

Chapter 6

Welfare Schemes

6.1 Implementation of Welfare Schemes

Section 22 of the BOCW Act, 1996, empowers the Board to provide certain welfare measures and facilities to the BOC Workers. After formation of separate Board for Telangana, the Board in its meeting (March 2015) decided to continue the welfare schemes existing prior to bifurcation of the State.

The Board had continued the seven existing schemes during the audit period (2017-22) viz., Fatal Accidental Relief & Funeral Expenses; Hospitalisation relief; Disability Relief; Marriage Gift; Maternity Benefit; Natural Death Relief & Funeral Expenses; Artificial Limbs. While the benefit under Maternity Benefit Scheme was applicable to the members after completion of 12 months of registration, for other schemes there was no such limitation. Details of the assistance available to registered workers, eligibility conditions, nature and extent of benefits which are scheme-specific are explained in succeeding paragraphs. Further, the financial assistance was enhanced from time to time. The total beneficiaries registered during 2017-22 were 14,83,107. Details of schemes are given in **Table-6.1**.

Table-6.1: Details of schemes implemented; eligibility criteria and amount of benefit

Sl. No.	Name of the Scheme	Eligibility	Amount of benefit (₹)
1	Fatal Accidental Relief & Funeral Expenses	Nominee/dependents/legal heir of the registered Building & Other Construction worker who dies on the spot or due to the injuries caused by the accident occurred either in the workplace or anywhere else.	Fatal accident relief: ₹6.00 lakh, Funeral expenses: ₹0.30 lakh.
2	Hospitalisation (Distress) Relief	For Hospitalisation due to accident or terminal disease.	₹300 per day (₹4,500 per month up to three months).
3	Disability Relief	For sustaining injuries caused by an accident occurring either in workplace or anywhere else resulting in total permanent disability/partial permanent disability.	Partial disability: up to ₹4.00 lakh, Total disability: ₹5.00 lakh.
4	Marriage Gift	Financial assistance to the unmarried women workers and to the two daughters of the registered Building & Other Construction workers.	Marriage Gift: ₹30,000.
5	Maternity Benefit	Registered worker, wife of the male registered worker and two daughters of the either male or female registered Building & Other Construction worker limited to two deliveries each.	Maternity Benefit: ₹30,000.
6	Natural Death Relief & Funeral Expenses	The nominee / dependents / legal heir of the registered worker in case of natural death.	Relief: ₹1.00 lakh, Funeral Charges: ₹30,000.
7	Artificial Limbs	Registered construction workers who lost limbs in an accident that occurred either in the workplace or anywhere else resulting in disability.	Cost of the product depending upon the disability requirement.

Source: Department website and Government orders

6.2 Procedure and Timelines for processing of Claims

In order to claim relief under the above Welfare Schemes, Registered Workers should submit the application form to the respective Assistant Labour Officer (ALO) along with the necessary documents³⁰. Upon receiving the application, the ALO is responsible for conducting an enquiry and submitting a Report to the concerned Nodal Officer (DCL/ACL) and who presents it to the District Scrutiny Committee (DSC) for review.

After scrutiny, if the applicant is found eligible, DCL used to release the approved amount to the bank account of the beneficiary (up to July 2019). Thereafter a centralised payment system was introduced (August 2019) wherein the Board releases amount direct to beneficiary account based on the sanction accorded by the DCL. According to the instructions issued (July 2019) by the Board, applicants are required to submit their claims along with the required documents through Mee Seva Centres which uploads the data to the Board portal giving access to the respective ALOs for verifying and submitting it to the Nodal officer for sanction.

As per the Board's Circular (July 2019), once the beneficiary receives a receipt from Mee Seva, they must submit hard copy of the original application and documents to the respective ALO. Upon receiving the original application, and access through portal, the ALO conducts an enquiry and forwards the claim to the concerned DCL for approval. Following approval, the claim is forwarded to the Board online for release of payment to the beneficiary.

In October 2018, the Board established specific timelines for Assistant Labour Officers and Nodal Officers, outlining stage-wise time limits for the online release of benefits to the beneficiary bank accounts as given in **Table-6.2**.

