The Food Corporations Act, 1964
(As on the 29th August, 2001)
The Food Corporations Rules & Regulations, 1965
(As on 19th May, 2004)

The Food Corporation of India
16-20, Barakhamba Lane, New Delhi
THE FOOD CORPORATIONS ACT, 1964
ACT NO. 37 OF 1964
(AS AMENDED UPTO 29th August, 2001)
10th December, 1964.

An Act to provide for the establishment of Food Corporations for the purpose of trading in foodgrains and other foodstuffs and for matters connected therewith and incidental thereto.

Be it enacted by Parliament in the Fifteenth Year of the Republic of India as follows:—

CHAPTER I
PRELIMINARY

1. Short title, extent and commencement

(1) This Act may be called the Food Corporations Act, 1964.

*1 (2) It extends to the whole of India.

*2 (3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. Definitions

In this Act, unless the context otherwise requires,—

(a) "Corporation" means the Food Corporation of India established under section 3;

(b) "Food Corporation" means the Food Corporation of India established under section 3 or a State Food Corporation established under section 17;

3*{(bb) "foodstuffs" includes edible oil seeds and oils;

(c) "prescribed" means prescribed by rules made under this Act;

(d) "scheduled bank" means a bank for the time being included in the Second Schedule to the Reserve Bank of India Act, 1934 (2 of 1934);

(e) "State Food Corporation" means a State Food Corporation established under section 17;

(f) "year" means the financial year.

1. Omitted by Act 67 of 1972, s.2.
3. Ins. by Act 67 of 1972, s.3.
CHAPTER II

THE FOOD CORPORATION OF INDIA

3. Establishment of Food Corporation of India.

(1) With effect from such date as the Central Government may, by notification in the Official Gazette, specify in this behalf, the Central Government shall establish for the purposes of this Act a Corporation known as the Food Corporation of India.

(2) The Corporation shall be a body corporate with the name aforesaid, having perpetual succession and a common seal with power, subject to the provisions of this Act, to acquire, hold and dispose of property and to contract, and may, by that name, sue and be sued.

4. Offices and agencies.

(1) The head office of the Corporation shall be at Madras or at such other place as the Central Government may, by notification in the Official Gazette, specify.

2. The Corporation may establish offices or agencies at other places in or outside India:

Provided that no such office or agency shall be established at any place outside India without the previous approval of the Central Government.

5. Capital of Corporation.

(1) The original capital of the Corporation shall be such sum not exceeding one hundred crores of rupees as the Central Government may fix.

(2) The Central Government may from time to time increase the capital of the Corporation to such extent and in such manner as that Government may determine.

(3) Such capital may be provided by the Central Government from time to time after due appropriation made by Parliament by law for the purpose and subject to such terms and conditions as may be determined by that Government.

1. 1.1.1965; vide Notification No. GSR 1809, dated 16.12.1964, Gazette of India, Extraordinary, Pt.II, Sec.3(1)P.869.
2. Subs. by Act of 67 1972, s.4
6. Management

(1) The general superintendence, direction and management of the affairs and business of the Corporation shall vest in a board of directors which may exercise all such powers and do all such acts and things as may be exercised or done by the Corporation under this Act.

(2) The board of directors, in discharging its functions, shall act on business principles having regard to the interests of the producer and consumer and shall be guided by such instructions on questions of policy as may be given to it by the Central Government.

(3) If any doubt arises as to whether a question is or is not a question of policy, the decision of the Central Government thereon shall be final.

7. Board of Directors

(1) The board of directors of the Corporation shall consist of the following, namely:--

(a) a Chairman;
(b) three directors to represent respectively the Ministries of the Central Government dealing with--

(i) food,
(ii) finance, and
(iii) co-operation;

(c) the managing director of the Central Warehousing Corporation established under section 3 of the Warehousing Corporations Act, 1962 (58 of 1962), ex officio;
(d) a managing director;
(e) six other directors.

(2) All the directors of the Corporation other than the director referred to in clause (c) of sub-section (1) shall be appointed by the Central Government.

(3) The managing director shall--

(a) exercise such powers and perform such duties as the board of directors may entrust or delegate to him; and

(b) receive such salary and allowances as the board of directors may, with the approval of the Central Government, fix:

Provided that the first managing director shall receive such salary and allowances as the Central Government may fix.
(4) The term of office of, and the manner of filling casual vacancies among, the directors of the Corporation, other than the director referred to in clause (c) of sub-section (1), and the other terms and conditions of appointment of the directors of the Corporation shall, subject to the provisions of sub-section (3), be such as may be prescribed.

8. Disqualification for office of director

A person shall be disqualified for being appointed as, and for being, a director of the Corporation—

(a) if he is, or at any time has been, adjudicated insolvent or has suspended payment of his debts or has compounded with his creditors; or

(b) if he is of unsound mind and stands so declared by a competent court; or

(c) if he is or has been convicted of any offence which in the opinion of the Central Government involves moral turpitude; or

(d) if he has been removed or dismissed from the service of the Government or a corporation owned or controlled by the Government; or

(e) except in the case of the Chairman or the managing director, if he is a salaried official of the Food Corporation of India or a State Food Corporation.

9. Removal and resignation of directors

(1) The Central Government may, at any time, after consultation with the Corporation, remove the managing director from office after giving him a reasonable opportunity of showing cause against the proposed removal.

(2) The board of directors may remove any director from office who—

(a) is or has become subject to any of the disqualifications mentioned in section 8; or

(b) is absent without leave of the board of directors from more than three consecutive meetings thereof without cause sufficient, in the opinion of the board, to exonerate his absence.

(3) A director of the Corporation may resign his office by giving notice thereof in writing to the Central Government and on such resignation being accepted, he shall be deemed to have vacated his office.
10. Meetings

(1) The Board of Directors of the Corporation shall meet at such times and places and shall observe such rules of procedure in regard to the transaction of business at its meetings (including the quorum at meetings) as may be provided by regulations made by the Corporation under this Act.

(2) The Chairman of the board or, if for any reason he is unable to attend any meeting, any other director elected by the directors present at the meeting, shall preside at the meeting.

(3) All questions which come up before any meeting of the board shall be decided by a majority of the votes of the directors present and voting, and, in the event of an equality of votes, the Chairman, or in his absence, the person presiding, shall have and exercise a second or casting vote.

11. Advisory Committees

(1) The Central Government may, in consultation with the Corporation, by notification in the Official Gazette, constitute one or more Advisory Committees consisting of such persons and on such terms and conditions as may be prescribed.

(2) It shall be the duty of any such Advisory Committee to advise the Central Government or the Corporation in regard to any matter connected with the purposes of this Act in respect of which its advice is sought by the Central Government, or, as the case may be, by the Corporation.

(3) The expenses in relation to the Advisory Committees shall be met by the Corporation.

12. Officers and other employees of Corporation

(1) The Central Government shall, after consultation with the Corporation, appoint a person to be the Secretary of the Corporation.

(2) Subject to such rules as may be made by the Central Government in this behalf, the Corporation may appoint such other officers and employees as it considers necessary for the efficient performance of its functions.
(3) The methods of appointment, the conditions of service and the scales of pay of the officers and other employees of the Corporation shall--

(a) as respects the Secretary, be such as may be prescribed;

(b) as respects the other officers and employees, be such as may be determined by regulations made by the Corporation under this Act.

12A. Special provisions for transfer of Government employees to the Corporation in certain cases.

(1) Where the Central Government has ceased or ceases to perform any functions which under section 13 are functions of the Corporation, it shall be lawful for the Central Government to transfer, by order and with effect from such date or dates (which may be either retrospective to any date not earlier than the 1st January, 1965, or prospective) as may be specified in the order, to the Corporation any of the officers or employees serving in the Department of the Central Government dealing with food or any of its subordinate or attached offices and engaged in the performance of those functions:

Provided that no order under this sub-section shall be made in relation to any officer or employee in such Department or office who has, in respect of the proposal of the Central Government to transfer such officer or employee to the Corporation, intimated within such time as may be specified in this behalf by that Government, his intention of not becoming an employee of the Corporation.

(2) In making an order under sub-section (1), the Central Government shall, as far as may be, take into consideration the functions which the Central Government has ceased or ceases to perform and the areas in which such functions have been or are performed.

(3) An officer or other employee transferred by an order made under sub-section (1) shall, on and from the date of transfer, cease to be an employee of the Central Government and become an employee of the Corporation with such designation as the Corporation may determine and shall, subject to the provisions of sub-sections (4), (4A), (4B), (4C), (5) and (6), be governed by the regulations made by the Corporation under this Act as respects remuneration and other conditions of service including pension, leave and provident fund, and shall continue to be an officer or employee of the Corporation unless and until his employment is terminated by the Corporation.

1. Ins. by Act 57 of 1968, s.2
2. Subs. by Act of 1977 s.2 (w.e.f. 31.12.76)
(4) Every officer or other employee transferred by an order made under sub-section (1) shall, within six months from the date of transfer, exercise his option in writing to be governed,—

(a) by the scale of pay applicable to the post held by him under the Government immediately before the date of transfer or by the scale of pay applicable to the post under the Corporation to which he is transferred.

