KENDRIYA VIDYALAYA SANGATHAN

An Autonomous Body under the Ministry of Education, Government of India

तत् त्वं पूषन् अपावृणु
केन्द्रीय विद्यालय संगठन

FREQUENTLY ASKED QUESTIONS

on

PROCUREMENT AND OTHER FINANCIAL MATTERS



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SECTION 1

General Financial Rules (GFR) and VVN Compliance

Q1. Are books covered under the definition of "Goods" under GFR?

Books, publications and periodicals for a library are specifically excluded from the definition of "Goods" under Rule 143.

Q2. Does the definition of Goods include services also?

Yes, services incidental or consequential to supply of goods, such as transportation, insurance, installation, commissioning, training and maintenance, are included.

Q3. Can we mention a specific brand in the GeM/tender specification if that brand is considered better?

As a general principle, specifications should not indicate a particular trade mark, trade name or brand. Specifications should be objective, functional, generic and measurable.

Q4. Can we prescribe very specific specifications to get exactly the product required by the school?

Specifications should meet the basic requirement but should not include superfluous or non-essential features that may lead to unwarranted expenditure or restrict competition.

Q5. Can specifications be based on a standard other than the recognized national standard?

National technical regulations/recognized national standards should be followed wherever practicable. A different specification may be adopted only for reasons recorded in writing.

Q6. Can a school purchase more quantity now because the item may be required in future?

Excess procurement should be avoided. The Rules specifically caution against purchasing quantities in excess of actual requirements because of inventory carrying costs.

Q7. If an item is available on GeM, can it be purchased from a local market because the local supplier is cheaper?

The GFR Rule 149 states that procurement of Goods and Services available on GeM is mandatory through GeM.

Q8. For purchases up to ₹50,000 on GeM, is comparison among multiple sellers mandatory?

Under the provision reproduced in the uploaded material, purchases up to ₹50,000 may be made through any available GeM supplier meeting the requisite quality, specification and delivery requirements.

Q9. For purchases above ₹50,000 and up to ₹10 lakh, can any GeM seller be selected?

No. The provision requires selection of the lowest-price seller amongst available sellers of at least three different manufacturers, subject to quality, specification and delivery requirements.

Q10. If the same requirement is divided into two or three smaller purchases, is it permissible?

No. Demand should not be divided into small quantities to avoid L-1 buying, bidding/reverse auction or the sanction of a higher authority.

Q11. Is a three-member committee mandatory for LPC purchases?

Yes. GFR Rule 155 specifically provides for a duly constituted Local Purchase Committee consisting of three members.

Q12. Is market survey by the LPC mandatory?

Yes. The LPC is required to survey the market to ascertain reasonableness of rate, quality and specifications and identify an appropriate supplier.

Q13. Does LPC recommendation alone complete the procurement?

No. The Committee recommends the purchase after carrying out the prescribed assessment. The purchaser must still follow the applicable financial powers and approval requirements.

Q14. What certificate should the LPC give?

The members jointly certify that the goods meet the requisite specification and quality, are priced at the prevailing market rate, and that the supplier is reliable and competent and is not debarred.

Q15. Can the ₹ 50,000 limit be used repeatedly for the same requirement?

No. Demand should not be split into smaller purchases merely to avoid the prescribed procurement procedure or higher sanction.

Q16. If only one bidder participates in an advertised/limited tender, does it automatically mean the tender has failed?

Not necessarily. The GFR Rule 173(xix) states that lack of competition should not be determined solely by the number of bidders. Even a single bid may be considered valid if the tender was properly advertised, sufficient time was given, qualification criteria were not unduly restrictive and the price is reasonable.

Q17. Can a technically qualified bidder's financial bid be opened even if some technical conditions are not met?

No. Under the two-bid system, financial bids are to be opened only for technically acceptable offers.

Q18. Can a new eligibility condition be introduced while evaluating bids?

No. Bids must be evaluated according to the conditions already incorporated in the bidding documents. A new condition should not be introduced at the evaluation stage.

Q19. Can a bidder modify its bid after the deadline for submission?

No. Bidders should not be permitted to alter or modify their bids after expiry of the deadline for receipt of bids.

Q20. Can negotiation be conducted with the lowest bidder after opening of bids?

Negotiation after bid opening is to be severely discouraged. It may be resorted to only in exceptional circumstances and with the lowest evaluated responsive bidder.

Q21. What are the tender limits for works?

GFR 139 deals with works. Limited tender applies to works below Rs. 10 lakh; open tender applies from Rs. 10 lakh to Rs. 60 lakh. Funds should be deposited with the construction agency on time, and proper records and accounting maintained

Q22. What precautions should be taken while undertaking Maintenance and Repair (M&R) works in a Vidyalaya?

Before initiating procurement, the Vidyalaya should clearly identify the nature and scope of the M&R work required. The committee should clearly document the area and location of the proposed

work, along with the required measurements and specifications. Dated photographs of the site before commencement and after completion of the work should be maintained to establish the actual requirement and verify the work executed. The committee should also verify the completed work against the approved scope and maintain proper records to ensure transparency, accountability and an effective audit trail.

Q23. What is the basis of KVS's procurement powers?

GFR Rule 147 delegates full powers for procurement of goods to Ministries / Departments. KVS has delegated procurement powers under Article 203 of the Accounts Code, and VVN expenditure must follow the ceiling in Chapter 21 of the Accounts Code.

Q24. What does proper utilization of VVN require?

Compliance with KVS HQ instructions, the VVN financial ceiling at Vidyalaya level, and the norms of financial powers Provisions of chapter 21 of accounts code. VVN guidelines circulated vide KVS (HQ) letters dated 02.08.2022 and 20.11.2023 shall be followed.

Q25. What are the key VVN compliance requirements for goods and services?

- Use VVN only for purposes permitted in Chapter 21.
- Include the provision in the VVN budget.
- Decide specifications in writing, before placing an order, through the appropriate committee / authority (GFR-2017, Rule 144).
- Procure 100% through GeM.

SECTION 2

Government e-Marketplace (GeM): Buyer, Seller and Procurement

Q1. Who can buy/purchase through GeM?

All Central government and State Government Ministries/Departments including its attached/subordinate offices, Central and State autonomous bodies, Central and State Public Sector Units and local bodies etc. are authorized to make procurement through GeM portal.

Q2. Whether it is mandatory for government Buyers to use GeM?

For Central Govt. Ministries or Departments Autonomous Bodies, the procurement of Goods and Services available on GeM is mandatory.

Q3. What is the Role of HoD/Primary user in GeM?

Role of HoD/Primary User in GeM is to create Secondary users for his organization i.e. Buyer, consignee, DDO/ Paying Authority. He can add secondary users after clicking on Manage Users tab after logging in the GeM portal. HoD/Primary User cannot perform Buying functions on the portal.

The Deputy Commissioner (HOD for the Region) shall function as the Primary User.

Q4. How Secondary user will get user ID and password?

Once the Primary user has added the secondary user, User ID and password of Secondary user will be sent to the secondary user's Email ID and mobile number respectively.

Q5. Can HoD/Primary user make some purchase on GeM?

No, HoD/Primary user cannot make any purchase activity on GeM. He can only authorize other officers as Secondary users who in turn can make procurement for their organization. He can see the various purchase activities being made by Secondary users.

Q6. Is Aadhaar number mandatory for registration on GeM?

Yes, Aadhaar No. is a must for using GeM for all users. OTP received on mobile no. linked with Aadhaar.

Q7. Can Gmail/Yahoo/Rediff etc. personal email ids be used for registration on GeM?

No, only official email id provided by government organizations can be used for registering on GeM

Q8. Who can be Secondary user?

As per KVS HQ letter dated 05.08.2024, at the Kendriya Vidyalaya level, the Principal shall be the Secondary User with the role of Buyer & Consignee, while ASO/SSA/JSA or any other staff member nominated by the Principal shall be the Secondary User with the role of PAO.

At the Regional Office level, the Administrative Officer/SO/ASO shall be the Secondary User with the role of Buyer & Consignee, while the Finance Officer shall be the Secondary User with the role of PAO.

Q9. Is a Separate Buyer or PAO ID Required for the Second Shift of a Kendriya Vidyalaya?

No. As per KVS HQ letter dated 05.08.2024, only one Buyer ID and one PAO ID are to be added under the Division of a Kendriya Vidyalaya on the GeM Portal.

Q10. What are the roles performed by Secondary Users on the GeM Portal?

Secondary Users perform the roles of Buyer, Consignee, DDO and Paying Authority/PAO, depending on the payment mode.

Q11. What is the role and responsibility of the Buyer on the GeM Portal in KVS?

The Buyer is responsible for analysing the actual requirement of the Vidyalaya/Regional Office before initiating procurement. The Buyer must assess the quantity required, finalise clear and complete technical specifications, and ensure that the specifications are based on functional requirements without unnecessarily restricting competition or favouring any particular brand or seller. After ensuring compliance with applicable GFR provisions, GeM procedures and KVS instructions, the Buyer shall select the appropriate procurement method and place the order.

Q12. What is the role and responsibility of the Consignee on the GeM Portal in KVS?

The Consignee is responsible for receiving and inspecting the goods supplied by the seller. The Consignee must verify the quantity, quality, specifications, make/model (where applicable) and

other contractual conditions against the GeM contract or order. The goods should be accepted only after satisfactory verification. In case of any shortage, damage, defect or deviation from the contract specifications, the matter should be reported and dealt with as per the applicable GeM procedure. The Consignee shall generate the PRC and CRAC, as applicable, only after performing the required checks and ensuring that the certification accurately reflects the actual receipt and acceptance of goods.

Q13. What is the role of the DDO in GeM procurement in KVS?

In KVS, the Principal acts as the DDO and is responsible for ensuring the correctness of bills, completion of the prescribed financial checks, and timely processing of payments to avoid the levy of interest due to delayed payments.

Q14. What is the role of the PAO in GeM procurement in KVS?

In KVS, the PAO is responsible for updating the payment details on the GeM Portal after the payment has been made through the prescribed offline mode, ensuring that the payment status is correctly recorded on GeM.

Q15. Is the PAO responsible for payment of interest/penalty on delayed payments under GeM?

The PAO is not automatically responsible for interest on delayed payments. In KVS, if payment has been made on time but the payment details are updated late on GeM, the responsibility for the resulting interest/penalty should be fixed on the official responsible for the delay.

Q16. Can a buyer restrict the seller's location while procuring goods through GeM?

Unnecessary geographical restrictions may restrict competition.

Q17. Can location restrictions be applied while procuring services through GeM?

Service procurement may involve location-specific requirements depending on the nature of the service and applicable GeM conditions.

Q18. Is rate comparison necessary for purchases below ₹ 50,000?

The applicable direct-purchase procedure may not require an L1 comparison in every case. However, the buyer remains responsible for ensuring the

reasonableness of rates and conformity with the required specifications.

Q19. Can a product be accepted if its actual specifications differ from those mentioned in the GeM contract?

No. The supplied product must be in conformity with the specifications and conditions of the contract.

