

Government of Karnataka
Department of Agricultural Marketing

Office of the Director
of Agricultural Marketing
No.16, 2nd, Raj Bhavan Road,
Bangalore 560001

Subject: Guidelines for warehousing of commodities for transaction
through the Unified Market Platform – reg.

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Preamble

It is necessary to specify the process by which commodities can be stored in warehouses for sale in markets specified under rule 91-O (1) of the Karnataka Agricultural Produce Marketing (Regulation and Development) Rules, 1968 (“Rules”) and hence the following order is issued under Rule 91-O (2) of the Rules.

Order No:KruMaE/Niyavi/Avyava/315/2013-14, dated:21/02/2014

1. Title

This order shall be called as **Warehousing for the Unified Market Platform order.**

2. Accreditation of warehouses

- (1) The Director of Agricultural Marketing may accredit warehouses where the produce of farmers may be stored and offered for sale in accordance with the Price Determination through the Electronic Platform Order.
- (2) The Director of Agricultural Marketing may specify norms for accreditation of warehouses, namely, quality of building, access roads, height of the plinth, proximity to the main road and other parameters that should be satisfied for a warehouse to be accredited.

- (3) Rashtriya e-Market Services Private Limited (“ReMS”) shall advise the Director of Agricultural Marketing regarding suitability of the proposed warehouse with respect to internet connectivity and other technical parameters and the Director may consider the views of Rashtriya e-Market Services Private Limited before accrediting a warehouse.
- (4) Every accredited warehouse shall be under the charge of a warehouse manager, whose particulars shall be clearly mentioned in the accreditation order of the Director of Agricultural Marketing. The warehouse manager may be the owner of the warehouse or any other person (either an individual or body corporate) who manages the day to day affairs of the warehouse.
- (5) The Director of Agricultural Marketing may, in public interest, give the owner or the warehouse manager of a warehouse sufficient time to improve the warehouse and in the interim period, accredit the warehouse. The owner shall improve the warehouse to the satisfaction of Director of Agricultural Marketing, within the time period given.
- (6) The warehouse manager shall be responsible for all operations in the warehouse and shall abide by this order and any other condition that the Director of Agricultural Marketing may specify from time to time.

3. Infrastructure in the warehouse

- (1) Adequate arrangements shall be made in the warehouse for carrying out operations like loading and unloading, data entry, supervision, etc.
- (2) The warehouse shall have all necessary infrastructure for storage of goods as generally required to safeguard the quality and quantity of such goods,

proper accounting of stored goods, marking the goods for sale, internet connectivity, computers for data entry, power back up, etc.

4. Com Live module

Rashtriya e-Market Services Private Limited shall make available the electronic warehousing accounting system called ComLive for managing warehousing operations. Every accredited warehouse shall carry out all transactions using the said module and account for the stocks stored using the said module.

5. Registration of depositors

- (1) Particulars of farmers registered in the Unified Market Platform shall be made available in the ComLive module for accounting of the deposited goods.
- (2) Particulars of traders, commission agents and other market participants registered with or licensed by the Director of Agricultural Marketing shall be made available in the ComLive module for accounting of the stored produce.
- (3) The warehouse manager shall make adequate arrangements in the warehouse for the registration of farmers, traders, commission agents and other market participants who have not been registered earlier and shall make available such registration particulars in the Unified Market Platform.

6. Acceptance of deposit

- (1) Upon arrival of the goods, the assaying agency appointed by Rashtriya e - Market Services Private Limited shall sample the goods as per the

sampling procedure prescribed for that commodity and subject the sample to an initial scrutiny. If the goods are found to be infested or in any manner unfit for storage, then the assaying agency shall inform the warehouse manager forthwith.

- (2) The warehouse manager shall consider the report of the assaying agency and if satisfied, reject the arrived goods for being stored in the warehouse. Any decision of the warehouse manager in this regard shall be final.
- (3) Deposits shall not be accepted by the warehouse manager if particulars of the depositor are not available in the ComLive module. He shall make arrangements to enter details of the depositor in the Unified Market Platform and only then accept the deposit.

7. Testing of the deposit

- (1) Once the deposit is accepted for storage, the assaying agency shall draw a representative sample and test it as per the procedure prescribed for that commodity. Details of test results shall be communicated to the warehouse manager.
- (2) The cost of assaying at the time of acceptance of deposit shall be borne by Rashtriya e-Market Services Private Limited.

8. Storing of goods

- (1) The goods intended for deposit is then weighed by the warehouse manager in the presence of the depositor. Particulars of the depositor, the commodity, the weight of the deposit and quality parameters as assayed shall be entered in the ComLive module by the warehouse manager.