Table-6.2: Timelines for processing of claims

Sl. No	Process to be done	Timelines
1	For verification /enquiry/uploading in the portal by the ALO from date of receipt of application	7 days
2	For scrutiny and approval by the Nodal Officer thereafter	3 days
3	For online transfer of the claim amount to the concerned bank along with beneficiary list thereafter	3 days
4	Crediting of the amount to the beneficiary account by the bank as per the list of beneficiaries sent by the Nodal Officer thereafter	1 day

Source: Information furnished by the Board

Details of scheme-wise claims received, disbursed and pending during the period 2018-22 are given in **Table-6.3**.

³⁰ Xerox copy of AADHAAR Card, Ration Card, Identity Card of the Registered worker, Photos wherever necessary, etc., and other documents as per the nature of claim preferred.

Table-6.3: Details of Scheme-wise claims during 2018-22

SI. No.	Name of Scheme	Number of claims received	Number of claims rejected	Disbursed		Pending claims
				No of claims	Amount (₹ in crore)	
Registered Workers						
1	Natural Death & Funeral Expenses	27426	2809	14269	176.95	10348
2	Accidental death and Funeral Expenses	3392	486	1849	116.00	1057
3	Marriage Gift	34682	1997	21378	63.99	11307
4	Maternity Benefit	70950	4275	45170	135.13	21505
5	Disability					
a)	Total Permanent Disability	51	12	25	0.98	14
b)	50% and above partial permanent disability	232	39	106	2.75	87
c)	26% to 49% partial permanent disability	42	8	6	0.11	28
d)	Upto 25% partial permanent disability	29	18	0	0	11
e)	Sanction of Artificial Limbs	13	7	2	0.002	4
6	Application for claiming Hospitalisation	2037	468	904	1.10	665
Unregistered workers						
7	Fatal Accidental death to un-registered Workers	54	6	27	0.19	21
		138908	10125	83736	497.20	45047

Source: Information furnished by the Board

Scrutiny of the information revealed following:

- Out of the total 1,38,908 claims received during the period from 2018-19 to 2021-22 across all schemes, 10,125 (7 per cent) of the claims had been rejected.
- Among the rejected claims, it was observed that 2,809 applicants claimed themselves as nominees/dependents/legal heirs of deceased registered BOC workers under the Natural Death Claims. However, the information/intimation regarding rejection of claims that was communicated to the applicants was not on record.

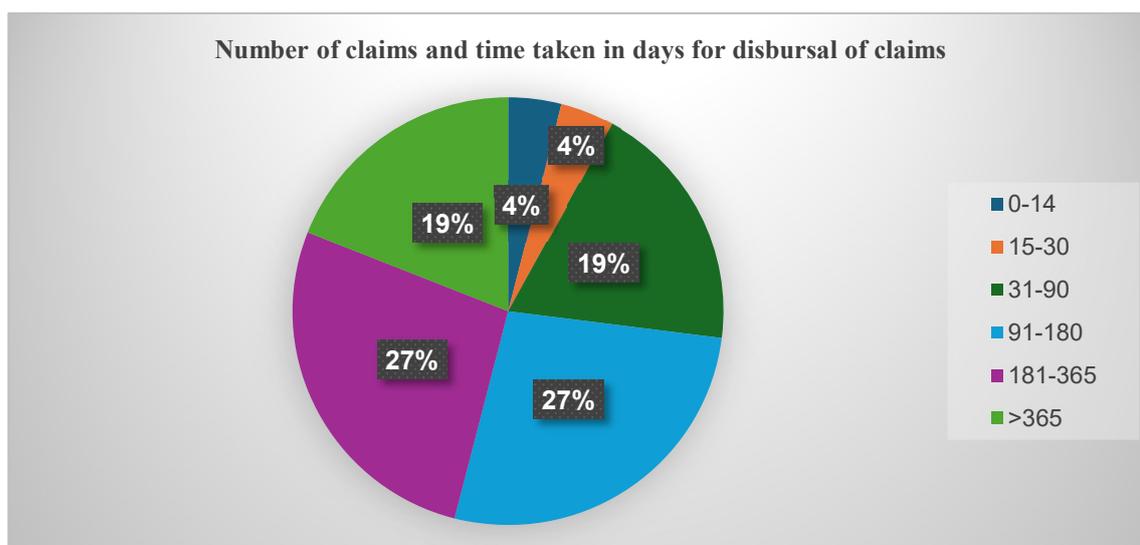
When specific reasons for rejection of the claims were sought (October 2023) for from the Board, no reply was furnished by the Board (April 2024).

