No.EP.33(1)/2016

FOOD CORPORATION OF INDIA

HEADQUARTERS

NEW DELHI

Dated 24.09.2018

(Circular No.EP-24-2018-21)

Sub: Modification in Benevolent Fund cum Welfare Scheme and Introduction of Employee Funded Contributory Social Security Scheme.

1. Attention is invited to Headquarters Circular No.3 of 1997 dated 06.02.1997, Circular No.29 of 1997 dated 01.10.1997, Circular No.25 of 1998 dated 24.06.1998, Circular No.51 of 1998 dated 21.12.1998, Circular No.7 of 2000 dated 18.01.2000, Circular No.EP-24-2003-26 dated 28.11.2003, Circular No.EP-24-2005-33 dated 18.10.2005 and Circular No.EP-24-2012-25 dated 25.10.2012, relating to Benevolent Fund cum Welfare Scheme and Introduction of Employee Funded Contributory Social Security Scheme.

2. The fund management of the Schemes were made by the Corporation internally. In view of the tax planning of the Corporation, it has been decided by the Board of Directors in its meeting held on 23.02.2018 to separate the fund management of Benevolent Fund cum Welfare Scheme and Employee Funded Contributory Social Security Scheme from the Corporation and to maintain a separate trust, namely "FCI Welfare Trust" to manage the funds.

3. In view of the above decision of the Board of Directors, "Benevolent Fund cum Welfare Scheme" and "Employee Funded Contributory Social Security Scheme" are now modified as follows:-

3.1 Modification in the Employees' Benevolent Fund cum Welfare Scheme

The existing Clauses No.(v) is modified w.e.f.23.03.2018 as following:

(v) **Fund Management:-** The fund shall be managed by the FCI Welfare Trust as per the details stipulated in the Trust Deed.

3.2 Employee Funded Contributory Social Security Scheme:

The existing Clauses Nos.(B)(e) and (B)(f) are modified w.e.f.23.03.2018 as following:

(e) **Separate Fund:** To meet this objective and earmark the funds for this schemes, a separate CONTRIBUTORY SOCIAL SECURITY FUND shall be created under the FCI Welfare Trust to provide benefits under the Scheme.

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(f) **Interest Rates**: The fund would be managed by the Trust and interest earned, dividend received, other accretion, profits or gains, capital gains etc. would be proportionally credited to the fund under the FCI Welfare Trust.

3.3 Common provisions applicable to both Benevolent Fund cum Welfare Scheme and Contributory Social Security Scheme

The existing Clause (C)(i) is modified w.e.f.23.03.2018 as follows:

(i) **Fund Information Publication:-** The details of both the funds (Benevolent Fund and Contributory Social Security Scheme) shall be indicated as an annexure/appendix in the Annual Report of the Corporation indicating the member contribution, Corporation contribution, **income earned**, grant paid, and advances given and recovered.

(AUTHORITY: Item No.11/385th (Urgent) Meeting of the Board of Directors held on 23.02.2018)

24/9/18

(Harish Kumar)
Dy.Genl.Manager (EP)

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