

NATIONAL COMMODITY CLEARING LIMITED

Circular to all Members and Participants

Circular No. : NCCL/LOGISTICS-004/2020

Date : April 07, 2020

Subject : Consolidated Circular- Warehousing Operations

This is with reference to our circular no. NCCL/LOGISTICS-001/2018 dated September 26, 2018 on Warehousing Operations issued at the time of Commencement of Operations by NCCL. The mentioned circular consolidates various processes and norms relating to Warehousing Operations.

With a view to facilitate members, various important circulars issued thereafter during the period from October 1, 2018 to March 31, 2020 on warehousing norms and procedures with respect to settlement by physical delivery of the underlying commodities are consolidated in this circular.

Members, Participants and Clients are requested to take note of the same.

For and on behalf of
National Commodity Clearing Limited

Hemant Singhvi
Chief Operating Officer

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Warehousing Operations

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1. Warehousing Norms for Agricultural and Agri-processed Commodities.

The Accreditation of Warehouse Service Provider (WSP) and Assaying agency shall be in accordance with the norms as may be specified by the NCCL and/or SEBI from time to time.

A. Accreditation of WSP

- a) NCCL shall follow a transparent process for accreditation of WSP by issuing open advertisements in leading newspapers and/or putting the same up on the NCCL website and through a transparent selection process thereafter. The selection process to be followed for such accreditation shall be displayed on the website of the NCCL in advance. The accreditation of the WSP shall be done with the approval of the Member and Core Settlement Guarantee Fund Committee of the Board of Directors of NCCL. NCCL shall ensure that the applications for accreditation of the WSP/ are processed within a stipulated time frame.
- b) A WSP can be accredited with more than one Exchange/Clearing Corporation. However, the same Warehouse shall not be shared by more than one Exchange/Clearing Corporation.
- c) The accreditation of a WSP shall, unless any expulsion proceedings pending against it, be subject to renewal after a period of 3 years considering WSP's performance during accreditation, quality of services and number of client complaints and effective resolutions thereof etc. The renewal shall be approved by the Member and Core Settlement Guarantee Fund Committee of NCCL. During the renewal process, NCCL and the WSP shall continue to be responsible for the commodities stored till their Exchange Deliverable Date (EDD).
- d) The accreditation existing as on September 27, 2016 would be valid for 3 years from September 27, 2016 and shall thereafter be subject to renewal.

B. Eligibility and Experience of WSP/ Promoters/ Promoter Group of WSP

- a) A WSP shall be a corporate body and is in public warehousing business.
- b) The Promoters/ Promoter Groups of the WSP shall be responsible persons/entities of repute with a good business reputation and credibility, and who are in the business of public warehousing for at least 3 years as on the date of their operation and have knowledge of, and experience in, generally accepted warehousing and handling practices for Commodities.

NCCL in its discretion, may relax the above norm of 3 years provided that the WSP or its promoter/promoter group:

- i. Meets all other criteria
- ii. Submit an undertaking that they shall meet any additional norm specified by NCCL within the time frame as specified by it or 3 years whichever is earlier.

- c) WSP and Promoters/ Promoter Group of WSP shall have no record of serious violation of laws or being expelled by any Exchange/Clearing Corporation in last three years. NCCL shall take an appropriate undertaking from the WSP in this regard.

C. Financial Norms for the WSP

- a) **Capital and Net worth:** A WSP shall be a corporate body with the minimum net worth requirement as under:

- i. An accredited WSP shall have at least, subscribed and paid-up share capital of ₹ 10 crore.
- ii. An accredited WSP providing warehousing services shall meet the following net worth criteria:-

Number of commodities	Minimum network
1	₹10 crores
More than 1	₹50 crores

- iii. The value of the goods stored in the approved Warehouses of WSP shall not, at any point of time, exceed 33 times of the net worth of the WSP.
- iv. NCCL shall calculate the Network of WSP in the following manner:

“The aggregate value of paid up equity share capital plus free reserves (excluding statutory funds, benefit funds and reserves created out of revaluation) reduced by the investments in businesses, whether related or unrelated, aggregate value of accumulated losses and deferred expenditure not written off, including miscellaneous expenses not written off.”
- v. In case of reduction in net worth below the stipulated amount, a time period of six month may be allowed to the WSP to augment its net worth. In the event the WSP is unable to augment the net worth to the requisite level within the allowed time frame, the WSP shall not carry out any new business i.e. can not include any new Warehouse for new contracts/commodity/location. NCCL shall take suitable measures, which are disclosed on its website for public information, with respect to the existing goods handled by such WSP.
- vi. The WSP shall submit an audited net worth certificate to NCCL every six months i.e. at the end of every March and September, within 45 calendar days.
- vii. The Annual Financial Statements of the WSPs should be audited and submitted to NCCL within six months of the end of financial year. Further, each WSP shall also be required to file its unaudited quarterly financial statements for all the quarters of a financial year to NCCL, within 45 calendar days of the date of a quarterly statement.

b) **Security Deposit:** The WSP seeking accreditation with NCCL is required to furnish a refundable security deposit along with the application form.

- i. Such security deposit shall be a minimum amount of ₹ 50 lakhs.
- ii. Security deposit shall not be released until six months after cancellation or revocation or surrender of the accreditation of the WSP or until after satisfaction of every claim against the deposit, whichever is later.
- iii. Such security deposit shall be in form of cash or cash equivalent like Bank Fixed Deposits, Bank Guarantees etc.

c) **Financial Security Deposits (FSD):**

- i. The WSP shall furnish FSD in addition to the security deposit as under: -

Value of Goods stored	FSD
Up to ₹250 crores	3% of the aggregate value of stored commodities
Above ₹250 crores and up to - ₹500 crores	4% of the aggregate value of stored commodities
Above ₹500 crores	5% of the aggregate value of stored commodities

- ii. The FSD shall be in form of liquid assets with applicable haircuts and concentration limits as listed below :-

Item	Minimum haircut	Limits
Cash	0	No Limit but minimum 25%
Bank Fixed Deposit	0	
Bank Guarantees	0	
Securities of the Central Government	10%	

- iii. NCCL shall lay down exposure limits either in rupee terms or as percentage of the total assets to be received as FSD/SD that can be exposed to a single bank directly or indirectly. The total exposure towards any bank would include Bank Fixed Deposit and Bank Guarantees issued by the bank which have been deposited by WSPs.
- iv. Not more than 1% of such assets deposited with NCCL, shall be exposed to any single bank which has a net worth of less than INR 500 crores and is not rated P1 (or P1+) or equivalent, by a recognized credit rating agency or by a reputed foreign credit rating agency, and not

more than 10% of such deposit deposited with NCCL shall be exposed to all such banks put together.

- v. A daily monitoring of the FSD vis-à-vis the value of the commodities stored shall be carried out so as to ensure that the minimum stipulated FSD are always maintained with NCCL. NCCL may ask for additional FSD over that stipulated above, if considered necessary.
- vi. Subject to the above, the WSPs are required to maintain at all times, a minimum deposit of Rs.50 lakh (in form of cash) or as may be specified by NCCL time to time. The cash shall be considered towards liquid assets for computing FSD.
- vii. The FSD vis-a-vis the value of goods stored shall be marked to market on replacement value on ongoing basis.
- viii. It is desirable that the liquidity ratio (i.e. Liquidity Ratio = Current Assets/Current Liabilities) is greater than 1. NCCL may, however, keep higher ratio. Accordingly, NCCL has specified the Liquidity Ratio (i.e. Current Asset/Current Liability) of the WSPs should be greater than 1.25 or evidence acceptable to NCCL that funds will be and will remain available to meet current obligations.

D. Fit and Proper Criteria

The WSP, Promoters of WSP, Assayers, Key Management Personnel (KMPs) of WSPs, Warehouses and Assayers shall always be 'fit and proper' to carry out business of warehousing, have adequate knowledge of, and experience in generally accepted warehousing and handling practices for Commodities, and should be competent and willing to operate such a Warehouse for which the WSP has a valid license/expertise under the appropriate state warehousing laws in respect of the Warehouses concerned.

E. Corporate Governance norms for WSP

- a) **Management and Employees:** The accredited WSP shall have a professional management team to oversee its functioning and operations.
 - i. The Key Management Personnel (KMPs) of WSP shall have adequate knowledge of, and experience in generally accepted warehousing and handling practices for Commodities, and are competent and willing to operate such a Warehouse, and do not have any conflict of interest in discharge of their functions.
 - ii. The Exchange / NCCL shall ensure that the WSP/Management of WSP (defined as 'key managerial personnel' including whole time directors of WSP and their 'relatives' as per Companies Act, 2013) or entities owned or controlled by promoters/management of WSP/Group concerns/associates directly or indirectly or persons 'acting in concert' are not allowed, either directly or indirectly, to trade on the commodity derivatives exchange in the

commodity for which it is accredited by NCCL. NCCL / Exchange shall not provide for any exemption in this regard.

In this regard, as per SEBI directives it is clarified that all trades by any member/client, which are funded through direct / indirect funding (layering of funds) by WSP's or its associates, in commodity derivatives contracts for which the WSP is accredited on NCCL, will be considered in contravention of aforesaid clause, if WSPs or its associates (as defined in SEBI Circular No – SEBI/HO/CDMRD/DMP/CIR/P/2016/103 dated September 27, 2016) are beneficiaries of such trades through any direct/indirect beneficial interest in the member/clients' trades / positions on the Exchange.

Any contravention of these provisions will be viewed seriously and will attract penalties and/or disciplinary action against the WSP and the member / clients concerned.

- iii. NCCL shall obtain an annual declaration from the compliance officer of WSP to the effect that the WSP/Management of WSP or entities owned or controlled by management of WSP/Group concerns directly or indirectly or persons 'acting in concert' have not traded on exchange.
- iv. The WSP shall ensure that it has adequate number of competent employees at all times who have the experience, capacity and ability of operating the business without any conflict of interest.
- v. The WSP shall ensure that the staff/employees of the WSP including the assayers, who are managing the day-to-day affairs of the Warehouses, deployed both in the office of the WSP and in its Warehouses, are duly trained on their expected tasks through NCDEX/ NCCL delivery business related training programmes or are deputed to attend the certification programme on commodity derivatives and warehousing conducted by National Institute of Securities market (NISM).
- b) **Compliance Officer:** The WSP shall appoint a Compliance Officer who shall be responsible for monitoring the compliance with relevant Act, rules and regulations, notifications, guidelines and instructions issued by relevant authorities from time to time. The Compliance officer of the WSP shall ensure that all norms mentioned are followed by the WSP and should issue a declaration to that effect to NCCL, at regular intervals as directed by NCCL.
- c) **Standard Operating Procedure (SOP):** The WSP shall have a SOP and NCCL shall obtain a standard operating procedure in respect of all the concerned Warehouses from the WSP before granting accreditation to such Warehouses. The SOP of a Warehouse may cover the following but not restricted to:
 - i. Procedures for acceptance of goods to be deposited
 - ii. Weigh bridge empanelment

- iii. Procedures for weighing, sampling of goods to be deposited as per industry standards, Procedure for verification of commodity and communication to depositors,
 - iv. Procedure for depositing and identifying NCCL related goods,
 - v. Procedure for maintaining the quality of the goods stored as per the contract specification,
 - vi. Procedure for Know your depositor requirements,
 - vii. Security policy for ensuring the safety of the goods from theft, burglary etc.,
 - viii. Procedure and guidelines for scientific storage of goods, including stacking etc.,
 - ix. Procedure for losses caused due to theft, fire, burglary, fraud, negligence and force majeure events,
 - x. Procedure for internal verification of stock,
 - xi. Preservations of Stock – maintenance of godown hygiene, maintenance of Warehouse structure, aeration, periodical examination of goods, classification of presence of insects, pre- monsoon precautions etc.
 - xii. Selection of Location for offering warehousing services
 - xiii. Grievance redressal procedures
 - xiv. Role and responsibilities of employees (including outsourced employees)
 - xv. Model Warehouse agreement format
 - xvi. Maintenance of surroundings, infrastructure etc.
- d) The WSP shall have good internal systems and controls which should meet the operating guidelines, if any, issued by NCCL from time to time. The WSP shall have clear delegation of powers to meet operational requirement.
- e) A WSP shall intimate / notify in writing to NCCL, if there is any material change, prior to making such change.
- f) WSP shall report to NCCL within three business days of initiation of any civil and criminal proceedings by or against it and shall also intimate NCCL if there is probability of any such legal proceedings being initiated involving it, as soon as the same comes to the knowledge of the WSP.

