

No. A-12011/1/2016-HR
Government of India
Ministry of Micro, Small & Medium Enterprises
(HR Section)

Udyog Bhavan, New Delhi.

Dated: 08.08.2024

Subject: Procedure and guidelines for engagement of Young Professionals/ Consultants/ Senior Consultants in Ministry of Micro, Small and Medium Enterprises and its attached office.

In supersession of "Procedure and Guidelines for engagement of YPs/Consultants/Senior Consultants in Ministry of MSME "dated 29.03.2022 and 29.06.2022, the following guidelines and procedures are being prescribed for engagement of Young Professional/ Consultants/ Senior Consultants in Ministry of MSME and its attached office. These guidelines will come into effect from the date of issue until such time as these guidelines are amended or new guidelines issues.

1 Purpose and Scope of Application

1.1 The Micro, Small and Medium Enterprises (MSME) sector has emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades. It contributes significantly in the economic and social development of the country. The Ministry designs policies, promotes/facilitates programmes/ projects/ schemes and monitors its implementation, with a view to assisting MSMEs and helping them to scale up with a view to have greater flexibility in hiring of personnel than before, it is essential to have the Young Professional/ Consultants/ Senior Consultants who possess the requisite skill set. These Young Professionals/ Consultants/ Senior Consultants will be expected to deliver in such areas where in-house expertise is not readily available within the framework of Ministry of MSME or its attached office. They should be high quality professionals, capable of landing their expertise in the field as per the requirements of Ministry of MSME or its attached office.

1.2 The general conditions of contracts for the services of Young Professionals/ Consultant/ Senior Consultants will be incorporated into their individual contracts.

2. Definitions: The following definitions apply for the purpose of the present instructions

2.1 "Individual consultant or service provider" means Young Professional (Content Writer, Graphic Designer, Campaign Manager, IT & Data Analytics Specialist, Data Analytics Lead, Data Analysts, IT-Analyst/ Developer, IT-Lead, etc or as per the post specified by the concerned Division) or Consultant Grade-I or Consultant Grade-II or Senior Consultant depending upon their experience. Individual Consultants or service providers are recruited for similar activities as Consultancy/ Service providing firms when a full team is not considered necessary they may be independent experts not permanently associated with any particular firm, or they may be employees of a firm recruited on an individual basis. They may also be employees of an agency, institution, or university. They are normally recruited for project implementation supervision, provision of specific expert advice on a highly technical subject, policy guidance, special studies, compliance supervision, training, or implementation monitoring. Individual consultants/ service providers are not normally recruited for project preparation unless the proposed project is simple and, generally, a repeat of an already established and successful project.

2.2. "Consultancy Services" covers a range of services that are of an advisory or professional nature and are provided by the consultants. These services typically involve providing expert or strategic advice.

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3. Contractual terms and conditions

3.1 Legal Status: The Individual Consultant shall have the legal status of an independent consultant vis-à-vis Ministry of MSME or its attached office and shall not be regarded, for any purposes, as being either a "staff member" of Ministry of MSME or its attached office, or an "official" of Ministry of MSME or its attached office. Accordingly, nothing within or relating to the Contract shall establish the relationship of employer and employee, for principal and agent between Ministry of MSME or its attached office and the Individual Consultant

3.2 Standards of conduct

3.2.1 In general the individual consultant shall neither seek nor accept instructions from any authority external to Ministry of MSME or its attached office in connection with the performance of its obligations under the Contract. The individual Consultant shall not take any action in respect of its performance of the Contract or otherwise related to its obligations under the Contract that may adversely affect the interest of Ministry of MSME or its attached office, and the Individual Consultant shall perform its obligations under the Contract with the fullest regard to the interests of Ministry of MSME or its attached office. The Individual Consultant warrants that it has not and shall not offer any direct or indirect benefit arising from or related to the performance of the Contract or the award thereof to any representative, official, employee or other agent of Ministry of MSME or its attached office. The Individual Consultant shall comply with all laws, ordinances, rules and regulations bearing upon the performance of its obligations under the Contract. In the performance of the Contract the Individual Consultant shall comply with the standards of Conduct. Failure to comply with the same is grounds for termination of the Individual Consultant for a cause.

3.2.2 Prohibition of Sexual Exploitation and Abuse: In the performance of the Contract, the Individual Consultant shall comply with the "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013". The Individual Consultant acknowledges and agrees that any breach of any of the provisions thereof shall constitute a breach of an essential term of the Contract, and, in addition to any other legal rights or remedies available to any person, shall give rise to grounds for termination of the Contract. In addition, nothing herein shall limit the right of Ministry of MSME or its attached office to refer any alleged breach of the foregoing standards of conduct to the relevant national authorities for appropriate legal action.