- (2) The goods is then unloaded, stacked and identity slips (like bin card, etc.) are placed in the stack to distinguish it from other deposits.
- (3) The depositor shall be issued with a Goods Received note ("GRN"), which shall be serially numbered and contain details of the depositor, the deposit and other particulars.
- (4) As soon as may be feasible, anIVR number shall be included in each GRN which can be used by the depositor for bringing his goods for sale through a telephonic call.
- (5) The GRN is not a negotiable instrument and ownership of goods indicated in the GRN cannot be transferred by endorsing it in favour of another person.
- (6) Recording of particulars in the ComLive module is a process of electronic accounting of the stocks in the warehouse and is not a dematerialised form of storage of stock, capable of being transferred by effecting entries.
- (7) The warehouse manager shall take due care of the goods deposited and stored as is expected of any diligent person, including providing sufficient security, carrying out fumigation as may be required for safety of the goods keeping in view the nature of goods, etc.
- (8) The warehouse manager shall adequately insure the stored goods against all risks for the replacement value of the goods and shall periodically review the insurance cover.

9. Assaying of the lot

- (1) Assaying of a lot deposited in a warehouse shall be compulsory. The cost of the first assaying shall be paid by Rashtriya e-Market Services Private Limited.
- (2) The assaying result of a lot deposited in a warehouse shall have a validity as specified in the respective assaying certificate for that commodity. Goods that are in the warehouse beyond the validity period shall be re-assayed before being offered for sale through the Unified Market Platform. The cost of re-assaying shall be borne by the owner of goods.

10. Funding of stored commodities

- (1) The warehouse manager shall participate in any arrangement worked out by the Director of Agricultural Marketing or Rashtriya e-Market Services Private Limited with banks or other institutions for funding of commodities stored in the warehouse.
- (2) The warehouse manager shall mark a lien on such funded commodities and the goods shall not be removed without the express approval of Rashtriya e- Market Services Private Limited.
- (3) The warehouse manager shall forthwith inform Rashtriya e-Market Services Private Limited if any Transfer Slip requesting for transfer of ownership is received. He shall not act on such Transfer Slip and shall await instructions from Rashtriya e-Market Services Private Limited in this behalf.
- (4) The warehouse manager shall not deliver the funded commodities as long as a lien is marked on the goods.

11. Post sale transfer of ownership

- (1) When a lot stored in the warehouse is offered for sale in the Unified Market Platform and is sold, ownership of the lot has to be transferred in favour of the buyer.
- (2) A communication from Rashtriya e-Market Services Private Limited (in any form whatsoever) intimating that the lot has been sold and giving particulars of the buyer shall be adequate for initiating post sale transfer of ownership of the lot.
- (3) In case the entire quantity deposited under a lot number has been sold, entries in favour of the original depositor in the ComLive module shall be extinguished and a corresponding quantity entered in favour of the buyer. Thereafter, a fresh GRN shall be issued in favour of the buyer. A communication through post or email or SMS (provided details of mobile number are available) shall be sent to the buyer informing him that a GRN has been issued. The buyer may thereafter download the GRN for his record or collect the same from the warehouse.
- (4) Particulars in the identity slip (like bin card, etc.) noted at the time of deposit as per clause 8 (2) above shall be revised to substitute the name of the buyer in place of the original depositor.
- (5) If the sold lot had a lien marked, then such lien shall be removed after the ownership of the lot is transferred in favour of the buyer.
- (6) In case a part of the lot has been sold, the quantity under that lot number in the ComLive module shall be revised and a corresponding quantity entered in favour of the buyer. The original depositor shall be issued with a new GRN showing the reduced quantity. A new lot number shall be

given for the sold quantity, details noted in the ComLive module and the buyer issued with a GRN. A communication through post or email or SMS (provided details of mobile number are available) shall be sent to the buyer informing him that a GRN has been issued. The buyer may thereafter download the GRN for his record or collect the same from the warehouse.

- (7) As the original lot has been split due to transfer in ownership, the warehouse manager shall mark the reduced original lot and the number of bags transferred to the buyer distinctly and place fresh identity slips (like bin card, etc.), so that both the original lot and the bought quantity out of the original lot is distinguished without difficulty.
- (8) If the sold lot had a lien marked, then such lien shall be removed after the ownership of the split lot is transferred in favour of the buyer. The lien may continue in respect of the original lot as may be instructed by Rashtriya e-Market Services Private Limited.

12. Direct transfer of ownership

- (1) A lot may be sold directly (without marking it for sale in the UMP) or transferred by the depositor directly. In both these cases, the ownership of the goods would have to be transferred to the buyer or transferee as the case may be.
- (2) The depositor shall submit particulars in the Transfer Slip as per Schedule 1 for effecting transfer of goods.
- (3) The warehouse manager shall satisfy himself that the Transfer Slip received is from the depositor or current owner of goods and proceed to

transfer ownership of the lot as per the procedure in clause 11 (3) to 11 (7), if no lien has been marked on the goods.

- (4) The Transfer Slip received shall be filed serially by the warehouse manager and maintained.
- (5) No transfer of ownership shall be effected unless the transferee has been duly registered in the Unified Market Platform.
- (6) No transfer of ownership shall be effected, unless the buyer remits the rent due from the date of deposit till the date of transfer.

