

# **THE KARNATAKA WAREHOUSE ACT, 1961**

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## SCHEDULE

**GOVERNMENT OF KARNATAKA**

DEPARTMENT OF LAW AND PARLIMENTARY AFFAIRS

**KARNATAKA ACT No. 11 OF 1962**

**(First published in the Karnataka Gazette on the Twenty ninth day of March 1962.)**

**THE KARNATAKA WAREHOUSES ACT, 1961**

**(Received the assent of the President on the Seventh day of March 1962.)**

(Amended by Act 22 of 1965)

**AN ACT TO PROVIDE FOR THE REGULATION AND LICENSING OF WAREHOUSES  
IN THE STATE OF KARNATAKA**

WHERAS it is expedient to encourage the establishment of independent warehouses and make provision for their supervision and control;

Be it enacted by the Karnataka State Legislature in the Twelfth Year of the Republic of India as follows:-

## CHAPTER 1

### PRELIMINARY

1. **Short title, extent and commencement.**-(1) This Act may be called the Karnataka Warehouse Act, 1961

(2) It extends to the whole of the State of Karnataka.

<sup>11</sup>(3) It shall come into force on such date as the State Government may, by notification, appoint.]

2. **Definitions.**- In this Act, unless the context otherwise requires,-

(a) “co-operative society” means a society registered or deemed to be registered under Karnataka Co-operative Societies Act, 1959 (Karnataka Act 11 Of 1959);

(b) “depositor” means a person who tenders his goods to the warehouseman for storing in his warehouse and includes any person who lawfully holds the receipt issued by the warehouseman in respect of such goods and derives title there to by a proper endorsement or transfer there of to him by the depositor or the depositor’s lawful transferee;

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1. This Act has come into force on 1<sup>st</sup> September 1969 (vide S.O No. 1683, dated 6<sup>th</sup> August 1969)

- (c) “goods” means any of the articles specified in the schedule to this act;
- (d) “licensed warehouse” means a warehouse, licensed under this act;
- (e) “notification” means a notification published in the Official Gazette;
- (f) “person” includes any company or association or body corporate;
- (g) “prescribed” means prescribed by rules made under this Act;
- (h) “prescribed authority” means in relation to any provision of this Act, the authority prescribed by rules to carry out such provision;
- (i) “receipt” means a warehouse receipt in the prescribed form issued by a warehouseman to a person depositing goods in the warehouse;
- (j) “rules” means rules made by the State Government under this Act;
- (k) “warehouse” means any building, structure or other protected enclosure which is or may be used for the purpose of storing goods on behalf of depositors but does not include cloak rooms attached to hotels, railway stations, the premises of other public carriers and like; and the expression ‘warehousing’ shall be construed accordingly;
- (l) “warehouseman” means a person, who has obtained license under this Act in respect of his warehouse.

CHAPTER II  
LICENSING OF WAREHOUSES

**3. Regulation of business of warehousing.**-No person shall carry on the business of warehousing except under licence granted under this Act and in accordance with such terms and conditions thereof as may from time to time be prescribed.

**4. Grant of Licence.**- (1) Every application for licence shall be made in the prescribes form to the prescribed authority.

(2) Subject to the provisions of section 5, the prescribed authority may, on receiving such application and on payment of such fees may be prescribed, grant a licence.

**5. Conditions for grant of licence.**- (1) Before granting a licence the pre3scribed authority shall satisfy itself-

(a) that the warehouse mentioned in the application is suitable for proper storage of the class or classes of goods in respect of which the licence has been applied for;

(b) that the applicant is competent to conduct such warehouse;

(c)that the applicant fulfils any other conditions notified by the State Government under such section (2);

(d) that the applicant has paid the fee prescribed for the licence and also furnished the prescribed security, if any:

Provided that where the applicant is a corporation established under the Agricultural Produce (Development and Warehousing) Corporations Act, 1956, no security shall be required;

(e) that there is no other cause or reason for which the applicant for the licence may, in the opinion of the prescribed authority, be deemed to be disqualified.

(2) The State Government may, by notification add to or alter the conditions under which a licence is granted to a warehouseman under this section.

**6. Term and renewal of licence.-** Every licence granted under section 4 shall be valid for the prescribed period, and may, on application and payment of the prescribed fee, be renewed from time to time by the prescribed authority, and for the prescribed period, provided the other conditions referred to in section 5 continue to be fulfilled.

**7. Notice of refusal to grant or renew licence.-** If the prescribed authority refuses to grant or renew a licence under section 4 or 6, it shall record its reasons for such refusal in writing and communicate a copy of its order to the applicant.

**8. Suspension and cancellation of licence.-** (1) Every licence granted under section 4 or renewed under section 6 shall be liable to be suspended or cancelled either temporarily or permanently by the prescribed authority, for reasons to be recorded in writing if in its opinion the licence-

- (a) has applied to be adjudicated or been adjudicated an insolvent; or
  - (b) has parted in whole or in part with his control over the warehouse; or
  - (c) has ceased to conduct such warehouse; or
  - (d) has made unreasonable charges for the services rendered by him; or
  - (e) has in any other manner become incompetent to conduct such warehouse; or
  - (f) has contravened or failed to comply with any of the terms of the licence or any of the provisions of this Act or of the rules.
- (2) If a licence is suspended or cancelled, the prescribed authority shall make an entry to that effect in the licence.

**9. Notice of suspension and cancellation of licence.-**

(1) Before passing an order under section 8 the prescribed authority shall give notice to the warehouseman stating the



grounds on which it is proposed to suspend or cancel his licence and give him a reasonable opportunity of showing cause against it.

(2) After considering the explanations, if any, of the warehouseman, the prescribed authority may pass such orders as it deems just.

**10. Return of licence.-** When a licence expires or is suspended or cancelled, the warehouseman shall cease to work as such and shall, return the licence to the prescribed authority who shall give reasonable time to the warehouseman to enable him to wind up the business.

**11. Duplicate licence.-** (1) Where a licence granted to warehouseman is lost, destroyed, torn, defaced or otherwise becomes illegible, the prescribed authority shall issue a duplicate licence on the application of the warehouseman and on payment of the prescribed fee.

(2) When a duplicate licence is issued it shall be clearly stamped "Duplicate" and shall be marked with the date of issue of the duplicate and that of the original from record of the office issuing the licence.

## CHAPTER III

### DUTIES OF A WAREHOUSEMAN.

**12. Reasonable care of the goods deposited to be taken.-** Every warehouseman shall take such care of the goods deposited with him as a man of ordinary prudence would take of his own goods under similar circumstances and conditions.

**13. Precautions against damage or injury to goods.-**

(1) Every warehouseman shall keep his warehouse clean and free from damp, take all necessary precautions against rats and other pests and fulfill such other conditions as may be prescribed.

(2) No warehouseman shall accept goods for deposits which are likely to cause damage to other goods which are or may be deposited in the warehouse.

**14. Preservation of Identity of goods.-** Every warehouseman shall keep the goods of one depositor separate from the goods of other depositors and from other goods of the same depositor for which a separate receipt has been issued in such a manner as to permit at all times of the identification and delivery of the goods deposited:

Provided that where standardized and graded goods are stored in a warehouse, then subject to any agreement between the warehouseman and a depositor, the same variety of goods

belonging to different depositors may be pooled together and each depositor shall be entitled only to his portion of goods according to weight or quantity, as the case may be, as shown in his receipt.

