Government of India
Ministry of Railways.
(Railway Board)

No. 2008/CE-I/CT/6 **New Delhi, dated 9 .07.2008**

As per Mailing List 'A' attached.

Sub: Implementation of - The Building and Other Construction Workers (RECS) Act, 1996 and The Building and Other Construction Workers Welfare Cess Act, 1996 in Railway contracts.

In order to regulate the employment and conditions of services of building and other construction workers and to provide their safety, health and welfare measures, the Government of India has enacted The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 and The Building and Other Construction Workers Welfare Cess Act, 1996.

While copies of the bare Acts may be procured locally to thoroughly understand various provisions contained therein in consultation with the Law Officer, the salient features are as follows:-

i) It applies to every establishment which employs, or had employed on any day of the proceeding twelve months, ten or more building workers in any building or other construction work.

ii) The cess shall be levied and collected @ 1% of the cost of construction incurred by an employer.

iii) For the purpose of levy of cess , cost of construction shall include all expenditure incurred by an employer in connection with the building or other construction work but shall not include -

(a) cost of land; and

(b) any compensation paid or payable to a worker or his kin under the Workmen's Compensation Act, 1923.

iv) Every building worker who has been engaged in any building or other construction work for not less than 90 days during the preceding twelve months is required to be registered as a beneficiary under this Act.

v) This will be applicable from the date of receipt of notice from State Labour Commissioner/Labour Deptt.

With a view to enabling Railways in the implementation of the provisions of the two Acts, Ministry of Railways have decided that the Tender Notice/Tender documents may include a new clause as follows:-

contd 2/-

"The tenderer for carrying out any construction work in _____(name of the State) must get themselves registered from the Registering Officer under Section-7 of the Building and Other Construction Workers Act, 1996 and rules made thereto by the _____(name of the State) Govt and submit certificate of Registration issued from the Registering Officer of the _____(name of the State) Govt. (Labour Deptt.). For enactment of this Act, the tenderer shall be required to pay cess @ 1% of cost of construction work to be deducted from each bill. Cost of material shall be outside the purview of cess, when supplied under a separate schedule item."

This issues with the concurrence of Finance Directorate of Ministry of Railways.

Please acknowledge receipt.

(T.Gupta)
Executive Director Civil Engg. (G)
(Railway Board)

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Copy forwarded for information to:

(i) FA& CAOs-All Indian Railways.
(ii) Deputy Comptroller & Auditor General of India (Railways), New Delhi (with 46 copies).

For Financial Commissioner (Railways)