

Warehousing Development and Regulatory Authority

Introduction:

The Warehousing (Development & Regulation) Act, 2007, was enacted in 2007 under which the Warehousing Development and Regulatory Authority (WDRA) was constituted on October 26, 2010, to implement the provisions of the Act for the regulation of warehouses and introduction of a Negotiable Warehouse Receipt (NWR) system in India to facilitate institutional credit to farmers.

The WDRA consists of one Chairman and two Members and has its headquarters in New Delhi.

The Act envisages that the Authority shall facilitate the development of the warehousing sector, enhance the fiduciary trust of stakeholders in warehouse receipts and contribute to increasing rural liquidity through the issuance of NWRs. The basic idea was that farmers or traders could deposit their produce/ commodity in WDRA-registered warehouses, which are authorized to issue NWRs. The NWRs could be pledged with banks to take post-harvest loans and avoid distress sales. The NWRs can also be traded.