To,

1. All Warehousemen / Warehouse Service Providers of WDRA-registered warehouses accredited with Commodity Derivative Exchanges.

Subject:- Issuance of e-NWR/e-NNWR by exchange-accredited warehouses-Issues reported

WDRA has been receiving references from various stakeholders that WDRA-registered warehouses which are accredited with Clearing Corporations / Commodity Derivative Exchanges are not following the laid down guidelines while issuing e-NWR/e-NWR. We here by reiterate our guidelines in this regard with a direction to follow the same scrupulously.

2. The warehouses which issue or intend to issue e-NWRs are required to be registered with WDRA. In e-NWR ecosystem, after allowing sufficient transition period to get ready with necessary systems, all the warehouses registered with WDRA are mandated to issue e-NWR or e-NNWR only w.e.f. from 1.8.2019 on any of the repositories all stocks of notified commodity. Thereafter no paper-based receipt is allowed to be issued by the registered warehouses.

3. Warehouseman (WHM) has to issue Electronic Negotiable Warehouse Receipt (e-NWR) for all the stocks deposited on a day by the depositor duly following the laid down norms and on completion of the assaying of the deposit and grade designation. However, in case of any late arrival or due to the process delays in completion of the assaying of the deposited goods, the Warehouseman should issue Electronic Non-Negotiable Warehouse Receipt (e-NNWR) on the same day of deposit. WHM may complete the pending activity subsequently and convert the e-NNWR in to a e-NWR in due course. Hence, no depositor be issued any paper-based receipt and no WDRA notified commodity should be outstanding in Warehouse without proper accounting with Repository either as e NWR or e NNWR by the end of the day.

4. During the various inspections of warehouses it has been observed that the notified commodity stocks are lying in registered warehouses accredited with Clearing Corporations without issuance of e-NWR or e-NNWR against the same and issued only local storage receipts. This is compelling WDRA to initiate investigations and initiate action against such warehouses. This violation by warehouses leads to suspension / cancellation of registration of warehouse as per laid down procedure.

5. Further WDRA has been receiving references from various stakeholders that registered warehouses which are accredited with Clearing Corporations for settlement of exchange contracts are not issuing e-NWR/e-NWR on the same day of deposit and delaying the issuance of these electronic receipts which is in contravention to the provisions of Warehouse Registration with WDRA. This delay in issuance of such receipts on repositories is also causing financial loss to the depositor-client since they are missing the opportunity of selling when prices are higher for them. This violation by warehouses leads to suspension / cancellation of registration of warehouse as per laid down procedure.
6. For registered warehouses, it is not allowed to keep stocks without issuing e-NNWR/e-NWR. The WDRA shall initiate action against such registered warehouses as per laid down procedure. Further in case of any fire or any other such loss of stock, the same will not be covered under insurance policy to ensure compensation to depositor. WDRA can deal any such cases only if electronic receipt is issued by warehouse on the repository.

7. Therefore, all the registered warehouses are advised to issue only e-NWRs/e-NNWRs in electronic form on licensed repositories for all notified commodity deposits received by them either for Exchange / Non-exchange purposes. Warehouses shall issue electronic receipt, e-NWR or e-NNWR, on the same day of deposits as per the provisions of Warehouse Registration with WDRA as explained above. WSPs shall make such arrangement to issue e-NWRs against deposits or e-NNWR in case it is pending for assaying and no stock of WDRA notified commodity is lying without issuance of e-NWR/e-NNWR.

8. Clearing Corporation may advise all the accredited warehouses for issuance of receipts in electronic form only, e-NWR/e-NNWR, immediate on the deposit before end of the day as per the provisions of Warehouse Registration with WDRA, to avoid any suspension/cancellation of registration of warehouses.

Copy to:-

1. Clearing Corporations of all Commodity Derivative Exchanges,
2. M/s NERL / M/s CCRL.