



भांडागण विकास और विनियामक प्राधिकरण
भारत सरकार
Warehousing Development and Regulatory Authority
Govt. of India



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Dated:13.09.2021

Subject: Inviting comments from stakeholders on the Discussion paper on requirements for registration of warehouses storing non-agricultural commodities, issuance of e-NWRs, Standard Operating Procedures (SOP), Inspection Guidelines for Warehouses in respect of non- agricultural goods viz. Aluminium, Copper, Nickel Lead, Zinc, Tin, Brass, Steel and Iron Ore.

The Government has notified Warehousing (Development and Regulation) Registration of Warehouses Rules, 2017 as published in the Gazette of India on 23rd February, 2017 and as amended further. The Warehousing Development and Regulatory Authority (WDR A), has drafted the Discussion paper indicating the specific requirements for registration of warehouses storing the aforementioned non-agricultural commodities, issuance of e-NWRs, Standard Operating Procedures and Inspection guidelines. The Discussion paper is annexed.

Suggestions/ comments from all the warehouse service providers including CWC, SWCs, private warehouses, scheduled commercial banks, other stakeholders and the general public are invited on the draft provisions. The comments may be sent to Deputy Director (Stakeholder's Affairs), WDR A on his e-mail animesh.k@gov.in or may also be sent by post to the Deputy Director (SA), WDR A, 4th Floor, NCUI Bhawan, 3, Siri Institutional Area, August Kranti Marg, Hauz Khas, New Delhi-110016.

The comments may kindly be sent latest by the 15th October, 2021. It is requested that the name, telephone/ mobile number and address of the sender should be indicated at the time of sending the suggestions/ comments.

AC
13-09-2021

(Animesh Kumar)
Dy. Director (Stakeholder's Affairs)

DA: Discussion paper as above

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Warehousing Development and Regulatory Authority

Government of India

Discussion paper on requirements for registration of warehouses storing non-agricultural commodities, issuance of e-NWRs, Standard Operating Procedures (SOP), Inspection Guidelines for Warehouses in respect of non-agricultural goods viz. Aluminium, Copper, Nickel Lead, Zinc, Tin, Brass, Steel, Iron Ore, etc

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CHAPTER - I

1. Introduction

The Warehousing Development and Regulatory Authority (WDRA) has been established under Warehousing (Development and Regulation) Act, 2007 for implementation of negotiable warehouse receipt (NWR) system in the country, regulation and registration of warehouses, etc.

WDRA implemented NWR system for agricultural & horticultural commodities. Further WDRA migrated to electronic form of NWR (e-NWR) system by licensing two repositories namely, NERL and CCRL. WDRA has notified 152 agricultural commodities for the purpose of storage in registered warehouses and issuance of electronic Negotiable Warehouse Receipts (e-NWRs).

The Government has recently accorded in-principle approval to WDRA also for regulating the warehouses storing non-agricultural commodities i.e. Aluminium, Copper, Nickel, Lead, Zinc, Tin, Brass, Steel, Iron Ore, etc.

Pursuant to this, WDRA intends to seek comments/ views from the stakeholders and public on requirements for registration of warehouses storing non-agri commodities under WDRA regulatory mechanism, issuance of e-NWR, Standard Operating Procedures, Inspection Guidelines for Warehouses in respect of non- agricultural commodities i.e. Aluminium, Copper, Nickel Lead, Zinc, Tin, Brass, Steel, Iron Ore, etc. and other related matters.

2. Registration of Warehouses storing non-agri commodities:

The Government has notified Warehousing (Development and Regulation) Registration of Warehouses Rules, 2017 as published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 165(E),

dated the 23rd February, 2017 and amended vide number G.S.R. 1040(E), dated the 22nd August, 2017 and amended vide number G.S.R. 251(E), dated the 20th March, 2018 and further amended vide number G.S.R. 782(E), dated the 21st December, 2020. These rules prescribed the process for application and registration of warehouses, eligibility criteria for warehouseman (WHM), requirements for registration of warehouseman and warehouse, roles/responsibility/obligations of warehouse /warehouseman, etc.

These registration rules are also applicable to warehouses storing non-agricultural commodities. However, the specific requirements for registrations, inspection guidelines, SOP for non-agri warehouses is as explained in following paras.

2.1 Registration fee:

The registration fee for non-agri warehouses and combined (Agri and Non Agri) warehouses will be based on the fees for agri warehouses as prescribed in the registration rules, which will be as below:

Table I: Registration fees

Capacity of the warehouse	Fee (non-refundable)
Each warehouse with a capacity of upto 10,000 MT	Rs. 50,000
Each warehouse with a capacity above 10,000 MT&upto 25,000 MT	Rs 75,000
Each warehouse with a capacity above25,000 MT	Rs 1,00,000

2.2 Minimum Net Worth requirements:

The network requirements for non-agri warehouses and combined (agri and non-agri) warehouses will be as follows:

Table II: Net Worth requirement

Network requirement	
Storage capacity (in tons)	Net worth (Rupees in crores)
Upto 10,000	5

10,001 – 25,000	10
25,001 – 75,000	20
75,001 – 1,50,000	30
1,50,001 – 5,00,000	50
5,00,001 and above	100

2.3 Insurance requirement:

Insurance requirements for warehouseman have been prescribed by WDRA for agri warehouses as per circular No. 01/Tech.II/2017 dated: 27.04.2017 and this will be applicable for warehouseman of non-agri warehouses also. (Available on WDRA website www.wdra.gov.in)

2.4 Security Deposit for non-agri warehouses:

For warehouseman having one or more warehouse units (irrespective of capacity) registered with WDRA, the fixed Security Deposit will be Rs. 1 Lakh/- per warehouse (as detailed in the column A of Table III below for registration of warehouses), whereas, the dynamic Security Deposit is 0.3% (zero point three percent) of the consolidated peak value negotiable and non-negotiable warehouse receipts issued by a registered warehouse of the warehouseman on any day during the preceding month, referred as T and mentioned in column B of Table III below:

Table III: Security Deposit requirements

Sr. No.	Single registered Warehouse Capacity (in MT) for warehouseman	Fixed Security Deposit (Rs.) / per warehouse unit	Dynamic Security Deposit (% of T)
		A	B
1	Single warehouse unit capacity (Any)	Rs. 1 Lakh per warehouse	0.3% of T

CHAPTER -II

Physical Infrastructure requirements including facilities and equipment

3. Infrastructure requirements for registration of warehouses storing non-agri commodities

3.1 Introduction

3.1.1 The Warehouses storing non-agri commodities intending to register with the WDRA, shall be required to meet the infrastructure standards prescribed by the Authority under the Warehousing (Development and Regulation) Registration of Warehouses Rules, 2017. The Warehouses fulfilling the eligibility requirements prescribed in the Registration Rules, shall be subjected to a physical inspection by WDRA itself or an Inspection Agency empanelled with WDRA after issuing a communication, either in written or electronic form, to the concerned Inspection agency and WHM.

3.1.2. The Inspecting Officer of the empanelled Inspection agency deputed for physical inspection shall collect information on physical infrastructure of the warehouse apart from the key criteria establishing the ownership/effective control of the warehouse by the applicant (WHM).

3.2 Infrastructure for non-agri warehouses: The infrastructure in a Non Agri warehouse can be categorised into the following heads:

1. Construction & Structural requirements.
2. Laboratory facilities including equipment for physical and chemical analysis of goods.
3. Equipment and infrastructure, including Material handling equipment, required for preservation / maintenance of stocks.
4. Arrangements for weighment of goods.
5. Fire-fighting arrangements.
6. Security & access control arrangements
7. Office facilities

3.3 Construction & Structural requirements:

1. The godown(s) should be to the following standards. Though these standards are required by the Authority for the purpose of registration of a warehouse, the Inspection Agency may, if satisfied, recommend relaxation of some of the structural requirements to the Authority without compromising the overall storage worthiness of the warehouse with specific observations/reasons for relaxing the same. However, following aspects shall be given due consideration. A warehouse complex can be registered by warehouseman for both Agri and Non-Agri Commodities. However Agri and Non-Agri Commodities should be stored in separate warehouses or separate compartments. The words "Godown(s)" and "Warehouse(s)" have been used interchangeably.

i. The godown(s) shall be located on a raised site with adequate drainage facilities, not liable for flooding and inundation and shall be away from a place likely to cause water seepage into the godown(s).

ii. The godown(s) should be free from any high tension electric line passing over it, and in the event of such line passing over, relevant electric core position should be taken into account while planning the storage structure. The structure should be free from gas/fire pipe lines.

iii. The storage structure should be as far as possible away from possible source of fire-hazard such as timber stores and petrol/CNG/PNG pumping stations.

iv. There shall be no tree adjoining the godown, roots of which can affect the foundation of the godown structure. The structure shall always be kept clear of branches of tree, poles etc. by at least by 3 meters as otherwise rats, squirrels etc would find access into it. Necessary measures for preventing termite infestation shall also be demonstrated.

v. The warehouse should be accessible by an all-weather motorable road. The warehouse may preferably be situated near a transport head or a main road. If the warehouse is located away from the main road, then it must have easy accessibility for the transport vehicles.

vi. In the warehouse complex, there shall be sufficient parking space and

space for easy maneuverability of vehicles. If the warehouse is situated at a ferry head, railway station, airport, etc, sufficient berthing, loading and unloading facilities shall be available.

vii. The plinth shall generally be kept 61 cm above the finished ground level for the road fed godowns whereas for the rail-fed godowns, the plinth height shall be 91 cm above the top of the rail.

viii. The flooring in the storage godown should be made of cement concrete and should be rodent proof, damp proof, rigid, durable & free from any cracks or crevices.

ix. In longitudinal walls, one steel ventilator of opening not less than 1494 mm and 594 mm shall be provided in each bay between RCC columns spaced at 4650 mm from centre to centre. Air inlets of steel ventilator 620 mm x 620 mm in each bay shall also be provided at 600mm above the floor level of the godown. Where good local timber is available or in coastal region where steel may be subjected to corrosion, timber ventilators may be provided.

