



ABSTRACT

Rural Development and Panchayat Raj Department - Registration of Contractors for works contract 2026 in Rural Development and Panchayat Raj Department – Guidelines 2026 - Approved - Orders - Issued.

RURAL DEVELOPMENT AND PANCHAYAT RAJ (SGS.2) DEPARTMENT

G.O (Ms) No.115

Dated: 30.06.2026.

பராபவ, ஆனி 16

திருவள்ளூர் ஆண்டு 2056

Read:

1. G.O.(Ms) No.109, Rural Development and Panchayat Raj (SGS-2) Department, dated 27.06.2024
2. G.O.(Ms) No.366, Rural Development and Panchayat Raj (SGS-2(1)) Department, dated 29.12.2025.
3. From the Commissioner of Rural Development and Panchayat Raj letter No.52737/2023/R&B 1.2, dated 05.06.2026.

ORDER:-

In the Government Orders first and second read above, the Guidelines for Registration of Contractors for works contract in Rural Development and Panchayat Raj Department have been issued.

2. In the letter third read above, the Commissioner of Rural Development and Panchayat Raj has stated that, the Rural Development and Panchayat Raj Department executes one of the largest volumes of public works in the State. The Department handles approximately 3 lakh tenders every year with values ranging from Rs.1 lakh to Rs.10-15 crore. Prior to 2024, there was no uniform guidelines for contractor registration, resulting in highly heterogeneous practices and in many districts/blocks, a complete absence of any formal system.

3. Further the Commissioner of Rural Development and Panchayat Raj has stated that in the Government order first read above, structured framework was introduced for the first time with a 6-class system and two-tier registration and a comprehensive guideline for contractor registration was issued in the Rural Development and Panchayat Raj department. The G.O. (Ms) No.366, Rural Development and Panchayat Raj (SGS-2(1)) Department, dated 29.12.2025 further rationalized the financial requirement by replacing Solvency Certificate with e-Bank Guarantee / Bank Guarantee (at 5% of registration value). While these orders brought much-needed uniformity and standardisation, the practical experience during implementation has revealed there is a need for further simplification to achieve the larger goals of wider participation, enhanced competition, reduced delays, and efficient execution of works.

Issues in the Current System

Despite the improvements brought by the Contractor Registration Guidelines, the following practical difficulties still persist:

- a. The 6-class structure with high thresholds continues to limit participation, especially from smaller and local contractors who are best suited for the vast majority of low and medium-value works.
- b. Two-tier registration (Block + DRDA) leads to duplication, inconsistent standards, and avoidable administrative burden on Block offices.
- c. High Bank Guarantee requirements, even at 5%, combined with rigid class structures, result in capital blockage and discourage genuine new entrants and contractors.
- d. Individual registration in each district is also restricted due to the need to provide separate bank guarantee for each registration. This also restricts contracting capabilities in certain smaller districts like Ariyalur, Perambalur etc.
- e. Limited competition in the mid-to-high value segment reduces the Department's ability to secure optimal rates and timely execution.

Proposed Changes

1. Simplification of Classes: Given that more than 99% of works are up to Rs.50 lakhs and works above Rs.2 crore are only 381 in three years, a simplified 3-class structure up to Rs.2 crore is adequate and practical. It significantly lowers entry barriers, encourages local contractors, and matches the actual work profile of the Department. Accordingly, it is proposed that registration class be reduced to Class I (Above Rs.50 lakh up to Rs.2 crore), Class II (Up to Rs.50 lakh), and a relaxed New Entrant category (Up to Rs.10 lakh). Contractors entering through the open route above Rs.2 crore will be designated as Class IA (Special Category) with the condition that they can bid for further works only after completing the first work/set of works.

2. Single Point Registration: The Registration will only be at the District Level (DRDA) with the contractors registered in a district are permitted to participate in tenders in the geographically contiguous adjoining Districts also. Block-level registration is hereby discontinued. The centralised registration will encourage more entrants and avoid delay in the registration process. This eliminates duplication, ensures uniform standards, improves data management and monitoring, and reduces the administrative load on Block Development Offices while expanding the contractor pool through adjoining district participation.

