

The Warehousing Corporations Act, 1962

(58 OF 1962)

(Updated up to 16th April, 2010)



GOVERNMENT OF INDIA

MINISTRY OF LAW & JUSTICE

LIST OF AMENDING ACTS

1. Warehousing Corporations (Amendment) Act, 1963 (34 of 1963).
2. Warehousing Corporations (Amendment) Act, 1976 (42 of 1976).
3. Warehousing Corporations (Amendment) Act, 1989 (37 of 1989).
4. Warehousing Corporations (Amendment) Act, 2001 (23 of 2001).
5. Warehousing Corporations (Amendment) Act, 2005 (45 of 2005).

LIST OF ABBREVIATIONS USED

Cl.	.....	for Clause
Ins.	.....	for Inserted
P.	.....	for Page
Pt.	.....	for Part
S.	.....	for Section
Sec.	for Section
Subs.	for Substituted

THE WAREHOUSING CORPORATIONS ACT, 1962

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THE SCHEDULE

LIST OF AMENDMENTS

1. Order dated 25th November, 1981 (GOI No. 381)

G.S.R. 616(E).

In exercise of the powers conferred by the proviso to subsection(1) of section 4 of the Warehousing Corporations Act, 1962(58 of 1962), the Central Government hereby increases the authorised share capital of the Central Warehousing Corporation to one hundred crores of rupees divided into ten hundred thousand shares of the face value of one thousand rupees each.

2. The Warehousing Corporations (Amendment) Act, 1989 (37 of 1989) dated 22nd October, 1989

An Act further to amend the Warehousing Corporations Act, 1962.

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

1. This Act may be called the Warehousing Corporations (Amendment) Act, 1989. Short title.
- 58 of 1962 2. In Section 1 of the Warehousing Corporations Act, 1962(herein-after referred to as the principal Act), in sub-section (2), the words "except the State of Jammu and Kashmir" shall be omitted. Amendment of Section 1
- 40 of 1980 3. In section 2 of the principal Act, in clause (dd), the following shall be added at the end, namely:- Amendment of Section 2
"or a corresponding new bank specified in the First Schedule to the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980."
4. In Chapter I of the principal Act, after section 2 of the following section shall be inserted, namely:- Insertion of new section 2A
"2A. Any reference in this Act to any law which is not in force or any functionary not in existence, in any State shall, in relation to that State, be construed as a reference to the corresponding law in force, or the corresponding functionary in existence, in that State." Construction of references to any law not in force or any functionary not in existence in any State.

3. The Warehousing Corporations (Amendment) Act, 2001 (23 of 2001) dated 29th August, 2001 (Vide GOI no. 30)

(G.S.R. 807(E).— In exercise of the powers conferred by sub-section(2) of Section 1 of the Warehousing Corporations (Amendment) Act, 2001(23 of 2001), the Central Government hereby appoints the 1st day of November, 2001 as the date on which the said Act shall come into force. vide GOI No. 545 dt. 29th October, 2001)

The following Act of Parliament received the assent of the President on the 29th August, 2001 and is published for general information:—

An Act further to amend the Warehousing Corporations Act, 1962.

BE it enacted by Parliament in the Fifty-second Year of the Republic of India as follows:—

1 (1) This Act may be called the Warehousing Corporations (Amendment) Act, 2001. Short title and commencement

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

58 of 1962 2. In section 11 of the Warehousing Corporations Act, 1962(hereinafter referred to as the principal Act),— Amendment of section 11

(a)in clause (a), after the words “in India”, the words “or abroad” shall be inserted.

(b)in clause (e), the word “and” occurring at the end shall be omitted.

(c)after clause (e), the following clauses shall be inserted, namely:-

“(ea) enter into, with the previous approval of the Central Government, joint ventures with any corporation established by or under any Central Act or any State Act or with any company formed and registered under the Companies Act, 1956 including foreign company or through its subsidiary companies, for carrying out the purposes of this Act. 1 of 1956.

Explanation. - For the purposes of this clause, the expression “foreign company” shall have the meaning assigned to it under clause (23A) of section 2 of the Income-Tax Act, 1961; 43 of 1961.

(eb) establish subsidiary companies; and”.

3. In section 20 of the principal Act,— Amendment of section 20.

(a) in sub-section(1), in clause(c), for the words “with the previous approval of”, the words “under intimation to” shall be substituted;

(b) in sub-section (2), for the words “with the previous approval of”, the words “under intimation to” shall be substituted.

4. In Section 21 of the principal Act, in clause (v), the words “the Central Warehousing Corporation or” shall be omitted. Amendment of section 21.

5. In section 22 of the principal Act, in sub-section(1), for the words “with the previous approval of,” the words “under intimation to” shall be substituted. Amendment of section 22.

6. In section 24 of the principal Act,— Amendment of section 24.

(a) in clause (a), for the words “with the previous approval of”, the words “after consultation with” shall be substituted;

(b) in clause(d), the words “and” occurring at the end shall be omitted;

(c) after clause (d), the following clause shall be inserted, namely;-

“(da) enter into, with the previous approval of the State Government, joint ventures with the Central Warehousing Corporation; and”.

**4. NOTIFICATION dated 22nd September, 2004
(Vide GOI No. 803)**

S.O. 1024(E) – In exercise of the powers conferred by clause (iv) of sub section (2) of section 27 of the Warehousing Corporations Act, 1962 (58 of 1962), the Central Government hereby approves the following insurance companies, which hold a valid Certificate of Registration with the Insurance Regulatory and Development Authority (IRDA), to be the insurance companies from which a Warehousing corporation

may borrow money for the purpose of carrying out its functions under the said Act, namely :-

1. Life Insurance Corporation of India.
2. Allianz Bajaj Life Insurance Company Limited.
3. Birla Sun-Life Insurance Company Limited.
4. HDFC Standard Life Insurance Company Limited.
5. ICICI Prudential Life Insurance Company Limited.
6. ING Vysya Life Insurance Company Limited.
7. Max New York Life Insurance Company Limited.
8. MetLife Insurance Company Limited.
9. Om Kotak Mahindra Life Insurance Company Limited.
10. SBI Life Insurance Company Limited.
11. TATA AIG Life Insurance Company Limited.
12. AMP Sammar Assurance Company Limited.
13. Dabur CGU Life Insurance Company Private Limited.
14. National Insurance Company Limited.
15. New India Assurance Company Limited.
16. Oriental Insurance Company Limited.
17. United India Insurance Company Limited.
18. Bajaj Allianz General Insurance Company Limited.
19. ICICI Lombard General Insurance Company Limited.
20. IFFCO-Tokio General Insurance Company Limited.
21. Reliance General Insurance Company Limited.
22. Royal Sundaram Alliance Insurance Company Limited.
23. TATA AIG General Insurance Company Limited.
24. Cholarnandalam General Insurance Company Limited.
25. Export Credit Guarantee Corporation.
26. HDFC Chubb General Insurance Company Limited.
27. General Insurance Corporation of India.

5. The Warehousing Corporations (Amendment) Act, 2005 (45 of 2005) dt. 15th/16th September, 2005 (vide GOI No. 51)

(G.S.R. 657(E).— In exercise of the powers conferred by sub-section(2) of Section 1 of the Warehousing Corporations (Amendment) Act, 2005(45 of

2005), the Central Government hereby appoints the 15th day of November, 2005 as the date on which the said Act shall come into force. Vide GOI No. 450 dt. 10 November, 2005)

The following Act of Parliament received the assent of the President on the 15th September, 2005 and is hereby published for general information:-

An Act further to amend the Warehousing Corporations Act, 1962.

BE it enacted by Parliament in the Fifty-sixth Year of the Republic of India as follows:-

1. (1) This Act may be called the Warehousing Corporations (Amendment) Act, 2005.

Short title and commencement.

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

58 of 1962 2. In section 7 of the Warehousing Corporations Act, 1962 (hereinafter referred to as the principal Act),

Amendment of section 7

(a) In sub-section (1),—

- i) Clause (b) shall be omitted;
- ii) after clause (f), the following clause shall be inserted, namely:—
“(ff) three directors to be appointed by the Central Government”;

b) in sub-section (4), the words “and a Vice-Chairman” shall be omitted;

c) after sub-section (4), the following sub-section shall be inserted, namely:-

“(4A) The directors appointed under clause (ff) of sub-section (1) shall be entitled to receive such salary and allowances as the Central Warehousing Corporation may, with the approval of the Central Government, determine.”

3. In section 8 of the principal Act, in clause (v), for the words “the managing director”, the words, brackets, letters and figures “the directors appointed under clause (ff) of sub-section (1) of section 7 and the managing director” shall be substituted.

Amendment of section 8

4. In section 12 of the principal Act,—

Amendment of section 12

- a) in sub-section(1), in clause (a), the words "and the Vice-Chairman" shall be omitted;
- b) for sub-section (2), the following sub-section shall be substituted, namely:—

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

5. In section 27 of the principal Act, in sub-section (2), in clause (iii), for the words "nationalised bank" the words "scheduled bank" shall be substituted.

Amendment of section 27

6. NOTIFICATION No. 575 Dated 30.11.2006/01.12.2006

G.S.R. 732(E).-In exercise of the powers conferred by Section 41 of Warehousing Corporation Act, 1962 (58 of 1962), the Central Government hereby makes the following rules further to amend the Central Warehousing Corporation Rules, 1963, namely:—

1. (1) These rules may be called the Central Warehousing Corporation(Amendment) Rules, 2006.

(2) They shall come into force on the date of their publication in the Official Gazette.
2. In the Central Warehousing Corporation Rules, 1963, for rule 3, the following rule shall be substituted, namely:—

"(3) Nomination of Directors: -

The Central Government shall nominate the following persons as directors under clause (a) of sub-section (1) of Section 7, namely:-

- (i) two officers not below the rank of Joint Secretary to the Government of India in the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution);
- (ii) four non-official directors, selected by the Search Committee as envisaged in the guidelines issued by the Department of Public Enterprises."

**7. NOTIFICATION NO. 552 dated 15th November, 2006 /
16th November, 2006**

G.S.R. 704(E).- In exercise of the powers conferred by sub-section (1) of section 41 of the Warehousing Corporations Act, 1962(58 of 1962), the Central Government hereby makes the following rules further to amend the Central Warehousing Corporation Rules, 1963, namely:—

1. (i) These rules may be called the Central Warehousing Corporation (Amendment) Rules, 2006.

(ii) They shall come into force on the date of their publication in the Official Gazette.

2. In rule 4 of the Central Warehousing Corporation Rules, 1963, for Sub-rule(3) the following sub-rule shall be substituted, namely:—

“(3) A director elected under clause(d), clause(e) or clause (f) of Sub-section (1) of section 7, shall hold office for a period of three years from the date of his election or until a successor is elected in his place, whichever is later.”

**8. NOTIFICATION No. 267 dated 12th June, 2007 /
13th June, 2007**

G.S.R. 423(E).- In exercise of the powers conferred by sub-section (1) of section 41 of the Warehousing Corporations Act, 1962 (58 of 1962), the Central Government hereby makes the following rules further to amend the Central Warehousing Corporation Rules, 1963, namely:—

1. (i) These rules may be called the Central Warehousing Corporation (Amendment) Rules, 2007.

(ii) They shall come into force on the date of their publication in the Official Gazette.

2. In rule 4 of the Central Warehousing Corporation Rules, 1963,—

(a) for Sub-rule(1), the following sub-rule shall be substituted, namely:—

“(1) The term of office of the non-official directors and official directors nominated under clause (a) of sub-section (1) of section 7 shall be three years from the date of the nomination of such directors;”

(b) Sub rule (2) shall be omitted.

(c) for sub-rule (3), the following sub-rule shall be substituted, namely:-

“(3) A director nominated under clause (C) of Sub-section (1) of Section 7 shall hold office for a period of three years from the date of his nomination or until a successor is nominated in his place, whichever is later.”

9. Ministry Letter No. 9-7/2006-SG dt. 10.01.2008

Regulation no. 10 of CWC (General) Regulation, 1965:

Revision in payment of sitting fee to the non-official part time director on the Board of Central Warehousing Corporation is Rs. 2,000.00 per sitting for attending meetings of the Board and Rs. 1,500.00 for attending meetings of sub committees of BOD and EC etc.


भारत का राजपत्र
The Gazette of India

असाधारण

EXTRAORDINARY

भाग II—खण्ड 1

PART II—Section 1

प्रधिकार से प्रकाशित

PUBLISHED BY AUTHORITY

सं० 20] नई दिल्ली, बुधवार, मई 13, 2015/ वैशाख 23, 1937 (सक)
No. 20] NEW DELHI, WEDNESDAY, MAY 13, 2015/ VAISAKHA 23, 1937 (SAKA)

इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन की रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed as a separate compilation.

MINISTRY OF LAW AND JUSTICE
(Legislative Department)

New Delhi, the 13th May, 2015/Vaisakha 23, 1937 (Saka)

The following Act of Parliament received the assent of the President on the 13th May, 2015, and is hereby published for general information:—

THE WAREHOUSING CORPORATIONS (AMENDMENT) ACT, 2015
No. 16 of 2015

[13th May, 2015.]

An Act further to amend the Warehousing Corporations Act, 1962.

Be it enacted by Parliament in the Sixty-sixth Year of the Republic of India as follows:—

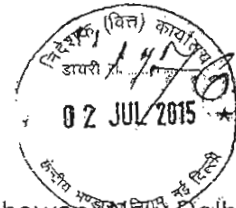
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|---------------------------|--|--|
| | 1. This Act may be called the Warehousing Corporations (Amendment) Act, 2015. | Short title. |
| 58 of 1962. | 2. In the Warehousing Corporations Act, 1962 (hereinafter referred to as the principal Act), for section 5, the following section shall be substituted, namely:— | Substitution of new section for section 5. |
| | “5. Notwithstanding anything contained in the Acts mentioned in this section, the shares of the Central Warehousing Corporation shall be deemed to be— | Certain shares to be approved securities. |
| 2 of 1882. | (a) included among other securities enumerated in section 20 of the Indian Trusts Act, 1882; and | |
| 4 of 1938.
10 of 1949. | (b) the approved securities for the purposes of the Insurance Act, 1938 and the Banking Regulation Act, 1949.”. | |
| Amendment of section 27 | 3. In the principal Act, in section 27, for sub-section (4), the following sub-section shall be substituted, namely:— | |
| | “(4) The bonds and debentures of a State Warehousing Corporation may be guaranteed by the appropriate Government on the recommendation of the Board of Directors of the State Warehousing Corporation at the time such bonds or debentures are issued.”. | |
| Amendment of section 30. | 4. In the principal Act, in section 30, in sub-section (2), the proviso shall be omitted. | |
| Amendment of section 31. | 5. In the principal Act, in section 31, in sub-section (3), the proviso shall be omitted. | |
| Amendment of section 39. | 6. In the principal Act, in section 39, both the provisos shall be omitted. | |

DR. SANJAY SINGH,
Secretary to the Govt. of India.