x. The roof of the godowns shall be of single span structural steel or tubular trusses which shall be fixed on the RCC columns of RS joints at a height not less than 5600 mm from the plinth level to the tie level at the column ends, both for the road-fed and rail-fed storage godowns.

xi. Roofing material may be of corrugated asbestos sheets or galvanised corrugated steel sheets or corrugated aluminum sheets not lesser than 0.56 mm thick. For facility of natural illumination, sufficient number of translucent sheets may be provided. For facility of ventilation and cooling effect, sufficient number of turbo ventilators may be provided on the roof.

xii. A beam may be provided at the tie level of truss over gable walls and partition walls. Where gabled roof is constructed, care should be taken that no hollow space is left between the walls and the roof covering.

xiii. Adequate arrangements for drainage of rain water shall be provided in the complex to avoid flooding.

xiv. The internal faces of the walls of the godowns shall be cement plastered and external faces up to floor level shall be smooth plastered. The internal

faces may be whitewashed and external faces provided with colour wash.

xv. Sufficient lighting may be provided inside the godown in the alleyways and on the outside of the godown at door points to facilitate loading and unloading operations. All the electrical connections and fittings should be got checked and tested regularly to avoid any electrical short circuit. MCBs should be provided in the distribution box to control the possibility of mishap due to overloaded circuits. In case some defects are observed, these should be immediately got rectified.

xvi. There may be one or more ancillary structures at the warehouse depending upon the storage capacity and scope for future expansion. A small compact block consisting of an office room, a store room, washroom and a separate room for keeping pesticides under lock and key with proper ventilation may be provided.

xvii. Warehouse official shall ensure that all the walls, pillars, partitions, ceilings, staircases inside the warehouse are white/colour washed at defined intervals (at least once in 3 years).

xviii. In the earthquake prone areas, the godown shall be designed and constructed to take care of earthquake tremors in accordance with the provision given in IS: 1893-2016 and IS : 4326-2013

xix. Base Metals/ Non Ferrous Metals and Alloys should be stored in conventional warehouses with flat-bed storage or rack storage system.

xx. Load bearing capacity of warehouse floor should be designed commensurate with the intended stacking height & items to be stored generally drawing the guidance from IS 875(Part I)-1987. The stack height intended to be followed based on the floor strength should be indicated for each metal/alloy separately, intended to be stored.

xxi. Warehouses should have adjustable ramps/ dock leveller at the loading/unloading bay so as to enable cargo vehicles of different heights to load/unload at the entry point of the warehouse.

xxii. Ferrous Metals such as steel ingots, blooms, billets and thick plates can be stored in open yards or yards with sheds, ensuring that the commodity

stored will not corrode & change its visible appearance, having the following features:

- a) Yards should have high boundary walls to control pilferage/ theft.
- b) Yards should have adequate drainage system and the main storage areas should be preferably higher than the surrounding vehicle movement areas and be preferably concreted to have required load bearing strength.
- c) Yards should have leveled floor to ensure stability of stack
- d) Yards should have large gates and open spaces for entry/exit of large vehicles and for loading/unloading of cargo.
- e) The compartment/warehouse being used for Non Agri Commodities should be covered by CCTV.
- f) Wild growth of vegetation around the boundary walls (inside & outside) should be controlled & regularly cleaned to ensure better visibility, avoiding fire incidents & for safety of the boundary walls.

3.4 Laboratory facilities including equipment for physical and chemical analysis of goods:

1. The assaying/ testing in case of Non-agri Commodities, wherever required shall be carried out in a National Accreditation Board for Testing and Calibration Laboratories (NABL) accredited Lab. The warehouse for which the registration is sought should have a tie up with an NABL accredited lab for assaying of Non-agri Commodities.

2. Towards evidence of implementation of prescribed practices & smooth operation, following documents & information are expected to be available along-with an effective system for their long term storage/ retrieval:

- a) List of NABL accredited labs with whom the warehouse has the tie up for testing and the agreement correspondence/ document(s).
- b) Validity period and scope of accreditation of these labs with NABL.
- c) Availability of prescribed assaying/test standards of the concerned product stored/proposed to be stored for purposes of comparison with test/assaying result.

3.5 Equipment and infrastructure, including material handling equipment, required for preservation and maintenance of stocks

1. The warehouse should have necessary equipment and other items required for operating a warehouse.
2. The equipment and items requiring calibration should be got calibrated periodically from the approved calibrating laboratories/ institutions and a certificate to this effect should be obtained and displayed. A separate calibration register for the equipment which requires calibration should be maintained.
3. Adequate material handling equipment like Cranes, Forklifts, Hydra, Stackers, Chain Pulley Blocks etc. shall be available. An indicative list of such equipment and items is given in **Annexure-I**. These could be hired or owned. In case of hired equipment, an agreement should be available with the hiring agency.
4. The handling & lifting equipment & their load bearing parts should be load tested as per statutory requirements (generally once in a year) for their safe operation. The list of such equipment & their relevant load bearing components including the hooks, ropes, harnesses, chains etc with their testing details along with their test certificates issued by the authorized persons should be available.

3.6 Arrangements for weighment of goods

1. The warehouse should have adequate facilities for weighment of goods brought for storage in the warehouse. Ideally the warehouse should have its own electronic lorry weighbridge (LWB). However, if it has sufficient number of Electronic Platform Scales of desired capacity, it may qualify for registration. Details of last date of stamping of weighing scales shall be prominently displayed in the warehouse.
2. In case of availability of an electronic lorry weighbridge in the warehouse, its capacity and make may also be indicated apart from details of last stamping. If not, the following details may also be provided –
 - a) address of at least one or more lorry weighbridge available in the

vicinity to be used for weighment;

- b) name of owner of the weighbridge;
- c) Distance of the weighbridge from the warehouse
- d) capacity of the LWB
- e) Calibration dates of the weighing devices and the related calibration certificates

3. Except for those non-ferrous metals where weighing is not possible due to tamper-proof packing or where weighing is not the industry practice, all other goods should be 100% weighed before accepting them for deposit by a warehouseman.

4. With regards to weighment, in cases where 100% weighment is to be followed, all stipulations prescribed for agri commodities in WDRA Model SOP for agri warehouses (<https://wdra.gov.in/documents/32110/553933/Final+Model+SOP+of+WDRA.pdf/1fbd9dcb-862a-932d-8c1e-3d66d686f18c>) are to be followed.

3.7 Firefighting arrangements

1. The warehouse should have adequate arrangements to ensure that the warehouse and stocks stored therein are well protected from losses due to fire hazards. Warehouse security shall ensure that no personnel entering in to the premises carry any match box, gas lighter, chemicals and inflammable items which can cause fire. Warehouse officials shall take precautions to avoid any outbreak of fire in the premises. "No Smoking" signage boards shall be prominently displayed at vantage locations. The warehouse shall have adequate number of fire extinguishers and fire buckets as detailed at **Annexure-II**.

2. The warehouse may have any other better provision/arrangement for fire detection and fire protection/ fighting duly approved by fire service authorities. Water supply and firefighting arrangement shall be made in accordance with the requirement of the local fire department. In case of combined agri and non-agri warehouses, storage of hazardous goods like cotton bales, jute bales etc, static water tanks of appropriate capacity should

be provided and shall always be functional. Controls for handling electrical fires should be in place.

3. Warehouse shall ensure that addresses and telephone numbers of Local Fire Station, Police Station, Hospital and warehouseman shall be displayed at the security room, office and conspicuous places so that in case of emergency, the concerned authorities can be contacted without any delay.

4. The employees of the Warehouseman shall regularly undergo training in fire safety, use of firefighting equipment and first aid.

3.8 Security and access control arrangements

1. The warehouse should have requisite infrastructure for security of the premises and stock. In addition to required watch and ward staff, the warehouse should have a well protected pucca boundary wall or barbed wire fencing with a well secured gate. A Security Room at the gate(s) would be advisable. Adequate arrangements for lighting on the warehouse perimeter wall and inside the complex shall also be provided, for proper watch and ward. CCTV system shall be installed for regular surveillance and suitable access control measures should be adopted to control the entry of the unauthorized personnel.

3.9 Office facilities

1. The warehouse may have a small compact block consisting of an office room or a designated chamber/space to act as office area. Sufficient office equipment viz. computers, telephone, fax and furniture (table, chairs almira, etc.) shall be available in the office.

Annexure-I

Minimum equipment required for physical analysis laboratory in a warehouse and preservation of non-Agri Commodities.

Sl. No	Name of the Equipment	Minimum number required
1	Tarpaulin	As per need
2	Ladder	1
3	First Aid box	1
4	Fire extinguishers	As prescribed in Annexure II
5	Fire buckets	As prescribed in Annexure II
6	Platform Scales	As per need
7	Gum Boots*	As per need
8	Bamboo mats*	As per need
9	Wooden crates/poly crates*	As per need
10	Pallet (wooden/ plastic)*	As per need
11	Flatbed storage or rack storage system*	As per need
12	Handling Equipment (Forklift trucks, hydra Cranes, Stackers, Chain Pulley Blocks)	As per need

*** These equipment are desirable as per need but not mandatory for registration of a warehouse**

Handling equipment inventory is to be declared & list of available handling equipment to be provided by the WHM as per need. The equipment is to be maintained in satisfactory working condition.

Norms for fire extinguishers of appropriate type and fire buckets with sand and water in different capacity warehouses

S. No	Capacity of Godown	No. of fire extinguishers to be provided	No. of fire buckets to be
1.	Upto 1,500 MT	3	15
2.	Above1,500 MT and upto 3,000 MT	4	20
3.	Above3,000 MT and upto 5,000 MT	6	30
4.	Above5,000 MT and upto 10,000 MT	8	40
5.	Above 10,000 MT and upto 15,000 MT	10	50
6.	Above 15,000 MTand upto 25,000 MT	15	75
7.	Above 25000 MT	25	125

Note: Appropriate type of Extinguishers as per the class of fire

Type of Fire		Type of Fire Extinguishers
Category	Details	
CLASS –A	Fires involving solid Combustible materials of organic nature such as wood, paper, rubber, plastics, etc., where the cooling effect of water is essential for extinguishing of fires.	Water, foam, ABC dry power and halocarbons.
CLASS- B	Fires involving flammable liquids or liquefiable solids or the like where a blanketing effect is essential Examples: Oil, Paraffin, Petrol.	Foam, dry powder, clean agent and carbon dioxide extinguishers.

