



Norms relating to the Monitoring of Warehouses

These norms relating to the monitoring of warehouses are laid down by NCL as per norms outlined by SEBI circular SEBI/HO/CDMRD/DMP/P/CIR/2021/551 dated April 16, 2021 under the heading “Guidelines for warehousing norms for agricultural/agri-processed goods and non-agricultural goods (only base/industrial metals) underlying a commodity derivatives contract having the feature of physical delivery”.

The norms relating to the monitoring of warehouses as follows:

1. Daily MIS

Details about storage facility-wise and / or commodity wise details of opening stock, goods deposited and held in transit (inbound and outbound), rejected stock, closing stock, encumbered/pledged stock and stock eligible for delivery on Clearing Corporation, name of the warehouse service provider, particulars of acceptance/rejection of goods by the storage facility concerned, FED wise stock position, Quantum of goods physically withdrawn by the holders, commodity wise percentage of overall deposits held in various warehouse are monitored on daily basis and displayed in public domain.

2. Surprise Visit:

NCL also conduct surprise visit based on the market information or based on complaints at a location. The scope includes SOP implementation at the warehouse.

3. Warehouse Inspection by Independent Audit Agency:

NCL ensures that independent audit of the stocks and other facilities in the warehouses is carried out by engaging expert agencies, at regular intervals. Such inspections are carried out at least twice in each accredited warehouse in a calendar year with a gap of not more than six months between two inspections/audits of same warehouse.

4. Review of warehouses and Warehouse Service Providers:

NCL shall review and appraise operational performance of each WSP every year. Based on the operational review NCL 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.

Such operational performance review will be carried out 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 NCL may deem necessary for its review.