
Statutory Provisions

Central Goods and Services Tax Rules, 2017

¹[97. Consumer Welfare Fund.-

(1) All amounts of duty/central tax/ integrated tax /Union territory tax/cess and income from investment along with other monies specified in [sub-section \(2\) of section 12C](#) of the [Central Excise Act, 1944 \(1 of 1944\)](#), [section 57](#) of the [Central Goods and Services Tax Act, 2017 \(12 of 2017\)](#) read with [section 20](#) of the [Integrated Goods and Services Tax Act, 2017 \(13 of 2017\)](#), [section 21](#) of the [Union Territory Goods and Services Tax Act, 2017 \(14 of 2017\)](#) and [section 12](#) of the [Goods and Services Tax \(Compensation to States\) Act, 2017 \(15 of 2017\)](#), shall be credited to the Fund:

Provided that an amount equivalent to fifty per cent. of the amount of integrated tax determined under [sub-section \(5\) of section 54](#) of the [Central Goods and Services Tax Act, 2017](#), read with [section 20](#) of the [Integrated Goods and Services Tax Act, 2017](#), shall be deposited in the Fund.

²[Provided further that an amount equivalent to fifty per cent. of the amount of cess determined under sub-section (5) of section 54 read with section 11 of the Goods and Services Tax (Compensation to States) Act, 2017 (15 of 2017), shall be deposited in the Fund.]

(2) Where any amount, having been credited to the Fund, is ordered or directed to be paid to any claimant by the proper officer, appellate authority or court, the same shall be paid from the Fund.

(3) Accounts of the Fund maintained by the Central Government shall be subject to audit by the Comptroller and Auditor General of India.

(4) The Government shall, by an order, constitute a Standing Committee (hereinafter referred to as the 'Committee') with a Chairman, a Vice-Chairman, a Member Secretary and such other members as it may deem fit and the Committee shall make recommendations for proper utilisation of the money credited to the Fund for welfare of the consumers.

(5) (a) The Committee shall meet as and when necessary, generally four times in a year;

(b) 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;

(c) the meeting of the Committee shall be presided over by the Chairman, or in his absence, by the Vice-Chairman;

(d) the meeting of the Committee shall be called, after giving at least ten days" notice in writing to every member;

(e) the notice of the meeting of the Committee shall specify the place, date and hour of the meeting and shall contain statement of business to be transacted thereat;

(f) no proceeding of the Committee shall be valid, unless it is presided over by the Chairman or Vice-Chairman and attended by a minimum of three other members.

(6) The Committee shall have powers -

- (a) to require any applicant to get registered with any authority as the Central Government may specify;
- (b) to require any applicant to produce before it, or before a duly authorised officer of the Central Government or the State Government, as the case may be, such books, accounts, documents, instruments, or commodities in custody and control of the applicant, as may be necessary for proper evaluation of the application;
- (c) 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 the State Government, as the case may be;
- (d) to get the accounts of the applicants audited, for ensuring proper utilisation of the grant;
- (e) to require any applicant, in case of any default, or suppression of material information on his part, to refund in lump-sum along with accrued interest, the sanctioned grant to the Committee, and to be subject to prosecution under the Act;
- (f) to recover any sum due from any applicant in accordance with the provisions of the Act;
- (g) to require any applicant, or class of applicants to submit a periodical report, indicating proper utilisation of the grant;
- (h) to reject an application placed before it on account of factual inconsistency, or inaccuracy in material particulars;
- (i) to recommend minimum financial assistance, by way of grant to an applicant, having regard to his financial status, and importance and utility of the nature of activity under pursuit, after ensuring that the financial assistance provided shall not be misutilised;
- (j) to identify beneficial and safe sectors, where investments out of 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;
- (l) to make guidelines for the management, and administration of the Fund.

(7) 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.

³[(7A) The Committee shall make available to the Board 50 per cent. of the amount credited to the Fund each year, for publicity or consumer awareness on Goods and Services Tax, provided the availability of funds for consumer welfare activities of the Department of Consumer Affairs is not less than twenty-five crore rupees per annum.]