Most Immediate
By Special Messenger

No.9-23/2010-SG
Government of India
Ministry of Consumer Affairs, Food & P.D.
Department of Food & Public Distribution



Krishi Bhawan, New Delhi
Dated the 1st July, 2015

To,

The Managing Director,
Central Warehousing Corporation,
4/1, Siri Institutional Area,
August Kranti Marg, Hauz Khas,
New Delhi - 110016

Subject: Enhancement of Sitting Fee to Non-Official Directors on the Board of Directors of the Central Warehousing Corporation – regarding.

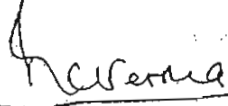
Sir,

I am directed to refer to Central Warehousing Corporation letter No. CWC/B&C/ Sitting fee/2015-16/44D dated 18th June, 2015 on the subject mentioned above and to convey the approval of this Department to the revision of sitting fee payable to non-official part-time members of the Board of Directors of CWC to Rs.6000/- (Rupees Six Thousand) per sitting for attending its Board meetings and to Rs.4500/- (Rupees Four Thousand Five Hundred) per sitting for attending meetings of Executive Committee and Sub-Committees of the Board with immediate effect, from Rs.4000/- (Rupees Four Thousand) and Rs.3000/- (Rupees Three Thousand) respectively.

2. No sitting fee will be payable to the functional and official nominee Directors. Other terms and conditions for paying the sitting fee to non-official part-time Directors on the BOD of CWC remain the same.

3. This issues with the approval of Finance Division of this Department vide their Note Dy. No.325276 dated 29.06.2015.

Yours faithfully,


(Ram Chandra)

Under Secretary to the Government of India
Tel.No. 2338 2240

Copy to :

DS(Finance), Deptt. of Food & PD – with reference to their Note Dy.No. 325276 dated 29.06.2015 for information.

16-B

THE WAREHOUSING CORPORATIONS ACT, 1962

NO. 58 OF 1962

An Act to provide for the Incorporation and Regulation of Corporations for the purpose of Warehousing of Agricultural Produce and certain other commodities and for matters, connected therewith.

[19th December, 1962]

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

CHAPTER - I PRELIMINARY

1. (1) This Act may be called the Warehousing Corporations Act, 1962.¹
 - (2) It extends to the whole of India (58 of 1962).³
 - (3) It shall come into force on such date² as the Central Government may, by notification in the Official Gazette, appoint.
- Short title, extent and commencement.
2. In this Act, unless the context otherwise requires,—
- Definitions.
- (a) "agricultural produce" means any of the following classes of commodities, namely:—
 - (i) foodstuffs, including edible oil-seeds;
 - (ii) cattle fodder, including oil-cakes and other concentrates;
 - (iii) raw cotton, whether ginned or unginned, and cotton seed;
 - (iv) raw jute; and
 - (v) vegetable oils;
 - (b) "appropriate Government" means in relation to the Central Warehousing Corporation, the Central Government, and in relation to a State Warehousing Corporation, the State Government;
 - (c) "Central Warehousing Corporation" means the Central Warehousing Corporation established under section 3;
 - (d) "co-operative society" means a society registered or deemed to be registered under the Co-operative Societies Act, 1912(2 of 1912) , or under any other

2 of 1912

¹This Act has been supplemented by the Warehousing Corporations (Supplementary) Act, 1965 (20 of 1965).

²8th March, 1963; vide GSR 463 dated 16.3.1963. See Gazette of India Extraordinary, Pt.II. Sec. 3 (i), p.155.

³Omitted (the words "except the State of Jammu and Kashmir") by Act, 37 of 1989 dated 22 Oct 1989.

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(Chapter 1, - Preliminary)

law with respect to co-operative societies for the time being in force in any State, which is engaged in the processing, marketing, storage, export or import of agricultural produce or any notified commodity or in insurance business and includes a co-operative land mortgage bank;

³(dd) "nationalised bank" means a corresponding new bank specified in the First Schedule to the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 (5 of 1970); ²or a corresponding new bank specified in the First Schedule to the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980.

(e) "notified commodity" means any commodity (other than agricultural produce) which the Central Government may, by notification in the Official Gazette, declare to be a notified commodity for the purposes of this Act, being a commodity with respect to which Parliament has power to make laws by virtue of entry 33 in List III in the Seventh Schedule to the Constitution; 5 of 1970.

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

(g) "recognised association" means an association which is for the time being recognised by the Central Government under section 6 of the Forward Contracts (Regulation) Act, 1952; 74 of 1952.

(h) "Reserve Bank" means the Reserve Bank of India constituted under the Reserve Bank of India Act, 1934 2 of 1934.

(i) "scheduled bank" means a bank for the time being included in the Second Schedule to the Reserve Bank of India Act, 1934, ¹(and includes a nationalised bank); 2 of 1934.

(j) "State Bank" means the State Bank of India constituted under the State Bank of India Act, 1955; 23 of 1955.

(k) "State Warehousing Corporation" means a Warehousing Corporation for a State established or deemed to be established under this Act;

(l) "Warehousing Corporation" means a Warehousing Corporation established or deemed to be established under this Act; and

(m) "year" means the financial year.

2A ⁴Any reference in this Act to any law which is not in force, or any functionary not in existence, in any State, shall, in relation to that State, be construed as a reference to the corresponding law in force, or the corresponding functionary in existence, in that State.

Construction of references to any law not in force or any functionary not in existence in any State.

³Ins. by Act 42 of 1976, s. 2.

¹Ins. by Act 42 of 1976, s. 2.

²Added by Act 37 of 1989 dated 22nd October, 1989.

⁴Insertion of Section 2A by Act 37 of 1989 dated 22nd October, 1989

CHAPTER -II

THE CENTRAL WAREHOUSING CORPORATION

The Central Warehousing Corporation.

- 3.(1) With effect from such date² as the Central Government may, by notification in the Official Gazette, specify in this behalf, the Central Government shall establish a Corporation by the name of the Central Warehousing Corporation which shall be a body corporate having perpetual succession and a common seal with power to acquire, hold and dispose of property and to contract, and may, by the said name, sue and be sued.
- (2) The head-office of the Central Warehousing Corporation shall be at New Delhi ³[or at such other place as the Central Government may, by notification in the Official Gazette, specify].

Share capital and shareholders.

