

FOOD CORPORATIONS RULES, 1965

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FOOD CORPORATIONS RULES, 1965

G.S.R. 117, dated 13th January, 1965. In exercise of the powers conferred by Sec. 44 of the Food Corporations Act, 1964 (37 of 1964), the Central Government hereby makes the following rules, namely

1. Short title :-

These rules may be called the Food Corporations Rules, 1965 .

2. Definitions :-

In these rules, unless the context otherwise requires-

- (a) "Act" means the Food Corporations Act, 1964 (37 of 1964);

(aa) "Advisory Committee" means a committee constituted under Section 11 of the Act;]

(b) "Board" means a Board of Management established under Sec. 16 of the Act;

(c) "Chairman" means the Chairman of the board of directors of the Corporation;

(d) "Corporation" means the Food Corporation of India established under Section 3 of the Act;

(e) "director" means a director of the Corporation;

2 [

(ee) "Form" means a form appended to these rules;]

(f) "managing director" means the managing director of the Corporation;

(g) "member" means a member of the Board.

1. Inserted by G.S.R. 1415, dated 14th September, 1967.

2. Inserted by G.S.R. 1528, dated 8th October, 1965.

3. Term of office of Chairman, managing director and other directors :-

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(1) The term of office of the Chairman shall be three years from the date of his assumption of office as Chairman:

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Provided that if an officer of the Government is appointed on deputation as Chairman, the term of office in his case shall not extend beyond the age of superannuation of fifty-eight years:

Provided further that nothing contained in the foregoing proviso shall affect the term of office of a person who has been holding the post of Chairman immediately before the commencement of the Food Corporations (Amendment) Rules, 1977.

]

(2) The term of office of the managing director shall be five years from the date of his assumption of office as managing director:

3[

Provided that the appointee should not hold office beyond the age of sixty.

] ⁴ [

Provided that if an officer of the Government is appointed on deputation as managing director, the term of office in his case shall be two years from the date of his assumption of office as managing director or up to his reaching the age of 58 years, whichever is earlier.

]

(3) The term of office of a director appointed under Cl. (e) of subsection (1) of Section 7 of the Act shall be two years from the date of his assumption of office as director and he shall hold office during the pleasure of the Central Government:

Provided that every person holding office as Chairman, managing director or director immediately before the commencement of the Food Corporations (Amendment) Rules, 1971, shall continue to hold his office by the same tenure as he held such office immediately before such commencement.

]

(4) An outgoing Chairman, managing director or other director shall be eligible for reappointment.

1. Substituted by G.S.R. 396, dated 19th March, 1971.
2. Inserted by G.S.R. 192 (E), dated 25th April, 1977.
3. Inserted by G.S.R. 765 (E), dated 29th September, 2000 (w.e.f. 29th September, 2000).
4. Inserted by G.S.R. 538 (E), dated 24th October, 1975.

5. Remuneration of Chairman :-

The Chairman shall be entitled to the following remuneration: - ¹[

(i) pay in the scale of pay of Rs. 13,000-500-15,000 plus dearness allowance prescribed from time to time by the Central Government:

Provided that if any officer of the Government is appointed as Chairman, he shall be entitled to such pay and allowances as are admissible under the rules applicable to him;

] ²[

(ii) unfurnished accommodation suitable to his status on deduction of ten percent of his basic pay or the standard rent as may be

determined by the Food Corporation of India whichever is less. In case furnished accommodation is provided, hire charges @2-1/2% of his pay for the furnishings provided by the Corporation (cost of which shall not exceed Rs. Forty Thousand) shall be recovered:

Provided that if the Chairman voluntarily foregoes the pay to which he is entitled under CI. (i) he shall be eligible for free unfurnished accommodation suitable to his status;

]

(iii) free use of car for official purposes (Journeys from residence to office being treated as official purpose) and for private purposes also up to 500 kilometres limit per month. Charges for private use in excess of 500 kilometres limit in a month shall be recoverable at the appropriate kilometre rate to be fixed by the Corporation. Use of official car for private use shall be restricted to the headquarter town where the Chairman is stationed;

