

COMPANY LAW SERVICE RULES, 1999

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COMPANY LAW SERVICE RULES, 1999

G.S.R.842(E). In exercise of the powers conferred by the proviso to article 309 of the Constitution, the President hereby makes the following rules, namely:-

1. Short title and commencement :-

(1) These rules may be called the Indian Company Law Service rules, 1999.

(2) They shall come into force on the date of their publication in the official gazette.

2. Definition :-

In these rules, unless the context otherwise requires:-

(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 regular 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, deputation or otherwise not being available for holding such a post;

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

(c) "Controlling Authority" means the Central Government in the Department of Company Affairs;

(d) "Departmental Promotion Committee" means a Departmental Promotion Committee specified in Schedule IV to these rules.

(e) "duty post" means any post, specified in Schedule I whether permanent or temporary:

(f) "Grade " means a grade of service;

(g) "Schedule" means a schedule to these Rules;

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

3. Constitution of Indian Company Law Service :-

(1) There shall be constituted a service known as the Indian Company Law Service. The service shall shall comprise of four grades namely. Senior Administrative Grade, Junior Administrative Grade, Senior Time Scale and Junior Time Scale.

(2) In each grade, except the Senior Administrative Grade, there shall be two branches namely, the Accounts Branch and the Legal Branch.

4. Members of the Service :-

(1) The following persons shall be the Members of the Service-

(a) persons appointed to the duty posts under rule 5:

(b) persons appointed to the duty posts under rule 6:

(2) Persons belonging to the Super Time Grade, Grade 1, Grade III and Grade IV of the Service shall on the commencement of these rules, be deemed to be the Members of the Service in the Senior Administrative Grade, Junior Administrative Grade, Senior Time Scale and Junior Time Scale respectively.

(3) Every Member of the Service other than a member in the Senior Administrative Grade shall be assigned to either of the two branches of the service.

(4) Posts in the Legal Branch and Accounts Branch shall be tenable by members of respective branches.

5. Initial Constitution of Service :-

The incumbents those who are holding posts on regular basis before the commencement of these rules, shall be deemed to have been appointed to the corresponding posts and grades in the service under these rules.

6. Future maintenance of the Service :-

(1) Any vacancy in any of the grades referred to in Schedule I, shall, after the initial constitution of the service as provided in rule 5, be filled in the manner specified in sub-rule (2).

(2)

(a) A duty post in Senior Administrative Grade shall be filled by promotion of a member of the service in the Junior Administrative Grade.

(b) 50% of the duty posts in the Junior Administrative Grade shall be filled by direct recruitment and the remaining 50% of the duty posts shall be filled by promotion of a person holding any post in Senior Time Scale.

(c) A duty post in Senior Time Scale shall be filled by promotion of a member of the service in Junior Time Scale or by direct recruitment.

Provided that 25% of the duty posts in the Senior Time Scale shall be filled by direct recruitment.

(d) A duty post in Junior Time Scale shall be filled by direct recruitment or by promotion of a person holding any post specified in the Third Schedule;

Provided that 50 per cent of the posts shall be filled by direct recruitment and the remaining 50 per cent posts shall be filled by promotion of Regular incumbents of the posts mentioned in Scheduled.III.

(3) The selection of officers for appointment to posts in Junior Administrative Grade (Non-Functional Selection Grade) shall be made by selection based on Seniority subject to suitability on the recommendations of a Select Committee Constituted in accordance with Schedule-V.

7. Qualifications for appointment to a duty post by direct recruitment. :-

The qualifications and age limit for appointment by direct recruitment shall be as specified in Schedule II: Provided that the upper age limit specified in the Schedule is relaxable for Government Servants upto five in accordance with instructions or orders issued by the Central Government from time to time.

Note 1: The crucial date for determining the age limit shall be the closing date for receipt of applications from candidates in India (other than those in Andaman and Nicobar Islands, Lakshadweep, State/Union Territories in the north-eastern region, Jammu and Kashmir State, Sikkim, Pangi sub-division of Chamba, Lahaul and Spiti districts of Himachal Pradesh).

Note 2: Qualifications are relaxable at the discretion of Commission in case of candidates otherwise wed qualified.

Note 3: The qualification(s) regarding experience is/are relaxable at the discretion of the Commission in the case of candidates belonging to Schedule Castes and Scheduled Tribes, if at any stage of selection the Commission is of the opinion that sufficient number of candidates from these communities possessing the requisite experience are not likely to be available to fill up the duty posts reserved for them.

Note 4: Every direct recruitment to a duty post shall be in consultation with the Commission unless such consultation is not necessary under general regulations in force in that behalf.