Q20. Is a fresh Non-Availability Certificate required every time a purchase is made outside GeM, even for the same product?

Yes. The GeM Availability Report should be generated for each proposed procurement outside GeM, as applicable. Previous procurement of the same product does not replace the requirement to establish its current availability status

Q21. Goods up to what value can be purchased on GeM?

Please refer Rule 149 of GFR 2017. The GeM portal shall be utilized by the Government buyers for direct on-line purchases as under :-

Up to Rs.50,000/- through any of the available suppliers on the GeM, meeting the requisite quality, specification and delivery period. The

procuring authorities will certify the reasonability of rates.

Above Rs.50,000/- and up to Rs.10,00,000/- through the GeM Seller having lowest price amongst the available sellers, of at least three different manufacturers, on GeM, meeting the requisite quality, specification and delivery period. The tools for online bidding and online reverse auction available on GeM can be used by the Buyer if decided by the competent authority. The procuring authorities will certify the reasonability of rates.

Above Rs.10,00,000/- through the supplier having lowest price meeting the requisite quality, specification and delivery period after mandatorily obtaining bids, using online bidding or reverse auction tool provided on GeM. The procuring authorities will certify the reasonability of rates.

Q22. Whether the purchase made on GeM is as per GFR?

Yes, the purchases made on GeM are governed by Rule 149 of GFR 2017 as amended from time to time.

Q23. Why is splitting of purchases a problem?

Piecemeal purchase or splitting of procurement leads to unfair competition and loss of bulk-purchase benefit and quantity discounts. Demand must not be split to avoid L1 buying / bidding / reverse auction, or to bypass higher-authority sanction thresholds. Requirements should be foreseen well in advance to avoid costlier emergency purchases

Q24. Do GeM prices apply to purchases made outside the portal?

No. GeM prices apply only to procurement made through the GeM Portal.

Q25. What approvals are needed before ordering on GeM?

Administrative and financial approval, and confirmation that budget is available.

Q26. What are the fundamental principles of public procurement?

Transparency, competition, value for money and accountability (Rule 144, GFR).

Q27. What is the safeguard, if the prices change during the process of approval?

In case of Direct Purchase, during carting period of 5 days, rates for carted quantity, for that buyer, are frozen for five days against any upward revision by Seller.

Q28. Can a pre-bid visit to the premises mandatory for technical qualification of GeM bidders?

For procurement of goods and services through GeM, a visit to the premises should ordinarily be kept optional for bidders, wherever feasible. If a seller considers it necessary to inspect the site to assess the requirements, installation conditions or scope of services and to quote an appropriate rate, the buyer may provide an opportunity to visit the premises during a specified time slot, subject to reasonable and equal access for interested bidders.

However, making a physical visit to the premises a mandatory condition for technical qualification, without a valid and essential procurement-related justification, may unnecessarily restrict competition and exclude otherwise eligible bidders.

Q29. Who approves Additional Terms & Conditions (ATCs) on a GeM bid?

ATCs are incorporated by the buyer only after approval of the Competent Authority.

Q30. Who is responsible if an ATC affects the bidding process?

The buyer alone. It bears the impact of the clauses on the bidding process, its outcome and consequences, including any restriction arising from ATCs or from changes to technical specifications or terms.

Q31. What happens to a clause that GeM treats as invalid?

Any clause on the disclaimer list is treated as null and void and is not considered part of the bid.

Q32. Is it possible to open E-bid on a holiday?

Yes, technically it is possible and depends on Buyer when he wants to open the Bid. However Buyers are advised against keeping bid opening dates on holidays because it may result in causing inconvenience to prospective bidders and curtailing competition.

Q33. What tools does GeM offer to check price reasonability?

- Price Trends.
- Price Comparison from Other Marketplaces.
- Price Comparison within GeM.
- Purchase History (last 6 months' orders and contract details).
- An online incident-reporting mode for price-related irregularities.

Q34. Who certifies the reasonableness of rates, and where is it uploaded?

The procuring authority (the Principal) must certify that the L1 rates are reasonable and the best acceptable before incurring expenditure. The signed certificate must also be uploaded in Financial Approval Details. The DDO must ensure price reasonability.

Q35. What if L1 rates are not reasonable?

Bidding or Reverse Auction (RA) may be used, even for direct purchases up to Rs. 10,00,000 and even for L1 purchases.

Q36. What are the key features of bid creation above Rs. 10 lakh?

Requirements (quantity, specifications, delivery period) are pre-defined; additional specification may be added through ATC or additional space provided in bid document.

Delivery can be extended up to 365 days with staggered delivery; The award goes to the lowest-priced supplier meeting quality, specification and delivery requirements.

Q37. How are bids awarded and what options does the buyer have?

The bid goes to the technically qualified vendor with the lowest price. If participation is below 3, the bid may be opened with Competent Authority approval.

Q38. What if more than one bidder quotes the same L1 rate?

Goods: the buyer conducts a Reverse Auction among all technically qualified bidders.

Services: the contract is placed by a random algorithm executed by the GeM system.

Q39. What are the Reverse Auction rules on duration and extensions?

- Duration of financial offering: between 2 and 5 days.
- Manual extensions: maximum three, none exceeding 2 days.

Auto-extension: if a seller bids in the last 15 minutes, the RA extends by 15 minutes, with a minimum of 10 and up to unlimited extensions as selected by the buyer.

Q40. What is an "unworkable L1"?

An abnormally low bid that raises concern about the bidder's capability to perform at the offered price. The procuring entity may seek a written clarification and full cost analysis. If capability is not demonstrated, the bid may be rejected and the next bidder becomes L1. The disqualified bidder may represent within a 48-hour challenge window.

Q41. Can multiple bids for similar products be combined and issued as a single bid on GeM?

Yes. Requirements for similar goods may be consolidated into a single bid, where technically and operationally feasible, to achieve economies of scale and better price competitiveness. GeM

provides demand aggregation and bunching facilities for eligible categories

Q42. When can BOQ/ Custom bids be used?

- Only where the item / service is not already listed on GeM as a regular category. BOQ/Custom bids are invalid for items or services already available on GeM. BOQ Bid only be created after taking approval from competent authority in written and upload the same on GeM.

Q43. What must be done before ordering via the Buyer ID (Golden Parameters)?

- Major Golden Parameters are approved by the Principal on a separate note-sheet. The Comparison Sheet (parameters, specifications, L1 / bidding rates) is printed, signed by the Principal and placed under Financial Approval. The DDO owns full responsibility for the transactions (Article 52 of the KV Accounts Code).

Q44. Can items be bought on a Proprietary Article Certificate (PAC)?

- Not as a matter of routine. Disguised PAC purchases of generic items are a serious financial irregularity.

Q45. What steps are required from requisition to payment?

- On receipt of goods, the Consignee shall verify the quantity, quality and specifications against the GeM contract and ensure proper stock entry in the relevant stock register. The PRC and CRAC shall be generated on the GeM Portal only after the prescribed verification and acceptance of the goods. Payment should be processed only after ensuring the required documentation and valid CRAC, wherever applicable. After payment is made through the prescribed payment mode, the payment details shall be updated on the GeM Portal through the authorised Paying Authority ID.

Q46. How should bids be rejected?

Bids are not to be rejected arbitrarily; grounds for rejection must be pre-defined in the bid document. Committee recommendations must be clear, self-explanatory and transparent, countersigned by the Principal, and uploaded on GeM.

Q47. Can Additional Terms & Conditions (ATCs) override the GeM GTC?

No. Any ATC against the GeM GTC is null and void (DO letter dated 1 March 2024 of the CEO of GeM).

ATCs may be incorporated only after Competent Authority approval, and the buyer is solely responsible for their impact on the bidding process and outcome

Q48. What type of Additional Terms and Conditions (ATCs) Restrict Competition in GeM Bids? Give Examples.

1. Manufacturer's location restricted to a particular city, state or region.
2. Mandatory service centre in a specified location without valid justification.
3. Requirement for OEM service centres in a particular city.
4. Mandatory warehouse or depot in a specified location.
5. Restriction to named brands or specific OEMs without technical justification.
6. Prescribing a minimum GeM seller rating.
7. Mandatory demonstration or sample submission at the buyer's premises before bid submission.
8. Mandatory submission of ink-signed hard copies before bid opening.
9. Irrelevant or unnecessary ISO certifications.
10. Mandatory foreign certifications.

11. Excessive turnover, net worth or financial eligibility criteria.
12. Restrictive prior experience or past-performance requirements.
13. Unreasonably short delivery timelines.
14. Unnecessary physical document submission or verification before bid opening.
15. Mandatory site visits without sufficient justification.

Q49. What undertaking is needed from a reseller not approved by the OEM?

The reseller must give an undertaking with every product upload, order acceptance and bid participation, confirming that stores will be sourced from the OEM's authorized distributor / dealer / channel partner, and chain documents will be provided at delivery, and that genuine replacement supplies will be given in case of any genuineness complaint

Q50. How should delivery periods be set?

Avoid unrealistically short periods, which reduce competition and raise cost.

Q51. Can a buyer proceed if a filtered search leaves only one seller?

No. Do not procure where only one offer / seller remains after a filtered search.

Q52. Is the GeM catalogue fixed?

No. GeM is a dynamic marketplace with continuously updated products, services and categories.

Q53. Who is responsible for verifying the documents and claims submitted by bidders?

The Buyer is responsible for verifying and validating documents submitted by bidders during the bidding process. GeM does not certify the claims of bidders or take the procurement decision on behalf of the Buyer.

Q54. Is Bid Security/EMD required in every GeM bid?

No. The GTC provides that Bid Security is not required for bids/RA with an estimated value below ₹ 5 lakh. For bids above ₹ 5 lakh, the Buyer must specify the required amount while finalizing the bid, subject to applicable exemptions. Eligible exempt categories include qualifying MSE manufacturers, recognized start-ups and other categories specified in the GTC. The Buyer must

verify the relevant exemption documents and credentials.

Q55. Can goods be rejected after the consignee has received them?

Yes. The Buyer/Consignee may inspect the goods and accept or reject a consignment with proper justification within 10 days of receipt, unless a different period is specified in the applicable STC or ATC. The receipt date is reckoned from the date recorded in the online Provisional Receipt Certificate (PRC).

Q56. What action can be taken if goods are found defective during the warranty period, even after acceptance?

If goods are found not to conform to the required description or quality, or do not provide satisfactory performance during the warranty period, the Buyer may require the Seller to rectify or replace the defective goods within seven days, as provided in the GTC.

Q57. Is Performance Security required for every GeM contract?

No. The GTC provides that Performance Security is not required for contracts placed under Direct

Purchase, L-1 Purchase under the specified Rule 149 provisions, or Push Button Procurement. For contracts awarded through e-Bidding/RA, the prescribed Performance Security requirements apply, and the Buyer should ensure timely submission and validity as per the contract.

Q58. What are the acceptable forms of Bid Security (EMD) and Performance Security on GeM?

Bid Security (EMD) and Performance Security may be submitted in the form of an Insurance Surety Bond, Account Payee Demand Draft, Fixed Deposit Receipt, Banker's Cheque, Bank Guarantee (including e-Bank Guarantee), or online payment in an acceptable form, as specified in the bid document.

