

COMPANY LAW BOARD SERVICE RULES, 1965

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COMPANY LAW BOARD SERVICE RULES, 1965

G.S.R. 1520, dated the 1st October, 1965.-In exercise of the powers conferred by the proviso to Art.309 of the Constitution and of all other powers enabling him in this behalf, the President hereby makes the following rules, namely:

1. Short title and commencement :-

(1) These rules may be called the Company Law Board Service rules, 1965.

(2) They shall come into force on the 1st day of October, 1965.

2. Definitions :-

In these rules,-

(a) "approved service" in relation to any grade means the period or periods of service in that grade, rendered after selection, according to prescribed procedure, for long-term appointment to the grade, and includes any period or periods during which an officer would have held a duty post in that grade but for his being on leave or otherwise not being available for holding such a post and includes such weightage, if any, as may be given at their discretion by the selection Committee referred to in rule 5 at the time of the initial Constitution of the Service;

(b) "Commission" means the Union Public Service Commission,

(c) "Commission Authority" means the Company Law Board, that is to say, the Board of Company Law Administration constituted under Sec. 10-E of the Companies Act, 1956, (Act 1 of 1956);

(d) "departmental candidate" means a person who has been regularly appointed in consultation with the Commission, where necessary or on the recommendation of a Departmental Promotion Committee and who, at the commencement of these rules, holds a post or holds a lien on a post specified in Part A of Sch. I:

(e) "duty" post means any post in the Company Law Board, whether permanent or temporary specified in Part B of Sch. I;

(f) "grade" means a grade of the Service;

(g) "Schedule" means a Schedule to these rules;

(h) "Service" means the Company Law Board Service constituted under rule 3.

3. Constitution of Company Law Board Service :-

(1) These shall be constituted a Service to be known as the Company Law Board Service .

(2) There shall be three branches in the Services, namely, the General Branch, the Legal Branch and the Accounts Branch. Each Branch shall consist of four grades and every grade shall consist of the duty posts specified in Part B of Sch. I.

4. Members of the Service :-

(1) The following persons shall be members of the Service with

effect from the date indicated against them :

(a) Persons appointed to the Service at the commencement of these rules under rule 5, from the date of such commencement;

(b) person appointed to duty posts after the commencement of these rules, from the date they are so appointed.

(2) A person appointed under Cl. (a) of sub-rule (1) shall on such commencement, be deemed to be a member of the Service in that grade.

(3) A person appointed to any duty post in any grade after the commencement of these rules shall be a member of the Service in that grade from date of such appointment.

(4) Every member of the Service shall be assigned to any one of the three Branches of the Service.

(5) Posts in the Legal Branch and Accounts Branch are tenable by members of the respective Branches. Posts in the General Branch are tenable by any member of the Service.

5. Initial constitution of the Service :-

(1) The Commission shall constitute a Selection Committee with the Chairman or a Member of the Commission as President and not more than two representatives of the Company. Law Board as Members to determine the suitability of departmental candidates for appointment to the different grades and to prepare an order of preference for each grade in each of the three Branches for the initial constitution of the Service.

(2) On receipt of the Committee's report, the Commission forward its recommendation to the Government and such recommendations may include a recommendation that a person considered suitable for appointed to a grade may, if a sufficient number of vacancies are not available in that grade, be appointed to a lower grade.

(3) Subject to the provisions of sub-rule (4), departmental candidates shall be appointed to the Service in accordance with the recommendations of the Commission.

(4) A departmental candidate who is not considered suitable for appointment to any grade of the Service or who does not want to join the Service, shall have the option to continue in the scale and post which he holds on a regular basis at the commencement of

these rules and the post so held by him shall be treated as excluded from the Service for so long as such post is held by him.

(5) Vacancies in any grade which remain unfilled after the appointment of departmental candidates selected under sub-rule (1) or sub-rule (2) shall be filled in consultation with the Commission.

Notes.-

(1) No officer shall have any claim or right in the Service by virtue only of his appointment to any duty post on an ad hoc basis.

(2) At the time of initial constitution, only such of departmental candidates as cannot be assigned to the Legal Branch or to the Accounts Branch shall be assigned to the General Branch.

6. Maintenance of the Service :-

(1) After the initial constitution has been completed in accordance with rule 5, future vacancies shall be filled in the manner specified in sub-rule (2) : Provided that there shall be no direct recruitment to any post in the General Branch.

(2) Subject to the proviso to sub-rule (1)-

(a) a duty post in Grade I or grade II shall be filled alternately by direct recruitment and by promotion of a person holding any post in Grade II, or as the case may be. Grade III ;

(b) a duty post in Grade III shall be filled by promotion of a member of the Service in Grade IV or by direct recruitment; Provided that every fourth vacancy in grade III shall be filled by direct recruitment;

(c) a duty post in Grade IV shall be filled by direct recruitment or by promotion of a person holding any post specified in the Third Schedule: Provided that every fourth vacancy in grade III shall be filled by direct promotion;

(3) Notwithstanding anything contained in sub-rule (2) but subject to the proviso to sub-rule (1), a vacancy required to be filled by promotion or by direct recruitment may, if a suitable person is not available to fill such vacancy, be filled by direct recruitment or, as the case may be, by promotion.

