



ABSTRACT

Public Works Department – Revision of the classification of contractors from the existing six-tier system into a four-tier system and revision of the corresponding monetary limits and guidelines – Orders – Issued.

Public Works (G2) Department

G.O.(Ms) No.40

Dated: 16.10.2026

பராபவ, புரட்டாசி-29,
திருவள்ளூர் ஆண்டு-2057.

Read:

1. G.O.(Ms)No.37 Public Works (G2) Department, dated 17.06.2022.
2. From the Engineer-in-Chief and Chief Engineer (General), Public Works Department, Chennai Letter No.HDO/A/017824/2025, dated 24.08.2026, 11.09.2026 and 01.10.2026.

ORDER:

The Hon'ble Minister for Public Works and Sports Development during the discussion while moving the Public Works Demand No.39 on 18.08.2026, made the following Announcement on the floor of the Legislative Assembly:-

"இதுவரை நடைமுறையில் இருந்த ஆறடுக்கு ஒப்பந்ததாரர்கள் பதிவு முறை, இனி எளிமையான நான்குக்கு முறையாக மாற்றப்படும். இந்த சீர்திருத்தத்தின் மூலம் அதிக எண்ணிக்கையிலான தகுதியான ஒப்பந்ததாரர்கள் பதிவு செய்ய வாய்ப்பு உருவாகும். இதன் காரணமாக ஆரோக்கியமான போட்டி அதிகரித்து, திறமையான மற்றும் தரமான ஒப்பந்ததாரர்கள் மூலம் அரசுப் பணிகள் போட்டித்தன்மை வாய்ந்த விலையில், குறைந்த செலவில், உயர்தரத்துடன் செயல்படுத்தப்படும். இதன் மூலம் அரசின் நிதி சிக்கனமும் உறுதிசெய்யப்படும்".

2. In Government order first read above, orders have been issued for inclusion of a new category of contractor viz., Class-IA for revision of monetary limit for categories of Registration of Contractors and for fixation of percentage value for Solvency Certificate for Registration of Contractors.

p.t.o.,

3. Based on the announcement made by the Hon'ble Minister the Engineer-in-Chief and Chief Engineer (General), Public Works Department, Chennai has sent proposal to the Government and requested to issue necessary orders for the revision of classification of contractors and revision of monetary limit and guidelines in order to implement the announcement made by the Hon'ble Minister for Public Works and Sports Development while moving the Public Works Demand No.39 on 18.08.2026.

4. The Government after careful examination have decided to accept the proposal of the Engineer-in-Chief and Chief Engineer (General), Public Works Department, Chennai, and hereby accord sanction for the revision of classification of contractors and revision of monetary limit and guidelines:-

1. Classification of Contractors:

Sl. No	Class of contractors	Proposed Monetary Limit	Solvency Amount
1.	I	Above 10 Crore	1.5 Crore
2.	II	5 – 10 Crore	75 Lakh
3.	III	1 – 5 Crore	15 Lakh
4.	IV	Upto 1 crore	15% of the value of Registration*

* In respect of Class-IV Contractors, i.e, Upto Rs.1 Crore, the solvency percentage proposed to be fixed at 15% of the value which the contractor submits application for registration subject to a maximum of Rs.7.50 lakh.

For contracts value more than Rs.10.00 Crore, the contractor shall furnish an additional solvency of 15% in the form of an e-Bank Guarantee according to the value of procurement to the Tender Inviting Authority. The validity of the e-Bank Guarantee shall be for the cumulative period of the contract period and the liability period.

2. Guidelines:

I. One Person–One Registration:

A proprietor/ partner/ director of a firm or Limited Liability Company shall not hold or control more than one contractor registration in the same category/class, directly or indirect.

II. Application & Registration Fee:

The Application fee and Registration fee for new Registration and Upgradation shall be fixed for Rs.10,000/- and Rs.1,00,000/- respectively.

III. Change in Ownership:

Any addition, deletion or change of proprietor/ partners/ directors, constitution or beneficial ownership/ control after registration shall be reported and shall be subject to prior approval of the registering authority.

IV. Prevention of Proxy/ Benami Registration:

Multiple/proxy registrations using common ownership, work experience, solvency or financial credentials shall not be permitted. False declaration, suppression or benami/proxy registration shall entail rejection/cancellation and debarment after due process.

V. Verification of Documents:

For the purpose of verifying the genuineness of the financial capacity and experience of the contractor, the following documents shall be furnished by the contractor at the time of new registration and upgradation of class of contractor.