3.3 Title Rights, Copyrights, Patents and Other Proprietary Rights:

3.3.1 Title to any equipment and supplies that may be furnished by Ministry of MSME or its attached office to the Individual Consultant for the performance of any obligations under the Contract shall rest with Ministry of MSME or its attached office, and any such equipment shall be returned to Ministry of MSME or its attached office at the conclusion of the Contract or when no longer needed by the Individual Consultant. Such equipment, when returned to Ministry of MSME or its attached office, shall be in the same condition as when delivered to Individual Consultant, subject to normal wear and tear, and the Individual Consultant shall be liable to compensate Ministry of MSME or its attached office for any damage or degradation of the equipment that is beyond normal wear and tear.

3.3.2 Ministry of MSME or its attached office shall be entitled to all intellectual property and other proprietary rights, including, but not limited to, patents, copyrights and trademarks, with regards to products, processes, ideas, know-how or documents and other materials which the Individual Consultant has developed for Ministry of MSME or its attached office under the Contract and which bears a direct relation to or are produced or prepared or collected in consequence of, or during the course of, the performance of the Contract, and the Individual Consultant acknowledge and agrees that such products, documents and other materials constitute works made for hire for Ministry of MSME or its attached office. Subject to the foregoing provisions, all maps, drawings, photographs, mosaics, plans, reports, estimates, recommendations, documents and all other data compiled by

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or received by the Individual Consultant under the Contract shall be the property of Ministry of MSME or its attached office, shall be made available for use or inspection by Ministry of MSME or its attached office at reasonable times and in reasonable places, shall be treated as confidential and shall be delivered only to Ministry of MSME or its attached office authorized officials on completion of work under the Contract.

3.4 Confidential Nature of Documents and Information: The Individual Consultant would be subject to the provisions of the Indian Official Secrets Act, 1923. The Individual Consultant shall not, except with the previous sanction of Ministry of MSME or its attached office or in the bonafide discharge of his or her duties, publish a book or a compilation of articles or participate in radio broadcast or contribute an article or write a letter in any newspapers or periodical either in his own name or anonymously or pseudonymously in the name of any other person, if such book, article, broadcast or letter relates to subject matters assigned to him by Ministry of MSME or its attached office.

3.5 Use of Name, Emblem or Official Seal of the Ministry of MSME: Individual Consultant shall not advertise or otherwise make public for the purposes of commercial advantage that it has a contractual relationship with Ministry of MSME or its attached office, nor shall the Individual Consultant, in any matter whatsoever, use the name, emblem and official seal of Ministry of MSME or its attached office, or any abbreviation of the name of Ministry of MSME or its attached office, in connection with its business or otherwise without the written permission of Ministry of MSME or its attached office.

3.6 Insurance: The Individual Consultant shall be solely responsible for taking out and for maintaining adequate insurance required to meet any of its obligations under the Contract, as well as for arranging, at the Individual consultant's sole expenses, such life, health, and other forms of insurance as the Individual Consultant may consider to be appropriate to cover the period during which the Individual Consultant provides services under the Contract.

3.7 Travel, Medical Clearance and Service Incurred Death, Injury or Illness:

3.7.1 Ministry of MSME or its attached office may require the Individual Consultant to submit a Statement of Good Health from a recognized physician prior to commencement of work in any offices or premises of Ministry of MSME or its attached office.

3.7.2 In the event of the illness, injury or death of the Individual Consultant which is attributable to the performance of services on behalf of Ministry of MSME or its attached office under the terms of the Contract while the Individual Consultant is traveling at Ministry of MSME or its attached office expense or is performing any services under the Contract in any offices or premises of Ministry of MSME or its attached office or Government of India, the Individual Consultant or the Individual consultant's dependents, as appropriate, shall not be entitled to any compensation.

3.8 Force Majeure and other Conditions

3.8.1 Force majeure as used herein means any unforeseeable and irresistible act of nature, any act of war (whether declared or not), invasion, revolution insurrection, or any other acts of a similar nature or force, provided that such acts arise from causes beyond the control and without the fault or negligence of the Individual Consultant.

3.8.2 The Individual Consultant acknowledges and agrees that, with respect to any obligations under the Contract that the Individual Consultant must perform in or for any areas in which Ministry of MSME or its attached office is engaged in, preparing to engaging in, or disengaging from any peacekeeping, humanitarian or similar operations, any delay or failure to perform such obligations arising from or relating to harsh conditions within such areas or to any incidents of civil unrest occurring in such area shall not, in and of itself, constitute force majeure under the Contract.

