APPENDIX 1.7
RULES

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
3. Inserted vide Notification No. GSR 1415 dt. 14-9-1967
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

*4 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&5 (2) The term of office of the Managing Director shall be three years from the date of his assumption of office as Managing Director.

*3&6 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.

*2 (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.

*5 (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.

*1 4. Filling of Casual Vacancies among Directors – In the event of the occurance 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.

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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

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 o 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 forgoes 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 upto 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 he 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
(iva) 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;

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1. Amended vide Notification No. GSR 288 dt. 22-2-1966
2. Substituted vide Notification No. GSR 297 dt. 3-3-1967
3. Amended vide Notification No. GSR 1415 dt. 14-9-1967
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

*1,2&3 (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 o requirement of public interest, he may be granted after the expiry of his term the amount of leave so refused subject to 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:

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1. 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

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.

3,8,10 & 11 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 siting 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:-

*1to7&9 (7) Traveling and Daily Allowances of Directors :- "Every Director, other than whole time office 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."

*5 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.

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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
9. Amended vide Notification No. GSR 648(E) dt. 12-11-1997
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 of whole-time officer 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 off Officers, that is, officers of the rank of Commercial Manager and equivalent, in the whole time employment of the Corporation.

(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 o 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 o sub-rule (1), the Corporation may appoint officers and other employees-

i) on deputation from Government o 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 pos carrying a basic pay o Rs.2,500/- per month and above except with the previous approval of the Central Government.

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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

(d) 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 5 (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.

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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 upto 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 occurance 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.

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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 485(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 traveling 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.

*6 **15.** Conveyance allowance payable to members of Board of Management

(1) A member, no 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 traveling 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.

*6&7 (2)Where any such member uses his own car, he shall be entitled to a mileage allowance at 95 paise per kilometer, subject to a maximum of Rs. 25 per day.

16. Deposit in bank or investment in securities of surplus funds – Any funds of the Corporation not required for current expenditure may be placed in fixed deposit 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 in his behalf by the Corporation or in personal deposit account of the Reserve Bank of India.

*1 **17.** Additional functions which the Corporation may perform – The Corporation may perform functions relating to clearance handling, storage, transport and distribution of fertilizers.

*2 **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.

*3&8 **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'.

*4 **20.** Investment of funds in shares an securities – The Corporation may also invest its funds in the purchase of –

i) Securities of the Central or any State Government;
*5 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.

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1. Inserted vide notification No. GSR 1144 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. 28.1.1966
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)