

**Chapter-5**  
**Implementation of Welfare Measures**



## Chapter-5

### Implementation of Welfare Measures

The welfare measure of construction workers vastly depends on efficient and effective implementation of the welfare schemes. Excess payment, delay in benefit transfer, irregular procurement, benefits without ensuring eligibility and non-operation of pension and disability schemes, were the irregularities noticed in the implementation of schemes.

#### 5.1 Details of expenditure on schemes

Details of expenditure and the number of beneficiaries under sampled schemes along with the trend are provided in **Table-5.1** and **Table-5.2** respectively.

**Table-5.1: Expenditure details of selected schemes**

S. N.	Name of Scheme	2017-18	2018-19	2019-20	2020-21	2021-22	Trend
1	Marriage Assistance	10.02	13.31	28.47	10.99	4.3	
2	After death Assistance	10.33	11.12	12.57	8.48	5.44	
3	Scholarship Assistance	3.85	3.71	5.08	0.11	2.02	
4	Maternity Benefit	0.21	0.09	0.72	0.12	0.04	
5	Blanket Assistance	0	0	9.09	0	0	
6	Toolkit Assistance	0.62	0	27.34	0	0	
7	Cycle Scheme	0.8	0.48	22.83	1.65	4.56	
8	Ration Kit (Covid-19)	0	0	0	42.44	0	
9	Old Age Pension	0	0	0	0	0	
10	Disability Pension	0	0	0	0	0	
	<b>Total</b>	<b>25.83</b>	<b>28.71</b>	<b>106.10</b>	<b>63.79</b>	<b>16.36</b>	

(₹ in crore)

Source: UKBOCW Welfare fund.

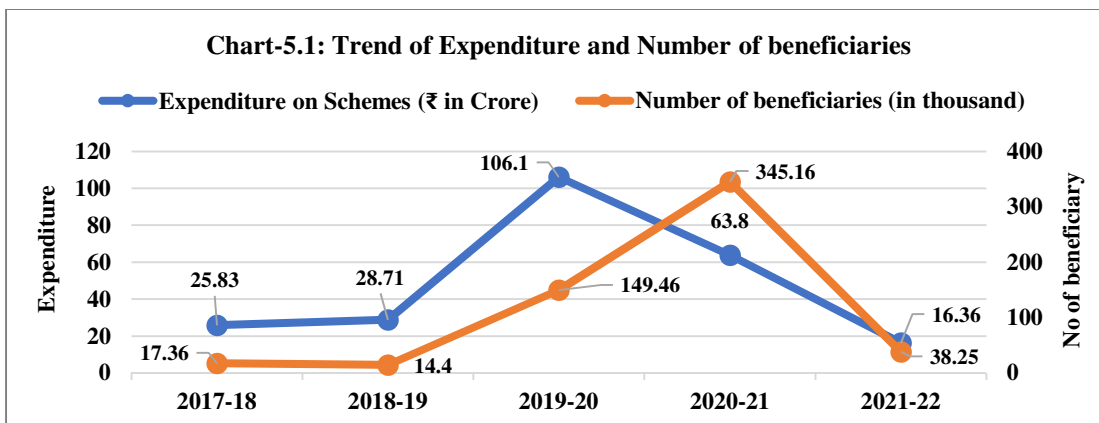
**Table-5.2: Number of beneficiaries under selected schemes**

S.N	Name of Scheme	2017-18	2018-19	2019-20	2020-21	2021-22	Trend
1	Marriage Assistance	2,714	4,256	5,896	1,492	980	
2	After death Assistance	378	463	395	349	262	
3	Scholarship Assistance	5,756	7,836	7,214	390	4,884	
4	Maternity Benefit	238	570	218	90	79	
5	Blanket Assistance	-	-	44,447	500	20,053	
6	Toolkit Assistance	6,170	-	26,001	12,999	-	
7	Cycle Scheme	2,100	1,270	65,293	4,342	11,995	
8	Ration Kit (Covid-19)	-	-	-	3,25,000	-	
9	Old Age Pension	0	0	0	0	0	
10	Disability Pension	0	0	0	0	0	
	<b>Total</b>	<b>17,356</b>	<b>14,395</b>	<b>1,49,464</b>	<b>3,45,162</b>	<b>38,253</b>	

Source: UKBOCW Welfare Board.

