

Chapter 2

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- As per Section 7 of the ‘Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 every employer engaged in construction activities is to apply for registration of his establishment, which employs ten or more workers in construction activities. Further, as per Section 10 of the Act, an establishment which is not registered shall not employ building workers in the establishment.
- Identification and registration of such establishments engaged in construction activity is the first step in ensuring that the Building and Other Construction Workers (BOCW) engaged in these establishments get registered and can avail the benefits of various welfare schemes of the Board related to providing them safety, health and welfare measures.
- The Government of NCT of Delhi did not have any reliable data relating to the number of BOCW in Delhi.
- Audit observed that in selected South and North West Districts, where 97 private establishments which deposited cess between April 2019 and March 2023 were not found registered. Similarly, 25 establishments involved in construction as per information available on Delhi Fire Service website, were also not found registered. It clearly shows laxity on the part of the Board to use various sources of information to identify and register eligible establishments.
- The Board could provide complete database of only 1.98 lakh out of 6.96 lakh BOC workers stated to be registered with it. Out of 1.98 lakh beneficiaries, for whom images were made available to Audit, 1.19 lakh beneficiaries were linked with 2.38 lakh images i.e. more than one image for individual beneficiary.
- Availability of duplicate images, images with no faces, and multiple registrations of the same face indicates several loopholes in the registration process. Since a robust computer algorithm would require exactly one face in each image, this indicates failure of the IT system to detect such images during registration.
- In terms of renewals of registrations of the BOCW, Delhi was way behind the all India performance being only 7.3 *per cent* against All India 74 *per cent* renewals of registrations.

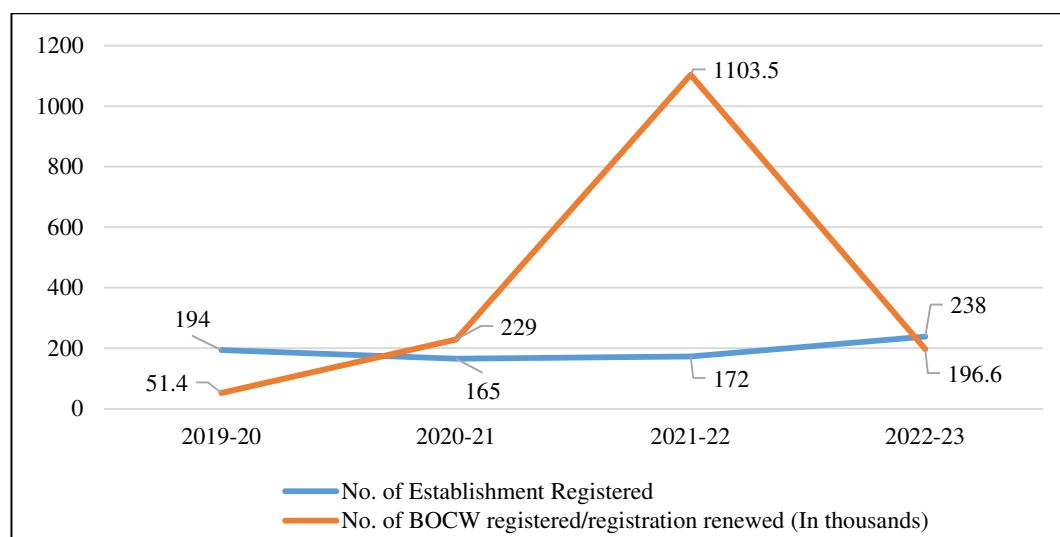
As per Section 7 of BOCW Act, every employer is to apply for registration of his establishment, which employs ten or more workers in construction activities, within sixty days from the date on which the Act becomes applicable to the establishment.

As per Section 10 of the Act, an establishment which is not registered shall not employ building workers in the establishment. Assistant Labour Commissioners of the Labour Department in each District have been appointed as Registering Officers for registration of establishments. Total 769 establishments engaged in construction activities were registered with the Labour Department during the period 2019-20 to 2022-23 as given in **Table 2.1**.

