

## CHAPTER-III: REGISTRATION OF ESTABLISHMENTS AND BENEFICIARIES

### 3.1 Registration of Establishments

#### 3.1.1 *Lack of mechanism to register establishments*

Section 7 of the BOCW Act 1996 stipulates that every employer undertaking construction work would make an application to the registering officer for registration of the establishment within 60 days from the commencement of the work. Further, as per notification of Labour Department, GoCG (January 2014), every government department before awarding the work order to contractors, shall ensure that every Employer (Government departments)/ contractors undertaking the work of construction of Government department has been registered with Labour Department or the BOCW Welfare Board as an employer and every such construction work is registered as an establishment. Similarly, every Municipal Corporation (*Nagar Nigam/Nagar Palika/ Nagar Panchayat/ Gram Panchayat*) of Chhattisgarh shall ensure that every Employer/ Contractor engaged in the work of construction, shall submit the copy of registration before the approval of Building Plans, as employer issued by the Labour Department.

As per the information provided by the BOCW Welfare Board, a total of 2830 establishments were registered in Chhattisgarh State as of September 2022, of which 426 establishments were registered in the selected five districts. During Audit, 32 Divisions of Works Departments, five Local Government Institutions and five Town and Country Planning units were test checked. It was observed that during the year 2017-18 to 2021-22, a total of 7,859 and 4,544 work orders for construction were issued to the contractors by Divisions of Works Departments and Urban Local Bodies (ULBs) respectively. Further, 14,302 and 2538 building permissions for construction of residential and commercial buildings were approved by ULBs and Town and Country Planning (T&CP) Department respectively. However, Audit noticed that out of 29,243 establishments, only 43 establishments were found registered with the BOCW Welfare Board during 2017-18 to 2021-22 and the remaining 29,200 establishments for which the work orders/building permission were issued by respective Departments/ local bodies were not found registered with the BOCW Welfare Board.

The BOCW Welfare Board receives cess proceeds in the form of cheques/ DDs or through RTGS/ NEFT from employers/cess collecting/deducting authorities while receipts on account of registration fee goes to the Labour department. Audit observed that there was no mechanism in the labour Department/ BOCW Welfare Board to track establishments that paid labour cess but did not register as establishment. Lack of synergy between the Labour department, BOCW Welfare Board and the other Departments/ Local Government Institutions collecting labour cess resulted in non-registration of establishments. As per the GoI directives (May 2018), the Labour Department was required to develop a mechanism for regular monitoring of construction activities through GIS technology/mapping however, no

such mechanism has been developed by the Department resulting in non-monitoring of construction activities carried out in the State.

Non-registration of establishments led to loss of registration fees of ₹ 29.20 lakh<sup>1</sup> calculated at the minimum rate of ₹ 100 per establishment to the Labour Department. The details are shown in **Appendix- 3.1**.

Further, due to non-registration of establishments, the construction workers engaged therein remained outside the coverage of labour welfare schemes implemented by the BOCW Welfare Board.

On this being pointed out, the Government (April 2024) stated that Assistant Labour Commissioner/ labour Officers/ Deputy/Assistant Director of Labour Department had been designated as registering officer for registration of establishment in the State. It further stated that the correspondence are being made to Labour Department and various works department regarding registration of establishments and workers. Further, proposal for approval of GIS mapping related to construction works was placed in the meeting of Board held on 07 March 2024.

Reply is not acceptable as the Department and the BOCW Welfare Board failed to register all the establishments and workers engaged in the building and other construction works in the State.

### **3.1.2 Delay in issue of registration certificate to establishment**

Rule 24 of CG BOCW Rules, 2008, stipulates that the registering officer, after receiving application, shall issue registration certificate to employer in Form II within fifteen days of receipt of application.

Audit noticed that during the period 2017-18 to 2021-22, the Labour Department registered 2325 establishments that applied for registration. Audit noticed that there was delay in issue of registration certificate to 745 establishments. The delay ranged from five to 30 days in 388 cases, 31 to 90 days in 199 cases and more than 90 days in 158 cases.

