## STANDING COMMITTEE ON CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (2024-2025)

2

**EIGHTEENTH LOK SABHA** 

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

{Action Taken by the Government on the Observations/ Recommendations contained in the Thirty Eighth Report of the Committee (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)}

## SECOND REPORT



LOK SABHA SECRETARIAT NEW DELHI

December, 2024/ Agrahayana, 1946 (Saka)

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Presented to Lok Sabha on 2 December, 2024 Laid in Rajya Sabha on 2 December, 2024



# LOK SABHA SECRETARIAT NEW DELHI

December, 2024/ Agrahayana, 1946 (Saka)

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# Composition of the Standing Committee on Consumer Affairs, Food and Public Distribution (2024-25)

Smt. Kanimozhi Karunanidhi

Chairperson

#### MEMBERS LOK SABHA

- 2. Shri Anto Antony
- 3. Shri Sudip Bandyopadhyay
- 4. Shri Jaswantsinh Sumanbhai Bhabhor
- 5. Smt. Malvika Devi
- 6. Shri Manish Jaiswal
- 7. Shri Saumitra Khan
- 8. Shri Manoj Kumar
- 9. Shri Sunil Kumar
- 10. Shri Bharat Singh Kushwah
- 11. Shri Ajendra Singh Lodhi
- 12. Shri Neeraj Maurya
- 13. Shri Bastipati Nagaraju
- 14. Shri Haribhai Patel
- 15. Shri Ashok Kumar Rawat
- 16. Shri Bunty Vivek Sahu
- 17. Shri Rao Rajendra Singh
- 18. Shri Ujjwal Raman Singh
- 19. Shri Bajrang Manohar Sonwane
- 20. Dr. Indra Hang Subba
- 21. Shri Rajmohan Unnithan

## **RAJYA SABHA**

- 22. Smt. Sumitra Balmik
- 23. Shri Prakash Chik Baraik
- 24. Shri Rambhai Harjibhai Mokariya
- 25. Shri Baburam Nishad
- 26. Smt. Ranjeet Ranjan
- 27. Shri Arun Singh
- 28. Vacant
- 29. Vacant
- 30. Vacant
- 31. Vacant

#### SECRETARIAT

-

- 1. Dr. Ram Raj Rai
- 2. Dr. Vatsala Joshi
- 3. Dr. Mohit Rajan

- Joint Secretary
- Director
- Deputy Secretary

## INTRODUCTION

I, the Chairperson of the Standing Committee on Consumer Affairs, Food and Public Distribution (2024-2025) having been authorized by the Committee to submit the Report on their behalf, present this Second Report on Action Taken by the Government on the Observations/Recommendations contained in the Thirty Eighth Report of the Committee (Seventeenth Lok Sabha) on the subject 'Functioning of Warehousing Development and Regulatory Authority (WDRA)' of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution).

2. The Thirty Eighth Report was presented to Lok Sabha and laid in Rajya Sabha on 19.12.2023. The Government has furnished its replies indicating Action Taken on the recommendations contained in the Report on 19.03.2024.

3. The Report was considered and adopted by the Committee at their sitting held on 28<sup>th</sup> November, 2024.

4. An analysis of the action taken by the Government on Observations/Recommendations contained in the Report is given in Appendix II.

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

NEW DELHI; <u>28 November, 2024</u> 07 Agrahayana, 1946 (Saka) Kanimozhi Karunanidhi, Chairperson, Standing Committee on Consumer Affairs, Food and Public Distribution

(iv)

## REPORT

#### CHAPTER – I

This Report of the Standing Committee on Consumer Affairs, Food and Public Distribution deals with the action taken by the Government on the Observations/Recommendations contained in the Thirty Eighth Report of the Committee (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).

1.2 The Thirty Eighth Report was presented to Lok Sabha and laid on the Table of Rajya Sabha on 19.12.2023. It contained 10 observations/recommendations. Action taken replies in respect of all the 10 observations/recommendations contained in the Report have been received and these have been categorized as follows:

(i) Observations/Recommendations which have been accepted by Government:

Para Nos. : 1, 2, 4, 5, 6, 7, 8 & 9

(Chapter – II, Total: 08)

(ii) Observations/Recommendations which the Committee do not desire to pursue in view of Government's replies:

Para No.: Nil

(Chapter – III, Total: 0)

(iii) Observations/Recommendations in respect of which replies of Government have not been accepted by the Committee:

Para No.: Nil

(Chapter – IV, Total: 0)

(iv)Observations/Recommendations in respect of which final replies of Government are still awaited:

Para No. : 3 &10

(Chapter – V, Total: 02)

1.3 The Committee trust that utmost importance will be given to the implementation of the recommendations accepted by the Government. The Committee desire that final action taken notes to the Observations/Recommendations contained in Chapter-I and final replies in respect of recommendation contained in Chapter V for which only interim reply has been given by the Government, should be furnished to the Committee within three months of the presentation of this Report.

1.4 The Committee will now deal with action taken by the Government on some of the recommendations.

## A. Registration of Warehouses

## Recommendation (SI. No. 1, Para No. 16)

1.5 The Committee in their original report observed/recommended as follows:-

"The Committee learn that Warehousing Development and Regulatory Authority (WDRA) was constituted on 26<sup>th</sup> 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 411 Lakh 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."

1.6 The Ministry in its action taken reply has stated as under:-

"It is submitted that, as per the recommendation of the Committee, WDRA will earnestly work towards creating a conducive ecosystem for increasing number of registered warehouses.

Further, WDRA is conducting a study "Organisation Study of WDRA" through National Productivity Council. The study will help in identifying

locations for regional offices and manpower requirement. A draft report from NPC has been received and is under examination. In the draft report NPC has suggested the creation of Regional Offices."

1.7 The Committee had expressed their belief in the Department and WDRA for increasing the number of registration of warehouses through their dedicated efforts and recommended to explore the possibility of opening regional offices of WDRA in order to enhance coordination with state warehousing corporations and ensure better outreach. The Department in their Action Taken Reply has stated that WDRA will earnestly work towards creating a conducive ecosystem for increasing number of registered warehouses. The Department has also stated that WDRA is conducting a study "Organisation Study of WDRA" through National Productivity Council which will help in identifying locations for regional offices and manpower requirement. A draft report presented by NPC has also suggested the creation of Regional Offices. The Committee, therefore, desire to be apprised of the outcome of the examination of the report submitted by NPC on organisation study of WDRA and hope and trust thereby that through creation of Regional Offices of WDRA, efforts being made by Department/WDRA would speed up the registration of warehouses.

#### B. Registration of SWC's Warehouses

#### Recommendation (SI. No. 2, Para No. 21)

#### 1.8 The Committee in their original report observed/recommended as follows:-

"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."

1.9 The Ministry in its action taken reply has stated as under:-

"It is submitted that DFPD and WDRA have already reached out to all SWCs and multiple meetings were held with SWCs. WDRA will continue to reach out to remaining SWCs to register.

SWCs warehouses registered with WDRA as on 14.03.2024 is enclosed as **Annexure-A**.

It is also informed that some SWC warehouses could not be registered as they did not meet WDRA's standards."

