

Chapter 3: Registration of Establishments and BOC Workers

Registration of establishments¹ and building workers are crucial steps in the implementation of the Act and Rules, with a direct bearing on the welfare of workers to ascertain the cess assessed and collected by Local Bodies and number of workers employed in the establishments. Employers of any establishment that employs or has employed ten or more building workers in any building or other construction work on any day in the preceding twelve months are required to obtain an establishment registration certificate from the Labour Department. Every building worker between the age of 18 years and 60 years, who has worked in building or other construction activities for at least 90 days in the past twelve months, may apply to the Board for registration as a beneficiary of the welfare fund.

In Goa, Deputy Labour Commissioners (DLCs) in the districts are responsible for employer registration and Labour inspectors (LIs) posted at talukas are entrusted with the work of beneficiary registration in their respective jurisdiction.

3.1 Registration of establishments

As per Section 7 of the Act, every employer to which this Act applies on its commencement, within a period of sixty days from such commencement, shall apply for registration of the establishment to the Registering officer (RO) of the area in which the building or other construction work is to be carried out. Every such application shall be accompanied by the fees as prescribed in the Rules. The respective Deputy Labour Commissioner (DLC) being the RO, shall issue a certificate of registration if such applicant has complied with all requirements within fifteen days of receipt of the application.

Taluka-wise Labour Inspectors are deputed to inspect construction sites in their respective areas. If any unregistered sites are found, show cause notices are issued to ensure the registration of the establishments.

3.1.1 Low registration of establishments

Registration of establishment is done online through the Goa Online Portal². As per Section 10 of the Act, an employer of an unregistered establishment shall not employ workers in the establishment. Number of establishments

¹ Means any establishment belonging to, or under the control of, Government, anybody corporate or firm, an individual or association or other body of individuals which or who employs building workers in any building or other construction work; and includes an establishment belonging to a contractor, but does not include an individual who employs such workers in any building or construction work in relation to his own residence the total cost of such construction not being more than rupees ten lakhs.

² Website: <https://goaonline.gov.in/public/Login>

registered under both the registering authorities in the State during 2017-22 is given in **Table 3.1**.

Table 3.1: Details of registration of establishments during the year 2017-22

| Name of Registering Officer | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | Total |
|-----------------------------|------------|-----------|-----------|-----------|-----------|------------|
| DLC-North Goa | 71 | 57 | 35 | 10 | 33 | 206 |
| DLC-South Goa | 37 | 11 | 18 | 04 | 09 | 79 |
| Total | 108 | 68 | 53 | 14 | 42 | 285 |

(Source: Information furnished by the Labour Department)

As seen in the table above, while 206 establishments were registered in North Goa, only 79 establishments were registered by DLC-South Goa during the period 2017-22 out of which 37 (46.84 *per cent*) pertained to the year 2017-18 only. Only four and nine establishments during 2020-21 and 2021-22 respectively, were found to have been registered with DLC-South Goa. Further, during 2020-21, only 10 establishments were found to have been registered under DLC-North Goa.

In Goa, permissions from the respective Planning and Development Authorities and Local Bodies are mandatory for any development or alteration of land, under the respective Acts³. Local Bodies (ULBs and VPs) are responsible for issue of construction licenses in their jurisdictions and information about all permissions for construction activity can be readily obtained from the Local Bodies.

During scrutiny of records of eight test checked VPs/MCs, it was noticed that 1,169 construction licenses were issued by these Local Bodies during the period 2017-22 whereas only 75 construction sites were registered as establishments with their respective ROs as detailed in **Table 3.2**.