Q59. What should the Buyer check regarding the specifications of goods or services offered by the Seller?

The Buyer should ensure that the goods or services supplied match the specifications, catalogue details, quantity and other requirements mentioned in the GeM contract. Any mismatch should be documented and taken up through the appropriate GeM mechanism.

Q60. What should the Buyer ensure regarding the quality, quantity and warranty of the goods supplied?

The Buyer should verify that the goods supplied meet the contracted quality and quantity requirements and that the applicable warranty or guarantee details are available. Any deficiency should be recorded and addressed as per the contract terms.

Q61. What should the Buyer do if the product supplied does not match the GeM catalogue or contract specifications?

The Buyer should record the discrepancy, retain supporting evidence and take appropriate action under the contract and applicable GeM procedures. The goods should not be accepted merely because they have been delivered; conformity with the contract must be verified.

Q62. What should the Buyer check regarding the category of the product or service on GeM?

The Buyer should ensure that the product or service selected on GeM is listed under the appropriate category and that the description and specifications correspond to the actual requirement. If the listing appears misleading or

incorrectly categorised, the matter should be reported through the appropriate GeM channel.

Q63. What should the Buyer know about the Seller's responsibility for offering prices on GeM?

The GTC requires Sellers to offer their best possible lowest price on GeM and states that, unless otherwise specified, they must offer a minimum discount of 10% on MRP. Sellers are also required not to offer the same product outside GeM at a lower price for comparable quantities and similar terms and conditions. If the Buyer comes across evidence of a possible violation, it may be reported to GeM for appropriate action.

Q64. When should a Buyer consider reporting an Incident?

A Buyer should consider reporting a genuine deviation, such as misleading product details, supply of substandard goods, failure to execute a contract or other non-compliance covered by GeM policies. The issue should be supported by relevant facts and records.

Q65. What information should a Buyer keep ready before reporting an Incident?

The Buyer should keep the GeM contract or bid reference, Seller details, a clear description of the deviation, relevant dates and supporting records ready. Depending on the issue, these may include photographs, inspection reports, correspondence and relevant contract clauses

Q66. Which practices does the GeM disclaimer list as invalid?

1. Class I / Class II supplier definitions not aligned with the extant DPIIT Order/Office Memorandum.
2. Seeking EMD from bidders exempted under the GeM GTC.
3. Publishing Custom/BOQ bids for items where a regular GeM category exists, without bunching a category item.
4. Creating a BOQ bid for a single item.
5. Naming a specific brand, make, model, manufacturer or dealer.
6. Mandating physical-form document submission as a pre-qualification requirement.

7. Floating work contracts as Custom Bids in Services.
8. Seeking samples with the bid, or sample approval during evaluation.
9. Mandating foreign certifications despite equivalent Indian Standards, without naming the equivalent.
10. Requiring experience from a specific organisation/department, or foreign/export experience only.
11. Creating bids for items from irrelevant categories.
12. Clauses against the MSME policy or Make-in-India preference.
13. Referring to conditions on external sites or documents.
14. Charging any tender/bid-participation/auction fee for bids or forward auctions.

Q67. Why are these ATCs a problem?

They curtail competition, which leads to higher rates.

Q68. Why does category selection matter?

Wrong categorization of the product or service can render the contract null and void.

Q69. Which filters should a buyer use?

Technical specification, quantity, delivery period, warranty, consignee location and seller eligibility.

SECTION 3

Public Procurement (Preference to Make in India)

Q1. How to calculate Local Content?

Para 2 of the PPP-MII Order, 2017 (as amended on 19.07.2024) defines local content as:

'Local content' means the amount of value added in India which shall, unless otherwise prescribed by the Nodal Ministry, be the total value of the item procured (excluding net domestic indirect taxes) minus the value of imported content in the item (including all customs duties) as a proportion of the total value, in percent.

Mathematically,

Local content = (Sale price - Value of imported content) * 100/ Sale price

Where, "Sale price" means price excluding net domestic indirect taxes and "Value of imported content" means price of imported content inclusive of all customs duties

Q2. How to calculate Local Content in bids involving supply of multiple items from single bidder?

In case of bids requiring supply of multiple items (say "X1", "X2" and "X3") by a single bidder, the local content in the bid shall be

Local content = ((Sale price of "X1" - Value of imported content in "X1") + (Sale price of "X2" - Value of imported content in "X2") + (Sale price of "X3" - Value of imported content in "X3")) * 100/ (Sale price of "X1" + Sale price of "X2" + Sale price of "X3")

Q3. What is Make in India "MII" certificate?

No such certificate issued by Government of India. However, as per para 9 (a) of PPP-MII Order, 2017 (as amended on 19.07.2024), the 'Class-I local supplier'/'Class-II local supplier' at the time of tender or bidding is required to indicate percentage of local content and provide self-certification that the item offered meets the local content requirement for 'Class-I local supplier'/'Class-II local supplier', as the case may be.

i. As para 9 (b) of the Order, for value in excess of Rs. 10 Crores, the 'Class-I local supplier'/'Class-II local supplier' shall provide a certificate from the statutory auditor or the cost auditor of the

company (in the case of companies) and from a practicing cost accountant or practicing chartered accountant (in respect of suppliers other than companies) giving the percentage of local content.

ii. As per para 9 (c) of PPP-MII Order, 2017 (as amended on 19.07.2024), the bidder shall give self-certification for local content in the quoted item (goods/works/services) at the time of tendering. However, at the time of execution of the project, all contracts above INR 10 Crore, the contractor/ supplier shall be required to give local content certification duly certified by cost/ chartered accountant in practice. For cases where it is not possible to provide certification by Cost/Chartered Accountant at the time of execution of project, the supplier shall be permitted to provide the certificate local content from Cost/ Chartered Accountant after completion of the contract, within time limit acceptable to the procuring entity.

Q4. What penalty is imposed on a bidder or supplier who fails to meet the declared local content requirement at the time of bidding, resulting in a change in their supplier category from Class-I to Class-II/Non-local supplier or from Class-II to Non-local supplier?

In case the contractor/ supplier does not meet the stipulated local content requirement and the

category of the supplier changes from Class-I to Class-II/ Non-local or from Class-II to Non-local, a penalty upto 10% of the contract value may be imposed. However, contract once awarded shall not be terminated on this account.

Q5. What is the meaning of Class-I local supplier, class-II local supplier and non-local supplier?

PPP-MII Order, 2017 (as amended on 19.07.2024) classifies the suppliers into following 3 categories:

a. 'Class-I local supplier' – Suppliers offering items with equal to or more than 50% local content

b. 'Class-II local supplier' - Suppliers offering items with equal to or more than 20% but less than 50% local content

c. 'Non local supplier' - Suppliers offering items with Less than 20% local content

Nodal Ministries/ Departments are authorized to notify a higher minimum local content requirement for any item, i.e. higher than 50/20%, if they deem fit

Q6. Can an item be procured from non-local suppliers, if there are no Class-I/ Class-II local suppliers in the country.

Non-local suppliers can only participate in global tender enquiry. Against domestic/ national tenders, only Class-I and Class-II local suppliers can participate in the bidding process. Hence, in case item is not available locally from Class-I/ Class-II local suppliers, global tender enquiry may be floated for procuring item after taking approval of competent authority, as notified by Department of Expenditure under Rule 161(iv) of GFR.

Q7. Will the cost of transportation, insurance, installation, commissioning, training and after sales service support like AMC/CMC etc. will be considered as a part of local content?

The cost of transportation, insurance, installation, commissioning, training and after sales service support like AMC/CMC etc. will not be taken into account for calculating local content in any item. DPIIT OM No. P-45021/102/2019-BE-II-Part(1) (E-50310) dated 04.03.2021 refers, available on DPIIT Website.

Q8. What will be the category of the local suppliers having exactly 20% and 50% local content?

Vide its para 5, the Public Procurement (Preference to Make in India) Order, 2017 dated 19.07.2024 stipulates the minimum local content requirement as under:

"The 'local content' requirement to categorize a supplier as 'Class-I local supplier' is minimum 50%. For 'Class-II local supplier', the 'local content' requirement is minimum 20%. Nodal Ministry/Department may prescribe only a higher percentage of minimum local content requirement to categorize a supplier as 'Class-I local supplier'/'Class-II local supplier'. For the items, for which Nodal Ministry/Department has not prescribed higher minimum local content notification under the Order, it shall be 50% and 20% for 'Class-I local supplier'/" Class-II local supplier' respectively."

Accordingly, the local suppliers having exactly 20% and 50% local content will be categorized as "Class-II Local Supplier" and 'Class-I Local Supplier' respectively.

Q9. Whether a Central Government/CPSE Buyer can take cognizance of open undertakings/ futuristic declarations and treat bidder as Class I/ Class II local supplier through the present level of local content of the bidder happens to be below 50%/ 20% respectively?

Detailed Procedure for Verification of local content declared by suppliers /vendors is elaborated on clause 9 of PPP-MII Order, 2017 dated 19.07.2024 and as per the Order, futuristic declarations regarding local content is not allowed.

Q10. Is procurement of spare parts, consumables exempted from PPP-MII Order, 2017?

Procurement of spare parts, consumables for closed systems and maintenance/Service contracts with Original Equipment manufacturer/Original Equipment Supplier/Original Part manufacturer shall be exempted from this Order.

Q11. Is sourcing Class-I local suppliers mandatory in SI/EPC/Turnkey Contracts/Service Tenders when there is sufficient local capacity and competition?

Yes, as Para 3.1(a) of PPP-MII Order, 2017 (as amended on 19.07.2024), the items, notified as having sufficient local capacity and competition,

shall mandatory sourced from Class-I local suppliers in SI/EPC/Turnkey Contracts/Services tenders. This provision will be applicable only for those items which have been notified by the Nodal Ministry as Class-I. i.e. having sufficient capacity and competition, with specific HSN codes.

Q12. What is the definition of repackaged/ refurbished/rebranded imported products?

The definition of repackaged/refurbished/rebranded imported products is as follows:

a. 'Refurbishing' means repair or reconditioning of an imported product which does not amount to manufacture because no new goods come into existence.

b. 'Repackaging' means repacking of imported goods from bulk pack to smaller packs which would not ordinarily amount to manufacture of a new item.

c. 'Rebranding' means relabeling or renaming or change in symbol or logo/makes or corporate image of a company/organization/firm for an imported product which would amount only to rebranding

Q13. How can we calculate local content in contracts involving supply of multiple items?

For contracts involving supply of multiple items, weighted average of all items to be taken while calculating the local contents.

SECTION 4

Public Procurement Policy for MSEs

Q1. What is the share of procurement from MSEs out of the total procurement made by Central Government Ministries/ Departments/ Public Sector Undertakings?

Under amended Public Procurement Policy for MSEs, Order 2012 a minimum 25 per cent share out of the total annual procurement by Central Government Ministries / Departments / Public Sector Undertakings are to be made from MSEs.

Q2. Is there any reservation for MSEs owned by SC/ST/ Women entrepreneurs?