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3.9 Termination: The Ministry of MSME or its attached office can terminate the contract at any time without prior notice and without providing any reason for it. However, in the normal course it will provide one month's notice to the individual consultant. The Individual Consultant can also seek for termination of the Contract upon giving one month's notice to the Ministry of MSME or its attached office.

3.10 Audits and Investigations: Each invoice paid by Ministry of MSME or its attached office shall be subject to a post-payment audit by auditors, whether internal or external, of Ministry of MSME or its attached office or by other authorised and qualified agents of Ministry of MSME or its attached office at any time during the term of the Contract and for a period of two (2) years following the expiration or prior termination of the Contract. Ministry of MSME or its attached office shall be entitled to a refund from the Individual Consultant for any amounts shown by such audits to have been paid by Ministry of MSME or its attached office other than in accordance with the terms and conditions of the Contract. The Individual Consultant acknowledges and agrees that, from time to time, Ministry of MSME or its attached office may conduct investigations relating to any aspect of the Contract or the award thereof, the obligations performed under the Contract, and the operations of the Individual Consultant generally relating to performance of the Contract. The right of Ministry of MSME or its attached office to conduct an investigation and the individual consultant's obligation to comply with such an investigation shall not lapse upon expiration or prior termination of the Contract. The Individual Consultant shall provide its full and timely cooperation with any such inspections post-payment audit or investigations. Such cooperation shall include, but shall not be limited to, the individual consultant's obligation to make available its personnel and any relevant documentation for such purposes at the reasonable times and on reasonable conditions and to grant to Ministry of MSME or its attached office access to the individual consultant's promises at reasonable times and on reasonable conditions in connection with such access to the individual consultant's personal and relevant documentation.

3.11 Settlement of Disputes: Ministry of MSME or its attached office and Individual Consultant shall use their best efforts to amicably settle any dispute, controversy or claim arising out of the Contract or the breach, termination, or invalidity thereof.

3.12 Arbitration: Any dispute, controversy or claim between the parties arising out of the contract, or the breach, termination, or invalidity thereof, unless settled amicably, as provided above, shall be referred by either of the parties to the Head of Department for arbitration. The Head of Department may appoint an arbitrator for the settlement of the controversy.

3.13 Conflict of Interest: The Individual Consultant shall be expected to follow all the rules and regulations of the Government of India which are in force. He/she will be expected to display utmost honesty, secrecy of office and sincerity while discharging his/her duties. In case the services of the Individual Consultant are not found satisfactory or found in conflict with the interests of Ministry of MSME or its attached office /Government of India his/her services will be liable for discontinuation without assigning any reason.

4. Terms of Reference

4.1 Heads of Divisions are responsible for ensuring that detailed terms of reference describing the work to be performed are prepared well in advance of the engagement of the Individual Consultant and submitted it in **Annexure-I** in a timely manner to the Division or administrative office for processing.

4.2 The Terms of Reference are mandatory and shall form part of the individual contract. The Terms of Reference shall include the outputs to be delivered and the functions to be performed. The outputs and functions shall be specific, measurable, attainable, results-based and time-bound.

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5. General Terms & conditions

5.1. Tenure: Individual Consultants will be engaged for a fixed period but not exceeding 3 years for providing high quality services on specific projects as per requirement of the Divisions. Extension of contract will be done on year to year basis after evaluation of the performance of the Consultant/YP by the Divisional Head of Division concerned. However, their continuation in their respective position beyond the first and subsequent years, would be contingent on a satisfactory Annual Performance Review based on Key Performance Indicators, such as nature of the work assigned to the consultants, punctuality, discipline, integrity, attitude to work, inter-personal relations etc and performance will be evaluated annually on a scale of 100 by assigning a minimum qualifying marks. Extension beyond three years may be considered under exceptional circumstances with the approval of Head of Department. However, no extension will be given beyond the age of 65 Years.

5.2. Professionals with requisite qualification and experience as prescribed would be hired as individual Consultants. As per rule 177 of GFR 2017, the consulting services do not include direct engagement of retired Government servants. However, a retired Govt servant can be hired as consultant through a competitive process. They should not be engaged against regular vacant posts as consultant under this rule, Retired government servants can be engaged only for the specific tasks and for specific duration as consultant. They should be assigned clear output related goals.

5.3 The individual Consultants may be appointed on full-time basis. Consultants appointed on full-time basis would not be permitted to take up any other assignment during the period of Consultancy with Ministry of MSME or its attached office.

5.4 The appointment of individual Consultants is of a temporary nature and the Ministry of MSME or its attached office can cancel the appointment at any time without providing any reason for it.