**15. Goods deteriorating in warehouse and their disposal.-** (1) whenever goods deposited in a warehouse deteriorate from causes beyond the control of the warehouseman, he shall forthwith give notice of such deterioration to the depositor, requiring him to take delivery of the goods immediately, after surrendering the receipt duly discharged and paying all charges due to the warehouseman.

(2) If the depositor does not, within a reasonable time, comply with a notice given to him under sub-section (1), the warehouseman may cause the goods to be removed from the warehouse and sold by public auction at the cost of and risk of the depositor.

(3) Any person having an interest in any goods deposited in a warehouse or in the receipt of such goods may inform the warehouseman in writing of the fact and nature of his interest and the warehouseman shall keep a record thereof, and if such person requests in writing that intimation be given to him regarding the condition of the goods and agrees to pay the charges for giving such intimation the warehouseman shall give him intimation accordingly.

**16. Delivery of goods.-** (1) Every warehouseman, in the absence of reasonable excuse, shall, without unnecessary delay, deliver the goods deposited in his warehouse without deterioration to the depositor on demand made by him and surrender of the receipt duly discharged and payment of all charges due to the warehouseman.

**Explanation.-** For the purpose of this sub-section deterioration from causes beyond the control of the warehouseman, shall not be deemed to amount to deterioration.

**17. Liability of warehouseman for shortage or excess in goods stored.-** (1) If there is any excess in the goods stored in a warehouse by absorption of moisture or other causes beyond the control of the warehouseman, the warehouseman shall not be entitled thereto.

(2) If there is any shortage in the goods stored in a warehouse by dryage or other causes beyond the control of the warehouseman, the warehouseman shall not be responsible therefor.

(3) In the event of a dispute arising as to whether such shortage or excess is due to dryage or absorption of moisture or is due to other causes beyond the control of the warehouseman, the matter shall be referred in such manner and within such time as may be prescribed, to the appellate authority referred to in section 29 whose decision thereon shall be final and binding.

**18. Insurance of goods in a warehouse.-** (1) Every warehouseman shall insure the goods stored in his warehouse against such events and in such manner as may be prescribed by rules, and such rules may provide that insurance against certain events shall be optional:

Provided that nothing in this section shall apply to goods deposited in a warehouse belonging to a corporation established under the Agriculture produce (Development and Warehousing) Corporation Act, 1956 (Central Act 28 of 1956), where such corporation has agreed, in the prescribed manner, to compensate the depositor against loss or damage arising from the prescribed events.

(2) Every warehouseman shall be entitled to recover from the depositor, at the rate prescribed if the insurance is obligatory, or at the rate agreed to if the insurance is optional, the charges for insurance in respect of the depositor's goods before delivery thereof and the warehouseman shall have a lien on the said goods in respect of such charges.

**19. Discrimination prohibited.-** No warehouseman

Shall, in the conduct of his business, discriminate between persons desiring to avail themselves of the facilities of his warehouse:

Provided that a warehouseman shall show such preference to co-operative societies in the state and allow them such concessional rates as may be prescribed.

**20. Warehouse not to deal in or lend against goods in warehouse.-** Notwithstanding anything contained in any other law, no warehouseman other than a co-operative society shall either on his own account or that of others, deal in, or lend money on goods received by him for deposit in his warehouse.

**21. Account and books to be maintained by warehouseman.-** A Warehouseman shall maintain accounts books and records in such form and manner as may be prescribed.

## Chapter IV

### INSPECTION AND GRADING OF GOODS.

**22. INPECTION.** – The prescribed authority may, at any time time, during business hours, inspect, or examine or cause to be inspected or examned, any licensed warehouse, its machinery and equipment, goods deposited therein and the account books and records relating thereto for the purpose of satisfying itself that the requirements of this Act and the rules are being complied with.

**23. Weighers, samplers and graders to obtain licenses.** – (1) The prescribed authority may, on application made in the prescribed manner and on payment of the prescribed qualification entitling them to act as weighers, samplers and graders of any goods deposited or to be deposited in a licensed warehouse and to issue certificate as to the weight, bulk, quality or grade of the goods which they have examined.

(2) Any certificate so issued shall, subject to the provisions of section 24 be binding on the warehousemen and the depositor as to the weight, bulk, quality or grade of the goods so certified.

(3) No person who is not licensed under this section shall act, or hold himself out, as a weigher, sampler or grader.

**24. Provisions regarding licenses under section 23. –**

(1) Every license granted to a weigher, sampler or grader under section 23, shall be valid for the prescribed period and may, on application and payment of the prescribed fee, be renewed from time to time for the prescribed period by the prescribed authority.

(2) The prescribed authority may for reasons to be recorded in writing suspend or cancel any such license.

(3) Before suspending or cancelling a license under subsection(2), the prescribed authority shall give notice to the licensee stating the grounds on which it is proposed to suspend or cancel his license and give him a reasonable opportunity of showing cause against it.

(4) After considering the explanations, if any, of the license, the prescribed authority may pass such orders as it deems just.

(5) The holder of any such license shall, on the expiry thereof or the receipt of an order suspending or cancelling it, return the license to the prescribed authority,

(6) Where a license granted to a weigher, sampler or grader is lost, destroyed, torn, defaced or otherwise become illegible, the prescribed authority shall issue a duplicate license on the application of the weigher, sampler or grader as the case may be, and on payment of the prescribed fee.



**25. Facilities to be given for weighing goods etc. –**

Every warehousemen shall provide facilities for weighing sampling and grading any goods deposited in his warehouse.

## Chapter V

### WARHOUSE RECEIPTS

**26. Receipt to be issued.**-For the goods deposited in his warehouse by each depositor, the warehousemen shall issue a receipt which shall contain full particulars of the goods and be in the prescribed form.

**27. Receipt for deposits in warehouse.** – The receipt issued by a warehousemen shall, unless it is otherwise specified thereon, be transferable by endorsement and shall entitle the lawful holder thereof to receive the goods specified in it on the same terms and conditions he may think fit to impose, being conditions included in rules prescribed for the purpose.

**28. Duplicate receipt.** – If a receipt is lost, destroyed or damaged, the warehousemen shall, on application by the depositor and payment by him of the prescribed fee issue a duplicate receipt on such conditions he may think fit to impose, being conditions included in rules prescribed for the purpose,

## **Chapter VI**

### **MISCELLANEOUS**

#### **29. Decision of appeals, dispute and complaints.–**

1) An appeal against any order of the prescribed authority refusing to grant or renew a license or suspending or cancelling any such license in respect of a warehouseman or weigher, sampler or grader or against any other order of the prescribed authority shall be made to such authority and within such time as may be prescribed.

(2) The decision of such appellate authority shall be final.

#### **30 .NO completion for suspension or cancellation of license. –**

Where any license is suspended or cancelled under this Act, the licensee shall not be entitled to any compensation therefor, nor shall be entitled to the refund of any fee paid by him for the license.

**31. Security amount to be forfeited and recovered as arrears of land revenue.** –(1) If a warehousemen fails comply with, or contravenes any of the terms or conditions of his license or of any provision of this Act, then without prejudice to any other penalty to which he may be subject, the amount of security deposited by him under a bond executed by him under the provisions of this Act shall be liable to be forfeited, and the amount due under such bond

shall be recoverable from him, or from his sureties or their heirs or legal representatives, as an arrears of land revenue.

