

NCDDEX

Pragati ka Solid Exchange

Warehousing & Logistics





Warehouse Space Reservation System

– Book Space with a click !

First-of-its-kind initiative in India

- Real-time online service
- A simple, transparent way to book warehouse space
- Registered customers of the exchange can avail facility
- Book space in their choice of location
- Email alerts to help clients keep track of booking status.



Maximum permissible limit of 500 MT per warehouse per user



Equal opportunity to all

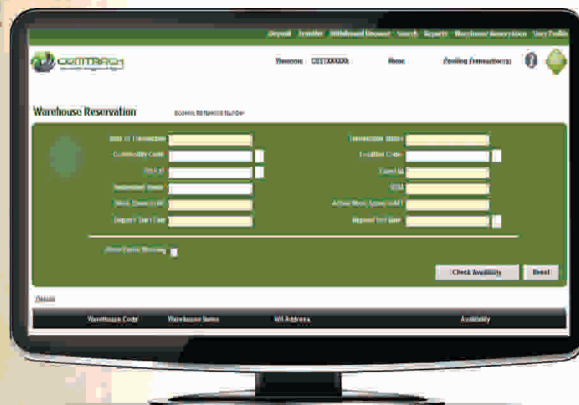


Booking window from 10:00am to 12:30pm



Initiate a wait list request in case of non-availability of space in the chosen warehouse

- Initially launched for a few select commodities and centres,
- The service will be scaled up to include all commodities and centres going forward.
- Developed in a phase-wise manner, the system will also look at integrating a payment gateway subsequently.



www.comtrack.in

NCDEX Markets App

Warehousing in Indian agriculture

Storage and warehousing is a critical component in the development of the agricultural sector. An economic function, it assumes even greater significance for our country where agriculture is a major contributor to the GDP.

At present, India has a total agricultural warehousing capacity of over 100 million MT with the state agencies owning about 40% of the capacity and the rest available to private entrepreneurs, cooperative societies and farmers. Against the backdrop of expansion in

the economy and emergence of regulated commodity markets, warehousing has become a critical function and today, warehouses not only provide safe custody for goods, but also offer value-added services, such as sorting, packing etc.



Warehouse based delivery in commodity markets

Physical deliveries are an important aspect of ensuring fair price discovery in futures trading and hence an efficient warehousing system is paramount for the integrity of the delivery mechanism. A robust and healthy delivery network of well-resourced warehouses is the sine- qua-non of a mature and well-functioning commodities market. The warehousing system and warehouse receipts act as a chain, connecting farmers with credit financing and

futures markets. Commodity exchanges approve warehouses which are managed by Warehouse Service Providers (WSPs). These warehouses need to be accredited by Warehousing Development and Regulatory Authority (WDRA).



NCDEX – playing the catalytic role

NCDEX's focus on enhanced deliveries has spurred the growth of warehouse industry across India. NCDEX approved warehouses have become the new centres of gravity for physical markets. These warehouses have become the meeting points for food safety standards, farm produce sales, grading and assaying, raw material purchases, bank finance, transportation, logistics and the nodal point for convergence of spot and futures market prices. These warehousing hubs have catalyzed jobs and business opportunities in their areas.

They are encouraging the farmer to grow more, who no longer feels compelled to leave his produce on roads across the country to rot, but now finds a ready 'home' for products so that a few months later, he can sell it for better prices.

Case Study:

Challenge:

Bihar's Purnia, Khagariya, Begusarai and Madhepura districts increased rabi maize productivity by using hybrid seeds. As production increased, farmers with inadequate storage, sold out cheap.

Solution:

NCDEX launched a contract for Gulab Bagh maize in February 2013, empowering all those disadvantaged by information asymmetry and

inadequate market

Access

Impact:

The daily Gulab Bagh maize price was used by farmers as a reference when negotiating with traders. Traded volumes increased.

Warehousing investments rose. Bihar government encouraged post-harvest drying of maize to improve storability. Downstream starch and poultry industries grew. Total storage capacity, which was approximately 60,000 tonnes, jumped 66% in one year. The prosperity circle widened.

NCDEX Warehousing Ecosystem

1 lakh+
MT of deliveries every month
2 million
MT of warehouse capacity
400+
Approved warehouses
7
Assaying laboratories
10
Approved WSPs



Spearheading warehousing reforms

Spearheading warehousing reforms

For decades, Indian warehousing standards lagged global standards. NCDEX Logistics 2.0 program unleashed a slew of reformatory measures which achieved what decades of reform could not accomplish. Not only did these reforms help establish a high service standard (ambience, service and governance) for WSPs, they also enhanced warehousing standards across India. NCDEX warehousing standards are now being adopted as mandatory industry norms for exchange-approved warehouses.

Some of the initiatives taken by the Exchange include:

- 1 Revised comprehensive norms were introduced for accreditation of WSP, including corporate structure of the company. The fit and proper criteria for promoters of WSP's helps in better operational control and regulatory compliance. Improvement in corporate governance and grievance redressal by WSP translates into a superior customer experience.
- 2 Revised legal agreements with the WSPs were executed with tighter terms and conditions and insurance norms, required to be fulfilled by WSPs were also made more comprehensive.
- 3 Know Your Depositor (KYD) norms - The Exchange has introduced a comprehensive Know Your Depositor(KYD) guideline, wherein the WSP is required to collect and maintain the documents of the depositor. This helps in tracking the deposited goods as well as the depositor and helps in resolution of issues.
- 4 Introduction of double assaying - In some sensitive commodities, the process of double assaying was implemented, which showed a sharp reduction of complaints related to quality of goods.
- 5 Audit of goods by external agency - The physical verification of goods is done at regular intervals by an independent auditor. The report is subsequently put up on the website of the Exchange, thus bringing greater transparency and assurance to holder of goods.

Benefits To Customers

The Logistics 2.0 reforms initiated by the Exchange has resulted in bringing significant benefits to customers and helped improve customer satisfaction with regards to warehousing.

“The recent initiatives undertaken by NCDEX have resulted in substantial reduction in delivery related issues from our clients. Introduction of surveillance cameras at warehouses, branding of NCDEX goods, have resulted in better accountability of WSPs and helped increase the confidence of our clients in NCDEX delivery system.”

Mr. Deepak Thakkar
Head - Commodities, PCS Commodities Pvt. Ltd

“We are receiving a positive feedback from our customers for services rendered by exchange approved warehouses. We appreciate the steps taken by the Exchange for improving warehousing services and look forward to continued support.”

Mr. Shashi Soni
Sr. Manager - Commodities Operations, Angel Commodities Broking Pvt. Ltd

“We are satisfied by the quick actions taken by the NCDEX Logistics department and we are grateful for the support that we got from NCDEX to sort out the issues we were facing while lifting the deliveries.”

Mr. Girish N. Nemade
Manager - Purchase, Gokul Seeds

“We appreciate the kind of support, the NCDEX team has given us and our valuable clients with regard to deposits and delivery of chana at Delhi location.”

Mr. R. G. Atul
Comtrade Ltd, Delhi





Creating A Milestone In Commodity Futures

Castor seed Deliveries

In December 2014, an unprecedented situation developed in Castor seed. In order to curb excessive bullish behavior of prices, regulatory measures were taken to encourage deliveries on the exchange platform. With available supply of castor seed increasing in the market, the Exchange, through its network of approved warehouses immediately made arrangement for additional warehousing space and ensured that the deliveries on the Exchange platform could be made in an efficient manner. The free flow of deliverable supply from the underlying physical markets to the derivatives markets ensured that the futures prices correctly reflected the underlying demand-supply fundamentals.

