

COMTRACK

Frequently Asked Questions

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COMTRACK PARTICIPANT RELATED

1. Can credit balances in Comtrack account be considered as a negotiable Warehouse Receipt

Any credit balances reflecting in Comtrack account or any of its statement is **NOT** a negotiable Warehouse Receipt.

2. Who is a Comtrack Participant (CP)

Comtrack Participant (CP) is a bank or a financial institution that has executed an agreement with NCDEX and is approved for opening and maintaining accounts of its clients in the electronic accounting system known as COMTRACK®, owned and maintained by NCDEX. Depository Participants can become Comtrack Participant. A CP has multiple Client Beneficiary Accounts. The Exchange has list of Empanelled Comtrack Participants (CP) and the details are available in mentioned Link: <https://comtrack.in/getParticipants.action>. Documents required to become COMTRACK Participant is Comtrack Participant Agreement (Rs.300/- Stamp Paper/Franking).

All clients participate in delivery of commodities only through CP. On creation of client account, CP allocates a unique code (CMSE Client ID) to that client, only then the client is eligible to deposit commodities.

3. How to create client in the CP module of Comtrack

You can add new client through Create menu. KYC related other information is available on the Comtrack website under "Account Opening Manual".

4. How to initiate a withdrawal requests

Withdrawal Request will be initiated by the CP on receipt of withdrawal request from the client. In Comtrack (CMSE), CP will only transfer the holdings from CMSE to CMSP. Thereafter the client should approach the warehouse for physical withdrawal. Withdrawal is to be entered in the system through "Transfer" & "Transfer Request".

5. What is Lot Pledging

Lot pledging is a process of availing finance or trading limits on the Exchange platform. The Financier or the Exchange would have a lien on the lots for pledge and would fulfill the borrower's monetary or ABC requirement after confirming the pledge.

6. What is Aggregation and how to create it

This concept has been introduced for the benefit of small farmers desirous of giving delivery on NCDEX platform. NCDEX would appoint an empanelled set of Aggregators. Farmers with small or odd lots can approach these aggregators who would make an entry in COMTRACK which would keep record of name of the Farmer, address, land details etc. Aggregation enables to combine small lots into a single lot of deliverable lot size on NCDEX. Aggregator has to take precaution about quality and grade parameters of all small quantities deposited and ensure that they confirm to NCDEX contract specifications. After the Aggregation transaction is completed, the warehouse has to make a deposit entry in Comtrack. Click Aggregation menu, and then click create Aggregation. This facility is not operational at the moment.

7. How do I view Aggregation

Go to Aggregation and then click View Aggregation.

8. What is Pledge Initiation

Pledge Initiation allows client's to borrow collateral loan by pledging their commodity lots. Lots are pledged to bank or financial institution who lends the loan. Warehouses are notified about pledged lots. A CP has to initiate a pledge transaction & final confirmation would be done by the financier.

9. How do I view pledge Positions

View Pledge Positions displays summary of last 10 pledge requests generated by borrowing clients. Go to Pledging, and then click View Pledged Positions.

10. How do I view pledged redeem Positions

View Pledge Redeem Positions shows summary of last 10 pledges redeem transactions initiated by collateral managers. Go to Pledging, and then click View Pledge Redeem Positions.

11. What is a Client to Pool transaction

Client to Pool or CTP function blocks selected lots for pay in. Pledged, locked or lots for which a withdrawal or ownership transfer transaction is initiated cannot be selected for CTP. Lots will not be picked up for Pay-in by the Exchange unless this process is done by the CP on request of the client and may result in default even if the commodity is available in the CMSE account of the client.

12. How do I view Client to Pool

Go to Settlement and then click View Client to Pool

13. How do I generate billed or unbilled reports

A Billing menu allows CP (Comtrack Participant) or the Warehouse user to generate billed or unbilled reports for Client s. "Billed" report generates data for which a "post to ledger" activity is performed by the "Exchange" user. This activity is performed at the beginning of a month for the preceding month. Data for a running month can be viewed from the "Unbilled" tab. Billed or unbilled report can be generated by the CP for holding warehouse storage charges and Transaction charges while a WSP can generate report for holding/warehouse storage charges only.