- 4.(1) The authorised share capital of the Central Warehousing Corporation shall be one hundred crores of rupees divided into ten hundred thousand shares of the face value of one thousand rupees each; any shares remaining to be issued may be issued, with the sanction of the Central Government from time to time, as and when the Central Warehousing Corporation may deem fit:

⁴[Provided that the Central Government may, from time to time, by order notified in the Official Gazette, increase the authorised Share capital of the Central Warehousing Corporation to such extent and in such manner as the Government may determine.]

- (2) ⁵[The Central Government shall, after due appropriation made by Parliament by law for the purpose,] subscribe for forty percent of the share capital issued at any time and the remaining sixty per cent of the share capital may be subscribed for, within such period and in such proportion as may be specified by the Central Government, by the following institutions, namely:-

¹Amended by Notification no. 381 dated 25th November, 1981 vide G.S.R. 616(E) dated 25th November, 1981.

²18th March, 1963, vide G.S.R. 464, dated 16.03.1963, see Gazette of India, Extraordinary, Pt. II, sec. 3(i), p.155.

³Ins. by Act 34 of 1963, s.2.

⁴Ins. by Act 42 of 1976, s. 3.

⁵Subs. by s.3. *ibid.*

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(Chapter II. - The Central Warehousing Corporation)

- (a) the State Bank;
 - (b) other scheduled banks;
 - (c) co-operative societies;
 - (d) insurance companies, investment trusts and other financial institutions;
 - (e) recognised associations and companies dealing in agricultural produce or any notified commodity.
- (3) If any portion of the sixty per cent of the share capital referred to in sub-section (2) remains unallotted, it may be subscribed for by the Central Government and the State Bank in such proportion as may be agreed upon between them and in default of such agreement, as may be determined by the Central Government.
- (4) The shares of the Central Warehousing Corporation shall not be transferable except to the Central Government [the State Bank or any other scheduled bank], any insurance company, any investment trust or other financial institution or any co-operative society or any recognised association or company dealing in agricultural produce or any notified commodity, in accordance with the regulations made by the Central Warehousing Corporation under this Act.
5. ² Notwithstanding anything contained in the Acts mentioned in this section, the shares of the Central Warehousing Corporation shall be deemed to be -
- (a) included among other securities enumerated in section 20 of the Indian Trusts Act, 1882; and
 - (b) the approved securities for the purposes of the Insurance Act, 1938 and the Banking Regulation Act, 1949."
- Companies Act, 1956
- 6.(1) The general superintendence and management of the affairs and business of the Central Warehousing Corporation shall vest in a board of directors who, with the assistance of an Executive Committee and a Managing Director, may exercise all the powers and discharge all the functions which may be exercised or discharged by the Central Warehousing Corporation under this Act.

Certain shares to be approved securities

Management of Central Warehousing Corporation.

² Subs. by Act no 16 of 2015 dated 13th May, 2015

Warehousing Corporations
(Chapter II., - The Central Warehousing Corporation)

- (2) The board of directors shall act on business principles having regard to public interest and shall be guided by such instructions on questions of policy as may be given to them 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 shall be final.

7.(1) The board of directors referred to in section 6 shall consist of the following, namely:—

Directors

(a) six directors to be nominated by the Central Government;

¹(b) Omitted

(c) one director to be nominated by the State Bank;

(d) one director to be elected by other scheduled banks;

(e) one director to be elected by co-operative societies;

(f) one director to be elected by insurance companies, investment trusts and other financial institutions, recognised associations and companies dealing in agricultural produce or notified commodities;

²(ff) three directors to be appointed by the Central Government.

(g) a managing director, appointed by the Central Government in consultation with the directors referred to in clauses (a) to (f):

Provided that the three directors to be elected under clauses (d), (e) and (f) may, for the first constitution of the board of directors, be nominated by the Central Government in such manner as to give representation to each class of institutions (whether they have become shareholders of the Corporation or not) referred to in those clauses, but a director so nominated shall hold office only until he is replaced by a director elected as provided in the clause, and the director so elected shall hold office only for so long as the director replaced would have held office had he not been replaced.

- (2) The directors referred to in clauses (d), (e) and (f) of sub-section (1) shall be elected in the prescribed manner.

¹Omitted [Section 7(1)(b)] by Act 45 of 2005 dt. 16 Sept. 2005.

²Ins. by Act 45 of 2005 dt. 16 Sept. 2005.

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- (3) If, within the period prescribed in this behalf, or within such further period as the Central Government may allow, the institutions referred to in clause (d) or clause (e) or clause (f) of sub-section (1) fail to elect a director, the Central Government may nominate a director to fill the vacancy.
- (4) The board of directors shall have a Chairman ¹who shall be appointed by the Central Government from among the directors.
- ²(4A) The directors appointed under clause (ff) of sub-section (1) shall be entitled to receive such salary and allowances as the Central Warehousing Corporation may, with the approval of the Central Government determine.
- (5) The managing director shall—
- (a) exercise such powers and perform such duties as the board of directors or the Central Warehousing Corporation may entrust or delegate to him; and
 - (b) receive such salary and allowances as the Central Warehousing Corporation may, with the approval of the Central Government, fix.
- (6) The directors of the Central Warehousing Corporation other than the managing director shall be entitled to receive by way of remuneration such sums as the Central Warehousing Corporation may, with the approval of the Central Government, fix:
- Provided that no official director shall be entitled to receive any remuneration other than the allowances, if any, admissible to him under the rules regulating his conditions of service.
- (7) The term of office of, and the manner of filling casual vacancies among the directors shall be such as may be prescribed.

Disqualification for office of director of the Central Warehousing Corporation

8. A person shall be disqualified for being chosen as, and for being, a director of the Central Warehousing Corporation—
- (i) if he is found to be a lunatic or becomes of unsound mind; or
 - (ii) 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

¹Omitted (the words "and a Vice-Chairman") by Act 45 of 2005 dt. 16 Sept. 2005.

²Ins. by Act 45 of 2005 dt. 16 Sept. 2005

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- (iii) if he is or has been convicted of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months, unless a period of five years has elapsed from the date of expiry of the sentence; or
- (iv) if he has been removed or dismissed from the service of Government or a Corporation owned and controlled by the Government; or
- (v) except in the case of the directors appointed under clause (ff) of sub-section (1) of section 7 and the managing director, if he is a salaried official of the Central Warehousing Corporation or any State Warehousing Corporation; or
- (vi) if he is personally interested in any subsisting contract made with, or in any work being done for the Central Warehousing Corporation except as a shareholder (other than a director) in any public company as defined in the Companies Act, 1956:

1 of 1956

Provided that where any such person is a shareholder, he shall disclose to the Central Warehousing Corporation the nature and extent of shares held by him in such company.

Removal of Directors from office. 9.

- (1) The Central Government may, at any time in consultation with the Central Warehousing 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 from office any director 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 or more than three consecutive meetings of the board without cause sufficient in the opinion of the board, to exonerate his absence.

Appointment of officers, etc., and their conditions of service. 10.

- (1) The Central Warehousing Corporation may appoint such officers and other employees as it considers necessary for the efficient performance of its functions.
- (2) Every person employed by the Central Warehousing Corporation under this Act shall be subject to such conditions of service and shall be entitled to such

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remuneration as may be determined by regulations made by the Corporation under this Act.

