

THE UNITED REPUBLIC OF TANZANIA



No. 19 OF 1968

I ASSENT,

*Julius K. Nyerere*  
President

1<sup>ST</sup>. FEBRUARY, 1968

**An Act to establish the National Milling Corporation and to provide for its constitution and functions and for matters connected therewith and incidental thereto**

[2<sup>ND</sup> FEBRUARY, 1968]

ENACTED by the Parliament of the United Republic of Tanzania.

1. This Act may be cited as the National Milling Corporation Act, Short title 1968.

2. In this Act, unless the context otherwise requires—

“assets” means real and personal property of every kind including—

- (a) rights under contracts and agreements;
- (b) books, books of account and records;
- (c) stock-in-trade;
- (d) choses in action; and
- (e) all other rights, interests and claims in or to real or personal property, whether liquidated or unliquidated, certain or contingent, accrued or accruing;

Interpreta-  
tion

“Board” means the Board of Directors established under section 5;

“the Corporation” means the National Milling Corporation established by section 3;

“liabilities” include obligations under contracts or agreements;

“Minister” means the Minister for the time being responsible for the marketing of agricultural commodities;

“subsidiary company” means a company incorporated under the Companies Ordinance the whole of the issued share capital of which is vested in the Corporation.

## Establishment

3. There is hereby established a corporation to be known as "the National Milling Corporation" which shall—

- (a) have perpetual succession and a common seal;
- (b) in its corporate name be capable of suing and being sued;
- (c) be capable of purchasing and otherwise acquiring, and of alienating, any movable or immovable property.

## Functions of the Corporation

4.—(1) It shall be the function of the Corporation—

(a) to conduct the business of—

- (i) manufacturers and processors of such agricultural and other products as the Board may from time to time, decide; and
- (ii) importers, exporters, wholesale dealers and retailers of such merchandise as the Board may, from time to time, decide;

(b) to conduct its business in an efficient manner and in accordance with the best mercantile tradition.

(2) Without prejudice to the generality of paragraph (a) of subsection (1) the Corporation may—

(a) acquire by agreement and hold interest in any firm or company trading or manufacturing or processing agricultural products, in Tanganyika or elsewhere;

(b) establish branches within the United Republic or elsewhere;

(c) do anything or enter into any transaction which, in the opinion of the Board, is calculated to facilitate the proper and efficient carrying on of its activities and the proper exercise of its functions under this Act;

(d) do all such acts and things as may be necessary to uphold and support the credit of the Corporation and to obtain and justify public confidence, and to avert or minimise any loss to the Corporation.

(3) Nothing in this section shall be construed as imposing on the Corporation, either directly or indirectly, any form of duty or liability enforceable by proceedings before any court.

## Management of the Corporation

5.—(1) There shall be a Board of Directors for the Corporation, which shall, subject to this Act, be responsible for the policy, control and management of the Corporation.

(2) The Board of Directors shall consist of—

(a) a chairman, who shall be appointed by the Minister;

(b) such other members being not less than five nor more than nine as the Minister may appoint.

(3) The chairman and other members of the Board shall be appointed from amongst persons who have had experience of, and shown capacity in, agricultural, commercial or financial matters, administration or the organization of workers.

(4) The general manager of the Corporation shall be appointed by the Board acting with the approval of the Minister:

Provided that the first general manager shall be appointed by the Minister.

(5) Notwithstanding the provisions of subsection (4), the Board or the Minister, as the case may be, may, in lieu of or in addition to appointing a general manager appoint, under a management agreement, any body of persons, whether corporate or incorporate, to administer and manage the affairs of the Corporation.

(6) The Board shall elect one of their members to act as deputy chairman.

(7) The Minister may make regulations with respect to—

- (a) the appointment of, and the tenure and vacation of office by, the members of the Board;
- (b) the quorum, proceedings and meetings of the Board and determinations of the Board;
- (c) the execution of instruments and the mode of entering into contracts by or on behalf of the Corporation, and the proof of documents purporting to be executed, issued or signed by the Corporation, or a Director, officer, or servant of the Corporation.

(8) Subject to any regulations made under subsection (7), the Board shall have power to regulate their own procedure.

6.—(1) The Minister may give to the Board directions of a general character as to the exercise and performance by the Board of their functions in relation to matters appearing to the Minister to affect the national interest and the Board shall give effect to any such directions. Powers of Minister in relation to Board

(2) The Board shall afford to the Minister facilities for obtaining information with respect to the property and activities of the Corporation and shall furnish him with returns, accounts, and other information with respect thereto and afford to him facilities for the verification of information furnished, in such manner and at such times as the Minister may require.

7.—(1) The authorized nominal capital of the Corporation shall be thirty-five million shillings divided into three hundred and fifty shares having a par value of one hundred thousand shillings each. Authorized capital

(2) The initial paid-up capital of the Corporation shall be five million shillings which shall be raised by the issue of fifty fully paid-up shares allotted to the United Republic.

(3) No person other than the United Republic shall be entitled to hold any share in the Corporation.

8.—(1) Payment for the shares allotted to the United Republic under subsection (2) of section 7 shall be made in such manner as the Minister and the Minister for the time being responsible for finance may agree. Payment of subscription

(2) Payment for any further share or shares issued by the Corporation and allotted to the United Republic shall be made in such manner as the Minister, after consultation with the Board and the Minister for the time being responsible for finance, may decide.

