



Report of the Comptroller and Auditor General of India

Performance Audit on Welfare of Building and Other Construction Workers



SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest



Government of Tamil Nadu
Report No.3 of the year 2024

**Report of the
Comptroller and Auditor General of India**

**Performance Audit on
Welfare of Building and
Other Construction Workers**

Government of Tamil Nadu
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PREFACE

This Report for the year ended March 2022 has been prepared for submission to the Governor of Tamil Nadu under Article 151 (2) of the Constitution of India, for being laid before the State Legislature.

The Report of the Comptroller and Auditor General of India contains the results of Performance Audit on Welfare of Building and Other Construction Workers in Tamil Nadu covering the period from 2017-22.

The instances mentioned in the Report are those, which came to notice in the course of the Performance Audit conducted during July 2022 to November 2022. Matters relating to the periods outside the audit period have also been reported in places where they were found necessary.

The Audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Why we did this Audit?

Unorganised workers constitute about 82 *per cent* of the labour force at the National level. Construction workers, who are among the unorganised workers, are key players in nation-building. But, seasonality of employment, lack of formal employer-employee relationship and absence of adequate social security measures are the major issues faced by the construction workers in the unorganised sector.

With a view to regulate the employment of manual workers and the conditions of their work and social security, Government of Tamil Nadu (GoTN) enacted the Tamil Nadu Manual Workers (Regulation of Employment and Conditions of Work) Act, 1982 (TNMW Act). In continuation, in 1994, GoTN notified Tamil Nadu Manual Workers (Construction Workers) Welfare Scheme, 1994 (TNCWW Scheme), which envisaged provision of maternity, retirement and death benefits to the construction workers and financial assistance to them for their children's education and marriage. These welfare schemes are implemented by the Tamil Nadu Construction Workers Welfare Board (TNCWWB), using the Labour Cess collected at the rate of one *per cent* of the estimated value of construction works. In 1996, Government of India (GoI) enacted the Building and Other Construction Workers' (Regulation of Employment and Conditions of Service) Act, and Building and Other Construction Workers' Welfare Cess Act, which are applicable to the whole of India, including Tamil Nadu, which already had a similar legislation. GoTN continues to use its own Act and the welfare schemes framed thereunder.

Collection and utilisation of Labour Cess assumes greater importance as it involves the welfare of 19.30 lakh construction workers in the State. Besides that, collecting, accounting, utilising and investing the annual Cess collection of about ₹800 crore is a challenging task requiring sound financial management system, efficient planning, co-ordination and due diligence. Compliance Audit by the Office of the Principal Accountant General (Audit-I), Tamil Nadu, frequently brought out gaps in the administration of the welfare schemes by TNCWWB. Therefore, considering the people centric characteristics of TNCWW scheme and the significant risks perceived in its implementation, it was decided to conduct a Performance Audit on 'Welfare of Building and Other Construction Workers'.

What we found?

REGISTRATION OF ESTABLISHMENTS AND ASSESSMENT OF LABOUR CESS

TNCWWB did not maintain a database of Cess assessed, collected and remitted and thus lacked a system to ascertain the quantum and timely assessment of Cess. Audit found significant shortcoming in registering Establishments/Employers by the Directorate of Industrial Safety and Health (DISH), which adversely impacted the scope for data sharing with TNCWWB to ensure assessment of Labour Cess. Audit found significant under-valuation of cost of constructions by applicants of building permits, and the Local Bodies who were to collect the Labour Cess at the

time of approving the building permits did not have a system to ensure correctness of the estimated value of the construction.

COLLECTION AND REMITTANCE OF LABOUR CESS

There is no system to estimate the amount of Cess collectable by TNCWWB. Further, in the absence of a system to watch the assessment, collection, and remittance of Labour Cess, TNCWWB did not exercise any control over its sole source of revenue. This resulted in instances of short assessment of Cess at 0.3 *per cent*, instead of the revised rate of one *per cent* of estimated cost of construction, which went unnoticed. Deficiencies in system and non-reconciliation of collection and remittance of Cess amount had resulted in misappropriation, short-remittance, delayed remittance, and wrong remittance of the collected amount. It also resulted in temporary misappropriation of Cess amount by Local Bodies that collected the Cess and retained it in their accounts instead of remitting it to TNCWWB. Detailed investigation of 90 suspected cases of fraudulent short remittance of Labour Cess in Kancheepuram District revealed misappropriation of ₹15.85 lakh in 68 cases.

REGISTRATION OF WORKERS

Despite creation of TNCWWB in 1994, significant shortfalls continued in the registration process of unorganised construction workers. The manual as well as the electronic data of registered workers had significant shortcomings. Inaccuracies in capturing vital data such as Aadhaar number, mobile number and bank account number of the registered workers compromised the quality of the registration database. Deficiency in identification of eligible construction workers through proper survey had resulted in non-registration of significant number of workers. TNCWWB did not initiate effective action to bring the inter-State migrant workers under its fold. None of the estimated 1.45 lakh inter-State migrant construction workers were registered with the TNCWWB.

IMPLEMENTATION OF WELFARE SCHEMES

Implementation of welfare schemes for the benefit of registered workers suffered due to abnormal delays in processing of claims made by registered workers. Lack of clarity on scheme implementation had resulted in extending benefits to potentially ineligible persons. Lack of due diligence had led to non-extending benefits to large number of beneficiaries during COVID-19 pandemic and simultaneously, a significant number of beneficiaries received assistance more than once. Significant shortfalls in achievements under the Mission Mode Project, launched by GoI, contributed to deficiencies in implementation of welfare schemes.

FUNCTIONING OF TNCWWB

Non-preparation of budget during 2017-22 impacted the financial management of TNCWWB. Imprudent investment strategy had resulted in short realisation of interest on the investment of surplus funds. Inadmissible expenditure by TNCWWB caused increase in the administrative expenditure, which exceeded the ceiling of five *per cent*.

What we recommend?

We have made 20 recommendations as given below:

REGISTRATION OF ESTABLISHMENTS AND ASSESSMENT OF LABOUR CESS

- In order to broadbase Labour Cess assessment and collection, Government should ensure that DISH centralises the registration process to ensure 100 *per cent* registration of Establishments. Government should also ensure that TNCWWB maintains an updated database of all Cess remitting institutions and Establishments.
- Government should frame guidelines for estimation of construction cost of buildings for which building permits are approved by Local Bodies, and TNCWWB should ensure adherence to the guidelines.
- Government should amend the TNBOCW Rules, 2006 to make it mandatory that unless the contractor is registered with DISH, they cannot be offered/awarded any work.

COLLECTION AND REMITTANCE OF LABOUR CESS

- Government should strictly enforce furnishing of details by Cess remitting Agencies through Form III and Form IV and TNCWWB should put in place a system to check the correctness of the Cess collected and remitted/deducted by Local Bodies and Cess remitting Agencies.
- Government should expedite the implementation of the online Cess collection module including facility for automatic reconciliation of remittance with assessment of Labour Cess at Local Body level. Pending its implementation, Government should instruct Local Bodies to enclose the copies of counterfoil of challan and to provide transaction ID for each cash receipt.
- Government should ensure that responsibility is fixed for misappropriations of Labour Cess by tampering with counterfoils of remittance challans and direct TNCWWB to carry out a State-wide exercise to unearth similar cases of misappropriation. Government should also ensure that action is initiated to recover short collection of ₹61.78 lakh from the 167 cases pointed out by Audit.
- Accountability should be fixed by Government on those officials who were responsible for non-remittance/wrong remittance/short remittance of Cess. Government should amend the TNMW Act to authorise collection of interest by TNCWWB in respect of delayed remittances.

REGISTRATION OF WORKERS

- TNCWWB should coordinate with DISH to ensure coverage of all eligible workers at registered construction sites, including inter-State migrant construction workers.
- Government should order a survey of construction workers and ensure registration of all eligible workers with TNCWWB.

- TNCWWB should ensure integrity of its database of registered members for hassle-free processing of claims.
- In order to provide for general welfare of the workers, Government should amend the TNMW Act, 1982 and TNBOCW Rules, 2006 to make registration of workers with TNCWWB mandatory. A penalty clause to deter those employers/contractors for non-compliance may also be included.

IMPLEMENTATION OF WELFARE SCHEMES

- Government should fix minimum service period for pension eligibility and also consider fixing quantum of pension based on weightage for such service period.
- Maternity Assistance Scheme should be subsumed under Dr. Muthulakshmi Reddy Maternity Benefit Scheme implemented by Health Department and the expenditure incurred by the Department for the registered workers should be reimbursed.
- Government should fix benchmarks for delivery of services by TNCWWB and ensure schemes assistances are disposed of in a time-bound manner.
- Government should popularise the schemes implemented by TNCWWB by using appropriate Information, Education and Communication (IEC) activities for the benefit of the registered workers.
- Government should speed up implementation of Mission Mode Project so that more schemes are framed for the welfare of construction workers and the scheme implementation is streamlined.

FUNCTIONING OF TNCWWB

- Government should direct TNCWWB to collect inputs about the contractors carrying out construction works and estimate the annual Labour Cess collection due to it. This should help TNCWWB to monitor the actual collection with reference to the estimates.
- Government should direct TNCWWB to formalise its investment policy after an in-depth analysis of cash flow.
- Government should immediately stop the practice of making TNCWWB bear the entire administrative cost of all other Boards and ensure adherence to the directions of the Hon'ble Supreme Court to incur only five *per cent* of the total scheme expenditure as administrative cost.
- Government should fix responsibility on the officials responsible for the loss due to delay in presenting of Demand Drafts into TNCWWB's bank account.

Government's response to audit recommendations

GoTN, while responding to the Audit observations assured necessary corrective action wherever required. Government has also directed TNCWWB to initiate corrective actions recommended by Audit.

CHAPTER I
INTRODUCTION

CHAPTER I

INTRODUCTION

Performance Audit on Welfare of Building and Other Construction Workers

1.1 Introduction

Unorganised sector in India: According to Economic Survey Report¹ 2021-22, more than 82 *per cent* of the labour force is in the unorganised sector. The unorganised workers suffer from seasonality of employment, lack of formal Employer-Employee relationship, absence of adequate social security protection and other welfare schemes. Construction workers, who are mostly in the unorganised sector, are a major workforce in nation-building.

Labour welfare comes under the Concurrent List of the Constitution of India. Accordingly, both Government of India (GoI) and Government of Tamil Nadu (GoTN) have enacted legislations to regulate the employment of construction workers and to provide for their safety, health and welfare.

GoTN enacted the Tamil Nadu Manual Workers (Regulation of Employment and Conditions of Work) Act, 1982 (TNMW Act) and framed the Tamil Nadu Manual Workers (Regulation of Employment and Conditions of Work) Rules, 1986 (TNMW Rules) to regulate employment of manual workers, including construction workers. In 1994, GoTN notified Tamil Nadu Manual Workers (Construction Workers) Welfare Scheme, 1994 (Scheme) and established the Tamil Nadu Construction Workers Welfare Board (TNCWWB).

In 1996, GoI enacted the Building and Other Construction Workers' (Regulation of Employment and Conditions of Service) Act, 1996 (BOCW Act) and the Building and Other Construction Workers' Welfare Cess Act, 1996 (BOCWW Cess Act) along with BOCWW Cess Rules, 1998.

Though the major source of funds for TNCWWB is the Labour Cess collected at the rate of one *per cent* of the estimated value of construction works, GoTN did not implement GoI's BOCWW Cess Act and Rules as the TNMW Act was already in force. However, GoTN framed Tamil Nadu Building and Other Construction Workers' (Regulation of Employment and Conditions of Service) Rules, 2006 (TNBOCW Rules) incorporating provisions of BOCW Act relating to Registration of Establishments.

1.2 Administration

The Additional Chief Secretary (ACS) to Government, Labour Welfare and Skill Development Department (LW&SDD) heads the Department at Government level. The Directorate of Industrial Safety and Health (DISH) is entrusted with the task of implementation of BOCW Act/TNBOCW Rules *viz.*

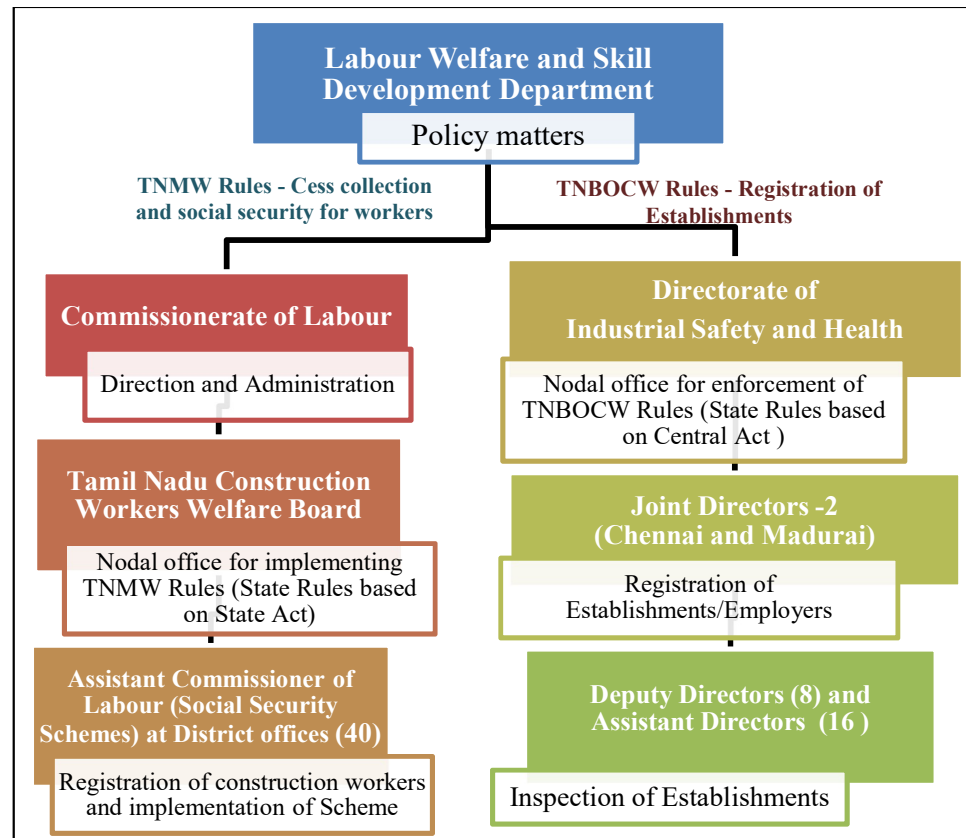
Abbreviations used in this Report are listed in the Glossary at Page 130

¹ By the Department of Economic Affairs, Ministry of Finance, Government of India.



Registration of Establishments²/Employers³ and safety of construction workers. The Commissioner of Labour is the administrative head of the LW&SDD Department, administering TNCWWB, one among 18 Boards (**Appendix 1.1**) under it. TNCWWB is entrusted with maintenance of the Cess fund for the implementation of the welfare schemes to the construction workers. The organisations engaged in implementing the Acts/Rules pertaining to the welfare of construction workers in Tamil Nadu, are given in **Exhibit 1.1**.

Exhibit 1.1: Organisations engaged in implementing Acts/Rules pertaining to the welfare of construction workers in Tamil Nadu



(Source: Details furnished by GoTN)

1.2.1 Enforcement of TNBOCW Rules for registration of Establishments

DISH is responsible for enforcement of TNBOCW Rules in matters relating to registration of Establishments/Employers, safety and health of the workers at the worksites. According to BOCW Act, any Establishment which employs or had employed on any day of the preceding 12 months, 10 or more workers in any building or other construction work, should be registered with DISH.

² Establishment means any construction site which employs workers for construction activities.

³ Employer means Government, Local Body, Company or individual who employs construction workers at the construction site.

1.2.2 Shortcomings in the enabling provisions of the Act/Rule

The TNMW Act/Rules of the State and the TNBOCW Rules did not have some of the major provisions of the Central Acts and the Rules made thereunder, viz.,

- No minimum membership period for availing of the benefits by construction workers which is three years under Central Act/Rules,
- No ceiling on the administrative expenditure of TNCWWB, which is pegged at five *per cent* of Annual expenditure in the Central Act/Rules,
- No provision for levy of interest on delay in payment of Cess, and
- No provision for audit by the Comptroller and Auditor General of India (CAG), etc.

1.2.3 Implementation of TNMW Act and TNCWW Scheme

Under the provisions of TNMW Act, GoTN appoints the Chairman and members of TNCWWB. While the Chairman and ex-officio members representing the Government hold office during the pleasure of the Government, the non-official members (Employer and Employee representatives) shall hold office for a period of two years from their appointment. The Board was re-constituted in June 2021.

The Secretary of TNCWWB is the Chief Executive Officer, usually an officer of the rank of Additional Commissioner of Labour, deputed from LW&SDD. The Secretary is assisted by personnel deputed from the LW&SDD and staff of TNCWWB to carry out the Board's functions.

1.2.4 Source and utilisation of funds

TNCWWB collects Labour Cess remitted by Local Bodies/other Agencies and generates interest from fixed deposits (FD) of its surplus funds.

The major expenditure was towards various scheme assistances to the construction workers through district offices and administrative expenses of TNCWWB/district offices.

The receipts and payments of TNCWWB for the period from 2017-22 are given in **Table 1.1**.

Table 1.1: Receipts and payments for the period 2017-22

(₹ in crore)

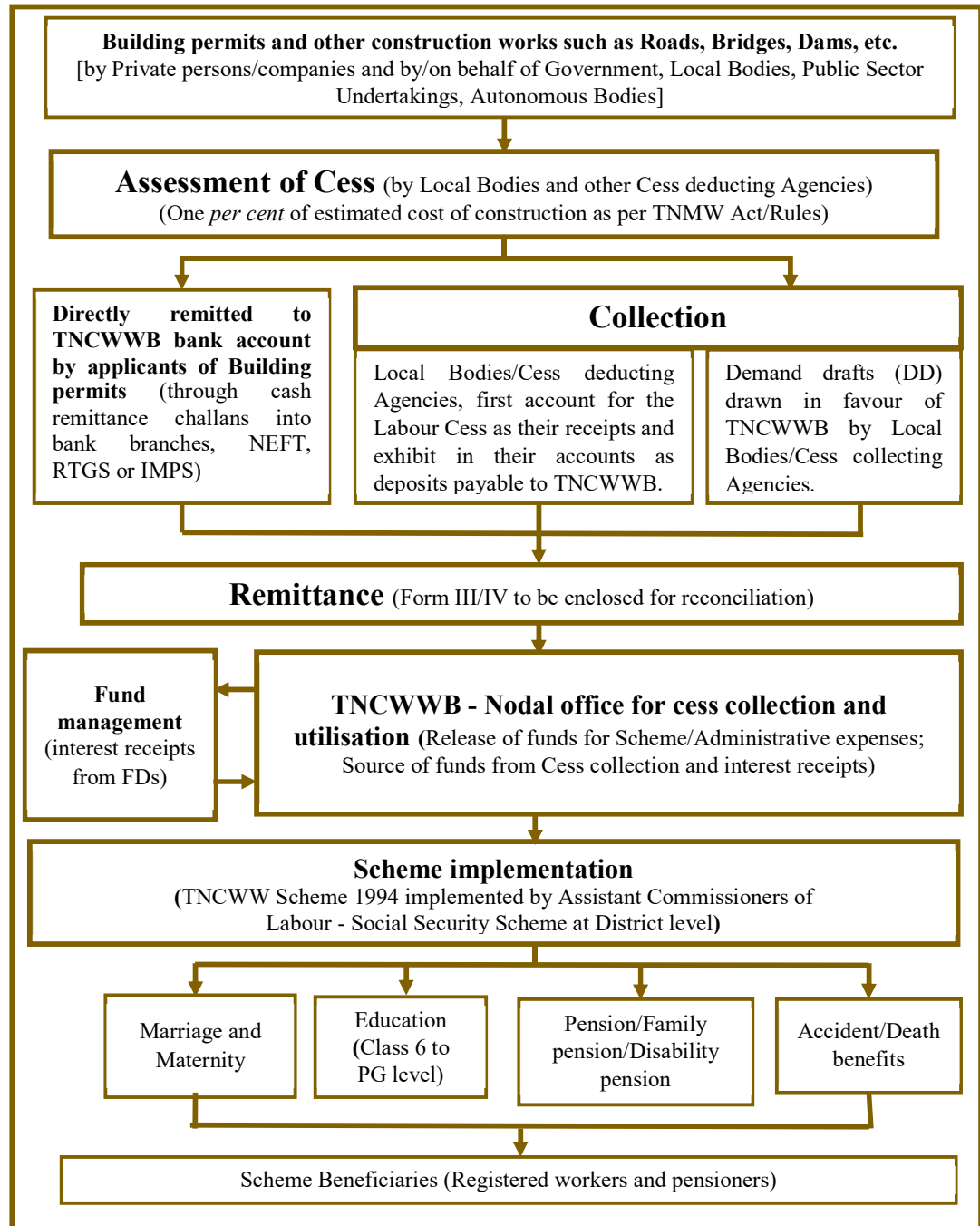
Year	Opening Balance	Receipts			Total Receipts	Payments		Total Payments	FDs made	Closing Balance
		Labour Cess	Interest	Other income		Scheme	Admn. and other expenses			
2017-18	237.73	521.12	149.78	0.36	671.25	90.89	30.40	121.29	554.52	233.18
2018-19	233.18	567.03	181.88	0.45	749.35	123.71	29.13	152.84	546.52	283.17
2019-20	283.17	627.41	235.15	1.18	863.74	148.12	64.67	212.79	646.00	288.12
2020-21	288.12	707.08	171.08	1.51	879.67	549.12	32.00	581.12	458.79	127.89
2021-22	127.89	785.78	130.77	0.03	916.58	177.64	31.46	209.10	599.53	235.84
Total	237.73	3,208.43	868.65	3.52	4,080.60	1,089.48	187.66	1,277.14	2,805.35	235.84

(Source: Data furnished by the TNCWWB)

TNCWWB, as on 31 March 2022, had a FD of ₹4,170 crore, an increase of ₹2,810 crore from an initial FD of ₹1,360 crore on 01 April 2017.

The fund flow for collection and utilisation of cess is given in **Exhibit 1.2**.

Exhibit 1.2: Fund flow for collection and utilisation of cess



(Source: Details furnished by TNCWWB)

District Offices: Assistant Commissioners of Labour-Social Security Scheme (ACL-SSS) in the districts are responsible for implementing the provisions of the TNMW Act e.g. Registration of workers, settlement of claims, etc.

The district-wise details of registered workers and pensioners are given in **Appendix 1.2**.

State Advisory Committee: Section 15(1) of the TNMW Act provides for the constitution of a State Advisory Committee headed by the Minister of Labour as Chairman and members consisting of representatives of Government, Members of State Legislature, Employers and Employees to advise the Government on matters arising out of the administration of the Act or the Scheme. Representatives of the Government shall hold office during the pleasure of the Government and other members shall hold office for a period of three years.

Expert Committee: As per Section 5 of BOCW Act, the Government may constitute one or more Expert Committees consisting of persons specially qualified in building or other construction work for advising Government for making rules under this Act. The Hon'ble Supreme Court had also directed (March 2018) all States to constitute Expert Committee and frame statutory Rules under Section 62 of the BOCW Act.

1.3 Audit approach and methodology

Audit objectives

The objectives of this Performance Audit (PA) were to assess whether:

- a mechanism is available for enumeration and registration of all Establishments, and for assessment, collection and remittance of Cess into the Board's fund; and the fund is managed in an effective, efficient and economical manner;
- an efficient system is in place for estimation, identification and registration of all construction workers;
- assistance under the Scheme to the registered workers is adequate, transparent and timely, and other identified schemes are converged; and
- monitoring is done as per the State and Central Acts; and internal control, Information, Education and Communication (IEC) and grievance redressal mechanisms are adequate and effective.

Scope and Coverage

This PA covered the period from April 2017 to March 2022. The field audit was conducted from July to November 2022 through test-check of records at the Secretariat, Commissionerate of Labour, TNCWWB, DISH, 10 sampled district offices⁴ of ACL - SSS and 124 sampled Local Bodies in the above 10 districts. The sample selection process is explained in **Appendix 1.3** and the list of sampled Urban and Rural Local Bodies are given in **Appendices 1.4** and **1.5** respectively.

⁴ Chennai, Cuddalore, Dharmapuri, Dindigul, Kancheepuram, Nagercoil, Salem, Tenkasi, Tiruchirappalli and Tiruvannamalai.

Audit Criteria

The audit criteria for measurement of the performance were derived from:

- TNMW Act, 1982 and the Rules framed thereunder in 1986;
- TNCWW Scheme, 1994;
- BOCW Act, 1996 and the Rules framed thereunder by GoTN;
- BOCWW Cess Act, 1996 and the Rules framed thereunder;
- Tamil Nadu Transparency in Tenders Act 1998 and Rules 2000;
- Orders of Hon'ble Supreme Court and Madras High Court;
- GoI and GoTN instructions; and
- Recommendations of Public Accounts Committee and Committee on Public Undertakings.

Audit methodology

The primary audit evidence was in the form of information gathered during audit through replies to audit enquiries and copies of documents furnished along with replies by audited entities, through Joint Physical Verification and responses to questionnaires collected during beneficiary survey conducted in sampled districts.

An Entry Conference was held on 21 July 2022 with the ACS to Government, LW&SDD to discuss the audit objectives, scope and methodology. An Exit Conference was held on 8 February 2023 with the ACS to Government, LW&SDD and officers of the Department to discuss the audit findings. The views of the Department were considered while drafting this report.

1.4 Previous Audit Reports

The CAG's PA Report No. 4 of 2014 - Government of Tamil Nadu, on the functioning of TNCWWB for the period 2008-13 was discussed by Committee on Public Undertakings (June 2022) and its recommendations are awaited (March 2023).

1.5 Good Practices

The number of registered workers, as of March 2020, was 31.27 lakh. An extensive verification exercise was conducted and TNCWWB removed 19.13 lakh inactive/duplicate members from the registered members' database due to non-renewal and de-duplication. COVID cash assistance of ₹2,000 each, during April-May 2020, were therefore released only to 12.14 lakh active workers. This exercise saved about ₹382 crore of potential payment of ineligible COVID cash assistance.

1.6 Acknowledgement

Audit acknowledges the co-operation extended by the Department and all audited entities in conduct of this PA.

1.7 Audit Findings

The audit findings are grouped into two sections consisting of six chapters:

- ❖ Chapter I : Introduction

Section A: Realisation of Labour Cess

- ❖ Chapter II : Registration of Establishments and Assessment of Labour Cess
- ❖ Chapter III : Collection and remittance of Labour Cess

Section B: Utilisation of Labour Cess

- ❖ Chapter IV : Registration of workers
- ❖ Chapter V : Implementation of Welfare Schemes
- ❖ Chapter VI : Functioning of TNCWWB

SECTION - A

REALISATION OF LABOUR CESS

CHAPTER II

REGISTRATION OF ESTABLISHMENTS AND ASSESSMENT OF LABOUR CESS

CHAPTER II

REGISTRATION OF ESTABLISHMENTS AND ASSESSMENT OF LABOUR CESS

Registration of Establishments was sluggish due to non-delegation of powers for registration of Establishments, inadequate efforts for registration and deficiencies in maintaining database of Cess remitting agencies. Lack of uniformity in estimating the cost of construction of buildings while issuing building permits by Local Bodies adversely impacted the assessment of Cess.

2.1 Introduction

As per BOCW Act, 1996, all Establishments engaging more than 10 workers in the preceding 12 months are to be registered and every Employer shall apply for registration within a period of 60 days from the date of commencement of work to the Director of Industrial Safety and Health (DISH). Registration of Establishments by DISH is a crucial factor for ascertaining the details of construction works for which Cess must be assessed and collected by Local Bodies and other Agencies. Establishments, including the Employers, are registered through online web portal and the process of registration is given in **Appendix 2.1**. The Joint Directors at Chennai and Madurai are delegated with the powers to register Establishments and Employers under the Act.

Establishments are construction sites which come under private companies and contractors as well as Government entities such as Local Bodies, Public Works Department, Highways, Tamil Nadu Water Supply and Drainage Board (TWAD), Chennai Metropolitan Water Supply and Sewerage Board (CMWSSB), Tamil Nadu Police Housing Corporation (TNPHC), Chennai Metro Rail Limited, Tamil Nadu Housing Board, Tamil Nadu Urban Habitat Development Board etc, which execute various construction works.

The assessment, collection and remittance of Labour Cess is made under the provisions of TNMW Act, 1982 and TNMW Rules, 1986.

Construction works for which building permits are issued by Local Body:

Under TNMW Rule 20A(1), the Labour Cess shall be collected by the Local Body at the prescribed rate while sanctioning the building permit, by means of Demand Draft (DD) drawn in favour of the Manual Workers General Welfare Fund of the TNCWWB, payable at Chennai. The contribution, so collected by the Local Body, shall be remitted to TNCWWB on or before the 15th of the month succeeding the month in which it was collected.

Other construction works: As per TNMW Rule 20A(2), construction which does not require Local Body's approval under Rule 20A(1), the Labour Cess shall be remitted to the Secretary, TNCWWB, by the person who undertakes or

is in-charge of such construction work, within 30 days from the date of commencement of such construction work.

The contribution under Rule 20A(1) and 20A(2) was revised from 0.3 *per cent* to one *per cent* of the estimated cost of construction with effect from 17 December 2013.

2.2 Non-registration of Establishments and Employers

As per the data provided by DISH for the period 2017-22, the number of Establishments/Employers registered was only 8,074.

Audit found that the number of Establishments registered by DISH was very low in view of the following:

During audit of sampled Local Bodies, Audit verified the list of Establishments/Employers (Both Local Bodies and contractors) registered with DISH. Verification revealed that 57 Local Bodies had executed a total of 18,587 works during 2017-22, which were to be registered individually as Establishments and the Local Bodies/contractors were to be registered as Employers. Audit, however, found that only 101 works (one *per cent*) in five Local Bodies were registered with DISH out of 18,587 of the works executed in 57 Local Bodies as detailed in the **Table 2.1**.

Table 2.1: Sampled Establishments/Employers registered with DISH

Sl. No.	Local Body (Employer)	Total Number of Local Bodies	Total number of works executed (Establishments)	Number of	
				Local Bodies registered	Establishments registered and Percentage
(1)	(2)	(3)	(4)	(5) = out of (3)	(6) = out of (4)
1	Corporations	7	6,183	4	100 (2)
2	Municipalities	9	3,622	1	1 (0)
3	Town Panchayats	25	2,169	NIL	NIL (0)
4	Blocks	16	6,613	NIL	NIL (0)
	Total	57	18,587	5	101 (1)

(Source: Data provided by the Local Bodies)

During Joint Physical Verification of 21 construction sites, Audit verified the registration details of the Establishment/Employer and noticed that 10 out of the 21 (48 *per cent*), were not registered with DISH.

Audit found that as of 31 March 2023, a total of 18,343 building⁵ and other construction works contractors were registered with nine different government agencies as given in **Table 2.2**.

⁵ Total number of contractors registered with the nine agencies was 24,054. After a de-duplication exercise of same contractors registered with multiple agencies, the unique number of contractors registered with the nine agencies was 18,343.

Table 2.2: DISH registration of contractors registered with various Government agencies

Sl. No.	Agency with which the contractors are registered	Number of unique contractors registered with the agency	Number registered with DISH	Percentage of contractors registered with DISH
1	Goods and Services Tax Network	11,015	456	4.14
2	e-procurement portal of GoTN	2,851	96	3.37
3	Employees Provident Fund Organisation (EPFO)	2,412	101	4.19
4	Highways Department	707	12	1.70
5	Chennai Metropolitan Water Supply and Sewerage Board (CMWSSB)	405	9	2.22
6	Employees State Insurance Corporation (ESIC)	353	6	1.70
7	Public Works Department (PWD)	353	12	3.40
8	Tamil Nadu Water Supply and Drainage Board (TWAD)	200	18	9.00
9	Greater Chennai Corporation (GCC)	47	2	4.26
Total		18,343	712	3.88

(Source: Database of respective agencies)

As could be seen from **Table 2.2**, out of the 18,343 unique contractors registered with nine different Government agencies, only 712 (3.88 per cent) were registered with DISH.

Thus, Audit observed that the number of Establishments/Employers registered by DISH was very low.

In reply to a specific audit query on registration of Establishments and Employers, DISH stated (October 2022) that despite their best efforts, Government Agencies and Local Bodies did not come forward to register themselves and to facilitate the registration of Establishments/Employers. Reply was not acceptable as penal action under Sections 48, 49 and 50 of the BOCW Act⁶ was not carried out by DISH. The reply points out lack of follow up measures in implementing the BOCW Act.

On an analysis of the reasons for the poor registration of Establishments/Employers, Audit found that as per Model Welfare Scheme (MWS)⁷ issued by GoI, the authority for registration of Establishments/ Employers must be decentralised to enhance accessibility at the local level. However, DISH had delegated powers only to the Joint Directors for registration of

⁶ **Section 48:** Penalty for failure to give notice of the commencement of the construction work; **Section 49:** Penalty for obstruction and **Section 50:** Penalty for other offences.

⁷ In pursuance of Hon'ble Supreme Court directions, under Section 60 of BOCW Act 1996, GoI formulated MWS and Action Plan for Strengthening Implementation Machinery.

Establishments/Employers. The Joint Director, Chennai was in charge of registration of Establishments/Employers in 15 districts and the Joint Director, Madurai was in charge of 23 districts.

