

The Madhya Pradesh State Warehousing Corporation (Apportionment of assets, rights and liabilities) Order, 2006

MADHYA PRADESH

India

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Regulation

THE-MADHYA-PRADESH-STATE-WAREHOUSING-CORPORATION-AP of 2006

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The Madhya Pradesh State Warehousing Corporation (Apportionment of assets, rights and liabilities) Order, 2006 Published vide Notification No. G.S.R. 28(E), 16th January, 2007 Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) Order G.S.R. 28(E). - In exercise of the powers conferred by sub-section (3) of section 58 of the Madhya Pradesh Reorganisation Act, 2000 (28 of 2000), the Central Government hereby makes the following Order in relation to the apportionment of the assets, rights and liabilities of the Madhya Pradesh Warehousing Corporation established under the Warehousing Corporations Act, 1962 (58 of 1962) as it existed immediately prior to the appointed day, namely :-

1. Short title and commencement.

(1) This Order may be called the Madhya Pradesh State Warehousing Corporation (Apportionment of assets, rights and liabilities) Order, 2006. (2) It shall be deemed to have come into force on the first day of April, 2003.

2. Definitions.

- In this Order, unless the context otherwise require, -(a) "Act" means the Warehousing Corporation Act, 1962 (58 of 1962); (b) "appointed day" for the purposes of this Order, means the 1st day of April, 2003; (c) "Corporation" means the Madhya Pradesh State Warehousing Corporation established

under the Warehousing Corporations Act, 1962 (58 of 1962) as it existed immediately before the appointed day.

3. Business of Corporation.

(1)The Corporation is deemed to have been dissolved with effect from the 1st day of October, 2002 in terms of sub-section (3) of Section 58 of the Madhya Pradesh Reorganisation Act, 2000, and hence this Order of apportionment of assets, rights and liabilities of the Corporation.(2)With the formation of Madhya Pradesh Warehousing and Logistics Corporation by the Government of Madhya Pradesh with effect from the 31st March, 2003, the Madhya Pradesh State Warehousing Corporation is deemed to have ceased to do business from the date of dissolution i.e. 1st day of October, 2002, but remained in suspended animation thereafter till the finalization and adoption of accounts for the year 2000-01, 2001-02 and 2002-03 till the formation of new Corporation namely Madhya Pradesh Warehousing and Logistics Corporation by Madhya Pradesh Government viz. 31st March, 2003.

4. Balance Sheet.

- The details given in the balance sheet of the Corporation as on the 1st day of October, 2002 shall constitute the audited assets and liabilities of the Corporation.

5. Share Capital.

(1)The share capital of the Corporation would be apportioned between successor Warehousing Corporations of Madhya Pradesh and Chattisgarh in such manner as agreed upon between them by order of the Central Government enabling the Madhya Pradesh Warehousing and Logistics Corporation and Chattisgarh States are housing Corporation to take over from the Corporation all or any of its assets, rights and liabilities of the Corporation in terms of sub-section (3) of section 58 of the Madhya Pradesh Reorganisation Act, 2000.(2)Madhya Pradesh Warehousing and Logistics Corporation and Chattisgarh State Warehousing Corporation would issue the shares of the face value of Rs. 1 crore each to be contributed both the shareholders namely the respective State Government and the Central Warehousing Corporation on 50:50 basis, in the first instance, against the authorized capital of the respective State Warehousing Corporation to be Rs.2 crore. In other words, Central Warehousing Corporation would be contributing Rs.50 lakh each to the equity of the two newly created Warehousing Corporations in the first instance, on the formation of the two new State Warehousing Corporations.

6. Assets, Rights and Liabilities.

(1)The assets, rights and liabilities of the Madhya Pradesh Warehousing Corporation as on the 1st day of May, 2002 would be shared by Madhya Pradesh and Chattisgarh in the ratio of 68.35:31.65 respectively and transferred to the new Corporations that is Madhya Pradesh Warehousing and Logistics Corporation and Chattisgarh State Warehousing Corporation from the date the new