(b) by the leave, provident fund, retirement or other terminal benefits admissible to employees of the Central Government in accordance with the rules and orders of the Central Government as amended from time to time or the leave, provident fund or other terminal benefits admissible to the employees of the Corporation under the regulations made by Corporation under this Act,

and such option once exercised shall be final:

Provided that the option exercised under clause (a) shall be applicable only in respect of the post to which such officer or employee is transferred to the Corporation and on appointment to a higher post under the Corporation, he shall be eligible only for the scale of pay applicable to such higher post:

Provided further that if immediately before the date of his transfer any such officer or employee is officiating in a higher post under the Government either in a leave vacancy or in any other vacancy of a specified duration, his pay, on transfer, shall be protected for the unexpired period of such vacancy and thereafter he shall be entitled to the scale of pay applicable to the post under the Government to which he would have reverted or to the scale of pay applicable to the post under the Corporation to which he is transferred, whichever he may opt:

Provided also that when an officer or other employee serving in the Department of the Ministry of the Central Government dealing with food or in any of its attached or subordinate offices is promoted to officiate in a higher post in the Department or office subsequent to the transfer to the Corporation of any other officer or employee senior to him in that Department or office before such transfer, the officer or other employee who is promoted to officiate in such higher post shall, on transfer to the Corporation, be entitled only to the scale of pay applicable to the post he would have held but for such promotion or the scale of pay applicable to the post under the Corporation to which he is transferred, whichever he may opt.
1*(4A) Notwithstanding anything contained in sub-section (4)--

(a) every officer or other employee in respect of whom an order of transfer under sub-section (1) had been made before the date of commencement of the Food Corporations (Amendment) Act, 1977 (hereafter in this section referred to as the appointed day) shall, whether or not he had exercised the option under sub-section (4) before the appointed day, exercise such option within six months from the appointed day; and

(b) every officer or other employee in respect of whom an order of transfer under sub-section (1) may be made after the appointed day shall, within six months from the date of such order, exercise his option under sub-section (4), and in each such option once exercised shall be final:

Provided that where an officer or other employee having exercised an option under sub-section (4) before the appointed day--

(i) has died or retired before the appointed day, or dies or retires after the appointed day, before exercising the option as required by this sub-section, or

(ii) does not exercise the option as required by this sub-section,

the option already exercised by him shall be deemed to have been validly exercised by him under sub-section (4).

(4B) Where an officer or other employee--

(a) has died or retired, or dies or retires, after an order of transfer under sub-section (1) in respect of such officer or other employee is made but before exercising the option under sub-section (4) or, as the case may be, as required by sub-section (4A); or

(b) has died or retired, or dies or retires, before an order of transfer under sub-section (1) in respect of such officer or other employee is made,

he shall, notwithstanding anything contained in sub-section (4) or sub-section (4A),--

(i) in a case falling under clause (a), be deemed to have exercised an option under sub-section (4); and

(ii) in a case falling under clause (b), be deemed to have been transferred under sub-section (1) and exercised and option under sub-section (4)

1. Ins. By Act 12 of 1977, s.2 (w.e.f. 31.12.76)
to be governed by the leave, provident fund, retirement or other terminal benefits admissible to the employees of the Central Government in accordance with the rules and orders of the Central Government as amended from time to time:

Provided that nothing in clause (a) of this sub-section shall apply to an officer or other employee who has, before the appointed day, been paid the terminal benefits as admissible to the employees of the Corporation under the regulations made by the Corporation under this Act, unless such officer or other employee refunds in a lump sum within six months from the appointed day the amount of contributions made by the Corporation towards such terminal benefits:

Provided further that nothing in clause (b) of this sub-section shall apply to an officer or other employee who has intimated, under the proviso to sub-section (1), his intention of not becoming an employee of the Corporation.

(4C) Where an officer or other employee has exercised an option under sub-section (4), or exercises, or is deemed to have exercised, an option under that sub-section, read with sub-section (4A) or sub-section (4B), to be governed by the leave, provident fund, retirement or other terminal benefits admissible to the employees of the Central Government, such benefits shall be calculated on the basis of the pay and allowances drawn by him in the Corporation.

(5) No officer or other employee transferred by an order made under sub-section (1),—

(a) shall be dismissed or removed by an authority subordinate to that competent to make a similar or equivalent appointment under the Corporation as may be specified in the regulations made by the Corporation under this Act;

1*[(b) shall be dismissed or removed or reduced in rank except after an inquiry in which he has been informed of the charges against him and given a reasonable opportunity of being heard in respect of those charges:]

2*[(Provided that where it is proposed after such inquiry, to impose upon him any such penalty, such penalty may be imposed on the basis of the evidence adduced during such inquiry and it shall not be necessary to give such person any opportunity of making representation on the penalty proposed:)]

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1. Subs. by Act 53 of 1982, s.2
2. Ins. By s. ibid
1"[Provided further that] this clause shall not apply,--

(i) where an officer or employee is dismissed or removed or reduced in rank on the ground of conduct which has led to his conviction on a criminal charge; or

(ii) where the authority empowered to dismiss or remove an officer or employee or to reduce him in rank is satisfied that for some reason, to be recorded by that authority in writing, it is not reasonably practicable to hold such inquiry; or

(iii) to an officer or employee who, after transfer to the Corporation, is appointed to a higher post under the Corporation in response to an open advertisement and in competition with outsiders.

(6) If, in respect of any such officer or employee as aforesaid, a question arises whether it is reasonable practicable to hold such inquiry as is referred to in sub-section (5), the decision thereof of the authority empowered to dismiss or remove him or to reduce him in rank shall be final.

(7) Nothing contained in sub-section (1) shall apply to the members of the Central Secretariat Service or any other service or to persons on deputation to the Department referred to in that sub-section or to any of its attached or subordinate offices from any Ministry of the Central Government or from any State Government or from any organisation.]


(1) Subject to the provisions of this Act, it shall be the primary duty of the Corporation to undertake the purchase, storage, movement, transport, distribution and sale of foodgrains and other foodstuffs.

(2) Subject as aforesaid, the Corporation may also, with the previous approval of the Central Government,--

(a) promote by such means as it thinks fit the production of foodgrains and other foodstuffs;

(b) set up, or assist in the setting up of, rice mills, flour mills and other undertakings for the processing of foodgrains and other foodstuffs; and

(c) discharge such other functions as may be prescribed or as are supplemental, incidental or consequential to any of the functions conferred on it under this Act.

1. Subs. by Act 53 of 1982, s.2.
14. **Executive Committee and other Committees**

(1) The Board of Directors of the Corporation may constitute an Executive Committee which shall consist of--

(a) the Chairman of the board;
(b) the managing director; and
(c) three other directors, of whom one shall be a non-official.

(2) The Chairman of the board of directors shall be the Chairman of the Executive.

(3) Subject to the general control, direction and superintendence of the board of directors, the Executive Committee shall be competent to deal with any matter within the competence of the Corporation.

(4) The board of directors may constitute such other committees, whether consisting wholly of directors or wholly of other persons or partly of directors and partly of other persons as it thinks fit, for such purposes as it may decide.

(5) A committee constituted under this section shall meet at such times and places and shall observe such rules of procedure in regard to the transaction of business at its meetings (including the quorum at meetings) as may be provided by regulations made by the Corporation under this Act.

(6) The members of a committee (other than the directors of the board) shall be paid by the Corporation such fees and allowances as may be fixed by it by regulations made under this Act for attending the meetings of the committee and for attending to any other work of the Corporation.

15. **Member of Board or Committee thereof not to vote in certain cases**

A member of the board of directors of the Corporation or a committee thereof who has any direct or indirect pecuniary interest in any matter coming up for consideration at a meeting of the board of directors or committee thereof, shall, as soon as possible after relevant circumstances have come to his knowledge, disclose the nature of his interest at such meeting and the disclosure shall be recorded in the minutes of the board or the committee, as the case may be, and the member shall not take any part in any deliberation or decision of the board or committee with respect to that matter.
CHAPTER III

BOARDS OF MANAGEMENT

Board of Management, their constitution and functions.

(1) The Central Government may, on a request received in this behalf from the State Government or Governments concerned or otherwise, by notification in the Official Gazette, establish a Board of Management for a State or two or more contiguous States, if no State Food Corporation is functioning in such State or States.

(2) The head office of the Board of Management shall be at such place as the Central Government may, by notification in the Gazette, specify.

(3) The Board of Management shall consist of--

(a) a Chairman to be appointed by the board of directors of the Food Corporation of India;

(b) the senior-most executive officer of the said Corporation employed at the head office of the Board of Management; and

(c) not more than ten other members to be appointed by the board of directors of the said Corporation.

(4) The members of a Board of Management referred to in clauses (a) and (c) of sub-section (3) shall hold office for a term of two years and shall be eligible for re-appointment and the other terms and conditions of their appointment shall be such as may be prescribed.

(5) The Board of Management shall advise the Corporation on such matters as may be generally or specifically referred to it and shall perform such other functions as the Corporation may delegate to it.

(6) The provisions of sections 20, 21 and 25 shall, so far as may be, apply in relation to the members of a Board of Management as they apply in relation to the members of the board of directors of a State Food Corporation;

Provided that the reference to the General Manager in clause (e) of section 20 shall be construed as a reference to the officer of the Corporation referred to in clause (b) of sub-section (3).

(7) The Food Corporation of India may, after consultation with a Board of Management, appoint such staff as it considers necessary to enable that Board to perform its functions under this Act.
(8) The Board of Management may, by order in writing, authorise any one or more of its members to exercise and perform, subject to such conditions and limitations, if any, as may be specified in the order, such of its powers and functions as it may think fit.

(9) The Board of Management shall follow such procedure as may be provided by regulations made by the Food Corporation of India under this Act.

(10) Where a Board of Management has been established—

(i) for a State, or
(ii) for two or more States,

then such Board shall stand dissolved—

(a) in the case referred to in clause (i), on the establishment of a Food Corporation for that State, and

(b) in the case referred to in clause (ii), on the establishment of such Corporation for any one or more of such States.

(11) Where a Board of Management stands dissolved under clause (b) of sub-section (10), the Central Government may establish a new Board of Management for the State or States for which no Food Corporation has been established.

(12) The expenses of the Board of Management in the discharge of its functions under this Act shall be met by the Food Corporation of India.
CHAPTER IV

STATE FOOD CORPORATIONS

17. Establishment of State Food Corporation.

(1) The Central Government may, by notification in the Official Gazette and after consultation with the Government of a State, establish a Food Corporation for that State under such name as may be specified in the notification.

(2) A State Food Corporation established under sub-section (1) shall be a body corporate by the name notified under that sub-section, having perpetual succession and a common seal with power, subject to the provisions of this Act, to acquire, hold and dispose of property and to contract, and may, by the said name, sue and be sued.

(3) The head office of a State Food Corporation shall be at such place within the State as may be notified by the Central Government in the Official Gazette.

(4) Subject to the provisions of this Act, a State Food Corporation may perform such of the functions of the Food Corporation of India as that Corporation may delegate to it.

18. Capital of State Food Corporation

(1) The capital of a State Food Corporation shall be such sum not exceeding ten crores of rupees as the Central Government may, after consultation with the Food Corporation of India, fix.

(2) The Central Government may, after such consultation, from time to time increase the capital of the State Food Corporation to such extent and in such manner as that Government may determine.

(3) Such capital shall be provided--

(a) by the Central Government after due appropriation made by Parliament by law for the purpose, and

(b) by the Food Corporation of India.
in such proportion and subject to such terms and conditions as may be determined by the Central Government.


(1) The general superintendence, direction and management of the affairs and business of a State Food Corporation shall vest in a board of directors which shall consist of a Chairman, a General Manager and not more than ten other members, all of whom shall be appointed by the Food Corporation of India after consultation with the Central Government and the State Government.

(2) The General Manager shall--

(a) exercise such powers and perform such duties as the board of directors may entrust or delegate to him; and

(b) receive such salary and allowances and be governed by such terms and conditions of service as the board of directors may, in consultation, with the Food Corporation of India, fix.

(3) The board of directors, in discharging its functions, shall act on business principles having regard to the interests of the producer and consumer and shall be guided by such instructions on questions of policy as may be given to it by the Food Corporation of India.

(4) If any doubt arises as to whether a question is or is not a question of policy, the matter shall be referred to the Central Government whose decision thereon shall be final.

(5) The members of the board of directors, other than the General Manager, shall be entitled to receive by way of remuneration or fees such sums as may be prescribed:

Provided that no official member shall be entitled to receive any remuneration other than any allowances admissible to him under the rules regulating his conditions of service.

(6) The term of office of, and the manner of filling casual vacancies among, the members of the board of directors shall be such as may be prescribed.
20. Disqualification for office of member of board of directors.

A person shall be disqualified for being appointed as, and for being, a member of the board of directors of a State Food Corporation---

(a) if he is, or at any time has been, adjudicated insolvent or has suspended payment of his debts or has compounded with his creditors; or

(b) if he is of unsound mind and stands so declared by a competent court; or

(c) if he is or has been convicted of any offence which in the opinion of the Central Government involves moral turpitude; or

(d) if he has been removed or dismissed from the service of the Government or a corporation owned or controlled by the Government; or

(e) except in the case of the Chairman or the General Manager, if he is a salaried official of the Food Corporation of Indian or a State Food Corporation.

21. Removal and resignation of members of board of directors.

(1) The Food Corporation of India, may, at any time, after consultation with the State Food Corporation, remove the General Manager from office after giving him a reasonable opportunity of showing cause against the proposed removal.

(2) The board of directors of a State Food Corporation may remove from office any member of that board who---

(a) is or has become subject to any of the disqualifications mentioned in section 20, or

(b) is absent without leave of the board of directors from more than three consecutive meetings thereof without cause sufficient, in the opinion of the board, to exonerate his absence.

(3) A member of such board may resign his office by giving notice thereof in writing to the Food Corporation of India and on such resignation being accepted, he shall be deemed to have vacated his office.
22. Meetings.

(1) The board of directors of a State Food Corporation shall meet at such times and places and shall observe such rules of procedure in regard to the transaction of business at its meetings (including the quorum at meetings) as may be provided by regulations made by that Corporation under this Act.

(2) The Chairman of the board of directors or, if for any reason he is unable to attend any meeting, any other member of the board elected by the members of the board present at the meeting, shall preside at the meeting.

(3) All questions which come up before any meeting of the board of directors shall be decided by a majority of the votes of the members present and voting, and, in the event of an equality of votes, the Chairman or in his absence, the person presiding shall have and exercise a second or casting vote.

23. Appointment of officers, etc., and their conditions of service.

(1) A State Food Corporation may appoint such officers and other employees as it considers necessary for the efficient performance of its functions.

(2) Every person employed by a State Food Corporation under this Act shall be subject to such conditions of service and shall be entitled to such remuneration as may be determined by regulations made by that Corporation under this Act.

24. Executive Committee and other Committees.

(1) The board of directors of a State Food Corporation may constitute an Executive Committee which shall consist of--

(a) the Chairman of the board of directors;

(b) the General Manager; and

(c) three other members of the board of directors, of whom one shall be a non-official.

(2) The Chairman of the board of directors shall be the Chairman of the Executive Committee.

(3) Subject to the general control, direction and superintendence of the board of directors, the Executive Committee shall be competent to deal with any matter within the competence of the State Food Corporation.
(4) The board of directors may constitute such other committees, whether consisting wholly of members of the board or wholly or partly of such members and partly of other persons as it thinks fit, for such purposes as it may decide.

(5) A committee constituted under this section shall meet at such times and places and shall observe such rules of procedure in regard to the transaction of business at its meetings (including the quorum at meetings) as may be provided by regulations made by the State Food Corporation under this Act.

(6) The members of a committee (other than the directors of the board) shall be paid by the State Food Corporation such fees and allowances as may be fixed by it by regulations made under this Act, for attending the meetings of the committee and for attending to any other work of that Corporation.

25. Member of board or committee thereof not to vote in certain cases.

A member of the board of directors of a State Food Corporation or a committee thereof who has any direct or indirect pecuniary interest in any matter coming up for consideration at a meeting of the board of directors or committee thereof, shall, as soon as possible after relevant circumstances have come to his knowledge, disclose the nature of his interest at such meeting and the disclosure shall be recorded in the minutes of the board or the committee, as the case may be, and the member shall not take any part in any deliberation or decision of the board or the committee with respect to that matter.

CHAPTER V
FINANCE, ACCOUNTS AND AUDIT

26. Submission of programme of activities and financial estimates.

1. A Food Corporation shall, before the commencement of each year, prepare a statement of programme of its activities during the forthcoming year as well as a financial estimate in respect thereof.
(2) The statement prepared under sub-section (1) shall, not less than three months before the commencement of each year, be submitted for approval--
(a) in the case of the Food Corporation of India, to the Central Government;
(b) in the case of a State Food Corporation, to the Food Corporation of India.

(3) The statement and the financial estimate of a Food corporation referred to in sub-section (1) may, with the approval of the Central Government, in the case of the Food Corporation of India, or with the approval of the Food Corporation of India in the case of a State Food Corporation, be revised by the Food Corporation.

27. Borrowing powers of Food Corporation

(1) A Food Corporation may, for the purpose of carrying out its functions under this Act,--

*2 (a) take advances against stocks of foodgrains or other foodstuffs held by it, or borrow money--

(i) from any scheduled bank, or
(ii) from any other bank or financial institution approved by the Central Government in this behalf, or
(iii) from any other authority, organisation or institution or from the public on such terms and conditions as may be approved by the Central Government; or

(b) issue and sell bonds and debentures carrying interest at such rates as may be fixed by the Central Government at the time the bonds or debentures are issued:

Provided that the amount borrowed by a Food Corporation under clause (b)* shall not at any time exceed ten times the paid-up capital and the reserve fund established under section 33.

*3 (2) The Central Government may guarantee the loans and advances taken by a Food Corporation under sub-section (1) as to the re-payment of principal and the payment of interest thereon and other incidental charges.

1* (3) A Food Corporation may, for the purpose of carrying out its functions under this Act, also borrow money from the Central Government, and that Government may, after due appropriation made by Parliament by law in this behalf, pay to the Food Corporation such sums of money by way of loan on such terms and conditions as that Government may determine.

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1. Ins. By Act 67 of 1972, s.5
2. Subs. by Act 36 of 1988
3. Subs. by Act 34 of 2001
28. **Lending by Food Corporation on security of foodgrains**

A Food Corporation may lend or advance money to any person engaged in the production of foodgrains upon the security of foodgrains or such other security as may be prescribed, for any purpose connected with such production.