Thus, Audit observed that the failure to decentralise the registration of Establishments/Employers had resulted in significant shortfalls in registration of Establishments/Employers by DISH, which in turn prevented effective data sharing with TNCWWB for monitoring assessment of Cess in respect of the Establishments/Employers, which could result in Establishments/Employers evading assessment and subsequent remittance of Labour Cess.

GoTN replied (February 2023) that action was being taken to register Employers who are not coming forward to register with DISH, and stated that during 2017-22, 195 show-cause notices were issued, and 272 charge sheets were filed against the Employers and the contractors for executing the construction works without valid Registration Certificate under BOCW Act.

2.3 Non-maintenance of database of Establishment and Employers

As of March 2022, about 13,600 Local Bodies, Government Institutions, etc., in the State are involved in collection of Labour Cess.

- (i) A total of 649 Urban Local Bodies (21 Corporations, 138 Municipalities and 490 Town Panchayats) and 12,913 Rural Local Bodies (388 Blocks and 12,525 Village Panchayats) for issuing building permits.
- (ii) Central/State Government Agencies⁸, State/Central PSUs/Autonomous Bodies⁹ for construction works undertaken by them.

Audit found that TNCWWB did not maintain any record/database of Cess assessing, collecting, and remitting Agencies. Further, as discussed in detail in **Chapter III**, the Local Bodies, and other Agencies, which are to collect and remit the Cess amount, did not furnish the mandatory Forms to enable TNCWWB to reconcile whether the Cess assessed and collected were remitted correctly.

Thus, TNCWWB did not have a system to watch the collection and remittance of Labour Cess by these Agencies through periodical reports/data on the details of constructions permitted/carried out by these Agencies.

GoTN replied (February 2023) that the Commissioner of Labour has been instructed (December 2022) to notify the Inspectors to ensure prompt collection and remittance of Labour Cess by Local Bodies to TNCWWB. Audit observed

⁸ PWD, CPWD, Highways, National Highways, Kalpakkam Atomic plant etc.

⁹ TWAD, CMWSSB, TNHB, TNSCB, DRDAs, TNPHC, NLC, Oil Corporations, Port Trusts, Airport Authority of India, Chennai Metro Rail Limited, Railways, Military establishments, etc.

that without ensuring timely submission of data on the building permits issued by different Local Bodies, it would not be feasible to collect all the dues in time.

2.4 Lack of uniform system for assessment of construction cost

As per Section 8A of TNMW Act, every person who makes an application for building permit for any building work to a Local Body shall be liable to pay a sum at such *per cent* not exceeding one *per cent*, of the total estimated cost of construction of the building to the Local Body concerned. Thus, the estimated cost of the building is the crucial factor.

Audit found that while the works executed by the Local Bodies and other Government Agencies had proper estimates of their works, the estimates prepared for building permits by private individuals/firms were not based on any uniform rates and varied widely. It was noticed that the sampled Local Bodies adopted different methods to assess the value of the construction, which in turn is used to assess the Labour Cess:

- Thirty-two Local Bodies adopted the rate fixed by the registered surveyor,
- Three Local Bodies adopted their own rates, and
- Fourteen Local Bodies adopted Public Works Department (PWD) rough cost estimates.
- Estimated building cost adopted for assessing Cess varied from ₹456 per sq.ft to ₹2,786 per sq.ft during 2017-22.

Audit found that during the same period, the rough cost of construction of buildings was ranging from ₹916 to ₹1,309 per sq.ft. Audit analysis of the Local Bodies which adopted their own rates and the rates fixed by their registered surveyors during 2017-22 revealed that the estimated cost of constructions were:

- less than half of the PWD rough cost estimates in 18 *per cent* of cases,
- less than three-fourth of the PWD rough cost estimates in 34 *per cent* of cases, and
- more than three-fourth of the PWD rough cost estimates in 48 *per cent* of cases.

Under-estimation of cost of construction would ultimately result in under assessment of Cess.

During the Exit conference, the ACS to Government stated that directions would be given to Local Bodies that the estimate amount adopted should not be less than the PWD's Schedule of Rates. Further, GoTN replied (February 2023) that the matter will be examined.

2.5 Non-levy of Labour Cess on Auroville Foundation

Auroville Foundation, Villupuram District, requested (June 2020) Ministry of Labour and Employment, GoI, seeking exemption from payment of Labour Cess to TNCWWB as they claimed that the construction works were carried out by the in-house units of Auroville foundation. To a request (February 2021) from GoI to GoTN to furnish comments on the merits of the case, TNCWWB stated (July 2021) that there was no provision for exemption to any Employer as per the State Act and hence no exemption could be granted from remitting Cess.

Audit noticed that Auroville foundation had constructed buildings costing ₹116 crore during 2018-21. Audit, however, found that the Auroville Foundation did not remit Labour Cess of ₹1.16 crore in respect of these works carried out by them. Despite that, TNCWWB did not initiate any penal action.

GoTN replied (February 2023) that Auroville Foundation has been directed (November 2022 and December 2022) to remit the Cess amount due to TNCWWB. Audit found that the Auroville Foundation did not comply with the direction to remit the dues, but no further action was taken (March 2023).

2.6 Conclusion

TNCWWB did not maintain a database of Cess assessing, collecting, and remitting Agencies and thus lacked a system to ascertain the quantum and timely assessment of Cess. Audit found significant shortcoming in registering Establishments/Employers by DISH, which adversely impacted the scope for data sharing with TNCWWB to ensure assessment of Labour Cess. Audit found significant under-valuation of cost of constructions by applicants of building permits, and the Local Bodies who were to collect the Labour Cess at the time of approving the building permits did not have a system to ensure correctness of the estimated value of the construction.

2.7 Recommendations

- In order to broadbase Labour Cess assessment and collection, Government should ensure that DISH centralises the registration process to ensure 100 *per cent* registration of Establishments. Government should also ensure that TNCWWB maintains an updated database of all Cess remitting institutions and Establishments.

- Government should frame guidelines for estimation of construction cost of buildings for which building permits are approved by Local Bodies, and TNCWWB should ensure adherence to the guidelines.
- Government should amend the TNBOCW Rules, 2006 to make it mandatory that unless the contractor is registered with DISH, they cannot be offered/awarded any work.

CHAPTER III

**COLLECTION AND
REMITTANCE OF
LABOUR CESS**

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COLLECTION AND REMITTANCE OF LABOUR CESS

TNCWWB did not have a system to watch the collection and remittance of Labour Cess. Deficiencies in the system and non-reconciliation of collection and remittance of Cess amount had resulted in misappropriation, short-remittance, delayed remittance and wrong remittance of the collected amount. Local Bodies had retained the Labour Cess collected for their own expenditure in violation of Act/Rules.

3.1 System of collection and remittance

As per Rule 20A(1) and (2) of TNMW Rules, the Local Body that accords building permissions is responsible to collect the Labour Cess amount from the building permit applicant. Other Agencies carrying out construction works, which does not require building permission by Local Bodies, are to calculate the amount of Labour Cess and remit the amount to TNCWWB.

During the Audit period, the Local Bodies typically followed three different systems for collection and remittance of Labour Cess.

- Labour Cess amount is collected by the Local Body from the building permit applicant in the form of DD and the DD is sent to TNCWWB.
- The building permit applicant is asked to remit the assessed amount of Labour Cess into the bank account of TNCWWB.
- Labour Cess amount is collected by the Local Body, credited to its own account, and periodically remitted to TNCWWB in lumpsum.

Government departments like PWD, Highways, etc., that carry out construction works, deduct the Labour Cess amount as non-government deductions from the bills payable to the contractors and remit it to the bank account of TNCWWB through Treasury system.

The Cess assessing/collecting/remitting Agencies are to furnish the details of Cess collection to TNCWWB in Form III/IV (**Appendix 3.1**). These Forms contains the details of Cess remittance e.g. estimated value of work, amount of Cess collected, the name of the Agency which assessed/collected/remitted cess, etc. Form III and Form IV would help TNCWWB to check correctness of assessment and collection and would facilitate reconciliation with actual receipt of money in the bank account of TNCWWB. In cases of direct remittance of Labour Cess through various modes *viz.*, ECS, cash remittance into TNCWWB bank branch, NEFT, RTGS and IMPS, the statement furnished by the Bank of TNCWWB does not contain information about the assessor/collector/remitter from whom the Cess is received. There is no other alternate system of

reconciling the bank Cess receipts with the assessed Cess. Therefore, submission of Form III/IV is crucial for reconciliation of Cess receipts with bank without which TNCWWB could not identify the assessor/collector/remitter.

Further, in case of Form III/IV being received from the Local Bodies/Cess collecting Agencies, Audit observed that the available human resources are inadequate for reconciliation due to enormity of cess remittances (about 400 DDs and 1,400 ECS transfers per day). This reconciliation through Form III/IV should be computerised/automated.

Audit attempted to verify whether proper reconciliation mechanism is available with TNCWWB for its Cess collection in its bank and deficiencies noticed are discussed in the succeeding paragraphs.

3.2 Deficiencies in the system of collection and remittance of Labour Cess

As already discussed in the preceding Paragraph, Cess remitting Agencies should attach Form III along with Cess collected for building permit approval and Form IV along with Cess collected for other construction works. During field audit, out of sampled 59 Local Bodies¹⁰, the details of Form III/IV enclosed by the Local Bodies for obtaining acknowledgement from TNCWWB for the payment of Cess amount, are given in the **Table 3.1**.

Table 3.1: Sampled Local Bodies: Furnishing of Form III/Form IV and receipt of acknowledgement from TNCWWB

Details	Total Number of Local Bodies	Furnished	Not furnished	
			Number	Percentage
Furnishing of Form III	59	4	55	93
Furnishing of Form IV	59	2	57	97

(Source: Details furnished by Local Bodies)

Audit noticed that out of 59 sampled Local Bodies, Form III was submitted by four Local Bodies whereas Form IV was submitted by two Local Bodies and as such reconciliation process was incomplete. This indicates that TNCWWB did not attempt to reconcile all its receipts and instead simply accounted for the amount received at its bank as its revenue without reconciliation.

Further, Form III and Form IV contains details like DD Number and date, estimated cost of the building, Labour Cess collected etc. Form III and Form IV are the only way of communication between Cess remitting offices and TNCWWB. Audit noticed several deficiencies in Form III and Form IV, viz:

- (i) The Form is designed in such a way that for each work/building permit approval, separate Form III and Form IV must be attached, which is not viable as Local Bodies undertake several works every month.

¹⁰ Excluding Village Panchayats.

(ii) Cess is remitted through DD and ECS by Cess remitting offices. There is no option in Form III and Form IV for indicating Cess remittance through ECS.

(iii) There is no option in Form III and Form IV for indicating date of receipt of collection and date of commencement of work. In the absence of above details, TNCWWB could not ascertain whether there were any non-remittance/short remittance or any delay in remittance.

Audit observed that the absence of a system to reconcile the collection of Labour Cess by Local Bodies with the actual receipt by TNCWWB had resulted in various issues, as discussed in **Paragraphs 3.3 to 3.8**.

GoTN replied (February 2023) that an Online Cess Collection Module was under implementation. Results of the action taken by the Government is awaited (March 2023).

3.3 Labour Cess remitted by Local Bodies not reflected in TNCWWB records

To check whether the Cess remittances by Local Bodies/Departments were correctly received and reconciled by TNCWWB, Audit collected information on annual Cess remittances details (through DD/ECS) from 39 State/Central Government departments/PSUs and 78 sampled Local Bodies. The differences between Cess remittance stated by the Cess collecting offices and Cess amount actually received by TNCWWB are given in **Appendix 3.2**.

Audit observed that out of 117 Cess remitting Agencies test-checked, remittance of only one¹¹ Agency tallied with the receipts of TNCWWB. In 83 cases, there were shortfalls in receipts reported by TNCWWB and in 33 cases, receipts accounted by TNCWWB were more than the actual remittances by these Agencies, as given in **Table 3.2**.

Table 3.2: Comparison of Cess remittances by Local Bodies/Departments and receipts by TNCWWB

				(₹ in crore)
Sl. No.	Departments/ Local Bodies	Cess remitted as per the records of Departments/ Local Bodies	Cess received as per the accounts of TNCWWB	Difference
Shortfall in TNCWWB receipts				
1	Departments (25 numbers)	126.74	41.73	(-) 85.01
2	Local Bodies (58 numbers)	36.35	11.68	(-) 24.67
Shortfall Total (83)				(-) 109.68
Excess receipts in TNCWWB account				
1	Departments (13 numbers)	50.14	130.37	80.22
2	Local Bodies (20 numbers)	34.15	69.78	35.62
Excess Total (33)				115.84

(Source: Details furnished by Local Bodies/Departments/TNCWWB)

¹¹ Tamil Nadu Maritime Board, Chennai.

As shown above, there were significant differences between remittances shown by Local Bodies/Departments and the actual receipts reflected in the TNCWWB accounts. This was due to non-reconciliation between TNCWWB and Cess remitting offices.

Report on DDs/ECS remittances: In Kancheepuram and Tiruvannamalai districts, out of 1,017 DD/ECS remittances amounting to ₹1.76 crore verified with reference to the receipt and accounting of these remittances by TNCWWB, 79 DDs/ECS worth ₹12.04 lakh remitted by six Local Bodies were not reflected in TNCWWB accounts, as listed in **Appendix 3.3**.

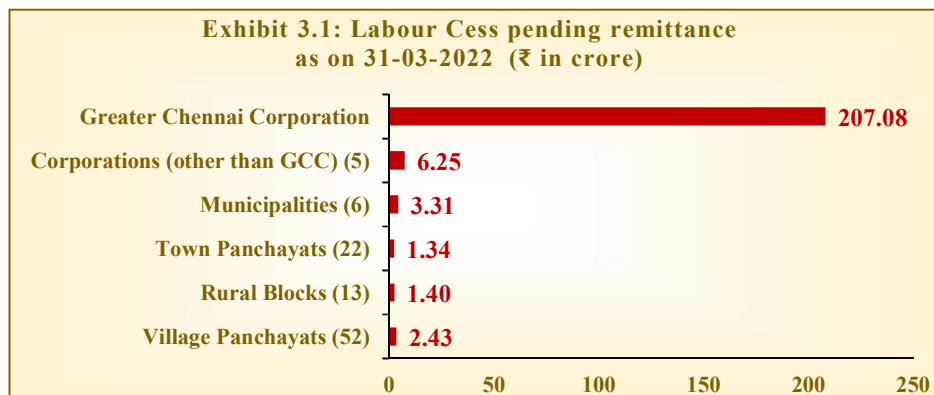
TNCWWB replied (December 2022) that they verified the remittance details through bank statement, covering letter furnishing the details of remittances and ECS. TNCWWB, further stated that they could not reconcile the differences stated above, as the Local Bodies/Department did not furnish the covering letters containing the details such as date of remittance, Unique Transaction Reference Number, Amount, Form III and Form IV, etc., while remitting Labour Cess.

Further, GoTN replied (February 2023) that the concerned Government Departments and Local Bodies were instructed (January 2023) to remit the shortfall in the Cess amount remitted by them. Audit, however, observed that the issue was not only about short remittance, rather it was due to lack of a system to correctly capture the remittances against the respective Local Body.

Thus, Audit observed that there was complete lack of a system for receipt and accounting of Labour Cess collected by Local Bodies and other establishments due to non-enforcing of submission of Form III and Form IV (**Appendix 3.1**).

3.4 Temporary misappropriation of Labour Cess by Local Bodies - ₹221.81 crore

Audit scrutinised the Cess collection by 124 Local Bodies in 10 sampled districts of Tamil Nadu and noticed that a sum of ₹221.81 crore (**Appendix 3.4**) was pending remittance by 99 Local Bodies; out of which the Greater Chennai Corporation (GCC) alone had a pending remittance of ₹207.08 crore. Non-remittance of Labour Cess collected, for a prolonged period of time, is construed as temporary misappropriation of funds, the details are given in **Exhibit 3.1**.



(Source: Details furnished by Local Bodies)

Analysis of the reasons for the huge pendency by GCC disclosed that in violation of the extant rule to collect the Cess amount through DD in favour of TNCWWB, GCC collected the Cess from building permit applicants by way of cash/DD/ECS in its own favour and kept it as a receipt in a Deposit head within its account (Code No.350200401). The money retained by GCC increased from ₹18,051 in April 2017 to ₹206.25 crore at the end of March 2022. During 2017-22, GCC received ₹206.33 crore as Cess from building permit applicants but remitted only ₹8.57 lakh into the accounts of TNCWWB. The violation of TNMW Rules went unchecked as TNCWWB did not have a system to estimate Local Body-wise receipts and to pursue it with the Local Bodies.

Remittance of Cess by the Local Bodies/other agencies were not watched and reconciled by TNCWWB due to three reasons *viz.*, (i) TNCWWB does not have a database of Cess collecting/remitting Agencies; (ii) TNCWWB is unaware of the actual Cess amount due, what was collected and remitted, and (iii) No Authority is appointed for assessing the Cess collected.

GoTN replied (February 2023) that a letter had been sent (January 2023) to respective Local Bodies to remit the pending amounts to TNCWWB's account.

As per Section 30 of TNMW Act, any person, who contravenes any of the provisions of this Act or any rule made thereunder shall on conviction be punished with fine which may extend to ₹500, and in case of continued contravention thereof, with an additional fine which may extend to ₹100 per day for every day during which such contravention continues.

Even though TNCWWB is empowered to impose penalty as mentioned above, till date, no penalty was collected from defaulting offices by TNCWWB.

GoTN replied (February 2023) that an Online Cess Collection Module would be developed to monitor Cess collection/remittance. Further, GoTN instructed (December 2022) the Commissioner of Labour to notify Inspectors to ensure prompt collection and remittance by Local Bodies. Results of the action taken by Commissioner of Labour is awaited (March 2023).

3.5 Remittance of Labour Cess into Government Account - ₹22.67 crore

The contribution payable under Rule 20A(1) and Rule 20A(2) of TNMW Rules shall be paid by means of DD drawn in favour of Manual Workers General Welfare fund of TNCWWB, payable at Chennai or through ECS to the bank account of TNCWWB. However, in Kancheepuram Block, it was noticed that Labour Cess collected for building permit approval and their own construction works were wrongly remitted into Government Head of Account-0230-00-106-AA-0002, which relates to catering head under Labour department. The remittance of Labour Cess into Government account was also noticed for the period 2017-22 in 16 districts, as detailed in **Appendix 3.5**.

As early as November 2017, the Commissioner of Labour addressed the Directorate of Rural Development and Panchayat Raj regarding remittance of

Labour Cess into Government account, but this wrong remittance continued till January 2022.

GoTN replied (February 2023) that TNCWWB will coordinate with Commissioner of Labour to assess and recover the Cess wrongly remitted into Government account. Audit observed that this issue requires co-ordination with the Finance department as well.

3.6 Short collection of Labour Cess - ₹61.78 lakh

Under Section 8A of TNMW Act, 1982, in December 2013, GoTN increased the rate of Labour Cess from 0.3 *per cent* to one *per cent* of the estimated value of construction.

The Local Bodies were to assess and collect Labour Cess at the rate of one *per cent* of the estimated value of the building for which they accorded building permit approvals. State and Central Government agencies that carried out building, road and other constructions were to deduct Labour Cess from the contractor's bills at the rate of one *per cent* of the value of the work done. These Cess collecting agencies were to remit the Cess amount collected by them into the Bank account of TNCWWB.

Audit checked the Labour Cess collections of the sampled Local Bodies, Government departments and other agencies and found that:

- In the 124 sampled Local Bodies, eight Village Panchayats (VPs), five Panchayat Unions (Blocks), six Town Panchayats, one Municipality and one Municipal Corporation, collected Labour Cess at the rate of 0.3 *per cent* instead of the correct rate of one *per cent* in respect of 61 construction works for which building permission was granted during 2017-22. The short collection amounted to ₹18.95 lakh (**Appendix 3.6**).
- Fifteen Cess remitting agencies (Government departments, PSUs and contractors), which were also to assess and deduct Cess at the rate of one *per cent* had deducted Labour Cess at the rate of 0.3 *per cent* instead of one *per cent* in 106 instances during 2017-22. The short collection amounted to ₹42.83 lakh (**Appendix 3.6**).

Audit observed that TNCWWB having no system to verify the correctness of assessment and collection of Cess by the Local Bodies merely accepted whatever amount was remitted by a Local Body. Similarly, Government agencies responsible for deducting Labour Cess from the contractor's bills did not furnish the value of construction works carried out by them to enable TNCWWB to verify the correctness of Cess paid.

This resulted in short assessment and collection of ₹61.78 lakh as Labour Cess in some of the test-checked units.

GoTN replied (February 2023) that directions have been issued (November 2022 and January 2023) to all the Agencies to remit the balance

amount of Cess to TNCWWB's account. Audit observed that TNCWWB had not yet addressed the larger issue of lack of a system to verify the correctness of the amount collected and remitted by Local Bodies and Cess remitting Agencies.

3.7 Misappropriation of Labour Cess

While applying for building permit approval, the applicant must pay the Labour Cess component, at prescribed rates. Those who want to pay by cash do so by remitting cash into any of the bank branches of the Nodal Bank in which TNCWWB maintains its account. The applicant pays the assessed Labour Cess amount into the bank branch through a challan in duplicate. The bank, after receiving and accounting for the remittance, retains the main challan (bankers' copy) and issues the counterfoil to the remitter. By producing the counterfoil of the challan, the applicant confirms payment of Labour Cess into its account, as a part of the requirement to obtain a building permit. The Local Body retains the counterfoil of the challan as proof of payment of Labour Cess. TNCWWB receives a statement from the Nodal bank containing details of the Cess remitted into its account. The Bank statement, however, does not show the details of the Local Body from which the amount was received. Therefore, TNCWWB is not able to recognise the Local Body from which the Cess is received. Unless the Form III is submitted by the Local Bodies, TNCWWB cannot reconcile the amount of Cess received in its bank account. Thus, TNCWWB is unable to verify or reconcile the correctness of the amount of Labour Cess remitted to its accounts.

Considering the risk involved in these transactions, Audit, with the help of the TNCWWB and its Bank, obtained the bankers' copies of challans and attempted to trace the money claimed to have been credited into the account of TNCWWB. Out of 980 building permit approvals by Kancheepuram Corporation and 30 in Thimmasamudram VP during January 2020 to December 2022, Audit sampled 90 cases of suspected fraudulent remittances and conducted detailed investigation. On comparing the bankers' copies of the remittance challans with copies of counterfoils of the challans available in the Local Body, Audit could establish that a lesser amount was remitted into the bank account and the counterfoil of the bank challan was fraudulently tampered with by increasing the amount of deposit to match with the Cess amount (Local Body copy of challan) required to be paid. Audit noticed such misappropriation of ₹15.85 lakh (**Appendix 3.7**) by short remittances in 68 of the 90 cases verified. In five of these cases, even bogus counterfoils were produced without remitting any amount into the account of TNCWWB and Local Bodies issued building permits based on such bogus counterfoils.

Kancheepuram Corporation and Thimmasamudram VP have acknowledged the short-remittance and informed Audit that they would initiate appropriate action. A sample case of misappropriation is given in **Exhibit 3.2**.

**Exhibit 3.2: A sample case of misappropriation
₹5,000 paid into bank account of TNCWWB but Counterfoil corrected to ₹1,85,000**

The counterfoil contains the following information:

- Bank: Union Bank of India
- Branch: Annanagar
- Account No: 530601010038239
- Date: 16/8/2021
- Transaction ID: AA405208
- Beneficiary: TNCWWB
- Amount: ₹5,000 (as per counterfoil)
- Amount: ₹1,85,000 (as per tampered counterfoil)

The applicant Smt. Amudha had applied for a Building permit approval. The Corporation assessed the estimated value of the building as ₹1.85 crore and levied ₹1,85,000 as Labour Cess. The applicant/representative, while remitting cash into the Union Bank of India Bank branch on 16 August 2021, remitted only ₹5,000 and tampered the counterfoil to show as if ₹1,85,000 was paid, while submitting it to the Corporation for Building permit approval. It is established from the transaction ID (AA 405208) that the name of the applicant recorded both in bank copy and counterfoil are for the same remittance. The TNCWWB received only ₹5,000 as given below.

M/s Manual Workers General Welfare Fund of TNCWWB			
A/c NO: 530601010038239 Union Bank of India, Annanagar			
Date	Particulars	Deposits	Balance
16/08/2021	Amudha, Kancheepuram	5,000.00	1,10,11,446.54

Thus, a sum of ₹1.80 lakh was fraudulently short remitted on 16 August 2021 and both Kancheepuram Municipal Corporation and the TNCWWB could not identify this misappropriation by fraud.

Further, it was seen from the Local Fund Audit Reports of Vadakarai Keelpidagai TP of Tenkasi District for the years 2019-21 that there were short remittances of ₹10.35 lakh by tampering with challans relating to Cess remittance for building permit approval. The misappropriation happened by overwriting the amount of Labour Cess in the counterfoil of the challan prepared for remittance of Labour Cess. Similar misappropriation of ₹1.45 lakh had also happened in Achanpudur TP of Tenkasi district.

Audit observed that Form III (**Appendix 3.1**), which was to be submitted mandatorily by the Establishments, was a tool to monitor the value of building and reconcile the Labour Cess collected by the Local Body. Failure to ensure receipt of Form III contributed to the misappropriation.

Thus, Audit observed that failure to reconcile Cess received through bank remittances led to misappropriation of ₹27.65 lakh in the Local Bodies of two sampled districts.

GoTN replied (February 2023) that letters have been sent (January 2023) to the concerned TPs to pay the short remittance to TNCWWB's account. However, the reply addresses only the cases pointed out by Audit through sample check.

3.8 Delay in remittance of Labour Cess - Loss due to lack of interest provision - ₹78.91 crore

As per Section 8 of BOCWW Cess Act, if any employer fails to pay any amount of Cess within the time specified in the order of assessment, such employer shall be liable to pay interest on the amount to be paid at the rate of two *per cent* for every month or part of a month comprised in the period from the date on which such payment is due till such amount is actually paid.

BOCWW Cess Act is not implemented by GoTN and there is also no provision in TNMW Act/Rules to levy interest for delay in remittance of Cess. In the sampled districts, Cess collection and remittance details in respect of 124 Local Bodies were test checked and it was noticed that a sum of ₹221.81 crore was pending remittance by the Local Bodies as stated in **Paragraph 3.4**. Had the TNMW Act/Rules been aligned with the provisions of BOCW Act, 1996, TNCWWB could have levied an interest amount of ₹78.91 crore as given in **Appendix 3.4**, which would have been a deterrent against delayed remittance of Cess.

During the Exit Conference, the ACS to Government stated that suitable amendments would be made in the State Act/Rules to include penal interest provision.

3.9 Conclusion

In the absence of a system to watch the collection and remittance of Labour Cess, TNCWWB did not exercise any control over its sole source of revenue. This had resulted in temporary misappropriation of Cess amount by Local Bodies that collected the Cess and retained it in their accounts instead of remitting it to TNCWWB. Short assessment of Cess at 0.3 *per cent*, instead of the revised rate of one *per cent* of estimated cost of construction, went unnoticed. Deficiencies in the system and non-reconciliation of collection and remittance of Cess amount had resulted in misappropriation, short-remittance, delayed remittance, and wrong remittance of the collected amount. Detailed investigation of 90 suspected cases of fraudulent short remittance of Labour Cess in Kancheepuram District revealed misappropriation of ₹15.85 lakh in 68 cases.

3.10 Recommendations

- Government should strictly enforce furnishing of details by Cess remitting Agencies through Form III and Form IV and TNCWWB should put in place a system to check the correctness of the Cess collected and remitted/deducted by Local Bodies and Cess remitting Agencies.
- Government should expedite the implementation of the online Cess collection module including facility for automatic reconciliation of remittance with assessment of Labour Cess at Local Body level. Pending its implementation, Government should instruct Local Bodies to enclose the copies of counterfoil of challan and to provide transaction ID for each cash receipt.
- Government should ensure that responsibility is fixed for misappropriations of Labour Cess by tampering with counterfoils of remittance challans and direct TNCWWB to carry out a State-wide exercise to unearth similar cases of misappropriation. Government should also ensure that action is initiated to recover short collection of ₹61.78 lakh from the 167 cases pointed out by Audit.
- Accountability should be fixed by Government on those officials who were responsible for non-remittance/wrong remittance/short remittance of Cess. Government should amend the TNMW Act to authorise collection of interest by TNCWWB in respect of delayed remittances.

SECTION - B

**UTILISATION OF
LABOUR CESS**

CHAPTER IV
REGISTRATION OF
WORKERS

CHAPTER IV

REGISTRATION OF WORKERS

The manual as well as the electronic data of registered workers had significant shortcomings. Inaccuracies in capturing vital data such as Aadhaar number, mobile number and bank account number of the registered workers compromised the quality of the registration database. Deficiency in identification of eligible construction workers through proper survey resulted in non-registration of significant number of workers. TNCWWB did not initiate effective action to bring the inter-State migrant construction workers under its fold.

4.1 Registration of construction workers

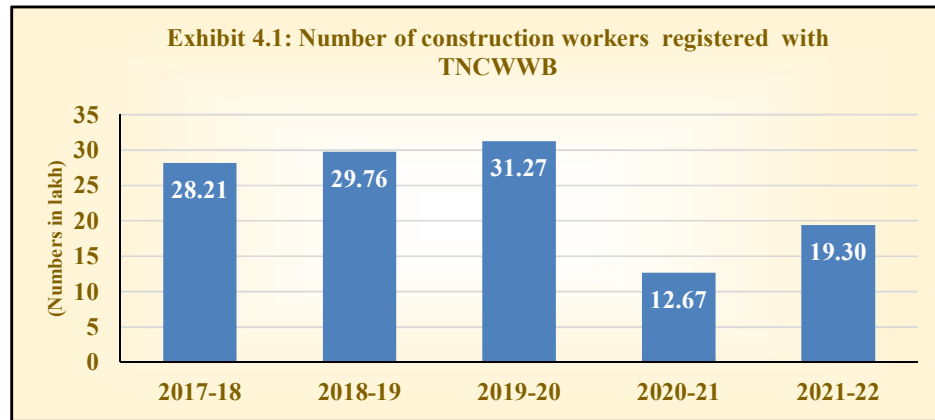
TNCWWB registers construction workers through its district offices (ACL-SSS). A total of 54 categories of building and Other Construction Workers (**Appendix 4.1**), who have completed 18 years of age but not completed 60 years of age, are eligible for registration under TNMW Act.

The registration of workers was carried out through a manual process till 18 June 2020, and the data was maintained in physical form at District Offices. From 19 June 2020, the registration process was through online. The process of registration involves online filling up of application on the website of TNCWWB and uploading of supporting documents¹² by the applicant. The online application is validated using a One Time Password (OTP) sent to the applicant's mobile number linked with his/her Aadhaar number. The online application is routed through the Village Administrative Officer, who verifies the information furnished by the applicant through an online interface in the system. Thereafter, the ACL-SSS scrutinises the application and the documents attached by the applicant and either approves or rejects the application with an intimation to the applicant. The details of the process is given in **Appendix 4.2**.

4.2 Deficiencies in the quality of registration data

The details of registered construction workers for the period 2017-22 are given in **Exhibit 4.1**.

¹² Employment certificate issued by Employer or Authorised Trade Unions representing the worker or Labour Inspector or DISH, Family card, Aadhaar card, first page of Bank Passbook and Nomination Form.



(Source: Details furnished by TNCWWB)

Audit found a steep fall in the number of construction workers registered in 2020-21 which was due to removal of inactive workers¹³ and de-duplication exercise carried out by TNCWWB in 2020, before it commenced distributing cash assistance to its registered members during COVID 19 pandemic. Audit observes that such mass scale purging of members in 2020 was indicative of lack of due diligence in the registration process over the years.

Subsequent to the data cleansing exercise in 2020, another exercise was launched by GoTN in 2022. With a view to improve governance, efficiency, transparency, and seamless service delivery, GoTN has been implementing a Data Purity Project. As part of Data Purity Project, the Aadhaar number of registered workers/Pensioners in all 18 Manual Workers Welfare Boards' registration database are checked by Tamil Nadu e-Governance Agency (TNeGA) for duplication of beneficiary by mapping with other Aadhaar seeded beneficiary databases i.e., old age pension, PM Kisan, Government employees/pensioners, Death data sets, etc¹⁴. TNeGA furnished (August 2022 and November 2022) two sets of reports on potentially ineligible workers enrolled with the Manual Workers Welfare Boards, including TNCWWB.

Audit analysed TNCWWB's members data using TNeGA's inputs on potentially ineligible workers registered with the 18 Manual Workers Welfare Boards. It was found that there were 1,53,099 potentially ineligible persons registered with TNCWWB as given in **Table 4.1**.

¹³ Workers already registered with TNCWWB but did not renew their registration within the stipulated period of five years.

¹⁴ Some of the reasons with Aadhaar mapped data were not considered for ineligibility viz., School Student Dataset, Aadhaar number not linked in Public Distribution System, PDS smartcard seems Above Poverty Line, family having more than two Gas Connections and having ₹10 lakh worth property.