11. Subject to the provisions of this Act, the Central Warehousing Corporation may— Functions of Central Warehousing Corporation

(a) acquire and build godowns and warehouses at such suitable places in India¹ or abroad as it thinks fit;

(b) run warehouses for the storage of agricultural produce, seeds, manures, fertilizers, agricultural implements and notified commodities offered by individuals, co-operative societies and other institutions;

(c) arrange facilities for the transport of agricultural produce, seeds, manures, fertilizers, agricultural implements and notified commodities to and from warehouses;

(d) subscribe to the share capital of a State Warehousing Corporation;

(e) act as agent of the Government for the purposes of the purchase, sale, storage and distribution of agricultural produce, seeds, manures, fertilizers, agricultural implements and notified commodities²;

³(ea) enter into, with the previous approval of the Central Government, joint ventures with any corporation established by or under any Central Act or any State Act or with any company formed and registered under the Companies Act, 1956 including foreign company or through its subsidiary companies, for carrying out the purposes of this Act. 1 of 1956

Explanation.— For the purposes of this clause, the expression "Foreign company" shall have the meaning assigned to it under clause (23A) of section 2 of the Income -Tax Act, 1961; 43 of 1961

⁴(eb) establish subsidiary companies; and

(f) carry out such other functions as may be prescribed.

12.(1) There shall be an Executive Committee of the Central Warehousing Corporation, which shall consist of— Executive Committee

(a) the Chairman⁵ of the board of directors;

(b) the managing director; and

¹Ins. by Act 23 of 2001 dt. 29th Aug., 2001.

²Omitted (the word "and") by Act 23 of 2001 dt. 29th Aug., 2001.

³Ins. by Act 23 of 2001 dt. 29th Aug., 2001.

⁴Ins. by Act 23 of 2001 dt. 29th Aug., 2001.

⁵Omitted (the words "and the Vice-Chairman") by Act 45 of 2005 dt. 16 Sept., 2005

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- (c) two other directors chosen by the Corporation in the prescribed manner.
- (2) The Chairman¹ 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 Central Warehousing Corporation.
- 13.(1) The annual general meeting of the Central Warehousing Corporation (hereinafter referred to as the annual general meeting) shall be held every year either at its head-office or at any other office of the Corporation within six months of the close of the financial year, and any other general meeting may be convened by the board of directors at any other time. Meeting of the Corporation.
- (2) The shareholders present at the annual general meeting shall be entitled to discuss the annual accounts, the report of the board of directors on the working of the Corporation during the year under report, as well as the auditor's report on the annual balance-sheet and accounts.
- (3) The board of directors of the Central Warehousing Corporation shall, on the requisition of one-third of the number of shareholders of the Corporation, call a special meeting of the Corporation.
- (4) The requisition for a special meeting under subsection (3) shall state the object of the meeting, and shall be signed by the requisitionists and deposited at the head-office of the Corporation, and may consist of several documents in like form each signed by one or more requisitionists.
- (5) If the board of directors of the Central Warehousing Corporation do not proceed within twenty-one days from the date of the requisition being so deposited to cause the special meeting to be called, the requisitionists, or a majority of them, may, themselves call the meeting, but in either case, the meeting so called shall be held within three months from the date of the deposit of the requisition.
- (6) The Central Warehousing Corporation 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 Central Warehousing Corporation under this Act.

¹Omitted (the words "and the Vice-Chairman") by Act 45 of 2005 dt. 16 Sept., 2005

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(Chapter II., - The Central Warehousing Corporation)

14. (1) The Central Government may, after due appropriation made by Parliament by law in this behalf, pay to the Central Warehousing Corporation for the purposes of either fund maintained by the Corporation—

Grants and loans
by the Central
Government

- (a) by way of grants, such sums of money as the Central Government may consider necessary; and
- (b) by way of loans, such sums of money on such terms and conditions as the Central Government may determine.

(2) When making a payment under sub-section (1), the Central Government shall specify the fund for the purposes of which the payment is made.

Corporation to
maintain two funds.

15. The Central Warehousing Corporation shall maintain two separate funds, namely:—

- (a) the Central Warehousing Fund (hereinafter referred to as the Warehousing Fund); and
- (b) the General Fund.

Warehousing Fund. 16. (1) To the Warehousing Fund shall be credited—

- (a) all moneys and other securities transferred to the Central Warehousing Corporation under clause(c) of sub-section(2) of section 43;
- (b) such grants and loans as the Central Government may make for the purposes of the Warehousing Fund; and
- (c) such sums of money as may, from time to time, be realized out of the loans made from the Warehousing Fund or from interest on loans or dividends on investments made from that fund.

(2) The Warehousing Fund shall be applied—

- (a) for advancing loans to State Governments on such terms and conditions as the Central Warehousing Corporation may deem fit for the purpose of enabling them to subscribe to the share capital of State Warehousing Corporations;
- (b) for advancing loans and granting subsidies to State Warehousing Corporations or to State Governments on such terms and conditions as the Central Warehousing Corporation may deem fit for the purpose of promoting the warehousing and storage of

Warehousing Corporations

(Chapter II., - The Central Warehousing Corporation, Chapter III.- State Warehousing Corporations)

agricultural produce and notified commodities, otherwise than through co-operative societies;

¹[(c) for meeting the expenses incurred in relation to the training of personnel, or publicity and propaganda, for the purpose of promoting warehousing and storage of agricultural produce and notified commodities;

(d) for meeting the expenses, including the salary, allowances and other remuneration of the officers and other employees, incurred in relation to the administration of the Warehousing Fund.]

General Fund. 17.(1) To the General Fund shall be credited—

(a) all sums received by the Central Warehousing Corporation other than those referred to in sub-section (1) of section 16; and

(b) such grants and loans as the Central Government may make for the purposes of the General Fund.

(2) The General Fund shall be applied—

(a) for meeting the salary, allowances and other remuneration of the officers and other employees of the Central Warehousing Corporation;

(b) for meeting the other administrative expenses of the Corporation; and

(c) for carrying out the purposes of this Act;

²[Provided that the General Fund shall not be applied for meeting the expenses referred to in clause (c) or clause (d) of sub-section (2) of section 16.]

CHAPTER III

STATE WAREHOUSING CORPORATIONS

State
Warehousing
Corporations.

18. (1) The State Government may, by notification in the Official Gazette and with the approval of the Central warehousing Corporation, establish a Warehousing Corporation for the State under such name as may be specified in the notification.

(2) A State Warehousing 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 to acquire, hold and dispose of property and to contract, and may, by the said name, sue and be sued.

¹Ins. by Act 42 of 1976 s.4.

²S.5. *ibid.*

Warehousing Corporations
(Chapter III.- State Warehousing Corporations)

- (3) The head-office of a State Warehousing Corporation shall be at such place within the State as may be notified in the Official Gazette.
- (4) Notwithstanding anything contained in sub-sections (1), (2) and (3), it shall not be necessary for the State Government to establish a Corporation under sub-section (1) where, under clause (g) of sub-section (2) of section 43, a Corporation is deemed to be established for that State under this Act.

