

38

**STANDING COMMITTEE ON CONSUMER AFFAIRS, FOOD
AND PUBLIC DISTRIBUTION (2023-2024)**

SEVENTEENTH LOK SABHA

**MINISTRY OF CONSUMER AFFAIRS, FOOD
AND PUBLIC DISTRIBUTION
(DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION)**

**FUNCTIONING OF WAREHOUSING DEVELOPMENT AND
REGULATORY AUTHORITY (WDRA)**

THIRTY EIGHTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

December 2023/ Agrahayana, 1945 (Saka)

THIRTY EIGHTH REPORT
STANDING COMMITTEE ON CONSUMER AFFAIRS, FOOD
AND PUBLIC DISTRIBUTION (2023-2024)

(SEVENTEENTH LOK SABHA)

MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
(DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION)

FUNCTIONING OF WAREHOUSING DEVELOPMENT AND
REGULATORY AUTHORITY (WDRA)

Presented to Lok Sabha on 19.12.2023
Laid in Rajya Sabha on 19.12.2023



LOK SABHA SECRETARIAT
NEW DELHI

December 2023/ Agrahayana, 1945 (Saka)

CONTENTS		
		Page No.
	Composition of the Committee	v
	Introduction	vi
	REPORT	
I	Introductory	1
II	Legislative framework	1
III	Objectives of WDRA	2
IV	Power and Functions of WDRA	3
V	Composition of WDRA	3
VI	Activities of WDRA	4
VII	Registration of Warehouses	5
VIII	Registration of SWC's warehouses	7
IX	Requirements for registration of Warehouses	11
X	Negotiable Warehousing Receipts (NWR)	15
XI	Electronic Negotiable Warehousing Receipts (e-NWR)	16
XII	Pledge Finance against e-NWRs	19
XIII	Infrastructural Relaxations and Financial Concessions	22
XIV	Matters pertaining to e-NWR	24
XV	Suggestions of CWC	31
XVI	Transformation Plan of WDRA	36
XVII	Publicity/Awareness/Training Programs	37
XVIII	Recent Changes in WDRA Regulations	41
	ANNEXURES	
I	State wise warehouses registered with WDRA, upto 30.11.2023	43

II	Details of the requirements for registration of warehouse	44
III	State wise Pledge Finance for FY 2023-24 up to 15.10.2023	45
IV	Repository wise charges	46
APPEDICES		
1	Minutes of the Nineteenth sitting of the Committee (2022-2023) held on 1 August, 2023	52
2	Minutes of the Third sitting of the Committee (2023-24) held on 5 December ,2023	55
3.	Minutes of the Seventh sitting of the Committee (2023-24) held on 18 December, 2023	58

Composition of the Standing Committee on Consumer Affairs, Food and Public Distribution (2023-24)

Smt. Locket Chatterjee - Chairperson

MEMBERS

Lok Sabha

2. Dr. Farooq Abdullah
3. Shri Sudip Bandyopadhyay
4. Shri Shafiqur Rahman Barq
5. Shri Rajendra Dhedya Gavit
6. Shri Sanganna Amarappa Karadi
7. Shri Faizal P.P. Mohammed
5. Km. Debasree Chaudhuri
6. Dr. Amar Singh
7. Shri Anil Firojiya
8. Shri Ganesan Selvam
9. Shri Khagen Murmu
10. Shri Mitesh Rameshbhai Patel
11. Shri Subrat Pathak
12. Smt. Himadri Singh
13. Smt. Kavita Singh
17. Shri Nandigam Suresh
18. Shri Saptagiri Sankar Ulaka
19. Shri Rajmohan Unnithan
20. Shri Vaithilingam Ve.
21. Vacant

Rajya Sabha

22. Shri Satish Chandra Dubey
23. Dr. Fauzia Khan
24. Shri Rajmani Patel
25. Shri Sakaldeep Rajbhar
26. Dr. Ashok Bajpai
27. Shri Baburam Nishad
28. Shri C. Ve Shanmugam
29. Shri Prakash Chik Baraik
30. Vacant
31. Vacant

LOK SABHA SECRETARIAT

1. Dr. Ram Raj Rai - Joint Secretary
2. Dr. Vatsala Joshi - Director
3. Dr. Mohit Rajan - Deputy Secretary

INTRODUCTION

I, the Chairperson of the Standing Committee on Consumer Affairs, Food and Public Distribution (2023-2024) having been authorized by the Committee to present the Report on their behalf, present this Thirty Eighth Report (Seventeenth Lok Sabha) on the subject 'Functioning of Warehousing Development and Regulatory Authority (WDRA)' pertaining to the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution).

2. The subject was selected by the Committee for examination and report. The Committee was briefed on the subject by the representatives of the Central Warehousing Corporation (CWC) on 01.08.2023 and the representatives of the Warehousing Development and Regulatory Authority (WDRA), Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) on 05.12.2023.

3. The Committee wish to express their thanks to the Officers of Central Warehousing Corporation (CWC) and Warehousing Development and Regulatory Authority (WDRA), Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) for placing before them the detailed written notes on the subject and for furnishing the information to the Committee, desired in connection with the examination of the subject.

4. The Report was considered and adopted by the Committee at their sitting held on 18.12.2023.

5. For facility of reference and convenience, the Observations/Recommendations of the Committee have been printed in thick type in the Report.

NEW DELHI;
18 December, 2023
27 Agrahayana,1945 (Saka)

LOCKET CHATTERJEE,
Chairperson,
Standing Committee on
Consumer Affairs, Food and Public Distribution

REPORT

I. Introductory

Warehousing Development and Regulatory Authority (WDRA) is a Statutory Regulatory Authority governed by Department of Food and Public Distribution under the Ministry of Consumer Affairs, Food and Public Distribution, GOI. As per section 24 of the Warehousing (Development and Regulation) Act, 2007, a Warehousing Development and Regulatory Authority(WDRA) has been constituted w.e.f. 26th October 2010 for implementing provisions of the Act.

II. Legislative framework

2. The Warehousing (Development and Regulation) Act, 2007 provides for the establishment of the WDRA to exercise the powers conferred on it and to perform the functions assigned to it under the Act, Rules and Regulations for the development and regulation of warehouses, negotiability of warehouse receipts and promote orderly growth of the warehousing business in the country. Subsequently, Government of India *vide* their Gazette Notification dated 26th October 2010, notified the constitution of Warehousing Development and Regulatory Authority (WDRA) under the Warehousing (Development and Regulation) Act, 2007.

3. Initially the Act was extended to the whole of India except the State of Jammu and Kashmir. While, later *vide* Notification No. S.O. 3912(E), dated 30th October, 2019, this Act is made applicable to the Union territory of Jammu and Kashmir and the Union territory of Ladakh.

4. Under the Act, there are following Rules which enable the provisions of the Act :

- i. The Warehousing (Development and Regulatory) Authority Annual Report and Returns Rules, 2010
- ii. The Salaries, Allowances and other Terms and Conditions of Service of Chairperson and Members of Warehousing (Development and Regulatory) Authority Rules, 2010 (Latest Amendment on 18th October, 2012)
- iii. The Warehousing (Development and Regulation) Appellate Authority Procedure Rules, 2010
- iv. The Warehousing (Development and Regulatory) Authority - Financial and Managerial Powers Rules, 2010

- v. The Warehousing (Development and Regulatory) Authority Annual Statement of Accounts & Records Rules, 2010
 - vi. The Warehousing (Development and Regulatory) Authority, appointment of Chairperson and other members Rules, 2013 (Latest Amendment on 21st October, 2020)
 - vii. The Warehousing (Development and Regulation) Registration of Warehouses Rules, 2017 (Latest Amendment on 20th October, 2023)
5. Further, there are following regulations have been framed under the Act:
- i. Warehousing Development and Regulatory Authority (Maintenance of Records and Accounts of Warehousing Business) Regulations, 2012
 - ii. The Warehousing Development and Regulatory Authority (Meetings) Regulations, 2012
 - iii. The Warehousing Development and Regulatory Authority (Conditions of service of the Officers and other Employees) Regulations, 2016 (Latest Amendment on 5th November, 2021)
 - iv. Warehousing Development and Regulatory Authority (Electronic Negotiable Warehouse Receipts) Regulations, 2017

III. Objectives of WDRA

6. Following are the objectives of WDRA:
- Implementation of Scientific Warehousing in India.
 - Creating awareness about the benefits of warehousing among farmers /traders /Warehouse Service Providers (WSP).
 - Licensing and Monitoring of Warehouses as per the provisions of Warehousing (Development & Regulation) Act 2007 & Warehousing (Development & Regulation) Registration of Warehouses Rules, 2017.
 - Implementation of e-NWR (Electronic Negotiable Warehouse Receipts) in India as per the provisions of Warehousing Development and Regulatory Authority (Electronic Negotiable Warehouse Receipts) Regulations, 2017.
 - Regular Inspection of Stocks deposited as e-NWR in regulated warehouses to ensure the quality and quantity.
 - Implementation of Grievance redressal/ arbitration in case of disputes in the ecosystem.
 - To stop distress sale of agricultural produce of the farmers.
 - To increase liquidity in the rural areas by way of pledge financing.
 - To create fiduciary trust of financiers in the warehouse receipt.

IV. Power and Functions of WDRA

7. Section 35 of the Act provides for the powers and functions of the Authority. The Authority is mandated to regulate and ensure implementation of various provisions of the Act and to promote orderly growth of the warehousing business. The powers and functions of the Authority include the following:

- (i) to issue to the applicants fulfilling the requirements for warehousemen a certificate of registration in respect of warehouses, or renew, modify, withdraw, suspend or cancel such registration;
- (ii) to specify the duties and responsibilities of the warehouseman;
- (iii) to specify the qualifications, code of conduct and practical training for warehousemen and staff engaged in efficient conduct of warehousing business;
- (iv) to regulate the process of pledge, creation of charges and enforcement thereof in respect of goods deposited with the warehouse;
- (v) to make regulations laying down the standards for approval of certifying agencies for grading of goods;
- (vi) to determine the rate of, and levy, the fees and other charges for carrying out the provisions of this Act;
- (vii) to call for information from, undertaking inspection of, conducting enquiries and investigations including audit of the warehouses, and other organisations connected with the warehousing business
- (viii) to regulate the rates, advantages, terms and conditions that may be offered by warehousemen in respect of warehousing business;
- (ix) to specify, by regulations, the form and manner in which books of account shall be maintained and statement of accounts shall be rendered by warehousemen;
- (x) to maintain a panel of arbitrators and to nominate arbitrators from such panel in disputes between warehouses and warehouse receipt holder;
- (xi) to regulate and develop electronic system of holding and transfer of credit balances of fungible goods deposited in the warehouses.

V. Composition of WDRA

8. The Authority consists of a Chairperson and two full time Members appointed by the Central Government. The Act provides that the Chairperson and every other Member shall hold office for a term not exceeding five years from the date on which he enters upon his office and shall be eligible for re-appointment, provided that no person shall hold office as the Chairperson or Member after he has attained the age of sixty five years.

VI. Activities of WDRA

9. As per the annual report 2022-23 of Department of Food and Public Distribution, The Authority has undertaken the following activities:

i. **Empanelment of Inspection Agencies:** The requirement of physical infrastructure of warehouse(s) are to be inspected through the Inspection Agency (IA) nominated by the WDRA prior to their registration to ensure that basic requirements of scientific storage of agricultural and other commodities are fully met by these warehouses. Currently 08 Inspection Agencies are actively working with WDRA for undertaking various warehouse inspections on behalf of WDRA.

ii. **Notification of Agricultural and Non- Agricultural Commodities:** The Authority has so far notified 136 agricultural commodities including cereals, pulses, oilseeds, vegetable oils, spices, edible nuts, rubber, tobacco, tea, coffee etc. and has also notified 24 horticulture commodities such as Potato, Onion, Garlic, Ginger, Turmeric, Apple, Resins etc. 09 non-agricultural commodities such as aluminum, copper, nickel, lead, zinc, tin, brass, steel and iron ore have also been notified.

iii. **eNWRs (Electronic Negotiable Warehouse Receipts):** On 26.09.2017, the electronic Negotiable Warehouse Receipt (eNWR) and WDRA Portal was launched. Two repositories, M/s CDSL Commodity Repository Limited (CCRL) sponsored by M/s Central Depository Services Limited (CDSL) and M/s National Electronic Repository Limited (NERL) sponsored by M/s National Commodity and Derivatives Exchange (NCDEX) were issued registration certificate for setting up repository systems for creation and management of e-NWRs.

iv. **Introduction of NWR System in cold storages:** The Authority in consultation with the National Horticulture Mission (NHM) and National Horticulture Board (NHB), had also introduced NWR system for cold storages so that the growers / farmers producing horticultural commodities may store these commodities in cold storages and may avail loan against NWRs issued by the registered cold storages.

v. **Training and Awareness programme:** For capacity building in the warehousing sector, training programmes for warehousemen of the registered warehouses are being regularly organized by the Authority through various training partner institutions.

VII. Registration of Warehouses

10. WDRA in their background note submitted to the Committee informed that Warehouses which intend to issue negotiable warehouse receipts (NWRs) are required to be registered with the WDRA. Otherwise registration of warehouses with WDRA is not mandatory. Government notified new registration rules, namely, the Warehousing (Development and Regulation) Registration of Warehousing Rules, 2017, with effect from 23.02.2017, to simplify the registration process. The new rules permit warehousemen to approach WDRA for registration directly without an accreditation agency. The entire registration process excluding physical inspection of the warehouses has been made online w.e.f. November 1, 2017.