F. Know Your Depositor

- a) The WSP shall comply with Know Your Depositor (KYD) Policy as prescribed by NCCL from time to time.
- b) NCCL and WSP shall at any point of time be able to identify the depositor of the goods deposited in registered Warehouses, the owner of the deposited goods (in case the depositor is an agent

of the actual owner), and also the actual beneficiary (in case the depositor and the beneficiary are different) of the deposited/stored commodities.

G. PAN requirement

WSPs shall be under obligation to provide to NCCL the details including PAN numbers of its Promoters, Promoter group entities, its holding/subsidiaries/associates and other related entities, persons 'acting in concert', Key Management Personnel at the time of accreditation and update the same on periodical basis as mandated by NCCL and whenever any change is noted by WSP, in this regard.

H. Facilities & Infrastructure Requirement for WSP

WSPs eligible for accreditation shall have reasonable facility and infrastructure for proper handling and storage of commodity such as:-

- a) All its Warehouses are well connected with rail and/or road networks and have sufficient space for parking and movement of large vehicle;
- b) The Warehouses are physically and operationally suitable for the proper storage of Commodities and:
 - i. are of sound construction and in a state of good repair. The walls, the floor and the roof do not permit water seepage or are source of any insect infestation;
 - ii. have adequate equipment, installed and maintained in good working order, as may be prescribed by NCCL, for the movement of commodities into, out of and within the Warehouse. Further, the employees employed at the Warehouses shall undergo training in fire safety and use of fire fighting equipment;
 - iii. have adequate fire fighting equipment installed within its premises and have fire escapes and fire hydrant points clearly marked;
 - iv. have required ventilation, installed and maintained in good working order, as may be prescribed by NCCL, for the proper storage and preservation of quality of goods;
 - v. have adequate lighting arrangement as may be prescribed by NCCL;
 - vi. are free from materials and substances that may adversely affect the quality of stored commodities;
 - vii. have a safe work environment;
 - viii. have adequate security as prescribed by NCCL for protection of stored or handled commodities to prevent from tampering or adulteration;

- ix. have facilities for storing the deliverable commodities of futures contracts which need to be and piled properly in a separate storage area as specified by NCCL thereby providing clear-cut demarcation between NCCL / non- NCCL commodities.
- c) WSP shall take utmost care in storing commodities for futures contract in accordance with the climatic conditions and the nature of commodity stored.
- d) WSP shall have adequate security personnel for each of its registered Warehouse with required facilities to immediately communicate any unlawful entry, burglary, theft or damage or potential loss to the deposited goods to the WSP.
- e) Each Warehouse of an accredited WSP shall assign a special place to store the samples used for inspection and testing for purpose of further examination and testing.
- f) WSPs shall take utmost care on daily basis for keeping surroundings for their respective Warehouses under vegetation control and for disposal of waste which can otherwise create a favorable habitat for rodents and other pests. WSP should regularly inspect and verify whether rodent control structures in the Warehouse are sound and whether there are any pools of water around the facility, which can increase the danger of water seepage into it, and take appropriate remedial steps.
- g) NCCL shall ensure that the Warehouses provided by the WSPs are under absolute control of the WSPs. In case a Warehouse is a leased property it should be ensured that no third party including the owner/ lessor of the Warehouse has any role to play in the operations and managing the concerned Warehouses operated by the WSP.
- h) NCCL shall develop the SOP with respect to the maintenance, preservation and retrieval of data/records/books of accounts which shall be uniformly adopted by each of their accredited WSP/Warehouse.
- i) WSP shall always give priority to commodities meant for futures contracts delivery while receiving, storing and dispatching goods. It should have internal process that enable NCCL to physically verify by deputing its officials or through any agencies / experts engaged by it, the goods deposited, the facilities available in such Warehouse, or to inspect the level of compliance of the warehousing norms stipulated by NCCL /regulator from time to time.
- j) The WSP shall undertake to have assaying/testing facilities for the commodities it intends to render warehousing facility, or shall undertake to be associated with an assaying/testing agency which may preferably be certified by one or more national/international agencies like NABL (National Accreditation Board for calibration and testing Laboratories), BIS etc., as specified by NCCL.
- k) The WSP shall provide for accurate and efficient weighing, sampling, inspection and grading of the Commodities deposited in its Warehouses. The WSP shall ensure that has deployed

personnel who have knowledge and experience in sampling, weighing, inspecting and/or grading of commodities.

- l) The WSP shall have its own or access to fumigation facilities/agencies for pest control activities.
- m) The WSP shall ensure that it has necessary policies, control and system in place for dealing with the risk that may be arising due to the Warehouses being used for purposes other than commodity derivatives market.
- n) The WSP shall be responsible to accept the goods/commodities in Warehouses which meets the quantity and quality parameters as per the contract specifications. The WSP shall take necessary steps to maintain the quality and quantity of goods stored in the Warehouse, in accordance with the conditions/parameters (for maintaining the quality) as laid down by NCDEX for each of such commodity.
- o) The WSP shall display on a daily basis Warehouse wise/commodity wise details of the space available, goods deposited and held in transit, details of location of the Warehouse, particulars of rejection of the goods etc., on its website and the archives of such reports shall be available on its website.
- p) The WSP shall not disseminate any information that is false or misleading or disclose any confidential information obtained during the course of their dealings with NCCL or their positions on the market or as a result of their position or during the course of performance of their duties.

I. Accreditation of assayers

- a) NCCL shall follow a transparent process for accreditation of assayers by issue of open advertisement in leading newspapers and by putting up the same on NCCL website. The process being followed for such accreditation shall be displayed on the website of NCCL in advance. The accreditation shall be done with the approval of the Member and Core Settlement Guarantee Fund Committee of the Board of Directors of the NCCL.
- b) NCCL shall conduct independent pre-empanelment due diligence of Assayers by visiting the laboratories and assessing the testing and certification facilities. NCCL shall give preference to the government assayers or to those Assayers who are having testing and certification facilities at various locations across India. In addition to the empanelment of assayers for deployment by the WSPs at their Warehouses, NCCL shall also identify and empanel separate independent assayer(s) at each such delivery location where the market participants can independently get their goods/commodities assayed, at the time of depositing into or withdrawing such commodities/goods from a Warehouse. However, if the original empaneled assayers engaged by WSP at a delivery center happened to be Government assayer, then the need for empanelling an additional independent assayer may be dispensed with by NCCL.

- c) NCCL shall ensure that the empaneled assayers work independently and their operations are governed by prescribed Standard Operating Procedures (SOPs). The assayers shall be preferably certified by one or more national/international agencies like NABL (National Accreditation Board for calibration and testing Laboratories), BIS etc., and shall have the facilities as laid down by NCCL from time to time.

J. Warehouses at delivery centers

- a) All the Warehouses of a WSP accredited by NCCL shall be registered with the statutory authority viz., WDRA unless specifically permitted by SEBI.
- b) The Exchange / NCCL shall have at least one Warehouse at each of the delivery centers (as specified in the contract specification) at the time of launch of contract itself and address of such Warehouses shall be mentioned in the contract specifications of the commodity traded on the Exchange.
- c) NCCL shall accredit Warehouses of a WSP within 100 kms radius of the delivery centers depending on the feasibility and requirements, in respect of all commodities.

K. Insurance

- a) The WSP shall at all times ensure to fully cover under insurance, the value of goods stored at NCCL approved Warehouses against all potential perils relevant to the commodities for which insurance cover is available and necessary.
- b) The WSP shall undertake to take insurance cover for risks such as viz. Fire and allied perils including flood, cyclone, earthquake and spontaneous combustion, Burglary and Theft and special perils covering riots, strikes and terrorism.
- c) The WSP shall take Fidelity guarantee & crime insurance and Professional indemnity cover to cover all deliverable stocks.
- d) The value of goods to be insured should be marked to market on replacement value on ongoing basis.

L. Monitoring/ Inspection/ Audit of Warehouses by WSPs and NCCL

- a) **Periodic inspection/audit by WSPs:** The WSP should ensure that there is periodic inspection/audit of the Warehouse as well as the commodities stored in the Warehouses.
 - i. Inspection staff must be independent of the employees / staff deputed at the registered Warehouse.
 - ii. The inspection/audit report should be submitted to NCCL within a week of the completion of such inspection/audit.
 - iii. NCCL shall ensure that the physical counting of stocks and their reconciliation with the corresponding electronic records is done periodically.

- b) The WSP shall allow the Members /clients holding electronic credit balances to do physical inspection of their goods. However, the request for such physical inspection would have to be submitted NCCL and NCCL after verification of such request, shall forward the same to the concerned WSP for allowing such inspection within a stipulated time.
- c) **Periodic inspection/audit of Warehouses by the NCCL / Exchange:** NCCL shall ensure that independent audit of the stocks and other facilities in the Warehouses are carried out by engaging expert agencies, at regular intervals.
- i. Such inspections shall be carried out at least twice in each approved Warehouse in a calendar year with a gap of not more than six months between two inspections/audits of same Warehouse.
 - ii. In addition to the above, the audit may also be conducted on risk profiling, as identified by NCCL. For this purpose, NCCL shall form a panel of independent expert agencies and the cost of such audit shall be borne by the Clearing Corporation.
 - iii. The result of such audit/audit report shall be displayed by NCCL on its website immediately after the completion of the audit and submission of report by the auditor.
 - iv. NCCL shall prepare a panel of such independent expert agencies for carrying out inspection of Warehouses, which shall also be reviewed by the NCCL from time to time. In addition, NCCL shall also conduct in-house physical audit of approved Warehouses at regular intervals.
 - v. NCCL / Exchange shall also carry out surprise inspections of Warehouses as and when such exigencies arise in terms of the prescribed norms.
 - vi. NCCL shall have a policy of rotation of such independent expert agencies for carrying out inspection after every 3 years with a provision for 'cooling off' period of 1 year.
 - vii. NCCL shall have a detailed inspection manual for carrying out the audits and inspections of the WSP/Warehouses concerned.
- d) **Monitoring of Warehouses by NCCL:** NCCL shall monitor the Warehouses of the accredited WSPs. In this regard:
- i. Norms relating to the monitoring of Warehouses shall be placed in public domain.
 - ii. A deliberation on the continuous functioning, monitoring and compliance of norms by WSPs, Warehouse and assayers shall be a mandatory agenda item in all Board meetings as well as the Member and Core Settlement Guarantee Fund Committee meeting of NCCL.

- iii. NCCL and WSPs shall ensure that the goods whose final expiry date is over, are removed from the concerned Warehouse immediately, but not later than 3 months from the EDD or final expiry date.