The Government provided reply (April 2024) without referring to delay in issue of registration certificates.

## **3.2 Registration of Beneficiaries**

BOCW Welfare Board issues registration certificate to construction workers aged between 18 to 60 years who are eligible to apply online for registration through Labour Department website [www.cglabour.nic.in](http://www.cglabour.nic.in) or through Common Service Centre (CSC) along with employment certificate of 90 days from employer/ designated officers. Labour Inspector, Labour sub inspector, Executive Engineers of Works department and Assistant/ Junior Engineer of Municipal Corporation were designated as registration officer. As per the order of State Government (June 2013), initially registration of construction worker was done for five years.

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<sup>1</sup> As per Rule 27 of CG BOCW Rule 2008 the minimum amount of registration fees is ₹ 100. Hence, the minimum loss of registration fees is 29,200 establishments x ₹ 100 = ₹ 29.20 lakh

### 3.2.1 Declining trend in Registration of Beneficiaries and deprival of benefits to 6.13 lakh inactive registered workers due to non-pursuance for renewal

As envisaged in clause-12 (sub-clause 1) of BOCW Act 1996, every building worker who has completed eighteen years of age, but has not completed 60 years of age, and who has been engaged in any building or other construction work for not less than 90 days during the preceding 12 months shall be eligible for registration as a beneficiary under this Act initially for the period of five years. The status of registration of construction workers is shown in Table 3.1.

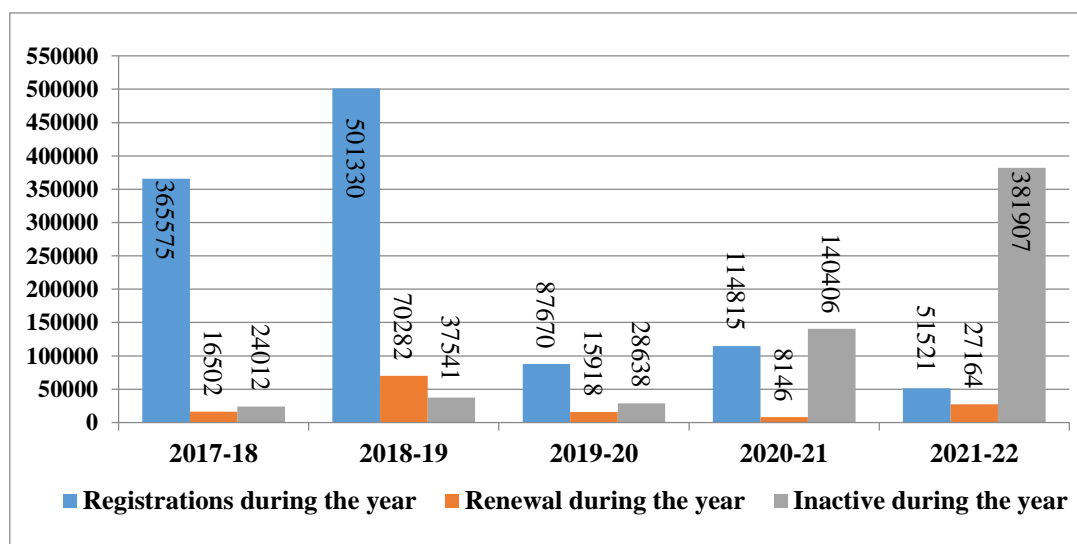
**Table No 3.1: Status of Construction Workers during 2017-18 to 2021-22**