11. Since inception, the WDRA registered 6929 warehouses with storage capacity of 411Lakh MT, out of which the valid warehouse registration number is 4916 with storage capacity of 363 Lakh MT as on 30.11.2023.

The table of state wise warehouses registered with WDRA, upto 30.11.2023 is enclosed at **Annexure 1**.

12. In this regard, the representatives of WDRA deposited before the Committee at their sitting held on 05.12.2023 as under:

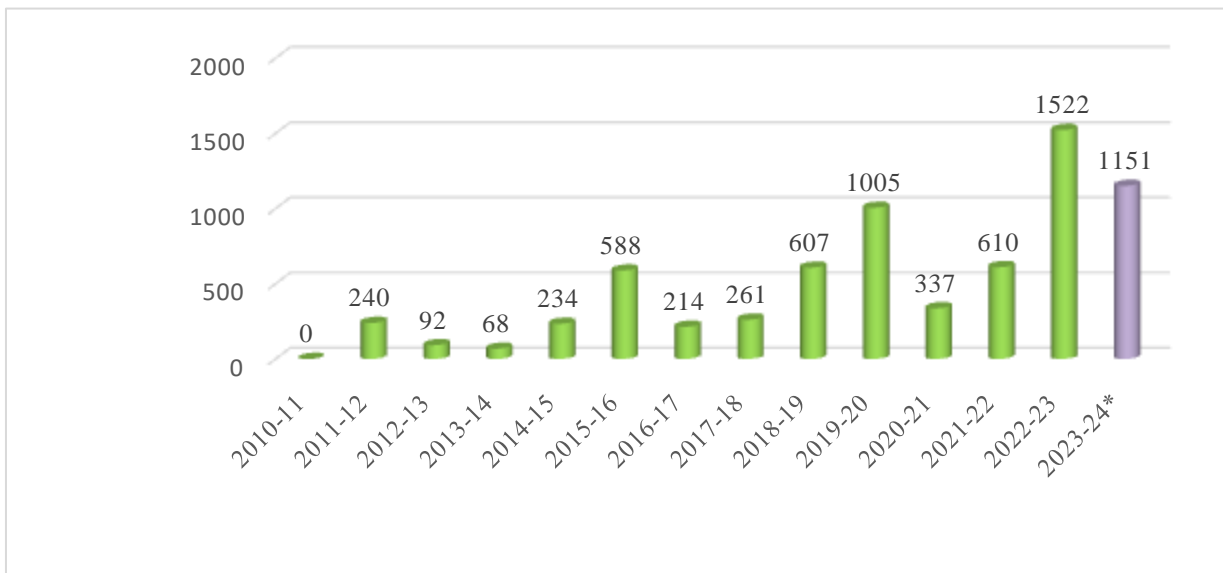
“.....There is a graph which shows the registration of warehouses in WDRA. As of date, about 4914 warehouses are registered in WDRA. That is the cumulative figure but the graph shows the annual registration since 2010-11 when the WDRA was established. I am happy to tell you Madam that in the year 2022-23, we managed to register 1522 warehouses compared to 610 in the previous year and 337 warehouses in the 2021. This shows year on year growth of 150 per cent. We are confident that this year also, we will continue to grow and our registered warehouses will definitely cross 5000. We are hoping for the target of 6000 which is an aspirational goal....”

13. The Committee asked the WDRA to furnish the data of those warehouses which are not registered with WDRA. In response, WDRA in their written replies to the Committee submitted that WDRA does not maintain data of warehouses not registered by it. However, it is submitted that NABARD has conducted a geo-tagging survey of agricultural warehouses. As per the master data as on 27-01-2021 shared

by NABARD with WDRA, a total of 107781 warehouses are geo tagged. Out of which 99286 are operational and 8495 are non-operational warehouses.

14. Regarding the number of warehouses registered by WDRA, during their sitting held on 04.12.2023, the representatives of the Authority deposited before the committee following: The number of warehouses registered with WDRA has witnessed significant increase over the recent years. A total of 1522 warehouses were registered in the FY 2022-23 which is a 150% improvement over the previous year. Present trends of registration also indicate growth.

15. Number of Warehouses Registered (Year wise) as on 30thNov' 2023* as as under:



16. The Committee learn that Warehousing Development and Regulatory Authority (WDRA) was constituted on 26th October 2010, as per the provisions of Warehousing (Development and Regulation) Act, 2007. One of the main objective of WDRA is Licensing and Monitoring of Warehouses as per the provisions of Warehousing (Development & Regulation) Act 2007 & Warehousing (Development & Regulation) Registration of Warehouses Rules, 2017. The Committee note that since inception, the WDRA has registered 6929 warehouses with storage capacity of 411Lakh MT, out of which the valid warehouse registration number is 4916 with storage capacity of 363 Lakh MT as on 30.11.2023. Further, the Committee are

happy to note that during FY 2022-23, 1522 warehouses were registered in comparison to 610 registration during FY 2021-22 expressing 150% growth in registration of warehouses than the previous financial year i.e 2021-22. They note with satisfaction that so far, 1151 warehouses have been registered during current financial year. The Committee firmly believe that the Department and WDRA will put forth their dedicated efforts towards increasing the number of registration of warehouses which will eventually help in developing a progressive ecosystem for warehousing in the country. They further, recommend that if need be, possibility of opening regional offices of WDRA be explored as it would not only enhance coordination with state warehousing corporations, but also provide platform for clear understanding of the work of WDRA and ensure better outreach.

(Recommendation No. 1)

VIII. Registration of SWC's Warehouses

17 Regarding the status of registration of warehouses of State Warehousing Corporation (SWCs) under WDRA, the WDRA in their written replied informed the Committee that out of 19 State Warehousing Corporations, some of the warehouses of 15 SWCs are registered under WDRA. The details are as under:

Details of State Warehouses Registered with WDRA

S. No	Name of SWC	No. Of warehouses registered as on 30-11-2023
1	Madhya Pradesh State Warehousing and Logistics Corporation	196
2	Maharashtra State Warehousing Corporation	195
3	Uttar Pradesh State Warehousing Corporation	178
4	Chhattisgarh State Warehousing Corporation	121

5	Haryana State Warehousing Corporation	111
6	Rajasthan State warehousing Corporation	97
7	Andhra Pradesh State Warehousing Corporation	91
8	Telangana State Warehousing Corporation	75
9	Tamil Nadu State Warehousing corporation	60
10	Odisha State Warehousing Corporation	46
11	Bihar State Warehousing Corporation	43
12	Karnataka State warehouse corporation	21
13	Uttarakhand State Warehousing Corporation	6
14	Assam State Warehousing Corporation	3
15	West Bengal State Warehousing Corporation	1
	Grand Total	1244

18. They further informed that it is essential to increase the number of warehouses under the ambit of WDRA's regulation, to extend the benefits of regulation to a larger number of people. Several measures have been taken towards this, including outreach programmes to warehousemen. The Food Corporation of India has decided to insist on WDRA registration for all third-party warehouses used for storing publicly procured stocks. Similarly, the MPWLC has issued orders stating that all private warehouses which are hired by it shall have WDRA registration. These decisions have helped in increasing warehouse registration with WDRA. Secretary, DFPD has written to the Chief Secretaries of all States, asking them to follow the lead taken by the Madhya Pradesh Government. WDRA plans to follow up the matter with all State Governments, besides taking other measures to increase warehouse registration with it. Targeting of selected crop clusters for warehouse registration and pledge finance such as coffee in Coorg, areca nut in Mangalore, fruits and nuts in Kashmir, chilli in Guntur, has been initiated.

19. In this regard, the representatives of WDRA deposited before the Committee on 05.12.2023 as under:

“.....Some organisations like FCI have taken a decision that only WDRA registered warehouses will be used for storing their stock in private warehouses. Madhya Pradesh Logistics and Warehousing Corporation has also taken a decision that it will deal only with private warehouses having WDRA registration. इसके कारण कुछ हद तक वेयरहाउस रजिस्ट्रेशन बढ़ा है। Now, it has already crossed 4900 warehouses. It was only around 1800 warehouses about two years back....”

20. The Committee asked the WDRA the reason that no warehouse of Kerala, Gujarat, Meghalaya and, Punjab State Warehousing Corporations is registered, the WDRA in their written reply provided to the Committee, submitted that as on 08-12-2023, 15 out of 19 SWCs registered with WDRA as warehouseman. Kerala, Gujarat, Meghalaya, Punjab SWCs are not yet registered with WDRA.

It is submitted that WDRA registers only those warehouseman and warehouses which meet the standards prescribed by WDRA. A warehouseman has to have minimum net worth prescribed in the WDRA warehouse registration Rules.

SWCs of Kerala and Punjab do not have required network for registering its warehouses. From, 12-07-2023, GoI, allowed entities created under either central and state legislations to register warehouses even with negative net worth provided those entities give an indemnity bond from the respective governments. Kerala and Punjab SWCs were informed about this amendment and advised to register with WDRA. Kerala SWC has applied for registration and it is under process.

Gujarat and Meghalaya SWCs were advised by the DFPD and WDRA to register. However, both the SWCs are yet to register with WDRA. It is submitted that WDRA registration is not mandatory for warehouses, except when they intend to issue NWRs.

21. The Committee observe that as on 30.11.2023 there are 1244 warehouses of 15 State Warehousing Corporations registered under WDRA provisions. They further informed that it is essential to increase the number of warehouses under

the ambit of WDRA's regulation, to extend the benefits of regulation to a larger number of people. Moreover, Food Corporation of India has decided to insist on WDRA registration for all third-party warehouses used for storing publicly procured stocks and similar orders have been issued by MPWLC. The Committee are satisfied to note that WDRA themselves are self conscious regarding expansion of registered warehouses and making efforts by running outreach programs for warehousemen. The Committee feel that bringing all warehouse holding organizations on a single platform will help in developing a homogenous warehousing niche in the country. The Committee, therefore, desire that WDRA should reach out all the state Warehousing corporations and pursue them for registering and apprise the Committee accordingly.

(Recommendation No. 2)

22. The Committee note that warehouses of Kerala, Gujarat, Meghalaya and Punjab State Warehousing Corporations are not registered with WDRA. The reason stated by WDRA is that WDRA registers only those warehouseman and warehouses which meet the standards prescribed by WDRA. A warehouseman has to have minimum net worth prescribed in the WDRA warehouse registration Rules. SWCs of Kerala and Punjab do not have required network for registering its warehouses. In this regard, the Committee are delighted to note that from, 12-07-2023, Govt. of India, has allowed entities created under either central and state legislations to register warehouses even with negative net worth provided those entities give an indemnity bond from the respective governments. Kerala and Punjab SWCs have been informed about this amendment and advised to register with WDRA. Kerala SWC has applied for registration and Gujarat along with Meghalaya SWCs have been advised by the DFPD and WDRA to register. While appreciating the considered efforts of the Government to bring all State Warehousing Corporation under the ambit of WDRA registration, the Committee desire that the registration of Kerala SWC should be expedited and Department and WDRA both should pursue Punjab, Gujarat and Meghalaya SWCs to apply for WDRA registrations under the new relaxations.

(Recommendation No. 3)

IX. Requirements for registration of Warehouses

23. WDRA further informed about the various requirements for registration of Warehouses which are enumerated here as under:

- a. Infrastructure Requirements for Warehouses:** The infrastructure requirements in a warehouse are covered under the following categories:
 - i. Construction & structural requirements.
 - ii. Laboratory facilities including equipment for physical and chemical analysis of goods.
 - iii. Equipment and infrastructure required for handling/ preservation / maintenance of stocks.
 - iv. Arrangements for weighment of goods.
 - v. Firefighting arrangements.
 - vi. Security Arrangements.
 - vii. Office facilities.

Details of the requirements are given at **Annexure-2**.

- b. Infrastructure Requirement for Cold Storages:** Besides the above points mentioned for the warehouses, the cold storages have to meet following additional norms:
 - i. Construction to be in accordance with the technical standards prescribed under the schemes of Organizations/Department/Ministry of Central/State Government.
 - ii. To comply with any other nationally or internationally recognized standard design practice for thermal load.
- c. Requirement of Standard Operating Procedures (SOPs):** WDRA has stipulated model SOPs for scientific storage of goods in the Warehousing (Development and Regulation) Registration of Warehouses Rules 2017. However, warehouses are free to adopt better / improved SOPs for effective and efficient operation of their warehouses.
- d. Minimum Net worth Requirements:** Details of minimum net worth requirements of applicant for registration of warehouse storing both agricultural and nonagricultural goods is as follows:

Storage capacity (inTons)	Net worth Requirement (in Rupees)
Upto 500	0.04 Crores
501 – 1000	0.08 Crores
1001-1500	0.12 Crores
1501 – 2000	0.16 Crores
2001 MT and Above Capacity	Capacity in (MT) *Rs. 1000 with a maximum cap of Rs. 50 Crores

These net worth figures were notified by the DFPD on 18-09-2023 pursuant to proposal sent by WDRA to rationalize the net worth requirements.

Note: If the applicant or warehouseman is a Farmer Producer Organization or a Primary Agricultural Cooperative Credit Society or a Self Help Group, the net worth requirement specified in the Table shall not apply, but they shall not have deficit net worth.

e. Security Deposit: -The warehouseman shall maintain a Security Deposit to be held by the Authority during period of registration. The Security Deposit has two components, i.e. fixed and dynamic Security Deposit

(a) Fixed Security Deposit: The fixed Security Deposit amount is per warehouse belonging to the warehouseman registered with WDRA. Fixed Security Deposit is required to be deposited with WDRA at time of registration of warehouse:

- i. For warehouseman with total capacity of all agriwarehouses upto 2000 MT belonging to the warehouseman registered with WDRA, the fixed Security Deposit is Rs. 50,000/- per warehouse.
- ii. For warehouseman with total capacity of all agriwarehouses above 2000 MT belonging to the warehouseman registered with WDRA, the fixed Security Deposit is Rs. 1 lakh per warehouse.
- iii. For warehouseman, storing only non- agricultural commodities the fixed security deposit is Rs. 1,00,000/- per warehouse.

