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Builders' Association of India

(All India Association of Civil Engineering Construction Contractors and Builders)

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Ref.: 219/J/2026-27 dated 8th June 2026

To
Adv. Akash Pandurang Fundkar
Hon'ble Minister for Labour
Government of Maharashtra
19th Floor, New Administration Building
Mantralaya, Mumbai.

Respected Sir,

Sub.: Submission of Builders' Association of India's Suggestions and Objections on the Draft Maharashtra Labour Code Rules Affecting the Construction Industry.

Builders' Association of India (BAI), established in 1941, is the apex national body representing engineering construction contractors, builders and infrastructure developers across the country. With a strong network of over 264 Centres, BAI represents more than 25,000 business entities directly and an extended membership base exceeding 2 lakh through its affiliated associations.

BAI has consistently worked towards the growth and development of the construction industry by addressing operational, regulatory and policy-related issues impacting the sector. The Association actively engages with governments and regulatory authorities to promote a conducive business environment while safeguarding the interests of all stakeholders, including employers and workers.

On behalf of Builders' Association of India, Maharashtra State, I have the honour to submit our observations, suggestions and objections on certain provisions of the proposed Maharashtra Labour Code Rules, which are likely to have significant implications for the construction industry.

BAI wholeheartedly supports the Government's objective of consolidating and simplifying labour laws and strengthening social security and welfare measures for workers. However, based on practical experience and feedback received from stakeholders across the construction sector, we believe that certain provisions require reconsideration and suitable modifications to ensure effective implementation without creating unintended financial and administrative burdens on employers, while simultaneously preserving the welfare and protection of construction workers.

A detailed note outlining BAI's principal concerns and recommendations is enclosed herewith for your kind consideration.

The construction industry is one of the largest contributors to Maharashtra's infrastructure development, economic growth and employment generation. It is therefore essential that the regulatory framework governing the sector remains balanced, practical and implementation-oriented, enabling sustainable industry growth alongside enhanced labour welfare.

We respectfully request your good office to consider the enclosed suggestions before the finalisation and notification of the Maharashtra Labour Code Rules. Builders' Association of India would be privileged to participate in any stakeholder consultation or deliberative process and extend its full cooperation by providing any further inputs that may assist the Government in framing practical and effective regulations.

We look forward to your kind consideration of our submissions.

In this regard, a small delegation from BAI would like to meet with you to discuss this matter in detail. We would be grateful if you could kindly consider our request and grant an appointment at any time and date of your convenience.

Thanking you.

Yours faithfully,



Prakash H. Menda
State Chairman - Maharashtra State
Builders' Association of India

Copy to :

1. Smt. I.A. Kundan (IAS), Principal Secretary, Labour Department.
2. Dr. H. P. Tummod, IAS, Commissioner of Labour.
3. Office Bearers of BAI Headquarter.
4. Shri Prashant Ambulgekar, Chairman, Labour & Social Security Welfare Committee, BAI & Vice President- HR, M/s. B. G. Shirke Construction Technology Pvt. Ltd.
5. Shri Dilip Kothari, CMD, M/s. Ashoka Buildcon Limited.
6. Shri Avdhut Deshpande, M/s. Ashoka Buildcon Limited.

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ESI ACT v/s BOCW SECTION 61 (BAR OF BENEFITS) VIOLATION

Current Practice under Code & Rule	Existing Practice	Objection	Suggestion
<p>Pg 193 OHS Rules CHAPTER-VIII CONTRACT LABOUR MH Rule 31 (4) All contract labour shall be made member of Employees Provident Fund Organization (EPFO) and Employees State Insurance Corporation (ESIC) subject to applicability as under respective provisions of the Code on Social Security, 2020 (36 of 2020).</p> <p>CHAPTER II of OHS Code Pg 15 REGISTRATION 3. (1) Every employer of any establishment, — (a) which comes into existence after the commencement of this Code; and (b) to which this Code shall apply, shall, within sixty days from the date of such applicability of this Code, make an application electronically to the registering officer appointed by the appropriate Government (hereinafter referred to as the registering officer) for the registration of such establishment:</p> <p>CHAPTER VIII SOCIAL SECURITY AND CESS IN RESPECT OF BUILDING AND</p>	<p>Only BOCW is applicable for Construction workers ESIC is not applicable as the supreme court has stay on ESIC to Construction workers</p>	<p>Section 61 of the Employees' State Insurance Act, 1948, titled "Bar of Benefits under Other Enactments", provides as under: "When a person is entitled to any of the benefits provided by this Act, he shall not be entitled to receive any similar benefit admissible under the provisions of any other enactment."</p> <p>The legislative intent behind Section 61 is to prevent duplication of social security benefits and to avoid double recovery for the same cause of action. Once an employee is covered under the ESI Scheme and is entitled to receive benefits such as sickness benefit, disablement benefit, medical benefit, maternity benefit, or dependants' benefit under the ESI Act, he cannot simultaneously claim a similar benefit under any other statute.</p>	<p>The Government should clarify that, once a worker is registered as a 'Member' under the BOCW, the Board will provide them with 'equivalent' benefits similar to those offered under ESIC in order to avoid legal disputes. (The cess rate could be increased to alleviate the burden of ESIC on the construction industry.)</p>