Table 4.1: Ineligible persons included in TNCWWB registration data

Reasons for ineligibility	Ineligible persons		Total - All districts
	Sampled districts	Non-sampled districts	
Aadhaar ID Found in Death Dataset	47	173	220
Aadhaar ID Found in Government Employee/Pensioner Dataset	2,801	2,833	5,634
Aadhaar ID Found in Old Age Pension Dataset	38,857	54,841	93,698
Aadhaar Number found multiple times	8,745	10,528	19,273
Aadhaar number is invalid	16,722	17,552	34,274
Total	67,172	85,927	1,53,099

(Source: Data analysis of data furnished by TNCWWB and TNeGA)

Audit observed that even though TNeGA had already reported the deficiencies in August 2022, no field verification was initiated by TNCWWB (March 2023) for taking appropriate action. TNCWWB, after due verification of TNeGA reports on ineligible persons, should act against the officials/Trade Unions responsible for registering ineligible persons and the scheme benefits already distributed should be recovered.

Moreover, as per extant procedure, during registration/claim, the concerned district ACL-SSS was to verify whether the worker was a beneficiary of other schemes. As the data contain potentially ineligible persons, field verification should have been taken up much earlier to avoid payment to ineligible persons.

GoTN replied (February 2023) that field verification is under process by the district-wise Committees constituted by the Commissioner of Labour. Results of action taken based on field verification is awaited (March 2023).

4.3 Analysis of Registration data

Data analysis of 19,30,077 records of registered workers as on 31 March 2022 by Audit revealed deficiencies in registration and renewal of workers (**Appendix 4.3**) as discussed in the subsequent paragraphs:

4.3.1 Deficiencies in Aadhaar seeding

To fill an application online, the worker had to provide the Aadhaar number to be validated through an OTP received by the mobile number linked with it. Only after entering the OTP, the applicant could fill the application. Hence, capturing of correct Aadhaar number of the beneficiary was essential for registration purpose.

Data analysis of Aadhaar seeding revealed that there were 44,246 cases (2.30 *per cent*) of invalid Aadhaar numbers and multiple use of Aadhaar numbers as given in the **Table 4.2**.

Table 4.2: Data analysis of Aadhaar seeding

Ineligible category	Number of records	Reasons
Invalid Aadhaar numbers	25,416	Either without Aadhaar number or having junk data - the length of string ranged between 0 to 12 and unrelated values such as Family card numbers (Appendix 4.4)
Multiple use of Aadhaar numbers	18,830	Same Aadhaar number was used to identify 2 to 18 different workers (Appendix 4.5)

(Source: Data analysis of data furnished by TNCWWB)

Audit observed that data with junk values/errors were captured both in the erstwhile data that was migrated as well as in the online registration/renewal data without any validation checks.

Thus, non-updation of Aadhaar numbers had resulted in junk values/multiple use of Aadhaar numbers in 44,246 registration records, which would make it difficult for rendering service to the beneficiaries.

4.3.2 Other Board workers registered with TNCWWB

In addition to the activities for the welfare of construction workers, the officers of the Labour Department are involved in administering the welfare schemes of various other classes of unorganised workers such as Domestic Workers, Tailors, Washermen, Hairdressers, etc., for which 17 separate Boards have been constituted by GoTN. While TNCWWB caters to 54 categories of construction workers (**Appendix 4.1**), the 17 other Boards cater to 60 categories of other unorganised workers (**Appendix 4.6**). Each class of workers have a four-digit Work Code to identify their occupation. The data containing 19,30,077 records of registered construction workers was analysed with the related Work Code and it was noticed that in 2,753 records, the Work Code did not relate to TNCWWB, as given in **Table 4.3**.

Table 4.3: Work code of registered workers not pertaining to TNCWWB.

Work code not pertaining to TNCWWB	Number of workers		Total
	Sampled districts	Non-sampled districts	
Work Codes pertaining to other 17 Boards under TN Manual Workers Welfare Board	267	367	634
Work Codes not available in the 114 work codes given in Appendices 4.1 and 4.6	931	1,188	2,119
Total	1,198	1,555	2,753

(Source: Data analysis of data furnished by TNCWWB)

Audit observed that the field level officers of the Labour Department, who deal with construction workers as well as other class of workers belonging to the 17 other Boards, had erroneously registered 2,753 non-construction workers as eligible members of TNCWWB.

4.3.3 Deficiencies in capturing Mobile Numbers

Though application to register could be initiated only through OTP received through Aadhaar linked mobile number, Audit, however, found that, in 5.86 lakh cases, mobile numbers were not captured or were invalid. Audit analysis revealed that there were deficiencies of capturing of mobile numbers as given in **Table 4.4**.

Table 4.4: Deficiencies in capture of mobile numbers

Sl. No.	Details of records	Number of records of workers
1	Mobile number not captured	5,77,850
2	Mobile number captured as zero	7,261
3	Junk Values	1,072
4	Invalid mobile numbers	105
Total		5,86,288

(Source: Data analysis of data furnished by TNCWWB)

Further, in 8,327 records, same mobile numbers were captured multiple times against different registered workers' data. Such instances ranged from 2 to 26 of the sampled records, as given in **Appendix 4.7**.

4.3.4 Deficiencies in capturing of bank accounts of registered workers

The registered workers avail various scheme assistances through their registered bank accounts. Even though the bank accounts of the registered construction workers were captured in the online portal, these bank accounts were not validated through Aadhaar numbers by Unique Identification Authority of India (UIDAI). Results of analysis of data containing 19,30,077 records of registered workers of TNCWWB are given in **Table 4.5**.

Table 4.5: Deficiencies noticed in capture of bank accounts of registered workers

Sl. No.	Details of records of registered workers	In numbers	Deficiencies
1	Bank account number not captured	4,35,471	Kept blank or '0'
2	Junk value (less than six digits)	4,725	Less than six-digit bank account numbers are not used by banks
3	Same bank account number for multiple workers	8,992	Ranged from 2 to 1,693

(Source: Data analysis of data furnished by TNCWWB)

As an illustration, invalid bank account numbers, including junk values, found in the database, is given in **Table 4.6**.

Table 4.6: Illustrative cases of Invalid Bank account numbers and junk values

Bank account Number	Cuddalore	Dharmapuri	Dindigul	Tiruchirappalli	Tiruvannamalai	Ariyalur	Kallakurichi	Namakkal	Perambalur	The Nilgiris	Villupuram	Total
11111111	178	0	0	0	0	0	0	0	0	0	6	184
2323222223	0	0	0	0	0	13	0	0	0	0	0	13
123456789	0	2	1	0	1	0	0	7	0	1	0	12
5555555555	0	0	0	0	0	0	0	0	0	0	24	24

(Source: Data analysis of data furnished by TNCWWB)

Maintaining only validated bank account details is very important. Audit noticed a case of fraud by changing the bank account of workers by a contract employee and fraudulently transferring COVID cash assistance of two beneficiaries to her bank account. Further, during COVID-19 pandemic, TNCWWB was not able to transfer the COVID cash assistance to all its registered workers due to non-availability of their proper bank accounts. This led to a situation where assistance to 1.64 lakh registered workers could not be made, as assistance was done through Direct Beneficiary Transfer mode to their bank accounts that were Aadhaar linked.

Due to the above deficiencies, the respective ACL-SSS in district offices continued to make payment to the beneficiaries through ECS which is kept outside the online portal database defeating the purpose of capturing the bank accounts in the registration database.

4.3.5 Registration of ineligible workers outside registration criteria

Date of Birth (DOB) of the worker is important as it decides the eligibility/ineligibility of the worker for registering with TNCWWB and pension is also allowed based on the age of the registered workers. An analysis of data containing 19,30,077 records of registered workers of TNCWWB, as on 31 March 2022, is given in the **Table 4.7**.

Table 4.7: Observation on analysis of data of registered workers

Sl. No.	Item	Number of registered workers	Observations
1	More than 60 years	1,00,857	No input validation/non-verification.
2	Below 18 years	28	Minors are not eligible.
3	Non-capture of date of birth	17	No input validation/non-verification without DOB, eligibility could not be verified.

(Source: Data analysis of data furnished by TNCWWB)

In Sivagangai district, the DOB of one member with registration ID 24MZDR081536 was 01 July 2029 and date of registration was captured as

22 December 2066. This shows that there was no validation control in capturing the data. Inclusion of ineligible persons and incorrect/invalid/null values were due to non-enforcement of input and validation control checks, non-cleaning/non-updating of data and lack of monitoring.

TNCWWB replied (December 2022) that most of the data were migrated from the older database which is having legacy data also. However, new software application has been developed with data validation controls.

The reply is not acceptable, as 26,428 applications for renewal/approval had registrations dated prior to their date of birth. Some illustrative cases are given in **Table 4.8**.

Table 4.8: Illustrative cases where registration date is prior to date of birth

Application Number	Date of Application	Date of Approval	Date of Registration	Date of birth	District
TNUWWB000001231147	02/01/2021	18/05/2021	01/01/1970	01/01/1995	Virudhunagar
TNUWWB00000418963	07/01/2021	22/10/2021	01/01/1970	01/01/1995	Karur
TNUWWB000001456790	20/01/2021	05/01/2022	01/01/1970	01/01/1995	Madurai
TNUWWB000001157927	28/12/2020	08/12/2021	01/01/1970	30/12/1996	Dindigul

(Source: Data furnished by TNCWWB)

Therefore, it is necessary to ensure the accuracy of both migrated legacy data and dataset through online portal.

GoTN replied (February 2023) that all the members' data was migrated from the older database which did not have field validation using Aadhaar, but in the present software the Aadhaar number and mobile number were validated through OTP.

Audit verified whether the new IT system with Aadhaar and mobile number-based verification was able to ensure data integrity, and found that the issues discussed above continued to prevail, undermining the integrity of the data held in the new system as given below:

- There are 512 Aadhaar card numbers with junk values with varied string length¹⁵ (7, 8, 10, 11 and Null value)
- 210 memberships were renewed with duplicate Aadhaar cards (105 x 2). Accepting duplicate Aadhaar card numbers could be attributed to lack of input controls and validation controls.
- 1,504 manual workers, who were not construction workers, were registered.
- 104 mobile numbers had junk values with invalid string length.
- 945 invalid bank account numbers were found captured.
- 1,750 members were allowed to be registered/renewed beyond the age of 60.

¹⁵ Aadhaar number is a 12-digit string.

The above significant issues in the quality of data captured even after launching the new system, points to lack of proper input and validation controls in the IT system. Audit observed that the above issues in data integrity had ultimately impacted timely settlement of claims for various benefits under the schemes implemented by TNCWWB due to mismatch in the identity and bank details of the beneficiaries, as discussed in **Chapter V**.

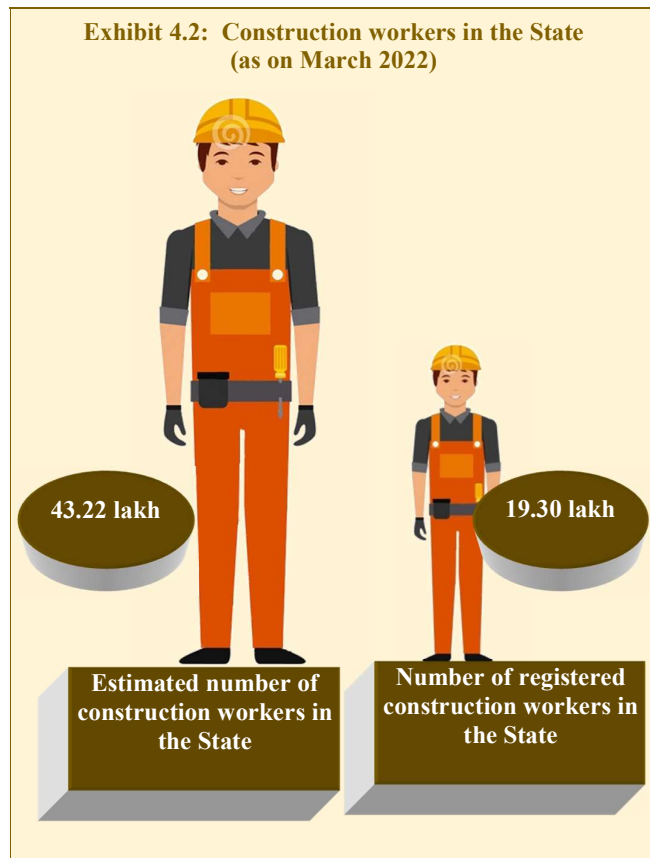
4.4 Non-estimation of construction workers and non-conduct of survey

Even though registration of construction workers is voluntary, there is a need for coverage of non-registered workers in the State for providing scheme benefits. This aspect has been stressed by the Hon'ble Supreme Court and GoI. Further, the Hon'ble Madras High Court has directed (August 2020) GoTN to undertake an extensive survey to identify, register and enlist all unorganised manual workers to ensure that they benefit from various government schemes.

The Hon'ble Supreme Court, in its judgement, stressed (March 2018) that registration of Establishments and construction workers should be seriously looked into by all the State Governments and the Ministry of Labour and Employment.

Audit, however, found that TNCWWB did not initiate any proactive measures like conducting survey to identify eligible workers for registration. Audit attempted to estimate the number of construction workers in Tamil Nadu with the available data and found that:

(i) In July 2020, GoI had estimated the number of construction workers in the State as 43.22 lakh¹⁶ and only 19.30 lakh were found registered by TNCWWB (**Exhibit 4.2**) as of March 2022.



¹⁶ Based on NSSO survey.

Thus, there was a 55 *per cent* shortage in registration of construction workers.

(ii) GoTN has been implementing a scheme for payment of accident relief of ₹5 lakh per worker who succumb to accidents at workplace. During 2017-22, out of 147 claims settled, 121 claims were from non-registered workers (82 *per cent*). Therefore, going by the data on payment of accident relief, the shortage in registration was 82 *per cent*.

(iii) A joint physical verification of 21 construction sites by the Audit Team along with officers of DISH/ACL-SSS revealed that 398 out of the 501 construction workers employed in the sites were inter-State migrant workers and none of these were registered with TNCWWB. Of the remaining 103 native-State workers, 55 workers (53 *per cent*) were not registered with TNCWWB. As such, 453 workers (90 *per cent*) were not registered with TNCWWB.

Considering the significant shortfalls observed in registration of eligible workers from the secondary evidence discussed above, it is clear that TNCWWB has not made efforts to identify and register all eligible workers in line with the directions of the higher Judiciary.

GoTN replied (February 2023) that orders have been issued¹⁷ (December 2022) to appoint a qualified person as consultant for studying and preparing a 'Request for proposal', along with the budget for conducting the survey.

4.4.1. Non-utilisation of available data for registration of workers

Rule 240 of TNBOCW Rules, 2006 provides that every Employer shall maintain details of workers employed by him/her in the prescribed form (Form XV). As on 31 March 2022, 15,219 construction establishments were registered with DISH under BOCW Act. DISH has access to details of workers being employed at worksites through Form XV¹⁸ (**Appendix 4.8**). This data if shared with concerned authorities can help in identification of unregistered workers working at construction sites. During Joint Physical Verification of 21 construction sites only 11 were DISH registered construction sites, wherein, the inspecting team found that there were 404 construction workers (398 inter-State migrant and six native-State workers) and none of them were registered with TNCWWB.

DISH is the only authority empowered to inspect the construction sites with access to employers' records. Had DISH shared with TNCWWB, the data of employers and workers working with them, efforts to cover unregistered workers, including inter-State migrant workers could have gained momentum. However, no attempt was made by DISH and TNCWWB in this regard.

The fact that only 52 *per cent* (11 out of 21 construction sites) inspected by Audit were registered with DISH shows that efforts to bring unregistered construction workers under protective cover were abysmally poor. Only with proper co-ordination between agencies, focussed surveys and appropriate

¹⁷ G.O. (Ms). No.162 (LW&SDD) dated 7 December 2022.

¹⁸ Register of Building and other Construction Workers employed by the Employer.

follow up actions unregistered construction workers can be brought under the ambit of TNCWWB to avail the welfare schemes.

To a specific audit query, DISH stated (January 2023) that it verified the Form XV on the construction site itself and that there were no specific provisions in the Act/Rules to collect and share the data. Reply of DISH is not tenable as registration of establishments and registration of construction workers need not be looked in isolation. Further, it is pertinent to mention that during Joint Physical Verification, it was noticed that out of 11 registered establishments, only one establishment was maintaining Form XV, which is contrary to the reply of DISH. Thus, Audit observed that the State lacked in enforcement of TNBOCW Rules and no system existed for DISH and TNCWWB to work in tandem.

During the Exit conference, ACS to Government stated that directions have been issued to conduct a meeting between DISH and TNCWWB every month for sharing of information for better coverage of workers. Results of the action taken were awaited (March 2023).

4.5 Timelines for registration of workers

Registrations and renewals of construction workers for the period from June 2020 to March 2022 were analysed and the following observations are made:

4.5.1 Non-availability of benchmark timeline for service delivery

The processes of registration and renewal involve optimal service delivery by TNCWWB to the construction workers through its district offices. TNCWWB has not benchmarked any timeline for registration, renewal and sanctioning of TNCWWB scheme assistance. In the absence of benchmark, there is a lack of accountability on the part of officials in providing service delivery.

4.5.2 Pendency in processing applications

As of December 2022, 28,274 applications for registration/renewal made between June 2020 and March 2022, have been pending approval and the details of pendency are as given in **Table 4.9**.

Table 4.9: Applications pending registrations/renewals of construction workers

Type	Total	Less than six months	Six months to one year	One to two years	More than two years
Sampled	10,191	0	2,759	7,005	427
Non-sampled	18,083	0	3,837	13,728	518
Total	28,274	0	6,596	20,733	945

(Source: Data furnished by TNCWWB)

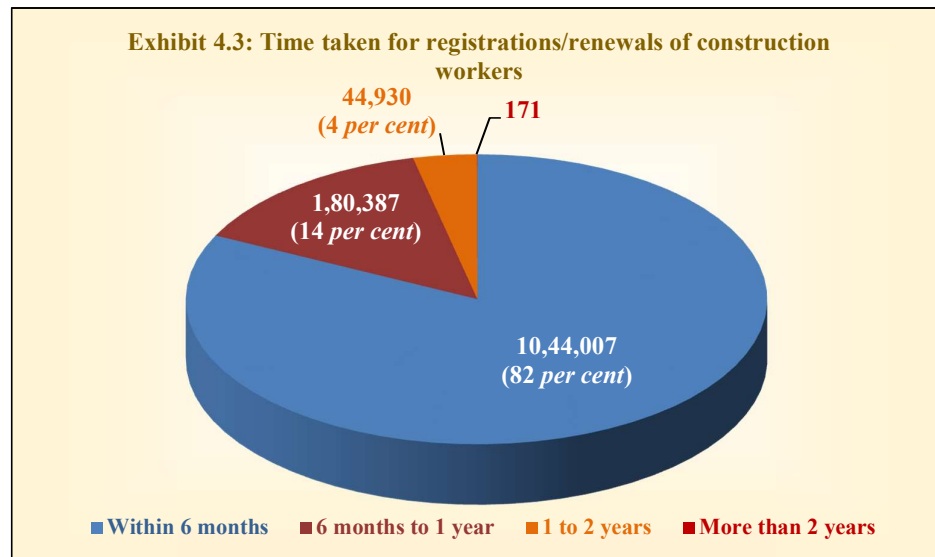
As seen from **Table 4.9**, 21,678 applications were pending for more than a year. This indicates laxity in processing the applications and lack of effective monitoring which requires urgent remedial measures.

Audit test-checked 108 applications that were pending registration as on 31 March 2022. It was seen that:

- 38 of the 108 applications stated to be pending as on 31 March 2022 were either already approved or rejected as of 2 February 2023 (date of audit scrutiny).
- In 30 out of 108 cases (28 per cent), no action was taken by ACL-SSS till 2 February 2023 (the date of audit scrutiny).
- In 36 cases, the applicants took inordinate time to upload necessary documents requested by the ACL.

4.5.3 Delay in registration and renewal

Out of the 19.30 lakh worker's data sets made available to Audit, data sets of 12.76 lakh workers¹⁹ were new registration/renewals during June 2020 to March 2022. The time taken for registrations/renewals are shown in Exhibit 4.3.



(Source: Based on data furnished by TNCWWB)

Audit observed that:

- (i) Time taken to complete the registration ranged from one to 818 days.
- (ii) Since no timelines were prescribed for registration and renewal of workers, Audit adopted it to be six months in line with Hon'ble Supreme Court's direction. Of 12.70 lakh workers who registered/renewed, 18 per cent of registrations (2.25 lakh) were done only after six months.
- (iii) The average time taken for those belated registrations was 292 days (nine months).

¹⁹ Out of 12,76,312 registered workers, 6,753 did not have date of registration/application and 64 dates of registration/application were captured with errors. Therefore, only 12,69,495 were analysed.

(iv) In 64 cases approvals were carried out even before the applications were made indicating absence of any validation control in the application software.

4.5.4 Analysis of reasons for rejection

Out of 1.36 lakh rejected applications²⁰, 28,923 applications were rejected after one year. In 16 rejected cases, the rejected date precedes application date, which indicates lack of validation controls, as detailed in **Table 4.10**.

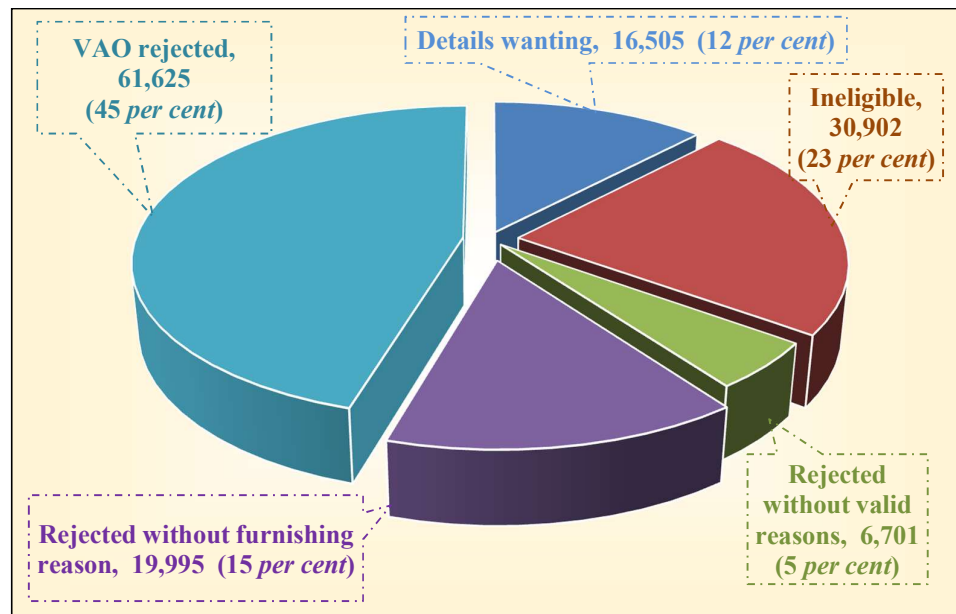
Table 4.10: Rejection of applications for registration

Type	Total	Less than six months	Six months to one year	One to two years	More than two years	Rejection date precedes application date
Sampled	62,550	45,553	11,573	5,340	74	10
Non-sampled	73,178	29,503	20,160	23,130	379	6
Total	1,35,728	75,056	31,733	28,470	453	16

(Source: Based on data furnished by TNCWWB)

Out of 1.36 lakh rejected applications, Audit reviewed 1.23 lakh applications and noticed that they were rejected for various reasons, as given in **Exhibit 4.4**.

Exhibit 4.4: Reasons for rejection of membership applications



(Source: Analysis of application by Audit)

It was seen that applications for membership registration were rejected citing incorrect reasons; some of those are discussed below:

- 181 applications were rejected on the ground that the applicant owns land in the village.

²⁰ These applications for registration/renewal were received during June 2020 to March 2022.

- 63 applications were rejected on the ground that the spouse/relative of the applicant is on a gainful employment.
- 3,635 applications were rejected on the ground that the applicant was an agricultural worker.

None of these were prescribed as criteria for rejecting the application. Also, 923 applications that were rejected citing mismatch between age and date of birth could have been resolved by calculating it using the date of birth.

Audit test-checked 100 cases of rejected applications for registration and observed that the average time taken to decide on these applications was 243 days where the minimum was one day and the maximum 852 days.

The abnormal delays in approving membership applications point to lacunae in the registration process, adversely impacting the workers as they would be eligible for any benefit only after they become member of TNCWWB.

GoTN replied (February 2023) that the subject will be placed in the ensuing Board Meeting and timelines will be fixed for registration and renewal.

4.6 Registration of inter-State migrant workers

DISH is assigned with the task of directing the Employers to register the migrant construction workers with TNCWWB. A monthly periodical report consisting of details of unregistered migrant manual workers engaged in construction work was to be submitted by DISH to the Commissioner of Labour and TNCWWB. The Secretary, TNCWWB was to take action to register them for a period of one year based on the Employer certificate issued by the present Employer. The photographs of the identified inter-State migrant workers must be captured at construction site and the data has to be processed by the concerned ACL-SSS offices and registration card shall be distributed at the site within a week. The inter-State migrant workers are eligible for all the welfare schemes implemented by TNCWWB except pension.

The details of inter-State migrant workers and their Employers are also collected by the District Collectors, DISH, and LW&SDD through online portal. As per Management Information System of the Commissionerate of Labour (November 2022), 1.30 lakh migrant workers were registered through the web portal which include 7,319 construction workers belonging to 29 States/UTs (**Appendix 4.9**). During COVID-19 pandemic (March 2020), 1.45 lakh inter-State migrant construction workers were distributed Dry ration kits. Audit observed that TNCWWB did not maintain any data pertaining to the 1.45 lakh inter-State migrant beneficiaries of Dry ration kits. Further, the 7,319 inter-State migrant workers registered in the Commissionerate of Labour portal were also not registered with TNCWWB.

Audit, however, found that as of March 2023, not a single inter-State migrant worker was registered with TNCWWB. During Joint Physical Verification, it was noticed that there were 398 inter-State migrant workers at the construction sites visited and none of them were registered with TNCWWB

(Appendix 4.10). Even though GoI and Hon'ble Supreme Court have issued instructions for registration of migrant workers, non-registration of inter-State migrant construction workers resulted in denial of scheme benefits to them. Further, TNCWWB has not initiated portability of inter-State migrant workers as envisaged in Mission Mode Project (MMP) for getting benefits without interruption.

GoTN stated (November 2022) that initially there were 24,274 inter-State migrant workers registered in March 2020 and non-registration/renewal might be due to migratory nature of work from one place to another and shorter periodicity of renewal *i.e.*, one year.

GoTN also stated (February 2023) that registration of workers with TNCWWB could not be legally enforced, but instructions were issued to the field level officers to encourage the employers to register the construction workers employed in their construction sites. Further, GoTN stated that online registration of inter-State migrant workers has been launched on 20 July 2022 and 67 applications have been received so far and were under scrutiny by respective ACL-SSS. Audit observed that effective IEC activity is required for facilitating enrolment of inter-State migrant construction workers.

4.7 Conclusion

Despite creation of TNCWWB in 1994, significant shortfalls continued in the registration process of unorganised construction workers. The manual as well as the electronic data of registered workers had significant shortcomings. Inaccuracies in capturing vital data such as Aadhaar number, mobile number and bank account number of the registered workers compromised the quality of the registration database. Deficiency in identification of eligible construction workers through proper survey had resulted in non-registration of significant number of workers. TNCWWB did not initiate effective action to bring the inter-State migrant workers under its fold. None of the estimated 1.45 lakh inter-State migrant construction workers were registered with the TNCWWB.

4.8 Recommendations

- TNCWWB should coordinate with DISH to ensure coverage of all eligible workers at registered construction sites, including inter-State migrant construction workers.
- Government should order a survey of construction workers and ensure registration of all eligible workers with TNCWWB.
- TNCWWB should ensure integrity of its database of registered members for hassle-free processing of claims.
- In order to provide for general welfare of the workers, Government should amend the TNMW Act, 1982 and TNBOCW Rules, 2006 to make registration of workers with TNCWWB mandatory. A penalty clause to deter those employers/contractors for non-compliance may also be included.

CHAPTER V
IMPLEMENTATION
OF WELFARE
SCHEMES

CHAPTER V

IMPLEMENTATION OF WELFARE SCHEMES

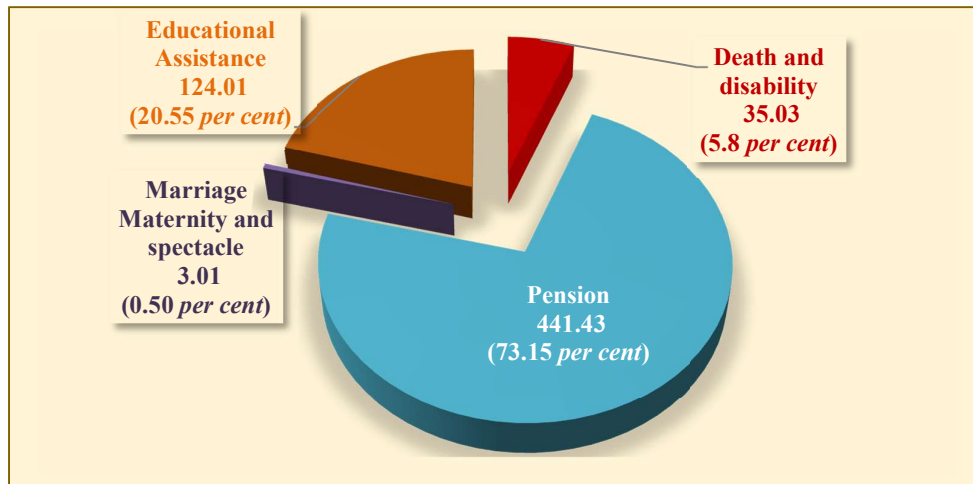
Abnormal delays in processing of claims of beneficiaries marred the implementation of welfare schemes. Lack of clarity on eligibility criteria, lack of awareness among members and lack of due diligence by the officers dealing with claims for assistance had resulted in non-extending of benefits, including cash assistance, to large number of beneficiaries during COVID-19 pandemic. Simultaneously, a significant number of beneficiaries received COVID cash assistance more than once.

5.1 Welfare schemes of TNCWWB

TNCWWB implements various schemes for the welfare of construction workers. The schemes implemented by TNCWWB include (a) Pension including Family Pension, (b) Marriage Assistance Scheme for self and children, (c) Children Education Assistance, (d) Maternity Assistance, (e) Death and Funeral Assistance, (f) Compensation for accident at work site, etc. Details of the schemes are listed in **Appendix 5.1**. During 2017-22, TNCWWB disbursed ₹603.48 crore towards various scheme assistances to 7.85 lakh beneficiaries as given in **Exhibit 5.1/Appendix 5.2**.

Exhibit 5.1: Kind of assistances distributed by TNCWWB

(₹ in crore)



(Source: Data furnished by TNCWWB)

5.2 Pension scheme of TNCWWB

Payment towards pension and family pension accounted for about 73 *per cent* of the total expenditure of TNCWWB. Members who attain the age of 60 or incapacitated due to medical reasons before attaining the age of 60 are eligible for pension. On the demise of a pensioner, the spouse is eligible for family pension.

Audit scrutiny of the Pension/Disability Pension and Family Pension schemes disclosed the following:

- **Non-revision of the amount of Pension/Family Pension:** The amount of pension was increased from ₹500 per month to ₹1,000 per month from December 2011. During the last 12 years, the monthly pension as well as family pension have not been revised despite an increase of 50.9 *per cent* in the Whole sale Price Index (WPI) as of February 2023²¹, which is a reliable benchmark for cost of living. It was further observed that GoTN had not taken a decision on the repeated requests from the representatives of the members, despite continuous increase in surplus funds with TNCWWB. It was seen that in the states of Delhi and Punjab, the amount of pension to construction workers was ₹3,000 per month and ₹2,000 per month, respectively.
- **Comparison with Social Security Pension:** The amount of pension was the same as the Social Security Pension being paid by GoTN to poor people above 60 years. Thus, the pension from TNCWWB could not be considered as a retirement compensation to the workers, as most of the workers would otherwise be eligible for Social Security Pension.
- The family pension for the spouse of the deceased pensioner was last increased from ₹400 to ₹500 in August 2018. In comparison, the Social Security pension paid to destitute widows by GoTN's was ₹1,000 per month. TNCWWB, did not even match the GoTN scheme, but kept the family pension at ₹500 from August 2018. The family pension sanctioned by other States were much higher as Delhi sanctioned ₹1,500 per month; Punjab and Uttar Pradesh sanctioned ₹1,000 per month.
- Only the spouse of the pensioner on his/her death is entitled to a family pension, but this possibility does not apply to the spouse of a registered worker on his/her death. This anomalous situation is a lacuna in ensuring the wellbeing of member's families.
- **Non-fixing of minimum service period for pension eligibility:** As per the BOCW Act, a worker would be eligible for pension only if

²¹ WPI was at 150.9 *per cent* in February 2023 against the base year 2011-12 at 100 *per cent*.

he/she was a member of the Welfare Board for a minimum of three years. However, as per the TNCWWB pension scheme, every member becomes eligible for pension on attaining the age of 60 and there are no prescribed minimum years of membership to qualify for pension. Audit analysis of 54,723 new pensions sanctioned during 2020-22 disclosed that 18,463 of the new pensioners (34 per cent) had been members of TNCWWB for less than three years, which included 59 members who received pension within one month of becoming members of TNCWWB and 3,889 persons had received pension within one year of becoming members. This shows that there was significant spike in the number of members registering with TNCWWB just before attaining the age of 60, probably only to avail the retirement benefits. As the current Pension scheme of TNCWWB did not place any restriction on pension eligibility based on the number of years of enrolment as a member, Audit observed that the possibility of misuse of the scheme could not be ruled out.