3. Open Participation: No prior registration is required to participate in tenders valued above Rs.2 crore. Successful L1 bidders must register post-award, furnish required Registration Deposit, and provide Failsafe Deposit (equal to Security Deposit) if they are completely new private-sector entrants. With only 462 works above Rs.2 crore in three years, opening this segment to wider competition (subject to robust PQ in the tender document) will improve bid responsiveness and value for money. The post-award registration mechanism, combined with Failsafe Deposit and the 50X rule, ensures that successful bidders are brought into the formal system with adequate safeguards. This directly implements the Finance Department's guidance on flexible eligibility criteria.

4. Simplified Eligibility Criteria: Financial capacity is assessed through GST transacted (20% of exact value) + Audited Annual Turnover (greater than or equal to value

sought). Civil work experience required is 50% of value (last 10 years, including private sector experience). Both criteria are independent and mandatory (except for new entrants). This moves away from heavy reliance on Bank Guarantee / Solvency for initial entry and adopts more objective, verifiable parameters that reflect actual business activity and capacity. It reduces procedural hurdles while strong safeguards are maintained through the 50X rule, Bid Capacity assessment, Failsafe Deposit, and blacklisting provisions.

5. Registration Deposit: Minimum Bank Guarantee is fixed at upper limit of class + 50 (Rs.4 lakh / Rs.1 lakh / Rs.20,000). A uniform 50X concurrent work limit applies across classes, with top-up facility available. This provides adequate financial protection to the Government through enforceable Bank Guarantee while substantially reducing upfront capital requirements compared to the earlier structure. The 50X rule, combined with self-attested affidavit and verification at bid stage, effectively controls over-commitment and directly addresses the capital blockage issue.

Expected Benefits

The following benefits will accrue in the short and long terms due to the proposed changes,

- i. Significantly higher participation and competition, especially from local and emerging contractors, leading to better rates and timely execution.
- ii. Reduced administrative burden on Block offices and more effective oversight at District level.
- iii. Better alignment between the registration framework and the actual distribution of works in the Rural Development and Panchayat Raj Department.
- iv. Improved ease of doing business while fully protecting Government interests through PQ, 50X limit, Failsafe Deposit, and strong blacklisting provisions.
- v. Support to local economy and inclusion by recognizing private sector experience and providing clear entry pathways for new contractors.

Risk Mitigation

All critical safeguards have been retained and, in some cases, strengthened:

- Robust Pre-Qualification (including similar work experience) in individual tender documents.
- 50X concurrent work limit with affidavit-based verification.
- New Entrant restriction on further bidding until first set of works is completed.
- Failsafe Deposit for completely new private-sector entrants.
- Full retention of blacklisting, banning, and Revenue Recovery provisions.

4. The Commissioner of Rural Development and Panchayat Raj has stated that the proposed revision of the Guidelines for Registration of Contractors for Works Contract in Rural Development and Panchayat Raj Department is essential to address the practical limitations of the current system, maximize competition in line with the actual work distribution in the Department, reduce procedural rigidities, and improve overall efficiency and transparency in procurement.

5. Hence, the Commissioner of Rural Development and Panchayat Raj has requested the Government to issue necessary orders on the following and to approve the revised Guidelines for Registration of Contractors for Works Contract 2026

- i. To approve the draft revised Guidelines for Registration of Contractors for Works Contract 2026 for the Rural Development and Panchayat Raj Department.
- ii. The existing guidelines and amendment issued vide G.O.(Ms.) No.109, Rural Development and Panchayat Raj (SGS-2) Department, Dated 27.06.2024 and G.O.(Ms.) No.366, Rural Development and Panchayat Raj (SGS-2) Department, Dated 29.12.2025 shall stand annulled.
- iii. To permit the Rural Development and Panchayat Raj Department to make necessary changes in the e-sevai portal to harmonise the same to the revised Guidelines for Registration of Contractors for Works Contract 2026 for Rural Development and Panchayat Raj Department upon approval.
- iv. To empower the Secretary to Government, Rural Development and Panchayat Raj Department to modify the guidelines based on need and necessity in consultation with the Director of Rural Development and Panchayat Raj.