7. Qualifications for appointment to a duty post by direct

recruitment :-

(1) The qualifications and the age limit for appointment by direct recruitment shall be as specified in Sch. II.

(2) Every direct recruitment to a duty post shall be in consultation with the Commission unless such consultation is not necessary under the general regulations in force in that behalf.

8. Promotions :-

(1) A person shall not ordinarily be eligible for promotion.-

(i) to a duty post in Grade I unless he has completed three years of approved service in a duty post in Grade II:

(ii) to a duty post in Grade II, unless he has completed six years of approved service in a duty post in Grade III;

(iii) to a duty post in Grade III, unless he has completed five years of approved service in a duty post in Grade IV,

(iv) to a duty post in Grade IV, unless he has completed six years of approved service in one or more of the posts specified in Sch. III: Provided that nothing in this sub-rule shall apply to promotions to a duty post in any grade for a period not exceeding three months : Provided further that promotions in the Legal Branch or in the Accounts Branch shall be restricted to members of that Branch only : Provided further that members of the aforesaid Branches shall also be eligible for promotion to posts in the General Branch if a suitable officer belonging to that Branch is not available.

(2) Every person promoted to a duty post in any grade under these rules shall be initially appointed to that post in an officiating capacity.

(3) Every promotion for a period exceeding three months shall be by selection made on the recommendation of the Departmental Promotion Committee constituted for the purpose in accordance with the general rules in force in that behalf.

(4) In computing for the purpose of these rules, the period for which a person has held a duty-post in any grade, or as the case may be, a post specified in Sch. I, there shall be included-

(a) any period for which he has held a duty post in a higher grade:

(b) any period during which he would have held a duty post but for

his being on leave or otherwise not being available for holding such a post.

9. Probation :-

(1) Every person appointed to a duty post whether by direct recruitment or by promotion. shall be on probation for a period of two years.

(2) The Central Government may, in the case of any such person, extend or reduce the period of probation.

(3) At any time during the period of probation and without any reasons being assigned, a person appointed to a duty post on probation, may-

(i) if he is appointed thereto by direct recruitment, be discharged from service in that post: and

(ii) if he is appointed thereto by promotion, be reverted to the post held by him immediately before such promotion.

(4) During the period of probation, every member of the Service shall be required to undergo such courses of training and instructions and to pass such departmental examinations as may be specified by the Central Government.

10. Substantive appointments to duty posts :-

Appointment of members of the Service to permanent duty posts in any grade in a substantive capacity shall be made in accordance with the general rules in force in that behalf.

11. Deputation :-

The Central Government may require any member of the Service to hold for a specified period a post in any other Department of that Government or in any Corporation owned or controlled by that Government.

12. Seniority :-

(1) A combined seniority list of members of all the three Branches of the Service in each grade shall be maintained.

(2) A separate seniority list of members of the Service in each grade shall also be maintained for each of the Branches.

(3) Persons appointed to any grade of the Service at the initial constitution shall be senior to those appointed to that grade after

such constitution.

(4) Seniority of members of the Service in each grade in each of the three Branches shall be determined in accordance with the following principles:

(i) A member of the Service appointed to a duty post in a substantive capacity in any grade shall be senior to a member of the Service appointed to a duty post in an officiating capacity or on probation in the grade;

(ii) seniority of members of the Service appointed to duty posts in any grade in a substantive capacity shall be determined in accordance with the date of appointment to a duty post in that grade in a substantive capacity; and where two or more members of the Service are appointed in a substantive capacity to duty post in the same grade on the same date, their seniority shall be determined in accordance with their seniority while holding such duty post in an officiating capacity or on probation;

(iii) subject to the provisions contained in Cl. (iv), seniority of members of the Service appointed to duty posts in any grade in an officiating capacity or on probation shall be determined in accordance with the order of selection for appointment to a duty post in that grade or to a post in the Company Law Board which in the opinion of the Central Government corresponds to that duty post; and

(iv) the relative seniority of direct recruits and of promotees shall be determined according to the rotation of vacancies between direct recruits and promotees.

Explanation.-Where a member of the Service is, while holding a post other than a duty post, selected for appointment to a duty post in a higher grade, he shall, for the purposes of Cl. (iii), be deemed to have been appointed to such duty post.

(5) The combined seniority list of members of the Service in a grade referred to in sub-rule (1) shall be prepared according to the principles referred to in Cls. (i). (ii) and (iii) of sub-rule (4).