8. Promotion :-

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

(a) to a duty post in the Senior Administrative Grade (pay scale

Rs.18400-500- 22400) unless he has completed eight years of approved service in a duty post in the Junior Administrative Grade (pay scale Rs. 12000-375-16500);

(b) to a duty post in Junior Administrative Grade unless he has completed five years of approved service in a duty post in Senior Time Scale;

(c) to a duty post in Senior Time Scale unless he has completed five years of service in Junior Time Scale;

(d) To a duty post in Junior Time Scale unless he has completed five years of approved service in the Grades of Senior Technical Assistant/Investigating Officer/Company Prosecutor Grade II or eight years of approved service in the Grade of Superintendent-cum-Accountant;

Note: The eligibility list for promotion shall be prepared with reference to the date of completion by the officers of the prescribed qualifying service in the respective Grade/post

(2) Every promotion for a period exceeding six 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.

(3) The Controlling Authority shall be competent to make temporary arrangement to fill duty posts for a period not exceeding six months.

(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 Schedule 1 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, deputation etc. or not being available for holding such a post.

(5) Where juniors who have completed their qualifying/eligibility service are being considered for promotion their seniors would also be considered provided they are not short of requisite qualifying/eligibility, service by more than half of such qualifying/eligibility service or two years whichever is less, and have successfully completed their period of probation for promotion

to the next higher grade alongwith their juniors who have already completed such qualifying/eligibility service.

9. Probation :-

(1) Every officer who is appointed

(i) to a duty post in Junior Time Scale of the Service by promotion or by direct recruitment shall be on probation for a period of one year;

(ii) to a duty post in Senior Time Scale and in the Junior Administrative Grade of the Service by direct recruitment shall be on probation for a period of one year:

Provided that the Controlling Authority may extend the period of probation in accordance with the instructions issued by the Central Government from time to time.

Provided further that any decision for extension of probation period shall be taken ordinarily within eight weeks after the expiry of the previous probationary period and communicated in writing to the concerned officer together with the reasons for so doing within the said period.

(2) On completion of period of probation or any extension thereof officers appointed to a duty post,

(i) in the Junior Time Scale of the service by promotion shall, if considered fit, be confirmed in this Grade if not already confirmed/eligible to be confirmed at any stage in the Central Government Service.

(ii) in any grade of the service by direct recruitment shall, if considered fit, be confirmed in that grade of the Service.

(3) If, during the period of probation or any extension thereof, as the case may be, the Controlling Authority is of the opinion that an officer is not fit for being retained in his appointment, the Controlling Authority may discharge or revert the officer to the post held by him prior to his appointment in the service, as the case may be.

(4) During the period of probation, or any extension thereof, candidates may be required by me Controlling Authority to undergo such courses of training and instructions and to pass examinations and tests (including examination in Hindi) as Central Government

may deem fit, as a condition to satisfactory completion of the probation.

(5) As regards other matters relating to probation, the members of the Service will be governed by the instructions issued by the Central Government in this regard from time to time.

10. Deputation :-

(1) The Controlling Authority may require any member of the Service to hold for a specified period a post in any other Department of the Government or in any Corporation owned or controlled by the Government.

(2) 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.

(b) to fill not more than 10% of the vacancies in any of the grades other than Senior Administrative Grade by deputation of suitable officers belonging to an All India Service or a Group 'A' Central Service; and

(c) to fill not more than 25% of the vacancies in Senior Administrative Grade by deputation of suitable officers belonging to All India Service or any other Central Service who are eligible to hold the post of Joint Secretary under the Government of India.

11. Seniority :-

(1) A seniority list of members of the service in the Senior Administrative Grade shall be maintained separately.

(2) A separate seniority list of members of the service in Junior Administrative Grade, Senior Time Scale and Junior Time Scale shall be maintained for each of the two branches.

(3) Seniority of members of the service shall be determined in accordance with the general instructions issued by the Central Government in this regard from time to time.

12. Appointment to the Service :-

All the the appointment to the posts in the various grades of the service shall be made by the Controlling Authority.

13. Liability for Service :-

The members appointed to the service shall be liable to serve anywhere in India or outside.

14. 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 be the same as are applicable from time to time to Group 'A' Officers of the Central Civil Service.

15. . :-

Benefit of added years of service for superannuation pension Members of the service who had been recruited to the service by direct recruitment to a duty post which:

(i) was later encadred in Company Law Board Service/Central Company Law service. OR

(ii) was a cadre post of Company Law Board Service OR

(iii) was a cadre post of Central Company Law Service OR

(iv) was/is a cadre post of Indian Company Law Service shall be eligible to the benefit of added years of service for superannuation pension as contained in rule 30 of the Central Civil Services (Pension) Rules, 1972.

