

CONTRACT NOTE FOR PRODUCTS LISTED IN PRICE DISCOVERY REVERSE AUCTION

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CHAPTER 1 - AUCTION PARAMETERS

Definition

The products listed for Price Discovery reverse auctions include – Cattle Feed Ingredients, Packing Materials, and Sugar. The detail list of products being traded are available in the products page at www.ncdfiemarket.com

Authority

Buyers authorized by the NCDFI eMarket may put up Price Discovery Reverse Auction whenever they want to purchase required commodities.

Unit of Trading

The unit of trading shall be in Rs per Quintal/Rs per Kg/Rs per unit or as mentioned in the Auction Notice.

Quantity and Product Specifications

Buyer will specify the required product and quantity. The product to be supplied should be as per the specifications provided by the Buyer.

Trade Parameters

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

Product Name
Specifications
Delivery Location
Delivery Period
Quantity
Payment Terms

Quotation Price and Tick Size

Unit of Price Quotation shall be Rs per Quintal/Rs per Kg/Rs per unit or as mentioned in the auction notice. The tick size of the price of the products shall vary for individual products and shall be communicated to the bidders through Auction Notice prior to the auction.

The price quoted by the seller/broker shall be on FOR basis for location wise lots and are:

- a. Inclusive of all incidental expenditure, cost of assaying, unloading charges (if not mentioned specifically by the Buyer), transaction charges, GST if any, payable for delivery at location level.
- b. Inclusive of cost of packing, transportation charges, assaying charges, NCDFI eMarket transaction costs.

Auction Calendar

The auctions will be conducted on specified day and time, and the same will be communicated to respective members.

The auction session will consist of a maximum of 15 minutes apart from 5 extensions of 5 minutes each subject to receipt of bids in the last three minutes.

Buyers have to provide the product, quantity and quality parameters for the auction at least one day prior to 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. Buyer will have an option to provide a whitelist for participants of the auction. Bidders may contact the NCDFI for any clarifications regarding membership & terms and conditions of the NCDFI eMarket.

Auction Method (Price Discovery Reverse Auctions)

- a. Only approved buyers / sellers can take part of this auction.
- b. Buyer will have an option to provide Seller whitelist.
- c. Auction is conducted for a specified time period. The schedule of the same will be communicated minimum 1 day prior to the eAuction date.
- d. Required Product, Quantity and other parameters of the products offered for auction by respective buyers shall be provided by prescribed date.

- e. 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 seller/ broker in the last 3 minutes before end of the session round. Likewise in total, five such extensions of 5 minutes are provided. The seller/broker will have to bid for the entire quantity during the session for English Auctions. In case of Yankee Auctions, bidders will have a choice to quote for part of the required quantity subject to maintaining the minimum quantities mentioned. The seller/broker may modify the bid multiple number of times till the closure of the auction session.
- f. During an auction session, a bidder may modify his price downward in the auction.
- g. No cancellation of Bids shall be allowed once the auction session is concluded. However, during the session timings, bidders can modify their bids number of times and last bid shall be final.
- h. The final results of the eAuction are binding on all bidders and any requests for cancellation received after the conclusion of an auction session shall result in the forfeiture of the Margin money.
- i. Any bid placed using the bidder's username and the password shall be deemed to be an unconditional binding of the bidder to whom such username and the password has been allotted, inter-alia, for the purpose of the eAuction and the bidder 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.

EMD Requirements

EMD as may be mentioned in the Fees Schedule, would have to be deposited for the quantity to be bid by the seller/broker prior to bidding in the eAuction session.

- a. The Sellers/Brokers shall be allowed by the NCDFI to bid only if the requisite EMD amount is available with the NCDFI. The amount deposited as EMD would determine the bidding capacity of the bidder.
- b. Only the Margin of the successful seller/broker would be blocked by the NCDFI. Margins of the unsuccessful sellers/broker, 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 the NCDFI.

Contract Period

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

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.

Quality Standards and Specifications

Parameters and Rebate section of the products are as mentioned in the Terms and conditions and Product specification document 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 material should be as per the specifications mentioned by the Buyer. Supplier can supply better grade material but no premium would be given by the respective buyer in such cases unless mentioned otherwise.

The quantity offered for purchase by respective buyers will be circulated through NCDFI eMarket Mobile App and webpages at least 1 day prior to the auction date.

Transaction Charges

NCDFI shall collect transaction charge of the contract value from the seller/broker, as per Fees 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.

Disclaimer

These auctions are to discover the market prices only.

NCDFI eMarket does not take any responsibility on completion of subsequent events i.e. order placement, delivery and payment. NCDFI eMarket exercise due diligence to ensure that only serious members take part in these auctions. However, both buyers and sellers need to check other member's credentials before entering into the financial transactions.

In case the buyer fails to issue contract to the seller and notifies the NCDFI eMarket, transaction charges of the seller would be refunded.
