

THE KERALA RATION DEALERS' WELFARE FUND ACT, 1998 [1](#)

(Act 16 of 1998)

An

Act

to provide for the constitution of a Fund to grant relief to, and to promote the Welfare of, the ration dealers in the State of Kerala

Preamble.- WHEREAS, it is considered expedient to provide for the constitution of a Fund to grant relief to, and to promote the welfare of, the ration dealers in the State of Kerala and for matters incidental or ancillary thereto;

BE it enacted in the Forty-ninth year of the Republic of India as follows:-

1. *Short title, extent and commencement.*- (1) This act may be called the Kerala Ration Dealers' Welfare Fund Act, 1998.

(2) It extends to the whole of the State of Kerala.

(3) It shall come into force on such date as the Government may, by notification in the Gazette, appoint.

2. *Definitions.*- In this Act unless the context otherwise requires,-

(a) 'contribution' means the sum of money payable to the fund under section 6;

(b) 'family' means wife or husband, as the case may be, minor sons and unmarried daughters, dependent parents and mentally retarded sons;

(c) 'Fund' means the Kerala Ration dealers' Welfare fund established under section 3;

(d) 'Managing Committee' means the Kerala Ration Dealers' Welfare Fund Managing Committee constituted under sub-section (1) of section 9;

(e) 'member' means a member of the Fund;

(f) 'prescribed' means prescribed by rules made under this Act;

(g) 'ration dealer' means a person appointed as an authorised retail distributor under sub-clause (1) of clause 45 of the Kerala Rationing Order, 1966 and includes a person deemed to be appointed as an authorised retail distributor under the said sub-clause;

(h) 'Scheme' means, the Kerala Ration Dealers' Welfare Fund Scheme framed under this Act;

(i) 'Year' means the financial year.

3. *Ration dealers' welfare Fund Scheme.*-(1) The Government may, by notification in the Gazette, frame a Scheme to be called the "Kerala Ration Dealers'

Welfare Fund Scheme” for the establishment of a Fund under this Act for the welfare of the ration dealers in the State and there shall be established, as soon as may be after the framing of the Scheme, a Fund by name the “Kerala Ration Dealers’ Welfare Fund” in accordance with the provisions of this Act and the Scheme.

(2) There shall be credited to the Fund,-

(a) the contributions specified in section 6;

(b) the amount, if any, borrowed under section 16;

(c) grants, loans or advances from the Government of India or any State Government or any institution;

(d) any donation or remittance from whatever source;

(e) any amount raised by the Managing Committee from other sources to augment the resources of the Fund;

(f) fee, if any, levied under this Act or the Scheme; and

(g) any other amount which, under the provisions of the Scheme, shall be credited to the Fund.

(3) The fund shall vest in, and be administered by, the Managing Committee.

(4) The Fund may be utilised for all or any of the following purposes namely:-

(a) for payment of-

(i) the mount specified in the Second Scheduled;

(ii) financial assistance to a member who suffers from permanent disablement or infirmity;

(iii) compensation to a member for the loss suffered by him. In his ration business due to natural calamity or fire;

(iv) loans or advances to a member for the improvement of his ration business;

(b) to provide for medical expenses to the members and the members of their families, subject to such limits and conditions, as may be specified in the Scheme.

(c) to provide financial assistance in the form of scholarships to the children of the members, for such courses of study as may be specified in the Scheme;

(d) to institute annual awards to the children of members who are academically more excellent;

(e) for pension scheme, if any; and

(f) for any other purpose specified in the Scheme.

(5) Subject to the provisions of this Act, the Scheme framed under sub-section (1) may provide for all or any of the matters specified in sub-section (4) and in the First Schedule.

(6) The Scheme shall be laid, as soon as may be after it is framed, before the Legislative Assembly while it is in session for a total period of fourteen days which may be comprised in one session or in two successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following, the Legislative Assembly makes any modification in the Scheme, the Scheme shall, thereafter have effect only in such modified form; so, however, that any such modification shall be without prejudice to the validity of anything previously done under the Scheme.

4. *Membership in the Fund.*- (1) Every person who is a ration dealer shall register himself as a member of the Fund.

(2) A person who is a ration dealer at the commencement of this Act shall, within six months from such commencement, and a person who becomes a ration dealer after the commencement of this Act shall, within three months of his appointment under the Kerala Rationing Order, 1966, as an authorised retail distributor, apply to the Managing Committee or any officer authorised by the Managing Committee in that behalf, for admission as a member of the Fund.

