

Empanelment process for Warehouse Service Provider (WSP)

NSE Clearing Limited (NCL) follows a transparent process for accreditation of WSP by issuing open advertisement in leading newspaper and/or putting the same on its website as and when required and a through a transparent selection process.

1. The applicant will have to submit application for accreditation along with the non-refundable application fee of Rs. 5,000/-* (Five Thousand only) plus taxes through Cheque/Demand Draft favouring “NSE Clearing Limited “payable at Mumbai per warehouse.
2. The applicant will be initially required to submit a letter/ undertaking indicating compliance/ noncompliance with each aspect of the norms specified by the Securities and Exchange Board of India (SEBI) vide its Circular No. SEBI/HO/CDMRD/DMP/P/CIR/2021/551 dated April 16, 2021 on “Guidelines for warehousing norms for agricultural/agri-processed goods and nonagricultural goods (only base/industrial metals) underlying a commodity derivatives contract having the feature of physical delivery” and the norms specified by Clearing Corporation. WSP shall submit an application in prescribed format along with supporting documents as mentioned in **Annexure 1**. The applicant will be required to self-certify the documents.
3. Preference will be given to entities that meet the following criteria:
 - A WSP is a corporate body and is in public warehousing business.
 - The Promoters/ Promoter Groups of the WSP is/are 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 and have knowledge of, and experience in, generally accepted warehousing and handling practices for Commodities
 - WSP and Promoters/ Promoter Group of WSP have no record of serious violation of laws or being expelled by any Exchange/ Clearing Corporation in last three years.
 - The WSP, Promoters of WSP, assayers, Key Management Personnel (KMPs) of WSPs, warehouses and Assayers are 'fit and proper' to carry out business of warehousing/ assaying, have adequate knowledge of, and experience in generally accepted warehousing, assaying and handling practices for Commodities,
 - The WSP 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
 - Further, preference would be given to those WSPs that have their own warehouses and allied infrastructure.
 - WSP shall have subscribed and paid-up share capital of at least ₹10 crores.
 - WSP has furnished a refundable security deposit (SD) wherein:
 - Such security deposit shall be a minimum amount of ₹50 lakhs.
 - Such security deposit shall be in the form of Cash / Bank Fixed Deposits / Bank Guarantee.

- An accredited WSP shall meet the following net worth criteria:

Type of Goods	Number of Goods	Minimum net worth
Base / Industrial Metals	1	₹10 crores
	More than 1	₹25 crores

- The WSP shall furnish refundable FSD for all goods on incremental basis in addition to the security deposit as under:

Type of Goods	Value of Goods stored	Minimum FSD
Base / Industrial Metals	NA	0.5% of the aggregate value of stored commodities

- NCL, based on its risk assessment, can decide on restricting the amount of FSD to ₹100 Crores from each WSP.
- The FSD shall be in form of liquid assets with applicable haircuts and concentration limits as listed below:

Item	Minimum Haircut	Limit
Cash	0	No Limit but minimum 10%
Bank Fixed Deposit	0	
Bank Guarantee	0	Remaining 90% FSD can be in any combination of the four types of options provided for furnishing the FSD
Securities of the Central Government	10%	

- 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 undertake to comply with the norms laid down by regulatory from time to time. Submission of application and compliance to the applicable norms and eligibility criteria shall not be deemed as approval to the WSP unless explicitly conveyed by the Clearing Corporation. Additionally, NCL also reserves the right to modify/ amend/ upgrade some of the requirements from time to time.
- The applications will be screened by the Clearing Corporation. In case of any discrepancy or deviation, WSP shall be asked for additional documents/ undertakings/information.
- Thereafter, the applications will be referred to the Member Committee of the Clearing Corporation. The Committee will set up its own procedures for screening the applications. The Committee reserves 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 Clearing Corporation's decision in this regard will be final.
- 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 Clearing

Corporation. Along with the signing of the agreement, WSP is required to place with NCL, a security deposit of minimum amount of Rs. 50 lakh in the form of Cash/Bank Fixed Deposits/Bank Guarantee along with application.

8. 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 Clearing Corporation may impose additional conditions and if warranted, it may withdraw the in-principle approval.
9. Based on the business requirement or the strength of the WSP, single, few or all commodities may be allowed for the WSP. Approval of warehouse for accepting deposit will commence only after the signing of agreement.
10. 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. The Clearing Corporation will initiate inspection of the warehouse as per internal guideline and reserves the right to inspect and approve/ disapprove the warehouse applied for accreditation.
11. The compliance of terms and conditions laid down by Regulator and Clearing Corporation is an essential condition of grant of approval. Any noncompliance will attract penal measures including cancellation of accreditation of the WSP.

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

Sr. No	Documents to be submitted along with application
1	Company Profile
2	Annual Reports last 3 years – Audited P&L and B/S for the last 3 years
3	Latest Provisional Financial Statement
4	Net Worth Certificate (The net worth shall be calculated as per the SEBI circular no. SEBI/HO/CDMRD/DMP/P/CIR/2021/551 dated April 16, 2021)
5	Memorandum of Articles of Association (MoA)
6	Income Tax Return last 3 years
7	Registration Certificate as an FBO/BIS/ISO/FSSAI/NABL/WDRA
8	Warehouse details across India with cold storage details
9	List of Laboratories (If WSP has NABL Laboratory to test commodities)
10	NABL certificate if WSP is Assayer with scope for testing
11	Standard Operating Procedure (“SOP”)
12	List of Promoters, Promoter group entities, its holding/subsidiaries/associates and other related entities, persons ‘acting in concert’, Key Managerial Personnel including whole time directors of WSP and their ‘relatives’ as per companies Act, 2013 along with PAN no.
13	List of Group Companies
14	Shareholding Pattern and Management Team
15	Power of Delegation
16	Major client details
17	Professional Management Team – Dedicated Compliance Officer
18	Insurance Details – types of Insurance taken for the commodity & warehouse
19	Details of Pending Litigations/grievances/criminal proceedings/dispute etc. as on date
20	Business Continuity Plan
21	Any other documents if required

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

NSE Clearing Limited,
Exchange Plaza, C-1,
Block G, Bandra Kurla Complex,
Bandra (E)
Mumbai – 400 051
Email: DL-NSCCL-COMM-CNS@nsccl.co.in

Application for Empanelment as “Warehouse Service Provider”

To,
NSE Clearing Limited,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E) Mumbai – 400 051
Email: DL-NSCCL-COMM-CNS@nsccl.co.in

Subject: Application for empanelment as “Warehouse Service Provider (WSP)” for NSE Clearing Limited (NCL).

Dear Sir,

We M/s. _____ (Company Name) having registered office at _____ (Complete address with Pin code) hereby submit our application for empanelment as “Approved WSP” with NCL. We are submitting herewith all the relevant documents/ undertakings in line with the requirement of the NCL.

Request you to consider our request for empanelment as ‘Approved Warehouse Service Provider’ for NCL.

Yours Sincerely,

Authorised Signatory
(Name and Designation)
Date: Place: