

**Chapter 4**

**Utilisation of Cess Funds and  
Implementation of Welfare Schemes by the  
Board**



## Chapter 4

### Utilisation of cess funds and implementation of welfare schemes by the Board

- Expenditure on welfare schemes ranged between 9.53 and 11.33 *per cent* only of total receipts except in 2021-22 when ex-gratia payments were made to the BOCW for tiding over the Covid pandemic period.
- Benefits were given only under 12 out of 17 schemes during 2019-20 to 2022-23 as no expenditure was incurred in five schemes<sup>1</sup>.
- Financial assistance for education of children of construction workers for the years 2018-19 and 2019-20 amounting to ₹ 46.08 crore, for disbursement to 58,998 students, was released by the Board to the Directorate of Education only in March 2022.
- Despite GoI advising the States (October 2018) to take proactive steps to facilitate transit accommodation/labour shed cum night shelter, mobile toilets and mobile crèches to BOC workers till they find work, the Board has taken no concrete steps to implement the same in Delhi.
- The Board had not provided any further training to BOC workers and their dependents except providing training to 350 beneficiaries in 2019-20 to help to upgrade their skills or diversify by acquiring new set of skills.
- The Board approved the implementation of the GoI directives in June 2019 but did not implement it and still continued to provide assistance of only ₹ 2 lakh in case of accidental death and ₹ 1 lakh in the event of natural death instead of payable ₹ 4 lakh and ₹ 2 lakh respectively.
- Ayushman Bharat/Pradhan Mantri Jan Arogya Yojana (AB PM-JAY) provides health insurance cover of ₹ 5 lakh per family per year in case of hospitalization with cashless health care services at any of the empaneled government and private hospitals across the country. The Department of Labour and the Board had taken no steps to cover the BOCW of NCT of Delhi under this beneficial scheme and thus they are eligible to a measly medical assistance of a maximum of ₹ 10,000.

The cess collected by the Board, interest earned on the same and the registration/renewal fee etc. collected from the BOCW is at the disposal of the Board for providing social and health benefits to the registered construction workers and their families through 17 welfare schemes such as financial

<sup>1</sup> (a) Financial assistance for miscarriage (b) Advance for purchase or construction of house (c) Loan for purchase of work related tools (d) Grant for the purchase of work related tools (e) Insurance Policy.

assistance in case of accident, old age pension, housing loans, children's education, medical and maternity benefits etc.

As of March 2023, the Board had accumulated funds of ₹ 3,579.05 crore.

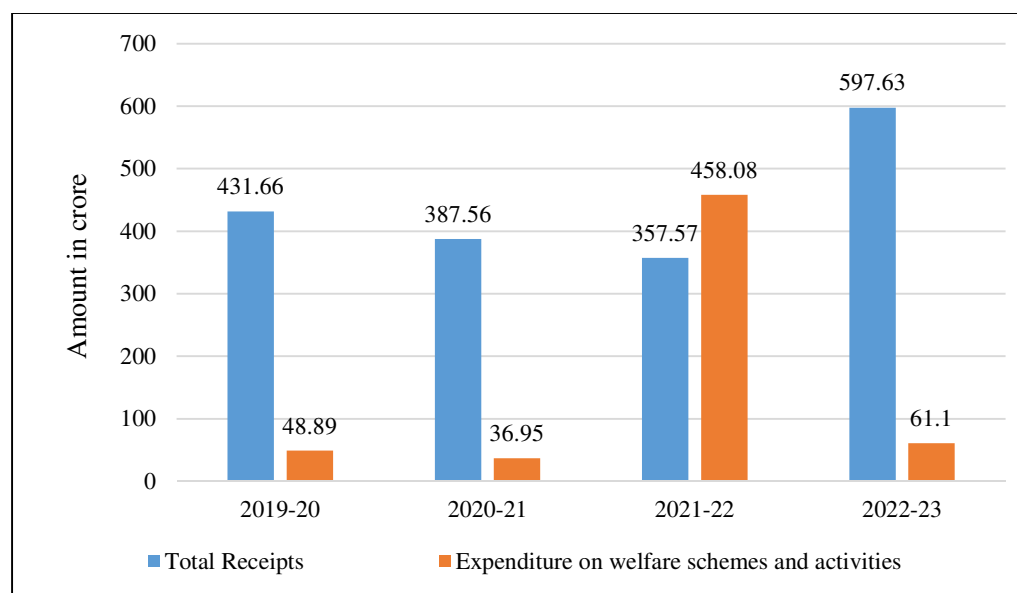
Against this, the details of expenditure incurred on welfare schemes and activities by the Board during 2019-20 to 2022-23 were as shown in **Table 4.1**.

