

PUNJAB WAREHOUSES ACT, 1957

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34. PUNJAB WAREHOUSES [1958 • Provisions regarding such licenses Facilities to be given for weighing goods, etc.] Receipt to issued Receipt for deposits in warehouses Duplicate receipt Act Appeals against certain orders of prescribed authority NO compensation for suspension or cancellation of licence Contracts and agreements inconsistent with Act to be void Penalty and procedure Power to make rules 958 : ,Pb. Act 111 PUNJAB WAREHOUSES THE PUNJAB WAREHOUSES ACT, 1957. PUNJAB ACT No. 11 OF 1958. 491 [Received the assent of the President of India on the 30th January, 1958, and first published in the Punjab Government Gazette (Extraordinary) of 6th February, 1958.] 2 Year 1958 3 Short title The Punjab Ware- houses Act, 1957 4 Whether repealed or otherwise affected by legislation Amended by Punjab Act No. 1 of 1961.' Amended by Punjab Act No. 30 of 1962. Amended by Punjab Act No. 18 of 1965.' Amended by the Punjab Reorganisation (Chandigarh) (Adaptation of Laws on State and Concurrent Subjects) Order, 1968. AN ACT to provide for the regulation and licensing of warehouses in the State of Punjab. BE it enacted by the Legislature of the State of Punjab in the Eighth Year of the Republic of India as follows 'For Statement of Objects and Reasons, see Punjab Government Gazette (Extraordinary), 1957, page 1633.34. 'For Statement of Objects and Reasons, see Punjab Government Gazette (Extraordinary), 1960, page 1965. 'For Statement of Objects and Reasons, see Punjab Government Gazette (Extraordinary), 1962, page 1648. 'For Statement of Objects and Reasons, see Punjab Government Gazette (Extraordinary), 1965, page 360. 498 PUNJAB WAREHOUSES (1958 : Ph. Act CHAPTER I PRELIMINARY Short title. extent t. (1) This Act may be called the Punjab and commence• houses Act, 1957. mat. (2) It extends to the whole of the 11 Union Territory of Chandigarh]. (3) it shall come into force on such date as the Govern- ment may, by notification in the official Gazette, appoint

2. In this Act, unless the context otherwise requires,—(a) "Co-operative Society" means a society registered or deemed to; be registered under' the Punjab Co-operative Societies Act, 1954, or the Co. operative Societies Act, 1912, as in force in the territories which, immediately before the 1st November, 1956, were comprised in the State of Patiala and East Punjab States Union ; (b) "depositor" means a person who has deposited goods with a warehouseman for storing, and Includes any person who lawfully holds the receipt issued by the warehouseman in respect of such goods and derives title thereto by a proper endorsement or transfer thereof to him by the depositor or the depositor's lawful transferee ; (c) "goods" means • any or the articles specified in the Schedule to this Act Provided that the Government may, by noti; fication in the official Gazette, add to or omit from the Schedule any article ; (d) ' "Government" means the 2[Central Govern- ment] • 1Substituted for the words "State of Punjab" by the Punjab ReorganisatiOO (Chandigarh) (Adaptation of Laws on State and Concurrent Subjects) Order, 196\$• 'Substituted for the words "Government of Punjab" by ibid. 195* : l'b. Act 111 PUNJAB WAREHOUSES 499 (c) "licensed warehouse" means a warehouse licenscd under this Act (D ' 'person" includes any cotnpany or association or body corporate ; (g) "prescribed" means prescribed by rules made under this Act ; (h) "receipt" means a warehouse receipt ' in the prescribed



form issued by a warehouseman to a person depositing goods in the warehouse ; (i) "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 (j) "warehouseman" means a person who has obtained licence under this Act in respect of his warehouse