(2) The State Government may make payment out of the amount so forfeited or recovered, to any person who may have sustained loss by reason of the Warehousemen failing to comply with, or acting in contravention of, any terms on conditions of his license or of any provision of this Act.

**32. Contracts and agreements inconsistent with Act to be void.**-Every contract or agreement which is inconsistent with provisions of this Act or the rules shall, to the extent of such inconsistency, be void.

[32A. Warehousemen and depositors to comply with the provisions of Central Act 1 of 1944.- In respect of goods warehoused under this Act to which the provisions of the Central Exercise and sales Act, 1944 are applicable every warehousemen or depositor shall comply with the provisions of the said Act and rules and notifications issued thereunder in so far as they are applicable to such goods.]

**33. Penalty.**- (1) Whoever, fails to comply with, or acts in contravention of, any provision of this Act shall be deemed to commit an offence under this Act shall, on conviction, be punished,-

a) In the case of a contravention of the provisions of section 3 or 20 with simple imprisonment which may extend to six months, or with fine which may extend to one thousand rupees, or with both;

(b) In any other case with fine which may extend to one thousand rupees.

(2) (a) Where an offence under sub-section (1) is committed by a company, the company, as well as every person in charge of, and responsible to, the company for the offence shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that, nothing contained in this clause shall render any such person liable to any punishment if he proves that the offence was committed without his knowledge or that he exercised due diligence to prevent the commission of such offence.

(b) Notwithstanding anything contained in clause (a), where an offence under sub-section (1) has been committed by a company and it is proved that the offence has been committed with the consent or connivance of or that the commission of the offence is attributable to any neglect on the part of any Director, Manager, Secretary or other officer of the company, such Director, Manager, Secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly

**Explanation.-** For the purposes of this sub-section-

(a) a company means anybody corporate and include a firm or other association of individual; and

(ii) “ director” in relation to a firm means a partner in the firm.

**34. Rules.-**(1) The State Government may, by notification, and after previous publication, make rules to carry out the purpose of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may add any article to, or omit any article from the schedule, or provide for-

(a) the matters expressly required or allowed by the Act to be prescribed;

(b) the conditions to be inserted in licenses to be granted to warehousemen and the form of such licenses;

(c) the publications of the grant, suspension or cancellation of licenses to warehousemen and of consolidated lists of warehousemen and licensed warehouses;

(d) the charges to be levied by the warehousemen for their service;

(e) the books, accounts and records to be maintained by warehousemen;

(f) the conduct of public auctions for the sale of goods deteriorating or about to deteriorate in licensed warehouses and the manner in which the proceeds of such sales shall be accounted for;

(g) the sales of losses and gains of weight or bulk which may be sustained by goods owing to shrinkage or dryage in the one case and owing to absorption of moisture in the other;

(h) the disinfection of licensed warehouses and the disinfection of goods stored therein;

(i) the efficient conduct generally of this business of warehousemen;

(j) the qualification to be possessed by persons applying for grant of licenses as weighers samplers or graders; the conditions to be inserted in their license; the form of the certificate to be issued by them and the grounds on which the licenses may be suspended or cancelled;

(k) the standards weights, measures and gradations of goods to be used in licensed warehouses;

(l) the authority to which and the time within which an appeal under section 29 should be made;

(m) the manner of giving notices under this Act.

(3) Every rule made under this Act, shall be laid, as soon as may be after it is made before each House of State Legislature while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions, and if before the expiry of the session in which it is so laid or the session immediately following, both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so however that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

**35. Act not to apply to certain warehouses.-**Nothing

Contained in this Act shall apply to any warehouse appointed

Or licensed under the provisions of the Sea Customs Act, 1878

(Central Act VIII of 1878), the inland Bonded Warehouses Act,

1896(Central Act VIII of 1896), the Central Excises and Sales Act, 1944

(Central Act 1 of 1944), or the rules made thereunder.

**36. Repeal and savings.-** The Bombay Warehouses Act, 1947 (Bombay Act LVI of 1947), as in force in the Belgaum Area, the Coorg Warehouses Act, 1956 ( Coorg Act V of 1956), as in force in the Coorg District, the Hyderabad Warehouses Regulation of 1358 F (Hyderabad Regulation of 1358 Fasli), as in force in the Gulbarga Area, the Madras



Warehouses Act, 1951 (Madras Act XV of 1951), as in force in the Mangalore and Kollegal Area the Madras Warehouses Act, 1951 ( Madras Act XV of 1951), as in force in the Bellary District and the Mysore Warehouses Act, 1951 (Mysore Act XXIX of 1951), as in force in the Mysore Area are hereby repealed

Provided that section 6 of the Mysore General clauses Act, 1899 (Mysore Act III of 1899), shall be applicable in respect of the repeal of the said enactments and section 8 and 24 of the said Act shall be applicable as if the repealed enactments had been repealed and re-enacted by the Act.

[See section 2 (.c).]

(Goods to which this Act applies)

1. Fibres.-

- (1) Cotton ginned and unginned
- (2) San hemp
- (3) Agave, coir and their products.

II. Cereals.

III. Pulses.

IV. Oilseeds including copra and their products.

V. Cashewnuts, Coconuts.

VI. Jaggery, Sugar and Khandasari.

VII. Fruits.

VIII. Vegetables, potatoes, onions.

IX. Animal Husbandry products-

- (1) Wool, (2) Butter, (3) Ghee, (4) Milk, (5) Eggs.

X. Fish

XI. Condiments, spices and others,-

- (1) Coriander, (2) Chillies, (3) Turmeric,
- (4) Garlic, (5) Ginger, (6) Cummin, (7) Tamarind,
- (8) Cardamom, (9) Pepper, (10) Soapnut,
- (11) Areca, (12) Coffee.

XII. Cattle fodder

XIII. Tobacco.

XIV. Fertilizers.

KARNATAKA ACT NO. 2 OF 1965.

(First published in the Karnataka Gazette on the

Eighteenth day of Noverber, 1965)

THE KARNATAKA WAREHOUSES (AMENDMENT)  
ACT, 1965.

(Received the assent of the Governor on the Ninth  
day of November 1965).

An Act to amend the Karnataka Warehouses Act,  
1961.

WHEREAS it is expedient to amend the Karnataka Ware  
houses Act, 1961 (Karnataka Act 11 of 1962);

BE it enacted by the Karnataka State Legislature in the  
Sixteenth year of the Republic of India, as follows:-

(Section 2 incorporated in the Principal Act)

**THE KARNATAKA WAREHOUSES RULES. 1969**

# The KANATAKA WAREHOUSES RULES, 1969

## ARRANGEMENT OF RULES

### CHAPTER I

#### PRELIMINARY

##### Rules

1. Title
2. Defination

### CHAPTER II

3. Application for Licences.
4. Scales of fee for grant of Licence
5. Term of Licence.
6. Period of Licence.
7. Security
8. Fee for renewal and issue of licence
9. Renewal and issue of duplicate licences
10. Publication of suspension or cancellation of licenses and list of Warehousemen and their Warehouses.