Yes, out of 25% target of annual procurement from MSEs (Not in the specific tender), a sub-target of 4% of annual procurement from MSEs is earmarked for procurement from MSEs owned by Scheduled Caste (SC) / Scheduled Tribe (ST) entrepreneurs and 3% of annual procurement from MSEs is earmarked for procurement from MSEs owned by women entrepreneur. However, in event of failure of such MSEs to participate in tender process or meet tender requirements and L1 price, 4% sub-target for procurement earmarked for MSEs owned by SC/ST entrepreneurs and 3%

earmarked to women entrepreneur will also be met from other MSEs.

Q3. Who is eligible for availing the benefits under the Public Procurement Policy?

As mentioned in Section 7(4) of Ministry of MSME's Notification No. S.O2119(E) dated 26th June, 2020, an enterprise registered with any other organization under the Ministry of MSME shall register itself under Udyam Registration. With effect from 01.07.2020, MSEs registered under Udyam Registration are eligible to avail the benefits under the Policy. MSEs registered under Udyog Aadhaar Memorandum (UAM), validity of which is till 31.03.2022, are also eligible to avail the benefits under the Policy.

Q4. Is the policy implemented in parts or fully from its inception?

As per Gazette Notification(S.O. 5670(E) dated 8th November, 2018, it is mandatory for all Central Government Ministries / Departments/ CPSUs to procure at least 25% of their annual procurement from MSEs including 4% from MSEs owned by SC/ST entrepreneur and 3% from MSEs owned by women entrepreneur.

Q5. Is there any monitoring system for assessing the Government procurement from MSEs?

To monitor the progress of procurement by Central Government Ministries/ Departments and CPSUs from MSEs, Ministry of MSME has launched the MSME Sambandh Portal on 8th December, 2017 for uploading procurement details by all CPSUs on a monthly and an annual basis which is regularly monitored by the Ministry.

Q6. Is there a price matching facility for procurement from MSEs over large scale?

(i) Price quotation in tenders: In tender, participating Micro and Small Enterprises, quoting price within price band of L1+15 percent shall also be allowed to supply a portion of requirement by bringing down their price to L1 price in a situation where L1 price is from someone other than a Micro and Small Enterprise and such MSE shall be allowed to supply up to 25 per cent of total tender value.

(ii) In case of more than one such Micro and Small Enterprise, the supply shall be shared proportionately (to tendered quantity).

Q7. What are the other benefits /facilities available to the MSEs under the policy?

To reduce transaction cost of doing business, MSEs will be facilitated by providing them tender sets free of cost, exempting MSEs from payment of earnest money deposit, adopting e-procurement to bring in transparency in tendering process. However, exemption from paying of Performance Bank Guarantee is not covered under the policy. MSEs may also be given relaxation in prior turnover and prior experience criteria during the tender process.

Q8. What is the grievance redressal mechanism in case of non-compliance of the Policy by any Government Department?

To redress the grievances of MSEs related to non-compliance of the Policy a Grievance Cell named "CHAMPION Portal" has been set up in the Ministry of MSME.

Q9. From where can the details of the Policy be obtained?

Policy details are available on the website of this office at www.dcmsme.gov.in.

Q10. Is this policy mandatory under any Act?

Yes, the Policy is mandatory and notified under the MSMED Act, 2006.

Q11. Can MSEs quoting a price within the band L1+15% be given complete supply to tender in case tender item cannot be split /divided?

In case of tender item cannot be split or divided, etc. the MSE quoting a price within the band L1+15% may be awarded for full/ complete supply of total tendered value to MSE, considering the spirit of the Policy for enhancing Govt. Procurement from MSEs.

Q12. Which are the MSEs owned by SC/ST enterprises?

The definition of MSEs owned by SC/ ST is as given under:

(a) In case of proprietary MSE, proprietor(s) shall be SC /ST.

(b) In case of partnership MSE, the SC / ST partners shall be holding at least 51% shares in the unit.

(c) In case of Private Limited Companies, at least 51% share shall be held by SC/ST promoters.

Q13. Can the Central Government Ministries/ Departments/ CPSUs who have a meagre value of total procurement be exempted from the Policy?

The Policy is applicable to all the Central Government Ministries / Departments / CPSUs, irrespective of the volume and nature of procurement.

Q14. Does laminated paper Gr. I, II and III fall under the paper conversion product (Sl.No.202) and is a reserved item for exclusive procurement from MSEs?

As per Policy Circular No. 21(6)/2016-MA dt. 26th May, 2016, it is clarified that only paper bags, envelopes, ice-cream cups, paper cups and saucers and paper plates are covered under the head "Paper Conversion products" at Sl. No. 202 of the list of reserved items under the Public Procurement Policy for MSEs Order-2012. Accordingly, the description of Sl. No. 202 as indicated in the English version of the Reserved List will be applicable.

Q15. Does the Ministry give any certificate for MSEs having Udyam Registration?

The Erstwhile Udyog Aadhaar Memorandum (UAM valid till 31.03.2022) has been replaced by Udyam Registration Certificate (w.e.f. 01.07.2020). As part of ease of doing business, Udyam Registration Certificate (URC) has been introduced through a dedicated portal on self certification basis. An acknowledgement of URC is generated online instantly which is accepted by all Central Government Ministries / Departments / CPSUs and State Govts.

Q16. Is the Public Procurement Policy applicable to State Governments/ State Departments/ State PSUs?

The Public Procurement Policy for MSEs Order, 2012 is applicable to Central Government Ministries/ Departments and CPSUs. This Policy is not applicable to State Government Ministries/ Departments/ PSUs.

Q17. Are the benefits of Public Procurement Policy applicable to MSEs who are not registered for the tendered items?

The benefits of PPP should be given to all eligible MSEs irrespective of relevance of product Category.

Q18. Can the relaxation of norms for start ups and MSEs in Public Procurement Policy in prior experience and prior turnover criteria be given to all MSEs?

It is clarified that all Central Government Ministries/ Departments/ Central Public Sector Undertakings may relax conditions of prior turnover and prior experience with respect to Micro and Small Enterprises in all public procurement, subject to meeting of quality and technical specifications (In exercise of Para 16 of Public Procurement Policy for Micro and Small Enterprises, Order 2012).

However, there may be circumstances (like procurement of items related to public safety, health, critical security operations and equipment, etc.) where procuring entity may prefer the vendor to have prior experience rather than giving orders to new entities (O.M.No.F.20/2/2014-PPD(Pt.)dated 20.09.2016 issued by DoE).

Q19. Are Works Contracts a part of Services? What is the difference between Works and Services?

Works Contracts are not covered under the purview of Public Procurement Policy for MSEs. The definition is available in GFR Rules 130, 143, 177 & 197.

Q20. Are financial institutions/ autonomous bodies included in the PP Policy?

The Policy is applicable for all Central Government Ministries / Departments and CPSUs.

Q21. Is it mandatory for MSEs to disclose their status as SC/ST/Women in Udyam Registration Certificate (URC)?

Yes, it is mandatory to disclose the status as SC/ST/Women for in Udyam Registration.

SECTION 5

TDS under the Income Tax Act

Q1. Which TDS sections are most relevant under Income Tax Act?

Section 192 (Salary) – new Section 392.

Section 194C (Payments to Contractors) – new Section 393.

Section 194J (Professional / technical fees) – new Section 393.

The new Sections are effective from 1.4.2026.

Q2. Where does Section 194C apply(New Section 393(1), Table Sr.No.6(i))?

To work contracts and labour contracts. "Work" includes advertising, broadcasting and telecasting, carriage of goods or passengers by any mode of transport, catering, and manufacturing / supplying a product to customer specification using material bought from the customer.

Q3. Does TDS under 194C(New Section 393(1), Table Sr.No.6(i)) apply to a purchase of furniture?

No. Section 194C is not applicable to a purchase / sale contract, for example payment for purchase of furniture.

Q4. What are the TDS rates under Section 194C(New Section 393(1), Table Sr.No.6(i))?

1% – payment to an individual / HUF.

2% – payment to any other person.

20% – if PAN is not submitted.

No cess or surcharge applies.

Q5. When is tax not deducted under Section 194C{(New Section 393(1), Table Sr.No.6(i)} ?

If the sum paid or likely to be paid to a contractor does not exceed Rs. 30,000.

However, if the aggregate during the financial year exceeds Rs. 1 lakh, tax is deducted on the entire amount.

No deduction on sums paid to a goods-carriage contractor owning ten or fewer carriages, on furnishing a declaration with PAN.

Q6. Can you give a worked example for 194C(New Section 393(1), Table Sr.No.6(i)) (FY 2026-27)?

Payments of Rs. 30,000 (15.07.2026), Rs. 25,000 (20.10.2026) and Rs. 25,000 (15.11.2026) total Rs. 80,000 to a contractor, so no tax is deducted. If the last payment is Rs. 45,001, the total becomes Rs. 1,00,001, which exceeds Rs. 1 lakh, so tax deductions provisions apply.

Q7. Where does Section 194J (New Section 393(1), Table Sr.No.6(iii))apply?

To fees for professional services, fees for technical services, any remuneration, fees or commission (by whatever name called), and royalty, etc.

Q8. What is meant by "professional services" and "fees for technical services"?

Professional services: services in the legal, medical, engineering, architectural, accountancy, technical consultancy, interior decoration or advertising professions, or other professions notified by the Board.

Fees for technical services: consideration for managerial, technical or consultancy services, excluding construction, assembly, mining or similar projects and amounts chargeable as "Salaries".

Q9. What are the TDS rates under Section 194J(New Section 393(1), Table Sr.No.6(iii))?

2% – technical services.

10% – other cases (professional services, etc.).

20% – if PAN is not submitted.

No cess or surcharge applies.

Q10. What is the threshold under 194J(New Section 393(1), Table Sr.No.6(iii)), with an example?

No tax is deducted if the aggregate paid or credited to a single payee in a financial year does not exceed Rs. 50,000. For example, payments to an advocate of Rs. 15,000, Rs. 30,000 and Rs. 5,000 total Rs. 50,000 (no TDS); a last payment of Rs. 5,001 makes the total Rs. 50,001, so TDS provisions apply.

Q11. What interest applies for late TDS?

Under Section 201A (New Section 398): 1% per month for non-deduction (from the date deductible to the date actually deducted), and 1.5% per month for non-payment after deduction (from the date of deduction to the date of payment).

Q12. What are the due dates for TDS returns?

Quarter | Period | Due date

Q1 | 1 April – 30 June | 31 July

Q2 | 1 July – 30 September | 31 October

Q3 | 1 October – 31 December | 31 January

Q4 | 1 January – 31 March | 31 May

Q13. What is the fee or penalty for late filing of a TDS return?

A fee of Rs. 200 per day, capped at the total TDS deducted. A penalty ranging from Rs. 10,000 to Rs. 1,00,000 may also apply, subject to other provisions.

Q14. What is the time limit for issuing the TDS certificate?

Form 16A (now Form 131) must be issued within 15 days from the due date for furnishing the TDS return. The penalty for delay is Rs. 100 per day per certificate, capped at the TDS amount for the quarter.

