

**GOVERNMENT OF INDIA
LABOUR AND EMPLOYMENT
LOK SABHA**

UNSTARRED QUESTION NO:6456
ANSWERED ON:09.05.2005
RELAXATION IN EXCISE DUTY
Gupta Shri Shyama Charan

Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

- (a) whether as per excise rules unbranded beedi manufacturers producing 20 lakh Beedi each year are in the ambit of relaxation in excise duty;
- (b) if so, the schemes and the rules in regard to provide benefits to the workers of Beedi manufacturers under the cess, provident fund, gratuity, bonus and other labour laws; and
- (c) the provision of law to check exploitation of Beedi workers by their employers?

Answer

MINISTER OF LABOUR AND EMPLOYMENT (SHRI K. CHANDRASEKHAR RAO)

- (a): For small units, there is an exemption of excise duty upto a limit of 20 lakh beedis in a financial year (other than paper rolled beedis), manufactured without aid of machines.
- (b): Cess collected under the Beedi Workers Welfare Cess Act, is utilized for the welfare of beedi workers and their families under various welfare schemes to extend Health, Housing, Educational, Social Security, Recreational and Family Welfare facilities to them. Eligible beedi workers are covered under the EPF & MP Act, 1952. Payment of Bonus Act, 1965 is applicable to every factory and every other establishment in which twenty or more persons are employed on any day during an accounting year. Any person employed on a salary/wage not exceeding Rs.3,500/- per month in any industry, is eligible for a minimum of 8.33% of the salary/wage earned by him/her during the year as bonus. These provisions are also applicable to beedi workers. Beedi making being a scheduled employment in the State sphere, State Governments are the appropriate Governments to fix and revise minimum wages and enforce payment thereof including overtime, working hours, authorized deductions etc. under the Minimum Wages Act, 1948.
- (c): Government have enacted the Beedi & Cigar Workers (Conditions of Employment) Act, 1966, to protect the beedi workers from exploitation of the employers. The Act is applicable to all the States and UTs and is to be enforced by State Governments.