N.T.) dated 16.6.94 (G.S.R. No.515 (E) dated 16.6.94)

!! Inserted by Consumer Welfare Fund (Amendment ) Rules, 1995, published in the Gazette of India vide Notification No.01/95 – Central Excise (N.T.) dated 16.1.95 (G.S.R.29(E) dated 16.1.95).

!!!Inserted by the Consumer Welfare Fund (Amendment) Rules, 1994 w.e.f. 27.1.94.

## **6. Procedure for conduct of business\*:-**

(i) The Committee shall meet as and when necessary, but not more than three months shall intervene between any two meetings.

(ii) 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.

(iii) 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.

(iv) 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

(v) 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.

(vi) 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.

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\*Heading substituted by the Consumer Welfare Fund (Amendment) Rules, 1994, published in the Gazette of India vide Notification No.3/94-Central Excise (N.T.) dated 27.1.94 (G.S.R. No.33 (E) dated 27.1.94)

\*\*Inserted by Consumer Welfare Fund (Amendment) Rules, 1995, published in the Gazette of India vide Notification No.01/95-Central Excise (N.T.) dated 16.1.95 (G.S.R. No.29 (E) dated 16.1.95)

## **7. Powers and Functions of the Committee:-**

(1) The committee shall have power:-

(a) To require any applicant to produce before it, or a duly authorized 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 authorized officer of Central Government or, as the case may be, State Government;

(c) To get the account of the applicants audited, for ensuring proper utilization 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 provision of the Act;

(f) To require any applicant, or class of applicants to submit a periodical report indicating proper utilization 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 management and administration of 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.

### **8. Specification of Purposes for utilization of Credits available in Consumer Welfare Fund:-**

#### **The Committee shall make recommendations:-**

(a) For making available grants to any applicant;

(b) For making available grant 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;

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\* Inserted by the Consumer Welfare Fund (Amendment) Rules, 2002 published in the Gazette of India vide Notification No. 23/2002 – Central Excise (NT) dated 13<sup>th</sup> June, 2002 (G.S.R. No.430 (E) dated 13.6.2002)

\*\* Inserted by the Consumer Welfare Fund (Amendment) Rules, 2002 published in the Gazette of India vide Notification No. 23/2002 – Central Excise (NT) dated 13<sup>th</sup> June, 2002 (G.S.R. No.430 (E) dated 13.6.2002)

(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.

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\*Inserted by the Consumer Welfare Fund (Amendment) Rules, 1994 w.e.f. 27.1.94.

\*\*Substituted by the Consumer Welfare Fund (Amendment) Rules, 1994, (G.S.R. No. 33 (E) dated 27.1.94)

**FORM- A I**  
**(See rule 8 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.

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/ 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 organisations, 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 – item wise details under non – recurring recurring to be enclosed
11. Time schedule of the activities arranged
12. The total amount incurred/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/ 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 to be attached:
  - (i) Constitution of the organisation and articles of the Association
  - (ii) Last Annual Report of the organizations for last three years (Please furnish separate Annual Reports for each year)
  - (iii) Annual Audit statement of accounts for each of the last 3 years duly signed by Chartered Accountant. These Statements must bear the registration number and official seal or stamp of the Chartered Accountant.
16. Details of previous grants, if any, taken from this Department

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**DECLARATION**  
**(To be signed by the applicant or its authorized 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

**Note :- Please note that an Affidavit prescribed below is also to be enclosed with the Application in Form A-1 for financial assistance from Consumer Welfare Fund.**

*(To be typed on non-judicial stamp paper of Rs.10/- and duly attested by a Notary Public)*



**AFFIDAVIT**

I, S/o|D/o|W/o \_\_\_\_\_ resident of \_\_\_\_\_ and presently working as President/Secretary of M/s \_\_\_\_\_ do hereby solemnly declare and affirm as under:- that M/s (name and full address of the organization) have received the following grants-in-aid from Ministries/Departments/ organizations during the last three years:-

Year					Name of funding Ministry/organization	Amount of grant received	Purpose of grant	Sanction letter No. and date

**Deponent**

**Verification:**

Verified that the above information is complete and true to the best of my knowledge and belief and nothing has been concealed there from. I also accept that if the information furnished hereby is found to be incomplete or incorrect, the grant from Consumer Welfare Fund may be cancelled.

Verified this the day of \_\_\_ in the year Two Thousand and \_\_\_ .

Witnesses:

Deponent

- 1.
- 2.

**FOR CENTRAL/STATE GOVERNMENT/ DEPARTMENTS/ BODIES**

**FORM A-1**

1. Name, description and full postal address of the Applicant :
2. Purpose for which the amount is required :
3. Amount of grant required :
4. Time Schedule of the activities arranged :
5. Details of previous grants, if any :  
taken from the Consumer Welfare Fund/  
Deptt. of Consumer Affairs

Signature of Applicant

Dated : \_\_\_\_\_

Station : \_\_\_\_\_

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