- **Delay in sanction of Pension:** Analysis of Pension database pertaining to the period August 2020 to March 2022 disclosed that the time taken for sanction of 54,723 pension claims by TNCWWB/ACL-SSS offices ranged from one day to 770 days and averaged 232 days. Details of the analysis are given in **Table 5.1**.

Table 5.1: Time taken for processing pension claims

Sl. No.	Period of delay	Sampled districts		Non-sampled districts		All districts	
		Number of claims sanctioned	Per cent	Number of claims sanctioned	Per cent	Number of applications processed	Per cent
1.	Within six months	10,500	19	12,301	22	22,801	42
2.	Six months to one year	11,483	21	11,580	21	23,063	42
	One to two years	4,208	8	4,599	8	8,807	16
	Over two years	22	0	30	0	52	0
	Total delay - over six months	15,713	29	16,209	30	31,922	58
Total claims sanctioned (1+2)		26,213	48	28,510	52	54,723	100

(Source: Data furnished by TNCWWB)

- **Rejection of Pension claims:** Analysis of data pertaining to the period August 2020 to March 2022 disclosed that a total of 4,052 pension claims were rejected by TNCWWB/ACL-SSS offices; 1,142 of them (28 per cent) were rejected within six months and 2,910 of them (72 per cent) were rejected after six months. Detailed examination of causes of rejection disclosed that there were unjustified rejections, as given in **Table 5.2**.

Table 5.2.: Reasons for rejection of claims

Incorrect/No reasons for rejection	Number of cases
Non-renewal of registration during COVID-19 pandemic	1,044
Rejected without giving reasons	214
MGNREGS worker/PM KISAN beneficiaries rejected without citing reasons	13
No reasons mentioned - kept blank	7
Invalid reasons (e.g., OK, approved, All records correct, Spouse Govt. servant, etc.)	10
Total incorrect rejections	1,288

(Source: Analysis of data provided by TNCWWB)

It was seen that 1,288 (32 *per cent*) claims were rejected without giving any reason or quoting invalid reasons as mentioned in **Table 5.2** above. In September 2020 and July 2021, GoTN allowed relaxation for those who did not renew their registration during March 2020 to December 2021. This relaxation however was not considered while rejecting pension applications of 1,044 members who had not renewed their membership during COVID period.

Family pension sanctions: On an analysis of 21 family pensions sanctioned during August 2020 to March 2022, Audit observed an average delay of 382 days out of which 323 days (85 *per cent*) were on the part of district offices.

Disability pension sanctions: On an analysis of 10 disability pension sanctioned during August 2020 to March 2022, Audit observed an average delay of 149 days out of which 131 days (88 *per cent*) were on the part of district offices.

Audit observed that apart from inordinate delay in sanctioning pension claims, the quantum of pension was lower than many other States and remained stagnant for over 11 years. Meanwhile, the TNCWWB's Cess fund kept increasing steadily. In comparison with the BOCW Act, the eligibility conditions for sanction of pension were lenient, which could lead to possible misuse of scheme.

5.3 Marriage and Maternity Assistance scheme of TNCWWB

Under the Marriage Assistance Scheme, from February 2011, members are eligible for an assistance of ₹5,000 for female worker or female dependent and ₹3,000 for male worker or male dependent. This was increased to ₹20,000 from May 2022 for self or dependents' marriage. Under the Maternity Assistance Scheme, female members were eligible for an assistance of ₹6,000 from December 2016, which was increased to ₹20,000 from May 2022 for the first two deliveries. During 2017-22, TNCWWB incurred ₹2.94 crore towards 8,018 Marriage Assistance claims and ₹5 lakh for 137 Maternity Assistance claims.

Audit scrutiny disclosed that:

- **Marriage Assistance:** During August 2020 to March 2022, only 1,046 availed Marriage Assistances.
- In two²² out of the 38 districts, no member claimed any Marriage Assistance. Among the districts where there were claims, minimum number of claims were from Ranipet (one), Kallakurichi (three), Kancheepuram (three) and Mayiladuthurai (four) and Villupuram (four). This indicated that the information about the scheme had not reached the members through proper IEC activity.
- In 638 (61 *per cent*) of claims, the assistances were paid within six months, in 328 (31 *per cent*) claims within six to 12 months and in 80 (eight *per cent*) claims, the assistances were paid after a year or more. Further, 90 applications (eight *per cent*²³) were rejected. Abnormal delays in releasing the assistance defeated the objective of helping the members to meet the expenditure during marriage.
- **Maternity Assistance:** The number of persons who availed Maternity Assistance was very low (i.e. 137 claims) evidently due to a similar assistance extended under the popular Dr. Muthulakshmi Reddy Maternity Benefit scheme implemented by the Health and Family Welfare Department of GoTN, which is seamlessly linked with primary health care system of the State. Thus, this scheme of TNCWWB did not have many takers.
- In 31 out of the 38 districts, no member claimed Maternity Assistance during August 2020 to March 2022. This indicated that the scheme was not attractive to the workers.
- Audit analysis of 18 claims revealed that the average time taken was 179 days, of which the district offices took 161 days (90 *per cent*) for processing the claims.

Thus, Audit observed that the Marriage and Maternity Assistance schemes benefitted an insignificant number of beneficiaries due to lack of awareness of the scheme and/or existence of similar scheme applicable to all residents of equivalent economic status.

5.4 Educational Assistance scheme of TNCWWB

TNCWWB provides assistance to members for education of a maximum of two of their children, as given in **Table 5.3**.

²² Krishnagiri and Tirupathur districts.

²³ Out of 1,136 claim applications (1,046 approved and 90 rejected).

Table 5.3 Educational Assistance

Sl. No.	Nature of assistance	Amount of assistance
1	For children in Classes six to nine	₹1,000 per annum from October 2021
2	For girl child - studying Class 10	₹2,400 per annum from October 2021 and previously ₹1,000 per annum
3	For girl child studying Classes 11 and 12	₹3,000 per annum from December 2021 and previously Class 11 - ₹1,000 per annum and Class 12 - ₹1,500 per annum
4	For children passing Class 10	₹2,400 from October 2021 and previously ₹1,000.
5	For children passing Class 12	₹3,000 from October 2021 and previously ₹1,500.
6	For children studying ITI/Polytechnic	₹3,000 per annum from May 2022 and previously ₹1,000
7	For Undergraduate study in Art/Science	₹4,000 per annum from October 2021 and previously ₹1,500 per annum
8	For post-graduate study in Art/Science and Professional course (BE, MBBS, etc.)	₹4,000 per annum
9	For PG Professional course	₹6,000 per annum

(Source: Details furnished by TNCWWB)

During 2017-22, 6.37 lakh claims were sanctioned for ₹124.01 crore. Audit scrutiny of sanction and payment of Educational Assistance during August 2020 to March 2022 disclosed the following:

- **Non-availing of scheme benefits by eligible members:** TNCWWB paid Educational Assistance of ₹38.37 crore to 1,75,822 children relating to 1,15,013 members. TNCWWB members' database furnished to Audit did not contain any details of the workers family. Therefore, Audit could not assess whether the educational assistance was distributed only to those members with eligible children. Audit, however, analysed the age group of registered workers and noticed that as of March 2022, 9.96 lakh members (52 *per cent*) out of 19.30 lakh were in the age group of 35 to 50, who are most likely to have children in the age group of 11 to 22 and pursuing education at different levels (studying Class 6 to PG) requiring/eligible for assistance. Applying these criteria, it is observed that only 1.15 lakh (12 *per cent*) of the estimated 9.96 lakh members having children in the age group of 11 to 22, had availed Educational Assistance from TNCWWB. As discussed above, significant number of workers were not aware of the schemes implemented by TNCWWB leading to non-availing of scheme benefits by an estimated 8.81 lakh (88 *per cent*) members.
- **District level disparity in beneficiaries:** District-wise analysis of those registered workers availing educational assistance showed wide disparity, as given in **Table 5.4:**

Table 5.4: District level disparity in availing benefits

District	Total number of members registered with TNCWWB	Members in the age group of 35 to 50 who are expected to have children in the age group of 11 to 22 (Percentage to total members)	Number of claims per year	Estimated Percentage of members claiming Educational Assistance
Better performing districts				
Perambalur	29,114	15,624 (53.66)	2,992	19
Kanniyakumari	1,27,482	60,539 (47.49)	9,669	16
Namakkal	76,340	37,259 (48.81)	5,766	15
Sivagangai	50,381	28,229 (56.03)	4,059	14
Thoothukudi	37,838	19,169 (50.66)	2,648	14
Underperforming districts				
Pudukkottai	49,856	27,562 (55.28)	1,136	4
Vellore	76,849	39,647 (51.59)	1,631	4
Villupuram	59,042	32,341 (54.78)	1,244	4
Kancheepuram	29,609	14,848 (50.15)	514	3
Tirunelveli	23,340	11,467 (49.13)	341	3

(Source: Analysis of data furnished by TNCWWB)

It is likely that, lack of awareness among workers could be the reason for non-availing of scheme benefits.

- **Rejection of applications for Educational Assistance:** Analysis of data pertaining to the period August 2020 to March 2022 disclosed that TNCWWB/ACL-SSS offices rejected a total of 5,584 applications for Educational Assistances; 4,884 of them (87 per cent) were rejected within six months and 700 of them (13 per cent) were rejected after six months. Detailed examination of causes of rejection disclosed that 1,171 claims were rejected citing non-renewal of membership during COVID pandemic period, despite GoTN's orders (September 2020 and July 2021) relaxing the mandatory renewal of membership during COVID pandemic from March 2020 to December 2021.

Audit observed that lack of awareness among members, could be the likely reason for most of the members not availing Educational Assistance. Further, despite specific Government instructions not to insist for renewal of membership during COVID pandemic, applications seeking Educational Assistances from those who did not renew membership during COVID were rejected. Ironically, TNCWWB, extended Scheme benefits and cash assistance to non-members during COVID pandemic, as discussed in **Paragraph 5.5**.

5.5 Assistance to potentially ineligible persons

As discussed in **Paragraph 4.6**, TNeGA had carried (2022) out a Data Purity exercise of beneficiary data and had intimated potentially ineligible beneficiaries continuing in the database. TNCWWB, however, had not conducted any verification to weed out those found to be ‘potentially ineligible’.

Audit compared the TNeGA’s electronic data on potentially ineligible beneficiaries with the electronic data of Pensioners of TNCWWB and noticed that potentially ineligible persons had received TNCWWB scheme benefits during 2020-22. Number of claims and reasons mentioned as per TNeGA data are given in **Table 5.5**. The list of Scheme-wise details of potentially ineligible persons who availed benefits are given in **Appendix 5.3**.

Table 5.5: Aadhaar verification by TNeGA
Potentially ineligible persons who received scheme benefits

Sl. No.	Reasons for ineligibility	Number of beneficiaries	Amount (₹ in lakh)
1	Registered member/Pensioner Aadhaar ID found in Government Employee/Pensioner dataset	449	12.32
2	Registered member/Pensioner Aadhaar ID found in Old Age Pension dataset	6,662	159.04
3	Registered member/Pensioner Aadhaar Number found multiple times	102	6.32
4	Registered member/Pensioner provided invalid Aadhaar number	237	46.06
5	Registered member/Pensioner Aadhaar ID found in Death dataset	9	1.91
Total		7,459	225.65

(Source: TNeGA data furnished by TNCWWB)

From **Table 5.5**, it could be seen that 7,459 claims amounting to ₹2.26 crore, were paid to potentially ineligible persons. Similarly, 9,116 potentially ineligible persons were allowed to avail pension benefits by TNCWWB with an annual liability of ₹10.94 crore.

Further, Audit verified the TNeGA’s electronic data on potentially ineligible persons with the manual data of COVID cash assistance in 10 sampled districts and noticed that 27,943 potentially ineligible persons received ₹5.78 crore of COVID cash assistance as given in **Table 5.6**.

Table 5.6: Aadhaar verification by TNeGA - Potentially ineligible persons who received COVID cash assistance

District	Number of beneficiaries	Amount (₹ in lakh)
Chennai	1,398	40.42
Dharmapuri	4,468	89.36
Kancheepuram	2,466	55.77
Salem	9,979	199.58
Tiruvannamalai	9,632	192.64
Total	27,943	577.77

(Source: TNeGA data furnished by TNCWWB)

Audit observed that even though TNeGA had reported the deficiencies in August 2022, field verification was not initiated by TNCWWB for taking appropriate action (March 2023). TNCWWB, after due verification of TNeGA reports on potentially ineligible persons, should act against the officials/Trade Unions responsible for registering the ineligible persons and scheme benefits already distributed to them should be recovered.

GoTN replied (February 2023) that action will be taken after submission of field verification reports. The fact remained that this issue was already known to TNCWWB, but corrective action was not taken on time.

5.6 Deficiencies in payment of accident relief for death at worksite

As per GoTN's orders (March 2016), personal accident relief of ₹5 lakh is paid to the nominees of the family of the construction workers who succumb due to accident at worksite during the course of employment. This assistance was extended to construction workers not registered with TNCWWB also. Further, the above assistance was extended (August 2018) to all workers even if the death occurs at hospital due to the accident at worksite.

The Commissioner of Labour is the authority to sanction the claim and out of the total 147 claims sanctioned during 2017-22, only 26 were related to registered workers and the remaining 121 were that of unregistered workers. Audit observed that the schemes using the Cess Fund was to benefit the persons registered as construction workers. As such, extending the benefits to persons not registered with TNCWWB is construed as admission of non-coverage of eligible construction workers under social security net. On a review of the claims made with respect to death at worksite during 2017-22, the following observations are made by Audit:

- The average time taken from the date of death to the date of sanction was 629 days. The assistance was disbursed within six months only in respect of 35 cases (24 per cent) and in 93 cases (63 per cent), the time taken was more than one year.

- Payment of accident relief involves submission of formal application by the next of kin of the victim, duly enclosing FIR, death certificate, legal heir certificate, etc. After due verification by ACL-SSS, and officers of DISH, Revenue Department/District Collector, and Police Department, the Commissioner of Labour recommends the case to GoTN for issue of Government order. Audit found that the inordinate delays in certain cases were mainly attributable to delays in submission of mandatory reports by ACL-SSS, DISH, Revenue authorities, District Collectors, etc.

GoTN replied (February 2023) that processing of claims by victim's family in the case of accidental deaths at worksite were delayed as it involved reports from DISH, District Revenue Officer, District Collector and cross verification with Revenue/Police departments. GoTN also stated that the timeline for such claims would be fixed as six months.

While accepting that the process involves coordination with multiple line departments, Audit independently analysed the reasons for the delays in sanction in respect of 30 death assistance claims and found that:

- In 16 of the 30 claims, the proposals for sanction of death assistance shuffled between the ACL and the Commissioner of Labour more than once due to inaccuracies in the proposals submitted by the ACLs.
- In 17 out of the 30 cases, ACLs did not submit proposal for death assistance to the Commissioner of Labour even three months after receipt of all supporting documents from the applicant/line departments.

Thus, Audit observed that TNCWWB had not made the claim process seamless to ensure timely disbursement of eligible assistance to the deceased family.

5.7 COVID cash assistance

Non-payment of COVID cash assistance to 1.64 lakh eligible persons: In April 2020, GoTN announced a cash assistance of ₹248.29 crore, at the rate²⁴ of ₹2,000/₹3,000 to each of the 12,13,882 registered construction workers, who were rendered jobless due to the outbreak of COVID 19. Due to non-availability of a centralised authentic data of registered workers with proper bank details, as discussed in **Chapter IV**, the ACLs - SSS were able to disburse COVID cash assistance to only 6.72 lakh beneficiaries. Later, TNCWWB started using other modes of payment like Aadhaar based fund transfer and money order for covering a further 3.78 lakh registered workers. Against ₹248.29 crore released to district level officers, only ₹214.74 crore was released to registered beneficiaries and the balance returned to TNCWWB. Audit found that 1.64 lakh (14 *per cent*) eligible workers were not given the COVID cash assistance due to issues with the database.

²⁴ For Chennai Metropolitan area.

Excess payment of COVID cash assistance - ₹33.31 lakh: On review of COVID cash assistance data of sampled districts, it was found that 1,729 beneficiaries had received excess payment of ₹33.31 lakh, as given in **Table 5.7**, due to payment of assistance more than once.

Table 5.7: COVID assistance - Excess payment made to beneficiaries

District	Number of beneficiaries excess payment received	Excess amount paid (in ₹)	Total excess amount paid (in ₹)
Dindigul	1,358	2,000	27,16,000
Dharmapuri	5	2,000	10,000
Kanniyakumari	127	1,000	1,27,000
	233	2,000	4,66,000
	1	4,000	4,000
Tirunelveli	2	1,000	2,000
	3	2,000	6,000
Total	1,729		33,31,000

(Source: Data furnished by TNCWWB)

GoTN replied (February 2023) that the field level officers were instructed to act on the points raised by Audit. The district level officers stated (March 2023) that recovery of excess payments was under progress.

As the above Audit findings are based on sample check, TNCWWB should study these issues in every district and initiate appropriate corrective action.

5.8 Issue of safety kits

Director, DISH had proposed²⁵ (July 2018) to GoTN that in order to prevent injuries to construction workers during work, it was necessary for the workers to wear safety helmet, jacket, boots, safety goggles etc., and further added that only those employers/contractors involved in construction of multi-storeyed buildings were providing safety kits to their construction workers. Based on the above proposal, DISH procured safety kits for construction workers by utilising the funds of TNCWWB as detailed in **Table 5.8**.

Table 5.8: Procurement and issue of safety kits

Sl. No.	GO No. of Labour & Employment Department	Number of beneficiaries/Kits purchased	Expenditure incurred (₹ in crore)
1	GO (Ms) No.141 dated 17/10/2018	25,000	5.46
2	GO (Ms) No.97 dated 14/05/2020	1,00,000	16.73
Total		1,25,000	22.19

(Source: Information furnished by TNCWWB)

²⁵ Letter No. L2/11438/2018 dated 18/07/2018.

Audit scrutiny revealed that:

- As per the provisions of TNBOCW Rules (Rules 42 to 47), the employers were to ensure the safety of workers by providing safety kits. Section 47 of BOCW Act, 1996 empowers DISH to impose penalty, including imprisonment, for violation of safety measures by employers. Proposing supply of safety kits for construction workers by DISH, instead of invoking the provisions of Section 47 of BOCW Act, 1996 to ensure supply of safety kits by the Employer, had resulted in avoidable expenditure of ₹22.19 crore by TNCWWB.
- It was noticed from DISH reply (September 2022) that it has not maintained the construction workers details (Form XV), particularly the number of registered workers of TNCWWB and had no knowledge of their requirements. In such scenario, the proposal of DISH was without justification.
- The safety kits were procured by DISH and distributed by ACL offices. The number of safety kits procured were only 1.25 lakh (6.48 *per cent*) when compared to the registered beneficiaries (19.30 lakh) and there was no uniformity in identification of beneficiaries by ACL offices as some ACL offices distributed safety kits on first come first serve basis and some based on seniority in registration.
- The first distribution of safety kits (25,000 numbers) was made between April to June 2020 and consisted of helmet, goggles, shoes, jacket and gloves to all categories of workers like carpenter, painter, electrician irrespective of whether the item was useful or not (for e.g., shoes and goggles may not be appropriate safety gear for carpenter and painter).

DISH admitted (October 2022) that as per BOCW Act, the onus of providing safety kits to employees was that of the employer and kits were supplied based on GoTN instructions.

Audit observed that the expenditure of ₹22.19 crore on safety kits was unjustified as the Employers were supposed to provide them. Further, the distribution was not efficiently managed.

GoTN did not furnish a specific reply on why the safety kits were issued at the cost of TNCWWB rather than ensuring supply by employers concerned as per law but stated (February 2023) that appropriate legal action was being initiated against the employers who were not supplying safety kits to workers.

5.9 Non-ensuring of provision of facilities for workers

The TNBOCW Rules, 2006, envisages a safe working environment for the workers and provision of various facilities such as latrine, urinals, first aid kits, canteen and a hygienic environment.

Audit, however, found slackness in ensuring the availability of the mandatory facilities at the work site. Joint Physical Verification of 21 construction sites

revealed that only 11 were registered with DISH, thereby DISH had no scope for monitoring the remaining 10 sampled construction sites (48 per cent). It may also be mentioned that as only 3.88 per cent of the Government's contractors were found registered with DISH, as commented in **Paragraph 2.2**, the role of DISH in enforcing provision of the mandatory facilities at construction site was dismal. Supervision by DISH was found inadequate owing to the limited field level presence only at Chennai and Madurai and poor strength of manpower.

5.9.1 Deficiencies in health facilities at the work sites through mobile health clinics

GoTN issued orders (December 2014 and April 2019) for establishment of 50 Mobile Health Clinics (MHCs) to provide health care facilities to the construction workers at the construction sites. The Mission Director, National Health Mission (NHM) is the Nodal Officer for the scheme. As per the orders, all the vehicles should be equipped with GPS facility and will be having equipment like ECG, Semi-auto analyser, microscope and other equipment. GoTN also instructed that the route chart of MHCs shall be prepared and be modified every month based on new construction sites.

Out of 50 MHCs, 35 MHCs were functioning under the control of Director of Public Health and Preventive Medicine and 15 MHCs were functioning under the control of the Commissioner of GCC. Even though the scheme was being implemented by TNCWWB in co-ordination with Directorate of Public Health and Preventive Medicine, GCC and NHM, the details of service rendered, and workers benefitted were not available with TNCWWB, indicating lack of monitoring.

During July 2019, TNCWWB paid a sum of ₹18.28 crore to NHM towards operating the MHCs. Since TNCWWB funds are utilised, TNCWWB should have entered into a formal agreement on user requirements, modalities of payments and receipt of proper Utilisation Certificate (UC). However, no such agreement was entered into with NHM to ensure proper utilisation of funds to the benefit of registered workers of TNCWWB. During beneficiary survey, 277 out of 375 registered workers (74 per cent) stated that they did not avail the MHC facility.

Further, it was seen that the UC furnished by NHM was not in the prescribed form. Instead of Form 12A, the UC was furnished in Form 12C. Furnishing UC in a wrong Form prevented TNCWWB from ascertaining the nature and details of expenditure. As a result, NHM remitted the interest amount of ₹59.88 lakh into Government account, which was not objected to by TNCWWB. The money should have been remitted back to TNCWWB.

GoTN replied (February 2023) that the Mission Director, NHM has been requested to give UC and to remit the interest amount to TNCWWB. The results of the action initiated by TNCWWB are awaited (March 2023).

5.10 Other welfare assistance to the construction workers

Several schemes envisaged in the Act/Rule/Government Orders were not implemented as envisaged as given in **Table 5.9**.

Table 5.9: Details of other welfare assistances to construction workers

Anganwadi facility to the children of construction workers	GoTN ordered (December 2014) launching of this scheme to address the nutritional and developmental needs of children of construction workers in co-ordination with Integrated Child Development Scheme (ICDS) under Social Welfare and Women Empowerment Department. The scheme did not take off as TNCWWB had not made effective steps to tie up with ICDS.
Scheme for assistance to District/Block topper among children of construction workers.	GoTN launched the scheme in January 2017. However, in sampled districts, Audit did not notice such facility extended to the children of registered workers except for one beneficiary in Tenkasi district. District level officers did not coordinate with the School Education Department to operate this scheme.
Creche scheme under TN Construction Workers Welfare Scheme, 1994	As per Clause 10 of TN Construction Workers Welfare Scheme, 1994, crèches should be provided at appropriate locations to cater to the needs of the babies of women construction workers. It was, however, noticed that such facility was not extended to the children of registered workers in the sampled districts. TNCWWB did not furnish specific reasons.
Provident Fund scheme under TNMW Act, 1982	Even though Section 3(2)(i) Act envisages a Provident Fund scheme for construction workers, TNCWWB is yet to formulate any such scheme.

(Source: Details furnished by TNCWWB)

GoTN replied (February 2023) that Anganwadi scheme was not implemented due to non-receipt of proposal from ICDS since 2017. Fresh instructions were given in February 2023 for effective implementation of the District Toppers scheme in all the districts. GoTN also stated that the Creche scheme did not take off due to poor response.

The replies established the need for GoTN to take co-ordinated efforts to implement these schemes for the benefit of construction workers.

5.11 Skill development

In December 2008, GoTN established Tamil Nadu Academy of Construction (TAC) to enhance the skill, ability and knowledge of the workers employed in the construction sector. This academy was to focus on new skill training, re-skilling and skill upgradation. TAC was to work closely with Tamil Nadu Skill Development Corporation (TNSDC) in operationalising the Recognition

of Prior Learning (RPL) programme for certification of construction workers. Audit noticed the following deficiencies in skill development.

- Even though the sanctioned strength of TAC was seven, it was functioning with only two officials (one Joint Director of Labour and one Assistant). Inadequate staffing of TAC adversely affected its quality of work.
- A Bridge Course Training under Recognition of RPL programme at a cost of ₹1.86 crore was conducted to train 5,000 construction workers in coordination with Construction Industry Development Council. During the period 2017-22, 16 trainings were conducted under RPL concept under the supervision of TAC covering only 3,099 persons. On verification of the details of participants, it was observed that registration number of the participants were not mentioned and as such, Audit could not ascertain whether the participants were registered workers or not. It was also noticed that out of the 3,099 participants, 1,735 (56 per cent) were arranged by trade unions instead of ACL-SSS. This indicates lack of monitoring by TAC and lack of sufficient manpower to effectively discharge its functions.
- GoTN sanctioned (March 2017) ₹10 crore to implement the RPL programme for one lakh workers (which includes 60,000 construction workers) without proper skill certification in unorganised sector but acquired skill through their work experience. TNCWWB transferred an amount of ₹6 crore (November 2018) to TNSDC for implementing the RPL programme for 60,000 construction workers. However, only 24,943 participants were assessed/certified, and an expenditure of ₹2.44 crore was incurred. TNCWWB did not have a system to monitor the utilisation of funds, as the details of participants and UC furnished by TNSDC, were not available with TNCWWB. Audit observed that it was imprudent on the part of TNCWWB to release funds without any system to ensure proper utilisation of the money release.

GoTN replied (February 2023) that action was being taken in coordination with TNSDC.

5.12 Mission Mode Project

In July 2020, GoI launched Mission Mode Project (MMP) so that all the construction workers are registered as beneficiaries so to avail the entitled benefits without any hassles. The MMP envisages achieving the objectives by State Welfare Boards within three months time-period. MMP comprised of three components, viz., (i) Registration of left-out construction workers, (ii) Renewal and Portability and (iii) Universalisation of Social Security. The component-wise compliance by TNCWWB and audit observations thereon are given in **Table 5.10**.

Table 5.10: Components of MMP and status of achievement

Sl. No.	Components of MMP	Audit observations
1	Registration of left-out construction workers: Special drive shall be conducted to enrol workers with the help of LBs, NGOs and Volunteers.	As on March 2022, 19.30 lakh workers were registered with TNCWWB. But no progress noticed in registration of inter-State migrant workers.
2	(a) Renewal: No physical presence should be insisted for renewal. Seva-Bandhus/NGOs/Volunteers may be engaged to augment the process of renewal.	Online facility for registration is implemented with effect from 19/06/2020. Physical presence is not mandatory. There is no system to incentivise NGO/Volunteer to support the workers.
	(b) Portability: State Welfare Board shall issue online migration certificate (MC) to the workers migrating to other States.	Not implemented by TNCWWB.
3	Universalisation of Social Security	
	(a) Health Insurance	Health insurance scheme was not launched as of March 2023.
	(b) Life and Disability Cover	Life and disability cover is provided to registered workers of TNCWWB.
	(c) Life-long Pension	GoTN adopts its own pension scheme of ₹1,000 per month.
	(d) Subsistence allowance	Not implemented by TNCWWB.

(Source: Information furnished by TNCWWB)

Thus, Audit observed that TNCWWB did not achieve the objectives of MMP in full and lacked ongoing initiatives to implement all components of MMP.

GoTN replied (February 2023) that the audit observations on ‘Mission Mode Project’ were being considered. Further action taken by Government are awaited (March 2023).

5.13 Comparison of TNCWWB schemes with that of other State Construction Workers Welfare Boards

Audit compared TNCWWB’s welfare schemes with that of the Boards of other States. The comparison revealed the following, and the details are given in **Appendix 5.4**.

- (i) In respect of Accidental death at worksite and Housing Scheme, TNCWWB is providing better assistance.
- (ii) In respect of Pension, Family Pension, Maternity benefit, Natural death assistance, Funeral assistance, Marriage assistance and Educational assistance, the monetary value of the assistance provided by TNCWWB was lower than that of many other States.
- (iii) Medical assistance scheme was not implemented by TNCWWB, whereas the Boards of Delhi and Punjab are providing it.

(iv) The Boards of Delhi and Punjab provide assistance for purchase of tools related to work. Such scheme was not available with TNCWWB.

GoTN replied (February 2023) that the issues pointed out by Audit would be considered by the Board for further action.

5.14 Outcomes of TNCWW Scheme

Audit independently assessed the outcomes of TNCWW Scheme through a beneficiary survey and a Joint Physical Verification. The survey was conducted among 634 beneficiaries²⁶ in 10 sampled districts, by randomly selecting at least 60 beneficiaries per district. Joint Physical Verification of about 501 non-registered workers were done randomly at selected worksites in the State along with ACL-SSS/DISH officials. The outcomes of the Scheme, as assessed through the survey and Joint Physical Verification are discussed below:

Findings of beneficiary survey among registered construction workers

The survey findings are given in **Appendix 5.5**. Mainly, the survey disclosed that 43 *per cent* of the registered workers were not aware of various schemes under TNCWWB, 52 *per cent* had not received COVID cash assistance and 69 *per cent* had not received the safety kits.

Beneficiary survey of Pensioners/Family Pensioners

The result of Beneficiary survey of Pensioners (229), Family Pensioners (19) and Spouse/Nominees (12) revealed that less than one *per cent* of the pensioners and none of the family pensioners had any issues with their pension; whereas, 17 *per cent* of the family members seeking funeral assistance (two out of 12) had not received the assistance.

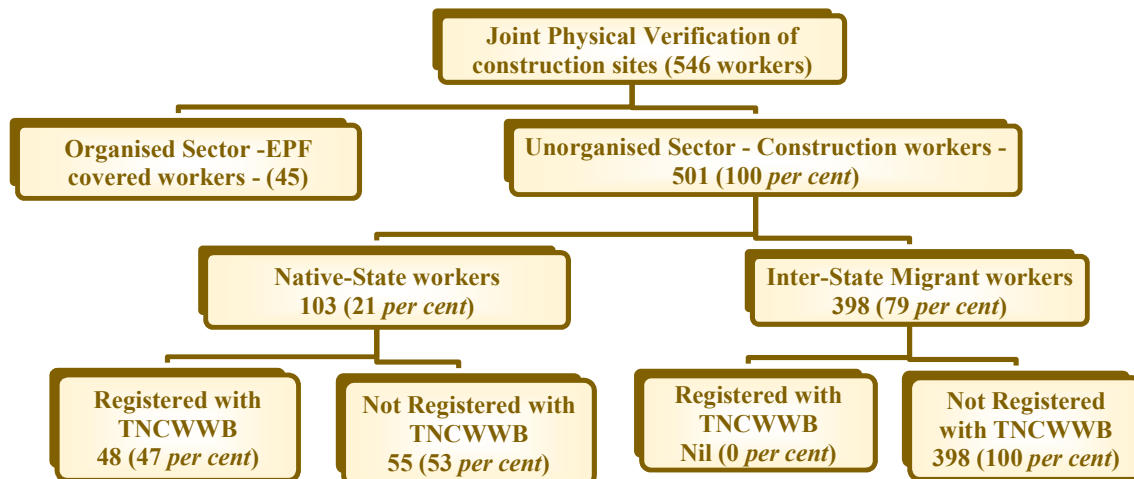
The above survey findings corroborate the Audit observations included in this Chapter.

Joint Physical Verification

Joint Physical Verification at 21 construction sites revealed that out of the 546 construction workers, only 45 workers came under the organised sector with coverage under Employees' Provident Fund (EPF) scheme. The balance 501 construction workers consisted of 103 native-State workers and 398 inter-State migrant workers. Out of the 501 construction workers, 453 (90 *per cent*) were not registered with TNCWWB (55 native-State workers and 398 inter-State migrant workers) as given in **Exhibit 5.2**.

²⁶ Includes 374 workers and 260 pensioners and their family members.

Exhibit 5.2: Joint Physical Verification of construction workers at construction sites



(Source: Joint Physical Verification data compiled by Audit)

Reason for non-registration were reported as lack of awareness of the procedure for registration with TNCWWB and the benefits thereof. Audit observed that lack of proper IEC on the scheme benefits, as commented in **Paragraph 6.3.5**, had resulted in poor awareness and the consequent low registration.

Establishments/Employers registered with DISH during Joint Physical Verification of construction sites: Out of 21 construction sites visited, only 11 Establishments/Employers were registered with DISH and the remaining 10 were not registered (48 per cent), as given in **Appendix 5.6**. Further, only one Establishment/Employer produced Form XV - Register of Building workers employed by the Employer. Audit observed that deficiencies in registration, as commented in **Paragraph 2.2**, was the possible reason for Joint Physical Verification findings of poor registration of workers.

