
**SHIPPING DEVELOPMENT FUND COMMITTEE (GENERAL)
RULES, 1960**

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**SHIPPING DEVELOPMENT FUND COMMITTEE (GENERAL)
RULES, 1960**

¹1. Published in the Gazette of India, 1960, Pt. II, Sec. 3 (i), p. 1306 In exercise of the powers conferred by section 19 of the Merchant Shipping Act, 1958 (44 of 1958), the Central Government hereby makes the following rules, namely

1. Short title :-

These rules may be called the Shipping Development Fund Committee (General) Rules, 1960.

2. Definitions :-

In these rules, unless the context otherwise requires:

- (i) 'Act' means the Merchant Shipping Act, 1958;
- (ii) 'Fund' means the Shipping Development Fund formed under section 14 of the Act;
- (iii) 'Committee' means the Shipping Development Fund Committee constituted under section 15 of the Act;
- (iv) 'Chairman' means the Chairman of the Committee;
- (v) 'Secretary' means the Secretary of the Committee appointed under rule 9.

3. Term of office of Members :-

Save as otherwise provided, every member of the Committee shall hold office for a period of three years from the date of the notification appointing him as a member under section 15 (1) of the Act, provided that an outgoing member shall continue in office until the appointment of his successor is notified in the Official Gazette.

4. Cessation of Membership before expiry of term :-

A person appointed as a member of the Committee by virtue of an office held by him shall cease to be a member when he ceases to hold that office.

5. Resignation by Chairman and Members :-

(1) The Chairman may resign his office by a letter in writing addressed to the Central Government and a member may resign his office by a letter in writing addressed to the Chairman:

Provided that the Chairman or the Member shall continue in office until his resignation takes effect.

(2) The resignation of the Chairman or a member shall not take effect until it is accepted or until the expiry of 30 days from the date of receipt of the letter of resignation by the Central Government or as the case may be the Chairman, whichever is earlier.

6. Removal of Members from office :-

The Central Government may remove from office any member of the Committee:

- (a) if he absents himself from three consecutive meetings of the

Committee without the permission of the Chairman;

(b) if he becomes insolvent;

(c) if he is convicted of an offence which in the opinion of the Central Government involves moral turpitude;

(d) if, in the opinion of the Central Government, it is for any other reason not desirable that he should continue to be a member.

7. Filling casual vacancy of Member :-

(1) When a casual vacancy arises in the Committee due to death, resignation or removal of a member from office, or due to the cessation of membership before the expiry of term or for any other reason, the Central Government may, at the request of the Secretary, make a fresh appointment to fill the vacancy as early as possible.

(2) A member appointed to fill a casual vacancy shall hold office for the unexpired portion of the term of the member in whose place he is appointed.

8. Register of Members :-

(1) The Committee shall maintain a register of members in which the name and address of every member shall be entered.

(2) Every member of the Committee shall notify any change of address to the Secretary; and the Secretary shall amend the relevant entry in the register accordingly.

9. Secretary of the Committee :-

(1) The Central Government shall appoint one of the members of the Committee or any other person to be the Secretary of the Committee.

(2) The Secretary shall work under the general control of the Chairman and of the Committee. His duties shall be to assist the Chairman in the discharge of his functions and in particular

(a) to convene, under the directions of the Chairman, meetings of the Committee;

(b) to maintain the Minutes book;

(c) to co-ordinate and supervise the work of the other officers and employees of the Committee;

(d) to submit to the Central Government all reports, returns and other documents required by the Act or the rules to be submitted to that Government;

(e) to administer the Provident Fund of the Committee if authorised by the Chairman in that behalf;

(f) to prepare the budget estimates of the Committee; and

(g) to undertake such other duties as may from time to time be entrusted to him by the Committee or the Chairman.

10. Other Officers of the Committee :-

The Committee may appoint such officers and other employees as it may consider necessary for the discharge of its functions:

Provided that the Committee shall not create, or make appointment to, any post the maximum salary of which is 1[Rupees one thousand two hundred and fifty] per mensem or more except with the previous approval of the Central Government.

11. Salaries, allowances and conditions of service of officers and other employees of the Committee :-

(1) Subject to the provisions of rule 10, all appointments to posts in the service of the Committee shall be made by the Committee.

1[(2) The scales of pay and dearness allowances, travelling allowance and any other allowance applicable to the officers and other employees in the service of the Committee shall be the same as those applicable to officers of similar status in the service of the Central Government or at such higher rates as may be prescribed by the Committee with the approval of the Central Government.]

