

No.F.7(21)-E.III(A)/74  
GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
(Department of Expenditure)

New Delhi, the 10th January, 1977.

OFFICE MEMORANDUM

Subject:- Selection Grades in Groups 'C' and 'D'  
Cadres - implementation of the  
recommendations of the Third Pay Commission.

The undersigned is directed to refer to the recommendations of the Third Pay Commission on the subject mentioned above contained in paragraphs 51-53 of Chapter 8 of their Report and to say that these recommendations were accepted by Government in principle vide item 9 of the Annexure to the Resolution No.70(54/75)-Imp. Cell dated 1-11-1975 issued by the Ministry of Finance (Department of Expenditure). The aforesaid recommendations were the subject matter of discussion in the Anomalies Committee of National Council (JCM) at their meetings held on the 21st April, 1975 and 18th December '75 and 8th April 1976 and the report of the said Committee containing the clarifications and amendments recommended jointly by the Official and Staff Side was adopted by the National Council at its meeting held on the 30th July 1976. After further consideration of the matter, the President is pleased to sanction the introduction of selection Grades in Groups C and D Cadres with effect from the 1st August, 1976, subject to the following conditions:-

(i) Posts which are filled up by the direct recruitment to an extent of not less than 75% would alone qualify for Selection Grade. In cases where the posts are filled partly through a limited competitive examination which is not confined only to the employees serving in the immediately lower grade but open to several other categories also, the filling up of such vacancies may be treated as cases of direct recruitment against the stipulated percentage. This does not, however, preclude consideration of other cases where the aforesaid condition of eligibility is not satisfied if it is established that there is acute stagnation.

(ii) The number of higher posts to which the employees in a cadre can seek promotion should not be more than 5% of the strength of that cadre. For reckoning

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Promotional prospects -

- (a) the sanctioned cadre strength at higher levels alone should be taken into account and not the physical vacancies;
- (b) only the immediately two higher levels available for promotion should be taken into account; and
- (c) the higher levels need not necessarily be in the direct line of promotion; where the rules specifically provide for promotions in a different line and where such promotion is confined to the relevant lower level and is not open to other categories also, the posts in such different lines should also be taken into account.

(iii) The number of Selection Grade posts will be determined on the following basis:-

- (a) Where promotional prospects are more than 50%.....No Selection Grade
- (b) Where promotional prospects are 50% or less but more than 35%.....10%
- (c) Where the promotional prospects are 35% or less but more than 25%.....15%
- (d) Where promotional prospects are 25% or less.....20%

(iv) For the purpose of calculating selection Grade posts, the posts which have been in existence for 3 years should be taken into account irrespective of whether they were permanent or temporary.

(v) For becoming eligible to be considered for appointment to the Selection Grade, an employee should have rendered such length of service which would have brought him to the stage represented by 3/4th of the span of the revised scale of the Ordinary Grade inclusive of the service rendered in the pre-revised scale of that Grade subject to a minimum of 11 years of service. This will not, however, have the effect of deliberalising the criteria

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which might be applicable in respect of Selection Grades already in vogue.

(vi) The time-scales for the Selection Grades should start near-about the 3/4th span of the ordinary grade and should end short of the maximum of the scale of pay of the next promotional post.

(vii) The pay on appointment to the Selection Grade shall be fixed at the same stage at which the pay is drawn in the ordinary grade, if there is such a stage in the scale of pay of the Selection Grade, or at the next higher stage, if there is no such stage. If the pay in the Selection Grade is fixed at the same stage, the next increment should be granted from the same date on which it would have accrued in the ordinary grade. If, however, the pay is fixed at the next higher stage, the next increment should be granted after completion of normal incremental period of twelve months in the Selection Grade.

(viii) The number of Selection Grade posts as also the need for their continuance in a particular cadre should be reviewed every three years, and the Selection Grade posts varied or discontinued, as the case may be.

(ix) Appointments to the Selection Grade shall be made on the basis of merit-cum-seniority as indicated below:-

- (a) The zone of consideration should be limited to twice the number of vacancies expected to be filled in the year;
- (b) Officers in the zone of consideration should be graded as 'outstanding' 'good' and 'unfit' on the basis of their records of service. Those graded as 'unfit' will not find place in the select list;
- (c) Those who are graded as 'outstanding' should be placed en bloc at the top of the Select List. Those graded as 'good' should be placed in the Select List below the 'outstanding' officers. The arrangement of names within each category should be in accordance with their inter se seniority;
- (d) Selection for appointments to the Selection Grade should be made by a Selection Committee to be constituted internally.

(X) The question of seniority of officers appointed to the Selection Grade for purposes of promotion to higher posts is under consideration and orders will be issued separately.

2. The time-scales of pay for the Selection Grades will be sanctioned by the Administrative Ministries/Departments concerned with the concurrence of the Establishment Division of the Ministry of Finance (Department of Expenditure). The proposals in this regard should be referred to that Division by the Administrative Ministries/Departments through their Finance Division.

3. These orders do not apply to cases -

(a) where selection Grades have already been sanctioned on terms more liberal than those contained herein; and

(b) cases where it has already been decided not to have a Selection Grade.

4. The scheme of reservations for candidates belonging to Scheduled Castes and Scheduled Tribes will apply in making appointments to the Selection Grades as enunciated above. The percentage of reservation and other principles to be followed will be the same as applicable to cases of promotion by selection to Groups 'C' and 'D' posts (vide orders contined in paragraph 2B (b) of the M.H.A. O.M. No. 1/12/67-Estt.C dated the 11th July, 1968, as amended from time to time). However, the zone of consideration and the system of grading will be as indicated in sub paragraphs (a), (b) and (c) of the paragraph 1(ix).

5. The Ministry of Home Affairs etc. are requested to bring these orders to the notice of all Administrative authorities for information and necessary action and also take necessary action to introduce the Selection Grades, wherever applicable, as early as possible.

6. In so far as persons serving in the Indian Audit and Accounts Department are concerned, these orders issue after consultation with the Comptroller & Auditor General of India.

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(P.S. Venkateswaran)

Deputy Secretary to the Government of India .