

**GOVERNMENT OF INDIA
MINISTRY OF LABOUR AND EMPLOYMENT**

**RAJYA SABHA
STARRED QUESTION NO. 226
TO BE ANSWERED ON 07.12.2016**

**CESS COLLECTED UNDER THE BUILDING AND OTHER CONSTRUCTION
WORKERS' WELFARE CESS ACT, 1996**

***226. SHRI VIVEK K. TANKHA:**

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

- (a) the total amount of cess collected under the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Building and Other Construction Workers' (Regulation of Employment and Conditions of Service) Act, 1996 from the date of commencement of the Acts and till date;**
- (b) whether amount collected till date has been utilized for workers' welfare, if not, the reasons therefor; and**
- (c) whether there has been dereliction of duty/obligation on part of Union/State Governments during the implementation of the Acts in utilising the funds collected for welfare of workers?**

ANSWER

**MINISTER OF STATE (IC) FOR LABOUR AND EMPLOYMENT
(SHRI BANDARU DATTATREYA)**

(a) to (c): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PART (a) TO (c) OF RAJYA SABHA STARRED QUESTION NO. *226 FOR 07.12.2016 BY SHRI VIVEK K. TANKHA REGARDING CESS COLLECTED UNDER THE BUILDING AND OTHER CONSTRUCTION WORKERS' WELFARE CESS ACT, 1996.

(a) to (c): The Building and Other Construction Workers' Welfare Cess Act, 1996, provides levy and collection of cess on the cost of construction incurred by employers with a view to augmenting the resources of the Building and Other Construction Workers' Welfare Boards.

The responsibility of collecting cess and its utilization for welfare of construction workers lies with the respective State Governments/UT Administrations and State Building and Other Construction Workers' Welfare Boards.

The cumulative total of the amount of cess collected by the States/ UTs upto 30.09.2016, @ 1% of the cost of construction is Rs. 28454.62 crore.

Cess collected on the cost of construction incurred by employers under the Building and Other Construction Workers' Welfare Cess Act, 1996, is utilized for the welfare of construction workers by the State Building and Other Construction Workers Welfare Boards constituted by State Governments/ Union Territory Administrations under the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The amount of cess fund utilized by the States/ UTs is Rs. 6097.047 crore.

Under Section 60 of the Building and Other Construction Workers (RECS) Act, 1996, the Central Government has been issuing directions to the State Governments/UT Administrations from time to time for proper utilization of cess fund in term of the Section 22 of the Act.

The Central Government constituted a Monitoring Committee on 09.09.2015 under the Chairmanship of Secretary (Labour and Employment) to monitor the implementation of directions issued under Section 60 of the Act, specifically with reference to utilization of Cess fund for Welfare Schemes enumerated under Section 22 of the Act, by State Building and Other Construction Workers' Welfare Boards. The Committee has been holding regular meetings with the Principal Secretary/ Secretary/ Labour Commissioners of all the States/UTs to monitor the progress. The Committee has held four meeting so far.