M. Review of WSPs/ Warehouses

- a) NCCL shall review and appraise operational performance of each WSP every year. Based on the operational review NCCL may adjust the allocation of commodities and the limit of deliveries at various Warehouses of the concerned WSP in accordance with the results of such performance evaluation and appraisal.
- b) Additionally, NCCL may carry out biennial and quarterly performance review of all Warehouses accredited by it, taking into account various performance areas such as storage facilities, the capacity and appearance of the Warehouse, business capabilities, business performance, accounting, the satisfaction level of Members/clients, redressal of client grievances, and other factors as NCCL may deem necessary for its review.
- c) NCCL may take necessary action as mentioned in **Clause S** against a WSP/ Warehouse, if the Warehouse is unable to meet the requirements of an approved Warehouse and fails to improve the standard within the stipulated time.

N. Code of conduct

- a) NCCL shall frame necessary code of conduct for the WSPs, Warehouses and assayers.
- b) The said code of conduct shall be displayed on NCCL website.

O. Grievance Cell

- a) NCCL shall have a Grievance Cell to handle consumer complaints.
- b) NCCL shall take proactive steps to resolve customer related issues and maintain a record of complaints received/ resolved.
- c) WSP shall report the details of complaints received / resolved by it/ pending and action taken on the complaints, once in every fortnight.

P. MIS System

- a) WSP shall have a Standard Operating Procedure (SOP) which is process-dependent and not person-dependent. It is desirable that there should be electronic record of information at the WSP and a MIS system with an arrangement for flow of real time information from the Warehouse location to the central MIS and onwards to NCCL electronically. The MIS should have the capability to capture and disseminate information regarding stocks being held Warehouse wise/location wise, and the availability of space in the Warehouses.
- b) NCCL shall display on a daily basis Warehouse wise details of the space available, stock of goods held, name of the Warehouse service provider, details of location of the Warehouse,

particulars of acceptance/rejection of goods by the Warehouse concerned, details of empaneled assayers and independent assayers, if any, attached to the Warehouse etc., on its website. The archives of such reports shall be available on NCCL website.

- c) The participants/ clients willing to deposit goods in NCCL approved Warehouses would submit a request to NCCL/Repository. NCCL/ Repository shall use a transparent and time-bound process for the participants. To identify the Warehouse where the participants can deposit the goods. After such identification, NCCL/ Repository shall intimate the participants about the time, place and the Warehouse where they can deposit the goods. NCCL/ Repository shall then issue directions to the concerned Warehouse for accepting deposits from the concerned participants/clients after assaying/ quality testing as per the laid down procedure in a transparent manner. The WSP shall accept the goods for deposits only on the instruction of NCCL/ Repository.

Q. Surrender/Cancellation of accreditation

- a) Any WSP that applies for surrender of its accreditation shall submit its Application for Surrender to NCCL for evaluation and approval.
- b) NCCL may cancel the accreditations a WSP if it fails to comply with the provisions of the rules/regulations specified by it and intimate the same to the market participants through circular. Further, NCCL shall put in place a cancellation policy for WSP in Public Domain. However, NCCL shall offer the WSP concerned an opportunity of being heard and take a decision on cancellation after considering the explanation of the WSP.
- c) A WSP that surrenders its accreditation or its accreditation is cancelled, shall attend to the following matters urgently:
- i. All commodities for futures contract delivery shall be dispatched out of the Warehouse or converted to physical commodities;
 - ii. All liabilities and debts vis-a-vis NCDEX / NCCL, Member and Clients shall be settled;
 - iii. There shall be no obligation on its part to deliver goods to the clients pertaining to their trades on the exchange platform, and
 - iv. No customer complaints pertaining to any of its registered Warehouses are pending for redressal.
- d) SD and FSD shall be returned in accordance with the NCCL rules, keeping aside 10% of such deposits with NCCL, which shall not be released until six months after cancellation or surrender of accreditation of the WSP or until satisfaction of all claims against the deposits made in its Warehouses, whichever is later.
- e) A WSP which surrenders its accreditation with NCCL shall not be eligible to provide its services to NCCL for a period of 3 years.

- f) Once the accreditation of a WSP is cancelled or WSP is expelled, then it shall not be eligible to provide its services to any commodity derivatives exchanges/ Clearing Corporation for 3 years.
- g) Adequate notice intimation to general public / clients shall be given through widely published newspapers and website etc. before accepting the surrender of WSP or cancellation/expulsion of the WSP.

R. Business Continuity Plan

A WSP shall put in place, a business continuity plan and submit such plan to NCCL.

S. Actions against WSPs

a) NCCL may frame byelaws/rules/regulations/guidelines for its accredited WSPs to rectify correct their misconduct or misconduct on the part of any of its approved Warehouses used for storing goods for delivery on NCCL. NCCL may also direct the WSPs to indemnify an entity aggrieved by the delivery process of its Warehouse or, in serious cases of misconduct/malfeasance, revoke the accreditation of the concerned Warehouse or/and hold the WSP accountable for any legal liabilities, if the concerned erring WSP/ Warehouse engages in any of the following offences:

- refuses to accept delivery without any bonafide reasons or, issues a falsified certificate of delivery;
- violates any of the NCCL rules or limits the movement of a deliverable commodity into or out of the Warehouse;
- discloses any confidential business information relating to a buyer or seller or a futures contract;
- provide inaccurate or incomplete information, conceal the truth of the facts;
- engages in the futures trading activities; or
- engages in any other behaviour in breach of the NCCL rules; or
- any other offence not listed above.

However, the above actions may be initiated only after taking due approval from the Member and Core Settlement Guarantee Fund Committee of NCCL.

b) The accredited WSP shall be liable for any losses resulting from any action or inaction on its part or on the part of its Warehouses that prevents the buyer or seller from exercising, in whole or in part, their rights. NCCL shall compensate the aggrieved client for any such losses that have been appropriately established by debiting the FSD of WSP held with NCCL, in accordance with its applicable rules, and WSP shall within 7 days replenish the FSD as required.

T. Cold Storages

In case of any commodity which generally require storage in the cold storages, such commodities shall be stored in cold storages only.

U. Status report

- a) NCCL shall upload a status report on their websites by 5th of every month giving the details of the number of applications received for accreditation of Warehouses, Warehouses registered with WDRA during the month, registration pending with WDRA, Warehouses pending with Inspecting Agencies, accreditation/registration of Warehouses rejected by NCCL /WDRA with reason for the same and such other details as may be considered relevant in this regard..
- b) The archives of such reports shall be available on NCCL website.

NCCL shall put in place necessary arrangements for ensuring compliance with the provisions of the Regulation 43A of SECC Regulations regarding guarantee for settlement of trades including good delivery. Further, NCCL shall have necessary arrangements to ensure that in the event of bankruptcy or insolvency of the WSP or other such contingency, there shall be no restrictions placed upon owners/depositors of the commodity wishing to take possession of their individually identified commodity and remove it from the approved Warehouse(s).

2. Policy on accidental losses at approved Warehouses

NCCL hereby notifies the broad approach which would be followed by various entities in case of any eventualities at the approved Warehouses.

While making the best endeavour to ensure that the Members and their Constituents should not suffer any losses due to identified perils such as fire, flood, earthquake, burglary, spontaneous combustion of agro goods etc. it is clarified that the WSP is expected to replenish the commodities destroyed/make good the losses out of the proceeds received from insurance claims. There may be a delay in re-instating the commodities till the insurance claim is settled.

In the event of any eventuality taking place resulting in loss of goods belonging to participants, the Warehouse may have to shut down the operations temporarily. Accordingly, the commodities stored in such Warehouse will not be available for settlement on the NCCL during such period.

The process which will be followed in this regard is as under:

a) Immediate steps

- i. As and when such an event takes place, the WSP will have to inform NCCL immediately i.e. earliest possible time highlighting the nature of the event;
- ii. The NCCL will inform the Repositories immediately instructing them to suspend the LOT Numbers pertaining to the Warehouse and all balances held under the LOT Number shall be frozen. No deliveries shall be allowed from that Warehouse till further notice;

- b) Total/majority of goods destroyed:** If there is a total loss with negligible (say less than 10%) salvage quantity, then the procedure to be followed is as under:
- i. The WSP will inform the holders about the loss and deactivation of the LOT Number and their electronic balances being frozen. They will also be informed of the steps being taken by WSP for replenishing the lost/damaged commodities;
 - ii. WSP would take steps to complete formalities with their insurer and complete the damage survey by their insurer within a reasonable time of the happening of the event;
 - iii. WSP would give lot wise / grade wise details of the commodities damaged and salvaged commodities;
 - iv. WSP would arrange for re-testing of the salvaged commodities and submit the test report certifying the quality of the salvaged commodities to NCCL.
- c) Partial damage of goods:** When there is a partial damage of the goods stored, in addition to the steps covered under (ii) above, following steps would be taken:
- i. Proportionate credit approximated to the nearest deliverable lots under the existing LOT Numbers or under the new LOT Numbers will be given to the beneficiary accounts in respect of salvaged commodities upon certification by the approved assayers for quantity and quality and necessary instructions will be sent to the Repositories by the WSP for activating the LOT Number and/or de-freezing corresponding proportionate balances out of the credit balances which were frozen earlier;
 - ii. On receipt of confirmation from the WSP, NCCL will inform the Repositories and activate the Lots for delivery.
 - iii. Deliveries from the WSP for settlement would be enabled thereafter.
 - iv. The WSP may, if necessary, shift the stocks to an alternate Warehouse in order to protect the stocks.
- d) Steps for settlement of claims for both situation mentioned in (a) and (b)**
- i. WSP will endeavour to replenish the goods/make the payment to the depositors of commodities at the earliest possible time or as soon as they receive the insurance claim;
 - ii. The beneficiary holders will receive replacement cost of the commodity damaged and settled in line with the grade of commodity held by them and as per insurance claim received;
 - iii. NCCL/ Repository will furnish to the WSP the details of premium/discount on the grade of commodities destroyed. The rates applied for the settlement immediately prior to the claim settlement date will be applicable for arriving at the rate of quality related premium/discounts;
 - iv. In case the commodities are replenished, WSP will arrange to give the credit to the electronic account of the beneficiaries and inform NCCL;
- e) Time of event and settlement schedule**
- i. If the event happens during the day after the matching process but before the settlement time then the delivery from the WSP will be disabled;

- ii. If the event happens on the day of settlement then depending upon the time at which information was available with NCCL, acceptance/refusal of the deliveries from the WSP/Warehouse would be considered;
- iii. If the seller has made an early pay-in and the event takes place before the settlement, in such a case sellers pay-in will not be considered even if he has made an early pay-in.

f) Additional points to be noted:

- i. NCCL makes its best endeavours to ensure that the Members and their Constituents do not suffer loss of commodities stored at the accredited WSPs. However, apportionment of deficit claim recovery from the insurance company cannot be ruled out.
- ii. NCCL will take immediate steps to arrange for alternate WSPs/Warehouse at the given delivery centres to facilitate delivery till the affected WSP/Warehouse becomes operational;

3. Exchange Deliverable Date (EDD)

The term “Exchange Deliverable Date (EDD)” is assigned in assaying certificates for the commodities deposited in the NCCL approved Warehouses for the purpose of delivery in settlement of futures contracts traded on the Exchange platform. The participants can deliver commodities till the Exchange Deliverable Date (EDD) for such commodities as per assaying certificate, during settlement subject to successful revalidation as may be applicable to the commodity contracts traded on the Exchange. If the assayed commodity meets and conforms to the quality specifications as stipulated in the contract specifications, the empanelled assayer/s provide an “Exchange Deliverable Date (EDD) for commodities in the assaying certificates issued by them.