“*The proactive approach in providing storage space of exchange accredited warehouse was remarkable and saved us from major financial losses.*”

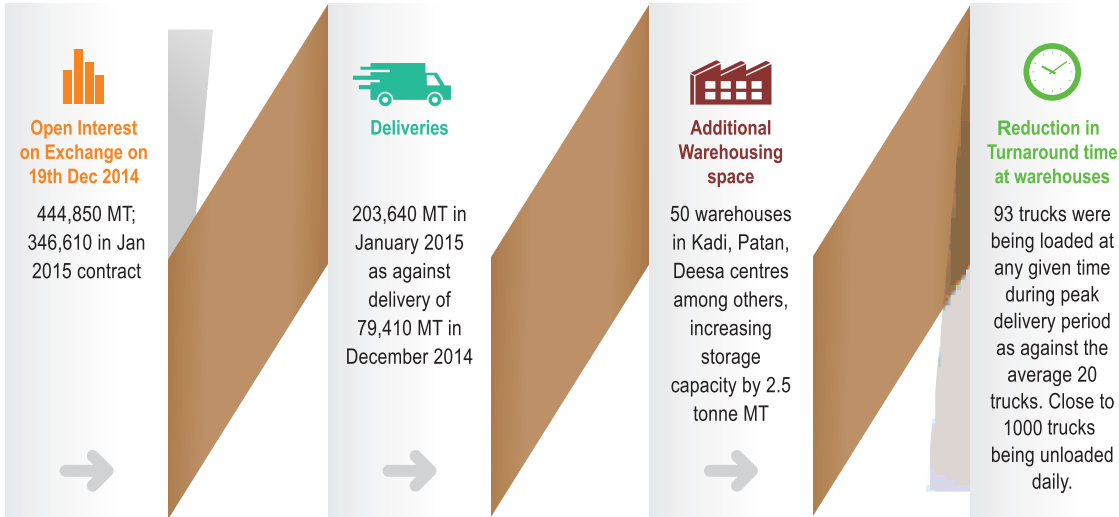
*Mr. Manoj Agrawal
Director, Shah Leafin Company Pvt. Ltd., Jaipur*

“*Thanks for the proactive steps taken by NCDEX in managing the castor seed deposits. we hope for the similar support in the future as well.*”

*Mr. Harshad Thakkar
Keshav Trading Company*

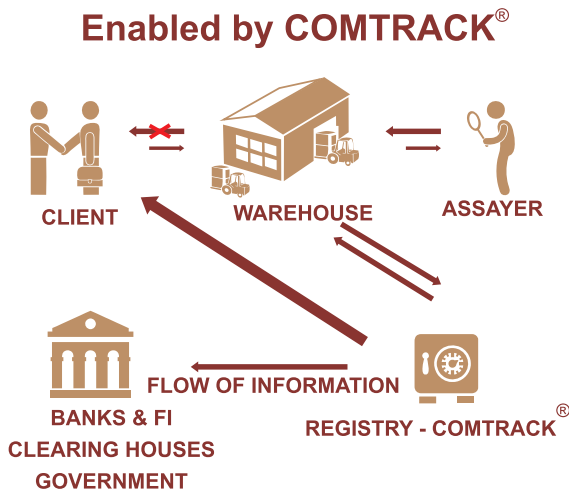
“*We thank FMC & NCDEX team for the effort & support provided at Gujarat for depositing castor seed. We are really thankful for services provided by you which have saved us from financial losses.*”

*Mr. Vinod Jain
Vinod And Company*



Bringing transparency to Warehousing

Comtrack®



NCDEX has developed a unique electronic accounting system COMTRACK® for maintenance of records of commodities held by the participants in the approved warehouses for the purpose of delivery on the Exchange platform. This state of the art system not only tracks the movement of goods in the warehouse ecosystem of the exchange but also gives a transparent single window view to the lenders.



Credit Access to Market Participants

Warehouse receipt financing is an important instrument to improve the credit access to agricultural producers. In order to provide liquidity to farmers and traders, NCDEX has brought financing from leading banks to the depositors of goods in exchange approved warehouses. The exchange has tied up with leading banks and NBFCs to promote financial inclusion through an electronic pledge facility that will enable farmers and traders to use their commodities stored in exchange approved warehouse as financial assets. Customers desirous of availing pledge finance through

COMTRACK[®], deposit their goods in exchange approved warehouses and the banks issuing pledge finance, provide loans using the deposited goods as collateral.

