

CHAPTER IV

FINANCE, ACCOUNTS AUDIT

<p>Submission of programme of activities and financial estimates</p>	<p>26. (1) Every Warehousing Corporation shall prepare before the commencement each year a statement of programme of its activities during the forthcoming year as well as a financial estimate in respect thereof.</p> <p>(2) A statement prepared under sub section (1) shall, not later than three months before the commencement of each year, be submitted for approval-</p> <p>(a) in the case of the Central Warehousing Corporation, to the Central Government</p> <p>(b) in the case of a State Warehousing Corporation, to the Central Warehousing corporation and the State Government.</p> <p>(3) The statement and the financial estimate of a Warehousing Corporation refer red 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.</p>
<p>Borrowing powers of Warehousing Corporation.</p>	<p>27 (1) 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;</p> <p>Provided that the total amount of bonds and debentures issued and outstanding and of the other borrowings 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,</p> <p>(2) A Warehousing Corporation may, for the purpose of carrying out its functions under this Act, borrow money</p> <p>I. from the Reserve Bank, or</p>

<p>23 of 1955</p>	<p>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]</p> <p>III. from any nationalised bank, or</p> <p>IV. from such insurance company investment trust or other financial institution as may be approved by the Central government in this behalf.]</p> <p>(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 upto between the borrowing corporation and the lender in each case</p> <p>(4) The bonds and debentures of Warehousing Corporation may be guaranteed by the appropriate Government as to the re payment of principal and the payment of interest at such rate as may be fixed by the appropriate Government on the recommendation of the board of directors of the Corporation at the time the bonds or debentures are issued.</p>
<p>Deposit account.</p>	<p>28. All moneys belonging to a Warehousing Corporation shall be deposited in the Reserve Bank or the State Bank 1[or any nationalized Bank] or subject to any rules made under this Act, in 2[any other scheduled bank] or cooperative bank.</p>
<p>Investment of funds.</p>	<p>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.</p>
<p>Disposal of profits</p>	<p>30. (1) Every Warehousing Corporation shall establish a reserve fund out of its annual net profits</p> <p>(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</p>

<p>1 of 1956</p>	<p>Warehousing Corporation may, out of its net annual profits, declare a dividend;</p> <p>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.</p>
<p>Accounts and audit of Warehousing Corporation</p> <p>1 of 1956</p>	<p>31. (1) Every Warehousing Corporation, shall maintain proper accounts and other relevant records and prepare and annual statement of accounts including the profit and loss account and the balance sheet in such form as may be prescribed</p> <p>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</p> <p>(2) The accounts of a Warehousing Corporation shall be audited by an auditor duly qualified to act as auditor of companies under section 226 of the Companies Act, 1956.</p> <p>(3) The said auditor shall be appointed by the appropriate Government on the advice of the Comptroller and Auditor-General of India.</p> <p>(4) The auditor shall be supplied with 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 accounts and vouchers relating thereto, and he shall have a list delivered to him of all books kept by the Corporation 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.</p>

(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 share holders 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 herebefore 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 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 guarantee given by it under sub-section(1) of sections, such audit shall

<p>Returns and reports</p>	<p>be under taken by the comptroller and Auditor General of India or any person authorized by him in this behalf.</p> <p>(9) The Comptroller and Auditor General of India and any person authorized 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 right to demand the production of books, account, connected vouchers and other documents and papers and to inspect the office of the Corporation.</p> <p>(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.</p> <p>(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.</p> <p>1[31A. 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.]</p>
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