CHAPTER 11 LICENSING OF WAREHOUSES 3. No person shall carry on the business of a warehouseman except under licence granted under this Act and in accordance with such terms and conditions thereof as may, from time to time, be prescribed. Application for 4. (1) Every application for a licence under section 3 shall be made in the prescribed form to the prescribed authority. (2) The prescribed authority may, on receiving such application and on payment of such fees as may be prescribed, grant a licence. 5. (1) Before granting a licence the prescribed authority shall satisfy itself— (a) that the warehouse 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 financially sound (c) that the applicant has paid the fee prescribed for the licence and has also paid or given the prescribed security, if any. (2) The Government may, by notification in the official Gazette, add to or alter the conditions under this section. 6. 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. If the prescribed authority refuses to grant or to renew a licence under the foregoing provisions, it shall record its reasons for such refusal in writing and communicate the order to the applicant by forwarding a copy thereof. 8. (1) Every licence granted under section 4 or renewed under section 6 shall be liable to be suspended, cancelled or revoked either temporarily or permanently by the prescribed authority for valid reasons stated in writing and a particular if the warehouseman— (a) has applied for being declared 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 the business of such a warehouse, or (d) has made unreasonable charges for the services rendered, by him, or (e) has in any other manner become incompetent to conduct the business of such warehouse' or is guilty of any of the following— (a) has contravened, or failed to comply with, any of the conditions of the licence or any of the provisions of this Act or the rules made thereunder. (2) If a licence is suspended, revoked or cancelled the prescribed authority shall make an entry to that effect in the licence. 9. (1) Before passing an order for suspension, notice of suspension and cancellation or revocation under section 8, the prescribed authority shall give notice to the warehouseman stating the grounds on which it is proposed to suspend, revoke or cancel his licence and call upon him to show cause why the proposed action should not be taken. (2) After considering the explanation, if any, of the warehouseman, the prescribed authority may pass such orders as it deems just. 10. When a licence expires or is suspended, revoked 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, or, who may acquire the business in the manner as prescribed. Duplicate licence. 11. (1) Where a licence granted to a warehouseman is lost, destroyed, torn, defaced or otherwise becomes illegible, the prescribed authority shall issue 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 the record of the office issuing the licence

CHAPTER 11 Duties of a Warehouseman 12. Every warehouseman shall take such care of the goods of, the goods deposited with him as a man of ordinary prudence would take of his own goods under similar circumstances and conditions PUNJAB WAREHOUSES [1958 : Pb. Act 502 13. (1) Every warehouseman shall keep his warehouse clean and free from damp, and take all necessary precautions against rats and other pests and fulfil such conditions as may be prescribed. (2) No warehouseman shall accept such goods for deposit as are likely to cause damage to other goods which are, or may be deposited, in the warehouse

