

<p>ମହାନଦୀ କୋଲ ଫିଲ୍ଡ୍‌ସ୍ ଲିମିଟେଡ୍          महानदी कोलफील्ड्स लिमिटेड          Mahanadi Coalfields Limited          (A subsidiary of Coal India Limited)</p>	<p style="text-align: center;">          2023 INDIA          महाप्रबंधक (सिविल) का कार्यालय          Office of the General Manager (Civil)          P.O.: Jagruti Vihar, Burla          Dist: Sambalpur, Odisha - 768020          Ph: +91 (663) 254 2779          e-mail: <a href="mailto:mcl.civil@gmail.com">mcl.civil@gmail.com</a>  <a href="mailto:cgm-civil.mcl@coalindia.in">cgm-civil.mcl@coalindia.in</a></p>	<p style="text-align: center;">          MAHANADI COALFIELDS LTD.</p>
<p>क्रमांक : एम.सी.एल/संबलपुर/सिविल/22-23/ 913</p>	<p>दिनांक 19 .01.2023</p>	

प्रती,

महाप्रबंधक,

जगन्नाथ/ तालचेर/ लिंगराज/ भरतपुर/ हिंगुला/ लखनपुर/ ओरिएंट/ ईब वैली/ बसुन्धरा/ महालक्ष्मी/ कनिहा एवं सुभद्रा क्षेत्र |  
 केन्द्रीय कर्मशाला, तालचेर/ केन्द्रीय कर्मशाला, ईब/ एन.एस.सी.एच. तालचेर एवं सिविल-कल्याण, एमसीएल मुख्यालय |

विषय: STANDARD OPERATING PROCEDURE (S.O.P.) FOR IMPLEMENTATION OF BOCW CESS.

महोदय,

The proposal for Payment of Labour Cess for the Welfare of Construction Workers in the State of Odisha @ 1% of the total Project Cost under the provisions of Welfare Cess Act, 1996 and BOCW Act, 1996, has been approved in the 706<sup>th</sup> Meeting of FDs held on 15.09.2022 and circulated vide ref. MCL/SBP/CS/FDs-706/2022/12873 dtd. 29.09.2022. In the FDs, the proposal was approved with a directive to formulate STANDARD OPERATING PROCEDURE (SOP) for payment of BOCW Cess.

In line with the above, the SOP for deduction of BOCW Cess is detailed as below:

**STANDARD OPERATING PROCEDURE (SOP) for implementation of the BOCW Cess**

**A. SOP For future tenders:**

1. The BOCW Cess is to be paid @ 1% of the cost of construction of Building or Other Construction works which are not covered by the provisions of the Mines Act. As such, BOCW Cess will be applicable for only those civil works for which minimum wages circulated by Chief Labour Commissioner are paid. BOCW Cess will not be applicable for those works for which High Power Committee (HPC) wages are paid.
2. 1% of the work value (excluding GST) shall be added to the estimates towards BOCW Cess for approval of the competent authority. Financial Concurrence is to be taken on the total value of the work including BOCW Cess.
3. After approval of the proposals, tendering shall be done for the total value of the work using the updated BOQs (item rate/ percentage rate) designed for inclusion of impact of BOCW Cess in the Cost to Company. The modified BOQ for inclusion of cost of BOCW Cess has been customized for calling Item rate tenders as well as Percentage rate tenders. (Copy of BOQ in excel format shall be circulated to areas).



Necessary modifications as mentioned below shall be done in Notice Inviting Tender (NIT) incorporating the clause mandating deduction of BOCW Cess:

Sl. No.	Existing Clause of NIT	Modified clause of NIT
01	-----	It shall be specified/ highlighted in the NIT whether the work attracts BOCW Welfare Cess or not.
02	Building and Construction Workers Cess (as applicable in states) shall be payable by the contractor. If, however, the company is asked to make deduction from the contractor's bills, the same shall be done and a certificate to this effect shall be issued to the contractor for dealing with the stat Govt. and the company does not take any responsibility to do anything further in this regard.	An amount of 1% of the work value payable to the contractor will be deducted from all bills towards the workers welfare under "The Building And Other Construction Workers' Welfare Cess Act, 1996" and "The Building And Other Construction Workers' Welfare Cess Rule, 1998", if applicable.

4. During approval of the TCR, Financial Concurrence for the total value of the work, i.e. cost to the company, [Quoted value excluding GST + GST (18%) + BOCW Cess (1%)] shall be obtained.
5. The impact of the BOCW Cess shall be reflected in the Bill of Quantity (BOQ) that is being issued to the agency along with the award of work.
6. During execution of the work, the amount of BOCW Cess @ 1% of the work value (excluding GST) shall be deducted from the RA bills raised by the agency and the amount so deducted in any month shall be deposited to the 'Odisha Building & Other Construction Workers Welfare Board' by MCL by finance department by 5th of the next month.

