

Short
Video

वेयरहाउस रसीद वित्तपोषण

Warehouse Receipt Financing

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Warehousing Development and Regulatory Authority

The Act had been notified by the Government of India on September 20 2007 and made effective from October 25 2010.

25 October 2010

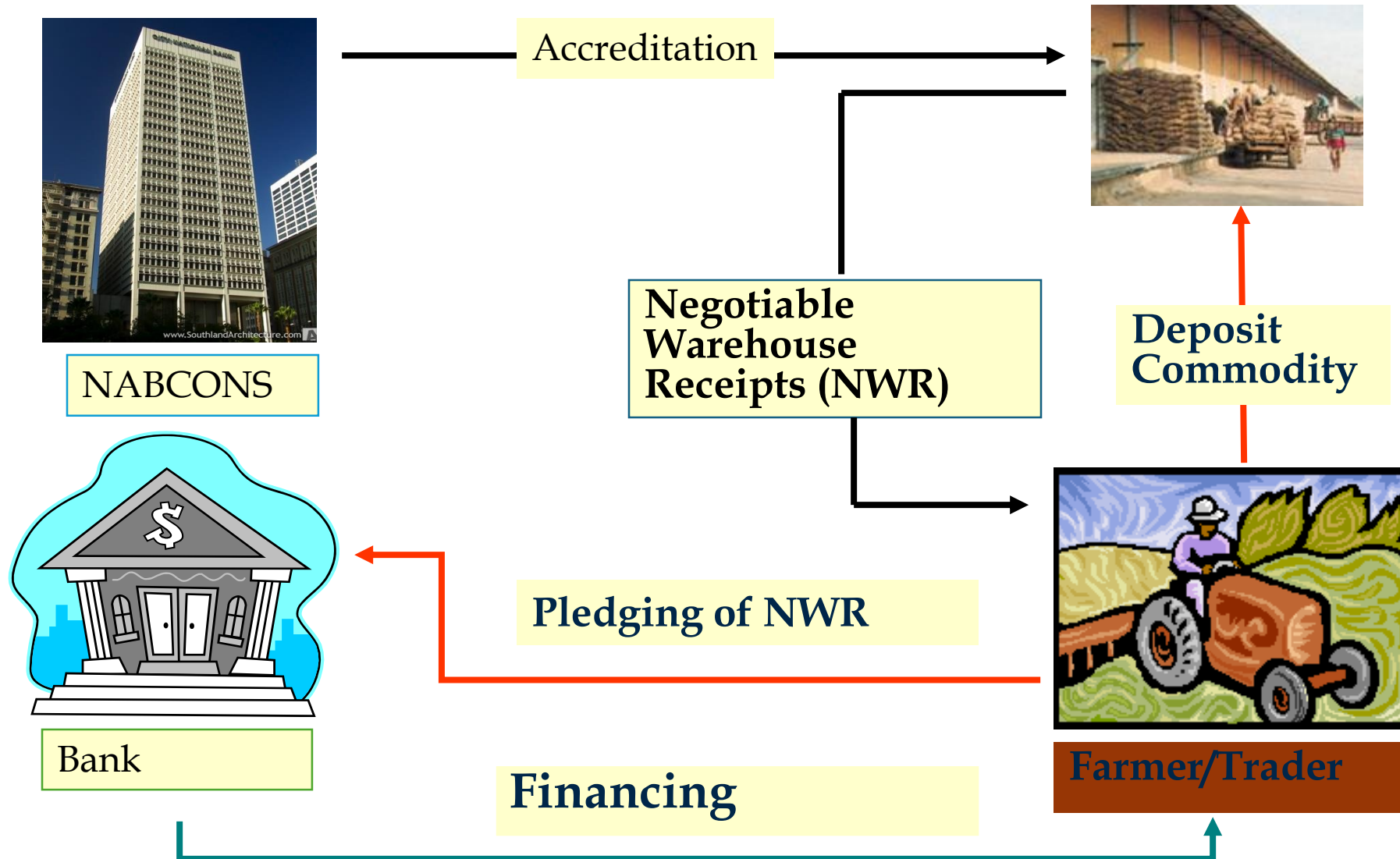
26 October 2010

The Warehousing Development and Regulatory Authority (WDRA) has been setup by the Government from October 26 2010.

The Act provides for

- No warehouseman shall commence or carry on the business of issuing Negotiable Warehouse Receipts (NWR) unless he has obtained a **registration certificate after fulfilling the prescribed norms** in respect of the concerned warehouse
- **Punishment** of imprisonment or with the fine extendable to the value of goods by four times or with both for offences under the Act.

