

GOVERNMENT OF INDIA
MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION

LOK SABHA
UNSTARRED QUESTION NO.943
TO BE ANSWERED ON 8TH FEBRUARY, 2023

E-NWR SYSTEM

†943. SHRI ANIL FIROJIYA:
SHRI DIPSINH SHANKARSINH RATHOD:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण मंत्री be pleased to state:

- (a) the details of the Electronic Negotiable Warehouse Receipt (E-NWR) system;
- (b) the types of benefits likely to be derived by the farmers from this system; and
- (c) the steps being taken to integrate core banking financial system of banks with Warehousing Development and Regulatory Authority's (WDRA's) warehouses?

A N S W E R

MINISTER OF STATE FOR MINISTRY OF RURAL DEVELOPMENT AND
CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SADHVI NIRANJAN JYOTI)

(a): E-NWR (electronic Negotiable Warehouse Receipt) is an instrument backed by Warehousing (Development and Regulation) Act, 2007 with negotiability for endorsement/transfer of title of goods. Negotiable Warehouse Receipt (NWR) is a warehouse receipt under which the goods represented therein are deliverable to the depositor or transferable to the endorsee which takes the goods title through the endorsement. E-NWR is the electronic form of NWR.

Warehouses registered with Warehousing Development and Regulatory Authority (WDRA) can issue e- NWRs against notified commodities deposited therein. WDRA has registered two repositories in the year 2017 for creation and management of NWRs in electronic form.

From 1st August 2019, WDRA has made issuance of NWR mandatorily in electronic form only. eNWRs can be traded off-market and used in commodity derivative exchanges for settlement of trade. An eNWR has a time validity that is co-terminus with the shelf-life of the commodity or withdrawal of the commodity fully from the warehouse, whichever is earlier. It can be auctioned under certain conditions such as loan not repaid, on expiry and delivery not taken and on damage or spoilage of the commodity in the warehouse.

(b): The e-NWR ecosystem enables farmers/ depositors to seek loans easily from banks, encouragement of scientific warehousing of goods, avoidance of distress sale of agriculture produce by farmers during peak marketing season, enhancing rewards for grading and quality of deposited commodities, better price risk management by farmers and higher returns to farmers and better services (quality) to consumers, etc.

(c): Banks are onboarded on the repository system for e- NWRs along with other stakeholders like depositors, warehousemen and repository participants. In the event of availing loan facility from banks against pledging of e-NWR, banks mark lien electronically over the e-NWRs. Till the time respective bank removes lien, no further actions are allowed against the pledged e-NWRs by any of the stakeholders.
