# CONTRACT NOTE FOR CATTLE FEED INGREDIENTS (AUCTION PURCHASE)

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# CHAPTER 1 - AUCTION PARAMETERS

## Definition

“Cattle Feed Ingredients” as used in this Rules document, means products used as ingredients for Cattle Feed. This can be in its original form or in the form of mash, pellets, crumbles, cubes, etc.

The products include - Maize, De-oiled Rice Bran (DORB), Rape Seed De-oiled Cake, Soya bean Meal De-oiled Cake, Groundnut Cake (GNC), Cotton Seed Cake, Rice Polish, Wheat Bran, Gram Chunni, etc. The entire list of products being traded are available at www.ncdfiemarket.com

## Authority

Buyers authorized by NCDFI may put up Auction purchase when they intend to procure Cattle Feed Ingredients.

## Unit of Trading

The unit of trading shall be in Quintals or as mentioned in the newsletter.

## Bid and Offer Parameters

Buyers are allowed to procure the Cattle Feed ingredients on the NCDFI portal. The buyer will specify values of the parameters for the stock to be procured.

## Trade Parameters

The following Parameters of the product need to be provided by the buyer.

Product name

Delivery Location

Delivery Period

Required Quantity

Minimum Quantity per each bidder

Reserve Price

## Quotation Price and Tick Size

Unit of Price Quotation shall be Rs/Quintal. The tick size of the price of Cattle Feed Ingredients shall be 01 rupee/Quintal.

## Unit of Quantity Quotation and Quantity Tick

The unit of quantity quotation for Cattle Feed Ingredients shall be in Quintals and Quantity Tick shall be 10 Quintal or as may be mentioned by the Buyer.

## Auction Calendar

The auctions will be conducted as per the requirement of the Buyer with advance notifications.

The auction session will consist of 15 minutes apart from each extension of 5 minutes each.

Buyers have to specify the product, required quantity, minimum quantity for each bidder and quality parameters for the auction at least 1 day prior to the auction date to enable the portal to display the auction details on the NCDFI eMarket.

The auction calendar may be changed at the discretion of NCDFI. All timings are as per Indian Standard Timings (IST).

## Pre-Requisites for Bidding

All registered members of the NCDFI eMarket are eligible to Bid. Bidders may contact NCDFI for any clarifications regarding membership & terms and conditions of NCDFI eMarket.

## Auction Method for Auction Purchase (Reverse Yankee Auctions)

1. Quantity and other parameters of the products offered for auction by respective buyers shall be provided atleast 1 day prior to the auction date.
2. The auction consists of a single session round. While duration of session round is for 15 minutes followed by 5 minutes of extension each for any bid received from buyer in the last 3 minutes before end of the session round. Likewise in total three such extensions of 5 minutes each are provided. The seller will have to bid for both quantity and FOR price during the session. The seller may modify the bid multiple number of times till the closure of the auction session.
3. During an auction session, a seller may modify his bid by maintaining the same quantity and decreasing the price or increasing the quantity and decreasing the price. Any such changes will be accepted only if there is decrease in total traded value.
4. No cancellation of Bids shall be allowed once the auction session is concluded. During the session timings, sellers cannot modify their bids if allocation is made and last bid shall be final.
5. The bids shall be valid for a period of 7 days from the date of auction or as may be mentioned by the Buyer.
6. The final results of the eAuction are binding on all bidders and any requests for cancellation received after the allocation in an auction session shall result in the forfeiture of the Bid Bond.
7. Any bid placed for quantity and price using the seller’s username and the password shall be deemed to be an unconditional binding of the seller to whom such username and the password has been allotted, inter-alia, for the purpose of the eAuction and the seller shall be solely and fully responsible for all the activities that occur under such username and password. The user is therefore advised to check the username and the password before the eAuction and is advised not to reveal it to anyone else so as to prevent misuse of the same.

## Margin Requirements

EMD defined as a predefined amount or a percentage of the trade value as mentioned in Fee Schedule would have to be deposited for intended bid quantity by the seller.

1. The sellers shall be allowed by NCDFI to bid only if the requisite EMD amount is available with NCDFI. The amount deposited as Bid Bond would determine the bidding capacity of the bidder.
2. Only the Margin of the successful seller would be blocked by NCDFI. Margins of the unsuccessful sellers, including those whose bid(s) are not accepted due to non-fulfilment/not meeting the conditions attached to the bid(s), shall be returned by NCDFI.

## Contract Period

The contract period for effecting delivery and payment shall be within the specified Contract Period Date mentioned for the auction.

## Penalty for Default and Cancellation of Trade

In case the buyers and sellers mutually agree to cancel the trade and provide a written consent to NCDFI, the trade will be annulled. NCDFI annulment charges of 0.1% of the trade value i.e. quantity x price will be applicable to bidder.

In case the successful bidder fails to supply the stocks within the stipulated contract period the buyer will be free to rescind the contract and procure the stock. In this case, the margin deposited by the seller will stand forfeited and passed on to the buyer after recovering the applicable transaction fees.

## Dispute Resolution

In case of any deviation in Contract Note and Terms & Conditions mentioned at Buyer Page, the Terms mentioned in Buyers Page shall be final. Any dispute or difference in respect of any matter relating to or arising out of the Contract would be first brought to the Market Oversight Committee of NCDFI eMarket. If the parties do not agree to the resolution proposed by Market Oversight Committee, the parties are free to appeal to the National Dairy Development Board (NDDB). The decision of the NDDB shall be final and binding on all parties.

Subject to the aforesaid, the Courts at Anand alone shall have jurisdiction in respect of any matter arising from or related to the present agreement including any matter arising from or related to the arbitration referred to hereinabove.

## Force Majeure

Should any of the force majeure circumstances, namely act of God, natural calamity, fire, Government of India Policy, restrictions (excluding any stock limits), strikes or lock-outs by workmen, war, military operations of any nature and blockades preventing the Seller/Buyer/Broker from wholly or partially carrying out their contractual obligations, the period stipulated for the performance of the Contract shall be extended for as long as these circumstances prevail, provided that, in the event of these circumstances continuing for more than three months, either party shall have the right to refuse to fulfil its contractual obligations without title to indemnification of any losses it may thereby sustain. The party unable to carry out its contractual obligations shall immediately advise the other party of the commencement and the termination of the circumstances preventing the performance of the contract. A certificate issued by the respective Chamber of Commerce shall be sufficient proof of the existence and duration of such circumstances.

# CHAPTER 2 - DELIVERY PROCEDURES

## Delivery Timing

Timely delivery of material ordered, as per schedule(s) shall be the essence of the contract. However, regular and continuous supply has to be ensured during the delivery period. In case of shifting of material due to irregular supply, transportation/shifting charges will be at the suppliers cost. The supplier shall have to ensure that, the entire quantity ordered is delivered to the respective units on or before the scheduled date. Delivery of raw material shall be completed within the time frame given at the time of floating the auction.

Only the vehicle reaching before 3 PM shall be considered for unloading on the same day. If the last day happens to be a holiday the material shall be unloaded on the next working day.

## Delivery Size

A quantity variation of only 5% of excess or shortage in case of the ordered quantity is 100 MT & only 2% of excess or shortage in case the ordered quantity is more than 100 MT is accepted.

## Quality Standards and Specifications

Parameters and Rebate Sections of Cattle Feed Ingredients are as mentioned in the Terms and conditions and Product specification document as provided by the buyer.

Sellers/Brokers are required to check these specifications before participating in the auctions. Minor deviation is acceptable as per the terms mentioned in the Rebate section.

The supplied Cattle Feed Ingredients should be as per the specifications mentioned by Buyer. Supplier can supply better grade Cattle Feed Ingredients but no premium would be given by the respective buyer in such cases.

The quantity offered for purchase by respective buyers will be published and provided to all prospective sellers/brokers at least 1 day prior to the auction date.

## Assaying

The buyer can get the goods assayed as per the specifications at unloading point. For this purpose, he can use his own lab facilities or a nearby lab. Samples for assaying would be drawn by the buyer randomly. A copy of quality check assaying reports will be submitted to the seller. Buyer will have to bear the cost of assaying.

In case of dispute on quality reports, the seller/broker need to arrange testing of the samples drawn by the buyer at a mutually agreed lab or at Centre for Analysis & Learning in Livestock & Food (CALF), Near IRMA Gate, Anand 388 001.