9. The funds and resources of the Corporation shall consist of— Financial provisions

- (a) the paid-up share capital;
- (b) the capital raised by the issue of any further share or shares;
- (c) such sums as may be provided by Parliament by way of loan for the purposes of the Corporation;

- (d) any sums borrowed by the Corporation with the approval of the Minister acting with the concurrence of the Minister for the time being responsible for finance;
- (e) any sums which may in any manner become payable to or vested in the Corporation pursuant to any order made under section 12 or as the result of the performance by the Corporation of its functions.

General reserved fund and allocation of profits

10.—(1) The Corporation shall establish and maintain a general reserve fund.

(2) At the end of each financial year, after allowing for the expenses of operation during that year and after making provision for bad and doubtful debts, depreciation of assets, contributions to staff and superannuation funds, carry-over into the next financial year, and such other contingencies and provisions as are customarily made by mercantile companies, the Board shall give consideration to the allocation of the net profits of the Corporation for that financial year and with the approval of the Minister shall resolve what part of the net profits shall be transferred to the general reserve fund, and what shall be allocated to surplus and what part, if any, shall be distributed by way of dividend to the United Republic.

Accounts and audit

11.—(1) The Board shall ensure that proper accounts and other records in relation thereto are kept by the Corporation and shall prepare in respect of each financial year of the Corporation a statement of accounts in such form as the Minister may direct, being a form which shall conform with the best commercial standards.

(2) The accounts of the Corporation shall be audited by auditors of high repute who shall be appointed by the Minister for the time being responsible for finance.

(3) As soon as the accounts of the Corporation have been audited, the Board shall send a copy of the statement of accounts to the Minister together with a copy of any report made by the auditors.

(4) The Minister shall lay a copy of every such statement of accounts and auditors' report before the National Assembly.

Transfer of assets of N.A.P.B. to the Corporation

12.—(1) The Minister for the time being responsible for the administration of the National Agricultural Products Board (Vesting of Interests) Act, 1967 may, with the concurrence of the Minister and by order in the *Gazette*, transfer to the Corporation—

(a) any asset or liability vested in the National Agricultural Products Board by the said National Agricultural Products Board (Vesting of Interests) Act, 1967 including any share vested in the National Agricultural Products Board by virtue of the provisions of Part III of the said Act;

(b) any asset or liability of any of the companies specified in Part II of the Schedule to the said Act.

(2) Every order made under subsection (1) shall specify the asset or liability which is to be transferred.

(3) Where an order is made under subsection (1) the asset or liability to which such order relates shall, by virtue of such order and without further assurance, vest in the Corporation.

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(4) Where all the shares of any company specified in Part II of the Schedule to the National Agricultural Products Board (Vesting of Interests) Act, 1967 are vested in the Corporation by virtue of an order made under subsection (1), then, notwithstanding the provisions of the said Act, the Corporation shall have full control over and in respect of the company and the Board shall be the Board of Directors of the company.

13.—(1) The Minister for the time being responsible for the administration of the National Agricultural Products Board (Vesting of Interests) Act, 1967 may with the concurrence of the Minister and by a direction in writing, transfer any person who is deemed to have become an employee of the National Agricultural Products Board under section 8 of the said Act or who is, or is deemed under section 21A of the said Act to have become, an employee of any company specified in Part II of the Schedule to the said Act, to the service of the Corporation or to the service of any subsidiary company.

Transfer of employees of N.A.P.B. to Corporation

(2) Where any employee is transferred under subsection (1)—

- (a) he shall, as from the date of his transfer, be deemed to be the employee of the Corporation or of the subsidiary company to which he is transferred;
- (b) the terms and conditions of service applicable to him after such transfer shall not be less favourable than those which were applicable to him immediately before the transfer and for the purposes of determining any right to gratuity or other superannuation benefit, his service with the Corporation or the subsidiary company to which he is transferred shall be regarded as continuous with his service immediately preceding such transfer; and
- (c) his employment immediately prior to his transfer and his employment by the Corporation or the subsidiary company to which he is transferred shall be deemed to be continuous employment by one employer within the meaning of section 8A of the Severance Allowance Act, 1962, and that Act shall apply to the parties in the same manner as it applies to the cases set out in subsection (1) of the said section 8A.

Cap. 487

14. The Board may, by a direction in writing, transfer—

- (a) any employee of the Corporation to the service of any subsidiary company;
- (b) any employee of a subsidiary company to the service of the Corporation or any other subsidiary company,

Transfer of employees between Corporation and subsidiary companies

and the provisions of subsection (2) of section 13 shall apply, *mutatis mutandis*, to every transfer under this section.

15. Every provision in any law or in any Articles of Association or any other charter or instrument of a company incorporated under the Companies Ordinance, providing for any consequence to follow, or requiring any act or thing to be done, or entitling any person to do any act or thing or to take any action whatsoever, as a result of a reduction in the number of the members of the company below a certain number, shall be of no effect in relation to the subsidiary companies.

Effect of reduction in the membership of subsidiary companies

Minister may  
make regula-  
tions  
modifying  
provisions  
of the  
Companies  
Ordinance  
or Articles  
of Associa-  
tion  
Cap. 212

16.—(1) The Minister may by order in the *Gazette* modify in their application to a subsidiary company any of the provisions of the Companies Ordinance or of any subsidiary legislation made thereunder or of the Articles of Association or other charter or instrument of the subsidiary company.

(2) Nothing in subsection (1) shall be construed as limiting the power of the Corporation as the sole member of a subsidiary company to amend the Articles of Association of the subsidiary company.

Passed in the National Assembly on the sixteenth day of January, 1968.

  
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Clerk of the National Assembly