1.10 The Committee had felt the need of bringing all warehouse holding organisation on a single platform to develop a homogenous warehousing niche in the country. They had also desired that WDRA should reach out all the State Warehousing Corporations and pursue them for registering. The Department in their action taken reply has stated that DFPD and WDRA have already reached out to all SWCs and multiple meetings were held with SWCs. 1275 warehouses of 16 State Warehousing Corporations registered under WDRA as on 14.03.2024 and WDRA will continue to reach out to remaining SWCs to register. While stressing on the need to develop a homogenous warehousing niche in the country, the Committee again urge the Department and WDRA to complete the process and reach out to remaining SWCs to register their warehouses with WDRA and apprise the Committee accordingly.

#### Recommendation (SI. No. 3, Para No. 22)

1.11 The Committee in their original report observed/recommended as follows:-

"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 warehouse man has to have minimum net worth prescribed in the WDRA warehouse registration Rules. SWCs of Kerala and Punjab do not have required networth 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 networth 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."

1.12 The Ministry in its action taken reply has stated as under:-

"We have got an indemnity bond from Kerala signed by MD, KSWC. It is being examined whether this will suffice.

DO letters have been again issued to Punjab, Gujarat and Meghalaya SWCs. The same are enclosed as **<u>Annexure-B</u>**."

1.13 The Committee had desired 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. The Department in their Action Taken Reply has stated that an indemnity bond from Kerala signed by MD, KSWC is being examined whether this will suffice and DO letters have been again issued to Punjab, Gujarat and Meghalaya SWCs. The Committee, while reiterating their original recommendation desire the Department and WDRA to expedite and complete the process of registration of Kerala SWC and persuade the Punjab, Gujarat and Meghalaya SWCs to apply for WDRA registrations under the new relaxations in a time bound manner and apprise the Committee accordingly.

C. Publicity/Awareness/Training Programs

#### Recommendation (SI. No. 10, Para No. 66)

1.14 The Committee in their original report observed/recommended as follows:-

"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 rigourous 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."

1.15 The Ministry in its action taken reply has stated as under:-

"WDRA has constantly been endeavoring to conduct training and outreach programs across the country. The modality of the training programs is also being constantly reviewed to ensure optimum effectiveness for the stakeholders. Recently changes have been made in ATP and WTP in terms of syllabus and duration.

As regards formulation of regional/state committees to analyze the need of such programmes, the matter would be examined and appropriate action will be taken."

The Committee had noted that WDRA had organized various 1.16 awareness programmes through expert institutes to create awareness among farmers about the benefits of the negotiable warehouse receipt system and scientific storage. In this regard, the Committee had desired that WDRA should organize more training and awareness programmes throughout the country and also recommended the WDRA to formulate regional/state committees to analyze the need of awareness programmes at regional level. The Department in its Action Taken Reply has stated that WDRA has constantly been endeavoring to conduct training and outreach programs across the country. The Department has further stated that in regard to formulation of regional/state committees to analyze the need of such programmes, the matter would be examined and appropriate action will taken. The Committee, while reiterating their be original recommendation stress upon the constitution of regional/state committees by WDRA to develop awareness programmes at regional level and a yearly plan/ draft yearly 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. The Committee may be apprised of the concrete action taken in this direction.

#### CHAPTER II

#### OBSERVATIONS/ RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

#### Recommendation No. 1 (Para No. 16)

The Committee learn that Warehousing Development and Regulatory Authority (WDRA) was constituted on 26<sup>th</sup> 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 411 Lakh 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.

#### **Reply of the Government**

2.2 It is submitted that, as per the recommendation of the Committee, WDRA will earnestly work towards creating a conducive ecosystem for increasing number of registered warehouses.

Further, WDRA is conducting a study "Organisation Study of WDRA" through National Productivity Council. The study will help in identifying locations for regional offices and manpower requirement. A draft report from NPC has been received and is under examination. In the draft report NPC has suggested the creation of Regional Offices.

[Ministry of Consumer Affairs, Food & Public Distribution (Department of Food & Public Distribution) O.M. No. A-42/3/2022-A and F/3134 Dated the 19<sup>th</sup> March, 2024]

#### **Comments of the Committee**

(Please see Para No. 1.7 of Chapter-I of the Report)

#### Recommendation No. 2 (Para No.21)

2.3 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.

## Reply of the Government

2.4 It is submitted that DFPD and WDRA have already reached out to all SWCs and multiple meetings were held with SWCs. WDRA will continue to reach out to remaining SWCs to register.

SWCs warehouses registered with WDRA as on 14.03.2024 is enclosed as **Annexure-A**.

It is also informed that some SWC warehouses could not be registered as they did not meet WDRA's standards.

[Ministry of Consumer Affairs, Food & Public Distribution (Department of Food & Public Distribution) O.M. No. A-42/3/2022-A and F/3134 Dated the 19<sup>th</sup> March, 2024]

## **Comments of the Committee**

(Please see Para No. 1.10 of Chapter-I of the Report)

The Committee note that application fee for registration and renewal of 2.5 warehouse storing agricultural goods varies from Rs. 5.000/- to Rs. 30.000/- and goods warehouses storing both agricultural and non-agricultural 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. 500 per 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 25<sup>th</sup> 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.

#### **Reply of the Government**

2.6 With the intention to lower entry barriers for WHM of all types of entities, the registration and renewal fees for warehouses were waived by the Government. However, the financial conditions of the stakeholders involved in the non-agri commodity business are not the same as those involved in agri commodity business. As the depositors of the non-agri commodities are mainly traders who have strong economic footing, there does not seem to be a need for waiving fees with respect to warehouses storing non-agri commodities. However, the issue will be considered based on facts on ground and an appropriate decision will be taken following all rules and procedures.

As regards warehouses storing agri commodities, the extension of the fee waiver provisions would be revisited at the appropriate time.

[Ministry of Consumer Affairs, Food & Public Distribution (Department of Food & Public Distribution) O.M. No. A-42/3/2022-A and F/3134 Dated the 19<sup>th</sup> March, 2024]

#### Recommendation No. 5 (Para No.36)

2.7 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 Warehouse Receipts) Regulations, 2017. Accordingly, the Authority launched electronic Negotiable Warehouse Receipt (e-NWR) on 26<sup>th</sup> 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 1<sup>st</sup> 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.

#### **Reply of the Government**

2.8 WDRA is grateful for the appreciation of the Hon'ble Committee regarding the decision that all NWRs issued by registered warehouses are only e-NWRs with effect from 1<sup>st</sup> August 2019. WDRA is organizing Farmer Awareness Programs (FAPs) and Warehouseman Training Programs (WTPs), where the benefits of e-NWRs are also disseminated among the participants. In the programs warehouseman is also invited to take part. Further, WDRA also conducts outreach programs with warehouseman and other stakeholders. WDRA has also decided to conduct state level outreach programs in coordination with NABARD. As recommended by the committee, efforts will be made to include a greater number of warehousemen.

Farmers Awareness Programmes and Warehousemen Training Programmes conducted in this F.Y. are as below:

S.No	Name of the Program	No of Programs conducted in FY 2023- 24 (w.e.f 1 April, 23 till 29.02.2024)	
1	Farmers Awareness Program (FAP)	221	11219
2	Warehousemen Training Program (WTP)	13	352

[Ministry of Consumer Affairs, Food & Public Distribution (Department of Food & Public Distribution) O.M. No. A-42/3/2022-A and F/3134 Dated the 19<sup>th</sup> March, 2024] 2.9 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.