4. Guidelines for post EDD, rejected and Partial (Non-Marketable Lots) stock

Members and their Constituents are advised to ensure physical withdrawal (final load out) latest by the EDD. Storage of any commodity in approved Warehouse after EDD is a private arrangement entirely between the holder concerned and the Warehouse and the same shall be at the sole risk of depositor/holder of such goods. The Clearing Corporation will not entertain any complaint in respect of the quality or quantity of the goods stored beyond the date of EDD.

Notwithstanding the above it is clarified as under:

- a) NCCL shall entertain any complaint on quality or quantity of the commodity received through a settlement of trades executed on the Exchange platform and within EDD, only if made within the prescribed timelines as per Rules, Bye-Laws and Regulations of NCCL.
- b) NCCL is responsible for settlement of trades effected on the Exchange platform in accordance with the Rules, Bye Laws and Regulations. Therefore, NCCL shall not entertain any complaint from any person/entity in respect of any goods which were not received by such person/entity through a settlement of trades executed on the Exchange platform.

Members/Constituents are further advised to note that NCCL shall not be responsible to the Depositors/Holders for any deterioration of quality or quantity of commodities beyond the EDD and the

same shall be at the risks of corresponding depositor/holder of such goods. However, the Approved/Empaneled Warehouse Service Providers (WSP's) of NCCL shall notwithstanding the fact that the goods have crossed EDD, continue to be responsible to safe custody of the goods and to maintain the goods as a prudent warehouseman and shall be entitled to rights and have the obligations to the Depositors/ Holders of the commodities under the relevant Warehousing Regulations including WDRA and other State and Central Legislations as may be applicable to the held/stored commodities and to the Warehouse/s under the prevailing law or its amendments thereto.

Further, with respect to storage of commodities beyond EDD and in order to ensure smooth functioning of NCCL operations, would like to advise WSP and participants as under:

- i. The WSPs shall notify the concerned holders of the stocks of the goods reaching the EDD 5 (five) working days before it reaches the Exchange Delivery Date (EDD).
- ii. The client shall on receipt of the intimation, notify the WSPs of the probable date by which the goods shall be lifted. However, such probable date cannot be beyond 90 (ninety) calendar days from the date of EDD.
- iii. The WSPs shall be entitled to levy storage charges for storage beyond the EDD (up to 90 (ninety) calendar days post EDD).
- iv. Under no circumstances the WSPs shall allow the continuation of the storage in the NCCL approved Warehouse beyond the permitted 90 (ninety) calendar days post EDD.
- v. After 90 days, WSPs shall inform the NCCL about the details of such clients and their commodities and the NCCL will instruct National E-Repository Limited to initiate withdrawal through its Repository Participants (earlier known as Comtrack Participants), if the commodity lots exist in CMSE module of COMTRACK. For lots existing in CMSP module, the WSP will confirm the withdrawal so that the lots are electronically out of the COMTRACK application.
- vi. WSPs shall notify such participants whose goods are likely to cross the period of 90 days post EDD sufficiently in advance preferably at least 15 days prior such date, to lift the same.
- vii. In the event the client fails to lift the goods within the period of 90 days post EDD, WSPs shall make necessary alternate arrangements to move the goods out of the NCCL approved space to such other location but not beyond radius of 50 KMs after giving a written intimation to the depositor or the current holders of the said goods, as the case may be. The notice should also specify the details of location to which the stocks are proposed to be moved and the cost likely to be incurred for the same. Such costs shall be to the account of the concerned depositor/holders as the case may be.
- viii. Under no circumstances, the Point in (vi) and (vii) above shall exceed the period of 90 days as mentioned in Point (v)
- ix. Alternatively, WSP may auction the goods that have crossed EDD, by following the process as prescribed under the Central/ State Warehousing Acts/Rules which applies to the concerned Warehouses where such EDD crossed goods are to be dealt with.
- x. WSPs shall be entitled to recover such storage charges and expenses from the concerned holder/depositor/owner of such EDD goods for recovering the cost of auction and other outstanding

charges from such concerned holder in accordance with the provisions of the Central/ State Warehousing Acts and Rules/Regulations made thereunder. WSPs shall not release the shifted commodity to the clients till the client produces the requisite documents stamped and signed by the Repository Participants as per normal process of withdrawal in COMTRACK. Repository Participants (RPs) are required to collect all the pending dues / charges from the client before providing Withdrawal Request Receipt (WRR) to the client.

For goods which do not conform to Contract specification after assaying and before accepting for storage, the depositors shall lift the goods from the Warehouse within 15 calendar days from the date of receiving the test/analytical reports from assayer or such intimation from the WSP/Warehouse. In case the goods are not lifted by the depositor/holder, the WSP shall be entitled to deal with such rejected lots in the same manner as has been prescribed for the EDD crossed goods (Point no. vi & vii).

The goods which are found as incomplete lot will be treated as partial lot and are required to be moved into non-approved space within 15 calendar days from last date of transaction of said lot. In case the goods are not lifted by the depositor/holder, the WSP shall be entitled to deal with such partial lots in same manner as has been prescribed for the EDD crossed goods (Point no. vi & vii).

5. Transactions in Warehouses on Sundays and Trading Holidays of Exchange

Approved Warehouses would not be available for transacting business of deposit/delivery of commodities on all Sundays and trading holidays of the Exchange. However, the approved Warehouses may remain open and available to the participants to transact the business related to submission of documents, clarifications, accounting, general routine maintenance and other activities for upkeep of the Warehouses. The Warehouse Service Provider (WSP) may choose to conduct transaction of deposit/delivery on trading holidays of the Exchange at a limited number of warehouses after assessing availability of sufficient staff, manpower and operational strength required to conduct normal operations on such holidays. Members and Participants intending to transact on trading holiday of the Exchange should contact the WSP well in advance.

6. Automated Warehouse Space Reservation System for deposit of Commodities

Warehouse Space Reservation system (WSR) is available for market participants to book space before depositing their stocks in the Warehouses approved by NCCL. With this mechanism, market participants are able to initiate a booking request through their e-Repository login credentials into NERL Warehouse Space Reservation System (URL: <https://wsr.erepository.in>). Members and their Constituents are advised to note that commodity deposits for Agri commodities in all the Warehouses approved by NCCL would be accepted only through the Warehouse Space Reservation System (WSR). It implies that no commodity deposit will be accepted by the Warehouse if a prior booking request is not received from the depositor.

The following rules are formulated for smooth operation of the WSR. Participants are requested to acquaint themselves with these rules.

- a) Booking window for initiating booking requests by participants/clients will be open from 9.00AM to 5.00 PM on all days.
- b) Each Participant will be allowed to book space of maximum up to 500 MT per Warehouse per day or as may be notified by NCCL from time to time.
- c) Booking charges will be levied as per structure notified by NeRL from time to time.
- d) Rights to modify any parameter in this system shall rest with the Exchange/NCCL.
- e) E-Mail confirmations informing about the status of their booking will be sent on registered Email ID
- f) Participants are requested to check their registered Email id for accurate receipt of email confirmations.
- g) At the time of initiating a Booking request, the depositor participant will be asked to select a Deposit End date.
- h) Deposit start date is automated and fixed at Booking day. Booking period i.e. difference between deposit start date and deposit end date is a maximum of 7 Calendar days.
- i) Entire quantity under a Booking request should be deposited before deposit end date. Any quantity remaining to be deposited thereafter will not be accepted for deposit in the said Warehouse under the said Booking request.
- j) The depositing participants shall make the required payment towards advance Warehouse charges to the WSP concerned and communicate the payment details along with the Booking request ID to the respective WSP on the Booking day.
- k) Upon confirmation of booking requests, the WSP will be able to do the scheduling of day wise deposits in consultation with the depositing clients/participants.

Members and their Constituents are hereby advised to follow the procedure laid down for availing the booking facility and adhere to the timelines for deposit of commodities in the approved Warehouses of NCCL to avoid any inconvenience.

It is further advised that depositors should make a judicious use of the system for booking space in an NCCL approved Warehouse. After confirmation of booking, the depositor is expected to deposit the commodity in the designated Warehouse within the timelines. Detailed process with respect to WSR is available in NeRL WSR User Manual on NeRL Website.

7. Know Your Depositor (KYD)

The Know Your Depositor (KYD) formats with respect to deposit of goods into the approved warehouses of NCCL were reviewed and revised for ease of operation. The revised KYD formats are annexed as Annexure 1, Annexure 2A, Annexure 2B and Annexure 3 to this circular. The revised Annexure 3 is now required only one time for the total quantity covered by a single Warehouse Space Reservation Request (WSR) number as against the existing process where it was required for each deposit within a single WSR. The revised Annexure 3 can be used only after submitting revised Annexure 1, 2A or 2B as may be applicable. The depositors can continue to deposit goods in approved warehouses as per earlier notified KYD process and formats Annexure1, 2 and 3 till May 31, 2020. Thereafter any person / entity

desirous of depositing goods in approved warehouses shall be required to submit information and complete KYD as per the revised formats.

Gist of the required KYD forms and their respective frequency of submission is detailed below:

Format	Frequency	To be filled by
Annexure 1	One time for each WSP	Any resident individual (including sole proprietor) who deposits goods (irrespective of whether he deposits the goods on his own account or on behalf of another beneficiary)
Annexure 2A	One time for each WSP	Any non-individual (i.e., Company or LLP) who deposits goods (irrespective of whether he deposits the goods on his own account or on behalf of another beneficiary)
Annexure 2B	One time for each WSP	Any non-individual (i.e., Partnership firm) who deposits goods (irrespective of whether he deposits the goods on his own account or on behalf of another beneficiary)
Annexure 3	At the time of each deposit covered by a single Warehouse Space Reservation Request (WSR)	Any individual/ non individual who deposits goods (irrespective of whether he deposits the goods on his own account or on behalf of another beneficiary)

Members and Participants are also requested to note the following:

- a) Any person or entity desirous of depositing goods in approved warehouse of NCCL must submit information in the prescribed formats as specified herein.
- b) Annexure 3 is required to be submitted at each of the approved warehouses of NCCL. In case the depositor or beneficiary intend to deposit Goods / Commodities at multiple approved warehouses, then annexure 3 shall be required to be submitted at each of such approved warehouses. However, if such multiple deposits involves more than one warehouse services provider (WSP) than the one time KYD forms as per table above as may be applicable shall, have to be submitted unless already submitted.
- c) In case of any change / error/ corrections in the information contained in Annexure 1, Annexure 2A, or Annexure 2B as the case may be, such corrections/ changes should be immediately notified by the depositor to the concerned WSP/s.

- d) In case the depositor is different from the beneficiary, the depositor is required to submit prescribed authorisation from the beneficiary along with annexure 3. The prescribed format of authorisation is enclosed.
- e) Beneficiary shall mandatorily have a repository account at the time of deposit the details of which shall be filled in Annexure 3. In the absence of account details, the deposit may not be accepted.
- f) While submitting the KYD documents, it has to be ensured that all the information sought in the KYD forms are duly filled in by the depositor and complete in all respects.