(b) Dynamic Security Deposit (DSD):

- i. DSD is arrived based on the maximum value of negotiable and non-negotiable warehouse receipts outstanding in all the registered warehouses of the warehouseman on any day during the preceding month. For the warehouseman storing agriculture goods, the requirement of dynamic Security Deposit is 3%,1.5%,1% and 0.5%in the first slab,

second slab, third slab and fourth slab, respectively. Where the applicant/warehouseman is a Farmer Producer Organization or a PACCS, the total Security Deposit would be Rs. 50,000 (total) per warehouse covering both the dynamic and fixed Security Deposit.

- ii. For the warehouseman storing non- agriculture goods the dynamic Security Deposit is 0.3% (zero point three percent) of the maximum value of negotiable and non-negotiable warehouse receipts outstanding in all the registered warehouses of the warehouseman on any day during the preceding month.

f. Inspection of Warehouses: Applicant warehouses have to provide all the documents on matters listed above along with the application for registration as prescribed under Warehousing (Development and Regulation) Registration of Warehousing Rules, 2017. If an application is found in order, the Authority may cause a physical inspection of the warehouse concerned to satisfy itself about fulfilment of the infrastructure requirement by the warehouse and other particulars as specified by the Authority in the inspection guidelines. The Authority has empaneled nine Inspection Agencies for undertaking various inspections on its behalf.

24 On the matter of inspections of warehouses, the representatives of WDRA deposited before the Committee at their sitting held on 05.12.2023 as under:

“...Our inspection of all the registered warehouses is a very important task as far as WDRA is concerned because this is necessary to maintain the sanctity of e-NWR. If the quantity and quality shown in e-NWR is not actually available on ground, it will lead to huge problems. So, we do roughly about 300 inspections in a month on a random basis based on a computer-based algorithm so that warehousemen know that they can be inspected. They will maintain the quantity and quality of the stock. इसके कारण कुछ हद तक बैंक का ट्रस्ट बढ़ गया है। They know that there will be less possibility of a fraud if they lend against WDRA registered warehouse receipts....”

25. The WDRA further informed the Committee that if the applicant meets all the eligibility requirements and submits the security deposit as provided under the rules, the Authority issues a certificate of registration to the applicant in respect of the warehouse to the applicant which shall be valid for a period of five years from the date of issue of the certificate, subject to the maintenance of ownership or continuous effective control over the warehouse concerned by the warehouseman.

26. On being asked about the application fees for registration or renewal of registration of warehouse, the WDRA informed that Application fee for registration and renewal of warehouse storing agricultural goods varies from Rs. 5,000/- to Rs. 30,000/- and warehouses storing both agricultural and non-agricultural goods or non-agricultural goods only varies from Rs. 50, 000/- to Rs. 100,000/- depending on the capacity of the warehouse. Where the applicant/ warehouseman is a Farmer Producer Organisation or a Primary Agricultural Co-operative Society or Self Help Group (SHG), the application fee shall be Rs. 500 per warehouse. However, application fees for all applicants have been waived both for registration or renewal of warehouses storing only agricultural goods till 25th Oct, 2025 to encourage more registration.

27. The Committee note that application fee for registration and renewal of warehouse storing agricultural goods varies from Rs. 5,000/- to Rs. 30,000/- and warehouses storing both agricultural and non-agricultural goods or non-agricultural goods only varies from Rs. 50, 000/- to Rs. 100,000/- depending on the capacity of the warehouse. Further, the application fee for warehouses where the applicant / warehousemen is a Farmer Producer Organisation or a Primary Agricultural Co-operative Society or Self Help Group (SHG), has been fixed at Rs. 500per warehouse. The Committee understand that fee payable for registration play a vital role in registration and renewal of warehouses with WDRA and thus appreciate the specific steps like keeping small application fee for an applicant / warehousemen being Farmer Producer Organisation or a Primary Agricultural Co-operative Society or Self Help Group (SHG) and all applicants have been waived both for registration or renewal of warehouses storing only agricultural goods till 25th Oct, 2025 to encourage more registration. The Committee expect that WDRA will continue their support to such applicants in future as well and also consider the similar waiver scheme for the warehouses storing both agricultural and non-agricultural or non-agricultural goods so that more and more warehouses are registered with WDRA.

(Recommendation No. 4)

X. Negotiable Warehousing Receipts (NWR)

28. The main objective of WDRA is to implement Negotiable Warehouse Receipt (NWR) System in the country, which would help farmers to store their produce in scientific storage godowns near by their farms and to seek loan from banks against their NWR.

29. Section 2(m) of the Warehousing (Development and Regulation) Act, 2007 defines Negotiable Warehouse Receipt as under:

“negotiable warehouse receipt” means a warehouse receipt under which the goods represented therein are deliverable to the depositor or order, the of endorsement which has the effect of transfer of goods represented thereby and the endorsee for which takes a good title;”

30. Section 11 of the Act gives a broad framework of the contents of a NWR. Section 12 of the Act provides for negotiability of a warehouse receipt. The format of NWR was finalised by the Authority in consultation with the Indian Banks Association (IBA). The physical NWR books containing various security features were printed by the Security Printing and Minting Corporation of India Limited. The NWR books were being issued to the registered warehouses by the Authority to be issued against deposits. The physical NWRs have unique features such as anti-copy, endless text, fine line patterns and micro-printing with rainbow colouring.

31. Annual Report (2021-22) of WDRA has enumerated the following benefits of NWRs:

- (i) Increased liquidity in rural areas
- (ii) Encouragement of scientific storage of goods and thereby reducing post harvest losses.
- (iii) Lower cost of financing
- (iv) Shorter and more efficient supply chains.
- (v) Enhanced rewards for standard section, grading and quality
- (vi) Better price risk management.
- (vii) Better returns to farmers and better services (quality of goods) to the consumers.

XI. Electronic Negotiable Warehousing Receipts (e-NWR)

32. As per Section 11 of the Act a warehouse receipt can either be in writing or in electronic form. Further as per Section 2 of the said Act, a Warehouse Receipt has been defined as an acknowledgement in writing or in electronic form issued by a Warehouseman or his duly authorised representative (including depository by whatever name called) of the receipt for storage of goods not owned by the warehouseman. With the prior approval of the Central Government and in consultation with the Warehousing Advisory Committee (WAC), the Warehousing Development and Regulatory Authority (Electronic Negotiable Warehouse Receipts) Regulations, 2017 were notified by the Authority on 29th June 2017 relating to electronic Negotiable Warehouse Receipt (eNWR) to be issued by registered warehouses on the electronic repository system against the deposited goods. The Authority launched electronic Negotiable Warehouse Receipt (e-NWR) on 26th September, 2017 to be issued by registered warehouses on electronic repository system. The Authority has also notified that with effect from 1st August 2019 all registered warehouses shall issue NWRs only in electronic form.

33. Annual Report (2021-22) of WDRA has enumerated the salient features of e-NWRs as under:

- (i) An eNWR is available only in electronic form.
- (ii) The single source of information for the eNWR is the repository system where eNWR is issued by registered warehouses.
- (iii) Confidentiality, integrity and availability of the e-NWR information is provided by the Repository system.
- (iv) An eNWR has time validity.
- (v) All eNWRs can be traded through off-market or on-market in Commodity Exchanges platforms.
- (vi) An eNWR can be auctioned under certain conditions such as loan not repaid, on expiry and delivery not taken, and on likely damage or spoilage of the commodity in the warehouse.
- (vii) e-NWR can be transferred fully or in part

34. WDRA in their background note submitted to the Committee also highlighted the benefits of e-NMR as under:

- a) Since eNWRs are issued by WDRA registered warehouses having requisite infrastructure for scientific warehousing and following standard operating procedure, the stocks deposited will be maintained as per the quality and quantity reflected on eNWR.
- b) eNWR is duly recognized by banks as a credible and secure instrument, facilitates an easy and adequate pledge finance.
- c) Being electronic in nature eNWR can be traded many times quickly creating opportunities for a better price discovery.
- d) The eNWR is integrated with the eNAM.
- e) The eNWR indicates quality standards/grades of the commodities stored in the warehouses.

Hence, eNWR can increase the liquidity in the rural areas, encourage scientific warehousing of goods, lowers cost of financing, improve supply chains and price risk management.

35. They further informed that Committee that in 2022-23 total 64462 eNWRs have been issued. The number of NMR and E-NMR issued since 2011-12 are given in the table below:

F.Y.	NWR	eNWR	Total (NWR + eNWR)
2011-12	8056	-	8056
2012-13	8242	-	8242
2013-14	6121	-	6121
2014-15	16993	-	16993
2015-16	15178	-	15178
2016-17	19350	-	19350
2017-18	12199	114	12313

2018-19	11782	77332	89114
2019-20	3698	134939	138637
2020-21	-	88480	88480
2021-22	-	94736	94736
2022-23	-	64462	64462
2023-24 (up to 30.11.2023)		41752	41752
Total	101619	501815	603434

36. The Committee note that under Section 2 of the Warehousing (Development and Regulation) Act, 2007, a Warehouse Receipt has been defined as an acknowledgement in writing or in electronic form issued by a Warehouseman or his duly authorised representative (including depository by whatever name called) of the receipt for storage of goods not owned by the warehouseman. As per Section 11 of the Act a warehouse receipt can either be in writing or in electronic form. One of the objectives of WDRA is implementation of e-NWR (Electronic Negotiable Warehouse Receipts) in India as per the provisions of Warehousing Development and Regulatory Authority (Electronic Negotiable Warehouse Receipts) Regulations, 2017. Accordingly, the Authority launched electronic Negotiable Warehouse Receipt (e-NWR) on 26th September, 2017 to be issued by registered warehouses on electronic repository system. The Committee are delighted to note that all NWRs issued by registered warehouses are only e-NWRs with effect from 1st August 2019. While appreciating the progressive steps taken by WDRA in bring the eNWR in place and considering the advantages of eNWR over physical receipts, the Committee desire that benefits of eNWR should be popularized more among warehousemen and outreach of the same may be expanded.

(Recommendation No. 5)

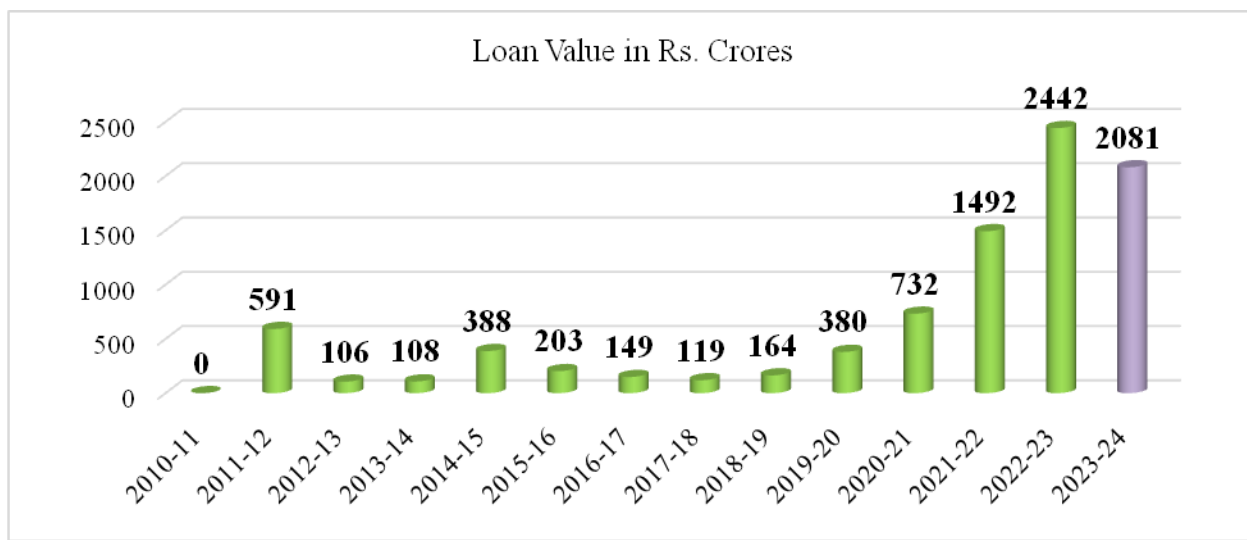
XII. Pledge Finance against e-NWRs

37. WDRA in their written submission to the Committee informed that as envisaged in the objectives of the Warehousing (D&R) Act 2007 aimed to “facilitate finance against NWRs”, “improving liquidity in rural areas”, “improving lending portfolio of banks”, WDRA took this as a key area of work. WDRA had approached RBI several times to make eNWR mandatory for pledge financing, or at least give preferential treatment to eNWR based loans. However, RBI declined this request, because the number of WDRA registered warehouses were on the lower side. However, RBI has enhanced Priority Sector Lending (PSL) limit for e-NWRs from Rs. 50 Lakhs to Rs. 75 Lakhs while other warehouse receipts PSL limit is capped up to Rs.50 Lakhs only (vide RBI Master Directions dated April 29, 2021).