Type of Fire		Type of Fire Extinguishers
Category	Details	
CLASS- C	Fires involving flammable gases under pressure including liquefied gases, where it is necessary to inhibit the burning gas at fast rate with an inert gas, powder or vaporizing liquid for extinguishment. Examples: Methane, Butane, Propane.	Dry powder, clean agent and carbon dioxide extinguishers.
CLASS –D	Fires involving combustible metals, such as magnesium, aluminium, zinc, sodium, potassium etc, when the burning metals are reactive to water and water containing agents and in certain cases carbon dioxide, halogenated hydrocarbons and ordinary dry powders. These fires require special media and techniques to extinguish. Examples: Magnesium, Titanium, Aluminum.	Extinguishers with special dry powder for metal fires.
CLASS- E	Electrical fires. It is important to decide selection and use of extinguisher on live electrical installations. The extinguisher that have passed electrical conductivity test should only be used.	Carbon Dioxide

CHAPTER – III

Standard Operating Procedures for warehouses registered with WDRA.

4. Standard Operating Procedures for non-agri warehouses registered with WDRA.

4.1 Procedure for deposit of goods

1. Maintenance of Know Your Depositor (KYD) records : A warehouseman must adopt processes to ensure the identity of the depositor and ownership of the goods to be deposited in registered warehouses, and obtain documents from depositor to verify the identity of the depositor, the ownership of the commodity (in case the depositor is an agent of the actual owner), the beneficiary (in case the depositor and the beneficiary are different). Relevant documents for establishing identity and address proof as described under Schedule 7 (Rule 24) of the Warehousing (Development and Regulation) Registration of Warehouses Rules, 2017 are also to be obtained. Specimen signature of depositor / his authorised representative shall also be maintained for signing various records in the warehouse. Additional records that establish the status of the depositor (being a farmer/ trader and other entity) as well as specimen signature of depositor / his authorised representative for signing various records in the warehouse shall also be maintained, by the WHM.

4.2 Deposit of Goods

On arrival of goods in a warehouse, the following steps shall be taken:

1. Submission of Deposit Application.
2. Submission of the following documents
 - a. Copy of the Certificate of Analysis issued by the manufacturer for each Heat/Cast supplied (Technical specification reference, chemical Analysis) including applicable details of Brand Name/ Trade Mark, manufacturer's name, item nomenclature, size, grade,

- Cast/Heat/lot no., and Certificate of Analysis date with stamp/signature of the manufacturer's representative.
- b. Copy of invoice with all deposits/eWay Bill
 - c. Certificate of Origin, and any custom clearing documents in case of imported goods.
 - d. Packing List containing unique Identification name / code of the commodity, Net Weight, Gross Weight, Heat/Cast No., No. of units/bundles.
3. Entry of loaded vehicles in the premises after making entries in gate Register.
 4. Weighment of the stocks.
 5. Visual inspection of the commodity and supporting documentation.
 6. Unloading of stocks from the transport vehicle into the godown.
 7. Assaying the quality of the stocks, as specified.
 8. Stacking of stocks in the godown.
 9. Identification of the storage location/ bay, Preparation of the necessary records and, if required, securing the commodity under lock & key, as per applicable guidelines.
 10. Issuance of e-negotiable warehouse receipt through Repository platform.
 11. Completion of the entries in the Office Record.

4.3 General precautions during deposit

1. Following general precautions shall be taken during receipt of stocks/ commodities:
 - i. General condition of stock/commodity shall be verified before its entry in to the warehouse.
 - ii. Stock shall be visually inspected for corrosion of metal/ packaging/ strapping, contamination, physical damage, damaged identification marking/ stickers, inconsistent branding and any other anomaly.
 - iii. The supporting document shall be inspected and all details regarding branding, heat/cast number, grade, size, quantity, Certificate of Analysis and the like shall be verified with respect to the stock to be received.

- iv. If there is any inconsistency between documentation and actual metal stock, the stock may not be accepted until such inconsistency has been rectified by the depositor.
- v. Before accepting the stocks, the relevant code of storage practice and specific precautions required to be taken, if any, shall be adhered to ensure its safe storage.
- vi. Consignments containing mixed metals or metals of different grades (heats/ grades mixed together) shall not be accepted in a single receipt. The metals need to be separated into groups of uniform quality (size, grade/ heat/cast) before stacking or weighment.
- vii. Manufacturer's sticker/ tag/ embossed or engraved markings should be available on each ingot/bundle giving the details like:
 - Producer/manufacturer
 - Item nomenclature/ specification/ grade
 - Heat/ cast / lot number
 - Net weight
 - Gross weight
 - Purity
 - Date of Manufacture
 - Number of pieces of Ingots/sheets/units in bundle

4.4 Weighment of the goods deposited

1. For base metals received from Exchange approved manufacturers, weighment is not required if the metals are received in tamper proof packing along with quantity & quality certificate of refiner/ manufacturer. However, the Warehouseman shall be free to check all the bundles/pieces on warehouse weigh scale. In case the weight of the bundle/piece is found to be lesser than the weight declared in the packing list, the lesser of both the weights shall be considered as final weight. Therefore, the final responsibility for weight will rest with the Warehouseman, except in cases where the packing is such that the weighment of the metal is not possible. However, in such cases also the gross weight of the packets/bundles should be checked.

2. In case of the Base Metals received from Exchange approved brands, packing is tampered/ not tamper-proof, 100% weighment of the consignment shall be carried out before storage in the warehouse.
3. In all other cases, 100% weighment should be carried out by the WHM.
4. The warehouseman shall ensure that the record of the weighment of the metal items to be stored cannot be tampered with or altered.
5. If the metal items are brought in a transport vehicle, the registration number of the vehicle must be recorded
6. In case where the warehouse does not have its own lorry weighbridge, it should have Platform scales of requisite capacity and in sufficient numbers.
7. If the registered warehouse does not have its own lorry weighbridge, and the weighment is taken at an external weighbridge, the warehouseman or its employee or authorized official must supervise the weighment of the metal items at such location and ensure no change of status during transportation from the weighbridge to the warehouse.
8. The recorded weight of the goods during deposit shall be communicated to and got authenticated by the depositor or its authorized representative, if stationed at the warehouse.
9. Standard Weights, weighing scales or weighbridge available in the warehouse or the external lorry weighbridge used for weighment of goods shall be periodically stamped/ verified by Department of weights and Measures preferably quarterly.

4.5 Assaying the quality of goods

1. In case of ferrous & non-ferrous metals from Exchange approved brands where goods can be traced back to the refiner/ manufacturer & heat/cast/lot number through markings/ stickers/ engraving/ embossing/ tag and are received in tamper proof packing and the quality can be ascertained by way of verification of the goods against refiner's/ manufacturer's Certificate of Analysis, assaying / testing of the goods before accepting for deposit is not required.
2. In case of Exchange approved brands if for any reason at the time of accepting goods for deposit, the certificate of analysis is not available but goods can be traced back to the refiner/ manufacturer through lot/heat/cast

number, markings/ stickers/ engraving/ embossing/ tag and supporting documents of say purchase, transport, payment etc, the cast/batch/lot wise sampling & testing of such goods should be carried out through NABL accredited labs as per BIS product / test standards at the cost of depositor. The goods can thereafter, carry the accredited lab's test certificate for further trade.

3. In case of all other goods, acceptance for deposit must be given only after the goods have been tested by an NABL accredited lab using applicable chemical & mechanical test standards as specified by BIS and the goods have been found to be conforming to the product's technical requirements.
4. In case of certificate of analysis based deposit of goods (where goods could be traced back to refiner/manufacturer at the time of deposit), if traceability of the goods back to refiner/manufacturer is lost after deposit in warehouse due to any reason (as loss of refiner/manufacturer's certificate of analysis, breakage of manufacturer's seal, worn out identification numbers on the goods, etc.), warehouseman shall be responsible with respect to the quality of the goods deposited in case of any future dispute arising w.r.t. quality of the goods.
5. In all cases, the cost of testing & related expenditure shall be borne by the depositor.

NOTE: Assaying/ chemical analysis can be carried out by wet or gravimetric or instrument methods- as specified in the relevant assaying/ test standards of BIS.

4.6 Sampling of goods

1. For determining the quality/grade of the goods, representative samples shall be drawn. Following care shall be taken during sampling of goods deposited in the warehouse:
 - i. The sampling procedure & no. of test samples required as indicated in BIS specification for the particular commodity shall be followed. Where ever possible, the samples should be taken by the NABL lab where the testing is being carried out.
 - ii. Samples should be randomly drawn and guidance may be taken from IS 4905: 2015 on Random Sampling and Randomization Procedures

- iii. Wherever possible, samples shall be taken by the representative of the NABL Lab where testing is to be carried out, in the presence of the authorized representatives of the depositor, if available at the warehouse, and warehouseman or his representative.
- iv. Stocks/commodities, if found to be without tamper proof packing or damaged packing and received in damaged or substandard condition, shall be kept separate from the sound stocks and sampled separately. Samples of unsound material shall not be mixed with samples of sound material and shall be identified and quantified.
- v. It shall be ensured that all sampling apparatus are clean, dry and free from foreign matter.
- vi. Sampling shall be carried out in such a manner so as to protect the samples, sampling instruments and containers in which the samples are placed, from contamination from rain, dust, etc.
- vii. Required quantity of the sample for testing/ analysis shall be drawn as per the relevant product/ test standard of BIS. A total of four samples per heat/ cast shall be drawn for distribution in a sealed cover as under:
 - a. One sample to Depositor
 - b. One sample to Warehouseman
 - c. One sample for Analysis by assayer/ NABL accredited Test Lab
 - d. One sample for record/ reference with assayer / NABL accredited Test Lab

4.7 Procedure for verification of quality of goods

1. If goods are received in tamper proof packing from Exchange approved brands with certificate of analysis issued by refiner/ manufacturer then there is no requirement of verification of quality of goods.
2. In any other case, quality may be verified by chemical & mechanical testing /assaying as per BIS specifications from an NABL accredited lab.
3. Test labs may be advised to retain sufficient remnant portion from the test sample so that in case of dispute, the retesting for re-confirmation of the test results may be carried out by the same or another approved laboratory.