(3) An application under sub-section (2) shall be in such form and shall contain such particulars and shall be filed in such manner as may be provided in the Scheme.

(4) On receipt of an application under sub-section (2), the Managing Committee or the officer authorised by it in this behalf shall, after making such enquiry, as may be deemed necessary, admit the applicant as a member of the Fund.

(5) Every application under sub-section (2) shall be accompanied by a fee, as may be fixed by the Managing Committee, from time to time, with the approval of the Government.

5. *Cessation of membership.*-A person shall cease to be a member when he ceases to be a ration dealer or fails to contribute to the Fund, continuously for a period of six months:

Provided that the Managing Committee may restore his membership to the Fund, if it is satisfied that there is sufficient reason for the default in the payment of contribution.

6. *Contribution to the Fund.*- (1) Every member shall contribute to the Fund, as provided in the Scheme, per month, such amount as may be fixed by the Managing Committee from time to time, with the approval of the Government.

(2) A ration dealer whose appointment is suspended pending enquiry under sub-clause (6) of clause 45 of the Kerala Rationing Order, 1966, shall, in the event of revocation of suspension of the appointment, make his contribution to the Fund in lump, or in such number of instalments as may be fixed by the Managing Committee, for the period spent on suspension, within three months of the revocation of suspension.

(3) The Government shall contribute to the Fund every year such amount , as they deem fit.

(4) The contributions, remittances and all other amounts due to the Fund shall be paid to the Chief Executive Officer of the Managing Committee or an office authorised by the Managing Committee in this behalf, within such time and in the manner as may be specified in the scheme.

7. *Payment from Fund on cessation of membership.*-(1) A member on cessation of his membership, shall be entitled to receive from out of the Fund, the mount specified

in column (3) of the Second Schedule, subject to any deduction authorised by the Scheme:

Provided that a ration dealer who ceases to be a member by reason of cancellation of his appointment as authorised retail distributor under the Kerala Rationing Order, 1966, shall be entitled only to an amount equal to the amount contributed by him to the Fund till the date of cessation of his membership in the Fund.

(2) In the event of death of a member, after attaining the age of seventy, the amount specified in column (3) of the Second Schedule shall be paid to his nominee or, where there is no nominee, to his legal heirs,

(3) In the event of a death of a member, before attaining the age of seventy, the amount specified in column (2) of the Second Schedule shall be paid to his nominee or, where there is no nominee, to his legal heirs

(4) An application for payment from the Fund shall be made to the Managing Committee or any officer authorised by it in that behalf, in such form and in such manner as may be specified in the Scheme.

(5) An application received under sub-section (4), shall be disposed of by the Managing Committee or the officer authorised by it in this behalf, after such enquiry, as is deemed necessary.

8. *Modification of the Scheme.*-(1) The Government may, by notification in the Gazette, add to, amend or vary the Scheme.

(2) Every notification under sub-section (1) shall be laid, as soon as may be after it is issued, before the Legislative assembly while it is in session for a total period of fourteen days which may be comprised in one session or in two successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following, the Legislative Assembly makes any modification in the

notification or decides that the notification should not be issued, the notification shall, thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that notification.

9. *Constitution of Managing Committee.*-(1) The Government shall, by notification in the Gazette, constitute, with effect from such date as may be specified therein, a Committee to be called the “Kerala Ration Dealers’ Welfare Fund Managing Committee” for the administration of the Fund and to supervise and carry out the activities financed from the Fund, consisting of the following persons as its members, namely:-

(a) The Commissioner of Civil Supplies, *ex-officio*, who shall be the chairman of the Managing Committee;

(b) The Director of Civil Supplies, *ex-officio*, who shall be the secretary and Chief Executive Officer of the Managing Committee:

Provided that the Government may appoint an officer of the Civil Supplies Department, not below the rank of Deputy Controller of Rationing as full-time Secretary and Chief Executive Officer of the Managing committee and in that event the Chief Executive Officer shall be a member and the Director of Civil Supplies a member *ex-officio* of the Managing Committee;

(c) the Controller of Rationing, *ex-officio*;

(d) the Chief Accounts Officer, Civil Supplies Department, *ex-officio*;

(e) a representative of the Finance Department, not below the rank of Joint Secretary, nominated by the Government;

(f) a representative of the Law Department, not below the rank of Joint Secretary, nominated by the Government;

(g) four representatives of the ration dealers, nominated by the Government.