**Table 4.1: Details of expenditure incurred on Welfare schemes and activities in comparison to total receipts of the Board**

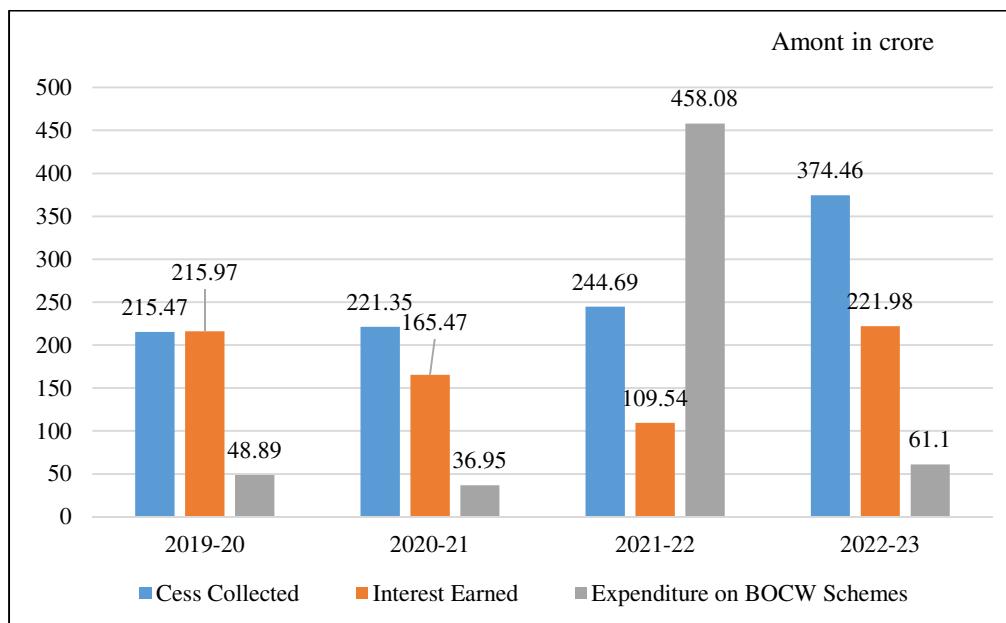
(₹ in crore)

Year	Total Receipts	Expenditure on welfare schemes and activities	Expenditure in comparison to total receipts (in per cent)
2019-20	431.66	48.89	11.33
2020-21	387.56	36.95	9.53
2021-22	357.57	458.08 <sup>2</sup>	128.11
2022-23	597.63	61.10	10.22
<b>Total</b>	<b>1774.42</b>	<b>605.02</b>	

**Chart 4.1: Details of expenditure incurred on Welfare schemes and activities in comparison to total receipts of the Board**



<sup>2</sup> It includes ex-gratia payments made to the BOCW for tiding over the Covid pandemic period.

**Chart 4.2: Expenditure incurred on Welfare schemes and activities in comparison to Cess collected and interest earned thereon**

As can be seen, expenditure on welfare ranged between 9.53 and 11.33 *per cent* of total receipts except in 2021-22 when ex-gratia payments were made to the BOCW for tiding over the Covid pandemic period. Thus, out of the total assistance of ₹ 605.02 crore during the years 2019-23, ₹ 527.42 crore (87 *per cent*) was on account of ex-gratia payments and only 12.83 *per cent* of total expenditure (Less than 0.05 *per cent* of the total receipts) was made on regular welfare activities. Further, benefits were given only under 12 out of 17 schemes (**Annexure III**) during 2019-20 to 2022-23 as no expenditure was incurred in five schemes<sup>3</sup>.

The Government stated (March 2025) that the benefits under claims are application based, and that the Board has developed a web portal which provides a video footage to create awareness among BOC Workers about various benefits available to construction workers, the process of registration, renewal and migration. The Board also organizes various camps at construction sites, labour chowks to create awareness among BOC Workers for effective implementation of schemes and bringing maximum BOCW into the Board's fold.

However, the fact remains that very few workers are availing benefits indicating that the efforts made by the Board are inadequate.

Audit observed shortcomings on the part of the Board in providing welfare measures for BOCW which are discussed in the succeeding paragraphs.

<sup>3</sup> (a) Financial assistance for miscarriage (b) Advance for purchase or construction of house (c) Loan for purchase of work related tools (d) Grant for the purchase of work related tools (e) Insurance Policy.