- a. Net Worth Certificate and Annual Turn Over Certificate, along with an e-Bank Guarantee in the prescribed format approved by the Government, in lieu of the existing procedure. The validity period of the e-Bank Guarantee shall be minimum of three years. If the e-Bank Guarantee is not revalidated upon expiry, the contractor's registration shall be deemed to be cancelled.
- b. IT clearance certificate for the preceding five Years.
- c. GST registration certificate & GST return filed for 4 years.
- d. The applicant shall have executed eligible completed works, on independent contract basis, during the preceding four years, having the following cumulative value. The eligible works shall have satisfactory performance and shall be supported by GST returns and audited financial statements. The works claimed for experience shall have been executed in the same name and constitution in which registration is sought and shall not be transferable or shared with another contractor.

Class for Registration	Work Experience in past 4 years
For Class-I	Cumulative value of Rs.10.00 Crore in 10 Works.
For Class-II	Cumulative value of Rs.5.00 Crore in 10 Works.
For Class-III	Cumulative value of Rs.1.00 Crore in 10 Works.
For Class-IV	Cumulative value of Rs.50.00 lakh in 10 Works.

The value of 10 works shall also reflect in the GST return statement and Audited balance sheet of the corresponding year and the same must be verified by the respective registering authority through UDIN web portal and GST portal only.

- e. The contractor is required to furnish an affidavit states that the contractor is not currently blacklisted by any Government, Department or Agency, either within or outside the State.

VI. Disciplinary action:

- a. The contractor shall abide by all the Rules of Registration of Contractors, and also by the terms and conditions of notice inviting tenders and contract. He shall execute the works with due diligence and strictly as per the contract conditions and specifications. Where the contractor has made himself liable for disciplinary action, the Registering Authority shall have the right to suspend / remove from the Registration of contractor list / demotion to lower class / debar the defaulting contractor from participating in tender process for a period not exceeding two years, based on the recommendations of Board of Engineers. The Board of Engineers shall complete its report within three months.
- b. The Registering Authority is also the disciplinary authority he / she may initiate disciplinary case against any Registered Contractor either suo-moto or on the receipt of a written complaint from an officer not below the rank of Executive Engineer. The Registering Authority will examine the complaint on the basis of documents, facts and circumstances and thereafter issue a show cause notice to the contractor and allow him personal hearing if necessary and forward his/her recommendations to the Board of Engineers. The Board of Engineers will take a decision in the matter based on the Majority of Board of Engineers and the decision shall be final and binding on the contractor.
- c. Where disciplinary action has been taken against a contractor, the relevant order shall be uploaded immediately in the "esevai" web portal by the concerned registering authority. The disciplinary

matter shall be dealt on the Registration of Contractors file only, so that future reference is available at the time of fresh / re-Registration of Contractors / revalidation.

- d. The disciplinary action against a Registered Contractor may lead to penalties mentioned in guideline VII and VIII.
- e. Consequent to imposition of any penalty under guideline VII, the contractor shall be debarred from any Registration of Contractors with Public Works Department for a period not exceeding two years.

VII. Grounds for Debarment / suspension / removal from the enlisted list / demotion to lower class of contractor:

The contractor may be debarred / suspended / removed from the registered list / demoted to lower class, if any of the following is established by enquiry:

- a. Fails to execute a contract or executes it unsatisfactorily. If the progress of any work is unsatisfactory then contractor can be debarred from tendering in Public Works Department for future tenders for minimum six months. If more works are delayed by contractor then debarment period can be maximum upto two years; or
- b. Violates any conditions of the contract; or
- c. Fails to abide by the conditions of Registration of Contractors; or
- d. Is found to have given false particulars at the time of Registration of Contractors; or
- e. Has indulged in any type of forgery or falsification of records FIR to be lodged by the concerned Executive Engineer; or
- f. Changes constitution of the entity or status without the prior approval of the enlisting authority; or
- g. Changes the name of the entity without the prior approval of the enlisting authority; or
- h. Intimation of change of address not given within three months of such change along with acknowledgement of noting down such change from Bank, Income Tax, GST authorities, etc.; or
- i. Is declared or is in the process of being declared bankrupt, insolvent, wound up, dissolved or partitioned; or
- j. Violates the labour regulations and rules; or
- k. Is involved in complaints of serious nature received from any source, which have been proved; or
- l. Defaults in settlement of tax dues like income tax, GST, etc.; or

- m. Ceases to fulfil eligibility criteria based on which Registration of Contractors was done; or
- n. Is considered as not required to be in list of Public Works Department contractors for any other reason considered fit by the registering authority; or
- o. Does not start the work after the same is awarded to him; or
- p. Fails to rectify construction/structural defects within a reasonable time not exceeding 2 months, pointed out to him by the engineer-in-charge during the period as mentioned in contract; or
- q. Converts his individual Registration of Contractors into any other status before a period of five years from the date of Registration of Contractors; or
- r. Breach of code of integrity; or
- s. Supply of sub-standard material, non-supply of material, abandonment of works, substandard quality of works; or
- t. Misbehaviour, direct or indirect involvement in threatening, making false complaints, filing legal suites for frivolous reasons, or any behavioural act, omission or commission damaging the reputation of department/officer; or
- u. fails three times in collection and submission of samples of materials for testing; or
- v. For any other reason.

