

Fifteenth Kerala Legislative Assembly

Bill No. 263

**THE KERALA COIR WORKERS' WELFARE CESS
(AMENDMENT) BILL, 2025**

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Kerala Legislature Secretariat
2025

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[Translation in English of “ 2025-ലെ കേരള കയർ തൊഴിലാളി ക്ഷേമ സെസ്സ് ഭേദഗതി ബിൽ ”published under the authority of the Governor.]

**THE KERALA COIR WORKERS’ WELFARE CESS
(AMENDMENT) BILL, 2025**

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BILL

to amend the Kerala Coir Workers’ Welfare Cess Act, 2008.

Preamble.—WHEREAS, it is expedient to amend the Kerala Coir Workers’ Welfare Cess Act, 2008 for the purposes hereinafter appearing;

BE it enacted in the Seventy-sixth year of the Republic of India, as follows:—

1. *Short title and commencement.*—(1) This Act may be called the Kerala Coir Workers’ Welfare Cess (Amendment) Act, 2025.

(2) It shall come into force at once.

2. *Amendment of section 2.*—In the Kerala Coir Workers’ Welfare Cess Act, 2008 (20 of 2008) (hereinafter referred to as the principal Act), in section 2,—

(i) the existing clause (a) shall be re-lettered as clause (aa) and before clause (aa) so re-lettered, the following clause shall be inserted, namely:—

“(a) “Appellate Authority” means the appellate authority under section 12;” ;

(ii) after clause (d), the following clause shall be inserted, namely:—

“(da) “Compounding Officer” means an officer designated by the Government under section 16 D;”.

3. *Amendment of section 16.*—In section 16 of the principal Act,—

(i) in sub-section (1), for the words and symbol “ shall be punishable with imprisonment which may extend to six months, or with fine which may extend to five thousand rupees or with both” the words “shall be punishable with a penalty of twenty five thousand rupees ” shall be substituted;

(ii) in sub-section (2), for the words “shall be punishable with imprisonment which may extend to six months or with fine which may extend to five thousand rupees or with both” the words “shall be punishable with a penalty of twenty five thousand rupees ” shall be substituted;

(iii) in sub-section (3), for the words “be punishable with imprisonment for a term which may extend to three months or with fine which may extend to two thousand five hundred rupees or with both” the words “be punishable with a penalty of twenty five thousand rupees ” shall be substituted.

(iv) sub-section (4) shall be omitted.

4. *Insertion of new sections after section 16.*—After section 16 of the principal Act, the following sections shall be inserted, namely:—

“16A. *Giving opportunity before imposing penalty.*—Notwithstanding anything contained in this Act, for imposing penalty under section 16, an officer equivalent to the rank of the Joint Director in the Industries/Coir Department may be designated by the Government by notification in the Gazette, who shall before taking steps to impose penalty, give an opportunity to the dealer to comply with the provisions of the said section by written direction laying down a time period not exceeding ninety days for such compliance and if the dealer complies with the above direction within the said period, then, no such proceedings shall be initiated against the dealer.

16B. *Punishment for default in payment of penalty.*— (1) Whoever fails to pay the penalty imposed under section 16, within a period of ninety days from the date of receipt of the copy of the order, shall be punishable with imprisonment for a term which may extend to six months and with fine of double the amount imposed as penalty.

(2) No Court inferior to that of a Judicial Magistrate of the First Class shall try any offence punishable under this Act.

(3) No Court shall take cognizance of any offence punishable under this Act, except on the basis of the previous sanction of the officer authorized to impose the penalty and on his written report.

16C. *Power of Officers to impose penalty.*— (1) For the purpose of imposing penalty under section 16 of this Act, an officer designated by the Government under section 16A, after holding an enquiry in the manner as may be prescribed, shall impose a penalty as provided under this Act.

(2) While holding enquiry under sub-section (1), the officer shall have the power to summon and enforce attendance of any person acquainted with the facts and circumstances of the case to give evidence or to produce any document, which in the opinion of the officer, may be useful or relevant to the subject matter of the enquiry and on such enquiry, if he is satisfied that the person has committed the offence, he shall impose a penalty as provided under this Act.

(3) Any person aggrieved by an order issued by the officer under sub-section (2), may prefer an appeal before the appellate authority in such form and in such manner with such fee, as may be prescribed, within thirty days from the date on which such order is communicated to him :

Provided that the Appellate Authority may entertain the appeal after the expiry of the said period of thirty days, if such authority is satisfied that the appellant was prevented by sufficient cause from filing the appeal in time.