29. **Power to enter into agreement for purchase of foodgrains after harvest**

(1) A Food Corporation may enter into agreement with any grower of foodcrops for the purchase of foodgrains after the harvest of such crops and any such agreement may provide that any sum payable by the Corporation to the grower under such agreement shall be payable to any scheduled bank or other financing agency nominated by the grower in this behalf to such extent as may be specified in the agreement.

(2) The scheduled bank or other financing agency referred to in sub-section (1) may, on the basis of any agreement referred to in that sub-section, lend money to a grower of foodcrops who has entered into such agreement.

30. **Guarantee by Food Corporation**

A Food Corporation may, upon such terms and conditions as it may think fit, guarantee any loan referred to in sub-section (2) of section 29, and also any other loan raised by a grower of foodcrops, which is re-payable within a period not exceeding five years.

31. **Funds of Food Corporation**

(1) A Food Corporation shall have its own fund and all receipts of the Corporation shall be credited thereto and all payments of the Corporation shall be met therefrom.

(2) Such fund shall be applied for meeting all administrative expenses of the Food Corporation and for carrying out the purposes of this Act.

32. **Investment of funds**

A Food Corporation may invest its funds in the securities of the Central Government or any State Government or in such other manner as may be prescribed.
33. Allocation of surplus profits

(1) A Food Corporation shall establish a reserve fund to which shall be credited every year such portion of its annual net profits as that Corporation thinks fit.

(2) After making provision for such reserve fund and for bad and doubtful debts, depreciation in assets and all other matters which are usually provided for by companies registered and incorporated under the Companies Act, 1956 (1 of 1956), the balance of its annual net profits shall be paid--

(a) in the case of the Food Corporation of India, to the Central Government, and

(b) in the case of a State Food Corporation, to the Central Government and the Food Corporation of India in the same proportion as the capital provided by them.

34. THE FOOD CORPORATIONS (AMENDMENT) ACT, 2000

(12th May, 2000)

An Act further to amend the Food Corporations Act, 1964.

Be it enacted by Parliament in the Fifty-first Year of the Republic of India as follows:-

1. (1) This Act may be called the Food Corporations (Amendment) Act, 2000.

   (2) It shall come into force on such date as the Central Government may, by notification in the official Gazette, appoint.

2. In the Food Corporations Act, 1964, for section 34, the following section shall be substituted, namely:-

   "34. (1) A Food Corporation shall maintain proper accounts and other relevant records and prepare an annual Statement of accounts including the profit and loss account and the balance-sheet in such form as may be prescribed by the Central Government in consultation with the Comptroller and Auditor-General of India.

   (2) The accounts of a Food Corporation shall be audited annually by the Controller and Auditor-General of India any expenditure incurred by him in connection with such audit shall be payable by the Food Corporation to the Comptroller and Auditor-General of India.

   (3) The Comptroller and Auditor-General of India and any person appointed by him in connection with the audit of the accounts of a Food Corporation shall have the same rights, privileges and authority in connection with such audit as the Comptroller and Auditor-General has in connection with the audit of Government accounts and, in particular, shall have one right to demand the production of books, accounts,
connected vouchers and other documents and papers and to inspect any office of the Food.

(4) The accounts of a Food Corporation as certified by the Comptroller and Auditor-General of India or any other person appointed by him in this behalf together with the audit report thereon shall be forwarded annually by the Comptroller and Auditor-General of India to:

(i) the Food Corporation concerned,
(ii) where the accounts relates to a State Food Corporation, also to the Food Corporation of India.
(iii) the Central Government.

and that Government shall, as soon thereafter as may be, cause the same to be laid before both Houses of Parliament."

SUBHASH C. JAIN
Secy. to the Govt. of India.

35. Annual report on the working of Food Corporations

(1) A Food Corporation shall, as soon as possible after the end of each year, submit to the Central Government an annual report on the working and affairs of the Corporation.

(2) The Central Government shall, as soon as may be after the receipt of such report, cause such report and the audit report received under section 34 [together with any comments thereon or supplement thereto by the Comptroller and Auditor-General of India] to be laid before both Houses of Parliament.

CHAPTER VI
MISCELLANEOUS

36. Vacancies, etc., not to invalidate acts or proceedings of Food Corporation, etc

(1) No act or proceeding of a Food Corporation or a committee thereof or a Board of Management shall be invalid by reason only of the existence of any vacancy in, or any defect in the constitution of, the board of directors of the Food Corporation or such committee or Board of Management.

(2) No act done by any person acting in good faith as a member of a board of directors of a Food Corporation or of a Board of Management shall be deemed to be invalid by reason only of his disqualification for being appointed as, or for being, a member of such board of directors or Board of Management.

1. Sub. By Act 67 of 1972 s.7
37. Delegation

A Food Corporation may, by general or special order in writing, delegate to the Chairman or any other member of the board of directors or the Secretary or other officer of the Corporation, subject to such conditions and limitations, if any, as may be specified in the order, such of its powers and functions under this Act as it may deem necessary.

38. Declaration of fidelity and secrecy

Every director, member of an Advisory Committee or other committee, auditor, officer or other employee of a Food Corporation and every member of a Board of Management and its staff shall, before entering upon his duties, make a declaration of fidelity and secrecy in the form set out in the Schedule.

39. Indemnity of directors

(1) Every member of the board of directors of a Food Corporation and or a Board of Management shall be indemnified by the Corporation against all losses and expenses incurred by him in the discharge of his duties except such as are caused by his own wilful act or default.

(2) A member of the board of directors of a Food Corporation or a Board of Management shall not be responsible for any other member or for any officer or other employee of the Corporation or Board of Management or for any loss or expense resulting to the Corporation from the insufficiency or deficiency of value of, or title to, any property or security acquired or taken on behalf of the Corporation in good faith, or by the insolvency or wrongful act of any person under obligation to the Corporation or by anything done in good faith in the execution of the duties of his office or in relation thereto.

40. Protection of action taken under this Act

No suit or other legal proceeding shall lie against a Food Corporation or any member of the board of directors thereof or any officer or other employee thereof or any member of a Board of Management or its staff or any other person authorised by a Food Corporation or a Board of Management to discharge any functions under this Act for any loss or damage caused or likely to be caused by anything which is in good faith done or intended to be done in pursuance of this Act.
41. Offences

(1) Whoever, without the consent in writing of a Food Corporation, uses its name in any prospectus or advertisement, shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

(2) No court shall take cognizance of any offence under sub-section (1) except on a complaint in writing by an officer authorised in this behalf by the Food Corporation concerned.

42. Provision relating to income-tax, super-tax, etc.

For the purposes of the Income-tax Act, 1961 (43 of 1961) or any other enactment for the time being in force relating to income-tax, super-tax or any other tax on income, profits or gains, a Food Corporation shall be deemed to be a company within the meaning of the Income-tax Act, 1961, and shall be liable to tax accordingly on its income, profits and gains.

43. Winding up of Food Corporation

No provision of law relating to the winding up of companies or corporations shall apply to a Food Corporation and it shall not be placed in liquidation save by order of the Central Government and in such manner as that Government may direct.

44. Power to make rules

(1) The Central Government may, by notification in the Official Gazette, make rules to carry out the purposes of this Act.

(2) Without prejudice to the generality of the foregoing power, such rules may provide for--

(a) the term of office of, and the manner of filling casual vacancies among, and the other terms and conditions of appointment of, the directors of the Corporation;

(b) the composition of Advisory Committees and the terms and conditions of service of members thereof;

(c) the additional functions which the Corporation may perform;

(d) the remuneration or fees payable to the members of the board of directors of a State Food Corporation and the term of office of, and the manner of filling casual
vacancies among, such members;

(e) the securities (other than foodgrains) upon which a Food Corporation may lend or advance money;

(f) the manner in which a Food Corporation may invest its funds;

(g) the form of the annual statement of accounts and the balance sheet to be prepared by a Food Corporation;

(h) any other matter which has to be or may be prescribed.

*1 (3) Every rule made by the Central Government under this section shall be laid as soon as may be after it is made, before each House of Parliament while it is in session, for a total period of thirty days [which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so however that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

45. Power of Food Corporation to make regulations

(1) A Food Corporation may, with the previous sanction of the Central Government, by notification in the Official Gazette, make regulations not inconsistent with this Act and the rules made thereunder, to provide for all matters for which provisions is necessary or expedient for the purpose of giving effect to the provisions of this Act.

2* [(1A) The power to make regulations under this section shall include the power to give retrospective effect from a date not earlier than the date of commencement of this Act, to the regulations or any of them but no retrospective effect shall be given to any regulation so as to prejudicially affect the interests of any person to whom such regulation may be applicable.]

1. Subs. by Act 53 of 1982 s.3
2. Added by Act 53 of 1982 s.4
(2) Without prejudice to the generality of the foregoing power, such regulations may provide for—

(a) the methods of appointment, the conditions of service and the scales of pay of the officers and employees of a Food Corporation, other than the Secretary of the Food Corporation of India;

(b) the duties and conduct of officers and employees of a Food Corporation, other than the Secretary aforesaid;

(c) the functions and duties which may be entrusted or delegated to the Managing Director or, as the case may be, the General Manager, of a Food Corporation;

(d) the times and places at which meetings of a Food Corporation or any committee thereof shall be held and the procedure to be followed thereat;

(e) the fees and allowances payable to the members of a committee under sub-section (6) of section 14 or sub-section (6) of section 24;

(f) generally, the efficient conduct of the affairs of a Food Corporation.