14. What is CMSE ID

Account which is opened by the client with the CP to trade/deliver on the Exchange platform is CMSE ID.

15. How can the client withdraw the commodity after settlement

Once the settlement process is completed in COMTRACK, the Member does a Pool to Client transaction in his module. The client then generates a withdrawal through his CP & the commodity needs to be transferred to CMSP through transfer process by the CP in order to withdraw the commodity from the Warehouse.

16. How many times any lot can be Consolidated OR can be Split

Lot can be consolidated or Split only twice between Deposit and Settlement cycle and Lot can only be Consolidated OR Split in CMSP but not in CMSE.

17. Ownership transfer can be done within CP's OR intra CP's

Ownership transfer can be done inside as well as outside CP's.

18. How will commodity transfer from CMSP to CMSE

Both the ID's of the customer should be linked to each other .i.e. CMSP ID should be linked to CMSE ID in order to transfer the commodity from CMSP to CMSE. The CMSP TO CMSE transaction will be done by the WSP.

19. What is Ownership Transfer

It is a process through which lots are transferred from one account to another. In other words it could be termed as a Client Negotiated Trade.

20. How do I view Ownership Transfer

Go to Transfer, and then click View Ownership Transfer.

21. How do I transfer ownership of selected lots from one client to other client

It could be done from the Transfer, Ownership Transfer tab. The lots to be transferred should not be pledged, locked or blocked. This transaction is also known as "Client Negotiated Trade".

WAREHOUSE SERVICE PROVIDER RELATED

22. What is WSP ID

System generated ID of the Warehouse Service Provider.

23. How will the commodity deposited and can be traded on NCDEX Platform

Unassayed Commodity needs to be Deposited in CMSP and after the assaying is done same needs to be Transferred to CMSE through Transfer process by the warehouse and now the commodity can be traded/delivered on NCDEX Platform.

24. What is Lot Management

Big lots could be split and smaller lots can be consolidated using Lot management. For e.g. a lot of 50 MT. of sugar could be split into 5 lots of 10 MT. using splitting. In this case all the 5 lots would have the same grade as applied to the original 50 MT lot. In consolidation the 5 lots of 10 MT. each could be combined to make a single lot of 50 MT. However in this case, the lowest grade as applied to any of the 5 lots would be applicable to the single lot of 50 MT.

25. How do I view Commodity Deposits

Go to Deposit, and then click View Commodity Deposit.

26. How do I view Lot Consolidation/Splitting

Go to Lot Management, and then click View Lot Consolidation Split.

27. What are the various types of commodity deposits available in warehouse module

- Assayed commodity deposit: For all deposits which are accompanied by an Assayer certificate.
- Direct commodity deposit: For all deposits of bullion with unlimited validity and expiry.
- Un Assayed commodity deposit: For all deposits of commodities which require sampling and assaying after deposit.
- Unweighed commodity deposit: For all deposits of commodities, weighing for which will be done at a later date.

28. Can the Data of Deposits OR Withdrawal be uploaded in COMTRACK in case there are many transactions

Data can be uploaded in COMTRACK CMSP. Currently facility is available in CMSP under Deposit tab as CMSP file process and Withdrawal (Direct) under withdrawal tab as CMSP file process. Kindly Note partial Lots cannot be withdrawn by using the upload facility

CLEARING MEMBERS RELATED

29. What is Pool to Client transaction

Pool to Client or PTC function unblocks selected lots after pay out in the client beneficiary account. Lots cannot be Pledged, locked or no ownership transfer or a withdrawal transaction be initiated unless a PTC transaction is performed for all lots received by a client in Pay out. PTC activity is to be done by the CM in the CM module after payout from the Exchange.

30. How do I view Pool to Client

Go to Settlement, and then click View Pool to Client.

31. What is transaction status

A transaction could be in any of the four stages given below Initial: After all mandatory data fields are entered and the user clicks on "create lot" or "select lot" button. Pending: After "maker" clicks on the submit button Completed: In case of "maker" "checker" concept a transaction is completed after the checker approves it. In the absence of "maker" "checker" concept a transaction is completed after the user clicks on submit button. Cancelled: A transaction can be cancelled any time before completion stage. A cancelled transaction cannot be edited further.

32. What is Settlement

Settlement menu contains functions that perform pre and post settlement activities. Client to Pool (Pre Settlement) & Pool to Client (Post Settlement) and are important transactions related to settlement. A CTP transaction blocks selected lots for pay in and PTC frees the selected lots in the client beneficiary account post pay out. Lock or Unlock is used only for NCDEX SPOT Exchange. Since COMTRACK is a lot based

accounting system, settlement will happen lot wise. Members should ensure that sufficient valid number of lots is available for pay-in to fulfill settlement obligation. If sufficient number of lots are not available for pay in it shall be considered as a delivery default.

33. Are Members Pool Accounts required

In Comtrack there is a concept of virtual members pool account and all Pay in and Pay out would be facilitated from the CMSE client ID of each client. This CMSE client ID would be mapped with a CM and TM ID as per information received from clients.

Commodity pay in and payout will not happen if a CMSE client ID is not mapped with a CM and TM ID of a member. A client has to ensure that his CM TM Trading CMSE Id Mapping is done by the CP.

GENERAL QUESTIONS

34. How do I change my Password

Go to User Profile, and then click Change Password. All users are advised to change their passwords after first log in.

35. Can I generate New Password in case I forgot the old password

YES, New password can be generated Go to Forgot password tab from the Login Screen and enter the user Id for which New password is to be generate, New password will be sent to the registered Email ID mentioned while creating that User.

36. How do I search lots

Search menu allows searching and tracking of lots.

37. How do I view lots summary

View Lot shows a summary of lot details based on entered conditions.

38. How do I generate summary of commodity deposits

Deposit Report generates a summary of commodity deposits between two dates.

Go to Reports, and then click Deposit Report.

39. What is CMSP ID

Account opened by the client in the Warehouse to Deposit the Unassayed commodity so that it can be further Assayed and can be traded / delivered on the NCDEX Platform through CMSE.

40. What is the difference between CMSP and CMSE Account

CMSP is the name given to warehouse module of Comtrack. A client needs to open an account in CMSP with the warehouse and CMSE ID needs to be opened with Comtrack Participate will be mapped with CMSP ID by the warehouse. A CMSP ID needs to be opened with every WSP in whose warehouse the client intends to store his commodity. This is a onetime activity with every WSP. Thus a single client will have multiple CMSP accounts linked to a single CMSE account

41. What are the various reports available

Deposit, withdrawal, pledge, lot holding, transaction statement, pay out etc. are various reports available in CP and warehouse module of COMTRACK.

42. What are the documents required to open Comtrack Account

Below mentioned Documents are required to open Comtrack Account

- a. KYC Form (Know Your Client) Individual/Non Individual.
- b. Application for Opening an Account-Individual/Non Individual.
- c. Client Agreement Standard Format (Franking as per respective State laws).
- d. CM TM Trading CMSE Id Map.

43. What would be the settlement period

All Agri contracts materializing into deliveries would settle on T+2 basis. The exact settlement day would be specified in the settlement calendar released by the Exchange for every expiry month.

44. Is there any requirement of submission of instruction slip by the buyer client to their member (broker) for Pool to Client transaction

No

45. Is there any requirement of submission of instruction slip by the seller client to their Comtrack Participants CP for Client to Pool transaction

Yes, the format can be viewed on the below mentioned link:

<https://comtrack.in/downloadNcdexContent.jsp>

46. Who are the promoters of COMTRACK system

NCDEX in its endeavor to offer better services for everyone associated with the Exchange, has developed and implemented COMTRACK®.

