Translation of letter Number-1/1080273/2025-1811103

Important

Number-1/1080273/2025-1811103

Sender,

Dr. MK Shanmuga Sundaram,
principal Secretary,
Uttar Pradesh Government.

To,

1. Labour Commissioner, Uttar Pradesh, Kanpur.
2. All Divisional Commissioners, Uttar Pradesh.
3. All District Magistrates, Uttar Pradesh.
4. All Vice-Chairmen, Development Authorities, Uttar Pradesh.
5. All Municipal Commissioners, Municipal Corporations, Uttar Pradesh.
6. Secretary, Uttar Pradesh Building and Other Construction Workers Welfare Board.
7. The Director, Factories, Uttar Pradesh.
8. All Executive Officers, Municipal Corporation/Nagar Panchayat.

Labour Section-2 **Lucknow, Date: 06-09-2025**

Subject: Regarding inspection and follow-up action under the Building and Other Construction Workers Welfare Cess Act, 1996 and determination of separate Standard Operating Procedures (SOPs) for assessment and collection of Cess.

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Sir/Madam,

Regarding the above subject, it is to be informed that under the Building and Other Construction Workers (Regulation of Employment and Service Conditions) Act, 1996 read with Uttar Pradesh Building and Other Construction Workers (Regulation of Employment and Service Conditions) Rules, 2009 and Building and Other Construction Workers Welfare Cess Act, 1996 read with Building and Other Construction Workers Welfare Cess Rules, 1998, there is a provision to collect 01 percent amount as cess (labour cess) on all constructed/under construction private buildings/residential buildings/factories in Uttar Pradesh, whose construction cost is more than Rs. 10 lakh.

2. It is also to be informed that under sub-section (3) of Section 42 of the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996, Labour Enforcement Officers/Assistant/Deputy/Additional Labour Commissioners, Assistant/Deputy/Director of Factories posted in various Regional/District Offices and Assistant/Deputy/Additional Labour Commissioners posted in the Office of the Labour Commissioner have been appointed as 'Inspectors' within their jurisdictional limits.

The purpose of inspection of establishments by the above officers as per the provisions of the Act and subsequent proceedings accordingly is to register the construction site, regulate the working conditions of workers employed in the construction process, ensure wages and other benefits to the workers as per rules and provide social security. Apart from this, during the inspection process, details related to the construction site and the employer are to be obtained and the estimated cost of the construction work is to be assessed on the basis of which the cess assessment and cess collection proceedings are carried out by the cess collection officers under the Building and Other Construction Workers Welfare Cess Act, 1996.

3. It is noteworthy that by Notification No. 752/36-2-10-46/2010 dated 15.09.2010, various Regional Officers have been appointed as "Assessing Officer" and "Cess Collector" for assessment and collection of cess under the Building and Other Construction Workers Welfare Cess Act, 1996 (Act No. 28 of 1996) on all buildings and other construction works constructed or under construction under their control or through contractors and also on private residential houses with total construction cost of Rs. 10 lakh and above (for which sanction/approval is within their jurisdiction), through whom the process of assessment and collection of cess is carried out by the Cess Assessing and Cess Collector Officers.

4. With a view to bring uniformity in the work of inspection and follow-up action and assessment and collection of cess under the Building and Other Construction Workers Welfare Cess Act, 1996, separate Standard Operating Procedures are determined after due consideration for inspection and follow-up action and assessment and collection of cess under the Building and Other Construction Workers Welfare Cess Act, 1996.

5. In this regard, while enclosing the Standard Operating Procedure as prescribed above, I am directed to say that please instruct the concerned to ensure inspection and follow-up action and cess assessment and cess collection process under the Building and Other Construction Workers Welfare Cess Act, 1996.

Attachments: As mentioned.