Table 2.1: Number of establishments and BOCW registered

Year	Number of Establishments registered	Number of BOCW registered/renewed registration
2019-20	194	51,398
2020-21	165	2,29,022
2021-22	172	11,03,552
2022-23	238	1,96,590

Chart 2.1: Number of establishments and BOCW registered



Source: Information furnished by Labour Department and Board

It can be seen from the data above that in year 2019-20, only 0.51 lakh BOC workers were registered. The number of registered BOC workers rose sharply in 2021-22 by 382 *per cent* and it became 11.03 lakh. In the subsequent year 2022-23, it fell by 82 *per cent* and only 1.97 lakh BOC workers were got registered. The above data of registration/renewal of BOC workers as provided to the audit does not appear genuine/reliable due to high fluctuation in the data.

In its reply, the Board stated that the Act does not allow for *suo moto* registration and therefore, application by eligible and interested worker is necessary for registration. Reply needs to be seen in the light of the fact that creating awareness amongst the BOCW also was the responsibility of the Board and despite instructions (November 2018) of GoI to organize Camps for spreading awareness, camps were organized only twice¹ in four years from 2019-20 to 2022-23.

¹ From 24.8.2020 to 11.9.2020 at 70 locations and from 15.2.2021 to 15.3.2021 at 45 locations.

Deficiencies observed in registration of establishments are discussed in the succeeding paragraphs.

2.1 Lapses in Identification of establishments

The identification and registration of establishments engaged in construction activity is the first step in ensuring that workers engaged in these establishments get registered and can avail the benefits of the welfare schemes of the Board. Thus, a reliable data base of all establishments falling under the ambit of the Act and an effective mechanism to update it regularly, is essential for effective implementation of the welfare schemes of the Board.

- (i) The issue regarding absence of data relating to actual number of establishments associated with construction activities was pointed out in earlier Report of the Comptroller and Auditor General of India for the year ended 31 March 2019 (Report no. 1 of 2021) Para 3.2.9.1. However, the data available with the Department is patchy and it continues to primarily rely on the owners of the establishments to apply for registration. The Department, in reply (September 2023) to an audit query, stated that it did not have the requisite information.
- (ii) It was observed that cess collectors were not properly maintaining District Master Register (DMR) as directed by Secretary (Labour) in respect of depositors of cess wherein information like name and address of employer, number and date of sanction of building plan by local authority, address of construction site, etc. were required to be filled in. North West District replied (November 2023) that DMR is being maintained properly as per the proforma but audit examination revealed otherwise.

In its reply, Government stated (March 2025) that the Board has launched an online portal for cess deposition and therefore maintenance of physical records is not required. Reply is not satisfactory as the DMR not only provides information on the cess deposited but also facilitates in keeping a track on how many assessments were done during the year and cess deposited against them. Moreover, provision for depositing cess online was started from 1 April 2024.

- (iii) There are different sources from where details of establishments engaged in construction could be obtained and data could also be cross-checked such as the projects undertaken/to be undertaken by Government organizations/local bodies (quarterly consolidated reports were to be sent to Secretary (Board) by these organisations), building plans approved by local authorities (to be collected by Labour Officers and Inspecting Officers who have been notified as Cess Collectors), private establishments which deposited cess at the District Offices and details of construction activities maintained by the local SHOs and available at the website of Delhi Fire Service.

Audit observed that the Government did not use any of these sources to identify establishments. This was corroborated in sampled South and North West

Districts, where 97 private establishments which deposited cess between April 2019 to March 2023 were not found registered. Similarly, 25 establishments involved in construction as per information available on Delhi Fire Service website, were also not found registered.