The Exchange had taken a view to design and implement its own software application for maintaining electronic record of commodities deposited in the warehouses accredited by the Exchange to avoid being totally dependent on third parties for such services such as NSDL and CDSL. True to the Exchange apprehensions, the Exchange has received intimation from both NSDL and CDSL for discontinuance of the activity of maintenance of electronic record of the commodities due to unrelated events.

47. What is the role of Comtrack: Is it Depository provider/electronic accounting system/part of NCDEX to hold the commodity stock

The Exchange, over a period of time, has observed certain inherent disadvantages in the Depository system (NSDL/CDSL) for electronic accounting of commodities. The Depository system is basically tuned to cater to the requirements of securities market.

Some of the requirements unique to commodities are:-

- Tracing of original depositor for a particular lot
- Disallowance of off market transfer for fractional quantities

- Flexibility for acceptance of smaller quantities from farmers
- On-line calculation and viewing of warehouse charges
- No need for involvement of intermediaries like R&TA etc.

Need was always felt for an indigenous electronic commodity management system to overcome the above disadvantages. NCDEX in its endeavor to offer better services for everyone associated with the Exchange, has developed a new state of the art system which not only factors the above limitations but offers certain unique benefits associated with commodity and warehouse management. The new system COMTRACK[®] is a user friendly web based software connecting the Exchange, Warehouses, Assayers, Members, DP's, Investors and Clients.

Certain major benefits apart from those provided by the existing depository system which were always sought and offered by the new system are:

- Unique lot number associated with every deposit
- Aggregation for small quantity deposits by farmers now possible
- On line viewing of warehouse charges
- Lot consolidation and splitting
- Traceability of lot to original depositor
- Stacking and weight tracking information available in detail
- Reduced cost and time for depositors
- Secrecy, flexibility, control and confidentiality
- No need of maintaining back office software by DP's

The Exchange has therefore launched COMTRACK[®] as a replacement to the existing Depository system.

The Exchange has already shifted to COMTRACK[®], the activity of maintenance of electronic record of stocks deposited in the warehouses accredited by the Exchange in respect of 22 commodities traded on its platform. More commodities will be shifted in a phased manner as per circular No. NCDEX/ CLEARING-

029/2013/298 dated September 27, 2013 to avoid any inconvenience to the market participants.

48. Under which Act Comtrack system is covered Depository Act/Warehouse development and Regulatory Act

The Exchange has, as a part of its operational structure, developed and implemented COMTRACK[®]. It is user friendly web based software connecting the Exchange, warehouses, Assayers, Members, CP's, Investors and Clients. COMTRACK[®] is a software application deployed by the Exchange. It is not a depository or a warehouse. It is not covered under Depository Act or the WDRA.

49. Who is the regulator for Comtrack system FMC or Ministry of consumer affairs

FMC approval for introduction of COMTRACK[®] has been received vide letter No.7/2/2010-MKT-I dated 28th December 2010 & 7/2/2010-MKT-I dated 14th February 2013. Since NCDEX is regulated by the Forward Markets Commission, all its activities, systems and processes also come under the ambit of FMC.

50. Who guarantees correctness of stock details shown in COMTRACK system

COMTRACK[®] is a software application deployed by the Exchange as a part of its operational structure. It is maintained by the Exchange. COMTRACK[®] reflects the record of ownership and transactions in respect of commodities deposited in the

warehouses approved by the Exchange for the purpose of effecting deliveries in the futures contracts traded on the Exchange platform. The details include commodity, quantity, place of storage, validity certification and other details and parameters as may be prescribed or modified by NCDEX from time to time.

The Exchange has put in place stringent processes to safeguard the interests of clients who deposit commodities in the warehouses approved by the Exchange. It may be noted that COMTRACK® is similar to the erstwhile depository systems which was an electronic record of commodity balances in beneficiary accounts held in the warehouses approved by the Exchange.