Table 3.2: Number of construction work licences issued in test checked Local Bodies and registered with the Labour Department during 2017-22

| Sl. No. | Name of LBs | No. of construction licenses issued by LBs | No. of construction works/sites registered with the DLCs (RO) |
|---------|-----------------------------------|--------------------------------------------|---------------------------------------------------------------|
| 1 | Curchorem-Cacora MC | 81 | 03 |
| 2 | Ponda MC | 81 | 08 |
| 3 | Corporation of the City of Panaji | 151 | 31 |
| 4 | Quepem MC | 113 | 00 |
| 5 | Calangute VP | 334 | 01 |
| 6 | Aldona VP | 144 | 00 |

³ Section 44 under Goa, Daman and Diu Town and Country Planning Act, 1974. Section 184 under Municipal Act, 1968 and Section 66 under The Goa Panchayat Raj Act, 1994

| Sl. No. | Name of LBs | No. of construction licenses issued by LBs | No. of construction works/sites registered with the DLCs (RO) |
|--------------|-------------|--------------------------------------------|---------------------------------------------------------------|
| 7 | Sancoale VP | 223 | 31 |
| 8 | Betoda VP | 42 | 01 |
| Total | | 1169 | 75 |

(Sources: Registers of construction license and data of registered establishments)

From the above table, it can be seen that the percentage of registration of construction sites was very low *i.e.* 6.42 *per cent* during the period 2017-22.

Audit conducted joint physical inspection of eight selected⁴ unregistered construction sites, four each under the jurisdiction of DLC-North Goa and DLC-South Goa. It was found that six construction sites (**Appendix I**) out of eight (75 *per cent*) were liable for registration under Section 7 of the Act as they employed 10 or more building workers on any day of the preceding 12 months. It was noticed that though these six construction sites had employed between 15 and 48 workers on any day of the preceding 12 months, the construction works were going on without valid registration.

It is evident that all construction sites had not applied for registration. In this context, analysis of the reasons for low registration of establishments indicated the following:

- ❖ There was no co-ordination between the registering authorities (DLCs) and the authorities responsible for issue of construction licences. The Department had not issued any instructions to the licence issuing authorities to communicate the relevant details to them.
- ❖ No awareness campaigns/programme were conducted by the Department to ensure compliance with registration requirements.
- ❖ None of the employers intimated the dates of commencement and completion of works to the Labour Department, as discussed in succeeding Para 3.1.2.
- ❖ Inadequate number of inspections of construction sites conducted by labour inspectors. As discussed in Para 5.2, no targets were fixed for the LIs regarding number of inspections to be conducted. Only 102 unregistered construction sites were inspected during the period 2017-22. Out of these, 84 establishments registered with the Department subsequently.
- ❖ Employers took the risk of not registering on account of low penalty, as discussed in Para 3.1.3.

⁴ Selected on the basis of highest amount of estimated construction cost for ongoing works of 2021-22 at the time of Audit.

Registration of fewer establishments also resulted in low beneficiary registrations and a large number of construction workers being left out of the social security cover envisaged under the Act.

The Secretary (Labour) directed the CLE and DLC to coordinate with the Local Bodies and obtain information about construction licenses issued by them, when the matter was raised during the exit conference (March 2024).

Further, the Government replied (April 2024) that registration of establishments was low due to Covid-19 pandemic which had a significant impact on construction activity. Regarding absence of mechanism to identify construction works going in the area it was replied that due to shortage of Labour Inspectors the work of inspection was adversely affected and once the number of inspectors are increased coverage of all the work sites would be ensured. Regarding work sites found unregistered during joint site inspection, it was replied that out of the six unregistered sites found, four have since been registered.

The Government's reply is not acceptable, as the number of establishment registrations was low even during pre and post Covid-19 periods. Further, despite the availability of the full strength of LIs, no targets were set for carrying out adequate number of inspections.

3.1.2 Intimation of the date of commencement and completion of any building or other construction work

As per Section 46 of the BOCW Act, 1996, read with Rule 26 of the GBOCW Rules, 2008, an employer in connection with any building or other construction work shall before 30 days of the commencement and completion of any building or other construction work submit a written notice to the Inspector intimating the actual date of the commencement and completion of such building or other construction work. Further, as per Section 48 of the Act, where an employer fails to give notice of the commencement of the building or other construction work, he shall be punishable with imprisonment for a term which may extend to three months, or with fine up to two thousand rupees, or with both.