(3) The Fundamental Rules and the Supplementary Rules of the Government of India shall apply to the grant of leave to officers and other employees in the service of the Committee. The admissibility of earned leave to the members of the staff will be determined, as laid down in Rules 9 and 12 of the Government of India Revised Leave Rules:

Provided that the powers vested under the Rules referred to above in the President shall be exercised by the Chairman and those vested in the Heads of Departments by the Secretary.

(4)

(a) Service under the Committee shall not qualify for any pension^{2*}
* * from the Fund of the Committee ; but the Committee shall establish and maintain a Contributory Provident Fund for the benefit of its employees and require them to subscribe to the Provident Fund. Any employee of the Committee who is also a Government servant shall continue to be governed by the conditions of service in regard to pension and other matters which apply to him as a Government servant:

3 [Provided that the Committee may draw up a scheme for the payment of deathcum-retirement gratuity to the employees of the Committee who are not Government servants.]

(b) The Contributory Provident Fund shall be administered by the Secretary or other officer authorised by the Chairman in this behalf in accordance with such rules as the Committee may make with the approval of the Central Government.

(5) The Secretary may grant leave in accordance with sub-rule (3) to any member of the staff whose salary does not exceed Rs. 500 per mensem. Leave for other officers shall be granted with the sanction of the Chairman.

1. Subs, by G.S.R. 1986, dated 30th November, 1971 (w.e.f. 1st March, 1971).

2. Omitted by G.S.R. 1602, dated 23rd October, 1976.

3. Ins., *ibid*.

12. Travelling and daily allowances, etc.of Members :-

(1) The Chairman and the other members of the Committee shall be entitled to travelling and other allowances as specified below when they are called upon to attend meetings of the Committee

(a) an official member of the Committee shall be entitled to travelling and other allowances in accordance with the Fundamental and Supplementary Rules and the expenditure will be debited to their respective departments;

(b) a non-official member of the Committee residing at the place where the meeting is held shall be allowed the actual expenditure incurred on

(c) a non-official member not resident at the place where a meeting is held shall be allowed travelling and daily allowances in accordance with the general orders issued in this behalf by the

Central Government from time to time; provided that, in the case of a Member of Parliament he shall be entitled to travelling allowance and daily allowance in accordance with the rules applicable to Members of Parliament from time to time.

(2) No travelling or daily allowance shall be admissible to a member under sub-rule (1) unless he certifies that he has not drawn any travelling or daily allowance from any other source in respect of the journey and the halt for which the claim is made.

1[(3)

(a) The Chairman shall be the Controlling Officer in respect of travelling and daily allowances for the non-official members of the Committee **2**[* * *].

3 [(b) The Secretary shall be his own Controlling Officer in respect of travelling and daily allowances.

(c) The Secretary shall also be the Controlling Officer in respect of the travelling and daily allowances of other officers and employees of the Committee.]

1. Subs, by G.S.R. 1541, dated 8th August, 1968.

2. Omitted by G.S.R. 1203, dated 6th August, 1970.

3. Subs., ibid.

13. Delegation of powers by the Committee :-

(1) The Committee may, by resolution, delegate to the Chairman, the Secretary or any other officer of the Committee such of its powers under rule 11 as it deems fit.

(2) The authority empowered by the Committee to appoint any of its officers or other employees shall be competent to dismiss, suspend, promote or degrade such officer or other employee. The rules of procedure to be followed in all disciplinary cases shall be the same as those prescribed by the Central Government for officers of similar status in the service of the Central Government with such modifications as may be approved by the Central Government.

(3) The power delegated by the Committee shall be exercised subject to the control of the Committee.