#### 4.1 Functioning of the Board during Covid-19 and adherence to GoI directions

In view of the unprecedented tribulation faced by the BOCW due to outbreak of Covid-19, GoI triggered a fast-track time bound Mission Mode Project (Project) in July 2020. GoI estimated that registration of only half of the estimated BOC workers were renewed as on 14 July 2020 and all States/UTs were directed to register all left-out BOC workers by easing out the processes within three months.

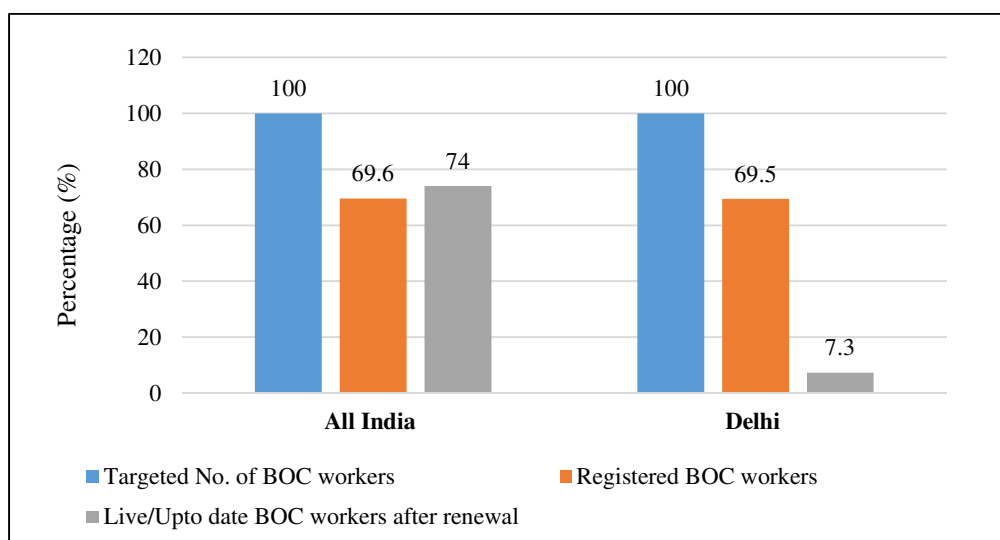
As per GoI (July 2020), the status of registration of BOC workers in Delhi against collective figures of all states is shown in **Table 4.2**.

**Table 4.2: Status of registered BOC workers in India and Delhi**

(Numbers in lakh)

Particulars	Targeted number of BOC workers	Number of BOC workers registered	Number of BOC workers who renewed their registration as on 14 July 2020
All India	500	347.75 (69.6 %)	257.55 (74%)
Delhi	7.89	5.49 (69.5%)	0.40 (7.3%)

**Chart 4.3: Status of registered BOC workers in India and Delhi**



As per the above data, Delhi was way behind the all India performance in terms of renewals of registrations being only 7.3 *per cent* against All India 74 *per cent* renewals of registrations. It also did not frame and implement any scheme for providing subsistence allowance during crisis such as Covid-19 or developed the facility of instantaneous online transfer of registration of BOCW migrating across states as suggested by GoI. However, to support construction workers through periods when construction activities were stopped on account of Covid-19 and due to high level of pollution during 2019-20 to 2022-23, the Board made ex-gratia payment aggregating to ₹ 528.42 crore to 9.48 lakh

beneficiaries (₹ 5000 each on four occasions, three during Covid-19 and the fourth when construction activities were prohibited). The details of payments made to BOCW are as given in **Table 4.3**.

**Table 4.3: Details of ex-gratia payments made during the audit period**

Instalment	Date of payment	Number of Beneficiaries (in lakh)		Amount (₹ in crore)
		Approved for payment	Actually paid	
First and second	31.03.2020 to 07.01.2022	1.18	1.10	109.57
Third	22.04.2021 to 04.05.2022	3.17	2.98	148.87
Fourth	27.11.2021 to 19.07.2022	6.17	5.40	269.98
<b>Total</b>		<b>10.52</b>	<b>9.48</b>	<b>528.42</b>

As can be seen, these payments, intended to help the BOCW tide over immediate crisis, were spread over long periods thereby reducing its effectiveness. The deficiencies/irregularities observed in making ex-gratia payment were as under:

