

Expression of Interest for Empanelment as an Inspection Agency

Terms and Conditions For Empanelment of Inspection Agencies



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Table of Contents

Sl. No	Contents	Page No.
	SECTION I	
	PRELIMINARY	
1	Definitions	4
	SECTION II	
	EMPANELMENT OF INSPECTION AGENCIES	
2	Project description and Scope of work	7
3	Call of applications for empanelment of inspection agencies	7
4	Submission of application	8
5	Acknowledgement of application	8
6	Persons ineligible for empanelment	8
7	Eligibility of applicants and evaluation of applications	8
8	Empanelment of inspection agencies	9
9	Process for rejection of application	9
10	Security Deposit	9
	SECTION III	
	INSPECTION PROCEDURES, RIGHTS AND OBLIGATIONS OF INSPECTION AGENCIES, WAREHOUSEMEN AND THE AUTHORITY	
11	Requirement of authorisation letter from Authority to conduct inspection	10
12	Common inspection procedures for warehousemen and warehouses registered with the Authority	10
13	Procedure for physical inspection of warehouse at	12
14	Power of the Authority to conduct inspections without prior notice	12
15	Obligations of inspection agencies	13
16	Warehouseman's rights and obligations regarding the inspection process	14
17	Request by the warehouseman for change of inspection date	14
18	Refusal by the warehouseman for inspection of warehouse and consequences of such refusal.	14
	SECTION IV	
	PAYMENT FOR INSPECTION	
19	Payment of fees by Authority to inspection agency for inspections	15
20	Warehouseman to bear cost of inspection in certain cases	15
	CHAPTER VI	
	SUSPENSION, CANCELLATION AND SURRENDER OF EMPANELMENT	
21	Suspension of empanelment	16
22	Effect of suspension	16
23	Power of Authority in the event of suspension	16
24	Revocation of suspension	16
25	Request for surrender of empanelment by the inspection agency	17

26	Cancellation of empanelment	17
27	Appeals	19
	SECTION VII	
	SCHEDULES	
1	Application form for empanelment of inspection agencies	20
2	Eligibility criteria for empanelment as an inspection agency	24
3	Payment of fees to be made to the inspection agency by the Authority	26
4	Format for Bank Guarantee of Security Deposit Payment to be submitted by Inspection Agency before accreditation	27

SECTION I PRELIMINARY

1. Definitions

- 1) In these guidelines, unless the context requires otherwise:
 - a) “Act” means the Warehousing (Development and Regulation) Act, 2007 (37 of 2007);
 - b) “affiliate” means —
 - i. applicant’s key managerial persons or any of their relatives who are key managerial persons;
 - ii. a company in which the applicant or any of its key managerial persons is a Member or Director; any person on whose advice, directions or instructions the applicant or any of its key managerial persons is authorised to act, except where the advice, directions or instructions are given in a professional capacity;
 - iii. any company which is —
 - 1) a holding, subsidiary or an associate company of the applicant; or
 - 2) a subsidiary of a holding company to which the applicant is also a subsidiary.
 - c) “applicant” means a person making an application to the Authority seeking empanelment as an Inspection Agency under clause 5 of these guidelines;
 - d) “Authority” means the Warehousing Development and Regulatory Authority established under the Act;
 - e) “authorisation letter” means a letter issued by the Authority, which directs an inspection agency or an employee of the Authority, to inspect a warehouse and includes such details as are required under these guidelines.
 - f) “discrepancy note” means a note issued to the warehouseman or his representative by an Inspecting Officer at the site of the inspection highlighting major non-compliances in the working of the warehouse.
 - g) “external person” means a person, including an inspection agency, who is —
 - (i) independent of the Authority;
 - (ii) not an applicant or a warehouseman, or a relative or an affiliate of an applicant or a warehouseman; and
 - (iii) assigned, by the Authority, the responsibility of performing any functions under these rules, regulations, guidelines or circulars made under the Act;

- h) “guidelines” means the guidelines on empanelment of inspection agencies and inspection of warehouses issued by the Authority and as amended from time to time.
- i) “general inspection” means an inspection that covers any or all aspects of physical inspection, inspection with regard to adherence to the SOP, and verification of the quantity and quality of goods in the warehouse.
- j) “holding company” in relation to one or more other companies, means a company of which such companies are subsidiary companies.
- k) “inspection” means examination of a warehouse in order to assess compliance with the provisions of the Act, Rules, Regulations and Guidelines/Circulars made there under and includes physical verification of stocks, equipments, examination of records, collection of information including documents, samples, records from one or more warehouses and any other office or premise of a warehouseman.
- l) “inspection agency” means an agency, whatever be its constitution, empanelled with the Authority under clause 9 of these guidelines.
- m) “Inspecting Officer” means an employee of the Authority or an employee of an inspection agency who shall inspect a warehouse as per these guidelines.
- n) “key managerial person”, in relation to an applicant or an inspection agency, means —
 - i. if the applicant or an inspection agency is a partnership, each of the partners mentioned in its registered partnership deed;
 - ii. if the applicant or an inspection agency is a society, the president, secretary and treasurer of the society and each member of its governing body;
 - iii. if the applicant is a company –
 - 1) the Chief Executive Officer or the managing director;
 - 2) the Company Secretary;
 - 3) each Director; and
 - 4) the Chief Financial Officer.
- o) “net-worth” means —
 - i. for a company, the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation; and
 - ii. for a partnership, society or sole proprietorship, the aggregate value of paid up capital and the free reserves.