Q15. On what value is tax deducted when the invoice shows labour and material separately?

For work under Section 402(47)(e), tax is deducted on the invoice value excluding material value if specified separately in the invoice; otherwise on the whole invoice value.

Q16. How is "work" defined under Section 402(47)(e)?

Includes: advertising; broadcasting and telecasting (including production of programmes); carriage of goods or passengers by any mode other than railways; catering; and manufacturing / supplying

a product to customer specification using material from the customer or its associate. Excludes: manufacturing / supplying using material purchased from a party other than the customer or its associate, and sums referred to in Section 393(1), Table Sl. No. 6(iii).

Q17. Can a TDS return be corrected under the new Act?

Yes. Under Section 397(3)(f), a correction statement can be filed within 2 years from the end of the tax year.

Note: - The threshold limits and rates mentioned in various sections may be changed by GoI in subsequent year(s). The users are advised to refer to the latest/updated provisions on the subject.

SECTION 6

TDS under GST

Q1. Who is required to deduct TDS under GST?

Section 51 of the CGST Act allows the Government to mandate TDS for Central / State Government departments and establishments, local authorities, governmental agencies, and other notified persons. Notification 50/2018 (effective 1 October 2018) covers authorities or boards set up by an Act with 51% or more Government equity / control, societies established under the Societies Registration Act, 1860, and PSUs .KVS being an Autonomous body is covered.

Q2. When is GST TDS required?

When the total value of supply of taxable goods or services (or both) under a contract exceeds Rs. 2,50,000, excluding GST (Central, State, UT, Integrated tax and Cess).

Q3. What is the rate of GST TDS?

2%, irrespective of the GST amount charged in the bill.

Intra-state supply: CGST 1% + SGST/UTGST 1%.

Inter-state supply: IGST 2%.

A supply is intra-state when the supplier's location and the place of supply are in the same state, and inter-state when they are in different states.

Q4. When is GST TDS not required to be deducted?

(i) Taxable supply value under the contract is Rs. 2.5 lakh or less. or

(ii) Goods are exempt, or are outside GST (e.g. petrol, diesel, crude, natural gas, ATF, alcohol for human consumption). or

(iii) The supplier's location and place of supply are in a State / UT different from where the deductor is registered. Activities under Schedule III of the CGST/SGST Acts. or

(iv) Tax is payable under reverse charge, or payment is to an unregistered supplier. or

(v) Exempted services under Notification 12/2017 (Sl. No. 66).

Q5. Which education-related services are exempt (Notification 12/2017, Sl. No. 66)?

Services by an educational institution to its students, faculty and staff.

Services to an educational institution for transportation of students, faculty and staff.

Catering, including mid-day meals sponsored by the Government.

Security, cleaning or house-keeping services in the institution.

Services relating to admission or conduct of examinations (up to higher secondary).

Q6. How does a KV register for GST TDS?

A TDS deductor must register under GST. PAN is not required; a TAN issued under the Income Tax Act is needed. Registration is done online at reg.gst.gov.in using Form GST REG-07.

Q7. By when must GST TDS be deposited?

Within 10 days after the end of the month in which the deduction was made. The deductor generates a challan on gst.gov.in and can pay by over the counter (through cheque, DD).

Q8. How and when is the GST TDS return filed?

FORM GSTR-7 is filed online on the GST portal (or via the offline tool) by the 10th of the month following the month of deduction. The tax deposited by challan is credited to the deductor's electronic cash ledger, and the GSTR-7 liability is paid by debiting that ledger.

Q9. What is the TDS certificate under GST and how does the deductee get credit?

A system-generated certificate, FORM GSTR-7A, is furnished to the deductee within 5 days of filing GSTR-7. On filing, the deducted amount appears in the deductee's GSTR-2A/4A and is credited to their electronic cash ledger for discharging tax liabilities.

Q10. What are the late fee, interest and penalty under GST TDS?

Late filing of return: Rs. 100 per day each under CGST and SGST/UTGST, capped at Rs. 5,000 each.

Late furnishing of certificate (GSTR-7A): Rs. 100 per day each under CGST and SGST/UTGST (from day 6), capped at Rs. 5,000 each.

Late / non-deposit of TDS: interest up to 18% under Section 50, in addition to the tax deducted.

SECTION 7

TA/DA and LTC Rules

Q1. Whether encashment can be availed during Casual Leave while availing LTC?

Yes.

Q2. Whether Air Tickets can be booked through private agents on TA/DA&LTC?

No, as per para 3(viii) of MOF, Dept. of Exp. OM No. 19024/1/E-IV/2005 dt. 24.3.2026 only from authorized travel agents that are M/s Balmer Lawrie , IRCTC and M/s Ashoka Tours & Travels.

Q3. What is the minimum service for availing LTC?

Government servant who have completed one year of continuous service on the date of journey can avail this concession. {LTC Rules}

Q4. Which kind of leave is necessary for availing LTC ?

Travel on LTC is admissible during any kind of leave, including casual leave, special casual leave and child care leave.

Q5. Whether LTC can be availed during weekend/holidays alone?

No. It is necessary to avail of any kind of leave due and admissible when the LTC is availed of by the Government employee.

Q6. When both husband and wife are government servants, can they declare separate home town independently?

Yes

Q7. Whether a Government employee can travel by longer route?

Yes, however reimbursement for his/her journey will be restricted to shortest direct route.

Q8. Whether LTC can be availed during study leave?

Yes, however reimbursement of fare should be restricted to the fare admissible for travel between his headquarters station to any place in India/home town or actual expenditure, whichever is less.

Q9. Whether LTC can be availed under suspension?

No, Government servant under suspension cannot avail of LTC as he/she cannot get any leave

including casual leave during the period of suspension; however his family is entitled to LTC.

Q10. What is the entitlement of fresh recruits?

Fresh recruits of Central government may be allowed to travel to their home town with their families on three occasions in a block of four years and to any place in India on the fourth occasion. This facility shall be available to the Government officers only for the first two blocks of four years applicable after joining the Government for the first time. The blocks of 4 years shall apply with reference to the initial date of joining the Government even though the employee changes the job within Government subsequently. The existing blocks will remain the same but the entitlements of the new recruit will be different in the first eight years of service.

Q11. Home town of an employee is connected by train but is not directly connected by Rajdhani/Shatabdi Express trains. In such a case, can the employee be entitled to travel partly by Rajdhani/Shatabdi Express trains and partly by other trains?

Yes, If the journey is actually performed by Rajdhani/Shatabdi trains up to an en route railway station by direct shortest route and

thereafter the journey is completed in a train other than Rajdhani/Shatabdi trains, fare for both the types of trains by the entitled class would be admissible for the respective portion of journey.

Q12. If the originating and terminating points fall on the routes of Rajdhani/Shatabdi express trains but these trains do not halt at these stations, can an employee travel by Rajdhani/Shatabdi Express?

The employee can travel by Rajdhani/Shatabdi Express up to the nearest en route station which should not be beyond the destination i.e., Home town or the declare place of visit.

Q13. If a Government employee/his family member is entitled to concessional train fare such as senior citizen, student concession, children, etc., whether in case of air travel, the reimbursement would be restricted to such concessional fare by train in entitled class?

If full air fare has been charged by the airlines and paid by the Government servant, the reimbursement would be restricted to the full train fare in entitled class including Rajdhani/Shatabdi.

Q14. Are parents-in-law covered under LTC?

No. As per Rule 4(d) of the CCS (LTC) Rules, 1988, read with DoPT O.M. No. F. No. 31011/07/2025-PP.A-IV dated 01.07.2025, parents-in-law are not included in the definition of family for LTC purposes.

Q15. Whether DA is admissible on Sunday, holiday, casual leave and RH to Government Servant on temporary duty at out station?

1. Government servant availing CL or RH while on tour is not entitled to draw DA.2. DA is not admissible for any day whether Sunday or holiday unless the officer is actually and not merely constructively in camp.

Q16. How mileage allowance is admissible when journey on tour is performed by longer route by rail partly by lower class and partly by the entitled class?

In such case claim shall be regulated on proportionate basis, by calculating mileage allowance for different modes/ classes by the shortest route in the ration of distance covered by such modes/ classes by the longer actually used route.

Q17. Is TATKAL SEVA charges reimbursable?

Yes

Q18. Whether DA to Government servant on tour returning to Headquarters daily is admissible?

Yes, a Government servant who returns to his Hqrs while on tour at outstation due to non-availability of proper accommodation etc. to suite his convenience, may draw DA at the rate applicable at temporary duty station, but on intervening Sundays and holidays no DA will be admissible.

Q19. Whether hotel/ guest house should be registered/ recognized?

For any hotel the Government servant must have stayed in registered/licensed as a hotel by proper authority.

Q20. Whether cash receipt/ cash memo will be mandatory in support of the claims?

Yes actual expenditure incurred within the prescribed limit will be reimbursed as per normal procedure and rules.

Q21. Whether encashment of leave is allowed after LTC is availed?

Sanction of leave encashment should, as a practice, be done in advance, at the time of sanctioning the LTC. However, ex-post-facto sanction of leave encashment on LTC may be considered by the sanctioning authority as an exception in deserving cases within the time limit prescribed for submission of claims for LTC.

Q22. Whether encashment of leave with LTC can be availed at the time when the LTC is availed by the Government servant only or can leave be encashed at the time when LTC is availed by family members?

A Govt. servant can be permitted to encash earned leave upto 10 days either at the time of availing LTC for himself or when his family avails it provided other conditions are satisfied.

Q23. Whether leave encashment should be revised on retrospective revision of pay/D.A?

In terms of 38-A of CCS (Leave) Rules, encashment of EL alongwith LTC is to be calculated on pay admissible on the date of availing LTC and DA admissible on that date. If pay or DA admissible has been revised with retrospective effect, going by

the rule the Govt. servant would be entitled to encashment of Leave on the revised rates.

Q24. Whether Destination can be changed during LTC?

It depends upon the certain condition, where change of destination is permissible as per LTC Rule.

Q25. Whether Date of journey is important during LTC?

YES, Date of journey decide the LTC Block Year and kind of Leave availed, period of journey by employee.

Q26. Whether age of the children effects the LTC Claim?

YES, the age of the children effects the family claim eligibility.

Q27. Whether Break/ Interruption is allowed during LTC Journey?

Break/ Interruption depends upon the certain conditions as per LTC Rule/ Provision.

Q28. Whether Govt. servant who has already availed one Home Town LTC in the current block can avail LTC to visit NER?

Yes, against All India LTC.

Q29. Whether a Govt. servant avail the benefit of visiting NER/J&K twice in particular block of 4 years?

Yes, a Govt. servant can visit NER/J&K by conversion of his Home Town LTC and also by availing All India LTC subject to validity period of the scheme and fulfilling of other conditions.

Q30. What is the dependency criterion for the purpose of LTC?