19. (1) The authorized capital of a State Warehousing Corporation shall be such sum not exceeding two crores of rupees as may be prescribed, divided into shares of the face value of one hundred rupees each, of which such number as may be determined by the Corporation in consultation with the State Government shall be issued in the first instance and the remaining shares may be issued, from time to time, as and when the Corporation may deem fit after consultation with the Central Warehousing Corporation and with the sanction of the State Government:

Share capital and Shareholders

¹[Provided that in respect of any State Warehousing Corporation the Central Government may, after consultation with the State Government concerned, from time to time and by order notified in the Official Gazette, increase the maximum limit of the authorised capital aforesaid to such extent and in such manner as the Central Government may determine.]

- (2) Of the share capital issued in the first instance and of any subsequent issue of such capital, the Central Warehousing Corporation shall, in any case where the State Government has subscribed for fifty percent of such capital, subscribe for the remaining fifty percent of the capital.

20. (1) The general superintendence and management of the affairs of a State Warehousing Corporation shall vest in a board of directors which shall consist of the following, namely:—

Management of a State Warehousing Corporation.

- (a) five directors nominated by the Central Warehousing Corporation, of whom one shall be nominated in consultation with the State Bank and one at least shall be a non-official;
 - (b) five directors nominated by the State Government;
- and

¹Ins. by Act 42 of 1976, s.6.

Warehousing Corporations
(Chapter III.- State Warehousing Corporations)

- (c) a managing director, appointed by the State Government in consultation with the directors referred to in clauses (a) and (b) and ¹under intimation to the Central Warehousing Corporation.
- (2) The Chairman of the board of directors shall be appointed by the State Government from among the directors of the State Warehousing Corporation ²under intimation to the Central Warehousing Corporation.
- (3) The managing director shall—
- (a) exercise such powers and perform such duties as the board of directors or the State Warehousing Corporation may entrust or delegate to him; and
- (b) receive such salary and allowances as the State Warehousing Corporation may, in consultation with the Central Warehousing Corporation, and with the previous approval of the State Government, fix.
- (4) The board of directors shall act on business principles having regard to public interest and shall be guided by such instructions on questions of policy as may be given to them by the State Government or the Central Warehousing Corporation.
- (5) If any doubt arises as to whether a question is or is not a question of policy, or, if the State Government and the Central Warehousing Corporation give conflicting instructions, the matter shall be referred to the Central Government whose decision thereon shall be final.
- (6) The directors of a State Warehousing Corporation, other than the managing director, shall be entitled to receive by way of remuneration such sums as may be prescribed:
- Provided that no official director shall be entitled to receive any remuneration other than any allowances to admissible him under the rules regulating his conditions of service.
- (7) The term of office of, and the manner of filling casual vacancies among, directors shall be such as may be prescribed.

Disqualification for office of director of the Corporation.

21. A person shall be disqualified for being chosen as, and for being, a director of a State Warehousing Corporation—

- (i) if he is found to be a lunatic or becomes of unsound mind; or

¹Subs. by Act 23 of 2001 dated 29 Aug., 2001 (for the words "with the previous approval of" the words "under intimation to" has been substituted)

²Subs. by Act 23 of 2001 dated 29 Aug., 2001 (for the words "with the previous approval of" the words "under intimation to" has been substituted)

Warehousing Corporations
(Chapter III.- State Warehousing Corporations)

- (ii) 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
- (iii) if he is or has been convicted of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months, unless a period of five years has elapsed from the date of expiry of the sentence; or
- (iv) if he has been removed or dismissed from service of Government or a corporation owned and controlled by the Government; or
- (v) except in the case of the managing director, if he is a salaried official of a State Warehousing Corporation; or
- (vi) if he is personally interested in a subsisting contract made with, or in any work being done for, the State Warehousing Corporation except as a shareholder (other than a director) in any public company as defined in the Companies Act, 1956 (1 of 1956):

Provided that where any such person is a shareholder, he shall disclose to the Warehousing Corporation the nature and extent of the shares held by him in such company.

Removal of
directors from office

22.(1) The State Government may, at any time,² under intimation to the Central Warehousing 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 from office any director who—

- (a) is or has become subject to any of the disqualifications mentioned in section 21; or
- (b) is absent without leave of the board of directors for more than three consecutive meetings of the board without cause sufficient, in the opinion of the board, to exonerate his absence.

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

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

¹Omitted (the words "the Central Warehousing Corporation or") by Act, 23 of 2001 dated 29 Aug 2001

²Subs. by Act 23 of 2001 dated 29 Aug., 2001 (for the words "with the previous approval of" the words "under intimation to" has been substituted)

Warehousing Corporations
(Chapter III.- State Warehousing Corporations)

- (2) Every person employed by a State Warehousing 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 the Corporation under this Act.

Functions of the State Warehousing Corporation.

24. Subject to the provisions of this Act, a State Warehousing Corporation may—

- (a) acquire and build godowns and warehouses at such places within the State as it may, ¹after consultation with the Central Warehousing Corporation, determine;
- (b) run warehouses in the State for the storage of agricultural produce, seeds, manures, fertilizers, agricultural implements and notified commodities;
- (c) arrange facilities for the transport of agricultural produce, seeds, manures, fertilizers, agricultural implements and notified commodities to and from warehouses;
- (d) act as an agent of the Central Warehousing Corporation or of the Government for the purposes of the purchase, sale, storage and distribution of agricultural produce, seeds, manures, fertilizers, agricultural implements and notified commodities;²
- ³(da) enter into, with the previous approval of the state Government, joint ventures with the Central Warehousing Corporation; and
- (e) carry out such other functions as may be prescribed.

¹Subs. by Act 23 of 2001 dated 29 Aug 2001 (for the words "with the previous approval of", the words "after consultation with" has been substituted).

²Omitted (the word "and") by the Act 23 of 2001 dated 29th Aug., 2001.

³ins. by the Act 23 of 2001 dated 29 Aug 2001.

Warehousing Corporations

(Chapter III.- State Warehousing Corporations, Chapter IV.- Finance, Accounts and Audit)

25. (1) There shall be an Executive Committee of a State Warehousing Corporation, which shall consist of—
- Executive Committee.
- (a) the Chairman of the board of directors;
 - (b) the managing director; and
 - (c) three other directors chosen in the prescribed manner, of whom one shall be a director referred to in clause (a) of sub-section (1) of section 20.
- (2) The Chairman of the board of directors shall be the Chairman of the Executive Committee
- (3) Subject to any general or special directions as the board of directors may, from time to time, give, the Executive Committee shall be competent to deal with any matter within the competence of the State Warehousing Corporation.

CHAPTER - IV

FINANCE, ACCOUNTS AND AUDIT

- 26 (1) Every Warehousing Corporation shall prepare before the commencement of each year a statement of programme of its activities during the forthcoming year as well as a financial estimate in respect thereof.
- Submission of programme of activities and financial estimates
- (2) A statement prepared under sub-section (1) shall, not later than three months before the commencement of each year, be submitted for approval—
- (a) in the case of the Central Warehousing Corporation, to the Central Government;
 - (b) in the case of a State Warehousing Corporation, to the Central Warehousing Corporation and the State Government.
- (3) The statement and the financial estimate of a Warehousing Corporation referred to in sub-section (1) may, with the approval of the Central Government in the case of the Central Warehousing Corporation, or with the approval of the Central Warehousing Corporation and the State Government in the case of a State Warehousing Corporation, be revised by the Warehousing Corporation.