4.8 Determination of Grade

1. Grade as provided by the Exchange approved refiner/ manufacturer shall be accepted if the ferrous & non-ferrous goods can be traced back to the refiner/ manufacturer through lot/heat/cast number through markings/ stickers/ engraving/ embossing/ tag, are received in tamper proof packing and the quality can be ascertained by way of verification of the goods against the accompanied refiner's/ manufacturer's certificate of analysis, assaying / testing of the goods before accepting for deposit is not required.

2. For any reason, if at the time of accepting goods for deposit, the certificate of analysis of the Exchange approved refiner/ manufacturer is not available but goods can be traced back to the refiner/ manufacturer through lot/heat/batch number through markings/ stickers/ engraving/ embossing/ tag and supporting documents of say purchase, transport, payment etc, , the cast/batch/lot wise sampling & testing of such goods should be carried out through NABL accredited labs as per BIS product / test standards for all the applicable tests, at the cost of depositor. The goods can thereafter, carry the accredited lab's test certificate for further trade

3. In all other cases, grade shall be as per certificate provided by the NABL accredited lab which has tested / assayed the commodity heat/cast/lot/grade wise as per relevant BIS specifications for all applicable tests included in the product standard.

4. In case goods cannot be traced back to the refiner/manufacturer for any reason (as non-availability of manufacturer's certificate of analysis, broken manufacturer's seal, worn out identifications numbers on the goods etc.) at the time of accepting goods for deposit itself, testing/assaying of such goods per heat/ cast/ grade wise should be carried out through NABL accredited labs as per the BIS testing/assaying standards by the warehouseman at the cost of the depositor. Thereafter, goods can carry the accredited lab's certificate for further trade. In case of such deposits, the warehouseman shall be responsible for the quality of the goods so deposited after assaying in case of any future dispute arising w.r.t. quality of the non-ferrous metals.

5. In all cases, the cost of testing & related expenditure shall be borne by the depositor.

6. Assaying / testing prior to acceptance of goods for deposit must be carried out in case of steeland iron ore. Before accepting goods for deposit, warehouses should get the goods tested heat/cast/ grade/ lot wise by NABL accredited laboratories using BIS specified assaying/ testing standards.

7. In case of certificate based deposit of goods for exchange approved brands, (where goods could be traced back to refiner/manufacturer at the time of deposit), if traceability of the goods back to refiner/manufacturer is lost after deposit in warehouse due to any reason (as loss of refiner/manufacturer's certificate of analysis, breakage of manufacturer's seal, worn out identification numbers on the goods etc.), warehouseman shall be responsible with respect to the quality of the goods deposited in case of any future dispute arising w.r.t. quality of the goods. In such a case, the testing will have to be carried out by the warehouseman at his cost in an NABL accredited lab.

8. For the product & testing specifications, following reference IS specifications shall be referred for the non agri commodities:

Commodity	Product Standards		Assaying/ Testing standards	
	Code	Particulars	Code	Particulars
Aluminium	IS 21	Wrought Aluminium and Aluminium Alloys for Manufacture of Utensils	IS 504	Methods of Chemical Analysis of Aluminium and its Alloys (Standard is in Several Parts)
	IS 617	Aluminium and its alloy ingots and castings for general engineering purposes		

	IS 733	Wrought Aluminium and Aluminium Alloy Bars, Rods and Sections (for General Engineering Purposes)		
	IS 737	Wrought aluminium and aluminium alloy sheet and strip for general engineering purposes		
	IS 2590	Primary aluminium ingots for remelting for general engineering purposes		
Brass	IS 292	Leaded Brass Ingots and Castings	IS 3685	Methods of chemical analysis of brasses
	IS 304	High Tensile Brass Ingots and Castings		
Copper	IS 191	Copper	IS 440	Methods Of Chemical Analysis Of Copper
Lead	IS 27	Pig Lead	IS 403	Methods of chemical analysis of lead and antimonial lead
Nickel	IS 2782	Primary nickel	IS 2766	Methods of Chemical Analysis of Primary Nickel
			IS 1952	Methods of Chemical Analysis of Nickel Anodes
Zinc	IS	Zinc Ingot	IS	Methods of chemical

	209		2600	analysis of zinc and zinc base alloys for die castings
	IS 4699	Refined Secondary Zinc	IS 2599	Methods for spectrographic analysis of high purity zinc and zinc base alloys for die casting
	IS 13229	Zinc for Galvanizing	IS 406	Methods of chemical analysis of slab zinc (Spelter)
Tin	IS 26	Tin Ingot	IS 1940	Methods of chemical analysis of tin ingot
	IS 4280	Refined Secondary Tin -Ingot	IS 6516	Methods for chemical analysis of tin in secondary tin and lead
Iron Ore	IS 5442	Haematite Iron ore- Classification	IS 1493	Methods of Chemical Analysis of Iron Ores
	IS 11894	Classification of Magnetite Iron ore		
Steel	IS 2830	Carbon steel cast billet ingots, billets, blooms and slabs for rerolling into steel for general structural purposes	ISS 228	Methods for Chemical Analysis of Steels (in various parts)
	IS 1786	High strength deformed steel bars and wires for concrete reinforcement		

	IS 2062	Hot Rolled Medium and High Tensile Structural Steel		
	IS 2831	Carbon Steel Cast Billet Ingots, Billets, Blooms And Slabs For ReRolling Into Structural Steel (Ordinary Quality)		

4.9 Documentation of Analysis reports

1. The certificate of analysis issued by the manufacturer/ NABL accredited test lab containing the chemical analysis to establish compliance to the specified requirements for the relevant grade, shall be safely retained & the results shall be recorded in the test result register.
2. The test certificates of analysis should be available for the each cast/heat, grade and lot, as applicable.
3. The chemical analysis & other test result values (complying to the requirements) shall be duly verified / authenticated against the applicable standard by the depositor or his representative.

4.10 Issue of eNWR to depositor

1. A warehouseman must ensure that all electronic warehouse receipts issued by him, negotiable or otherwise, comply with the requirements of section 11 of the Act and any rules, regulations, notifications made as guidelines issued there under.
2. From a date to be specified by the Authority, the warehouseman shall issue only electronic Negotiable Warehouse Receipts (eNWRs) by registering with one or more repositories registered with the Authority for issuing negotiable warehouse receipts in electronic form.
3. He shall ensure compliance with all of the following:

- a. eNWR must be issued for all notified goods accepted for storage in a registered warehouse. No paper based warehouse receipt shall be issued by any registered warehouse.
- b. If the warehouseman issues an electronic- Non-NWR, it must clearly mark on it as such.
- c. eNWR must be filled in with all the information as required in the Act.
- d. Warehouseman should ensure that adequate insurance Cover as prescribed under the Rules has been obtained for the deposited goods.
- e. Rules, regulations and guidelines issued by the Authority regulating electronic negotiable warehouse receipts shall be followed by the registered warehouses issuing electronic NWRs.
- f. If a depositor requests, an acknowledgement of the eNWR may be issued.
- g. The warehouseman shall issue separate eNWRs for each lot /heat/ grade.

4.11 Persons authorised to issue eNWR

1. The eNWRs shall either be created by the warehouseman or his authorized official in electronic form on repository platform.
2. In case of any authorization, a proper order shall be issued by the warehouseman to this effect and a copy of such order shall invariably be sent to the Authority for its records.
3. The Authority shall also be notified of any change in the authorization for issue of the eNWRs.
4. In case any unauthorized person issues eNWRs with respect to a warehouse, the warehouseman shall be solely responsible for the consequences.

4.12 eNWR issue record

1. The warehouseman will maintain a daily record of eNWR issued in his warehouses in electronic form as and when notified by the Authority.

4.13 Records to be maintained during deposit of goods

1. Gate Register
2. Deposit Application Register
3. Weighment records

4. Stack wise Register
5. Stack Card
6. Daily Transaction Report
7. Stock Register
8. Depositor's Ledger
9. Lot/ heat/ grade wise test certificate of analysis register & record for non-agri commodities.

4.14 Identification and traceability of goods deposited in a warehouse

1. For sake of identity, each lot shall be provided with a lot number as per the scheme designed by the warehouseman in consultation with the depositor.
2. Lot number shall be reflected in warehouse records both in physical and electronic form.
3. The warehouseman must maintain a system of issuing a unique identification for every deposited good, based on the physical location of the deposited goods within the registered warehouse.
4. The unique identification must be mentioned in the electronic Negotiable Warehouse Receipt issued in respect of the deposited good.
5. The warehouseman shall maintain a mechanism for identification, traceability and test status of goods stored in the warehouse through "Stack card" attached to each stack.
6. It shall be ensured that no stocks are allowed to get mixed or left un- identified in the warehouse.
7. In case any depositor has any specific requirement for identification and traceability, the warehouseman shall maintain the same as per the contractual agreement.
8. The warehouseman must have a system to check on unauthorised access to the storage area.
9. The warehouseman must ensure that all goods are stored as per proper stacking and stack plan.
10. Exchange related goods must be stored clearly away from all other deposited goods. Clear identification must separate exchange related goods from other

goods. The warehouseman must have processes to ensure that it complies with the storage plan requirements of exchanges.

11. Specific to non-agri commodities. The lot of the base metals may be subdivided heat/cast/ grade wise, test certificate of analysis of the each sub lot (heat/cast/grade wise) should be available and each sub-divided item shall be stored in separately identified locations. Suitable identification marking should also be available on the individual item or package / bundle of the sub-lot.

4.15 Procedure for scientific storage of goods including stacking

1. General Precautions:

- a. Goods should be stored in well-lit bounded areas well secured & locked. The stored goods shall be physically counted periodically and quantities agreed to the records should physically be verified by an employee independent of the storage. Commodities should be stacked grade/ heat wise in identifiable stacks.
- b. The warehouseman shall have a system of regular inspection to ensure compliance with its storage related processes.
- c. Doors shall be opened only during warehousing operations and on need basis. At all other times, it should be closed & locked.
- d. Entry and Exit to be controlled and only authorized persons should be allowed. There should be a system in place to check this aspect regularly.
- e. CCTV to be deployed for monitoring purpose in and outside the warehouse.

2. Stacking and space utilization

a. Floor space to be divided into convenient blocks of specified dimensions with minimum specified space between the adjacent stacks to serve as alleyways to facilitate inspection and to provide space for cargo movement operations. Further, stack space is also determined so as to ensure that each lot in case of ferrous and non-ferrous metals, is accessible and retrievable. Another aspect of stack plan is deciding maximum stack height. Stack height is decided taking into account the following –

- Load bearing capacity of the warehouse floor
- Crushing weight bearing capacity of material at the bottom
- Stability of the stack
- Density of material

- b. Alternately, storage in racks can also be resorted to.
- c. In all cases, ventilation between the stored metal items-interlayer & intra layer-should be maintained to ensure passage of air, control the accumulation of moisture/ water puddle and to facilitate better visual inspection. Dunnage should be used so as to control corrosion & damage to material.
- d. In case of ferrous metals, the stack height should be in accordance with the capacity of the material handling equipment as well as the load bearing strength limitation of the floor.
- e. Bulk ferrous materials may be stored in open sheds (without side walls) with floor & ensuring minimum exposure to rain water, dust, oil. Stacking of plates & very heavy materials with low corrosion potential may be done in open concreted spaces of high strength floors ensuring placement on dunnage materials.
- f. Handling & lifting equipment should be periodically tested for safety as per norms & connected records/ certificates should be maintained.

3. Size of stacks

- a. Convenient sizes of stacks shall be made for better circulation of air and to keep a close watch on the condition of stock.
- b. Bigger size of stacks can be built in case of commodities like iron ore which need huge storage spaces and need to be processed further for enrichment/ palletization etc.

4. Drawing up of stack plan

- a. Warehouses generally maintain and follow a stack plan for storage of goods in the warehouse. This involves division of the floor space into convenient blocks of specified dimensions with minimum specified space between the adjacent stacks to serve as alleyways to facilitate inspection and to provide space for cargo movement operations. Stack sizes should be compatible with the capacities of the handling equipment and appropriately sized to facilitate smooth inspection. To the extent possible, the stacking should be done in such a fashion so as to ensure that the unique identification marks on the item or bundle are easily seen. Different colour coding of either the areas or stack lines or stack cards may be resorted to for storage of different metals

5. Stack lines

- a. The stack lines shall be 5 cms broad and painted with white or yellow paint. Each stack shall have a number which shall form the basis for reporting and recording of godown transactions.
- b. Stack number shall also be painted neatly in bold figures on the floor, walls or pillars near each stack.

6. Stack heights

- a. The maximum stack height based on the crushing load (may please refer **IS 875 (Part 1)**) in the concreted & covered warehouses may not exceed the following limits:
 - i. Normal stack height for Aluminium, lead, zinc & copper ingots: 5 ft maximum
 - ii. Steel hot rolled products: 12 ft or 10 layered
 - iii. Steel cold rolled products: 14 ft or 10 layered
 - iv. Steel coils: maximum two layered
 - v. Steel plates: maximum 5 layered with metallic separators in each layer.
- b. Stack height is also decided based on the height limitations of the material handling equipment (crane, hydra, fork lift etc) and stability of stack.
- c. In case of iron ore, heap height is restricted based on pollution considerations. Stacking plan and gaps are decided based on access requirements between the heaps.

7. Mixed storage

- a. Agri and Non-Agri commodities can't be stored together. Separate compartments/warehouses should be used for storing Agri and Non Agri Commodities
- b. Iron and steel can be stored in open yards or covered yards, depending on the product. However, it should be ensured that it is stored at a height and in such a manner to prevent damage/corrosion due to water inundation.

8. Procedure for use of Dunnage

a. BIS standards for palletization: The following standards can be generally followed for Palletization of Non Agri Commodities, where ever required. This will ensure efficient handling:

- IS 17427: Wooden (Timber) Pallets for Packaging, Storage and Transportation – Specification
- IS 13609 (Guidelines for quality of timber in pallets), etc
- IS 13714: Dunnage pallets - Ware housing

4.16 Physical verification of stocks

1. The warehouseman shall undertake physical verification of the quantity of stocks as per the records of the warehouse at frequent intervals but at least once at the end of the month. Any shortage/excess in the quantity shall be investigated and reasons established to establish the trust of depositors and other agencies engaged in trading and pledging.

4.17 Extension of storage period

1. If a depositor desires to extend the storage period beyond the initial storage period mentioned in the eNWR, he shall be required to submit a request for extension of storage period to the Repository ahead of expiry of such initial storage period as specified by the Authority.

4.18 Procedure for delivery of goods

4.18 .1. General requirements:

- a. The warehouseman must have processes to ensure that goods against which a warehouse receipt has been issued be released only to the valid holder of the warehouse receipt or its authorised representative.
- b. The warehouseman must have systems to collect such information from the warehouse receipt holder or its authorized representative, as would be necessary to meet its requirement of diligence.
- c. The warehouseman must have processes to ensure that deposited goods be released only after the surrender of the Warehouse Receipt to the warehouseman.

- d. If a bank or lender has a charge/ lien over the electronic Negotiable Warehouse Receipt, the warehouseman must have processes to ensure that the bank or lender communicates its approval of the delivery of the deposited good to the electronic Negotiable Warehouse Receipt holder.
- e. If the deposited good was not weighed at the registered warehouse, the warehouseman must have processes to ensure that the person taking delivery is informed of the location where the weight of the deposited goods was recorded.
- f. The warehouseman must have systems and processes to ensure that the quality and quantity of goods is checked at the time of delivery of such goods.

4.18.2. Delivery of Goods

- a. The stocks shall be delivered to the depositors or his authorized representatives on his request as per the following procedure:
- Depositor/ eNWR holder requests for delivery of stock to Repository. Participant who authorize delivery of the stock after due verification.
 - Verification of documents/ records.
 - Inspection of the quality of the stocks.
 - Collection of storage, insurance and other charges.
 - Issuance of the delivery order to the Godown in-charge.
 - Entry of the empty vehicles in the warehouse premises.
 - Weighment of the empty vehicles, if required.
 - Placement of empty vehicles at the gate of the godowns for loading.
 - Weighment of the loaded vehicles.
 - Preparation of the gate pass.
 - Exit of the loaded vehicles, after weighment, if required.
 - Preparation of the records and making entries in the Godown/office registers.
- b. Transfer of stocks from one depositor to the other by endorsement shall require the consent from both the parties.
- c. Re-assaying of the quality of the stocks shall be carried out if so desired by the endorsee.

4.18.3. Weighment during delivery: Same mode of weighment shall be resorted to, both during deposit and delivery of goods, in a warehouse.

4.18.4. Quality assessment during delivery

- a. In case the e-NWR holder desires to retest the sample before delivery, the cost of testing shall be borne by the e-NWR holder.

4.18.5. Documentation during delivery of goods:

- a. Gate Register
- b. Delivery Order
- c. Weighment record
- d. Lorry Weighbridge Register (Issue)
- e. Insurance Register
- f. Stack wise Register
- g. Stack Card
- h. Daily Transaction Diary
- i. Warehouse Receipt/ Issued & Cancelled Register
- j. Stock Register
- k. Depositor's Ledger
- l. Daily Transaction Register
- m. Warehouse Receipt Bank Lien Register
- n. Gate Pass

4.19 Procedure for ensuring the safety of the goods from fire, burglary etc.

4.19.1. Procedure for risk management in the warehouse

- a. The warehouseman must have processes to periodically inspect the physical 'integrity of its registered warehouses with a view to the safe preservation of goods against which it has issued an electronic Negotiable Warehouse Receipt.
- b. Inspection staff must be independent of the employees/ staff deputed at the registered warehouse.
- c. The warehouseman must have a system of computing its insurance requirements on a monthly basis.

- d. A warehouseman must ensure that all deposited goods in registered warehouses shall be fully insured against fire, flood, earthquake, theft, burglary, frauds/misappropriation, riots, strikes and terrorism (if applicable), even if the depositor has insured the goods.
- e. A warehouseman shall ensure to maintain records of all persons entering a registered warehouse.
- f. There must be a central system of recording the names of employees and staff who are having custody of the locks and keys of registered warehouses.
- g. The warehouseman must have processes to ensure that a good against which an electronic Negotiable Warehouse Receipt has been issued must never be moved to outside the premises of the registered warehouse.
- h. If the depositor or any person with a lien over the commodity (bank or financial institution) wishes to move a deposited good from the custody of the warehouseman, the electronic Negotiable Warehouse Receipt issued against the deposited good must be cancelled, and a record of such cancellation must be maintained.

4.19.2. Warehouse Security Management

- a. The warehouseman must have adequate security personnel for every registered warehouse.
- b. The warehouseman must maintain a roster of security personnel deputed at its registered warehouses.
- c. The warehouseman must clearly lay down the responsibilities of the security personnel deputed at its registered warehouses.
- d. The warehouseman must clearly lay down processes that security

personnel must follow in the event of any unlawful entry, burglary, theft or damage or potential loss to the deposited goods and must also provide necessary facilities for discharging these functions.