A member of family whose income from all sources, including pension, temporary increase in pension does not exceed minimum pension (presently Rs. 9000/- per month as per 7th CPC) and Dearness relief (DR) thereon, is deemed to be wholly dependent on the Government employee. Condition of dependency is not applicable to spouse of the government employee. (O.M. No. 31011/4/2008-Estt. (A) dated 23.09.2008)

Q31. Whether Carry forward of LTC is allowed to fresh recruits?

NO, as fresh recruits are eligible for every year LTC for the first 8 years of service.

Q32. Whether parents/children residing at other places avail LTC to visit the Govt. servant at Headquarters and go back?

No, reimbursement of LTC claims being restricted to the entitlement for journey between Headquarters and place of visit. (O.M. No. 31011/14/86-Estt.(A) dated 07.05.1987)

Q33. Whether leave encashment is allowed in case the Government employee does not avail of LTC in a particular block year but his family member(s) avail of LTC?

Yes. Government employee may apply for leave encashment before the commencement of the journey in respect of his/her family member in a particular sub-block/block year. Employees are entitled for one leave encashment only in a particular Block/ Sub-Block year, as the case may be. [O.M. No. 14028/2/2012-Estt. (L), dated 09.02.2015]

Q34. Whether reimbursement is allowed in case the journey is performed by private ferry after utilizing the authorized mode of transportation?

In cases where last part of the journey from the nearest airport/railway station is performed by private ferry, reimbursement may be restricted to the entitled Government ship fare from the nearest airport/station to the declared place of destination provided public transport/Government ferry is available in that particular area. [OM No. 31011/3/2015-Estt. (A.IV) dated 09.02.2017]

Q35. Whether Government employees can travel by Helicopter?

No, Government employees can travel only in economy (Y) Class in a passenger plane of airlines.

Q36. Whether a Government employees visiting Sikkim can travel by air up to Bagdogra (West Bengal) which is not situated in NER.

Yes. A Government employee is entitled to travel by air from their place of posting (or nearest airport) to a city in the NER (or nearest airport). [OM No. 31011/4/2007-Estt.A-IV dated 14.05.2008

Q37. Are incidental expenses and expenditure incurred on local journeys allowed under LTC?

No, Reimbursement under LTC scheme does not cover incidental expenses and expenditure incurred on local journeys. Reimbursement for expenses of journey is allowed only on the basis of a point to point journey on a through ticket over the shortest direct route. (Rule 13 of CCS(LTC) Rules, 1988)

Q38. What will be the rates for the place where no specific rates have been prescribed either by the Directorate of Transport of the concerned State or of the neighboring States?

(I) For journeys performed in own car/taxi- Rs.24/- Per KM (II) For Journeys performed by auto rickshaw/ Own Scooter etc.- Rs. 12/- Per KM [OM 19030/1/2017-E IV Date 13.07.2027]

Q39. What are the key documents required in complete TA/DA Claims?

The following documents are required with TA/DA Claims: Movement Order, Relieving Order/ Attendance Certificate, Accommodation bill (wherever applicable), Self-Declaration for claims (Hotel & Local Conveyance within the city), Tickets, Boarding pass, vouchers, etc., as per rules.

Q40. What is the timing restrictions for reimbursement of Food charge?

Timing restrictions: If absence from headquarter is <6 hours- 30% of Lump sum amount. If absence from headquarter is between 6-12 hours- 70% of Lump sum amount. If absence from headquarter is >12 hours-100% of Lump sum amount. Note: Absence from Head Quarter will be reckoned from midnight to midnight and will be calculated on a per day basis. [OM 19030/1/2017-E IV Date 13.07.2027]

Q41. Whether submission of Boarding Pass is compulsory along with TA Bill?

As per the Ministry of Finance, Department of Expenditure, O.M. No. 19030/3/2014-E.IV dated 23.06.2020, if a Government employee is unable to submit the boarding pass along with the TA bill, a Self-Declaration Certificate in lieu of the boarding pass may be submitted. The certificate should confirm that the employee actually performed the onward and return journeys and provide the relevant ticket/PNR details. The certificate must be countersigned by the Controlling Officer in the case of officials below the rank of Under Secretary (Pay Level 10 and below). However, this OM specifically relates to Travelling Allowance (TA) claims; its

applicability to LTC claims should be verified with reference to the relevant LTC instructions.

Q42. Whether Tatkal Seva charge is reimbursable?

YES

Q43. Whether LTC journey is allowed on tour packages offered by various travel agents

Travel on tour packages is not allowed. However, the tours conducted by Indian Tourism Development Corporation (ITDC), State Tourism Development Corporation (STDC) and Indian Railway Catering and Tourism Corporation (IRCTC) can be considered and only the fare component for a fixed destination by the shortest route shall be reimbursable provided ITDC/STDC/IRCTC separately indicate the fare component and certify that the journey was actually performed by the Government employee and his family members for which he/she is claiming the Leave Travel Concession. [O.M. No. 31011/6/2002-Estt. (A), dated 30.07.2002 and 26.3.2008]

Q44. Is the taxi/ auto fare from the residence of the Government service/ other eligible family member to the nearest airport/ railway station/bus depot during the outward/ inward journey, is reimbursable

No. Local travel cost is not covered under LTC Rules (Rule 13 of CCS(LTC) Rules, 1988)

Q45. Is concessional circular trip tickets offered by the Railways allowed?

There is no objection to a Government employee or his family members availing themselves of concessional circular trip tickets offered by the Railways in conjunction with the leave travel concessions. In such cases also, the official will be entitled to reimbursement of the fare for the entitled/lower class actually travelled by the shortest route. [O.M. No.31011/277/-Ests. (A), dated 03.02.1979

Q46. Are catering charges allowed while booking train tickets?

Wherever employees opt for catering services while booking the tickets for the eligible trains for the purpose of LTC, the reimbursement of catering charges shall be allowed. [O.M. No. 3101117//2023-Estt.A-IV dated 10.08.2023]

Q47. Is the element of Tax, Education Cess and other levies being charged by Government on travel by Air/Road /Rail/Steamer on LTC reimbursable?

Yes. [M.F., O.M. F. No. 190231//2006-E. IV, dated 18.07.2007]

Q48. Who is the competent authority to grant relaxation in case air ticket is booked from unauthorized travel agent or website of the airlines?

(a) The Financial Advisors of the Ministry/Department in case the Government employee is working directly under Ministry/Department; and (b) In case of the employees working under subordinate/attached offices, Head of Department not below the rank of Joint Secretary. [O.M. No. 31011/12/2022-Estt. (A-IV), dated 29.08.2022]

Q49. State whether the DA entitled of hotel accommodation/guest house is inclusive of taxes/GST.

No. The entitlement prescribed is exclusive of all Taxes/GST. Taxes incurred will be reimbursed over and above the prescribed entitlement.

Q50. What is the condition for grant of one-third of Composite Transfer Grant in cases of transfer within the same city?

There should actually be a change of residence.

Q51. Can a printout or confirmation copy of the ticket be submitted as supporting document for an TA or LTC claim?

No. The employee should submit the actual travel tickets as supporting documents along with the TA or LTC claim. A mere ticket confirmation printout should not be treated as a substitute for the actual tickets, wherever submission of the tickets is required under the applicable LTC rules and instructions.

Q52. Does the provision of a working lunch during official duty automatically require deduction of Daily Allowance?

A working lunch is not equated with TA/DA rules.

Q53. Can a TTA claim be rejected merely because the employee paid the expenses in cash?

The claim should be examined with reference to the applicable TTA rules, admissibility of the expense, proof of Goods transportation and supporting documents. However, applicable rules for

reimbursement requires documentary evidence(s) and if the employee fails to provide it, the unsupported component may be disallowed.

Q54. How should TA/DA claims be regulated for teachers escorting students to events?

When teachers accompany students to participate in sports, cultural or other official events, the TA/DA claims of the accompanying teachers should be submitted separately from the students' reimbursement claims. The teachers' admissible travelling and daily allowances should be regulated under the applicable TA/DA Rules and reimbursed from the School Fund account, subject to the prescribed limits and sanction.

SECTION 8

National Pension System(NPS)

Q1. What is a PRAN? Can a Subscriber obtain more than one PRAN?

PRAN is the short form of Permanent Retirement Account Number, a unique number provided to each subscriber under NPS which is portable across locations and employments. A Subscriber is permitted to obtain only one PRAN which is unique, permanent and portable across employments.

Q2. Is it mandatory to make a nomination under NPS?

A Subscriber, at the time of joining NPS is required to make a nomination mandatorily, in the prescribed form, conferring on one or more persons the right to receive the amount, as per rules.

Q3. What are the conditions governing partial withdrawal?

(a) Subscribers should have been under NPS for a minimum of 3 years.

(b) 25% of own contribution can be withdrawn.

(c) Partial withdrawal is allowed for 3 times.

(d) Self-declaration is to be submitted. No supporting documents are required.

SECTION 9

Children Education Allowance (CEA)

Q1. Whether the examination fees as charged by the school is reimbursable?

"Examination fee" has been included as part of reimbursable items as indicated in para 1(e) of O.M. dated 2nd September, 2008, subject to the fulfilment of other existing conditions. OM No.12011/01/2012-Estt. (AL) dated 31-07-2013. The said orders do not have a retrospective effect.

Q2. What is the age limit for reimbursement of CEA

The age limit is 20 years or till the time of passing 12th Class whichever is earlier. In the case of "Divyang" Children it has been set at 22 years. {OM No. A-270/2/02/2017-Estt (AL) Date 17.07.2018}

Q3. Whether Govt. servant is eligible for CEA/ Hostel Subsidy reimbursement during the period of "Dies Non"?

NO, During any period which is treated as "Dies Non" the Govt. Servant shall not be eligible for the CEA/ Hostel Subsidy for that period. {OM No. A-270/2/02/2017-Estt(AL) Date 17.07.2018}

Q4. Reimbursement of CEA and Hostel Subsidy in accordance with New Education Policy 2020.

The CEA and Hostel Subsidy is admissible in r/o Children studying from three classes before class one to 12th standard. {OM No. A-27012/01/2023-Pers. Policy(Allowance) Date 14.03.2024}

Q5. Whether Nursery studied during 2022-23 can be considered for CEA reimbursement in addition to LKG (2023-24) and UKG (2024-25), considering that OM dated 14.03.2024 is effective from academic year 2023-24?

Yes, CEA shall be admissible for three classes before Class I and is effective from the academic year 2023-24 onwards. The intent of the OM is to extend the benefit of CEA to three pre-primary classes in alignment with NEP-2020. Accordingly, where a child has studied Nursery (2022-23), LKG (2023-24) and UKG (2024-25) as the three classes preceding Class I, the claim for Nursery (2022-23) may also be considered for reimbursement, provided all other prescribed conditions are fulfilled. {OM No. A-2701201//2023-Pers. Policy(Allowance) Date 14.03.2024}

Q6. Whether CEA is admissible for the period of termination, where reinstatement is ordered by Court and the period is treated as qualifying service?

The admissibility of CEA shall depend upon how the period from termination to reinstatement is treated by the Competent Authority. CEA/Hostel Subsidy is admissible if the Government servant is on duty, under suspension, or on leave (including extraordinary leave). {OM No. A-270/2/02/2017-Estt(AL) Date 17.07.2018}

Q7. Whether a Government servant is required to give a certificate that the spouse, if earning, has not claimed CEA?