14. Powers of the Chairman :-

Without prejudice to the powers and functions of the Committee,

the Chairman may exercise the following powers, namely:

(a) to carry on the functions of the Committee in accordance with the instructions which the Committee may issue from time to time;

(b) to sign all accounts, receipts and documents connected with such functions;

(c) to organise and supervise the office and exercise such powers in connection with the appointment, promotion, termination of service and leave of the officers and other employees of the Committee as may be delegated by the Committee and make such other arrangements as may be necessary for the efficient discharge of the functions of the Committee;

1 [(d) to incur expenditure of contingent nature necessary for the administration of the office of the Committee, any item of expenditure exceeding Rs. 2,000 per annum in the case of expenditure of a recurring nature, and Rs. 10,000 per annum in the case of expenditure of a non- recurring nature; **2**[* * *]

3 [(da) to write off irrecoverable losses to stores and losses caused due to deficiency or depreciation in the value of stores, subject to the condition that the said losses were not caused by any defect in the procedure or negligence on the part of an employee in the service of the Committee calling for disciplinary action;

(db) to declare stores as surplus, obsolete or unserviceable up to the value of rupees two thousand;]

1. Subs, by G.S.R. 1602 dated 23rd October, 1976.

2. Omitted Ins. by G.S.R. 389, dated 25th February, 1977.

3. Subs, by G.S.R. 389 dated 25th February, 1977.

15. Execution of contracts :-

Every contract entered into by the Committee shall be made in writing and shall be executed on its behalf by any two members (which term includes the Chairman and also the Secretary) and shall be sealed with the common seal of the Committee:]

1 [Provided that any such contract entered into by the Committee outside India may be executed on its behalf by any person authorised by the Committee in this behalf, without its being sealed with the common seal of the Committee.]

1. Subs by G.S.R. 209, dated 9th February, 1962.

16. General procedure :-

The Committee shall have power to regulate its own procedure in regard to its meetings, the quorum for meetings and the procedure thereat.

17. Common Seal :-

¹ The common seal of the Committee shall remain in the custody of the Secretary or a member of the Committee.]

1. Ins. by G.S.R. 459, dated 8th March, 1972.

18. Financial year :-

The financial year of the Committee shall be the year commencing on the first day of April of a year and ending on the thirty-first day of March of the following year, provided that the first financial year shall be deemed to have commenced on the 26th March, 1959 and ended on the 31st March, 1960.

19. Budget :-

(1) The Committee shall prepare a budget for each financial year and shall submit it for the sanction of the Central Government in such form and on or before such date as the Central Government may direct.

(2) The Committee shall also prepare and submit to the Central Government in such form and on such dates as the Central Government may direct a supplementary estimate, if, in respect of any financial year, further expenditure is likely to be incurred.

19(A). Preparation and submission of annual statement of accounts :-

¹The Committee shall prepare an annual statement of accounts for each financial year in the forms prescribed in Annexures I and II to these rules and shall submit the same to the Central Government before the 31st March of the following year:]

² [Provided that the Central Government may, with the concurrence of the Comptroller and Auditor General of India, extend the said date.]

1. Ins. by G.S.R. 1267, dated 21st October, 1960.

2. Ins. by G.S.R. 995, dated 29th June, 1964.

20. Custody and investment of funds :-

The Committee may with the prior approval of the Central

Government open Deposit Accounts with the Reserve Bank of India, the State Bank of India or any other Scheduled Bank, or invest its funds in the securities of the Central Government or of any State Government.

20A. Power to give guarantee :-

1 . The Committee shall have the power to issue any guarantee (including counter guarantee and indemnity and the like) to cover the principal sum and interest without any upper limit.]

1. Ins. by G.S.R. 640, dated 13th May, 1975.

20B. Advance of amount to shipyard in certain cases :-

1 . In respect of a ship under construction in the Indian shipyards, where the Committee has already sanctioned loans to the concerned shipping company for the acquisition of the said ship, the Committee may, with the approval of the Government and after obtaining sufficient security, advance to the shipyard, after completion of an event mentioned in the Building Contract, an amount not exceeding the amount of loan instalment payable to the shipping company against the stage payment, which has fallen due. The Committee may also prescribe the rate of interest to be recovered in respect of such advances to the shipyard and the said rate shall not be less than the then prevailing rate of interest applicable to loans from the Government to the Committee:

Provided that this shall not alter any of the conditions in the loan agreement already entered in this behalf between the Committee and the shipping company concerned:

Provided further that the amount thus advanced to the shipyard shall be deemed as a loan to the shipping company concerned with effect from the date the said company furnishes the required security and completes the other specified formalities for the release of the loan amount relating to the aforesaid stage payment.]

1. Ins. by G.S.R. 1602, dated 23rd October, 1976.

21. Repeal :-

The Shipping Development Fund Committee (Execution of Contracts) Rules, 1959 published with the notification of the Government of India in the Ministry of Transport and Communications (Department of Transport), No. G.S.R. 1199, dated the 22nd October, 1959 are hereby cancelled.