#### **Reply of the Government**

2.10 WDRA gratefully acknowledge the appreciation of the Committee on our attempts to approach RBI to make eNWR mandatory or at least preferential for loan against Agri produce.

It is submitted, that, as per the recommendation of the Committee, WDRA will take up the matter again with RBI for getting preferential treatment.

With regards to impact in achieving the objectives of W (D&R) Act, 2007, it is submitted, that as on 29.02.2024, the number of WDRA registered warehouses stands at 5634 and the progressive figure of pledge finance stands at Rs 10161 Crores. Besides, 82735 number of farmers/warehouseman have got awareness about importance of scientific warehousing & e-NWR eco system and 4196 number of warehouseman have been trained through WTP programs.

[Ministry of Consumer Affairs, Food & Public Distribution (Department of Food & Public Distribution) O.M. No. A-42/3/2022-A and F/3134 Dated the 19<sup>th</sup> March, 2024]

#### Recommendation No. 7 (Para No. 40)

2.11 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 eNWRs. 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.

#### Reply of the Government

2.12 WDRA gratefully acknowledge the appreciation of the Committee for WDRA's efforts to promote eNWR and pledge finance against it. Such remarks are deeply encouraging and will motivate WDRA to make enhanced efforts.

It is submitted that WDRA will work closely with various stakeholders including Departments of Gol, RBI, IBA, banks, warehousemen and traders for promotion of e-NWRs. On 04-03-2024, the e-Kisan Upaj Nidhi, a digital gateway, developed by WDRA in association with NABARD and a Task force in SBI, to connect e-NWR with onboarded banks was launched. This gateway has the potential to play an important role in improving the ease of loaning to farmers from on boarded banks and forms yet another initiative for promoting e-NWR.

[Ministry of Consumer Affairs, Food & Public Distribution (Department of Food & Public Distribution) O.M. No. A-42/3/2022-A and F/3134 Dated the 19<sup>th</sup> March, 2024]

#### Recommendation No. 8 (Para No. 41)

2.13 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.

#### **Reply of the Government**

2.14 It is submitted that WDRA will work closely with various stakeholders including Departments of Gol, RBI, IBA and banks for promotion of pledge financing against e-NWRs. On 04-03-2024, the e-Kisan Upaj Nidhi, a digital gateway, developed by WDRA in association with NABARD and a Task force in SBI, to connect e-NWR with onboarded banks was launched. This gateway has the potential to play an important role in improving the ease of loaning to farmers from on boarded banks and forms yet another initiative for promoting e-NWR. We will continue to put in our earnest efforts to create an environment for promoting eNWR and pledge financing.

[Ministry of Consumer Affairs, Food & Public Distribution (Department of Food & Public Distribution) O.M. No. A-42/3/2022-A and F/3134 Dated the 19<sup>th</sup> March, 2024]

#### Recommendation No. 9 (Para No. 43)

2.15 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.

#### Reply of the Government

2.16 WDRA is grateful for the Committee's appreciation of its efforts to support FPOs, PACCS, SHGs to register their warehouses with WDRA. It may be added that as on date registration and renewal fee for all warehouses including FPOs, PACCSs and SHGs have been waived. WDRA is in touch with Co-operative Departments of various State Governments to facilitate registration of PACS and co-operative societies. WDRA will continue the stride of assisting small capacity warehouses in this sector as suggested by the Committee.

> [Ministry of Consumer Affairs, Food & Public Distribution (Department of Food & Public Distribution) O.M. No. A-42/3/2022-A and F/3134 Dated the 19<sup>th</sup> March, 2024]

#### CHAPTER III

## OBSERVATIONS/ RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLIES

-NIL-

## **CHAPTER IV**

# OBSERVATIONS/ RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

-NIL-

#### CHAPTER V

## OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH THE FINAL REPLIES OF THE GOVERNMENT ARE STILL AWAITED

#### Recommendation No. 3 (Para No.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 networth 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 networth 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.

#### **Reply of the Government**

5.2 We have got an indemnity bond from Kerala signed by MD, KSWC. It is being examined whether this will suffice.

DO letters have been again issued to Punjab, Gujarat and Meghalaya SWCs. The same are enclosed as <u>Annexure-B</u>.

[Ministry of Consumer Affairs, Food & Public Distribution (Department of Food & Public Distribution) O.M. No. A-42/3/2022-A and F/3134 Dated the 19<sup>th</sup> March, 2024]

#### **Comments of the Committee**

(Please see Para No. 1.13 of Chapter-I of the Report)

#### Recommendation No. 10 (Para No. 66)

5.3 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 rigourous 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.

#### **Reply of the Government**

5.4 WDRA has constantly been endeavoring to conduct training and outreach programs across the country. The modality of the training programs is also being constantly reviewed to ensure optimum effectiveness for the stakeholders. Recently changes have been made in ATP and WTP in terms of syllabus and duration.

As regards formulation of regional/state committees to analyze the need of such programmes, the matter would be examined and appropriate action will be taken.

[Ministry of Consumer Affairs, Food & Public Distribution (Department of Food & Public Distribution) O.M. No. A-42/3/2022-A and F/3134 Dated the 19<sup>th</sup> March, 2024]

#### **Comments of the Committee**

(Please see Para No. 1.16 of Chapter-I of the Report)

NEW DELHI; <u>28 November, 2024</u> 07 Agrahayana, 1946 (Saka) Kanimozhi Karunanidhi, Chairperson, Standing Committee on Consumer Affairs, Food and Public Distribution

# ANNEXURE A

State	Number of registered warehouses
ANDHRA PRADESH	94
ASSAM	3
BIHAR	33
CHHATTISGARH	137
HARYANA	111
JHARKHAND	10
KARNATAKA	21
MADHYA PRADESH	201
MAHARASHTRA	195
ODISHA	47
RAJASTHAN	97
TAMIL NADU	65
TELANGANA	75
UTTAR PRADESH	178
UTTARAKHAND	6
WEST BENGAL	2
Grand Total	1275

# State-wise SWC registered warehouses as on 14.03.2024

#### **ANNEXURE B**







T K Manoj Kumar, IAS (Retd.) Chairperson

Dated: 15.03.2024

D.O. No. T-30015/5/2021-IT/3097

Dear Dr. D. V. Jay Kumal

As you are aware that Warehousing Development and Regulatory Authority (WDRA) was set up by the Government of India on 26.10.2010 under the Warehousing (Development and Regulation) Act, 2007 to implement a Negotiable Warehousing Receipt (NWR) System in the country, which would help farmers, traders, processors and millers to store their produce in scientific warehouses, including cold storages and silos and avail loans from banks and financial institutions against pledge of the NWR. The NWR system would help farmers avoid distress sale of their produce during harvesting season and provide an opportunity for better price discovery at a later date, by storing their produce in a WDRA registered warehouses.