In its reply, Government stated (March 2025) that MCD was sharing the data of building plans sanctioned by them to the concerned cess collector of Labour Department. Regarding details of construction activities maintained by the local SHOs, it was stated that the office order was redundant as MCD was sending information regarding approved building plans to the Cess collectors and cess collectors may not require information from SHO. As far as non-registration of establishments which had deposited Cess is concerned, it was informed that establishments falling under the jurisdiction of Central Government are registered by the concerned Regional Labour Commissioner Office (Central Office), however, the cess is deposited with the BOCWW Board of the State only.

However, the reply does not give any assurance that all of the establishments involved in construction works have been identified and registered.

2.2 Lapses in Registration of establishments

As per Delhi BOCW (Regulation of Employment and Conditions of Services) Rules, 2002, the registering officers were to maintain a register in Form III, showing the particulars of establishments which were registered. However, no such register was being maintained by the South District. Thus, the system in place to keep track of establishments to whom registration certificates had been issued was not being followed.

Government stated (March 2025) that the registration of establishment under section 7 of BOCW Act 1996 is done online on e-district portal which has details of all registrations.

The Department neither shared online records during audit to substantiate the factual position nor did it share a few copies as documentary proof along with the reply.

Other deficiencies observed in the process of registration of establishments and maintenance of records thereof are as follows:

- (i) E-district is a web portal through which various services provided by the Government are available online. The establishments and BOCW can apply for registration through this portal too. Test check of records of e-district portal of North West district revealed that in 23 out of 24 sampled establishments (total 152 were registered during 2019-23), registration certificates were issued by the Registering Officer despite the fact that mandatory documents² as per BOCW (RE&CS) Act

² Copy of notice of commencement in Form IV [Rule 26(3)], Self-declaration/Undertaking regarding Memorandum and Articles of Association/Partnership deed/Proprietors ID in case of company/firm and contractor agreement with owner/PE in case of construction by contractor along-with authorization of Resolution of the Board in favour of person filing the application

were not uploaded. The district office stated (November 2023) that in future, all mandatory documents uploaded shall henceforth be checked while issuing registration certificates.

In its reply (March 2025) the Government attributed the lapse to limitation of server and space on e-district portal. It further stated that the issue of providing more space on e-district portal for uploading sufficient documents was being taken up with IT Cell of the Department.

(ii) As per BOCW Act, an employer was required to send a notice to the Inspector, Labour Department containing place of construction, number of workers likely to be employed, details of construction works to be executed, at least thirty days before the commencement of a new work. Further, every employer was to apply for the registration of his establishment within a period of sixty days from the date on which the Act becomes applicable to the establishment. Non-compliance to the same as per rules attracted a penalty of ₹ 2000 per instance.

North West District failed to provide information related to notice of commencement of work submitted by the employers during 2019-23. In South District, 44 out of 47 employers in respect of whom assessments made by the Assessing Officer and 75 private unregistered establishments from whom it had received cess did not furnish notice of the commencement of work but the District did not levy aggregate penalty of ₹ 2.38 lakh (₹ 2,000 in each case) on these employers.

South District, while admitting the facts, stated (September 2023) that, in future, at the time of assessment, details of the commencement of work will be asked from the establishment concerned. The issue of non-furnishing of information relating to commencement of work was pointed out in the earlier Report of the CAG also (para 3.2.9.3).

Government stated (March 2025) that in case of non-submission of notice by the employer, the Inspector is required to file prosecution through the Public Prosecutor before the Metropolitan Magistrate (empowered to impose penalty) after obtaining the permission of Chief Inspector of construction, which is a very tedious process requiring manpower and pursuance of challans by the Public Prosecutor before the Magistrate concerned.

Reply is not acceptable as the Department needs to be proactive in pursuing such cases of lapses.

(iii) DBOCW Rules stipulates that the Registering Officer shall register the establishment and issue a certificate of registration to the applicant within fifteen days of receipt of the application. Audit observed delay in issuing the certificates ranging from 4 to 143 days in 20 out of 42 (48 *per cent*) cases examined in audit. The delay in issuing registration certificates was also flagged in the earlier Report of the CAG (para 3.2.9.2).

