

Frequently Asked Questions (FAQs) on Central Warehousing Corporation (CWC)

Question: What are the functions of the Central Warehousing Corporation (CWC)?

Answer: The functions of the CWC as provided under the Warehousing Corporations Act, 1962 are as follows:

- a) To acquire and build godowns and warehouses at suitable places in India or abroad.
- b) To run warehouses for the storage of agricultural produce, seeds, manures, fertilizers, agricultural implements and notified commodities offered by individuals, cooperative societies and other institutions.
- c) To arrange facilities for transport of agricultural produce, seeds, manures, fertilizers, agricultural implements and notified commodities to and from warehouses.
- d) To subscribe to the share capital of the State Warehousing Corporations.
- e) To act as an agent of the Government, or on behalf of a company as defined in the Companies Act, 1956 (1 of 1956) or a body corporate established by an Act of Parliament or of a State Legislature or a Cooperative Society for the purposes of purchase, sale, storage and distribution of agricultural produce, seeds, manures, fertilizers, agricultural implements and notified commodities.
- f) To enter into, with the previous approval of the Central Government, joint ventures with any Corporation established by or under any Central Act or any State Act or with any company formed and registered under the Companies Act, 1956 including foreign company or through its subsidiary companies, for carrying out its functions.
- g) To establish subsidiary companies.
- h) To undertake disinfestations services outside its warehouses in respect of agricultural produce or notified commodities.
- i) To provide consultancy services, assistance, finance, programmes or projects related to agricultural produce or notified commodities and to undertake any other activities considered incidental to its functions.

Question: What is the capital structure and shareholding pattern of CWC?

Answer: As on 31.3.2013, the authorized and paid-up share capital of CWC was Rs.100 crore and 68.02 crore, respectively. The shareholders and shareholding pattern of the CWC as on 31.3.2013 are as follows:

Shareholder	Paid-up Capital (Rs. in crore)	% of shareholding
Central Government	37.42	55.02
State Bank of India	14.74	21.67
Other Scheduled Bank	10.92	16.05
Insurance Companies	4.78	7.02
Cooperative Societies	0.15	0.23
Recognized Associations & Companies dealing in Agricultural Produce or any Notified Commodity	0.01	0.01

Question: What is the storage capacity of CWC?

Answer: As on 1.11.2013, CWC is operating 465 warehouses with a total operating storage capacity of 105.58 lakh MT as detailed below:

- a) Constructed Capacity 73.96 lakh MT
- b) Hired Capacity 10.27 lakh MT
- c) Open Capacity 13.69 lakh MT
- d) Management 07.66 lakh MT

These warehouses include Custom Bonded Warehouses, Container Freight Stations (CFSs)/Inland Container Depots (ICDs), Air Cargo Complexes, Integrated Check Post/Truck Terminal.

Question: How has CWC been augmenting its storage capacity?

Answer: CWC has been regularly augmenting its storage capacity by way of construction of godowns on its own land as well as through hiring suitable storageworthy capacity available in the vicinity. The storage capacity created by CWC during the last 5 years are as follows:

Year	Storage Capacity Created (in lakh MT)
2008-09	0.54
2009-10	0.95
2010-11	1.45
2011-12	2.09
2012-13	2.35

Question: What are the major activities of the CWC?

Answer: CWC provides storage and warehousing facilities for more than 400 commodities to wide range of clients comprising of public and private institutions, cooperative societies, traders, farmers, importers/exporters, etc. Besides providing the services for storage and warehousing, CWC also undertakes the following activities:

- i) Providing Pest Control Services at the door step of customers which include general pest control, disinfestation of aircrafts, rail coaches, fumigation of containers/ships, pre and post construction anti termite treatment, etc.
- ii) Providing infrastructure such as CFSs/ICDs/Air Cargo Complexes/Cargo Terminal of ICP etc. for supporting the EXIM trade.
- iii) Providing handling and transport facilities at the request of the depositors.
- iv) Consultancy of warehouse construction and warehousing related activities.
- v) Training of farmers for safe storage of foodgrains at farm level and assisting them in securing cheap institutional credit.