Warehousing Corporations
(Chapter IV.- Finance, Accounts and Audit)

- 27 (1) A Warehousing Corporation may, in consultation with the Reserve Bank and with the previous approval of the appropriate Government, issue and sell bonds and debentures carrying interest for the purpose of raising funds:

Borrowing powers of Warehousing Corporation.

Provided that the total amount of bonds and debentures issued and outstanding and of the other borrowing of the Corporation shall not at any time exceed ten times the amount of the paid-up share capital and the reserve fund of the Corporation.

- (2) A Warehousing Corporation may, for the purpose of carrying out its functions under this Act, borrow money—

(i) from the Reserve Bank, or

(ii) from the State Bank, for such periods for which, and upon any of the securities against which, it is authorised to advance and lend moneys, under the provisions of ¹[the State Bank of India Act, 1955 or]

²(iii) from any Scheduled bank, or

(iv) from such insurance company, investment trust or other financial institution as may be approved by the Central Government in this behalf.³

- (3) Subject to the proviso to sub-section (1), the Central Warehousing Corporation may borrow money from the Central Government and a State Warehousing Corporation may borrow money from the State Government and the Central Warehousing Corporation on such securities and on such terms and conditions as may be agreed upon between the borrowing corporation and the lender, in each case.

- (4) ⁶ The bonds and debentures of a State warehousing Corporation may be guaranteed by the appropriate Government on the recommendation of the Board of Directors of the State Warehousing Corporation at the time such bonds or debentures are issued".

- Deposit Account 28. All moneys belonging to a Warehousing Corporation shall be deposited in the Reserve Bank or the State Bank ⁴[or any nationalized bank] or subject to any rules made under this Act, in ⁵[any other scheduled bank] or co-operative bank.

¹Subs. by Act 42 of 1976, s.7, for "the State Bank of India Act, 1955"

²Ins. by s.7, *ibid.* Subs. by Act 45 of 2005 dated 16 sept. 2005

³27 Ins. Comps. Notification No. 803 dt.22 Sept. 2004[S.O.1024(E)]

⁴Ins. by Act 42 of 1976, s.8

⁵Subs. by s.8, *ibid.* for "any scheduled bank"

⁶ Subs. by Act no 16 of 2015 dated 13th May, 2015

Warehousing Corporations
(Chapter IV.- Finance, Accounts and Audit)

Investment of funds

29. A Warehousing Corporation may invest its funds in the securities of the Central or any State Government or in such other manner as may be prescribed by the appropriate Government.

Disposal of profits.

30. (1) Every Warehousing Corporation shall establish a reserve fund out of its annual net profits.

- (2) After making provision for bad and doubtful debts, depreciation on assets and all other matters which are usually provided for by companies registered and incorporated under the Companies Act, 1956, a Warehousing Corporation may, out of its net annual profits, declare a dividend: 1 of 1956

Omitted by Act no 16 of 2015 dated 13th May, 2015

Provided that for so long as the reserve fund is less than the paid-up share capital of the Central Warehousing Corporation and until there has been repaid to the Central Government such sum, if any, as that Government may have paid under a guarantee given in pursuance of sub-section (1) of section 5 or sub-section (4) of section 27, the rate of such dividend, in the case of the Central Warehousing Corporation, shall not exceed the rate guaranteed by the Central Government under sub-section (1) of section 5.

Accounts and audit of Warehousing Corporation.

31. (1) Every Warehousing 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:

Provided that, in the case of the Central Warehousing Corporation, the accounts relating to the Warehousing Fund and the General Fund shall be maintained separately.

- (2) The accounts of a Warehousing Corporation shall be audited by an auditor duly qualified to act as an auditor of companies under section 226 of the Companies Act, 1956. 1 of 1956
- (3) The said auditor shall be appointed by the appropriate Government on the advice of the Comptroller and Auditor-General of India.
- (4) The auditor shall be supplied with a copy of the annual balance sheet and the profit and loss account of the Warehousing Corporation and it shall be his duty to examine them together with the account and vouchers relating thereto, and he shall have a list delivered to him of all books kept by the Corporation.

Warehousing Corporations
(Chapter IV.- Finance, Accounts and Audit)

and shall at all reasonable times have access to the books, accounts and other documents of the Corporation and may require from any officer of the Corporation such information and explanations as the auditor may think necessary for the performance of his duties as auditor.

- (5) The auditor shall make a report to the shareholders on the accounts examined by him and on the annual balance sheet and the profit and loss account and in every such report, he shall state whether in his opinion the accounts give a true and fair view—
- (a) in the case of the balance sheet, of the state of the Corporation's affairs at the end of its financial year, and
- (b) in the case of the profit and loss account, of the profit or loss for its financial year, and in case he has called for any explanation or information from the officers, whether it has been given and whether it is satisfactory.
- (6) The appropriate Government may, after consultation with the Comptroller and Auditor-General of India at any time issue directions to the auditor requiring him to report to the appropriate Government upon the adequacy of measures taken by a Warehousing Corporation for the protection of its shareholders and creditors or upon the sufficiency of his procedure in auditing the accounts of the Corporation and may enlarge or extend the scope of the audit or direct that a different procedure in audit may be adopted or direct that any other examination may be made by the auditor if in the opinion of the appropriate government public interest so requires.
- (7) A Warehousing Corporation shall send a copy of every report of the auditor to the Comptroller and Auditor-General of India and to the Central Government at least one month before it is placed before the shareholders.
- (8) Notwithstanding anything hereinbefore contained in this section, the Comptroller and Auditor-General of India may, either of his own motion or on a request received in this behalf from the appropriate Government, undertake in respect of a Warehousing Corporation such audit and at such time as he may consider necessary:

Provided that where the Central Government is required to make any payment on account of the

Warehousing Corporations

(Chapter IV.- Finance, Accounts and Audit, Chapter V.- Miscellaneous)

guarantee given by it under sub-section (1) of section 5, such audit shall be undertaken by the Comptroller and Auditor-General of India or any person authorised by him in this behalf.

- (9) The Comptroller and Auditor-General of India and any person authorised by him in connection with the audit of the accounts of a Warehousing 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 the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect the office of the Corporation.
- (10) The annual accounts of a Warehousing Corporation together with the audit report thereon shall be placed before the annual general meeting of the Corporation within six months of the close of the financial year.
- (11) Every audit report under this section shall be forwarded to the appropriate Government within a month of its being placed before the annual general meeting and that Government shall as soon thereafter as may be cause the same to be laid before both Houses of Parliament or the Legislature of the State, as the case may be.
- [31 A. Warehousing Corporation shall furnish to the appropriate Government such returns, statistics, accounts and other information with respect to its property or activities as that Government may, from time to time, require.]

Returns and reports.

CHAPTER - V

MISCELLANEOUS

32. No act or proceeding of a Warehousing Corporation shall be invalid by reason only of the existence of any vacancy among its directors or any defect in the constitution thereof.
33. A Warehousing Corporation may, by general or special order in writing, delegate to 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 for the efficient performance of its functions.

