

Food Corporation of India
Code of Business Conduct & Ethics
For Board Members & Senior Management

1. Introduction

- 1.1 This code shall be called “The Code of Business Conduct & Ethics for Board Members & Senior Management” of Food Corporation of India (FCI) (hereinafter referred to as “FCI” or “the Corporation”)
- 1.2 The purpose of this Code is to enhance ethical & transparent process in managing the affairs of the Corporation. Senior Management Personnel are expected to understand, adhere to, comply with and uphold the provisions of this Code and the standards laid down hereunder in their day to day functioning.
- 1.3 The principles prescribed in this code are general in nature and lay down broad standards of compliance and ethics as required by DPE guidelines on Corporate Governance. The Senior Management Personnel should also review other applicable policies and procedures of the Corporation for specific instructions and guidelines, which are to be read in conjunction with this code.
- 1.4 The Corporation has in place the FCI Staff Regulations, 1971 which govern the Conduct of the employees of the Corporation. This code for senior Management Personnel has now been framed specifically as per guidelines of DPE. In respect of the Senior Management Personnel this Code is to be read in conjunction with the FCI Staff Regulations, 1971 and Food Corporations Act, 1964.
- 1.5 It shall come into force with effect from 1/12/2011.

2. Definitions & Interpretations

- 2.1 “Act” means the Food Corporations Act, 1964 (37 of 1964)
- 2.2 “Board” means a Board of Management established under section 16 of the Act.
- 2.3 “Chairman” means the Chairman of the Board of Directors of the Corporation,

- 2.4 "Corporation" means the Food Corporation of India established under Section 3 of the Act.
- 2.5 The term "Board Members" shall mean Directors on the Board of Directors of the Corporation.
- 2.6 The term "whole-time Directors" or "Functional Directors" shall be the Directors on the Board of Directors of the Corporation, who are in whole-time employment of the Corporation.
- 2.7 The term "Part-time Directors" or "Non-official Directors" shall mean Directors on the Board of Directors of the Corporation, who are not in whole-time employment of the Corporation.
- 2.8 The term "Relative" shall have the same meaning as defined in section 6 of the Companies Act, 1956.
- 2.9 The term "Senior Management" shall mean personnel of the Corporation who are members of its core management team i.e. Executive Directors and above.
- 2.10 The term "The Corporation" shall mean The Food Corporation of India.

Note: In this Code words importing the masculine gender shall include feminine gender and words importing singular shall include the plural or vice-versa.

3. Applicability

- 3.1 This code shall be applicable to the following personnel:
- (a) All whole-time Directors including the Chairman & Managing Director of the Corporation.
 - (b) All part-time Directors including Independent Directors or Non-official Directors under the provisions of law.
 - (c) Senior Management
- 3.2 The whole-time Directors & Senior Management shall continue to comply with other applicable/to be applicable policies, rules & procedures of the Corporation.

- (i) Unless, the Board of Directors of the Corporation approves, no waiver of any of the provisions of this code shall be given.
- (ii) This code is subject to be amended by the Board from time to time.
- (iii) All Directors & Senior Management Personnel shall acknowledge the receipt of this code in the acknowledgement form annexed to this code (Appendix-I) indicating that they have received, read, understood and agreed to comply with the Code and send the same to the Secretary.

4.0 **Contents of Code**

Part I	General Moral Imperatives
Part II	Specific Professional Responsibilities
Part III	Specific Additional Provisions for Board Members and Senior Management

This code is intended to serve as a basis for ethical decision making in the conduct of professional work. It may also serve as a basis for judging the merit of a formal complaint pertaining to violation of professional ethical standards.

It is understood that some words and phrases in the code of ethics & conduct documents are subject to varying interpretations. In case of any conflict, the decision of the Board shall be final.

Part I

5.0 General Moral Imperatives/ Ethical Conduct

5.1 Contribute to society and human well being

This principle concerning the quality of life of all people, affirms an obligation to protect fundamental human rights and to respect the diversity of all cultures. We must attempt to ensure that the products of our efforts will be used in socially responsible ways, will meet social needs and will avoid harmful effects to health and welfare of others. In addition to a safe social environment, human well being includes a safe natural environment.

Therefore, all Board Members & Senior Management who are accountable for the design development & promotion of Corporations products, must be alert to, and make others aware of both, a legal and a moral responsibility for the safety and the protection of human life & environment.

5.2 Be honest, trust worthy & practise integrity

All Board Members and Senior Management are expected to act in accordance with highest standards of personal and professional integrity, honesty and ethical conduct, while conducting business of the Corporation.

5.3 Be fair and take action not to discriminate.

The value of equality, tolerance, respect for others and the principles of equal justice govern this imperative. Discrimination, on the basis of race, sex, religion, caste, age, disability, national religion or other such factors, is an explicit violation of this code.

5.4 Honour Confidentiality.

All Board Members & Senior Management shall maintain the confidentiality of all confidential unpublished information about business & affairs of the Corporation unless discharged from such obligations by requirements of the law or other principles of this code.