<p>OTHER CONSTRUCTION WORKERS</p> <p>Registration of building workers as beneficiaries. Pg 66</p> <p>106. Every building worker who has completed eighteen years of age, but has not completed sixty years of age, and who has been engaged in any building or other construction work for not less than ninety days during the preceding twelve months shall be registered by the officer authorised by the Building Workers' Welfare Board as a beneficiary under this Chapter in such manner as may be prescribed by the Central Government.</p>			
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FINANCIAL BURDEN ADDITIONAL FEES AND SECURITY DEPOSITS

Current Practice under Code & Rule	Existing Practice	Objection	Suggestion
<p>Variable fees and high per-worker deposits (Maha OHS Rules).</p> <p>CHAPTER II REGISTRATION (2) Fees for registration-(i) The fees to be paid through e-payment for the grant of a certificate of registration under this rule shall be as given in the following table, namely:- Upto to 50 - Rs. 500 51 to 100 – Rs. 1,000 101 to 300 – Rs. 5,000 301 and above – Rs. 10,000</p> <p>Late Fees : -</p> <p>Maharashtra Rule 3(2)(ii):</p> <ul style="list-style-type: none"> - Up to 30 days: 25% - 31 to 60 days: 50% - 61 to 90 days: 75% - Beyond 91 days: 100% (Double the fee) 	<p>Fees for CLRA License & Registration - Registration Fees: ₹5,000 for obtaining a certificate of registration by Principal Employer. - In Maharashtra Security Deposit: ₹500 per worker/employees. Central ₹90 per worker</p> <p>Establishment Registration (BOCW) Chapter II, Section 7 (Pg 2,3,4) Central Rule 27: (Pg 30)</p> <ul style="list-style-type: none"> - Up to 100 : Rs. 100 - 101 to 500 : Rs. 500 - Above 500 : Rs. 1,000 <p>Late Fees for Registration Section 7 (Proviso): Registering officer could entertain late applications if "sufficient cause" was shown. There was no statutory percentage-based penalty it was based on administrative discretion</p>	<p>Under the OSH Rules, the security deposit for a contract license is ₹1,000 per worker. For a construction contractor employing 500 workers, this requires blocking ₹5,00,000 in cash. This is a severe drain on working capital compared to the nominal fees under the old 1970 Act.</p>	<p>We have been paying Cess So there is no need to levy any fees for registration and that too increased fees</p> <p>Allow contractors to submit Bank Guarantees or Insurance Bonds instead of cash deposits to maintain liquidity</p>

DUAL FINANCIAL OBLIGATION FOR WORKER WELFARE

Current Practice under Code & Rule	Existing Practice	Objection	Suggestion
<p>The construction industry is currently required to contribute to two separate social security frameworks for the same workforce</p> <p>Under Section 38 (Act Pg 15) of the ESI Act, Employers must pay 3.25% and employees 0.75% of wages</p> <p>Under the BOCW Welfare Cess Act (Act Pg 142) (now merged into Chapter VIII (rule Pg 110) of the Code on Social Security, 2020), a cess (typically 1-2%) is levied on the total cost of construction for the welfare of building workers.</p>	<p>Only BOCW is applicable for Construction workers ESIC is not applicable as the supreme court has stay on ESIC to Construction workers</p> <p>Under BOCW a cess (1%) is levied on the total cost of construction for the welfare of building workers.</p>	<p>The construction industry is being singled out to pay a site-based Cess in addition to wage-based ESI contributions. Other industries (e.g., manufacturing or IT) only pay ESI. This creates an arbitrary and discriminatory financial burden on the construction sector without a reasonable classification</p>	<p>The construction industry or projects which are already paying the 'BOCW Cess' for the welfare of workers at their worksites should be exempted from ESI. The concerned authority should increase the said cess by 1.5% to 2% and exclude the construction industry from the purview of the ESIC Act.</p>

