

CHAPTER 11

THE CENTRAL WAREHOUSING CORPORATION

<p>3. (1) with effect from such date as the Central government may be notification in the Official Gazette, specify in this behalf, the Central Government shall establish 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, use and be used</p>	The central warehousing corporation
<p>(2) The head-office of the Central Warehousing Corporation shall be at New Delhi ¹[or at such other place as the Central Government may, by notification in the Official Gazette, specify].</p>	
<p>4. (1) The authorized share capital of the Central Warehousing Corporation shall be twenty crores of rupees divided into two 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:</p>	Share capital and shareholders

1. Ins by Act 34 of 1963, s. 2.

<p>¹[Provided that the Central Government may, from time to time, by order notified in the Official Gazette, Increase the authorized share capital of the Central Warehousing Corporation to such extent and in such manner as that Government may determine.]</p>	
<p>(2) ²[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 percent, of the share capital may be subscribed for, within such period and in such proportion as may be</p>	

<p>specified by the Central Government, by the following institutions, namely;</p> <ul style="list-style-type: none"> a.) the State Bank; b.) other scheduled banks; c.) Co-operative Societies; d.) insurance companies, investment trusts and other financial institution e.) recognized associations and company dealing in agricultural produce or any notified commodity. 	
<p>(3) If any portion of the sixty percent 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.</p>	
<p>(4) The shares of the Central Warehousing Corporation shall not be transferable except to the Central government 1[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 recognized 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.</p>	
<p>5. (1) The shares of the Central Warehousing Corporation shall be guaranteed by the Central Government as to the repayment of the principal and the payment of the annual dividend at such minimum rate as may be fixed by the Central government, by notification published in the Official Gazette, at the time of the Issues of the shares</p>	<p>Shares to be guaranteed by central government and to be trust or approved securities.</p>
<p>(2) Notwithstanding anything contained in the Acts mentioned in this sub-section, the shares of the Central Warehousing Corporation shall be deemed to be included among the securities enumerated in section 20 of the Indian Trusts Act, 1882, and also to be approved securities for the purpose of the Insurance Act. 1938 and the Banking companies act ,1949.</p>	<p>2 of 1882 4 of 1938 10 of 1949</p>

<p>6. (1) The general superintendence and management of the affairs and business of the Central Warehousing Corporation shall vest in 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</p>	<p>Management of central warehousing corporation</p>
<p>1 Subs. by Act 42 of 1976, s. 3 for certain words.</p>	
<p>(2) The board of directors shall act on business principles having regard to public interest and shall be guided by such instruction on questions of policy as may be given to them by the Central Government. (3) If any doubt arises as to whether question is or is not a question of policy, the decision of the Central Government shall be final.</p>	
<p>7. (1) The board of directors referred to in section 6 shall consist of the following, namely: (a) six directors to be nominated by the Central Government. (b) one director to be nominated by the National Co-operative Development Corporation established under the National Cooperative Development Corporation Act, 1962; (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 cooperative societies; (f) one director to be elected by insurance companies, investment trusts and other financial institutions, recognized associations and companies dealing in agricultural produce or notified commodities; (g) a Managing director, appointed by the Central Government in consultation with the directors referred to in clauses (a) to (f);</p> <p>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 that 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.</p>	<p>Directors. 26 of 1962</p>

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

(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) of clause (f) of sub-section (i) fail to elect a director, the Central Government may nominate a director to fill the vacancy.

(4) The board of directors shall have Chairman and a Vice-Chairman who shall be appointed by the Central Government from among the directors.

(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, 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.