EXPLANATION: - This concession shall not beadmissible to those who are eligible and opt for counting their past service for superannuation pension as explained vide proviso III to Rule 30.

16. Disqualification :-

No person-

(a) who has entered into or contracted a marriage with a person having a spouse living, OR

(b) who having a spouse living, has entered into or contracted a marriage with any person, shall be eligible for appointment to the service:

Provided that the Controlling Authority may, if satisfied that such marriage is permissible under the personal law applicable to such person and other party to the marriage and there are other grounds for so doing, exempt any person from the operation of this rule.

17. Saving :-

Nothing in these rules shall effect reservation, relaxation of age limit and other concessions required to be provided for the scheduled castes, scheduled tribes, other backward classes (OBCs), and ex-servicemen and other special categories of persons in accordance with orders issued by the Central Government from time -to- time in this regard.

18. Power to relax :-

Where the Central Government is of the opinion that it is necessary or expedient so to do, it may by order, for reasons to be recorded in writing and, in consultation with the Union Public Service Commission relax any of the provisions of these rules with respect to any class or category or persons or any posts.

19. Interpretation :-

If any question relating to the interpretation of these rules arises, it shall be decided by the Controlling Authority in consultation with the Commission.

20. Repeal and Saving :-

The Indian Company Law Service Rules, 1997 are hereby repealed:

Provided that such repeal shall not effect any thing done or any action taken under the said rules before such repeal.

SCHEDULE 1

SCHEDULE

SCHEDULE 1		
Grade and Scale	Name of post	No. of posts
1	2	3
Senior Administrative Grade (SAG)	1. Regional Director	4
(Rs. 18400-500-22,400)	2. Director of Inspection and Investigation	2
		6
Junior Administrative Grade (NFSG)		**
(Rs. 14300-400-18300)		
Junior Administrative Grade (JAG)	1. Secretary, Company Law Board	
(Rs. 12000-375-16500)		
	2. Registrar of Companies (JAG Level)	10
	3. Official Liquidator	7

	(JAG Level)	
	4. Joint Director (Tech.)	5
	5. Joint Director(Inspection)	8
	6. Joint Director (Legal)	5
	7. Joint Director (Rules)	1
	8. Joint Director (Training)	1
		38
Sr. Time Scale (STS)	1. Registrar of Companies	6
(Rs.10000-325-15200)	(STS Level)	
	2. Official Liquidator	5 .
	(STS Level)	
	3. Deputy Registrar of	10
	Companies	
	4. Deputy Official Liquidator	6
	5. Deputy Director (Technical)	2
	6. Deputy Director	12
	(Inspection)	
	7. Deputy Director (Legal)	1 .

SCHEDULE 2
SCHEDULE

Qualifications for appointment to duty posts by direct recruitment JUNIOR ADMINISTRATIVE GRADE(Rs.12000-375-16500) Age Limit 50 years
Accounts Branch (a) Essential: (i) A Qualification recognised for enrolment in the Register of Members of the Institute of Chartered Accountants of India or of the Institute of Cost and Works Accountants of India or Membership of the Institute of Company Secretaries of India or equivalent; and (ii) Eight years experience as Chartered Accountant or as Cost and Works Accountant or as Company Secretary. OR Ten years experience in a commercial or industrial organisation or in a Government Department connected with administration of the Companies Act, 1956. (b) Desirable: Administrative experience. Legal Branch (a) Essential (i) Degree in Law of a recognised University or equivalent; and (ii) Ten years experience as a legal practitioner in matters connected with Joint Stock Companies or with ten years' experience of administering Company Law Legislation in a commercial or industrial organisation or in a Government Department connected with the administration of the Companies Act, 1956. (b) Desirable: Administrative experience II SENIOR TIME SCALE (Rs.10000-325-15200) Age Limit 40 years Qualifications Accounts Branch (a) Essential: (i) A qualification recognised for enrolment in the Register of Members of the Institute of Chartered Accountants of India or of the Institute of Cost and Works Accountants of India or Membership of the Institute of Company Secretaries of India or equivalent. OR Master's degree in Commerce with Advanced Accountancy or Management Accountancy or Financial Accountancy from a recognised University or equivalent. (ii) with four years' experience in a commercial or industrial organisation or in a Government Department connected with the administration of the Companies Act, 1956. (b) Desirable: Administrative experience. Legal Branch (a) Essential: (i) Degree in Law of a recognised University or equivalent; and (ii) Five years' experience as a legal