Digitally signed by Shanmuga Sundaram Date: 06-09-2025 22:15:00

(Dr. MK Shanmuga Sundaram)
Principal Secretary

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No. 1/1080273/2025 (1), dated the same

Copy sent to all regional Additional/Deputy/Assistant Labour Commissioners with the instruction that they may kindly establish personal contact with the construction related authority/institution in their area, which carries out the process of cess assessment and collection, and provide them with the standard operating procedure prescribed as above and request them to take further action accordingly. (By Labour Commissioner, Uttar Pradesh)

by permission

Digitally signed by KUNAL SILKU Date: 15-09-2025 17:03:26

(Kunal Silku)

Special Secretary

Translation of

Standard Operating Procedure regarding the proceedings of cess assessment and cess collection under the Building and Other Construction Workers Welfare Cess Act, 1996

Under the Building and Other Construction Workers Welfare Cess Act, 1996, there is a provision for depositing 01 percent amount as cess on construction works (except private residential buildings whose total cost is less than Rs. 10 lakh). To ensure collection of cess as per rules, by exercising the powers under clauses (f) and (g) of Rule-2 of the Building and Other Construction Workers Welfare Cess Act, 1996 and the relevant Rules, 1998, all the District Magistrates have been appointed as Cess Assessment Officer and Cess Collection Officer within the limits of their jurisdiction by the State Government's Notification No. 1412/36-2-2009-251 (SM)/95 dated 20.11.2009.

Apart from this, in exercise of the power under clauses (f) and (g) of Rule 2 contained in Notification No. 752/36-2-10-46/2010 dated 15.09.2010 and for discharging the duties and responsibilities envisaged under Section 5 of the relevant Act read with Rule 7 of the Rules, the Secretary, Development Authority, an officer not below the level of Executive Engineer, Public Works Department, an officer not below the level of Executive Engineer, Irrigation Department, an officer not below the level of Executive Engineer, Uttar Pradesh Power Corporation, an officer not below the level of Secretary, Mandi Parishad, an officer not below the level of Project Manager, Uttar Pradesh Bridge Corporation, an officer not below the level of Executive Engineer, Uttar Pradesh Rajkiya Nirman Nigam, an officer not below the level of Executive Engineer, State Tubewell Corporation, an officer not below the level of Executive Engineer, Uttar Pradesh Jal Nigam, an officer not below the level of Executive Engineer, Social Welfare Corporation Officers not below the rank of Chief Executive Officer, Officers not below the rank of Executive Engineer of Uttar Pradesh Housing and Development Board, Municipal Commissioner/Additional/Sub-City Commissioner of Municipal Corporation, Executive Officer of Municipal Council/Nagar Panchayat, Block Development Officer, Assistant/Deputy/Additional Labour Commissioner, Uttar Pradesh and District Basic Education Officer have been appointed as "Assessing Officer" and "Cess Collector" for assessment and collection of cess under the Building and Other Construction Workers Welfare Cess Act, 1996 (Act No. 28 of 1996) on all buildings and other construction works constructed or under construction under their control or through contractors and also on private residential houses with total construction cost of Rs. 10 lakh and above (in respect of which sanction/approval is within their jurisdiction) for their territorial jurisdiction, through whom the proceedings of assessment and collection of cess are carried out by the Assessing and Cess Collector Officers.

For timely and uniform disposal of cess assessment cases and disposal of queries arising therein, a standard operating procedure for cess assessment and cess collection is as follows:-