(3) The Central Government may, by notification in the Official Gazette, rescind any regulation which it has sanctioned and thereupon such regulation shall cease to have effect.

(4) Any regulation which may be made by the Food Corporation of India under this Act may be made by the Central Government within three months from the establishment of that Corporation and any regulation which may be made by a State Food Corporation under this Act may be made by the Food Corporation of India within three months from the establishment of such State Food Corporation; and any regulation so made may be altered or rescinded by the Food Corporation concerned in the exercise of its powers under this Act.

(5) Every regulation made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions and if, before the expiry of the session immediately following the session or the successive session aforesaid, both Houses agree in making any modification in the regulation or both Houses agree that the regulation should not be made, the regulation shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that regulation.)

1. Added by Act 53 of 1982 s.4
46. Validation

No regulation made or purporting to have been made with retrospective effect, under section 45 before the commencement of the Food Corporations (Amendment) Act, 1982 shall be deemed to be invalid or ever to have been invalid merely on the ground that such regulation was made with retrospective effect and accordingly every such regulation and any action taken or thing done thereunder shall be as valid and effective as if the provisions of section 45, as amended by the Food Corporations (Amendment) Act, 1982, were in force at all material times when such regulation was made or action or thing was taken or done.

1. Added by Act 53 of 1982 s.5
THE SCHEDULE

(See section 38)

DECLARATION OF FIDELITY AND SECRECY

I, ---------------------------, declare that I will faithfully, truly
and to the best of my judgment, skill and ability execute and perform
the duties which are required of me as director, member of -----------
committee, officer, employee or auditor (as the case may be) of the
Food Corporation of India/Food Corporation or as member of the Board
of Management at----------- under the Food Corporation of India and
which properly relate to the office or position in or in relation to
that Corporation held by me.

I further declare that I will not communicate or allow to be
communicated to any person not legally entitled thereto any
information relating to the affairs of the said Corporation or to the
affairs of any person having any dealing with the said Corporation nor
will I allow any person not legally entitled as aforesaid to inspect
or have access to any books or documents belonging to, or in the
possession of, the said Corporation and relating to the business of
the said Corporation or the business of any person having any dealing
with the said Corporation.

(Signature)----------

Signed before me.
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APPENDIX 1.7

THE FOOD CORPORATIONS
RULES AND REGULATIONS
(as published in the Ministry of Agriculture,
Deptt. of Food Notifications)
New Delhi, the 13th January, 1965
(Corrected upto 19.5.2004)

G.S.R. – In exercise of the powers conferred by section 44 of the Food Corporations Act, 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);
   *3 (aa) “Advisory Committee” means a Committee constituted under Section 11 of the Act;
   (b) “Board” means a Board of Management established under Section 16 of the Act;
   (c) “Chairman” means the Chairman of the Board of Directors of the Corporation.
   (d) “Corporation” means the Food Corporations of India established under Section 3 of the Act;
   (e) “Director” means a Director of the Corporation;
   *1 (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.

*2,4,5,6 3. Term of Office of Chairman, Managing Director and other Directors-

(1) The term of office of the Chairman shall be three years from the date of his assumption of office as Chairman and he shall hold office during the pleasure of the Central Government;

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1. Inserted vide Notification No. GSR 1528 dt. 8-10-1965
2. Amended vide Notification No. GSR 1188 dt. 27-7-1966
4. Amended vide Notification No. GSR 819 dt. 29-4-1968
5. Amended vide notification No. GSR 396 dt. 19-3-1971
6. Amended vide Notification No. GSR 146(E) dt. 12-3-1985

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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 sixty 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 three years from the date of his assumption of office as Managing Director.

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 upto his reaching the age of 60 years, whichever is earlier.

(3) The term of the office of a Director appointed under clause (e) of sub-section (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 he 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 out-going Chairman, Managing Director or other Director shall be eligible for re-appointment:

Provided that the re-appointment may be for any period, as may be decided by the Central Government, not exceeding two years:

Provided further that every person holding office as Chairman, Managing Director, or other Director immediately before he commencement of the Food Corporations (Amendment) Rules, 1982, shall continue to hold his office by the same tenure as he held such office immediately before such commencement.

4. Filling of Casual Vacancies among Directors – In the event of the occurrence of any vacancy in the office of a director by reason of his death, resignation, removal or otherwise, the Central Government may appoint another person in his place and the person so appointed shall hold office only for such period or periods as the Central Government may determine.

1. Substituted vide Notification No. GSR 1004 dt. 21-6-1966
2. Amended vide Notification No. GSR 396 dt. 19-3-1971
3. Added vide Notification No. GSR 538(E) dt. 24-10-1975
4. Inserted vide Notification No. GSR 192(E) dt. 25-4-1977
5. Amended vide Notification No. GSR 78(E) dt. 24-2-1982
6. Amended vide Notification No. GSR 108(E) dt. 10-2-2000

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5. Remuneration of Chairman – The Chairman shall be entitled to the following remuneration:

*2, 5 & 7 (i) “Pay in the scale of Rs. 13000-500-15000 plus dearness allowance prescribed from time to time by the Central Government.”

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

*1, 6 & 7 (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 @ 21/2% of his pay for the furnishings provided by the Corporation (cost of which shall not exceed Rs. Forty thousand) shall be recovered.”

*4 Provided that if the Chairman, voluntarily forgives the salary to which he is entitled under clause (i), he shall be eligible for free unfurnished accommodation suitable to his status.

*6 (iii) Free use of car for official purposes (journeys from residence to office being treated as official purposes) and for private purposes also up to one thousand kilometer limit per month. Use of official car for private purposes shall be restricted to the Headquarter town where the chairman is stationed. Log Book(s) maintained in respect of staff car(s) used by Chairman shall be closed at the end of every month and a summary prepared in the Log Book(s) showing details of journeys for official and private purposes. Charges for private use in excess of one thousand kilometer limit in a month shall be recovered at the appropriate kilometer rate fixed by the Corporation from time to time.

*3 (iv) traveling and daily allowances for journeys on tour as specified in rule 7; and

(iv a) traveling allowances 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 allowances, reimbursement of medical charges, membership of the Contributory Provident Fund) as are admissible to the highest category of officers in the whole-time employment of the Corporation;

1. Amended vide Notification No. GSR 288 dt. 22-2-1966
2. Substituted vide Notification No. GSR 297 dt. 3-3-1967
4. Added vide Notification No. GSR 78(E) dt. 15-2-1972
5. Amended vide Notification No. 658(E) dt. 19-8-1983
6. Amended vide Notification No. 924(E) dt. 20-11-1987
7. Amended vide Notification No. 648(E) dt. 12-11-1997
(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 a requirement 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 re-appointed under sub-rule (4) of rule 3.

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

*2 5A. Remuneration of Managing Director – In addition to the salary and allowance 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:

*4&5 (i) “Unfurnished accommodation suitable of 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 @ 21/2% of his pay for the furnishings 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-imbursement 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:

* Inserted vide Notification No. GSR 579 dt. 21-3-1968

2. Amended vide Notification No. GSR 1978 dt. 18-8-1969

3. Amended vide Notification No. GSR 413 dt. 25-6-1977

4. Amended vide Notification No. GSR 924(E) dt. 20-11-1987

5. Amended vide Notification No. GSR 648(E) dt. 12-11-1997

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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 the rules applicable to him.

6. Fees of Directors – Every Director, other 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 Board of Directors meetings of the Corporation - Rs. 4,000/- for each sitting of the meeting.
(b) For attending meetings of the Executive Committee of the Corporation - Rs. 3,000/- for each sitting of meeting.
(c) For attending meetings of any other Committee constituted by the Board of Directors of the Corporation - Rs. 3,000/- for each sitting of the meeting.

7. Travelling and daily allowances payable to Directors:-

7. Traveling 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 traveling and daily allowances as are admissible on tour to the Executive Directors of the Corporation.”

8. Conveyance allowance payable to Director – (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 traveling or daily allowances under rule 7, but he shall be entitled to the actual cost of conveyance hire, subject to a maximum of Rs. 35 per day.

1. Amended vide Notification No. GSR 1528 DT. 8-10-1965
2. Amended vide Notification No. GSR 297 dt. 3-3-1967
3. Amended vide Notification No. GSR 1978 dt. 18-8-1969
4. Amended vide Notification No. GSR 343(E) dt. 18-7-1972
5. Amended vide Notification No. GSR 16(E) dt. 22-1-1975
6. Amended vide Notification No. GSR 312(E) dt. 27-4-1981
7. Amended vide Notification No. GSR 924(E) dt. 20-11-1987
8. Amended vide Notification No. GSR 945(E) dt. 21-9-1988
10. Amended vide Notification No. GSR 342(E) dt. 19-5-2004
11. Amended vide Notification No. GSR 85(E) dt. 11.02.2014
3&4 (2) Where any such director uses his own car, he shall be entitled to a mileage allowance at 95 paise per kilometer, subject to a maximum of Rs.35 per day.

1&5 8A. Travelling and daily allowances payable to he members of an Advisory Committee.

Every member of an Advisory Committee not being a Chairman, Managing Director, Director 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 traveling and daily allowances as per admissible on tour to the highest category of Officers, that is, officers of the rank of Commercial Manager and equivalent, in the whole time employment of the Corporation.