Note: Restrictions on procurement and distribution of articles in-kind attributed to a sudden decline in expenditure and number of beneficiaries in 2021-22.

The trend of expenditure and number of beneficiaries under selected schemes between 2017-18 and 2021-22 is shown in **Chart-5.1**.



## 5.2 Deficient implementation of welfare schemes

Overview of irregularities of 10 selected schemes in test-checked districts are as follows:

**Table-5.3: Overview of irregularities under selected schemes**

Sl. No.	Name of Scheme	Excess Payment	Violation Procurement Rules	Benefits without ensuring eligibility	Without the Approval of the Government
1	Marriage Assistance	Yes	No	Yes	No
2	After death Assistance	Yes	No	No	No
3	Scholarship Assistance	No	No	No	No
4	Maternity Benefit	Yes	No	No	No
5	Blanket Assistance	No	No	No	No
6	Toolkit Assistance	No	Yes	Yes	No
7	Cycle Scheme	No	Yes	Yes	No
8	Ration Kit (Covid-19)	No	Yes	Yes	Yes
9	Old Age Pension	No	No	No	No
10	Disability Pension	No	No	No	No

\*Old Age Pension and Disability Pension Schemes were inoperative between 2017-18 and 2021-22.

### 5.2.1 Marriage Assistance Scheme

Uttarakhand Government Labour and Employment notification (February 2015) prescribed financial assistance of ₹ 51,000 for the marriage of the daughters of such construction workers who have completed the membership period of three months after registration, or for the marriage of the woman construction worker herself.

#### 5.2.1.1 Excess payment of ₹ 7.19 crore

Section 22(1)(h)<sup>1</sup> of the BOCW Act states that the functions of the Board include making provision and improvement of such other welfare measures and facilities as may be prescribed by rules made under this Act by the Central Government or, as the case may be, the State Government.

Audit observed that the UKBOCW Welfare Board decided (December 2018) to increase the financial assistance amount from ₹ 51,000 to ₹ one lakh under the marriage assistance scheme by itself without any approval of the state government which was against the provisions. In test-checked districts, this decision of the Board led to an excess payment of ₹ 7.19 crore to 1,468 beneficiaries from December 2018 to November 2021.

<sup>1</sup> Read together with the definition of 'prescribed' given in point 'm' the BOCW Act.

In the Exit Conference (October 2023), the Secretary UKBOCW Welfare Board stated that the previous order had been amended and the increased amount has been reverted (November 2021) to the prescribed amount as per Act/Rules.

### **5.2.1.2 Benefits provided without ensuring eligibility**

Under Section 14 of the BOCW Act, a registered beneficiary 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 90 days in the preceding 12 months.

Test checks of records of 41 beneficiaries for the period 2017-22 under the Marriage Assistance Scheme in sampled districts<sup>2</sup> revealed that none of the beneficiary's applications contained information or documents related to establishments where these beneficiaries were employed or engaged in building or other construction work for not less than 90 days. In the absence of these records, genuineness of beneficiaries could not be ensured.

### **5.2.1.3 Delay in delivering benefits**

It was observed that no timeline was framed for delivering the benefits to workers in the State. Accordingly, in 90 per cent<sup>3</sup> of the 41 test checked cases for the period 2017-22, average duration for payment was 321<sup>4</sup> days from the date of application.

In Exit Conference (October 2023) the Secretary, UKBOCW Welfare Board replied that timeline for delivering benefits is being framed.

## **5.2.2 After Death Assistance**

The committee constituted in pursuant to the Hon'ble Supreme Court directives, suggested (October 2018) to States that compensation should be disbursed in a definite time frame not exceeding 60 days from the date of death of the beneficiaries.