(iv) travelling and daily allowances ³[for journeys on tour] as specified in rule 7; and

³[

(iva) travelling allowance on transfer as is admissible to the highest category of officers in the whole-time employment of the Corporation;]

(v) other allowances and benefits (such as city compensatory allowance, reimbursement of medical charges ³[membership of the Contributory Provident Fund]) as are admissible to the highest category of officers in the whole-time employment of the Corporation;]

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[

(vi) such leave as is admissible to the highest category of officers in the whole-time employment of the Corporation. If any leave admissible to the Chairman under this clause-

(a) is refused due to requirements of public interest, he may be granted after the expiry of his term the amount of leave so refused, subject to the maximum of 120 days, and

(b) is not availed of by the Chairman during his term of office, he

shall be entitled to carry forward such leave in the event of his being reappointed under sub-rule (4) of rule 3.

1. Substituted by G.S.R. 648 (E), daced 12th November, 1997 (w.e.f. 13th November, 1997).

2. Substituted by G.S.R. 648 (E), dated 12th November, 1997 (we.f 13th November, 1997).

3. Inserted by G.S.R. 1415, dated 14th September, 1967.

6. Subs by G.S.R 413 (E), dated 25th June, 1977.

5A. Remuneration of managing director :-

In addition to the salary and allowances that may be fixed in respect of the managing director under sub-section (3) of Section 7 of the Act, he shall be entitled to the following benefits, namely: -

1 [

(i) unfurnished accommodation suitable to his status on deduction of ten percent of his basic pay or the standard rent as may be determined by the Food Corporation of India whichever is less. In case furnished accommodation is provided, hire charges @2-1/2% of his pay for the furnishing provided by the Corporation (cost of which shall not exceed Rs. Forty Thousand) shall be recovered.

]

(ii) membership of the Contributory Provident Fund of the Corporation;

(iii) re-imbusement of medical charges as are admissible to the highest category of officers in the whole-time employment of the Corporation;

(iv) such leave as is admissible to the highest category of officers in the whole-time employment of the Corporation. If any leave admissible to the managing director under this clause is not availed of by the managing director during his term of office, he shall be entitled to carry forward such leave in the event of his being re-appointed under sub-rule (4) of rule 3:

Provided that if an officer of Government is appointed as managing director, he shall be entitled to such leave, provident fund and other benefits as are admissible under rules applicable to him.

1. Subs by G.S.R 648 (E), dated 12th November, 1997 (we.f. 13th November, 1997).

6. Fees of director :-

Every director, pother than the Chairman, managing director and a

whole-time officer of the Government], shall be paid fees by the Corporation for attending meetings as follows :-

(a) For attending meetings of the Corporation. -Rs. 100 for each day of meeting.

(b) For attending meetings of the Executive Committee of -Rs . 50 for each day of the Corporation, meeting.

(c) For attending meetings of any other committee-Rs. 50 for each day of meeting constituted by the Board of Directors of the Corporation.

7. Travelling and Daily Allowances of Directors :-

Every Director, other than whole-time officer of the Corporation, performing journey in connection with any work relating to the Corporation, shall be entitled to travelling and daily allowances as a r e admissible on tour to the Executive Directors of the Corporation.]

(2) Every such director shall be entitled to the following travelling and daily' allowances, namely: - S (i) Travelling Allowance A. By Air (a) one standard air tare; (b) incidental expenses at 35 paise per every 10 kilometres or part single journey subject to maximum of '[Rs. 20/-]. B. By Rail

(a) A.C.C. or first-class rail fare, as the case may be;

(b) incidental expenses at 35 paise per every 10 kilometres or part thereof if it exceeds 5 kilometres:

1[

Provided that the allowance for incidental expenses shall be restricted to a maximum of one daily allowance for every twenty-four hours of the railway journey or part thereof. Explanation.- For the purpose of this proviso-

(a) the forward and return journeys shall be treated separately, except when they fall on the same day; and

(b) the period covered by the rail journey shall be reckoned with reference to the scheduled railway timings and may also include any period of halt at an intermediate station for catching the connecting train.

