

# **The Warehousing Development and Regulatory Authority (Electronic Negotiable Warehouse Receipts) Regulations, 2017**

UNION OF INDIA

India

## **The Warehousing Development and Regulatory Authority (Electronic Negotiable Warehouse Receipts) Regulations, 2017**

### **Rule**

### **THE-WAREHOUSING-DEVELOPMENT-AND-REGULATORY-AUTHORITY of 2017**

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The Warehousing Development and Regulatory Authority (Electronic Negotiable Warehouse Receipts) Regulations, 2017 Published vide Notification No. G.S.R. 726(E), dated 29th June, 2017 Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) (Warehousing Development and Regulatory Authority) G.S.R. 726(E). - In exercise of the powers conferred by clauses (d) of sub-section (2) of section 35 read with section 51 of the Warehousing (Development and Regulation) Act, 2007 (37 of 2007) and sub rule (1) of rule 27 of the Warehousing (Development and Regulation) Registration of Warehouses Rules, 2017 and in supersession of the Warehousing Development and Regulatory Authority (Negotiable Warehouse Receipts) Regulations, 2011, except as respect things done or omitted to be done before such supersession, the Warehousing Development and Regulatory Authority, in consultation with the Warehousing Advisory Committee and with the previous approval of the Central Government, hereby makes the following regulations, namely: -

## **Chapter 1 Preliminary**

### **1. Short title and commencement.**

(1) These regulations may be called the Warehousing Development and Regulatory Authority (Electronic Negotiable Warehouse Receipts) Regulations, 2017. (2) They shall come into force on the

date of their publication in the Official Gazette.

## **2. Application.**

- These regulations shall apply to negotiable warehouse receipts issued in electronic form.

## **3. Definitions.**

(1) In these regulations, unless the context otherwise requires, - (a) "Act" means the Warehousing (Development and Regulation) Act, 2007 (37 of 2007); (b) "rules" means the Warehousing (Development and Regulation) Registration of Warehouses Rules, 2017; (c) "electronic warehouse receipt" means a warehouse receipt issued in an electronic form; (d) "electronic negotiable warehouse receipt" means a negotiable warehouse receipt issued in an electronic form; (e) "Form" means form annexed to these regulations; (f) "repository" means an entity that has received a certificate of registration from the Authority for creation and management of electronic negotiable warehouse receipts; (g) "user" means a depositor, holder, financial institution, commodity exchange, warehouseman or any other person to whom the repository provides services. (2) The words and expressions used herein but not defined and defined in the Act or the rules shall have the same meaning as assigned to them in the Act and the rules.

## **Chapter II**

## **System of Electronic Negotiable Warehouse Receipts**

### **4. Conduct of business of electronic negotiable warehouse receipts.**

(1) The Authority shall promote, regulate and develop the electronic system of holding and transfer of credit balances of the goods deposited in warehouses through registration of one or more repositories. (2) Every warehouse registered with the Authority shall enroll with one or more repository registered with the Authority and shall issue electronic negotiable warehouse receipts only through a repository. (3) Every depositor of goods for which electronic negotiable warehouse receipt is issued shall have a client account in the repository system. (4) A repository shall upon receipt of intimation from a warehouse, create and manage the negotiable warehouse receipts, in electronic form. (5) Electronic negotiable warehouse receipts shall be in the Form 'A'.

### **5. Issuance of electronic negotiable warehouse receipt on a repository.**

(1) The warehouseman shall be responsible for creating a unique electronic negotiable warehouse receipt after correctly determining the quality and quantity of the deposited goods and entering the same and all other relevant information in the repository system. (2) The repository shall intimate the warehouseman and the depositor about the creation of electronic negotiable warehouse receipt through electronic means or mobile applications or such other means as may be laid down by the Authority and a print copy of the electronic negotiable warehouse receipt so created shall be given to

the depositor, if requested.

## **6. Conversion of electronic warehouse receipt to electronic negotiable warehouse receipt or conversion of paper based Negotiable Warehouse Receipt to electronic Negotiable Warehouse Receipt.**

(1)The repository, with the prior approval of the Authority, shall put in place a system for conversion of electronic warehouse receipt to electronic negotiable warehouse receipt or existing negotiable warehouse receipt issued in paper form to electronic negotiable warehouse receipt so as to facilitate its management in the repository system.(2)A depositor may submit a request for conversion of electronic warehouse receipt to electronic negotiable warehouse receipt or conversion of existing negotiable warehouse receipts issued in paper form to electronic negotiable warehouse receipt, to the repository or to its agent.(3)The repository or its agent after verification shall forward the request to the warehouseman for getting the goods assayed, in terms of their quality, after due intimation to the depositor:Provided that in case of conversion of paper negotiable warehouse receipt to electronic negotiable warehouse receipt, assaying of the goods may not be mandatory.(4)The Warehouseman, after entering all relevant information, shall generate a unique electronic negotiable warehouse receipt number which shall be updated in the repository system.(5)In case electronic warehouse receipt is issued on deposit of goods in a warehouse pending quality assessment report from laboratory or any other kind of verification, it shall be converted to electronic negotiable warehouse receipt upon completion of such assessment or verification.(6)The repository shall intimate the depositor and warehouseman about the conversion to electronic negotiable warehouse receipt, through electronic means, mobile applications or such other means as may be laid down by the Authority and a print copy of the electronic negotiable warehouse receipt so created shall be given to the depositor, if requested.(7)The Warehouseman shall maintain the existing warehouse receipts and negotiable warehouse receipts issued in paper form for record purposes, for the period of time the underlying goods remain in the storage in part or full.

## **7. Withdrawal of goods.**

(1)Where the depositor or holder of negotiable warehouse receipt intends to take delivery of the goods, he shall clear the lien, if any, on the goods and also clear all dues of the warehouseman.(2)The depositor or holder of negotiable warehouse receipt shall submit a request to the repository or its agent, for withdrawal of the goods from his account.(3)The repository or its agent, after due verification, shall forward withdrawal of goods request made under subregulation(2)electronically to the warehouseman.(4)The warehouseman shall validate all information and process the request for release of goods to the depositor or holder after all dues of the warehouseman are cleared.(5)In case of part delivery of goods, the repository records shall be updated and balance goods shall be reflected in the electronic negotiable warehouse receipt.(6)In case delivery of goods covered in an electronic negotiable warehouse receipt is taken in full, the electronic negotiable warehouse receipt shall be extinguished and all the electronic systems shall be updated.(7)The repository shall intimate the depositor or holder and warehouseman about the withdrawal of electronic negotiable warehouse receipt through electronic means, mobile

applications or such other means as may be laid down by the Authority.

## **8. Transfer of electronic negotiable warehouse receipt.**

(1)An electronic negotiable warehouse receipt may have several holders during its lifetime.(2)Where the electronic negotiable warehouse receipt holder intends to transfer the ownership of electronic negotiable warehouse receipt to some other person, the holder of electronic negotiable warehouse receipt or transferor shall submit the request for such purpose to the repository or its participant.(3)After due verification, the repository or its participant shall intimate the transferee in regard to the request made under sub-regulation (2), who shall confirm the transfer.(4)After confirmation, the repository shall transfer such electronic negotiable warehouse receipt to the account of the transferee through electronic mode.(5)The repository systems shall be updated in regard to the transfer of the electronic negotiable warehouse receipt.(6)The repository shall intimate the transferor and transferee and warehouseman about the transfer of electronic negotiable warehouse receipt through electronic means, mobile applications or such other means as may be laid down by the Authority.

