

NCDEX launches National E-Repository Limited (NERL)

- **An electronic commodity repository regulated by WDRA.**
- **Will provide a robust regulated institutional framework for creation of electronic negotiable warehouse receipt to enable inventory financing.**

New Delhi, September 26, 2017: Tuesday marked a historic day in the commodity and warehousing industry with the launch of electronic Negotiable Warehousing Receipt (eNWR) by Shri Ram Vilas Paswan, Hon'ble Union Minister of Food & Public Distribution, Consumer Affairs. The first ever eNWR generated under National E-Repository Limited (NERL) will provide a robust regulated institutional framework for creation of electronic warehouse receipt lending to meet the financial needs and inventory financing of those involved in the commodities business, such as farmers, traders, processors and aggregators.

With the first eNWR, NERL too was launched formally today which would work under the aegis of the Warehousing Development and Regulatory Authority (WDRA). NERL, one of the major participants providing services towards e-repository, has been promoted by leading agri commodity exchange of India National Commodity and Derivatives Exchange Ltd (NCDEX), National Bank for Agriculture and Rural Development (NABARD), ICICI Bank and SBI. Its purpose is to help warehouse receipts become credible and marketable lending instruments for banks and thus improve the flow of capital to the commodity value-chain. Through electronic negotiable warehouse receipts, NERL will act as a catalyst to boost warehouse based commodity business transactions.

"We are excited about the arrival of this critical market infrastructure because NERL's services will transform commodities into a financial asset in the hands of farmers and the value chain, improve financial liquidity in rural areas, lower the cost of financing, and ensure better price risk management," said **Samir Shah, MD & CEO, NCDEX**. "The combination of NERL, electronically connected warehouses and mandis, and electronic warehouse receipts will encourage agricultural market prices that reflect carrying costs and ease raw material procurement. And it will promote well-trained market participants," he added.

NCDEX group has in depth experience in digitalizing warehouse receipts and commodity inventory management through its ingeniously built systems – Comtrack® and Comlive, which have brought transparency and efficiency to warehousing. NERL will leverage the capabilities of NCDEX group

and with its unique combination of repository, cutting edge technologies, warehouses and mandis, will offer a game changing experience to all types of market participants.

“NERL will be responsible for creation, storage, security, authenticity and transfer of all electronic negotiable warehouse receipts (eNWR), within a regulated framework, between users of the repository such as warehouse service providers, banks, financial institutions, farmers, traders and value-chain participants ,” said **Kedar Deshpande, CEO, NERL.**

NERL systems will introduce lot visibility, traceability and off-market transfers to commodity trading outside the Exchange ecosystem. It will accommodate all types of warehouse service providers, including private and state-owned, small and medium.

Banks have started funding against pledge of warehouse receipts in a big way. The current size of the warehouse receipts market is estimated at about Rs 40,000 crore and negotiable warehouse receipts at Rs 5000 crore. The potential for finance against collateral of major agricultural commodities and fertilisers is Rs 166,234 crore. Real time traceability and visibility of stocks would enable warehouse service providers with better commodity risk management capabilities and help them increase occupancy and business volume.

About NCDEX Group:

As India’s leading online exchange, NCDEX is where customers repose trust. With a widely held shareholding, it enjoys the distinction of being the only exchange in the country promoted by national-level institutions. The institutional promoters and shareholders of NCDEX are prominent players in their respective fields and bring with them institutional building experience, trust, nation-wide reach, technology and risk management skills.

The wholly owned subsidiaries of NCDEX group comprise of NCDEX e Markets Limited (NeML) - the online spot markets and services company, NCDEX Institute of Commodity Research (NICR) – the education and outreach arm, NCDEX Clearing Corporation Limited (NCCL) - clearing and settlement services and National E-Registry Limited (NERL) – the electronic repository regulated by WDRA.

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