Since 2017 WDRA, has moved to a digital framework, fully automating its various 2. processes to facilitate all the stake holders. WDRA has launched a transparent, contactless and simplified warehouse registration process, wherein an applicant warehouseman applies directly online to WDRA for registration of warehouses and thereafter, WDRA scrutinizes the application and does an inspection before registering the warehouse. WDRA has also migrated to an electronic Negotiable Warehouse Receipt (eNWR) ecosystem by setting up two repositories namely, National E-Repository Limited (NERL) and CDSL Commodity Repository Limited (CCRL) for creation and management of eNWRs issued by registered warehouses. Since August 1, 2019, all registered warehouses are required to mandatorily issue NWR for the WDRA notified commodities stored in their warehouse only in electronic form. All stock information as recorded in the e-NWR including assaying parameters and the quantity will be visible to the eNWR holder, and warehouseman and other stakeholders such as banks, buyers, etc if so desired by eNWR holder. WDRA has also defined a Standard Operating Procedure (SOP) to be followed by registered warehouses in day-to-day operations to ensure scientific storage of commodities and maintain the quality and quantity parameters for their shelf life. WDRA also takes up post registration inspections of warehouses and commodities against which eNWRs have been issued, to ensure compliance to the SOP and quantity and quality standards as given in the eNWR. This ensures that the sanctity of the eNWR is maintained for greater trust of banks and other stakeholders in the eNWRs. The salient features and benefits of registration of warehouses and eNWRs is annexed at Annexure-I.

Contd......2/-

चौधी मंजिल, एन.सी.यू.आई. बिल्डिंग, 3, सीरी इंस्टीट्यूशनल एरिया, अगस्त क्रांति मार्ग, हौज खास, नई दिल्ली-110016 ईपीबीएएक्स : 011-49536496, 49092978, 49092994, ईमेल : chairman.wdra@nic.in 4'' Floor, NCUI Building, 3, Siri Institutional Area, August Kranti Marg, Hauz Khas, New Delhi-110016 EPBAX : 011-49536496, 49092978, 49092994, 49092987, Email : chairman.wdra@nic.in 3. To encourage the registration of warehouses of State Warehousing Corporations with WDRA, the Department of Food and Public Distributions, Government of India has provided special concessions by waiving registration fee for all warehouses for a period of two year i.e. from 20.10.2023 to 25.10.2025. WDRA has already sent the copy of the circular dated 20.10.2023 through email to all the SWCs.

4 Vide DO letter T-30015/5/2021-IT/4460 dated 31.12.2021, Meghalaya SWC was requested to register all its warehouses with WDRA. In this regard, it is also informed that almost all SWCs have already registered many of their warehouses with WDRA.

5. I would, therefore, request you to kindly get the Warehouses of Meghalaya SWC registered with WDRA. The requirements and detailed procedure for registration of warehouses with WDRA is available on our website www.wdra@gov.in.

In case you have any concern or clarifications on the subject please feel free to write to us.

With hegard,

Yours sincerely,

(T.K. Manoj Kumar)

Encl: As Above

To,

Dr. D. Vijay Kumar, IAS Chairman, Meghalaya State Warehousing Corporation, Lower Lachumiere, Shillong-793001 Phone(O):0364-2226221 Email : vijaymeghalaya@gmail.com

-2-







भांडागारण विकास और विनियामक प्राधिकरण Warehousing Development & Regulatory Authority

Dated: 31.12.2021

T K Manoj Kumar, IAS (Retd.) Chairperson

DO. No. T-30015/5/2021-IT 4460

Dear Im R.C. lokhlet,

As you are aware that Warehousing Development and Regulatory Authority (WDRA) was set up by the Government of India on 26.10.2010 under the Warehousing (Development and Regulation) Act, 2007 to implement a Negotiable Warehouse Receipt (NWR) System in the country, which would help farmers, traders, processors and millers to store their produce in scientific warehouses, including cold storages and silos and avail loans from banks and other financial institutions against pledge of the NWR. The NWR system helps the farmers from distress sale of their produce during harvesting season and provides an opportunity for better price discovery at a later date, by storing their produce in a WDRA Registered warehouses.

2. Since 2017 WDRA, has moved to a digital framework, fully automating its various processes to facilitate all the stake holders. WDRA has launched a transparent, contactless and simplified warehouse registration process, wherein an applicant warehouseman applies directly online to WDRA for registration of warehouses and thereafter, WDRA scrutinises the application and completes the process of inspection to register the warehouse. WDRA has also migrated to an electronic Negotiable Warehouse Receipt (eNWR) ecosystem by setting up two repositories namely, National E-Repository Limited (NERL) and CDSL Commodity Repository Limited (CCRL) for creation and management of eNWRs issued by registered warehouses. Since August 1, 2019, all registered warehouses are required to mandatorily issue only eNWR or Electronic Non Negotiable Warehouse Receipt (eNNWR) for the WDRA notified commodities stored in their warehouse. All registered warehouses, depositor-clients, buyer-clients, Banks /Financial Institutions, Commodity exchanges, are provided access to the repository system. All stock information as recorded in the e-NWR, including assaying parameters and the quantity will be visible to the c-NWR holder, and warehouseman and other stakeholders such as banks, buyers, etc if so desired by e-NWR holder. WDRA has also defined a Standard Operating Procedure (SOP) to be followed by registered warehouses in day-to-day operations to ensure scientific storage of commodities and maintain the quality and quantity parameters for their shelf life. WDRA also takes up post registration inspections of warehouses and commodities against which e-NWRs have been issued, to ensure compliance to the SOP & quantity & quality standards as given in the eNWR. This ensures that the sanctity of the e-NWR is maintained for greater trust of banks and other stakeholders in the e-NWRs for pledge financing. The salient features and benefits of registration of warehouses and eNWRs is annexed at Annexure-I.

3. Recently, to encourage the registration of warehouses of State Warehousing Corporations with WDRA, the Department of Food and Public Distribution, Government of India has provided special concessions to State Warehousing Corporations (SWCs) by waiving off registration fee for all warehouses owned and operated by SWCs for registration within a period of one year i.e. from 20.09.2021 to up to 19.09.2022. WDRA has already sent

चौथी मंजिल, एन.सो.यू.आई. बिल्डिंग, 3, सीरो इंस्टीट्यूशनल एरिया, अगस्त क्रांति मार्ग, डौज खास, नई दिल्ली-110016 ईपीबीएएक्स : 011-49536496. 49092978, 49092994, ईमेल : Chairman.wdra@nic.in 4<sup>th</sup> Floor, NCUI Building, 3, Siri Institutional Area, August Kranti Marg, Hauz Khas, New Delhi-110016 EPBAX : 011-49536496, 49092978, 49092994, 49092987, Email : Chairman.wdra@nic.in the copy of the circular dated 20.09.2021 through email to all the SWCs including Meghalaya State Warehousing Corporation on 20.09.2021. The copy of the circular is again enclosed herewith.

4. In this regard, you may like to know that out of the 19 SWCs of the country, 11 have applied for warehousemen registration. Out of that 8 have already registered as warehousemen with WDRA. 5 SWCs i.e. TNSWC, UPSWC, APSWC, MSWC and TSWC have also registered some warehouses.

5. I would, therefore, request you to kindly get the Warehouses of Meghalaya SWC registered with WDRA. The requirements and detailed procedure for registration of warehouses with WDRA is available on our website <a href="http://www.wdra@gov.in">www.wdra@gov.in</a>

In case you need any clarifications on the subject please feel free to write to us. I also take this opportunity to wish you a very happy new year.

Yours sincerely,

Inthe negators ,

(T. K. Manoj Kumar)

To,

Smti. R. C. Sohkhlet, IAS Managing Director, Meghalaya State Warehousing Corporation, Lower Lachumiere, Shillong - 793 001, East Khasi Hills District, Meghalaya.