Question: What has been the overall utilization of the storage capacity of CWC?

Answer: As on 1.11.2013 the overall capacity utilization was 85%. The average overall capacity utilization of CWC during the last 5 years are as follows:

Year	Capacity Utilization (in %)
2008-09	82
2009-10	85
2010-11	88
2011-12	91
2012-13	93

Question: What was the performance of the CWC during the last 5 years?

Answer: The physical and financial performance of the CWC during the last 5 years are as follows:

Parameter	2008-09	2009-10	2010-11	2011-12	2012-13
Capacity (Lakh MT)	105.25	105.98	102.47	100.85	108.02
Owned/Constructed Capacity (Lakh MT)	67.60	68.45	69.85	71.81	73.95
Capacity Utilization (%)	82	85	88	91	93
Utilization by Foodgrains (% of total capacity)	45	48	54	57	60
Turnover (Rs. in crore)	849.25	987.95	1,029.55	1,218.65	1,406.70
Profit Before Tax (Rs. in crore)	110.44	163.88	203.73	159.12*	209.32
Profit After Tax (Rs. in crore)	110.46	130.52	136.17	100.46*	139.55
PCS Income (Rs. in crore)	12.56	14.14	15.93	16.81	20.26
TEUs Handled (Lakh TEUs)	10.59	11.21	12.32	11.55	10.96
Net worth (Rs. in crore)	1,156.32	1,140.50	1,232.32	1,304.08	1,430.23

Dividend (%)	30	38	40	40	41
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Question: What is the structure of Board of Directors of CWC?

Answer: The Board of Directors of the CWC consists of 14 Directors of whom six directors are nominated by the Central Government; one director is nominated by the State Bank of India; one director is elected by other scheduled banks; one director is elected by co-operative societies; one director is elected by insurance companies; investment trusts and other financial institutions, recognised associations and companies dealing in agricultural produce or notified commodities; three functional directors are appointed by the Central Government and a managing director is appointed by the Central Government.

Out of the 6 Directors nominated by the Central Government, two are officers not below the rank of Joint Secretary to the Government of India in the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) and four are non-official directors, selected by the Search Committee as envisaged in the guidelines issued by the Department of Public Enterprises.

Question: What are the facilities extended by the CWC for the benefit of farmers?

Answer: CWC extends rebate of 30% on its storage charge to the bonafide farmers who stored their produce at CWC's warehouses. Besides CWC also undertakes training of farmers on post harvest losses minimization and safe storage of foodgrains at farm level. At the end of the training programme, the farmers are provided with metallic storage bins of 1.00 – 1.50 quintals capacity to the farmers for storing their produce/seeds, etc. CWC also issues Negotiable Warehouse Receipt to the depositors and assist the farmers in securing cheap institutional credit.

Question: What is the commodity-wise utilization of CWC's storage capacity?

Answer: As on 1.11.2013 the commodity-wise utilization is as under:

Foodgrain		(in lakh MT)
FCI		42.88
Non-FCI		8.26
Total		51.14
Fertilizer		2.80
Other Commodities		(in lakh MT)
Bonded		2.33
CFS/ICD		11.79
Others		21.70
Total		35.82
Grand Total		89.76

Question: What activities are undertaken by CWC under its Corporate Social Responsibility (CSR) Scheme?

Answer: Some of the activities under CSR scheme are:

- (i) Training of farmers on Post Harvest Losses Minimization
- (ii) Distribution of Metallic Storage Bins
- (iii) Creation of Rural Marketing Infrastructure on participative basis.
- (iv) Creation of Public Convenience facilities in Rural Co-Ed/Girls schools.
- (v) Creation of Bus Shelters in rural areas.
- (vi) Assistance for setting up of Computer Lab/Library in rural schools.
- (vii) Assistance of vehicles for distribution of Mid-day Meals.
- (viii) Distribution of tricycles / wheel chairs to differently abled persons.
- (ix) Creation of rain water harvesting in public buildings.
- (x) Installation of Solar Energy System
- (xi) Installation of High Mast Tower in public places.