Under Modified Interest Subvention (IS) Scheme, 1.5% IS extended to small and marginal farmers having KCC for a further period of up to six months post-harvest, on the produce stored in registered warehouses. WDRA has approached Department of Agriculture and Farmers’ Welfare for providing Prompt Repayment Incentive (PRI) to eNWR based pledge finance to encourage farmers to deposit their stock in WDRA registered warehouses.

Now WDRA is directly approaching banks to increase their post-harvest lending against eNWRs. Accordingly, dialogue was initiated with both public and private sector banks to improve pledge finance against e- NWRs. Pursuant to an MoU signed by WDRA with the State Bank of India, the bank has already brought out a special product for loaning against eNWR, the Produce Marketing loan which offers lower interest rate, zero processing fees, no additional collateral etc. Loans given by SBI against eNWR has increased recently.

Details of Pledge finance extended against e-NWR year-wise is given in the graph below:-



*Data as on 30-11-2023.

State- wise details of Pledge finance is enclosed at **Annexure-3**.

38. In regards to the pledge financing, the representatives of WDRA deposited before the Committee at their sitting held on 05.12.2023 as under:

“...Coming back to the pledge financing performance, if you look at the graphs, you will see that pledge finance has also increased very steeply. The growth rate in the last year was 64 per cent. It has been a continuous increase since 2019-20 when it was Rs.380 crore. Then it went up to Rs.732 crore. Last to last year, it was Rs.1,492 crore. We have got Rs.2,442 crore as on date. I am quite confident that we will cross Rs.4,000 crore this year...”

.....The total loan market in the country for post-harvest finance is to the tune of Rs.40,000 crore. If we get Rs.4,000 crore, we would be ten per cent holder of the market. This figure can definitely be improved. We will always try to achieve that target.”

39. **The Committee observe that it is envisaged in the objectives of the Warehousing (D&R) Act 2007, WDRA is aimed to “facilitate finance against NWRs”, “improving liquidity in rural areas”, “improving lending portfolio of banks”. The Committee appreciate the efforts of WDRA in this directions as they have approached RBI several times to make eNWR mandatory for pledge financing, or at least give preferential treatment to eNWR based loans. The Committee acknowledge the fact that it is the result of persuasion of WDRA with**

RBI that despite declining the request for preferential treatment to eNWRs on the ground of low number of registered warehouses, RBI has enhanced Priority Sector Lending (PSL) limit for e-NWRs from Rs. 50 Lakhs to Rs. 75 Lakhs. The Committee also desire that WDRA should keep on pursuing RBI for making preferential treatment to eNWR once the number of registered warehouses increase and the effect of preferential treatment of eNWR would further enhanced the number of registered warehouses. The Committee would be interested in knowing the impact of these developments in achieving the objectives of the Warehousing (D&R) Act, 2007.

(Recommendation No. 6)

40. The Committee are also happy to note WDRA is directly approaching banks to increase their post-harvest lending against eNWRs and initiated the dialogue with both public and private sector banks to improve pledge finance against e-NWRs. As a result, the State Bank of India has brought out a special product for loaning against eNWR with low interest rate, zero processing fees and no additional collateral. While appreciating the efforts of WDRA in the direction of promoting eNWR for getting preferential treatment, the Committee recommend that WDRA should keep on exploring other avenues for promotion of eNWR.

(Recommendation No. 7)

41. The Committee note that pledge finance against eNWRs has been Rs. 732 Cr., 1492 Cr. and 2442 Cr. for the years 2020-21, 2021-22 and 2022-23 respectively. Further, it has reached to Rs. 2081 Cr till 30.11.2023 for the year 2023-24. The Committee are delighted to observe the growth of pledge financing against eNWR for last three years and hope that loan values against eNWR will maintain the pace of manifold increase in future as well. They also desire that WDRA should also continue to put forth their earnest efforts to create an environment for promoting eNWR and pledge financing.

(Recommendation No. 8)

XIII. Infrastructural Relaxations and Financial Concessions

42. In regard to the relaxations and financial concessions being extended to farmers and their associations, WDRA informed the Committee that they are providing following special relaxations to Farmer Producer Organizations (FPOs) and Primary Agricultural Cooperative Credit Societies (PACCSs):

A. Special relaxation for warehouses owned by Farmer Producer Organizations (FPOs) and Primary Agricultural Cooperative Credit Societies (PACCSs)

- 1) The Authority has given relaxations in registration requirements of warehouses operated by Farmer Producer Organizations (FPOs), Primary Agricultural Cooperative Societies (PACCSs) and Self-Help Groups (SHGs) as they operate in small capacity warehouses in rural areas, in close proximity of farmers. These farmer led institutions cater mainly to the needs of the member farmers. The concessions accorded to these organizations by WDRA for registration of warehouse(s) are summarized as under:
- 2) Where the applicant/warehouseman is a FPO/PACCS/SHG, the application fee is Rs. 500 per warehouse while for others the fee varies from Rs. 5000 to Rs. 30,000/- depending on the capacity of the warehouse. (However, the application fees has been waived for all agri warehouse applicants till 25 Oct, 2025).
- 3) Where the applicant/warehouseman is a FPO/PACCS/SHG, the net worth required is to be only positive irrespective of the capacity of warehouse, while for others it is specified with respect to the capacity of warehouse.
- 4) Where the applicant/warehouseman is a FPO/PACCS, total Security deposit requirement is Rs. 50000/- per warehouse in the form of a Bank Guarantee (BG) or bank Fixed Deposit (FD) i.e.fixed irrespective of the value of eNWRs/eNNWRs (electronic-negotiable warehouse receipts/ electronic non-negotiable warehouse receipts) issued by it, while for others it is minimum of Rs.50,000/- or Rs.100,000 (depending on the capacity of the warehouse) plus a percentage of value of e-NWRs and e-NNWRs issued.

B. Relaxation in infrastructure requirements for registration provided to the Primary Agricultural Cooperative Societies (PACCSs) warehouse(s) by the Authority:

- 1) In case the warehouse is located on a raised well drained site not liable for flooding / inundation and is away from a place likely to be affected by seepage water a plinth height of at least 30 cm may be accepted,
- 2) The minimum limit for capacity to be registered in case of PACCSs warehouses will be 100 MT.

- 3) Availability of parking and maneuvering space for vehicles shall not be insisted upon in case of PACS warehouses as these are small capacity units operated for the benefit of the member farmers.
- 4) Other than the Secretary of the society one more staff of the PACS shall be engaged (on full or part time basis) for storage and preservation of the goods in the warehouse. Availability of security guards may be desirable but not insisted upon for registration of the warehouse.
- 5) Availability of a pucca boundary wall / barbed wire fencing shall not be insisted upon. However, the warehouse should have adequate arrangement for locking of godown and safety/security of stocks.
- 6) PACSs warehouses up to 500 MT capacity shall have at least one fire extinguisher (of requisite type) and six fire buckets. For warehouses having capacity more than 500 MT the prescribed norms for other warehouses shall be followed, which is three fire extinguishers and fifteen fire buckets for capacity up to 1500 MT.

43. The Committee note with satisfaction that WDRA is extending special relaxations to warehouses owned by Farmer Producer Organizations (FPOs), Primary Agricultural Cooperative Credit Societies (PACCSs) and Self Help Groups (SHGs) such as relaxation in registration requirements, minimal registration fees of Rs.500/- per warehouse irrespective of its capacity, positive net worth and security deposit of Rs.50,000/- irrespective of value of eNWR/eNNWR issued by warehouse. Further, some relaxations have also given in infrastructure requirements for registration of warehouses as minimum limit for capacity to be registered in case of PACSs warehouses is kept at 100 MT. The Committee agree that these steps taken by WDRA will not only support Farmer Producer Organizations (FPOs), Primary Agricultural Cooperative Credit Societies (PACCSs) and Self Help Groups (SHGs) but also encourage them to build/register their warehouses with WDRA. While appreciating the efforts made by WDRA in this direction, the Committee desire that WDRA should continue the stride of endorsing small capacity warehouses owned by FPOs, PACCSs and SHGs which will eventually help in developing/ expanding warehousing ecosystem specially in the rural areas of the country.

(Recommendation No. 9)

XIV. Matters pertaining to e-NWR

44. During their sitting with Central Warehousing Corporation (CWC) held on 01.08.2023, apprised the Committee regarding some issues in e-NWRs issued by WDRA registered warehouses of CWC /others which is creating hindrance in the popularity of e-NWRs. The representatives of CWC deposited before the Committee as under:

“इस प्रणाली के बाद कुछ समस्याएँ आई हैं, उनको मैं आपके सामने लाना चाहूंगा। एनडब्ल्यूआर के बेसिस पर बैंक्स फाइनेंसिंग करते हैं, उसमें ईएनडब्ल्यूआर को कोई स्पेशल प्रेफरेंस नहीं है। जो वेयर हाउसेज़ रजिस्टर्ड नहीं हैं, उनकी जो मैनुअल रसीद है, बैंक्स उन पर भी लोन देते हैं। मतलब डब्ल्यूडीआरए से रजिस्ट्रेशन कोई मैनुअल नहीं है। प्राइवेट में बहुत सारे ऐसे वेयर हाउसेज़ हैं, जो डब्ल्यूडीआरए के साथ रजिस्टर्ड नहीं हैं। हमारे जितने भी वेयरहाउसेज़ हैं, हमारे लिए मैनुअल है और हमने सभी वेयरहाउसेज़ को जो फूडग्रेन स्टोर करते हैं, ऐसे 374 वेयरहाउसेज़ हैं, उन सबको हमने रजिस्टर किया हुआ है। इसमें हमें एक समस्या आती है। ईएनडब्ल्यूआर को इश्यू करने में एक कॉस्ट इनवाल्ड है।

उनके रिपॉजिटरी एक चार्ज लगाती हैं, जिसे हमने यहां दर्शाया है। 25 रुपये प्रति मैट्रिक टन के हिसाब से किसान के लिए देना होता है। दो रिपॉजिटरी हैं, जिनके अलग-अलग रेट हैं। उदाहरण के लिए, अगर कोई किसान एक हजार मैट्रिक टन फूडग्रेन लेकर आता है तो सीसीआरएल उसको 25 रुपये प्रति मीट्रिक टन के हिसाब से चार्ज लगाएगा। एनईआरएल 35 रुपये के हिसाब से लगाएगा और 25 हजार रुपये उसको चार्ज देना पड़ेगा।

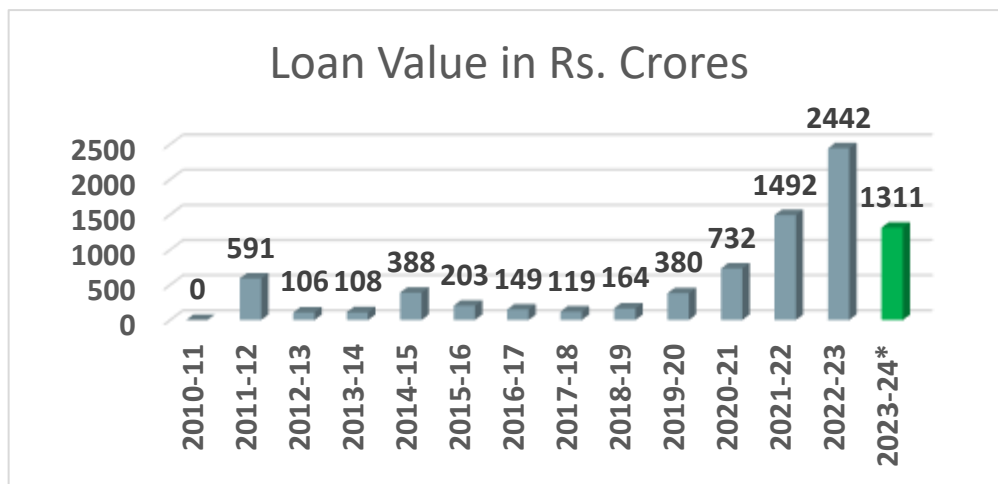
अगर वह किसी प्राइवेट वेयरहाउस में जाता है जो डब्ल्यूडीआर से रजिस्टर्ड नहीं है, वहां उसको यह चार्ज नहीं देना पड़ता है। वैसे भी उसको बैंक से लोन मिल जाता है, कोई विशेष लाभ हम किसान को दे सकें, इसका कोई विशेष लाभ नहीं मिल रहा है। हमने डब्ल्यूडीआर के साथ रजिस्ट्रेशन कराया है। इसके अलावा दूसरे भी चार्जेज हैं, नॉन-निगोशिएबल वेयरहाउस रिसीट होती है, जिसमें प्लेजफाइनेंसिंग ही हो सकती, अगर बैंक से लोन नहीं लेना है। उसमें भी यह चार्ज लगता है। हमारे पास कोई भी प्राइवेट फूडग्रेन चाहे ट्रेडर आएगा या किसान आएगा, उसको एक्सट्रा कॉस्ट इनकर करनी पड़ती है।

45. The issues raised by CWC were forwarded to WDRA for their written comments. The matters raised by WDRA and their respective reply(ies) as submitted by WDRA are elaborated in the successive paras.