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Note I.-In case of air journeys involving overnight halt (either due to non-availability of connective service or due to the cancellation of the connective service) at intermediary stations, for which the Indian Airlines Corporation does not provide, at its expense, any facility for boarding or lodging to the touring member, he shall be entitled, in respect of each such overnight halt, to one-half of the daily allowance admissible to him in addition to the incidental expenses.

Note II.- While performing journeys by air, he shall purchase return ticket, wherever it is available, when it is expected that the return journey can be performed before the expiry of the period for which the return ticket is available.

Note III.- In respect of journeys by road from residence to the air booking office or railway station and from these points to the headquarters of the Corporation, he shall also be entitled to a road mileage at [^][60 paise] per kilometre.

²[C.By Road In respect of journeys by road between places not connected by rail, he shall be entitled to road mileage at the rate of 95 paise per kilometre for journeys by full taxi/own car, when a journey is performed by sharing the hire charges or by taking a single seat in a taxi or public bus, he shall be entitled to the actual share of the hire charges or fare of the single seat in the taxi or public bus, as the case may be, limited to the amount calculated at half the rate of road mileage for journeys by full taxi/own car. In a case where journey between two places connected by rail is performed by road, rail being the ordinary mode of travelling, the road mileage will be regulated as follows: -

(a) When a journey is performed by sharing the hire charges or by taking a single seat in a taxi or public bus, he shall be entitled to the actual share of the

(b) When the journey is performed otherwise, he shall be entitled to road mileage at the rate of 95 paise per kilometre but the amount shall be limited to the actual rail fare admissible to him.

However, if, in any case, the Corporation is satisfied that the journey by road was performed in the interest of the Corporation, road mileage may be allowed at full rates without imposing the limit of actual rail fare as aforesaid.] (ii) Daily Allowance

(a) For each day of the meeting, he shall be entitled to a daily allowance at ³[Rs.45/-]perday.

(b) In addition to the daily allowance for the days of the meeting,

he shall also be entitled to full daily allowance for the day preceding the day of the meeting or the day following the day of the meeting if-

(i) he arrives in the forenoon of the day immediately preceding the day of the meeting or on an earlier day; or

(ii) he departs in the afternoon of the day following the day of the meeting or on a later day:

Provided that he shall be entitled to only one-half of the daily allowance for the day preceding the day of the meeting or the day following the day of the meeting if-

(i) he arrives in the afternoon of the day preceding the day of the meeting; or

(ii) he departs in the forenoon of the day following the day of the meeting.

⁴[(c) For any other work relating to the Corporation, a director shall be entitled to draw daily allowance at the rates specified above. ⁵ [* * *]

1. Inserted by G.S.R. 297, dated 3rd March, 1967.

2. Substituted by G.S.R. 312(E), dated 27th April, 1981 (w.e.f. 27th April, 1981).

3. Substituted by G.S.R. 343(E), dated 18th July, 1972.

4. Inserted by G.S.R. 1528, dated 8th October, 1965.

5. Rule 8, omitted by G.S.R. 648(E), dated 12th November, 1997 (w.e.f. 13th November, 1997).

9. Conveyance allowance payable to directors :-

(1) A director, not being a whole-time officer of the Corporation or an officer of Government, resident at a place where the meeting of the Corporation is held, shall not be entitled to any travelling or daily allowance under rule 7, but he shall be entitled to the actual cost of conveyance hire, subject to a maximum of ¹[Rs. 35/- per day].

(2) Where any such director uses his own car, he shall be entitled to a mileage allowance at ¹³ [95 paise per kilometre], subject to a maximum of Rs. 35/- per day].

1. Subs by G.S.R. 16 (E), dated 22nd January, 1975.

3. The Figures and words "60 paise per kilometre" subs by G.S.R.312(E), dated 27th April, 1981 (w.e.f. 27th April, 1981).