5.15 Conclusion

Implementation of welfare schemes for the benefit of registered workers suffered due to abnormal delays in processing of claims made by registered workers. Lack of clarity on scheme implementation had resulted in extending benefits to potentially ineligible persons. Lack of due diligence had led to non-extending benefits to large number of beneficiaries during COVID 19 pandemic and simultaneously, a significant number of beneficiaries received assistance more than once. Significant shortfalls in achievements under the Mission Mode Project, launched by GoI, contributed to deficiencies in implementation of welfare schemes.

5.16 Recommendations

- Government should fix minimum service period for pension eligibility and also consider fixing quantum of pension based on weightage for such service period.

- Maternity Assistance Scheme should be subsumed under Dr. Muthulakshmi Reddy Maternity Benefit Scheme implemented by Health Department and the expenditure incurred by the Department for the registered workers should be reimbursed.
- Government should fix benchmarks for delivery of services by TNCWWB and ensure schemes assistances are disposed of in a time-bound manner.
- Government should popularise the schemes implemented by TNCWWB by using appropriate Information, Education and Communication (IEC) activities for the benefit of the registered workers.
- Government should speed up implementation of Mission Mode Project so that more schemes are framed for the welfare of construction workers and the scheme implementation is streamlined.

CHAPTER VI
FUNCTIONING OF
TNCWWB

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FUNCTIONING OF TNCWWB

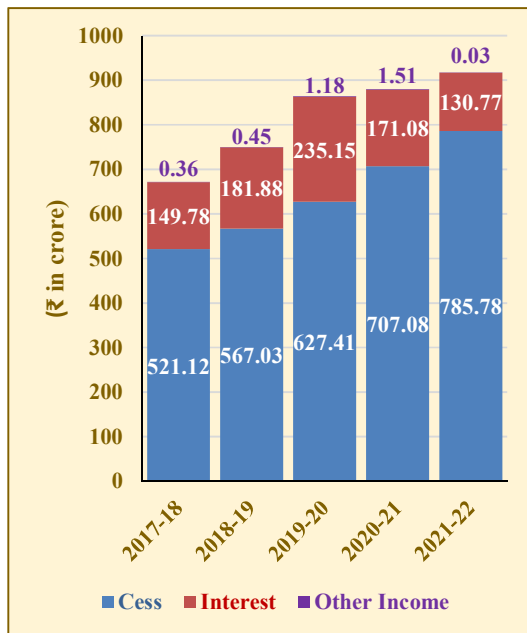
Non-preparation of budget during 2017-22 by TNCWWB impacted its financial management. Imprudent investment strategy had resulted in short realisation of interest on the investment of surplus funds. Inadmissible expenditure by TNCWWB caused an increase in the administrative expenditure, which exceeded the ceiling of five *per cent*. Defective/belatedly received Demand Drafts from Cess Remitting Agencies were not revalidated resulting in loss of large sums of money.

6.1 Financial Management

6.1.1 Receipts and Payments of TNCWWB

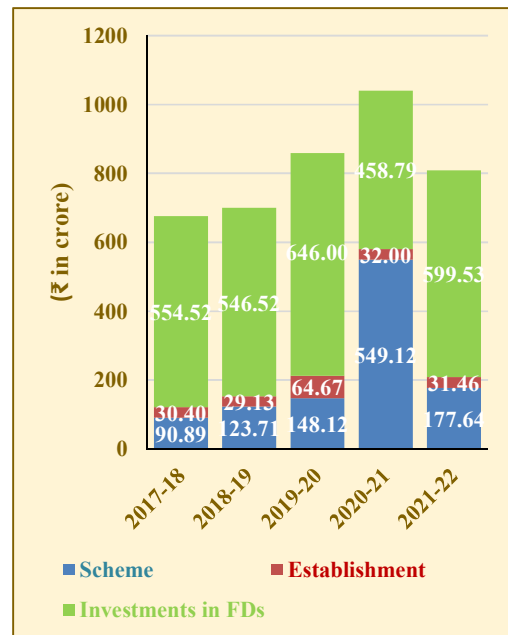
The receipts and payments of TNCWWB, for the period 2017-22, are given in Exhibits 6.1 and 6.2. A detailed statement of receipts and payments is given in Table 1.1.

Exhibit 6.1: Receipts for the period 2017-22
(₹ in crore)



(Source: Data furnished by the TNCWWB)

Exhibit 6.2: Payments for the period 2017-22
(₹ in crore)



Audit observed that during 2017-22, TNCWWB consistently made an average surplus of 69 *per cent* of receipts (₹561 crore) every year and the same was invested in Fixed Deposits (FD). The FDs at the beginning of Audit period was ₹1,360 crore and with an increase of ₹2,810 crore during 2017-22, the FDs position as of March 2022 was ₹4,170 crore.

6.1.2 Failure to estimate Labour Cess collection

Estimation of Labour Cess collection is a prerequisite for monitoring accurate collection of the due amount from all Establishments involved in construction of buildings. Audit observed that estimation of the anticipated collection was possible as the data on building plan approvals are available with the local bodies and the data on major government projects like roads, dams, etc., are available with the respective departments.

TNCWWB, however, did not estimate the anticipated collection of Cess amount so as to ensure that the amount actually being collected is fairly accurate with reference to the estimated collection. Failure to estimate the Labour cess collection had contributed to the deficiencies in the system of collection and remittance, such as non-collection, short-collection, non-remittance and misappropriation of Labour Cess, which have been commented in **Chapter III**. Further, non-estimation of Labour Cess collection had impacted preparation of budget as discussed in **Paragraph 6.1.3**.

6.1.3 Preparation of Budget

As per Clause 4(9)(b) of the TNCWWB Scheme, the TNCWWB has to prepare its annual budget and get it approved by the Board. Audit noticed that TNCWWB did not prepare the budget during 2017-22. Non-preparation of budget for 2017-22 resulted in non-assessment of surplus funds for making sound investment decisions, non-recovery of rent receivable from integrated complexes, incurring of entire administrative expenses of district offices by TNCWWB without recovery from other 17 Boards etc., as discussed in the succeeding paragraphs.

TNCWWB stated (September 2022) that budget was not prepared due to uncertainty in collection and remittance of Cess by the Local Bodies/other Agencies and in assessing the scheme assistances preferred by the construction workers. The reasons stated were not acceptable, as the receipts and payments could be reasonably estimated using previous year data and other factors.

GoTN replied (February 2023) that based on the Audit observations, a tentative Budget Estimate was prepared for the year 2022-23 and approved by the Board in its 36th Board Meeting held on 05 July 2022. Audit observed that the action taken was a positive step, but the system needs to be streamlined by preparing the budget based on inputs by field level officers.

6.1.4 Audit of Accounts of TNCWWB by CAG of India

As per Section 27 of BOCW Act enacted by GoI, the accounts of TNCWWB shall be audited by the CAG of India. However, GoTN, while notifying TNBOCW Rules, did not incorporate Section 27 of BOCW Act to enable audit of accounts by CAG. As a result, there is no provision to audit the accounts of TNCWWB. Later in January 2010 and in February 2012, Hon'ble Supreme Court issued directions to GoI and all State Governments/UTs on various measures to be taken up, which include audit by CAG, as stated below:

“(i) The CAG should audit the entire implementation of the Act and use of the funds (18 January 2010); (ii) All State Welfare Boards shall be subjected to audit by the CAG within two months from today. All states/UTs and State Boards to initiate the process and ensure its completion under provisions of Section 27 of the Act (07 February 2012).”

Pending amendment of TNBOCW Rules by GoTN, based on Hon'ble Supreme Court directions, Audit was taken up by CAG in November 2011. Since then, Accounts of TNCWWB have been audited for the period 2007-08 to 2021-22. Concurrently, the matter was taken up with the Government by Principal Accountant General (PAG) (Audit-I), Tamil Nadu in July 2013, April 2017, September 2021 and January 2023 for making suitable amendments as per Hon'ble Supreme Court directions.

GoTN replied (December 2021) that GoI has enacted Occupational Safety, Health and Working Conditions Code, 2020 by subsuming 13 labour enactments including BOCW Act and GoI might repeal BOCW Act. GoTN further requested (December 2021) the Principal Accountant General to take up Audit under Section 20(2) of CAG's (DPC) Act.

Audit observed that as of now, despite a lapse of 10 years after the issuance of directions by Hon'ble Supreme Court to GoTN to initiate process under Section 27 of BOCW Act, amendment was not made (February 2023) in TNBOCW Rules to facilitate CAG's audit. CAG audits TNCWWB by way of an entrustment under Section 20(2) of CAG's (DPC) Act, rather than under the strength of a statutory provision as envisaged in BOCW Act.

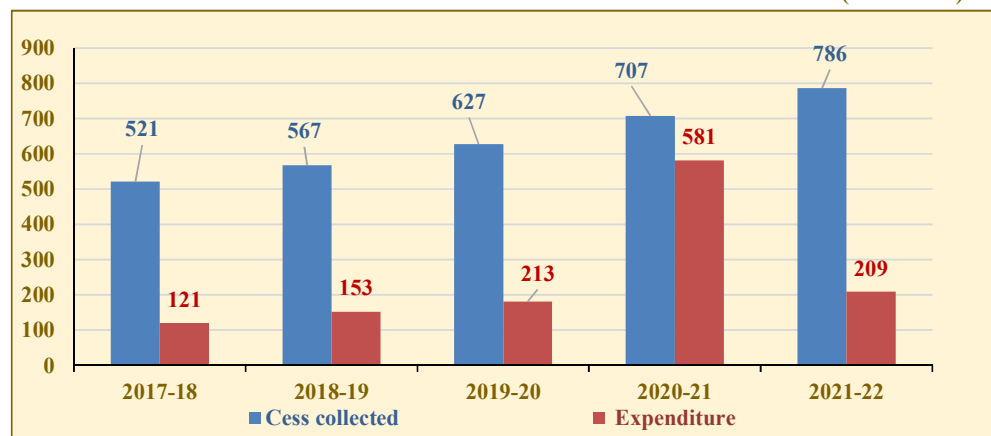
During the Exit Conference, the ACS to Government directed Secretary, TNCWWB to propose suitable provisions in State Act/Rules for taking up audit by CAG.

6.1.5 Imprudent Fund Management - loss of interest ₹309 crore

Accumulation of investable surplus funds: The expenditure of TNCWWB on various welfare assistance schemes for the construction workers and other administrative expenditure is met from Cess collections and interest receipts. As on 31 March 2022, TNCWWB had a deposit of ₹4,170 crore, which had accumulated over the years. The amount kept in FDs during the audit period had increased from ₹1,360 crore in April 2017 to ₹4,170 crore as of March 2022, an increase of ₹2,810 crore. The Cess collection and scheme expenditure for 2017-22 are compared in **Exhibit 6.3**.

Exhibit 6.3: Comparison of Cess collection and expenditure during 2017-22

(₹ in crore)



(Source: Details furnished by TNCWWB)

It is noticed that Cess collection alone (excluding interest receipts) was consistently more than the expenditure on welfare schemes and administrative expenditure of TNCWWB. The average surplus was around ₹561 crore each year. Therefore, it is imperative that TNCWWB need to make prudent decisions relating to investments. The issues noticed in the investment of surplus funds is discussed below:

Present investment procedure: There is no defined investment policy for TNCWWB and as per the Board’s resolution dated 05 January 1996, the fund has to be invested only for one year FD in the Banks and three years FDs with Tamil Nadu Power Finance and Infrastructure Development Corporation Limited (TNPFDCL). Accordingly, TNCWWB invested surplus amounts into FDs with Nationalised Banks for one year and TNPFDCL for three years, as given in **Appendix 6.1** and received an interest of ₹792.92 crore during the period 2016-22 (**Table 6.1**).

Table 6.1: Interest received by TNCWWB during 2016-22

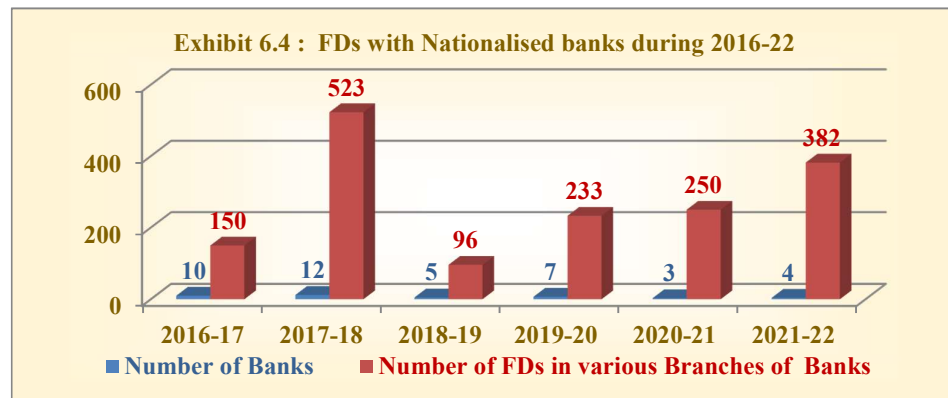
(₹ in crore)

Year	FD with Bank as on end of March	Interest received	FD with TNPFDCL as at the end of March	Interest received
2016-17	747.80	52.12	611.92	85.27
2017-18	1,547.20	94.73	367.03	77.17
2018-19	2,323.70	96.24	142.05	45.03
2019-20*	2,566.75	219.84	545.00	Nil
2020-21*	2,720.54	122.52	850.00	Nil
2021-22	3,320.07	585.45	850.00	207.47
	(as of 31/03/2022)		(as of 31/03/2022)	
FD as of 31/03/2022 (₹3,320.07 + ₹850)				4,170.07
Total Interest received during the period 2016-22 (₹585.45 + ₹207.47)				792.92

* The FDs were placed for three year period, hence interest not received.

(Source: Annual Accounts and details furnished by TNCWWB)

Further, Audit noticed that the FDs are invested in many branches of banks all over Tamil Nadu. Number of banks and their branches wherein FDs were made during 2016 - 22, are given in **Exhibit 6.4**.



(Source: Details furnished by TNCWWB)

The number of banks in which FDs made were three to 12 during 2016-22; but the number of FDs with various branches of banks were ranging from 96 to 523 in a year. As the rate of interest offered by a bank remained the same in all its branches at a given point of time, there was no need for making FDs in different bank branches all over the State. This would make the process cumbersome besides being unsafe in handling these instruments.

Imprudent investments: As discussed in the foregoing sub-paragraphs, large sums are kept in FDs with TNPFDCL and Nationalised banks, and about ₹200 crore is retained in Current Account/Savings Bank Account, to meet immediate expenditure requirements.

Audit observed that:

- The percentage of surplus funds invested in TNPFDCL ranged from 6 to 45 *per cent* during 2016-22. TNCWWB did not have a policy on the percentage of surplus funds to be invested in TNPFDCL, which yields 1.52 *per cent* to 3.8 *per cent* higher interest than Nationalised banks.
- It is a normal procedure for educational institutions like IIT Madras to invest their surplus funds in long term Government Bonds [Tamil Nadu State Development Loans (SDL)]. TNCWWB did not probe such long-term options but kept investing in one year bank FDs.
- The average monthly outgo on schemes and administrative expenditure during 2021-22 was around ₹10 crore to ₹18 crore. As such, Audit considered it imprudent to keep around ₹200 crore in Current Account throughout the Audit period.

Audit calculated that TNCWWB incurred an estimated interest loss of ₹309 crore due to imprudent investment, as given in **Appendix 6.2**. The calculation was based on a more prudent investment basket as suggested below:

- (i) Fund required for three months expenditure (Scheme and establishment excluding extraordinary expenses like COVID) plus 10 *per cent* of previous year's expenditure to be kept in Current Account for contingency.
- (ii) Fund required for one year of schemes and administrative expenditure of previous year plus 10 *per cent* in bank FD with one year maturity.
- (iii) One third of the balance fund to be invested in three-year FDs with TNPFDCL and the balance funds in Government bonds like SDL, etc.

GoTN replied (February 2023) that as per Audit suggestion, the rate quotes for the investment amount of ₹10 crore, ₹25 crore and ₹50 crore for the period of one, two and three years have been called for from all the five Nationalised banks and invested in the Bank quoting the highest rate quote on the day of investment for minimising the number of FDs.

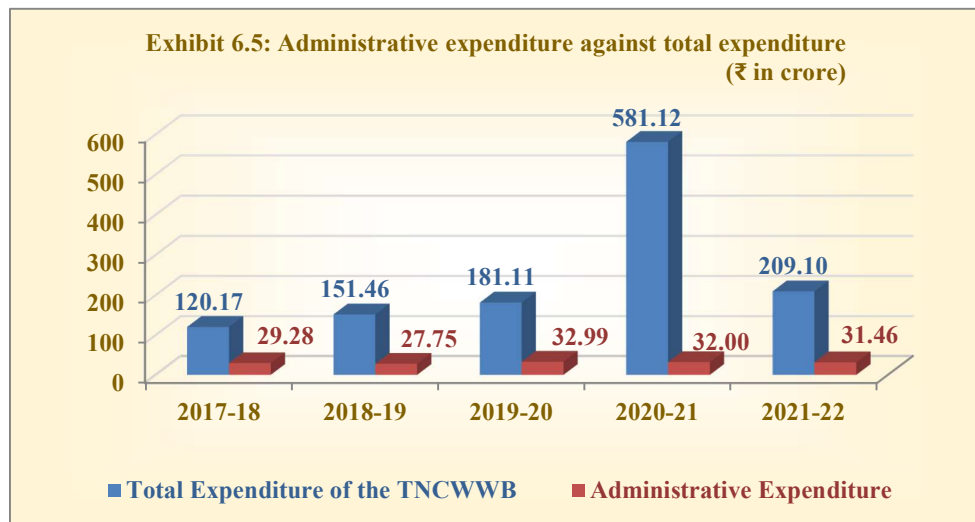
Non-constitution of Investment Committee: The current system of investment involves making FDs for one year in Nationalised banks and three-year FDs in TNPFDCL. TNCWWB did not have an Expert Investment Committee or similar arrangement to decide on the investments. Thus, the

present system lacks transparency and accountability as the selection of Banks for FDs were limited to Canara Bank, Union Bank of India, Bank of India and Indian Bank in which TNCWWB has current accounts. Further, some of the prominent Nationalised banks such as State Bank of India, Punjab National Bank, Bank of Baroda, Central Bank of India, Indian Overseas Bank, UCO Bank, Bank of Maharashtra and Punjab & Sind Bank were kept out of the selection process during 2020-21 and 2021-22.

GoTN replied (February 2023) that necessary steps will be taken to address this issue.

6.1.6 Administrative expenses in excess of the ceiling

As per the directions of the Hon'ble Supreme Court (March 2018), the administrative expenditure of Welfare Boards should not exceed five *per cent* of its total expenditure. Audit scrutiny revealed that the administrative expenditure exceeded five *per cent* of the total expenditure in all five years (2017-22) as given in **Exhibit 6.5**.



(Source: Data furnished by the TNCWWB)

Despite clear instructions by the Hon'ble Supreme Court on various occasions, TNCWWB continued to incur excess expenditure, which included inadmissible expenditure on administering schemes implemented by 17 other Welfare Boards, as discussed in the succeeding paragraphs.

TNCWWB replied (December 2022) that there is no such provision in the State Act/Rules. The reply established that TNCWWB was not only violating the orders of the Hon'ble Supreme Court, but also had no intention to bring down the administrative expenditure.

6.1.7 Inadmissible administrative expenditure incurred for other Boards not refunded - ₹60.87 crore

The ACL-SSS at 40 district offices are involved in registration/renewal and providing scheme assistances of all 18 Boards (**Appendix 1.1**) functioning under LW&SDD. Administrative control of these 18 Boards is handled by Secretaries of two Boards *viz.*, TNCWWB and TN Manual Workers Welfare Board (for other 17 Boards). The officials at these district level offices are

TNCWWB employees, deputationists from LW&SDD and Finance Departments and workers on daily wages. The work allocation for these officials at each district offices are registration/renewal and processing the claims of the beneficiaries on various types of assistances provided not only by TNCWWB but also by other 17 unorganised workers Boards coming under TN Manual Workers Welfare Board.

The expenditure at the district offices were of two categories - one for the scheme and one for administrative expenses and the sharing pattern for such expenditure is given in **Table 6.2**.

Table 6.2: Expenditure shared between TNCWWB and TNMWB

Type of expenditure	TNCWWB	TNMWB
Scheme assistance	Borne by TNCWWB for its registered workers	Borne by TNMWB for its registered workers
Administrative expenses	Fully borne by TNCWWB	No Administrative expenses is borne by TNMWB. (Only negligible portion of expenditure such as Broadband charges (at 20:80 by TNMWB and TNCWWB) and vehicle maintenance (100 per cent) are shared by TNMWB)

(Source: TNCWWB records)

Audit found that the number of registered workers of TNCWWB and TNMWB as on 31 March 2022 was 19.30 lakh (51 per cent) and 18.76 lakh (49 per cent) respectively. The workload for the two Boards, based on scheme assistance provided for the five-year period, is given in **Table 6.3**.

Table 6.3: Comparison of Boards for assessing the workload of 40 ACL-SSS offices at districts

Board	TNCWWB		TNMWB (17 welfare Boards)		Total	
	Beneficiaries (Numbers in lakh)	Amount (₹ in crore)	Beneficiaries (Numbers in lakh)	Amount (₹ in crore)	Beneficiaries (Numbers in lakh)	Amount (₹ in crore)
2017-18	1.93	90.08	2.30	84.29	4.23	174.37
2018-19	1.94	111.63	2.46	84.16	4.40	195.79
2019-20	1.78	118.73	2.78	141.75	4.56	260.48
2020-21	0.42	150.08	1.82	197.66	2.24	347.74
2021-22	1.52	161.20	2.54	137.82	4.06	299.02
Total	7.59	631.72	11.90	645.68	19.49	1,277.40
Percentage	39	49	61	51	100	100

(Source: Policy Notes 2018-19 to 2022-23)

As may be noticed from **Table 6.3**, the number of beneficiaries and the amount of scheme assistance to beneficiaries for the two Boards are roughly equal and hence the administrative expenditure should have been shared proportionately or equally between TNCWWB and TNMWB. As a result of non-sharing of expenditure with TNMWB, TNCWWB incurred an excess expenditure of ₹60.87 crore, as detailed in **Appendix 6.3**.

Audit observed that incurring of expenditure for other Boards was against the objectives of the TNCWWB and in violation of Hon'ble Supreme Court instructions. Further, had the excess expenditure been recovered from TNMWB, the administrative and other expenditure of TNCWWB during 2017-22 could have been reduced from 12.35 *per cent* to 7.45 *per cent* of total expenditure.

GoTN replied (February 2023) that the TNCWWB's proposal (December 2022) to bear 75 *per cent* of the administrative expenses incurred by the District ACL-SSS Offices was under consideration.

The reply is an admission of GoTN in burdening TNCWWB with administrative expenditure of the other 17 Boards. The reply, however, lacks justification as there was no basis for the proposal to bear only 25 *per cent* of the administrative expenditure pertaining to 17 other Boards instead of 50 *per cent*.

6.1.8 Avoidable income tax demand of ₹396 crore

TNCWWB was registered as a Charitable Trust (December 2003) under Section (u/s) 12AA of the Income Tax Act, 1961 (IT Act) and exemption applicable to charitable institutions was obtained. Later, Section 10 (46) was introduced in June 2011 which is more relevant to the TNCWWB's activities and unlike Section 12AA, u/s 10 (46), total exemption is available to specified income arising to a Body or Authority or Board or Trust or Commission constituted by the Central/State Government, with the object of regulating or administering any activity for the benefit of the public. Under this section, IT exemption was given to West Bengal BOCW Board from 2011-12.

In November 2017, TNCWWB applied for exemption u/s 10(46) of IT Act. However, approval was denied (December 2017) by IT Department stating that the approval u/s 10 (46) of the Act shall not be applicable to an entity which had already been granted registration u/s 12AA of the Act and the said registration was continued to be in force.

Subsequently, in the Finance Bill 2020-21, it was notified that even a Trust, which was registered u/s 12AA, can apply for exemption u/s 10(46) of the IT Act with effect from 01 June 2020. A demi-official letter was sent through the Chief Secretary of the Government to the Chairperson of the Central Board of Direct Taxes, New Delhi to revive the application already submitted by TNCWWB and grant exemption u/s 10 (46) of the IT Act. Exemption u/s 10(46) of the IT Act was later granted in April 2022 with effect from June 2020 only.

The Labour cess collected was incorrectly taken to corpus fund in the Balance Sheet instead of treating it as regular income in the Income and Expenditure account. This incorrect accounting treatment had been regularly commented in the Separate Audit Reports issued from the year 2012-13. IT Department contested that the incorrect treatment was intended to avail the income tax benefit u/s 12AA and stated that the Cess collection was not voluntary and thus exemption u/s 12AA is not applicable. Therefore, the IT Department issued

demand notice to TNCWWB for ₹170.53 crore and ₹225.53 crore for the Assessment Years (AY) 2017-18 and 2018-19 respectively. TNCWWB paid a deposit amount of ₹31.68 crore (adjusting TDS receivable of ₹3.03 crore *plus* interest), being the 20 *per cent* of the disputed amount (₹170.53 crore x 20 *per cent*) for the AY 2017-18 in February 2020 to IT Department for filing appeal against the above order.

The failure of the TNCWWB to get registered u/s 10(46) of IT Act in time and obtain exemption resulted in:

- (i) Avoidable tax liability of ₹396 crore for AY 2017-18 and 2018-19.
- (ii) Locking up of deposit amount of ₹34.71 crore for more than two years.
- (iii) Loss of interest of ₹8.97 crore for the deposit amount of ₹31.68 crore (excluding TDS amount which is separately commented in **Paragraph 6.1.9**).

TNCWWB replied (December 2022) that only after the introduction of Finance Bill 2020-21, the exemption u/s 10(46) was available for those who have already claimed exemption u/s 12AA.

The reply is not tenable as the above restriction was imposed only in Finance Act 2014 (with effect from 01 April 2015). Section 10(46) was introduced in November 2011 itself i.e. long before the introduction of above restriction. Hence, TNCWWB could have obtained exemption u/s 10(46) between November 2011 and March 2015, like West Bengal BOCW Board.

Subsequently, GoTN replied (February 2023) that TNCWWB has issued work order (November 2022) to its Chartered Accountants to obtain exemption u/s 10(46) of the IT Act retrospectively from the financial year 2015-16 to 31/05/2020. Results of the action taken by TNCWWB is awaited (March 2023).

6.1.9 Avoidable locking up of funds with Income Tax Department ₹9.57 crore resulting in loss of interest ₹2.37 crore

During 2016-22, interest income of TNCWWB was exempted u/s 12AA of the IT Act till June 2020 and thereafter u/s 10(46) of the IT Act.

TNCWWB is regularly investing its surplus funds every year with Nationalised Banks and TNPFDCL. Exemption certificates were communicated to all banks by the TNCWWB for non-recovery of Tax Deducted at Source (TDS) on FD interest. However, during the period from 2016-17 to 2021-22, TDS amount of ₹11.69 crore was deducted by some of the banks²⁷ and a refund of ₹2.12 crore was received from IT Department. A sum of ₹9.57 crore is still pending as of March 2023 and to that extent TNCWWB funds were locked up as given in **Table 6.4**.

²⁷ Branches of Canara Bank, Syndicate Bank, Union Bank of India, Punjab National Bank and Tamil Nadu Power Finance Corporation.

Table 6.4: Locking up of TDS with Income Tax Department and loss of interest

(₹ in crore)

Year	2017-18	2018-19	2020-21	2021-22	Total
TDS yet to be received from IT Department ²⁸	3.04	1.12	0.22	5.19	9.57
Investment month	April 2018	April 2019	April 2021	April 2022	
Interest rate as per SDL (half yearly basis)	8.28	8.37	6.73	7.24	
Period of investment (in years)	5	4	2	1	
Interest loss (Up to March 2023)	1.53	0.43	0.03	0.38	2.37

(Source: Audit working of records furnished by department)

Audit worked out the loss of interest due to locking up of funds with the IT Department as ₹2.37 crore. As TNCWWB invested multiple FDs (an average of 250 FDs per year) with various branches of Nationalised banks all over Tamil Nadu, there was laxity on the part of TNCWWB in monitoring TDS recovery by the branches of above-mentioned banks.

During the Exit conference, the ACS to Government stated that action is being taken to limit the number of FDs and the number of bank branches, in which FDs are deposited, for proper monitoring of incorrect deduction of TDS.

6.1.10 Unencashed time-barred/returned DDs - loss of revenue - ₹13.47 crore

Labour cess is remitted into the bank account of TNCWWB by various Local Bodies, Government institutions, PSUs and individuals through DDs or ECS.

The scrutiny of Cess collection through DDs revealed that 25,665 DDs (₹36.56 crore) had been sent by TNCWWB for revalidation/issue of fresh DDs, out of which 11,360 DDs worth ₹13.47 crore were yet to be received back as of March 2023, as detailed in **Table 6.5**.

Table 6.5: Unencashed time-barred/returned DDs

(₹ in crore)

Year	Number of DD's returned	Value of DDs	Number of DDs revalidated	Value of DDs revalidated	DDs to be received back	Value of DDs pending
Up to 2016-17	15,371	13.00	8,904	7.34	6,467	5.66
2017-18	2,570	4.16	1,092	2.21	1,478	1.95
2018-19	2,197	2.72	833	1.17	1,364	1.55
2019-20	1,558	5.03	1,127	4.09	431	0.94
2020-21	2,216	6.78	1,326	4.95	890	1.83
2021-22	1,753	4.88	1,023	3.34	730	1.54
Total	25,665	36.57	14,305	23.10	11,360	13.47

(Source: Information furnished by TNCWWB)

²⁸ TDS was not deducted for 2016-17 and 2019-20.

GoTN replied (February 2023) that action (grouping of pending DDs Local Body wise/Government Agencies-wise/Bank-wise) has been initiated to take up the matter to the next higher authority concerned.

Audit observed that delay in receipt of DDs from Local Bodies and defective DDs were the main reasons for this issue which had resulted in loss of ₹13.47 crore.

6.1.11 Loss of revenue due to non-fixing of rent - ₹31.41 crore

TNCWWB funds of ₹44.24 crore were diverted, in violation of TNCWW scheme guidelines and the directions of Hon'ble Supreme Court, for construction of 19 Integrated Labour Complexes to house Government offices. This was also commented in the CAG's Audit Report²⁹ for the year ended March 2018. Construction of office buildings to accommodate various Labour offices, including TNCWWB office, at 19 districts with TNCWWB funds on Government land without transferring title to TNCWWB was highlighted in the Audit Report.

During Audit scrutiny, LW&SDD agreed (November 2021) for the payment of rent by other offices of LW&SDD, which had been occupying the 19 integrated complexes, in accordance with the area of occupation after fixing rent in consultation with PWD.

Audit observed that, even after a lapse of three years of occupation by other offices, the PWD rent is not yet assessed and fixed for the 19 buildings and no rent was collected by TNCWWB. Audit worked out loss of revenue due to non-collection of rent based on the rent assessed by PWD at two Integrated Labour Complexes, one at Virudhunagar (Municipal Area - Rent per sq.m - ₹114) and the other at Tiruchirappalli Corporation Area - Rent per Sq.m - ₹304). The approximate loss due to non-assessment and collection of rent till March 2023 was ₹31.41 crore, as detailed in **Appendix 6.4**.

GoTN replied (February 2023) that this issue was under consideration.

6.1.12 Unfruitful administrative and maintenance expenses on dormitories at Thaiyur and Ezhichur - ₹1.80 crore

A Paragraph on two dormitories at Ezhichur and Thaiyur, constructed by TNCWWB at a cost of ₹31.66 crore, to provide temporary accommodation for construction workers lying idle as of October 2021 has been included in the CAG's Compliance Audit Report³⁰ for the year ended March 2021. In January 2022, GoTN had replied that due to COVID 19, the Government is keeping these dormitories as reserve centres for treatment facilities or boarding facility for Chennai and Chengalpattu districts and the centres would be used once the pandemic was over. In the meanwhile, TNCWWB had incurred a sum of ₹1.80 crore as administrative and maintenance expenditure³¹ from their respective date of taking over from PWD up to March 2023.

²⁹ Paragraph No. 3.3.2 of Report No 1 of 2020-General & Social Sector Audit, GoTN.

³⁰ Paragraph No 3.2.1 of Report No. 7 of 2022 – Compliance Audit, GoTN.

³¹ Ezhichur ₹0.96 crore from June 2019 to March 2023 and Thaiyur ₹0.84 crore from April 2020 to March 2023.

In December 2022, Audit undertook Joint Physical Verification, with the ACL-SSS, Kancheepuram for Ezhichur and ACL-SSS, Chengalpattu for Thaiyur, to ascertain the latest position regarding utilisation of two dormitories. The Joint Physical Verification revealed that despite incurring administrative and maintenance expenditure of ₹1.80 crore after taking over of the dormitories by TNCWWB, the dormitories were kept unoccupied as of March 2023, rendering the maintenance expenditure unfruitful. (Exhibits 6.6 and 6.7).

Exhibit 6.6: Dormitory at Thaiyur, Chengalpattu District



Exhibit 6.7: Dormitory at Ezhichur, Kancheepuram District



(Source: Joint Physical Verification with TNCWWB officials)

GoTN replied (February 2023) that a proposal for using the dormitory at Thaiyur for imparting skill training to the construction workers is under process. Audit observed that the objective of the dormitories was not achieved due to poor planning.

