

# Warehousing and e-NWR are going to play a critical role in the transformation of India

## Centre has taken steps for increasing registration of warehouses and promoting the benefits of registration with WDRA

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Warehousing and Electronic Negotiable Warehouse Receipt (e-NWR) are going to play a critical role in the transformation of India and rural India in particular, said Shri Sudhanshu Pandey, Secretary Department of Food and Public Distribution (DFPD) here today.

The Secretary was addressing a seminar on **“e-NWR – An Effective Tool for Promoting Pledge Financing”** organized by the Warehousing Development and Regulatory Authority (WDRA) under DFPD.

Delivering his address, Shri Pandey spoke about a paradigm shift and how in the next 25 years, real growth is going to come from rural India with mechanisation of agriculture, regulation of warehousing, organisation of the informal sectors of the economy, increase in financing and credit flow access in the rural economy and mobilisation of the potential of cooperative societies leading to better governance and accountability. He said that warehouses will continue to be required for safe storage, food security, financing and export. He further said that the Government has taken a number of steps for increasing registration of warehouses and promoting the benefits of registration of warehouses with WDRA and pledge finance against e-NWRs. These include encouraging all Government stocks to be kept in the WDRA registered warehouses and reduction in cost of insurance. He further said that the electronic negotiable warehouse receipts envisaged by WDRA have become a reality and inspired all the stakeholders and partners to continue their collective approach to benefit the people of the country.

WDRA celebrated its Foundation Day as it was constituted in 2010 under the Warehousing (Development and Regulation) Act, 2007. As a part of its Foundation day celebrations, a series of events was organized from 17<sup>th</sup> to 31<sup>st</sup> October 2022.



Earlier, Shri T. K. Manoj Kumar, Chairperson, WDRCA highlighted that WDRCA was an initiative of public policy where the benefits of technology had been transferred into benefits for farmer with the objective to make e-NWR a prime tool of trade, increase rural liquidity, increase farmers' income, reduce post-harvest losses, etc. There had been an increase in the number of warehouses registered with WDRCA and its outreach with banks and farmers had improved exponentially.

He gave the example of the special product launched by SBI for lending against e-NWRs at reduced interest rate and lower fees. The Karnataka Bank Limited has told us that they are in the process of launching a new product on e-NWR pledge finance. He said that the pledge finance in the last few years had been increasing steadily and appreciated the efforts of both public and private sector banks in this regard. He thanked Shri G.C. Chaturvedi, former Chairperson, WDRCA for introducing digital warehouse receipts in the year 2017

which was made mandatory from August, 2019. He also shared that a regulator enhances and facilitates growth and regulation enables business development. Chairperson further highlighted some of the major changes brought to facilitate ease of doing warehousing business. He thanked Secretary, DFPD for deciding that Government procurement stocks should be stored in WDRAs warehouses or those warehouses which have applied for WDRAs registration. This has resulted in increased registration particularly from State Warehousing Corporations (SWCs).



Shri Dheeraj Sahu, the Joint Secretary, WDRA in his welcome address outlined WDRA's journey and said that this time WDRA was commemorating its foundation day in a different manner by organising a series of events which commenced from 17<sup>th</sup> October, 2022 and culminated with the seminar on 31<sup>st</sup> October, 2022. He also said that this time WDRA was celebrating its foundation day throughout the country by organising outreach programmes in Karnataka and Odisha for increasing registration of WDRA and promoting e-NWR throughout the country. He also shared the figures of pledge financing which have jumped by around 104% (from Rs. 732 crores in 2020-21 to Rs. 1492 crores in 2021-22). He also appreciated the work of all the stakeholders of WDRA.



A brief presentation was made on the historical perspective and benefits of the negotiable warehouse receipt system along with the various risks involved in pledge finance, WDRA's prime objective, various benefits of WDRA registration and the functions and role of WDRA in mitigating risks and promoting safe lending through e-NWRs.

A Panel Discussion followed by Open House was also held. Sh. Harpreet Singh, Member, WDRA, Sh. Mukesh Kumar Jain, Member, WDRA, Sh. Arun Kumar Shrivastava, MD, CWC, Sh. Thiru. A. Sivagnanam (I.A.S), MD, TNWC, Sh. Shantanu Chandrakant Pendsey, CGM, SBI, Sh. Pitambar Chowdhary, MD & CEO, CCRL, Sh. Kedar Desh Pande, MD & CEO, NERL, Sh. Lokendra Tomar, Product Head, ICICI and Sh. Sanjay Kumar Gupta, MD & CEO, NCML participated in the same.

The panel discussion was robust and enriching and brought out the benefits of e-NWR for promoting pledge finance. The panelists and the audience made various suggestions for improving the overall warehousing ecosystem.



On this occasion, WDR felicitated Shri G.C Chaturvedi, former Chairperson of WDR and Dr. B.B. Pattanaik who had held charge as Chairperson of WDR. WDR also awarded State Warehousing Corporations, Public and Private Banks, Marketing Boards and Warehousemen in recognition of their role in promoting pledge finance throughout the country.

The seminar was well attended by representatives from DFPD, various Ministries and Government bodies including PSUs working in agriculture/warehousing/logistics/financing, repositories, commodity exchanges, commodity boards, banks, industry organisations, training and inspection agencies of WDR, warehousemen and media personnel.

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