6. The Government carefully examined the proposal of the Commissioner of Rural Development and Panchayat Raj in detail with connected records and decided to accept the proposal of the Commissioner of Rural Development and Panchayat Raj and to approve (i) The revised Guidelines for Registration of Contractors for work contract 2026 in Rural Development and Panchayat Raj Department annexed to this order (ii) The existing guidelines and amendment issued vide G.O.(Ms.) No.109, Rural Development and Panchayat Raj (SGS-2) Department, Dated 27.06.2024 and G.O.(Ms.) No.366, Rural Development and Panchayat Raj (SGS-2) Department, Dated 29.12.2025 shall stand annulled (iii) to permit the Rural Development and Panchayat Raj Department to make necessary changes in the e-sevai portal to harmonise the same to the revised Guidelines for Registration of Contractors for Works Contract 2026 for Rural Development and Panchayat Raj Department upon approval (iv) To empower the Secretary to Government, Rural Development and Panchayat Raj Department to modify the guidelines based on need and necessity in consultation with the Director of Rural Development and Panchayat Raj.

(BY ORDER OF THE GOVERNOR)

**PRASHANT M WADNERE
SECRETARY TO GOVERNMENT**

To

The Commissioner of Rural Development
and Panchayat Raj, Chennai-15.

All District Collectors.(Except Chennai)

All Project Directors/Superintending Engineer,
District Rural Development Agency.

(through the Commissioner of Rural Development and Panchayat Raj, Chennai-15)
The Accountant General, Chennai-9/18.

Copy to:

The Special Personal Assistant to Hon'ble Minister for Rural Development and Water Resources.Chennai-9.

The Finance (Infra-4) Department, Chennai-9.

The Senior Private Secretary to Secretary to Government,
Rural Development and Panchayat Raj Department, Chennai-9.

Stock file/Spare Copy.

The Finance (SFC-MC)Department, Secretariat, Chennai-09.

The Rural Development and Panchayat Raj (B&C/PR.I/OP.II)Department,
Secretariat, Chennai-09.

The Rural Development and Panchayat Raj (RR.1) Department, Chennai-9.

Stock file/Spare Copy.

//Forwarded by order//

Sanjay inf
7/30/692026
SECTION OFFICER

201
30/6/20.

ANNEXURE

**(G.O.(Ms) No.115, Rural Development and Panchayat Raj (SGS.2) Department,
Dated 30.06.2026)**

Guidelines for Registration of Contractors for Works Contract 2026

These Guidelines shall be called the Guidelines for Registration of Contractors for Works Contract in the Rural Development and Panchayat Raj Department, 2026. They shall apply to all works contracts executed by the notified procuring entities of the Rural Development and Panchayat Raj Department.

These Guidelines supersede all previous guidelines, instructions and Government Orders issued regarding registration of contractors in the Rural Development and Panchayat Raj Department, including G.O.(Ms.) No.109, Rural Development and Panchayat Raj (SGS-2) Department, Dated 27.06.2024 and G.O.(Ms.) No.366, Rural Development and Panchayat Raj (SGS-2) Department, Dated 29.12.2025.

1. Contractor

A Contractor for work may be an individual, partnership firm, company registered under the Companies Act, Registered Society, or any other body set up under the statute of Government, with a separate legal identity and capable of entering a contract as per The Indian Contracts Act, 1872.

2. Procuring entities

The following are the notified procuring entities of the Rural Development and Panchayat Raj Department.

- a. Executive Authority (EA) Village Panchayat (VP)
- b. Block Development Officer (BP) and Block Development Officer (VP)
- c. Project Director (PD), District Rural Development Agency (DRDA)

3. Bank Guarantee

The bank guarantee shall be in the form of electronic bank guarantee.

4. Registering Authority

- i. Registration only at district level - The registration of contractors for all procuring entities within the district should be done at the level of the DRDA. Contractors can register based on the area of operation in which the contractors concerned would like to bid for tenders.
- ii. Contractors registered at the DRDA of a district are eligible to bid for tenders invited by all the procuring entities within the district.
- iii. Participation in adjoining districts - There will be no common State level registration. However, the contractors shall also be eligible to bid for tenders invited by all the procuring entities in the districts immediately adjoining (geographically contiguous Districts) the district in which the contractor is registered.

To illustrate, a contractor registered in Tirunelveli district shall be eligible to participate in tenders floated by procuring entities in three adjoining districts viz Kanniyakumari, Tenkasi and Thoothukudi.