(2) The Managing Committee shall be a body corporate by the name aforesaid, having perpetual succession and a common seal with power, subject to the provisions of this Act, to acquire, hold and dispose of property, both movable and immovable, and to enter into contracts and shall, by the said name, sue and be sued.

(3) The Managing Committee shall administer the Fund in such manner as may be specified in the Scheme.

(4) The Chairman and the Chief Executive Officer shall exercise such powers and perform such functions as may be specified in the Scheme.

(5) The Managing Committee may, with the previous approval of the Government, delegate to the Chairman or to any other member or to the Chief Executive Officer of the Managing Committee or to any other officer, such of its powers and functions under this Act or the Scheme, as it may consider necessary, for the effective administration of the Fund, subject to such conditions and restrictions, if any, as it may specify.

10. *Term of office of the members of the Managing Committee.*- (1) The members of the Managing Committee nominated under clause(g) of sub-section (1) of section 9 (hereinafter referred to as non-official members) shall hold office during the pleasure of the Government which shall not exceed three years at a time.

(2) A non-official member of the Managing Committee may resign his membership by giving notice in writing to the Government, but shall continue to hold office until his resignation is accepted by the Government.

11. *Disqualification and removal of non-official members of the Managing Committee.*- (1) A person shall be disqualified to be nominated as a non-official member, if he-

(a) is of unsound mind and stands so declared by a competent court; or

(b) is an undischarged insolvent; or

(c) has been convicted by a criminal court for an offence involving moral turpitude, unless such conviction has been set aside.

(2) A non-official member shall be disqualified for being a member of the Managing Committee, if he-

(a) becomes subject to any of the disqualifications specified in sub-section (1); or

(b) absent himself, without permission of the Managing Committee, for three consecutive meetings of the Managing Committee:

Provided that such absence may be condoned by the Managing Committee before the publication of the notification under sub-section (3) removing him from office;

(c) cease to be a member of, or is a defaulter to, the fund, in case he is a member of the Fund.

(3) The Government may, by notification in the Gazette, remove any non-official member from office,-

(a) if he is subject to any of the disqualifications referred to in sub-section (2); or

(b) if, in the opinion of the Government, he is incapable of acting as a member of the Managing Committee or has abused his position in such manner as to render his continuance, as such member, detrimental to public interest:

Provided that before removing a member of the Managing Committee under this sub-section, he shall be given a reasonable opportunity to show cause, why he should not be removed.

(4) A non-official member removed under clause(a) of sub-section (3) shall be disqualified for renomination so long as the disqualifications referred to in the said clause continue.

(5) A non-official member removed under clause (b) of sub-section (3) shall not be eligible for renomination until he is declared by an order of the Government to be no longer ineligible.

12. *Filling up of casual vacancies.*- A casual vacancy in the office of a non-official member may be filled up by the Government, by nomination, as soon as the vacancy arises and a person nominated to fill the vacancy shall hold office for the remaining term of office of the member, in whose place he was nominated.

13. *Acts of Managing Committee not to be invalidated by vacancy, defects etc.*- No act done or proceedings taken by the Managing Committee under this Act or the Scheme shall be invalidated merely by reason of,-

(a) any vacancy in, or defect in the constitution of, the Managing Committee; or

(b) any defect or irregularity in the nomination of a person as a member of the Managing Committee; or

(c) any defect or irregularity in such act or proceeding not affecting the merits of the case.

14. *Meetings of Managing Committee.*- The time and the place of meeting of the Managing Committee, the quorum thereof and the procedure to be followed therein, shall be such as may be specified in the Scheme

15. *Appointment of officers and staff.*- (1) The Managing Committee may, with the prior approval of the Government, appoint such number of officers and staff as they consider necessary to assist the Managing Committee in the discharge of its functions and duties under this Act.

(2) Method of appointment, salary and allowances, discipline and other conditions of service of the officers and staff appointed under sub-section (1), shall be such as may be specified by the Managing Committee, with the previous approval of the Government.

(3) Where appointment is made by direct recruitment, the Managing Committee shall, *mutatis mutandis*, observe the provisions of clauses (a), (b) and (c) of rule 14 and the provisions of rules, 15, 16, 17 and 17A of the Kerala State and Subordinate Services Rules, 1958, as amended from time to time.

(4) The powers and duties of the Chief Executive Officer and other officers and staff of the Managing Committee shall be such as may be provided in the Scheme.

