

No.46324/FD/F3/2026
GOVERNMENT OF PUDUCHERRY
FINANCE DEPARTMENT

Puducherry, 27.08.2026

OFFICE MEMORANDUM

Sub : Finance Department – Comprehensive Guidelines for the engagement of retired Govt. officials as Consultants in Govt. Departments - Issued.

Ref : 1.I.D. Note/Memorandum No.46324/FD/F3/2014 dated 11.09.2014.
2.I.D. Note/Office Memorandum No.46324/FD/F3/2014 dated 01.12.2022.

Uniform procedure and guidelines for the engagement of retired Government officials as Consultants in Government departments was formulated and communicated with the approval of the Government vide reference first cited. Subsequently, the remuneration to be paid to the consultants thus engaged was revised and communicated vide reference second cited.

Following detailed discussions with the DPAR, the aforesaid guidelines were reviewed by the Government taking into account all relevant aspects regarding the Scheme of engagement of retired Govt. officials as Consultants on contract basis in Government Departments of this Union Territory of Puducherry.

In view of the above, in supersession of the existing guidelines issued vide reference first and second cited, the Comprehensive Guidelines are issued hereunder:

(i) GENERAL CONDITIONS:

In accordance with the provisions of the General Financial Rules 177-196 and the instructions issued by the Department of Personnel and Training (DoPT), New Delhi, consultancy services for a defined assignment may be availed only where the nature of the work warrants specialised expertise or a level of professional competence which is not available within the Department. The remuneration payable to Consultants shall be determined with due regard to economy and shall be reasonable / correlating to the nature, extent and complexity of the services required. Engagement of Consultants shall not, however, be resorted to for functions of a routine or recurring nature which are ordinarily required to be performed by the regular establishment of the Department. Notwithstanding the above, retired Government servants possessing appropriate experience and proficiency in areas such as Establishment, Accounts, etc., may, subject to the approval of the Competent Authority, be utilised by Government Departments in exceptional cases where suitable regular arrangements cannot be put in place forthwith owing to circumstances beyond the Department's control. Accordingly, the following

conditions and safeguards shall be observed scrupulously by all Departments in respect of engagement and continuation of engagement of Consultants:

- a. Engagement / extension of engagement of Consultants against a post in an office / organization may be considered only when the **vacancy exceeds 20% of the sanctioned strength of respective post** in that office / organization and the work cannot be effectively managed through available regular staff.
- b. In the eventuality of non existence of a particular cadre post, against which the office / organization intends to engage consultant in view of exigency, the office / organization has to furnish proper justification and the necessity for such engagement.
- c. The Administrative Department shall justify and record that the engagement of a Consultant is absolutely essential and inevitable for the functioning of the Office/Department in public interest.
- d. The Administrative Department shall certify on the **integrity** and **performance** of a Consultant whenever there is a proposal for engagement / extension of the engagement.
- e. Extension beyond the initial period of six months shall be considered only if the vacancy position of regular post continues to exist as stated in para (i)a and the performance of the Consultant has been found satisfactory based on measurable deliverables.
- f. Departments shall not resort to repeated engagement of Consultants as a substitute for regular recruitment.
- g. The Consultancy Evaluation Committee headed by the Administrative Secretaries of the concerned departments should invariably explore the feasibility of extraction of work from among the junior employees in the department before proposing for the engagement of consultants.

(ii) PERIOD OF ENGAGEMENT:

Consultants (Retired Govt. officials) shall be engaged for a minimum period required. The maximum period of engagement shall be for a period of 2 to 5 years. The initial engagement for a retired Govt. official as Consultant shall be for a period of six months and shall be extended in six monthly periods not exceeding a maximum of 2 to 5 years. The initial term of appointment and subsequent extension(s) if any, shall be decided on case to case basis depending upon the specific job of a specialized nature with the recommendation of Consultancy Evaluation Committee of the Department concerned constituted for this purpose and its review report with the approval of competent authority viz., Lt. Governor, Puducherry.

The appointment of Consultant may either on full-time or part time basis and in the case of full time Consultant, they shall not be permitted to take up any other assignment during the period of Consultancy.