Government stated (March 2025) that in case of deficiency of documents or information error in the application, objections are raised by concerned registering

officer and in a few cases, the same remains pending at the applicant's end which results in delay in granting registration certificate. Reply is not acceptable as audit had pointed out specific cases in the selected districts. Moreover, in 96 *per cent* of the cases seen in audit, registration certificates were, in fact, being issued even without mandatory documents.

Recommendation 1: Government should use all available sources for identifying all establishments involved in construction activities, ensure registration of all BOC workers thereunder in a time bound manner and maintain proper records of the eligible workers to whom benefit of welfare schemes is to be delivered.

2.3 Identification and registration of construction workers

Rule 266 (1) of BOCW Rules, 2022 provides that every building worker in the age group of 18 to 60 years, subject to some condition mentioned therein, could be registered as a beneficiary after paying the requisite fee. Moreover, the workers need to renew their registration every year. Since benefits are available only to those BOCW who are registered and renew registration every year, failure to do so renders them ineligible for benefits under various schemes of the Board.

The government did not have any data relating to the number of BOCW in Delhi. The issue regarding absence of mechanism for identification of all construction workers was flagged in earlier Report of the CAG for the year ended March 2019. However, the Department failed to evolve any mechanism to identify all construction workers in Delhi.

Government stated (March 2025) that registration of construction workers is an ongoing process and the number of construction workers cannot be fixed at any point of time as some persons may not continue to be construction workers. It was further stated that the process of registration/renewal has been simplified by introduction of self-certification by the worker as well as tele-verification. Moreover, the Board also launches awareness camps, distribute pamphlet displays banners etc. at labour chowks about the benefits of registering with the Board.

The contention of the Government on launching of awareness camps etc. is also not valid in view of deficiencies in awareness activities undertaken by the Department, as pointed out at para no.2.4 of the report. Further, the reply is silent on the issue of identification of construction workers.

Deficiencies in identification and registration of all the BOCW in Delhi were as under:

- (i) All Assistant Engineers (AEs) of government organizations/local bodies/public sector undertakings were authorized as Registering Officers to facilitate online registration of construction workers working in their projects through login IDs and passwords provided. However, no construction worker was registered with the Board through AEs of the selected 13 divisions of various Departments engaged in construction works. The

Department stated (September 2023) that login IDs, and passwords were not provided to AEs by the Board.

Government stated (March 2025) that the issue of identifying and registering all construction workers will be taken up in the next Board meeting as recommended by audit.

- (ii) Section 43 of the Act empowers the Inspector of Labour Department to inspect the premises of any establishment where construction work is being carried out which would have facilitated identification of BOCW employed at the site. It was observed that no such inspection was carried out in the selected districts during the years under review, despite it being pointed out in the earlier CAG report (para 3.9.2.5). Further, in compliance to orders of the Hon'ble High Court, Delhi, a special inspection team was constituted (October 2021) by the Secretary (Board) for inspection of construction sites across Delhi to ensure safety, health and welfare etc. of construction workers. The Board also did not provide details of total number of inspections conducted by the special inspection team, however, scrutiny of five³ inspection files made available revealed that no action was taken on the inspection reports except issuing of notice to the employers⁴ concerned. In reply to an audit query, the Department stated that no Central Inspection was conducted by it during the period under audit scrutiny.

Government stated (March 2025) that the Labour Department has initiated Central Inspection System (CIS) under various Labour Laws to randomly select an establishment for inspection. Further, inspection under BOCW Act 1996 is also being brought under CIS to make it more effective.

- (iii) From November 2018 onwards, workers could register/renew registration online through the e-District portal. However, till November 2022, data of only 1.39 lakh out of total 5.39 lakh workers (as of 30 September 2018) have been migrated to the web portal. In the absence of complete registration data on the portal, most of workers could not avail the facility of online renewal and thus deprived from the benefits of the welfare schemes of the Board. Thus, Audit could not derive an assurance that the Department as well as the Board are making sincere efforts for identifying construction workers to whom benefits of the schemes are to be delivered and more importantly they actually need such benefits. Reply is awaited as of March 2025.