Registration And Identification of Building Workers As Beneficiaries

Current Practice under Code & Rule	Existing Practice	Objection	Suggestion
<p>CoSS Pg 66 Section 106 (Chapter VIII): Registration of Building Workers as Beneficiaries This section mandates that every building worker who is between 18 and 60 years of age and has been engaged in construction work for not less than ninety days during the preceding twelve months shall be registered as a beneficiary. The registration is performed by the officer authorized by the Building Workers' Welfare Board in the manner prescribed by the Central Government.</p> <p>CoSS Pg 86 Section 142 (Chapter XIV): Application of Aadhaar This provision establishes that an individual must establish their identity through an Aadhaar number to seek registration as a beneficiary for social security benefits, including those under the BOCW framework.</p> <p>Rule 17 (Chapter VI, Maharashtra OHS Rules, 2026): Form of Registers Establishments must maintain the</p>	<p>1. Establishment Registration process under BOCW & CLRA Act</p> <p>a. Name of Web site – Labour Management System (Maitri Portal) b. Required Documents – c. Work Order d. Self-Declaration – Annexure A and Annexure B e. Adhar Card and Pan Card f. Authority Letter g. Photo and Signature h. Self-Declaration form for BOCW i. Principal Employer Registration for labour License j. FORM V for Labour License k. Site wise registration (area office for the same, where we registering) For Pune – Labour Office – Online registration l. Sanctioning authority - Assistant Labour Commissioner</p> <p>For Labour License</p> <p>Registration Fees 5000 Renewal fees 5000 Security Deposit: 500 per Labour</p>	<p>While "one-window" sounds efficient, the Rules require even currently registered establishments to re-apply or update their details electronically within six months. For large construction firms with hundreds of active sites, this is a massive duplication of work for data that the government already possesses</p>	<p>It is proposed that existing establishment and worker data available under BOCW/CLRA and other legacy labour databases be automatically migrated to the new portal under the Code on Social Security, 2020. This will avoid duplicate registration requirements, reduce administrative burden on employers and workers, and ensure seamless transition of existing registered beneficiaries into the new system.</p> <p>Practical Issue: A large number of workers are already registered under existing BOCW records. Requiring fresh registration on the new portal necessitates extensive mobilization efforts by employers, including identifying and counselling</p>

<p>Register of employees in FORM X. This unified register captures the worker's details, including their Universal Account Number (UAN) and other identification needed for Board-level registration.</p>	<ul style="list-style-type: none"> a. Fee deposit process Online on LMS portal b. Time limit to get the registration certificate Service Time Limit 7 (Working Days) c. Penalty clauses For Labour License while renewal we need to process before 30 days of expiry of current license otherwise there is late fee of Rs. 2,500/- d. Maximum and minimum period of registration For One Year 		<p>workers on the benefits of registration, coordinating and facilitating their physical attendance for enrolment, arranging transportation and support for workers and, in many cases, their family members for document verification and Aadhaar-linked formalities. The process results in substantial loss of productive man-hours, increased administrative costs, and delays in achieving universal registration, all of which can be avoided through automatic migration of existing verified records.</p>
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WORK STOPPAGE FOR FATAL ACCIDENTS Section 35 Sub Sec III, VII, VIII Pg 33

Current Practice under Code & Rule	Existing Practice	Objection	Suggestion
<p>Under Section 10(2) of the OSH Code, 2020, the authority has two months from the receipt of notice to complete an inquiry into fatal accidents in construction sites. Section 38 OHS Code Pg 34 38(2)(c) Section 38(A) Section 38(2A) (OHS MH Rule Page 187 Chapter VII Section 22 (1)) (Code Page 38 Section 38 (3) Sixty Days)</p>	<p>BOCW Central Rules, 1998 (Rule 211): Mandated that an enquiry must be commenced within fifteen days (Pg 104) of the notice (Pg 88-90).</p>	<p>The new Code has diluted the sense of urgency present under the previous framework, wherein immediate action in fatal incidents was mandatory.</p>	<p>It is proposed that inquiries in fatal accident cases be completed within 15 days to ensure timely justice for affected families and to minimize undue financial and operational losses to industry and workers. Further, any prohibition order under the OHS Code 2020 should be limited only to the affected activity, process, or area involved in the accident. Closure or prohibition of the entire site should be avoided.</p>