

**NSE CLEARING LTD.**

**Policy for Rejection of Goods Deposited by the Depositors**

As per SEBI circular SEBI/HO/CDMRD/DMP/P/CIR/2021/551 dated April 16, 2021, Policy for depositors for rejection of goods is as:

NCL shall identify the depositors repetitively depositing goods that are substandard, in the following manner:

- a) NCL will decide the minimum quantity threshold per depositor beyond which the rejections would be monitored at the beginning of each month for the previous month.
- b) If the rejection percentage for such deposit is higher than a threshold percentage of the total deposits by the concerned depositor during the same month, then an alert would be generated for such depositor.
- c) This analysis would be done for a particular Financial Year. Based on the assessment as above, the following action shall be initiated against the concerned depositor/s.
  - I. On the first instance, a depositor name appears based on above criteria the concerned depositor shall be issued a Caution letter and the same shall be shared with all the WSPs.
  - II. Upon a second instance, the depositor shall be issued a Warning letter inter-alia notifying that any further repeat instances would warrant suspension of deposits.
  - III. In case of a third instance, the depositor shall not be allowed to deposit any commodity in any of the approved warehouses for a period of one month after due notice and all the WSPs shall be advised accordingly.
  - IV. In case of further repeated instances in the same financial year, action as per '(iii)' above shall be taken.

In addition to above, NCL may also take any other action as may be deemed fit. The above policy will also be displayed on website of NCL

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