6.1.13 Delay in rolling out of Integrated Application Software

In July 2016, GoI accorded approval for development of an Integrated Application Software at a cost of ₹1.05 crore. The key objectives of the Project were to enable online approval of registration, renewal, claims etc, to provide Management Information System Reports and to provide for online Cess collection.

Delays and other issues noticed in rolling out of the Integrated Application Software are discussed below:

(i) TNeGA informed (September 2016) that the development of software for online services would be implemented as part of e-District project and later informed (February 2017) that they could be rolled out only through e-Sevai centres and not through Web portal of the Boards. Hence, it was decided to take up the task of development of Software through Web portal as a separate task. Accordingly, a Letter of Authorisation was issued in September 2019 to a System Integrator to take up the work and the services were made available from 19 June 2021.

(ii) The Integrated Application Software did not cater to the requirement of online collection of Cess, as originally envisaged.

During the Exit Conference, the ACS to Government stated that Accounts and Cess modules were under implementation.

6.2 Human Resource Management

TNCWWB and District offices consisted of the officials on deputation from LW&SSD and Finance Department, TNCWWB appointed officials and contract workers. The sanctioned strength, Persons-in-position (PIP) and vacancy position of TNCWWB and District offices are given in **Table 6.6**.

Table 6.6: Sanctioned Strength, PIP and vacancy position at TNCWWB

Employees	Sanctioned	PIP	Vacant
On Deputation	15	14	1
Appointed by TNCWWB	28	4	24
Contract posting (Personal Secretary to Chairman)	1	1	0
Total	44	19	25
At ACL-SSS district offices	470	240	230
Grand Total	514	259	255

(Source: Data furnished by TNCWWB)

6.2.1 Excess recruitment of contractual staff

In addition to the above, staff on daily wages were employed in TNCWWB (38 numbers) and ACL-SSS offices (534 numbers). Cadre-wise sanctioned strength is mentioned in **Appendix 6.5**. Audit scrutiny revealed that:

- In TNCWWB, as per sanctioned strength, there is a shortage of 24 persons in the Junior Assistant/Data Entry Operator cadre and in district ACL-SSS office, there is a shortage of 230 officials.
- In TNCWWB, 24 persons and in district ACL-SSS offices, 452 persons are employed on daily wages in the cadre of Junior Assistant/Data Entry Operator. There was an excess of 222 contract workers being operated over and above the sanctioned strength.
- The district offices look after the functions of 17 boards in addition to TNCWWB.

- It was also noticed that the approval of TNCWWB was not obtained for the engagement of daily wages. The last approval was made in October 2007.

Against vacancies, a greater number of persons were recruited on contract terms. TNCWWB did not obtain approval/ratification for the excess operation of posts from its Board/GoTN since October 2007.

GoTN replied (February 2023) that ratification for the excess operation of post will be placed before the Board and then submitted to the Government. The reply was silent on filling up of vacancies and the reasons for excess staffing through hiring of daily wage staff.

6.2.2 Non-appointment of Inspectors

Section 16 of the TNMW Act and Rule 23 of TNMW Rules enables appointment of Inspectors for field level monitoring which could help to avoid the issues in registration of establishments and workers, which are pointed out in **Chapter III**. Non-appointment of Inspectors was also pointed out in CAG's Audit Report for the year ended March 2013. TNCWWB, however, had not appointed any Inspectors in the field. On being pointed out, TNCWWB replied that a proposal has been sent (November 2022) to Government for appointing Inspectors.

Due to failure in monitoring by establishment level Inspectors, survey could not be conducted for registration of workers and no system existed for watching of Cess collection.

Other issues such as refund of Cess, wrong remittance of Cess into Government account, non-reimbursement of expenditure by 17 Boards, non-receipt of rent, obtaining data on employer/workers from DISH, etc., could have been addressed to the benefit of TNCWWB by appointing Inspectors.

6.3 Monitoring

6.3.1 Deficiencies in Internal Control Mechanism

The following deficiencies in internal control mechanism were noticed:

- There is no reconciliation of Cess collected from different offices due to non-furnishing of details of remitters. As a result, TNCWWB could not properly issue receipts for the Cess amount received.
- There are two separate entities involved in registration of establishments and registration of construction workers viz, DISH for registering establishments and TNCWWB for registration of construction workers. There was no co-ordination between the two institutions, as discussed in **Chapter III**.
- TNCWWB did not have a system for Internal Audit.
- There was no system for analysis of registration and scheme assistance data. This had resulted in payments made to ineligible persons, as discussed in **Chapter V**.

- TNCWWB is providing funds to various programmes such as MHCs, TAC, Training programme by Skill Development Corporation, Amma Canteen, etc. In such cases, no MoU was entered with them for proper execution and periodical rendering of UCs, audited accounts and reports on physical and financial progress.

GoTN accepted (February 2023) the Audit observations and stated that necessary steps would be taken to address the issues highlighted by Audit. Results of the action taken are awaited (March 2023).

6.3.2 State Advisory Committee

State Advisory Committee was constituted in 2014 and reconstituted again only in November 2022. The non-official members of State Advisory Committee, who were to be nominated every three years, were not nominated during the period of eight years (2014-2022). During 2017-22, only one meeting was conducted (November 2020) as against prescribed 20 meetings, resulting in non-discharge of the mandated functions as contemplated in the TNMW Act.

6.3.3 Monitoring by the Expert Committee

As per Section 5 of BOCW Act, the Government may constitute one or more Expert Committees consisting of persons specially qualified in building or other construction work for advising Government for making Rules under this Act. Hon'ble Supreme Court has also directed (March 2018) all States to constitute Expert Committee and frame statutory Rules under Section 62 of the BOCW Act.

In pursuance of the above Section, an Expert Committee was constituted in August 2017 and the committee has to meet once in six months. The term of the Committee was fixed as three years. Since the constitution of Expert Committee, only one meeting was conducted (on 07/08/2017) and the term of the committee also expired in August 2020.

GoTN replied (February 2023) that action was being initiated for re-constitution of Expert Committee.

6.3.4 Functioning of District Monitoring Committees

Government had issued (September 2015 and January 2019) orders for establishment of District Monitoring Committees (DMC) headed by the District Collectors, for monitoring the timely disbursement of benefits to the registered workers and pensioners. The functions of the Committee include monitoring all aspects of the function of TNCWWB at district level.

GoTN had established DMCs at district level in all the sampled districts and were to meet every month. Test check of sampled districts revealed that, as against 12 meetings to be conducted every year, an average of one meeting was only conducted, as given in the **Table 6.7**.

Table-6.7: DMC meetings conducted in the sampled districts for 2017-22

Sl. No.	District	2017-18	2018-19	2019-20	2020-21	2021-22	Total	Percentage to target
1	Chennai	3	3	1	1	0	8	13
2	Cuddalore	3	3	3	0	0	9	15
3	Dharmapuri	0	0	0	0	0	0	0
4	Dindigul	2	3	1	0	0	6	10
5	Kanniyakumari	5	3	1	0	1	10	17
6	Kancheepuram	1	2	2	0	0	5	8
7	Salem	0	0	1	1	0	2	3
8	Tiruchirappalli	2	1	1	0	0	4	7
9	Tirunelveli	3	3	1	0	0	7	12
10	Tiruvannamalai	4	3	1	1	0	9	15
	Total meetings	23	21	12	3	1	60	10

(Source: Details furnished by ACL-SSS district offices)

The meetings in a year ranged from NIL (Dharmapuri) to a maximum of five (Kanniyakumari) and the average for 10 sampled districts ranged from NIL (Dharmapuri) to 17 per cent (Kanniyakumari).

Audit observed that the poor functioning of DMCs had contributed to non-addressing of the delays in extending scheme benefits to eligible workers, as commented in **Chapter V**.

GoTN replied (February 2023) that all the District Collectors were directed (February 2023) to convene DMC meetings periodically and closely monitor the Scheme.

6.3.5 Information, Education and Communication activities

The Information, Education and Communication (IEC) strategy aims to create awareness and disseminate information on various provisions of the Act/Rules and various welfare measures available under TNCWW scheme being implemented by TNCWWB/DISH/Department.

The following IEC activities are suggested in the MMP framed by GoI:

- (i) Awareness campaigns through Posters/wall writings/SMS/social media/TV talk shows/Toll Free/Helplines/Portals/Apps.
- (ii) Establishing sufficient number of Helpdesks and publicising the contact numbers of officials, authorities and offices of TNCWWB, ACL-SSS, Officials of DISH, etc. at prominent places.
- (iii) The Urban Local Bodies, Gram Panchayats and Gram Sabhas should be involved in conducting awareness programs including awareness camps.

TNCWWB did not formulate any annual IEC plan and as a result, it did not carry out IEC activities during 2017-22. The above-mentioned IEC activities were not carried out except creating a toll-free number and conducting few awareness camps.

During a check of sampled district offices, Audit noticed that in 9 out of 10 districts, awareness camps were not conducted except Tiruvannamalai, where 30 camps were conducted, and 2,451 workers registered. During audit of

sampled Local Bodies, Audit noticed that the LBs and contractors did not even know about DISH, who is the registering authority for establishments and employers.

Implementing a proper IEC plan would not only increase the coverage of construction workers but also improve the Cess collections.

GoTN replied (February 2023) that the issue was under consideration.

6.3.6 Social Audit

Social Audit is an assessment of how well a Programme, Project or Activity is performing from the beneficiary point of view. Social Audit focusses more on issues such as awareness, physical verification, grievance redressal and feedback about the programmes.

The Hon'ble Supreme Court, in March 2018, directed that all State Governments and Union Territories should conduct Social Audit by adopting CAG's guidelines for conducting Social Audit so that there is a better and meaningful implementation of BOCW Act.

Audit noticed that no Social Audit has been conducted so far.

TNCWWB replied (October 2022) that comments for a framework for implementation of Social Audit was submitted to the Commissioner of Labour in 2020. Audit observed that even after a delay of more than four years, the directions of Hon'ble Supreme Court were not complied with.

6.3.7 Grievance Redressal Mechanism

A grievance redressal mechanism is essential in every beneficiary-oriented scheme so as to ensure the proper and timely delivery of services to the intended beneficiaries in a transparent manner. The grievance redressal mechanism of DISH and TNCWWB were reviewed, and the following observations are made.

DISH: Grievances of workers pertaining to the provisions under BOCW Act were directly received by DISH office or through 'Mudalvarin Mugavari' (CM Helpline) portal or through GoI's CPGRAMS³² portal.

DISH stated that 101 complaints were received, and suitable action were taken to resolve the complaints by inspecting the construction sites. However, as DISH did not maintain nor provide the details of such complaints, Audit could not verify whether the complaints were resolved in time to the satisfaction of complainants.

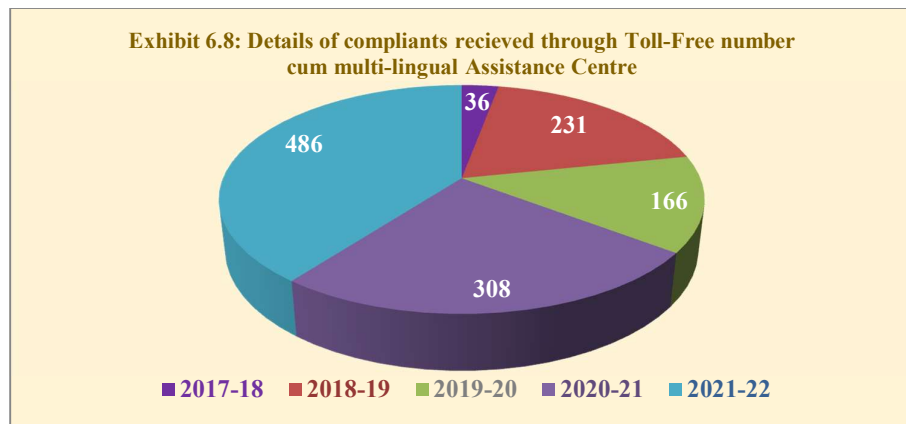
TNCWWB and District offices: TNCWWB did not produce the registers/records of complaints received and action taken thereof. Audit noticed that there was no separate Grievance Redressal Mechanism in place, either at TNCWWB or at district offices. However, TNCWWB replied (December 2022) that DMCs have been established at all districts to resolve complaints every month.

³² Centralised Public Grievance Redress and Monitoring System.

Audit observed that grievance redressal was not a prescribed function of DMCs and DMCs were not very active, as discussed in **Paragraph 6.3.4**. Further, ACL-SSS had not maintained proper records to receive, record and resolve the complaints lodged by individuals.

6.3.8 Functioning of Toll-Free number cum multi-lingual Assistance Centre

A toll-free number cum multi-lingual Assistance Centre (1800-425-2650) was functioning with effect from 04 August 2017. The Centre initially commenced functioning with three phone attendants who could handle calls in Tamil, Telugu and Hindi. However, only one attendant was retained as no calls were received in Hindi and Telugu. The details of complaints received are detailed in **Exhibit 6.8**.



(Source: Details furnished by Tamil Nadu Academy of Construction)

The toll-free numbers were providing only information about the scheme benefits. Complaints/grievances, if any, were requested to be made with the concerned ACL-SSS offices. This system did not address the complaints of the workers.

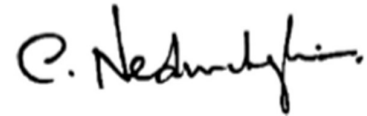
GoTN replied (February 2023) that an ‘Online Grievance redressal module’ has been launched with effect from 27 October 2022 for the redressal of complaints from the Unorganised Welfare Board Workers regarding Registration, Renewal and Welfare Scheme Assistances. Audit, however, reiterates that TNCWWB did not maintain any data/record on disposal of grievances, and hence the online system could not be considered effective.

6.4 Conclusion

Non-preparation of budget during 2017-22 impacted the financial management of TNCWWB. Imprudent investment strategy had resulted in short realisation of interest on the investment of surplus funds. Inadmissible expenditure by the Board caused increase in the administrative expenditure, which exceeded the ceiling of five *per cent*.

6.5 Recommendations

- Government should direct TNCWWB to collect inputs about the contractors carrying out construction works and estimate the annual Labour Cess collection due to it. This should help TNCWWB to monitor the actual collection with reference to the estimates.
- Government should direct TNCWWB to formalise its investment policy after an in-depth analysis of cash flow.
- Government should immediately stop the practice of making TNCWWB bear the entire administrative cost of all other Boards and ensure adherence to the directions of the Hon'ble Supreme Court to incur only five *per cent* of the total scheme expenditure as administrative cost.
- Government should fix responsibility on the officials responsible for the loss due to delay in presenting of Demand Drafts into TNCWWB's bank account.



(C. NEDUNCHEZHIAN)

Principal Accountant General (Audit-I),
Tamil Nadu

Chennai
The 07 May 2024

Countersigned



(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India

New Delhi
The 10 May 2024

APPENDICES

Appendix 1.1

(Reference: Paragraphs 1.2 and 6.1.7; Pages 2 and 66)

List of Unorganised Workers Welfare Boards

Sl. No.	Name of the Board
1	Tamil Nadu Construction Workers Welfare Board
2	Tamil Nadu Manual Workers Social Security and Welfare Board
3	Tamil Nadu Unorganised Drivers and Automobile Workshop Workers Welfare Board
4	Tamil Nadu Tailoring Workers Welfare Board
5	Tamil Nadu Hair Dressers Welfare Board
6	Tamil Nadu Washermen Welfare Board
7	Tamil Nadu Palm Tree Workers Welfare Board
8	Tamil Nadu Handicraft Workers Welfare Board
9	Tamil Nadu Handloom and Handloom Silk Weaving Workers Welfare Board
10	Tamil Nadu Footwear and Leather Goods Manufactory and Tannery Workers Welfare Board
11	Tamil Nadu Artists Welfare Board
12	Tamil Nadu Goldsmiths Welfare Board
13	Tamil Nadu Pottery Workers Welfare Board
14	Tamil Nadu Domestic Workers Welfare Board
15	Tamil Nadu Power loom Weaving Workers Welfare Board
16	Tamil Nadu Street Vending and Shops and Establishments Workers Welfare Board
17	Tamil Nadu Cooking and Catering Workers Welfare Board
18	Tamil Nadu Fire and Match Workers Welfare Board

Appendix 1.2

(Reference: Paragraph 1.2.4; Page 5)

**District wise details of registered workers and pensioners
as on 31 March 2022**

Sl. No.	Name of District Office	Registered Workers	Board Pensioners	Total
1	Ariyalur	21,646	850	22,496
2	Chengalpattu	12,139	789	12,928
3	Chennai	23,077	1,126	24,203
4	Coimbatore	49,635	4,394	54,029
5	Cuddalore	60,097	2,729	62,826
6	Dharmapuri	2,12,648	18,802	2,31,450
7	Dindigul	70,267	6,409	76,676
8	Erode	30,123	1,679	31,802
9	Kallakurichi	31,921	3,071	34,992
10	Kancheepuram	29,609	750	30,359
11	Kanniyakumari	1,27,482	20,520	1,48,002
12	Karur	44,918	6,083	51,001
13	Krishnagiri	64,746	3,523	68,269
14	Madurai	50,172	3,551	53,723
15	Mayiladuthurai	9,700	705	10,405
16	Nagapattinam	16,211	492	16,703
17	Namakkal	76,340	8,509	84,849
18	Perambalur	29,114	1,232	30,346
19	Pudukkottai	49,856	2,064	51,920
20	Ramanathapuram	21,896	589	22,485
21	Ranipet	33,168	1,419	34,587
22	Salem	1,48,979	5,858	1,54,837
23	Sivagangai	50,381	1,832	52,213
24	Tenkasi	15,699	2,280	17,979
25	Thanjavur	13,074	1,130	14,204

Sl. No.	Name of District Office	Registered Workers	Board Pensioners	Total
26	The Nilgiris	16,322	606	16,928
27	Theni	41,372	1,804	43,176
28	Thoothukudi	37,838	3,371	41,209
29	Tiruchirappalli	51,921	1,913	53,834
30	Tirunelveli	23,340	1,713	25,053
31	Tirupathur	58,669	3,163	61,832
32	Tiruppur	37,114	1,464	38,578
33	Tiruvallur	57,889	2,353	60,242
34	Tiruvannamalai	1,21,716	4,017	1,25,733
35	Tiruvarur	13,505	854	14,359
36	Vellore	76,849	2,232	79,081
37	Villupuram	59,042	2,240	61,282
38	Virudhunagar	41,602	1,932	43,534
	Total	19,30,077	1,28,048	20,58,125

Appendix 1.3

(Reference: Paragraph 1.3; Page 5)

Sampling methodology

- ✓ The State was divided into four geographical regions for selection of ten district-offices viz., ACL-SSS.
- ✓ Weightage was given in selection of district-offices in a region in accordance with the number of registered workers and pensioners as on 31 March 2022 in that region.
- ✓ Accordingly, the following district-offices were selected through 'Probability proportional to size-without replacement' through PPSWOR sampling as detailed below.

Selection of districts for field inspection

Sl. No.	Region (Number of district offices)	Number of Registered workers and pensioners (in lakh) as on 31/03/2022 (per cent sanctioned)	Number of district offices selected	District-offices selected
1	East (10)	3.12 lakh (15 per cent)	2	Cuddalore and Tiruchirappalli
2	North (10)	4.90 lakh (24 per cent)	3	Chennai, Kancheepuram and Tiruvannamalai
3	South (10)	4.47 lakh (22 per cent)	2	Nagercoil and Tenkasi
4	West (10)	8.09 lakh (39 per cent)	3	Dindigul, Dharmapuri and Salem
	Total (40)	20.58 lakh (100 per cent)	10	

(Source: Audit working based on data furnished by the Board)

- ✓ Within each selected district, the available seven Municipal Corporations were selected automatically and 10 per cent of the total Urban Local Bodies were selected using Simple Random Sampling Without Replacement method. The district-wise list of Urban Local Bodies selected are given in **Appendix 1.4**.
- ✓ In each sampled district two Blocks and 10 per cent of VPs were selected through Random sampling. The district-wise list of Panchayat Raj Institutions selected for audit are given in **Appendix 1.5**.
- ✓ Beneficiary survey/Joint Physical Verification for 1,135 construction workers including both Registered and non-registered construction workers was proposed as detailed below:
- ✓ Beneficiary survey of 634 beneficiaries were conducted in each of the 10 sampled district-offices by selecting at least 60 beneficiaries using Judgemental Sampling.
- ✓ Joint Physical Verification of 21 randomly selected construction sites having 501 non-registered workers were carried in the selected districts along with ACL-SSS and DISH officials.

Appendix 1.4
(Reference: Paragraph 1.3; Page 5)
Sampled Urban Local Bodies

Sl. No.	District	Type of Urban Local Body					
		Sl. No.	Corporations	Sl. No.	Municipalities	Sl. No.	Town Panchayats
1	Chennai	1	Chennai				
2	Cuddalore	2	Cuddalore	1	Chidambaram	1	Annamalai Nagar
						2	Sethiyathoppu
3	Dharmapuri			2	Dharmapuri	3	Harur
						4	Karimangalam
4	Dindigul	3	Dindigul	3	Kodaikanal	5	Chinnalapatti
						6	Sevugampatti
						7	Vathalagundu
5	Kancheepuram	4	Kancheepuram	4	Mangadu	8	Sriperumbudur
						9	Walajahbad
6	Kanniyakumari	5	Nagercoil	5	Padmanabhapuram	10	Agasteeswaram
						11	Kanniyakumari
						12	Marungoor
						13	Nalloor
						14	Valvathachagostam
7	Salem	6	Salem	6	Attur	15	Vellimalai
						16	Elampillai
						17	Sankari
						18	Veeraganur
8	Tenkasi			7	Tenkasi	19	Yethapur
						20	Achanpudur
9	Tiruchirapalli	7	Tiruchirapalli	8	Lalgudi	21	Vadakarai Kilpidagai
						22	Balakrishnampatti
10	Tiruvannamalai			9	Tiruvannamalai	23	Mannachanallur
						24	Kilpennathur
						25	Polur

Sampled

- Districts : 10
- Corporations : 7
- Municipalities : 9
- Town Panchayats : 25

Total Urban Local Bodies sampled : 41

Appendix 1.5
(Reference: Paragraph 1.3; Page 5)
Sampled Rural Local Bodies

Sl No.	District	Sl No.	Block	Sl No.	Village Panchayat
1	Cuddalore	1	Cuddalore	1	Pathirikuppam
				2	Pudukadai
				3	Thirupanampakkam
				4	Thiruvandhipuram
				5	Varakalpattu
				6	Vellakarai
		2	Vriddhachalam	7	Chithaerikuppam
				8	Karuvaepalamkurichi
				9	Kodukkur
				10	Perambalur
				11	Pudukuraipettai
				12	T.Gopurapuram
2	Dharmapuri	3	Dharmapuri	13	A. Gollahalli
				14	Elackiyampatti
				15	Sogathur
		4	Harur	16	Chinnankuppam
				17	Kottaipatti
				18	Mooperipatti
19	Sellampatti				
3	Dindigul	5	Kodaikanal	20	Adukkum
				21	Poondi
		6	Palani	22	A. Kalaiyamputhur
23	Erumanaickanpatti				
4	Kancheepuram	7	Kancheepuram	24	Arpakkam
				25	Asoor
				26	Keezhambi
				27	Thimmasamduram
				28	Erumaiyur
				29	Nattarasanpattu
		8	Kundrathur	30	Padappai
				31	Pazhandandalam
				32	Periyapanicheri
				33	Enayamputtenthurai
5	Kanniyakumari	9	Killiyoor	34	Nattalam
				35	Nullivillai
		10	Thuckalay	36	Thickanamcode

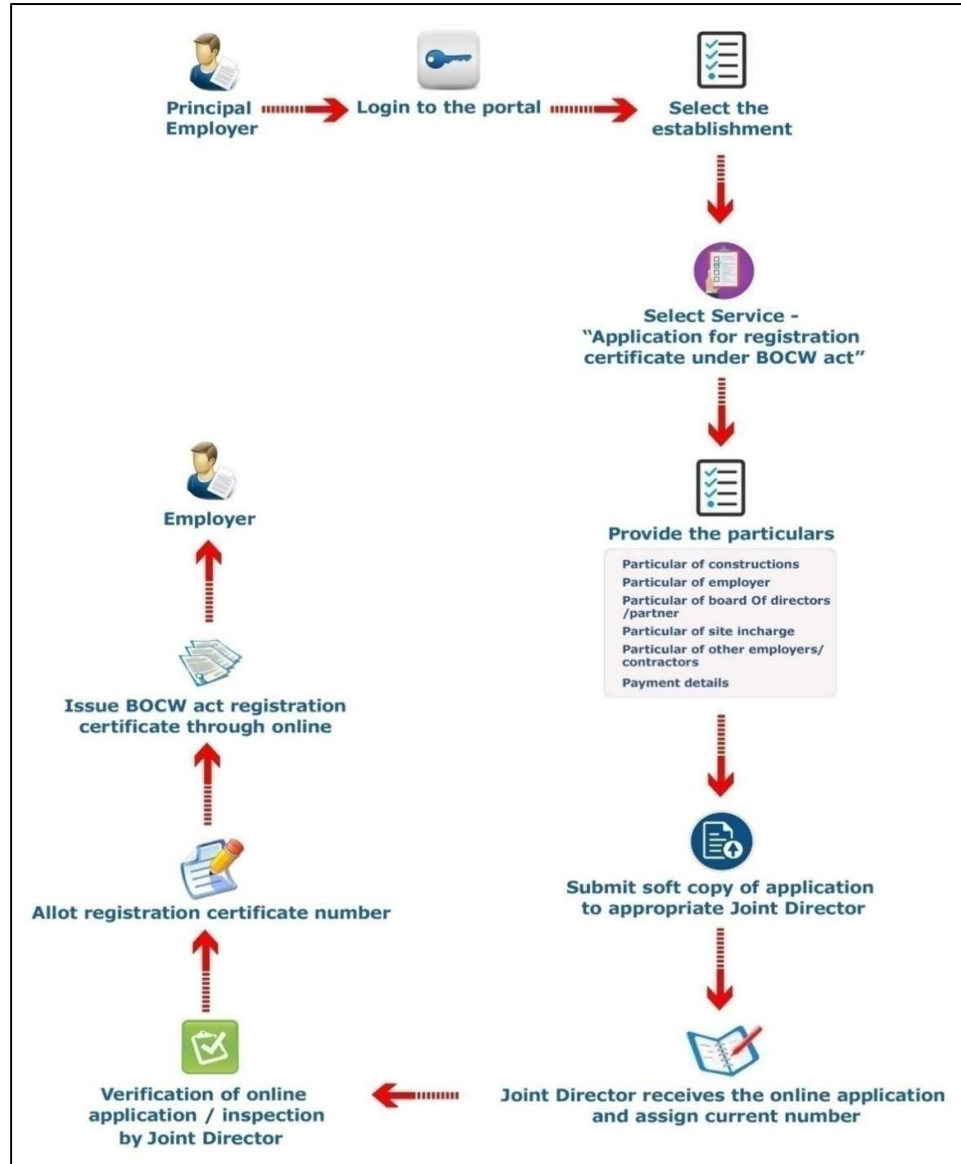
Sl No.	District	Sl No.	Block	Sl No.	Village Panchayat		
6	Salem	11	Salem	37	Kondappanaickenpatti		
				38	Mallamoopanpatti		
		12	Thalaivasal	39	Lathuvadi		
				40	Sarvoi		
				41	Sitheri		
				42	Thalaivasal		
7	Tenkasi	13	Sankarankoil	43	Kalapakulam		
				44	Karivalamvandnallur		
				45	Veerasingamani		
		14	Sengottai	46	Elathur		
				47	Puliyarai		
8	Tiruchirapalli	15	Musiri	48	Periyamangalam		
				49	Perur		
				50	Pulivalam		
				51	Puttur		
		16	Tiruverumbur	52	Gundur		
				53	Navalpattu		
				54	Olaipadi		
				55	Paranji		
9	Tiruvannamalai	17	Kilpennathur	56	Somasipadi		
				57	T. Keekalur		
				58	Velanandal		
				18	Tiruvannamalai	59	Kadagamman
						60	Kannanthampoondi
		61	Kannapandal				
		62	Kilchettipattu				
		63	Periyakallapadi				
		64	Thatchampattu				
		65	Su. Andapattu				

Sampled		
○ Districts	:	9 (Excluding Chennai)
○ Blocks	:	18
○ Village Panchayats	:	65

Appendix 2.1

(Reference: Paragraph 2.1; Page 9)

Process of registration under BOCW Act 1996



Appendix 3.1

(Reference: Paragraphs 3.1, 3.3 and 3.7; Pages 17, 20 and 24)

Forms indicating estimated cost of the work and the details of applicant

Form III (See rule 20 A (1))

1	Serial Number
2	Name and address of the applicant for building permit
3	Building application number
4	Place of construction in respect of which building permit is applied for
5	Total estimated cost of the building
6	One <i>per cent</i> of the total estimated cost of the construction work
7	Demand Draft number, date, amount and Bank on which Demand Draft is drawn

Form IV [See Rule 20 A (2)]

1	Serial Number
2	Name of the person in charge of the construction work
3	Place of construction
4	Total estimated cost of the construction work
5	one <i>per cent</i> of the total estimated cost of construction work
6	Demand Draft number, date, amount and Bank on which Demand Draft is drawn.