- The ex-gratia payments, intended to provide immediate relief to BOCW, were delayed in all the four tranches. Audit observed that in the last tranche, the payment was made to 1,25,437 construction workers four to eight months after the orders were issued.
- As per the table above, only 90 *per cent* of the BOC workers who were eligible to receive ex-gratia payments actually received it. In the fourth instalment, the Board failed to provide subsistence allowance amounting to ₹ 38.62 crore to 77,230 construction workers as it did not have the correct and updated bank details with it. Further, same amount was paid to all construction workers though payment was to be made as per the wages notified under the Minimum Wages Act for the respective categories of workers.
- A comparison of data of these BOC workers with the CGHS and VAHAN data revealed that 47 cases related to those registered workers who were also CGHS beneficiaries and 1,204 beneficiaries were owners of four-wheeler vehicles registered for private use.
- It was also observed that payments in the first three instalments amounting to ₹ 18.33 crore could not be disbursed to 27,970 identified beneficiaries due to payment failures, indicating that bank account details were not obtained/updated by the Board.
- Though construction activities are stopped every year due to high levels of pollution during the winter months, subsistence allowance was not sanctioned by the Board after 2021.

The above facts show failure of the Government/Board in discharging its mandate effectively. Pollution caused work stoppages are an annual feature now and a more robust system needs to be implemented so that the needy get their dues.

Government stated (March 2025) that

- the Board was in the process of framing a scheme for mitigating hardships of BOC workers when construction works are stopped owing to natural calamities.
- Board was also in the process of integration of its data base with e-Shram Data to ensure portability of data that may be accessed by any State.
- The Board registers/renews membership of construction workers on the basis of aadhar validation, and as per Rule 266 of DBOCW (RE&CS), 2002. It further stated that cross checking with CGHS and VAHAN data was not feasible. However, Audit is of the view that the Board should ensure that only genuine BOCW are given benefits.
- All the 11 district offices of the Board have been directed to update the Aadhar seeded bank details of BOC Workers for timely delivery of benefits. Further, a help desk has been established in each district office to facilitate the same.

***Recommendation 6: The Government needs to institute a regular scheme for mitigating hardships of BOC workers when construction works are stopped and facilitate inter-state portability of data pertaining to registered migrant BOC workers.***

***Recommendation 7: The Board needs to adhere to the timelines prescribed so that financial assistance is provided to BOC workers in time.***

#### **4.2 Implementation of welfare schemes for BOCW**

Deficiencies observed in implementation of the 10 selected schemes<sup>4</sup> of the Board are as under:

(i) ***Financial assistance for education of children of construction workers*** for the years 2018-19 and 2019-20 amounting to ₹ 46.08 crore, for disbursement to 58,998 students, was released by the Board to the Directorate of Education only in March 2022 and benefits for subsequent years were yet to be paid as of September 2023. There was also delays ranging up to 1,423 days in processing of applications for financial assistance in 134 out of 4,017 claims relating to various schemes. Further, payment in respect of 15 sanction orders issued in

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<sup>4</sup> (i) Pension Benefit, (ii) Maternity Benefit, (iii) Death Benefit, (iv) Financial Assistance for Education, (v) Financial Assistance for Marriage, (vi) Disability pension, (vii) Funeral assistance, (viii) Medical assistance, (ix) Imparting vocational training, and (x) Loan for purchase of work related tool.



October 2021 or earlier were pending with the North West District. Apart from this, status of 137 sanction orders returned by the Board (Headquarter) to the districts due to deficiencies was not available.

Government stated (March 2025) that due to involvement of more than one department, it takes a little longer to disburse the amount. It was further stated that endeavour shall be made to provide these benefits in minimum possible time. Delay in processing of applications was attributed to delay in attending to the deficiencies issued by the district officer by the applicant.

(ii) As per directions of the M/o Labour and Employment, GoI, the Board was to either provide minimum coverage of ₹ 4 lakh in case of accidental death and ₹ 2 lakh in the event of natural death to the dependent(s) of the deceased beneficiary or cover BOC workers up to the age of 50 years under ***Pradhan Mantri Jeevan Jyoti Bima Yojana and Pradhan Mantri Suraksha Bima Yojana*** by making contribution of premium amount. The Board approved the implementation of the GoI directives in June 2019 but did not implement it and still continued to provide assistance of only ₹ 2 lakh in case of accidental death and ₹ 1 lakh in the event of natural death.

The Board stated (September 2023) that it has approved assistance of ₹ 10 lakh in case of natural death and ₹ 12 lakh in case of accidental death in place of insurance in May 2023 and the same was under process. The Government, however, stated (March 2025) that the Board has its own welfare schemes for life and disability covers for construction workers of Delhi. The fact remains that despite adopting the GoI norms, the Board did not provide the envisaged quantum of benefits to the dependent(s) of 782 workers deceased during the years 2019-20 to 2022-23.