- iv. The DRDAs shall maintain the list of registered contractors, banned contractors and blacklisted contractors from their respective districts.
- v. The list shall be published in the District Tender bulletins, department website and, the district website and shall be updated regularly.
- vi. The contractors that have already registered within a district, even at block level, shall automatically be included in the list of registered contractors for that district. Such contractors shall be assigned to the new class corresponding to the higher limit of the earlier registered class.

5. Classification of contractors

- i. **Number of classes** – There shall be 3 classes of contractors. The monetary limit for bidding for each class will be based on the eligibility documents produced by them and the experience/performance of the applicant.
- ii. The class shall determine the maximum value of a single work that the contractor is eligible to bid for.

Table I
Classification of Contractors

Class	Value of Single Work (Maximum)	Minimum Registration Deposit
Class IA	Other Department Contractors	nil
Class I	Above Rs. 50 Lakhs and up to Rs. 2 Crore	Rs. 4 Lakhs
Class II	Up to Rs. 50 Lakhs	Rs. 1 Lakh
New Entrant	Up to Rs. 10 Lakhs	Rs. 20,000

Note: The Registration Deposit indicated above is the minimum. Contractors may provide higher amounts as top-up at the time of registration or subsequently to increase their 50X capacity.

6. Eligibility Criteria for Registration (Classes I, II & II)

The contractors willing to register in a particular district shall satisfy the following conditions,

Minimum Business Existence

- i. The applicant/contractor should have been in the business of civil construction for a minimum period of two years.

Financial Capacity

- ii. The contractor shall have transacted GST equal to 20% of the value for which registration is sought, in any one of the preceding ten financial years.

- iii. The contractor shall submit audited account statements and Auditor's certificate showing Annual Turnover equal to or greater than 50% of the value for which registration is sought in any one of the preceding ten years.
- iv. The contractor should have up to date GST and IT returns filed in the name under which registration is sought.

Technical Capacity (Civil Work Experience)

- v. The contractor shall have executed civil works equal to 25% of the value for which registration is sought, in any one of the preceding 10 financial years.
- vi. To illustrate, if the contractor is applying for registration in 2026-27, for the purpose of work experience, works executed since 2016-17 shall be considered.
- vii. Experience in civil construction in private sector shall also be counted.

Calculation of work experience

- viii. While calculating the value of civil works done in any of the past 10 years, the actual value of works shall be calculated by adding adjustment value at the rate of 5% per annum till the current year.

To illustrate if a contractor had executed a work worth Rs.20 lakhs in 2020-21, for the next six years i.e up to 2026-27, 30% adjustment value shall be added, thus arriving at the current value as Rs.26 lakhs.

- ix. Both financial capacity and civil work experience criteria are independent and mandatory (except for new entrants).

No registration for high value contracts

- x. For tenders valued more than Rs.2 Crore, there shall be no registration of contractors. Any bidder can participate in such tenders subject to fulfilling the prequalification requirements in the tender document. Such contractors shall be designated as Class IA (Special Category).

New Entrants (No Prior Experience)

- xi. Completely new entrants with no prior civil work experience shall be registered only up to a maximum value of Rs.10 Lakhs, subject to submission of required financial documents (GST and Annual Turnover). Such contractors shall be treated as a separate category as New Entrant

7. Registration Deposit and Maximum Work Limit (50X Rule)

- i. Every registered contractor shall furnish an irrevocable Bank Guarantee as Registration Deposit valid for three years.
- ii. The Minimum Registration Deposit shall be as specified in the table under Table I, calculated on the upper limit of the respective class divided by 50.

- iii. Maximum Work Limit (50X Rule): A contractor can simultaneously undertake works up to a maximum of 50 times the Registration Deposit.
- iv. Contractors may provide additional Top-up Registration Deposit at any time to increase their 50X capacity.
- v. The class limit applies to the value of a single work. The 50X rule governs the total value of works that can be undertaken at any given point of time.
- vi. Final qualification of a bidder (when L1) shall be determined based on the Assessed Bid Capacity as specified in the respective tender document.
- vii. Self-attested Affidavit - At the time of submission of bid, the bidders shall submit a self-attested affidavit with details of works at hand. A condition to that effect shall also be included in the tender document. The bid evaluating officials shall verify the available space in Maximum Work Limit.

