

**No.15(1)/E-II(A)/2010
Government of India
Ministry of Finance
Department of Expenditure**

New Delhi, the 20th August, 2010

OFFICE MEMORANDUM

Sub: Amendment to Rule 126 of General Financial Rules, 2005.

The undersigned is directed to say that it has been decided, in consultation with the Ministry of Urban Development, that the existing provisions of **Rule 126** at Chapter-5 of General Financial Rules, 2005 which deals with 'Works' shall be substituted by the provisions as indicated in the Annexure to this Office Memorandum.

2. This order will take effect from the date of issue.
3. All the Ministries/Departments are requested to bring this to the notice of the offices and organisations under their administrative control.
4. Hindi version of this Office Memorandum will follow.


(R. Prem Anand)

Under Secretary to the Government of India

To,

- (1) The Secretaries of the Ministries/Departments of the Government of India.
- (2) The Financial Advisers of Ministries/Departments of the Government of India

Copy (with usual no. of spare copies) forwarded to C&AG, UPSC etc., as per standard endorsement list.

AMENDMENT TO RULE 126 OF GENERAL FINANCIAL RULES, 2005

Chapter 5 – Works; Rule 126

The existing provisions of Rule 126 (1) to (4) may be replaced by the following:

Rule 126.

- (1) A Ministry or Department at its discretion may directly execute repair works estimated to cost upto Rupees thirty Lakhs after following due procedure indicated in **Rule 132**.
- (2) A Ministry or Department may, at its discretion, assign repair works estimated to cost above Rupees thirty Lakhs and original works of any value to any Public Works Organisation, such as Central Public Works Department (CPWD), State Public Works Divisions, other Central Government organisations authorised to carry out civil or electrical works such as Military Engineering Service (MES), Border Roads Organisation (BRO) etc., Public Sector Undertakings set up by the Central or State Government to carry out civil or electrical works or any other Central/State Govt. organisation/PSU which may be notified by the Ministry of Urban Development after evaluating their financial strength and technical competence.
- (3) A Ministry or Department may also execute works of the nature and values mentioned at **Rule 126(2)** through a well reputed and technically competent organization, other than Public Works Organisations as defined in **Rule 126(2)**, after consultation with Ministry of Urban Development. While considering the proposals of the Ministries/Departments as a part of the consultation process, Ministry of Urban Development would take into consideration the financial strength and technical competence of the proposed executing agency, the available capacity of CPWD to take up such works and other features such as adherence to authorised norms/scales of accommodation in the design, use of appropriate Plinth Area Rates for estimates etc. While executing such works, the Ministry/Department would also follow the provisions of the other Rules in Chapter 5.
- (4) The consultation with Ministry of Urban Development referred to in **Rule 126(3)** would not be necessary if the work is executed through the Ministry's/Department's own civil construction agencies as in the case of Ministries of Railways, Defence, Environment & Forests, Information & Broadcasting and Departments of Posts, Space etc.