Recommendation 2: The Board needs to coordinate with concerned government departments and harness technology in order to identify and register the BOC workers with ease within NCT Delhi so that all of them could be benefitted under the welfare schemes of the Board.

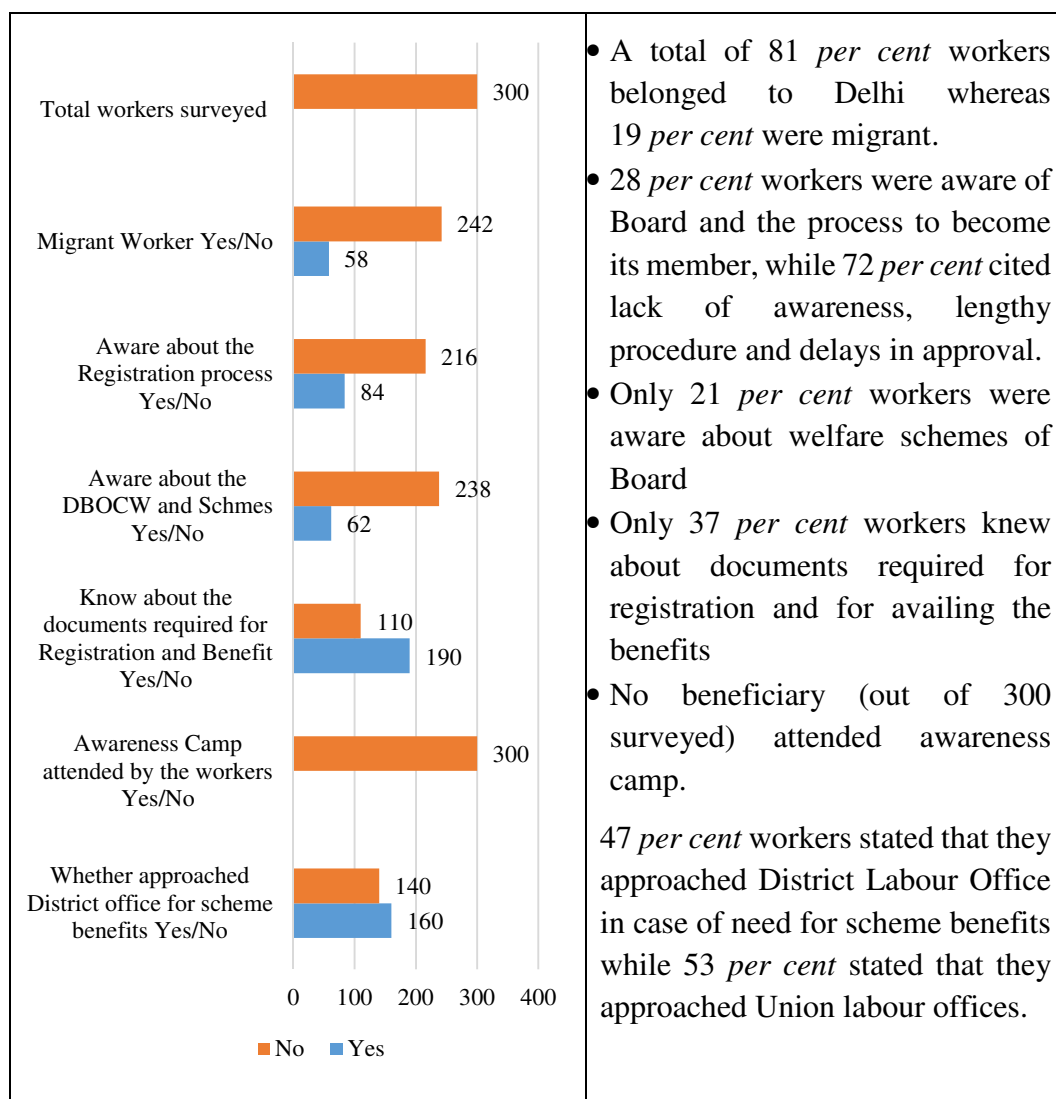
³ Two inspection files pertained to West Delhi and one each to North, North West and South Delhi Districts.

