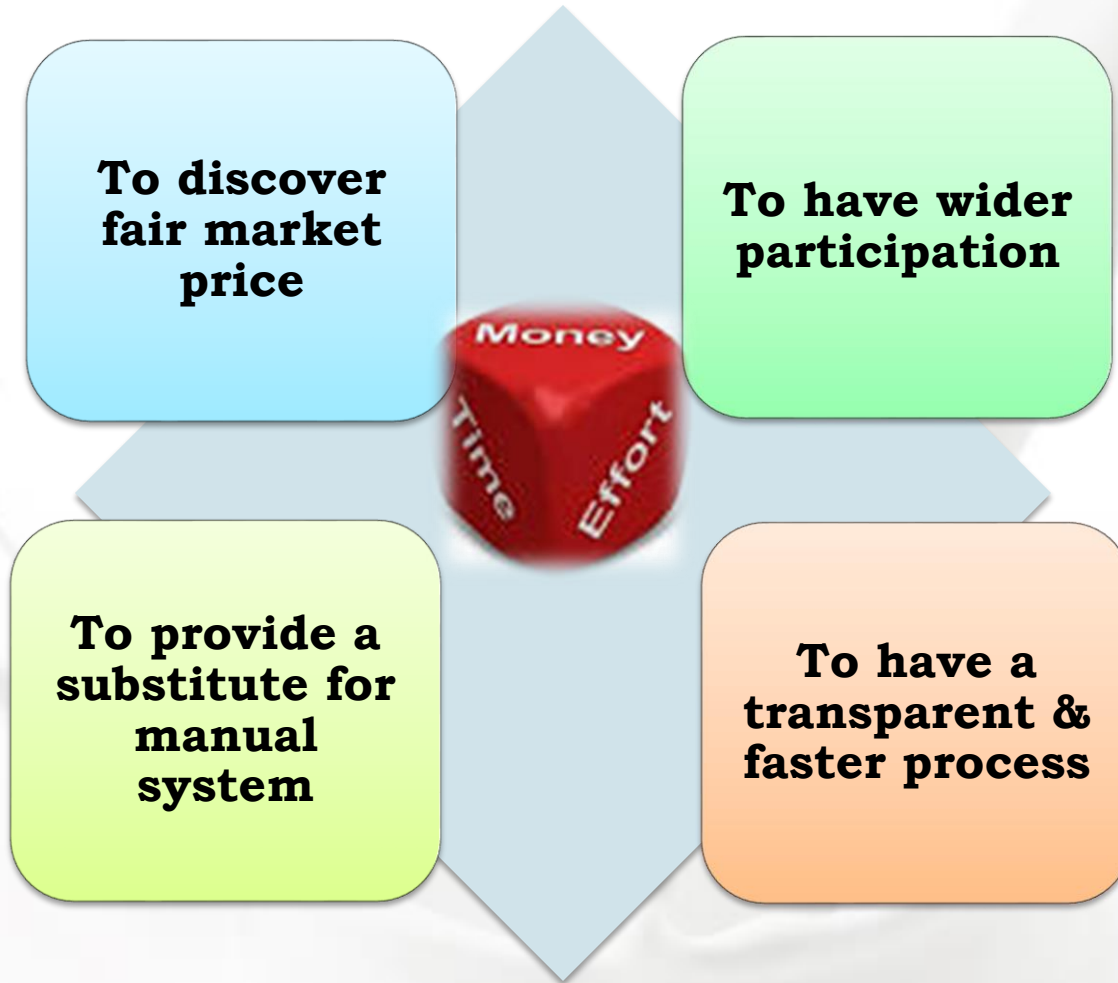




NCDFI eMarket

National Cooperative Dairy
Federation of India Limited

Need for Auction Sale (Liquid Milk)



Advantage to Sellers

- **Better alternative as compared to manual system**
 - **Increased Revenue**
 - **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