#### Annexure-I

#### Salient features of e-NWR and benefits of registration with WDRA

- An eNWR will be available only in electronic form and its format is uniform.
- Confidentiality, integrity & availability of the eNWR information will be provided by the repository, which is the single source of eNWRs in the Country.
- · faster movement of information, automatic creation of audit trail
- Being electronic in nature multiple transfers are easy and with due backup of W(D&R) Act 2007
- Litigation shall be greatly reduced
- An eNWR has a time validity that is co-terminus with the validity of the commodity or withdrawal of the commodity fully from the warehouse, after which it expires.
- An eNWR can be auctioned under certain conditions such as loan not repaid, on expiry and delivery not taken and on damage or spoilage of the commodity in the warehouse.
- Record the market value of deposited goods on the NWR as on date of storage collected from reliable sources
- All eNWRs can be traded through off-market or exchanges and also facilitates future trading.
- Enables farmers to avoid distress sale.
- · Price stabilization by matching supply and demand through time and place utility.
- Can convert commodity into a bankable asset through Negotiable Warehouse Receipt thereby enabling the farmers and traders to avail credit against pledge of commodities stored in the warehouse. May Issue Negotiable Warehouse Receipts on which farmers / depositors may be able to seek loans easily from banks
- Provides facilities for sorting, packing, blending, grading and processing of goods for sale.
- Would be following certain laid down norms/requirements in construction, operation & Insurance Coverage against fire, flood, burglary, etc. (and damage to stock due to power failure and also for the Plant and Machinery in respect of cold storage) prescribed by WDRA and would encourage scientific storage for proper post-harvest management.
- Net-worth as specified by the Authority in proportion to capacity.
- Security Deposit as specified by the Authority for securing the negotiable warehouse receipts issued by the warehouse
- Compliance to local laws for carrying out the business of warehousing.

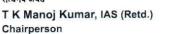
- WDRA organizes regular training for the manpower engaged in registered warehouses for package and practice for scientific warehousing.
- They would be indicating quality standards/grades of the commodities stored in the warehouses on the Negotiable Warehouse Receipt Facilitates orderly marketing of farmers produce
- The WDRA also provides model Standard Operating Procedures which can be adopted by Warehouseman for a highly professional and science based warehousing system.
- Help farmers / depositors to have access to a large number of buyers nationwide with better bargaining powers;
- Promote an efficient clearing, settlement and delivery system with transparency in trading of agricultural produce
- It's easy to share vital information of the e NWR with multiple stake holders like bankers, commodity exchanges, government etc.

#### Further Steps initiated by WDRA for an effective regulation

- \* Online Grievance Redressal Module.
- \* Dispute Resolution and Arbitration.
- \* Surprise Inspection of Stocks.
- Publishing Assaying Parameters of Notified Commodities
- \* Empanelment of Assayers.
- \* Interface with e-NAM
- \* Interface of Repositories with Multi Commodity Derivative Exchanges









भांडागारण विकास और विनियामक प्राधिकरण Warehousing Development & Regulatory Authority

D.O. No. T-30015/5/2021-IT/3095

Dated: 15.03.2024

Dean Ohn Kann al Preet Booar,

As you are aware that Warehousing Development and Regulatory Authority (WDRA) was set up by the Government of India on 26.10.2010 under the Warehousing (Development and Regulation) Act, 2007 to implement a Negotiable Warehousing Receipt (NWR) System in the country, which would help farmers, traders, processors and millers to store their produce in scientific warehouses, including cold storages and silos and avail loans from banks and financial institutions against pledge of the NWR. The NWR system would help farmers avoid distress sale of their produce during harvesting season and provide an opportunity for better price discovery at a later date, by storing their produce in a WDRA registered warehouses.

2. Since 2017 WDRA, has moved to a digital framework, fully automating its various processes to facilitate all the stake holders. WDRA has launched a transparent, contactless and simplified warehouse registration process, wherein an applicant warehouseman applies directly online to WDRA for registration of warehouses and thereafter, WDRA scrutinizes the application and does an inspection before registering the warehouse. WDRA has also migrated to an electronic Negotiable Warehouse Receipt (eNWR) ecosystem by setting up two repositories namely, National E-Repository Limited (NERL) and CDSL Commodity Repository Limited (CCRL) for creation and management of eNWRs issued by registered warehouses. Since August 1, 2019, all registered warehouses are required to mandatorily issue NWR for the WDRA notified commodities stored in their warehouse only in electronic form. All stock information as recorded in the e-NWR including assaying parameters and the quantity will be visible to the eNWR holder, and warehouseman and other stakeholders such as banks, buyers, etc if so desired by eNWR holder. WDRA has also defined a Standard Operating Procedure (SOP) to be followed by registered warehouses in day-to-day operations to ensure scientific storage of commodities and maintain the quality and quantity parameters for their shelf life. WDRA also takes up post registration inspections of warehouses and commodities against which eNWRs have been issued, to ensure compliance to the SOP and quantity and quality standards as given in the eNWR. This ensures that the sanctity of the eNWR is maintained for greater trust of banks and other stakeholders in the eNWRs. The salient features and benefits of registration of warehouses and eNWRs is annexed at Annexure-I.

Contd......2/-

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-2-

4 Earlier, vide D.O letter T-30015/5/2021-IT/4462 dated 31.12.2021, PSWC was requested to get all its warehouses registered with WDRA. Further, vide D.O. No.: T-30015/2/2021-nic/1663 dated: 10.10.2023, it was informed that the criteria for minimum net worth required for registration of warehouse with WDRA has been modified by Government of India. Accordingly, it was requested that PSWC warehouses and other warehouses under the purview of Government of Punjab may be advised to register their warehouses with WDRA.

5. In this regard, it may be informed that almost all SWCs have already registered many of their warehouses with WDRA.

6. I would, therefore, request you to kindly get the Warehouses of Punjab SWC registered with WDRA. The requirements and detailed procedure for registration of warehouses with WDRA is available on our website www.wdra@gov.in.

In case you have any concern or clarifications on the subject please feel free to write to us.

With Regards)

Yours sincerely,

Manoj Kumar)

Encl: As Above

To,

**Sh. Kanwal Preet Brar, IAS** Managing Director, Punjab State Warehousing Corporation, Head Office: SCO 74-75, Bank Square Sector 17-B Chandigarh- 160017







भांडागारण विकास और विनियामक प्राधिकरण Warehousing Development & Regulatory Authority

T K Manoj Kumar, IAS (Retd.) Chairperson

Dated: 31.12.2021

DO. No. T-30015/5/2021-IT 4462 Dear An Bhapindes Logh,

As you are aware that Warehousing Development and Regulatory Authority (WDRA) was set up by the Government of India on 26.10.2010 under the Warehousing (Development and Regulation) Act, 2007 to implement a Negotiable Warehouse Receipt (NWR) System in the country, which would help farmers, traders, processors and millers to store their produce in scientific warehouses, including cold storages and silos and avail loans from banks and other financial institutions against pledge of the NWR. The NWR system helps the farmers from distress sale of their produce during harvesting season and provides an opportunity for better price discovery at a later date, by storing their produce in a WDRA Registered warehouses.

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3. Recently, to encourage the registration of warehouses of State Warehousing Corporations with WDRA, the Department of Food and Public Distribution, Government of India has provided special concessions to State Warehousing Corporations (SWCs) by waiving off registration fee for all warehouses owned and operated by SWCs for registration within a period of one year i.e. from 20.09.2021 to up to 19.09.2022. WDRA has already sent

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In case you need any clarifications on the subject please feel free to write to us. I also take this opportunity to wish you a very happy new year.