## **Chapter III**

## **Pledge of Electronic Negotiable Warehouse Receipts**

### **9. Pledge of electronic negotiable warehouse receipts and removal of pledge.**

(1)The repository shall mark a pledge on the electronic negotiable warehouse receipt in favour of the pledgee upon being instructed to do so by both the holder of the electronic negotiable warehouse receipt and the pledgee.(2)The pledgor and the pledgee shall provide such information through electronic means as the repository may require to indicate that an electronic negotiable warehouse receipt has been pledged.(3)The repository shall intimate the pledgor, the pledgee and the warehouseman about the pledge, through electronic means, mobile applications or such other means as may be laid down by the Authority.(4)The pledgee shall have a lien on the electronic negotiable warehouse receipt for the duration of such pledge.(5)The warehouseman shall not deliver the underlying goods from the warehouse where a pledge exists on the electronic negotiable warehouse receipt.(6)The repository shall remove the pledge from a pledged electronic negotiable warehouse receipt upon instruction by the pledgee.

### **10. Rectification of errors or omissions.**

(1)Where the information entered in to the system of a repository at the time of creating electronic negotiable warehouse receipt has some errors or the information is incomplete and any change is necessary to rectify such errors or omissions, the warehouseman shall, through the repository, -  
(a)make modifications in the electronic negotiable warehouse receipt to reflect correct and latest information; or  
(b)cancel the existing electronic negotiable warehouse receipt; and  
(c)wherever necessary, issue a new electronic negotiable warehouse receipt with the correct information.(2)The repository shall not allow any change in the information contained in an electronic negotiable

warehouse receipt unless such change is necessary to, -(a)record the pledge, transfer or withdrawal of goods against such electronic negotiable warehouse receipts;(b)rectify errors or omissions in the electronic negotiable warehouse receipt; and(c)make such other modifications in the electronic negotiable warehouse receipt.(3)The repository shall notify to the holder of electronic negotiable warehouse receipt and the warehouseman in regard to such changes in electronic negotiable warehouse receipt, through electronic means, mobile applications or such other means as may be laid down by the Authority.

## **11. Information of electronic Negotiable Warehouse Receipts.**

- The Authority may direct warehouseman, repository or any other related entity to furnish information relating to electronic Negotiable Warehouse Receipts and such other information to the Authority at periodic intervals. Form Aelectronic Negotiable Warehouse Receipt / electronic Non-Negotiable Warehouse Receipt[See Regulation 4]

**1. Receipt Number: Dated:**

**2. Name and complete postal address of Warehouse:**

**3. Warehouse Registration No: Valid up to:**

**4. Received from (Name and address of the depositor):**

**5. Depositor Account No:**

**6. Goods of following descriptions:**

Sr. No.	Commodity Description of	Commodity with quality/grade etc.	Number of Packages/bags	Net Quantity in MTs/Qtls	Market value at the time of deposit (Rs)	Godown/ Stack/ Lot Number
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**7. Private marks of the depositor on the packages, if any:**

**8. Rate of handling charges:**

**9. Rate of storage charges:**

**10. Amount of Advance paid, if any :**

**11. Insured for fire, floods, theft, burglary, misappropriation, riots, strikes or terrorism:**

Sr. No.	Name of the Insurance policy	Policy No.	Insured for the amount of Rs	Period of validity of insurance policy From	Name of the Insurance company To
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**12. This receipt shall be valid up to ..... being the date of expiry of the declared shelf-life.**

Name and Signature of Warehouseman/ authorised official Terms and Conditions

- 1. The goods received shall be delivered to the holder or to his order.**
- 2. The warehouseman holds the lien on the goods deposited for his storage and handling charges.**
- 3. The receipt shall be valid only till the date of expiry of declared shelf-life of the goods for which it is issued.**
- 4. The warehouseman's liability shall be as per the provisions contained in the Warehousing (Development and Regulation) Act, 2007.**
- 5. The warehouseman undertakes to exercise reasonable care and due diligence required during storage of goods.**
- 6. The warehouseman shall not be responsible for the usual and normal shrinkage in weight and effect on quality during storage due to natural causes.**