practitioner in matters connected with Joint Stock Companies or with five years' experience of administering Company Law Legislation in a commercial or industrial organisation or in a Government Department connected with the administration of the Companies Act, 1956. (b) Desirable: Administrative experience. III. JUNIOR TIME SCALE (Rs,8000-275-13500) Age Limit 35 years Qualifications Accounts Branch (a) Essential: A qualification recognised for enrolment in the Register of Members of the Institute of Chartered Accountants of India or of the Institute of Cost and Works Accountants of India or Membership of the Institute of Company Secretaries of India or equivalent. OR Master's degree in Commerce with Advanced Accountancy or Management Accountancy or Financial Accountancy from a recognised University or equivalent (ii) Two years' experience in a commercial or industrial organisation or in a Government Department connected with the administration of the Companies Act, 1956. (b) Desirable: Administrative experience. Legal Branch (a) Essential: (i) Degree in Law of a recognised University or equivalent; and (ii) Three years' experience as a legal practitioner in matters connected with Joint Stock Companies or with three years' experience in a commercial or industrial organisation or in a Government Department connected with the administration of the Companies Act, 1956. (b) Desirable: Administrative experience or membership of the Institute of Company Secretaries of India.

SCHEDULE 3

SCHEDULE

Senior Technical Assistant Scale : Rs. 6500-10500 Company Prosecutor
Grade-11 Scale : Rs.6500-10500 Superintendent-cum-Accountant Scale:
Rs.5500-9000 Investigating Officer Scale : Rs.6500-10500

SCHEDULE 4

SCHEDULE

DEPARTMENTAL PROMOTION COMMITTEES A Senior Administrative Grade (SAG) (Rs.18400-500-22400) (For considering promotion): Chairman: Chairman/Member, Union Public Service Commission. Members: (1) Secretary/Additional Secretary, Department of Company Affairs (2) Additional Secretary, Department of Legal Affairs. B. Junior Administrative Grade (JAG) (Rs.12000-375-16500) (For Considering promotion): Chairman: Chairman/Member, Union Public Service Commission Members: (1) Joint Secretary, Department of Company Affairs. (2) Joint Secretary, Department of Company Affairs. (For Considering Confirmation): Chairman: Joint Secretary , Department of Company Affairs. Members: Joint Secretary, Department of Company Affairs. C. Senior Time Scale (STS) (Rs. 10000-325-15200) (For considering promotion/confirmation): Chairman : Joint Secretary, Department of Company Affairs. Members : (1) Director/Deputy Secretary, Department of Company Affairs. (2) Director/Deputy Secretary, Department of Company Affairs. D. Junior Time Scale (ITS) (Rs. 8000-275-13500) (For considering promotion): Chairman: Chairman/Member, Union Public Service Commission. Members : (1) Director/Deputy Secretary, Department of Company Affairs. (2) Director/Deputy Secretary, Department of Company Affairs. (For considering confirmation) Chairman : Joint Secretary, Department of Company Affairs. Members : (1) Director/Deputy Secretary, Department of Company Affairs. (2) Director/Deputy Secretary, Department of Company Affairs

SCHEDULE 5

SCHEDULE

SCHEDULE V		
METHOD OF RECRUITMENT, FIELD OF SELECTION AND MINIMUM QUALIFYING SERVICE IN		
LOWER GRADES FOR APPOINTMENT TO POSTS IN JUNIOR ADMINISTRATIVE GRADE (NON		
FUNCTIONAL SELECTION GRADE) AND COMPOSITION OF SELECTION COMMITTEE FOR		
CONSIDERING CASES OF APPOINTMENT OF OFFICERS TO JUNIOR ADMINISTRATIVE GRADE		
(NON FUNCTIONAL SELECTION GRADE) POSTS INCLUDED IN INDIAN COMPANY LAW		
SERVICE, GROUP "A".		
GRADE	METHOD OF RECRUITMENT	COMPOSITION OF SELECTION COMMITTEE FOR CONSIDERING
		CASES OF APPOINTMENT OF OFFICERS TO JUNIOR ADMINISTRATIVE GRADE (NFSG).
1	2	3
Junior Administrative Grade	By selection based on seniority subject to suitability.	i) Secretary, Department of Company Affairs - Chairman
		ii) Joint Secretary, Department: of Company Affairs Member
(Non-Functional Selection Grade) (Rs. 14300-400-19300)	subject to suitability.	III) Joint Secretary & AT, Department of Personnel and Training - Member