- p) “order” means any order issued by the Authority which may be in writing or electronically and states a decision of the Authority under these guidelines.
- q) “Physical inspection” means an inspection of the physical infrastructure of the warehouse to assess that the physical parameters of the warehouse are in compliance with the infrastructural and any other requirement specified by the Authority from time to time.
- r) “relative” means a relative as defined under the Companies Act, 2013
- s) “show cause notice” means a written or electronic notice issued by the Authority which —
 - i. states an action that the Authority proposes to take;
 - ii. states the causes requiring the proposed action; and
 - iii. provides the time limit within which such notice must be replied to;
 - iv. provides the manner of replying to the show-cause notice, including whether replies are sought in person or through written representations or both.
- t) “Standard Operating Procedure (SOP)” means information relating to the processes, actions and responsibilities with regard to the following subjects:
 - i. procedure for deposit and delivery of goods;
 - ii. procedure for weighing, sampling of goods to be deposited as per industry standards;
 - iii. procedure for verification of quality of goods and communication to depositor;
 - iv. procedure for maintaining details of persons who may act as authorised representatives of the warehouseman for issuing negotiable warehouse receipt;
 - v. procedure for ensuring the safety of the goods from fire, theft, burglary, etc.;
 - vi. procedure for scientific storage of goods, including stacking;
 - vii. procedure for clear identification of stored goods up to the lowest common factor (for example lot size);
 - viii. procedure for determining losses caused due to fire, flood, burglary, misappropriation, fraud, negligence and force majeure events;
 - ix. procedure for internal verification of stock;
 - x. procedure for grievance redressal;
 - xi. roles and responsibilities of employees (including outsourced employees) ; and
- u) “subsidiary” in relation to any other company (that is to say the holding company), means a company in which the holding company directly or indirectly through another subsidiary —
 - i. controls the composition of the Board of Directors, such control being implied in cases where the holding company by exercise of some power exercisable by

- it at its discretion can appoint or remove all or a majority of the directors; or
- ii. exercises or controls more than one-half of the total share capital either on its own or together with one or more of its subsidiary companies.
- 2) The words and expressions used in these guidelines will have the meaning assigned to them in the Act.

SECTION II

EMPANELMENT OF INSPECTION AGENCIES

2. Project description and scope of work

The Warehousing Development and Regulatory Authority (WDRA) hereinafter referred as “the Authority”, a statutory regulatory authority, was constituted under section 24 of the Warehousing (Development and Regulation) Act, 2007 on 26.10.2010. One of the functions of the WDRA include regulation of warehouses issuing negotiable warehouse receipts by registering such of the warehouses which intend to issue NWRs and meet the infrastructure/ organizational standards, standard operating procedures and compliance to other local laws as specified by the Authority. The new registrations rules the Warehousing (Development and Regulation) Registration of Warehouses Rules, 2017 has been notified on February 23, 2017 superseding the earlier rules.

The new registration rules require physical inspection of warehouse by the Authority itself or through an external person before registration and also require the Authority to specify the procedure for empanelment of the external person to conduct inspections apart from the amount of inspection fee and the manner of payment of such fee to the external person for carrying out the inspection of the warehouse and warehouseman, as the case may be. The Authority also needs to put in place a robust inspection process for the warehouses registered by it to establish the credibility of NWRs issued by such warehouses to facilitate and easy pledge financing against NWRs by banks,

The Authority desires to empanel external persons, referred to as inspection agencies, with requisite resources including adequate qualified and experienced staff (herein referred as Inspecting Officers) and having sufficient experience/expertise to carry out different types of inspections as specified by the Authority. This document seeks to establish a well defined framework for inspection of warehouses by the Authority by itself or through empanelled inspection agencies. Accordingly, this document defines the types of inspections, lay down procedures and checklists for inspections, empanelment of inspection agencies and monitor their functioning.

3. Call of applications for empanelment of inspection agencies

The Authority will empanel inspection agencies pursuant to call for applications for empanelment of inspection agencies.

4. Submission of application

- i. The applicant shall submit the application in the format specified in Schedule 1.
- ii. The Authority shall treat the application as complete if all of the following requirements are met –
 - a) the applicant submits the application for empanelment in the format and manner specified;
 - b) the applicant submits all documents required under Schedule 1; and
 - c) the applicant pays a non-refundable application fee of Rupees ten thousand to the Authority.
 - d) the applicant declares that he is not into warehousing business.
- iii. The Authority may call for additional information from the applicant and the applicant shall furnish such information within such time as may be stipulated by the Authority.

5. Acknowledgement of application

- i. The Authority shall send an acknowledgement to the applicant within one week of receipt of the application.
- ii. Mere submission of the application for empanelment shall not bind the Authority to empanel the applicant as an inspection agency under this document.

6. Persons ineligible for empanelment

- i. Any person that has been blacklisted by the Government of India or the Government of any State or any organisation associated with such Governments shall be debarred from empanelment as an inspection agency.
- ii. Any person whose empanelment has been cancelled by the Authority for any reason shall be debarred from empanelment for a period of five years from the date of cancellation of empanelment.
- iii. Any warehouseman who is already registered with the Authority under the Act.