46. One of the concern that CWC raised is that no special preference to eNWRs are given by banks in terms of easy access to pledge loans, loans at cheaper interest rates. In their written response to the Committee, WDRA informed that the position regarding preference to pledge finance against e-NWRs by banks in terms of easy access to pledge loans at cheaper interest rates is as follows:

- a) After completion of WDRA's transformation plan, announced in the budget speech of 2014 (para 124), WDRA took up the issue of pledge finance against the e-NWRs with the banking sector regulator i.e., Reserve Bank of India. The then Chairman, WDRA wrote to the Deputy Governor of RBI on 28-11-2017 highlighting WDRA's regulatory ecosystem and benefits of e-NWR along with a request to issue directions to all scheduled commercial banks to provide loans against only e-NWRs for all agricultural and horticultural goods. Several discussions and communications through emails were done with RBI.
- b) Later, the Department of Food and Public Distribution (DFPD) took up the matter with RBI. The then Secretary, DFPD wrote a letter dated 21-05-2019 to the Governor, RBI with a request to issue suitable instructions to replace the word 'warehouse receipt' with 'Negotiable Warehouse Receipt/e-NWR' in the Master Directions on Priority Sector Lending. However, RBI reiterated its previous decision i.e., NWR is one of the categories of warehouse receipts, it qualifies as an instrument eligible for pledge/hypothecation of agriculture produce under priority sector lending.
- c) Department of Economic Affairs (DEA) also wrote to RBI to examine WDRA's proposal. SEBI's decision of mandatory use of e-NWRs for delivery for derivative commodity exchanges was also highlighted in DEA's letter. However, RBI expressed its inability to accede to this request.
- d) Hon'ble Minister for Consumer Affairs, Food and Public Distribution also sent a letter dated 23-10-2020 to Governor, RBI suggesting to replace the word 'warehouse receipt' with 'Negotiable Warehouse Receipt/e-NWR' in its Master Directions on Priority Sector Lending and also to give a suitable risk weight to e-NWRs. Another DO letter dated 27-02-2021 was written by Hon'ble Minister. However, RBI replied that in the prevailing circumstances it may not be prudent at that juncture to mandate banks to lend solely against NWR/e-NWR issued by registered warehouses.
- e) Besides this, various inter departmental communications were exchanged.
- f) However, as a cumulative effect, RBI enhanced the priority sector lending limit to Rs. 75 Lakhs from Rs. 50 Lakhs to e-NWRs based pledge finance while other warehouse receipts limit continued to be Rs. 50 Lakhs only. This was a positive development.

- g) However, RBI has neither conceded to issue directions to give agricultural pledge finance loans against e-NWRs only, nor to give suitable risk weightage to e-NWRs vis-à-vis ordinary warehouse receipts or to give a forward looking statement. Instead, RBI Governor in his reply to Hon'ble Minister dated 04-05-2021 highlighted that WDRA does not have any credit guarantee mechanism and the number of warehouses registered with WDRA were too low.
- h) Later, in a change of strategy, WDRA took up this issue with Indian Banks Association (IBA) and Banks directly. Several discussions were held with them. As a result, IBA issued a letter dated 23-11-2021 advising all its member banks to consider extending loans against e-NWRs only with in a period of one year.
- i) After constant follow-up by WRDA, the State Bank of India (SBI) launched a loan product (Produce Market Loan) with attractive loan features like waiver of processing fee, non-insistence of secondary collateral, and reduced interest rate. Interest rate for e-NWR based pledge finance fixed by SBI is only MCLR (marginal cost of lending rate) + 0.8 % which is much less when compared to ordinary warehouse receipt loan rate of interest. WDRA also entered into an MoU with SBI to promote e-NWR based pledge finance.
- j) DFPD and WDRA took up the issue with Department of Financial Services (DFS). DFS has issued a letter to all Public Sector Banks to consider launching a product similar to that of SBI.
- k) Besides this, DFS has also written to all Convenors of State Level Bankers Committee to include e-NWR based pledge finance as a permanent agenda point.
- l) WDRA has also entered into MoUs with other banks. So far, WDRA has exchanged MoUs with SBI, PNB and Federal Bank. MoUs with Bank of Baroda, Bank of India and Axis Bank are expected shortly.
- m) From the above it is clear that now banks recognise the benefits of e-NWR ecosystem and have started giving preferential treatment to e-NWRs. PNB has decided to issue loans against only e-NWRs. This is a work in progress, slowly banks are moving in the direction of e-NWR system. This is evident from the figures of pledge finance against e-NWRs. e-NWR based pledge finance is improving YoY. For example, in the F.Y. 2021-22, Rs. 1492 crores pledge finance was extended where as in the FY 2022-23, it improved to Rs. 2442 Crores. In the current FY 2023-24 , about Rs. 1311 Crores pledge finance has been extended as on 20-08-2027. WDRA has submitted an action plan to DFPD, wherein it is projected that the pledge finance can reach Rs. 4000 Crores in the FY. 2023-24. A graph representing Year wise pledge finance figures is provided below.



n) In order to give further push and keep up the momentum, WDRA is organizing national level conferences with Banks. WDRA in association with NABARD conducted a half-day conference with heads of priority sector and MSME verticals on 13-01-2023 at Mumbai. A daylong conference was held on 18-08-2023 with the chairmen of RRBs at New Delhi.

47. Another concern of CWC was regarding the charges for eNMR. CWC deposited that Cost of generation of eNWR (charges of repositories) is discouraging the farmers and traders from availing services of WDRA registered warehouses resulting in sharp drop in general custom business at CWC registered centers. Depositors who represent small traders and farming community question the need of paying additional amount at times more than storage charges which they feel unnecessary. The tariff charged by repositories of WDRA i.e. NERL and CCRL is given as under :-

	CCRL	CCRL	NERL	NERL
	Farmer/FPOs (Rs.)	Others (Rs.)	Farmer/FPOs (Rs.)	Others (Rs.)
Per MT e-NWR Charges	25	30	35	80

Further, charges for each eNNWR (electronic Non Negotiable Warehouse Receipts) are same as eNWR in case of CCRL and fixed at Rs. 40/- in case of NERL for farmers and FPO and min. Rs. 100 per eNNWR as per Qty slab of (0-25) and Rs. 600 for Qty slab above 200 in case of depositors other than Farmer/FPOs.

48. In regard to the above issue, WDRA in their written replies to the Committee, submitted as under:

- a. Issue related to e-NWR charges was taken up by WDRA. As a result of the meetings, charges for farmers and FPOs were fixed separately at lower level. At present different charges exist for the farmer/FPO and non-farmers. Repository wise charges are enclosed in **Annexure-4**. NERL has also capped the total charges per e-NWR, regardless of tonnage or operations at Rs. 500 per e-NWR.
- b. As per the existing provisions of W (D&R) Act and Rules/Regulations/directions issued therein, issue of e-NWRs against deposited goods is not mandatory. The depositor may, instead, request for issue of non-negotiable warehouse receipts. Existing rules stipulates that only NWRs have to be issued in electronic form. It is the choice of the depositor to opt for e-NWR or not. WDRA registered warehouses can issue NNWR in physical form also which add no repository costs to either warehousemen or depositors.
- c. As on 30-08-2023 only 65 CWC warehouses issued e-NWRs out of 358 registered CWC warehouses with WDRA. Total e-NWRs covers only 0.61% of CWC's registered capacity. Hence, it can be inferred from the above that CWC is aware of the fact that NNWR can be issued in physical form.
- d. With regard to e-NWR charges, WDRA is acting on any complaints received from depositors. It would be pertinent to mention that, earlier CWC had communicated about the repository charges to WDRA. After that WDRA took up the issue with repositories and issued directions to repositories to cap the non-farmers' charges for a maximum amount of Rs. 20 per MT. In case of farmers, DFPD held meetings with repositories and it was further reduced to Rs. 5 per MT for farmers.
- e. It is reiterated that NERL has capped the total charges per e-NWR for farmers and FPOs, regardless of tonnage or operations at Rs. 500 per e-NWR. The process of rationalization/reduction of repository charges is an ongoing process and WDRA continues to take steps towards this and explore various methods for reduction of these charges. We are also looking at the modalities of establishing a new repository. We have taken up the matter with UTIITSL, which is a Government of India owned company, and they have submitted a report to WDRA in this regard.

49. Another important issue that was raised by representatives of CWC was relating to Unregistered Warehouses which are continuing to issue Warehousing Receipt free of cost and same instrument is being accepted by banks for pledge financing.

50. In regard to the issue of issuing of warehousing receipts by unregistered Warehouse, the WDRA in their written submission to the Committee informed as under:

- a. As per the existing provisions of W (D&R) Act and Rules/Regulations/directions issued therein, issue of e-NWRs against deposited goods is not mandatory. The depositor may, instead, request for issue of non-negotiable warehouse receipts. Existing rules stipulates that only NWRs have to be issued in electronic form. It is the choice of the depositor to opt for e-NWR or not. WDRA registered warehouses can issue NNWR in physical form also which add no repository costs to either warehousemen or depositors.
- b. It is a matter of fact that at present physical warehouse receipts are less costly than the digital receipts i.e., e-NWRs. However, digital receipts are far superior than the physical receipts in respect of its utility. Benefits of the e-NWRs over physical receipts are given below:

Paper Based NWR/ Stock Receipt	e-NWR
Can be shared with prospective buyer in a one to one mode only	Help farmers / depositors to have access to a large number of buyers nationwide with better bargaining powers;
Can not be split	eNWRs can be split with obligation to transfer only a part of the commodity
Prone to Loss, mutilation, tampering, fudging WR information etc.	No possibility of any such eventuality
Inherent difficulties in efficient clearing and trading in a transparent manner	Promote an efficient clearing, settlement and delivery system with transparency in trading of agricultural produce
Difficult to share vital information of the WR with multiple stake holders	It's easy to share vital information of the WR with multiple stake holders like bankers, commodity exchanges, government etc.
Risk of issuing of duplicate NWR/WR without following the procedure	Need for duplicate e-NWR doesn't arise
No monitoring and surveillance	Regularly monitored by WDRA
Difficulty in transferring NWRs between multiple parties in the course of many transactions	Being electronic in nature multiple transfers can be made electronically/digitally

- c. In repository system, provision for marking lien on e-NWRs is available to banks/financial institutions. Once a lien is marked no other transactions are allowed on the e-NWR. This eliminates the double financing on warehouse receipts. On the other hand, frauds in physical warehouse receipts financing are not uncommon. Many banks have either stopped or reduced their exposure to warehouse receipt finance.

- d. It is therefore bank's outlook, subject to RBI directions, as to which kind of warehouse receipt they accept for extending pledge finance. If any bank extends loan against the paper based warehouse receipts, it does so at its own risk, and the same may be reflected in the interest rates charged. As per the feedback received from depositors and warehouseman, banks like SBI and PNB are offering loans against e-NWR at a comparatively lower interest rates vis-a-vis paper based receipts.
- e. RBI in its communication with WDRA and Ministry of Consumer Affairs, Food and Public Distribution informed that the NWR is one of the categories of Warehouse Receipts, it qualifies as an instrument eligible for pledge/hypothecation of agriculture produce under the priority sector. RBI denied to replace the word 'warehouse receipt' with 'NWR/e-NWR' and did not assign suitable risk weights. RBI has only given higher priority sector lending limit i.e., Rs. 75 Lakhs to e-NWRs vis-à-vis other warehouse receipts.
- f. There is a proposal for amending W (D&R) Act. This step can help in removing the dichotomy existing in the warehouse receipt finance. It is expected that banks will migrate to e-NWR system. This can also result in the lowering of the repository charges too.
- g. Besides this, a credit guarantee scheme is also under consideration. A committee appointed to frame the scheme guidelines has submitted its report to DFPD for necessary action. It is expected that the credit guarantee scheme will attract more banks to e-NWR ecosystem and reduce lending against physical warehouse receipts.
- h. Even now the rise in the e-NWR based pledge finance suggests that banks are showing increasing trust and migrating to the e-NWR system.

51. Regarding the grading of Agriculture produce, the CWC raised their point that as far as agri produce is concern grading is the integral part of the e-NWR. Even after 13 years of being in existence, the grade designations adopted by WDRA are not robust. Recently, anomaly in the grade designation of Maize was noticed and intimated to WDRA accordingly correction has been made. Further request of correction in grade designation of cotton bales is pending with the authority.

52. In response to the aforementioned concern raised by CWC, WDRA in their written reply submitted as under:

- a. As per the section 2 (j) of the W (D&R) Act, 2007 "grade" means the quality standard of any goods as notified as grade designation by the Central Government under the Agricultural Produce (Grading and Marking) Act, 1937 or any other law for the time being in force.

- b. Accordingly, WDRA adopted standards notified by the various Government agencies like AGMARK, BIS, FSSAI, commodity boards, etc.
- c. Hence, as evident from the section 2 (j) of the Act, WDRA does not notify the standards, it only adopts the standards issued by the competent Government bodies. Further, where different grades for the same commodity are issued by such competent bodies, all such grades are adopted by WDRA.
- d. It is odd that after more than 10 years of registering warehouses with WDRA, CWC has stated that the grade designations issued by WDRA are not robust. If this was the case, as a Mini-Ratna PSU, they should have informed us of this much earlier. WDRA would have responded to any issue quickly, as they have themselves admitted was done for the case of maize which was referred to us recently.
- e. In this regard it would be pertinent to mention that serious allegations have been made against CWC recently regarding storage of cotton in one of their warehouses in Maharashtra by one public sector bank, Central Bank of India, and another private sector bank, Axis Bank Ltd. The matter is being inquired into as per the provisions of the W (D&R) Act, 2007. Since CWC has sent the letter regarding grading standards of cotton, after receipt of this complaint. this is a matter which will have to be examined carefully. Further action in the matter will be taken as per the law.
- f. WDRA also receives requests from the industry to notify goods for the purpose of issuing e-NWRs. In case of any problems or non-availability of the grades, WDRA also takes up matters with the agencies like AGMARK and BIS. Recently, in the case of non-Agricultural commodities several rounds of discussion were held with BIS before adopting the parameters. AGMARK also invites WDRA for meetings while deciding the grades of commodities.