The appointment of Consultants shall be of a temporary (non-official) nature against the specific jobs and the appointment can be cancelled at any time by the Department without assigning any reason.

Subsequent to third renewal of engagement of consultants, the department may assign a designated serving official to develop institutional capacity for the role discharged.

(iii) QUALIFICATION AND EXPERIENCE:

The Government Department proposing to engage retired Government officials as Consultants shall, with due regard to the nature, scope and specialised requirements of the assignment, prescribe the requisite educational qualifications, professional expertise and relevant experience necessary for effectively discharging the duties entrusted to the Consultant. The eligibility criteria so prescribed shall be commensurate with the nature and complexity of the work involved and shall form the basis for selection of suitable retired officials for the consultancy assignment.

(iv) AGE LIMIT:

The upper age limit prescribed for engagement of Consultants shall be 65 years. Accordingly, no retired Government servant shall be considered for initial engagement or for continuation /extension of consultancy assignment beyond the age of 65 years. Departments shall ensure strict adherence to this condition while processing proposals for engagement or extension of Consultants, and under no circumstances shall consultancy services be retained after the incumbent attains the prescribed age limit.

(v) PROCEDURE:

The Department intending to avail the services of retired Government officials as Consultants shall formulate clear and specific Terms and Conditions governing the proposed assignment, in conformity with the applicable provisions of the General Financial Rules (GFR) and the extant consultancy guidelines. Applications shall thereafter be invited in the prescribed format as set out in Annexure-I to this Office Memorandum and the notification inviting applications shall be published on the official website of the Government of Puducherry so as to ensure adequate publicity and transparency in the selection process.

The applications thus received pursuant to the notification shall be examined by the Department concerned with reference to the prescribed eligibility criteria, qualifications, experience and the requirements of the assignment. After due scrutiny, suitable candidates shall be shortlisted in accordance with the applicable consultancy guidelines and the specific functional requirements of the Department. The proposal containing the particulars of the shortlisted candidates, together with the relevant assessment, shall thereafter be placed before the Consultancy Evaluation

Committee constituted in the concerned Administrative Department for consideration and recommendation.

The composition of Consultancy Evaluation Committee concerned Department shall be as under:-

- | | |
|--|-------------|
| (i) Secretary of the concerned Department | :: Chairman |
| (ii) Joint Secretary/Dy. Secretary/
Under Secretary of the concerned Department | :: Member |
| (iii) Head of Department | :: Member |

The recommendations of the Consultancy Evaluation Committee shall, thereafter, be submitted by the concerned Administrative Department for obtaining the approval of the Competent Authority, namely, the Hon'ble Lieutenant Governor, Puducherry, with the concurrence of the Finance Department. Only upon receipt of such approval shall the Department proceed to issue the offer of engagement to the selected candidate as Consultant, strictly in accordance with the terms and conditions approved by the Competent Authority and on the basis of the recommendations of the Consultancy Evaluation Committee.

(vi) REMUNERATION:

(a) The remuneration payable to a retired Government servant engaged as Consultant, shall be determined by deducting the basic pension from the last pay drawn by the individual. The resultant amount shall constitute the fixed monthly remuneration for the entire period of engagement and shall not be subject to any annual increment or enhancement by way of percentage increase during the period of engagement.

Illustration:

Where a Government servant retires while drawing pay of ₹ 1,55,900 in Pay Level-13, the basic pension, being 50% of the last pay drawn, would be ₹ 77,950. In the event of his/her subsequent engagement as consultant on contract basis, the monthly remuneration shall accordingly be fixed at ₹ 77,950 (1,55,900 - 77,950).

(b) For the purpose of determining the amount to be deducted from the last pay drawn, the pension amount shall be reckoned with reference to the basic pension sanctioned at the time of retirement. The fact that a portion of the pension may have been commuted shall not result in any reduction in the pension amount so reckoned for fixation of remuneration. Accordingly, where 40% of the basic pension of ₹ 77,950 has been commuted in the above illustration, the commuted portion would amount to ₹ 31,180, leaving a pension of ₹ 46,770 actually payable on a monthly basis.