8. Unregistered Contractors

- i. Permission to participate - A contractor not registered in any district may also participate in the tender as unregistered contractor subject to the condition that such contractors shall satisfy all the prequalification conditions set out in the tender.
- ii. Failsafe Deposit - Such contractors, upon winning the bid, shall deposit an amount equal to the prescribed security deposit as 'Failsafe Deposit' in the form of irrevocable bank guarantee.
- iii. Completely new private-sector entrants (with no prior government experience in any department) shall also furnish a Failsafe Deposit equal to the Security Deposit prescribed for that tender. Upon successful completion of work, the 'Failsafe Deposit' shall be released.
- iv. Upon successful completion of work, such contractor shall automatically be added to the list of contractors in the district subject to submission of Registration Deposit and requisite documents.

9. Contractors Registered with other Departments

- i. Permission to participate - Contractors registered with other Government departments - Contractors registered for execution of civil works in any Government Department shall be automatically eligible to participate in tenders.
- ii. Such contractors can participate in tenders of a value up to the higher limit of their registration class in their respective department. If such contractors participate in the tenders, their name shall be added automatically to the list of registered contractors in the respective district upon submission of Registration Deposit.

10. Registration Process

- i. The application forms can only be downloaded from tnrd.gov.in website.
- ii. The filled-in application along with other documents can be submitted to the concerned authority in person or by registered post/online. The receipt of the same shall be properly acknowledged by concerned officer.
- iii. The process of verification of documents and approval/rejection shall be completed within 15 days of receipt of the application for registration.
- iv. In case of any conflict of decision, then the matter shall be referred to the appellate authority.
- v. The prospective contractors can also apply online as and when such provisions are enabled.

11. Renewal of Registration

- i. Validity Period - Once registered, the initial registration shall be valid for three years from the date of registration. For the contractors already registered before issue of this order the registration date shall be calculated from the date of issue of this order.
- ii. Automatic Renewal – Registration of contractors who have executed at least one work under RD department during the validity period shall stand renewed automatically for a further period of three years.
- iii. Mandatory renewal – All registered contractors who have not executed any work during the validity period shall apply for renewal of registration. However, they need not pay registration fee at the time of application for renewal if they apply before lapse of the validity period.

12. Registration Fee

i. Every contractor willing to register in a district shall pay a prescribed registration fee. These include,

- a) New Applicants.
 - b) Contractors registered in Government Department/Agencies other than Rural Development and Panchayat Raj Department and now intending to register in Rural Development and Panchayat Raj Department.
 - c) Contractors already registered in Rural Development and Panchayat Raj Department in a District who wish to be registered in another District (other than geographically contiguous district).
 - d) Contractors who have already registered in Rural Development and Panchayat Raj Department applying for Promotion to a higher class.
 - e) Contractors who have failed to renew their registration for more than 6 months after expiry of validity period or do not qualify for automatic renewal. In case if the lapsed period is less than 6 months the contractor should pay 50% of the registration fee.
 - f) Blacklisted contractors intending to re-register after the expiry of the ban period.
 - g) Contractors registered with other departments that wish to register with RD department.
- ii. The registration fees shall be paid only through online mode to the designated bank account.
- iii. Amount for the fees - The registration fee for various classes of contractors in Village, Block level and District level would be as follows:

Table-II

Class of Contractors	Registration Fee
Class 1A	Nil
Class I	Rs.30,000
Class II	Rs.20,000
New Entrants	Rs.10,000

iv. Exemption from payment - The registration fee shall be exempted for the following categories of applicants,

- a) Scheduled Castes and Schedule Tribes (Individual, Partnership firm and Private limited company provided partners, board of directors shall be from Scheduled castes/Scheduled Tribes).
- b) Scheduled Castes and Schedule Tribes (Inter-caste married couple)
- c) Self-Help Groups /PLF
- d) Unemployed Civil Engineering Graduates/Diploma Civil Engineers (Completed within the last 5 years of request for registration)
- e) Women contractors

v. In the case of Self-Help Groups /PLF and Unemployed Graduate/Diploma Civil Engineers, there shall be an exemption from both production of IT/GST certificate and registration fee. But they shall be eligible for works of value up to Rs.5 lakhs and the cumulative value of works awarded to them shall not be more than Rs.10 lakhs at any point of time.

vi. The SHG/PLF shall be approved by TNCDW are only eligible and in case of Unemployed Civil Engineers, they shall produce a certificate to that effect from the period of offer, District Employment Officer to that effect. This shall be produced every 6 months to keep the registration live. The concession to unemployed engineers will be for one time and for a period of 3 years.

