**NO. G. 17018/1/2002-FEC**
**GOVERNMENT OF MIZORAM**
**FINANCE DEPARTMENT**
**(Expenditure Control Branch)**

**OFFICE MEMORANDUM**

**Dated Aizawl, the 5th June,2026**

**Subject:** **Streamlining of Guidelines in Preparation of Work Estimates**

In order to ensure uniformity and strict adherence to the revised procedures in the preparation of estimates of work, attention is drawn to all Departments under the Government of Mizoram. The following directives are hereby issued for immediate compliance with immediate effect:

**Labour Cess Provision** : It has been observed that certain estimates continue to incorporate provisions for Labour Cess. This practice is inconsistent with the prevailing rules. Therefore as per the directives of (1) Section 3(1), Building and Other Construction Workers' Welfare Cess Act, 1996 (2) Section 100, Code on Social Security, 2020 (3) Social Security (Central) Rules, 2026 (G.S.R. 344(E), notified 8 May 2026) (4) Supreme Court Judgment, UPPTCL v. CG Power and Industrial Solutions Ltd. (2021) -

1. Labour Cess being a statutory liability is to be borne and paid by the Contractor.
2. Departments must therefore omit Labour Cess provision from the estimate of work.
3. Any deviation from this directive will be treated as non-compliance and subject to review.

**Contractor's Profit in Budget Allocation** : Instances have been noted where 10% Contractor's Profit is deducted at the stage either in preparation of work estimates or budget allocation, particularly in cases where works are intended to be executed departmentally, as such -

1. It is hereby clarified that Contractor's Profit shall not be deducted at the time of work estimation and application for budget allocation.
2. This applies irrespective of whether the work is executed through departmental means or by external contractors.
3. Departments must ensure that budget proposals reflect the full estimate without such deductions.

Therefore, all Heads of Department are directed to -

1. Scrupulously follow the above instructions in every estimate prepared henceforth.
2. Issue necessary directions to subordinate offices to prevent recurrence of lapses.

This Memorandum is issued with the approval of the competent authority.

**Sd/-RAMCHUANA**
Secretary to the Govt. of Mizoram
Finance Department

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Copy to:-

1) Secretary to Governor of Mizoram.
2) PS to Chief Minister of Mizoram.
3) PS to Speaker/Dy. Speaker, Mizoram
4) PS to Ministers/Ministers of State/Leader of Opposition, Mizoram.
5) Sr.PPS to Chief Secretary, Govt. of Mizoram.
6) P.S. to all Principal Secretaries/Commissioners/Secretaries.
7) All Administrative Departments.
8) Principal Accountant General, Mizoram.
9) All Heads of Departments.
10) Chief Controller of Accounts, Accounts & Treasuries.
11) All Officers under Finance Department.
12) Website Manager, Finance Department for uploading in the Official website.
13) Guard File.

**(LALLUNGMUANI)**
Under Secretary to the Govt. of Mizoram
Finance Department (EC)