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**STANDING COMMITTEE ON
LABOUR AND WELFARE
(1998-99)**

TWELFTH LOK SABHA

**THE BEEDI WORKERS WELFARE CESS
(AMENDMENT) BILL, 1998**

SIXTH REPORT



सत्यमेव जयते

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**LOK SABHA SECRETARIAT
NEW DELHI**

July, 1998/Asadha, 1920 (Saka)

SIXTH REPORT
STANDING COMMITTEE ON
LABOUR AND WELFARE
(1998-99)

(TWELFTH LOK SABHA)

MINISTRY OF LABOUR

THE BEEDI WORKERS WELFARE CESS
(AMENDMENT) BILL, 1998



सत्यमेव जयते

Presented to Lok Sabha on 21 July, 1998
Laid in Rajya Sabha on 21 July, 1998

LOK SABHA SECRETARIAT
NEW DELHI

July, 1998/Asadha, 1920 (Saka)

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14 JULY, 1998 4

COMPOSITION OF THE STANDING COMMITTEE ON
LABOUR AND WELFARE
(1998-99)

Shri Harin Pathak — *Chairman*

MEMBERS

Lok Sabha

2. Shri Surender Singh Barwala
3. Smt. Sandhya Bauri
4. Shri Manibhai Ramjibhai Chaudhuri
5. Shri Jaysinhji Manshing Chauhan
6. Shri Chinta Mohan
7. Shri S. Gangadhar
8. Shri Manikrao Hodlya Gavit
9. Shri Thawarchand Gehlot
10. Smt. Kamal Rani
11. Shri K. Pary Mohan
12. Shri Mahendrajeet Singh Malviya
13. Shri Ayanur Manjunath
14. Shri Bheru Lal Meena
15. Shri Ajoy Mukhopadhyay
16. Shri Aman Kumar Nagra
17. Shri Shankar Sakharam Nam
18. Shri Upendra Nath Nayak
19. Shri N. K. Premachandran
20. Smt. Omwati Devi
21. Shri Ashok Kumar Pradhan
22. Shri Khagapati Pradhani
23. Dr. Ram Lakhan Singh
24. Shri Ram Shakal
25. Shri A. Siddaraju
26. Shri M. Thiyagarajan
27. Shri Virendra Kumar
28. Shri Sita Ram Yadav
29. Shri Ghasi Ram Yadav

(iv)

Rajya Sabha

30. Shri Govindrao Adik
31. Shri Sanatan Bisi
32. Km. Nirmala Deshpande
33. Shri Hiphei
34. Shri Mohd. Azam Khan
35. Shri Bangaru Laxman
36. Shri S. Muthu Mani
37. Shri Abdul Gaiyur Qureshi
38. Shri Balwant Singh Ramoowalia
39. Shri Jibon Roy
40. Shri Chimanbhai Haribhai Shukla
41. Shri P. Soundararajan
42. Miss Frida Topno
43. Shri Janardan Yadav

SECRETARIAT

- | | | |
|----------------------|---|-------------------------|
| 1. Shri John Joseph | — | <i>Joint Secretary</i> |
| 2. Shri J. P. Sharma | — | <i>Deputy Secretary</i> |
| 3. Shri R. S. Misra | — | <i>Under Secretary</i> |

INTRODUCTION

1. the Chairman of the Standing Committee on Labour and Welfare (1998-99) having been authorised by the Committee to submit the report on their behalf, present this Sixth Report on "The Beedi Workers Welfare Cess (Amendment) Bill, 1998".

2. The Bill was introduced in Lok Sabha on 3 June, 1998, and was referred to the Committee by the Hon'ble Speaker, Lok Sabha on 8 June, 1998 under Rule 331E(b) of the Rules of Procedure and Conduct of Business in Lok Sabha for examination and Report.

3. The Committee wish to express their thanks to the officers of the Ministry of Labour for placing before them detailed written notes on the subject and for furnishing the information the Committee desired in connection with the examination of the Bill.