Yours sincerely,

Dats regards

Manoj Kumar) (T.

To,

Sh. Bhupinder Singh, IAS, Managing Director, Punjab State Warehousing Corporation, Head Office: SCO 74-75, Bank Square Sector 17-B Chandigarh - 160 017



Chairperson





भांडागारण विकास और विभियामक प्राधिकरण Warehousing Development & Regulatory Authority

Date: 10.10.2023

Dear Shii Anwag Vorma,

DO. No:T-30015/2/2021-NIC

T K Manoj Kumar, IAS (Retd.)

As you are aware, the Government of India had enacted the Warehousing (Development and Regulation) Act, 2007 to encourage scientific warehousing of goods, enhance rewards for grading and quality and put in place a Negotiable Warehouse Receipt (NWR) System in the country that would provide transferability to the warehouse receipts issued by registered warehouses. The Warehousing Development and Regulatory Authority (WDRA) was set up under the provisions of the W(D&R) Act to regulate and promote the growth of the warehouse business in the country.

As a step towards regulating the warehousing business, the Authority undertakes registration of warehouses, which is completely online. The Authority is also responsible to implement the NWR system throughout the country which is currently being done through an electronic instrument i.e. electronic Negotiable Warehouse Receipt (c-NWR). This instrument, which is uniform throughout the country, allows the depositors to sell their produce when remunerative prices are available, without physical movement of goods. These sales can be made either directly or on eNAM or through commodity exchanges as well. The e-NWR can also be used by the depositors to obtain loans from banks and avoid distress sales. As per the W(D&R) Act, 2007 only those warehouses registered with WDRA can issue NWRs.

Currently in your State, 26 warehouses belonging to Central Warehouse Corporation and 05 Private warehouses have been registered with WDRA. In the past, warehouses of Punjab State Warehousing Corporation (PSWC) could not be registered due to issues regarding net worth. However, the norms have been now modified vide Warehousing (Development and Regulation) Registration of Warehouses (Amendment) Rules, 2023 dated 12.07.2023 (copy enclosed) which states that;

"The Authority may allow any entity, created under the Act of Parliament or State Legislature which does not meet the minimum net worth requirement as specified in the Seventh Schedule, to submit an indemnity bond specified in the form appended in the Ninth Schedule, 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 would allow warehouses of PSWC to take advantage of registration with WDRA. FCI and NAFED have also taken a policy decision that stocks belonging to them would be stored in WDRA registered warehouses only.

Contd ......2/-

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-2-

Further, it is requested that farmers and traders may be made aware of the advantages of storing their goods in WDRA registered warehouses In this regard. Punjab Agricultural University may also be directed to enter into an MoU with WDRA for organizing awareness programs in association with WDRA.

With hegareb,

Yours sincerely,

Leringo (T K Manoj/Kumar)

To,

Shri Anurag Verma, IAS, Chief Secretary Government of Punjab Punjab Civil Secretariat 6<sup>th</sup> floor CS Office Room No. 27 Sector-1, Chandigarh - 160001 Email: cs@punjab.gov.in

#### Annexure-I

### Salient features of e-NWR and benefits of registration with WDRA

- An eNWR will be available only in electronic form and its format is uniform.
- Confidentiality, integrity & availability of the eNWR information will be provided by the repository, which is the single source of eNWRs in the Country.
- faster movement of information, automatic creation of audit trail
- Being electronic in nature multiple transfers are easy and with due backup of W(D&R) Act 2007
- Litigation shall be greatly reduced
- An eNWR has a time validity that is co-terminus with the validity of the commodity or withdrawal of the commodity fully from the warehouse, after which it expires.
- An eNWR can be auctioned under certain conditions such as loan not repaid, on expiry and delivery not taken and on damage or spoilage of the commodity in the warehouse.
- Record the market value of deposited goods on the NWR as on date of storage collected from reliable sources
- All eNWRs can be traded through off-market or exchanges and also facilitates future trading.
- Enables farmers to avoid distress sale.
- Price stabilization by matching supply and demand through time and place utility.
- Can convert commodity into a bankable asset through Negotiable Warehouse Receipt thereby enabling the farmers and traders to avail credit against pledge of commodities stored in the warehouse. May Issue Negotiable Warehouse Receipts on which farmers / depositors may be able to seek loans easily from banks
- Provides facilities for sorting, packing, blending, grading and processing of goods for sale.
- Would be following certain laid down norms/requirements in construction, operation & Insurance Coverage against fire, flood, burglary, etc. (and damage to stock due to power failure and also for the Plant and Machinery in respect of cold storage) prescribed by WDRA and would encourage scientific storage for proper post-harvest management.
- Net-worth as specified by the Authority in proportion to capacity.
- Security Deposit as specified by the Authority for securing the negotiable warehouse receipts issued by the warehouse
- Compliance to local laws for carrying out the business of warehousing.

- WDRA organizes regular training for the manpower engaged in registered warehouses for package and practice for scientific warehousing.
- They would be indicating quality standards/grades of the commodities stored in the warehouses on the Negotiable Warehouse Receipt Facilitates orderly marketing of farmers produce
- The WDRA also provides model Standard Operating Procedures which can be adopted by Warehouseman for a highly professional and science based warehousing system.
- Help farmers / depositors to have access to a large number of buyers nationwide with better bargaining powers;
- Promote an efficient clearing, settlement and delivery system with transparency in trading of agricultural produce
- It's easy to share vital information of the e NWR with multiple stake holders like bankers, commodity exchanges, government etc.

### Further Steps initiated by WDRA for an effective regulation

- \* Online Grievance Redressal Module.
- \* Dispute Resolution and Arbitration.
- \* Surprise Inspection of Stocks.
- \* Publishing Assaying Parameters of Notified Commodities
- Empanelment of Assayers.
- \* Interface with e-NAM
- \* Interface of Repositories with Multi Commodity Derivative Exchanges





T K Manoj Kumar, IAS (Retd.) Chairperson

# D.O. No. T-30015/5/2021-IT 3096

WDRA

भांडागारण विकास और विनियामक प्राधिकरण Warehousing Development & Regulatory Authority

Dated: 15.03.2024

Deca Im' Arm Kerman Solanter,

As you are aware that Warehousing Development and Regulatory Authority (WDRA) was set up by the Government of India on 26.10.2010 under the Warehousing (Development and Regulation) Act, 2007 to implement a Negotiable Warehousing Receipt (NWR) System in the country, which would help farmers, traders, processors and millers to store their produce in scientific warehouses, including cold storages and silos and avail loans from banks and financial institutions against pledge of the NWR. The NWR system would help farmers avoid distress sale of their produce during harvesting season and provide an opportunity for better price discovery at a later date, by storing their produce in a WDRA registered warehouses.