- **Ready information about availability of milk at different locations**
- **Freedom to quote own price and quantity**
- **Real time assessment of allocation**
- **Participation from anywhere**
- **More transparent and secured system**

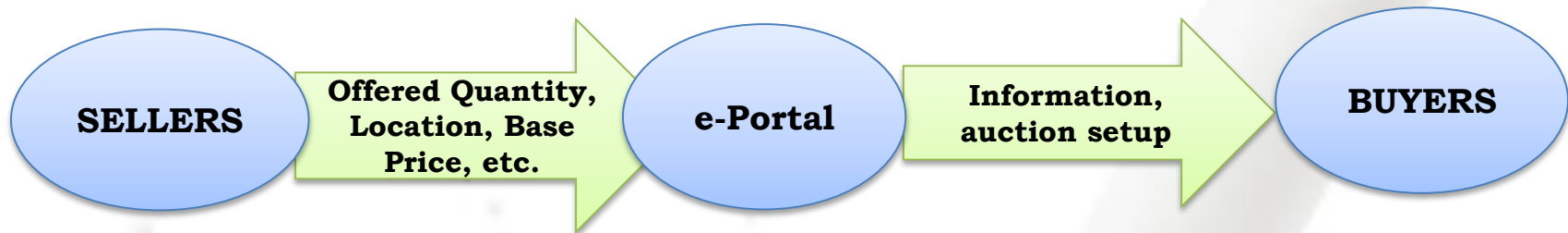
Liquid Milk



**How Liquid
Milk
transactions
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, base price, 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**

Parameter Entry

- **Sellers:**
- **Offer Quantity (Litres)**
- **Base Price (per litre)**
- **Place of Delivery & Delivery Period**
- **FAT & SNF**
- **Rate for Deviation in FAT & SNF %**
- **Buyer:**
- **Required Quantity (Litres)**
- **Buying Price (Ex-factory)**

Bidding Rules

- **Buyers can quote their required quantity & Base Price.**
- **Buyers can view quantity allocated to them & their quoted price.**
- **Buyers can revise their bid quantity subject to maintaining the 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: 10,000 Ltrs
- Reserve Price ₹ 36.00

Time	Bidder	Ex-Factory Bid Price (₹ per ltr)	Bid Qty (Ltr)
09:05	A	₹ 36.00	10,000
09:10	B	₹ 36.02	1,000

Bidder A would be awarded 9,000 ltrs at a price of ₹ 36.00
Bidder B would be awarded 1,000 ltrs at a price of ₹ 36.02

Scenario 2

- Offered Quantity: 10,000 Ltrs
- Reserve Price ₹ 36.00

Time	Bidder	Ex-Factory Bid Price (₹ per ltr)	Bid Qty (Ltr)	Bidders can view their allocation & price		
				A	B	C
09:00	A	₹ 36.00	10,000	10,000	-	-
09:05	B	₹ 36.01	7,000	3,000	7,000	-
09:27	C	₹ 36.02	6,000	-	4,000	6,000
09:29	A	₹ 36.03	7,000	7,000	-	3,000

Bidder A would be awarded 7,000 Ltrs at a price of ₹ 36.03

Bidder C would be awarded 3,000 Ltrs (10,000-7,000) at a price of ₹ 36.03

Auction Process Flow

Activity	NCDFI eMarket	Seller	Buyer
Trade Day -2			
Data entry of Offered Quantity, Minimum Quantity, Location, Base Price, Delivery period, etc.		✓	
Initiating the auction	✓		

Auction Process Flow

Activity	NCDFI eMarket	Seller	Buyer
Trade Day			
Bidding (Qty & Price)			✓
Issuing Contract Note	✓		
Testing of Milk			✓
Payment as per Invoice			✓
Delivery as per Schedule		✓	

Registration & Transaction Fees

- Registration** Rs. 5,000/-
- Annual Maintenance Fees** Rs. 5,000/-
- Buyer Transaction Fees** Nil
- Seller Transaction Fees** Nil
- These fees are excluding applicable taxes.**

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