51. Whether COMTRACK. guarantees the presence of physical stock (Quality and quantity) deposited at Exchange approved warehouses

COMTRACK® reflects the record of ownership and transactions in respect of commodities deposited in the warehouses approved by the Exchange for the purpose of effecting deliveries in the futures contracts traded on the Exchange platform.

The respective warehouse service providers are accountable for the stocks deposited in the warehouses. The Exchange has put in place suitable controls for monitoring the functioning of the approved warehouses.

52. In case of eventuality, is there any settlement guarantee fund like system

No All warehouses are insured against all types of perils like fire, theft, earthquake etc. Regular monitoring of the value of commodities against the insurance cover is done by Exchange officials.

53. Pledge invocation process: Will it work like deposit, wherein the lots gets shifted to lenders account and lender can choose when to dispose it and at what price it can be sold off on or off the exchange Is e-auction mandatory post confiscation/invocation

The process in COMTRACK is almost similar to the process that is followed in the Depository systems of NSDL/ CDSL.

54. Is there any error possible in the system (like duplication of lots, duplication of pledge on same lots, error in title ownership entries etc.) and if so will the Exchange/ COMTRACK underwrite the risk to the lender, who may act on COMTRACK confirmations

Such errors are not expected. Suitably stringent operational process have been implemented in COMTRACK.

55. Is COMTRACK operations covered under exchange guarantee fund, especially with respect to the pledge transactions

No

56. Is this mechanism cleared by FMC If so, please provide relevant circular

FMC approval for introduction of COMTRACK® has been received vide letter no.7/2/2010-MKT-I dated 28th December 2010 & 7/2/2010-MKT-I dated February 14, 2013.

57. Background for opting for this new system v/s the existing Depository based delivery system (NSDL / CDSL)

The Exchange, over a period of time, has observed certain inherent disadvantages in the Depository system (NSDL/CDSL) for electronic accounting of commodities. The

Depository system is basically tuned to cater to the requirements of securities market.

Some of the requirements unique to commodities are:

- Tracing of original depositor for a particular lot
- Disallowance of off market transfer for fractional quantities
- Flexibility for acceptance of smaller quantities from farmers
- On-line calculation and viewing of warehouse charges
- No need for involvement of intermediaries like R&TA, etc.

Need was always felt for an indigenous electronic commodity management system to overcome the above disadvantages. NCDEX in its endeavor to offer better services for everyone associated with the Exchange, has developed a new state of the art system which not only factors the above limitations but offers certain unique benefits associated with commodity and warehouse management. The new system COMTRACK® is a user friendly web based software connecting the Exchange, Warehouses, Assayers, Members, DP's, Investors and Clients. Certain major benefits apart from those provided by the existing depository system which were always sought and offered by the new system are:

- Unique lot number associated with every deposit
- Aggregation for small quantity deposits by farmers now possible
- On line viewing of warehouse charges
- Lot consolidation and splitting
- Traceability of lot to original depositor
- Stacking and weight tracking information available in detail
- Reduced cost and time for depositors
- Secrecy, flexibility, control and confidentiality
- No need of maintaining back office software by CP's

The Exchange has therefore launched COMTRACK® as a replacement to the existing depository system.

The Exchange had also taken a view to design and implement its own software application for maintaining electronic record of commodities deposited in the warehouses accredited by the Exchange to avoid being totally dependent on third parties for such services such as NSDL and CDSL. True to the Exchange apprehensions, the Exchange has received intimation from both NSDL and CDSL for discontinuance of the activity of maintenance of electronic record of the commodities due to unrelated events.

The Exchange is therefore, in a position to continue its operations relating to maintenance of electronic record of commodities and settlement of contracts uninterrupted and without any inconvenience to its members and clients. The Exchange has already shifted to COMTRACK, the activity of maintenance of electronic record of stocks deposited in the warehouses accredited by the Exchange in respect of 22 commodities traded on its platform. More commodities will be shifted in a phased manner as per circular No. NCDEX/ CLEARING029/2013/298 dated September 27, 2013 to avoid any inconvenience to the market participants.