2 (2) The Chairman, Managing Director, 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 traveling and daily allowances as are admissible under the rules applicable to him for journeys performed on official duty.

2 9. Appointment of officer and other employees

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

(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:

Provided that no person who has attained the age of 58 years shall be appointed to any post carrying a basic pay of Rs.2,500/- per month and above except with the previous approval of the Central Government.

1. Inserted vide notification No. GSR 1415 dt. 14.9.1967
2. Amended vide notification No. GSR 1123 dt. 12.5.1969
3. Amended vide notification No. GSR 16(E) dt. 22.1.1975
4. Amended vide notification No. GSR 312(E) dt. 27.4.1981
5. Amended vide notification No. GSR 924(E) dt. 20.11.1987
(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.

*2&3 (11) Method of appointments, 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 Food Corporation of India.

*1&4 (2) The post of Secretary of the Corporation shall carry scale of pay of Rs.14,300-400-18,300 in CDA and Rs. 7000-275-8100-300-9600 in IDA pattern.

(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 (Pay) Rules, 1954.

(ii) In case of 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 the pay scales prescribed whichever he opts.

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

(i) dearness allowances, children education allowance, leave travel concession (except the local allowance 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 traveling 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.

*------------------------------------------------------------------------------------------------------------------------
1. Substituted vide notification No. GSR 1484 dt. 17.9.1966
2. Amended vide notification No. GSR 1741 dt. 15.11.1967
3. Amended vide notification No. GSR 1597 dt. 29.8.1968
4. Amended vide notification No. GSR 491(E) dt. 30.7.1976
5. Amended vide notification No. GSR 648(E) dt. 12.11.97
(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.

*3&4 (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 60 years whichever is earlier or such term in the case of officers appointed from other services as may be prescribed in the deputation terms on foreign service.

(7) The outgoing Secretary shall be eligible for reappointment.

*1 (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 reappointed for another term.

*2 12. Fees of members – 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 committee constituted by the Corporation – Rs. 40 for each day of meeting.

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 traveling 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.

1. Inserted vide notification No. GSR 1004 dt. 21.6.1966
2. Amended vide notification No. GSR 870 dt. 10.5.1968
3. Amended vide notification No. GSR 483(E) dt. 6.9.1975
4. Amended vide notification No. GSR 776(E) dt. 30.12.98
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 journeys performed on official duty.

(2) Where any traveling or daily allowances is paid to a member, being an officer of Government, the Corporation shall make necessary arrangements for reimbursement of the amount so paid to the authority employing such officer.

15. Conveyance allowance payable to members of Board of Management

(1) A member, 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 Rs. 25 per day.

(2) Where any such member uses his own car, he shall be entitled to a mileage allowance at Rs. 95 paise per kilometer, subject to a maximum of Rs. 25 per day.

16. Deposit in banks or investment in securities of surplus funds

– Any funds of the Corporation not required for current expenditure may be placed in fixed deposits 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 by the Reserve Bank of India 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 Sheets

– 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 follow:

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'.

20. Investment of funds in shares or securities

– The Corporation may also invest its funds in the purchase of

i) Securities of the Central or any State Government;

ii) Shares of State-owned or state-aided undertakings engaged in the processing of foodgrains and other foodstuffs and share of any other public or private undertakings, with the prior approval of the Central Government.

1. Inserted vide notification No. GSR 144 dt. 3.8.1965
2. Inserted vide notification No. GSR 1439 dt. 17.9.1965
3. Inserted vide notification No. GSR 1528 dt. 8.10.1965
4. Inserted vide notification No. GSR 156 dt. 2.1.1966
5. Inserted vide notification No. GSR 1576 dt. 6.10.1966
6. Amended vide notification No. GSR 16(E) dt. 22.11.1975
7. Amended vide notification No. GSR 312(E) dt. 27.4.1981
8. Amended vide notification No. GSR 732(E) dt. 29.12.99 (Forms A, B & C substituted)
FORM – ‘A’
(See rule 19)
BALANCE SHEET AS AT 31ST MARCH
(Figures in Lakhs of Rupees)

<table>
<thead>
<tr>
<th>As at 31st March (Figures for the previous year)</th>
<th>LIABILITIES</th>
<th>As at 31st March (Figures for the current Years)</th>
<th>ASSETS</th>
<th>As at 31st March (Figures for the current year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAPITAL:</td>
<td></td>
<td>FIXED ASSETS: At written down value (Schedule)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital under section 5 of the Food Corporation Act, 1964 to be contributed by the Government of India.</td>
<td></td>
<td>INVESTORS: Government Securities (Quoted)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subscribed Capital by the Government of India</td>
<td></td>
<td>One fully paid-up Equity Share of Modern Food Industries (India) Limited (Unquoted)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RESERVES:</td>
<td></td>
<td>LOANS AND ADVANCES: Recoverable in cash or in kind of For value to be received (refer note) Secured.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserved Fund under section 33(1) of the Food Corporation Act, 1964. As per Last Balance Sheet Transfer from Profit and Loss Account For the year. Reserve under section 33(2) of the Food Corporations Act, 1964</td>
<td></td>
<td>Unsecured, considered good (unless otherwise stated) For purchase of foodgrains, sugar And other commodities.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Allowance Reserve: As per Last Balance Sheet</td>
<td></td>
<td>Less: Provision for doubtful advances.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SECURED LOANS:</td>
<td></td>
<td>OTHER LOANS AND ADVANCES: Other advances including advances To staff</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans and advances from Scheduled Banks and from State Bank of India Against hypothecation of stocks of Foodgrains, fertilizers, sugar, stores And spares (Guaranteed by the Government of India to the extent of 25%)</td>
<td></td>
<td>Claims receivables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UNSECURED LOANS:</td>
<td></td>
<td>Less: Provision for doubtful claims</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans from the Government of India</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at 31&lt;sup&gt;st&lt;/sup&gt; March (Figures for the previous year)</td>
<td>LIABILITIES</td>
<td>As at 31&lt;sup&gt;st&lt;/sup&gt; March (Figures for the current year)</td>
<td>ASSETS</td>
<td>As at 31&lt;sup&gt;st&lt;/sup&gt; March (Figures for the current year)</td>
</tr>
<tr>
<td>----------------------------------------------------------</td>
<td>-------------</td>
<td>----------------------------------------------------------</td>
<td>--------</td>
<td>----------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Total brought forward</strong></td>
<td></td>
<td><strong>Total brought forward</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CURRENT: LIABILITIES AND PROVISIONS:</strong></td>
<td></td>
<td><strong>DEPOSITS AND OTHER RECEIVABLES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities-</td>
<td></td>
<td>Deposits and other receivables (including Rs. Lakhs for capital jobs, previous year Rs. Lakhs).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sundry creditors for goods and Services</td>
<td></td>
<td>Less: Provision for doubtful Deposits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sundry creditors for other finance</td>
<td></td>
<td>Advance payment of Income Tax</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sugar price equalization fund (Schedule)</td>
<td></td>
<td>Interest receivable</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CURRENT ASSETS:</strong></td>
<td></td>
<td><strong>CURRENT ASSETS:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits repayable</td>
<td></td>
<td>Stocks of foodgrains, fertilizers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest payable</td>
<td></td>
<td>And others (Refer Accounting Policy)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>PROVISIONS:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions for Taxation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Foodgrains
Fertilizers
Sugar
By-products and other commodities
Balahar (including ingredients)
Gunnies
Stores & Spares
Stocks of Building Material
Unregularised Transit and Storage Shortages reimbursable by the Government of India on regularisation (Net of Gains) (Refer Note No. )
As per last Balance Sheet
Less: Regularised during the year
Add: Unregularised losses for the Current year.
<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Items</th>
<th>Cross Cost</th>
<th>Depreciation</th>
<th>Value Downward Write-off</th>
<th>Value Write-off</th>
<th>Depreciation of Book Value for the Year</th>
<th>Value at the End of the Year</th>
<th>Book Value at the End of the Year</th>
<th>Value of Sales during the Year</th>
<th>Book Value of Sales during the Year</th>
<th>Value of Sales written off</th>
<th>Book Value of Sales written off</th>
<th>Value of Sales written off as at 31st March</th>
<th>Book Value of Sales written off as at 31st March</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

STAYMENET OF FIXED ASSETS ATTACHED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH

FORM-AB
<table>
<thead>
<tr>
<th>As at 31&lt;sup&gt;st&lt;/sup&gt; March (Figures for the previous year)</th>
<th>LIABILITIES</th>
<th>As at 31&lt;sup&gt;st&lt;/sup&gt; March (Figures for the current year)</th>
<th>ASSETS</th>
<th>As at 31&lt;sup&gt;st&lt;/sup&gt; March (Figures for the current year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total brought forward</td>
<td></td>
<td></td>
<td>Total brought forward</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>BOOK DEBTS (UNSECURED)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Outstanding for more than six months</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Other debts</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Less: Provision for doubtful debts</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>CASH AND BANK BALANCES</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Cash and stamps in hand Cheques and demand drafts</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>In hand</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>In transit</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Fixed deposits with State Bank of India and its subsidiaries including accrued interest (fixed deposit receipts are held by Banks/Courts against Guarantees/Security).</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Deposits with Industrial Development Bank of India (Income Tax surcharge)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Current Account with scheduled Banks and other approved Banks.</td>
<td></td>
</tr>
<tr>
<td>TOTAL: Accounting Policies, Schedules and Notes attached form part of Accounts</td>
<td></td>
<td></td>
<td>TOTAL:</td>
<td></td>
</tr>
</tbody>
</table>
FORM ‘C’
(See rule 19)
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH
(Figures in lakhs of Rupees)

