

CENTRAL WAREHOUSING CORPORATION  
(A GOVT. OF INDIA UNDERTAKING)

WAREHOUSING BHAVAN  
4/1, SIRI INSTITUTIONAL  
AREA, HAUZ KHAS,  
NEW DELHI- 110 016.

No. CWC-BD/IV-CS AGARTALA/96

19th August, 1996.

C I R C U L A R

Storage and disposal of perishable/susceptible stocks  
like seeds etc. - Procedure thereof

1.0 Instances have come to the notice where perishable and susceptible goods which are prone to early damage have not been lifted by the depositors on the expiry of initial/extended period of storage. Many a time because of the prolonged storage, the quality of the goods as well as its value goes down whereas on the contrary, the storage charges pile up. The depositors under the circumstances do not find it to be a profitable venture if the stocks of an inferior quality are to be taken delivery of, which may not give them good profits.

2.0 To meet such situations, adequate remedial measures have been provided under the Warehouses Act/Rules. The relevant provisions which were made a part of the "conditions for storage" are reproduced below for reference, guidance as well as implementation of directions thereof:

2.1 Manner in which perishable or deteriorating goods are to be dealt with :

2.1(i) Where goods are of perishable nature or by keeping in storage will deteriorate greatly in value or injure other property, the Warehouse Manager may give such notice as is reasonable and possible, under the circumstances, to the holder of the receipt of the goods, if the name and address of the Holder is known to the Warehouse Manager or if not known to him, then to the depositor, requiring him to satisfy the lien upon the goods and to remove them from the warehouse, and consequent upon the failure of such person to satisfy the lien and to remove the goods within the time prescribed in the notice, the Warehouse Manager may sell the goods by public sale at the risk and cost of the depositors.

2.1(ii) If the Warehouse Manager after a reasonable effort, is unable to sell the goods, he may dispose of them in any manner he may think fit, and shall incur no liability by reasons thereof.

2.1(iii) The Warehouse Manager shall, from the proceeds of any sale made pursuant to this provision satisfy his lien and shall hold the balance, if any, in trust for the holder of the receipt.

Contd...2/-

CIRCULATION:

1. All Regional Managers, CWC, Regional Offices.
2. All Warehouse Managers, Central Warehouses,
3. All Divisional Heads at Head Office, CWC, New Delhi.
4. All Dy Managers in Business Division, CWC, HC, New Delhi.
5. O & M Cell, CWC, HO, New Delhi.
6. Master file.

3.0 If there is any deterioration noticed in such consignment or if the goods are not found to be withstanding further storage it would be the responsibility of the Warehouse Manager to take action of delivery and disposal of the same in terms of the conditions stipulated above. Of course, the Warehouse Manager must first to satisfy himself with the conditions of goods and take such remedial measures, as are considered necessary to arrest/control deterioration of the stocks, until its final disposal. notice will have to be given to the depositor to take delivery of the goods within a stipulated period indicating therein that the goods shall be disposed off by auction, at the risk of the depositor, if the delivery was not taken within the time frame given.

4.0 Before auctioning the stocks, a notice for same will have to be given atleast in one local Newspaper, a copy of such notice be arranged to be exhibited on the Notice Board of the Local Market Committee, as well as to the prescribed authority as per the relevant State Warehousing Corporation Act. In the event of sale of goods, the accounts will have to be properly maintained. The net sale proceeds, after appropriating the storage charges etc. will be paid to the depositor, only when, the Warehouse Receipt is duly discharged and surrendered.

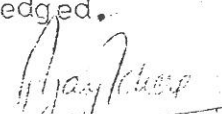
5.0 In special circumstances, where the notice period for auction of goods as provided under the State Warehouse Act/Rules is considered too long by the Warehouse Manager, he may sell the goods by public auction, by giving such shorter notice, as may be reasonable and possible under the circumstances.

6.0 The Warehouse Managers must consult the relevant State Warehousing Corporation Act as well as Rules thoroughly before taking action as above.

7.0 It is advisable that in all cases, Warehouse Manager makes it a point to serve a notice on the depositor urging upon them to lift such stocks. A deadline be given, whereafter, further action, as given for disposal, is taken well in time before deterioration of stocks.

8.0 This may please be noted that in the eventuality of any negligence/mistake in such cases, they would be held squarely responsible.

The receipt of circular may be acknowledged.

  
(AJAY KHERA)  
COMMERCIAL MANAGER.

DISTRIBUTION:

- 1) All Regional Managers.
- 2) All Warehouse Managers.
- 3) JM/DMs in Business Division.