

**States collected Rs 78,521 crore as cess from construction sector, 54.91% remains unutilised  
It appears that states have dispersed around Rs 10,000 crore to workers in the past two years**

States have collected over Rs 78,521.24 crore as cess for the welfare of workers in the past 25 years -- with Maharashtra and Karnataka topping the list -- but have spent only around 45 per cent of it so far.

The statistics collected by the Ministry of Labour and Employment showed that the states and union territories together spent only Rs 35,399.40 crore (55.09 per cent) and have Rs 43,121.84 crore or 54.91 per cent of the cess collected as unspent.

The Building and Other Construction Workers Cess Act, 1996, provides for the levy and collection of cess at 1 per cent of the cost of construction. This cess is collected by States in the Building and Other Construction Workers Welfare Cess Fund.

Among the states, the top collector of cess was Maharashtra at Rs 11,794 crore but 73.02 per cent or Rs 8,612.33 crore of the cess collection remain unspent. For Karnataka, the collection was Rs 11,108.87 crore but the spending was just Rs 3,656.96 crore, leaving Rs 7,451.91 crore unspent.

When it comes to the unspent funds, Uttar Pradesh tops the list with Rs 4,270.81 crore. It has collected Rs 7,144.50 crore in the past 25 years, but it spent only Rs 2,873.69 crore. Tamil Nadu followed UP -- Rs 2,873.04 crore or 61.79 per cent of Rs 4,649.11 crore remained unutilised.

There are two states that have bucked this trend -- Kerala and Mizoram actually spent more than what it collected as cess to settle welfare claims of construction workers. Kerala collected Rs 2,533.34 crore while it spent 3,914.32 crore 54.51 per cent more than what it collected. Similarly, Mizoram collected Rs 134.48 crore and spent Rs 139.72 crore or 3.8 per cent more than the cess it collected.

The capital Delhi has 82.93 per cent or Rs 2,281.22 crore out of Rs 2750.5 crore in the unspent account while West Bengal has 65.28 per cent or Rs 2,382.21 crore out of Rs 3,648.69 crore unutilised, according to a written response by Minister of State for Labour Rameswar Teli to a question raised by BJD's Amar Patnaik in Rajya Sabha last week.

Haryana, which comprises a construction hub Gurugram near Delhi, collected Rs 3,337.23 crore, but spent only Rs 1,395.61 crore. Gujarat collected Rs 2,013.84 crore but spent Rs 545.29 crore.

In March 2020 just before the national Covid-19 lockdown, the then Labour Minister Santosh Gangwar had written to states to dive deep into over Rs 52,000 crore cess fund and transfer money to around 3.5 crore workers registered with authorities.

It appears that states have dispersed around Rs 10,000 crore to workers in the past two years.

Congress president Sonia Gandhi had written to Prime Minister Narendra Modi in March 2020,

saying that the Labour Welfare Boards collected cess amounting to Rs 49,688.07 crore till March 31, 2019, out of which only Rs 19,379.92 crore were spent.

In August 2017, the Parliamentary Standing Committee had also raised similar concerns saying the Welfare Boards set up by states collected Rs 32,632.96 crore as cess towards the welfare of construction workers in 20 years, but spent only a dismal 23 per cent or Rs 7,516.52 crore, which included Rs 375.82 crore towards salaries of the officials who run the state welfare bodies.

DECCAN HERALD : Published 06 February 2022, 15:06 IST