5.5 Number of individual Consultants: The total number of individual Consultants to be engaged by Ministry of MSME or its attached office shall depend on the actual requirement at a particular point of time and provision of budget.

6. Educational Qualifications, Age, Experience and Remuneration:

6.1 Educational Qualification: In general, the following qualifications are required. However, any specific Educational Qualifications that may be prescribed as per actual requirement of the Divisions.

Essential - Master's Degree in relevant subject or BE/B.Tech or 2 Years PG Diploma in Management or MBBS or LLB or CA or ICWA.

Desirable - Persons with M.Phil, PhD, additional qualifications, research experience, published papers and post qualification experience in the relevant field would be preferred.

6.2 Experience, Age and Remuneration:

The full-time Consultants will be paid a monthly consolidated remuneration as per table below. In the case of retired Government Servants, the remuneration shall be as per prevailing norms of Department of Personnel and Training/ Department of Expenditure.

Name of the Position	Post Qualification experience in years*	Upper age (limit)**	Remuneration (in Rupees)
Young Professional	1	32 years	60,000/- (Fixed)
Consultant Grade 1	3-8	45 years	80,000-1,45,000/-
Consultant Grade 2	8-15	50 years	1,45,000-2,65,000/-
***Consultant Grade 3 (Sr. Consultant)	15 yrs and above	62 years	2,65,000-3,30,000/-

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* Post qualification experience includes upto 3 years for Ph.D holder, provided no work experience is counted during those 3 years.

** The incumbents will be allowed to continue in the post for a period of 3 years or attaining the age of 65 years whichever is earlier.

*** may be engaged only when there is specific requirement and their job profile may be defined properly in case any division decides to engage them.

6.2. 1 (a) Fixing remuneration of Consultant may be done on the basis of the years of experience and the last pay drawn by the Consultant subject to keeping the remuneration within the range prescribed in the guidelines. The Remuneration for any selected candidates shall be fixed, based on the following criteria:

- i. The range of Remuneration proposed in the above table for the position in which the candidate has been selected.
- ii. Years of Experience
- iii. Last Pay Drawn (shall be considered in Special Cases where the selection Committee determines that the candidate is exceptional)

6.3 The Consultation Evaluation Committee shall fix the consolidated remuneration for the positions of Consultants /Sr. Consultant. The consolidated remuneration will be inclusive of all applicable taxes and no other facility or allowance will be allowed.

6.3 (a) In case the duration of the Consultancy Contract is for more than one year, the remuneration of Individual Consultants may be reviewed after completion of one year on annual basis. The enhancement in remuneration will be based on their performance during the year after the recommendation of the Performance Review Committee to be constituted duly approved by the Head of Department, as per the following criteria: -

Performance*	Enhancement in remuneration
Performed only routine/assigned work	Nil
Individual Consultants who made significant contribution in their domain and have shown exceptional quality in providing the desired output as expected by higher authorities on the assigned/specific task.	Upto 5% of the remuneration with the approval of Head of Department
In exceptional cases, where any individual Consultant has demonstrated exemplary performance in his/her domain and has made significant contribution in policy making and his or her articles have been published in reputed journals/ magazine/ newspaper or has authored books etc. NOTE: The criteria based on which 10% enhancement is recommended should be spelt and brought out in the recommendations made by the committee while evaluating the performance of the Individual Consultants.	Upto 10% of the remuneration with the approval of Head of Department

* Performance not to be judged merely on the grading obtained on the Annual Performance Report forwarded by the respective Heads of the Vertical/Division. Publications of articles in reputed journals/magazine/newspaper or books authored by the individual Consultants will be given extra weightage while evaluating/deciding cases for enhancement in remuneration etc.

6.3 (b) Total enhancements in remuneration shall not exceed 10% annually in any case.

6.3 (c) Notwithstanding anything mentioned above, in no case shall the remuneration of any Individual Consultant exceed 1.25 times of the initial remuneration.

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6.4 Hiring criteria may be further defined/detailed for specific positions depending on the specific requirements and circumstances by the user/Scheme implementing Divisions/Directorates.