6.3 Delay in processing of Claims

As seen from the data provided by the Board to the end of December 2022, it was observed that out of total 1,38,908 claims, 83,736 claims were disbursed, 10,125 claims were rejected, and balance 45,047 claims were pending at various levels.

Due to non-availability of information in the data dump provided by the Board relating to the date of submission and date of disbursement of claim in respect of 9,863 cases, Audit could analyse the delays in respect of 73,873 claims as against 83,736 claims as shown in **Chart-6.1**.

Chart-6.1: Details of time taken for disbursement of claims



Source: Data dump provided by the Board

- Out of 73,873 claims, only 2,740 (four per cent) claims were disbursed within the stipulated period of 14 days.
- It was observed that 50 per cent of claims i.e., 34,041 claims were disbursed by taking time from one month to six months; and another 46 per cent claims were disbursed within period ranging from 181 days to beyond one year.

The Board had replied (January 2024) that the claims submitted in MeeSeva are not checked for completeness by the MeeSeva operators and that will be known only at the time of verification by ALO. In view of this, the date of submission of online application cannot be reckoned for the purpose of delay in processing of claims.

Reply is not acceptable as majority of the claims (96 per cent) were disbursed beyond prescribed period of 14 days.

6.3.1 Settlement of Claims in test-checked Districts

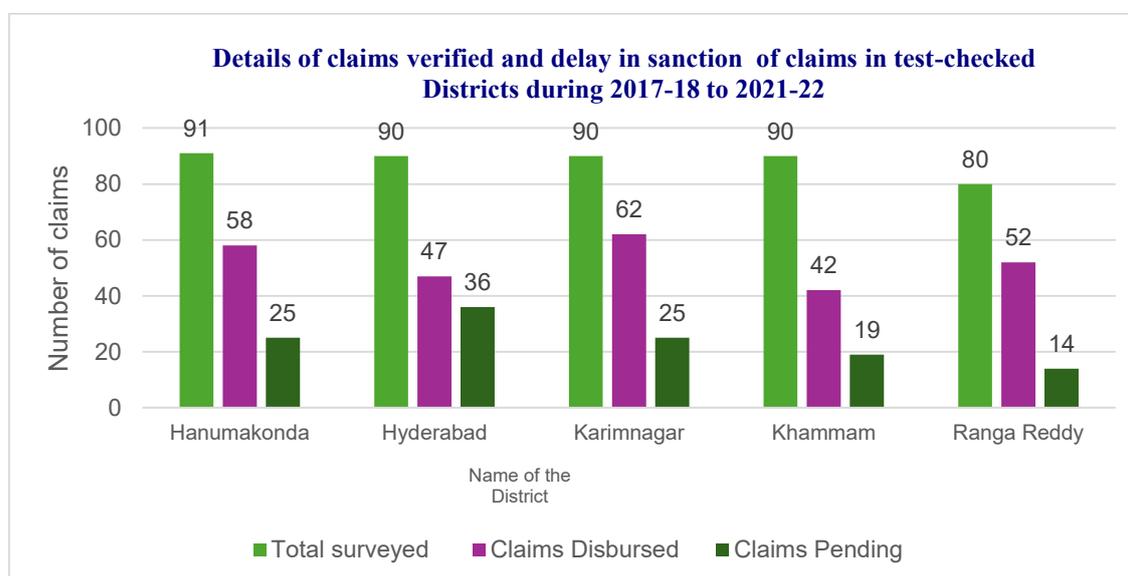
Audit observed that in test-checked Districts, out of test checked 441 claims, 261 claims were settled, 119 claims were pending for approval for one month and four years and 61 claims were rejected during 2017-22. District-wise details were given in **Table-6.4**.

Table-6.4: Details of settlement claims in test-checked Districts

District	Total surveyed	Claims Disbursed	Claims Rejected	Claims Pending
Hanumakonda	91	58	8	25
Hyderabad	90	47	07	36
Karimnagar	90	62	3	25
Khammam	90	42	29	19
Ranga Reddy	80	52	14	14
Total	441	261	61	119

Source: Tele-survey

Out of 261 claims settled, 241 claims were settled with delay ranging from one day to 1112 days (three years). The details of claims verified, sanctioned and pending are given in **Chart-6.2**.

