

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

UNSTARRED QUESTION NO:2537  
ANSWERED ON:10.12.2012  
WELFARE OF LABOURERS  
Yadav Shri Dharmendra

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

- (a) whether the labour cess including cess collected from labourers including construction workers is lying unutilised in some States;
- (b) if so, the details thereof and the reasons therefor;
- (c) the schemes being operated for the welfare of labourers through the collected cess; and
- (d) the corrective steps being taken by the Government for the full utilisation of such cess for labourers only along with the detailed guidelines issued in this regard?

**Answer**

MINISTER OF STATE FOR LABOUR AND EMPLOYMENT (SHRI KODIKUNNIL SURESH)

(a) & (b): As per the Building and Other Construction Workers(Regulation of Employment and Conditions of Service) Act, 1996, the State Building and Other Construction Worker Welfare Board constitutes a fund called Building and Other Construction Workers Welfare Fund. The main source of the fund is cess @ 1% of the construction cost collected by State Governments which is transferred to the Boards as provided in the Building and Other Construction Workers Cess Act, 1996. As per the information received from State Governments, the total amount collected as construction cess as on 30.09.2012 is Rs. 7057.29 Crore, out of which Rs. 1009 Crore has been utilised for welfare of construction workers.

(c) & (d): The responsibility of collecting cess and its utilisation for welfare activities lies with the respective State Governments and State Building and Other Construction Workers Welfare Boards. The Central Government has been impressing upon the State Governments to implement the provisions 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 effectively. The Central Government has issued directions to all States/UTs under Section 60 of the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 for proper implementation of the Act. Union Minister of Labour & Employment has also written to the Chief Ministers of the States/UTs in April, 2010 and recently on 5th June, 2012 requesting them to take steps for collecting and utilizing cess and implementing the Acts. Union Secretary (Labour & Employment) has also written to Chief Secretaries of the States/UTs on 29th June, 2012 suggesting, inter-alia, to take steps for accelerating registration of workers, drawing out strategies for implementing model schemes of the Central Government and utilizing welfare funds for vocational training and skill development of the construction workers and their children.