Scrutiny revealed that a total of 285 establishments⁵ were registered by DLC-North Goa and DLC-South Goa during 2017-22. None of the registered employers had intimated the actual date of commencement or completion of such building or other construction work. Even in the year 2022-23, out of 36 establishments registered in both the districts⁶, none of the employers had intimated the actual date of commencement or

⁵ 206 in North Goa and 79 in South Goa

⁶ Thirty in North Goa and six in South Goa

completion. However, the Department neither imposed penalty⁷ nor took any other action as per the provisions contained in the Act *ibid*.

The Government replied (April 2024) that the observation has been complied with and all the establishments are now submitting notices of commencement and completion of works.

Reply has to be viewed against the fact that the Department neither imposed any penalty against the employer nor fixed any responsibility of Labour Inspectors for not conducting inspection of construction works going on in their jurisdiction.

3.1.3 Non-imposition of fine for delayed application for registration of establishments

As per Section 7 of the BOCW Act, every employer undertaking construction by engaging construction workers shall make an application to the RO of the district for registration of the establishment within 60 days from the commencement of the work. Provided that the RO may entertain any such application after the expiry of the period aforesaid, if he is satisfied that the applicant was prevented by sufficient cause from making the application within such period. Failure/delay in registration may attract a fine which may extend to ₹ 1,000⁸.

DLC-South Goa and DLC-North Goa registered 79 and 206 establishments respectively during the period 2017-22, out of which only 70 and 137 applications were made available to Audit. It was observed that 66 applications of DLC-South Goa and 89 applications of DLC-North Goa were received after the due date.

The establishments were registered without seeking the reasons for delay in applications and without evaluating if there was sufficient cause for the delay.

The State Government replied (April 2024) that efforts are made to avoid such situations and due procedure will be followed as per the existing Rules. It was also assured to carry out necessary modifications in the registration portal to identify the delay in date of application and commencement.

The reply is not tenable as the Department not only failed to ensure the implementation of the relevant provisions of the Act but also failed to carry out due diligence for imposition of the applicable penalty.

⁷ ₹ 5.70 lakh (285 establishments x ₹ 2,000 fine each establishment as per Act)

⁸ Under Section 50 of the Act

3.1.4 Delay in issue of Establishment Registration Certificates

As per Rule 24 of the GBOCW Rules, 2008, the RO, shall register the establishment and issue a certificate of registration to the applicant within 15 days of receipt of the application if applicant has complied with all the requirements.

Out of total 285 registrations done in North Goa (206) and South Goa (79) during 2017-22, 46 registration certificates (16 *per cent*) were issued with a delay ranging from 13 days to 1,094 days as detailed in **Table 3.3**.

Table 3.3: Number of registration certificates issued with delay

| Registering Authority | Delay range (in days) | | | Total |
|-----------------------|-----------------------|-----------|-----------|-----------|
| | Upto 100 | 100-500 | > 500 | |
| DLC- North Goa | 20 | 07 | 01 | 28 |
| DLC-South Goa | 14 | 04 | Nil | 18 |
| Total | 34 | 11 | 01 | 46 |

(Source: Information furnished by the Labour Department)

The delay was attributed to server problems and procedural delays in the Department. Delay in registration absolved the employer from the responsibilities under the Rules, including those for registration of workers and compliance to health, safety and other welfare measures of the workers.

The State Government replied (April 2024) that in most of the cases, delay in issuance of registration certificates was due to online and software issues. The issues are being streamlined in consultation with Goa Electronics Limited.

The reply is not tenable as in one fourth cases applications were processed by the Department with delay.

3.1.5 Non-submission of returns by registered establishments

As per Rule 247 of the GBOCW Rules, 2008, employer of every registered establishment shall annually send a return⁹ relating to such establishment in duplicate in Form XXV annexed to the rules to the RO so as to reach him not later than the 15th of February, following the end of each calendar year, with a copy to the Labour Inspector (LI). The return provides vital information such as the maximum number of building workers employed on any day during the year, total number of days during the year on which building workers were employed, number of incidents/accidents that took place during the year, *etc.*

⁹ The annual returns are to be submitted online through Goa Online portal maintained by Goa Electronics Limited.