7. Eligibility of applicants and evaluation of applications

- i. The Authority shall evaluate applications only if they are complete as per clause 4 (ii).
- ii. The application shall be evaluated for eligibility on the basis of the criteria laid in Schedule 2 and the Authority is satisfied that the applicant meets the criteria laid out in Schedule 2.
- iii. The scoring criteria for the applications for empanelment shall be as follows:

S. No.	Criteria	Maximum Score	Minimum score required	Scoring system
1	No of inspections conducted by the applicant, if any, on behalf of the Authority in the past	10	0	1 - 50 - 2 51 - 100 - 4 101 - 150 - 6 151 - 200 - 8 > 200 - 10
2	Number of years for which the applicant has been in the business of conducting inspections (inspection includes accreditation and general inspection) with a minimum of three inspections in a year (basing upon submitted *documentary proof)	15	4	3 - 5 years - 4 6 - 8 years - 7 9 - 11 years - 11 > 11 years - 15
3	Number of inspections/audits conducted in the financial year 2016-17 (basing upon submitted *documentary proof)	15	4	10 - 15 - 4 16 - 20 - 7 21 - 25 - 11 > 25 - 15
4	Number of inspections of warehouses, firms and entities engaged in warehousing, logistics, commodity management, food storage and processing, food safety conducted by the applicant during the last three financial years. (May include inspections listed in criteria 3) (basing upon submitted *documentary proof)	20	6	30 - 50 - 6 51 - 75 - 13 > 75 - 20
5	Number of inspecting officers qualified to inspect warehouses and	20	4	3 - 5 - 4 6 - 10 - 8 11 - 15 - 12

	warehousemen, as detailed in Schedule 2, available with the applicant			16 – 20 – 16 > 20 - 20
6	No of Zones in which the applicant has offices (Refer Schedule 2)	15	4	2 Zones – 4 3 Zones – 7 4 Zones - 11 5 Zones – 15
7	Whether the applicant is certified for conducting inspections/ audits for quality certification viz. ISO, HACCP etc.	5	0	If Yes – 5 If No - 0
	Total	100		

* Documentary proof includes work order, final bill payment proof for the work order/certificate of completion of the work issued by the client or any such document evidencing the work to the satisfaction of the Authority

Entities scoring more than 40% marks in aggregate shall be eligible for empanelment

8. Empanelment of inspection agencies

- i. If the Authority decides to empanel an applicant, it shall issue a written or electronic communication to the applicant and ask him to submit the security deposit in accordance with clause 10 within a period of fifteen working days or such time period allowed by the Authority.
- ii. If the applicant fails to submit the security deposit within such time period, the application may be rejected by the Authority.
- iii. If the applicant submits the security deposit in accordance with clause 10, it shall empanel the applicant as an inspection agency for a period of five years from the date of empanelment unless such empanelment is surrendered or cancelled before such period.

9. Process for rejection of applications

- i. The Authority may reject an application if it finds that the applicant does not fulfill the eligibility requirements under clause 7.
- ii. The Authority may reject an application if any information submitted by the applicant under clause 4 is found to be false.
- iii. The Authority may reject an application if the applicant does not furnish the information required by the Authority within the time period specified under clause 4.

- iv. The Authority may reject an application if it finds the applicant ineligible under clause 6.
- v. The Authority may reject an application on any other ground, recorded in writing, if it is satisfied that it is necessary to do so.
- vi. The Authority, before rejecting the application, shall issue a communication to the applicant providing at least fifteen working days to make representation, if any, to the Authority.
- vii. The representation under clause 9. vi shall be made by the applicant in writing.
- viii. If the Authority has provided time to an applicant to provide representations, the Authority shall consider the representation made by the applicant on merits and decide on the application.
- ix. If no representation is received within the period specified, the Authority may reject the application.

10. Security Deposit

- 1) An applicant shall submit and maintain a security deposit of Rupees five lakh to be held by the Authority during the period of empanelment.
- 2) The security deposit shall be in the form of a Bank Guarantee issued by Scheduled Commercial Bank, as per the format given at Schedule 4, which shall be valid for the period of empanelment.
- 3) The Authority shall release the security deposit if –
 - a) an inspection agency surrenders its empanelment and the Authority is satisfied that the inspection agency has discharged his obligations as per the requirements under this document; or
 - b) the period of empanelment of the inspection agency has expired and the Authority is satisfied that the inspection agency has discharged his obligations as per the requirements under this document.

SECTION III

INSPECTION PROCEDURES, RIGHTS AND OBLIGATIONS OF INSPECTION AGENCIES, WAREHOUSEMAN AND THE AUTHORITY

11. Requirement of authorisation letter from Authority to conduct inspection

- i No person shall conduct any inspection without an authorisation letter from the Authority.
- ii The Authority shall issue an authorisation letter only to an inspection agency who is

assigned the task of conducting the inspection.

- iii The inspection agency may depute one or more Inspecting Officers to conduct an inspection.
- iv The authorisation letter issued by the Authority shall require the inspection agency or its employee to conduct one or more of the following in respect of one or more warehouses —
 - a) physical inspection;
 - b) general inspection;
 - c) inspection without prior notice.

12. Common inspection procedure for warehouses registered with the Authority

- i Inspection guidelines issued by the authority and placed on its website www.wdra.nic.in shall provide the framework for conducting different types of inspection.
- ii The inspection agency shall conduct an inspection within ten working days of the receipt of the authorization letter or within such time as may be stipulated by the Authority.
- iii In exceptional cases, the Authority may require the inspection agency to conduct an inspection in less than ten working days of the receipt of the authorization letter.
- iv The authorisation letter issued by the Authority to such inspection agency shall include —
 - a. the name and the address of the warehouse(s) and the warehouseman;
 - b. type of inspection (physical inspection, general inspection or an inspection without prior notice) to be carried out.
- v The Inspecting Officer shall submit an inspection report to the Authority within five working days of the completion of the inspection or within such time as stipulated by the Authority.
- vi The Authority may send additional documents and information along with the authorisation letter required for carrying out the inspections, including other details of the warehouseman and the warehouse, past inspection reports, Standard Operating Procedure of the warehouseman and any other relevant information.
- vii Other than the inspection without prior notice, unless otherwise specified by the Authority, the inspection agency will give a notice of at least two working days to the warehouseman prior to the inspection;
- viii. The authorisation letter and the credentials of the Inspecting Officer must be presented to the warehouseman or his representative at the site of inspection;