The above is an illustrative list and not an exhaustive one.

Question: What are the important parameters in the MOU entered with the Department of Food & Public Distribution, Government of India for the year 2013-14.

Answer: While striving to achieve the performance targets set forth in the MOU for the year 2013-14, CWC is committed to achieve the following targets:

- (i) Create 2.14 lakh MT additional warehousing capacity.
- (ii) Invest Rs.35 crore in development of warehousing infrastructure in DCP States.
- (iii) Train 175 officials of other agencies on Food Storage Management keeping in view the implementation of the National Food Security Act.

Question : Explain about the Central Railside Warehouse Company Ltd.?

Answer: Central Railside Warehouse Company Ltd. (CRWC) a 100% owned subsidiary of Central Warehousing Corporation, with share capital of Rs.40.56 crores and is operating 18 RWCs at Whitefield (Bangalore), Shakur Basti, Nishatpura, Sanathnagar, Nasik Road, Badnera, Ghaziabad, Alam Nagar (Lucknow), Roza (Shahjahanpur), Kandla (Gujarat), Koodal

Nagar(Madurai), Yamuna Bridge (Agra), Korrukkupet (Chennai), Hita (Ranchi), Dehri-on-Sone (Bihar), Saswad Road (Pune), Dankuni (West Bengal) and Mysore (Karnataka). The RWC at Jogeshwari in Mumbai is under construction.

WAREHOUSING DEVELOPMENT AND REGULATORY AUTHORITY (WDRA)

FREQUENTLY ASKED QUESTIONS

Question 1. What is the composition of Warehousing Development and Regulatory Authority (WDRA)?

Answer:- The Warehousing Development and Regulatory Authority was established under the Warehousing (Development and Regulation) Act, 2007 and it consists of one Chairperson and two full time Members. The present composition of the Authority is as given below:-

Name	Designation	Date of Charge assumption
Sh. Dinesh Rai	Chairperson	27.10.2010
Sh. B. K. Bal	Member	01.02.2011
-	Member	Vacant (since 10.08.2013)

Question 2. What is the Mission and Objectives of WDRA?

Answer:- The mission of the WDRA is to ensure that the interests of the farmers are protected through the growth and development in the warehousing sector. The main objectives are to improve the fiduciary trust of depositors and banks, increase liquidity in rural areas, encourage scientific warehousing of goods, lower the cost of financing, promote shorter and efficient supply chains, enhance reward for grading and quality and ensure better price risk management.

Question 3: How the NWR are helpful to farmers?

Answer: The negotiable warehouse receipts issued by the WDRA will help the farmers to seek loans from banks against the NWRs to avoid distress sales of agricultural produce during the peak marketing season and to avoid the post harvest storage loss.

Question 4: Number of commodities notified under the Act?

Answer: The authority had approved 115 commodities including cereals, pulses, oil seeds, spices, rubber, tobacco, coffee etc for issuing negotiable warehouse receipts and also 26 perishable commodities for cold storage.

Question 5: How many godowns have been accredited under The W(D&R) Act,2007?

Answer:- 401 warehouses have been accredited out of which 361 warehouses have been registered with 15.51 lakh MTs storage capacity of Central Warehousing Corporation, State Warehousing Corporations and Private Organizations.

.Question 6: Whether the facilities for post harvest storage loan on NWRs is available?

Answer:- To discourage distress sale by farmers and to encourage them to store their produce against warehouse receipts the benefit of interest subvention was made available to small and marginal farmers having Kissan Credit Cards for a period of six months @ 7% on negotiable warehouse receipts..

Question 7: What are the Rules and Regulations notified under the W(D&R) Act, 2007 so far?