13. Charging of rent

- (1) Rent for storage of goods in the warehouse shall generally be on the basis of the amount payable for storing one bag for a period of one month. In case the commodity is stored without the use of bags, then an appropriate manner of charging rent would be used by the warehouse manager.
- (2) The rent shall be payable by the person in whose name the ownership of the lot is shown in the ComLive module.
- (3) In case the depositor sells the goods through Unified Market Platform, then Rashtriya e-Market Services Private Limited shall deduct the rent amount from the sale proceeds payable and credit the rent amount to the bank account of the warehouse manager. Rashtriya e Market Services Private Limited may levy a service charge for the service so rendered, and in that case, the service charge may be deducted and the net amount credited to the bank account of the warehouse manager.

- (4) In case of direct sale or transfer of the commodity fully or partially, the buyer/transferee may adjust the rent payable from the sale consideration and remit the proceeds to the warehouse manager.
- (5) In case the owner of the goods desires to withdraw the goods fully or partially, then before such delivery is affected, the rent from the date of deposit/transfer of ownership shall be remitted before the goods can be withdrawn from the warehouse.

14. Delivery of goods from the warehouse

- (1) The warehouse manager shall deliver the goods to the person who is shown as the owner of goods.
- (2) In all cases, the warehouse manager shall deliver the stored goods to the buyer on *as-stored* basis.
- (3) The goods as marked shall be delivered to the depositor/buyer/transferee as the case may be. The lot shall be weighed and recorded at the time of delivery.
- (4) After delivery, the respective GRN shall be cancelled and necessary entries in ComLive module effected. Any fractional residual quantity (due to change in weight on account of natural causes) shall be ignored and the entries in favour of the owner in ComLive system shall be extinguished.
- (5) In case of partial withdrawal of goods, a revised GRN shall be given to the owner of goods and necessary entries in ComLive module effected.

- (6) Any difference in weight due to natural causes like reduction of moisture shall be to the account of the depositor/buyer/transferee as the case may be. Any delivery with variation in weight due to such natural causes shall be deemed to be good delivery.
- (7) Any change in the quality of the stored produce due to natural causes shall be to the account of the depositor/buyer/transferee as the case may be. Any delivery with variation in quality due to such natural causes shall be deemed to be good delivery.
- (8) If the depositor/buyer/transferee as the case may be, is of opinion that the difference in weight and/or change in quality is not entirely due to natural causes, he may request for retesting and/or reweighing of the delivered goods, which shall be carried out by the assaying agency. The cost of retesting and/or reweighing shall be borne by the depositor/buyer/transferee as the case may be.
- (9) If after such retesting the depositor/buyer/transferee as the case may be is not satisfied that the delivery is good delivery, he may raise a dispute in accordance with the Guidelines for the conduct of proceedings of the Disputes Committee for Online Markets Order.

15. Maximum period of storage

- (1) Goods deposited in the warehouse shall be stored for a period not exceeding the maximum period of storage as indicated in the assaying certificate. Non removal of the stored lot within the period specified shall lead to such penalties as may be specified by the Director of Agricultural Marketing. The goods may be auctioned by the warehouse manager at the costs and risks of the owner after due intimation to the owner and the

realised proceeds transferred to the bank account of the owner of such goods after deduction of cost of auction, assaying charges and the warehouse rent if due from the owner.

- (2) Notwithstanding (1) above, if the warehouse manager is of opinion that any lot has deteriorated to such an extent that it may affect other stored lots, he may direct the owner to remove the goods within such period as he may specify. If the owner does not comply with such direction, then the warehouse manager may remove the goods and any expenditure that may be incurred in this behalf shall be recovered from the owner of such goods.

16. Settlement of disputes

Any dispute in this regard shall be settled by the Disputes Committee for Online Markets set up by the respective market committee under Rule 91-P (1) of the Karnataka Agricultural Produce Marketing (Development and Regulation) Rules, 1968 and the guidelines issued by the Director of Agricultural Marketing under Rule 91-P (7) of the said Rules.

17. Removal of difficulties

Any difficulty in the implementation of this order shall be referred to the Director of Agricultural Marketing, who shall issue clarifications as deemed necessary.


(P.S. Vastrad)
Director

To

1. The Managing Director, Rashtriya e Market Services Limited, Bangalore.
2. Chairman/Secretary, Agricultural Produce Marketing Committee, Tumkur, Tiptur, Arasikere and Chamarajanagar.
3. The Additional Director (Enforcement), Department of Agricultural Marketing, Bangalore.
4. The Joint Director (Enforcement), Department of Agricultural Marketing, Northern Zone, Hubli and Southern Zone, Bangalore.
5. Deputy Director/Assistant Director, Department of Agricultural Marketing, Tumkur, Hassan and Chamarajanagar.
6. Office copy

Schedule 1

Transfer slip for direct transfer of goods

| Sl. No. | Transfer slip | |
|---------|--|--|
| 1 | Name of commodity | |
| 2 | Name of the depositor and registration number particulars | |
| 3 | Lot number proposed for transfer | |
| 4 | Date of deposit | |
| 5 | GRN of the deposit | |
| 6 | Name of the direct buyer/ transferee and registration number particulars | |
| 7 | Quantity to be transferred from the lot above | |
| 8 | Signature of the depositor | |