All communication in respect of Board matters should be made confidentially in such manners that the gravity and veracity of the matters are maintained.

5.5 Pledge / Expected behaviour

- (i) To strive continuously to bring about integrity and transparency in all spheres of the activities.
- (ii) Work unstintingly for eradication of corruption in all spheres of life.
- (iii) Remain vigilant and work towards growth and reputation of the Corporation.
- (iv) Do duty conscientiously and without fear or favour and without allowing independent judgement to be subordinated.
- (v) Acquire and maintain professional competence to be excellent.
- (vi) Manage personnel and resources to enhance the quality of working life by ensuring human dignity of all employees, which would encourage and support the professional development and quality of the employees.

- (vii) Adhere to Corporate discipline.
- (viii) Act in best interest of, and fulfill their fiduciary obligations to the Corporation.
- (ix) Conduct themselves in a professional , courteous, respectful manner and not take improper advantage of the position of Director/Senior Management.
- (x) Not to use any information or opportunity received by them in their capacity as Directors/Senior Management in a manner that would be detrimental to the Corporation's interests.

Part-II

6. Specific Professional Responsibilities:-

- 6.1 Live the Vision, Mission and Values of the Corporation each day. For quick reference they are as under:-
- 6.2 **VISION: To play a significant role in India's success in transforming the crisis management oriented food security into a stable security system to ensure availability, accessibility and affordability of food grains to all people at all times so that no one, nowhere and at no time should go hungry.**
- 6.3 **MISSION**
 - i) **Ensuring food security of nation by maintaining satisfactory level of operational buffer stocks of food grains.**
 - ii) **Distribution of food grains throughout the country for Public Distribution System.**
 - iii) **Effective Price Support Operations for safeguarding the interest of farmers.**

6.4 **VALUES**

We shall carry out our functions and duty with utmost:-

- **Sincerity**
- **Team work**
- **Speed**
- **Integrity & fairness in all matters**
- **Transparency and without any fear or favour**
- **Respect for dignity and potential of individuals**
- **Loyalty and pride in the Corporation**

6.5 **Strive to achieve the highest quality, effectiveness and dignity in both the processes and products of professional work:-**

Excellence is perhaps the most important obligation of a professional and depends on individuals who take responsibility for acquiring and maintaining professional competence. Everyone, therefore, should strive to achieve the highest quality, effectiveness and dignity in their professional work.

6.6 **Compliance with laws:**

The Board Members and Senior Management of the Corporation shall comply with all the applicable provisions of existing local, state, national and international laws. They should also follow and obey the policies, procedures, rules and regulations relating to business of the Corporation.

6.7 **Accept and provide appropriate professional review:-**

Quality professional work depends on professional review and comments. Whenever, appropriate, individual members should seek and utilize peer review as well as provide critical review of the work of theirs.

6.8 **Manage personnel and resources to enhance the quality of working life**

Organizational leaders are responsible for ensuring that a conducive working and business environment is created for fellow employees to enable them in delivering their best. The Board Members and Senior Management would be responsible for ensuring human dignity of all employees., would encourage and support the professional development of

the employees of the Corporation by providing them all necessary assistance and cooperation, thus, enhancing the quality of work.

6.9 Be upright and avoid any inducements:

The Board members and senior management personnel shall not, directly or indirectly through their family and other connections, solicit any personal fee, commission or other form of remuneration arising out of transactions involving the Corporation. This includes gifts or other benefits of significant value, which might be extended at times, to influence business of the organisation or awarding a contract to an agency etc.

6.10 Observe Corporate Discipline:

The flow of communication within the Corporation is not rigid and people are free to express themselves at all levels. Though there is a free exchange of opinions in the process of arriving at a decision but after the debate is over and a policy consensus has been established, all are expected to adhere and abide by it, even when in certain instances one may not agree with it individually. In some cases, policies act as a guide to action, in others they are designed to put a constraint on action. All must learn to recognize the difference and appreciate why they need to observe them.

6.11 Conduct in a manner that reflects credit to the Company.

All are expected to conduct themselves, both on and off duty, in a manner that reflects credit to the Corporation. The sum total of their personal attitude and behaviour has a bearing on the standing of the Corporation and the way in which it is perceived within the organisation and by the public at large.

6.12 Be accountable to Corporation's stakeholders

All of those whom we serve, be it our customers, without whom the Corporation will not be in business, the shareholders, who have an important stake in its business, the employees, who have a vested interest in making it all happen, the vendors, who support the Corporation to deliver in time and society to which Corporation is responsible for its

actions are stakeholders of the corporation. All therefore, must keep in mind at all times that they are accountable to Corporation's stakeholders.

6.13 Prevention of insider trading

The Board Members and Senior Management shall comply with the Code of Internal procedures and Conduct for prevention of Insider Trading in dealing with the securities of the Corporation.

6.14 Identify, mitigate and manage business risks:-

It is everybody's responsibility to follow Risk Management Frame work of the Corporation to identify the business risks that surround functions or areas of operations of the Corporation and to assist in the Corporation's wide process of managing such risks, so as to achieve its wider business objectives.

