

Chapter III

Registration of Establishments and Workers

3.1 *Registration of Establishments*

The provisions of the BOCW Act applied to ‘every establishment’ which employs or had employed on any day of the preceding twelve months, ten or more building workers in any building or other construction work¹. Establishment under the BOCW Act means any establishment belonging to or under the control of Government, any body 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.

As per Section 7 of the BOCW Act, every employer² in relation to an establishment to which the act is applicable shall make an application within a period of 60 days of commencement of work to the Registering Officer of the area in which the building or other construction work is to be carried out for the registration of such establishment. The entire process of submission of application by the employer, payment of fees by the employer and issue of certificate of registration by the Labour Department was done through a web-based online system ‘Labour Department Management System (LDMS)’. While making the application for registration of establishment, the employer is required to mention the details such as name and location of establishment where building and other construction work is to be carried out, nature of work, maximum number of building workers proposed to be employed on any day, estimated date of commencement and completion of work *etc.*

Audit observations related to registration of establishments, are discussed in the succeeding paragraphs.

3.1.1 *Registration of establishments in the State and in selected districts*

Registration of establishment brings the employer under the ambit of the BOCW Act and RBOCW Rules, thereby ensuring compliance with the safety, health and welfare measures of workers.

¹ Building or other construction work is defined under the BOCW Act as any construction, alteration, repairs, maintenance or demolition of or in relation to buildings, streets, roads, railways, tramways, airfields, irrigation, drainage, *etc.*, and such other works as notified by the State Government.

² As per Section 2 (1) (i) of the BOCW Act, employer in relation to an establishment, means the owner thereof, and includes (i) in relation to a building or other construction work carried on by or under the authority of any department of the government, directly without any contractor, the authority specified in this behalf, or where no authority is specified, the Head of the department; (ii) in relation to a building or other construction work carried on by or on behalf of a local authority or other establishment, directly without any contractor, the Chief Executive Officer of that authority or establishment; (iii) in relation to a building or other construction work carried on by or through a contractor, or by the employment of building workers supplied by a contractor, the contractor.

Audit observed that only 2,949 establishments were registered in the State as of March 2022. Year-wise registration of establishments in the State and the five test checked districts during the audit period from 2017-18 to 2021-22 is shown in **Table 3.1** below.

Table 3.1: Number of Registered establishments in the State and test checked districts

Annual registration	Number of establishments registered					
	State	Jaipur	Dholpur	Karauli	Jodhpur	Kota
Number of establishments registered as on 31.03.2017	485	171	0	7	12	44
2017-18	478	179	0	55	14	23
2018-19	458	111	0	10	19	36
2019-20	696	325	0	4	12	36
2020-21	456	140	0	3	10	62
2021-22	376	77	2	0	5	30
Total	2,949	1,003	2	79	72	231

Source: As per Labour Department Management System (LDMS).

As seen from **Table 3.1**, the number of registered establishments in the State were 2,949 and in five test-checked districts were 1,387 as of March 2022.

To further verify if all the construction establishments were registering themselves, Audit test checked the status of registration in selected sample of (i) 44 construction works executed during 2017-22 by works executing departments, (ii) 40 construction projects registered with Real Estate Regulatory Authority³ (RERA) during 2017-22, (iii) 15 unregistered establishments, (iv) 55 inspection reports of Factories and Boilers Inspection Department (FBID), (v) 157 assessment files and (vi) 78 building plans approved by Planning Authorities in five test checked districts. Audit observations noticed are given below:

- The works executing departments did not have any information regarding the number of construction workers employed in selected 44 construction works. In absence of this, the requirement of registration of these works could not be verified in the test checked five districts. However, on correlating the data with Labour department, it was observed that 42 of these selected 44 works were not registered under BOCW Act.
- Out of 40 test checked RERA registered Projects⁴, 32 (80 per cent) projects were not registered under the BOCW Act. On being pointed out, the Department stated (July 2024) that information regarding RERA registered projects is not available with the Labour Department.
- During field visit of 15 selected unregistered establishments with representatives of Labour department, it was observed that eight (53 per

³ RERA was established for regulation and promotion of the real estate sector in the State. All real estate projects where area of land proposed to be developed exceed five hundred square meters and number of apartments proposed to be developed exceed eight will have to register with RERA.

⁴ Dholpur:5; Jaipur:4; Jodhpur:14; Karauli:1 and Kota:16.

cent) of them had employed more than 10 BOC workers and therefore, these establishments should have been registered.