Audit scrutinized 49 cases in both the selected districts for the period 2019-20 to 2021-22 and found that in all the examined cases, benefits were not provided within the prescribed time frame. Further, the average time from receiving the application to payment to the beneficiary was 140 days.

In Exit Conference (October 2023) the Secretary, UKBOCW Welfare Board replied that the timeline for delivering benefits is being framed. The reply is not acceptable as the timeline is already framed under the Model Welfare Scheme; the Board needs to adhere to the timeline.

## **5.2.3 Maternity Benefit (Prasuti Scheme)**

As per State Government order (October 2016) maternity benefit of ₹ 10,000 is admissible to eligible beneficiary. In contravention to the said GO, the UKBOCW Welfare Board unilaterally decided (December 2018) to raise maternity benefit assistance from ₹ 10,000 to ₹ 15,000 for male child and ₹ 25,000 for female child, which resulted in excess payment of ₹ 19.75 lakh in 225 cases from December 2018 to November 2021.

<sup>2</sup> U S Nagar and Dehradun.

<sup>3</sup> Excluding 10 percent (Four cases) of highest delay.

<sup>4</sup> Excluding four cases of highest durations.

In Exit Conference (October 2023), the Secretary, UKBOCW Welfare Board stated that the previous order had been amended and the increased amount has been reverted (November 2021) to prescribed amount as per Act/Rules.

#### **5.2.4 Cycle Scheme**

Uttarakhand GO (February 2015) stated that a cycle was to be provided to the BOCW registered workers on their application to reach the workplace on time. This facility was to be made available only once. During 2017-22, 85,000 (23 per cent) out of 3,66,352 registered workers were provided cycles. Audit noticed the following deficiencies in implementation of the scheme:

**i. Irregular procurement of ₹ 32.78 crore**

As per Rule 35 of Uttarakhand Procurement Rules, procurement of more than ₹ 2.5 lakh will be done through e-procurement through Public Procurement Portal (www.uktenders.gov.in). Audit noticed that in violation of this provision, the Board nominated M/s ITI Limited (August 2019) and M/s TCIL (October 2018) for procurement of 83,560 cycles worth ₹ 32.78 crore during 2018-22. Further, M/s ITI and M/s TCIL Ltd. were empanelled for doing information technology related work and not for non-IT related supplies. In addition, M/s TCIL Limited and M/s ITI Limited claimed ₹ 1.67 crore as centage/service charge for procurement of cycles which was avoidable. In this context, Board replied (November 2023) that future procurements will be carried out as per Uttarakhand Procurement Rules.

**ii. No whereabouts of 31,645 cycles worth of ₹ 10.82 crore**

As per information provided by the Board, 37,665 cycles were supplied to district Dehradun, whereas only 6,020 cycles were received and distributed by DLC Dehradun during 2017-22.

On this being pointed out Board replied (November 2023) that scrutiny by department is under process.

**iii. Excess distribution of cycle to workers**

Audit reviewed list of beneficiaries under cycle scheme in district U S Nagar during 2017-22 and found that 216 beneficiaries were distributed cycle two times, 28 beneficiaries were distributed cycle three times, and six beneficiaries were distributed cycle four times. Thus, total 290 cycles worth of ₹ 9.91 lakh<sup>5</sup> were disbursed extra to workers.

ALC, U S Nagar replied (December 2022) that articles were distributed in pursuance of instructions of the Board. The reply is not acceptable as the cycle was to be provided only once as per GO.

**iv. Receipt not taken from beneficiaries**

It was noticed that the receipt of distributed cycle was not taken from any of the 20 test checked beneficiaries in sampled districts Dehradun and U S Nagar during 2017-22. In absence of receipt, distribution of cycle could not be ascertained.

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<sup>5</sup> Minimum amount @ ₹ 3,418.57 per cycle.

Board replied (November 2023) that articles were distributed through camps (2017 to 2022) therefore records could not be maintained.

**v. Distribution without receiving application**

It was found that applications were not received from beneficiaries for the distribution of cycles in district Dehradun during 2017-22.

Board replied (November 2023) that articles were distributed through camps (2017 to 2022) therefore records could not be maintained.