**Example showing sample illustration for future tenders:**

**(a) Estimate:**

Sl. No.	Description of Item	Amount (in Rs.)
1	Item-1	1,00,000.00
2	Item-2	2,00,000.00
	Total (excl GST) (A)	3,00,000.00
	GST @ 18%	54,000.00
	Total (including GST)	3,54,000.00
	Add BOCW cess@1% on (A)	3,000.00
	GRAND TOTAL	3,57,000.00

Financial concurrence to be obtained for the work - Rs. 3,57,000.00

(b) Tender to be floated:

Sl. No.	Description of Item	Amount (in Rs.)
1	Item-1	1,00,000.00
2	Item-2	2,00,000.00
	Total (excl GST)(B)	3,00,000.00
	Impact of GST & BOCW Cess (18% +1%) on (B)	57,0000.00
	GRAND TOTAL	3,57,000.00

Tender to be floated for Rs. 3,57,000.00

(c) L-1 Quoted value:

Sl. No.	Description of Item	Amount (in Rs.)
1	Item-1	90,000.00
2	Item-2	1,90,000.00
	Total (excl GST) (C)	2,80,000.00
	Impact of GST & BOCW Cess [(18% +1%)of C]	53,200.00
	GRAND TOTAL	3,33,200.00

FC to be obtained in TCR - Rs. 3,33,200.00

(d) Work Order to be issued to the agency:

Sl. No.	Description of Item	Amount (in Rs.)
1	Item-1	90,000.00
2	Item-2	1,90,000.00
	Total (D)	2,80,000.00
	GST @ 18%	50,400.00
	GRAND TOTAL	3,30,400.00
	Add BOCW cess@1% on (D)	2,800.00
	GRAND TOTAL (Cost to the Company)	3,33,200.00

(e) Bill Payment to the agency:

Sl. No.	Description of Item	Amount (in Rs.)
1	Item-A	50,000.00
2	Item-B	1,50,000.00
	Total (E)	2,00,000.00
	GST @ 18%	36,0000.00
	BOCW Cess @ 1% of (E)	2,000.00
	GRAND TOTAL	2,38,000.00

Deduct for BOCW Cess @ 1% of (E) i.e. Rs. 2,000.00



**B. SOP for Old cases/Ongoing contracts:**

- (i) As approved by the CoFDs, MCL, BOCW Cess @ 1 % is payable to "Odisha Building & Other Construction Workers Welfare Board" with effect from 15.12.2008.
- (ii) For assessment of BOCW Cess for ongoing and old civil contracts, Staff Officer (Civil) of the Area in consultation with AFM of the Area as well as TA (Civil) I/C, MCL HQ in consultation with associate finance shall go through the list of works executed since 15.12.2008 at respective areas to ascertain the total amount to be deposited by MCL towards BOCW Cess in respect of civil works. The total amount so ascertained shall be deposited to 'Odisha Building & Other Construction Workers Welfare Board' by the respective Area authorities after obtaining competent approval as per DoP in vogue.

Similarly, for assessment of BOCW Cess for ongoing and old E&M contracts, Staff Officer (E&M) of the Area in consultation with AFM of the Area shall go through the list of works executed since 15.12.2008 at respective areas to ascertain the total amount to be deposited by MCL towards BOCW Cess in respect of E&M works. The total amount so ascertained shall be deposited to 'Odisha Building & Other Construction Workers Welfare Board' by the respective Area authorities after obtaining competent approval as per DoP in vogue.

The BOQ for item rate tender and percentage rate tender with GST and BOCW Cess has been prepared which has been tested for compatibility with CIL e-Procurement Portal by e-Procurement cell, MCL HQ. The BOQs are attached herewith for implementation for future tenders.

This SOP issues with approval of the competent authority.

For implementation with immediate effect.

संलग्न: उपरोक्तानुसार।

सादर सूचनार्थः

1. D(P), MCL
2. DT(OP), MCL
3. DT(P&P), MCL
4. D(F), MCL

प्रतिलिपि:

1. TS to CMD, MCL.
2. TS to D(T/OP), MCL
3. GM (Vigilance), MCL HQ
4. GM (F)I/c, MCL HQ
5. GM (E&M)/HOD, MCL HQ
6. GM (Civil), MCL HQ
7. SO (Civil), All Areas of MCL.
8. AFM, All Areas of MCL
9. CM(Civil), TA I/c, MCL HQ
10. All Officers of Civil Deptt, MCL HQ

ओपिका विश्वरूप,  
(संवित् पट्टनायक)  
मुख्य प्रबंधक (सिविल)/विभागाध्यक्ष  
19/01/2023