- The Labour department had entrusted the inspection of health and safety conditions at the construction sites to Factories and Boilers Inspection Department (FBID), GoR. Audit test checked 55 Inspection Reports of FBID, GoR in selected districts and found that out of 26 establishments having 10 or more BOC workers, only three were registered under the BOCW Act. On being pointed out, Department stated (July 2024) that directions will be issued to district offices for registration of these establishments.
- During review of selected 157 Assessment Files⁵ of selected five districts, it was observed that 55 establishments were marked as registered in assessment files. No information regarding registration was mentioned in the assessment files of the remaining 102 establishments. Further, Audit observed that eight of these 102 establishments, were required to be registered as more than 10 workers were employed and details of workers employed were available in assessment files in Survey Form⁶/Form I⁷.
- During review of selected 78 approved building plans by Planning Authorities in selected five districts, it was observed that no establishment was registered with Labour Department.

Thus, the above facts indicate that significant number of eligible establishments remained unregistered due to insufficient monitoring by the Department.

The GoR stated (November 2023) that there is shortage of manpower in the department and implementation of 22 labour related Acts is being done by the department. Directions will be given to subordinate offices to obtain necessary information and to register establishments involved in construction work through campaigns in accordance with spirit of BOCW Act.

3.1.2 Obtaining information from works executing departments/ Planning Authorities

(i) To achieve better coordination among the departments and to ensure district level interventions to improve overall performance of registration and cess collection, District Collectors were directed by the GoR (15 September 2015) to constitute a BOCW Task Force (BTF). Senior most district level officer of Labour Department was the convenor of BTF under the chairmanship of District Collector. The BTF was required to meet at least once in a month and share information regarding all civil works undertaken by the State Government

⁵ Assessment File is related to assessment and collection of cess in respect of an establishment and includes details such as cost of construction, calculation of liable cess, assessment order and actual cess collected.

⁶ Survey is a primary method to identify an establishment coming in the purview of the Act and where cess could be levied.

⁷ As per Rule 6(1) of BOCW Cess Rules, every employer, within thirty days of commencement of work will furnish information in Form I to the Assessing Officer.

departments/other bodies, position of registration of these works, registration of workers engaged in these works and collection of cess.

During scrutiny of records in test checked districts, it was noticed that in meetings of the BTF held during 2017-22, only directions were issued to different departments for sharing information with labour department. However, information related to works executed by these departments/ building plans approved by planning authorities was not shared. Further, only 3 to 18 meetings⁸ were conducted against the target of 60 meetings in each of the test checked four districts.

(ii) Labour Department, GoR also issued (30 September 2015) instructions to all Labour Officers to obtain list of all civil works undertaken by the State Government departments and local bodies so that timely registration of establishments could be ensured.

During audit of selected five districts, it was observed that labour officers did not obtain such list of works from work executing departments and local bodies.

Above position indicates that no effective action is being taken by the Labour Department to ensure the coordination with work executing departments/ planning authorities to obtain information which could be used to ensure coverage of all establishments eligible for registration.

3.1.3 Delay in submitting application for registration of establishments

As per Section 7 of the BOCW Act, every employer undertaking construction by engaging BOC workers shall make an application to the Registering Officer of the district for registration of the establishment within 60 days from the commencement of the work. Provided that the Registering Officer may entertain any such application after the stipulated period of 60 days, if he is satisfied that the applicant was prevented by sufficient cause from making the application within such period. As per Section 50 of the BOCW Act, failure/delay in registration may attract a fine which may extend to ₹ 1,000.

As per the data available on Labour Department Management System (LDMS), audit observed that 2,464 establishments were registered in the State during 2017-22. In 990 cases (40.18 *per cent*) employers had applied for registration of establishments with a delay of one to 1,635 days beyond the prescribed 60 days.

Similarly, in test checked five districts, employers in 551 (48 *per cent*) out of 1,153 registered establishments had applied for registration of establishments with a delay of one to 1,635 days beyond the prescribed 60 days during 2017-22 as per details given in **Table 3.2** below.

⁸ Jodhpur: 3, Kota: 18, Jaipur: 3 and Karauli: 6.