7. TA/ DA - The individual Consultant/YP may require to undertake domestic tours subject to approval of the competent authority in each case and they will be allowed following TA/DA rates restricted as per guidelines of Department of expenditure no.19030/1/2017-E.IV dated 13th July 2017:

Position	TA/DA admissible
Young Professional	As per entitlement of Section Officer level officer of Government of India
Consultant Grade 1	As per entitlement of Section Officer level officer of Government of India
Consultant Grade 2	As per entitlement of Under Secretary level officer of Government of India
Consultant Grade 3 (Senior Consultant)	As per entitlement of Deputy Secretary level officer of Government of India

8. SELECTION PROCESS

8.1 The selection of Consultants shall be made in accordance with the provisions contained in GFR 2017 under Rules 177 to 196 and Chapter 7 - Selection of individual Consultant /service Provider (para 7.1 and 7.2) Chapter - 6 (para 6.5) of Manual for Procurement for Consultancy and Other Services 2017.

8.2 The requirement of Ministry of MSME or its attached office will be advertised from time to time on their website.

8.3 The applications received shall be placed before a Screening Committee with following composition:

Director/DS of Concerned Division of MoMSME/Attached office	Member
Representative of HR Division of MoMSME /Attached office	Member
Representative of IFW	Member

8.4 The Screening Committee shall shortlist the applicants and recommend a panel of at least 3 eligible candidates per vacancy. The panel would be valid for a period of 1 year.

8.5 The panel of Shortlisted applications shall be placed before a Consultancy Evaluation Committee (CEC) with following composition.

AS/JS of the concerned Division/ Attached office, as the case may be, nominated by Secretary (MSME)	Chairman
JS (HR), MoMSME / Equivalent level officer in Attached office	Member
Financial Advisor, MoMSME or his/her nominee	Member
JS level Officer of Concerned Division of MoMSME/Attached office	Member
An Outside expert to be nominated by Secretary (MSME) on case to case basis.	Member

8.6 The CEC may devise its own method for selection of suitable candidates as per the requirement. The CEC may recommend a panel of names for keeping in reserve list with validity.

8.7 In certain exceptional cases, with the approval of the Head of Department selection from a single source as per GFR 2017 may also be considered. However, full justification for this must be given by the Consultancy Evaluation Committee (CEC).

8.8 Ministry of MSME or its attached office may also hire consultants on secondment basis under Rule 194 of GFR, 2017 from other organizations, PSUs and Government organizations. In

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exceptional cases, individuals can also be hired on secondment basis from Private institutions/Organizations/Think Tanks with the approval of Head of Department and concurrence of IFW.

8.9 Payment: The payment will be released by Ministry of MSME or its attached office within one week after completion of the month based on the bio metric attendance registered by the individual consultant or on certification by concerned controlling officer in case the individual consultant has been deputed to other place.

9. Leave - The Individual Consultants shall be entitled to leave of 8 days in a year on pro-rata basis. Further, the absence up to one month may be considered without remuneration.

10. Tax Deduction at Source: The Income Tax or any other tax liable to be deducted, as per the prevailing rules will be deducted at source before effecting the payment, for which the Ministry of MSME or its attached office will issue TDS Certificate/s. Goods and Service Tax, as applicable shall be admissible to the Individual Consultants. The Ministry of MSME or its attached office undertake no liability for taxes or other contribution payable by the individual Consultant on payments made under this contract.

11. Police Verification: Police verification of the individual Consultants shall be done as per the latest instructions issued by MHA. In case the police verification is received as negative, the contract of individual Consultant shall cease to exist with immediate effect without any notice.

12. Relaxation: Where the Head of Department is of the opinion that it is necessary or expedient to do so, it may by order and for reasons to be recorded in writing, relax any of the provisions of these rules.

13. These guidelines will come into effect from the date of issue.

14. This issues with the concurrence of IFW vide Dy. No. 91/2024-25/IFW-I dated 24.07.2024 and approval of Head of Department.


(N. Raja Swamy)

Under Secretary to Govt. of India
Tel. No. 23063293

To

1. PS to Minister (MSME)/ PS to MOS (MSME)
2. PPO to Secretary (MSME)
3. AS &FA, O/o DC (MSME), Nirman Bhawan.
4. PS to JS (ARI)/Sr. PPS to JS (SME)/ Consultant to JS (AFI)/PPS to DDG/PPS to EA
5. All Director/DS level officers.
6. All US/DD level officers.
7. NIC for uploading on website of Ministry of MSME
8. Notice board of e-office

Terms of Reference for the individual Consultant

Ministry of MSME or its attached office Reference:

Title: Young Professional/Consultant Grade I/ Consultant Grade II/Sr. Consultant

(Followings are to be filled by the concerned Division and send to Administration to analyse/ assess the proposal for engagement of YPs/Consultant Grade I&II/Sr. Consultant)

1. Name of the Division:
2. Purpose of assignment:
3. Duration:
4. Tasks Related to Assignment:
5. Job Description:
6. Qualifications and Competencies
 - a. Academic:
 - b. Work experience: