
NATIONAL COMMODITY CLEARING LIMITED

Circular to all Members and Participants
Circular No. : NCCL/LOGISTICS-002/2020
Date : January 29, 2020
Subject : Bulk deposit of Wheat in Silos

Reference is drawn to Exchange circular no. NCDEX/OPERATIONS-004/2016/082 dated April 18, 2016 on Bulk Deposit of Wheat in Silos.

In terms of the above mentioned circular, a facility for bulk storage for wheat was made available. The bulk storage facilities benefit farmers/FPOs as well as all other players in the value chain because of better scientific storage mechanisms, lower costs, optimum utilization of space, control on wastages etc. Silos, as compared to bag storage in a warehouse provide a relatively hassle free process of deposit and delivery, as these processes are automated by design of the Silos and are less labour intensive.

In our efforts to facilitate market participants with best storage facilities at lower cost, we are pleased to inform that **storage rate in Silo for Wheat has been reduced by 25%** from the existing rates (subject to change from time to time).

Deposits in Wheat shall be first accepted in the approved Silos at the delivery centre, Kota. The approved dry warehouses at Kota delivery centre shall accept deposits in Wheat after utilisation of sufficient storage capacity in the notified Silo/s or as may be decided by NCCL from time to time. The detailed process for deposit and withdrawal from Silo is given in Annexure 1 and the Frequently Asked Questions (FAQs) is given in Annexure 2.

All members and their participants are requested to take note of the same.

For and on behalf of
National Commodity Clearing Limited

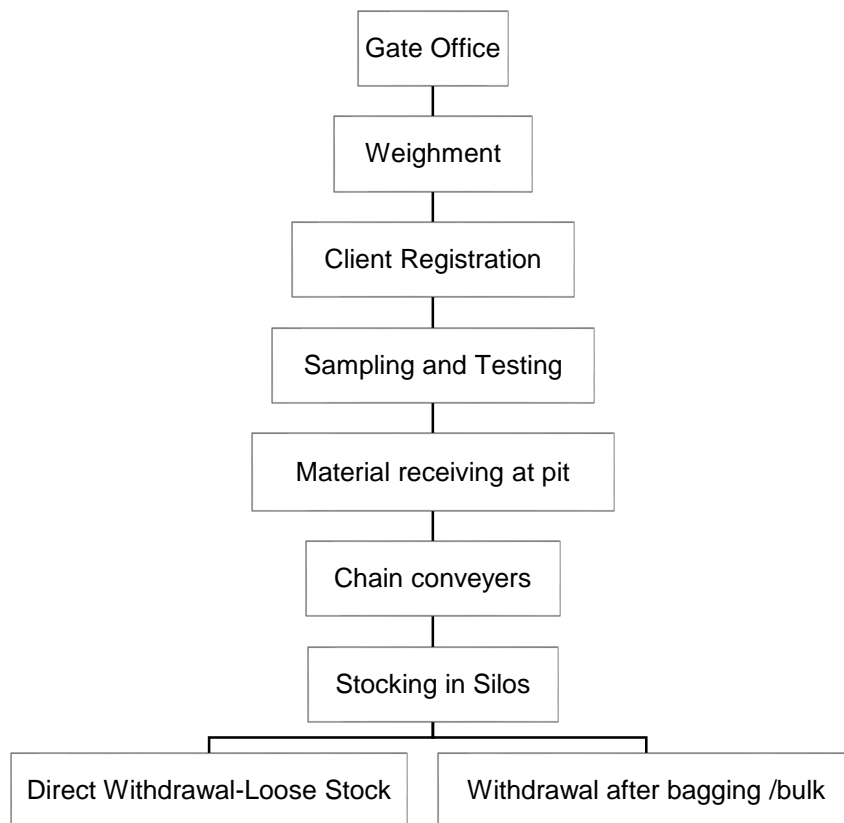
Hemant Singhvi
Chief Operating Officer

For further information / clarifications, please contact

1. Customer Service Group on toll free number: 1800 266 6007
2. Customer Service Group by e-mail to : contactus@nccl.co.in

Annexure 1

1. The client / depositor bringing goods for deposits at silos shall not be required to handover bags to the WSP.
2. The clients can take delivery out either in loose or in bags. In case the client chooses to take delivery in bags, he shall be required to arrange the bags and provide it to WSP for bagging of goods. Alternatively, WSP can also arrange for bags for clients at a cost as mutually agreed.
3. There shall be a discount of Rs. 30 / Quintal applicable in case deliveries are tendered from Silo.
4. The participants are encouraged to bring in / take out goods in bulk to save on major costs incurred on bagging of goods.
5. Delivery in and out would continue to be on net weight basis as per the current process
6. Process for Bulk Deposit and Withdrawal from Silos
 - (a) **Process of Deposit:** Depositor will approach the warehouse with goods loaded in trucks in bulk or in bags or both. If the client brings goods in bags, the WSP will return the empty bags to him if the goods are accepted for stocking in the Silo. The weightment of truck would be done to arrive at the net weight of the goods. Testing will be done at the testing point in the laboratory in the Warehouses premise itself and results will be intimated immediately before depositing. Goods meeting the Exchange quality norms will be deposited in the Silo. The process is as given in the flow chart below



The charges applicable for Unloading/ Handling during deposit will be as follows:

Service	Charges (per MT)
Unloading/Handling(loose condition)	Rs 30
Unloading/Handling(bagged condition)	Rs 70
Testing Charges*	Rs 20

*If the depositor brings 50 MT, the charges would be Rs 600 for 50 MT. However, if the deposit by a depositor is less than 50 MT, the charges would be Rs 20 per MT.

(b) **Withdrawal Process:** The withdrawal process would be as follows:

- (a) The client will initiate withdrawal by submitting a request to its Repository Participant.
- (b) The participant then has to approach the Warehouse with original withdrawal papers provided by the Repository Participant, authorisation letter in favour of person taking delivery and his proof of identity.
- (c) Delivery will be given from Silo.
- (d) Client can take delivery either loose or in bags. In case client chooses to take delivery in bags, the client has to arrange for bags and handover to WSP for bagging. The clients can take help from WSP for arrangement of bags as per mutual understanding and payment terms.

The charges applicable for loading/ Handling during withdrawal will be as follows:

Service	Charges(per MT)
Loading/Handling(loose condition)	Rs 30
Loading/Handling(bagged condition)	Rs 70

(c) **Physical Verification/Audit:** Physical Verification/Audit will be done via the computerized process. This process would include information collection via sensors that would be processed by the computer. Quality verification will be possible through samples that will be drawn from the outlet.

(d) **Comparison of the existing and proposed rates are given below:**

Service	Charges Dry Warehouse (per MT)	Charges (Silo) Per MT
Unloading (in Mandi) approx	Rs 70	0
Bagging (approx)	Rs 80	0



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Service	Charges Dry Warehouse (per MT)	Charges (Silo) Per MT
Loading in Trucks in Mandis (approx)	Rs 70	Rs 30/-(loose), 70 (bagging)
Unloading at Warehouse/Silo during deposit	Rs 70	Rs 30/-(loose), 70 (bagging)
Storage Charges per MT/Day	Rs 4.0	Rs 3.0
Loading in trucks at Warehouse/Silo on Withdrawal	Rs 70	Rs 30/-(loose), 70 (bagging)

Annexure 2

FAQs

1. What will happen if my goods after assaying do not meet the quality specifications for Wheat?

The goods will not be accepted for stocking in the silo. Only those goods which meet the quality specification of Wheat will be accepted.

2. Will the goods in the Silo be fumigated?

Yes, the goods will be fumigated. The method is much better and more scientific. There are hardly any residues which remain in the goods.

3. What are the major advantages of Silos?

The major advantages of Silos are as follows

- a. The depositor and the buyer will be paying lesser while depositing and while lifting in Bulk or Loose condition
 - b. Fumigation is more scientific
 - c. The audit is more scientifically done with the help of sensors which are connected to computers
 - d. Storage rates are lower
 - e. Cost of bags and other incidental charges in bagging will be saved
4. What is the cost to the depositor?

The cost for the depositor would be as given below.

Service	Charges(per MT)
Unloading/Handling(loose condition)	Rs 30
Unloading/Handling(bagged condition)	Rs 70
Testing Charges*	Rs 20

*If the depositor brings 50 MT, the charges would be Rs 600 for 50 MT. However, if the deposit by a depositor is less than 50 MT, the charges would be Rs 20 per MT.

5. How can we compare the testing charges?

In the dry NCCL approved warehouse, the charges are Rs 600/- for 50 MT. If a depositor deposits a lesser quantity, he will be charged Rs 600/- irrespective of the quantity deposited. Whereas in the Silo the charges for 50 MT remain Rs 600/- whereas if lesser quantity, is deposited, he would be charged Rs 20 per MT. e.g.

- a. Quantity deposited 20 MT.
 - b. Testing charges in dry warehouse are Rs 600/-.
 - c. Testing charges in Silos $20 * 20 = \text{Rs.}400/-$.
6. What are the charges during withdrawal?

The charges during withdrawal are as follows:-

Service	Charges(per MT)
Loading/Handling(loose condition)	Rs 30
Loading/Handling(bagged condition)	Rs 70

7. What will be the deliverable unit for wheat in silos?

The deliverable unit will remain as mentioned in the contract specifications.

8. Will standard allowance be applicable to SILO deposits?

Yes, a standard allowance of 0.2% will be applicable to Silos.

9. Will bag weight deduction be applicable to SILO deposits?

No, as this will be the Net weight.

10. Will I be given delivery in bags if I want?

Yes, you may take delivery in bags or loose. If you want the delivery after bagging, you will have to provide the sufficient number of bags to the WSP. Alternatively, the WSP can also arrange for bags at a fixed cost and client can coordinate with WSP in advance on same.

11. Will existing dry warehouses be available for accepting deposits in Wheat in Kota?

The existing dry warehouses shall be made available only after sufficient capacity utilisation of approved Silos or as may be decided by NCCL from time to time. The dry warehouses of WSP providing Silo facilities shall be opened initially based on the requirement.

12. Why there is discount of Rs 30 / Quintal if I delivery through Silo?

Currently, when a buyer receives delivery in dry warehouse or Silo, the bag is provided by the seller. In the revised process, the bag has to be arranged by the buyer if the delivery is tendered by seller from the Silo. There are lot of cost savings for seller when depositing and giving delivery through Silo. We encourage participants to give and take delivery in bulk to get full benefits of Silo storage. Since buyers would be incurring additional cost of arranging bags, the proposed discount shall help both buyers and sellers in sharing the benefits of bulk storage.