Nevertheless, for the purpose of determining the remuneration payable on contractual engagement, the entire basic pension of ₹ 77,950 shall be deducted from the last pay drawn.

(c) No benefit towards annual increment or Dearness Allowance shall accrue or be admissible on the remuneration fixed for the duration of the contractual engagement. The remuneration shall remain restricted to the amount determined in accordance with the above provisions for the entire tenure of the contract

(vii) ALLOWANCES:

The engagement of a Consultant shall not carry entitlement to any allowance, facility or reimbursement ordinarily admissible to serving Government employees, including Dearness Allowance, residential telephone facility, transport facility, Government accommodation, personal staff, medical reimbursement, insurance coverage or any other similar benefit. However, where the Consultant is required to undertake an official tour in connection with the assigned duties, Travelling Allowance and other admissible travelling expenses may be regulated at the rates applicable to a serving Government officer holding an equivalent post. The engagement of a retired Government servant as Consultant shall be purely contractual in nature and shall not be construed or treated as re-employment in Government service.

(viii) LEAVE:

A Consultant shall be permitted leave to the extent of 12 days in a calendar year, to be regulated on a pro-rata basis having regard to the actual period of engagement. No remuneration shall be admissible for any period of absence exceeding the leave entitlement so determined. Leave remaining unutilised during a calendar year shall lapse at the end of that year and shall neither be carried forward to the succeeding year nor qualify for encashment or any other monetary compensation.

Where the absence of a Consultant exceeds 15 days beyond the admissible leave entitlement during a calendar year, the Department concerned shall be competent to discontinue or terminate the engagement, as considered appropriate, in the interest of administration and continuity of the assigned work.

(ix) AGREEMENT:

Before commencement of the consultancy assignment, a formal agreement shall be executed between the Department concerned, representing the President of India, and the selected Consultant in the prescribed format contained in Annexure-II to this Office Memorandum. The agreement shall specify, inter alia, whether the engagement is on full-time or part-time basis, the nature of duties and responsibilities assigned to the Consultant, the period of engagement, the monthly

remuneration payable, entitlement to Travelling Allowance/Daily Allowance for official tours as applicable to the corresponding Government employee and leave entitlement of 12 days in a calendar year on a pro-rata basis. The agreement shall also indicate the officer to whom the Consultant shall report for the discharge of the assigned duties and provide for such other terms and conditions as stipulated in the prescribed proforma. The agreement shall be executed by the Head of the Department concerned on behalf of the President of India and by the Consultant before commencement of the engagement.

(x) EXISTING CONSULTANTS:

The Consultants presently engaged in various Government Departments, being retired Government officials, shall continue to discharge their assigned duties under the existing terms and conditions, including the remuneration and other entitlements already sanctioned, until completion of their respective approved tenure.

In case the Consultants want to be considered for selection under the new guidelines or where any such existing Consultant intends to seek continuation under the revised consultancy guidelines, he/she shall be required to submit a fresh application either on completion of the existing tenure or prior thereto, as may be applicable. Such application shall be considered afresh along with other eligible applicants and the individual shall be required to undergo the prescribed selection process in accordance with the revised guidelines, without any automatic right to continuation or re-engagement. For the purpose of determining the overall ceiling of five years prescribed for consultancy engagement, the period of consultancy service already rendered by such Consultant under the earlier engagement(s) shall, however, be reckoned and taken into account.

(xi) RELAXATION:

In exceptional circumstances, the Competent Authority, namely the Hon'ble Lieutenant Governor, Puducherry, may, in the public interest and having regard to the exigencies of administration, accord relaxation from any of the conditions stipulated in these guidelines. Such relaxation may be considered, in particular, where the nature of the assignment involves highly specialised expertise or professional competence and strict adherence to any particular condition is likely to impede the efficient discharge of the requisite public service.

2. These guidelines shall come into force with effect from the date of issue of this Office Memorandum and shall govern all engagements falling within their scope thereafter.