8. Commodity Deposit Process and timelines at Warehouses

- a) Depositor books Warehouse space in Warehouse Space Reservation System (WSR)
- b) Depositor/his authorised person schedules placement of his vehicles after consulting the Warehouse Service Provider (WSP) or its local officials
- c) The WSP arranges for labour, samplers, weighment etc. for accepting deposits. Cost of labour, samplers, weighment etc is to be borne by the depositor.
- d) Depositor dispatches his vehicles with applicable KYD, proof of payment of mandi tax, authorization letter for depositing etc.
- e) The Warehouse supervisor assigns an unloading point in the Warehouse.
- f) Weighment is done at the designated weighbridge and a weighbridge slip is issued.
- g) Vehicles then are moved to unloading point. Sampling is done by the sampler of the assayer of the WSP.
- h) Sampling is done as per procedure prescribed in respective Product Notes available on the NCDEX website.
- i) Samples are sent to the Assayer Lab for analysis.
- j) The Warehouse issues an acknowledgement of receipt of goods to the depositor or his authorised person.
- k) The Warehouse makes entries in the electronic system and the goods are termed as 'in process' till the assayers enter the test results in the said system.
- l) The assayer issues his report to the client.
- m) Electronic credit for quantity of goods confirming to quality specifications mentioned in the contract specifications is effected in the depositors' electronic account.
- n) This credit is given indicating the quantity, grade, Warehouse details, validity period and Exchange Deliverable Date (EDD).

The participants need to ensure that the commodities are deposited at NCCL approved Warehouses at least Two business days before the expiry of corresponding Futures Contracts to be eligible for the respective months' pay-in subject to the deposits meeting the quality and packaging norms. The deposits if any, accepted by these Warehouses subsequent to this date, for the same month delivery, are subject to the operational ability of these Warehouses / assayers. The Trading and Clearing Members and their Constituents are therefore requested to ensure the deposit of commodities in the respective Warehouses sufficiently in advance to meet the settlement schedules.

9. Policy for Depositors of commodities having high percentage of rejection

NCCL has empanelled Warehouse Service Providers (WSPs) who handle the physical deposit, storage and delivery of commodities. The WSPs are responsible to ensure that the commodities deposited in its warehouses adhere to the quality specifications stipulated in the contract specifications of respective commodity. In order to ensure the same, commodities are tested for various parameters and accepted only if they meet the standards as per contract specifications.

- It has been observed that there are instances of high rejections of commodities brought in for deposits by certain depositors, on account of quality not meeting contract specifications. In order to ensure that such depositors are discouraged to bring in commodities which do not meet the quality specifications and to encourage a sanity check prior to deposit of the commodities in the warehouses, NCCL shall identify such depositors and initiate action based on the alerts and analysis / process as under: NCCL will decide the minimum quantity threshold per depositor beyond which the rejections would be monitored at the beginning of each month for the previous month.
- If the rejection percentage for such deposit is higher than a threshold percentage of the total deposits by the concerned depositor during the same month, then an alert would be generated for such depositor.
- This analysis would be done for the given Financial Year.

Based on the assessment as above, the following action shall be initiated against the concerned depositor/s

1. On the first instance, a depositor name appears based on above criteria the concerned depositor shall be issued a Caution letter and the same shall be shared with all the WSPs.
2. Upon a second instance, the depositor shall be issued a Warning letter inter-alia notifying that any further repeat instances would warrant suspension of deposits.
3. In case of a third instance, the depositor shall not be allowed to deposit any commodity in any of the approved warehouses for a period of one month after due notice and all the WSPs shall be advised accordingly.
4. In case of further repeated instances in the same financial year, action as per '3' above shall be taken

In addition to above, Clearing Corporation may also take any other action as may be deemed fit

10. Collection of Assaying Charges

The clients intending to deposit goods in NCCL approved warehouses are required to follow the commodity deposit process as prescribed from time to time. The client receives credit in form of eNWR for quantity of goods confirming to quality specifications mentioned in the contract specifications after the test result is issued by assayer. The assaying charges are paid directly by the clients to the respective assayers as per the rates published on NCCL website.

In the current process relating to payment of assaying charges, it has been observed that due to delay in payment of assaying charges by clients, procedural issues in issuance of invoices and related matters, it leads to delay in credit for quantity of goods in the clients' repository account. NCCL has been receiving feedback from various market participants highlighting the issue and difficulties in this regard.

In order to simplify the processes and facilitate market participants, the assaying charges effective April 1, 2020 will be collected through Repository Participants (RPs) empanelled by NeRL by putting a process similar to collection of regular warehousing storage charges. The assaying charges will be billed to the client repository account which has received the electronic credit for deposit of goods. The billing activity shall be performed at the beginning of a month for the preceding month.

11. Bulk deposit of Wheat in Silos

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.

The detailed process for deposit and withdrawal from Silo and the Frequently Asked Questions (FAQs) is given in Annexure 4.

12. Withdrawal of commodities from Warehouse

For withdrawing from the Warehouse, the participants will have to follow the physical delivery request process which is listed below:

- a) Give a written request to his Repository Participant (RP) in prescribed form i.e. Withdrawal Initiation Request Form
- b) RP will provide a Withdrawal Request Receipt (WRR) to the participant, which he has to produce at the time of taking the physical commodities out from Warehouse.
- c) Once the withdrawal initiation request is received from participant, RP verifies the same with his holdings in Electronic form.
- d) If the verification is successful, RP will send the (WRR) delivery instructions to the Warehouse
- e) The participant then has to approach the Warehouse with original withdrawal papers, authorisation letter in favour of person taking delivery and his proof of identity.
- f) Warehouse will match WRR instruction along with participant's proof of identity and then deliver the goods.

13. Sampling at the time of taking physical delivery

Members and their Constituents are entitled to make a request to NCCL for appointing an assayer for allowing sampling at the time of lifting of goods from the Warehouse and testing of these samples by the NCCL appointed assayer for the purpose of verification of quality of commodity which is received by them

against a buy obligation on the Exchange platform. Such requests should be made before the EDD of the goods stored in NCCL approved Warehouses and reflected in their corresponding repository account. Further, such request should be made on submission of all documents to the WSP. The framework for sampling at the time of taking physical delivery is available on our website at www.nccl.co.in.

14. Physical Verification of Goods by Beneficiary Holder

The beneficiary holders having commodity balances in their corresponding electronic accounts are permitted to carry out physical inspection of their goods in NCCL approved Warehouses by submitting a request to NCCL. The process to be followed for the purpose of requesting physical inspection is available on NCCL website.

15. Presence of Weevils etc. in Outbound Deliveries

It is clarified that at the time of outbound delivery, as a consequence of settlement on the NCCL platform, the buyers will be entitled to receive good delivery free from live weevils, insects, fungus and moulds subject to contract specifications and in accordance with the settlement process prescribed under the Regulations of NCCL. However, due to inherent nature of agricultural commodities, presence of minor quantum of live weevils, insects, fungus and moulds in the course of storage despite best management processes adopted by Warehouse Service Providers cannot be avoided or ruled out. In spite of prudent measures and compliance of norms for storage of goods by the WSP, if at the time of outbound delivery, goods are observed with minor quantum of live weevils, insects etc, the Warehouse Service Providers shall fumigate the goods at their cost and delivery would be given in reasonable time frame to the buyer. Such delivery would be treated as good delivery in terms of settlement.

16. Contact details of Customer Service Group of empanelled Warehouse Service Providers (WSPs)

As a part of clearing & settlement functions, NCCL has empanelled Warehouse Service Providers (WSPs) for settlement of delivery obligations arising out of trades / deals executed on NCDEX platform.

In order to serve the Participant better and improve processes, the WSPs have been advised to set up a grievance cell to handle customer complaints. Participants are advised to send an e-mail to the Customer Service Group of the respective WSP with a copy to Customer Service Group of NCCL for any complaint, feedback, query, suggestion on issues relating to warehousing services of such WSP.

The contact details and e-mail Ids of Customer Service Group of WSPs and of NCCL is given in Annexure 5

17. Escalation procedure for handling complaints relating to Logistics and Warehousing matters

A. Queries / Complaints relating to Logistics and Warehousing matters

All queries / complaints relating to Logistics and Warehousing matters, participants can get in touch with the Customer Service Group on following Toll Free Number and E-mail id:

Toll Free Number	1800 266 6007
E-mail id	contactus@nccl.co.in

B. Escalations and Grievance Redressal Cell for Logistics and Warehousing matters

In our continued efforts to improve our service to participants, a process for handling escalations of complaints and queries is being implemented. Our endeavour is to provide with first contact resolution to the satisfaction of the concerned participant. Participants are requested to follow the steps given below for resolution:

Step 1:

Submit the complaint to the customer service group of the concerned WSP with a copy to Customer Service Group of NCCL. The contact details of the Customer Service Groups of WSPs have been provided in Annexure 5.

Step 2 (Escalation Level 1):

If the issue complained of does not get resolved or in the event the resolution provided is not satisfactory, the participant/complainant may call / forward the details to:

Toll Free Number	7304555144 or 7304555145
E-mail id	wgc@nccl.co.in

Step 3 (Escalation Level 2):

If the resolution provided at the first level of escalation as above is not satisfactory, the concerned participant may write to: **coo@nccl.co.in**

All participants are requested to ensure that following details are provided while forwarding their complaints as at escalation levels 1 and 2 above:

- Registered client id (UCC):
- Name of client:
- PAN:
- Mobile Number:
- Valid Ticket Reference Number (provided when an escalation e-mail is received at NCCL-CSG):
- Date of lodging the complaint with WSP:

Annexure 1 – KYD Application Form for Resident Individual or Proprietorship Firm

Please affix recent passport size photograph and **sign across** it (In case of Firm, photograph of Sole Proprietor)

Please fill this form in ENGLISH and in BLOCK LETTERS.

A. IDENTITY DETAILS

Name of the Individual or Name of Firm: - _____

Name of Sole Proprietor (In case of Firm): - _____

Date of birth: - _____ Nationality: - _____

Gender: - Male Female

Farmer: - Yes No

Proof of Identity (ANY ONE- Attach self-attested copy of the proof)

PAN Driving License Voter Id Passport

PAN of Depositor: _____ (Attach self-attested copy of PAN Card)

B. ADDRESS DETAILS (Proof of address must be different from the proof of identity).

Address of correspondence: - _____

City/District/Village: - _____ State: - _____

Country: - _____ PIN Code: - _____

Permanent Address (if different from above): - _____

City/District/Village: - _____ State: - _____

Country: - _____ Pin Code: - _____

Proof of Address (Any one) (Bill provided shall not be older than three months)

Bank Statement/Passbook Electricity/water/Telephone Ration Card

C. CONTACT DETAILS

Tel. (Off.): - _____ Tel. (Res.): - _____ Mobile No.: - _____

Email id: - _____

D. BANK ACCOUNT(S) DETAILS (COPY OF CANCELLED CHEQUE)

Bank Name	Branch address	Bank account no.	Account Type: Saving/Current/Others

E. REPOSITORY ACCOUNT DETAILS (to be provided if the depositor has a repository account with NeRL)

Repository Participant Name	Beneficiary Name	Repository Participant ID	Beneficiary ID

(CML copy issued by Repository bearing name of the depositor to be provided)

F. NCDEX TRADING ACCOUNT DETAILS OF DEPOSITOR IF THE DEPOSITOR HAS REGISTERED HIMSELF AS A PARTICIPANT OF NCDEX

Client Code (UCC): - _____

Member Name: - _____

Member ID: - _____

G. GOODS AND SERVICES TAX (GST) REGISTRATION DETAILS:

State: - _____

Depositor GST Number: - _____

Seller/Principal GST Number: - _____

(Note: In case of operation in any other States than mentioned above, please provide GST Registration details of all other States as a separate Annexure to this Application along with self -attested copy of GST Registration certificate.)