XV. Suggestions of CWC

53. During the sitting of the Committee held on 1.08.2023, the representatives of CWC put forth some of their suggestions w.r.t. WDRA as under:

“उसमें हमारे सुझाव इस प्रकार से हैं। डब्ल्यूडीआर का रजिस्ट्रेशन सभी के लिए मेनडेटरी कर दिया जाना चाहिए, एक लेवल प्लेइंग फील्ड होना चाहिए जो नॉन-गवर्नमेंटवेयरहाउसेज हैं, उनके लिए भी मेनडेटरी होना चाहिए ताकि वह स्टैंडर्डएसओपीस्टोरेज के लिए फॉलो कर सकें और फार्मर्स को इसका बेनिफिट मिलना चाहिए।

एफसीआई, नेफेड, सिविलसप्लाई कॉरपोरेशन, कॉटन कॉरपोरेशन, जो बल्क डिपॉजिटर्स हैं, उनको इन्सट्रक्शन होना चाहिए कि वह अपना मालडब्ल्यूडीआर रजिस्ट्रडवेयरहाउस में ही रखें, अभी तक वह दूसरे वेयरहाउसेज में रखते आए हैं। “

54. They, further added as under:

“.....फार्मर्स और फार्मर्सप्रोड्यूसआर्गेनाइजेशन्स हैं, इसके लिए डब्ल्यूडीआर इश्यू करने कॉस्ट फ्री होना चाहिए, चार्ज नहीं किया जाना चाहिए। चाहे सब्सिडी के रूप में दिया जायया किसी और प्रकार से फ्री किया जाए।

हमारा एक और सुझाव इसी से जुड़ा है क्िजो वेयर हाउसिस प्राइवेट में रजिस्ट्रेशन नहीं कर रहे हैं, उनके लिए इंसेंटिव स्कीम बनाई जाए ताकि उनको प्रोत्साहन मिले,”

55. The suggestions given by CWC were forwarded to WDRA for their comments. The comments so received from WDRA on the suggestions of CWC are enumerated as under:

SI. No.	Suggestion given by CWC	Comment of WDRA
1	Mandatory registration for all warehouses (including pvt) WDRA	As regards mandatory registration for all warehouses storing notified commodities to ensure scientific storage etc., it was proposed to make registration mandatory by WDRA in its Act amendment proposal in January, 2018. This proposal was examined in DFPD and the Legislative Department and several changes were made. As regards mandatory registration, it was felt, that this should be done gradually so that it does not disrupt the warehousing and agricultural commodities market. Specifically, it was decided in DFPD that there can be such a provision for mandatory registration, but DFPD would have the powers to exempt any warehouse or category of warehouses from this provision, so that warehouses would be brought gradually into the ambit of this rule. That Amendment proposal is at an advance stage of consideration.
2	Bulk depositors storing Agri-commodities, like FCI, NAFED, Civil Supplies Corporation, CCI and others should be instructed to store stocks in WDRA registered warehouses only and avail e-NNWR.	<p>This is a matter for DFPD to take action. WDRA is a regulatory body taking action as per the W (D&R) Act 2007. As of now, the Act does not provide for mandatory registration of warehouses with it, except for those warehouses issuing, or intending to issue negotiable warehouse receipts.</p> <p>Recently, FCI has taken a decision to hire only WDRA registered warehouses for storing procurement stocks. Accordingly, more warehouses from various parts of the country started registering with WDRA. It has also come to the notice that the Madhya Pradesh Warehousing and Logistics Corporation has also adopted a similar approach. It has decided to deal with godowns registered with WDRA only.</p> <p>As mentioned in the above para, it is up to</p>

		the DFPD or other departments of Central and State Governments or the relevant agencies to decide whether to mandate storage in WDRA registered warehouses or not.
3	Cost of e-NWR for farmers & FPOs to be entirely made free to avail pledge financing. Also the generation of e-NNWR should be free of cost to encourage the participation of traders	<p>It had been stated that the repository charges have been reduced for farmers/FPOs after WDRA's persuasion with repositories.</p> <p>In addition, it is informed that, WDRA's repositories are commercial entities. To recent letters asking for reduction of e-NNWR charges, they have asked for reconsideration on grounds of incurring losses. They have submitted their balance sheets. Nevertheless, WDRA is exploring different ways to reduce eNWR/eNNWR charges.</p>
4	Pledge financing of e-NWR in banks: Enrolment of all banks for pledge financing against e-NWR at nearest warehouse to facilitate farmers and depositors	<p>WDRA has been engaged in a drive to enrol all private sector and public sector banks including RRBs on its repositories to initiate pledge financing. The results have been very good.</p> <p>Recently, a conference of all RRBs, across the country was held in New Delhi on 18-08-2023 to encourage them to onboard on e-NWR ecosystem.</p> <p>WDRA is also engaging with remaining banks such as Small Finance Banks and Pvt sector banks to onboard on the repositories.</p>

5	<p>No bank should be allowed to provide financing facility against paper warehouse receipt</p>	<p>As indicated earlier, WDRA and DFPD have been pressing this point with RBI for several years without result. In view of the lack of response from RBI, WDRA changed its strategy to approach private and public sector banks directly, and has achieved good results. MoUs have been signed with banks, and special products launched. So far, WDRA has exchanged MoUs with SBI, PNB and Federal Bank. MoUs with Bank of Baroda, Bank of India and Axis Bank are expected shortly.</p>
6	<p>Possible incentives to warehouses for registration with WDRA to promote e-NWRs so that more WSPs are encouraged to apply for WDRA registration which will help in strengthening the e-NWR ecosystem.</p>	<p>The proper solution lies in making registration of all warehouses storing notified commodities mandatory.</p> <p>All State Governments and Central Government organisations may make WDRA registration mandatory for WSPs, if they have to do business with the Governments, or if their construction is financed through Government grants. This will help in reduction of post-harvest losses due to better infrastructural facilities in WDRA registered warehouses.</p>

XVI. Transformation Plan of WDRA

56. WDRA embarked on a Transformation Plan since 2014, with following objectives:
- Creating an IT based monitoring and surveillance system for NWRs.
 - Simplification of rules and regulations to minimize compliance costs.
57. The major focus under the Transformation Plan has been to provide better services to the users of NWRs and registered warehouses through:
- i. Market surveys and studies to generate information about the warehousing sector
 - ii. Rewriting of the rules and regulations concerning regulation of warehouses issuing NWRs.
 - iii. Putting in place a robust system of warehouse inspection and supervision framework
 - iv. Use of Information Technology in registration and monitoring of warehouses as well as
 - v. internal office automation of WDRA.
58. WDRA in their written note to the Committee informed about the major achievements of the Transformation Plan as under:
- i. Electronic Negotiable Warehouse Receipts Regulations were notified on 29.06.2017.
 - ii. National Commodity and Derivatives Exchange Ltd. (NCDEX) and Central Depository Services Limited (CDSL) were finalized for setting up electronic repository system(s), who formed separate companies namely, National Electronic Repository Ltd. (NERL) and CDSL Commodity Repository Ltd. (CCRL) respectively. Both the Repositories have completed all the tasks for setting up the repository system and the Registration certificates have been issued to them on 26.09.2017 to commence operations.
 - iii. The WDRA Portal for Online Warehouse Registration and Inspection Modules was launched on 26.09.2017.
 - iv. Electronic Negotiable Warehouse Receipt (e-NWR) System was launched on 26.09.2017 and now from 01.08.2019 it has been made mandatory for all the registered warehouses to issue only eNWRs.

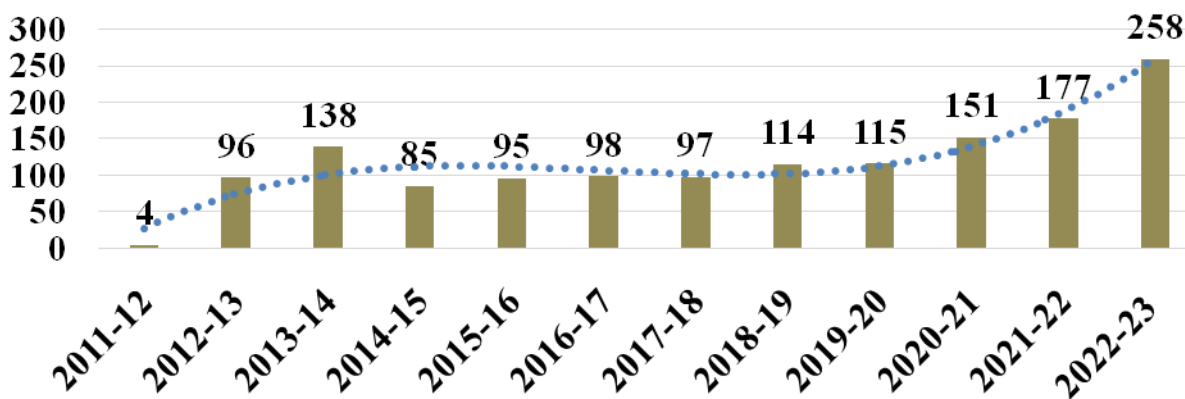
- v. Earlier there were two application formats for registration with respect to individual and non-individual warehouseman. Now, for both these categories similar format has been prescribed.

59. The Committee asked the WDRA to share steps taken for providing reliable, cost-effective, value-added, integrated warehousing and logistics solution in a socially responsible and environment friendly manner. In response, WDRA in their written replies submitted to the Committee informed that WDRA is a regulator, which prescribes minimum standards for developing the warehousing sector, scientific storage of goods and promotion of negotiable warehouse receipts, etc. Standards include minimum infrastructure required for scientific warehousing, adopting standard operating procedures to ensure right quality and quantity, regulating repositories for maintaining the data sanctity of eNWRs, etc. These standards are instrumental in reducing post-harvest losses and thereby improving trust of depositors in registered warehouses. The WDRA ecosystem is expected to improve supply chains by providing better logistic services to the stakeholders. Reduction of post-harvest losses is a step towards an environment friendly warehousing sector, which reduces the ecological stress, otherwise generated from the production of crops to recoup the losses. SOPs provide reliable warehousing practices. Strict adherence to SOPs helps in reducing storage losses caused by various factors.

XVII. Publicity/Awareness/Training Programs

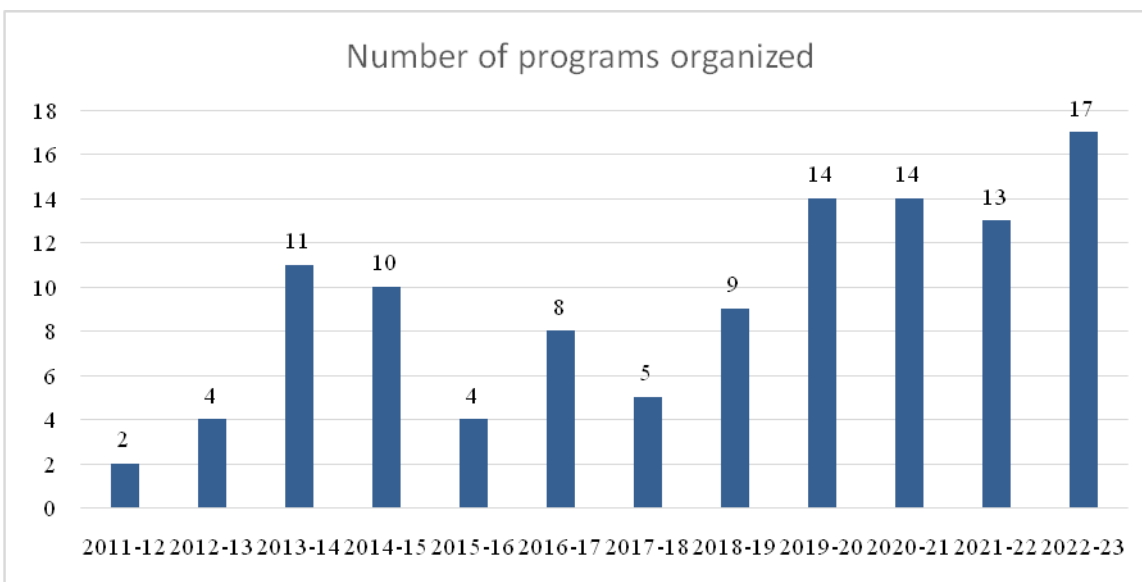
60. To create awareness among farmers about the benefits of the negotiable warehouse receipt system and scientific storage, awareness programmes for farmers were organized through expert institutes. In FY 2022-23, total 12,996 participants covered through FAPs which is 46% rise YoY. The year wise FAP figures are depicted as below:

No. of Awareness Programmes Conducted



In FY 2023-24, 142 FAPs have been conducted till 30-11-2023.

61. WDRA further informed that the capacity building programs are organized for registered warehouses focusing on equipping the warehousemen with required knowledge and skills for professional management of warehouses. In FY 2022-23, total 715 warehouse personnel were trained which is 47% rise YoY. The year wise WTP figures are depicted as below:



In FY 2022-23, 9 WTPs have been conducted till 30-11-2023.

62. Regarding the outreach programs organized by WDRA, it is informed that WDRA has taken up vigorous outreach activities in different parts of the country with all

stakeholders including banks, warehouse owners and depositors through conferences, seminars and workshops. Besides, WDRA has increased its participation in exhibitions. The activities of WDRA have been taken note of at the international level. WDRA has received foreign delegations from Kenya, Senegal, Ivory Coast and International Finance Corporation, who came to study WDRA system.

