



NCDFI eMarket

National Cooperative Dairy
Federation of India Limited

Need for Auction Sale (Liquid Milk)



Advantage to Sellers

- **Better alternative as compared to Tenders**
 - **Increased Revenue**
 - **No Transaction / Administrative Costs**
 - **Fast Process**
 - **Larger Participation**
- **Support for setting up the benchmarking prices**
- **Frequency of sale can be increased**
- **More transparent and secured system**

Advantage to Buyers

- **Shortening of entire buying process**
- **Freedom to quote own price and quantity**
- **Real time assessment of allocation**
- **Protection from price volatility**
- **Quick deliveries**
- **Participation from anywhere**
- **Faster refunds of EMDs**

Dairy Commodities

- **Skimmed Milk Powder**
- **Butter**
- **Ghee**
- **Cheese**



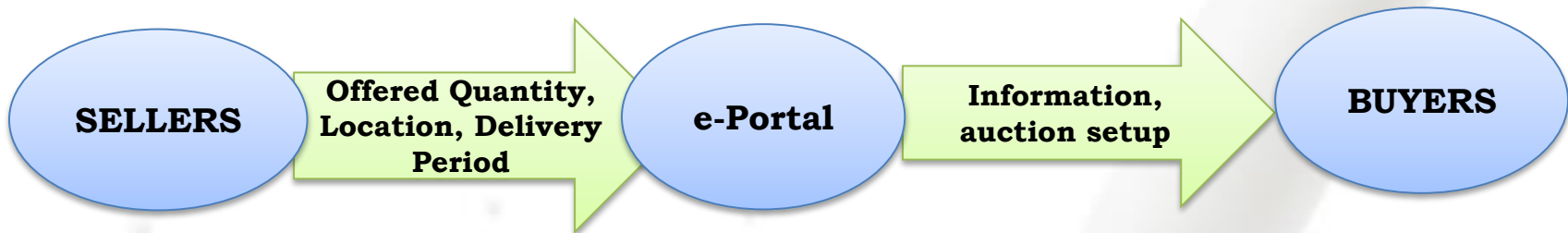
Auction Sale (Dairy Products)



**How Auction Sale
would function**

Auction Sale Process Overview

PRE- AUCTION



AUCTION



POST AUCTION



How does auction work?

- **The trading event is managed by NCDFI.**
- **The trading process is “Yankee Forward Auctions”.**
- **Offered quantity, specifications, place of delivery and delivery period will be entered by the Seller.**
- **Buyer bid Ex-Factory price by mentioning the required quantity.**

Auction Terminology

- **Base Price: Ex-factory price buyer willing to pay**
- **Maximum Offer Quantity (MOQ):**
Maximum quantity seller willing to sell
- **Minimum Bid Quantity (MBQ):** **Minimum quantity buyer needs to bid in auction**

Bidding Rules

- **Buyers can quote their required quantity & Base Price.**
- **Buyers can view tentative quantity allocated to them & their quoted price.**
- **Buyers can revise their bid quantity subject to maintaining the tentative quantity allocated to them.**
- **Buyers can revise their price bids upwards and only latest bid will be considered.**
- **In case a bid is received 3 minutes prior to the auction closing time, the auction schedule shall be extended for 5 more minutes. There shall be maximum 3 such extensions.**

Scenario 1

- Offered Quantity: 1,000 MT

Time	Bidder	Ex-Factory Bid Price (₹ per kg)	Bid Qty (MT)
09:05	A	₹ 137	800
09:10	B	₹ 138	100

Bidder A would be awarded 800 MT at a price of ₹ 137

Bidder B would be awarded 100 MT at a price of ₹ 138

(Subject to seller's acceptance)

Scenario 2

- Offered Quantity: 1,000 MT

Time	Bidder	Ex-Factory Bid Price (₹ per kg)	Bid Qty (MT)
09:00	A	₹ 137	1,000
09:05	B	₹ 138	700

Bidder B would be awarded 700 MT at a price of ₹ 138

Bidder A would be awarded 300 MT (1,000- 700 MT) at a price of ₹ 137

(Subject to seller's acceptance)

Scenario 3

- Offered Quantity: 1,000 MT

Time	Bidder	Ex-Factory Bid Price (₹ per kg)	Bid Qty (MT)	Bidders can view their allocation & price		
				A	B	C
09:00	A	₹ 137	1,000	1,000	-	-
09:05	B	₹ 138	700	300	700	-
09:27	C	₹ 139	600	-	400	600
09:29	A	₹ 140	700	700	-	300

Bidder A would be awarded 700 MT at a price of ₹ 140

Bidder C would be awarded 300 MT (1,000-700 MT) at a price of ₹ 139

(Subject to seller's acceptance)

Auction Process Flow

Activity	NCDFI eMarket	Seller	Buyer
Trade Day -3			
Data entry of Offered Quantity, Minimum Quantity, Location, Delivery period, etc.		✓	
Initiating the auction and circulation of newsletter	✓		

Auction Process Flow

Activity	NCDFI eMarket	Seller	Buyer
Trade Day			
Depositing required EMD			✓
Bidding (Qty & Price)			✓
Communication of Bid details to Seller	✓		
Releasing EMD of unsuccessful Buyers	✓		

Auction Process Flow

Activity	NCDFI eMarket	Seller	Buyer
Trade Day + Validity Period			
Acceptance or Rejection of full or partial Bids		✓	
Communication of acceptance or rejection of bids to Buyer(s)	✓		
Releasing EMD of unsuccessful Buyer	✓		

Auction Process Flow

Activity	NCDFI eMarket	Buyer	Seller
Issuing Contract Note	✓		
Testing of products		✓	
Payment to Seller as per Invoice		✓	
Release EMD of Buyer on payment confirmation by Seller	✓		
Delivery of products to Buyer			✓
Confirmation of Material receipt		✓	

Registration & Transaction Fees

- Registration** **Rs. 5,000/-**
- Annual Maintenance Fees** **Rs. 5,000/-**
- Seller Transaction Fees** **Nil**
- Buyer Transaction Fees** **Flat 0.30% of the transaction value**

These fees are excluding applicable taxes.

Security Deposit

- Security Deposit for Buyers** **Rs. 4,000/- per MT**
 - Security Deposit for Sellers** **Nil**
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Payment Gateway

- **All the payments are routed through ICICI Bank on real time basis.**
- **Members will make the payments using virtual account number confirmed to them through RTGS/NEFT.**
- **Trading limit will be assigned to the members on receipt of payment.**
- **Refunds will be made immediately on completion of the auction/delivery.**

Help Desk

- **NCDFI eMarket helpdesk has been set up to support bidders prior to and during a trading event.**



Thank You