- e. The warehouseman must have processes to ensure that the security guard reports the status of the registered warehouse on a daily basis.
- f. The warehouseman must ensure that its security personnel have the required facilities to communicate immediately any unlawful entry, burglary, theft or damage or potential loss to the deposited goods to the warehouseman.

4.19.3. Procedure for fire control

- a. The warehouseman shall ensure that the facilities and the stocks stored therein are well protected from losses due to fire hazards.
- b. The warehouseman shall ensure that addresses and telephone numbers of fire station, police station, warehouse official shall be displayed at conspicuous places so that in case of emergency, the authorities may be contacted without any delay.
- c. Warehouse official shall take precautions to avoid any outbreak of fire in the premises.
- d. Smoking or lighting match-stick inside the Warehouses shall be strictly prohibited. 'NO SMOKING' boards shall be prominently displayed.
- e. Warehouse security shall ensure that no person entering in its premises carry any match box, gas lighter, chemicals and inflammable items which can cause fire. Use of naked light shall not be allowed in godown. No electrical points shall be provided inside the godowns.
- f. Waste paper, torn pieces of gunny bags, old mats, paddy husk, straw, twines etc. shall not be left scattered in godowns.
- g. The lighting and other arrangements in the warehouse premises shall be satisfactory and arrangements for periodical check-up shall be made to ensure that no line is defective.
- h. No big hole/openings in walls, doors and roofs shall be allowed to remain unattended, to ensure against throwing of a burning ball from

outside by a miscreant.

i. While locking the godown, the warehouse incharge or shed incharge shall personally checkup each and every shed to ensure that no cigarette butts or burning matches are lying in godowns.

j. Water and sand shall be kept at such open places near the warehouse that these are readily available in any emergency for dealing with and outbreak of fire. The fire buckets shall be painted red and marked (FIRE) in block letters. All fire buckets shall be refilled at least once a week and these shall not be used for purposes other than that of firefighting.

k. Fire extinguisher shall be allotted a serial number by which it shall be referred to in the records. The following details shall be painted with white paint or written on a slip of paper and pasted on the body of the extinguishers:

- a) Serial Number
- b) Date of Purchase
- c) Date of last refilling
- d) Due date of refilling

l. The details shall be repainted or fresh slip of paper with the details pasted each time the extinguisher is refilled or inspected.

m. All persons employed in warehouse shall be familiar with the elementary principles of firefighting and know the location of firefighting equipment required in an emergency.

n. For a 10,000 MTs warehouse, a water storage tank of 1 lakh litre capacity with 24 hrs availability along with fire jet pumps throwing water upto 30 to 40 meters with a discharge of 300 to 700 litre water per minute shall be provided.

o. Warehouse official from time to time shall ensure that all the firefighting equipment and devices installed in the premises are in working condition.

p. Apart from this, some staff should be specially trained to operate firefighting equipment. The effectiveness of the equipment will depend upon the promptness and ability with which it is handled. Speed is the first essential response in dealing with an outbreak of fire.

q. The warehouse shall have a system of fire alarm to prevent heavy losses

due to fire.

4.19.4. Procedure to be adopted in the event of fire

- a. Fire alarm shall be given by shouting 'Fire' to warn others.
- b. In case of a fire, the warehouseman must have processes whereby, in addition to the other requirements in this schedule, immediate intimation is given to the nearest Fire Brigade office.
- c. The Fire Brigade office services shall be informed over phone (Telephone Number of Fire Service Station shall be hung near the telephone) in a clear manner to make sure that they have correctly understood the location.
- d. Any person in danger shall first be secured and injured persons sent to hospital immediately.
- e. Efforts shall be made to put out the fire with appliances available at the warehouse.
- f. Side by side with this, the fire shall be localized by isolating other inflammable articles and by closing doors and windows.
- g. Aimless running and unnecessary shouting shall be avoided as this leads to confusion.

4.19.5. Procedure to be adopted in the event of theft/ burglary in a warehouse

- a) The warehouseman must have processes for actions to be taken by it or its employees in the event of burglary, theft, break-ins, fire, etc.
- b) The warehouseman must have processes whereby its employees/ staff intimate the local police, warehouseman's designated officials and the Authority immediately (if initial intimation is by phone, there must be a process for follow-up written intimation/FIR to the police within twentyfourhours) of the incident
- c) A copy of the FIR shall be obtained on prescribed format of Police Department.
- d) The warehouseman shall inform the details of the incident to the Insurer (In cases where the goods are insured by more than one Insurance company, to the Lead Insurer) and also to the Authority.

- e) The warehouseman shall communicate following to Insurance Companies / their surveyor to claim for the loss on prescribed Claim Form:
 - i. Copy of initial intimation
 - ii. Copy of FIR
 - iii. Brief Incident Record
 - iv. Location of the Godown / Site
 - v. Details of loss (This shall be based on valuation of the Goods as per records of the warehouse minus disposal of damaged goods and expenses of salvaging with necessary evidences).
 - vi. Copy of the insurance policy.
 - vii. Photographs of the incident.
 - viii. Newspaper cutting, if any
 - ix. Certification of Fire Brigade, Police, other local authorities, as applicable
 - x. Relevant extracts of stock ledger, insurance register
- f) The warehouseman shall put in place procedure for determining losses caused due to fire, flood, burglary, misappropriation, fraud, negligence and force majeure events.
- g) Losses sustained by the Depositor due to insurable risks shall be compensated based on valuation within one week of receipt of claim from Insurance Company.
- h) The warehouseman shall submit a report about the extent of damage to the depositor & Authority and shall maintain the record of such losses.

4.20 Procedure for Grievance Redressal:

4.20.1. Following procedure shall be adopted for facilitating public and other stakeholders to register grievances before the Authority:

- i. The warehouseman shall put in place a system for registration of public grievances.
- ii. Any person aggrieved with the functioning of the warehouse may register a grievance along with supporting evidence to the warehousemen or his authorised representative in the warehouse.
- iii. Any eNWR holder who wishes to file a delivery-related

grievance against a warehouseman must do so before taking delivery or within 30 days of taking delivery under protest.

iv. An acknowledgment of receipt of the grievance shall be sent to the aggrieved party within one day of the receipt of the grievance. This acknowledgment will include:

- a) date of registration of grievance;
- b) unique reference number;
- c) the category of grievance

v. The grievance shall be redressed and the warehouseman shall communicate the same to the aggrieved party within 15 days of receipt of the grievance.

vi. The communication of redressal issued by the warehouseman as above shall include the following:

- a) action taken by the warehouseman to redress grievance;
- b) if the grievance is rejected, detailed reasons for doing so.

vii. Where the aggrieved party is not satisfied with the redressal provided by the warehouseman as above, it shall communicate its response to the warehouseman within 10 days of receipt of communication from the respondent.

viii. The aggrieved party's response made as above must clearly state the reasons for which the aggrieved party is not satisfied.

ix. The warehouseman shall respond to the aggrieved party's response within 10 days of its receipt.

x. Where the aggrieved party is still not satisfied with the response provided by the warehouseman as above, it may escalate the grievance to the Authority for its resolution.

xi. A grievance shall be considered as closed when:

a) the aggrieved party has accepted the response given by the warehouseman.

b) the aggrieved party has not communicated a response to the warehouseman within eight weeks of the issuance of the warehouseman's response; or

c) the aggrieved party withdraws its grievance through a written or electronic communication.

4.20.2. Grievance Redressal Policy

a. Every warehouseman shall have a Grievance Redress Policy which shall be filed with the Authority and shall also be adequately publicized. This policy shall include:

a) The grievance redress process followed by the warehouseman;
b) The time-lines for resolution, which will be in compliance with the stipulations given in sub section 1. above; and

c) The procedure for escalation of grievances.

b. The warehouseman must maintain a record of all grievances that it may receive, and related information thereof and make such information available to the Authority as and when required.

4.20.3. Grievance Redressal Officer

a. Each registered warehouse of a warehouseman must have a designated grievance officer.

4.20.4. Publicizing Grievance Redressal Procedure

a. Grievance redress procedure of the warehouseman shall be prominently displayed in the warehouse for information of the public, giving contact details of the designated Grievance Officer.

4.20.5. Dispute resolution process

a. The warehouses registered with the WDRA shall follow the dispute resolution process notified by the Authority from time to time.

4.21 Roles and responsibilities of employees (including outsourced employees)

4.21.1. Record of manpower

a. The warehouseman shall maintain a record of manpower deployed in the warehouse for effective management of the same.

b. Manpower requirement will be based on the operational considerations.

c. Normative requirement of manpower based on the capacity of the warehouse could be as under:

Storage Capacity of Warehouse(in MT)	Upto 5000	5001-10,000 MT	10001-25000 MT	Above 25000 MT
Warehouse Manager	1	1	1	1
QC Inspector (Technical Asst.)/ Jr.QC Inspector (Jr. Technical Asst.)/ Assayer (applicable only for non-agri)	1	1	2	2
Godown Assistant	1	2	3	4
Security Guards	4	4	6	8

**In case the assaying and preservation services are outsourced, details of the outsourcing agency shall be maintained by the Warehouse Manager*

- d. It shall be ensured that personnel deployed at the warehouse are competent to handle responsibilities assigned to them.
- e. The warehouseman and other Quality Control (QC) personnel should have adequate knowledge and expertise in the scientific storage of goods/agricultural commodities to be stored in the warehouse.
- f. It is desirable that they are trained in warehouse management from an institution of repute

4.21.2. Duties and Responsibilities of Warehouse employees

a) Warehouse Manager

1. To act as incharge of the warehouse and to ensure adequate supervision over the operations undertaken at the warehouse by the concerned staff.

2. To ensure the safety & security of the stocks and scientific preservation of stocks, proper and up to date maintenance of records, insurance of stocks, judicious use of the equipment, fumigants and other property of the warehouse.

3. To effectively liaise with various stakeholders of the warehouse such as Depositors, Banks, Repositories, Banks etc.

4. To exercise supervision over the staff so as to maintain proper

discipline and to ensure that there is complete cohesion and harmony among the staff as also to inculcate team spirit, cooperation and sense of participation amongst the staff working at the warehouse.