VIII. Debarment/suspension/removal from the registered list / demotion to lower class of contractor:

- a. Whenever, any type of complaint listed at guideline VII (a) to (v) any other issue deemed appropriate by the Chief Engineer/ Registering Authority, if in his opinion any of the wrong has/ have been committed by any contractor, on receipt of such a report, the Chief Engineer shall make due enquiry and if considered necessary, issue show cause notice to the concerned contractor, who in turn shall furnish his reply, in any, within a fortnight from the date of receipt of the show cause notice. Therefore, if the Registering Authority is satisfied that there is sufficient ground, he shall blocklist the concerned contractor with the approval of the majority of the Board of Engineers. The debarment of contractors would entail ban on participation in the tendering process and award of contract for works, submitting application for Registration of Contractors / renewal, change in constitution during the period of debarment, however, running contracts shall, though, remain unaffected by this debarment.

- b. The new Registration of Contractors / renewal application shall not be processed till completion of debarment period.

IX. Revocation of Orders:

- a. An order for debarment passed shall be deemed to have been automatically revoked on the expiry of that specified period and it will not be necessary to issue a specific formal order of revocation.
- b. A debarment order may be revoked before the expiry of the Order, by the registering authority, if it is of the opinion that the disability already suffered is adequate in the circumstances of the case or for any other reason.

X. Other Provisions:

- a. No contract of any kind whatsoever shall be placed to debarred/ suspended firm including its allied firms after the issue of a debarment order by the department.
- b. Bids from only such firms shall be considered for placement of contract, which are neither debarred nor suspended on the date of opening of tender or on the date of contract. Even in the cases of risk purchase, no contract should be placed on such debarred / suspended firms.
- c. In case, any debarred / suspended firm has submitted the bid, the same will be ignored. In case such firm is lowest (L-1), next lowest firm shall be considered as L-1. Bid security submitted by such debarred / suspended firms shall be returned to them.
- d. Contracts concluded before the issue of the debarment / suspension / removal / demotion order shall, not be affected by the debarment / suspension / removal / demotion orders.
- e. The debarment / suspension / removal / demotion shall be automatically extended to all its allied firms. In case of Sub Contract/ joint venture/ consortium is debarred / suspended / removed / demoted all partners will also stand debarred / suspended / removed / demoted for the period specified in Debarment / suspension / removal / demotion Order. The names of partners should be clearly specified in the "Debarment / suspension / removal / demotion Order".
- f. Debarment / suspension / removal / demotion in any manner do not impact any other contractual or other legal rights of the procuring entities.

- g. The period of debarment / suspension / removal / demotion shall start from the date of issue of debarment / suspension / removal / demotion order.
- h. The order of debarment / suspension / removal / demotion will indicate the reason(s) in brief that lead to debarment / suspension / removal / demotion of the firm.
- i. Ordinarily, the period of debarment / suspension should not be less than six months.

5. This order issues with the concurrence of Finance Department vide its U.O.No.1336 /Fin(Infra-I)/2026, dated 15.10.2026.

(BY ORDER OF THE GOVERNOR)

**R. SELVARAJ
SECRETARY TO GOVERNMENT**

To

The Engineer-in-Chief and Chief Engineer (General),
Public Works Department, Chepauk, Chennai-5.
All Regional Chief Engineers, Public Works Department (Chennai/
Tiruchirappalli/Coimbatore/Madurai).
The Chief Engineer, Public Works Department, Projects, Chennai-5.
All Joint Chief Engineers (Electrical) / Superintending Engineers / Executive
Engineers of Public Works Department.
The Accountant General (A & E), Chennai-18. (by name)
The Accountant General (Audit), Chennai - 18.
The Pay and Accounts Officer (East), Egmore, Chennai - 8.
The Pay and Accounts Officer (North), Chennai - 01.
The Pay and Accounts Officer (South), Chennai - 35.
The Pay and Accounts Officer, Secretariat, Chennai-9.
The Pay and Accounts Officer, Madurai.
All District Treasury Officers.

Copy to:

Office of the Hon'ble Chief Minister, Secretariat, Chennai-9.
The Senior Personal Assistant to Hon'ble Minister (Public Works and
Sports Development), Secretariat, Chennai-9.
The Senior Personal Assistant to Hon'ble Minister (Finance, Planning
and Development), Secretariat, Chennai-9.
The Private Secretary to Secretary to Government,
Public Works Department, Secretariat, Chennai-9.
The Finance (Infra-I) Department, Secretariat, Chennai-9.
The Resident Audit Officer, Office of the Principal Accountant
General (General and Social Sector Audit), Secretariat, Chennai-9.
All sections in Public Works Department, Secretariat, Chennai-9.
Stock file / Spare copy.

//FORWARDED / BY ORDER //

SECTION OFFICER

16/10/26