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Sr.no.	Standard Operating Procedure
1	On receipt of information regarding the estimated construction cost from other sources or inspection notes issued in respect of a building under construction/constructed building/construction work, Assistant/Deputy/Additional Labour Commissioner, Uttar Pradesh appointed by the Government of Uttar Pradesh as the cess assessment and cess collection officers by Labour Section-2, Notification No. 752/36-2-10-46/2010 dated 15.09.2010, will ensure that the cess assessment process is completed within the time limit prescribed in the Building and Other Construction Workers Welfare Cess Act, 1996. Copies of the cess assessment orders issued at all levels will be endorsed to the Labour Commissioner, Uttar Pradesh and the Uttar Pradesh Building and Other Construction Workers Welfare Board (UPBOCW Board) and uploaded on the Cess Portal (https://cessupbocw.in). Efforts will be made to conduct the cess assessment process online on the Cess Portal and ensure that in the case of offline hearing assessment are entered on the Cess Portal by them.
2	Apart from inspection, the process of online cess assessment will also be done through the cess portal (https://cessupbocw.in) on the basis of GIS survey and information/data received online and through other means from the executing agencies like Energy Department, Development Authority, Public Works Department, Additional Chief Officer District Panchayat etc.
3	After registering the cess assessment cases by the cess assessment officer, while preparing the cess related notice online to the service provider/building owner, first of all an effort will be made to serve the notice online, otherwise the situation will be the notice will be served as per requirement through registered post/special letter carrier and apart from the necessary records like Form-1, approved map/plan and other relevant records for estimating the cost of construction work, if the Cess Assessment Officer considers it necessary, then the service provider/building owner can also be expected to attach certified photographs of the construction site taken from different angles along with other records.
4	All Additional/Deputy/Assistant Labour Commissioners/Incharge District Labour Enforcement Officers should direct the officials of the executing agencies/development authorities/local municipal bodies in the monthly review meetings held at the divisional/district level under the chairmanship of Divisional Commissioners/District Magistrates and in the meetings of District Shramik Bandhu to deposit the amount in the account of Uttar Pradesh Building and Other Construction Workers Welfare Board within 30 days. Regional officers will also review this every month.
5	Upon the institution of a suit, its further disposal shall be done as per Rule 7 (1) of the Building and Other Construction Workers Welfare Cess Rules, 1998. On receipt of Form-1, the Cess Assessing Officer shall examine the information submitted and on being satisfied about the particulars submitted, shall declare that Form-1 contains such information. The assessing officer shall make an order of assessment within a period not exceeding 06 months from the date of such assessment order indicating the amount of cess payable by the employer and endorse a copy thereof to the employer, Labour Commissioner, Uttar Pradesh and UPBOCW Board and dispatch such order within 05 days of the date on which such order is made and in such cases where offline cess assessment has been done, the order shall also be uploaded on the Cess Portal (https://cessupbocw.in) within 48 hours mentioning the reason for taking offline action.
6	If on scrutiny of Form-1 submitted by the employer, it appears to the Cess Assessing Officer that the employer has undercalculated or miscalculated the cost of construction, he shall issue a notice to the employer for assessment of cess and if the employer fails to submit a reply along with records/other evidence in support of his claim within the receipt of the notice, he shall proceed to make the assessment on the basis of available records and relevant information and at any time during the progress of assessment, the Cess Assessing Officer may authorize such officers accordingly under sub-rule 6 of Rule-7 of the Building and Other Construction Workers Welfare Cess Rules, 1998 to make such enquary at the work site or from documentary evidence or any other manners as he may think fit the purpose of estimating the