Scrutiny, however, revealed that only 39 annual returns out of 197 were submitted by the employers during 2017-21 as detailed in **Table 3.4**.

Table 3.4: Details of returns furnished by registered establishments during 2017-21

| Calendar Year | DLC-North Goa | | | DLC-South Goa | | |
|---------------|--------------------|-------------------------|-------------------------------------|--------------------|-------------------------|-------------------------------------|
| | No. of returns due | No. of returns received | Percentage of submission of returns | No. of returns due | No. of returns received | Percentage of submission of returns |
| 2017 | Not maintained | NA | NA | 43 | Not maintained | NA |
| 2018 | 25 | Nil | NA | 12 | 7 | 58.33 |
| 2019 | 30 | 10 | 33.33 | 22 | 6 | 27.28 |
| 2020 | 14 | 09 | 64.29 | 06 | 2 | 33.33 |
| 2021 | 38 | 04 | 10.53 | 07 | 1 | 14.29 |
| Total | 107 | 23 | | 90 | 16 | |

(Source: Information provided by DLCs)

DLC-North Goa received only 23 returns, out of 107 whereas DLC-South Goa received only 16 returns, out of 90 due from the employers during the calendar year 2017-21. This shows the employer had submitted only 20 *per cent* returns to DLCs.

Annual returns were not furnished to DLC-North Goa by any of the registered establishments for the calendar year 2018. None of the DLCs maintained the record of returns for the year 2017. DLCs did not monitor the timely submission of returns and compliance in case of deviations or lapses observed during scrutiny of returns.

In the absence of returns, the DLCs did not have any information about the number of building workers employed, those entitled to be registered as beneficiaries, number of days of employment, accident/incident cases, *etc.*, which hindered effective monitoring of the registration and implementation of welfare schemes for the workers.

DLC-South Goa replied (February 2023) that the process for checking details in respect of non-submission/late submission of returns was being streamlined in consultation with Goa Electronics Limited. The Board replied (July 2023) that directions would be issued to the LI to monitor annual returns.

The Government replied (April 2024) that returns were submitted through offline process and no separate records were maintained. Also, submission of return is linked to registration of establishments and registration of establishments is being revamped. The annual return process shall also be streamlined for timely submission of returns.

The reply is not acceptable as though the number of registered establishments in a year was available with the Department, submission of returns against these establishments were neither properly registered/maintained nor monitored by the Department.

3.2 Registration of workers as beneficiaries of BOCW fund

As per GBOCW Rule 28 read with Rule 30, every building worker who has completed 18 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 and shall cease to be a beneficiary when he attains the age of 60 years or not engaged in building or other construction work for not less than 90 days in a year, and has not paid his contribution¹⁰ for a continuous period of one year.

3.2.1 Low registration of BOC workers

The registration of beneficiaries is managed by the Board. Workers are required to submit an application in the prescribed form, along with necessary documents¹¹ to the Registering Officers (RO) who are appointed by the Labour Department. In taluka, LIs are RO for registration of beneficiaries.

After verification of the application, the respective RO issues a Registration Certificate. The registration process is also monitored by the Board through monthly returns submitted by the employers giving full details of workers currently employed by them and entitled to be registered as a beneficiary.

Year-wise information on building and other construction workers registered as beneficiaries with the State Board is depicted in **Table 3.5**.

Table 3.5: Number of building and other construction workers registered with the Board during 2017-22

| Year | Number of registered beneficiaries at the beginning of the year | Number of new registrations during the year | Total number of registered beneficiaries at the end of the year |
|---------|-----------------------------------------------------------------|---------------------------------------------|-----------------------------------------------------------------|
| 2017-18 | 1934* | Nil | 1934 |
| 2018-19 | 1934 | 2080 | 4014 |
| 2019-20 | 4014 | 11991 | 16005 |
| 2020-21 | 16005 | 1989 | 17994 |
| 2021-22 | 17994 | 51* | 18045 |
| Total | | 16111 | |

(Source: Information provided by the Board)

*Data maintained offline.