"(8) The Committee shall make recommendations:-

- (a) for making available grants to any applicant;
- (b) for investment of the money available in the Fund;

(c) for making available grants (on selective basis) for reimbursing legal expenses incurred by a complainant, or class of complainants in a consumer dispute, after its final adjudication;

(d) for making available grants for any other purpose recommended by the Central Consumer Protection Council (as may be considered appropriate by the Committee);

4[****]

Explanation.- For the purposes of this rule,

(a) 'Act' means the [Central Goods and Services Tax Act, 2017 \(12 of 2017\)](#), or the [Central Excise Act, 1944 \(1 of 1944\)](#), as the case may be;

(b) 'applicant' means,

(i) the Central Government or State Government;

(ii) regulatory authorities or autonomous bodies constituted under an Act of Parliament or the Legislature of a State or Union Territory;

(iii) any agency or organization engaged in consumer welfare activities for a minimum period of three years, registered under the [Companies Act, 2013 \(18 of 2013\)](#) or under any other law for the time being in force;

(iv) village or mandal or samiti or samiti level co-operatives of consumers especially Women, Scheduled Castes and Scheduled Tribes;

(v) an educational or research institution incorporated by an Act of Parliament or the Legislature of a State or Union Territory in India or other educational institutions established by an Act of Parliament or declared to be deemed as a University under section 3 of the University Grants Commission Act, 1956 (3 of 1956) and which has consumers studies as part of its curriculum for a minimum period of three years; and

(vi) a complainant as defined under [clause \(b\) of sub-section \(1\) of section 2](#) of the [Consumer Protection Act, 1986 \(68 of 1986\)](#), who applies for reimbursement of legal expenses incurred by him in a case instituted by him in a consumer dispute redressal agency.

(c) 'application' means an application in the form as specified by the Standing Committee from time to time;

(d) '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;

(e) 'Committee' means the Committee constituted under sub-rule (4);

(f) '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 central tax has been paid;

(g) 'duty' means the duty paid under the [Central Excise Act, 1944 \(1 of 1944\)](#) or the [Customs Act, 1962 \(52 of 1962\)](#);

(h) 'Fund' means the Consumer Welfare Fund established by the Central Government under [sub-section \(1\) of section 12C](#) of the [Central Excise Act, 1944 \(1 of 1944\)](#) and [section 57](#) of the [Central Goods and Services Tax Act, 2017 \(12 of 2017\)](#);

(i) 'proper officer' means the officer having the power under the Act to make an order that the whole or any part of the central tax is refundable;]

Notes:-

1. Substituted vide [Notification No. 21/2018 - Dated 18-04-2018](#), before it was read as, "**97. Consumer Welfare Fund.-**

(1) All credits to the Consumer Welfare Fund shall be made under sub-rule (5) of rule 92.

(2) Any amount, having been credited to the Fund, ordered or directed as payable to any claimant by orders of the proper officer, appellate authority or Appellate Tribunal or court, shall be paid from the Fund.

(3) Any utilisation of amount from the Consumer Welfare Fund under sub-section (1) of section 58 shall be made by debiting the Consumer Welfare Fund account and crediting the account to which the amount is transferred for utilisation.

(4) The Government shall, by an order, constitute a Standing Committee with a Chairman, a Vice-Chairman, a Member Secretary and such other Members as it may deem fit and the Committee shall make recommendations for proper utilisation of the money credited to the Consumer Welfare Fund for welfare of the consumers.

(5) The Committee shall meet as and when necessary, but not less than once in three months.

(6) Any agency or organisation engaged in consumer welfare activities for a period of three years registered under the provisions of the Companies Act, 2013 (18 of 2013) or under any other law for the time being in force, including village or mandal or samiti level cooperatives 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 of Indian Standards 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 may make an application for a grant from the Consumer Welfare Fund:

Provided that a consumer may make application for reimbursement of legal expenses incurred by him as a complainant in a consumer dispute, after its final adjudication.

(7) All applications for grant from the Consumer Welfare Fund shall be made by the applicant Member Secretary, but 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) The Committee shall have powers -

a. to require any applicant to produce before it, or before a duly authorised Officer of the 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 account of factual inconsistency, or inaccuracy in 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 identify beneficial and safe sectors, where investments out of Consumer Welfare Fund may be made and make recommendations, accordingly;
- j. to relax the conditions required for the period of engagement in consumer welfare activities of an applicant;
- k. to make guidelines for the management, administration and audit of the Consumer Welfare Fund.

(9) The Central Consumer Protection Council and the Bureau of Indian Standards shall recommend to the Goods and Services Tax Council, the broad guidelines for considering the projects or proposals for the purpose of incurring expenditure from the Consumer Welfare Fund."

2. Inserted vide [Notification No. 26/2018 – Central Tax dated 13-06-2018](#)

3. Inserted vide [Notification No. 49/2019 – Central Tax dated 09-10-2019](#) w.e.f. **01-07-2017**

4. Omitted vide [Notification No. 49/2019 – Central Tax dated 09-10-2019](#) w.e.f. **01-07-2017** before it was read as

"(e) for making available up to 50% of the funds credited to the Fund each year, for publicity/ consumer awareness on GST, provided the availability of funds for consumer welfare activities of the Department of Consumer Affairs is not less than twenty five crore rupees per annum."