	cost of construction as accurately as possible.
7	In pursuance of the order dated 04.12.2018 of the Chairman, UPBOCW Board, the cess will be assessed by the cess assessing officers on the basis of PWD/CPWD (Central Public Works Department) rates.
8	In case the service provider does not provide information on Form-1 or the required documents are not presented before the cess Assessment officer, the cess assessment officer will estimate the construction cost on the basis of other secondary sources/site investigation on the basis of PWD/CPWD rates and an order for cess assessment will be issued and it will be mentioned in the order that in future, the responsibility for any kind of cess related liability will be of the employer only. Also, the arrangement for viewing the information of such cases through the dashboard of the cess portal should be ensured at the board level and the category "cess assessment on the basis of office information" will be mentioned in the online register at the district/divisional, office level also.
9	The Cess Assessment Officer shall mention in the cess assessment order that if the employer fails to deposit the Cess within the specified time, he shall be liable to pay interest at the rate of 02% for the delayed period.
10	While issuing the cess assessment order, the cess assessment officer will impose a penalty as per the provisions of Section 9 of the Building and Other Construction Workers Welfare Cess Act, 1996. If the builder does not deposit the amount of cess ordered by the due date specified in the cess assessment order for imposing the penalty, If the assessee fails to do so, a separate show cause notice will be issued to the employer for imposing the penalty and the employer will be given a proper opportunity to present his case in a reasonable manner. While passing the order regarding penalty, the cess assessing officer will pass a clear order with mention of the reasons for imposing the penalty.
11	The Cess Assessment Officer will pass a detailed cess assessment order, clearly stating the basis on which the cess has been assessed by him. For example:- 1. Approved construction work as per map (assessment) basement = 2337.70 sq.m. Cost@18730 = 4,37,85,121 Ground floor and first floor (commercial) = 2025.13 sq.m. Cost @ 15200 = 3,07,81,976 Lift and stairs from 2nd floor to 6th floor (residential) = 4979.13 sq.m. Cost @ 14450 = 7,19,48,429 7th Floor (Residential) = 736.99 sq.m. Cost@14700 = 1,08,33,753 2. Percentage of construction till April 2017 = 100% 3. Cost relative to 100% construction = 15,73,49,279 4. Water supply, internal electrification, external water works to be included, cost @ 29.50% = 4,64,18,037 5. Total Construction Cost = 20,37,67,315 6. Amount of cess (@1%) = 20,37,673 7. Amount deposited against cess payable = 3,03,552 8. Balance net amount of cess to be deposited = 17,34,121
12	The cess assessment order shall be passed by the cess assessment officer following the due process of law and before passing an exparty cess assessment order the ownership of the establishment must be confirmed, so that minimum number of recovery certificate had to withdraw.
13	If a unilateral cess assessment order has been passed due to the employer not presenting his side, then the process of restoration of unilateral cess assessment orders will be ensured as per the principles of natural justice and Order 9, Rule 13 of the Code of Civil Procedure and the provisions of the Limitation Act and other relevant legal provisions. In case of special

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	circumstances/sufficient justification being found on the restoration application submitted by the employer, if it is established that the establishment against which the unilateral order has been passed is the owner, then the case will be restored after depositing the full amount of cess payable on the concerned establishment before the Cess Assessment Officer and it will be ensured that all such cess assessment cases are disposed of by the Cess Assessment Officer within a minimum of three months and the cases to be restored will also be recorded in the register.
14	According to Rule 13 of the Building and Other Construction Workers Welfare Cess Rules, 1998, the Cess Assessment Officer shall prepare a certificate under his signature specifying the amount of unpaid cess and interest for overdue payment and send it to the Collector of the concerned district, through which the amount specified hereunder shall be recovered from the said employer like land revenue.
15	An online system for maintenance of records/information regarding cess action taken by each Cess Assessing Officer will be ensured on the portal (https://cessupbocw.in) which will include year-wise cess assessment.The action taken in this regard will include details of the number of notices issued with dates, the amount contained in the cess notice, the amount contained in the cess assessment order, the cess amount deposited with dates, and the remaining cess amount. The format for this will be determined by the Labour Commissioner, Uttar Pradesh/Board office. Furthermore, the information will be maintained in hard copy at the district/division level according to this format.
16	In case the cases are not disposed of by the cess assessment officers within the stipulated period of 06 months, the Labour Commissioner, Uttar Pradesh/Secretary BOCW Board will be informed every month with the division wise consolidated information of the pending cases, which will be reviewed at the level of Labour Commissioner, Uttar Pradesh/Secretary UPBOCW Board.
17	It will be ensured that the cess assessment cases number is mentioned in the cess cases and its entry will be made in the register related to cess cases and in this, the cess cases will be allotted among the cess assessment officers as per their limits and the cess case clerk will ensure maintenance of the cess case register, which will contain the serial number, case number, name and address of the parties, summons/notice number and date, first date of hearing, date of order, amount of cess ordered, interest ordered and date of interest determination, penalty ordered. And it will be ensured that the date of determination of penalty, number, date and amount of recovery certificate, date and amount of deposit of cess/interest/penalty are mentioned.
18	All the cess assessment officers will use the above SOP as a guideline and will ensure compliance with the Building and Other Construction Workers (Regulation of Employment and Service Conditions) Act, 1996, relevant Rules, 2009, Building and Other Construction Workers Welfare Cess Act, 1996, relevant Cess Rules, 1998 and the Government Orders issued from time to time in relation to cess assessment by the Government.