**5.2.5 Toolkit Scheme**

Uttarakhand Labour and Employment Department issued a notification (September 2013) that toolkits were to be made available to the registered construction workers on their application. Audit noticed following deficiencies in implementation of scheme:

**i. Irregular procurement**

In violation of the Uttarakhand Procurement Rules, the Board nominated M/s TCIL (October 2018) for procurement of toolkits worth ₹ 33.23 crore during 2018-21. Further, M/s TCIL was empanelled for doing information technology related work and not for non-IT related supplies. In addition, M/s TCIL Limited claimed ₹ 0.97 crore as centage/service charge for procurement of toolkits during 2018-22, which was avoidable.

In this context, Board replied (November 2023) that future procurements will be carried out as per Uttarakhand Procurement Rules.

**ii. No whereabouts of 22,255 toolkits**

As per information provided by the Board, 22,426 toolkits were supplied in district Dehradun, whereas only 171 toolkits were received and distributed by DLC Dehradun during 2018-22.

Board replied (November 2023) that scrutiny by department is under process.

**iii. Receipt not taken from beneficiaries**

In test checked cases during 2018-22, it was noticed that the receipt of distributed toolkits was not taken from 20 beneficiaries in district Dehradun. In absence of receipt, distribution of toolkits could not be ascertained.

**iv. Distribution without receiving application**

It was found that applications were not received from 20 test checked beneficiaries for the distribution of toolkits in district Dehradun during 2017-22.

In this context, the Board replied (November 2023) that articles were distributed through camps therefore records could not be maintained.

**5.2.6 Ration Kit Scheme**

According to the Board office order (May 2020), door-to-door ration kits were to be distributed to registered construction workers to provide relief due to difficulties in lockdown. Audit noticed following deficiencies in implementation of scheme:

***i. Ration kits distributed to common public***

Section 11 of the BOCW Act provides that every building worker registered as a beneficiary under this Act shall be entitled to the benefits provided by the Board from its fund under the Act.

It was observed that during 2020-21, 75,000 ration kits worth of ₹ 9.36 crore were procured and distributed to public who were not registered as worker with the Board. Board was also not able to provide the list of these beneficiaries along with the assurance of them being a construction worker. Thus, fund meant for welfare measure of registered workers was used for common public.

The Board replied (November 2023) that in future fund will be expended only for registered workers.

***ii. Creation of scheme without approval of the Government***

Scrutiny of records revealed that the Board made provision for a ration kit scheme in the year 2020-21 without approval from the Government. Any provision and improvement of welfare measures cannot be made by the Board until it has been approved by the Government and laid before the State Legislature<sup>6</sup>. At same time, the Central Government also provided ration to 80 crore population during and after lockdown under Pradhan Mantri Garib Kalyan Package.

The Board replied (November 2023) that scheme was created to provide benefits to workers during pandemic.

***iii. Irregular procurement of ₹ 53.58 crore***

In violation of the Uttarakhand Procurement rule, the Board nominated M/s ITI Ltd. (May 2020) for procurement of ration kits worth ₹ 53.58 crore during 2020-21. M/s ITI Ltd. was empanelled for doing information technology related work and not for non-IT related supplies. Further, M/s ITI Ltd. claimed ₹ 3.51 crore for the said work as centage charge which was avoidable.

The Board replied (November 2023) that procurement was carried out in pandemic and procured through available resources in view of emergency.

***iv. Ration Kit provided to public representatives***

During the test check of the hard copy of the list, it was noticed that the bulk of ration kits were received by Gram Pradhan and political representatives in Dehradun while ration kits were to be delivered door to door by the M/s ITI Ltd. as per agreement with this firm for procurement and distribution of ration kit.

The Board replied (November 2023) that it had to provide benefits in remote areas, therefore, kits were distributed with the help of Labour Enforcement Officers and public representatives.