H. OTHER DETAILS:

1. Past Regulatory Action:

Details of any action/proceedings initiated/pending/ taken by FMC/SEBI / Recognized Stock Exchange / Clearing Corporation/ WDR/RBI/ /any other authority against the client during the last 3 years Yes No

2. Self-Attested copy of the following documents is to be submitted by the Depositor along with this Application (It is MANDATORY to submit the following documents as may be applicable)

- a) Self-attested copy of the GST Registration Certificate for the States in which the Depositor is registered. Yes No
- b) Self-attested copy of valid Mandi license / APMC license. Yes No
- c) In case of Farmer – Self attested copy of 7/12 extract or other state specific and land related documents establishing identity as a farmer. Yes No

DECLARATION CUM UNDERTAKING

1. I hereby declare that the details furnished above are true and correct and I also undertake to inform the Clearing Corporation and the Warehouse of any changes therein, immediately. I further undertake that the information that would require to be submitted with respect to all my transactions to be executed on the Exchange platform shall be true and correct in all the aspects. In case any of the information submitted by me in this Application or during the course of my transaction is found to be false or untrue or misleading or misrepresenting, I shall be held liable and solely responsible for any consequences therein.
2. I hereby confirm having understood the details submitted by me in this Application and I have submitted the same after proper understanding of the requirements therein.
3. I hereby declare and undertake to comply with the requirements of the Repository, the Clearing Corporation and the Warehousing Development Regulatory Authority (WDR) while dealing and transacting with the Repository.
4. I hereby declare and undertake to agree and abide by various Central and State laws including the prevailing Tax laws, Goods and Services Tax (GST), Essential Commodities Act, Food Safety and Standards Act and other Acts, Rules, Regulations, notification/orders and guidelines, Rules, Bye-laws and Regulations, Circulars, Guidelines and the directives of the Exchange/Clearing Corporation or the Board as may be applicable to the goods from time to time. I understand that in the event of any failure on my part to comply with the requirements with respect to stock limits prescribed under the Essential commodities Act the Exchange/Clearing Corporation or the Warehouse/s shall be at liberty to comply with any such directions as issued by the relevant authority and in such an event I undertake to keep the Exchange/Clearing Corporation and the Warehouse/s indemnified and harmless against any claims/losses whatsoever including but not limited to direct or indirect, special, incidental, or consequential damages, losses or expenses arising on account of my non-compliance of any Central and State laws as applicable to the said goods arising thereof from such actions of the Clearing Corporation / Exchange or the Warehouse/s.

-
5. I understand that the goods deposited/to be deposited/Delivered by me in the approved Warehouse/s of the Clearing Corporation are required to meet all statutory requirements under the law besides meeting the Exchange quality specifications. I further undertakes that I will/shall not violate any statutory requirement or compliances applicable to the goods deposited/Delivered by me.
 6. I understand that by virtue of depositing the goods in the Approved Warehouses I shall at all times be liable for any action as may be applicable for any violations of the Rules, Bye-laws and Regulations, Circulars, Guidelines and the directives of the Exchange/Clearing Corporation or the Board as the case may be as notified from time to time and declare and undertake to abide by such Rules, Bye-laws and Regulations, Circulars, Guidelines and the directives of the Exchange/Clearing Corporation or the Board at all times.
 7. I hereby confirm that the goods to be deposited by me shall not be goods whose Exchange Deliverable Date (EDD) has ceased and the goods are not EDD goods from any other approved Warehouses of the Clearing Corporation. I further agree and understand the directions of storage of goods and its removal from the approved Warehouses as notified by the Exchange/Clearing Corporation or the Regulatory authorities shall be binding on me. I further understand and agree that the Clearing Corporation has the right to issue suitable directions to the Warehouses to take necessary actions against the depositors for removal of EDD goods from the approved Warehouses including liquidation of such stocks by way of auction or otherwise as may be prescribed by the Clearing Corporation/Exchange/ SEBI/ WDRA from time to time and if such action is taken by the Exchange/Clearing Corporation or the Warehouse, I shall be solely responsible and liable for any consequences thereof including being liable for such costs as may be incurred by the Exchange/Clearing Corporation or the Warehouse/Warehouse Service Provider (WSP).
 8. I hereby declare that the goods deposited/to be deposited/delivered by me shall be merchandisable goods under the Sale of Goods Act. I further understand and agree that in case any of the goods deposited/delivered by me are found to be Non Merchandisable goods by the Clearing Corporation or the Warehouse, then in such an event, I shall forthwith without demur replace the entire quantity of such Non- Merchandisable goods deposited/delivered by me or in-lieu shall make payment of the entire value of the goods along with the compensation as may be decided by the Clearing Corporation and settle the dispute. I further declare, understand and agree that I shall not raise any dispute whatsoever with the Clearing Corporation/ Exchange or the Warehouse or file any proceedings (Civil or Criminal) or otherwise against the Clearing Corporation/ Exchange or the Warehouse for actions taken by the Clearing Corporation/ Exchange in good faith to protect the interest of investors of the Commodity derivatives market.
 9. I hereby declare and confirm that I shall not deposit/ deliver any goods which are encumbered and undertake to deposit/deliver goods free from all encumbrances whatsoever.
 10. I hereby declare and confirm that the goods deposited and delivered by me shall bear a valid title and I shall be the valid and legal owner of such goods and I shall ensure to issue appropriate invoices as may be required for all my transactions.
 11. I hereby declare and confirm that I shall ensure that no statutory dues or taxes/levies are outstanding in respect of the goods being deposited/delivered by me.

Place:

Date:

Signature of Depositor

FOR OFFICE USE ONLY

Documents Submitted verified by:

Check List for documents submitted with KYD Annexure 1 (WSP to take self-attested copies from the Depositor)		
1.	PAN of Depositor	
2.	Proof of Identity	
3.	Proof of Address	
4.	Cancelled Cheque	
5.	GST Registration Certificate	
6.	Mandi/APMC License	
7.	If depositor is Farmer then 7/12 extract or other state specific and land related documents establishing identity as a farmer	
8.	Details of Past Regulatory Action if Any	
9.	CML copy issued by Repository, If the depositor has a Repository Account	

Name of the Employee/ Warehouse Manager: - _____

Designation of the Employee / Warehouse: - _____

KYD Reference No. (KRN) allotted: - _____

Place: - _____

Date: - _____

Signature of the Employee / Warehouse Manager
(With Seal of the Warehouse / WSP)

Annexure 2A – KYD Application Form for Company and LLP

Please fill this form in **ENGLISH** and in **BLOCK LETTERS**.

A. IDENTITY DETAILS

Name of the Applicant: - _____

Constitution (Please tick any one)

Private Limited Co. **Public Ltd Co** **LLP**

Date of Incorporation: - _____ **Date of Commencement of business** _____

Place of incorporation: - _____

PAN No. of Company (Attach self-attested copy of PAN Card): - _____

CIN/LLP No. of Company: - _____

B. ADDRESS DETAILS

Address for correspondence: - _____

City/District/Village: - _____ **State:** - _____

Country: - _____ **Pin Code:** - _____

Registered Address (If different from above): - _____

City/District/Village: - _____ **State:** - _____

Country: - _____ **Pin Code:** - _____

PROOF OF ADDRESS (ANY ONE- Attach self-attested copy of the proof).

Certificate of Incorporation **Memorandum of Association/Article of Association**

ROC Master Data (Form 18/22) **Electricity Bill**

(Whenever there is change in address or change in name of the company, new certificate of incorporation issued by MCA has to be submitted)

C. CONTACT DETAILS

Tel. Off.: - _____ **Mobile No.:** - _____

Email id: - _____

D. DETAILS OF AUTHORIZED SIGNATORY (Any two authorized signatory details are to be provided)

Name of the 1st Authorized Signatory		Name of the 2nd Authorized Signatory	
Designation of the 1st Authorized Signatory		Designation of 2nd Authorized Signatory	

PROOF OF IDENTITY OF 1st AUTHORISED SIGNATORY (ANY ONE- self-attested copy).

 PAN Driving License Voter Id Passport
PROOF OF IDENTITY OF 2nd AUTHORISED SIGNATORY (ANY ONE- self-attested copy).

 PAN Driving License Voter Id Passport
E. BANK ACCOUNT(S) DETAILS OF COMPANY/LLP (COPY OF CANCELLED CHEQUE)

Bank Name	Branch address	Bank account no.	Account Type: Saving/Current/Others

F. REPOSITORY ACCOUNT DETAILS OF COMPANY/LLP (to be provided if the depositor has a repository account with NeRL. CML copy issued by Repository bearing name of the depositor to be provided)

Repository Participant Name	Beneficiary Name	Repository Participant ID	Beneficiary ID

G. NCDEX TRADING ACCOUNT DETAILS OF DEPOSITOR IF THE DEPOSITOR HAS REGISTERED HIMSELF AS A PARTICIPANT OF NCDEX:

Client Code (UCC): - _____ Member ID: - _____

Member Name: - _____

F. GOODS AND SERVICES TAX (GST) REGISTRATION DETAILS:

State: - _____ Depositor GST No.: - _____

Seller/Principal GST No.: - _____

Note: In case of operation in any other States than mentioned above, please provide GST Registration details of all other States as a separate Annexure to this Application along with Self Attested copy of GST Registration certificate

H. OTHER DETAILS:

1. Past Regulatory Action:

Details of any action/proceedings initiated/pending/ taken by FMC/SEBI / Recognized Stock exchange / Clearing Corporation/ WDRA/RBI//any other authority against the client during the last 3 years Yes No

2. Self-Attested copy of the following documents is to be submitted by the Depositor along with this Application (It is MANDATORY to submit all of the following documents as may be applicable)

a) Self-attested copy of the GST Registration Certificate for the States in which the Depositor is registered. Yes No

b) Self-attested copy of valid Mandi license / APMC license. Yes No

c) An self-attested copy of the Registration Certificate of the firm as issued by the local authorities where the firm is registered shall be submitted. Yes No

DECLARATION CUM UNDERTAKING

1. I/We hereby declare that the details furnished above are true and correct and I/We also undertake to inform the Clearing Corporation/ Exchange and the Warehouse of any changes therein, immediately. I/We further undertake that the information that would require to be submitted with respect all my/our transactions to be executed on the Clearing Corporation/ Exchange platform shall be true and correct in all the aspects. In case any of the information submitted by me/us in this Application or during the course of my/our transaction is found to be false or untrue or misleading or misrepresenting, I/We shall be held liable and solely responsible for any consequences therein.
2. I/We hereby confirm having understood the details submitted by me/us in this Application and I/We have submitted the same after proper understanding of the requirements therein.
3. I/We hereby declare and undertake to comply with the requirements of the Repository and the Warehousing Development Regulatory Authority (WDRA) while dealing and transacting with the Repository.
4. I/We hereby declare and undertake to agree and abide by various Central and State laws including the prevailing Tax laws, Goods and Services Tax(GST), Essential Commodities Act, Food Safety and Standards Act and other Acts, Rules, Regulations, notification/orders and guidelines as may be applicable to the goods from time to time. I/We understand that in the event of any failure on my/our part to comply with the requirements with respect to stock limits prescribed under the Essential commodities Act, the Clearing Corporation /Exchange or the Warehouse/s shall be at liberty to comply with any such directions as issued by the relevant authority and in such an event I/We undertake to keep the Clearing Corporation /Exchange and the Warehouse/s indemnified and harmless against any claims/losses whatsoever including but not limited to direct or indirect, special, incidental, or consequential damages, losses or expenses arising on account of my/our non-compliance of any Central and State laws as applicable to the said goods arising thereof from such actions of the Clearing Corporation /Exchange or the Warehouse/s .