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, adjudicate insolvent or has suspended payment of his debts or has compounded with his creditors: or

Disqualification for office of director of the Central Warehousing Corporation

<p>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 period of five years has elapsed from the date of expiry of the sentence ;or</p> <p>iv. if he has been removed or dismissed from the service of Government or a Corporation owned and controlled by the government; or</p> <p>v. except in the case of the managing director, if he is a salaried official of the Central Warehousing Corporation or any State Warehousing Corporation; or</p> <p>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 share holder (other than a director) in any public company as defined in the Companies Act, 1956</p> <p>Provided that where any such person is shareholder, he shall disclose to the Central Warehousing Corporation the nature and extent of shares by him in such company.</p>	<p>1 of 1956</p>
<p>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 reasonable opportunity of showing cause against the proposed removal.</p> <p>(2) The board of directors may remove from office any director who</p> <p>(a) is or has become subject to any of the disqualifications mentioned in section 8:or</p> <p>(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.</p>	<p>Removal of directors from office</p>
<p>10. (1) The Central Warehousing Corporation may appoint such officers and other employees as it considers necessary for the efficient performance of its functions.</p> <p>(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 Remuneration as may be determined by regulations made by the Corporation under this Act.</p>	<p>Appointment of officers, etc., and their conditions of service</p>

<p>11. Subject to the provisions of this Act, the Central Warehousing Corporation may</p> <ul style="list-style-type: none"> (a) acquire and build godowns and warehouses at such suitable places in India as it thinks fit (b) run warehouses for the storage of agricultural produce, seeds manures, fertilizers, agricultural implements and notified commodities offered by individuals, cooperative 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 State Warehousing Corporation: (e) act as agent of the Government for the purpose of the purchase, sale, storage and distribution of agricultural produce, seeds, manures, fertilizers, agricultural implements and notified commodities; and (f) carry out such other functions as may be prescribed. 	<p>Function of Central Warehousing Corporation</p>
<p>12. (1) There shall be an Executive Committee of the Central Warehousing which shall consist of</p> <ul style="list-style-type: none"> (a) the Chairman and the Vice-Chairman of the board of directors: (b) the managing director and (c) two other directors chosen by the Corporation in the prescribed manner. <p>(2) The Chairman and the Vice Chairman of the board of directors shall be the Chairman and the Vice-Chairman respectively of the Executive Committee.</p> <p>(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.</p>	<p>Executive committee</p>
<p>13.</p> <p>(1) The annual general meeting of the Central Warehousing Corporation (herein-after referred to as</p>	<p>Meetings of the corporation</p>

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.

(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 the 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 requisitioner, 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.

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

(a) by way of grants, such sums of money as the Central Government may consider necessary, and

Grants and loans by the Central Government

<p>(b) by way of loans, such sums of money on such terms and conditions as the Central Government may determine.</p> <p>(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.</p>	
<p>15 The Central Warehousing Corporation shall maintain two separate funds, namely</p> <ul style="list-style-type: none"> a) the Central Warehousing Fund (hereinafter referred to as the Warehousing Fund; and b) the General Fund 	<p>Corporation to maintain two funds.</p>
<p>16. (1) To the Warehousing Fund shall be Credited</p> <p>(a) all moneys and other securities transferred to the Central Warehousing Corporation under clause (c) of Subsection (2) of Section 43:</p> <p>(b) such grants and loans as the Central Government may make for the purposes of the Warehousing Fund; and</p> <p>(c) Such sums of money as may, from time to time, be realised out of the loans made from the Warehousing Fund or from interest on loans or dividends on investments made from that fund.</p> <p>(2) The Warehousing Fund shall be Applied</p> <p>(a) for advancing loans of 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 ;</p> <p>(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 agricultural produce and notified commodities otherwise than through co-operative societies;</p> <p>'[(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;</p>	<p>Warehousing Fund.</p>

<p>(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.)</p>	
<p>17. (1) To the General Fund shall be Credited</p> <p>(a) all sums received by the Central Warehousing Corporation other than those referred to in sub-section (1) of section 16 ; and</p> <p>(b) such grants and loans as the Central Government may make for the purpose of the General Fund.</p> <p>(2) the General Fund shall be Applied</p> <p>(a) for meeting the salary, allowances and other remuneration of the officers and other employees of the Central Warehousing Corporation</p> <p>(b) for meeting the other administrative expenses of the Corporation, and</p> <p>(c) for carrying out the purpose of this</p> <p>Act:</p> <p>¹[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.]</p>	<p>General Fund</p>