16. *Power of Managing Committee to borrow.*- The Managing Committee may, from time to time, with the previous approval of the Government and subject to such terms and conditions as may be specified by the Government, borrow money for the purposes of the Scheme.

17. *Mode of recovery of money from ration dealers.*- Any amount due from a ration dealer in pursuance of the provisions of this Act or the Scheme may, if the amount is in arrears, be recovered together with interest at the rate of twelve per cent per annum, compounded annually, in the same manner as an arrear of public revenue due on land.

18. *Ration dealer not to collect any amount in excess of price etc.*- No ration dealer shall, by reason only of his liability for payment of contribution to the Fund, collect any amount, in excess of the price, or reduce or cause to be reduced the weight or measurement of rationed articles distributed through him.

Explanation.- In this section, the expression 'rationed article' shall have the same meaning as assigned to it in the Kerala Rationing Order, 1966.

19. *Members of Managing Committee, etc., to be public servants.*- Members of the Managing Committee and the officers and staff of the Managing Committee shall, while exercising their powers and discharging their duties and functions under this Act or the Scheme, be deemed to be public servants within the meaning of section 21 of the Indian Penal Code (Central Act 45 of 1860).

20. *Penalty.*- (1) Whoever,-

(a) contravenes or fails to comply with any of the provisions of this Act or the Scheme; or

(b) for the purpose of avoiding any payment to be made by himself under

this Act or the Scheme or of enabling any other person to avoid such payment, knowingly makes or causes to be made any false statement or false representation, shall, without prejudice to any other punishment that may be imposed on him under any other law for the time being in force, on conviction, be punished with imprisonment for a term which may extend to six months or with fine, which may extend to two thousand rupees, or with both.

(2) No court shall take cognisance of an offence punishable under this Act except on a report in writing of the facts constituting such offence made with the previous sanction of the Chief Executive Officer.

21. *Enhanced punishment for second or subsequent offences.*- Whoever, having been convicted by a court, of an offence punishable under this Act again commits the same offence shall be punished for every such subsequent offence with imprisonment for a term which may extend to one year, but which shall not be less than three months, and with fine, which may extend to four thousand rupees:

Provided that the court may, for adequate and special reason to be recorded in the judgment, impose a sentence of imprisonment for a term of less than three months.

22. *Amendment of the Schedule.*-The Managing Committee may, with the previous approval of the Government, alter the amount specified in the Second Schedule and in the case of such alteration, the second Schedule shall be deemed to have been amended accordingly.

23. *Protection of action taken in good faith.*- No suit or other legal proceedings shall lie against any member of the Managing Committee or any other person in respect of anything which is in good faith done or intended to be done under this Act or the Scheme.

24. *Directions by Government.*- (1) The Government may give to the Managing Committee such directions, as it deems fit, to be followed by the Managing Committee.

(2) In the exercise of its powers and performance of its duties under this act, the Managing Committee shall not depart from any direction issued under sub-section (1), except with the previous permission of the Government.

25. *Power to order inquiry.*-(1) The Government may, at any time appoint an officer, not below the rank of a Special Secretary to Government to inquire into the working of the Managing Committee and to submit a report to the Government.

(2) The Managing Committee shall give the person so appointed all facilities for the proper conduct of the inquiry and furnish to him such documents, accounts and information in the possession of the Managing Committee, as he may require.

26. *Power to supersede Managing Committee.*-(1) If, on consideration of the report under section 25 or otherwise, the Government are of opinion that the Managing Committee has persistently made default in the performance of the duties imposed on it by or under the provisions of this Act or the Scheme or has exceeded or abused its powers, the Government may, by notification in the Gazette, supersede the Managing committee for such period, not exceeding six months, as may be specified in the notification:

Provided that before issuing a notification under this sub-section, the Government shall give a reasonable opportunity to the Managing Committee, to show cause why it should not be superseded, and shall consider the explanations and objections, if any, of the Managing Committee.

(2) Upon the publication of a notification under sub-section (1),-

(a) all the members of the Managing Committee shall, from the date of such publication, vacate their offices as such members;

(b) all the powers and duties which may be exercised or

performed by the Managing Committee shall, during the period of supersession, be exercised or performed by such officer or officers, as may be specified in the notification;

(c) all funds and other properties vested in the Managing Committee shall, during the period of supersession, vest in the Government.

(3) On the expiration of the period of supersession specified in the notification issued under sub-section (1), the Government shall reconstitute the Managing Committee, in the manner provided in section 9.