5. To exercise overall vigil and exhibit due presence of mind in case of any emergency and to act according to the situation on the spot.

6. To exercise administrative and financial powers as may be delegated to him by the Warehouseman.

b) Assayer (common agri-non agri warehouses)

1. To draw samples for analysis of stocks received in the warehouse and ensure proper storage and maintenance of reference samples and related records.

2. To undertake regular stock health inspection at least once in a fortnight.

3. To ensure maintenance of proper godown hygiene and sanitation at all times.

4. To undertake physical verification of stocks with respect to quantity stored in the warehouse.

5. To check the quality of the stock at the time of issue vis a vis the reference sample.

c) Godown Assistant

1. To supervise loading and unloading of stocks from the trucks/ carrying vehicles after checking that the correct quantity and type of goods have been received/ delivered.

2. To sign the delivery form, once satisfied that the stocks are complete.

3. To supervise movement and stacking the stocks in the correct area in the warehouse as per the approved stack plan.

4. To keep records of stocks received, delivered and in storage with respect to their location and quantity.

5. To arrange movement and de-stacking of goods, for effecting delivery.

6. To keep record of internal shifting of stocks as and when carried

out.

7. To prepare daily transaction report with respect to godowns under his charge.

8. To assist in assessing the storage charges due and collection of the same from the depositor.

d) Security Guards

1. To watch over and protect the warehouse against various threats, including vandalism, theft, illegal activity and terrorism.

2. To thoroughly check the transport vehicle for presence of any extraneous material such as stones etc. which may be used for manipulating the quantity of stock deposited in the warehouse.

3. To check the condition of locks in the godowns and take note of/report any damages to the same.

4. To survey various locations in the warehouse premises (use closed-circuit TV monitors if available in the warehouse), take note of risk based happenings and report to the Warehouse Manager/ designated officials.

5. While handing over charge, to next security guard a mention of security conditions including any security risk/ incident shall be properly recorded in handing over reports.

6. To familiarise with operation of different types of firefighting equipment deployed in the warehouse.

4.22 Outsourcing tasks to service providers

4.22.1 The warehouseman shall maintain a list of service providers to the warehouse in the field of handling, transportation, weighing, insect/pest control, assaying/testing of the quality of goods deposited, security and other services.

4.22.2. The evaluation of performance of service providers shall be based on documentary evidence for the following:

(a) Capability of the service provider with reference to his possession of required operational equipment, trained manpower and financial capability

(b) In case the services of some outside weighbridges are utilized, these should be duly stamped and licensed by the State Weights and Measures Department.

4.23 Evaluation of Service Providers

4.23.1. The warehouseman shall evaluate the service provider at least once in a year depending upon the nature of services availed keeping in view the following parameters:

- (a) Availability of suitable handling and transportation equipment.
- (b) Performance during period under review for timely completion of jobs.
- (c) Instances of payments of demurrage / wharf age.
- (d) Instances of labour problem.
- (e) Continued availability of trained manpower.
- (f) Regular compliance with applicable legal requirements.
- (g) Instances of shortages during transit, as applicable.

4.23.2. The warehouseman shall maintain records of periodic evaluation and depending upon the results of evaluations will decide necessary corrective actions to ensure that the services are rendered efficiently.

CHAPTER - IV

Stock Inspection and General Inspection of Warehouses

5. System / Procedure / Norms for Stock Inspection and General Inspection of Warehouses

5.1 Introduction

One of the objectives of Warehousing Development and Regulatory Authority (WDRA) is to enhance the fiduciary trust of stakeholders such as depositors, banks and other financial institutions, commodity exchanges, etc. on the Negotiable Warehouse Receipt (NWR) System. One of the means to accomplish this is through an effective supervisory regime and a robust inspection system.

5.2 Objectives of inspection:

5.2.1. The main objective of inspection is to ensure and promote proper and healthy working of the warehouses by

- (i) observance of prescribed procedures,
- (ii) care and preservation of goods,
- (iii) up to-date maintenance of accounts and other records,

(iv) compliance to other regulatory requirements for continuing registration with the WDRA. The process of general inspection, therefore, aims at mitigating the risks to the NWR holders as well as NWR market as under:

- a. Risk to holder of NWRs
 - i. poor quality preservation of goods;
 - ii. inaccurate recording of details of goods or the depositor and subsequent NWR holders;
 - iii. frauds, theft, burglaries and natural disasters; and
 - iv. non-delivery of goods.
- b. Risks to the NWR market. This risk arises due to the failure of the

regulatory system in ensuring the safety of the market. This may happen due to:

i.inadequate compliance requirements;

ii.inadequate supervision of the NWR market, caused by:

- low priority on supervision; and /or

- defective design of the supervisory framework that causes WDRA to miss out on risks that actually threaten the NWR market.

5.3 Components of Inspection:

5.3.1. The Stock inspection is a major component of warehouse inspection as it gives correct picture of risk profile of the registered warehouses. The Authority would organize stock inspection with respect to the warehouses which issue a higher number and value of Negotiable Warehouse Receipts (limits to be decided by the Authority) to confirm the correctness of physical quantity and quality of the goods reflected in the Negotiable Warehouse Receipts and physically present in the warehouse. General inspection of warehouses is conducted at periodic intervals to get a comprehensive view of compliance with respect to integrity of NWRs, compliance to infrastructure, regulatory requirements and standard operating procedures.

5.3.2. Since, inspection process of warehouses is now online, the format of stock inspection as well as general inspection is available in the login of empanelled Inspecting Officers.

5.4 Physical verification of infrastructure:

5.4.1. This involves a walkthrough of the warehouse immediately on start of the inspection to check for the storage worthiness of godowns, maintenance, repair and hygiene. Security arrangements in the warehouse with respect to availability of a pucca boundary wall / barbed wire fencing protecting the warehouse with proper security gate, other structural requirements, fire safety arrangements, adequate parking and maneuvering space for vehicles shall be specifically examined. During the walk through up keep of other equipment and storage dead stock/ consumable items shall also be observed. Besides location of the warehouse with reference to nearby sources of fire and

environmental hazards, safety from floods, connectivity to roads etc. shall also be observed.

5.5 Stock Inspection

The stock inspection is conducted in isolation and also as a part of general inspection of a warehouse. Major verifications conducted during stock inspection are as under:

5.5.1. Verification of stocks: The verification of stock involves overview of transactions, maintenance of spillages account, godown-wise stock verification in terms of quantity, test weighment, quality etc. pertaining to the stock covered under the NWRs.

i. On arrival at the warehouse, the Inspecting Officer shall ensure that till the completion of physical verification of stocks, all transactions in the godowns shall take place with the knowledge of the Inspecting Officer. He should take rounds in all godowns to take note of the spillages kept in heap or in bags to avoid any manipulation afterwards.

ii. The verification of stocks at a warehouse will be restricted to the NWRs issued and has to be done from three aspects i.e.

(a) verification of the weight and number of packages;

(b) verification of type and grade of the commodity said to be contained in the package;

(c) verification of maintenance of quality i.e. preservation aspects. The quality aspects shall be done.

iii. Inspecting Officer shall go from godown to godown, where 100% verification of stocks / packages under NWRs shall be done by count and tallied with the stack cards and stack wise registers and the statement of stocks prepared at the time of physical verification by the Inspecting Officer. Simultaneously the entries in the stack wise registers may be seen and verified.

iv. The inspection officer also will select 10 NWRs or 10% of the NWRs issued, whichever is higher and undertake test weighment and cross check with the weight indicated in the NWR and respective stack-wise

registers.

v. There may be variation in stock balance (of quality and/ or quantity) and, in case of Agri Commodities damage to stocks due to lack of preservation and other irregularities. In all such cases, the Inspecting Officer should immediately report the matter to the WDRA giving firsthand information of the case and seek instructions for further action. In any case, the Inspecting Officer is not expected to leave the station without complete verification of stocks.

vi. There may be cases, where stock verification is not possible due to defective stacking. In such cases, the Inspecting Officer, if necessary, may break the stacks to the extent needed to ascertain the actual number of bags/packages/numbers in the stack. The warehouseman shall provide required support for such restacking. Mention may be made about such happenings in the inspection report.

5.5.2. Verification of NWRs:

i. After scrutiny of the basic records, Inspecting Officer shall prepare a list of current NWRs in the prescribed proforma. A commodity-wise/ godown-wise statement shall then be compiled. Each page of these two statements should bear the dated signature of the Inspecting Officer.

ii. While compiling these two statements, Inspecting Officer shall conduct a general checking of the essential records on the basis of which NWRs are prepared and deliveries are affected by the warehouse manager. It is essential that for each Notified commodity, no paper based receipt is issued. Only e-NWRs are required to be issued for all Notified Commodities. In case paper based receipts have been issued by the warehouse for any notified Commodity, the same should be brought to the Notice of WDRA.

iii. The Inspecting Officer will select at random at least 10 NWRs or 10% of the NWRs issued in the last 6 months, whichever is higher, in respect of which he shall make a 100% check of the records beginning with the deposit of goods to the stage of delivery. This will involve checking of stock register, depositor's ledger and all other connected records. He will check whether quantity indicated in the NWRs tallies with that of the records/ entries

made in the in gate/ out gate register. Actual weight of bags/ packages so selected should be taken and then samples drawn and their quality to be ascertained.

iv. The quantity and quality of stocks mentioned in the NWRs is taken as correct by the banks. It is, therefore, absolutely essential that a thorough checking of records covered by the NWRs pledged with the banks is carried out so as to ensure that these stocks are actually in the custody of the warehouse and conform to the quantity and quality as recorded in the NWRs.

v. The Inspecting Officer shall examine the Bank Lien Register maintained by the warehouse with respect to details of the NWRs pledged with different banks. The Inspecting Officer shall also personally visit the concerned banks and cross check the particulars in the Bank Lien records in the warehouse and those available with the banks particularly with respect to the latest balance of stocks and quality observed during inspection against the NWRs pledged with them. In case of variation in the records of the warehouse and the bank the same shall be examined and details of the same provided in the inspection report.