2. Since 2017 WDRA, has moved to a digital framework, fully automating its various processes to facilitate all the stake holders. WDRA has launched a transparent, contactless and simplified warehouse registration process, wherein an applicant warehouseman applies directly online to WDRA for registration of warehouses and thereafter, WDRA scrutinizes the application and does an inspection before registering the warehouse. WDRA has also migrated to an electronic Negotiable Warehouse Receipt (eNWR) ecosystem by setting up two repositories namely, National E-Repository Limited (NERL) and CDSL Commodity Repository Limited (CCRL) for creation and management of eNWRs issued by registered warehouses. Since August 1, 2019, all registered warehouses are required to mandatorily issue NWR for the WDRA notified commodities stored in their warehouse only in electronic form. All stock information as recorded in the e-NWR including assaying parameters and the quantity will be visible to the eNWR holder, and warehouseman and other stakeholders such as banks, buyers, etc if so desired by eNWR holder. WDRA has also defined a Standard Operating Procedure (SOP) to be followed by registered warehouses in day-to-day operations to ensure scientific storage of commodities and maintain the quality and quantity parameters for their shelf life. WDRA also takes up post registration inspections of warehouses and commodities against which eNWRs have been issued, to ensure compliance to the SOP and quantity and quality standards as given in the eNWR. This ensures that the sanctity of the eNWR is maintained for greater trust of banks and other stakeholders in the eNWRs. The salient features and benefits of registration of warehouses and eNWRs is annexed at Annexure-I.

Contd......2/-

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4. Vide D.O. letters No. T-30015/5/2021-IT/4453 dated 30.12.2021 and WDRA-Tech0Ops/1/2022-Technical/1744 dated 03.10.2022, GSWC was requested to register all its warehouses with WDRA. In this regard, it is also informed that almost all SWCs have already registered many of their warehouses with WDRA.

5. I would, therefore, again request you to kindly get the Warehouses of GSWC registered with WDRA. The requirements and detailed procedure for registration of warehouses with WDRA is available on our website <a href="http://www.wdra@gov.in">www.wdra@gov.in</a>

In case you have any concern or clarifications on the subject please feel free to write to us.

With Regard,

Yours sincerely,

Keron (T.K. Manoj Kumar)

Encl: As Above

To,

Shri Arun Kumar Solanki, IAS Managing Director, Gujarat State Warehousing Corporation, Opp. Karmayogi Bhawan, Sector-10/A Gandhi Nagar- 382010 -2-



भांडागारण विकास और विनियामक प्राधिकरण Warehousing Development & Regulatory Authority

T.K. Manoj Kumar, IAS (Retd.) Chairperson

Dated: 30.12.2021

DO. No. T-30015/5/2021-IT/4453 Dear Ibri langay Mandam,

As you are aware that Warehousing Development and Regulatory Authority (WDRA) was set up by the Government of India on 26.10.2010 under the Warehousing (Development and Regulation) Act, 2007 to implement a Negotiable Warehouse Receipt (NWR) System in the country, which would help farmers, traders, processors and millers to store their produce in scientific warehouses, including cold storages and silos and avail loans from banks and other financial institutions against pledge of the NWR. The NWR system helps the farmers from distress sale of their produce during harvesting season and provides an opportunity for better price discovery at a later date, by storing their produce in a WDRA Registered warehouses.

Since 2017 WDRA, has moved to a digital framework, fully automating its various 2. processes to facilitate all the stake holders. WDRA has launched a transparent, contactless and simplified warehouse registration process, wherein an applicant warehouseman applies directly online to WDRA for registration of warehouses and thereafter, WDRA scrutinises the application and completes the process of inspection to register the warehouse. WDRA has also migrated to an electronic Negotiable Warehouse Receipt (eNWR) ecosystem by setting up two repositories namely, National E-Repository Limited (NERL) and CDSL Commodity Repository Limited (CCRL) for creation and management of eNWRs issued by registered warehouses. Since August 1, 2019, all registered warehouses are required to mandatorily issue only eNWR or Electronic Non Negotiable Warehouse Receipt (eNNWR) for the WDRA notified commodities stored in their warehouse. All registered warehouses, depositor-clients, buyer-clients, Banks /Financial Institutions, Commodity exchanges, are provided access to the repository system. All stock information as recorded in the e-NWR, including assaying parameters and the quantity will be visible to the e-NWR holder, and warehouseman and other stakeholders such as banks, buyers, etc if so desired by e-NWR holder. WDRA has also defined a Standard Operating Procedure (SOP) to be followed by registered warehouses in day-to-day operations to ensure scientific storage of commodities and maintain the quality and quantity parameters for their shelf life. WDRA also takes up post registration inspections of warehouses and commodities against which e-NWRs have been issued, to ensure compliance to the SOP & quantity & quality standards as given in the eNWR. This ensures that the sanctity of the e-NWR is maintained for greater trust of banks and other stakeholders in the e-NWRs for pledge financing. The salient features and benefits of registration of warehouses and eNWRs is annexed at Annexure-I.

Recently, to encourage the registration of warehouses of State Warehousing 3 Corporations with WDRA, the Department of Food and Public Distribution, Government of India has provided special concessions to State Warehousing Corporations (SWCs) by

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waiving off registration fee for all warehouses owned and operated by SWCs for registration within a period of one year i.e. from 20.09.2021 to up to 19.09.2022. WDRA has already sent the copy of the circular dated 20.09.2021 through email to all the SWCs including Gujarat State Warehousing Corporation on 20.09.2021. The copy of the circular is again enclosed herewith.

4. In this regard, it may be informed that 5 SWCs like TNSWC, UPSWC, APSWC, MSWC and TSWC have already registered some of their warehouses with WDRA. Other SWCs have also applied for registration, which is under process.

5. I would, therefore, request you to kindly get the Warehouses of Gujarat SWC registered with WDRA. The requirements and detailed procedure for registration of warehouses with WDRA is available on our website <u>www.wdra@gov.in</u>

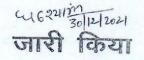
In case you have any concern or clarifications on the subject please feel free to write to us. I also take this opportunity to wish you a very happy new year.

Yours sincerely,

Into regards,

(T. K. Manoj Kumar)

To, Shri Sanjay Nandan, IAS Managing Director Gujarat State Warehousing Corporation Opp. Karmayogi Bhavan, Sector 10/A, Gandhinagar-382010



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भांडागारण विकास और विनियामक प्राधिकरण Warehousing Development & Regulatory Authority

Date:03.10.2022

## DHEERAJ SAHU, IAS JOINT SECRETARY DO.No: WDRA-Tech0Ops/1/2022-Technical /1744 Respected Sin,

<sup>'</sup> Warehousing Development and Regulatory Authority (WDRA) was set up by the Government of India on 26.10.2010 under the Warehousing Development and Regulation) Act, 2007 to implement Negotiable Warehouse Receipt (NWR) system in the country, which would help farmers, traders, processors and millers to store their produce in scientific warehouses, including cold storages and silos and avail loans from banks and other financial institutions against pledge of the NWR. The NWR system helps the farmers from distress sale of their produce during harvesting season and provides an opportunity for better price discovery at a later date, by storing their produce in WDRA registered warehouses.

2. Since 2017 WDRA has moved to a digital framework, fully automating its various processes to facilitate all the stakeholders. WDRA has launched a transparent, contactless and simplified warehouse registration process, wherein an applicant warehouseman applies directly online to WDRA for registration of warehouses and thereafter, WDRA scrutinizes the application and completes the process of inspection to register the warehouse. WDRA has also migrated to an electronic Negotiable Warehouse Receipt (eNWR) ecosystem by setting up two repositories namely, National E-Repository Limited (NERL) and CDSL Commodity Repository Limited (CCRL) for creation and management of eNWRs issued by registered warehouses. Since August 1, 2019 all registered warehouses are required to mandatorily issue only eNWR or Electronic Non-Negotiable Warehouse Receipt (eNNWR) for the WDRA notified commodities stored in their warehouse. All registered warehouses, depositor- clients, buyer-clients, Banks/Financial Institutions, Commodity exchanges are provided access to the repository system. All stock information as recorded in the e-NWR, including assaying parameters and the quantity will be visible to the e-NWR holder and warehouseman and other stakeholders such as banks, buyers etc. if so desired by e-NWR holder.