Table 3.2: Delay in registration of establishments

S. No.	Name of District	Total number of registered establishments	Number of employers applied for registration after prescribed 60 days	Range of delay (in days)
	State	2,464	990	1 to 1,635
1.	Dholpur	02	01	113
2.	Jaipur	832	378	1 to 1,635
3.	Karauli	72	55	3 to 785
4.	Kota	187	93	4 to 1,051
5.	Jodhpur	60	24	09 to 772
	Total	1,153	551 (47.79%)	

GoR replied (October 2024) that penalty of ₹ 1.43 lakh was imposed in 76 cases. This indicates that penalty was not imposed in remaining 914 cases.

3.1.4 Non-intimation of actual date of commencement and probable date of completion

As per Rule 20 (3) and 66 (1) of the RBOCW Rules, the establishment should intimate the actual date of commencement before 30 days of the commencement and probable date of completion of construction work undertaken by them, to the jurisdictional Labour Inspector in prescribed form. Section 48 of the BOCW Act prescribes penalty for failure to give such information.

Audit observed that out of 1,153 establishments registered in the selected districts during 2017-22, such information was received in only 52 cases (Kota district) by the Labour Inspector. It was further observed that out of the remaining 1,101 registered establishments action for imposing penalty was initiated in only 37 cases⁹ (three per cent).

The GoR stated (November 2023) that there is shortage of manpower in the department and implementation of 22 labour related Acts is being done by the department. Directions will be given to subordinate offices to obtain necessary information and to register establishments involved in construction work through campaigns in accordance with spirit of BOCW Act.

3.2 Registration of Workers

Section 12 of the BOCW Act stipulated that every building construction worker in the age group of 18 to 60 years and engaged in any building or other construction work for a period not less than ninety days during the preceding twelve months is eligible for registration as beneficiary under BOCW Act.

From September 2016, workers have to register online, on a portal operated by the Labour Department called 'Labour Department Management System' (LDMS) by submitting an application online along with the prescribed documents (proof of age, certificate of engagement in building or construction

⁹ Jaipur: six cases, Kota: 21 cases and Jodhpur: 10 cases.

work, Aadhar card or Jan Aadhar/Bhamashah card and photograph etc.). Workers generally access the portal through government authorized cyber kiosks which provide e-governance services to citizens (*e-mitra*).

3.2.1 Registration of workers in the State and selected districts

As per the LDMS data, 30.10 lakh BOC workers were registered as of March 2022 in Rajasthan. The number of registered workers in the State and the five test-checked districts are given in **Table 3.3** below:

Table 3.3: Number of workers registered in the State and test checked districts

Year	State	Jaipur	Jodhpur	Dholpur	Karauli	Kota
2017-18	11,14,172	70,677	52,407	21,096	28,670	13,324
2018-19	5,61,704	21,648	12,275	15,443	26,802	8,652
2019-20	72,553	4,895	2,548	4,718	8,284	3,880
2020-21	2,24,771	18,149	7,412	9,117	6,094	8,507
2021-22	2,16,834	8,539	20,267	5,690	1,302	6,937

Source: Labour Department Management System (LDMS).

Above table indicates that year wise registration of workers in the State steeply decreased from 11,14,172 in 2017-18 to only 72,553 in 2019-20. However, it increased to 2,16,834 workers in 2021-22. The same trend was also noticed in the test-checked five districts.

During physical verification of 27 establishments (including 12 registered establishments) having 447 workers in test checked five districts, audit observed that only 27 workers (*six per cent*) were registered and remaining 420¹⁰ workers were not registered.

The GoR stated (December 2023) that many non-BOC workers were found registered as BOC workers, therefore, registrations were done strictly which reduced the number of registered workers.

Conclusion

Audit identified significant gaps in the registration of establishments and BOC workers under the relevant legal framework. Between 2017 and 2022, only 2,464 establishments were registered in the State with 40.18 *per cent* of them applied for registration beyond the stipulated timeline. The Labour department did not obtain lists of civil works from works executing departments and planning authorities which led to incomplete coverage of establishments required to register under the Act.

¹⁰ Jaipur:100; Jodhpur: 98; Dholpur: 19; Karauli: 91 and Kota:112.

As of March 2022, 30.10 lakh BOC workers were registered in Rajasthan. Physical verification of 27 establishments across five selected districts showed that only six *per cent* of the employed workers were actually registered highlighting inadequacy in system for registration of all eligible workers.

Recommendation 2: The Labour department may proactively coordinate with all works executing departments and planning authorities to obtain timely and complete information regarding ongoing and completed works to ensure that all eligible establishments are identified and registered under the Act.