

# **The Warehousing Development and Regulatory Authority (WDRA)**

March 30, 2020

**Source: Kurukshetra Magazine and Ministry of Food & Public Distribution**

Union Budget 2020-21 proposed to create warehousing in line with the Warehousing Development and Regulatory Authority (WDRA) norms.

The Warehousing Development and Regulatory Authority (WDRA) was constituted in the year 2010 under the Warehousing (Development and Regulation) Act, 2007.

## **Mission**

The mission of Warehousing Development and Regulatory Authority (WDRA) is to regulate and ensure implementation of the provisions of the Warehousing (Development and Regulation) Act, 2007 for the development and regulation of warehouses, Regulations of Negotiability of Warehouse Receipts and promote orderly growth of the warehousing business

## **Objective**

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 nearby their farms and to seek a loan from banks against their NWR.

**About the Warehousing Development and Regulatory Authority (WDRA)**

- **WDRA comes under the Department of Food and Public Distribution, Ministry of Food & Public Distribution**
- The WDRA is a Statutory Authority under the Department of Food and Public Distribution, Government of India. The Authority has its Headquarters in New Delhi.
- Composition: The Authority consists of a Chairperson and two Members appointed by the Central Government
- The Government announced a Transformation Plan for WDRA to streamline its activities and introduce IT-based platform for registration and monitoring of warehouses.
- Under the plan, WDRA has set up a portal for online registration of warehouses.
- It has also set up two Repositories, namely, M/s National Electronic Repository Limited (NERL) and CDSL Commodity Repository Limited (CCRL) for creation and management of electronic Negotiable Warehouse Receipts (e-NWRs).
- The repositories have provided access to all stakeholders including warehouses, repository-participants, commodity exchanges and banks.
- The Recognised Stock Exchanges like National Commodity and Derivatives Exchange (NCDEX), Multi-Commodity Exchange (MCX), Bombay Stock Exchange (BSE), National Multi Commodity Exchange (NMCE/ICEX) are using e-NWRs for settlement of derivative contracts.

### **Function of WDRA**

The main functions of the Authority are to make provisions for the development and regulation of warehouses which inter alia includes

- Negotiability of warehouse receipts
- Registration of warehouses

- Promotion of scientific warehousing of goods
- Improving fiduciary trust of depositors and banks
- Enhancing liquidity in rural areas and
- Promoting an efficient supply chain.

### **The Warehousing (Development & Regulation) Act, 2007**

The Act 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.

### **Union Budget 2020-21**

The Union Budget mentions the following about Warehousing:

- Warehousing in line with Warehouse Development and Regulatory Authority (WDRA) norms:
  - Viability Gap Funding for setting up such efficient warehouses at the block/taluk level.
  - Food Corporation of India (FCI) and Central Warehousing Corporation (CWC) to undertake such warehouse building.
- Financing on Negotiable Warehousing Receipts (e-NWR) to be integrated with e-NAM.