4. The Committee considered the Bill clause-by-clause at their sitting held on 14 July, 1998 and approved the Beedi Workers Welfare Cess (Amendment) Bill, 1998 without any amendment.

NEW DELHI;
17 July, 1998

26 Asadha, 1920 (Saka)

HARIN PATHAK,
Chairman,
Standing Committee on Labour and Welfare.

REPORT

The Beedi Workers Welfare Cess Act, 1976 provides for the levy and collection, by way of cess, of as duty of excise on manufactured beedis.

1.2 Sub-section (1) of section 3 of the Beedi Workers Welfare Cess Act, 1976 provides that with effect from such date as the Central Government may, by notification in the Official Gazette, appoint, there shall be levied and collected by way of cess for the purposes of the Beedi Workers Welfare Fund Act, 1976, a duty of excise on manufactured beedis at such rate which shall not be less than ten paise or more than fifty paise per thousand manufactured beedis, as the Central Government may, from time to time, fix by notification in the Official Gazette.

1.3 The amendment proposed in the Bill is to enhance the lower and upper ceiling of cess to be levied to fifty paise and five rupees per thousand beedis rolled respectively. However, the rate of cess to be notified would be kept at one rupee per thousand beedis rolled for the present. The provision for a higher ceiling has been made in order to avoid the exercise of frequently amending the Act, in case, it is considered necessary and desirable to increase the rate of cess from time to time.

The cess is being collected through Central Excise Authorities and receipt so realised is being taken under Beedi Workers Welfare Fund.

1.4 The Beedi Workers Welfare Fund was constituted under the Beedi Workers Welfare Fund Act, 1976 to provide for welfare measures for persons engaged in beedi establishments. Such measures include:—

- (i) the improvement of public health and sanitation;
- (ii) the provision and improvement of water supply;
- (iii) educational assistance;
- (iv) assistance for Housing;
- (v) recreational facilities;
- (vi) the provision and improvement of such other welfare measures as may be prescribed; and
- (vii) to grant loans/subsidy to State Governments/Local authorities or the employers in aid of any scheme approved by the Central Government.

1.5 The Committee have been informed by the Ministry that the present rate of cess @ fifty paise per thousand beedis rolled has become grossly inadequate to extend even the existing level of assistance under various schemes. At the existing rate of fifty paise per thousand beedis rolled, the receipts to the Fund are about Rs. 21 crore per annum. If this rate is enhanced to one rupee, the receipts would be of the order of Rs. 42 crore approximately at the current level of production of beedis, which would make the Fund viable.

1.6 In a written note furnished to the Committee, Ministry has stated that at present, there are various commitments for making major investments particularly in the health sector. Two 30 bedded hospitals are proposed at Sagar in Madhya Pradesh and Mukkudal in Tamil Nadu and one 50 bedded hospital, which is nearing completion at Dhuliyian in Murshidabad (West Bengal), has to be provided with additional funds. Moreover, 51 new dispensaries have recently been sanctioned for different parts of the country. All these projects involve an additional expenditure of approximately Rs. 10 crore. There is also a need to provide for the recurring expenditure for these new hospitals and dispensaries which is estimated to be of the order of Rs. 6 crore approximately annually. Additionally, the Ministry has received a large number of proposals for setting up of new dispensaries and hospitals at places of concentration of beedi workers.

1.7 Commending the role and responsibilities of employers' organisations in providing the welfare amenities to the beedi workers, the Ministry of Labour informed the Committee that the matter of proposed increase in rates of cess was placed before Central Advisory Committee, a tripartite body in its meeting held on 26 May, 1998 and the same had been agreed to.

1.8 The Committee note that the existing rate of fifty paise per thousand beedis rolled has become grossly inadequate to sustain even the existing level of assistance to the Beedi Workers under various schemes and the Ministry of Labour has, therefore, brought the Beedi Workers Welfare Cess (Amendment) Bill, 1998 before the Parliament to enhance the lower and upper ceiling of Cess to be levied to fifty paise and five rupees per thousand beedis rolled respectively. However, the rate of cess to be notified would be kept at one rupee per thousand beedis rolled for the present which would certainly make the Fund viable.

1.9 The Committee further note that the provision for a higher ceiling has been made in order to avoid the exercise of frequently amending the Act, in case, it is considered necessary and desirable to increase the rate of cess from time to time.

1.10 After considering the Bill at length, the Committee approve the proposed amendment to enhance the lower and upper ceiling of cess to be levied to fifty paise and five rupees per thousand beedis rolled respectively in the Beedi Workers Welfare Cess Act, 1976 and support the ameneing Bill in its entirety.

NEW DELHI;
17 July, 1998

26 Asadha, 1920 (Saka)

HARIN PATHAK,
Chairman,
Standing Committee on Labour and Welfare.

MINUTES OF THE SIXTH SITTING OF THE STANDING COMMITTEE ON
LABOUR AND WELFARE HELD ON TUESDAY, 14 JULY, 1998

The Committee met from 15.30 hrs. to 17.15 hrs. in Committee Room
"B", Parliament House Annexe, New Delhi.

PRESENT

Shri Harin Pathak — *Chairman*

MEMBERS

Lok Sabha

2. Shri Surender Singh Barwala
3. Shri Manibhai Ramjibhai Chaudhuri
4. Shri Jaysinhji Manshingji Chauhan
5. Shri Chinta Mohan
6. Shri Thawarchand Gehlot
7. Smt. Kamal Rani
8. Shri Aman Kumar Nagra
9. Shri N. K. Premachandran
10. Shri Ashok Kumar Pradhan
11. Dr. Ram Lakhan Singh
12. Shri Ram Shakal
13. Shri Virendra Kumar
14. Shri Sita Ram Yadav

Rajya Sabha

15. Km. Nirmala Deshpande
16. Shri Hiphei
17. Shri Mohd. Azam Khan
18. Shri Jibon Roy
19. Miss Frida Topno

SECRETARIAT

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| 1. | Shri John Joseph | — | <i>Joint Secretary</i> |
| 2. | Shri J.P. Sharma | — | <i>Deputy Secretary</i> |
| 3. | Shri R.S. Misra | — | <i>Under Secretary</i> |

REPRESENTATIVES OF THE MINISTRY OF LABOUR

- | | | | |
|----|---------------------|---|---------------------------|
| 1. | Dr. L. Mishra | — | Secretary |
| 2. | Shri A.M. Nimbalkar | — | Additional Secretary |
| 3. | Shri S.K. Das | — | Joint Secretary |
| 4. | Shri V.P. Yajurvedi | — | Welfare Commissioner (HQ) |

**REPRESENTATIVE OF THE MINISTRY OF LAW AND JUSTICE
(LEGISLATIVE DEPARTMENT)**

Shri V.K. Bhasin, Additional Legislative Counsel

2. At the outset, the Chairman welcomed the representatives of the Ministry of Labour and Ministry of Law and Justice (Legislative Department) and invited their attention to the Beedi Workers Welfare Cess (Amendment) Bill, 1998, referred to the Committee under Rule 331E(b) of the Rules of Procedure and Conduct of Business in Lok Sabha for examination and report.

3. The Secretary, Ministry of Labour explained the salient features of the Bill and the circumstances necessitating the proposed amendment in the Beedi Workers Welfare Cess Act, 1976.

4. The Chairman thanked the officials of the Ministry of Labour and Ministry of Law (Legislative Department) for the assistance rendered by them to the Committee.

5. Thereafter, the representatives of the Ministries withdrew and then Committee took up clause by clause consideration of the Bill. The Committee adopted the Bill, as introduced in Lok Sabha without any amendment.

6. The Committee then authorised the Chairman to finalise the Report and present the same to the Parliament.

The Committee then adjourned.