<table>
<thead>
<tr>
<th>For the year ended 31-3</th>
<th>PARTICULARS</th>
<th>For the year ended 31-3</th>
<th>PARTICULARS</th>
<th>For the year ended 31-3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>OPENING STOCKS</td>
<td></td>
<td>SALES</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Food grains</td>
<td></td>
<td>Food grains</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fertilisers</td>
<td></td>
<td>Fertilisers (Less Rebate Rs. Lakhs previous year Rs. Lakhs)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sugar</td>
<td></td>
<td>Sugar</td>
<td></td>
</tr>
<tr>
<td></td>
<td>By-products and other commodities Balahar (including ingredients)</td>
<td></td>
<td>By-products and other commodities Balahar (including ingredients)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Gunnies</td>
<td></td>
<td>Gunnies</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Stores and Spares</td>
<td></td>
<td>Stores and Spares</td>
<td></td>
</tr>
<tr>
<td></td>
<td>PURCHASES</td>
<td></td>
<td>PURCHASES</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(INDIGENOUS)</td>
<td></td>
<td>(IMPORTED)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Foodgrains</td>
<td></td>
<td>Foodgrains</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sugar</td>
<td></td>
<td>Sugar</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Gunnies</td>
<td></td>
<td>Gunnies</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Stores and Spares</td>
<td></td>
<td>Stores and Spares</td>
<td></td>
</tr>
<tr>
<td></td>
<td>PURCHASES</td>
<td></td>
<td>PURCHASES</td>
<td></td>
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<tr>
<td></td>
<td>(IMPORTED)</td>
<td></td>
<td>(IMPORTED)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Foodgrains (including Rs. Lakhs Port clearance charges previous year Rs. Lakhs)</td>
<td></td>
<td>Foodgrains (including Rs. Lakhs Port clearance charges previous year Rs. Lakhs)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sugar</td>
<td></td>
<td>Sugar</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fertilisers</td>
<td></td>
<td>Fertilisers</td>
<td></td>
</tr>
<tr>
<td></td>
<td>PORT CLEARANCE AND STEVEDORING CHARGES:</td>
<td></td>
<td>CLAIMS</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Import of Fertilisers</td>
<td></td>
<td>Railways</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Import of gift consignments/foodgrains on replacement basis</td>
<td></td>
<td>Shipping</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Export of Foodgrains</td>
<td></td>
<td>Consumer subsidy of foodgrains reimbursable by the Government of India, Department of Food.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Add: Carrying charges of buffer stocks of foodgrains</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Add: Adjustment relating to previous year (Net)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>UNREGULARISED TRANSIT &amp; STORAGE SHORTAGES REIMBURSABLE BY THE GOVERNMENT OF INDIA, DEPARTMENT OF FOOD ON REGULARISATION (REFER NOTE NO.)</td>
<td></td>
</tr>
<tr>
<td>PARTICULARS</td>
<td>For the year ended 31-3</td>
<td>For the year ended 31-3</td>
<td>PARTICULARS</td>
<td>For the year ended 31-3</td>
</tr>
<tr>
<td>---------------------------------------------------------------------------</td>
<td>--------------------------</td>
<td>--------------------------</td>
<td>---------------------------------------------------------------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>Total Brought Forward</td>
<td></td>
<td></td>
<td>Total Brought Forward</td>
<td></td>
</tr>
<tr>
<td>On other items</td>
<td></td>
<td></td>
<td>Expenses reimbursable by the Government of India, Department of Social</td>
<td></td>
</tr>
<tr>
<td>Wheat Indigenous coastal movement</td>
<td></td>
<td></td>
<td>Welfare on Handling of Consignments of Foodgrains under the Indo-US</td>
<td></td>
</tr>
<tr>
<td>MILLING CHARGES PAID TO OTHER AGENCIES(Net)</td>
<td></td>
<td></td>
<td>Agreements.</td>
<td></td>
</tr>
<tr>
<td>FREIGHT</td>
<td></td>
<td></td>
<td>Add/Less: Adjustment relating to previous years (Net)</td>
<td></td>
</tr>
<tr>
<td>Railway freight</td>
<td></td>
<td></td>
<td>Expenses reimbursable by the Government of India, Department of Social</td>
<td></td>
</tr>
<tr>
<td>Lorry freight</td>
<td></td>
<td></td>
<td>Welfare on handling of Gift consignments of Non-Foodgrains under the</td>
<td></td>
</tr>
<tr>
<td>Steamer freight</td>
<td></td>
<td></td>
<td>Indo-US Agreements</td>
<td></td>
</tr>
<tr>
<td>Transport subsidy to Hill States</td>
<td></td>
<td></td>
<td>Less: Adjustment relating to previous years (Net)</td>
<td></td>
</tr>
<tr>
<td>Lakshadweep Administration</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Andaman, Nicobar Islands</td>
<td></td>
<td></td>
<td>INCOME FROM HANDLING OF GIFT ONSIGNMENTS UNDER OTHER AGREEMENTS</td>
<td></td>
</tr>
<tr>
<td>Demurrage/Diversion charges etc.</td>
<td></td>
<td></td>
<td>EXPENSES REIMBURSABLE BY THE DEPARTMENT OF AGRICULTURE FOR HANDLING OF</td>
<td></td>
</tr>
<tr>
<td>Handling Expenses (including Rs. Lakhs wages to Departmental Labour</td>
<td></td>
<td></td>
<td>FERTILISERS (SCHEDULE )</td>
<td></td>
</tr>
<tr>
<td>previous year Rs. Lakhs)</td>
<td></td>
<td></td>
<td>MISCELLANEOUS INCOME (SCHEDULE )</td>
<td></td>
</tr>
<tr>
<td>Special Voluntary Retirement Scheme</td>
<td></td>
<td></td>
<td>INTEREST RECEIVED</td>
<td></td>
</tr>
<tr>
<td>SALARIES, WAGES AND ALLOWANCES</td>
<td></td>
<td></td>
<td>NET LOSS CARRIED DOWN</td>
<td></td>
</tr>
<tr>
<td>Officers</td>
<td></td>
<td></td>
<td>Total Brought Forward</td>
<td></td>
</tr>
<tr>
<td>Staff</td>
<td></td>
<td></td>
<td>STAFF WELFARE EXPENSES</td>
<td></td>
</tr>
<tr>
<td>Less: Capital</td>
<td></td>
<td></td>
<td>RENT</td>
<td></td>
</tr>
<tr>
<td>MEDICAL REIMBURSEMENT:</td>
<td></td>
<td></td>
<td>Godowns</td>
<td></td>
</tr>
<tr>
<td>Officers</td>
<td></td>
<td></td>
<td>Officers and Others</td>
<td></td>
</tr>
<tr>
<td>Staff</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MEDICINES AND MEDICAL EQUIPMENTS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions to Provident Fund and others (included Rs. Lakhs for</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>leave salary and Pension previous year Rs. Lakhs)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Brought Forward</td>
<td></td>
<td></td>
<td>Total Brought Forward</td>
<td></td>
</tr>
<tr>
<td>STAFF WELFARE EXPENSES</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RENT</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Godowns</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Officers and Others</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
G.S.R. 118 - In exercise of the powers conferred by sub-section (4) read with sub-section (1) and (2), of section 45 of the Food Corporations Act, 1964 (37 of 1964), the Central Government hereby makes the following regulations namely:-

1. Short title – These regulations may be called the Food Corporations Regulations, 1965.
2. Definitions - In these regulations-
   (a) "Act" means the Food Corporations Act, 1964 (37 of 1964);
   (b) "Board" means the Board of Directors referred to in section 6;
   (c) "Chairman" means –
      (i) in relation to the Board, the Chairman of the Board.
      (ii) in relation the Executive Committee, the Chairman of the
           Executive Committee;
      (iii) in relation to a Committee, the Chairman of the Committee.
   (d) "Committee" means a committee other than the Executive Committee
       constituted under Section 14.
   (e) "Corporation" means the Food Corporation of India established under Section
       3.
   (f) "Director" means –
      (i) in relation to the Board, a Director of the Board;
      (ii) in relation to the Executive Committee, a Director of the Executive
           Committee.
   (g) "Executive Committee" means the Executive Committee constituted under
       Section 14.
   (h) "Member" means a member of the Committee;
   (i) "Section" means a section of the Act.

3. Time and place of meetings of the Board – The Board shall meet at such time and
   place as the Chairman may, time to time, determine;
   Provided that the Board shall meet once at least in every three months.
4. Power to call a meeting of the Board – The Chairman may, at any time, call a
   meeting of the Board and shall do so if a requisition for that purpose is presented
   to him in writing by not less than three Directors specifying the subject of the
   meeting proposed to be called.

*1 Substituted vide notification No. FCR 2 of 1965 dt. 23.8.65
*2 Added vide notification No. 8-1/73-BC dt. 24/27.6.74
5. Notice for meetings – (1) Not less than fifteen clear days’ notice of every meeting of the Board shall be given to each Director who is for the time being in India.

