

XV. Dematerialization and Settlement of Warehouse Receipts

1. Can I hold securities and warehouse receipts (WR) in one demat account?

No. Separate demat account should be opened for holding securities and warehouse receipts.

2. Is the procedure of opening demat account for holding WR same as that for holding securities?

Yes, but under a separate account category.

3. Can demat account for holding WR be opened with any DP?

Demat account for holding WR has to be opened with only those DPs who have been empanelled by the respective commodity exchange. Presently there are two commodity exchanges in India, NCDEX, MCX and National Spot Exchange are the exchanges that have entered into agreement with CDSL.

4. Who will issue warehouse receipts that can be dealt in CDSL depository system?

Warehouses, who are empanelled by the above exchanges have to enter into agreement with CDSL, exchange and RTA. Only these warehouses will issue warehouse receipts for dematerialization to holder of commodities.

5. How these warehouse receipts can be dematerialized?

An account holder will furnish details of the demat account number specifically opened for dematerialization of warehouse receipts to warehouse. Warehouse will intimate CDSL, exchange and RTA for credit of warehouse receipts in the demat account. RTA will credit the balance using "IPO" module of CDSL. The balances so created can be used for transfer to other commodity accounts within CDSL or for settlement of commodity trades.

6. Is an ISIN number also allotted to commodities?

Yes. The identifier is called as ICIN. Depending on type of commodity, grade, validity, expiry date, name and location of warehouse, the exchanges allot ICIN to each commodity. ICIN for same commodity differs from exchange to exchange.

7. How to give delivery of warehouse receipts in the depository system?

Similar to securities market, warehouse receipts can be transferred to the Clearing Member's account using Delivery Instruction Slip (DIS) for settlement of trades on exchange. However, warehouse receipts issued for one exchange can not be used for delivery of trades on other exchange.

8. How to claim delivery of commodities against warehouse receipts credited in the demat account?

Deliveries of commodities credited in demat accounts by dematerialization of Warehouse receipt can be claimed by submitting "Remat Request Form" to the DP. DP will setup rematerialization request in CDAS system and handover letter / acknowledgement generated by CDSL system to BO for producing the same to respective warehouse. These remat requests will reach the Registrar electronically through depository system. The accountholder needs to submit to the warehouse, the acknowledgment given by the DP for the purpose of taking delivery. Warehouse may deliver the commodity after satisfying itself based on the details given in the letter / acknowledgement and details of accountholder given by the Registrar.

9. Is inter depository transfer warehouse receipts possible?

No.