58. How COMTRACK system is different compared to the previous process (comparison)

The major features are as under: -

- ISIN concept will be no more in use. Unique lot number associated with every deposit in COMTRACK®
- Web based system, no specific hardware requirements
- TAT for fresh deposits and withdrawals will be reduced

- Reduced cost of deposits, no charge for revalidations (Assayer charges to be paid separately).
- Pool a/c opened by NCDEX for all Clearing members. Members no longer need to approach a CP for opening pool accounts
- Client log in available for online access of all reports
- Disallowance of fractional quantities
- CP responsible for warehouse rent collection till generation of withdrawal date

59. How this new system would be better compared to the previous process (what all pain points are getting addressed)

Same as above.

The Exchange is committed to further enhance the available features in COMTRACK to cater to the suggestions and requirements of its members and client. Suggestions in this regard are most welcome.

60. Is there any FMC approval, guidelines given to NCDEX (by FMC) regarding opening and operating deliveries through COMTRACK system

We have tried to retain most of the features of the erstwhile depository system with respect to all transactions of deposit, withdrawal, off market/on market transfers and withdrawal.

FMC approval for introduction of COMTRACK® has been received vide letter No. 7/2/2010-MKT-I dated 28th December 2010 & 7/2/2010-MKT-I dated February 14, 2013.

We have executed agreements with our existing DP's for providing COMTRACK services whose names are displayed on the website. Guidelines and documentation for account opening is available on the COMTRACK® website <https://comtrack.in>.

61. What is the Risk Assessment done by NCDEX / FMC for COMTRACK Participants (CP)

Existing DP's are empanelled for providing COMTRACK® services after execution of an agreement. Net worth criteria of 3 Crore to be complied with. Members of the Exchange can also apply for becoming a CP.

Comprehensive documentation pertaining to submission of IT returns, Annual reports, Bank confirmation, etc. is in place.

62. In case of any dispute, what is the recourse available (compared to the recourse system of the existing NSDL / CDSL based system)

Clauses in the CP – Exchange agreement are exhaustively structured to cover any erroneous/wrong transactions or any fraudulent transaction punched in the system.

Client Negotiated Trades Related

63. What are Client Negotiated Trades?

Any electronic balance transfer happening bilaterally between two counterparties having COMTRACK accounts is defined as a Client Negotiated Trade.

64. Is the Exchange involved in Client Negotiated Trades

No. The Exchange is not involved in Client Negotiated Trades. These trades are not executed through the Exchange platform.

65. Where does Client Negotiated Trades get executed

Client Negotiated Trades are affected in COMTRACK which is an Electronic Commodity Accounting System. COMTRACK is used to transfer the electronic balances between two counterparties involving change of ownership of commodities without the intervention of the Exchange. This transaction is carried out through the "Ownership Transfer" tab in CP module of Comtrack.

66. Are there any charges levied for Client Negotiated Trades

A fee @ 0.1% (for both buyers and sellers) is levied for all Client Negotiated Trades. The amount would be calculated on the base value. Valuation is calculated on last available daily spot price. The value on which the charges we would levied would be the last available spot price of the day on which the transaction have been effected. In case the transaction is executed on a Saturday or a Sunday, the last spot price of Friday will be considered for valuation purpose. In case transactions are executed on public holidays, then the last spot price of the previous working day would be considered for valuation purpose.

67. Will the CNT charges supersede the lot wise transaction charges which is currently @ Rs. 50 per lot

CNT charges would be in addition to the existing transaction charges on a per lot basis.

68. How will the CNT charges be recovered

These charges would be recovered by the COMTRACK® Participants from the clients along with the regular warehousing charges.

69. Where can I check the Spot price to cross check the charges levied

Daily spot price is available on the NCDEX website www.ncdex.com.