

E-Negotiable Warehouse Receipt (E-NWR)

November 6, 2019

Source: Kurukshetra Magazine

E-NWR was launched by the Central Warehousing Corporation. Introduction of the e-NWR was part of the digitalization of registration, monitoring, and surveillance of e-NWR

What are Negotiable Warehouse Receipts?

Warehouse Receipts are documents issued by warehouses to depositors against the commodities deposited in the warehouses, for which the warehouse is the bailee

In India, the term 'negotiable warehouse receipt' is defined in Section 2(m) of the Warehousing (Development and Regulation) Act, 2007 (WDR Act), which came into force from 25 October 2010. WDR Act provides for the issuance of Negotiable Warehouse Receipts (NWRs) by the warehouses registered under this Act. Section 2(m) defines a "**negotiable warehouse receipt**" to mean a warehouse receipt under which the goods represented therein are deliverable to the depositor or order, the endorsement of which has the effect of the transfer of goods represented thereby and the endorsee for which takes a good title"

Key benefits of E-NWR

- Under e-NWR farmers and traders would get better and transparent access to the market
- e-NWRs would have no chances of any tempering, mutilation, fudging, loss or damage and with no possibility of any multiple financing.
- Hence, these NWRs will not only facilitate an **easy pledge financing by banks and other financial**

institutions but also **smooth trading on various trading centres** like commodity exchanges, electronic National Agriculture Markets (e-NAM) and other electronic platforms.

- Warehouse receipts in the form of an e-NWR issued by the warehousemen to customers against commodities deposited for storage can now be used for availing of financial facilities from financial institutions, without any difficulty.
- These e-NWRs will save expenditure in logistics as the stocks could be traded through multiple buyers without physical movement and can be even split for partial transfer or withdrawal.
- **With the introduction of e-NWR, depositors of stocks can now avail of the benefit without visiting the warehouse** where they are depositing the stocks and they can simply make transactions even at their doorstep.
- These initiatives would revolutionize the marketing of agricultural commodities and help farmers realize better price for their produce which will be a step towards doubling the farmers' income by 2022 as well as Digital India mission