13. Documents for registration

The contractors desiring to register should produce the following documents along with the application and pay the prescribed registration fee:

- i. Self-attested photocopy of the IT/GST returns and Audited Account Statement and Certificate of Turnover issued by Auditor, in applicants name for the value prescribed and Self-attested photocopy of the work experience document in applicants name for the value prescribed.
- ii. Self-attested photocopy of the 'Nil' Encumbrance certificate (issued within 30 days from the date of application) in respect of the property owned by the applicant.
- iii. A copy of PAN card.

- iv. An affidavit to the effect that the applicant is not currently blacklisted by any Government Department/Agency within or outside the state.
- v. Irrevocable bank guarantee for the requisite value as Registration Deposit.
- vi. Online payment of registration fee

14. Migration of Existing Registered Contractors

All existing contractors registered under the earlier system shall be automatically migrated to the corresponding new class based on the higher limit of their earlier class. Their existing Bank Guarantee shall be released upon submission of the new Registration Deposit as per these guidelines.

15. Blacklisting/Banning of contractors

- i. The registered contractor may be blacklisted/banned by the registering authority either Suo moto or based on the report of any Rural Development and Panchayat Raj department official(s), after issuance of show-cause notice providing a time of 30 days for submitting his/her/it's reply. If the registering authority is reasonably convinced of one or more of the following violations on part of the contractor, then blacklisting or banning shall be resorted.

Banning

- ii. The contractor submits abnormally high or abnormally low bids on more than one occasion, in a span of one year, without reasonable justification resulting in the delay in the tender process.
- iii. The contractor fails to submit the required Earnest Money Deposit (EMD) at the time of submission of bids.
- iv. The contractor fails to enter into an agreement/remit the required Security Deposit after issue of Letter of Acceptance (LoA) or delays by a period of more than 15 days specified in the tender document after issue of LoA.
- v. Withdrawal of bids after submission (Withdrawal not permitted as per Rule 20A Tamil Nadu Transparency in Tenders Rules, 2000 (TNTTR)).
- vi. The ban of contractors shall be short term and shall be applicable to only the works tendered by the concerned procuring entity who has resorted to the action. The registration of contractor is not revoked and only his participation in tenders invited by the concerned procuring entity is restricted during the ban period. The ban period shall be from a minimum 6 months to 12 months. After completion of the ban period the contractor becomes auto eligible to participate in tenders invited by the concerned procuring entity. The banning of contractor does not restrict the contractor from participating in the tenders invited by other procuring entities within the Rural Development and Panchayat Raj department.

Blacklisting

- vii. The contractor continuously delays the progress of work awarded as per the milestones furnished in the work order/agreement.
- viii. The Contractor fails to rectify defects despite written direction of the technical authority concerned or executes poor quality of work.
- ix. The contractor misappropriates/diverts any material supplied by the Department for the execution of the work.

- x. The contractor persistently violates important conditions of the tender contract which can be termed as breach of contract.
- xi. The contractor is guilty of malpractice such as bribery, corruption, collusion with other bidders, cartelization and other practices against the spirit of competitive bidding.
- xii. The contractor or his partner or his representative has been convicted by a Court of Law for offences involving moral turpitude in relation to the business dealings or where security considerations including suspected disloyalty to the State warrant.
- xiii. The contractor furnishes false self-Certification/false particulars/fabricates certificate of registration or renewal or promotion to a higher class or other documents with an objective to mislead and cheat the procuring entity.
- xiv. The blacklisting of the contractor would lead to his/her/it's registration being revoked and he/she/it will not be allowed to re-register for a period of 12 to 36 months (as deemed fit in the opinion of the registered authority) from the date of blacklisting. Blacklisting of a contractor will have a ripple effect within the Rural Development and Panchayat Raj department. All subsisting contracts with the contractor will be foreclosed with immediate effect. The foreclosure will also include recovery of any additional cost from the contractor for the completion of the balance work through fresh tenders by the concerned procuring entity. Any amount due from individual contracts will be released within 60 days subject to realization of additional cost required if any and after completion of retender process for the balance works.