### CHAPTER III

#### DEPOSIT AND MAINTENANCE OF GOODS, etc.

11. Application for deposit and delivery of goods to Warehouseman.
12. Receipts.
13. Information regarding persons authorized to sign receipts.
14. Non-Negotiable Receipts.
15. Issue of Duplicate receipts
16. Depositors to supply information regarding transfer of receipts.
17. Charges to be made by the warehouseman
18. Maintenance of a warehouse.
19. Precaution against injury to goods.
20. Insurance of goods against certain events and the manner of Insurance.

21. Warehouseman to report loss or damage
22. Classification of goods
23. Notice of loss or damage to goods
24. Part delivery of goods
25. Maintenance of books, records, etc.
26. Dispute regarding shortage or excess
27. Auction sale of goods deteriorating or about to deteriorate in a Warehouse.
28. Accounting of proceeds of auction sale
29. Removal or transfer of goods by Warehouseman

#### CHAPTER IV

#### WEIGHERS, SAMPLERS AND GRADERS

30. Application for Licences by Weighers, Samplers and Graders
31. Period of licences granted to Weighers, Samplers and Graders
32. Certificate to be issued by the Weighers, Samplers and Graders
33. Renewal of Licence of Weighers, Samplers and Graders
34. Fee for issue of duplicate licence of Weighers, Samplers and Graders
35. Suspension or cancellation of licence to Weighers, Samplers and Graders
36. When a Warehouseman may determinate weight, grade or class of goods
37. Authority to whom appeal lies
38. Manner of giving notices
39. Use of standard weights and measures by warehouseman
40. Hours of business of warehouses.
41. Supply of reports by warehouseman.

DEVELOPMENT, HOUSING, PANCHAYAT RAJ AND CO-OPERATION  
SECRETARIAT

NOTIFICATION

Bangalore, dated 26<sup>th</sup> June 1969.

D.S.R.241.- In exercise of the powers conferred by Section 34 of the Karnataka Warehouses Act, 1961(Karnataka Act No.11 of 1962), The Government of Karnataka hereby makes the following rules, the draft of the same having been previously published as required by sub-section(1), of Section 34 of the said Act, in Notification No. G.S.R.574( DPC 2 CWH 64, dated the 9<sup>th</sup> March 1965), published in part IV Section 2-C(i)of the Karnataka Gazette, dated the 8<sup>th</sup> July 1965, namely.-

## CHAPTER I

### **Preliminary**

1. Title.-(1) These rules may be called the Karnataka Warehouses Rules,1969
2. They shall extend to the whole of the State of Karnataka

Defination:- In these rules, unless the context otherwise requires,-

- (1) “Act” means the Karnataka Warehouses Act,1961;
- (2) “Form” means a form appended to these rules;
- (3) “Grader” means a person licensed under the Act to classify the goods according to grade or otherwise and issue a certificate ;
- (4) “Licence” means a licence issued under the Act by the prescribed Authority;
- (5) “ Negotiable Reciept” means a receipt in which it is stated that the goods therin specified will be delivered to the bearer or to the orer of the named person;
- (6) “ Non- Negotiable Receipt” means a receipt in which it is stated that the goods therein specified will be delivered to the person who tender the goods to the warehouseman for storing in the warehouses;
- (7) “Prescribed Authority” means the Additional Director of Agricultural marketing in Karnataka, Bangalore.



- (8) “ sampler” means the person licenced under Act to sample the goods and issue a certificate thereof ;
- (9) “Section” means a section of the Act;
- (10) “Weigher” means a person licenced under the Act to weigh goods and issue certificate of weighment;
- (11) “year” means the official year commencing from the first day of March next following.

## CHAPTER II

### **3. Application for Licence.-**

- (1) Application for grant of a licence under Section 4 and for its renewal under Section 6 shall be made to the prescribed authority in form No.1 and an application for issue of a duplicate licence under Section 11 shall be made in Form No.2. The application shall be signed by the applicants who shall furnish such additional information as may be required by the prescribed authority for the purpose of ascertaining whether the conditions specified in Section 5 are satisfied.
- (2) The application for license for the first time shall be made at any time during the year and shall be accompanied by the fee specified in rule 4. The renewal of license shall be made every yer at least one month prior to the commencement of the year for which it is required and shall be accompanied by the fee specified in rule 8.
- (3) A person desiring to conduct the business of a warehouseman in more than one village or town. Shall submit separate applications for licenses in respect of his business in each such village or town. In case he has more than one place of business in the same village or town, he may apply for only one license in respect of all such places of business and specify which of them will be his principal place of business:

Provided that in the case of Warehouses run by the

Corporation established under the Agricultural produce (Development and Warehousing) Corporation Act, 1956 or the Warehousing Corporation Act, 1962, no separate license shall be necessary for godowns opened within a radius of four miles of a licensed warehouse center or within the municipal limits of the center.

**4. Scales of fee for grant of license.-**

(1) The scale of annual fees payable for the grant of a license under section 4 to a warehouseman for the conduct of his business shall be as follows:

(i)	Warehouses having a storage capacity up to seven hundred Cubic meters;	Thirty rupees	(2)	I
	And for every additional twenty five cubic meters or fraction thereof of storage capacity	One Rupee.	dur	ing
(ii)	The fee payable for the grant of duplicate licence under section 11	Five Rupees	the	per
			iod	

of license the storage capacity is increased to exceed seven hundred cubic meters, the licensee shall pay the additional fee specified in sub-rule(1).

**5. Terms of licence.-** A license under Section 5 shall be granted subject to the following conditions:

- (i) Every Warehouseman shall have and maintain in respect of each Warehouse for which the application for license has been made, net assets liable for the payment of any indebtedness arising from the conduct of the warehouse at the rate of ten rupees for five cubic meters of storage capacity of the licensed Warehouse. Such assets may also consists of movable or immovable property of the required valuation. In case building, machinery or merchandise are included among such assets, the warehouseman shall keep them insured against loss or damage by fire with a company or companies approved by the prescribed authority ;
- (ii) Immediately upon the receipt of the license the warehouseman shall post the same and keep it posted until suspended or revoked, in a conspicuous place in the principal office where receipts issued by such Warehouseman are delivered to the depositors;
- (iii) Whenever any of the circumstances mentioned in clause(c) or (e) of sub-section (1) of section 8 shall come into existence, it shall be the duty of the warehouseman to notify immediately the authority granting the licence of the circumstances to the best of his ability;
- (iv) Every Warehouseman shall permit and accord facilities to the prescribed Authority or any officer deputed by it to inspect and examine a licensed warehouse, its machinery and equipment, the goods deposited therein and the Account books and records relating thereto during the usual hours of business.

6. Period of licence.- A license granted under rule 5 shall be valid with effect from the date on which it is granted for the period ending on the 31<sup>st</sup> March, following.
7. Security.- Every warehouseman other than the Corporation referred to in the proviso to clause(b) of sub- section (1) of Section5, Shall, at the time of application for license either,
  - (a)Furnish to the prescribed Authority , Security deposit in cash or Government securities assessed at the rate of five Rupees for every three cubic meters of storage capacity subject to a minimum of one thousand rupees and execute a bond in Form no.3 for the observance of the conditions and obligations arising out of his business as a warehouseman or
  - (b)Execute a bond with two sureties to the satisfaction of the prescribed Authority for a like amount.
8. Fee for renewal and issue of license.- The fee for renewal of license under section 6 shall be the same as that payable for the grant of a license specified in rule 4.
9. Renewable and issue of duplicate licenses.- The conditions for renewal of license or issue of a duplicate license shall be the same as those prescribed for grant of a license. The duplicate license shall be granted on an indemnity bond being executed by the applicant indemnifying Government against any loss or damage which may be caused by any one

Using the license lost by the applicant and shall bear on its face the number and date of the original license in lieu of which it is issued and shall be stamped 'Duplicate'

**10. Publication of the grant, suspension or cancellation of license and list of warehousemen and their Warehouses.-** The Names and location of warehouses and the names and address of warehousemen licensed under the Act as on the first day of April every year shall be published in the Karnataka Gazette before the fifteenth day of the May of the same Year. Subsequent suspension or cancellation of any licence shall also be published in the Karnataka Gazette.