COMTRACK[®] provides transparency and tracking of commodities in approved warehouses, giving comfort to lending financial institutions. Presently e-pledge facility is provided through 5 Banks & 11 NBFCs.

The Road ahead – Logistics 3.0

Some of the initiatives include:

- 1 Modelling of warehouses as Centres of Excellence.
- 2 Development of silos for storage of commodities.
- 3 Standard Operating Procedures for the WSPs
- 4 CCTV surveillance to be set up in all warehouses, ensuring transparency and stricter monitoring.
- 5 A Customer Service Group to be set up by WSPs to help in speedy execution and revertals, reducing turnaround time for clients.

Our Service Partners

Warehouse Service Providers

NCML	National Collateral Management Services Limited
NBHC	National Bulk Handling Corporation Private Limited
STARAGRI	StarAgri Warehousing and Collateral Management Limited
LTC	LTC Commercial Company Private Limited
SSLL	Shree Shubham Logistics Limited
JICS	JICS Logistic Limited
DR.AMIN	Dr. Amin Controllers Private Limited
JPPL	Janhavi Promoters Private Limited
NASPL	Nokha Agro Services Private Limited
KALYX	KALYX Warehousing Private Limited



Mr. Amit Mundawala
Star Agri

“The role of NCDEX Logistics towards development of professional warehouse industry has been multidimensional. Over many years, the inefficiencies of the warehouse,

transportation and standardization system has discouraged the commodity derivatives trade in the country. NCDEX Logistics handled these issues on a war footing and developed a good delivery oriented system which is now the backbone of exchange related business in India. The systems and processes followed by NCDEX logistics, be it for quality assessment, storage practices, preservation methodology, documentation and business process; form core building block of “Standard Operating Procedures” for many Warehouse Service Providers. The rigorous check and balances followed by the NCDEX Logistics regarding quality and quantity has established trust in physical delivery among stakeholders and has been instrumental in growing the business volumes. NCDEX logistics has been transforming Agri commodity warehousing sector, driving it from unorganized, inefficient sector to reformed, structured and reliable service industry. StarAgri is proud to be associated with NCDEX logistics and appreciate the contribution made for the development of this sector.



Mr. Anil Choudhary
NBHC

“NBHC considers it a privilege to be a WSP associate of NCDEX, India's largest commodity Futures Exchange in agri-

commodities. The dynamism of its leadership, the objectivity and transparency of its operations and importantly, its keen efforts at partnering with associates in a forward looking manner make the Exchange a robust delivery platform. The rapid scaling-up of NBHC's operations and its services to the Exchange's delivery mechanism is a true testimony of the incredible platform that NCDEX has created.

We compliment the vibrant leadership of Shri Samir Shah, MD & CEO and the concerted efforts of the Team NCDEX. We look forward to build a valuable, creditable and dependable business association

with NCDEX as also the entire commodity eco-system that the Exchange serves.”



Mr. Anil Jhawar
JICS

“JICS Logistic Ltd had entered into the WSP agreement with NCDEX in Feb,2003 in the name of its previous firm M/s Jhawar Ice & Cold Storage, Indore. It was a very nice experience to

suggest various rules / regulations / contract terms to make various contracts successful over NCDEX platform during initial days. We have always been participating with NCDEX to form systems & procedures and have been actively working for bettering operations with the support of NCDEX.

We have handled various new commodities including providing oil tank storage facility. New initiatives of NCDEX shall be greatly beneficial for the ecosystem partners.”



