

GOVERNMENT OF ANDHRA PRADESH
FINANCE (FMU WR.II) DEPARTMENT

U.O.Note No.48022/238 IMU.WR.II/2017

Date.29.06.2017.

Sub: Finance Department-Labour Cess-Further instructions for implementation of Labour Cess in works contracts-Reg.

- Ref:
1. U.O.Note No.5437/Lab.II/al/07.4 Dt.03.01.2008 of LET & P Department.
 2. U.O.Note No.4763/PFS-F8 (AI)/07.01 Dt.04.02.2008 of Finance Department.
 3. Memo.No.636/Reforms.A1/2008 Dt.08.06.2011 of I & CAD Department.
 4. U.O. Note No.48022/153/FMU-WR-II/2016 Dt.22.04.2016 of Finance Department.
 5. C.No.636/Reforms.A1/2008 of I & CAD Department.

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1. Kind attention is invited to the reference cited (copy enclosed), the LET&P Dept., advised to collect the labour cess w.e.f.26.06.2007 vide reference 1st cited. The I & CAD Department were requested to issue orders for making L.S.Provision at 1% of the estimate amount towards labour cess in all the estimates sanctioned from 26.06.2007 onwards, as an amendment to Annexure 1(1) of GO.Ms.No.94,I & CAD,Dt.01.07.2003 vide reference 2nd cited, Government have issued certain guidelines for deduction of Labour Cess vide reference 3rd cited and the WR.Dept, LET&P Department were requested to issue necessary demand notices to the concerned for payment of 1% Labour Cess vide 4th read above.
 2. In the file reference 5th read above the W.R.Dept, was already advised to suitably modify /withdraw Memo.No.636/Reforms/A1/2011 Dt.08.06.2011 as suggested in the meeting held on 27.08.2011 vide Fin.U.O.No.48022/268/2016 Dt.02.07.2016.
- In view of protecting the larger interest of the State and taking into the cognizance of the developments taken place during all these years, the decision taken in the meeting convened by Principal Finance Secretary, held on 27.08.2011 on labour cess, is reiterated and the W.R.Dept.are informed.
- i). The payment of Labour cess is the responsibility of the Contractor (who is the employer irrespective of work contracts).
 - ii). I & CAD Dept. suitably modify/with draw Memo No.636/Reforms/A1/2011 Dt.08.06.2011.
 - iii). I & CAD Dept.was requested to take further action on the common stand taken by all the Engineering Departments in consultation with the Advocate General.
- Therefore the WR Dept.being a Nodal Department of all Engineering Departments shall issued comprehensive orders in this regard further W.R.Dept shall ensure that no provision shall be made in estimates inwards labour cess and Agreement Conditions shall also be incorporated without any ambiguity.

MUDDADA RAVICHANDRA
SECRETARY TO GOVERNMENT (EXPR.)

W.R.Department.

Secretariat Department