⁴ M/s Raheja Developers Ltd., M/s North Delhi Metro Mall Pvt. Ltd., M/s Sam (India), Gulermark JV, M/s JMC Projects India Ltd. and M/s Tata Projects Ltd.

2.4 Beneficiary Survey of construction workers

Audit conducted a beneficiary survey of 300 beneficiaries in the two selected districts to assess the extent of awareness among the BOC workers about the Board and the benefits of registering with it. **Chart 2.2** depicts the findings of the beneficiary survey.

Chart 2.2: Findings of Beneficiary Survey



The above facts show that the efforts made by the Department to disseminate information about benefits of registration and welfare schemes run by the Board were inadequate, which need to be augmented by using all available tools of information and media.

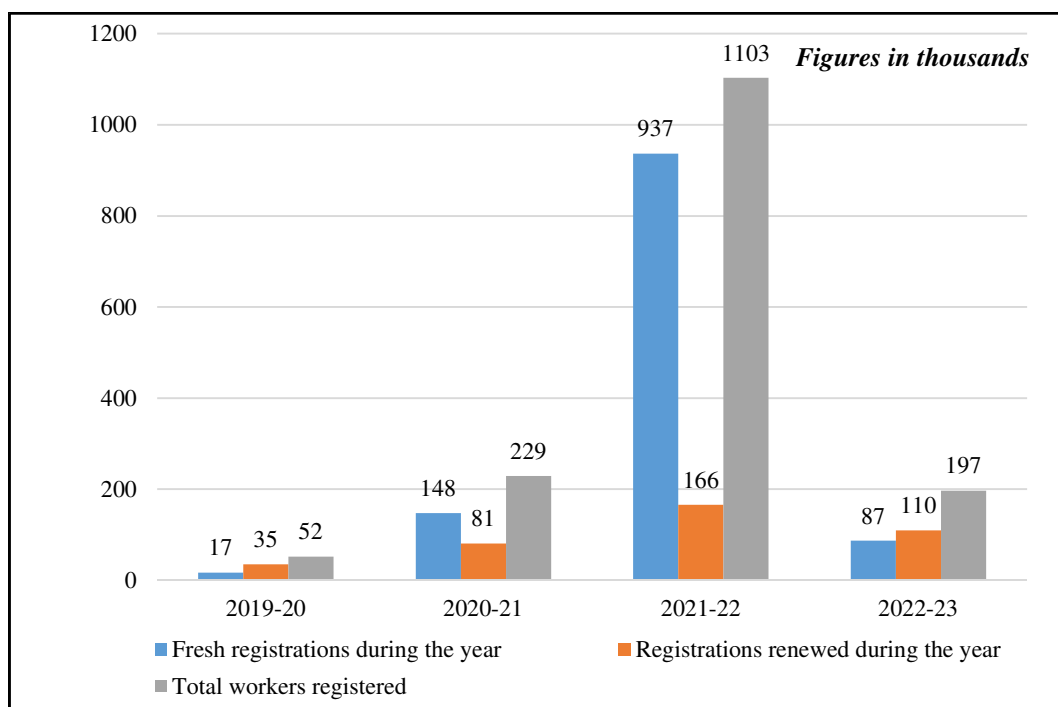
Government stated (March 2025) that DBOCWW Board has developed a web portal namely dbocwwb.delhi.gov.in for the benefit of construction workers of Delhi. This portal covers various benefits available to construction workers, and the process of registration, renewal and migration in the form of video footage to create awareness among BOC workers. DBOCWW Board also organizes various camps at construction sites, labour chowks to create awareness among BOC workers.