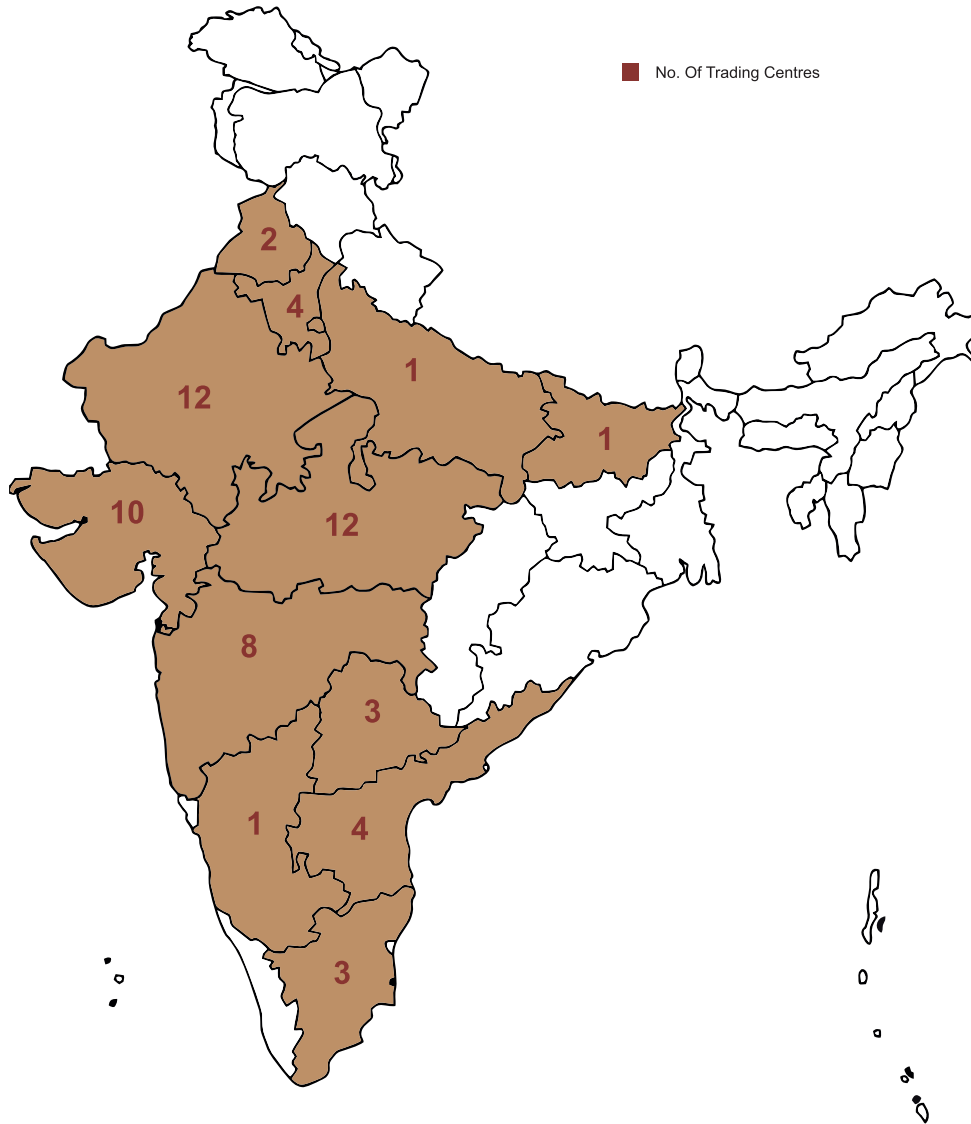
Mr. Rajesh Saraswat
LTC

“We at LTC Commercial Company Private Limited are associated with NCDEX for the last nine years. We have witnessed the change and innovation which NCDEX has brought , to

provide out-of-box services to the depositors. There is adequate space, transparency in processes and strategic & effective control and check on the WSP. The delivery mechanism of the Exchange is very reliable and transparent and makes NCDEX the most trusted and truly the best exchange across India for agri commodity business.

Recently, they have done a commendable job in handling large volume of deposits of commodities like Castor Seed, Mustard seed, Soyabean, Guarseed & Cotton Seed Oil cake and has already set a new benchmark in deliveries for all the Warehouse Service Providers. We have always believed that we are a part of NCDEX and we thank and appreciate the entire team for their continued support.”

Physical Ecosystem - Delivery Centers



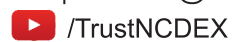
NCDEX

Pragati ka Solid Exchange

National Commodity & Derivatives Exchange Limited

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