Appendix 3.2

(Reference: Paragraph 3.3; Page 19)

Test check of Labour Cess remittance by Government offices/Local Bodies (2017-22)

(i) Shortfall in Cess received by TNCWWB in respect of Department/Offices

(Amount in ₹)

Sl. No.	Details of remitters	Cess remittance details received from Departments	Actual Cess remittance accounted by TNCWWB	Shortfall
1	CPWD-Coimbatore	1,88,59,658	78,07,701	1,10,51,957
2	CPWD-IIT Madras Project Circle	3,25,71,494	3,05,89,233	19,82,261
3	CPWD-Madurai	2,46,74,748	1,41,75,719	1,04,99,029
4	CPWD-Puducherry	8,53,446	8,01,173	52,273
5	CPWD-Thiruvarur	81,45,345	24,22,495	57,22,850
6	CPWD-Trichy	4,92,72,636	16,00,672	4,76,71,964
7	HIGHWAYS-Chennai	47,25,21,606	1,65,07,734	45,60,13,872
8	HIGHWAYS-Kallakurichi	6,91,05,895	1,07,02,150	5,84,03,745
9	HIGHWAYS-Ramanathapuram	3,85,92,656	-	3,85,92,656
10	HIGHWAYS-Ranipet	1,08,19,300	-	1,08,19,300
11	HIGHWAYS-Tirunelveli	6,00,14,289	2,88,73,684	3,11,40,605
12	HIGHWAYS-Tiruppur	7,33,27,680	3,55,10,791	3,78,16,889
13	HIGHWAYS-Thoothukudi	8,04,81,350	1,20,80,070	6,84,01,280
14	HIGHWAYS-Vellore	5,57,53,993	4,65,88,709	91,65,284
15	PWD - Dharmapuri	3,42,77,608	3,06,38,268	36,39,340
16	PWD - Ooty	80,08,545	27,38,597	52,69,948
17	PWD - Ramanathapuram	3,13,43,793	93,46,703	2,19,97,090
18	TNPWC-Chennai Division	7,26,36,707	6,28,33,060	98,03,647
19	TNPWC-Coimbatore Division	1,68,03,911	1,24,93,315	43,10,596
20	TNPWC-Madurai Division	1,61,45,486	1,32,51,446	28,94,040
21	TNPWC-Salem Division	2,02,65,175	1,24,43,154	78,22,021
22	TNPWC-Tirunelveli Division	1,68,67,139	1,45,49,881	23,17,258
23	TNPWC-Trichy Division	1,76,42,728	1,60,15,944	16,26,784
24	TWAD-EE RWS DIV Tiruppur	2,76,39,375	2,52,96,414	23,42,961
25	WRD-EE, Special Project Nanguneri	1,07,86,647	1,00,07,709	7,78,938
	Total	1,26,74,11,210	41,72,74,622	85,01,36,589

(ii) Excess amount of cess received by TNCWWB in respect of Department/ Offices

(Amount in ₹)

Sl. No.	Details of remitters	Cess remittance details received from Departments and handed over to TNCWWB by Audit	Actual Cess remittance received by TNCWWB	Excess cess amount received by TNCWWB
1	CMWSSB	27,90,55,513	31,60,54,597	3,69,99,084
2	CPWD-Chennai	7,25,78,672	13,88,07,613	6,62,28,941
3	HIGHWAYS-Chengalpattu	50,78,163	3,08,14,499	2,57,36,336
4	HIGHWAYS-Cheyyar	4,57,48,000	12,10,21,685	7,52,73,685
5	TN Warehousing Corp	52,59,968	1,77,29,569	1,24,69,601
6	PWD - Chennai	1,23,46,205	7,16,16,092	5,92,69,887
7	TNEB-Chennai	36,78,879	29,89,25,732	29,52,46,853
8	PWD - Erode	3,16,06,831	7,46,86,899	4,30,80,068
9	TNEB-Erode	11,59,894	1,16,54,683	1,04,94,789
10	TNEB-Madurai	1,19,76,246	4,72,16,952	3,52,40,706
11	PWD - Tiruppur	45,29,180	8,14,71,033	7,69,41,853
12	PWD - Thoothukudi	1,50,85,615	1,66,41,668	15,56,053
13	WRD-EE, Spl Proj Tirunelveli	1,33,30,953	7,70,29,706	6,36,98,753
	Total	50,14,34,119	1,30,36,70,728	80,22,36,609

(iii) Shortfall in cess received by TNCWWB in respect of Local Bodies

(Amount in ₹)

Sl. No.	Name of the Local Body	Cess remittance details received from Local Bodies and handed over to TNCWWB by Audit	Actual Cess Remittance received by TNCWWB	Shortfall
1	Corporation, Nagercoil	3,75,08,852	83,01,197	2,92,07,655
2	Corporation, Cuddalore	2,89,67,908	27,35,131	2,62,32,777
3	Corporation, Dindigul	1,91,17,337	29,600	1,90,87,737
4	Corporation, Kanchipuram	3,94,91,299	2,11,21,378	1,83,69,921
5	Municipality, Chidambaram	1,50,37,945	92,09,503	58,28,442
6	Elackiyampatti VP, Dharmapuri	2,45,880	0	2,45,880
7	TP, Sriperumbudur	1,71,58,873	71,05,747	1,00,53,126
8	TP, Valavachagostha	97,87,752	0	97,87,752
9	Municipality, Tenkasi	1,06,08,963	10,02,472	96,06,491
10	TP, Kanniyakumari	1,07,46,301	23,23,460	84,22,841
11	TP, Sankari	86,85,860	7,09,028	79,76,832
12	TP, Naloor	66,78,184	9,33,512	57,44,672
13	Block, Thuckalay	3,94,213	0	3,94,213
14	Block, Palani	21,76,032	3,88,575	17,87,457
15	Municipality, Lalgudi	69,29,698	6,94,863	62,34,835

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(Amount in ₹)

Sl.No.	Name of the Local Body	Cess remittance details received from Departments and handed over to TNCWWB by Audit	Actual Cess remittance received by TNCWWB	Shortfall
16	TP, Manachanallur	1,12,50,027	1,59,143	1,10,90,884
17	Municipality, Padmanabapuram	75,63,743	28,67,062	46,96,681
18	Municipality, Kodaikanal	1,55,17,624	97,81,478	57,36,146
19	Municipality, Tiruvannamalai	1,59,08,794	86,34,050	72,74,744
20	TP, Chinnalapatti	72,41,734	8,48,960	63,92,774
21	Municipality, Attur	1,09,84,205	62,85,142	46,99,063
22	TP, Sevugampatti	50,72,573	6,25,827	44,46,746
23	TP, Elampillai	43,99,146	0	43,99,146
24	TP, Vathalagundu	40,92,515	0	40,92,515
25	TP, Vellimalai	54,49,029	18,18,201	36,30,828
26	TP, Marungoor	38,85,775	5,63,682	33,22,093
27	TP, Yethapur	36,01,946	4,08,208	31,93,738
28	TP, Agastheeswaram	45,23,551	18,88,240	26,35,311
29	TP, Achanpudur	10,85,166	1,20,373	9,64,793
30	Block, Salem	16,39,312	16,10,920	28,392
31	Block, Kodaikanal	4,79,743	70,664	4,09,079
32	Navalpattu VP, Thiruverumbur	44,42,954	28,19,238	16,23,716
33	Sogathur VP, Dharmapuri	15,88,590	3,89,620	11,98,970
34	TP, Harur	39,69,255	24,21,382	15,47,873
35	TP, Vadakarai Kilpadigai	33,97,816	26,31,188	7,66,629
36	Block, Shencottai	4,01,146	70,284	3,30,862
37	Gundur VP, Thiruverumbur	47,22,663	35,28,402	11,94,261
38	Block, SankaranKovil	13,51,209	1,58,331	11,92,878
39	TP, Veeraganur	23,61,468	13,04,555	10,56,913
40	TP, Kilpennathur	13,17,904	3,44,280	9,73,624
41	A.Gollahalli VP, Dharmapuri	9,60,172	0	9,60,172
42	Mallamoopanpatti VP, Salem	2,04,860	0	2,04,860
43	TP, Annamalinagar	9,75,130	1,86,379	7,88,751
44	Nattalam VP, Killiyoor	33,98,436	0	33,98,436
45	TP, Walajabad	41,76,969	35,65,555	6,11,414
46	TP, Polur	37,15,993	32,36,873	4,79,120
47	Block, Talaiwasal	24,76,472	9,94,543	14,81,929
48	TP, Balakrishnapatti	11,70,751	1,43,111	10,27,640
49	Block, Dharmapuri	43,00,944	26,65,296	16,35,648
50	Mooperipatti VP, Harur	73,300	0	73,300
51	Thalaiwasal VP, Talaiwasal	1,05,087	54,450	50,637
52	A.Kalaiyamputhur VP, Palani	33,161	0	33,161
53	Erumanaickanpatti VP, Palani	33,090	0	33,090
54	Block, Harur	20,48,981	20,28,071	20,910

(Amount in ₹)

Sl. No.	Name of the Local Body	Cess remittance details received from Departments and handed over to TNCWWB by Audit	Actual Cess remittance received by TNCWWB	Shortfall
55	Chinnankuppam VP, Harur	19,875	0	19,875
56	Sarvai VP, Talaivasal	7,000	3,210	3,790
57	Thirupanampakkam VP, Cuddalore	8,380	0	8,380
58	Puttur VP, Musiri	38,571	24,400	14,171
	Total	36,35,30,157	11,68,05,584	24,67,24,573

(iv) Excess amount of cess received by TNCWWB in respect of Local Bodies

(Amount in ₹)

Sl. No.	Name of Local Body	Cess remittance details received from Departments and handed over to TNCWWB by Audit	Actual Cess remittance received by TNCWWB	Excess amount of cess received by TNCWWB
1	Adukkum VP, Kodaikanal	11,500	14,914	3,414
2	Block, Cuddalore	39,75,909	72,91,361	33,15,452
3	Block, Killiyoor	69,100	8,98,539	8,29,439
4	Block, Kilpennathur	14,21,335	15,70,447	1,49,112
5	Block, Kundrathur	91,71,664	1,27,58,595	35,86,931
6	Block, Musiri	18,69,536	21,87,294	3,17,758
7	Block, Kancheepuram	42,95,759	51,96,105	9,00,346
8	Block, Tiruvannamalai	9,61,990	11,61,969	1,99,979
9	Block, Vridachalam	1,69,229	19,76,378	18,07,149
10	Corporation, Salem	14,75,84,102	15,87,04,821	1,11,20,719
11	Corporation, Tiruchirapalli	13,56,99,813	35,43,42,412	21,86,42,599
12	Kondappanaickenpatti, Salem	9,000	57,49,676	57,40,676
13	Lathuvadi VP, Talaivasal	18,055	72,990	54,935
14	Municipality, Dharmapuri	2,94,18,964	10,71,47,144	7,77,28,180
15	Municipality, Mangadu	34,52,488	3,38,64,508	3,04,12,020
16	Periyamangalam VP, Musiri	58,863	1,60,570	1,01,707
17	Poondi VP, Kodaikanal	0	2,48,261	2,48,261
18	Pulivalam VP, Musiri	2,02,886	2,63,587	60,701
19	Sitheri VP, Talaivasal	54,700	1,79,000	1,24,300
20	TP, Karimangalam	30,93,940	39,88,640	8,94,700
	Total	34,15,38,833	69,77,77,211	35,62,38,378

Appendix 3.3

(Reference: Paragraph 3.3; Page 20)

Non-receipt of Labour Cess by TNCWWB

(Amount in ₹)

Sl. No.	Name of the District	Local Bodies	Number of instruments	DD/NEFT	Amount not recieved
1	Kancheepuram	Kancheepuram Corporation	56	DD	10,26,911
2		Mangadu Municipality	3	DD	69,600
3	Tiruvannamalai	Kilpennathur TP	2	DD	41,500
4	Tenkasi	Achanpudur TP	2	ECS	6,500
5		Vadakarai TP	12	ECS	9,500
6		Shencottai BDO	4	ECS	49,990
Total			79		12,04,001

Appendix 3.4

(Reference: Paragraphs 3.4 and 3.8; Pages 20 and 25)

**Details of Labour Cess pending remittance and
Loss of interest due to lack of interest provision**

(Amount in ₹)

Sl. No.	Name of the Local Body	Local Body Type	Pending Remittance	Interest
1	Chennai	Corporation	2,07,07,72,269	71,29,42,770
2	Dindigul	Corporation	3,67,38,072	2,65,61,680
3	Tiruvannamalai	Municipality	1,53,78,961	98,38,691
4	Elackiyampatti	VP	1,41,64,206	56,44,664
5	Cuddalore	Corporation	1,21,25,668	51,55,629
6	Tiruvannamalai	BDO	73,41,438	29,55,620
7	Tenkasi	Municipality	62,02,903	35,18,082
8	Kancheepuram	Corporation	58,88,123	3,54,324
9	Kodaikanal	Municipality	47,12,933	3,31,271
10	Naloor	TP	44,66,636	15,61,997
11	Nagercoil	Corporation	44,54,256	14,38,317
12	Attur	Municipality	36,81,225	20,13,835
13	Salem	Corporation	33,23,979	15,25,618
14	Kalpakulam	VP	25,55,745	11,57,624
15	Dharmapuri	Municipality	23,65,526	10,72,290
16	Kilpennathur	BDO	22,61,079	10,72,060
17	Chinnalapatti	TP	16,10,465	6,53,102
18	Walajabad	TP	14,64,900	9,89,816
19	Elathur	VP	14,59,789	5,18,668
20	Cuddalore	BDO	12,59,823	6,81,839
21	Karimangalam	TP	11,61,170	7,52,823
22	Vadakarai Kilpadigai	TP	10,46,002	3,88,994
23	Annamalai Nagar	TP	9,66,497	5,28,879
24	Vriddhachalam	BDO	9,64,395	4,36,623
25	Kondappanaickenpatti	VP	9,05,830	5,21,879
26	Mangadu	Municipality	8,07,041	2,03,917
27	Mallamoopanpatti	VP	6,98,590	2,45,823
28	Harur	TP	6,90,616	6,45,790
29	Killiyoor	BDO	6,40,839	2,50,735
30	Sankari	TP	5,85,444	6,32,280
31	Mooperipatti	VP	5,11,990	1,96,717
32	Polur	TP	5,07,003	1,56,485
33	Adukkum,VP	VP	5,05,345	2,01,044
34	Enayamputtenthurai	VP	4,71,795	1,30,128
35	Pulivalam	VP	4,69,774	74,007

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(Amount in ₹)

Sl. No.	Name of the Local Body	Local Body Type	Pending Remittance	Interest
36	Palani	BDO	4,22,027	3,32,224
37	Sogathur	VP	3,81,090	2,78,743
38	Talaivasal	BDO	3,55,500	69,769
39	Shencottai	BDO	3,18,747	1,86,029
40	Kundrathur	BDO	2,46,454	1,39,408
41	Achanpudur	TP	2,34,888	65,613
42	Puliyarai	VP	2,01,050	29,918
43	Thickanamcode	VP	1,62,898	67,635
44	Pathirikuppam	VP	1,51,473	45,680
45	Kottaipatti	VP	1,44,960	22,918
46	Navalpattu	VP	1,33,059	44,325
47	Gundur	VP	1,32,070	18,775
48	Sriperumbudur	TP	1,26,243	7,575
49	Erumaiyur	VP	1,18,731	46,257
50	Sevugampatty	TP	1,10,766	1,00,977
51	Veeraganur	TP	1,06,711	1,15,248
52	Vathalagundu	TP	98,093	5,886
53	Sethiathoppu	TP	93,687	83,873
54	Sankaran kovil	BDO	90,510	23,242
55	Manachanallur	TP	86,212	20,691
56	Poondi,VP	VP	78,540	8,129
57	Karuvaepalamkurichi	VP	72,790	23,325
58	Thiruvandhipuram	VP	72,608	13,513
59	Nattarasanpattu	VP	69,247	28,344
60	Nattalam	VP	65,660	75,807
61	Thimmasamudram	VP	60,083	17,761
62	Keelambi	VP	59,494	21,375
63	Asoor	VP	58,346	17,650
64	Puttur	VP	57,615	13,545
65	A.Kalaiyamputhur	VP	56,205	15,320
66	Kodaikanal	BDO	53,985	52,972
67	Arpakkam	VP	43,925	15,151
68	Vellimalai	TP	43,315	1,73,431
69	Periyamangalam	VP	39,750	8,775

(Amount in ₹)

Sl. No.	Name of the Local Body	Local Body Type	Pending Remittance	Interest
70	Sellampatti	VP	35,875	11,001
71	Pudukadai	VP	32,520	2,360
72	Pazhanthandalam	VP	28,657	22,500
73	Thirupanampakkam	VP	24,901	5,198
74	T.Gopurapuram	VP	23,755	5,163
75	Vellakarai	VP	21,477	6,817
76	Chinnankuppam	VP	21,240	1,274
77	Chithaerikuppam	VP	21,200	4,094
78	Kadagaman	VP	19,990	1,199
79	Perambalur	VP	19,756	6,315
80	Perur	VP	17,577	8,439
81	Varakalpattu	VP	17,269	3,979
82	Kodukkur	VP	15,810	4,490
83	Pudukuraipettai	VP	14,721	4,864
84	Thatchampattu	VP	14,545	15,709
85	Kilchettipattu	VP	12,459	2,970
86	Velanandal	VP	9,938	10,524
87	Valvatchagostham	TP	7,107	1,50,595
88	Balakrishnampatti	TP	7,000	1,15,865
89	Olaipadi	VP	6,349	6,095
90	Keekalur	VP	5,400	5,562
91	Kannapanthal	VP	2,076	1,292
92	Erumanaickanpatti	VP	2,024	9,498
93	Arangi	VP	984	472
94	Kilpennathur	TP	3	2,68,641
95	Kanniyakumari	TP	0	7,41,317
96	Ellampillai	TP	0	71,238
97	Nullivilai	VP	0	8,098
98	Salem	BDO	0	47,694
99	Thuckalay	BDO	0	916
Total			2,21,80,89,692	78,90,88,084

(Source: Details furnished by Local Bodies)

Regarding the remaining 25 Local Bodies there was no balance pending remittance/the Local Bodies did not furnish the information requested.

Appendix 3.5

(Reference: Paragraph 3.5; Page 21)

Remittance of Labour Cess into Government account

Sl No.	District	Wrong Remittance (in ₹)
1	Ariyalur	625.00
2	Chengalpet - Kanchipuram	3,38,11,536.00
3	Dindigul	2,92,10,426.00
4	Kanniyakumari	8,93,64,566.00
5	Madurai	39,78,105.00
6	Pudukottai	5,09,013.00
7	Ramanathapuram	16,63,574.00
8	Sivagangai	70,12,638.00
9	Thanjavur	4,68,595.00
10	Tiruchirapalli	7,01,528.00
11	Tiruvallur	84,67,426.00
12	Tirunelveli	99,49,984.00
13	Tiruvannamalai	33,711.00
14	Thoothukudi	3,50,90,020.00
15	Vellore	4,32,841.00
16	Virudhunagar	60,25,667.00
Total		22,67,20,255.00
Total (₹ in crore)		22.67

Appendix 3.6

(Reference: Paragraph 3.6; Page 22)

Short collection of Labour Cess

Sl. No.	Name of the Local Body/Department/Contractor	Year	Number of cases	Short remittance (in ₹)
Local Bodies:				
1	Ammayappa Nallur Panchayat	2017-18	1	18,352
2	Gethalrev Panchayat	2017-18	2	32,200
3	Kallakurichi Panchayat	2017-18	3	20,935
4	Kallakurichy Panchayat	2017-18	1	49,511
5	Kalmel Kuppam Panchayat	2017-18	3	71,626
6	Ozhaiyur Panchayat	2017-18	1	43,904
7	Semmipalayam Panchayat	2017-18	1	50,818
8	Sirumaiyilur Panchayat	2017-18	1	63,957
9	BDO, Arakkonam	2017-18	3	35,793
10	BDO, Gobichetti Palayam	2017-18	3	50,587
11	BDO, Gummidipoondi	2017-18	11	1,21,865
12	BDO, Kallakurichi	2017-18	7	1,26,082
13	BDO, Kaniyampadi	2017-18	2	1,37,627
14	Ariyappam Palayam TP	2017-18	1	5,857
15	Kinathukadavu TP	2017-18	12	1,83,167
16	Nagojana Alli TP	2018-19	2	14,023
17	Pandamangalam TP	2018-19	1	86,450
18	Thamaraikulam TP	2017-18	1	4,667
19	Thirukattupalli TP	2017-18	1	4,35,860
20	Sembakkam Municipality	2017-18	3	91,233
21	Erode Corporation	2017-18	1	2,50,098
Total (A)			61	18,94,612
Other Government Departments:				
22	Agriculture Engineering Department (AED), Tirunelveli	2017-18	2	46,944
23	AED, Tiruttani	2017-18	1	15,736
24	Hindu Religious & Charitable Endowments Department (HR & CE), Tiruvarur	2017-18	3	1,09,200
25	HR & CE, Thanjavur	2017-18	2	42,700
26	National Highways, Thanjavur	2017-18	1	64,078
27	Southern Railway, Chennai	2017-18	2	1,36,859
Total (B)			11	4,15,517

Performance Audit on Welfare of Building and Other Construction Workers

Public Sector Undertakings:				
28	Rail India Technical and Economic Service Ltd, Secunderabad	2017-18	2	19,22,909
29	TN Adi Dravidar Housing and Development Corporation Limited, Coimbatore	2017-18	1	1,46,328
30	TN Forest Department, Ambasamuthiram	2017-18	1	1,617
31	TNPHC	2017-18 to 2018-19	81	8,03,475
32	TN Road Infrastructure Development Corporation, Chennai	2017-18	1	86,676
33	TN Slum Clearance Board, Coimbatore	2017-18	1	52,029
34	TWAD Board, Namakkal	2017-18	6	7,98,581
Total (C)			93	38,11,615
Contractors:				
35	JEMMAX Technologies (P) Ltd, Tirunelveli	2017-18	1	56,467
36	G. Devendiran Engineering Contractor, Erode	2017-18	1	105
Total (D)			2	56,572
GRAND TOTAL (A+B+C+D)			167	61,78,316

Appendix 3.7

(Reference: Paragraph 3.7; Page 23)

Misappropriation by short remittances

Sl. No.	Building Plan Approval No.	Name of the remitter	Date	Bank transaction ID	Assessment Amount stated to be remitted as per Local Body copy of challan (in ₹)	Amount remitted as per Banker copy of challan/Bank statement (in ₹)	Amount short remitted (in ₹)	Remarks by Bank
Kanchipuram Block (Thimmasamudram Village Panchayat)								
1	R-8/2021	Kalyanasundaram	15-11-2021	AA711159	12,636	2,636	10,000	
Kanchipuram Corporation								
2	F2-138/2021	Jayashree.R.	20-07-2021	AA366576	18,000	8,000	10,000	
3	F2-140/2021	Rajesh.K	11-08-2021	AA565423	48,000	8,000	40,000	
4	F2-142/21	Jayakumar.R	13-08-2021	AA818761	19,300	1,300	18,000	
5	F2-148/2021	Sivasubramaniam.A.H	24-08-2021	AA637976	20,000	1,500	18,500	
6	F2-149/2021	Gopu.R	25-08-2021	AA336305	41,000	1,000	40,000	
7	F1-194/2021	Santhi.S	26-08-2021	AA699862	8,500	500	8,000	
8	F2-146/2021	J Amudha	16-08-2021	AA405268	1,85,000	5,000	1,80,000	
9	F2-271/2021	Gangadharan	01-12-2021	AA117295	70,500	1,500	69,000	
10	F2-87/21	S.Munusamy	23-04-2021	AA359737	16,000	6,000	10,000	
11	F2-95/21	Senthil Kumar	23-04-2021	AA354263	27,000	7,000	20,000	
12	F2-152/21	V IlaVazhithi	02-09-2021	AA400516	9,000	1,000	8,000	
13	F2-106/21	K Rajesh	10-05-2021	AA643084	32,000	2,000	30,000	
14	F2-155/21	D Ramamurthy	02-09-2021	AA684011	18,000	1,000	17,000	
15	F2-157/21	V Amudhavalli	01-09-2021	AA475581	32,000	2,000	30,000	
16	F2-166/21	R Shankar	06-09-2021	AA108046	40,000	4,000	36,000	
17	F2-173/21	J Nookarajan	02-09-2021	AA875809	32,000	2,000	30,000	
18	F2-179/2021	S Seetha	23-09-2021	AA757684	44,000	1,000	43,000	
19	F2-180/2021	K Chamundeswari	23-09-2021	AA755675	37,100	100	37,000	
20	F2-182/21	J Raja	23-09-2021	AA767440	8,200	200	8,000	
21	F2-192/21	A Thuraivel	27-09-2021	AA402437	10,500	500	10,000	
22	F2-204/21	G Umamaheswari	07-10-2021	AA1073701	14,500	500	14,000	
23	F2-216/21	D.M Vinothkumar	30-10-2021	AA256449	20,000	1,000	19,000	
24	F2-218/21	K Ganesh and K Naresh	01-11-2021	AA334964	27,100	7,100	20,000	

Performance Audit on Welfare of Building and Other Construction Workers

Sl. No.	Building Plan Approval No.	Name of the remitter	Date	Bank transaction ID	Assessment Amount stated to be remitted as per Local Body copy of challan (in ₹)	Amount remitted as per Banker copy of challan/Bank statement (in ₹)	Amount short remitted (in ₹)	Remarks by Bank
25	F2-101/2021	S.Venkatesan	22-04-2021	AA725998	42,000	2,000	40,000	
26	F2-110/21	L Saritha	04-06-2021	AA688797	19,000	1,000	18,000	
27	F2-194/21	N Sivabalan	28-09-2021	AA615051	7,500	1,500	6,000	
28	F2-205/2021	B Vivekanandhan	08-10-2021	AA209974	37,000	1,000	36,000	
29	F2-207/21	M Raghuraman	08-10-2021	AA346875	7,500	500	7,000	
30	F2-209/21	P.Parthibhan	08-10-2021	AA216742	17,000	1,000	16,000	
31	F2-235/21	V Balaji	11-08-2021	AA570091	32,000	2,000	30,000	
32	F2-303/21	S Vinodhkumar	18-12-2021	AA887769	8,000	1,000	7,000	
33	F2-219/21	K Naresh	01-11-2021	AA332165	25,000	5,000	20,000	
34	F2-224/21	S Malathi	15-11-2021	AA870816	10,000	1,000	9,000	
35	F2-246/2021	Thyagarajan	01-12-2021	AA324142	45,000	5,000	40,000	
36	F2-258/21	Priyasree	25-11-2021	AA423507	18,900	1,900	17,000	
37	F2-272/21	R Meghanathan	07-12-2021	AA704701	17,000	1,000	16,000	
38	F2-291/21	S R Shanmugham	14-12-2021	AA530242	27,600	1,600	26,000	
39	F2-292/21	R Govindharaj	14-12-2021	AA736589	10,300	300	10,000	
40	F2-325/2021	R Mutthukumar	22-12-2021	AA744263	40,000	4,000	36,000	
41	F2-153/2021	G Shanmugam	03-09-2021	AA876176	7,500	500	7,000	
42	F2-263/2021	N Santhana Krishnan	12-10-2021	AA274637	9,600	0	9,600	Not a TNCWWB transaction
43	F2-115/2021	P S Lakshminarayanan	10-06-2021	AA530414	10,500	0	10,500	Not a TNCWWB transaction
44	F2-289/2021	B R Jyothimani	15-12-2021	AA340158	11,500	1,500	10,000	
45	F2-111/2021	V Prasad	28-05-2021	AA530414	13,000	1,000	12,000	
46	F2-44/21	D N Vijayshankar	24-02-2021	AA649788	13,100	1,000	12,100	
47	F2-281/2021	N Krishnan	15-12-2021	AA73208	13,500	500	13,000	
48	F2-307/2021	N Jayalatchmi	15-12-2021	AA78474	14,500	500	14,000	
49	F2-167/2021	M Sridharan	06-09-2021	AA205926	15,000	2,000	13,000	
50	F2-269/2021	K Thyagarajan	06-12-2021	AA133837	16,000	6,000	10,000	
51	F2-268/2021	K Thyagarajan	06-12-2021	AA136003	16,000	6,000	10,000	
52	F2-114/2021	R Karthika	10-06-2021	AA354060	16,500	1,500	15,000	
53	F2-339/2021	M Sathish	22-12-2021	AA108149	17,000	1,000	16,000	

Sl. No.	Building Plan Approval No.	Name of the remitter	Date	Bank transaction ID	Assessment Amount stated to be remitted as per Local Body copy of challan (in ₹)	Amount remitted as per Banker copy of challan/Bank statement (in ₹)	Amount short remitted (in ₹)	Remarks by Bank
54	F2-277/2021	L Santhi	08-12-2021	AA155486	17,000	7,000	10,000	
55	F2-191/2021	R Thandhaiyarasu	24-09-2021	AA513832	17,000	1,700	15,300	
56	F2-293/2021	V Praveenkumar	15-12-2021	AA80025	17,000	1,000	16,000	
57	F2-244/2021	Vimala	01-12-2021	AA662022	19,500	9,500	10,000	
58	F2-312/2021	Rajeshkumar	30-11-2021	AA102213	20,000	0	20,000	Transaction ID invalid
59	F2-159/2021	M Sundararajan	31-08-2021	AA264364	22,500	0	22,500	Transaction ID invalid
60	F2-184/2021	D Karthik	27-09-2021	AA710801	25,400	5,400	20,000	
61	F2-210/2021	P Meenatchi	20-10-2021	AA587161	25,500	0	25,500	Not a TNCWWB transaction
62	F2-217/2021	S S Subhasri and S S Balaji	16-11-2021	AA366486	27,900	900	27,000	
63	F2-181/2021	R Vijaya	24-09-2021	AA387900	28,000	8,000	20,000	
64	85-F2/2021	P Kamatchi	30-03-2021	AA785870	30,000	3,000	27,000	
65	F2-183/2021	K Ananadhan and Sujatha	28-09-2021	AA810749	39,500	9,500	30,000	
66	F2-243/2021	Jayakumar	01-12-2021	AA666069	45,000	5,000	40,000	
67	F2-255/2021	C Ponnaiyan	16-11-2021	AA763113	48,000	8,000	40,000	
68	F2-151/2021	G Satish Kumar	25-08-2021	AA340764	52,500	2,500	50,000	
				Total	17,62,636	1,77,636	15,85,000	
				Percentage		10	90	

Appendix 4.1

(Reference: Paragraphs 4.1 and 4.3.2; Pages 27 and 30)

Categories of works coming under the jurisdiction of TNCWWB

Sl. No.	Code	Category of work
1	WTL	Construction of public parks, walking tracks and landscaping.
2	BEND	Fitter including bar bender
3	PMBR	Plumber for road pipe work
4	ELCT	Electrician
5	MECH	Mechanic
6	WELL	Well sinker
7	HDMZ	Head mazdoor
8	MZDR	Mazdoor
9	SPRY	Sprayman or mixerman (road surfacing)
10	WELD	Welder
11	PACK	Wooden or stone packer
12	MXDR	Mixer driver
13	SILT	Well diver for removing silt
14	HAMR	Hammer man
15	THAT	Thatcher
16	FFSM	Installation and repair of firefighting systems
17	MSTY	Maistry
18	COHE	Installation and repair of cooling and heating systems
19	BLAK	Blacksmith
20	LIES	Installation of lifts and escalators
21	SAWR	Sawer
22	SGDS	Installation of security gates and devices
23	CAUK	Caulker
24	IGWD	Fabrication and installation of iron
25	MIXR	Mixer (including concrete mixer operator)
26	WHVS	Construction of water harvesting structures
27	PUMP	Pump operator
28	CFCP	Interior work including carpeting, false ceiling, lighting and plaster of paris
29	ROLR	Roller driver
30	CGGP	Cutting, glazing and installation of glass panels
31	KALS	Kalasis or Sarang engaged in heavy engineering construction like heavy machinery, bridge work etc.

Sl. No.	Code	Category of work
32	EESP	Installation of energy efficient equipment like solar panels
33	WATH	Watchman
34	MOKN	Installation of modular units for use in places such as kitchens
35	MSIC	Mosaic polisher
36	PFCM	Making and installation of pre-fabricated concrete modules
37	TUNL	Tunnel worker
38	SPGC	Construction of sports and recreation facilities including swimming pools, golf courses
39	MRBL	Marble
40	ESRS	Construction or erection of signage, road furniture, bus shelters
41	ROAD	Road worker
42	ROFN	Construction of rotaries and installation of fountains
43	ROCK	Rock breaker and quarry worker
44	ERTH	Earth worker connected with construction work
45	LIME	Worker engaged in processing lime
46	SEAE	Worker engaged in anti sea erosion work
47	STON	Stone cutter or breaker or stone crusher
48	OTHR	Any other category of workers who are actually engaged in the employment of construction or maintenance of dams, bridges, roads, or in any building operation.
49	MSON	Mason or brick layer
50	CARP	Carpenter
51	BRIK	Brick manufactory other than the brick manufactory under the factories act,1948
52	PNTR	Painter or varnisher
53	PNDL	Employment in Construction of Pandals
54	DEML	Demolition work

Appendix 4.2

(Reference: Paragraph 4.1; Page 27)

Registration process for construction workers

The applicant has to visit <https://tnuwwb.tn.gov.in> website and has to type the mobile number and wait for OTP. After verification of OTP, the applicant has to fill the Aadhaar number and an OTP will be sent to Aadhaar linked mobile number. Only after entering the OTP, the applicant can fill up the application and after filling up the application, the application number will be sent to the mobile number of the applicant through SMS for tracking purpose. The employment certificate uploaded by the applicant will be verified by the VAO. Only after approval by VAO, the application will be taken up for processing by ACL. While processing, if any clarification required by ACL, an SMS will be sent to the applicants' phone number. If everything found correct, the registration number and ID, password will be sent to the applicants' phone number through SMS. The applicant can download the registration card through online.