Digitally signed by M.K SHANMUGA SUNDARAM
Date: 10-09-2025 18:12:28
(Dr. MK Shanmuga Sundaram)
Principal Secretary

Translation of Standard Operating Procedure regarding inspection and follow-up action under the Building and Other Construction (Regulation of Planning and Service Conditions) Act, 1996

Under the Labour Commissioner's Organisation, under sub-section (3) of Section 42 of the Building and Other Construction (Regulation of Employment and Service Conditions) Act, 1996, by Notification No: 1379/36-3-99 dated 13.09.1999, Labour Enforcement Officer/Assistant/ Deputy/Additional Labour Commissioner, Assistant/Deputy/Director Factory and Assistant/Deputy/ Additional Labour Commissioners posted in the office of Labour Commissioner have been appointed as Inspectors within their jurisdictional limits.

The purpose of inspection and subsequent proceedings conducted under the Act in question is to register the construction site, regulate the working conditions of workers employed in the construction process, ensure wages and other benefits to the workers as per rules and provide social security. Apart from this, during the inspection process, details related to the construction site and the employer are to be obtained and the estimated cost of the construction work is to be assessed on the basis of which the cess assessment and cess collection proceedings are carried out by the cess collection officers under the Building and Other Construction Workers Welfare Cess Act, 1996.

In order to permanently resolve the objection raised in the report code number-34 "Performance Audit on Welfare of Building and other Construction Workers-ref" in relation to Chapter 7 of the report of the Comptroller and Auditor General of India, Standard Operating Procedure is prescribed for inspection to be conducted under the Building and Other Construction (Regulation of Planning and Conditions of Service) Act, 1996 and relevant Rules, 2009 and for follow-up action accordingly:-

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Sr.No	Standard Operating Procedure
1	Inspections will be conducted by labour enforcement officers posted at various regional/district offices, as well as by the Assistant/Deputy/Additional Labour Commissioner. The objectives of inspections will be determined from time to time by the Labour Commissioner, Uttar Pradesh. The Deputy/Additional Labour Commissioner will conduct inspections as needed, obtaining permission for this from the Labour Commissioner, Uttar Pradesh. In the event of a surprise inspection, the Deputy/Additional Labour Commissioner will ensure that post-facto approval is obtained by obtaining permission from the Labour Commissioner, Uttar Pradesh, through the phone.
2	The Assistant Director, Factory carried out inspection of construction establishments as per the target set under the safety related provisions such as Section 38 and Section 39 of the Building and Other Construction Workers (Regulation of Employment and Service Conditions) Act, 1996 and Rules 60 to 252 of the Rules, 2009. The Assistant/Deputy/Additional Labour Commissioner will submit his inspection notes to the officers who is one level higher than him.
3	As per the pre-determined arrangement for inspection, the Labour Enforcement Officer/Assistant Labour Commissioner will obtain permission for inspection from the concerned Regional Deputy/Additional Labour Commissioner and the Deputy/Additional Labour Commissioner will obtain permission for inspection from the Chief Inspector/Labour Commissioner, Uttar Pradesh.
4	While inspecting, the inspecting officer shall keep in view the definition of establishment mentioned in Section 2 (1) (j) of the Act and while inspecting private residential buildings constructed or under construction, it shall be prima facie ensured that the construction cost is Rs. 10 lakh or more.

