



## **Process for empanelment of Warehouse Service Providers**



## WSP Accreditation process

The process followed by the Exchange for accreditation of WSP is given below:

1. The Exchange follows a transparent process for accreditation of WSP by issuing open advertisement in leading newspaper and/or putting the same on NCDEX website as and when required and a through a transparent selection process.
2. The applicant will have to submit application for accreditation along with the non-refundable application fee Rs. 10,000/- (Rs. Ten Thousand Only) per application.
3. The applicant will be initially required to submit a letter indicating compliance/noncompliance with each aspect of the norms and shall submit necessary supporting documents.
4. In view of the increasing emphasis on stringent financial norms, transparency, disclosure requirements and modern technology, WSPs need to have strength and efficiency to work profitably in a highly competitive environment. Preference will be given to entities that are already in the public warehousing business for more than 3 years and have a 'Corporate or Institutional' background. Further, preference would be given to those WSPs that have their own warehouses and infrastructure.
5. Approval shall be issued on a very selective basis to those who conform to the above requirements, who have an impeccable track record and who are likely to conform to the best standards of customer service and efficiency. **Therefore, it may not be possible for the Exchange to issue approvals to all the applicants meeting the eligibility criteria prescribed above.** The Exchange reserves the right to modify/ amend/ upgrade some of the requirements in the interest of development of market / practical ground level issues/ regulatory reasons, etc.
6. At the first stage, the applications will be screened by the Exchange to ensure *prima facie* eligibility of the applicants. The Exchange may apply additional criteria to determine the suitability of applications, in addition to the 'fit and proper' criteria prescribed in the SEBI norms.

7. Thereafter, the applications may be referred to internal Committee set up by the Exchange for evaluation of the applications and making recommendation to the Risk Management Committee (RMC) of the Board of Directors of the Exchange.
8. The Committee will set up its own procedures for screening the applications. The Committee will reserve the right to call for more information as well as have discussions with any applicant/s and seek clarification on any issue as may be required by it. The Committee may seek additional undertaking from the WSP. The Exchange's decision in this regard will be final.
9. NCCL which is a subsidiary of NCDEX has received an in—principle approval from SEBI to function as a Clearing Corporation and NCDEX is in the process of transferring the clearing and settlement function to NCCL on receipt of recognition. Selected applicant will be issued in-principle approval subject to conditions specified therein and shall be advised to proceed with the signing of agreement as prescribed by the Exchange either with NCDEX or NCCL as the same may be. Along with the signing of the agreement, the WSP shall be required to pay up any accreditation fee. **The WSP is also required to place either with NCDEX or NCCL as the same may be, a minimum cash security deposit of Rs. 50 lakh along with application.**
10. After issue of the in-principle approval, if any adverse features are noticed subsequently regarding the Promoters/ Management or the companies/ entities with which the Promoters are associated and the group in which they have interest, the Exchange may impose additional conditions and if warranted, it may withdraw the in-principle approval.
11. Based on the business requirement or the strength of the WSP, single, few or all commodities may be allowed for the WSP to accept the goods.
12. Approval of warehouse for accepting deposit will commence only after the signing of agreement.
13. The Exchange will initiate inspection of the warehouse as per internal guideline.
14. The warehouse if found suitable will be approved for accepting deposit of the specified commodity and the same will be notified to the market by way of circular.

15. The compliance of terms and conditions laid down by Exchange is an essential condition of grant of approval. Any non-compliance will attract penal measures including cancellation of accreditation of the WSP.

**List of Documents required at the time of submission of application**

<b>Sr. No.</b>	<b>Documents to be submitted along with application</b>
1	Annual Reports last 3 years
2	Income Tax Return last 3 years
3	Memorandum of Articles of Association (MoA)
4	Shareholding Pattern and Management Team
5	State wise no of Warehouses
6	List of Laboratories (If WSP has NABL Laboratory to test commodities)
7	Net Worth Certificate
8	NABL certificate if WSP is Assayer with scope for testing
9	Customer Testimonials if Any
10	Professional Management Team
11	Power of Delegation
12	Standard Operating Procedure
13	Insurance Policies for the warehouses
14	Business Continuity Plan
15	Any other documents if required

Applications along with other details as mentioned above, should reach the following address

The Head – Logistics,  
1st Floor, Akruti Corporate Park,  
Near G.E. Garden, LBS Road,  
Kanjurmarg West, Mumbai 400 078,  
India Tel: (+91-22) - 66406789  
Fax: (+91-22) - 66406736  
E-mail: [askus@ncdex.com](mailto:askus@ncdex.com)