Forms to be uploaded

1. Employment Certificate to be obtained from member of any one of the Welfare Boards/President/Secretary of the Regd. Trade Union of the Employment concerned/Assistant Inspector of Labour concerned/Any other officer permitted to give employment certificate e.g., Employer, VAO, DISH.
2. ID card- Voters ID card, Driving license, etc.
3. Family card
4. Bank passbook first page
5. Aadhaar card
6. Nominee details

Appendix 4.3

(Reference: Paragraph 4.3; Page 29)

Discrepancies in the registered workers database

Details	Sampled 11 districts (out of 8,84,835 registered)		Non-sampled 27 districts (out of 10,45,242 registered)		Total - All districts (out of 19,30,077 registered)	
	Number	Per cent	Number	Per cent	Number	Per cent
Discrepancies in Aadhaar Seeding						
Junk Null, 0 to 11 digits	13,600	1.54	11,816	1.13	25,416	1.32
12-digit Junk	9,631	1.09	9,199	0.88	18,830	0.98
Total	23,231	2.63	21,015	2.01	44,246	2.29
Registering other Board workers with TNCWWB						
Ineligible workers	267	0.01	367	0.02	634	0.03
Non-existing code	931	0.05	1,188	0.06	2,119	0.11
Total	1,198	0.06	1,555	0.08	2,753	0.14
Discrepancies in capture of Mobile number						
Without mobile number, Junk value and non-existing 10 digit Number	2,82,275	31.90	3,04,003	29.08	5,86,278	30.38
Multiple mobile numbers	2,791	0.32	5,536	0.53	8,327	0.43
Total	2,85,066	32.18	3,09,539	29.61	5,94,605	30.80
Bank Account						
Bank account number not captured	2,06,358	23.32	2,29,113	21.92	4,35,471	22.56
Junk value in bank account number	1,915	0.22	2,810	0.27	4,725	0.24
Multiple bank account number	5,285	0.60	3,707	0.35	8,992	0.47
Total	2,13,558	24.14	2,35,630	22.54	4,49,188	23.27
Ineligible persons due to under-age and over-age						
Not captured/Junk	-	0.00	17	0.00	17	0.00
Under-age (Less than 18)	15	0.00	13	0.00	28	0.00
Over-age (60 +)	49,654	5.61	51,203	4.90	1,00,857	5.23
Total	49,669	5.61	51,233	4.90	1,00,902	5.23

Appendix 4.4

(Reference: Paragraph 4.3.1; Page 30)

Sample cases of Family card/Registration numbers captured as Aadhaar numbers

Registration number	Member name	District	Raw Aadhaar
01BEND100637	Alphonse Peter	Tiruvannamalai	06/G/0219114
05MSTY300370	Arumugam	Tirunelveli	29/G/0646063
01BEND100657	Chandrasekaran	Tiruvannamalai	06/G/0415647
01BEND100630	Govindaraj	Tiruvannamalai	06/G/0107221
05MZDR122730	Jayanthi	Kanniyakumari	30/G/0506004
05MSTY300368	Kasi	Tirunelveli	29/G/0046291
01BEND100494	N Ganapathy	Chennai	01/G/1137094
01BEND100532	R Krishnamurthy	Chennai	02/G/0387091

Appendix 4.5

(Reference: Paragraph 4.3.1; Page 30)

Sample cases of multiple registration of worker with same Aadhaar number

Aadhaar Number		XXXXXXXXX4308
SI No.	Registration number	Member name
1	06MZDR148624	Saratha
2	06MZDR148626	Pappathi
3	06MZDR148627	Panchavarnam
4	06MZDR148628	Boopathy
5	06MZDR148629	Poonkodi
6	06MZDR148630	Chinraji
7	06MZDR148631	Nithya
8	06MZDR148632	Amaravathy
9	06MZDR148633	Latha
10	06MZDR148634	Kala
11	06MZDR148635	Anusha
12	06MZDR148636	Danapakkiam
13	06MZDR148637	Ayyamaal
14	06MZDR148638	Aarayi
15	06MZDR148640	Thilakam
16	06MZDR148641	Kuppusamy
17	06MZDR148642	Jothi
18	06MZDR148643	Chitra

(Source: Based on data furnished by TNCWWB)

Appendix 4.6

(Reference: Paragraph 4.3.2; Page 30)

List of 60 classes of unorganised workers registered in 17 Boards under TNMWB (other than TNCWWB)

Sl. No.	Work code	Classification of work done by the Unorganised workers	Board to which the Work code belong
1	WOWO	Wood Working Units	TN Manual Workers WB (37)
2	FOPR	Collection of Forest Produce	
3	CYRE	Cycle Repairing	
4	CIGR	Cigar Manufacture	
5	CASH	Cashewnut Industry	
6	VIPH	Video & Photography	
7	CYCL	Driving Cycle Rickshaws	
8	SDLT	Sound & Light Service	
9	ENGR	Engineering Works	
10	ELSR	Repair & Servicing of Electronic Goods & Equipments	
11	WASI	Warping and Sizing	
12	FOTG	Folding Textiles Goods	
13	GUNI	Gunny Industry	
14	INCS	Incense sticks manufactory	
15	LPGC	Distribution of Liquid Petroleum Gas Cylinders	
16	NIBG	Nib making	
17	FORD	Flour Mills, Oil Mills, Dhall Mills and Rice Mills	
18	PRPR	Printing Presses	
19	PASS	Private Security Services	
20	PLID	Plastic Industries	
21	RAPI	Rag-picking	
22	LULC	Loadman in shops and companies	
23	LULT	load man in Govt vehicles	
24	LULF	Godown worker for handling and collection of staples	
25	SALT	Salt pans	
26	BOAT	Boat working	
27	TODY	Toddy tapping	
28	TMBR	Timber industry	
29	COIR	Coir industry	
30	SAGO	Sago Industry	
31	APLM	Appalam Manufactory	
32	SYGM	Synthetic Gem Cutting	

Sl. No.	Work code	Classification of work done by the Unorganised workers	Board to which the Work code belong
33	BLDY	Bleaching and Dyeing	
34	SRCE	Sericulture	TN Manual Workers WB (37)
35	BKCD	Bullock Cart Driving	
36	TINC	Tin Containers Manufactory	
37	COPL	Coconut Peeling	
38	LAWA	Laundries and Washing Clothes	TN washermen WB (1)
39	HRBP	Hair Dressing and Beauty Parlour	TN Hairdressers WB (1)
40	TAIL	Tailoring	TN Tailoring WWB (1)
41	VEMA	Vessels Manufactory	TN Handicraft WWB (3)
42	SCLP	Sculpture	
43	HAND	Handicraft	
44	NEET	Neera Tapping	TN Palm Tree WWB (2)
45	TREE	Tree Climbing	
46	HHSW	Handlooms and hand - looms silk weaving	TN Handloom and Handloom Silk Weaving WWB (1)
47	TALE	Tanneries and leather manufacture factory	TN Footwear and Leathers Good Manufactory and Tannery WWB (2)
48	FLGM	Footwear and leather goods manufactory	
49	ARTS	Artists	TN Artists WB (1)
50	GSAM	Gold and Silver Manufacture Factory	TN Goldsmiths WB (1)
51	POWO	Pottery Works	TN Pottery WWB (1)
52	DOME	Domestic Work	TN Domestic WWB (1)
53	PRLI	Power loom weaving workers	TN Power loom Weaving WWB (1)
54	STVE	Street Vending	TN Street Vending and Shops and Establishments WWB (2)
55	SOES	Shops and establishments	
56	CATR	Catering Establishments	TN Cooking and Catering WWB (2)
57	COOK	Cooking Food	
58	AUWO	Automobile Workshop	TN Drivers and Automobile Workshop WWB (2)
59	AUTO	Driving Auto rickshaws and taxi	
60	MAFW	Fire and Match Works	TN Fire and Match Workers Welfare Board (1)

Appendix 4.7

(Reference: Paragraph 4.3.3; Page 31)

A. Sample cases of invalid mobile numbers starting with 1 to 5

Registration number	Member Name	Mobile Number	District
22HDMZ131086	Samayan	1111111111	Madurai
22WATH100245	Rajkumar	2582582583	
22MSON134410	Murugan	2582582585	
22WATH100275	Shankar	4444444444	
22BRIK100539	Priya	5555555555	
09MZDR128379	Perumayi	1010101010	Namakkal
21STON101373	Govindan	1234511111	Pudukkottai
21MZDR111377	Palaniyayi	1234522222	
32MZDR108506	Mariammal	3697580000	Tiruppur

B. Sample records of Duplicate mobile number

Permanent mobile		xxxxxx4024
District		Thoothukudi
Sl. No.	Registration number	Member name
1	28MZDR108167	Ganesan
2	28MZDR111847	Isakiammal
3	28MZDR105182	Janaki
4	28MZDR105136	Karpakavalli
5	28MZDR105128	Lakshmi
6	28MZDR105555	Lakshmi
7	28MZDR104496	Madasamy
8	28MZDR105139	Maheswari
9	28MZDR105126	Mariammal
10	28MZDR104249	Muniammal
11	28MZDR104823	Muniammal
12	28MZDR105472	Muniandi
13	28MZDR108187	Muthukali
14	28MZDR104874	Palanisamy
15	28MZDR106970	Ponmani
16	28MZDR107053	Ponnuthai
17	28BRIK100268	Pushkani
18	28MZDR105665	Ramalakshmi
19	28MZDR104449	Ramalakshmi
20	28MZDR112455	Ramalakshmi
21	28MZDR107062	Ramalakshmi
22	28MZDR104817	Sakkammal
23	28MZDR111916	Santhana Mariammal
24	28MZDR105736	Saraswathi
25	28MSON103164	Sethuraman
26	28MZDR104664	Tirumeniammal

Appendix 4.8

(Reference: Paragraph 4.4.1; Page 35)

Details of workers employed by Employer (FORM XV)

[See rule 240]

Register of Building and other Constructions Workers employed by the Employer.

- 1 Name and address of establishment
- 2 Name and permanent address of establishment
- 3 Whether building and other construction work is to be carried on
- 4 Nature and location of work

Serial Number	Name and surname of workman	Age and Sex	Father's/Husband's Name	Nature of Employment/designation	Permanent home address (Village and Taluk and district)	Local address	Date of commencement of employment	Signature or thumb impression of workman	Date of termination of employment	Reasons for termination	If the building worker is/was beneficiary, the date of registration as a beneficiary, the registration number and the name of Welfare Board	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1												
2												
3												
4												

Appendix 4.9

(Reference: Paragraph 4.6; Page 39)

Inter-State migrant construction workers registered in the
Commissionerate of Labour portal

Sl. No.	State	Inter-State migrant construction workers
1	Andhra Pradesh	193
2	Assam	364
3	Bihar	2,006
4	Chandigarh	5
5	Chhattisgarh	119
6	Delhi	10
7	Goa	1
8	Gujarat	13
9	Haryana	16
10	Himachal Pradesh	3
11	Jammu and Kashmir	8
12	Jharkhand	1,083
13	Karnataka	44
14	Kerala	33
15	Lakshadweep	1
16	Madhya Pradesh	158
17	Maharashtra	69
18	Manipur	2
19	Nagaland	1
20	Nepal	5
21	Odisha	647
22	Puducherry	2
23	Punjab	36
24	Rajasthan	83
25	Telangana	6
26	Tripura	6
27	Uttar Pradesh	564
28	Uttarakhand	15
29	West Bengal	1,825
Grand Total		7,319

Appendix 4.10

(Reference: Paragraph 4.6; Page 40)

Joint physical verification of construction sites

SI No	District	Construction sites visited	Number of Construction workers surveyed	ESI covered	Number of Construction workers surveyed	Native-State unorganised workers						Inter-State migrant unorganised workers					
						Total		Registered with TNCWWB		Not registered with TNCWWB		Total		Registered with TNCWWB		Not registered with TNCWWB	
						No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent
1	Chennai	6	222	45	177	0	0	0	0	0	0	177	44	0	0	177	44
2	Cuddalore	1	10	0	10	10	10	8	17	2	4	0	0	0	0	0	0
3	Dharmapuri	1	24	0	24	0	0	0	0	0	0	24	6	0	0	24	6
4	Dindigul	1	15	0	15	15	15	15	31	0	0	0	0	42	0	0	0
5	Kanchipuram	6	202	0	202	44	43	13	27	31	56	158	40	0	0	158	40
6	Salem	3	24	0	24	24	23	2	4	22	40	0	0	0	0	0	0
7	Tirunelveli	1	39	0	39	0	0	0	0	0	0	39	10	0	0	39	10
8	Tiruvannamalai	2	10	0	10	10	10	10	21	0	0	0	0	0	0	0	0
	Total	21	546	45	501	103	100	48	47	55	53	398	100	0	0	398	100

Appendix 5.1

(Reference: Paragraph 5.1; Page 41)

Details of schemes implemented by TNCWWB

Sl. No.	Name of the Scheme	G.O. reference	Amount of assistance (Current)	Amount of assistance (previous)	Condition (For registered workers)
1.	Marriage Assistance	G.O. No.53 dated 30-05-2022	₹20,000	₹5,000 (for female member/daughter's marriage) ₹3,000 for male member/son's marriage G.O.No.39 dated. 28-02-2011	For a family - twice - For self or Son/daughter marriage
2.	Maternity Assistance	G.O.No.55 dated 30-05-2022	₹18,000 per delivery	₹6,000 (G.O. No.236 dated 05-12-2016)	Only for female workers up to two deliveries
	Abortion/Mis carriage		₹3,000		Only for female workers twice
3.	Education Assistance	G.O. No.156 dated 21-10-2021	Classes 6 to 9 - ₹1,000 per annum	Nil	For study of children
		G.O.No.153 dated 21-10-2021	Class 10 - ₹2,400 per annum	₹1,000 per annum	For Girl child - studying
		G.O. No.154 dated 21-10-2021 read with G.O.195 dated 09-12-2021	Class 11, 12 - ₹3,000 per annum	11 th std - ₹1,000 per annum 12 th std - ₹1,500 per annum	For Girl child - studying
		G.O.No.153 dated 21-10-2021	Class 10th Pass - ₹2,400	₹1,000	For Boys and girls passing 10 th class
		G.O. No.154 dated 21-10-2021	Class 12th Pass - ₹3,000	₹1,500	For Boys and girls passing 12 th class
		G.O.No.56 dated 30-05-2022	ITI/Polytechnic ₹3,000 per annum	₹1,000 (G.O.No.59 dated 28-03-2001)	Children of registered worker
		G.O. No.155 dated 21-10-2021	UG - ₹4,000 per annum	₹1,500 per annum	For study
			PG- ₹4,000 per annum	PG- ₹4,000 per annum	For study
			Prof. Grad. Course - ₹4,000 per annum	Prof. Grad. Course - ₹4,000 per annum	For study
			Prof. PG course - ₹6,000 per annum	Prof. PG course - ₹6,000 per annum	For study

Sl. No.	Name of the Scheme	G.O. reference	Amount of assistance (Current)	Amount of assistance (previous)	Condition (For registered workers)
4.	Pension	G.O. No.421 dated 2-.12-2011	₹1,000 per month (p.m.)	₹500 p.m.	Registered workers on completion of 60 years
5.	Family Pension	G.O. No.96 dated 09-08-2018	₹500 p.m.	₹400 p.m. G.O. No.38 dated 28-02-2011	Nominees of registered Construction worker
6.	Natural Death	G.O. No.149 dated 21.10.2021 read with G.O. No.162 dated 01-11-2021	₹50,000	₹20,000 (G.O. No.196 dated 17-11-2017)	Only for nominee
7.	Personal accident relief	G.O. No.54 dated 30-05-2022	₹2,00,000	₹1,00,000 (G.O. No.65 dated 01-03-2016)	For accidents occurring other than work site resulting in death
8.	Accident death at worksite	G.O. No.157 dated 11-12-2014 read with G.O. No.65 dated 01-03-2016; G.O. No.91 dated 02-08-2018	₹5,00,000		G.O.No.65 - Unregistered workers G.O. No.91 - accident death and death at hospital
9.	Funeral Assistance	G.O. No.196 dated 17-11-2017	₹5,000	₹2,000	Only for nominee
10.	Spectacles		₹500	₹500	For registered workers

Appendix 5.2

(Reference: Paragraph 5.1; Page 41)

Scheme-wise assistance received by beneficiaries during 2017-22

Sl. No	Assistance	Beneficiaries	Amount (₹ in crore)	Per cent
1	Accidental Death and Funeral Assistance	546	5.57	0.92
	(a) Accidental Death at work site - Registered workers	25	1.25	0.21
	(b) Accidental Death at work site (unregistered workers)	107	5.32	0.88
2	Accidental Disability	26	0.16	0.03
3	Natural Death and Funeral Assistance	10,608	22.73	3.77
4	Marriage Assistance	8,018	2.94	0.49
5	Maternity Assistance	137	0.05	0.01
6	Educational Assistance	6,36,549	124.01	20.55
7	Spectacles Assistance	470	0.02	0.00
8	Regular Pension	1,28,048	440.86	73.05
	(a) Disability Pension	91	0.19	0.03
	(b) Family Pension	219	0.38	0.06
Total		7,84,844	603.48	100

Appendix 5.3

(Reference: Paragraph 5.5; Page 48)

Aadhaar verification by TNeGA
Scheme-wise details of potentially ineligible persons availed benefits

Sl. No.	Name of the Scheme	Number of claims	Amount of claim (in ₹)
1	Compensation for accidental death and disability	11	10,55,000
2	Education Assistance for 10th/12th Standard pass	1,178	15,06,900
3	Educational Assistance for girl children studying in 10th/11th/12th Standard	1,847	42,06,800
4	Educational Assistance for Higher Education	2,463	84,32,350
5	Educational Assistance for studying in 6th/7th/8th/9th Standard	1,691	16,91,000
6	Funeral Expenses/Natural Death	204	54,60,000
7	Marriage Assistance	56	2,09,000
8	Reimbursement of purchase of spectacles	9	4,500
Total		7,459	2,25,65,550
Total (₹ in crore)			2.26

Appendix 5.4

(Reference: Paragraph 5.13; Page 56)

Comparison of TNCWWB schemes with that of other State Construction Workers Welfare Boards

Sl. No.	Name of the Scheme	Assistance provided by TNCWWB	Assistance provided by other State Construction Workers Welfare Boards	State providing highest benefit
1.	Pension	₹1,000 p.m.	Delhi - ₹3,000 p.m. Punjab - ₹2,000 p.m. Kerala - ₹1,200 p.m. Uttar Pradesh - ₹1,000p.m.	Delhi
2.	Family Pension	₹500 p.m.	Delhi - 50 per cent of the pension received by pensioner or ₹1,500 whichever is higher. Uttar Pradesh - ₹1,000 p.m. Punjab - ₹1,000 p.m.	Delhi
3.	Maternity Benefit	₹18,000	Delhi - ₹30,000 Punjab - ₹21,000 Karnataka - ₹20,000	Delhi
4.	Natural Death	₹50,000	Punjab - ₹3 lakh Maharashtra - ₹2 lakh Delhi - ₹1 lakh Odisha - ₹1 lakh	Punjab
5.	Accidental Death at worksite	₹5 lakh	Uttar Pradesh - ₹5 lakh in instalments Maharashtra - ₹5 lakh Punjab - ₹4 lakh Odisha - ₹2 lakh	Uttar Pradesh/ Tamil Nadu/ Maharashtra
6.	Funeral Assistance	₹5,000	Uttar Pradesh - ₹25,000 Punjab - ₹10,000 Maharashtra - ₹10,000	UP
7.	Marriage Assistance	₹20,000 - (Self/Son/Daughter)	Delhi - ₹51,000 (Female worker/daughter of workers); ₹35,000 (Male worker/Son of worker) Uttar Pradesh - ₹55,000 (Girl child/female worker) Odisha - ₹50,000 (Female worker/daughter of worker)	Delhi

Sl. No.	Name of the Scheme	Assistance provided by TNCWWB	Assistance provided by other State Construction Workers Welfare Boards	State providing highest benefit
8.	Education Assistance	Classes 6 to 9 - ₹1,000 Class 10 - ₹2,400 (Female) Classes 11, 12 - ₹3,000 (Female) 10 th Pass - ₹2,400 12 th Pass - ₹3,000 Graduate/Post-Graduate - ₹4,000 Professional course - ₹4,000 Professional course Post-Graduation - ₹6,000	Delhi Classes 1 to 8 - ₹500 p.m. Classes 9 to 10 - ₹700 p.m. Classes 11 to 12 - ₹1,000 p.m. Graduation - ₹3,000 p.m. ITI course - ₹4,000 p.m. Polytechnic Diploma - ₹5,000 p.m. Engineering/Medical/MBA - ₹1,000 p.m. Punjab Classes 1 to 5 - ₹3,000 (Boys) 4,000 (Girls) Classes 6 to 8 - ₹5,000 (Boys) 7,000 (Girls) Classes 9 and 10 - ₹10,000 (Boys) 13,000 (Girls) Classes 11 and 12 - ₹20,000 (Boys) 25,000 (Girls) Graduate/Post-Graduate - ₹25,000 (Boys) 30,000 (Girls) Engineering/Medical - ₹40,000 (Boys) ₹50,000 (Girls) Uttar Pradesh Classes 1 to 5 - ₹2,000 lumpsum Classes 6 to 10 - ₹2,500 lumpsum Classes 11 and 12 - ₹3,000 lumpsum Graduation/ITI/Polytechnic - ₹12,000 lumpsum Professional degree - ₹60,000 lumpsum Post-Graduation - ₹24,000 lumpsum For Research - ₹1 lakh	Delhi
9.	Medical Assistance	Nil	Punjab - ₹1.5 lakh per year Delhi - ₹10,000 (In case of hospitalisation for five or more days)	Punjab
10.	Housing Scheme	₹4 lakh	Delhi - ₹3 lakh	Tamil Nadu

Appendix 5.5

(Reference: Paragraph 5.14; Page 57)

Findings of survey among registered construction workers

Percentage of native-State workers (374/374)	100
Gender divide - Percentage of male workers (246/374)	66
Percentage of literates (228/374)	61
Percentage of beneficiaries who stated no money was demanded (374/374)	100
Percentage who did not have difficulty in registration Process (373/374)	99
Percentage who have renewed their registration at least once (250/374)	67
Percentage having awareness of schemes (212/374)	57
Percentage who have availed Education Assistance (162/374)	43
Percentage who have availed Marriage Assistance (40/374)	11
Percentage who have availed Maternity Assistance (19/128 female)	15
Percentage who felt the assistances were not adequate (157/374)	42
Percentage who felt that there were no delay in assistance (342/374)	91
Percentage who had not availed Amma canteen facility(40/60)	67
Not received COVID Cash Assistance (196/374)	52
Not received Ration Kits (319/374)	85
Not received Pongal Kits (159/374)	43
Not received Safety Kits (259/374)	69
Not availed Anganwadi facility (374/374)	100
Not availed Mobile health clinic facility (277/374)	74
Not availed transport facility (374/374)	0
Other details: Training, use of dormitories, Health insurance, grievances, etc are as given below:	
Not received any training (371/374)	99
Not availed Dormitory facility (372/374)	99
Not MGNREGA Card Holders (370/374)	99
Not have PMJAY-CMCHIS cards (373/374)	99
Not having other grievances (364/374)	97

Appendix 5.6
(Reference: Paragraph 5.14; Page 58)

Establishments/Employers registered with DISH
during Joint Physical Verification of construction sites

Sl. No.	Name of the Establishment	Name of the Employer	Whether registered with DISH
1	Shapoorji Pallonji and Company Ltd., Pallikaranai, Chennai	Shapoorji Pallonji and Company Ltd., Pallikaranai, Chennai	Yes
2	L&W Construction Pvt. Ltd., Zamin Pallavaram, Kancheepuram	L&W Construction Pvt. Ltd., Zamin Pallavaram, Kancheepuram	Yes
3	Thangam Constructions, Zamin Pallavaram, Kancheepuram	Thangam Constructions, Zamin Pallavaram, Kancheepuram	Yes
4	G.K. Shetty Builders Pvt. Ltd., Perungalathur, Kancheepuram	G.K. Shetty Builders Pvt. Ltd., Perungalathur, Kancheepuram	Yes
5	G.K. Builders, Construction of Electronic Shop, Kancheepuram	G.K. Builders, Construction of Electronic Shop, Kancheepuram	No
6	G.K. Builders, Construction of Marriage Hall, Kancheepuram	G.K. Builders, Construction of Marriage Hall, Kancheepuram	No
7	G.K. Builders, Construction of Carshed, Kancheepuram	G.K. Builders, Construction of Carshed, Kancheepuram	No
8	Kalaiggar Nagarapura Mempattu Thittam, Daily Market, Vasu Sriramulu Street, Polur Town, Tiruvannamalai	Kalaiggar Nagarapura Mempattu Thittam, Daily Market, Vasu Sriramulu Street, Polur Town, Tiruvannamalai	No
9	Polur TP Tiruvannamalai Under Capital Grant Fund, Kottaimedu)	Kothanya Constructions, Play Ground Under Capital Grant Fund, Kottaimedu, Polur Town, Tiruvannamalai	No
10	TNSCB, Dharmapuri. (Construction of 608 Dwelling Units for Slum Tenements, Nallampalli Village)	S.S. Natarajan & Company	Yes
11	Ar. Mohanraj, Mplus Design Buildings, Mahendrapuri, 4th Street, SCCB Colony, Salem	Ar. Mohanraj, Mplus Design Buildings, Mahendrapuri, 4th Street, SCCB Colony, Salem	No
12	M/s Ravi Constructions, Residential Project, 3rd street, Mahendrapuri, SCCB colony, Salem	M/s Ravi Constructions, Residential Project, 3rd street, Mahendrapuri, SCCB colony, Salem	No
13	Mr. Rajkumar, AK Constructions, Kamatchi Nagar, Chinna Tirupathy, Salem	Mr. Rajkumar, AK Constructions, Kamatchi Nagar, Chinna Tirupathy, Salem	No
14	Aravind Krishna Hospital, Beside Gangai Hotel, Oppt. New Busstand, Tirunelveli	Uniqcore India Constructions Pvt Ltd.	Yes
15	Sakthivel Construction of Government ITI Workshop, Cuddalore	Sakthivel Construction of Government ITI Workshop, Cuddalore	No
16	Construction of Mixer, Poothampatti, Dindigul	Construction of Mixer, Poothampatti, Dindigul	No
17	DLF Constructions, Taramani, Chennai	JMC Projects Limited	Yes
18	India Builders Chennai Ltd, Annanagar, Chennai	India Builders Chennai Ltd, Annanagar, Chennai	Yes
19	TNHB construction of shopping cum office Building, Annanagar, Chennai	Sri Jayabalaji Builders	Yes
20	TNHB Flats, Shenoy Nagar, Chennai	Abhirami Engineering Constructions & Co., Shenoy Nagar	Yes
21	Hemashri Constructions, Velachery	Hemashri Constructions, Velachery	Yes

Appendix 6.1

(Reference: Paragraph 6.1.5; Page 64)

Investment of surplus amount in Fixed Deposits

(in ₹)

Year	Investment register		Total as per FD register
	Bank	TNPFIDCL	
2016-17	7,47,80,00,000	6,11,91,51,787	13,59,71,51,787
2017-18	15,47,20,35,000	3,67,03,00,926	19,14,23,35,926
2018-19	23,23,70,00,000	1,42,05,28,576	24,65,75,28,576
2019-20	25,66,75,00,000	5,45,00,00,000	31,11,75,00,000
2020-21	27,20,54,00,000	8,50,00,00,000	35,70,54,00,000
2021-22	33,20,07,00,000	8,50,00,00,000	41,70,07,00,000

Appendix 6.2

(Reference: Paragraph 6.1.5; Page 65)

Loss of interest by TNCWWB due to imprudent investment

A. Investment basket 2017-22

(₹ in crore)

Year	SDL (10 years)	TNPFIDCL (Three years)	Bank (One year)	Interest for proposed arrangement	Interest from existing investment arrangement	Loss of interest
2017-18	79.25	51.69	15.05	145.99	123.60	22.39
2018-19	111.49	71.61	20.99	204.09	170.45	33.64
2019-20	144.03	90.07	22.56	256.66	205.55	51.11
2020-21	164.09	118.12	20.38	302.59	227.94	74.65
2021-22	187.97	130.69	15.42	334.08	206.52	127.56
Total	686.83	462.18	94.40	1,243.41	934.06	309.35

B. As per existing investments 2017-22

(₹ in crore)

Year	Bank Interest	TNPFIDCL Interest	Total	Sweep account interest	Total interest
2017-18	52.26	58.51	110.77	12.83	123.60
2018-19	138.65	22.66	161.31	9.14	170.45
2019-20	187.73	6.78	194.79	10.76	205.55
2020-21	140.37	74.35	214.72	13.22	227.94
2021-22	118.25	80.88	199.13	7.39	206.52
Total	637.26	243.18	880.72	53.34	934.06

Appendix 6.3

(Reference: Paragraph 6.1.7; Page 67)

Year-wise administrative expenditure incurred by ACL-SSS District offices

(₹ in lakh)

Year	Salary Including Daily wages	LSPC	Tele/Broad Band	EB charges	Stationery	Rent	Computer Expenses	Misc.	Total
2017-18	1,700.43	75.16	10.60	15.48	16.61	75.41	23.05	116.55	2,033.29
2018-19	1,824.75	104.54	11.79	19.34	19.25	69.01	15.10	128.55	2,192.33
2019-20	2,135.74	131.92	11.00	23.20	18.57	64.34	22.49	147.09	2,554.35
2020-21	2,298.06	151.43	8.53	29.72	28.94	63.07	30.31	168.58	2,778.64
2021-22	2,212.20	171.56	5.42	27.45	27.13	67.94	32.61	71.53	2,615.84
Total	10,171.18	634.61	47.34	115.19	110.50	339.77	123.56	632.30	12,174.45

TNCWWB Share (50 per cent):

₹12,174.45 lakh/2 = ₹6,087.23 lakh or ₹60.87 crore

Appendix 6.4
(Reference: Paragraph 6.1.11; Page 71)

Non-fixing and collection of rent from Labour complexes constructed with the TNCWWB Funds

Sl No	District Name	Date of occupation	Rent due upto	Number of months	Plinth Area in sqm	Occupation by ACL-SSS in sqm	By other Govt offices in sqm	Corp/Mpy limits	PWD Rent adopted (₹/sqm)	Rent per month (in ₹)	Rent due (₹ in lakh)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1	Cuddalore	01-05-2017	31-03-2023	70	2,010	670	1,340	Corp	304	4,07,360	285.15
2	Dharmapuri	01-06-2017	31-03-2023	69	1,000	333	667	Mpy	114	76,038	52.47
3	Dindigul	02-07-2018	31-03-2023	56	2,010	670	1,340	Corp	304	4,07,360	228.12
4	Erode	28-11-2017	31-03-2023	63	2,010	670	1,340	Corp	304	4,07,360	256.64
5	Kanniyakumari	08-11-2019	31-03-2023	40	2,010	670	1,340	Corp	304	4,07,360	162.94
6	Karur	05-06-2017	31-03-2023	69	2,010	670	1,340	Mpy	114	1,52,760	105.40
7	Nagapattinam	01-06-2017	31-03-2023	69	2,010	670	1,340	Mpy	114	1,52,760	105.40
8	Namakkal	29-05-2017	31-03-2023	69	2,010	670	1,340	Mpy	114	1,52,760	105.40
9	Perambalur	01-03-2019	31-03-2023	48	2,010	670	1,340	Mpy	114	1,52,760	73.32
10	Pudukkottai	08-11-2019	31-03-2023	40	2,010	670	1,340	Mpy	114	1,52,760	61.10
11	Salem	02-05-2017	31-03-2023	70	2,010	670	1,340	Corp	304	4,07,360	285.15
12	Sivagangai	04-07-2019	31-03-2023	44	2,010	670	1,340	Mpy	114	1,52,760	67.21
13	Thanjavur	18-06-2018	31-03-2023	56	2,010	670	1,340	Corp	304	4,07,360	228.12
14	Theni	01-12-2017	31-03-2023	63	2,010	670	1,340	Mpy	114	1,52,760	96.24
15	Thoothukudi	01-04-2019	31-03-2023	47	2,010	670	1,340	Corp	304	4,07,360	191.46
16	Tiruchirappalli	01-07-2018	31-03-2023	56	2,980	993	1,987	Corp	304	6,04,048	338.27
17	Tirunelveli	16-04-2018	31-03-2023	58	2,010	670	1,340	Corp	304	4,07,360	236.27
18	Vellore	08-11-2019	31-03-2023	40	2,010	670	1,340	Corp	304	4,07,360	162.94
19	Virudhunagar	15-09-2017	31-03-2023	65	2,010	670	1,340	Mpy	114	1,52,760	99.29
										Total (₹ in lakh)	3,140.89
										Total (₹ in crore)	31.41

Details	Labour complexes	
	Virudhunagar	Tiruchirappalli
Area in Sq. m	226.8	147.9
PWD rent fixed in ₹	25,850	45,000
Rent per Sq. m in ₹	114	304

Appendix 6.5

(Reference: Paragraph 6.2.1; Page 73)

Cadre-wise sanctioned strength, person-in-position and vacancy in TNCWWB as on 31 March 2022

(A) At TNCWWB office at Nungambakkam

Sl. No.	Name of the Post	Sanctioned	PIP	Vacant
Officials on Deputation				
1	Secretary (Additional Commissioner of Labour)	1	1	0
2	Administrative Officer (DCL)*	1	1	0
3	Administrative Officer (ACL)	1	1	0
4	Accounts Officer	1	1	0
5	Assistant Accounts Officer	1	1	0
6	Superintendent	2	2	0
7	Assistant	4	4	0
8	Typist	1	0	1
9	Office Assistant	3	3	0
Total		15	14	1
Board officials				
1	Assistant	9	2	7
2	Junior Assistant	7	0	7
3	Data Entry Operator	7	0	7
4	Steno	1	0	1
5	Driver	1	0	1
6	Record Clerk	1	0	1
7	Office Assistant	2	2	0
Total		28	4	24
Contract employment				
1	Personal Secretary to Chairman	1	1	0
Agreement with TEXCO				
1	Junior Assistant	4	4	0

* Post now lying vacant

(A1) Persons engaged on daily wages (TNCWWB)

Sl. No.	Name of the Post	In numbers
1	Junior Assistant	13
2	Data Entry Operator	11
3	Office Assistant	03
4	Driver	07
5	Sweeper	02
6	Security	02
Total		38

(B) Sanctioned strength at districts

Sl. No.	Name of the Post	Sanctioned	PIP	Vacant
1	Asst. Commissioner of Labour - SSS	40	28	12
2	Assistant Accounts Officer	40	35	5
3	Superintendent	45	44	1
4	Assistant	110	66	44
5	Junior Assistant	68	12	56
6	Data Entry Operator	120	11	109
7	Office Assistant	47	44	3
Total		470	240	230**

** The vacancy in the sanctioned strength was managed by workers employed on daily wage as given below:

(B1) Number of workers engaged on daily wages (at districts)

Post	Number of workers
Junior Assistant/Data entry	452
Driver	32
Sweeper	36
Security	14
Total	534

Glossary of abbreviations

Abbreviations	Full form
ACL - SSS	Assistant Commissioners of Labour - Social Security Scheme
ACS	Additional Chief Secretary
BOCW Act	Building and Other Construction Workers' (Regulation of Employment and Conditions of Service) Act, 1996
BOCWW Cess Act	Building and Other Construction Workers' Welfare Cess Act, 1996
CMWSSB	Chennai Metropolitan Water Supply and Sewerage Board
DD	Demand Draft
DISH	Director of Industrial Safety and Health
DMC	District Monitoring Committees
FDs	Fixed deposits
GCC	Greater Chennai Corporation
GoI	Government of India
GoTN	Government of Tamil Nadu
ICDS	Integrated Child Development Scheme
IEC	Information, Education and Communication
LW&SDD	Labour Welfare and Skill Development Department
MHCs	Mobile Health Clinics
MMP	Mission Mode Project
MWS	Model Welfare Scheme
NHM	National Health Mission
PWD	Public Works Department
RPL	Recognition of Prior Learning
TAC	Tamil Nadu Academy of construction
TNBCOW Rules	Tamil Nadu Building and Other Construction Workers' (Regulation of employment and conditions of service) Rules, 2006
TNCWWB	Tamil Nadu Construction Workers Welfare Board
TNCWW Scheme	Tamil Nadu Manual Workers (Construction Workers) Welfare Scheme, 1994
TNeGA	Tamil Nadu e-Governance Agency

Abbreviations	Full form
TNMW Act	Tamil Nadu Manual Workers (Regulation of Employment and Conditions of Work) Act, 1982
TNPFIDCL	Tamil Nadu Power Finance and Infra Structure Development Corporation Limited
TNPHC	Tamil Nadu Police Housing Corporation
TNSDC	Tamil Nadu Skill Development Corporation
TP	Town Panchayat
TWAD	Tamil Nadu Water Supply and Drainage Board
UC	Utilisation certificate
VPs	Village Panchayats

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