***v. Unavailability of receipt from beneficiaries***

In test checked cases, it was noticed that the receipt of distributed ration kits during 2020-21 was not taken from any of 20 test checked beneficiaries in districts Dehradun

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<sup>6</sup> As per Section 62 and 22(1)(h) of the BOCW Act.



and U S Nagar. Lists of beneficiaries that were provided to audit in hard copy contained only name, registration number and address. These details did not confirm the receipt of articles by these beneficiaries.

The Board replied (November 2023) that receipts is being sought from M/s ITI Ltd.

### 5.2.7 Old Age Pension & Disability Pension

As per guidelines, the pension should be admissible to only those registered workers who have remained registered for a minimum of 10 years. The amount to be awarded to beneficiaries above 60 years was ₹ 1,000 per month and after 65 years ₹ 1,500 per month. Further, rule 275 of UKBOCW Rules states that the Board may sanction an amount of ₹ 1,000 per month as disability pension to a beneficiary who is permanently disabled due to paralysis, leprosy, TB, accident etc.

Test check of records revealed that no registered worker had applied for the old age pension scheme and disability pension scheme due to accident at worksites during 2017-22. Moreover, the mechanism related to timely notification of any accident of a construction worker was not in operation. This has resulted in no registered worker being covered by any of the pension schemes in the State.

The Board replied that no beneficiary was found eligible for the old age pension scheme. However, their response was unsatisfactory, as Board neither conducted awareness programs among registered workers nor developed any mechanism to select qualified workers for the pension scheme.

## 5.3 Other issues in the implementation of schemes

### 5.3.1 Household items provided against the order of GoI

The Ministry of Labour and Employment had directed<sup>7</sup> the State Welfare Boards (SWBs) not to distribute articles and household items but instead, provide welfare measures like life insurance, health insurance, disability cover, maternity benefits and old-age pensions to the BOC workers.

In 10 test checked schemes, it was noticed that 44,460 (08 per cent) workers were provided welfare measures such as marriage assistance, after-death assistance, scholarship assistance and maternity benefit while 5,20,170 (92 per cent) workers were provided household items under four schemes. The scheme-wise details of the welfare measures and household items provided to the workers/beneficiaries are given in **Table-5.4**.

**Table-5.4: Details of the welfare measure and household items**

Sl. No.	Welfare measures			Household items		
	Name of Scheme	No. of workers	Exp. (₹ in lakh)	Name of Scheme	No. of workers	Exp. (₹ in lakh)
1.	Marriage Assistance	15,338	6,710.31	Blanket Assistance	65,000	909.19
2.	After death Assistance	1,847	4,795.37	Toolkit Assistance	45,170	2,795.58
3.	Scholarship Assistance	26,080	1,476.86	Cycle Scheme	85,000	3,032.59
4.	Maternity Benefit	1,195	118.28	Ration Kit	3,25,000	4,243.97
5.	Disability Pension	NA	NA			
6.	Pension (60+Years)	NA	NA			
	<b>Total</b>	<b>44,460</b>	<b>13,100.82</b>		<b>5,20,170</b>	<b>10,981.33</b>

Source: UKBOCW Welfare Board.

<sup>7</sup> According to PIB 1707562 dated 25 March 2021.

As evident from the table above, no beneficiaries received benefits under the old pension and disability pension schemes, which are social security measures designed to protect workers from unforeseen risks, losses, and financial uncertainties a primary objective of the BOCW Act. Further, UKBOCW Welfare Board did not explore convergence of above stated schemes with other State Government Departments.

The Board replied (November 2023) that procurement and distribution of articles in kind at present had been stopped by the Board.

### **5.3.1.1 Distribution of articles even after restriction**

According to an order dated 25 March 2021, issued by the Ministry of Labour and Employment, Government of India, the distribution of articles in kind to building and other construction workers has been prohibited under authority vested in it by Section 60 of BOCW Act.

**Table-5.5: Details of article distributed and expenditure incurred (2021-22)**

Scheme	Workers benefitted	Expenditure <sup>8</sup> (in ₹ crore)
Blanket	20,053	NA
Cycle	11,995	4.56
<b>Total</b>	<b>32,048</b>	<b>4.56</b>

*Source: UKBOCW Welfare Board.*

However, in test checked schemes, it was found that 32,048 articles were distributed in the year 2021-22 in violation of the aforesaid order as depicted in **Table-5.5**.