## CHAPTER III

## DEPOSIT AND MAINTENANCE OF GOODS, ETC

- 11. Application for deposit and delivery of goods to Warehouseman.** - The application for deposit of goods shall be made to a Warehouseman in Form No. 4 and application for delivery of goods shall be made in Form No. 5.
- 12. Receipts.-** Receipts shall be in Form No. 6 and shall specify the following particulars:
- (i) the period for Which the goods are accepted for storage,
  - (ii)Particulars showing the ownership of and liens, mortgages or other encumbrances on the goods covered by the receipt
- 13.**Warehouseman shall file in the office of the Prescribed Authority information regarding the names and addresses of persons, with their signatures authorised to sign receipts on behalf of the Warehouseman and shall immediately, inform the Prescribed Authority of any change. If new persons are authorised, information in respect of them shall also be supplied.
- 14. Non-Negotiable Receipts.** - Every Warehouseman Who issues a non-negotiable receipt shall cause to be marked upon it the word 'Non-negotiable
- 15.Issue of duplicate receipts.-** (1) An application for grant of a duplicate receipt, if the original is lost or destroyed

shall be made by the depositor to the Warehouseman and shall be accompanied by-

- (a) an affidavit showing that the applicant is lawfully entitled to the possession of the original receipt, that he has not negotiated or assigned it, the circumstances in which the original receipt was lost or destroyed, and if lost, that diligent efforts had been made to find the receipt without success;
  - (b) a bond for an amount equal to double the value of the goods represented by the original receipts ; and
  - (c) a sum of rupees five.
- (2) On receipt of the application under sub-rule (1) the fact that the receipt is lost, destroyed shall be notified by the Warehouseman once at least in local newspapers giving one week's clear notice of the issue of a duplicate thereof.
  - (3) After the expiry of the period referred to in sub- rule (2), a duplicate receipt shall be issued by the Warehouseman. Such duplicate receipt shall be stamped "Duplicate"
  - (4) After a duplicate receipt has been issued, the original receipt, if produced, shall not be acted upon.
  - (5) The cost of publication of notification in the local news paper shall be met by the person who lost the Warehouse receipt.
- 16) **Depositors to supply information regarding transfer of receipts-** Every Depositor shall be bound to



supply copies under his signature of any endorsement regarding transfer, mortgage or encumbrance of goods as may be recorded on the warehouse receipt within fortyeight hours from the making of such endorsement.

**17.Charges to be made by Warehouseman.-** No Warehouseman shall levy or recover charges for the services in excess of the schedule of charges filed by him along with the application for licence and approved by the Prescribed Authority from time to time.

Provided that in the Warehouses established under the Agricultural Produce (Development and Warehousing) Corporations Act 1956, or the Warehousing Corporations Act, 1962, the Corporation may allow a rebate not exceeding ten per cent of the Schedule charges for the deposits received from the Co-operative Societies.

**18.Maintenance of a Warehouse :** Every Warehouseman shall keep his Warehouse in such a manner as to satisfy the following conditions, namely:

- (i) the Warehouse shall be damp proof, bird proof and rat proof
- (ii) the Warehouse shall be repaired whenever necessary shall be kept disinfected;
- (iii) the goods stored in the Warehouse shall be arranged and stored in such a manner as to render stock taking and verification easy and effective

- (iv) the stocks shall not be stored touching the walls and a space of about 0.6 metre shall be left around each stock:
- (v) the stocks shall not ordinarily exceed 9 meters x 6 meters in dimensions and shall not exceed 6.5 meters in height; or
- (vi) the container and the contents of each container shall be ordinarily uniform and shall be as advised by the Prescribed Authority, from time to time;
- (vii) all goods received for storage in the Warehouse shall be measured in cubic meters (length, breadth and height) weighed, as the case may be, and such weight or measure shall be taken by a licenced weigher and such weight or measure shall be duly stencilled on such container or labelled on each stock showing the date and the quantity of the weight or measure
- (viii) the container or the stock shall bear the name of the depositor together with the distinctive mark, if any, bold letters;
- (ix) goods of different classes or grades be stored separately; or qualities shall
- (x) all leakages in roof, dampness in walls and floor during the monsoons shall be carefully watched and repaired in good time;
- (xi) all appliances in the Warehouse, such as scales, weights and measures maintained shall be in conformity with

the Karnataka Weights and Measures (Enforcement) Act, 1958, and ladders shall be maintained correctly and in good condition.

19. Precaution against injury to goods. Every Warehouseman shall keep goods stored in his Warehouse reasonably clean at all times and free from straw, rubbish or accumulation of materials which may increase risk of fire or interfere with the handling of goods.

20. Insurance of goods against certain events and the manner of insurance. - (1) Every warehouseman shall insure the goods stored in his warehouse against loss or damage due to fire, flood, theft, burglary, strike and riot: Provided that insurance against loss or damage due to strike or riot shall be optional

(2) The insurance under sub-rule (1) shall be with a company approved for this purpose by the Prescribed Authority to such an extent that the depositor will get the market value of the goods as on the date of occurrence of the event against which it is insured.

(3) Nothing in sub-rules (1) and (2) shall apply to a Corporation referred to in the Proviso to sub-section (1) of Section 18, if such Corporation has agreed in writing to compensate the depositor against loss or damage due to the events specified in sub-rule (1).

21. Warehouseman to report loss or damage. - If at any time loss or damage by fire, theft, riots, floods, burglary

or strike occurs at or within a warehouse, the warehouseman shall report within twenty four hours to the Prescribed Authority, the depositor and the insurance company, the occurrence of such event and the extent of loss or damage.

**22. Classification of goods.** (1) Every Warehouseman shall keep the goods stored in his Warehouse in an orderly manner so as to permit easy access to all lots and to facilitate inspection, sampling, counting and identification of each lot.

(2) Whenever the quality, standard or grade of any of the goods stored in a Warehouse is stated or is required to be stated for the purpose of the Act, it shall be in accordance with the quality, standards or grades, if any, determined for the particular goods by the Prescribed Authority from time to time.

**23. Notice of loss or damage to goods.-** If at the time of taking delivery of the goods deposited, the depositor finds that the goods are lost or damaged he shall give a notice in writing with full particulars of the loss or damage of the goods to the Warehouseman forthwith at the time of delivery. A copy of the notice shall also be sent to the Prescribed Authority. No claim against the Warehouseman shall be valid if the notice of loss or damage has not been given by the depositor. Similar notice for claim for damages shall be given to the Warehouseman by the depositor in case the depositor comes to know of the loss or damage while the goods are deposited in the Warehouse.