5. **I/We understand that the goods deposited/to be deposited/Delivered by me/us in the approved Warehouse/s of the Clearing Corporation/ Exchange are required to meet all statutory requirements under the law besides meeting the Exchange quality specifications. I/We further undertakes that I/We will/shall not violate any statutory requirement or compliances applicable to the goods deposited/Delivered by me/us.**
6. **I/We understand that by virtue of depositing the goods in the Approved Warehouses I/We shall at all times be liable for any action as may be applicable for any violations of the Rules, Bye-laws and Regulations, Circulars, Guidelines and the directives of the Clearing Corporation / Exchange or the Board as the case may be as notified from time to time and declare and undertake to abide by the Rules, Bye-laws and Regulations, Circulars, Guidelines and the directives of the Clearing Corporation /Exchange or the Board at all times.**
7. **I/We hereby confirm that the goods to be deposited by me/us shall not be goods whose Exchange Deliverable Date (EDD) has ceased and the goods are not EDD goods from any other approved Warehouses of Clearing Corporation. I/We further agree and understand the directions of storage of goods and its removal from the approved Warehouses as notified by the Clearing Corporation /Exchange or the Regulatory authorities shall be binding on me/us. I/We further understand and agree that the Clearing Corporation /Exchange has the right to issue suitable directions to the Warehouses to take necessary actions against the depositors for removal of EDD goods from the approved Warehouses including liquidation of such stocks by way of auction or otherwise as may be prescribed by the Clearing Corporation / Exchange/ SEBI/ WDRA from time to time and if such action is taken by the Clearing Corporation / Exchange or the Warehouse, I/We shall be solely responsible and liable for any consequences thereof including being liable for such costs as may be incurred by the Clearing Corporation /Exchange or the Warehouse/Warehouse Service Provider (WSP).**
8. **I/We hereby declare that the goods deposited/to be deposited/delivered by me/us shall be merchandisable goods under the Sale of Goods Act. I/We further understand and agree that in case any of the goods deposited/delivered by me/us are found to be Non Merchandisable goods by the Clearing Corporation/ Exchange or the Warehouse, then in such an event, I/We shall forthwith without demur replace the entire quantity of such Non- Merchandisable goods deposited/delivered by me/us or in-lieu shall make payment of the entire value of the goods along with the compensation as may be decided by the Clearing Corporation /Exchange and settle the dispute. I/We further declare, understand and agree that I/We shall not raise any dispute whatsoever with the Clearing Corporation /Exchange or the Warehouse or file any proceedings (Civil or Criminal) or otherwise against the Clearing Corporation /Exchange or the Warehouse for actions taken by the Clearing Corporation /Exchange in good faith to protect the interest of investors of the Commodity derivatives market.**
9. **I/We hereby declare and confirm that I/We shall not deposit/ deliver any goods which are encumbered and undertake to deposit/deliver goods free from all encumbrances whatsoever.**
10. **I/We hereby declare and confirm that the goods deposited and delivered by me/us shall bear a valid title and I/We shall be the valid and legal owner of such goods and I/We shall ensure to issue appropriate invoices as may be required for all my/our transactions.**
11. **I/We hereby declare and confirm that I/We shall ensure that no statutory dues or taxes/levies are outstanding in respect of the goods being deposited/delivered by me/us.**

Place:

Date:

Signature of Authorized Signatory and Company Seal

FOR OFFICE USE ONLY
Documents Submitted verified: -

Check List for KYD Annexure 2 A (WSP to take self-attested copies from the Depositor)		
1.	PAN Card of Company	
2.	Proof of Address of Company	
3.	Proof of Identity of Authorized Signatories of the Company	
4.	Cancelled Cheque of Company/LLP	
5.	CML copy issued by Repository, If the depositor has a Repository Account	
6.	GST Registration Certificate of Company/LLP	
7.	Mandi/APMC License of Company/LLP	
8.	Details of Past Regulatory Action if Any	
9.	Self-attested copy of the Registration Certificate of the firm as issued by the local authorities	

Name of the Employee / Warehouse Manager: - _____

Designation of the Employee / Warehouse Manager: - _____

KYD Reference no. allotted: - _____

Place: - _____

Date: - _____

Signature of the Employee / Warehouse Manager
(With Seal of the Warehouse / WSP)

Annexure 2B – KYD Application Form for Partnership Firm

Please affix recent passport size photograph and sign across it

Please affix recent passport size photograph and sign across it

Please fill this form in **ENGLISH** and in **BLOCK LETTERS**.

A. IDENTITY DETAILS

Name of the Applicant: - _____

PAN No. of Firm (attach self-attested copy of PAN Card)- _____

WHETHER PARTNERSHIP FIRM: - Registered Unregistered

NAME OF ALL PARTNERS: - (In case of more than four partners, attach an Annexure with names of all partners)

1. _____ 2. _____

3. _____ 4. _____

NAME OF AUTHORISED SIGNATORY (Any two Authorized signatory)

1. _____ 2. _____

PROOF OF IDENTITY OF 1st AUTHORISED SIGNATORY (ANY ONE- self-attested copy).

PAN Driving License Voter Id Passport

PROOF OF IDENTITY OF 2nd AUTHORISED SIGNATORY (ANY ONE- self-attested copy)

PAN Driving License Voter Id Passport

B. ADDRESS DETAILS

Address for correspondence: - _____

City/District/Village: - _____ State: - _____

Country: - _____ Pin Code: - _____

Registered Address (If different from above): - _____

City/District/Village: - _____ State: _____

Country: - _____ Pin Code: - _____

PROOF OF ADDRESS OF THE FIRM (Any one self-attested copy is to be attached)

 Bank Passbook Electricity/Water/Telephone Bill
C. CONTACT DETAILS

Tel. (Off.): - _____ Tel. (Res.): - _____ Mobile No.: - _____

Email Id: - _____

D. BANK ACCOUNT(S) DETAILS (Copy of Cancelled Cheque to be attached)

Bank Name	Branch address	Bank account no.	Account Type: Saving/Current/Others

E. REPOSITORY ACCOUNT DETAILS (If the depositor has a repository account with NERL) (Attach self-attested CML copy issued by repository bearing name of the depositor)

Repository Participant Name	Beneficiary Name	Repository Participant ID	Beneficiary ID

F. NCDEX TRADING DETAILS OF DEPOSITOR IF THE DEPOSITOR HAS REGISTERED HIMSELF AS A PARTICIPANT OF NCDEX:

Client Code (UCC): - _____ Member ID: - _____

Member Name: - _____

G. GOODS AND SERVICES TAX (GST) REGISTRATION DETAILS:

State: - _____ Depositor GST No.: - _____

Principal GST No.: - _____

(Note: In case of operation in any other States than mentioned above, please provide GST Registration details of all other States as a separate Annexure to this Application along with self-attested copy of GST Registration certificate.)

H. OTHER DETAILS:
3. Past Regulatory Action:

 Details of any action/proceedings initiated/pending/ taken by FMC/SEBI /
 Recognized Stock exchange / Clearing Corporation/ WDRA/RBI//any other
 authority against the client during the last 3 years

 Yes No

4. Self-Attested copy of the following documents is to be submitted by the Depositor along with this Application (It is MANDATORY to submit all of the following documents as may be applicable)

- a) Self-attested copy of the GST Registration Certificate for the States in which the Depositor Principal is registered. Yes No
- b) Self-attested copy of valid Mandi license / APMC license. Yes No
- c) An self-attested copy of the Registration Certificate of the firm as issued by the local authorities where the firm is registered shall be submitted Yes No
- d) Latest partnership deed Yes No

DECLARATION CUM UNDERTAKING

1. I/We hereby declare that the details furnished above are true and correct and I/We also undertake to inform the Clearing Corporation/ Exchange and the Warehouse of any changes therein, immediately. I/We further undertake that the information that would require to be submitted with respect all my/our transactions to be executed on the Clearing Corporation/ Exchange platform shall be true and correct in all the aspects. In case any of the information submitted by me/us in this Application or during the course of my/our transaction is found to be false or untrue or misleading or misrepresenting, I/We shall be held liable and solely responsible for any consequences therein.
2. I/We hereby confirm having understood the details submitted by me/us in this Application and I/We have submitted the same after proper understanding of the requirements therein.
3. I/We hereby declare and undertake to comply with the requirements of the Repository and the Warehousing Development Regulatory Authority (WDRA) while dealing and transacting with the Repository.
4. I/We hereby declare and undertake to agree and abide by various Central and State laws including the prevailing Tax laws, Goods and Services Tax(GST), Essential Commodities Act, Food Safety and Standards Act and other Acts, Rules, Regulations, notification/orders and guidelines as may be applicable to the goods from time to time. I/We understand that in the event of any failure on my/our part to comply with the requirements with respect to stock limits prescribed under the Essential commodities Act, the Clearing Corporation /Exchange or the Warehouse/s shall be at liberty to comply with any such directions as issued by the relevant authority and in such an event I/We undertake to keep the Clearing Corporation /Exchange and the Warehouse/s indemnified and harmless against any claims/losses whatsoever including but not limited to direct or indirect, special, incidental, or consequential damages, losses or expenses arising on account of my/our non-compliance of any Central and State laws as applicable to the said goods arising thereof from such actions of the Clearing Corporation /Exchange or the Warehouse/s .
5. I/We understand that the goods deposited/to be deposited/Delivered by me/us in the approved Warehouse/s of the Clearing Corporation/ Exchange are required to meet all statutory requirements under the law besides meeting the Exchange quality specifications. I/We further undertakes that I/We will/shall not violate any statutory requirement or compliances applicable to the goods deposited/Delivered by me/us.

6. I/We understand that by virtue of depositing the goods in the Approved Warehouses I/We shall at all times be liable for any action as may be applicable for any violations of the Rules, Bye-laws and Regulations, Circulars, Guidelines and the directives of the Clearing Corporation / Exchange or the Board as the case may be as notified from time to time and declare and undertake to abide by the Rules, Bye-laws and Regulations, Circulars, Guidelines and the directives of the Clearing Corporation /Exchange or the Board at all times.
7. I/We hereby confirm that the goods to be deposited by me/us shall not be goods whose Exchange Deliverable Date (EDD) has ceased and the goods are not EDD goods from any other approved Warehouses of Clearing Corporation. I/We further agree and understand the directions of storage of goods and its removal from the approved Warehouses as notified by the Clearing Corporation /Exchange or the Regulatory authorities shall be binding on me/us. I/We further understand and agree that the Clearing Corporation /Exchange has the right to issue suitable directions to the Warehouses to take necessary actions against the depositors for removal of EDD goods from the approved Warehouses including liquidation of such stocks by way of auction or otherwise as may be prescribed by the Clearing Corporation / Exchange/ SEBI/ WDR from time to time and if such action is taken by the Clearing Corporation / Exchange or the Warehouse, I/We shall be solely responsible and liable for any consequences thereof including being liable for such costs as may be incurred by the Clearing Corporation /Exchange or the Warehouse/Warehouse Service Provider (WSP).
8. I/We hereby declare that the goods deposited/to be deposited/delivered by me/us shall be merchandisable goods under the Sale of Goods Act. I/We further understand and agree that in case any of the goods deposited/delivered by me/us are found to be Non Merchandisable goods by the Clearing Corporation/ Exchange or the Warehouse, then in such an event, I/We shall forthwith without demur replace the entire quantity of such Non- Merchandisable goods deposited/delivered by me/us or in-lieu shall make payment of the entire value of the goods along with the compensation as may be decided by the Clearing Corporation /Exchange and settle the dispute. I/We further declare, understand and agree that I/We shall not raise any dispute whatsoever with the Clearing Corporation /Exchange or the Warehouse or file any proceedings (Civil or Criminal) or otherwise against the Clearing Corporation /Exchange or the Warehouse for actions taken by the Clearing Corporation /Exchange in good faith to protect the interest of investors of the Commodity derivatives market.
9. I/We hereby declare and confirm that I/We shall not deposit/ deliver any goods which are encumbered and undertake to deposit/deliver goods free from all encumbrances whatsoever.
10. I/We hereby declare and confirm that the goods deposited and delivered by me/us shall bear a valid title and I/We shall be the valid and legal owner of such goods and I/We shall ensure to issue appropriate invoices as may be required for all my/our transactions.
11. I/We hereby declare and confirm that I/We shall ensure that no statutory dues or taxes/levies are outstanding in respect of the goods being deposited/delivered by me/us.