Chart-6.2: Delay in settlement of claims in test-checked Districts

Source: Information furnished by the Department of Labour

In the selected offices of the test-checked Districts, 119 claims were pending for approval ranging from one month to more than four years. District-wise and scheme-wise pending claims are given in **Table-6.5**.

Table-6.5: Details of claims pending in selected offices of the test-checked Districts

Name of the District	Name of the Schemes						Total
	Accidental Death & Funeral Expenses	Natural Death & Funeral Expenses	Marriage Gift	Maternity Benefit	Hospitalisation Relief	Disability	
Karimnagar	3	5	1	2	9	5	25
Rangareddy	4	2	0	2	3	3	14
Hanumakonda	5	5	3	4	4	4	25
Khammam	3	3	3	5	1	4	19
Hyderabad	5	6	4	7	6	8	36
Total	20	21	11	20	23	24	119

Source: Data furnished by the Board

The delayed processing of claims defeated the objective of the welfare scheme.

The Nodal Officers of Karimnagar, and Hanumakonda replied (May/June23) that the matter would be examined:- The Nodal Officers of Hyderabad and Rangareddy replied (May2023) that the delay in processing of claims was due to non-submission of physical copies by the applicants, time taken by ALOs for verification of documents, non-availability of required documents and non-availability of regular staff *etc.* Nodal Officers of remaining test-checked Districts did not furnish specific reasons for pending claims.

6.4 Claims disbursed without Enquiry Report

In accordance with the orders issued from time to time by the Board, after receiving applications along with the required certificates, the Assistant Labour Officer (ALO) should conduct an enquiry and submit a report to the concerned Nodal Officer for sanctioning the claim.

Audit observed that 15 claims in two test-checked Districts *viz.*, Karimnagar and Khammam were sanctioned without obtaining the Enquiry Reports or with Enquiry Report being issued prior to the date of application and an amount of ₹16.54 lakh was disbursed as detailed hereunder:

- In Karimnagar District, an amount of ₹12.13 lakh was disbursed to 10 beneficiaries without obtaining the necessary Enquiry Reports (*Appendix-6.1*).
- In Khammam District, an amount of ₹3.10 lakh was paid to three beneficiaries (*Appendix-6.1*) without the requisite Enquiry Reports. In the case of two beneficiaries, the Enquiry Reports were dated prior to the date of application, for which an amount of ₹1.31 lakh was disbursed (*Appendix-6.2*).

Nodal Officer, Karimnagar replied (May 2023) that the matter would be examined and no specific reply was furnished by Nodal Officer, Khammam. The Board had replied (January 2024) that detailed reply with supporting documents will be submitted separately.

6.5 Irregular payments in the test-checked Districts

Scrutiny of the applications in the test-checked Districts revealed the following:

- a) Registration of the beneficiary after the date of death and disbursement of the amount to the beneficiary: In Khammam District, as per the death certificate issued by the Khammam Municipal Corporation, a BOC worker died on 24 September 2016. However, the Department registered him as worker on 7 December 2019 i.e., three years after the death of the person. Later the nominee submitted the claim application (7 February 2020) by enclosing another death certificate issued by the Gram Panchayat, Burgampadu showing the date of death as 10 December 2019. Based on the application dated 7 February 2020, the Department had sanctioned and disbursed the amount of ₹1.30 lakh in March 2020 to the nominee.
- b) Registration of the beneficiary after the date of accident and disbursement of the amount to the Nominee: In Hanumakonda District, as per the FIR dated 08 December 2018, a person (ALOHMKD/2018/09401) with occupation listed as

Agriculture and Bore Motor Mechanic met with an accident on 4 December 2018. However, he was registered as BOC worker on 5 December 2018 i.e., post-accident date. The person died on 7 December 2018 and a payment of ₹6.30 lakh was paid by the Board to the nominee in October 2019. It was evident that the person was registered as BOC worker irregularly that too after the incident had happened with a clear intention to claim benefit under the BOCW Act. DCL Hanumakonda replied (June 2023) that the matter would be examined.