9A. Travelling and daily allowances payable to the members of an Advisory Committee :-

(1) Every member of an Advisory Committee, not being a Chairman, managing director, director of the Corporation or whole-time officer of the Corporation or an officer of Government, performing journeys in connection with attending the meetings of an Advisory Committee, shall be entitled to the travelling and daily allowances as are admissible to the highest category of officers in the whole-time employment of the Corporation:

Provided that the travelling allowance for air journey shall be admissible only if specifically authorized by the managing director.

(2) The Chairman, managing director or any whole-time officer of the Corporation or an officer of Government, if a member of an Advisory Committee, shall be entitled to such travelling and daily allowances as are admissible under the rules applicable to him for journeys performed on official duty.]

10. Appointment of officers and other employees :-

(1) The Corporation may create such posts as it considers necessary for the efficient performance of its functions and appoint such officers and other employees thereto as it deems fit either on contract for a specific period or on a permanent basis:

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(2) Every person appointed to a permanent post shall be on probation for a period of one year and no such person shall be confirmed in that post unless his work was satisfactory during the period of probation.

(3) Without prejudice to the provisions of sub-rule (1), the Corporation may appoint officers and other employees-

(i) On deputation from Government or from any public sector or private sector undertaking; or

(ii) On a short-term basis from among persons who have been superannuated from the service of Government or of any public sector or private sector undertaking, on such terms and conditions as the Corporation may specify:

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Provided that no person who has attained the age of 58 years shall be appointed to any post carrying a basic pay of Rs. 2,5007/- per month and above except with the previous approval of the Central Government.

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(4) The pay and other terms and conditions of appointment of officers and other employees employed by the Corporation shall not be more advantageous than those obtaining in respect of similar posts in public sector undertakings or other recognized efficient business establishments and organizations.

1. Omitted by G.S R. 1123, dated 12th May, 1969.
2. Ins by G.S.R. 1123, dated 12th May, 1969.

11. Method of appointment, conditions of service and scale of pay of Secretary :-

(1)A Secretary of the Corporation may be appointed from among the Indian Administrative Service, Central Secretariat Service or other Central Service Class I or from officers of any public sector enterprises or from officers of Food Corporation of India.

(2) ¹[The post of Secretary of the Corporation shall carry a scale of pay of Rs. 14,300- 400-18,300 in CDA and Rs. 7,000-275-8,100-300-9,600 in IDA pattern]: Provided that:-

(i) where an officer belonging to the Indian Administrative Service is appointed as Secretary, his pay will be fixed under the provisions of the Indian Administrative Service (Pay) Rules, 1954.

(ii) in case the appointment is from other Central Service or Central Secretariat Service, the officer will be entitled to his grade pay plus deputation allowance as admissible under the general orders issued by the Government from time to time or to the pay scale prescribed whichever he opts.

(3) In addition to pay, the Secretary shall be entitled to the following: -

(i) dearness allowance, children education allowance, leave travel concession (except the local allowances like city compensatory allowance, house rent allowance, etc.) in the case of persons drawn from other services, in accordance with the allowances and facilities admissible to him in the service to which he belongs and in the case of others as admissible to the highest category of officers in

the whole-time employment of the Corporation.

(ii) local allowances like city compensatory allowance, conveyance allowance, house rent allowance, joining time pay and travelling allowance, both on transfer and while on duty, as admissible to the highest category of officers in the whole-time employment of the Corporation.

(iii) medical facilities which shall not be inferior to those to which he would have been entitled but for his transfer on deputation to the Corporation.

(4) Leave shall be admissible in accordance with the leave rules applicable to the service to which he belongs in the case of officers drawn from other services and in other cases in accordance with the Food Corporation Regulations.

(5) The leave salary and pension contributions shall be paid by the Corporation to the Central or the State Government concerned at the rates in force from time to time. The Corporation shall also pay leave emoluments in respect of disability leave, if any.