5	Regarding the number of workers employed in a building or other construction establishment, Section 1 (4) of the Act shall be taken into account i.e. if 10 or more workers are employed in the establishment or have been employed on any day of the preceding 12 months.
6	The inspection note will clearly mention whether the construction is residential, commercial or mixed in nature and whether it is government or non-government construction.
7	While conducting the inspection, as far as possible, the mobile number and email ID of the building owner/person responsible for the construction work will be obtained and it will be mentioned in the inspection note.
8	The inspection note shall clearly state the address of the work site. If the complete address of the work site is not known, the names of nearby establishments, such as schools, hospitals, etc., shall be mentioned in such a way that the construction site can be clearly identified. Additionally, the address of the employer's residence or any other establishment operated by the employer shall also be included, whenever possible.
9	The inspection note will include the area of the completed building and other construction in square meters, along with the number of floors being constructed. The covered area and uncovered area of each floor constructed/under construction will also be clearly marked.
10	After inspection of the establishment, the inspection notes will be uploaded on the portal within 48 hours.
11	After the inspection, a copy of the inspection note will be handed over to the employer/building owner/person responsible for the construction work present on the spot.
12	If the employer refuses to accept inspection notes on the spot, the inspection note will be sent electronically, in addition to registered mail/letter-carrier, and served in accordance with the provisions of the Indian Evidence Act, 2023. If service still fails, the inspection note will be made available to the office of the Labour Commissioner, Uttar Pradesh, for further action. All of the above proceedings will be completed within one month.
13	After inspection, the employer will be given 15 days by the inspector to comply with the violations pointed out in the inspection note.
14	In case of non-compliance within the above mentioned 15 days, the Assistant/Deputy/Additional Labour Commissioner, as the case may be, will provide an additional opportunity of 15 days by sending a notice to the employer by registered post and as far as possible through electronic medium along with a copy of the inspection note, in which it will be mentioned that the compliance of the inspection note should be done within the stipulated time.
15	If the employer does not comply even after being given additional opportunities, then within a week the inspection note will be sent to the office of the Labour Commissioner, Uttar Pradesh for further action along with the recommendation of prosecution/penalty etc. Along with the said recommendation, if any reply has been given by the employer regarding the violations pointed out in the inspection or any partial compliance has been made, then that will also be mentioned.
16	On receipt of inspection comments in the office of Labour Commissioner, Uttar Pradesh, a notice will be sent to the employer giving him a last chance to submit the compliance report within 15 days and a copy of the same will also be sent to the concerned inspector for information and serving to the employer.
17	In case of non-compliance by the employer of the sections mentioned in the notice sent from the level of Chief Inspector, authority letter will be issued to the Inspector for filing prosecution from the level of Chief Inspector and action will be taken to impose penalty against the employer and in case of non-payment of penalty in time, action will be taken to issue recovery certificate by the Regional Additional/Deputy/Assistant Labour Commissioner.
18	On receipt of a letter of authority from Headquarters regarding the inspection, a prosecution will be filed in the Honorable Court within 15 days and the same will be reported to the Office of the Labour Commissioner, Uttar Pradesh through MIS feeding. Furthermore, it will be ensured that the proceedings from uploading the inspection notes on the portal to filing the prosecution

	are completed within three months.
19	If after inspection, for any reason, the inspecting officer is transferred from the said district, then within 07 days of receipt of the authority letter in the regional/district offices, the concerned Assistant Deputy Labour Commissioner will mention the same and provide the name of the Inspector in Charge of the concerned area to the office of Labour Commissioner, Uttar Pradesh and will request for issuance of authority letter in his name.
20	The office of Assistant Labour Commissioner/District Labour Enforcement Officer in charge of Additional/Deputy/Independent districts will keep the details of inspection and follow-up action updated by uploading/feeding them on the portal, so that tracking of each inspection comment can be done.
21	An online inspection register will be maintained in the office by the Regional Assistant/Deputy/Additional Labour Commissioner in which details of every inspection and follow-up action under the BOCW Act, 1996 will be maintained and the Regional Assistant/Deputy/Additional Labour Commissioner will review the register every 15 days and will keep all the entries of the online register updated.
22	In respect of inspections done by Labour Enforcement Officer in any district under Building and Other Construction Workers (Regulation of Employment and Service Conditions) Act, 1996, verification of inspection of maximum 05 percent or minimum 01 establishment (whichever is more) of the protected establishments will be done by Assistant Labour Commissioner. In districts where Assistant Labour Commissioner is not appointed, in such a situation, Assistant Labour Commissioner of the regional office or Assistant Labour Commissioner of any other district of the region will be nominated and verification will be done. For this, the list of establishments will be generated annually from the headquarters level on random basis by computer.

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M.K SHANMUGA SUNDARAM Date: 10-09-2025
18:14:59

(Dr. MK Shanmuga Sundaram)
Principal Secretary