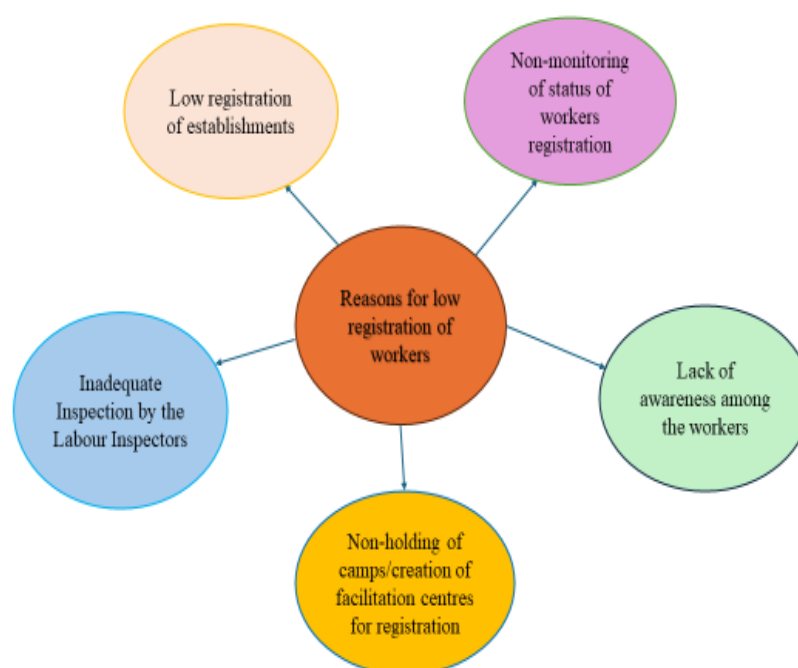
¹⁰ ₹10 per month

¹¹ Experience certificate, ID proof and the requisite fees in the form of a Demand Draft

It could be seen from the **Table 3.5**, that registration of workers was quite low during the period 2017-22, except for the year 2019-20, wherein 11,991 workers were registered. Further, there was a sharp decline noticed in the workers registration during the year 2021-22, whereas only 51 workers were enrolled as beneficiaries.

Further, increased registration of beneficiaries during 2018-20 was attributed to awareness programmes and training conducted by the Board during the year 2018-19. However, the Board did not conduct any further training and awareness activities among the workers for registration after 2019, which resulted in poor registration in the subsequent years. It was also observed that no workers were registered as a beneficiary during 2022-23.

Figure 2: Reasons for low registration of workers



3.2.2 Lack of proactive efforts for registration of BOC workers

Audit noticed that during the Registration of Establishments (2017-22) under Section 7 of the Act, 21,284¹² workers were engaged in building and other construction works. However, only 16,111 workers (76 *per cent*) were registered as beneficiaries and this showed that all the workers were not registered even in the cases of registered establishments, despite the fact that number of workers employed in these registered establishments were available with the Department.

¹² Total number of workers as per registration certificates issued to establishments during 2017-22

Further, the Department does not have any information about work carried out by unregistered establishments and the number of workers employed by them. As mentioned in para 3.1.1, during the joint site inspection of eight test checked unregistered establishments, it was noticed that six establishments employing a total of 165 workers were liable for registration under Section 7 of the Act.

However, as the establishments themselves were not registered, the registration of beneficiaries was also not done.

3.2.3 Non-submission of Assessment reports by Labour Inspectors

As per Labour Department order (November 2018), all LIs/ROs were required to submit the details of registration of building workers in their monthly assessment reports to the Board.

However, none of the LIs submitted their monthly assessment reports to the Board, which also failed to monitor the same. No action was taken on non-submission of assessment reports by the LIs.

