

GOVERNMENT OF TELANGANA STATE

MUNICIPAL ADMINISTRATION DEPARTMENT

Office of Director of
Municipal Administration
Department, T.S., Hyderabad

CIRCULAR

Roc. No.15251/2017/M1, 20/02/2018

Sub: Genl.Admn.(V&E) Dept. – RV&EO, Hyderabad City-I – Detection of labour Cess @ 1% - Certain information – ATR – Requested – Regarding.

Ref: Lr.No.95 (LC)/RVEO-City-I/EW/2017-18, dated 28-11-2017 of the Regional Vigilance & Enforcement Officer (FAC), Hyderabad City-I, BRKR Bhavan, Hyderabad.

The attention of the Municipal Commissioners of all the ULBs in the state is invited to the reference cited wherein the Regional Vigilance & enforcement Officer (FAC), Hyderabad City-I unit, stated that

- a. All DDOs of the State and Government agencies are requested to collect 1% cess on the cost of construction defined as per section 3 of the Cess Act and Rule 3 of the Rules made there under as also the notification dt.26.9.1996 issued by central Govt. with effect from 26.6.2007 the day from which the Cess fund orders have come into effect
- b. The Director of treasuries and Director of work accounts is also requested to his sub ordinate offices not to admit the bills pertaining to works covered by the definition of "Building and other construction activity" unless deduction is made towards cess.

2. Further, it is to inform that the Vigilance and Enforcement Department has submitted the system improvement report to Government on Labour Cess evasion by the Contractors and recommended certain instructions to be communicated to the Municipal Administration Department on par with other Departments. The recommendations are as follows:

1. Instruct the concerned Engineering Department not to provide 1% labour cess in the estimates.
2. Instruct the concerned Engineering Departments to recover 1% labour cess from the contractors with effect from 27.08.2011.
3. Whenever a circular/Memo/GO issued by any Engineering departments related to technical issues should be circulated to all other Engineering Departments to have uniform procedure in the entire state irrespective of the Departments.
4. Instruct the Engineering Departments not to provide labour cess in the estimates and working estimates as per Government instructions, for the works sanctioned after 10.06.2013.
5. Instruct the Engineering Departments to incorporate the clause pertaining to labour Cess deduction in the agreements.

3. In view of the above, the Municipal Commissioners of all the ULBs in the state are directed to follow the recommendations of the Vigilance and Enforcement Department scrupulously without fail.

(This has the approval of Director of Municipal Administration)

VANISRI N

#ApprovdByDesignation#

File No.CDMA-M1/ESTX/OTH/30/2017-M1 SEC-CDMA

To

All the Commissioners of ULBs in the state

(through the RDMA., Hyderabad & Warangal concerned)

Copy to the RDMA., Hyderabad & Warangal with a request to see that the recommendations are followed by the ULBs concerned.

Copy to the Commissioner of Labour, T.S., Hyderabad for information.

Copy to the Regional Vigilance & Enforcement Officer, Hyderabad City-I for information.

Signature valid

Digitally signed by ANISRI
Date: 2018.02.20 15:30:14 IST
Reason: Approved

