



NATIONAL COMMODITY CLEARING LIMITED

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Norms relating to the monitoring of warehouses

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Norms relating to the monitoring of warehouses

The norms relating to the monitoring of warehouses are laid down by the NCCL in pursuance to the directives as notified vide SEBI Circular no. SEBI/HO/CDMRD/DMP/P/CIR/2021/551 dated April 16, 2021.

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acceptance/rejection of goods by the storage facility concerned, FED wise stock position, Quantum of goods physically withdrawn by the holders, commodity wise percentage of overall deposits held in various warehouse are monitored on daily basis and also displayed in public domain on NCCL website.

2. Warehouse Inspection by NCCL officials:

NCCL officials inspect the warehouses periodically. The scope for warehouse inspection includes Physical verification of goods, randomly checking quality of goods stored, Monitoring infrastructure, SOP adherence, security status, facilities available in warehouse, record keeping, stack maintenance activity, demarcation of rejected/post EDD goods etc.

3. Surprise Visit:

NCCL officials also conduct surprise visit based on the market information or based on complaints if any. The scope includes SOP implementation at the warehouse.

4. Warehouse Inspection by Independent Audit Agency:

NCCL ensures that independent audit of the stocks and other facilities in the warehouses is carried out by engaging independent expert agencies, at regular intervals.

5. Review of warehouses and Warehouse Service Providers:

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

- a. Additionally, NCCL carries out quarterly performance review of all warehouses accredited by it. Such 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 the NCCL may deem necessary for its review.
- b. To further strengthen the process of monitoring, the WSPs are mandated to submit report of the inspections carried out by the statutory authorities like WDRA to NCCL within the stipulated time along with their comments.

6. Regular visits by NCCL official to warehouse:

NCCL has deputed staff at the field level who keeps visiting warehouses periodically