16. Process for Banning or Blacklisting

In case if the registering authority wishes to initiate action to ban or blacklist a contractor, then the following process should be adhered to,

- a. The Registering Authority should issue a show cause notice clearly indicating the grounds on which the contractor/firm is proposed to be banned or blacklisted. The show-cause notice should clearly outline the conditions/terms/Rules based on which the action is being initiated.
- b. The contractor should be given 30 clear days to submit his/her/it's clarification, reasons etc.
- c. All communications to the contractor shall be in writing, delivered via Registered post/Special messenger with due acknowledgement.
- d. The issue of notice through email to the registered email-id of the contractor from the official email of the Registering Authority shall also be considered as proof of issue of show-cause notice.
- e. The Registering Authority shall also provide reasonable opportunity to the contractor to express his/her/it's reasons/clarification in-person even though a written reply has been submitted.
- f. If in the opinion of the Registering Authority, If, it is found necessary to blacklist the contractor/firm even after the above process, then it shall pass orders to that effect. This shall be sent to the Director of Rural Development and Panchayat Raj through the District Collector. The Director of Rural Development and Panchayat Raj shall forward the action taken to blacklist the contractor to the Public (S.C.) Department through the Government in Rural Development Panchayat Raj department.

17. Cancellation of Registration

If a contractor, at any point of time, for any reason, loses his Solvency from the required levels or is incapacitated to enter contract as per the Indian Contracts Act 1872, due to the following reasons.

- i. is adjudged as insolvent by competent Court,
- ii. becomes Insane
- iii. is disqualified from contracting by any law

The Contractor's registration would be cancelled by the registering authority.

18. Revenue Recovery

Any contractor who commits a breach of contractual obligations, including abandonment of work, failure to complete works within the stipulated period, non-performance of contractual commitments, or any other violation resulting in financial loss or liability to the Government, Rural Development and Panchayat Raj Department, Panchayat Raj Institutions, shall be liable for recovery of the amounts determined as due in accordance with the terms of the contract and applicable laws. Such recovery may, wherever permissible under law, be effected under the provisions of the Tamil Nadu Revenue Recovery Act, 1864 or any other law for the time being in force. The Registration Authority may, after following due process, refuse, suspend, cancel, downgrade, or decline renewal of the registration of a contractor against whom such liabilities have been determined or who is the subject of Revenue Recovery proceedings.

19. Re-Registration of Blacklisted contractors

The blacklisted contractor can apply for registration only after the period of blacklisting is over. The registering authority may re-register the contractor in the same class or lower class based on the production of following documents:

- a. Self-attested photocopy of the IT/GST returns, and Audited Account Statement and Certificate of Turnover issued by Auditor, in applicants name for the value prescribed and Self-attested photocopy of the work experience document in applicants name for the value prescribed.
- b. Self-attested photocopy of the 'Nil' Encumbrance certificate (issued within 30 days from the date of application) in respect of the property owned by the applicant.
- c. A copy of PAN card.
- d. An affidavit to the effect that the applicant is not currently blacklisted by any Government Department/Agency within or outside the state.
- e. Irrevocable bank guarantee for the requisite value as Registration Deposit.
- f. Online payment of registration fee.

20. Appellate Authority

The applicant or contractor may seek redressal of grievances from the Appellate Authority on the following grounds:

- a. Non-acceptance of application for registration/renewal.

- b. Blacklisting of the contractor
- c. Cancellation of registration.

The Appellate Authority shall be the District Collector.

21. Savings Clause

All the existing departmental rules, regulations, orders, as far as they are not inconsistent with the provisions of these guidelines, shall continue to be in force. The Secretary to Government, Rural Development and Panchayat Raj Department is empowered to modify these guidelines in consultation with the Director of Rural Development and Panchayat Raj as and when required.

PRASHANT M WADNERE
SECRETARY TO GOVERNMENT

//True copy//

[Signature]
7.30/6/2020
SECTION OFFICER

[Signature]
30/6/20.