- ix. The Inspecting Officer shall explain the inspection process to the warehouseman or his representative at the site of inspection prior to the commencement of the inspection;
- x. The inspection shall be conducted in the presence of the warehouseman or his representative.
- xi. For physical inspection, a walk-through of the warehouse/ premises will be conducted by the Inspecting Officer at the time of commencement of the inspection.
- xii. At the end of the inspection, the warehouseman or his representative shall sign or authenticate a declaration stating –
 - a. he was present throughout the inspection; and
 - b. the inspection process as well as the discrepancies or non-compliances were explained to him by the Inspecting Officer; and
 - c. the Inspecting Officer has issued a discrepancy note to him.
- xiii. The Inspecting Officer will maintain a written record of all documents requested, furnished and inspected, and all information that was requested, but not made available. Such record must be sent along with the inspection report to the Authority.
- xiv. If the Inspecting Officer collects any sample, record or document from the warehouse, it will issue a receipt acknowledging the same to the warehouseman or his representative. The procedure for sampling shall be as per the circulars, manuals or checklists issued by the Authority from time to time.
- xv. The Inspecting Officer shall complete the inspection as per the requirements of the authorisation letter and submit an inspection report in the format given in Inspection Guidelines notified by the Authority.
- xvi. In cases where testing of samples is required as part of the inspection, the results of such tests should be communicated to the Authority within ten working days of the inspection.
- xvii. Collection and analysis of samples shall be done following BIS procedure. Generally representative samples in duplicate shall be collected jointly alongwith warehouseman or his representative and the inspecting officer. One of the representative samples collected would be used for testing physical quality parameters while the other shall be jointly sealed in weather proof packing and left with the warehouseman as a reference sample to be used in case of any dispute. Depending upon the commodity, in case a chemical test is also required representative samples in triplicate will be drawn, the first sample to be used for physical testing, the other jointly sealed sample sent for chemical testing and the remaining one shall be jointly sealed in weather proof packing and left with the warehouseman as a reference sample to be used in case of any dispute.
- xviii. The representative sample shall be preserved by the warehouseman till liquidation of the stock covered under the NWR.

- xix. If any chemical test is required it will be got done from a government or a government recognized/NABL accredited laboratory. The prescribed fee for the chemical analysis would be borne by WDRA. The inspection agency will pay the fee and claim from the Authority through their monthly invoice mentioned in section 19.1).
- xx. If the Authority requires, it may ask the inspection agency or its official to submit its inspection report earlier, and the inspection agency shall comply with such direction.

13. Procedure for physical inspection of warehouse

All physical inspections shall be conducted as per the procedure laid down in Rule 9 of the Warehousing (Development and Regulation) Registration of Warehouses Rules, 2017.

14. Power of the Authority to conduct inspections without prior notice

- i The Authority may conduct an inspection of a warehouse without prior notice through the inspection agency.
- ii Inspections of a warehouse without prior notice may be conducted by the Authority in the following cases:
 - a) if Authority receives complaints/information regarding the warehouse or a warehouseman.
 - b) if serious discrepancies have been discovered during previous inspections.
 - c) if the Authority notices discrepancies in the information contained in NWRs/eNWRs such as the price, quality, quantity etc. of goods stated therein, or notices any unusual transactions.
- iii The Inspecting Officer shall complete the inspection as per the requirements of the authorisation letter and submit an inspection report in the format given in Inspection Guidelines notified by the Authority within five working days of completion of inspection.
- iv If the Authority requires, it may direct the inspection agency to submit its inspection report earlier, and the inspection agency shall comply with such direction.

15. Obligations of inspection agencies

- i. The inspection agency shall inspect a warehouse after receiving an authorisation letter from the Authority and strictly as per the instructions contained in the letter.
- ii. The inspection agency shall not outsource inspection to any other agency, and all inspection reports and communications under these guidelines must be under the name and authority of the inspection agency.
- iii. The inspection agency shall ensure that it has a valid non-disclosure agreement with all of its staff at all times, preventing them from disclosing any information gathered during an inspection under these guidelines, except if required to do so by order of a

court, tribunal or law enforcement agency.

- iv. Inspection shall be conducted by Inspecting Officer approved by the Authority at the time of empanelment or from time to time.
- v. If an inspection agency wants to add to the list of Inspecting Officers, it must seek the prior approval of the Authority by submitting a letter stating the same, and the Authority may approve such Inspecting Officer after satisfying itself that such person meets the qualifications set out in Schedule 2 of these guidelines.
- vi. The inspection agency or its Inspecting Officer shall not accept any pecuniary benefits, gifts, donations or obligations from any warehouseman or any of its employees, workers or agents at any time during the period of empanelment.
- vii. All arrangement for travel, logistics, accommodation etc., necessary for conduct of inspection shall be made by the inspection agency and cost there of borne by it.
- viii. The inspection agency shall ensure that its Inspecting Officers are adequately trained on various functions of warehousing and conduct of inspections thereof, in addition to being conversant with the manuals and checklists issued under these guidelines and are fully conversant with the provisions of the Act, Rules, Regulations and Guidelines/Circulars issued thereunder.
- ix. At the end of the inspection, the Inspecting Officer shall explain the discrepancies or non-compliances noticed, and shall issue a discrepancy note to the warehouseman or his representative, directing the warehouseman to submit a compliance report to the Authority within ten working days.
- x. An inspection agency may be required to conduct a follow up inspection in cases where discrepancies pointed out during an inspection have not been addressed adequately in the opinion of the Authority.
- xi. The inspection agency shall be required to share with the Authority any or all records relating to one or more inspections carried out by it as and when required by the Authority.
- xii. The inspection agency shall put in place a system and procedure of grievance redressal within the organization and submit a copy of the same to the Authority in the form and manner specified by the authority.
- xiii. The inspection agency shall, on a written communication from the Authority, allow its books of accounts, its inspection processes and systems and past inspections conducted by it to be audited by an auditor appointed by the Authority.

16. Warehouseman's rights and obligations regarding inspection process.

- i A warehouseman or an applicant for warehouse registration, as the case may be, shall not prevent or obstruct an inspection process.
- ii A warehouseman or an applicant for warehouse registration has a right to disallow an inspection if –

- a) a copy of the authorisation letter has not been provided to him as specified under these guidelines;
 - b) the Inspecting Officer refuses to establish his credentials before commencement of the inspection; or
 - c) the Inspecting Officer seeks information or documents outside the scope of the inspection as stated in the authorisation letter;
- iii The warehouseman shall provide full cooperation to the Inspecting Officer for the purpose of conducting the inspection, collecting samples, documents and capturing images from the warehouse and recording data from the warehouse or any office or premise belonging to the warehouseman or under his effective control.

17. Request by the warehouseman for change of inspection date

If the warehouseman requests the inspection agency for a change of inspection date with sufficient reasons, the inspection agency may, if it considers necessary to do so, accommodate such request subject to the timeline stipulated by the Authority in the authorisation letter.

18. Refusal by the warehouseman for inspection of warehouse and consequences of such refusal

- i If the warehouseman or his representative refuses to let the Inspecting Officer carry out the inspection, or does not extend full cooperation, the Inspecting Officer shall report about such refusal/non-cooperation immediately to the Authority and the inspection agency.
- ii The Authority may, after ascertaining the grounds of such refusal or non-cooperation, if it considers necessary to do so, may initiate the process for rejection of application for registration or suspension or cancellation of registration of such warehouse in accordance with the Warehousing (Development and Regulation) Registration of Warehouses Rules, 2017.

SECTION IV

PAYMENT FOR INSPECTION

19. Payment of fees by Authority to inspection agency for conducting inspection

- 1) The Authority shall pay an all inclusive fee to the inspection agency as per the rates specified in schedule 3 against monthly invoices raised by it.
- 2) In case an inspection is aborted owing to any mistake on part of the warehouseman/his representative or any other event or incident, natural or otherwise, the Authority shall make full payment of the fee to the inspection agency, provided that the Inspecting Officer visited the locations specified in the authorisation letter and provides sufficient reasons for which the inspection was aborted.

20. Warehouseman to bear cost of inspection in certain cases

- (i) The warehouseman shall bear the cost of inspection in the following cases:-
 - a. if the situation of the stock or the condition of the warehouse in the first inspection rendered it unsuitable for inspection due to non-compliances in the practices observed by the Inspecting Officer. In such a case, the Inspecting Officer shall inform the Authority immediately from the warehouse site and furnish relevant evidence including photographs, videos and copies of documents to the Authority.
 - b. if the warehouseman or his representative refuses to extend full cooperation to the Inspecting Officer as per clause 17. In such a case, the Inspecting Officer must inform the Authority immediately from the warehouse site and furnish relevant evidence to satisfy the Authority. The Authority may verify the evidence submitted by the Inspecting Officer in any manner it deems fit.
 - c. if the Authority deems that an additional physical inspection of the warehouse, for which application for registration is made, is required to satisfy itself with respect to such corrective measures as are pointed out during the first physical inspection, it may cause a second physical inspection that shall be conducted at the cost of the applicant.
- (ii) However, no amount shall be paid by the warehouseman to the Inspection Agency or the Inspecting Officers.

SECTION V

SUSPENSION, CANCELLATION AND SURRENDER OF EMPANELMENT

21. Suspension of empanelment

- i. The Authority may suspend the empanelment of an inspection agency, if —
 - a. such inspection agency fails to comply with any of the terms and conditions subject to which the empanelment was granted to it; or
 - b. such inspection agency violates the provisions of the Act, Rules, Regulations and Guidelines/Circulars made thereunder; or
 - c. the Authority has reasons to believe that the inspection agency has colluded with the warehouseman or his representative for the inspection; or
 - d. the inspection agency ceases to carry on business of inspection or goes into liquidation.
- ii. The Authority may suspend the empanelment of an inspection agency after issuing a communication to the inspection agency.

- iii. Such communication shall include the following details —
 - a) the specific requirements of the Act, Rules, Regulations and Guidelines/Circulars made thereunder that the inspection agency has violated;
 - b) the action the inspection agency is required to take to rectify such violation; and
 - c) the time limit within which such corrective action must be taken.

22. Effect of suspension

- i. An inspection agency shall not undertake any inspection during the period of suspension.
- ii. In the event of suspension, the inspection agency shall continue to discharge its obligations towards the Authority.

23. Power of Authority in the event of suspension

During the period of suspension of an inspection agency, the Authority may call for information from the inspection agency to verify such inspection agency's compliance with the provisions of the Act, Rules, Regulations, and Guidelines/Circulars made thereunder.

24. Revocation of suspension

- i. The Authority may revoke the suspension of an inspection agency if it is satisfied that the inspection agency has fulfilled the requirements mentioned in the communication issued under clause 20. iii and shall communicate such decision to the inspection agency.
- ii. An inspection agency whose suspension has been revoked shall be eligible to inspect warehouses as per these guidelines.