Place:

Date:

Signature of Authorized Signatory and Stamp of the firm

FOR OFFICE USE ONLY

Documents Submitted verified: -

Check List for KYD Annexure 2 B (WSP to take self-attested copies from the Depositor)		
1.	PAN Card of Partnership Firm	
2.	Proof of Identity of Authorized Signatories of the Firm	
3.	Proof of Address of Firm	
4.	Cancelled Cheque of Firm	
5.	CML copy issued by Repository, If the depositor has a Repository Account	
6.	GST Registration Certificate of Firm	
7.	Mandi/APMC License of Firm	
8.	Details of Past Regulatory Action if Any	
9.	Self-attested copy of the Registration Certificate of the firm as issued by the local authorities	
10.	Latest Partnership Deed	

Name of the Employee / Warehouse Manager: - _____

Designation of the Employee / Warehouse Manager: - _____

KYD Reference No.(KRN) allotted: - _____

Place: - _____

Date: - _____

Signature of the Employee / Warehouse Manager
(With Seal of the Warehouse / WSP)

Annexure 3 – WSR wise details Form

1. KYD Reference No allotted to depositor by WSP: - _____

2. DETAILS OF DEPOSITOR

Whether Depositor is a Farmer: - Yes: No:

Depositing on behalf of: - Self Beneficiary (other than self)

Depositor Name: - _____

PAN of Depositor: - _____

Correspondence Address of the Depositor: - _____

Name of the authorized signatory of Depositor: - _____

Proof of Identity of Authorized Signatory of Depositor (ANY ONE- self-attested copy)

PAN Driving License Voter Id Passport

3. DETAILS OF BENEFICIARY ON WHOSE BEHALF DEPOSIT IS BEING MADE: -

Name of Beneficiary: - _____

Address of Beneficiary: - _____

Name of the authorised signatory of the Beneficiary: - _____

4. GOODS AND SERVICES TAX (GST) REGISTRATION DETAILS OF DEPOSITOR:

State: - _____ Depositor GST: - _____

Principal GST Number: - _____

(Note: In case of operation in any other States than mentioned above, please provide GST Registration details of all other States as a separate Annexure to this Application along with self -attested copy of GST Registration certificate.)

5. DEPOSIT DETAILS:

WSR Number: - _____ Deposit End Date of WSR: - _____

Commodity Name: - _____ Quantity (MT/Bale/KG): - _____

DETAILS OF BENEFICIARY ACCOUNT IN WHICH THE HOLDINGS ARE TO BE CREDITED

Beneficiary Name	Repository Participant Name	Repository Participant ID	Beneficiary ID

GOODS HAVE BEEN PURCHASED BY THE DEPOSITOR FROM: -

Local Mandi Any other Mandi Others (Please specify)

Details of Mandi from where goods purchased by the Depositor

Mandi Name: - _____ State: - _____

Whether the Mandi Tax for the stock being deposited has been paid: - Yes No

Essential documents to be submitted by Depositor		
Document	Remark	Please Tick
Copy of Appointment letter / authorisation letter from Beneficiary for depositing on his behalf is to be attached	Required in case the Depositor is depositing on behalf of beneficiary other than self (refer annex 3 point 2 – Details of Depositor)	
CML Copy bearing Beneficiary Name and ID in which the stock is being deposited.	Refer Annex 3, Point 5 - Details of Beneficiary Account in which the stock being deposited is to be credited.	
Copy of Anugya-patra or similar applicable document in the state/the mandi. Undertaking that the Warehouses where deposits are being made is in jurisdiction where the mandi tax is paid.		
Copy of the Challan showing payments of the Mandi Tax	Required in case the stock is purchased by the depositor from Local Mandi. Refer Annex.3 Point 5- Deposit Details	
Copy of proof of payment of Mandi Tax if the stock being deposited is purchased by the depositor from any other mandi.	Required in case the stock is purchased by the depositor from any other Local Mandi. Refer Annex.3 Point 5- Deposit Details	
Copy of Invoice issued by the Depositor to the Beneficiary OR copy of Invoice Issued to the Depositor by his seller		

DECLARATION CUM UNDERTAKING

1. I/We hereby confirm that, I/we shall abide by the Declaration cum Undertaking as submitted by me/us while signing the KYD/ application. I/ we at all times and in an event of any breach of the terms of the Declaration cum Undertaking by me/us, then I/We shall be solely liable and responsible to the Clearing Corporation / Exchange and to the WSP.
2. Beneficiary named in this form is the valid owner / holder of these Goods as deposited by me/us. Goods which are being deposited are not subject matter of any Govt. schemes, pool or distribution mechanism which restrict their dealings otherwise.
3. I/We confirm having read/been explained and understood the details as filled in this document i.e. Annexure transaction wise details.
4. I / we hereby declare that the details furnished above are true and correct.
5. I/We confirm that Mandi tax(s) are already paid pertaining to the goods deposited by me/us. I/we further confirm to produce before any Regulatory authority / NCCL / WDRA sufficient proofs, tax paid invoices as the case may be.

6. I / we hereby declare that the Goods are free from all encumbrances. I/We confirm that all the statutory compliance viz. FSSAI, stock limits, essential commodities Act, sale of goods Act, etc pertaining to the Goods being deposited by me/us are complied.
7. I/ We confirm that the goods being deposited by me /us have not crossed EDD/any expiry date assigned by any assayer
 I/we confirm that the Goods as deposited by me / us are as per the Exchange (NCDEX) contract specification and I/We agree that the goods shall be accepted for deposit only if the assayer verifies the quality thereof and certifies them to be meeting the Exchange contract specification.

Place: - _____

Date: - _____ Signature of Authorised Signatory of Depositor

FOR WSP OFFICE USE ONLY

Date of CDTF Form	CDTF Form No	Commodity Name	Quantity Deposited (MT/BALE/KG)	No of Bags Deposited
TOTAL				

Verification By:

Name of the Employee / Warehouse Manager: - _____

Designation of the Employee/Warehouse Manager: - _____

Place: - _____

Date: - _____

**Signature of the Employee/Warehouse Manager
 (With Seal of the warehouse /WSP)**

Instructions for WSP

Document	Remark
PAN of Depositor	WSP to check KYD Annexure 1 or Annexure 2A and 2B provided by the Depositor for correctness of PAN and Copy of PAN. Refer Annex 3 Point 2 - Details of Depositor
7/12 extract or other state specific land related documents establishing identity as farmer	Required if the Depositor is a Farmer. Refer Annex 3 Point 2 - Details of Depositor
Proof of Identity of the Authorized Signatory of Depositor	WSP to check KYD Annexure 1 or Annexure 2A/2B provided by the Depositor for correctness of Proof of Identity. Refer Annex.3 Point. 2
Copy of GST Registration certificate	WSP to check KYD Annexure 1 or Annexure 2A/2B provided by the Depositor for Copy of GST Registration Certificate. Refer Annex 3 Point 4 - GST Registrations Details

Format of Authority Letter by Beneficiary to Depositor (on letterhead)

Date:

To,

.....
.....
.....

Dear Sir,

I/We, _____ [Beneficiary Client name] having our registered office at _____ having PAN number _____, do hereby authorize _____ [Depositor/s Name] having its office at _____ and having PAN number _____, to deposit the _____ [COMMODITY] as per the WSR no. _____ in your warehouse/s on my/ our behalf.

I/We hereby authorise the above named depositor/s (unless this authorisation is revoked in writing), to deposit stocks of _____ on our behalf as per the above WSR. We undertake to be responsible and liable for the said deposit and the stocks and any consequences arising out of this authorisation and / or the WSR.

I/We have duly instructed the above depositor to submit the requisite documents at the time of each deposit as required and to ensure all related compliance pertaining to the goods being deposited.

I/We agree and confirm to be bound by and liable with respect to any and all declarations and undertaking submitted by me/ us or by the above depositor with respect to goods deposited on our behalf.

Signature/s of Authorised person of the Depositor with self-attested photo ID proof is enclosed.

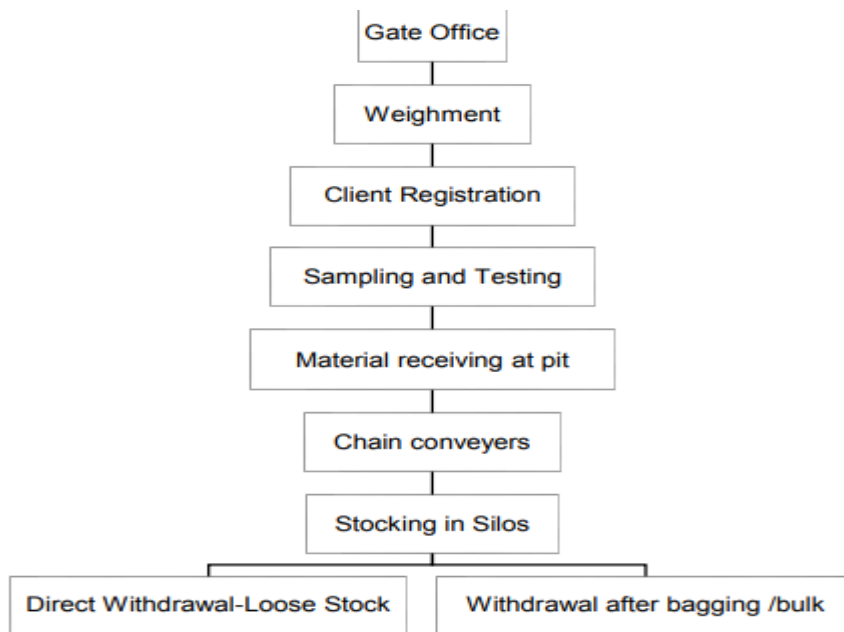
Seal &Stamp;

Signature of Beneficiary –

Annexure 4 – Process for deposit of Wheat in Silo and FAQ

Process:

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
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)

Frequently Asked Questions (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.

- 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.

Annexure 5 – Contact details of Customer Service Group of WSP and of NCCL

Sr. No.	WSP	Email ID	Phone Nos.
1	National Collateral Management Services Limited	askus@ncml.com	0124-4338200
2	National Bulk Handling Corporation Private Limited	askus@nbhcindia.com	1800 103 6242
3	Kalyx Warehousing Private Limited	askus@kalyxwarehousing.com	079-6170 6000
4	LTC Commercial Company Private Limited	askus@lfcagro.in	1800 2005 101/ 8003593435/403
5	Shree Shubham Logistics Limited	askus@ssll.in	022-3364 7500/ 022-3364 7597
6	Janhavi Promoters Private Limited	askus@janhavi.co.in	1800 2122 320
7	Star Agriwarehousing And Collateral Management Limited	askus@staragri.com	022-61829654 / 8356918561/ 9136943707
8	JICS Logistic Limited	askus@jicslogistic.com	1800 200 5003/ 9350274983

The copy of e-mail can also be marked to NCCL-CSG at **contactus@nccl.co.in**

Contact Details of Customer Service of NCCL

Toll Free Number	1800 266 6007
E-mail id	contactus@nccl.co.in