The Board had replied (January 2024) that a detailed reply along with supporting documents will be furnished separately.

6.6 Suspicious double payments in different Schemes

It was observed from the data of claims during 2017-22 furnished by the Board that the claims were made in more than one District by the beneficiaries for the same incidents. The analysis of the same revealed the following:

- Nominees/dependents of death claims were paid twice in respect of eight claims. Out of the above beneficiaries, beneficiaries had registered in more than one District with different ALOs and their nominees had submitted their Accidental/Natural Deaths claims in both the places with death certificates obtained from concerned authorities. An amount of ₹0.81 crore was paid to the nominees/dependents of these beneficiaries (*Appendix-6.3*).
- Beneficiaries being registered in different Districts and submitting the documents for claiming benefits more than once had resulted in suspicious double payments of ₹0.40 crore to eight beneficiaries.

Thus, due to non-integration of the data to identify the duplicate registrations beneficiaries were paid claims twice for the same incident at different places.

- a) Maternity Benefits: The women workers or the spouse of the worker or two daughters of the either male or female registered workers may claim ₹30,000 per claim as maternity benefit. From the data provided by the Board for the period from 2017-22, it was observed that five Beneficiaries with two different registration numbers, claimed maternity benefits/ marriage gift under the scheme implemented by the Board, resulting in the suspicious double claims of ₹1.50 lakh by these beneficiaries (*Appendix-6.4*).

It was observed that maternity benefit to the wife/daughters of the registered workers was paid twice in respect of 29 beneficiaries with same registration number. This had resulted in suspicious double payment of ₹8.60 lakh to the beneficiaries (*Appendix 6.5*).

The Board replied (January 2024) that certain cases were of twins and system counted them as 1st and 2nd maternity benefit with same date of event. The reply is not acceptable as the benefit is payable at the rate of ₹30,000 for each delivery not for each child. Lack of Unique ID and absence of data integration to verify the payments had resulted in double payments to the beneficiaries.

6.7 Non-implementation of Schemes

It was observed that during the Board meetings decisions were taken for implementation of new schemes and in respect of some schemes budget was also provided. However, the schemes were not implemented. Details of new schemes proposed during the respective Board meetings and provision of budget were given in **Table-6.6**.

Table-6.6: New schemes proposed during the Board meetings during 2017-22

Board meeting resolution no.	Name of the Scheme	Provision of Scheme in budget estimate
7 th meeting dated 22 January 2018	a) Life disability pension for total/partial permanent disability, suffering with major ailments of paralysis and cancer.	Budget provision of ₹10 lakh was provided (2018-19) for Life disability pension in case of major ailments viz., Cancer, Paralysis and Leprosy. No expenditure incurred.
	b) Professor Jayashankar Educational Financial Assistance:Scholarship Scheme to the children of registered construction workers @₹1000 per year for 1 st to 4 th class and ₹2000 per year for 5 th to 7 th class to children.	Budget provision of ₹15 crore was made in 2018-19 only for Educational Financial Assistance. No expenditure incurred.
	c) Payment of Accidental death relief and Natural Death relief to workers in combination of Pradhan Mantri Jeevan Jyoti Bima Yojna and Pradhan Mantri Suraksha Bima Yojna.	Deferred.
9 th meeting dated 21 July 2018	Comprehensive health scheme for registered BOC workers.	No budget provision was made.
11 th meeting dated 31 March 2020	Subsidised food to the BOC workers through ANNAPURNA scheme being implemented by GHMC for COVID-19 lockdown period only.	No budget provision was made.

Source: Information furnished by the Board

The Board had provided some budget in Budget Estimates in 2018-19 (January 2018) itself for Building and other construction registered workers. However, none of the schemes was implemented to provide the intended benefits to the BOC workers.

The Board stated (May 2023) that the claims under these schemes had not been received and hence no expenditure was incurred. The reply is not acceptable as no budget was provided during 2019-22 for implementation of above schemes and proof of implementation of the schemes was also not made available to Audit.