24. **Part delivery of goods.**- If a Warehouseman delivers a part of the goods for which a negotiable receipt has been issued, he shall indicate clearly upon such receipt a statement of the goods or packages which have been so delivered. On his failure to make such statement, the Warehouseman shall be liable for failure to deliver all the goods specified in the receipt to anyone who purchases the receipt in good faith and for valuable consideration whether the purchaser acquired title to the receipt before or after the delivery of any portion of the goods.

25. **Maintenance of books, records etc.** – Every Warehouseman shall maintain –

- (i) A Stock Register in Form No. 7;
- (ii) A ledger for each Depositor in Form No. 8;
- (iii) A general insurance account in Form No.9;

26. **Dispute regarding shortage or excess.**- In the event of any dispute arising as to whether the shortage or excess is due to dryage or absorption of moisture or is due to other causes beyond the Warehouseman's control, the depositor shall, on delivery of the goods stored in a Warehouse, make a written application to the state Government within thirty days from the date of delivery of goods to the depositor, indicating the shortage or excess, the reason thereof and the loss incurred by him.

27. **Auction sale of goods deteriorating or about to deteriorate in a Warehouse.**-Before effecting sale, by public

auction, under sub-section (2) of Section 15 of goods stored in a Warehouse which have deteriorated, the Warehouseman shall issue a notice to the depositor indicating the date, time and place of auction at least a week before the date of auction. The notice shall be published in a local Newspaper and shall be exhibited on the Notice Board of the local Regulated Market Committee in case the Warehouse is situated in a Regulated market area. Copies of the notice shall also be sent to be Prescribed Authority.

**28. Accounting of proceeds of auction sale.-**Every Warehouseman shall render to the depositor correct accounts and tender to him payment of the sale proceed of goods realized after the auction sale after deducting all charges legally due to him including all reasonable charges for the removal of goods and sale by public auction within a period not exceeding fifteen days from the date of such sale. He shall make payment of the net proceeds of the sale to the depositor on surrender by him of the receipt duly discharged and on payment of all charges due to the Warehouseman.

**29. Removal or transfer of goods by Warehouseman.-** The Warehouseman may remove any goods stored in the Warehouse or transfer them to another warehouse, provided the cancellation of the existing receipt and issuing of a new receipt is effected immediately after the transfer is effected.

**CHAPTER IV**  
**WEIGHERS, SAMPLERS AND GRADERS**

**30. Application for licenses by Weighers, Sampler and Graders.-(1)**

Application for grant of license as Weighers, Samplers and Graders may be made by persons who possess the qualification specified in sub-rule (2) and every such application shall be accompanied by a fee of five rupees and shall be made in writing in Form No. 10 to the Prescribed Authority.

(2) Every Weigher, Sampler or Grader shall possess the minimum qualification specified below:

- (i) A Weigher shall be a literate person knowing reading and writing of Kannada.
  - (ii) A Sampler or Grader shall have passed the VIII standard.
- (3) The Prescribed Authority may, after such enquiry as he deems. Fit, grant the license applied for in Form No.11 on execution of an agreement by the applicant in such form as may be determined by the Prescribed Authority agreeing to confirm with these rules and the conditions specified in sub-rule(4)
- (4) The license under sub-rule (3) shall be subject to the conditions, namely –

- (i) The License shall keep books in such forms and render such prescribed returns and at such times and in such forms as the prescribed authority may from time to time direct;
  - (ii) The License shall possess such equipments as may be specified by the prescribed Authority;
  - (iii) The License when plying his trade, shall wear a distinguishing badge of a suitable pattern provided by the Prescribed Authority. A deposit of not less than one and not more than five rupees to cover the cost of badge shall be paid by such Weigher, Sampler or Grader to the Prescribed Authority
  - (iv) No license shall recover charges excluding the rates laid down by the Prescribed Authority from time to time;
  - (v) No license shall enter the service of another person or do business other than that for which he holds a license.
- (5) Notwithstanding anything contained in sub-rule (3), the Prescribed Authority may refuse to grant license to any person who in his opinion is not solvent or whose operations are not likely to further the efficient working of the Warehouse:



Provided that no solvency certificate for the grant of license shall be necessary in the case of Weigher, or Sampler who is an employee of a Warehouse Corporation established under the Agricultural Produce (Development and Warehousing) Corporaiton Act, 1956 or the Warehousing Corporation Act, 1962.

**31. Period of license granted to Weighers, Samplers and Graders.-** A license issued to a Weigher, Sampler or Grader shall remain in force from the date on which it is granted till the 31<sup>st</sup> March following.

**32. Certificate to be issued by Weigher, Samplers or Grader.-** The certificates to be issued by Weighers, Samplers or Graders shall be made at least one month prior to the termination or expiry of the license and shall be accompanied by a fee of rupees five. The conditions for renewal of a license shall be the same as those on which a new license is issued.

**34. Fee for issue of duplicate license to Weighers, Samplers and Graders.-**The fee for issue of duplicate license under sub-section (6) of section 24 shall be five rupees.

**35. Suspension or cancellation of license of Weighers, Samplers and Graders.-**

The Prescribed Authority, may, subject to the provisions of Section 24, suspend or cancel the license granted to any Wiegher, Sampler or Grader if he contravenes any of the conditions of the license or of these rules, or if in the opinion of the Prescribed Authority his continuance as a license is likely to be detrimental to the working of the Warehouse.

**36. When a Warehouseman may determine weight, grade or class of goods.-In**

areas where there are no Weighers, Graders or samplers licenced under the Act, the Weight, grade, class or quality of the goods covered by a receipt shall be determined by the Warehouseman.

**37. Authority to whom appeal lies.-** An appeal under Section 29 shall be made to

the State Government. Such appeal shall be filled within thirty days from the date of receipt of the order of the Prescribed Authority. It shall be returned to the authority within seven days of such expiry, suspension or cancellation.

**38. Manner or giving notices.-** (1) the notices to be given for cancellation of a

licence under sub-section (1) of Section 9 shall be for a period of not less than a week and shall be send by the registered post.

(2) The notice to be given to the depositor under sub-section (1) of Section 15 shall be for a period of not less than a week and shall be sent by registered post.

**39. Use of standard weight and measures by Warehouseman.-** Every Warehouseman shall use only such scales, weights and measures and weighing or measuring machines as are duly certified to be correct by an Inspector appointed for the purpose, under the Karnataka Weights and Measures (Enforcement) Act, 1958. They shall be got verified and stamped once in every two years.

**40. Hours of business of warehouses.-** Every Warehouse shall be made available on any working day for transacting warehouse business as may be necessary for at least eight hours a day between the hours of 7-00 A.M. and 7-00 P.M. The actual hours when business can be transacted shall be conspicuously exhibited at each warehouse.

**41. Supply of reports by warehouseman.-** Every warehouseman shall, from time to time, make such reports as may be required by the Prescribed Authority, concerning the condition and contents of the Warehouse and operation of his business as a Warehouseman.

FORM No.1

(See Rules 3)

Application for grant/renewal of licence to the prescribed

Authority

To.....

.....

Sir,

I/We.....residing at.....

Taluk.....District request that I/We may be

Granted a licence as a Warehouseman licence No.....

Granted to me/us for the storage of goods during/may be renewed for the year ending  
31<sup>st</sup> March 20.....