27. Accounts and Audit.- (1) The Managing Committee shall maintain or cause to be maintained true and proper accounts and other relevant records and prepare or cause to be prepared annual statement of accounts including the balance sheet, in such manner as may be prescribed, under the Kerala Local Fund Audit Act, 1994 (14 of 1994).

(2) The account of the Fund as prepared by the Managing Committee shall be audited by an auditor under the Karala Local Fund Audit Act, 1994 (14 of 1994), in accordance with the provisions of that Act and the accounts as certified by such auditor together with the audit report thereof shall be forwarded annually to the Government.

(3) The Government shall, as soon as may be after the receipt of the report under sub-section (2) make arrangements to cause the same to be laid before the Legislative Assembly.

28. Power to make rules.- (1) The Government, may, by notification in the gazette, make rules, either prospectively or retrospectively, for the purpose of carrying into effect the provisions of this Act,

(2) Every rule made under this act shall be laid, as soon as may be after it

is made, before the Legislative Assembly while it is in session for a total period of fourteen days which may be comprised in one session or in two successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following, the Legislative Assembly make any modification in the rule or decides that the rule should not be made, the rules shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule

29. *Repeal.*- Kerala Ration Dealers Welfare Fund Ordinance, 1998 (10 of 1998), is hereby repealed.

THE FIRST SCHEDULE

[See sub-section (5) of section 3]

Matters for which provision may be made in the Scheme.

1. Form of application and the manner of registration of ration dealers as members of the Fund.

2. The time within which and the manner in which contribution shall be made by a member, to the Fund.

3. The maximum amount of financial assistance that may be given to a member who suffers from permanent disablement or infirmity.

4. The maximum amount of medical expenses that may be given to a member or the members of his family and the conditions subject to which it may be given.

5. The courses of study for which educational assistance in the form of scholarship may be provided.

6. The manner in which the Fund shall be administered by the Managing Committee

7. The time and the venue of the meeting of the Managing Committee, the quorum thereof and the procedure to be followed therein.

8. The powers and the duties of the Chief Executive Officer and other officers and staff of the Managing Committee.

9. The investment of money belonging to the Fund in accordance with any direction issued or conditions specified by the Government.

10. The manner of preparation and approval of annual budget.

11. The conditions subject to which withdrawals from the Fund may be permitted and any deduction or forfeiture may be made and maximum amount of such deduction or forfeiture.

12. The form in which a member shall furnish particulars about himself and his

family, whenever required.

13. The nomination of a person by a member to receive any amount from the Fund due to him on his death and cancellation or variation of such nomination.

14. Registers and records to be maintained with respect to the Fund and the members.

15. The fees to be levied for any of the purposes specified in this Schedule.

16. The purposes for which the Fund may be utilised for the welfare of the members and members of their families.

17. The procedure for defraying the expenditure incurred in the administration of the Fund.

18. Any other matter which is to be provided for in the Scheme or which may be necessary or proper for the purpose of implementing the Scheme.

THE SECOND SCHEDULE

Amount payable to a member on Death or Cessation of membership

[Sub-section (1), (2) and (3) of section 7]

(Amount in Rupees)

<i>Completed years of membership</i>	<i>Amount payable to nominee / legal heirs of a member in the event of his death before attaining the age of seventy</i>	<i>Amount payable to a member on cessation of membership or to the nominee / legal heirs of a member in the event of his death after attaining the age of seventy</i>
(1)	(2)	(3)
0 year	10,000	0
1 years	11,000	620
2 years	12,000	1,270
3 years	13,000	1,950
4 years	14,000	2,660
5 years	15,000	3,410
6 years	16,000	4,200
7 years	17,000	5,030
8 years	18,000	5,900
9 years	19,000	6,810
10 years	20,000	7,770
11 years	21,000	8,770
12 years	22,000	9,820
13 years	23,000	10,930
14 years	24,000	12,090
15 years	25,000	13,310
16 years	26,000	14,590
17 years	27,000	15,930
18 years	28,000	17,340
19 years	29,000	18,820
20 years	30,000	20,380
21 years	31,000	22,010
22 years	32,000	23,730
23 years	33,000	25,530
24 years	34,000	27,420
25 years	35,000	29,410
26 years	36,000	31,500
27 years	37,000	33,690

28 years	38,000	35,990
29 years	39,000	38,400
30 years and above	40,000	40,000

(True Translation)