The Board replied (November 2023) that procurement and distribution of articles in-kind at present had been stopped by the Board.

### **5.3.2 Scheme benefits of ₹ 240.82 crore provided without using DBT framework**

An advisory was issued by the Ministry of Labour, Government of India (March 2020) to the States to provide financial assistance through DBT to Building and Other Construction Workers. Further, Government of India instructed that DBT not only encompasses direct transfer of cash benefits, but also in kind benefit transfers. However, audit observed that the process adopted by the Board for delivering benefits in different schemes was not compliant with the SOP of DBT payment formulated by Central Government. Disadvantage of non-adoption of DBT framework is depicted in **Table-5.6**.

**Table-5.6: Disadvantage of non-adoption of DBT framework**

Sl. No.	Advantages of DBT	Disadvantages of process adopted by the Board
1.	Assurance of delivering benefits to targeted beneficiary due to validation process in the DBT framework	Competent authority has to confirm from the Bank for every benefit delivered to the beneficiary
2.	Quick delivery of benefits	Delay in payment because of sending beneficiaries' list to bank for payment
3.	Minimum levels involved in benefit transfer	Multiple levels involved in benefit transfer
4.	Curb duplicity	Duplicity cannot be traced due to manual process
5.	Articles in-kind may be delivered through biometric authentication using Aadhar enabled POS devices	No such process exists

Thus, the process adopted by the Board was not consistent with the spirit of the DBT framework. As a result, the UKBOCW Welfare Board provided benefits of

<sup>8</sup> Year wise Expenditure on Blanket scheme was not provided by the Board.

₹ 240.82 crore between 2017-18 and 2021-22 and was still providing benefits through cheque instead of using DBT.

The Board replied (November 2023) that DBT framework is being developed in collaboration with the HDFC bank.

### **5.3.3 Benefits against the Hon'ble Supreme Court Order**

As per para 29 of Hon'ble Supreme Court Judgement Dated 19 March 2018 “Unless a construction worker is registered under the provisions of the BOCW Act and is employed by a registered establishment, that construction worker will not be entitled to any benefits that may accrue under the provisions of the BOCW Act or any other law that can benefit a construction worker”.

During the analysis of registered establishments, it was noticed that only 101 establishments were registered between 2018-19 and 2021-22 and 4,073 workers were deployed in these registered establishments. Moreover, UKBOCW Welfare Board did not provide information about registration status of aforesaid 4,073 workers. Further, 5,47,274<sup>9</sup> beneficiaries were provided benefits of ₹ 215 crore under 10 selected schemes between 2018-19 and 2021-22. These 5,47,274 beneficiaries<sup>10</sup> were not eligible to get benefits as they were not employed by registered establishments.

The Board replied (November 2023) that in future, benefits will be provided in accordance with the Hon'ble Supreme Court.

### **5.4 Conclusion**

Implementation of schemes was deficient which included irregularities such as excess payment without requisite approval, delay in delivery of benefits, benefits provided without ensuring eligibility, irregular procurement and distribution of articles, benefits against directions of GoI and non-operation of old age pension and disability pension scheme. Scheme benefits of ₹ 240.82 crore were provided without using DBT framework.

### **5.5 Recommendations**

**For efficient implementation of welfare measures following recommendation may considered:**

- 1. The Board should deliver benefits as per the extant orders with requisite approvals and through DBT;***
- 2. The government should ensure proper coverage of registered workers under social security schemes of health and life insurance. Convergence with the schemes of other departments can also be explored;***
- 3. The Board should focus on spreading awareness about welfare schemes among construction workers through Information, Education and Communication (IEC) activities.***

<sup>9</sup> Some beneficiaries were benefitted under multiple schemes.

<sup>10</sup> These beneficiaries were being registered on behalf of self-declaration and detail of working in a registered establishment was not mentioned in any of the application.