The following rules and regulations have been notified under the Warehousing (Development and Regulations) Act, 2007:-

RULES

1. Warehousing (Development and Regulation) Registration of Accreditation Agencies Rules, 2010
2. Warehousing (Development and Regulation) Registration of Warehouses Rules, 2010
3. Warehousing(Development and Regulation) Appellate Authority Procedure Rules,2010
4. Warehousing (Development and Regulatory) Authority Annual Statement of Accounts & Records Rules,2010
5. Warehousing (Development and Regulatory) Authority Annual Reports Returns Rules,2010
6. Salaries,Allowances & otherTerms & Condition of Services of chairperson and Members of Warehousing (D&R) Authority Rules,2010
7. Salaries, Allowances and other Terms and Conditions of Service of Chairperson and Members Warehousing Development and Regulatory Authority (Amendment) Rules, 2012.

8. The Warehousing (Development and Regulation) Registration of Warehouses (Amendment) Rules, 2013.
9. The Warehousing (Development and Regulatory) Authority, appointment of Chairperson and other Members Rules, 2013.
10. The Warehousing (Development and Regulatory) Authority, appointment of Chairperson and other Members (Amendment) Rules, 2013.

Regulations:

1. Warehousing Development and Regulation (Registration of Accreditation Agency) Regulations, 2011
2. Warehousing Development and Regulatory Authority (Warehouse Accreditation) Regulations, 2011
3. Warehousing Development and Regulatory Authority (Negotiable Warehouse Receipts) Regulations, 2011
4. Warehousing Development and Regulatory Authority (Meetings) Regulations, 2012
5. Warehousing Development and Regulatory Authority (Maintenance of Records and Accounts of Warehousing Business) Regulations, 2012.

Question 8: What is the budgetary support for WDRA?

Answer:- An amount of Rupees six crore and thirty two lakh on the Plan side has been earmarked for Assistance to WDRA for the year 2013-14.

Question 9. What are the advantages of Negotiable Warehouse Receipts?

Answer:- The negotiable warehouse receipts provide the following benefits:

- Increased liquidity in rural areas.
- Encouragement of scientific warehousing of goods.
- Lower cost of financing.
- Shorter and more efficient supply chains.
- Enhanced rewards for grading and quality.

- Better price risk management.
- Higher returns to farmers and better (quality) services to the consumers.

Question 10. Who are the Members of Warehousing Advisory Committee of WDRA?

Answer:-

i. Chairman, Warehousing Development and Regulatory Authority	Chairman
ii. Members, Warehousing Development and Regulatory Authority	Member
iii. Additional Secretary & Financial Advisor, Deptt. of Food & PD	Member
iv. Chairman, Forward Market Commission	Member
v. Joint Secretary (Storage), Department of Food & PD	Member
vi. Joint Secretary/Agricultural Marketing Advisor, Department of Agriculture and Cooperation	Member
vii. Joint Secretary (Consumer Affairs)	Member
viii. Managing Director, Central Warehousing Corporation	Member
ix. Director General, Bureau of Indian Standards	Member
x. Managing Director, Agriculture Insurance Company of India	Member
xi. Representative of State Bank of India	Member
xii. Representative of National Bank for Agriculture and RD Not below the rank of General Manager	Member
xiii. Representative of Federation of Indian Chambers of Commerce and Industry	Member
xiv. Representative of Confederation of Indian Industry	Member
xv. Representative of Farmer's Association	Member
xvi. Representative of Cooperatives	Member
xvii. Director, Warehousing Development and Regulatory Authority	Member Secretary

Question 11: What are the functions of advisory committee?

Answer:- As per Section 34 of the Warehousing (Development and Regulation) Act, 2007, the WDRA may constitute WAC for the following functions:-

- i) To advise the WDRA on the matters of Regulations under Section 51.
- ii) To make recommendations for effective implementation of provisions of this Act.
- iii) To advise the Authority on such other matters as may be referred to it.