Vacancies, etc., not to invalidate acts and proceedings of Warehousing Corporations.

Delegation.

¹Ins. by Act 42 of 1976 s.9.

Warehousing Corporations
(Chapter V.- Miscellaneous)

34. In any meeting of the shareholders of a Warehousing Corporation, every member shall have one vote in respect of each share held by him in the Corporation. Voting rights shareholders
35. If there is any difference of opinion between the Central Warehousing Corporation and a State Warehousing Corporation regarding their respective functions and powers under this Act, such difference shall be referred to the Central Government whose decision thereon shall be final. Disputes between Central Warehousing Corporation and State Warehousing Corporation.
36. Every director, auditor, officer or other employee of a Warehousing Corporation shall, before entering upon his duties, make a declaration of fidelity and secrecy in the form set out in the Schedule. Declaration of fidelity and secrecy.
37. (1) Every director of a Warehousing Corporation shall be indemnified by the Corporation concerned against all losses and expenses incurred in the discharge of his duties except such as are caused by his own willful act or default. Indemnity of directors.
- (2) A director of a warehousing Corporation shall not be responsible for any other director or for any officer or other employee of the Corporation or for any loss or expense resulting to the Corporation by 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 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.
38. (1) Whoever, without the consent in writing of a Warehousing Corporation, uses the name of that Corporation in any prospectus or advertisement, shall be punishable with imprisonment which may extend to six months, or with fine which may extend to one thousand rupees, or with both. Offences.
- (2) No court shall take cognizance of any offence under sub-section (1) otherwise than on a complaint in writing by an officer authorised in this behalf by the Warehousing Corporation concerned.
39. For the purposes of the Income-tax Act, 1961, a Warehousing Corporation shall be deemed to be a company within the meaning of that Act and shall be liable to income-tax and super-tax accordingly on its income, profits and gains: 43 of 1961

Provisions relating to income-tax and super-tax.

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Provided that, in the case of the Central Warehousing Corporation, any sum paid by the Central Government under the guarantee given in pursuance of sub-section (1) of section 5 or, in the case of a Warehousing Corporation, any sum paid by the Central or a State Government under any guarantee given in pursuance of sub-section (4) of section 27 shall not be treated as income, profits and gains of a Warehousing Corporation, and any interest on the debentures or bonds issued by that Corporation out of such sums shall not be treated as expenditure incurred by it:

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Provided further that in the case of any shareholder or Debenture-holder, such portion of a dividend or interest as has been paid out of any such sum advanced by the Central Government shall be deemed to be his income from interest on securities declared to the income-tax-free within the meaning of section 86 of that Act.

Winding up of
Warehousing
Corporations.

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

Power to make rules.

41. (1) The appropriate 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 additional functions which a Warehousing Corporation may perform;

(b) the manner of nomination and election of the directors of the Central Warehousing Corporation and the period within which such directors shall be nominated or elected;

(c) the term of office of, and the manner of filling casual vacancies among, and the remuneration payable to, the directors of a Warehousing Corporation;

(d) the manner of choosing directors on the Executive Committee of a Warehousing Corporation;

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- (e) the authorised capital of a State Warehousing Corporation ¹[within the maximum limit specified by or under sub-section (1) of section 19];
 - (f) the form of the annual statement of accounts and the balance-sheet to be prepared by a Warehousing Corporation;
 - (g) the deposit of moneys of a Warehousing Corporation in a scheduled bank or a co-operative bank;
 - (h) the manner of issuing shares of a Warehousing Corporation, the calls to be made in respect thereof, and all other matters incidental to the issue of shares;
 - ²[(i) the form and manner in which returns, statistics, accounts and other information are to be furnished, under section 31A, by a Warehousing Corporation;]
 - ³[(j)] any other matters which has to be or may be prescribed.
- (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 ¹(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.

Power of
Warehousing
Corporations
to make regulations.

42. (1) A Warehousing Corporation may, with the previous sanction of the appropriate 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 provision is necessary or expedient for the purposes of giving effect to the provisions of this Act.
- (2) In particular, and without prejudice to the generality of the foregoing power, such regulations may provide for—

¹Subs. by Act 42 of 1976, s.10, for certain words.

²Ins. by s. 10. *ibid*

³Cl. (i) was relettered as cl. (j) by s. 10. *ibid*.

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- (a) the conditions of service of, and the remuneration payable to, the officers and other employees of a Warehousing Corporation;
 - (b) the manner in which, and the conditions subject to which, shares of the Central Warehousing Corporation may be transferred;
 - (c) the manner in which meetings of a Warehousing Corporation and the Executive Committee thereof shall be convened, the fees for attending such meetings and the procedure to be followed thereat;
 - (d) the duties and conduct of officers and employees of a Warehousing Corporation;
 - (e) the powers and duties which may be entrusted or delegated to the managing director of a Warehousing Corporation;
 - (f) generally, the efficient conduct of the affairs of a Warehousing Corporation.
- (3) The appropriate Government may, by notification in the Official Gazette, rescind any regulation which it has sanctioned and thereupon the regulation shall cease to have effect.

Repeal and savings.

- 43.(1) With effect from the date on which the Central Warehousing Corporation is established under section 3, the Agricultural Produce (Development and Warehousing) Corporation Act, 1956 (28 of 1956), in so far as it has not been repealed by the National Co-operative Development Corporation Act, 1962 (26 of 1962), shall stand repealed:
- (2) Notwithstanding such repeal,—
- (a) the shares allotted and the share certificates issued by the Central Warehousing Corporation established under the repealed Act (hereinafter referred to as the said Corporation) shall be deemed to have been allotted and issued by the Corporation established under section 3 of this Act as if this Act had been in force on the day on which the shares were allotted and the share certificates were issued;
 - (b) every shareholder of the said Corporation shall become the holder of as many shares in the Corporation established under section 3 of this Act as are equivalent in number and value to the shares held by him in the said Corporation;

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(Chapter V.- Miscellaneous)

- (c) all moneys and other securities belonging to the National Warehousing Development Fund which, immediately before the said date, was maintained by the said Corporation shall stand transferred to and be maintained by the Corporation established under section 3 of this Act;
- (d) anything done or any action taken (including any appointment, nomination, delegation, rule or regulation made) under the repealed Act shall, in so far as it is not inconsistent with the provisions of this Act, be deemed to have been done or taken under this Act;
- (e) every share held by the said Corporation in a State Warehousing Corporation under the repealed Act shall be deemed to be a share held by the Corporation established under section 3 of this Act in the corresponding State Warehousing Corporation deemed to be established under this Act;
- (f) all rights, liabilities and obligations of the said Corporation, whether arising out of any contract or otherwise, shall be the rights, liabilities and obligations respectively of the Corporation established under section 3 of this Act;
- (g) a State Warehousing Corporation established for a State under the repealed Act shall be deemed to be the State Warehousing Corporation established for that State under this Act.

Warehousing Corporations

THE SCHEDULE

(See section 36)

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 a director, officer, employee or auditor (as the case may be) of the Warehousing Corporation and which properly relate to the office or position in the said 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 nor will I allow any such person to inspect or have access to any books or documents belonging to, or in the possession of, the Corporation and relating to the business of the Corporation.

Signature

Signature

Signature

Signed before me

Date