

Himachal Pradesh  
Jal Shakti Vibhag

No-IPH-CTR-29-2-General-Misc Tender/Vol-III/2022-844-932 Dated-26.05/2022  
To

All the Chief Engineers,  
Under Jal Shakti Vibhag.

All the Superintending Engineers,  
Under Jal Shakti Vibhag.


Subject: - Regarding payment of Cess under Building & other construction Workers' Welfare Cess Act, 1996..

Enclosed please find herewith a photocopy of letter received from Secretary-cum-CEO, HP BOCW Welfare Board Khalini, Shimla.02 vide No-BOCW/Acctts/Cess Receipts Assessment/762/SML-2022-1533-1555 dated 09.05.2022, on the subject cited above.

You are therefore, requested to adhere the instructions contained in the above referred letter please.

PLEASE TREAT IT AS MOST URGENT

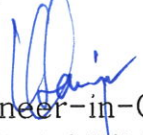

DA/As Above.

  
Engineer-in-Chief  
Jal Shakti Vibhag  
Tutikandi Shimla.05

Copy to all the Executive Engineer working under this Department alongwith a photocopy of letter referred above for information and similar necessary action please.

✓ Copy to Computer Cell of this office for information and necessary action please. He is requested to upload the above letter in the departmental website.

DA: As Above

  
Engineer-in-Chief  
Jal Shakti Vibhag  
Tutikandi Shimla.05  




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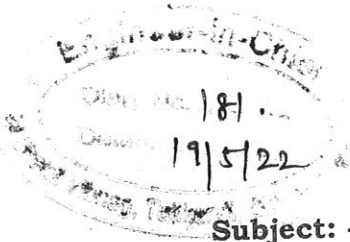
**H.P. BUILDING & OTHER CONSTRUCTION WORKERS  
WELFARE BOARD, KHALINI, SHIMLA-2.**

No. BOCW/Acetts./Cess Receipts Assessment /762/SML-2022 Dated 9 May, 22

1533-1555

To

All the Work Executive Agencies  
Himachal Pradesh  
(As per list attached)



**Subject: - Regarding payment of Cess under Building & Other Construction Workers' Welfare Cess Act, 1996.**

Sir/Madam,

I would like to draw your kind attention towards Labour Commissioner Letter No. Shram(Bhawan avam Nirman) 2008, dated 25<sup>th</sup> March, 2009 regarding levy of 1% Labour Welfare Cess on all construction works, under section-3 of the Building & Other Construction Workers' Welfare Cess Act, 1996 (copy enclosed for ready reference). The instructions issued vide above letter and section 3 of the BOCW Welfare Cess Rules, 1998, provides that **the cost of construction shall include all expenditure incurred by an employer in connection with the building and other construction work except cost of Land and any compensation paid or payable to a worker or his kin under the Workmen's Compensation Act, 1923.**

F.R.  
Evee  
JC (CTR)  
18/5/22

However, it has come to the notice of this Board that the some employers (work executing agencies) are not adhering to the above provisions properly and under realizing Cess payable. The following instances are noticed where employers are under realizing Cess:-

DA-I  
JC (CTR)

1.

Cess amount is not being realized by some Govt. executing agencies on the amount of construction materials like Steel, Cement, pipes etc. issued on works, which is procured by such executing agencies at their own in bulk. Cess is being realized on only the amount paid to the contractors. As per section 3 of the BOCW Welfare Cess Rules, 1998, Cess is payable on all expenditure incurred in connection with the work. Since all material used on construction of work, is part of Cost of Work/Estimate and therefore Cess @ 1% is payable on such material also, procured by any mean.

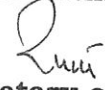
Copy No. 274 Dated 21/5/2022  
C.T.R. Section,  
Jai Shakti Vibhag,  
Shimla-2

962

2. Similarly, Cost of Work also includes cost of Machineries/Equipments and installation cost thereof, which are part of estimates/project cost, like Machinery/Equipment installed in hydel & other power projects etc. But, some work executing agencies are not paying Cess on such Machineries & Equipments installed on projects. As per provisions of section 3 & 4 of the BOCW Welfare Cess Rules, 1998, Cess is payable on all expenditure incurred in connection with the work, till final completion of the project work and as such Cess @ 1% is payable on such Machineries/Equipments fitted in construction projects.

In view of above, all the executing agencies/ contractors under the State are requested to ensure levy and timely payment of Labour Welfare Cess as per provisions of the section-2 of the BOCW Welfare Cess Rules, 1998 and submission of information in respect of each work on Form-I (copy enclosed for ready reference).

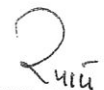
Yours faithfully,

  
**Secretary-cum-CEO,  
HP BOCW Welfare Board,  
Khalini, Shimla-2.**

Endst.No. As above/- 1556-1568

Dated: 9-5-2022

1. Copy to the Labour Officers-cum- Cess Collectors in the State of Himachal Pradesh for information & necessary action.
2. Copy to AGHP, Shimla for Information please.

  
**Secretary-cum-CEO,  
HP BOCW Welfare Board,  
Khalini, Shimla-2.**