5.5.3. Quality control

i. The Inspecting Officer shall inspect whether the Certificate of Analysis of the producer has been collected at the time of deposit containing details such as Brand name of the associated lots, Producer's name, Batch No. and Certificate No.

ii. The Inspecting Officer shall inspect whether the Packing List of the deposited Goods is available with the details such as Net Weight, Gross Weight, Batch no, No of Units/bundles.

iii. The Inspecting Officer shall inspect whether the copy of the Invoice is available for all deposits.

iv. The Inspecting Officer shall inspect whether copy of the Certificate of Origin is available.

v. In case of Imported goods, the Inspecting Officer shall verify if the copy of the custom clearance document is available.

vi. The Inspecting Officer shall inspect whether the producer's sticker is available on each ingot/bundle with the details such as Producer's name, Net Weight, Batch No., purity where ever applicable, Date of manufacture, Number of pieces of Ingots/sheets/units.

vii. The Inspecting Officer shall inspect whether Ingots/ bundles/ sheets/ units are physically free from any defects.

viii. The Inspecting Officer shall inspect whether there is any inconsistency in Branding, especially for exchange products.

5.6 Verification of equipment/dead stocks / consumable articles / dunnage:

1. Complete verification of equipment (declared vs available) /dead stocks/ consumable articles including dunnage and pesticides is also to be conducted by the Inspecting Officers. Required statements are to be submitted along with inspection report respectively.

5.7 Audit and Accounts:

5.7.1 Transaction Audit: Transaction audit is an important part of inspection process which is carried out to assess the level of compliance to SOPs by cross verifying various documentation with respect to all the transactions concerning some NWRs randomly selected. For the purpose 10 NWRs or 10% of the NWRs issued by the warehouse during the last 6 months, whichever is higher shall be taken for carrying out the transaction audit and a report on it shall form a part of the inspection report.

5.7.2 Verification of Net Worth: The Inspecting Officer shall verify the net worth of the warehouse at the close of last financial year based on either of the following, as applicable:

- i. audited balance sheet for the last financial year;
- ii. provisional net worth certificate issued by applicant's statutory auditor, provided that an audited balance sheet of the last financial year is submitted within a period of twelve months;
- iii. in case of persons not subject to audit, balance sheet certified by a chartered accountant.

5.7.3 In addition, the Inspecting Officer shall also check the adequacy of security deposit furnished by the warehouseman in view of criteria decided by the authority. The Inspecting Officer shall make a reference to discount, if any, provided to the farmers in storage charges or any other payables.

5.7.4 Adequacy of insurance coverage prescribed by the WDRA shall be checked in particular. In case fire policy taken for the stock is on declaration basis, daily valuation of stocks shall also be examined and confirmed whether the insurance policy is adequate to cover this value. Validity of the insurance policy shall also be examined. Wherever the insurance policy is going to expire in the next three months the warehouseman shall be notified apart from making a reference in the inspection report.

5.8 Security Arrangements:

1. The warehouseman is the custodian of its depositor's stocks. It acts as a bailee. It is absolutely necessary for the Inspecting Officer to ensure that instructions issued by the WDRA from time to time on security measures are being followed by the warehouseman in letter and spirit. Some of the main points to be carefully looked into during the course of inspection are listed below:

i. If all the notified commodities in the registered warehouse are deposited after the issue of eNWR / eNNWR

ii. The cash book and other important documents are kept in safe custody of the authorized person.

iii. Watch and ward arrangements are adequate.

iv. All incoming and outgoing stocks are properly accounted for in the inward and outward gate registers. The stocks moving out of the warehouse are covered by a proper gate pass.

v. The deposits/ deliveries are authorized as per the SOPs. Proper lighting arrangements inside the godowns and in the warehouse campus are provided.

vi. The warehouses are adequately equipped with right type of firefighting equipment and recharged timely. Important equipment, like weighing scales, moisture meters, spraying machines etc. are in working condition.

vii. Security guard duty records are maintained properly. If CCTV is installed, the adequate data is properly maintained.

5.9 Record of ownership and effective control of warehouse:

1. The Inspecting Officer shall confirm whether the warehouse is owned or hired / leased one. In case of hired / leased warehouses the validity of lease deed / rent agreement shall be verified. The Inspecting Officer shall also ensure that the warehouseman has effective control over the warehouse as evidenced by any one of the following documents:

a) a copy of the lease deed or rent agreement in respect of the warehouse concerned, or any other document evidencing a lease or rent, in favour of the applicant;

b) in case of sub-lease, a copy of the lease deed indicating that sub-leasing is permitted, and a copy of the sub-lease deed. The lease deed must permit a sub-lease with effective control over the warehouse concerned;

c) in case of a revenue sharing arrangement, an agreement to this effect in respect of the warehouse concerned, with clear responsibility of the applicant to manage and operate the warehouse;

d) No objection certificate from the municipal corporation/ panchayat/ local body, as the case may be, for carrying out the business of warehousing in favour of the applicant on land owned by the municipal corporation/ panchayat/ local body;

e) copy of lease document from the concerned Agricultural Produce Marketing Committee or Board indicating lawful possession of land/ warehouse in favour of the applicant; or

f) copy of the allotment letter by respective State Government indicating lawful possession of land/warehouse, in favour of the applicant.

5.10 System of grievance handling:

1. The Inspecting Officer shall examine that the warehouse has standard operating procedure for handling grievances of their depositors and stakeholders in light of circulars/guidelines issued by the Authority from time to time. He shall also review the status of grievances received by the warehouse after the last general inspection. Any incident of non-resolution / incomplete resolution of grievances shall be recorded in the inspection report.

5.11 Issue of discrepancy note:

1. At the end of inspection, the Inspecting Officer shall explain the discrepancies or short-comings found and must issue a discrepancy note listing all discrepancies noticed by the Inspecting Officer during the course of inspection to the warehouseman or his representative directing the warehouseman to submit a compliance report to the Authority within 10 working days.
2. The Inspecting Officer shall review the non-compliances/ discrepancies noticed in previous inspection and the corrective / preventive action taken as well as their effect and record in the report.
3. The non-compliances/ discrepancies and proposed corrective actions with time bound action plan after discussion with warehouse manager shall be reported on separate sheet. The Inspecting Officer shall prepare the inspection report in the prescribed format and submit to the Authority within 5 working days of completion of the inspection or within such time as stipulated by the Authority. However, the endeavor shall be made to ensure that the inspection report containing the following information is dispatched to WDRA from the warehouse itself:
 - i. Review of previous inspection
 - ii. Infrastructural aspects of the warehouse
 - iii. Status of NWRs
 - iv. Quality control aspects
 - v. Security aspects
 - vi. Status of compliance to requirements pertaining to net worth, insurance and security deposit

- vii. Status of grievance handling
 - viii. Copy of the inspection checklist with all the columns duly filled and documents attached
 - ix. Copy of the discrepancy note given to the warehouseman at the end of inspection.
4. At the end of inspection, the warehouseman or his representative must sign or authenticate a declaration stating:
- i. he was present throughout the inspection; and
 - ii. the inspection process as well as the discrepancies or non-compliances were explained to him by the Inspecting Officer; and
 - iii. the Inspecting Officer has issued a discrepancy note to him.

5.12 Submission of inspection report: The Inspecting Officer shall observe the following procedure for submission, dispatch and distribution of the inspection report.

1. The original copy of the inspection report along with one copy of the Discrepancy Note, Special Note, Annexure (s) and other supporting statements will be forwarded to the designated officer in WDRA with a forwarding letter;
2. The special note shall cover critical analysis of the working, performance, status of NWRs, problems areas, and other risk related aspects in respect of the warehouse concerned
3. The second copy of the inspection report, discrepancy note and other documents shall be handed over on the spot to the warehouse manager with the instructions to report full compliance to WDRA within a period of 10 days.

5.13 Follow up on rectification of the discrepancies noticed during inspection:

1. As far as possible the Inspecting Officer will get the discrepancies rectified in their presence before leaving the station and make a mention of the same in the discrepancy note. To illustrate this point a few common discrepancies and action to be taken by the Inspecting Officer are listed below:
 - i. If some stocks are found heavily infested and need immediate fumigation, he should ensure that the fumigation is initiated in his presence.

ii. If entries in some of the basic records like stack-wise register, stock register, depositor's ledger, insurance register are found incomplete, he should ensure that these records are brought up to date in his presence.

iii. If the deficiencies could not be rectified on the spot, the Inspecting Officer, while listing the same in the discrepancy note, shall give clear instructions to the warehouseman for their rectification within a period of 10 days.

5.14 Compliance by the warehouseman

1. The warehouseman will report point by point compliance to WDRA within 10 working days of the receipt of discrepancy note clearly indicating the action taken by him to rectify the discrepancies.

5.15 Examination of inspection report by the WDRA:

1. The concerned officer in the WDRA shall scrutinize inspection report and the compliance report received from the warehouseman and identify the high risk discrepancies, discrepancies already complied, discrepancies yet to be complied, quality of the inspection conducted by the inspection agency and suggested course of action and submit the details to the WDRA for follow up action.

2. Where submission of the compliance report is delayed by the warehouseman, necessary action as deemed fit shall be initiated apart from sending in reminders to do the same.

3. The concerned officer in the WDRA shall also review the progress of inspection vis a vis inspection allotted to different agencies and Inspecting Officers and any shortfall observed shall be brought to the notice of concerned officers in the WDRA.

Comments from stakeholders and public:

In light of above, public comments are invited on the proposal contained in this document. Comments/ suggestions may kindly be provided in the format given below:

Name of Entity/ Person intermediary/ Organization			
Sr. No.	Para No. of Paper	Suggestions*	Rational

** Any other suggestions on the subject, including on issues not covered in this paper, may also be given*

The comments may be sent by email to animesh.k@gov.in or alternatively may be sent to following address latest by one month from the date of issue of the consultation paper i.e.15th October 2021.

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