2. I/We agree to abide by the terms and conditions of the licence which may be granted/renewed;
3. I/We have affixed Cash of Treasury challan stamp in payment of the licence fee of Rs.....
4. I/We undertake to execute the security bond of the required amount in the manner prescribed under Rule 7 of Karnataka Warehouse Rules, 1969.
5. I/We have filed along with this application a schedule of charges that would be recoverable from the depositors of goods stored in the warehouse

6. I/We agree to abide by the provisions of the Karnataka Warehouses Act, 1961, the Karnataka Warehouses Rules, 1969 and also the terms and conditions regarding the maintenance of a warehouse, etc., and any other administrative or other orders issued in regard to the business by the prescribed Authority or such other officers as may be authorized by him in this behalf.

7. I/We enclose herewith a solvency Certificate to the extent of Rs.....

8. I/We here by solemnly declare that all information herein given is true to the best of my/our knowledge and that in case it proves to be untrue, I/we undertake to indemnify persons concerned in this business against any loss arising out of such false or untrue information.

9. I/We declare that each of the Warehouses specified below is suitable for storage of goods respectively maintained against it and that it is in good condition.

Signature

Description of premises to be used as  
Warehouse/Warehouses  
----- District

Dated:

1. Village or Town
2. House No.

3. Description of the Warehouse and of the rooms for storage. Distinguishing letter or number or letter and number of each. Detailed description of each, purpose of
4. Carpet area and storage Capacity.
5. Suitability regarding storage of goods for which it is to be used.
6. Quantities of variety of goods stored in the previous year.
7. Estimated quantity of goods to be stored during the period of licence.

FORM No.2

(See Rules 3 & 2)

Application for grant/renewal of licence to the prescribed

Authority

To.....

.....

Sir,

I/We.....residing at.....

Taluk.....District----- request that my/our Warehouse licence number.....granted on ..... for the period ending..... For the area as been lost/destroyed in the following circumstances;

(here mention the circumstances under which the Licence was lost/destroyed)

2. I/We..... Therefore request you to grant me/us a duplicate licence on the same terms and conditions on which the aforesaid licence was granted.
3. I/We .....have affixed stamp in payment of fee of Rs.5.
4. I/We .....hereby solemnly declare that the information herein given is true to the best of my/our knowledge.

Witness: 1)  
2)

Signature

Date:

FORM No.3

(See Rules 7)  
Form of Security Bond

Whereas I/We.....resident(s)  
of.....Taluk.....Disrict.....have applied for grant of a licence as  
warehouseman at.....under the Karnataka Warehouses Act, 1961  
(Karnataka Act No. 11 & 1962) Subject to such conditions as may be laid down by  
the prescribed authority. I/We furnish herewith the security deposit of Rs.....  
In cash/Government Securities in accordance with the rates prescribed in Rule 7 &  
Karnataka Warehouses Rules, 1969 for the observations of conditions and obligations  
arising out of my/our business as warehouseman and agree that the amount of  
Security deposited by me/us under this bond shall liable to be forfeited by  
Government in case of default of any of the conditions of the licence or breach of any  
of the provisions of the Act or the Rules and that the amount due under this bond  
shall be recoverable from me/us or my/our heirs or legal representatives as arrears of  
land revenue.

SIGNATURE OF  
WITNESS

SIGNATURE OF  
WAREHOUSEMAN

We.....and .....of .....are sureties for the said  
.....and do hereby agree that in the event of the said.....  
may in default in observance



Of conditions and obligations arising out of his business as Warehouseman, the amount of security due under the said bond shall be RECOVERABLE by the Government from us or our heirs or legal representatives jointly and severally.

Dated this.....

Day.....of

(SIGNATURE OF SURETIES)  
(SIGNATURE OF WITNESSES)

FORM No.4

(See Rules 11)

Application for Deposit of goods

To,

The Warehouseman

Dear Sir,

Please take Delivery of the following goods

---

Description of the goods	Number of Packages, bags and quantities with distinguishing marks if any.	of Measurement or/and Weight	Market Price	Total Valuation of goods	Remarks if any
--------------------------	---	------------------------------	--------------	--------------------------	----------------

---

---

I Certify that the goods above named are my own property and no other person has any claim against them. (When an agent deposits the goods on behalf of the principal, the form should be as under).

I Certify that the goods above mentioned are the properties of.....and that I am in the possession of the said goods with the consent of the owner and which no other person as any claim.

Your's faithfully,  
DEPOSITOR/AGENT

Certified that the written description of goods, their grade or quantity and weights and /or measurements and price have been verified by me and or correct.

Place:

Date:

WAREHOUSEMAN'S SIGNATURE

FORM No.5

(See Rules 11)

Application for Delivery order

To,

The Warehouseman

Dear Sir,

Please delivery the goods described below to self or to .....These goods were deposited with you on .....The deposit receipt granted by you accompanies.

**Description of goods to be delivered**

---

Description of goods	Number of Packages etc.,	of Weights or/and Measurement	Market Price	Spl marks if any	Remarks
----------------------	--------------------------	-------------------------------	--------------	------------------	---------

(both in figures and words)

---

---

Your's faithfully,

DEPOSITOR

Receive the above noted goods in.....condition.

Place:

Date:

DEPOSITOR

FORM No.6

(See Rules 12)

.....WAREHOUSING CORPORATION  
**Warehouse Receipt –Negoatiable/Non-Negotiable**

(Serial No. of Receipt)

No. and location of Warehouse.....

Warehouseman’s Licence No..... Valid up to .....Received

From (Name and Address of the Depositor).....

.....

.....

Goods of the following Description

---

Kind	Class or Standrad quality and/or	No. of Packages or lots and grade	Net quantity in kg. by weight or measure	Name and/or Licence Number of the Weigher/Gra der/Sampler
------	---	---	--	--

---

Conditions of the goods :- (1) Good  
(2) Fair  
(3) Average

Private marks of the depositors on the packages, if any.....

Rate of storing and other charges.....

Indemnified/Insured for Fire/Flood/Theft/Burglary/Strike/  
Riots/other contingency with.....

If insured (Name or Insurance Co.).....  
 For the amount of Rs.....  
 The goods are accepted for storage from..... to.....  
 market rate at the time of deposit.....(Valuation)  
 Date.....

Signature of the Warehouseman

The Goods mentioned below are hereby released from the receipt for delivery from Warehouse. Any unreleased balance of goods is subject to a lien unpaid charges and advances on the released portion.

---

Date	Quantity	Released	Signature	Quantity due on Receipt

---

CONDITONS FOR STORAGE

1. **Tender for Storage**

(a) All goods for storage shall be delivered at the warehouse properly marked and packed for handling. In case the warehouseman consider it necessary to make ‘Pala’ and standardize and change the packages, he will be entitled to do so and the depositors shall be liable to pay charges on the account. The Warehouseman may, at his discretion, refuse to accept goods which are in a condition not likely to stand

storage. The Warehouseman shall give identity mark on each package.

(b) The word 'Lot' as used herein means the unit or units of goods for which a separate account is to be kept by the Warehouseman. Delivery of all or any units of a lot shall be made without subsequent sorting except by special arrangement and in that event subject to a charge.

(c) The Warehouseman undertakes to store and deliver goods only in the packages in which they are originally received, unless otherwise provided by arrangement in writing between the Depositor and Warehouseman.

