

No.EP 43 (05)/2017 Vol I
FOOD CORPORATION OF INDIA
HEADQUARTERS
NEW DELHI

19.09.2018

(Circular NO EP – 12- 2018 - 19)

Subject:- Fund Management for Post-Retirement Medical Scheme recognized under Income Tax Act, 1961.

Food Corporation of India Post-Retirement Medical Scheme (PRMS) was introduced in FCI w.e.f. 01.04.2016 with the approval of the Government of India. The Scheme was circulated vide Circular No EP-12-2016-23 dated 30.12.2016.

The fund management of the Scheme was made by the Corporation internally as per the detailed stipulation at serial no 8 of the said scheme. In view of the tax planning of the Corporation, it has been decided by the Board of Directors in its meeting held on 23.02.2018 to separate the fund management of PRMS from the FCI books and maintain a separate trust to manage the funds. The Board of Directors also approved required modification to that effect in the existing PRMS scheme.

2. In view of the above decision of the Board of Directors , the PRMS circulated vide circular dated 30.09.2016 is now amended as following :-

2.1 The existing clauses No. "8.1 to 8.7 – Fund Management" of the PRMS Scheme are deleted w.e.f. 23.03.2018.

2.2 A new clause namely 9 – Fund Management is inserted in the PRMS Scheme w.e.f 23.03.2018 as per details given below:

9 FUND MANAGEMENT

9.1 The fund shall be managed by the PRM Trust (Trust) as per the Trust Deed.

9.2 The contributions generated from the members and provided by the Corporation shall be transferred to the Trust

9.3 The assistance provided should be debited to the Trust

9.4 Interest earned, dividend received, other accretions, profits or gains, capital gains, etc. would be credited to the Trust

9.5 Separate accounting shall be done for :

- a. Contribution received from existing /retiring employees
- b. Annual membership fees received from retired employees
- c. Contribution received from the Corporation
- d. Amount disbursed for IPD
- e. Amount disbursed for OPD

9.6 The fund position shall be reflected in the Annual Report of the Corporation as annexure/appendix/schedule etc. showing the following details:

- a. Opening Balance
- b. Contribution received from members during the year
- c. Annual membership fees received
- d. Contribution received from the Corporation during the year
- e. Amount disbursed as assistance for IPD during the year
- f. Amount disbursed as assistance for OPD during the year
- g. Income credited to the Trust during the year
- h. Closing Balance

3. Clause 8.9 is renumbered as clause 10.

This issues with approval of Competent Authority


(Harish Kumar)
DGM (EP)

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