(6) Notwithstanding anything contained in this rule, the inter se seniority of officers in a grade in the parent Branch shall not be altered.

(7) Nothing in this rule shall be deemed to preclude the Central

Government from determining, after consultation with the Commission, the seniority of any member of the Service in any other manner.

13. Reservation for Scheduled Castes and Scheduled Tribes

:-

In making appointments to the Service by direct recruitment, the orders of the Central Government issued from time to time in relation to claims of the members of the Scheduled Castes and Scheduled Tribes thereto shall be complied with.

14. Disqualification :-

(1) No male candidate who has more than one wife living or who, having a spouse living, marries in any case in which such marriage is void by reason of its taking place during the life-time of such spouse, shall be eligible for appointment to any of the said posts: and

(2) No female candidate whose marriage is void by reason of the husband having a wife living at the time of such marriage or who has married a person who has a wife living at the time of such marriage, shall be eligible for appointment to any of the said posts: Provided that the Central Government may, if satisfied that there are special grounds for so ordering, exempt any person from the operation of this rule.

15. Pay :-

(1) the pay or time-scale of pay admissible to a person holding a duty post shall be as specified in respect of that post in column (2) of Part B, Sch. 1.

(2) On the first appointment of a person to a duty post on a time-scale of pay. he shall ordinarily draw pay at the lowest stage, unless he is entitled to a higher initial pay under the rules and general orders relating to pay for the time being in force: Provided that the Central Government may. for special reasons, fix the pay of such person at a higher stage.

16. Other conditions of service :-

The conditions of service of the members of the Service in respect of matters for which no provision has been made in these rules shall. unless the Central Government otherwise orders, be the same as are applicable from time

17. Amendment of the First Schedule :-

The Central Government may, from time to time, by order, amend Part B of Sch. I by way of addition of any post thereto as a duty post or alteration of the strength of duty post or pay or time-scale of pay and when Sch. I is so amended, a reference to that Schedule in these rules, shall be construed as a reference to such Schedule as so amended.

18. Powers of the Controlling Authority :-

Notwithstanding anything contained in these rules, it shall be competent for the Controlling Authority-

(a) to make temporary arrangements to fill duty posts for a period not exceeding six months, and to extend this period by another six months, if necessary, and

19. Interpretation :-

If any question arises as to the interpretation of these rules, the same shall be decided by the Central Government.

20. Relaxation :-

The Central Government may, in consultation with the Commission, relax any of the provisions of these rules to such extent as may be necessary to ensure satisfactory working of the Service or to remove any inequitable results.

SCHEDULE 1**SCHEDULE I-PART A**

(Existing posts to be included in different grades)						
Grade	Sl. No.	Name of the post	Scale of pay	Number of posts		
				Permanent	Temporary	Total
1	2	3	4	5	6	7
			(Rs.)			
Grade I.	1.	Senior Accounts Officer	900-1250	3		3
	2.	Solicitor	900-1150	3		3
	3.	Legal Adviser	900-1150	1		1
	4.	Registrar of Companies, Grade 1	1110-1250	4		4
	5.	Joint Director, Inspection	1300-1600		3	3
Grade II.	1.	Accounts Officer	900-1150	5		5

Rs. 1 100-1400). Age limit : 40 years or below. Accounts Branch Qualifications: Essential: Chartered Accountant/Cost and Works Accountant with 8 years' experience as Chartered Accountant/Cost and Works Accountant preferably with Joint Stock Companies (Qualifications for the particular post to be indicated by the Ministry of Finance at the time of Recruitment). Desirable: Administrative experience. Law Branch Essential: (i) Attorney of Bombay/ Calcutta High Court. (ii) Degree in Law of a recognised University. (iii) About 10 years' experience as Attorney/Legal Practitioner preferably in matters connected with Joint Stock Companies. Desirable: Administrative experience. Grade I- (Scale Rs. 1300-1600). Age limit: 45 years or below. Accounts Branch Qualifications: Essential: Chartered Accountant/Cost and Works Accountant with 10 years' experience as Chartered Accountant/Cost and Works Accountant preferably with Joint Stock Companies. Desirable: Administrative experience. Law Branch Essential: (i) Attorney of Bombay/Calcutta High Court. (ii) Degree in Law of a recognised University. (iii) About 12 years' experience as Attorney/Legal Practitioner preferably in matters connected with Joint Stock Companies. Desirable: Administrative experience. 1. Qualifications relaxable at the Commission's discretion in the case of candidates otherwise well qualified. 2. Upper age limit will be relaxable in the case of candidates belonging to Scheduled Castes and Scheduled Tribes and other special categories in accordance with the general orders of the Government of India issued from time to time provided that no candidate shall be allowed more than three chances.

SCHEDULE 3

SCHEDULE III

Company Prosecutor Grade II-Scale : Rs. 350-575. Senior Technical Assistant-Scale : 325-575.