25. Request for surrender of empanelment by the inspection agency

- i. If any inspection agency wishes to surrender its empanelment, it may make such request in writing.
- ii. While disposing a request under this clause, the Authority may require the inspection agency to fulfill all its obligations with respect to inspection of such warehouses that it was directed to inspect before the date of request of such surrender.
- iii. The Authority shall not assign the inspection agency the task of inspection of warehouse, once such a request for surrender is made.
- iv. The Authority may accept the surrender of empanelment and release the security deposit of the inspection agency if it is satisfied that the requirements under this clause have been met.

26. Cancellation of empanelment

- i. The Authority may cancel the empanelment of an inspection agency for one or more

of the following reasons:

- a) the Authority has a reason to believe that the inspection agency has colluded with the warehouseman or his representative for the inspection;
 - b) the inspection agency ceases to carry on business or goes into liquidation;
 - c) the inspection agency fails to comply with any of the terms and conditions subject to which the empanelment was granted to it;
 - d) the inspection agency violates the provisions of the Act, Rules, Regulations, and Guidelines/Circulars made thereunder;
 - e) the inspection agency has been repeatedly suspended for violation of any of these guidelines;
 - f) the inspection agency fails to respond to a communication issued to him under these guidelines.
 - g) empanelment of the inspection agency has been suspended and the inspection agency fails to comply with the requirements specified in the communication issued to it under clause 20. iii.
- ii. The Authority may not cancel the empanelment of an inspection agency except after holding an enquiry in accordance with this clause.
- iii. The Authority, or the enquiry officer appointed by it , acting under this clause, shall issue a show cause notice to the inspection agency which includes the following details:
- a) the specific requirements under these guidelines that the inspection agency has violated;
 - b) the information which would enable the Authority to satisfy itself regarding the violation; and
 - c) the time limit within which the notice must be replied to.
- iv. If the Authority or the enquiry officer acts under sub-clause ii. of clause 26, it shall allow the inspection agency to –
- a) access to all the material considered by it in taking the decision to issue a show cause notice;
 - b) access to any material that was collected in the course of any inquiry or investigation that was used in taking the decision to issue the show cause notice; and
 - c) access to any recorded conclusions or findings that the Authority drew based on

material collected during any inquiry or investigation in taking the decision to issue the show cause notice.

- v. The Authority, or the enquiry officer, may conduct, or cause to be conducted by an external person to examine compliance with the Act, Rules, Regulations and Guidelines/Circulars made thereunder.
- vi. If an enquiry officer has been appointed, such officer shall submit an enquiry report to the Authority after considering all the facts, and the submissions made by the inspection agency.
- vii. The enquiry report submitted by the enquiry officer under sub-clause (vi) of clause 26 shall include all the following:
 - a) copy of the show cause notice;
 - b) all material considered in taking the decision to issue the show cause notice;
 - c) copy of all communication and submissions made by the inspection agency to the enquiry officer in respect of the show cause notice;
 - d) copy of all material considered during the investigation;
 - e) findings of the investigation;
 - f) specific violations by the inspection agency under these guidelines which make him liable for action; and
 - g) name of the enquiry officer or officer of the Authority as the case may be.
- viii. The Authority shall issue a final order on the basis of the enquiry report or on the basis of all the facts and the submissions made by inspection agency before it and shall immediately communicate such order to the inspection agency.
- ix. The final order issued by the Authority shall contain all of the following:
 - a) the decision taken by the Authority;
 - b) the reasons for taking such decision;
 - c) the materials on which the Authority has relied upon to arrive at such decision;
 - d) any right that the inspection agency may have to have the matter referred to the Appellate Authority;
 - e) the procedure of such reference.
- x. The order shall be published on the website of the Authority.

27. Appeals

Any person aggrieved by an order of the Authority made under this document may prefer an appeal to the Appellate Authority as specified under section 42 of the Act.

SECTION VI

SCHEDULES

Schedule 1

Application form for empanelment of inspection agencies

To,

The Director (Administration & Finance)
Warehousing Development and Regulatory Authority (WDRA)
NCUI Building (4th Floor),
3, Siri Institutional Area, August Kranti Marg,
Hauz Khas, New Delhi – 110016

Subject: Application for Empanelment as a Inspection Agency for Warehousing and
Development and Regulatory Authority

Dear Sir,

We(name of the organization/entity) hereby submit our application for empanelment as an Inspection Agency for the Warehousing and Development and Regulatory Authority in response to your advertisement appearing in(news paper) dated alongwith requisite documents and the fee of Rs 10000 (Rs Ten thousand only) as Demand Draft No. Dated of the Bank..... / deposited online in WDRA a/c vide UTR no..... Datedas per the following particulars:

1. Information concerning the applicant —

- a) Name of the applicant
- b) If the applicant was previously empanelled with the Authority, identification number issued to the applicant
- c) Type of applicant —
 - i. Company
 - ii. Partnership Firm
 - iii. Society
 - iv. Trust

- d) Address along with documents required as proof of address
- e) Email address:
- f) Telephone number:
- g) Photograph of the applicant or authorised representative of the applicant signing the application:
- h) if the application is submitted by the authorized representative of the applicant, one of the following must be provided:
 - i. power of attorney:
 - ii. board resolution authorising the representative;
 - iii. board resolution in favour of the person providing a letter of authorisation in favour of the authorised representative; or,
 - iv. a letter of authorization from the governing body of the trust, society, partnership firm, as the case may be (the governing body shall be the body constituted by such organisation under its registered incorporation documents).
 - v. The address, email, phone number of the authorised representative of the applicant must be provided.