*(in number)*

Year	Number of Registrations (as of 1 <sup>st</sup> April)	Registrations during the year	Renewal during the year	Lapsed/ inactive during the year	Number of active Registrations as of 31 March
2017-18	5,70,132	3,65,575	16,502	24,012	9,28,197
2018-19	9,28,197	5,01,330	70,282	37,541	14,62,268
2019-20	14,62,268	87,670	15,918	28,638	15,37,218
2020-21	15,37,218	1,14,815	8,146	1,40,406	15,19,773
2021-22	15,19,773	51,521	27,164	3,81,907	12,16,551
<b>Total</b>		<b>11,20,911</b>	<b>1,38,012</b>	<b>6,12,504</b>	

(Source: Information from BOCW Welfare Board)

**Chart No. 3.1: Trend of Registration, Renewal of Registration and Inactive Registrations during 2017-18 to 2021-22**



It is evident from the table above that during the period 2017-22, 11.21 lakh labourers were registered, whereas 6.13 lakh registrations had either lapsed or were inactive due to non-renewal of registration or death/attaining the age of 60 years.

Significant decline in active registrations can be seen from year 2020-21 to 2021-22. The active registered labour decreased from 15.20 lakh in 2020-21 to 12.16 lakh in 2021-22 (20 *per cent*). Number of registrations lapsed were more than the registrations renewed during 2019-20 to 2021-22. New registrations had fluctuating trend during 2017-18 to 2020-21 and were lowest during the year 2021-22 indicating lack of consistent efforts by the Department/Board for registration/renewal of registration and to bring the concerned workers under the ambit of the Welfare schemes. The performance of BOCW Welfare Board in registration and renewal of construction workers declined during the year 2021-22.

The Government (April 2024) stated that online application for renewal of registration were not submitted by the registered construction workers. To combat this situation BOCW Welfare Board has started several initiatives such as five-years registration for first time, group SMS to workers, special registration/renewal camp at Ward and *Janpad* (Block) Offices and advertisement through Newspapers. Renewal is a continuous process and renewal of 3.72 lakh registrations have been done out of 6.13 lakh pending registrations.

### **3.2.2            *Lack of transparency in grant of assistance under death claims***

On scrutiny of applications pertaining to beneficiaries registered under *Mukhyamantri Nirman Shramik Mrityu evam Divyang Sahayta Yojana* (MNSMDSY), instances were noticed where labourers were found registered after the date of death for providing the scheme benefits.

**Beneficiaries registered after death:** On scrutiny of database of approved applications for MNSMDSY of selected districts, it was noticed that the BOCW Welfare Board had approved financial assistance under the above scheme against 13 applications where workers were found registered after their date of deaths as shown in **Appendix- 3.2**. This indicates that BOCW Welfare Board and Labour Department did not exercise due diligence at the time of registration and grant of benefit under the scheme to the ineligible beneficiaries.

**Rejection of Applications:** As per clause 12(4) of BOCW Act 1996, if the officer authorised by the BOCW Welfare Board under sub-section (2) is satisfied that the applicant has complied with the provisions of this Act and the Rules made there under, he shall register the name of the building worker as a beneficiary under this Act.

The BOCW Welfare Board rejected 39 applications of beneficiaries on the basis of the physical verification done before release of assistance. Details of such cases are as shown in **Appendices 3.3 and 3.4**. Some of the cases are illustrated in the **Box 3.1**:

**Box 3.1: Cases showing applications rejected on the basis of Physical Verification**

**Case-1: Shri Ashok Kumar Rathore, Registration No.-417953347** Registration of Shri Rathore was found made on 12 March 2021 and as per the Death Certificate, the date of death was 04 August 2021.

**Case-2: Shri Dinesh Kumar, Registration No.-413484742** Registration of Shri Dinesh Kumar was found made on 07 July 2021 and as per the Death Certificate he died on 21 July 2021.

**Case-3: Shri Neel Kumar Pandey, Registration No.- 413672087**-Registration of Shri Neel Kumar Pandey was found made on 23 March 2021 and as per the Death Certificate he died on 26 April 2021.