14. Every warehouseman shall keep the goods 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 the identification and delivery of the goods deposited : Provided that where standardised and graded goods are stored in a warehouse, then subject to any agree- ment between the warehouseman and a depositor, the same variety of goods belonging to different depositors may be stored together and each depositor shall be entitled only to his portion of the goods according to weight- or quantity, as the case may be, as shown in his receipt. 15. (1) Whenever goods deposited in a ware- Goods deteriorat in warehouseâhouse begin to deteriorate from causes beyond the their disposal. forthwith control of the warehouseman, he shall give notice of such fact 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. Explanation,—Loss of weight or bulk by shrinkage or dryage or gain in weight or bulk by absorption Of moisture shall be deemed to amount to deterioration within the meaning of this sub-section, if the loss or gain exceeds such limits as may be prescribed. (2) Jflhe depositor does not, within a reasonable time as prescribed , comply with a notice given to him under sub-section (1), the warehouseman may cause the goods to be removed from the warehouse gold by public auction on such conditions as may prescribed at the cost and risk of the depositor. 1958': Pb. Act PUNJAB WAREHOUSES (3) Any person having an interest in any, goods deposited in a warehouse or in the receipt for such goods may inform the warehouseman in writfnü' of the fact and nature of his interest and the •Warehouseman shall keepa record thereof : and if such person re- quests In writing that intimation, be given to him regarding the condition or thc goods and agreceg Io pay the charges for giving such intimation, the warehouse- man shall give him Intimation accordingly. 16. (1) Every warehouseman, in the *absence Delivery or goods of any reasonable excuse, shall, without Unnecessary: delay, deliver the goods deposited in his warehouse to the depositor on demand made by him and sur- render of the receipt duly Aischarged and payment of all charges due to the warehouseman, (2) Subject to any agreement between the ware- houseman and the depositor, the depositor may take partial delivery of the goods' deposited in an , ware-' house. 17. (1) For the purposes of sub;section (1) of section 13 and of section 16, loss of weight or bulk by dryage or shrinkage within prescribed limits and gaiff in weight by absorption of moisture withi such -limi ts shall not be deemed to amount to deterioration. (2) If there is any excess in the goods stored in a warehouse by absorption of moisture or other causes, the warehouseman shall not be entitled there- to. (3) If there is any shortage in the goods stored In aa warehouse by dryage or other causes beyond his con- trol the warehouseman shall not be responsible 'there- for. (4) In the event ofa dispute arising as to yhether such shortage or excess is due to dryage or absorption of moisture or is due to other causes beyond the con- trol of warehouseman, the matter shall be referred to the appellate authority referred to in section •29 •whose decision thereon shall be final and binding. Liability of warehouseman for shortage or excess in goods stored. 504 PUNJAB WAREHOUSES (1958 : Pb. ÅCt 11 Insurance of goods (1) Every warehouseman shall insure prohibited stored in his warehouse against such risks and in such manner as may be prescribed Provided that n depositor may at his own cost insure his goods against other risks • Provided further that nothing contained in this sub. section shall apply to the goods deposited in a warehouse belonging to a Warehousing Corporation established under the Warehousing Corporations Act, 1962 (Parliament Act 58 of 1962), where such warehousing corporation has agreed, in the prescribed manner, to compensate the de_ positor against)oss or damage arising from the prescribed risks (3) Every warehouseman shall be entitled to recover from the depositor Pi lhe rale prescribed the charges for insurance in respect or the depositor's goods before delivery thereof, and where a Warehousing Corporation established under lhe Warehousing Corporations Act, 1962 (Parliament Act 58 of 1 962), has agreed to compensate the depositor under lhe second proviso to sub- section (1), such corporation shall be entitled to recover from the depositor such additional charges as it may decide, not exceeding the tariff rale of the insurance premia, for the risk which it has agreed to compansate.J 19. No warehouseman shall, in the conduct of his business, discriminate between persons desiring IO avaiJ themselves of the facilities of his warehouse Provided thal lhe warehouseman shall show such preference to co-operative societies in the Stale and allow them such concessional retes as may be pres- cribed warehouseman 20. Notwithstanding anything contained in any other Jaw for the lime being in force, no warehousenwll lhe Central or in warehouse. other than a Co-operative Society or any State Warehousing Corporal ion set up underl he Agricultural Produce (Development and Warehousing) Corporations Act, 1956, shall, either on his own account lSubstitmed by Punjab Act No. .18 of 1965. PUNJAB WAREHOUSES 1958 : Pb. Act 11) 505 or that of others, deal in, or lend money on goods

received by him for deposit in his warehouse 21. A warehouseman shall maintain accounts, Accounts etc. to be maintained. books, and records in such form and manner as may be prescribed

CHAPTER Inspection and Grading of Goods 22. The prescribed authority may, any time Inspection. during business hours, inspect or examine or cause to be inspected or examined 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 made thereunder are being complied with. 23. (1) The prescribed authority may, on application— Weighers, Samplers and graders made in the prescribed manner and on payment of the prescribed fee, issue licences to persons possessing the prescribed qualifications entitling them to act as weighers, samplers and graders of any goods deposited or to be deposited in a licensed warehouse and to issue certificates as to the weight, bulk, quality or grade of the goods which they have examined. (2) The prescribed authority may appoint a Board of Arbitrators whose decisions on any complaints and appeals against weighers, warehouseman relating to weight, quality or grade of the goods stored in the warehouse shall be final. The certificates issued by weighers, samplers and classifiers as to weight, quality or grade of the goods stored in the warehouse shall be binding on the warehouseman and the depositor subject to any order in appeal preferred by them to the Board of Arbitrators. (3) No person who is not licensed under this section shall act, or hold himself out as a weigher, sampler or grader. 506 PUNJAB WAREHOUSES [1958 : Pb. Act Provisions regarding 24. (i) Every licence 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 cancel any such licence after communicating to the licensee the grounds on which it is proposed to take action and giving him a reasonable opportunity of showing cause why the proposed action should not be taken. (3) The prescribed authority may suspend any such licence without such notice after recording in writing its reasons therefore (4) The holder of any such licence shall, on the expiry thereof or on the receipt of an order suspending or cancelling it, return the licence to the prescribed authority. Facilities— to 25. Every warehouseman shall provide facilities given for weighing, sampling and grading any goods deposited goods. etc. or to be deposited in his warehouse