63. On the matter of publicity, WDRA informed the Committee that in order to increase awareness about the benefits of e-NWRs, safe scientific storage practices and WDRA eco system, WDRA has undertaken publicity through audio-visual media and social media. Publicity campaigns were run in February to March, 2023 and August to November, 2023 on Doordarshan. Videos have been uploaded on You Tube in 11 languages. Regular tweets are issued on the activities of WDRA.

64. In the same context, representatives of WDRA informed the Committee at their sitting held on 05.12.2023 as under:

“...Apart from this, last year, we also started a special training programme called Assaying Training Programme because we found that the quality of assaying of the assayers in various warehouses may not be very good and they had to be trained. So, we have started Assaying Training Programmes. इसमें ज्यादा प्रोग्रेस अभी तक नहीं हुआ है / Last year, we did only two of these programmes. It is our intention to increase these training programmes and make it as technical and sophisticated as possible so that there is a cadre of good trained assayers in warehouses all across the country. We are working on this.

Now, another aspect of capacity building and outreach is that we also do farmers' awareness programmes. These are one-day programmes. जहां पर हम फार्मर्स, बैंक्स तथा अन्य स्टैकहोल्डर्स को बुलाते हैं, लेकिन इनमें मुख्य रूप से किसानों को ही हम बुलाते हैं। उनको डब्ल्यूडीआरए के वेयरहाउस में अपना धान स्टोर करने के लिए, उसके फायदों के बारे में बताया जाता है, उनको प्लेजफाइनेंसिंग के बारे में बताया जाता है...”

65. They further stated as under:

“...हम लोग ज्यादा वेयरहाउस ट्रेनिंग प्रोग्राम्स नहीं करते हैं / But we are increasing it. We have done 17 programmes in 2023. That was in

comparison to 13 programmes in the previous year and 14 programmes in 2021. We have taken a decision recently that we will do these training programmes not only for our registered warehouses but we will also include some of the unregistered warehouses so that these warehouses can come to know about the benefits of WDRA registered warehouse and they will act as an outreach for us. “

66. The Committee note that WDRA organizes various awareness programmes for farmers through expert institutes to create awareness among farmers about the benefits of the negotiable warehouse receipt system and scientific storage. During 2022-23, 258 awareness programmes were conducted in comparison to 177 programmes in 2021-22. Further, during 2022-23, 17 capacity building programs were organized by WDRA for registered warehouses focusing on equipping the warehousemen with required knowledge and skills for professional management of warehouses through which total 715 warehouse personnel were trained. Besides, WDRA has taken up vigorous outreach activities in different parts of the country with all stakeholders including banks, warehouse owners and depositors through conferences, seminars and workshops. In addition, Publicity campaigns were run in February to March, 2023 and August to November, 2023 on Doordarshan and Videos in 11 languages have been uploaded on You Tube. The Committee are pleased to know that WDRA has been focusing on increasing their outreach through multiple means. They desire that WDRA should take the lead in organizing more training and awareness programmes throughout the country. The Committee recommend the WDRA to formulate regional/state committees to analyze the need of such programmes at regional level and prepare a yearly plan for a rigorous outreach programme involving local bodies, Gram panchayats etc. so that the benefits of e-NWRs and practices of safe scientific storage practices would touch all corners of the country. In this endeavour, involvement of people’s representatives can also be explored at all levels by WDRA.

(Recommendation No. 10)

XVIII. Recent Changes in WDRA Regulations

67. WDRA in their written submission to the Committee informed about the various recent changes has been taken place in WDRA Regulations as under:

(a) Rationalization of Net worth:

WDRA has rationalized minimum networth requirement for the warehouses storing agriculture and/or non-agriculture goods. Networth requirement has been reduced and maximum networth required for registration of any capacity of warehouses is reduced from Rs. 100 Crores to Rs. 50 Crores. Latest networth requirement for registration of warehouses is given below

Storage capacity (in Tons)	Net worth Requirement (in Rupees)
Upto 500	0.04 Crores
501 – 1000	0.08 Crores
1001-1500	0.12 Crores
1501 – 2000	0.16 Crores
2001 MT and Above Capacity	Capacity in (MT) *Rs. 1000 with a maximum cap of Rs. 50 Crores

* Illustration: A warehouse with a capacity of 10,000 MT required to have minimum net worth of Rs. 1,00,00,000/- (10000 MT*Rs. 1000= Rs. 1,00,00,000)

(b) Inclusion of SWCs with negative net worth:

Gol permitted the Authority to allow entities created under the Act of Parliament or State Legislature which does not meet the minimum net worth requirement, to submit an indemnity bond specified in the prescribed form, executed by the concerned State Government and a resolution from its board of directors confirming the furnishing of such indemnity bond, along with its application for registration. This step helps in registering warehouses of entities created under an Act of Parliament or State Legislature and do not possess required networth to obtain registration with WDRA.

(c) Introduction of New Insurance regime:

WDRA insists for comprehensive insurance coverage of goods stored in the registered warehouses. Hence various types of insurance policies are being submitted by warehouseman at the time of registration. To reduce burden of insurance cost on warehouseman, WDRA introduced a new insurance regime while also continuing with old regime. In the new regime warehouseman may obtain insurance on the basis of self-declared value of stock subject to minimum declared value of Rs. 1,00,000. Insurance coverage is to be upgraded as per the arrival of

stock in the warehouse.

(d) Fee waiver

To promote registration with WDRA, Golhas waived application/ renewal fee for registration or renewal of warehouses storing only agricultural goods till 25th October, 2025.

(e) Act Amendment

A proposal for amendment of the Warehousing (D&R) Act is on the anvil. Detailed stakeholder consultations have been done with State Governments, banks and financial institutions, warehousemen and others.

New Delhi;
18 December, 2023
27 Agrahayana,1945 (Saka)

LOCKET CHATTERJEE,
Chairperson,
Standing Committee on
Consumer Affairs, Food and Public Distribution

State wise warehouses registered with WDRA, upto 30.11.2023

Sl. No.	State	Registered Warehouses	Capacity in (MT)
1	ANDAMAN & NICOBAR ISLANDS	0	0
2	ANDHRA PRADESH	183	2492391
3	ARUNACHAL PRADESH	0	0
4	ASSAM	7	87269
5	BIHAR	70	559117
6	CHANDIGARH	1	10550
7	CHHATTISGARH	135	1894884
8	DADRA & NAGAR HAVELI	0	0
9	DAMAN & DIU	0	0
10	GOA	1	12902
11	GUJARAT	188	1029761
12	HARYANA	143	2261108
13	HIMACHAL PRADESH	3	8850
14	JAMMU & KASHMIR	6	71340
15	JHARKHAND	24	163861
16	KARNATAKA	61	873399
17	KERALA	12	179857
18	LAKSHADWEEP	0	0
19	MADHYA PRADESH	1454	9371884
20	MAHARASHTRA	340	2633639
21	MANIPUR	0	0
22	MEGHALAYA	0	0
23	MIZORAM	0	0
24	NAGALAND	1	13000
25	NCT OF DELHI	2	32458
26	ODISHA	73	788165
27	PUDUCHERRY	1	7350
28	PUNJAB	30	955368
29	RAJASTHAN	391	3649150
30	SIKKIM	0	0
31	TAMIL NADU	1333	1750689
32	TELANGANA	154	2042373
33	TRIPURA	1	19250
34	UTTARAKHAND	12	111673
35	UTTAR PRADESH	258	4455470
36	WEST BENGAL	32	461370
	Total	4916	35937128

Details of the requirements for registration of warehouse

Requirements for registration of warehouse: The requirements for registration of warehouses under the new registration rules are broadly as follows:

- ✓ The warehouse should be constructed as per Bureau of Indian Standards (BIS)/FCI/CWC specifications and storage worthy. In case of cold storages, the norms prescribed by NHB/ NHM/ SHM/ NCCD/MoFPI/APEDA/State Governments shall be followed.
- ✓ The applicant should be a fit and proper person.
- ✓ The warehouse should have adequate security arrangements.
- ✓ The warehouse should have adequate trained staff with expertise for the scientific storage of goods.
- ✓ The warehouse should have requisite equipment for weighment and insect/pest management.
- ✓ The warehouse should have adequate insurance of the stocks against fire, flood, theft, burglary, misappropriation, riots, strikes or terrorism.
- ✓ The warehouse should have requisite networth as provided under rules.
- ✓ The warehouseman shall be compliant to local laws for carrying out the business of warehousing.
- ✓ The warehouse should follow a Standard Operating Procedure for various warehouse operations as prescribed by the Authority.
- ✓ The warehouseman should furnish application fee and security deposit as specified by the Authority under the rules/guidelines.

Annexure 3

State wise Pledge Finance for FY 2023-24 up to 15.10.2023

S.No.	State	NERL Pledge Finance (in Rs. Crores)	CCRL Pledge Finance (in Rs. Crores)	Total Pledge Finance (in Rs. Crores)
1	ANDHRA PRADESH	75.01	2.25	77.26
2	GUJARAT	254.98	6.85	261.83
3	HARYANA	19.96	31.96	51.92
4	HIMACHAL PRADESH		0.16	0.16
5	KARNATAKA	85.87	37.90	123.77
6	MADHYA PRADESH	194.17	34.80	228.97
7	MAHARASHTRA	54.17	14.27	68.44
8	ODISHA	2.15		2.15
9	PUDUCHERRY	0.97	0.72	1.70
10	PUNJAB	13.58		13.58
11	RAJASTHAN	479.44	89.05	568.49
12	TAMIL NADU	129.10	16.80	145.90
13	TELANGANA	23.23		23.23
14	UTTAR PRADESH	31.61	30.67	62.28
GRAND TOTAL		1364.25	265.43	1629.69

Repository wise charges



NATIONAL E-REPOSITORY LIMITED

Circular to all Participants of the Repository

Circular No : NERL/OPERATIONS-10/2020/031

Date : December 31, 2020

Subject : Revision in repository charges for Farmers and FPOs – Emerging Market

Repository Participants and Clients are hereby informed that, in partial modifications of our circular No. NERL/BUSINESS-002/2019/021 dated September 04, 2019 regarding 'Transaction charges for usage of eNWR', the Repository charges for Emerging market with effect from January 01, 2021 will be as given below:-

Charges for Farmers and FPOs for eNWR	Rs. Per MT basis
For Deposit and withdrawal	Rs. 5.00
For Pledge and De-pledge (put together)	Rs. 5.00
On Market/ Off Market	Rs. 5.00
Charges payable by New Beneficiary	Rs. 5.00
Extension of validity	Rs. 5.00

- Annual Maintenance Charges (AMC) will continue to be Rs. 200/- for both Farmers and FPOs.
- Repository Charges are capped at Rs. 500/- per eNWR for both Farmers and FPOs.
- Charges for each eNNWR (electronic Non Negotiable Warehouse Receipts) are fixed at Rs. 40/- per eNNWR.

Repository Participants are not permitted to add any further charges in addition to aforementioned charges.

The transactional charges shall be valid till further notice.

For and on behalf of
National E-Repository Limited

Sachin Wagle
Head- Operations

For further information / clarifications, please contact

1. Operational Support Services Group on toll Free Number: 1800 209 6007
2. Operational Support Services Group by e-mail to : help@nerlindia.com

Registered Office: Akruti Corporate Park, 1st Floor, Near G.E. Garden, LBS Road, Kanjurmarg West, Mumbai 400 078. CIN No. U93090MH2017PLC291035.
Phone: +91-22-6244 1500, Fax: +91-22-6244 1501, Website: www.nerlindia.com

Repository charges for NCDEX Market

(Ref circular: NERL/BUSINESS-001/2020/025 dated August 19, 2020)

Bill Head	Revised charges
Booking charges	Rs. 4 per MT. To be levied only to those cases wherein deposits are not done against the requested booking quantity.
eNWR generation charges	Rs. 25 per MT of deposits as per NCDEX norms. No booking charges would be applicable if eNWR generation charges are levied.
Client Negotiated trade (Off market transfer)	0.03% on the value of commodity. These charges will be applicable to both buyer and seller. These charges will also be applicable for the ownership transfer transaction done between same PAN numbers.
eNWR holding charges	Rs.5 per MT per month on pro - rata basis
Withdrawal Charges without transaction	eNWR extinguishment charges @ 0.15% on the value of commodity at the time of withdrawal (DOW) These charges will be applicable for eNWR that were deposited and withdrawn without any transaction like CNT, Pledge or Settlement.
Withdrawal Charges for transacted quantities	eNWR extinguishment charges @ 0.04% on the value of commodity at the time of withdrawal (DOW). Withdrawal Charges without transaction would not be applicable in this case.
Space occupancy charges	NIL
Pledge Transaction – Creation *	Rs 50 per Lot
Pledge Transaction – Closure *	Rs 50 per Lot
Pledge Transaction – Invocation *	Rs 50 per Lot
AMC – Client *	Rs 500 PA
AMC – CM Pool A/c	Rs.5000 PA

*AMC charges for FPO accounts has been waived off as per circular NERL/OPERATIONS-001/2020/005 dated Feb 07, 2020.

Disclaimer:

- Charges mentioned in the document are applicable to clients having account in e-repository application.
- Repository Participant may levy additional charges for the accounts opened for NCDEX market.



CDSL Commodity Repository Limited

CCRL/OPS/RP/GEN/2020-2021/165

26 February 2021

Revision in eNWRs/eNNWRs charges levied to Farmer/ FPO by Repository Participants (RPs) for General transaction

Repository Participants (RPs) and their clients are advised to take note of the revision in tariff structure for Farmer/ FPO clients, which will come into effect from 01-April-2021. Please note that the following revised tariff is applicable for Electronic Negotiable Warehouse Receipts (eNWRs)/ Electronic Non-Negotiable Warehouse Receipts (eNNWRs) meant for general purpose (Non-Exchange) only.