Process of Financing of NWR



NWR & Advantages

- Avoid distress sale by farmers
- Encourage scientific storage of goods in registered warehouses
- Improvement in the grading and quality standards of agriculture commodities stored
- Farmers will get better return
- Minimize post harvest losses
- Farmers would be able to get loan from banks against Negotiable Warehouse Receipt.
- Facilitate trade in commodities without physical handling

Salient features of NWR

- Receipt number
- Registration number with date of validity
- Name and address of Warehouse and
- Name of person by whom or on whose behalf the goods are deposited
- Date of issue of the warehouse receipt
- Rates of storage charges and handling charges
- Market value of the goods at the time of deposit and
- Private marks of depositor on the goods or packages

Format -II

Details of Negotiable Warehouse Receipts (NWRs).

Name of Warehouse: _____

Registration No.: _____

Registration period: From _____ to _____

Sl. No.	Sl. No. of NWR	Date of issue of NWR	Qty., Commodity wise, against which NWRs issued		Value of goods against which NWRs issued (In Rs.)	Name of the farmers / traders issued NWRs		Loan availed / pledged by farmers / traders against NWRs (Rs.)
			Commodities	Qty. in MT		Farmers	Traders	
1	2	3	4	5	6	7	8	9

(a) The serial numbers of any unused negotiable warehouse receipts remaining in the issued negotiable warehouse receipt book: _____

(b) Any cancelled NWRs in the relevant NWR book: _____

(c) The total value covered under the NWRs issued till the date of submitting a fresh application for the issuance of new NWR book: _____

Warehouseman

Salient features of NWR (contd...)

- Statement that the goods received shall be delivered to the holder thereof
- Name of the insurance company
- Statement of the amount of any advance made
- Declared shelf-life of goods
- Negotiable Warehousing Receipt format has been finalized in consultation with IBA and other stakeholders and has unique security features such as **anti copy endless text fine line patterns micro printing with rainbow coloring** etc.

What is e-NWR?

- An e-NWR is available only in electronic form.
- The single source of information for the e-NWR is the repository system where e-NWR is issued by registered warehouses.
- Confidentiality, integrity and availability of the e-NWR information are provided by the Repository system.
- All e-NWRS can be **traded through off-market or on-market Commodity** Exchanges platforms.
- An e-NWR **can be auctioned under certain conditions** such as loan not repaid, on expiry and delivery not taken, and on likely damage or spoilage of the commodity in the warehouse.
- e-NWR **can be transferred fully or in part.**

Licensing of Repositories and Launch of e-NWR

M/s CDSL Commodity Repository Ltd (CCRL), sponsored by M.s Central Depository Services Ltd (CDSL), and

M/s National e-Repository Ltd (NERL), sponsored by National Commodity Derivatives Exchange (NCDEX).

The users of the repository systems are:

- Warehouses registered with WDRA (directly on-boarded),
- Depositor / Buyer - clients,
- Clearing Corporations of Commodity Exchanges
- Banks / FIs
- Repository Participants,
- Auction Platform linkage



MANDATORY ISSUANCE OF eNWR BY REGISTERED WAREHOUSES

Rule 27 of the Warehousing (Development and Regulation) Registration of Warehouses Rules, 2017 provides that “With effect from such date as may be notified by the Authority, no warehouseman shall issue any negotiable warehouse receipt in physical form, and shall register with one or more repositories registered with the Authority for issuing negotiable warehouse receipts in electronic form”.

Pursuant to this, the Authority has notified that with effect from August 1, 2019, no warehouseman shall issue any negotiable warehouse receipt in physical form and, shall get on-boarded with one or more repositories registered with the Authority and shall issue negotiable warehouse receipts only in electronic form.

Benefits of e-NWR System



Avoidance of forgery/loss/tampering/mutilation of a physical NWR.



Avoidance of multiple financing against the same NWR.



Reduction of monitoring costs



Secured accessibility to view and manage their warehouse receipts through an online portal.



Splitting of NWRs for partial sale/pledge/withdrawal.

RBI Master Direction on PSL

Nature of Marketing Loan	Loan eligibility under PSL	Loan Period
Pledge/Hypothecation of agricultural produce under NWR/e-NWRs	₹ 90 lakh	Up to 12 months (against NWRs/ e-NWRs)
Pledge/ Hypothecation of agricultural produce other than NWR/e-NWRs	₹ 60 lakh	

Interest subvention for financing against e-NWR

The benefit of 1.5% interest subvention will be available to banks on their own funds involved for extending post harvest credit support

- up to Rs.3.00 lakh
- at 7% interest rate
- to SF & MF having Kisan Credit Card
- for a period of six months
- against NWR for storing their produce in warehouses.

With an objective to

- discourage distress sale
- encourage farmers to store their produce in warehouses



Thank you