6.8 Shortfall in conducting of trainings by National Academy of Construction (NAC)

Government ordered (August 2013 and September 2016) to provide skill up-gradation training to the registered BOC workers in acquiring new skills/up-gradation of existing skills, safety and hygiene and provide training in various trades³¹ and vocations to the spouse and adolescent children of the registered construction workers to improve their productivity and employability.

As per the above instructions (September 2016), the Board had to formulate training program for capacity building of Staff and Officers of the Board and Labour Department and other stake holders towards effective implementation of the welfare schemes and enforcement of BOCWW Act and Cess Act through National Academy of Constructions (NAC) and shall extend tool kits and stipends to the workers who successfully completed the training program.

Scrutiny of the records of the Nodal Officers revealed following:

- Training was not imparted to the Staff and Officers who were working in the Board and Labour Department of the District offices.
- Tool kits were not supplied to the workers who successfully completed the training programme.
- Training was not conducted in the trades *i.e.*, Plaster of Paris, Marble Tile Flooring, Bar Bending and Wooden Work.
- During the audit period (2017-18 to 2021-22), out of total 4,02,442³² registered workers only 7,369³³ workers were trained which amounts to *two per cent* only.
- As per point 5(B) of the Government Order (September 2016), training programme in the trade ‘Land Survey’ was scheduled to be conducted for unemployed youth of dependents of registered construction workers whose educational qualification, as per NAC norms (NAC website), was Intermediate. However, NAC conducted training in ‘Assistant Land Surveyor’, which was not notified as part of training programme, for 28 participants, out of them 15 trainees did not have required qualification *viz.*, Intermediate.
- The Board had fixed a target of 1,500 members to be trained under “90 days skill development programme for dependent youth” for the year 2020-21. However, the training was attended by 53 persons (*three per cent*) only.

³¹ Masonry, Electrical & Housing Wiring, Plumbing & Sanitation, Painting & Decoration, Bar Bending, Plaster of Paris, Marble tiles flooring, wooden work, land surveyor

³² Hyderabad-39,085; Karimnagar – 71,961, Khammam-1,35,375; Rangareddy – 31,793, Hanumakonda - 1,24,228

³³ Hyderabad- Nil ; Karimnagar – 3,278, Khammam-1,709; Rangareddy – 645, Hanumakonda – 1,737

- There were outstanding dues of ₹0.53 crore towards payment of stipend amount to the trainees of three³⁴ training programmes.

The Board replied (January 2024) that the trainings to the Staff members were provided on need basis. Further, it was stated that the trainings to the workers and selection of trainees were monitored by District Officers. Tool kits were also supplied to the trainees based on their eligibility and requirement.

The reply is not acceptable as details of training conducted for department/board officers were not furnished to audit and no documentary evidence was produced for tool kits supplied to the BOCW workers.

6.9 Conclusion

Out of total 1,38,908 claims received across all the schemes, 83,736 claims were disbursed, 10,125 claims which includes 2,809 Natural Death Claims were rejected, and balance 45,047 claims were pending at various levels. However, information/intimation regarding rejection of claims that was communicated to the applicants, was not on record. Out of 73,873 claims, only 2,740 (four per cent) claims were disbursed within the stipulated period of 14 days. In test-checked districts, significant delays were noticed in the settlement of claims. Out of 261 settled claims, 241 were sanctioned/disbursed with delays ranging from one day to 1112 days and 119 claims were pending for settlement from one month to four years. Failure in the verification process led to erroneous disbursements of ₹16.54 lakh to 15 beneficiaries in the test-checked Districts as the same was done without obtaining necessary enquiry reports. In its meetings (held during the period from 2017-22), the Board had approved new welfare schemes viz., Life disability pension, scholarships to the children of workers and Comprehensive Health Scheme for Registered BOC workers etc. However, none of the New Schemes was implemented as of May 2023. The Board had not imparted the required skill trainings through NAC to the staff of the Board and had not provided tool kits to trained workers during the period 2017-22.

6.10 Recommendations

- The Board should integrate the database of ID cards issued duly linking with unique ID to prevent the duplication of claims.
- The Board should have proper mechanism in place to settle the claims within stipulated period and also intimate the beneficiaries reasons for rejection of their claims.

³⁴ Skill Upgradation Training programme - ₹0.41 crore (2017-18); Self-employed Tailor-Garment stitching; ₹0.12 crore (2017-18 & 2021-22);