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(6) The term of office of the Secretary shall be five years from the date of his assumption of office as Secretary or up to his reaching the age of 58 years whichever is earlier or such term in the case of officers appointed from other services as may be prescribed in the terms of deputation on foreign service.

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(7) The outgoing Secretary shall be eligible for re-appointment.

(8) In the event of the occurrence of any vacancy in the office of Secretary by reason of his death, resignation, removal or otherwise, the Central Government may, after consultation with the Corporation, appoint another person in his place and the person so appointed shall hold office for the remaining period of the term unless he is re-appointed for another term.

1. Substituted by G.S.R. 648(E), dated 12th November, 1997 (w.e.f. 13th November, 1997).

2. Substituted by G.S.R. 485 (E), dated 6th September, 1975.

12. Fees of members :-

¹ [Every member, not being a whole-time officer of the Corporation

or an officer of Government, shall be paid fees by the Corporation as follows: -]

(a) For attending meetings of the Board - Rs. 75 for each day of the meeting.

(b) For attending meetings of any - Rs. 40 for each day of the meeting. committee constituted by the Corporation.

1. Substituted by G.S.R. 870, dated 10th May, 1968.

13. Travelling and daily allowances payable to members :-

(1) Every member, not being a whole-time officer of the Corporation or an officer of Government, performing journeys in connection with any work relating to the Board, shall be entitled to be paid by the Corporation travelling and daily allowances.

(2) The provisions of rule 7 shall apply in relation to such member as they apply in relation to a director, not being a whole-time officer of the Corporation or an officer of Government, subject to the modification that such member shall be entitled to a daily allowance of only Rs. 25/- per day.

14. Travelling and daily allowances of members, being whole-time officers of the, Corporation or officers of Government. :-

(1) Every member, being a whole-time officer of the Corporation or an officer of Government, shall be entitled to such travelling and daily allowances for the performance of journeys in connection with any work relating to the Board as are admissible under the rules applicable to him for journeys performed on official duty.

(2) Where any travelling or daily allowance is paid to a member, being an officer of Government, the Corporation shall make necessary arrangements for re-imburement of the amount so paid to the authority employing such officer.

15. Conveyance allowance payable to members of Board of Management. :-

(1) A member, not being a whole-time officer of the Corporation or an officer of Government, resident at a place where a meeting of the Board is held, shall not be entitled to any travelling and daily allowances under rule 13, but he shall be entitled to the actual cost of conveyance hire, subject to a maximum of ¹[Rs. 25/-per day].

(2) Where any such member uses his own car, he shall be entitled to a mileage allowance at ¹[³ [95 paise per kilometre], subject to a maximum of Rs. 251/- per day].

1. Substituted by G.S.R. 16(E). dated 22nd January, 1975.

3. The figures and words " 60 paise per kilometre" subs. by G.S.R. 312(E), dated 27th April, 1981 (w.e.f. 27th April, 1981).

16. Deposit in bank or investment in securities of surplus funds :-

Any funds of the Corporation not required for current expenditure may be placed in fixed deposit with the Reserve Bank of India or the State Bank of India or any subsidiary of the State Bank of India or any scheduled or co-operative bank approved in this behalf by the Corporation or in personal deposit account of the Reserve Bank of India.

17. Additional functions which the Corporation may perform :-

The Corporation may perform functions relating to clearance, handling, storage, transport and distribution of fertilizers.

18. Securities upon which Corporation may lend or advance money :-

The Corporation may lend or advance money to any person engaged in the production of foodgrains upon the security of growing or standing crops for any purpose connected with such production

19. Annual statement of accounts and balance-sheet :-

The form of the annual statement of accounts and the balance-sheet to be prepared by the Corporation on the last working day of the month of March each year shall be set out as follows: -

(i) A balance-sheet in Form 'A';

(ii) A Schedule of fixed assets attached to and forming part of the balance-sheet, in Form 'B'; and

(iii) A profit and loss account in Form 'C'.