CHAPTER V Warehouse Receipts 26. For the goods deposited in his warehouse by Receipt to be issued. each depositor, the warehouseman shall issue a receipt which shall contain full particulars of the goods and be in the prescribed form

27. The receipt issued by a warehouseman shall be transferable by endorsement and shall entitle its lawful holder to receive the goods specified in it on the same terms and conditions as the original depositor. Explanation.—The provisions of this section shall not apply to any receipt issued by a person who has not obtained a licence under this Act. 1958 : Pb. Act 111 PUNJAB WAREHOUSES 507 28. If a receipt is lost, destroyed or damaged, the warehouseman shall, on application by the depositor and payment by him of the prescribed fee, issue a duplicate receipt on such conditions as he may think fit to impose, being conditions included in the rules made under this Act

CHAPTER VI Miscellaneous 29. (1) An appeal against any order of the prescribed authority refusing to grant or renew a licence or suspending, revoking or cancelling any such licence or in respect of a warehouseman shall be made to such authority and within such time as may be prescribed. (2) The decision of such appellate authority on such appeal shall be final

30. Where any licence is suspended, revoked or for suspension cancelled under this Act, the licensee shall not be entitled to any compensation therefor, nor shall he be entitled to refund of any fee paid by him for the licence. Contracts and 31. Every contract or agreement which is inconsistent with the provisions of this Act or rules made thereunder shall, to the extent of such inconsistency, be void. 32. (1) Whoever— (a) acts or holds himself out, as a licensed warehouseman without having obtained a licence under this Act, or (b) knowingly contravenes or fails to comply with any of the provisions or of this Act or the rules made thereunder shall be punishable with imprisonment for a term which may extend to one year or with fine which may extend to one thousand rupees or with both. (2) Where a person committing an offence under sub-section (1) is a company or an Association or a body of persons whether incorporated or not, manager, secretary,

agent or other principal officer, managing the affairs of such company, association or body shall be deemed to be guilty of such offence. (1958 Pt. IV) WAREHOUSES : Pb. Act 508 33. The prescribed authority would be entitled to forfeit the security of the warehouseman. in case the warehouseman fails to return the goods deposited. time as provided under clause within the reasonable sections 10 and 16 of the Act and the forfeited security may be used in full or part payment of the damages or losses incurred by the depositor on account of such failure or the warehouseman. 34. (1) The Government may, by notification make rules to carry out the purposes of this Act. (2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for — (a) the matters expressly required or allowed by this Act to be prescribed; (b) the form of licenses granted to warehousemen ; (c) the publication of the grant, suspension, revocation or cancellation of licenses to warehousemen and of consolidated lists of warehousemen and licensed warehouses (d) the charges to be levied by warehousemen for their services (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 scales 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; 1958 Pt. IV: Pb. Act 111 PUNJAB WAREHOUSES 309 (i) the circumstances in which any security of bond furnished by a warehouseman may be forfeited, and the manner in which any sum falling due as a result of such forfeiture may be recovered (j) the efficient conduct generally of the business of warehousemen (k) the qualifications to be possessed by persons applying for the grant of licences as weighers, samplers or graders the conditions to be inserted in their licenses the form of the certificates to be issued by them and the grounds for which. the licenses may be suspended or cancelled (l) the standard weights, measures and gradations of goods to be used in licensed warehouses • (m) the authority to which and the time within which an appeal under section 29 should be made (n) the manner of giving notices under this Act. (3) The power to make rules under this section shall be subject to the condition of previous publication and the rules shall be laid before both Houses of the State of the Legislature as soon as may be after they are made. THE SCHEDULE (See section 2 Goods to which the Act applies Foodgrains— Wheat. Maize. Gram Barley. Oats. Rice Bajra. 510 PUNJAB Pulses— Mung. Mash. Moth. Masur. kulth. Peas. Beans. Oilseeds— Sarson, Toria. Groundnuts. Till. Linseed. Cotton. Cotton-seed Fodder— Senjee. Metha. Barseem. Chat(ala. Chari. Guwara. Oats, Bhussa. Vegetables— Potatoes. Tomatoes. Onion, , , Chillies. Others— Gur. Shakkar WAREHOUSES [1958 • Pb. Act