In such a case the Seller/broker will have to bear the cost of assaying. The quality reports received from the mutually agreed lab or CALF would be considered as final. In case the goods fail the test as per the specifications prescribed, the seller/broker will replace the goods as per specifications within the delivery time period.

## Delivery and Payment

Detailed steps of clearing and settlement of trade would be done through https://posttradencdfiemarket.com by buyer and seller/broker.

Buyers will have option to make direct payment to the seller or route the payments through NCDFI eMarket. In both the cases, payment is the responsibility of the buyer and NCDFI eMarket cannot be made responsible for payments.

The successful supplier shall have to supply the ordered quantity of Cattle Feed Ingredients as per the specifications prescribed within the time frame mentioned during the eAuctions schedule.

In case of non-supply / delayed supply as per the given delivery schedule, liquidated damage for delay in supply shall be recovered as mentioned in the Terms and conditions or else to be computed @ 1% upto one week on pro rata per day basis (*i.e 0.14% of the trade value per day upto 7 days for* *each day delay*). Undelivered quantity beyond one week from the mandated delivery time frame will termed as default and accordingly forfeiture of margin money will be initiated to the extent of undelivered quantity. In addition to this, Buyer shall also have the right to forfeit the security deposit of the supplier besides black-listing the firm.

The successful suppliers should take adequate precautions to prevent damage or deterioration to Cattle Feed Ingredients during storage/ transportation. He should also insure the stock during transit at his cost.

Consignment will be unloaded at the designated warehouse/ plant during working hours only i.e. between 10 AM and 3 PM. On arrival of the consignment the Depot Manager of Buyer will verify the documents and draw samples randomly and after being satisfied with the quality of Cattle Feed Ingredients, directs the representative of the supplier to arrange for recording the gross weight of the consignment on an electronic weighbridge before unloading. Subsequently, he may arrange for assaying of the drawn samples, as per the standard sampling procedure.

The supplier shall arrange to record tare weight and gross weight on electronic weighbridge before unloading and after unloading of the consignment. The copies of weigh bridge receipt along with copy of invoice/delivery challan shall be handed over to Depot Manager of buyer at the time of giving delivery.

Deliveries without valid documents will be rejected and will not be inwarded by the concerned Depot Manager.

The net delivered weight (excluding of empty HDPE/jute bags) of the delivered goods is recorded for determining the quantity supplied. This quantity would be considered for calculation of the trade amount. The payment is processed based on the accepted quantity at the designated location, quality report by the assayer. The weight of empty HDPE/gunny bag will be deducted from the received/accepted weight for making payments.

If the material supplied is found to be of inferior quality as compared to the specifications, buyer will have the option either to reject the material all together or to accept the same at reduced rates determined on the basis of

Rebate schedule.

The supplier shall submit the following documents giving delivery of the consignment to the respective wholesale points of Buyer and a copy to the NCDFI eMarket.

1. Commercial Invoice.
2. Electronic Weigh Bridge receipts at unloading point.
3. Stock Receipt issued by Depot Manager of buyer.

Only on successful delivery, margins of seller/brokers will be released. The responsibility of seller exists till the ex-godown delivery of buyer i.e. FOR delivery inclusive of all taxes and duties for Cattle Feed Ingredients.

In case the seller/broker fails to deliver the stocks within the stipulated contract period buyer will be free to rescind the contract and purchase the stock from alternative sources. In this case, the margin deposited by the seller/broker will stand forfeited and passed on to buyer after recovering the applicable transaction fees.

In case of full/partial failure in supplies by the seller, liability of the NCDFI eMarket shall be limited to the blocked EMD/SD of the Sellers.

## Packaging

Packaging shall be in sound second hand gunny/HDPE bags. If the packing is not found in agreement with these norms, buyer can impose rebate as per the Rebate schedule.

All information should be as per standards of Weights & Measures Act, 1976

& the Standards of Weights & Measures (Packaged Commodities) Rules, 1977 and Food Safety & Standards Act, 2006 and Regulations there under.

## Transaction Charges

NCDFI shall collect transaction charge of the contract value from the seller/broker, as per transaction charge schedule published and in force at www.ncdfiemarket.com. These transaction charges shall be deducted from margin money of seller/broker.

Unsuccessful bidders will not be charged with any transaction charges.