Yes, the claimant Government servant is required to furnish an undertaking that reimbursement of CEA has not been claimed in respect of the child by the spouse of the claimant. {O.M. No.12011/01/2013-Estt. (Allowances) dated 23.04.2013}

Q8. Can CEA be claimed for the same class twice?

It may be claimed for same class twice only when the child fails in a particular class. If child is admitted in same class due to other reasons, CEA cannot be claimed twice for the same class.

Q9. What is the component of Hostel Subsidy?

Hostel subsidy includes fee charged for boarding, lodging in addition to fee as mentioned in para 1(e) of OM No. 12011/03/2008-Estt. (AL) dated 2.9.2008.

Q10. Is Children Education Allowance (CEA) is admissible for pre-primary classes for the children studying in various types of institutions?

As per DoPT O.M. No. A-27012/02/2017-Estt.(AL), dated 17.07.2018, para 1(n) and 1(p), CEA is admissible for children studying from three classes before Class I to Class XII, irrespective of the nomenclature of the class, subject to the prescribed conditions.

Where a school is affiliated to an Education Board, CEA may be considered for the eligible classes, including pre-primary classes, subject to the applicable CEA instructions.

However, para 1(q) of the above OM specifically provides that, in the case of schools/institutions at Nursery, Primary and Middle level that are not affiliated to any Board of Education, CEA may be reimbursed only if the child is studying in a recognized school/institution. For this purpose, a recognized institution means a Government school

or an educational institution, whether receiving Government aid or not, recognized by the Central Government, State Government, Union Territory Administration, a University, or a recognized educational authority having jurisdiction over the area where the institution is situated.

SECTION 10

General Provident Fund (GPF)

Q1. What is the minimum/maximum subscription amount under GPF?

Minimum 6% of emoluments and not more than his total emoluments. {GPF(CS) Rule 8(1)} The monthly subscription during a financial year together with the amount of arrears subscriptions shall not be exceed Rupees five lakhs. {OM No. 3/6/2021-P&PW (F) Date 02.05.2024}

Q2. About Enhancement/ Reduction of GPF Subscription.

A Govt. servant may be increased 'twice' and reduced 'once' at any time during the year. {GPF (CS) Rule 8(4)}

Q3. What is the procedure to increase or decrease General Public Fund (GPF) Subscription?

GPF subscription can be increased or decreased by submitting request for the same.

Q4. Whether conversion of advance into withdrawal is permissible under GPF?

YES, The balance outstanding against an advance sanctioned to Govt. employees may be converted into final withdrawal on his satisfying the conditions laid down for such withdrawal. {GPF (CS) Rule 16- A

Q5. Whether timely final payment of GPF be made, when a disciplinary case is pending against a retiring employee?

YES, Disciplinary case pending/penalty imposed, does not have any impact on the disbursement of GPF amount.

Q6. Whether Government dues may be recoverable from GPF amount?

NO, Amount due to the Government or amount misappropriated by the Government servant is not recoverable from the GPF final payment.

Q7. Can I get Temporary advance from G.P.F Fund for children's higher education?

Yes Temporary advance and Final Withdrawal both can be availed for Children's higher education on production of necessary documents.

Q8. When the employee can withdraw money from GPF without assigning any reason and the percentage permissible?

An employee can withdraw final withdrawal from GPF up to 90% of credit balance within six months prior to his retirement.

Q9. What is the maximum number of instalments in which temporary advance out of GPF can be recovered?

GPF advance can be recovered in not more than 36 instalments.

Q10. What is DLIS and what are the conditions for the same to be paid?

DLIS stands for Deposit Linked Insurance Scheme. DLIS is given to family of the GP fund subscriber on his demise. Maximum limit of DLIS is Rs.60,000.

Q11. If the house for which GPF withdrawal has been availed is sold with the permission of the Head of Department, should the amount withdrawn be deposited back?

No

Q12. Is written application required to be submitted by the KVS employees for GPF final payment?

Yes.

SECTION 11

CCS (Leave) Rules, 1972

Q1. If employee is joined in the mid of the year, how EL will be credited?

The credit for half-year in which Government servant is appointed the rate of credit will done 5/6 for vacational staff and for non-vacational staff 15/6 multiply by number of complete calendar month. {Rule-27 (1)}

Q2. How many Casual Leaves (CLS) are credited in a calendar year?

08 days.

Q3. Can casual leave be clubbed with any other kind of leave?

Yes, it can be clubbed with Special Casual Leave, Child Care Leave, Vacation Leave and Restricted Holiday.

Q4. How many Earned Leaves (ELs) are credited in a calendar year?

Non-Vacation Department Staff: credit is afforded in advance at a uniform rate of 15 days on 1st January and 1st July of every year (30 days per

year). Vacation Department Staff: credit is afforded in advance at a uniform rate of 05 days on 1st January and 1st July of every year.

Q5. Can CLs and ELs be accumulated?

EL can be accumulated up to 300 days, in addition to the number of days for which encashment has been allowed (maximum 60 days in entire service) along with LTC. Accumulation of CL is not allowed.

Q6. What is the maximum period of leave of any kind which can be allowed to a Government servant? What is the impact if the limit is exceeded?

No Government servant shall be granted leave of any kind for a continuous period of 5 years [Rule 12(1)]. Absence from duty, with or without leave for a continuous period exceeding 5 years (other than on foreign service) implies that the Government servant is deemed to have resigned from Government service [Rule 12(2)]. {GOI OM No. 21011/08/2013-Estt(AL) dated 25.03.2013.}

Q7. Admissibility of Maternity Leave

Admissible to a married/unmarried female employee with less than two surviving children, for a period of 180 days.

Q8. Admissibility of Paternity Leave

Admissible to a male Government servant with less than two surviving children, for a period of 15 days.

Q9. Admissibility of Child Care Leave (CCL)

Women employees and single male employees having minor children may be granted CCL for a maximum period of 730 days during their entire service, for the eldest two surviving children. Child care leave may be granted at 100% of the leave salary for the first 365 days and 80% of the leave salary for the next 365 days. As per the CCS (Leave) Rules, 1972 (updated as on 24.09.2024), CCL is ordinarily limited to three spells in a calendar year. Vide DOPT OM No. A-24011/5/2024-ESTT-Leave dated 29.07.2024, Secretaries of Ministries/Departments have been empowered to relax this by up to three further spells in a calendar year under Rule 43-C(3)(i). The pay structure (100% for 365 days; 80% for the next 365 days) follows DoPT OM dated 11.12.2018.

Q10. Can a Government servant be permitted to leave station / go abroad while on CCL?

CCL is granted to take care of the needs of the minor children. If the child is studying abroad or the Government servant has to go abroad for taking

care of the child, she/he may do so, subject to the other conditions laid down for this purpose.

Q11. Is one kind of leave convertible into another admissible kind of leave?

Yes. On request, the sanctioning authority may convert any kind of leave, including extraordinary leave, retrospectively within 01 month into a leave of a different kind which was admissible on the day the member of staff proceeded on leave. The member of staff cannot claim such conversion as a matter of right.

Q12. How is a 'child' defined for the purpose of Paternity Leave for child adoption / Child Adoption Leave?

As per the notes below Rules 43-AA and 43-B, 'child' includes a child taken as ward by the Government servant under the Guardians and Wards Act, 1890 or the personal law applicable to that Government servant, provided such ward lives with the Government servant and is treated as a member of the family, and provided the Government servant has, through a special will, conferred upon the ward the same status as that of a natural-born child.

Q13. What is the intention behind the instruction that CCL is to be treated like EL and sanctioned as such?

CCL should be availed with the prior approval of the leave sanctioning authority, and the combination of CCL with other leave, if any, should be as per the restrictions applicable to EL. The limit of 180 days at a stretch applicable to EL does not apply to CCL. The other conditions (such as limits on the number of spells) will apply [Rule 43-C]. CCL may not be granted for less than 5 days at a time.

Q14. Should leave encashment be revised on retrospective revision of pay/DA?

In terms of Rule 38-A of the CCS (Leave) Rules, encashment of EL along with LTC is calculated on the pay and DA admissible on the date of availing LTC. If pay or DA has been revised with retrospective effect, the Government servant would be entitled to encashment of leave at the revised rates.

Q15. Is EL encashment allowed by State Governments, PSUs or Autonomous Bodies prior to joining the Central Government to be counted towards the ceiling of leave encashment on superannuation/retirement?

No. Encashment of EL allowed by State Governments, Public Sector Undertakings or Autonomous Bodies for services rendered therein need not be taken into account for calculating the ceiling of 300 days of EL to be encashed as per the CCS (Leave) Rules.

Q16. Is leave encashment allowed by Government under the CCS (Leave) Rules, 1972 on absorption in a Central autonomous body/PSU to be taken into account later?

Encashment of EL allowed by the Government under the CCS (Leave) Rules, 1972 for service rendered in the Central Government prior to absorption in a Central autonomous body shall not be taken into account while calculating the number of days of EL encashable in the autonomous body/PSU for the post-absorption period.

Q17. Is cash equivalent of leave salary permissible on permanent absorption in a PSU/Autonomous Body?

A Government servant permitted to be absorbed in a Corporation/Company wholly or substantially owned or controlled by the Central/State Government shall be suo motu granted cash equivalent of leave salary of earned leave at credit on the date of absorption, subject to a maximum of 300 days [Rule 39-D].Permanent absorption means an appointment for which the Government servant applied through proper channel and resigned from Government service to take it up (Note below Rule 39-D; Notification No. 13026/3/2011-Estt.(L) dated 28.03.2012).

Q18. Can leave encashment be sanctioned on superannuation while the Government servant is under suspension?

Leave encashment may be allowed. However, Rule 39(3) allows it to be withheld where the Government servant retires on superannuation while under suspension, or while disciplinary or criminal proceedings are pending, if in the opinion of the authority some money may become recoverable from him/her on conclusion of the proceedings. On conclusion of the proceedings,

he/she becomes eligible for the amount withheld after adjustment of Government dues, if any.

Q19. Can leave encashment be sanctioned to a Government servant on dismissal/removal from service?

No. A Government servant who is dismissed or removed from service ceases to have any claim to leave at credit from the date of dismissal, as per Rule 9(1). He/she is therefore not entitled to leave encashment.

Q20. Is Child Care Leave admissible to a single male Government servant who has adopted a child of age 5 years?

Yes.

Q21. Can Maternity Leave be granted during the third month of pregnancy?

Maternity Leave may be granted any time from its commencement and can be granted during the third month of pregnancy.

Q22. Is it necessary to submit a medical certificate to avail Maternity Leave?

No.

Q23. Will Leave be granted to a Government servant during suspension?

No.

Q24. Is leave granted to a Government servant for donating their organ to another person?

Yes. Special Casual Leave of up to 42 days is granted to all donors, subject to conditions.

Q25. A female employee requests to grant 4th spell of CCL in a calendar year. Will it be admissible?