Sr. No.	Category	Tariff For Farmer/FPOs (Rs.)
1	Deposit (per MT or part thereof)	5.00
2	Pledge (per transaction)	Nil
3	Depledge (per MT or part thereof)	5.00
4	Pledge Invocation (per transaction)	Nil
5	On-market (debit & credit) per transaction.	5.00
6	Off-market (debit & credit) per transaction.	5.00
7	Withdrawal (per MT or part thereof)	Nil
8	Custody	Nil
9	Conversion (per transaction)	Nil
10	Extension of validity (per MT or part thereof) *	Nil
11	Inter-repository debit (per MT or part thereof) *	Nil
12	Inter-repository credit (per MT or part thereof) *	Nil
13	Charges payable by new beneficiary	5.00
14	Annual Maintenance Charges	Nil

* Charges will be subject to minimum tariff that apply to 1 MT and pro rata for quantities higher than 1 MT.

Repository Participants (RPs) are advised that the Tariff given above is the maximum charges applicable to clients on the Repository system. You will be informed separately about your share in this Tariff. Please inform your clients on revision of Tariff as per agreed terms during your registration as RP.

Queries regarding this communiqué may be addressed to:

- ❑ CCRL on (022) 2305-8768, 2305-8616, 2305-8718, 2305-8735
- ❑ Emails may be sent to: crrhelpdesk@cdslindia.com

For CDSL Commodity Repository Limited

Sd/-

Arnav Datta
Assistant Vice President



CDSL Commodity Repository Limited

CCRL/OPS/RP/GEN/2020-2021/143

31st August 2020

Revision in eNWRs/eNNWRs charges levied to client/depositors by Repository Participants (RPs) for General transaction

Repository Participants (RPs) and their clients are advised to take note of the revision in tariff structure for depositors/ clients, which will be made effective from 1st October 2020. Please note that the following revised tariff is applicable for Electronic Negotiable Warehouse Receipts (eNWRs)/ Electronic Non-Negotiable Warehouse Receipts (eNNWRs) meant for general purpose (Non-Exchange) only.

Sr. No.	Category	Tariff	
		Farmer/FPOs (Rs.)	Others (Rs.)
1	Deposit (per MT or part thereof) *	15.00	20.00
2	Pledge (per transaction)	Nil	Nil
3	Depledge (per MT or part thereof) *	10.00	10.00
4	Pledge Invocation (per transaction)	Nil	Nil
5	On-market (debit & credit) per transaction.	Nil	Nil
6	Off-market (debit & credit) per transaction.	Nil	Nil
7	Withdrawal (per MT or part thereof) *	Nil	30.00
8	Custody	Nil	Nil
9	Conversion (per transaction)	Nil	Nil
10	Extension of validity (per MT or part thereof) *	10.00	10.00
11	Inter-repository debit (per MT or part thereof) *	Nil	Nil
12	Inter-repository credit (per MT or part thereof) *	Nil	Nil
13	Annual Maintenance Charges	Individual – Nil Non-individual – Rs. 200	Individual – Rs. 500 Non-individual –Rs. 500

*Subject to minimum amount mentioned herein.

Repository Participants (RPs) are advised that the Tariff given above is the maximum charges applicable to clients on the Repository system. You will be informed separately about your share in this Tariff.

Queries regarding this communiqué may be addressed to:

CCRL on (022) 2305-8768, 2305-8616, 2305-8718, 2305-8735

Emails may be sent to: ccrlhelpdesk@cdslindia.com

For CDSL Commodity Repository Limited

Sd/-

Arnav Datta
Assistant Vice President

**MINUTES OF THE NINETEENTH SITTING OF THE STANDING COMMITTEE ON
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (2022-2023) HELD ON
TUESDAY, 1 AUGUST, 2023**

The Committee sat from 1515 hrs. to 1615 hrs. in Committee Room 'C', Parliament House Annexe, New Delhi.

PRESENT

Smt. Locket Chatterjee - Chairperson

Members

Lok Sabha

2. Dr. Farooq Abdullah
3. Ms. Debasree Chaudhuri
4. Shri Anil Firojiya
5. Shri Rajendra Dhedya Gavit
6. Shri Khagen Murmu
7. Shri Mitesh Rameshbhai Patel
8. Shri Ganesan Selvam
9. Dr. Amar Singh
10. Smt. Himadri Singh
11. Smt. Kavita Singh
12. Shri Saptagiri Sankar Ulaka
13. Shri Ve. Vaithilingam

Rajya Sabha

14. Shri Satish Chandra Dubey
15. Dr. Fauzia Khan

16. Shri Harbhajan Singh
17. Ms. Dola Sen
18. Dr. Ashok Bajpai

SECRETARIAT

- | | | |
|--------------------------------|---|------------------|
| 1. Shri Srinivasulu Gunda | - | Joint Secretary |
| 2. Dr. Vatsala Joshi | - | Director |
| 3. Shri Mohit Rajan | - | Deputy Secretary |
| 4. Shri Dong Lianthang Tonsing | - | Deputy Secretary |

Representatives of the Central Warehousing Corporation

Sl. No.	Name	Designation
1.	Shri Amit Kumar Singh	Managing Director
2.	Shri R.K. Bansal	Group General Manager(Com)
3.	Dr. Anurag Tripathi	General Manager (Tech)

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee convened for briefing by the Representatives of Central Warehousing Corporation in connection with examination of the subject 'Functioning of Warehousing Development and Regulatory Authority'.

[The witnesses were then called in.]

3. The Chairperson, then welcomed the representatives of the Central Warehousing Corporation to the sitting and invited their attention to Direction 55 of the Directions by the Speaker, Lok Sabha regarding confidentiality of the proceedings.

4. The Chairperson in the welcome remarks requested the witnesses to apprise the Committee about inter-relation between the WDRA and CWC, promoting e-NWR (Electronic Negotiable Warehouse Receipts), facilitating the Repositories and the Repository participant's of WDRA i.e. M/s National Electronic Repository Limited

(NERL) and CDSL Commodity Repository Limited (CCRL) in registration process of depositors, maintaining scientific warehousing in the warehouses as per the standard requirement of WDRA etc.

5. The representatives of the Central Warehousing Corporation with the permission of Hon'ble Chairperson made a power point presentation highlighting various aspects of the subject "Functioning of Warehousing Development and Regulatory Authority" such as functions and objectives of Warehousing Development and Regulatory Authority (WDRA), role of Central Warehousing Corporation (CWC) as Warehouseman, issues on E-NWRS issued by WDRA Registered Warehouses, suggestions given by CWC etc.

6. The Committee then sought certain clarifications on the issues related to the subject such as views of CWC on promoting e-NWR (Electronic Negotiable Warehouse Receipts) and e-NNWR in India instead of physical warehouse receipts, steps taken by CWC on creating awareness about the benefits of warehousing among farmers /traders /Warehouse Service Providers (WSP), WDRA registered warehouses and e-NWR ecosystem., challenges in e-NWRs issued by WDRA registered warehouses of CWC, Farmers Extension Service Scheme etc. The representatives of the Corporation replied to various queries raised/clarifications sought by the Members on the subject. The Committee directed the Corporation to furnish the written replies to those queries/clarifications which could not be clarified/replied to.

7. The Hon'ble Chairperson thanked the Representatives of the Central Warehousing Corporation for appearing before the Committee and furnishing valuable information on the subject.

[The Witnesses then withdrew]

8. A verbatim record of the proceedings has been kept.

The Committee then adjourned.

MINUTES OF THE THIRD SITTING OF THE STANDING COMMITTEE ON CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (2023-2024) HELD ON TUESDAY, 5TH DECEMBER, 2023

The Committee sat from 1500 hrs. to 1545 hrs. in Committee Room No. 4, Extension to Parliament House Annexe, New Delhi.

PRESENT

Smt. Locket Chatterjee - Chairperson

Members

Lok Sabha

2. Shri Shafiqur Rahman Barq
3. Ms. Debasree Chaudhuri
4. Shri Rajendra D. Gavit
5. Shri Khagen Murmu
6. Shri Mitesh Rameshbhai Patel
7. Shri Ganesan Selvam
8. Dr. Amar Singh
9. Smt. Himadri Singh
10. Smt. Kavita Singh
11. Shri Rajmohan Unnithan

Rajya Sabha

12. Dr. Ashok Bajpai
13. Shri Satish Chandra Dubey
14. Shri Baburam Nishad
15. Shri Rajmani Patel
16. Shri Prakash Chik Baraik

SECRETARIAT

1. Dr. Ram Raj Rai - Joint Secretary
2. Dr. Vatsala Joshi - Director
3. Dr. Mohit Rajan - Deputy Secretary
4. Shri Dong Lianthang Tonsing - Deputy Secretary

LIST OF WITNESSES

Sl. No.	Name	Designation
1.	Shri Sanjeev Chopra	Secretary
2.	Ms. Anita Karn	Joint Secretary
3.	Shri T K Manoj Kumar	Chairman (WDRA)
4.	Shri Mukesh Kumar Jain	Member (WDRA)
5.	Shri AK Shrivastava	Member (WDRA)
6.	Shri Dheeraj Sahu	Joint Secretary (WDRA)
7.	Shri Sai Pradeep G.	Assistant Director (SAO), WDRA

2. At the outset, Hon'ble Chairperson welcomed the Members to the sitting of the Committee convened to have briefing by the representatives of the Warehousing Development and Regulatory Authority (WDRA) on the subject 'Functioning of Warehousing Development and Regulatory Authority'.

(The witnesses were called in)

3. The Chairperson, then welcomed the representatives of the Department of Food and Public Distribution to the sitting and invited their attention to Direction 55 (1) of the 'Directions by the Speaker' regarding confidentiality of the proceedings.

4. The Chairperson in the welcome remarks requested the witnesses to apprise the Committee about functioning of the WDRA and its modus operandi, development of warehouses as a market across India and regulation of warehouses, Negotiability of warehouse receipts to enhance the credibility and reliability of receipts, promoting e-NWR (Electronic Negotiable Warehouse Receipts) and e-NNWR in India instead of physical warehouse receipts, creating awareness about the benefits of warehousing among farmers /traders /Warehouse Service Providers (WSP), WDRA registered warehouses and e-NWR ecosystem, maintaining scientific warehousing in the warehouses as per the standard requirement of WDRA etc.

5. The representatives of the Warehousing Development and Regulatory Authority (WDRA) made a power point presentation before the Committee on the various aspects of the subject 'Functioning of Warehousing Development and Regulatory Authority' such as Functions of WDRA, Registration of Warehouses, Transformation Plan of WDRA, Publicity, Awareness, Training Programs etc.

6. The Committee then sought certain clarifications on the issues related to the subject such as promoting e-NWR (Electronic Negotiable Warehouse Receipts) and e-NNWR in India instead of physical warehouse receipts, challenges/complaints WDRA receive w.r.t e-NWRs, steps taken by WDRA for creating awareness about the benefits of warehousing among farmers /traders /Warehouse Service Providers (WSP) and e-NWR ecosystem, Pledge Finance against e-NWRs, steps taken for Providing reliable, cost-effective, value-added, integrated warehousing and logistics solution in a socially responsible and environment friendly manner etc. The representatives of the Department/WDRA replied to various queries raised/clarifications sought by the Members on the subject. The Committee directed the Department/WDRA to furnish the written replies to those queries/clarifications which could not be clarified/replied to.

7. The Hon'ble Chairperson thanked the representatives of the Department of Food and Public Distribution/WDRA for appearing before the Committee and furnishing valuable information on the subject.

[The Witnesses then withdrew]

A copy of the verbatim proceedings has been kept.

The Committee then adjourned.

MINUTES OF THE SEVENTH SITTING OF THE STANDING COMMITTEE ON CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (2023-24) HELD ON MONDAY, 18 DECEMBER, 2023

The Committee sat from 1030 hrs. to 1100 hrs. in Committee Room No. '1', Block-A, Extension to Parliament House Annexe, New Delhi.

PRESENT

Smt. Locket Chatterjee - Chairperson

Members

Lok Sabha

2. Dr. Farooq Abdullah
3. Ms. Debasree Chaudhuri
4. Shri Khagen Murmu
5. Shri Mitesh Rameshbhai Patel
6. Shri Ganesan Selvam
7. Smt. Himadri Singh
8. Shri Rajmohan Unnithan

Rajya Sabha

9. Dr. Ashok Bajpai
10. Shri Satish Chandra Dubey
11. Shri Baburam Nishad
12. Shri Sakaldeep Rajbhar

SECRETARIAT

1. Dr. Ram Raj Rai - Joint Secretary
2. Dr. Vatsala Joshi - Director
3. Shri Dong Lianthang Tonsing - Deputy Secretary

2. At the outset, Hon'ble Chairperson welcomed the Members to the sitting of the Committee convened for consideration and adoption of the following Draft Reports:

(i) xxxx xxxx xxxx xxxx;

(ii) Draft Report on the subject, 'Functioning of Warehousing Development and Regulatory Authority' pertaining to the Department of Food and Public Distribution.

3. Thereafter the Committee took up for consideration the Draft Reports

4. After some deliberations, the Committee adopted both the Draft Reports without any amendments/modifications.

5. The Committee then authorized Hon'ble Chairperson to finalize the report and present/lay the same in both Houses of Parliament.

The Committee then adjourned.

xxxx Matter does not relate to the Report.