   (2) A notice may be served upon any Director either personally or by post in an envelope addressed to such Director.

   (3) Any accidental omission to give any such notice to any of the Directors shall not invalidate any resolution passed at any such meeting.

   (4) Notwithstanding anything contained in sub-regulation (1), a meeting of the Board at which any matter which is considered urgent by the Chairman has to be taken up, may be called at a shorter notice.

6. Quorum
   (1) No business shall be transacted at a meeting of the Board unless there are present at least five Directors.

   *1,2,3 (2) If within half an hour from the time appointed for holding the meeting and quorum is no present, the meeting shall stand adjourned to a time, date and place to be determined by the Chairman:

       Provided that the meeting so adjourned shall be held with 15 days of the date on which it was originally proposed to be held.

   (3) A notice shall be given immediately to each Director, who is not present at the meeting, by post or telegram or special messenger as the needs of the case may require.

   (4) If at any such adjourned meeting also, the quorum is not present within half an hour from the time appointed for holding the meeting, the Directors present at the meeting shall form the quorum.

7. Presidency over meetings
   (1) The Chairman shall preside over every meeting of the Board.

   (2) If the Chairman is not present at any such meeting, the Directors present shall choose one from among themselves to be Chairman of the meeting.

8. Adjournment of meeting
   (1) The Chairman may, with the consent of the Directors present at any meeting of the Board, adjourn the meeting from time to time.

   (2) No Business other than that which is included in the agenda shall be transacted at any such adjourned meeting except with the consent of the Chairman.

   (3) Notwithstanding anything contained in regulation 5, it shall not be necessary to give any notice of a meeting adjourned under this regulation.

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1. Substituted vide notification No. FCR1 if 1965 dt. 6.8.65
2. Substituted vide notification No. FCR4 of 1967 dt. 12.7.67
3. Substituted vide notification No 8-1/73-BC dt. 24/27.6.74

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9. Transaction of business by circulation of papers

(1) Any business which it may be necessary for the Board to transact may, if the Chairman so directs, be dealt with by circulation of papers under registered cover among all the Directors for the time being in India at their usual address, and any resolution so circulated and approved by a majority of the members signing, shall be as effectual and binding as if the resolution had been passed at a meeting of the Board.

(2) When any business is so referred to the Directors by circulation, a period of not less than ten clear days shall be allowed for the receipt of replies from the Directors, such period to be counted from the date on which the notice of business is issued.

(3) If a resolution is circulated, the results of circulation shall be communicated to all the Directors.

10. Record of business
(1) A record shall be maintained of all business transacted by the Board.
(2) All Decisions of the Board shall, as far as possible, be recorded in the form of resolutions and an entry of such decisions in the book of the proceedings of the Board shall be conclusive evidence of the fact that such decisions were taken by the Board.
(3) The proceedings of every meeting of the Board shall be circulated to all the Directors.

11. Times and places of meeting of Executive Committee
(1) The Executive Committee shall meet at such times and places as the Chairman may, from time to time, determine:

*1 Provided that the Executive Committee shall meet once at least in every two months.

12. Notice for meeting of Executive Committee
(1) Not less than seven clear days' notice of every meeting of the Executive Committee shall be given to each Director who is for the time being in India.
(2) A notice may be served upon any Director either personally or by post in an envelope addressed to such Director.
(3) Any accidental omission to give any such notice to any of the Directors shall not invalidate any resolution passed at any such meeting.
(4) Notwithstanding anything contained in sub-regulation (1), a meeting of the Executive Committee at which any matter which is considered urgent by the Chairman has to be taken up, may be called at a shorter notice.

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1. Substituted vide notification No. FCR2 of 19655 dt. 23.8.65
13. Quorum for meeting of the Executive Committee
   (1) No business shall be transacted at a meeting of the Executive Committee unless there are present at least three Directors.
   *1&2  (2) If within half an hour from the time appointed for holding the meeting the quorum is not present, the meeting shall stand adjourned to the same day in the next week at the same time and place and notice of such adjourned meeting shall be given to each Director who is not present at the meeting on the same day by post or telegram to a special messenger as the needs of the case may require.
   (3) If at any adjourned meeting also the quorum is not present within half an hour from the time appointed for holding the meeting, the Directors present shall form the quorum.

14. Presidency over meeting of Executive Committee – (1) the Chairman shall preside over every meeting of the Executive Committee.
   (2) If the Chairman is not present at any meeting, any other Director duly authorized by the Chairman shall preside over the meeting of the Executive Committee.

15. Adjournment of meeting of Executive Committee
   (1) The Chairman may, with the consent of the Directors present at the meeting, adjourn the meeting from time to time.
   (2) No business other than that which is included in the agenda shall be transacted at any such adjourned meeting except with the consent of the Chairman.
   (3) Notwithstanding anything contained in regulation 12, it shall not be necessary to give any notice of a meeting adjourned under this regulation.

16. Voting

   All matters submitted to a meeting of the Executive Committee shall be decided by a majority of the members present and voting thereat and in case of an equality of votes, the Chairman or the person presiding shall, have a casting vote, in addition to the vote to which he may be entitled as a member.

17. Record of decisions

   All decisions arrived at by the Executive Committee shall, as far as possible, be recorded in the form of resolutions and an entry of such decisions in the book of proceedings of the Executive Committee shall be conclusive evidence of the fact that such decisions were taken by the Committee.

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1. Substituted vide notification No. FCR 1 of 1965 dt. 6.8.65
2. Substituted vide notification No. FCR 4 of 1967 dt. 12.7.67

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18. Times and places of meetings of the Committee – (1) The Committee shall meet at such times, and places as the Chairman may, from time to time, determine.

19. Notices for meeting of the Committee

(1) Not less than seven clear days notice of every meeting of the Committee shall be given to each member who is for the time being in India.
(2) A notice may be served upon any member either personally or by post in an envelope addressed to such member.
(3) Any accidental omission to give any such notice to any of the members shall not invalidate any resolution passed at any such meeting.
(4) Notwithstanding anything contained in sub-regulation (1), a meeting of the Committee at which any matter which is considered urgent by the Chairman has to be taken up, may be called at a shorter notice.

20. Quorum for meeting of the Committee

(1) No business shall be transacted at a meeting of the Committee unless there are present, as near as may be, one half of the total number of the members of the Committee:

Provided that at least one Director nominated by the Board of Directors on the Committee, is present in the meeting.

(2) If within half an hour from the time appointed for holding the meeting the quorum is not present, the meeting shall stand adjourned to the same day in the next week at the same time and place and notice of such adjourned meeting shall be given to each member, who is not present at the meeting on the same day by post or telegram or special messenger as the needs of the case may require.

(3) If at any adjourned meeting also the quorum is not present within half an hour from the time appointed for holding the meeting the members present shall form the quorum.

21. Presidency over meetings of the Committee

(1) The Chairman shall preside over every meeting of the Committee.
(2) If the Chairman is not present at any such meeting, the Members present shall choose one from among themselves to be the Chairman of the meeting.

22. Adjournment of meeting of the Committee

(1) The Chairman may, with the consent of the members present at the meeting, adjourn the meeting from time to time.
(2) No business other than that which is included in the agenda shall be transacted at any such adjourned meeting except with the consent of the Chairman.
(3) Notwithstanding anything contained in Regulation 19, it shall not be necessary to give any notice of a meeting adjourned under this Regulation.

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1. Added vide notification No. 8-1/73-BC dt. 24/27.6.74
23. Voting

(1) All matters submitted to a meeting of the Committee shall be decided by a majority of the members present and voting thereat, and in case of an equality of votes, the Chairman or the person presiding shall have a casting vote, in addition to the vote to which he may be entitled as a member.

24. Report of the Committee

(1) The Board of Directors may fix the period for the presentation of the report by the Committee to it depending upon the complexity of the subject entrusted to such a Committee for examination.

25. Fess of members

(1) Every member, not being a whole-time officer of the Corporation, an officer of Government, performing journeys for attending the meeting of the committee or for attending to any other work of the Corporation shall be entitled to be paid by the Corporation such fees, traveling allowance, daily allowance and conveyance allowances as are admissible under the Food Corporations Rules, 1965 to the member of the Board of Management established under section 16.

(2) Every member, being a whole-time officer of the Corporation or an officer of Government, shall be entitled to such traveling and daily allowances for the performance of journeys for attending the meetings of the committee or for attending to any other work of the Corporation, as are admissible under the rules applicable to him for journeys performed on official duty.

(3) Where any traveling and daily allowances are paid to a member, being an officer of Government, the Corporation shall make necessary arrangements for reimbursement of the amount so paid to the authority employing such officer.

*1 26. Managing Director to exercise powers of Chairman during vacancy in office of Chairman.

During any period when the office of Chairman is vacant, the powers and duties of the Chairman under these regulations be exercised by the Managing Director.

*2 27. Chairman to exercise the powers of the Managing Director during vacancy

in the office of the Managing Director

During any period when the office of the Managing Director is vacant, the powers and duties of the Managing Director under these regulations and any other regulations framed under the Act be exercised by the Chairman, if so authorized to him by the Central Government and while so exercising the powers of the Managing Director, the Chairman shall be deemed to be the Managing Director.

F.NO. 4-1/64-F.C.1

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1. Added vide notification No. FCR 3 of 1966 dt. 18.2.66
2. Added vide notification No. 4(4)/89-BC dt. 6.10.89

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