## **2. Storage Charges :-**

(a) Storage Charges will be made on monthly basis and number of days in excess of a month will be charged on weekly basis. Unless otherwise provided, where storage is for less than a month, the charges will be for the whole month.

## **3. Delivery Requirement :-**

(a) Instructions for delivery or transfer of goods shall always be in writing and signed by the depositor or his authorized agent.

b) When a Warehouse Receipt has been issued, no goods covered by that receipt shall be delivered unless the receipt properly endorsed is surrendered for cancellation or for endorsement of partial delivery thereon.

c) Should a Warehouse Receipt be lost or destroyed, goods covered by it shall not be delivered until the person lawfully entitled to possession of the goods, obtains and surrenders a duplicate receipt. The duplicate will be issued on such terms and conditions and on furnishing a bond to indemnify Warehouseman against any liability as provided under the Act and the Rules.

#### **4. Liability:**

- (a) The Warehouseman undertakes to exercise reasonable care and diligence required by the law for keeping the goods.
- (b) The Warehouseman's liability is limited to the value of goods on the date of deposit.
- (c) Perishable goods of goods which are susceptible to damage through temperature or humidity changes are accepted only at owner's risk for such damage as might result from general storage conditions.
- (d) The Depositor of goods shall examine the contents of goods at the time of taking delivery and shall give notice in writing with full particulars of the loss or damage, if any, caused to the goods, to the Warehouseman, forthwith at the time of taking delivery. A copy of the notice shall also be sent to the prescribed authority. No claim against the Warehouseman shall be valid if the notice of loss of damage



has not been given by the depositor. Similar notice for claim for damages shall be given to the Warehouseman by the depositor in case the depositor comes to know of the loss damage while the goods are deposited in the Warehouse.

(e) The Warehouseman is not responsible for the usual and customary shrinkage in weight and effect on quality during storage due to natural causes.

(f) The quality condition, value and content of goods are unknown to the Warehouseman except when specifically mentioned in the Warehouse Receipt.

5. (1) When goods are transferred from one room to another or from one Warehouse to another, at the request of the depositor, a charge for handling and transport, if any, will be made.

(2) The Warehouseman may also transfer at his own expenses without notice, any goods in storage from one room to another in the warehouse provided transfer in values no charge in the class of storage.

6. Charges for handling, loading, unloading and extra services rendered in the interest of the depositor are to be paid by the depositor of goods in addition to the usual Warehouse charges.



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## FORM No.8

(See Rule 25)

## DEPOSITOR LEDGER

Deposit No.....	Godown.....	Name of the Company	Amount.....
Name of the Depositor.....	Where stored.....	Particulars of Insurance	Period.....
Name of operators or transferees	Godown Registration	No. of policies	Date of.....
Ref. to specimen signature card	No.		Expiry.....

Description of goods received				Description of goods Of delivered/released			Particular of Payments made by depositors		Date of Payment
Date of Deposit	Expenses of stocking or cleaning and charges of safe custody	Goods Receipt No.	No. of packages or bags or Quantity (Spl. Mark on goods if any)	Weights and/or measurement	Grade or quantity standard	No.of packages or bags or quality	Weights and/or measurement	Grade or quality standard	
1	2	3	4	5			6		

Delivery Order No.	Initial of Godown keeper	Balance of Stock		Grade or quality standard (c)	Market price of goods deposited on the date of deposit	Name of transferee to whom goods are transferred or by whom they are held as security. For advances, If any	Reference to the instrument marks or document transferring Possession	Remar ks
		No of Packages (a)	Weights and/or measurement (b)					
7	8	9	9	10	11	12	13	

## FORM No.9

(See Rule 25)

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Name of the Depositor	Warehouse Receipt No.	Value of the Goods	Amount for which insured	Period for which Insured	Name of the Insurance Companies with Which insured	No. of the Insurance Policy	Amount of the Insurance charges	Amount of the Pocket expense	Remarks
1	2	3	4	5	6	7	8	9	10

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FORM No.10

(See Rule 29)

Application for Licence to Weight/Sample/Grade.

To,

.....

.....

Sir,

I hereby apply under the Karnataka Warehouses Act 1961, and the Rules made there under for licence to Weight/Sample/Grade and to certify the Weigh/ class/Grade of the ..... Stored or to be stored in the following Warehouse licensed for which application for licence has made under the Karnataka Warehouse Act, 1961.

Name of the Warehouse	No. and/or Licence number of Warehouses	Location of Warehouses

2. I agree to complain with and abide by the terms of the Act and the Rules so for the same may related to me.

3. I have attached a treasury receipt for the payment of the licence fee of Rs.....

(Questions to be answered by the applicant)

1. Full Name

2. Residential address

3. Date of Birth

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4. Present Employment

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5. Name and address of present employer

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6. How were you employed during the past five years.

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7. Have you ever been discharged from employment? If so give name and address of the employer and reasons for discharge

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8. Have you ever been licensed to perform services similar to those for which licence is applied for? If so give details.

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9. Have you ever performed services similar those for which the licence applied? If so give details.

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10. Have you any special qualification?

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11. Are you physically fit to perform the duties of the post for which license is applied for? Have you any defect of sight disease of the eye?

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12. Name and address of three persons who have personal knowledge of your qualification (Two of them must be engaged in commercial concern handling products covered by this application).

---

I declared that the foregoing statements are true to the knowledge and behalf.

Place:

Signature of the Applicant

Date:

X Score out what is needed.

XX Here enter the name of goods.

## FORM No.11

(See Rule 30)

Form of Licence to Weigh/Sample/Grade..... Commodity.

Sl.No

Valid up to 31<sup>st</sup> March 20.....

Under sub-sec(1)of Section 23 of the Karnataka Warehouse Act,

1961, Sri..... Son of.....

Residing at..... of ..... taluk in the

District of ..... Is hereby licensed to Weigh/Sample/Grade and to certify  
weigh/Class/Grade of the .....Stored or to stored in the following Warehouse licensed or for which application for  
Licence has been made under the said Act.

Name of the Warehouse	No. and/or Licence number of Warehouse	Location of Warehouses
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## Conditions of Licence:-

- 1) This Licence shall be valid up to the 31<sup>st</sup> March.....
- 2) This licence shall be subjected to the provisions of the Karnataka Warehouse Act, 1961 and Rules made thereunder.
- 3) This Licenece shall not be transferable.
- 4) The licence shall be produced whenever demanded by the prescribed Authority or any other person authorised by him

X. Strike out what is not wanted.

1. Here enter the names of goods.

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FORM No.12

(See Rule 30)

Form of certificate to be issued by the Weigher, Sample or Grader

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Weight/Grade certificate

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Name and location of the Warehouse in which  
the grain or produce is to be stored

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Date of Certificate

---

Consecutive number of the Certificate

---

Weight of grain or produce covered by the Certificate

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Kind of grain or produce covered by the Certificate

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Grade and/or weight of grain or produce as determined by the Licensed weigher,  
Sampler or Grader.

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This Certificate is issued under the Karnataka warehouse Act, 1961 and the Rules  
made thereunder.

Signature of the Licensed Weigher,  
Sampler or Grader  
(No.DPC 2 CWH 63.)

By order and in the name of the Governor of Karnataka  
B.S.NARAYANSWAMY,  
Under Secy.