2. Documents and other information to be submitted relating to eligibility as per Schedule 2.

- a) Declaration in the following format, stating that the Applicant meets the requirements for a fit and proper person:

Declaration by applicant stating compliance with requirements for a fit and proper person

I/We, _____ (name of applicant), a _____ (Company/ Partnership firm/ Society/ Trust/ Sole proprietorship), having my registered office at _____ (complete address), hereby declare and certify that I/We have perused these guidelines, and as per the requirements for eligibility:-

- a) Neither I or any of my key managerial persons, have been convicted by a court for any offence, at any time in the preceding five years;
- b) Neither I or any of my key managerial persons, have been declared an un-discharged insolvent;

- c) Neither I or any of my key managerial persons, have been declared to be of unsound mind by a court.
- d) I/We am/are not under a declaration of ineligibility/banned/ blacklisted by any Regulatory Authority, State or Central Government/ any other Government institutions in India for any reason whatsoever as on the date of submission of the application.
- e) I/We am/are not under investigation by any law enforcement agency for unfair practices or any other offence;
- f) Neither I nor my affiliates are licensed by the Authority to carry out any other function under the Act; and
- g) Neither I or any of my key managerial persons is into warehousing business.
- h) I/We agree to comply with the provisions of the Act, Rules, Regulations and Guidelines/Circulars made thereunder from time to time during the period of my empanelment with the Authority.

Signature of Applicant or Authorised representative

Date:
Place :

- b) A declaration with regards to the number of inspections conducted by the applicant, if any, on behalf of the Authority in the past.
- c) Details of inspections conducted from the date of inception alongwith documentary proof/certificate from the client in the following format (a minimum of three clients per year and for maximum period of 12 years):

S.No.	Type of inspection (warehouse/ commodity/ other - specify)	Client	Year of inspection

- d) Details of at least ten inspections/ audits conducted in the previous financial year alongwith documentary proof/certificate from the client in the following format:

S.No.	Type of inspection (warehouse/ commodity/ other - specify)	Client	Date(s) of inspection

- e) Details of at least thirty inspections/ audits / certifications of warehouses, firms and entities engaged in warehousing, logistics, commodity management, food storage and processing, food safety in the last three financial years alongwith documentary proof/certificate from the client in the following format:

S.No.	Type of inspection/ audit/ certification (warehouse/ commodity/ other - specify)	Inspected entity involved in: (warehousing/ logistics/ commodity management/ food storage and processing/ food safety)	Date(s) of inspection

- f) Details of Inspecting Officers working with/for the applicant qualified to inspect warehouses and warehousemen, in the following format (In addition, CV of each Inspecting Officer to be attached):

S. No.	Name	Educational qualification	Areas of experience, and years of experience	Number of inspections/ audits/ certifications

g) Details of offices/ branches of the applicant:

Zone	Number of offices	Address of each office

h) Whether the applicant is having any certificate for conducting inspections/ audits for quality certification viz. ISO, HACCP etc. If so, enclose copy of the certification issued by the concerned authority.

3. Details of payment of Nonrefundable Application Fee:-

Date
Place

Signature of the Applicant /
Authorised Representative

Schedule 2

Eligibility criteria for empanelment as an inspection agency

1. The applicant must meet all of the following conditions in order to be considered for empanelment as an inspection agency –
 - a) The applicant must be a fit and proper person.
 - b) The applicant should have conducted inspections for a minimum period of three years.
 - c) The applicant should have conducted a minimum of ten inspections/ audits in the previous financial year.
 - d) The applicant should have conducted a minimum of thirty inspections/ audits / certifications of warehouses, firms and entities engaged in warehousing, logistics, commodity management, food storage and processing, food safety in the last three financial years.
 - e) The applicant should have a minimum of three Inspecting Officers qualified to inspect warehouses and warehousemen as per the following requirements:
 - i. A minimum graduate degree in science, agriculture or allied sciences.
 - ii. Have experience of at least five years in one or more of the following fields – storage, assaying, inspection or testing of agricultural commodities, warehousing, logistics, and supply chain management.
 - iii. Have conducted at least five inspections/audits/certifications of warehouses, firms and entities engaged in warehousing, logistics, commodity management, food storage, processing and food safety.
 - iv. Should be preferably a trained and licensed assayer.
 - f) The applicant should have offices in at least two of the following zones.
 - i. North
 - ii. South
 - iii. East
 - iv. West
 - v. Central

2. Requirements for a fit and proper person: The Authority shall consider the applicant a fit and proper person if the applicant satisfies all of the following requirements —

- a) the applicant, or any of its key managerial persons, have not been convicted by a court for any offence, at any time in the preceding five years;

- b) the applicant, or any of its key managerial persons, has not been declared an undischarged insolvent;
- c) the applicant, or any of its key managerial persons, have not been declared to be of unsound mind by a court
- d) the applicant, or any of its key managerial persons should not be under a declaration of ineligibility/banned/ blacklisted by any Regulatory Authority, State or Central Government/ any other Government institutions in India for any reason whatsoever as on the date of submission of the application
- e) the applicant, or any of its key managerial persons should not be under investigation by any law enforcement agency for unfair practices or any other offence;
- f) the applicant or any of its key managerial persons should not have conflict of interest with any of the registered warehouse or the warehouse with respect to which an application for registration is made.
- g) the applicant or its affiliates are not licensed by the Authority to carry out any other function under the Act; and
- h) The applicant or its authorised representative shall submit a declaration stating that it will comply with the provisions of the Act, Rules, Regulations and Guidelines/Circulars made thereunder from time to time.