3. In this regard, it may be informed that CWC and a majority of SWCs across the country have already registered their warehouses with WDRA or are in the process of registration. Department of Food and Public Distribution has also taken a policy decision that stocks belonging to government entities such as FCI would be stored in WDRA registered warehouses only. A similar decision is underway for NAFED stocks too.

4. In this regard, it is requested that a convenient date and time may be provided for an online meeting so that the issue of registration of warehouses belonging to Gujarat State Warehousing Corporation can be discussed. Looking forward to hearing from you soon.

With regards,

Yours faithfully,

(Dheeraj Sahu) Joint Secretary

Shri Sanjay Nandan, IAS, Managing Director, Gujarat State Warehousing Corporation, Opp. Karmayogi Bhawan, Sector-10/A, Gandhinagar 382010.

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### Annexure-I

### Salient features of e-NWR and benefits of registration with WDRA

- · An eNWR will be available only in electronic form and its format is uniform.
- Confidentiality, integrity & availability of the eNWR information will be provided by the repository, which is the single source of eNWRs in the Country.
- · faster movement of information, automatic creation of audit trail
- Being electronic in nature multiple transfers are easy and with due backup of W(D&R) Act 2007
- · Litigation shall be greatly reduced
- An eNWR has a time validity that is co-terminus with the validity of the commodity
  or withdrawal of the commodity fully from the warehouse, after which it expires.
- An eNWR can be auctioned under certain conditions such as loan not repaid, on expiry and delivery not taken and on damage or spoilage of the commodity in the warehouse.
- Record the market value of deposited goods on the NWR as on date of storage collected from reliable sources
- All eNWRs can be traded through off-market or exchanges and also facilitates future trading.
- Enables farmers to avoid distress sale.
- Price stabilization by matching supply and demand through time and place utility.
- Can convert commodity into a bankable asset through Negotiable Warehouse Receipt thereby enabling the farmers and traders to avail credit against pledge of commodities stored in the warehouse. May Issue Negotiable Warehouse Receipts on which farmers / depositors may be able to seek loans easily from banks
- Provides facilities for sorting, packing, blending, grading and processing of goods for sale.
- Would be following certain laid down norms/requirements in construction, operation & Insurance Coverage against fire, flood, burglary, etc. (and damage to stock due to power failure and also for the Plant and Machinery in respect of cold storage) prescribed by WDRA and would encourage scientific storage for proper post-harvest management.
- Net-worth as specified by the Authority in proportion to capacity.
- Security Deposit as specified by the Authority for securing the negotiable warehouse receipts issued by the warehouse
- · Compliance to local laws for carrying out the business of warehousing.

- WDRA organizes regular training for the manpower engaged in registered warehouses for package and practice for scientific warehousing.
- They would be indicating quality standards/grades of the commodities stored in the warehouses on the Negotiable Warehouse Receipt – Facilitates orderly marketing of farmers produce
- The WDRA also provides model Standard Operating Procedures which can be adopted by Warehouseman for a highly professional and science based warehousing system.
- Help farmers / depositors to have access to a large number of buyers nationwide with better bargaining powers;
- Promote an efficient clearing, settlement and delivery system with transparency in trading of agricultural produce
- It's easy to share vital information of the e NWR with multiple stake holders like bankers, commodity exchanges, government etc.

### Further Steps initiated by WDRA for an effective regulation

- \* Online Grievance Redressal Module.
- Dispute Resolution and Arbitration.
- \* Surprise Inspection of Stocks.
- \* Publishing Assaying Parameters of Notified Commodities
- Empanelment of Assayers.
- \* Interface with e-NAM
- \* Interface of Repositories with Multi Commodity Derivative Exchanges

# MINUTES OF THE FOURTH SITTING OF THE STANDING COMMITTEE ON CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (2024-2025) HELD ON THURSDAY, 28<sup>TH</sup> NOVEMBER, 2024

The Committee sat from 1500 hrs. to 1530 hrs. in Committee Room No. 'D', Parliament House Annexe, New Delhi.

### PRESENT

Smt. Kanimozhi Karunanidhi - Chairperson

## <u>Members</u>

## Lok Sabha

- 2. Smt. Malvika Devi
- 3. Shri Manish Jaiswal
- 4. Shri Manoj Kumar
- 5. Shri Sunil Kumar
- 6. Shri Ajendra Singh Lodhi
- 7. Shri Haribhai Patel
- 8. Shri Bunty Vivek Sahu
- 9. Shri Rao Rajendra Singh
- 10. Shri Ujjwal Raman Singh
- 11.Shri Bajrang Manohar Sonwane
- 12. Dr. Indra Hang Subba
- 13.Shri Rajmohan Unnithan

## <u>Rajya Sabha</u>

- 14.Smt. Sumitra Balmik
- 15. Shri Prakash Chik Baraik
- 16. Shri Baburam Nishad
- 17. Smt. Ranjeet Ranjan
- 18. Shri Arun Singh

### <u>SECRETARIAT</u>

- 1. Dr. Ram Raj Rai
- 2. Dr. Vatsala Joshi
- 3. Dr. Mohit Rajan

- Joint Secretary
- Director
- 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 of the Committee:

- (i) XXXX XXXX XXXX XXXX XXXX
- (ii) Second Report on Action Taken by the Government on the Observations/ Recommendations contained in the Thirty Eighth Report of the Committee (Seventeenth Lok Sabha) on the subject 'Functioning of Warehousing Development and Regulatory Authority (WDRA)' of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution);
- (iii) XXXX XXXX XXXX XXXX XXXX
- (iv) xxxx xxxx xxxx xxxx xxxx

3. Thereafter, the Committee took up for consideration the above mentioned Draft Reports of the Committee.

4. After deliberations, the Committee adopted the above mentioned Draft Reports without any amendments/modifications.

5. The Committee then authorized Hon'ble Chairperson to finalize and present the aforesaid Reports.

## The Committee then adjourned.

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\*\*\*\*\* Matter does not relate to the Report.

**APPENDIX II** 

(Vide Para No. 4 of Introduction of the Report)

ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE OBSERVATIONS/RECOMMENDATIONS CONTAINED IN THE THIRTY EIGHTH REPORT OF THE STANDING COMMITTEE ON CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (2023-24) (SEVENTEENTH LOK SABHA)

(i) Total number of Recommendations: 10

(ii) Observations/Recommendations which have been accepted by the Government :

Para Nos.: 1, 2, 4, 5, 6, 7, 8 & 9

(Chapter – II, Total 08) Percentage: 80%

(iii) Observations/Recommendations which the Committee do not desire to pursue in view of the replies received from the Government:

Para No.: NIL

(Chapter – III, Total - 0) Percentage: 0.00%

(iv) Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:

Para No.: NIL

(Chapter – IV, Total - 0) Percentage: 0.00%

(v) Observations/Recommendations in respect of which final replies of Government are still awaited:

Para No.: 3 &10

(Chapter – V, Total - 02) Percentage : 20%