3. These guidelines shall not extend to engagement of external professionals, consultancy firms or individual Consultants appointed for specific and defined assignments, such as preparation of Detailed Project Reports (DPRs), under various Government schemes/projects. Such engagements shall continue to be regulated

independently in accordance with the provisions governing Procurement of Services under the GFR 177-196 and the prescribed procurement procedure shall be followed scrupulously in all such cases.

4. All Secretariat Departments, Heads of Departments and the Heads of Public Sector Undertakings, Boards, Societies and other autonomous bodies substantially funded by the Government are hereby advised to ensure strict compliance with the provisions contained in these guidelines while processing or approving proposals relating to engagement or continuation of Consultants.

/ BY ORDER OF THE HON'BLE LT. GOVERNOR /



(S. SIVAKUMAR)

Under Secretary To Govt. (FINANCE)

Encl.: As above

To

All Secretariat Departments

All Heads of Department/office

All Heads of Autonomous Bodies/Boards/Corporations/Societies funded by the Govt. of Puducherry,

ANNEXURE-I

**PROFORMA
APPLICATION FOR ENGAGEMENT OF RETIRED GOVT. OFFICIALS AS
CONSULTANTS IN GOVT. DEPARTMENTS /AUTONOMOUS BODIES**

Recent
passport
size photo
to be pasted

1. Name :
2. Date of Birth :
3. Address for communication :
4. Contact Number :
5. E-mail id :
6. Particulars of Government Service
 - 6.1 Date of Joining Govt. Service. :
 - 6.2 Date of retirement and the post in which retired :
 - 6.3 Name of the Department / Organization from which retired :
 - 6.4 Last Pay drawn (Copy of PPO to be enclosed) :
7. Educational Qualification :
8. Details of knowledge in Computer :
9. Brief Particulars of Experience with nature of duties performed (starting from last appointment) :

Sl.No.	Name of the Ministry / Dept.	Period		Post Held	Nature of work
		From	To		

10. Additional information if any, :
in support of the suitability of the post.

Declaration

I hereby declare that the particulars furnished above are true and correct to the best of my knowledge and belief. I further declare that I was clear from vigilance angle at the time of retirement.

Place :
Date :

Signature of Applicant

ANNEXURE-II

**PROFORMA FOR AGREEMENT TO BE EXECUTED WITH THE CONSULTANT
ENGAGED ON CONTRACT BASIS**

This AGREEMENT on this day _____ BETWEEN the PRESIDENT OF INDIA through the Secretary/Head of Department concerned (hereinafter called the Employer which expression shall unless excluded by or repugnant to the context, be deemed to include his Successors in office and assigns) of the one part and Mr./Ms. _____ (Name and address) (hereinafter called the Appointee) of the other part.

WHEREAS, the Employer is desirous to have the services of the Appointee to engage him/her as full time/part time Consultant on contract basis in the _____ Department, Government of Puducherry (hereinafter called the said Department) and he shall attend the works pertaining to _____ (Nature of works) and also any other assigned by the employer.

AND WHEREAS the Appointee having agreed to take up the assignment as full-time/part-time Consultant on contract basis and having reported for duty on _____ and the Employer willing to engage the Appointee in the aforesaid capacity for a period of six months or till the necessity therefore ceases, whichever is earlier on the terms and conditions hereafter appearing.

NOW, THEREFORE, THIS AGREEMENT as under:

- (i) The consultancy service will be on full time/part time basis.
- (ii) The engagement will be for a period of six months from the date of engagement.
- (iii) The Appointee will be paid a total remuneration of ₹ _____ (Rupees in words) per month.
- (iv) T.A./D.A on official tour will be paid as per the entitlement to his/her counterpart in Government.
- (v) The Appointee is entitled for leave of 12 days in a Calendar year on pro-rata basis.
- (vi) All expenses towards stamp duty, etc. on this agreement shall be borne by the Employer.
- (vii) He/She will report to the _____ (Officer concerned).

IN WITNESS WHEREOF the parties hereto have signed the Agreement the day and year first above written.

Witness :

**Head of Department concerned.
For and behalf of President of India
(Employer)**

1.

2.

Consultant (Appointee)