

**GOVERNMENT OF INDIA  
LABOUR AND EMPLOYMENT  
LOK SABHA**

STARRED QUESTION NO:140  
ANSWERED ON:27.10.2008  
COLLECTION OF LABOUR CESS  
Kharventhan Shri Salarapatty Kuppusamy

**Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:**

- (a) whether some States have collected huge amount as labour cess but spent negligible amount on the welfare of labourers;
- (b) If so, the details thereof and the reasons therefor indicating the amount collected and spent as labour cess so far, State-wise;
- (c) whether the Union Government has issued any instructions to the State Governments for purposeful utilisation of the cess for the welfare of labourers alongwith the incentives proposed to be provided to such States; and
- (d) if so, the details thereof?

**Answer**

MINISTER OF THE STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF LABOUR AND EMPLOYMENT (SHRI OSCAR FERNANDES)

(a) to (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO. 140 BY SHRI S.K. KHARVENTHAN TO BE ANSWERED ON 27.10.2008 REGARDING COLLECTION OF LABOUR CESS.

(a) to (d): The State Governments are responsible for implementation of the Building and Other Construction Workers (Regulation of Employment and Conditions of service) Act, 1996 and Building and other Construction Workers Welfare Cess Act, 1996 in their respective State. The State Governments are also required to constitute State Building and other Construction Workers Welfare Board, notify State Rules, Constitute State Advisory Committee etc. in this respect.

The State Governments are collecting cess and the cess is transferred to State Welfare Boards. The State Welfare Boards are implementing various welfare schemes for building and other construction workers. As per information received from the States, as on 23.10.2008 an amount of Rs. 1145 crore approximately has been collected as cess and a sum of Rs. 415 crore approximately has been spent by the States where this Act is being implemented on various welfare schemes formulated by them.

The State Governments have to collect the Cess and formulate and implement various welfare schemes through Welfare Boards to be constituted for the purpose under the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. Cess collection is gradually picking up. Region wise meeting at regular interval are being held under the Chairpersonship of Union Secretary, Ministry of Labour & Employment, to persuade the States to make purposeful utilization of cess and monitor the progress in the implementation of the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.

No incentive is proposed to be given to States as this scheme is governed as per the provisions of the Act.

A State-wise Statement on the amount of Cess collected and spent is annexed.