6.15 Absolute Devotion of work

Senior Management Personnel of the Corporation is to devote their full time and efforts during working hours to the service of the Corporation. They will not engage themselves in any business or activities that interfere with their obligations and responsibilities towards the Corporation.

6.16 Appropriate use of the Corporation's Assets:

The Board members and senior management shall protect the assets including physical assets, information & intellectual rights of the Corporation and shall not use the same for personal gain.

PART-III

7. Specific Additional Provisions for Board Members & Senior Management

7.1 **As Board Members & Senior Management** – They shall undertake to actively participate in the meetings of the Board and Committees on which they serve.

7.2 As Board Members

7.2.1 Undertake to inform the Chairman and Managing Director/ Secretary of the Corporation of any changes in their other Board positions, relationship with other business and other events/ circumstances / conditions that may interfere with their ability to perform Board/ Board Committee duties or may impact the judgement of the Board.

7.2.2 Undertake that without prior approval of the disinterested members of the Board, they will avoid apparent conflict of interest. Conflict of interest may exist when they have personal interest that may have a potential conflict with the interest of the Corporation. Illustrative cases can be:

Related Party Transactions: Entering into any transactions or relationship with Corporation or its subsidiaries in which they have a financial or other personal interest (either directly or indirectly such as through a family member or relation or other person or other organization with which they are associated).

Outside Directorship: Accepting Directorship on the Board of any other Corporation that competes with the business of the Corporation.

Consultancy / Business / employment: Engaging in any activity (be it in the nature of providing consultancy service, carrying on business, accepting employment) which is likely to interfere or conflict with their duties / responsibilities towards Corporation. They should not invest or associate themselves in any other manner with any supplier, service provider or customer of the Corporation.

Use of Official position for personal gains: Should not use their official position for personal gains.

7.3 Compliance with the Code of Business Conduct and Ethics

7.3.1 All Members of the Board and Senior Management of Corporation shall uphold and promote the principles of this code.

The future of the organization depends on both technical and ethical excellence. Not only it is important for Board Members and Senior Management to adhere to the principles expressed in this Code, each of them should also encourage and support adherence by others.

7.3.2 Treat violations of this code as inconsistent association with the Corporation.

Adherence of professionals to a code of ethics is largely and generally a voluntary matter. However, if any of Board Members and Senior Management does not follow this Code, the matter would be reviewed by the Board and its decision shall be final. The Corporation reserves the right to take appropriate action against the defaulter.

7.3.3 Whistle Blower Policy:- No Director, employee, Contractor, Sub-contractor or agent of the Corporation may discharge, demote, suspend, threaten, harass or in any manner discriminate against an employee in the terms and conditions of employment because of any lawful act done by the employee to disclose information about fraudulent activity within the Corporation or because of an employee's co-operation with fraud-related investigation or legal proceedings conducted by the Corporation or by a law-enforcement agency, or any person with supervisory authority over the employee or with the authority to investigate misconduct within the Corporation.

7.4 Miscellaneous Points

7.4.1 Continual updation of Code.

This Code is subject to continuous review and updation in line with any change in law, changes in Corporation's philosophy, vision, business plans or otherwise as may be deemed necessary by the Board and all such amendments/modifications shall take effect prospectively from the date stated therein.

7.4.2 Where to seek clarifications.

Any member of Board or Senior Management requiring any clarification regarding this Code of Conduct may contact the Secretary

(A.K.Bhattacharya)
(Secretary)

**ACKNOWLEDGEMENT OF RECEIPT OF
CODE OF BUSINESS CONDUCT AND ETHICS
FOR BOARD MEMBERS AND SENIOR MANAGEMENT**

I have received and read the code of Business Conduct and Ethics for Board Members and Senior Management of Food Corporation of India. I understand the standards and policies contained in the said Code of Business Conduct and Ethics and understand that there may be additional policies or laws specific to my job. I further agree to comply with the said Code of Business Conduct and Ethics.

If I have questions concerning the meaning or application of the said Code of Business Conduct and Ethics, any policies of the Corporation or the legal and regulatory requirements applicable to my job, I, know I can consult the Director or Secretary concerned of the Corporation i.e. FCI, knowing that my questions or reports will be maintained in confidence.

Further, I undertake to provide the Affirmation, as enclosed, on an Annual basis to the Secretary of the Corporation within 30 days from the end of 31st March every year.

Signature :
Name :
Designation :
Employment Number:
Telephone No. :

Place :

Date :

AFFIRMATION

**(By Board Members/Senior Management of the Corporation on Annual basis
By 30th April of every year)**

I,.....name)..Designation)
having read and understood the Code of Business Conduct and Ethics for Board Members and Senior Management, hereby solemnly affirm that I have complied with and have not violated any of the provisions of the Code during the year ended 31st March.

Signature :
Name :
Designation :
Employment Number:
Telephone No. :

Place :

Date :