(4) The appellate authority may, after giving the parties to the appeal an opportunity of being heard, pass such order as he thinks fit, confirming, modifying or setting aside the order appealed against within a period of sixty days from the date of receipt of the appeal.

(5) The amount of penalty received shall be credited to the Consolidated fund of the State.

16D. *Compounding of Offences.*— (1) The offences provided under section 16B may be compounded, either before or after the institution of prosecution by a Compounding Officer equivalent to the rank of Joint Director in the Industries/Coir Department, appointed by the Government by notification in the Gazette, on an application made to the Compounding Officer by the accused on payment of maximum seventy five percent of the amount of fine provided under the said provision.

(2) Every application for compounding the offences shall be made in such form and in such manner as may be prescribed.

(3) Where the compounding of the offences is made before the institution of prosecution, in such situations, no prosecution shall be instituted against the accused with respect to the said offence.

(4) Where the compounding of the offences is made after institution of the prosecution, such compounding shall be made with the permission of the court and after such compounding the accused shall be acquitted from the said offence.”.

STATEMENT OF OBJECTS AND REASONS

For the effective implementation of Ease of Doing Business, the Kerala Law Reforms Commission in its 19th Report have recommended amendments in the Kerala Coir Workers’ Welfare Cess Act, 2008 (20 of 2008), for imposing penalty instead of existing penal provisions for procedural violations, minor offences, fine etc., in the said Act, incorporating provisions for enhancement of penalty by taking into account of central labour laws and current money value, giving opportunity to dealer before imposing penalty, punishment for default in payment of penalty, designating an officer for imposing penalty and compounding of offences, provisions for compounding of offences on payment of seventy-five percent of the maximum amount of fine and provisions for recovery of arrears as per the provisions of the Kerala Revenue Recovery Act. The Government have considered the above said recommendations and decided to make suitable amendments in the said Act.

The Bill is intended to achieve the above object.

FINANCIAL MEMORANDUM

The Bill, if enacted and brought into operation, would not involve any additional expenditure from the Consolidated Fund of the State.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 4 of the Bill, proposed to be inserted in the principal Act, seeks to empower the Government,—

(i) in section 16A, to designate an officer, equivalent to the rank of Joint Director in the Industries/Coir Department, by notification in the Gazette, to impose penalty;

(ii) in section 16 C,—

(a) in sub-section (1), to prescribe the manner of holding an enquiry by the officer designated by the Government for imposing penalty ;

(b) in sub-section (3), to prescribe the form, manner and fee for filing an appeal before the appellate authority.

(iii) in section 16D,—

(a) in sub-section (1), to designate an officer equivalent to the rank of Joint Director in the Industries/Coir Department, by notification in the Gazette, as a Compounding Officer for compounding the offences provided under section 16B of this Act, either before or after the institution of prosecution;

(b) in sub-section (2), to prescribe the form and manner for compounding the offences.

The matters in respect of which rules may be made or notifications may be issued, are matters of procedure and are of routine or administrative in nature. Further, the rules, are subject to scrutiny by the Legislative Assembly. The delegation of legislative power is, thus, of a normal character.

P. RAJEEVE.

EXTRACT FROM THE KERALA COIR WORKERS' WELFARE CESS ACT, 2008 (20 OF 2008)

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2. *Definitions.*— (1) In this Act, unless the context otherwise requires.—

(a) "Assessing Officer" means an officer appointed by the Government under section 4;

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(d) "coir products" means mats and mattings, rugs and carpets, coconut husk fibre, other rubberized coir products manufactured by using coconut husk fibre, coir or pith wholly or partly and it includes, products

manufactured in traditional-looms and mechanised looms, other products and other allied products with the backing of.P.V.C., rubber or any similar backing materials;

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16. *Penalty.*— (1) Any dealer, being under an obligation to furnish a return under this Act, furnishes any return knowing, or having reason to believe, the same to be false shall be punishable with imprisonment which may extend to six months, or with fine which may extend, to five thousand rupees or with both.

(2) Whoever, being liable to pay cess under this Act, wilfully or intentionally evades or attempts to evade the payment of such cess, shall be punishable with imprisonment which may extend to six months or with fine which may extend to five thousand rupees or with both.

(3) Whoever, contravenes any of the provisions of this Act or the rules made thereunder shall, if no other penalty is elsewhere provided by this Act for such contravention, be punishable with imprisonment for a term which may extend to three months or with fine which may extend to two thousand five hundred rupees or with both,

(4) No Court shall take cognizance of an offence punishable under this section save on a complaint made by or under the authority of the Government.

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