

Payment module of Pan India e-auction of Tea implemented successfully

Kolkata, September 16, 2016: The payment settlement part of the Pan India e-auction of tea has been implemented successfully by Tea Board in different auction centres of the country w.e.f. 14th September 2016. The Board in its Circular of September 9, 2016 has issued directives in this regard to the seven auction centres located at Kolkata, Guwahati, Siliguri, Jalpaiguri, Cochin, Coimbatore and Coonoor.

The introduction of post settlement module has ensured that all payments involving auction of tea will be on line through designated settlement bank. Prior to introduction of this system, the individual auction centres were having separate arrangements with the different banks for processing of payments manually. Since, no end to end integration of the bank system with the auction module was in place, the Board's latest initiative will make the entire auction process on line starting from pre-sale activities up to issuance of Delivery Orders to the buyers. Bank of India having 5163 branches across the country has been selected as the settlement bank by Tea Board for the purpose. NSE IT, the software developer of the e-auction platform has developed the post auction module as well and will run the system. The entire settlement system will run in an automated manner without any manual intervention.

The fully functional Pan India e-auction will lead to greater transparency in transactions, faster realization of payments & is quite user friendly. At the same time it is an important milestone in the effort of the Board towards digitization of various services provided to the stakeholders.

The Pan India e-auction for tea was inaugurated by Commerce Secretary in Kolkata on 10th May 2016 and the same was actually rolled out on 23rd / 24th June 2016 at all auction centres.

Subsequent to that the Board held several rounds of consultations with the different stake holders such as buyers, sellers, brokers, warehouses etc. for finalizing the post settlement part of the e-auction module, which was kept on hold during the rolling out of Pan India e-Auction.

The Pan India e-auction of tea has ensured participation of many outside buyers other than registered buyers of a particular auction centre. This has also helped in better price realization to the sellers. The average price realization after the implementation of the Pan India auction is Rs.143.63 per kg.(Sale No.25 to 36) compared to Rs.136.48 per kgs. for the corresponding sales of the previous year. With the introduction of the post settlement process, it is expected that the entire transaction of the e-auction of tea becomes more transparent and more and more number of stakeholders use the auction platform to sale tea. The Board in October 2015 has stipulated that 50% of the tea manufactured in a calendar year shall be sold through public auction.

In the year 2015-16, the Indian tea production was 1233.14 million kgs and 536.08 Mkgs of tea was sold through auction and the average auction price was Rs. 127.70 per kg.