Corporations were set up viz. 31st March, 2003 and 2nd May, 2002 respectively.(2)After bifurcation of the assets and liabilities as on the 1st day of May, 2002, the assets of Madhya Pradesh State Warehousing Corporation alongwith goods stored in the godown in the State of Chattisgarh are deemed to have been transferred to Chattisgarh State Warehousing Corporation with effect from the 2nd May, 2002. All remaining assets alongwith goods stored in the godowns of Madhya Pradesh State Warehousing Corporation in Madhya Pradesh are deemed to have been transferred to the new Corporation Madhya Pradesh Warehousing and Logistics Corporation formed by the Madhya Pradesh Government from the appointed day.(3)The new Corporation formed by Madhya Pradesh Government would also be entitled to take overall amount standing to the credit of Madhya Pradesh State Warehousing Corporation in any bank with which it is presently doing business.(4)The new Corporation formed by the Madhya Pradesh Government, that is, Madhya Pradesh Warehousing and Logistics Corporation would be deemed to have simultaneously assumed all the rights, obligations and liabilities in respects of any contracts of Madhya Pradesh State Warehousing Corporation relating to goods stored, property and interests in the State of Madhya Pradesh, while the Chattisgarh State Warehousing Corporation would be deemed to have assumed the rights and obligations relating to goods stored, property and interests of Madhya Pradesh State Warehousing Corporation in the State of Chattisgarh.(5)All expenses of litigation, audit etc. on behalf of Madhya Pradesh State Warehousing Corporation after it ceases its business would be paid by the new Corporation, that is, Madhya Pradesh Warehousing and Logistics Corporation in the first instance, and shall be shared in the agreed proportion by the Madhya Pradesh Warehousing, and Logistics Corporation and Chattisgarh State Warehousing Corporation.

7. Staff.

(1)The employees of Madhya Pradesh State Warehousing Corporation would be divided according to the principle adopted by the State Advisory Committee in respect of State Government employees in the ratio of 68.35:31.65.(2)The services of employees of Madhya Pradesh State Warehousing Corporation working in Chattisgarh as on 2nd May, 2002 would be treated on deputation to Chattisgarh State Warehousing Corporation (CGSWC) from that date.(3)The services of all staff employed by Madhya Pradesh State Warehousing Corporation, other than those employees, whose services have been transferred to the Chattisgarh State Warehousing Corporation, would be deemed to have been transferred to new Corporation formed by the Madhya Pradesh Government from the 31st March, 2003.(4)The salary of excess employees with effect from the 2nd May, 2002 may be initially paid by Madhya Pradesh State Warehousing Corporation and then it may be shared on 50:50 basis by both Corporations till the transfer of staff as per agreed ratio, is complete.

8. Overall financial adjustment.

- The division of assets and liabilities mentioned in clauses 4 and 6 shall be subject to overall financial adjustment among the States or Madhya Pradesh and Chattisgarh in such manner that the net assets, that is to say, the excess of assets over liabilities, shall accrue to them in the 68.35:31.65 ratio.

9. Accounts.

- The account books of the erstwhile Madhya Pradesh State Warehousing Corporation and all other relevant records upto 31st March, 2003 shall continue to be maintained by the State of Madhya Pradesh.

10. Joint Reserve Fund.

- In order to meet the known or unknown liabilities of the Corporation, an amount to be mutually agreed by the States of Madhya Pradesh and Chattisgarh may be set aside out of the divisible cash/bank balance as joint reserve fund; and the State of Madhya Pradesh shall operate this fund in consultation with the State of Chattisgarh and maintain the accounts thereof. The State of Chattisgarh shall reimburse share of the liabilities of the Corporation to the State of Madhya Pradesh which may arise in the final division of assets and liabilities in accordance with this Order, if joint reserve fund is not sufficient to discharge these liabilities. Explanatory Memorandum Under sub-section (3) of section 58 of the Madhya Pradesh Reorganisation Act, 2000, the assets, rights and liabilities of the erstwhile Madhya Pradesh Warehousing Corporation were required to be apportioned between the successor States, in such manner as may be agreed among them on dissolution of the Corporation or if no agreement is reached, in such manner as the Central Government may by Order determine. The erstwhile Madhya Pradesh Warehousing Corporation stood dissolved on the 1st day of October, 2002. The successor States of Madhya Pradesh and Chattisgarh have, however, come to an agreement upon the apportionment of assets, rights and liabilities on the 22nd April, 2002. Accordingly, the Central Government are issuing the Order and have decided to give effect to the provisions contained in this order from 1st April, 2003 in terms of the provisions of sub-section (3) of section 58 of the Act. The interests of any party are not prejudicially affected by the proposed retrospective effect.