In 15 cases, the applications were rejected by the BOCW Welfare Board on the basis of verbal enquiry from the Sarpanch/ villagers or *panchnama* in which date of death was stated before the date of registration. Since the registered workers were eligible for scheme benefit, the action of labour Inspector to reject the application on the basis of *panchnama* or verbal enquiry was not in order.

In 24 cases, it has been noticed that claims of registered beneficiaries were rejected on the basis of verbal enquiry made by the Inspector of Labour Department during field visit/ *panchnama*, stating that the deceased workers were either paralysed/ handicapped or not fit enough for doing construction work. It indicates that due diligence in processing of application at the time of registration was not done by Labour Department. The workers were registered initially for five-years period on the basis of 90 days work certificate in the preceding year without any mechanism to check the working status for the rest of the period of registration.

Irregularities in registration of workers and processing of applications/claims, deprived the scheme benefits to the nominees of deceased and indicates the deficiencies within the departmental mechanism of providing assistance/benefit to the worker.

The State Government (April 2024) stated that physical verification was done in only such cases in which documents were either incomplete or not available. It further stated that necessary provision such as live photo of the beneficiary at the time of registration has been made to curb irregularities in registration. Recovery in two cases out of 13 cases has already been done and recovery in remaining 11 cases is under process.

### **3.2.3 Mismatch in the date of birth of construction workers appearing in the beneficiary's identity/registration card with Aadhaar card**

As per clause 14(1) of BOCW Welfare Act 1996, a building worker who has been registered as a beneficiary under this Act shall cease to be as such when he attains the age of 60 years or when he is not engaged in building or other construction work for not less than ninety days in a year.

Test check of records in Bilaspur and Janjgir-Champa districts revealed that in 40 cases (**as shown in Appendix- 3.5**), the date of birth of beneficiaries as mentioned

in *Aadhaar* card were not matching with the date of birth mentioned in the beneficiary's registration/identity card issued by BOCW Welfare Board. Scrutiny further revealed that in 16 cases, the age of beneficiaries appearing in online portal was more than the age as per their *Aadhaar* card and the difference ranged from 1 month to 19 years and 6 months. It was also revealed that in rest 24 cases, the age of beneficiaries appearing in online portal was less than the age as per their *Aadhaar* cards and the difference ranged from 6 months to 6 years.

Differences in the age mentioned in online portal with age appearing in *Aadhaar* card may result in cessation of registration and rejection of application under various welfare scheme of beneficiaries due to age restriction or may result in the prolonged coverage under the scheme benefits beyond the actual age of 60 years.

The State Government (April 2024) stated earlier the requirement of *Aadhaar* card was not mandatory and date of birth based on other document was recorded in the registration card therefore there was difference in the date of birth. It further stated that necessary steps to rectify the difference in date of birth as per *Aadhaar* card and identity card are being taken.

The reply of the Government is not acceptable as the Board did not make any effort to update the Date of birth recorded in the registration data of workers despite availability of *Aadhaar* card.

### **3.3 Conclusion**

There was lack of synergy between the Labour department, BOCW Welfare Board and the other Departments/ Local Government collecting/deducting labour Cess as a result all the establishments and workers engaged in construction work were not registered with the Labour Department. Declining trend in numbers of new registration and upward trend in numbers of registration lapsed during the period 2018-19 to 2021-2022 indicates that no effort was made by the Department/Board for registration of construction workers. Further, instances of registration after the death and rejection of applications of death claim, indicates lack of transparency within the departmental mechanism of registration and providing assistance/ benefit to the worker.

### **3.4 Recommendations**

- The Labour Department and the BOCW Welfare Board needs to co-ordinate with the cess deducting/collecting authorities and to establish an effective mechanism to register every establishment and worker engaged in construction activity.
- The Labour Department should organise camps in *chawdi* and construction site in order to increase the number of registration/renewal of construction workers.
- Further, the Labour Department should devise a uniform system for scrutiny of application for claims/registration of the beneficiaries for transparency in the system.