3.2.4 Non-holding of regular camps/facilitation centres for registration of workers

As per Model Welfare Scheme for Building and Other Construction Workers and Action Plan, the State Labour Department/Welfare Board may issue directions to workers' registration authorities, to hold regular camps/create facilitation centres at prominent labour chowks/addas for the purpose of conducting awareness campaigns and facilitating registration of workers. Further, Board in its 13th meeting held in November 2018 decided to create awareness through advertisement on FM radio, announcement at Kadamba Bus stand across the State and spreading pamphlets, displaying hoardings, brochures and street plays at VPs level.

However, Audit observed that no such instructions were issued by the Labour Department/GBOCWWB to the workers' registering officers (Labour Inspectors) to hold regular camps/create facilitation centres at prominent labour chowks/addas for the purpose of conducting awareness campaigns and facilitating registration of workers during the period 2017-22.

The Board accepted (July 2023) the observations and stated that they would fix the responsibility as this was a legacy issue, which has grown over a period.

The State Government replied (April 2024) that audit observation is noted for compliance. It was also stated that cess collectors/labour inspectors will be directed to ensure registration of all unregistered workers by carrying out sensitization at construction sites and by surprise inspections. Further, the Board also decided to authorize all Labour Inspectors, all Village

Panchayats, Municipalities, Assistant/Junior Engineers of work executing departments as registering officers under the Act for registration of workers. The Board has forwarded this proposal for consideration to the expert committee.

3.3 Registration of migrant workers as a beneficiary of the Welfare Fund

Pursuant to the directions of the Hon'ble Supreme Court (July 2018), Model Scheme for Building and Other Construction Workers and Action Plan (for Strengthening Implementation Machinery) was placed on the official website of the Government of India, Ministry of Labour and Employment for compliance by State Governments and Union Territory Administrations.

As per the above-mentioned Scheme, to facilitate registration of BOC migrant workers under the Act, the destination State may be directed to conduct special drive with focus on migrant BOC workers and ensure that the migrant workers from outside the State are not discriminated at the time of registration and delivery of benefits. The authorities responsible for registration of migrant workers must share information with the respective State Welfare Board so that their registration/renewal/delivery of welfare benefits is monitored by the Boards of the source states.

As per information provided by the registering authorities, 4,967 migrant workers were registered under *inter-state* migrant workers Act, 1979, who were employed in Building and Other constructions works in the State during the period 2017-22. Under BOCW Act, it was noticed that 3,748 migrant workers (75.46 *per cent*) were registered with the GBOCWWF. Further, it was also observed that in the year 2022-23, 798 *inter-state* migrant workers were employed in building and other construction works in the State, however none of them were registered as beneficiary with GBOCWWF. Neither did the GBOCWWB receive any data/information of the registered migrant workers under the BOCW Act from the source State Welfare Boards nor did they share any data/information of the registered migrant workers to the source State Welfare Boards so that their registration/renewal/delivery of welfare benefits could be monitored by the respective Boards.

Due to absence of non-sharing of data between the Welfare Boards, registration/renewal/delivery of welfare benefits of all the *inter-state* migrant workers employed in the State could not be ensured.

The Board replied (September 2024) that henceforth, data on registration/renewal/delivery of welfare benefits of all *inter-state* migrant workers employed in the State will be shared between the Welfare Boards.

Reply has to be viewed against the fact that the Board had not taken immediate action to comply with the Hon'ble Supreme Court's Order.

Conclusion:

Registering authorities had no information about number of construction works going on in their respective areas. There was no co-ordination and data sharing between the construction licence issuing authority and the registering authority. Prescribed returns were not furnished by the registered establishments and intimation for commencement of construction/ completion of work was not given as required under the Act.

Registration of beneficiaries to avail benefit under the schemes was quite low which can be attributed to the Board's failure to conduct awareness programmes among the workers.

Recommendation 3: The Department may take immediate measures to increase the enrolment of establishments including a mechanism with Local Bodies and works executing departments to get the data of construction licences issued and work orders executed respectively.

Recommendation 4: The Board may conduct periodic surveys for identifying unregistered BOC workers and regular drives to improve awareness among workers to increase registration.