Schedule 3

Payment of fees to be made to the inspection agency by the Authority

Type of inspection	Fee per inspection for different capacity of warehouses (All inclusive)		
	Up to 10,000 Ton (In Rs)	10,000 Ton - 25,000 Ton (In Rs)	Above 25,000 Ton (In Rs)
Physical inspection	10,000	12,500	15,000
General inspection	12,000	17,000	25,000

- 1) The Authority shall pay Rs 2,500 extra for warehouse located in the North-eastern States.
- 2) If the general inspection consists of only one of the following: (a) physical inspection, (b) SOP inspection, or (c) stock inspection, rates for physical inspection given in this table shall be applicable for payment to the inspection agency.
- 3) If the general inspection consists of more than one of the following: (a) physical inspection, (b) SOP inspection, or (c) stock inspection, rates for general inspection given in this table shall be applicable for payment to the inspection agency.
- 4) For inspections without prior notice, if the inspection consists of only one of the following: (a) physical inspection, (b) SOP inspection, or (c) stock inspection, rates for physical inspection given in this table shall be applicable for payment to the inspection agency. If the inspection consists of more than one of the following: (a) physical inspection, (b) SOP inspection, or (c) stock inspection, rates for general inspection given in this table shall be applicable for payment to the inspection agency.

Schedule 4

Format for Bank Guarantee for Security Deposit Payment to be submitted by Inspection Agency before accreditation

Director (Administration & Finance)
Warehousing Development and Regulatory Authority (WDRA)
NCUI Building (4th Floor),
3, Siri Institutional Area, August Kranti Marg,
Hauz Khas, New Delhi – 110016

(With due stamp duty as applicable)

OUR LETTER OF GUARANTEE No. : _____

1. In consideration of Warehousing Development and Regulatory Authority, having its office at NCUI Complex (4th Floor), 3, Institutional Area, August Kranti Marg, Hauz Khas, New Delhi – 110016 (INDIA) (hereinafter referred to as “WDRA” which expression shall unless repugnant to the content or meaning thereof include all its successors, administrators and executors) and having entered into an agreement dated _____/issued Empanelment Order No. _____ dated _____ with/on M/s _____ (hereinafter referred to as “The Inspection Agency” which expression unless repugnant to the content or meaning thereof, shall include all the successors, administrators, and executors).

2. WHEREAS the Inspection Agency having unequivocally accepted to conduct inspections as per terms and conditions given in the Agreement dated _____/Empanelment Order No. _____ dated _____ and having agreed to furnish to WDRA a Security Deposit in the form of a Bank Guarantee for Rs 5.00 Lakh (Rupees Five Lakh only) for the faithful performance of the entire empanelment, we..... (hereinafter referred to as "the Bank") at the request of the Inspection Agency do hereby undertake to pay to the WDRA an amount not

exceeding Rs 5.00 Lakh against any loss or damage caused to or suffered or breach by the Inspection Agency of any of the terms and conditions contained in the said agreement.

3. We..... (Name of the Bank) do hereby undertake to pay the amount due and payable under this guarantee without any demur merely on a demand from the WDRA stating that the amount claimed is due by way of loss or damage caused to or would be caused to or suffered by the WDRA by reason of breach by the Inspection Agency of any of the terms or conditions contained in the said Agreement or by reason of the Inspection Agency's failure to perform the said Agreement. Any such demand made on the bank shall be conclusive as regards the amount due and payable by the Bank under this guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding Rs 5.00 Lakh

4. We undertake to pay to the WDRA any money so demanded notwithstanding any dispute or disputes raised by the Inspection Agency in any suit or proceeding pending before any court or Tribunal relating thereto, our liability under this present being absolute and unequivocal. The payment so made by us under this bond shall be a valid discharge or our liability for payment thereunder and the Inspection Agency shall have no claim against us for making such payment.

5. We..... (Name of the Bank) further Agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said Agreement and that it shall continue to be enforceable till all the dues of the WDRA under or by virtue of said Agreement have been fully paid and its claims satisfied or discharged or till the WDRA certifies that the terms and conditions of the said Agreement have been fully and properly carried out by the Inspection Agency and accordingly discharges this guarantee.

6. We..... (Name of the Bank) further agree that the WDRA shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Agreement or to extend time of performance by the Inspection Agency from time to time or to postpone for any time or from time to time any of the powers exercisable by the

WDRA against the Inspection Agency and to forbear or enforce any of the terms and conditions relating to the said Agreement and we shall not be relieved from our liability under terms and conditions relating to the said Agreement and we shall not be relieved from our liability by reason of any such variation, or extension being granted to the Inspection Agency or for any forbearance, act or omission on the part of the WDRA or any indulgence by the WDRA to the Inspection Agency or by any such matter or thing whatsoever which under the law relating to sureties would, but for this provision, have effect of so relieving us.

7. This guarantee will not be discharged due to the change in the constitution of the Bank or the Inspection Agency

8. We,..... (Name of the Bank) lastly undertake not to revoke this guarantee during its currency except with the previous consent of the WDRA in writing.

9. Notwithstanding anything contained herein :-

- i) Our liability under this Bank Guarantee shall not exceed Rs. 5.00 Lakh (Rupees Five Lakh only)
- ii) This Bank Guarantee shall be valid upto..... and
- iii) We are liable to pay the guaranteed amount or any part thereof under this Bank Guarantee only and only if the WDRA serve upon us a written claim or demand on or before..... (Date of expiry of guarantee)

Dated the..... day of 20

Name of Authorized Signatory/ Manager

For **(Name of the Bank)**

Branch

Seal of the bank