Further, the register containing details of deceased beneficiaries for processing claims in a time bound manner was not being maintained in the selected districts. In its reply (August 2023), North West District office stated that it has now started to maintain the register.

(iii) ***Ayushman Bharat/Pradhan Mantri Jan Arogya Yojana (AB PM-JAY)*** provides health insurance cover of Rupees five lakh per family per year in case of hospitalization with cashless health care services at any of the empanelled government and private hospitals across the country. The National Health Authority (NHA) and M/o Labour and Employment (MoLE) had entered into collaboration to extend the benefits under the scheme to BOCW registered under the State Welfare Boards (SWBs). However, the Department of Labour and the Board had taken no steps to cover the BOCW of NCT of Delhi under this beneficial scheme and thus they are eligible to a measly medical assistance of a maximum of ₹ 10,000. Reply was awaited as of March 2025.

(iv) Despite GoI advising the States (October 2018) to take proactive steps to facilitate ***transit accommodation/labour shed cum night shelter, mobile toilets***

*and mobile crèches* to BOC workers till they find work, the Board has taken no concrete steps to implement the same in Delhi. The Government stated (March 2025) that the Board has its own dedicated scheme for providing assistance for housing the eligible applicants.

Reply is not acceptable as no deliberations were found on record to implement the scheme to provide transit accommodation, mobile toilets and mobile crèches and no expenditure was incurred by the Board on the scheme for giving advance for purchase or construction of house.

(v) GOI envisaged (October 2018) convergence of *skill development activities* of the Board with those of the State Skill Development Missions/Ministry of Skill Development and Entrepreneurship and National Skill Development Corporation so as to help BOC workers and their dependents to upgrade their skills or diversify by acquiring new set of skills. Audit observed that the Board had not provided any further training to them except providing training to 350 beneficiaries in 2019-20. The Government stated (March 2025) that the recommendation has been noted for implementation.

(vi) As per DBOCW (RE&CS) Rule, 2002, a BOC worker registered for not less than one year was eligible for pension of ₹ 3,000 per month on completion of sixty years of age with an increase of ₹ 300 every year. In terms of the Model Welfare Scheme for BOC Workers issued (November 2018) by GoI, eligibility period for pension was 10 years and the Board was to formulate pension schemes depending upon its financial capacity. Disregarding the Model Scheme, the Board approved (June 2019) pension to a BOC worker with eligibility period of three years only. In spite of this, pension was being paid to workers who remained registered only for one year.

In its reply (September 2023), the Board attributed the anomaly to difference of eligibility period in the Act (three years) and Rules<sup>5</sup> and that the matter was sub-judice before the Hon'ble Delhi High Court. Government further stated (March 2025) that Board is bound to abide by the decisions taken in its board meetings and as per the directions of Delhi High Court from time to time for disbursement of pension to BOC workers who had remained registered for a period of three years (instead of existing period of one year) after getting approval from the competent authority.

Reply is not acceptable as pension is being paid on the basis of eligibility period of one year against three years approved by the Board.

***Recommendation 8: The Board needs to take immediate steps to implement various GoI directions aimed at the welfare of BOCW residing in NCTD so as to improve their living conditions.***

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<sup>5</sup> Three years in Act and One year in the Rules

### 4.3 Administrative expenditure in excess of limit

Section 24(3) of the BOCW Act, 1996 provides that administrative expenses of the Board, in any financial year, should not exceed five *per cent* of the total expenditure incurred during that year. However, the administrative expenditure, except in 2021-22, ranged between 7.19 and 11.01 *per cent* of the total expenditure during 2019-20 to 2022-23 as shown in **Table 4.4**.

**Table 4.4: Details of administrative expenses vis-à-vis total expenditure**

(₹ in crore)

Year	Administrative expenses	Total expenditure	Administrative expenditure as a percentage of total expenditure
2019-20	3.79	52.68	7.19
2020-21	4.57	41.52	11.01
2021-22	7.05	465.13	1.52
2022-23	5.08	66.18	7.67

Audit had raised the issue in the report of the CAG for the year ended 31 March 2019 also (para no. 3.2.10.1). The Board needs to curtail its administrative expenditure within the permitted limits.

Government stated (March 2025) that the Board was taking utmost efforts to limit its administrative expenditure within the limit of five *per cent* of total expenditure and that steps were being taken to increase the welfare expenditure.