Yes. Can be relaxed up to a maximum of 3 spells by the Competent Authority, in case the child is admitted in a hospital as in-patient.

Q26. If a regular teacher avails Child Care Leave (CCL) and consequently does not complete five months of actual duty during the 12 months preceding the vacation, will the teacher be entitled to vacation pay?

As per Article 137(1) of the Accounts Code for KVs, 2006, vacation pay is admissible only when the prescribed minimum period of five months' actual work is completed. Only maternity leave is expressly excluded from the restriction. CCL cannot automatically be treated as maternity leave for this purpose

Q27. What is the maximum number of unavailed Joining Time that can be credited to the EL account of a Government servant who has 295 days at credit?

5 days.

Q28. Can the benefit of increment be granted during Joining Time?

No, it will be granted only after he joins duty.

Q29. Can Joining Time be combined with Casual Leave?

No.

Q30. If a Government servant requests for transfer, how will the period of transit be treated?

Regular leave may be sanctioned to cover the transit period excluding intervening holidays.

SECTION 12

Miscellaneous Matters.

Q1. Can a photocopy of a bank RTGS statement be attached to a payment voucher?

Attach the original or appropriately authenticated bank transaction evidence The document should clearly establish the cheque number, Total amount, date and beneficiary details name account number and ifsc with amount.

Q2. What should be done if the voucher numbers in Tally do not match the cash book voucher numbers?

Reconcile the voucher numbers, identify the reason for the mismatch and maintain a clear cross-reference. Ensure that every transaction can be traced from the cash book to the Tally accounting software and supporting vouchers.

Q3. What documents should accompany a purchase voucher?

The payment voucher must be supported with invoice (GeM and seller letterhead both), GeM contract, comparative statement inspection/acceptance certificate, stock register

entry, payment RTGS statement and approval of the competent authority (where applicable)

Q4. What must be ensured while processing non-establishment claims?

- Administrative and financial approval of the Competent Authority.
- Mandatory entries in stock registers.
- Appropriate procurement procedure.
- Deduction of TDS and GST TDS, wherever applicable.
- Necessary entries in the online Tally accounting package.

Q5. Concession when posted to North Eastern Region, etc. Is production of receipts/vouchers necessary to claim reimbursement of charges for transportation of personal effects?

If family does not accompany --- Not mandatory to claim 1/3rd entitlement.

If family accompanies - Mandatory to claim admissible amount.

Q6. For the officers who own houses at the last place of posting, is the concession of retention of accommodation admissible to keep his family when he is posted to NER?

Yes.

Q7. If a Government servant, on transfer to North-East Region vacates Government quarters and keeps his family in a rented or own house at the old station, will he be eligible for additional HRA?

Yes, subject to the provisions of the rules.

Q8. Is there any minimum amount of invalid pension?

Yes, it should not be less than the normal rate of family pension.

Q9. What are the pensionary / terminal benefits admissible to a Government servant quitting service on resignation?

A Government servant quitting service on resignation will not be entitled to any pension, gratuity or terminal benefits.

Q10. What is the maximum cash equivalent of leave salary admissible to a Government servant who resigns(except technical resignation) with leave at his credit on the date of cessation of service?

He will be paid cash equivalent to the extent of half of earned leave at his credit on the date of cessation of service, subject to a maximum of 150 days. HPL will lapse.

Q11. What is the period of retention of lien in the parent department in case of a permanent Government servant appointed in another Central Government Office / State Government?

The lien may be retained in the parent department for a period of 2 years. If the official is not confirmed within a period of 2 years due to some reason, he may be permitted to retain the lien in the parent department for one more year.

Q12. Who can impose major penalties such as Removal/Dismissal from service?

Removal/Dismissal of a Government servant from service can be imposed by the Competent Authority.

Q13. Under what circumstance is a nominee debarred from receiving Retirement Gratuity / Death Gratuity?

When a nominee is convicted for murder or abatement of murder of the employee, his/her share of gratuity will be paid to the other members of the family.

Q14. Can the family of a Government servant be given the benefit of commutation of pension if the pensioner dies before exercising option?

No.

Q15. When a pensioner dies before completion of 15 years from the date of retirement, will the commuted portion of pension be recovered from the family pension?

No. Family Pension will be paid in full.

Q16. Can the date of birth of a Government servant be altered during his service?

An alteration of date of birth can be made with the sanction of the appropriate authority subject to conditions stipulated in Note 6 of FR 56.

Q17. Can house building advance be granted to both the spouses if both are Central Government employees?

Yes, if both of them are eligible for the advance.

Q18. In cases of grant of vigilance clearance for issuance of a Passport, should clearance be withheld if an FIR is filed against an officer by a private complaint?

No, unless a charge-sheet has been filed in a Court by the investigating agency in a criminal case.

Q19. From which date are employees enrolled as members of EWS ?

Employees are enrolled as members of the scheme only from 1st January every year.

SECTION 13

Revision of EPF Wage ceiling

Q1. What is the wage ceiling under EPFO?

The wage ceiling under EPFO is the maximum monthly wage taken into account for determining mandatory EPF, EPS and EDLI coverage under the Code on Social Security, 2020. It has now been revised from ₹15,000 to ₹25,000 per month, bringing a larger number of employees within the ambit of mandatory coverage, subject to the applicable provisions of the schemes.

Q2. Is the revised wage ceiling applicable to EPF, EPS and EDLI?

Yes. The revised wage ceiling expands the statutory coverage framework under both EPF, EPS and EDLI.

Q3. Give illustrations for contribution in various schemes for different salary structure from October wage month onwards?

For different salary structure, the payment of EPF dues from October wage month may be seen as follows:

• Monthly PF Wages ₹ 10,000: Employee EPF (12%) = ₹ 1,200; Employer EPS (8.33%) = ₹ 833; Employer EPF (3.67%) = ₹ 367; EDLI (0.5%) = ₹ 50; Admin Charges (0.5%) = ₹ 50

• Monthly PF Wages ₹ 15,000 (Old Cap): Employee EPF (12%) = ₹ 1,800; Employer EPS (8.33%) = ₹ 1,250; Employer EPF (3.67%) = ₹ 550; EDLI (0.5%) = ₹ 75; Admin Charges (0.5%) = ₹ 75

• Monthly PF Wages ₹ 20,000 (New Bracket): Employee EPF (12%) = ₹ 2,400; Employer EPS (8.33%) = ₹ 1,666; Employer EPF (3.67%) = ₹ 734; EDLI (0.5%) = ₹ 100; Admin Charges (0.5%) = ₹ 100

• Monthly PF Wages ₹ 25,000 (New Cap): Employee EPF (12%) = ₹ 3,000; Employer EPS (8.33%) = ₹ 2,083; Employer EPF (3.67%) = ₹ 917; EDLI (0.5%) = ₹ 125; Admin Charges (0.5%) = ₹ 125

• Monthly PF Wages ₹ 35,000 (Above Cap): Employee EPF (12%) = ₹ 3,000; Employer EPS (8.33%) = 0*; Employer EPF (3.67%) = ₹ 3,000 (@12%); EDLI (0.5%) = ₹ 125; Admin Charges (0.5%) = ₹ 125

*Membership of EPS is available only to such employees whose wages as on the date of joining or as on the date of implementation of new wage ceiling, do not exceed the wage ceiling (i.e. ₹ 25,000 per month w.e.f 17.09.2026)

The minimum administrative charges are, however, ₹ 500 per month for such establishment, which have at least one contributing member during the month and ₹ 75 per month per establishment, in case the establishment has no active contributory members during that specific wage month.

Q4. Will the revised ceiling increase PF accumulation for members?

Yes, for the employees who are in the bracket of ₹ 15,000-₹ 25,000 or where the employee was earning more than ₹ 25,000 but contributing at ₹ 15,000. This can result in higher EPF accumulation along with applicable interest. The actual amount depends on the wage on which contributions are made.

Q5. What will happen to excluded employees who were already working as on 17 September 2026 and whose EPF wages are less than ₹ 25,000?

The employee is required to be made a member of EPF, EPS and EDLI with effect from 17 September 2026. The employer is required to make contributions for such members from that date.

Q6. Will the employer's contribution also increase?

Where contributions are made on a higher applicable PF wage, the employer's statutory contribution may also increase in accordance with the EPF/EPS provisions.

SECTION 14

Central Government Health Scheme & Medical Attendance Rules

Q1. Can a beneficiary holding a valid CGHS card get treatment at a private empaneled hospital during an emergency?

Yes.

Q2. A spouse of a Central Government employee is also employed under Central Government and is eligible for a separate card. Is it necessary for them to obtain separate CGHS cards?

No. The spouse drawing higher pay may obtain the card and the other spouse can avail CGHS benefits as a member.

Q3. Is an unmarried son aged 26 and not employed but wholly dependent on a Government servant eligible for CGHS benefits?

No. Unmarried sons below the age of 25 years are only eligible.

Q4. Can a Central Government employee, residing outside a CGHS covered area, who is covered by CS (MA) Rules, opt for CGHS facility?

Yes, a one-time option is given to all serving Central Government employees to opt for CGHS facility.

Q5. Can a CGHS beneficiary continue his subscription when posted on foreign assignment?

Yes. The cards of such employees are kept active to provide CGHS facilities to them and their families.

Q6. What is the age-limit of an unmarried son and an unmarried daughter who are wholly dependent on a Government servant for reimbursement of medical claims?

Unmarried son: 25 years

Unmarried daughter: No age-limit

Q7. How is the eligibility of family members of a Central Government employee determined with reference to the income limit, for availing medical facilities?

The income limit is Rs. 9,000 plus Dearness Relief drawn as on the date of consideration.

Q8. What is the amount of advance granted to serving beneficiaries for indoor treatment?

90% of approved CGHS package rates.

Q9. What is the validity period for a private hospital recognized under CS (MA) Rules?

As per the instant guidelines, private hospitals are recognized for a fixed period of 4 years from the date of issue of OM.

Disclaimer: *The information provided in this FAQ Booklet is for educational and general guidance purposes only. It does not constitute formal legal or financial advice of the Finance Division of KVS, HQ. Users should verify rule position through relevant statutory rules, regulations, and Government of India (GoI) Office Memorandums (OMs) before taking final decisions. KVS, HQ accepts no liability for actions taken based on this booklet, and its contents cannot be cited for legal or judicial purposes.*

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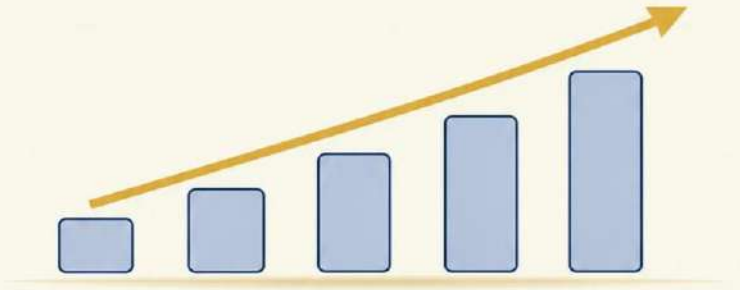
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