

# The Beedi Workers Welfare Cess Act, 1976

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### Act 56 of 1976

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Statement of Objects and Reasons.-Welfare measures to ameliorate the living conditions of the labour employed in the beedi establishments are not satisfactory. The Beedi and Cigar Workers (Conditions of Employment) Act, 1966, has a limited coverage in as much as it does prescribe some measures to improve the working conditions of the beedi and cigar workers in industrial premises only, such as cleanliness, ventilation, first aid, canteen, working hours, weekly holidays, etc. In so far as the field of labour welfare is concerned, the Act does not provide for medical, educational, recreational facilities, etc. Statutory Welfare Funds exist for mica, coal, iron-ore and lime-stone and dolomite mining industries, such Funds having been established under the Mica Labour Welfare Fund Act, 1946, the Coal Mines Labour Welfare Funds Act, 1947, the Iron Ore Mines Labour Welfare Cess Act, 1961 and the Limestone and Dolomite Mines Labour Welfare Fund Act, 1972, respectively. In order to provide welfare measures for the persons employed in the beedi establishments, it is proposed to establish a welfare fund. For this purpose it is proposed to levy, as a cess, a duty of excise on so much of the tobacco as is issued to any person from a warehouse for any purpose in connection with the manufacture of beedi. The rate of duty of excise will be at such rate not exceeding one rupee per kilogram of such tobacco as the Central Government may, from time to time, fix. The duty of excise to be levied shall be in addition to any cess or duty to be leviable on tobacco under any other law for the time being, in force.<sup>2</sup> The Bill is mainly designed to achieve the above objectives.

Amendment Act 47 of 1981-Statement of Objects and Reasons.-To ameliorate the living conditions and provide welfare measures to Beedi Workers, two Acts, namely, the Beedi Workers Welfare Cess Act, 1976 (56 of 1976) and the Beedi Workers Welfare Fund Act, 1976 (62 of 1976) were enacted. The former Act provided for levy as a duty of excise by way of cess at a rate not exceeding one rupee per kilogram of tobacco issued from warehouses to any person for manufacture of Beedis. Initially the cess was fixed at 25 paise per kilogram of tobacco issued from warehouses for manufacture of beedis. The proceeds were utilised to finance the Welfare Fund for Beedi Workers.

The Finance Act for 1979-80 exempted unmanufactured tobacco from the levy of Central Excise duty, including additional excise duties. As a result, the collection of cess for financing the Beedi Workers Welfare Fund could no longer be collected under the Beedi Workers Welfare Cess Act, 1976 with effect from 1st March, 1979.<sup>2</sup> In order to continue and expand welfare measures for persons employed in beedi establishments, it is proposed to amend the Beedi Workers Welfare Cess Act, 1976, so as to provide for a levy of cess on manufactured beedis to finance the welfare fund constituted under section 3 of the Beedi Workers Welfare Fund Act, 1976 (62 of 1976). The levy of such cess shall be at such rate which shall not be less than 10 paise or more than 50 paise per thousand manufactured beedis as the Central Government may, from time to time, fix. Amendment Act 24 of 1998-Statement of Objects and Reasons.-The Beedi Workers Welfare Cess Act, 1976 (56 of 1976) and the Beedi Workers Welfare Fund Act, 1976 (62 of 1976) have been enacted to ameliorate the living conditions and provide welfare measures to beedi workers. The former Act provides for levy as a duty of excise by way of cess on<sup>1</sup>. Substituted by Act 47 of 1981, Section 2, for "tobacco issued for the manufacture of beedi" (w.e.f. 1-1-1982).manufactured beedis at a rate of not less than ten paise or more than fifty paise per thousand. The proceeds are being utilised to finance the Welfare Fund for Beedi Workers, Initially, the cess was fixed at twenty-five paise per kilogram of tobacco issued from warehouses of manufacture of beedis. The cess for financing the Beedi Workers Welfare Fund could not be collected under the Beedi Workers Welfare Cess Act, 1976 with effect from 1st March, 1979 due to exemption granted by the Finance Act for 1979-80. Thereafter, the Beedi Workers Welfare Cess Act, 1976 was amended in 1981 to provide levy of not less than ten paise and not more than fifty paise per thousand manufactured beedis.<sup>2</sup> After amendment of the Beedi Workers Welfare Cess Act, 1976, the cess was levied at the rate of ten paise per thousand manufactured beedis, but was increased to thirty paise per thousand on 1st March, 1987 to meet the increasing cost of administering the various welfare measures under the Fund. It was subsequently increased to fifty paise per thousand manufactured beedis with effect from 17th October, 1995. In order to continue and expand welfare measures for persons employed in beedi establishments, it is proposed to amend the Beedi Workers Welfare Cess Act, 1976 so as to increase the minimum rate of cess from ten paise to fifty paise and maximum rate of cess from fifty paise to five rupees per thousand manufactured beedis, as the Central Government may, from time to time, fix.[7th April, 1976]An Act to provide for the levy and collection, by way of cess, a duty of excise on [manufactured beedis] [Brought into force on 15.2.1977. ] .Be it enacted by Parliament in the Twenty-seventh Year of the Republic of India as follows:-

## **1. Short title, extent and commencement .-(1) This Act may be called The Beedi Workers Welfare Cess Act, 1976.**

(2)It extends to the whole of India.(3)It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

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

(a)"Fund "means the Beedi Workers Welfare Fund formed under section 3 of the Beedi Workers Welfare Fund Act, 1976 (62 of 1976);(b)"prescribed "means prescribed by rules made under this Act.(c)[ words and expressions used but not defined in this Act and defined in the [Central Excise

and Salt Act, 1944 (1 of 1944)], shall have the meanings respectively assigned to them in that Act.]

**3. [ Levy and collection of cess on manufactured beedis .-(1) 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 (62 of 1976), a duty of excise on manufactured beedis at such rate which shall [not be less than fifty paise or more than five rupees] per thousand manufactured beedis, as the Central Government may, from time to time, fix by notification in the Official Gazette.**

(2)The duty of excise levied under sub-section (1) shall be in addition to any cess or duty leviable on manufactured beedis (whether spelt as such or as biris or in any other manner) under any law for the time being in force.][3-A. Application of Act 1 of 1944 to cess .-The provisions of the Central Excises and Salt Act, 1944 (1 of 1944) or the rules thereunder, including those relating to refunds and exemption from duty, as in force from time to time, shall, so far as may be, apply in relation to the levy, collection and refund of, or exemption from, cess under this Act, as they apply in relation to the levy, collection and refund of, or exemption from, duties of excise in respect of manufactured biris under that Act.]

**4. Crediting of proceeds of duty to the Consolidated Fund of India .-The proceeds of the duty of excise levied under sub-section (1) of section 3 shall be credited to be Consolidated Fund of India.**

## **5. Power to call for information**

.-The Central Government or any other authority specified by it in this behalf may require any person to furnish for the purposes of this Act, such statistical and any other information as it may think fit.

## **6. Protection of action taken in good faith**

.-No suit, prosecution or other legal proceeding shall lie against the Central Government or any officer or other employee of the Central Government for anything which is in good faith done or intended to be done under this Act or the rules made thereunder.

## **7. Power to make rules**

.- (1) The Central Government may, by notification in the Official Gazette, make [rules] for carrying out the provisions of this Act. (2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for-[\* \* \* ] [Clause (a) omitted by Act 47 of 1981, Section 6

(w.e.f. 1.1.1982). ](b)the furnishing to the Central Government or any other authority specified by it in this behalf by any person of such statistical and any other information as it may be required to be furnished under section 5;(c any other matter which has to be or may be prescribed, or provided for, by rules under this Act(3)Every rule made under this section shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule 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.