

CHAPTER III

STATE WAREHOUSING CORPORATION

State Warehousing Corporation	<p>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.</p> <p>(2) A State Warehousing Corporation established under sub-section (1) shall be body corporate by the name notified under that sub-section, having perpetual succession and common seal, with power to acquire, hold and dispose of property and to contract, and may, by the said name, sue and be sued.</p> <p>(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.</p> <p>(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.</p>
Share capital and share Holders	<p>19. (1) The authorised 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;</p> <p>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,</p>

	<p>increase the maximum limit of the authorised capital aforesaid to such extent and in such manner as the Central Government may determine.]</p> <p>(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.</p>
<p>Management of a 'State Warehousing Corporation</p>	<p>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:</p> <p>(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 ;</p> <p>(b) five directors nominated by the State Government, and</p> <p>(c) a managing Director, appointed by the State Government in consultation with the directors referred to in clauses (a) and (b) and with the previous approval of the Central Warehousing Corporation.</p> <p>(2) The Chairman of the board of directors shall be appointed by the State Government from among the directors of the State Warehousing Corporation with be previous approval of the Central Warehousing Corporation.</p> <p>(3) The managing director shall</p> <p>(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</p> <p>(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.</p> <p>(4) The board of directors shall act on business principles having regard to public interest and shall be guided by</p>

	<p>such instructions on questions of policy as may be given to them by the State Government or the Central Warehousing Corporation.</p> <p>(5) If any doubt arises as to whether, 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.</p> <p>(6) The directors of a State Ware housing Corporation, other than the managing director, shall be entitled to receive by way of remuneration such sums as may be prescribed</p> <p>Provided that no official director shall be entitled to receive any remuneration other than any allowances admissible to him under the rules regulating his conditions of service.</p> <p>(7) The term of office of, and the manner of filling casual vacancies among, directors shall be such as may be prescribed.</p>
<p>Disqualification for office of director of the corporation</p>	<p>21. A person shall be disqualified for being chosen as, and for being, a director of a State Warehousing Corporation</p> <ul style="list-style-type: none"> (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 (iii) if he is or has been convicted of any offence involving moral turpitude and sentenced in respect there of 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 the Central Ware

	<p>housing Corporation or a State Warehousing Corporation; or</p> <p>(vi) if he is personally interested in 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;</p>
1 of 1956	<p>Provided that where any such person is a shareholder, he shall disclose to the Ware housing Corporation the nature and extent of the Shares held by him in such company.</p>
Removal of directors from office,	<p>22. (1) The State Government may, at any time, with the previous approval of 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 disqualification mentioned in section 21; 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>
Appointment of officers, etc, and their conditions of service	<p>23. (1) A State 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 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.</p>
Functions of the State Warehousing Corporation.	<p>24. Subject to the provisions of this Act a State warehousing Corporation may</p>

	<p>(a) acquire and build godowns and warehouses at such places within the State as it may, with the previous approval of the Central Warehousing Corporation, determine;</p> <p>(b) run warehouses in the State for the storage of agricultural produce, seeds, manures, fertilizers, agricultural implements and notified commodities</p> <p>(c) arrange facilities for the transport of agricultural produce, seeds, manures fertilizers, agricultural implements and notified commodities to and from warehouses;</p> <p>(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 and</p> <p>(e) carry out such other functions as may be prescribed.</p>
	<p>25. (1) There shall be an Executive committee of a State Warehousing Corporation which shall consist of</p> <p>(a) the Chairman of the board of directors:</p> <p>(b) the managing director ; and</p> <p>(c) there other directors chosen in the prescribed manner, of whom one shall be director referred to in clause (a) of sub section (1) of section 20.</p> <p>(2) The Chairman of the board of directors shall be the Chairman of the Executive Committee.</p> <p>(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.</p>