However, the fact remains that the results of the survey indicated lack of awareness about the Board and its welfare activities amongst the construction workers.

2.5 Inconsistency in data on registration and renewal of construction workers

Details of year-wise number of construction workers registered/registrations renewed by the Board are shown in **Chart 2.3**.

Chart 2.3: Registration and Renewal of Beneficiaries



Source: Information provided by the Board.

The above chart shows a variation in the number of construction workers registered by the Board coupled with disproportionate registration and renewal between 2020-21 and 2022-23.

Government stated (March 2025) that the number of registered workers is not fixed as registration/renewal is an ongoing process. It was further stated that the registration/renewal is application based and that the Board is renewing the registration for lapsed period also after collecting late fee. Besides, the workers of Delhi could also renew their registrations by directly logging into the Board's web portal.

Reply is not acceptable as it does not clarify the reasons for the remarkable jump in registrations in 2021-22.

Further, Audit observed difference in the data on the number of BOCW registered and renewed maintained with the Board, on e-district portal and the information available in the Annual Report of the Board. Details in **Table 2.2**.

Table 2.2: Difference in data of registration and renewal of registration by BOCW

Fresh Registration				
	2019-20	2020-21	2021-22	2022-23
Figures as per Board	16,858	1,47,998	9,37,285	86,999
Figures as per e-district portal	42,728	1,89,541	9,95,556	93,848
Figures as per Annual Report	42,672	1,47,803	9,13,537	Not prepared
Renewals				
Figures as per Board	34,540	81,024	1,66,267	1,09,591
Figures as per e-district portal	25,343	41,487	58,345	1,04,078
Figures as per Annual Report	9,171	80,939	1,64,814	Not prepared

Thus, the veracity of beneficiary data available with the authorities entrusted with the BOCW welfare is suspected/not reliable.

Further, the audit had obtained (July 2023) dump data of the beneficiaries from the Board. Image analysis of the database of beneficiaries revealed the following further discrepancies:

- Despite the fact that online registrations and renewals were stated to be Aadhar verified, the Board could provide complete database (including image links and images) of only 1.98 lakh out of 6.96 lakh BOC workers stated to be registered with it.
- Out of 1.98 lakh beneficiaries, for whom images were made available to Audit, 1.19 lakh beneficiaries were linked with 2.38 lakh images i.e. more than one image for individual beneficiary.
- In the database, 45 images were linked to 97 workers, with one image linked to more than one beneficiary.
- In 29,453 (14.8 *per cent*) out of 1.98 lakh images, either multiple (several) faces were available, or no face was available. Since a robust computer algorithm would require exactly one face in each image, this indicates failure of the IT system to detect such images during registration.
- Audit matched faces in the image universe (1.69 lakh images/faces) using a 20 *per cent* threshold (face similarity probability between 80-100 *per cent*) and as well as a 30 *per cent* threshold. It was found that 1,440 faces appeared in 3,116 images at the 0.20 threshold and 2,495 faces appeared in 5,595 images at 0.30 *per cent* threshold, indicating that the same image was used multiple times.

Availability of duplicate images, images with no faces, and multiple registrations of the same face indicates several loopholes in the registration of beneficiaries and indicates weak IT protocol.

Government stated (March 2025) that the complete data base was available and the same may be provided to the CAG audit team, if required. It was further stated that

the discrepancies pertained to the issue of downloading data from e-district portal and creating link, had been rectified now. Government also stated that as a remedial measure, video of each registered worker was being made mandatory at the time of migration and fresh registration in new portal of the Board.

The fact remains that the Department failed to provide complete and credible database for scrutiny during audit.

Recommendation 3: The Board needs to conduct a security audit of its application to plug loopholes in its registration system and exercise more vigour in authentication and reconciling its various databases as it is essential for the discharge of its core functions.

