

Rules related to Pan India “Bharat Auction”

Updated

A	General Principles of Auction Sale	
1.	Primary condition of Auction Sale	<p>The Pan India Bharat auction rules shall be implemented in conjunction with the directives issued by the Registering Authority, Tea Board from time to time.</p> <p>a. The following members shall be eligible for participating:</p> <p style="margin-left: 40px;">I. Registered manufacturers of Tea Board under the provision of The Tea (Marketing) Control Order, 2003.</p> <p style="margin-left: 40px;">II. Registered buyers of Tea Board under the provision of The Tea (Marketing) Control Order, 2003.</p> <p style="margin-left: 40px;">III. Registered brokers of Tea Board under the provision of The Tea (Marketing) Control Order, 2003.</p> <p style="margin-left: 40px;">IV. The registered buyer should have registration of any one auction organiser for participating in the Pan India Bharat Auction process. The buyer registered with one auction organizer shall be permitted to bid in the auction conducted by all other auction organisers.</p>
2.	All Sales and Purchases to be subject to prescribed Terms and Conditions	<p>a. All sales and purchases of teas in auction centres shall be governed by a single rule prescribed by Tea Board from time to time, except specifically mentioned.</p> <p>b. Unless otherwise specified, any dispute between members arising from the sale of teas in e-auctions shall be dealt by the concerned auction organiser under whose ambit the particular sale has happened.</p>
3.	The basis of sales regarding the nature of each tea	<p>a. The sample distributed before the sale, having been drawn by the broker from the lots offered for sale, shall form the basis of the sale as regard the nature and description of the tea, but not the state and condition thereof, unless otherwise provided in the e-auction catalogue. Buyers must take all reasonable steps to satisfy themselves as to the state and condition of the tea before their removal from the warehouse. The warehouse keepers shall extend necessary co-operation to the buyers in this connection.</p> <p>b. Claims on grounds of quality made after removal of the packages from the registered warehouses shall not be entertained unless the selling broker is of the opinion that the defects complained of would not have been discoverable despite the taking all precautions by the buyer before removal of the goods from warehouse.</p> <p>c. Claims regarding defects made subsequently shall, if there be a dispute, be referred to Adjudication Committee appointed as per the Rules of the auction organizer.</p>

4.	The subject of each contract	Each chest/ package/ bag in a lot shall be treated as if it were the subject of a separate contract for the purposes of knockdown price, etc. pertaining to the e-auction.
5.	Brokers not to be interested in purchase of tea	Broker members, including their Partners/ Directors shall provide an undertaking to the auction organiser that they shall not be interested, either directly or indirectly, in purchase or shipment of tea which would in any way interfere with the interests of the buyer members of the auction organiser.
6.	Brokers not to handle each other's teas	Brokers shall not handle or in any way deal with teas given to another broker for sale unless such teas have been withdrawn from the first broker by the seller member authorised to do so.
7.	Auction Transaction & Service Level Audit	<ul style="list-style-type: none"> a. The auction organiser shall periodically arrange for an auction transaction audit and service level audit by an audit agency to ensure conformity to the e-auction rules and related directives issued by the Board in this regard from time to time. b. The scope, periodicity/ frequency and coverage of such audits shall be decided by the auction organiser based on directives/ guidelines issued by the Tea Board. Changes suggested in this regard by the Tea Board from time to time shall be duly incorporated. c. The charges for conducting such audits shall be borne by the Auction Organiser.

B	Rules relating to pre-sale activities	
8.	Receipt of teas at Registered Warehouses	<p>a. The teas to be offered for sale in the e-auction shall be stored in warehouses registered with the auction organiser and licensed by Tea Board under the provision of relevant orders issued from time to time under provisions of the Tea Act.</p> <p>b. All teas received for sales at the warehouse shall be gross weighed on electronic scale by the warehouse authorities at the time of entry into the warehouse. “Where the gross weights vary from those marked on the packages, the ascertained gross weights shall be marked on the packages with the prior approval of the seller or concerned broker (after receiving work order of the broker or as the case may be)”, if he has been appropriately authorised by the seller in this regard. The ascertained gross weights shall be marked on the packages without tampering the package or its contents in any way.</p> <p>c. Buyers and sellers shall be bound by such gross weights for the purpose of bidding in e-auctions.</p>
9.	Preparation of Arrival and Weighment Report	<p>a. As soon as the teas have been weighed, the warehouse authorities shall prepare the Arrival and Weighment Report (AWR). AWR should not be prepared unless the teas are physically present in the warehouse. The AWR shall contain all details specified by the auction organiser and in the format and manner required by the Pan India electronic auction platform.</p> <p>b. The AWR shall be sent by the warehouse authorities to the Auction Organisers who in turn will send it to the brokers. The warehouses will send copies of AWR directly to the sellers.</p>

<p>10.</p>	<p>Inspection of tea by Brokers and drawl of Samples</p>	<p>a. Brokers shall draw samples from the lots after cataloguing.</p> <p>b. Brokers shall inspect each lot entrusted to them for sale and shall draw samples in the manner prescribed by the auction organiser from time to time.</p> <p>b. The teas shall be inspected by the brokers in respect of all parameters specified by the auction organiser or the Tea Board and details of the same shall be included in the catalogue against the respective lots.</p> <p>c. Teas, which upon inspection are found to vary from the major portion of the bulk, shall be notified by the broker to the seller/ auction organiser. In such cases, the seller shall have the option of re-offering the tea after re-bulking/ rectification or withdrawing the teas from the warehouse.</p> <p>d The details of re-bulked / rectified teas shall be intimated by the broker to the auction organiser before cataloguing of the teas.</p> <p>e. The quantity of samples to be drawn from the lots for the purpose of inspection by the broker will be as per the present practice continued in all 07(seven) registered auction centers across India.</p> <p>f. While prescribing the quantity of samples to be drawn from each lot, the auction organiser shall follow the directives issued by the Tea Board in this regard from time to time.</p>
<p>11.</p>	<p>Eligibility of buyers to receive Free Trade Samples (FTS)</p>	<p>**a. The quantum of free trade sample to be drawn from each lot of tea for sale in South India shall be determined by the respective Auction Organiser in consultation with their committee members consisting of seller, buyers and brokers.</p> <p>**b. The existing practice of each auction centre of North India shall be continued for collecting the quantum of sample from a lot.</p> <p>**c. The non-member buyers shall not be eligible to get free samples. Samples have to be purchased by them and the cost of the sample shall be determined by the auction organizer based on the directive issued by Tea Board earlier in this regard.</p>

12.	Packing and Delivery of FTS	<p>a. The existing rule in relation to packing and delivery of FTS to the member buyers shall be followed. However, for non members, the purchased sample by the buyer shall be collected by the nominated courier agency (by the buyer) from brokers' offices. The courier charges shall be borne by the buyer.</p> <p>b. All the samples to be delivered to buyers shall be machine packed.</p>
13.	Cataloguing	<p>a. The catalogues are to be printed for CTC Leaf, all dust, orthodox leaf, Darjeeling leaf and small lots (lot having packages less than normal) catalogues if any.</p> <p>b. Teas shall not be catalogued by the broker unless he is in possession of the corresponding AWR and Garden Invoice</p> <p>c. The primary right of deciding the Sale No. in which the warehoused teas shall be catalogued shall be with the seller. The seller may, if he so desires, delegate this right to the broker.</p> <p>d. The auction organiser may, from time to time, specify the maximum lots of teas which can be catalogued for sale in a Sale Programme, for different categories of tea. In such case, the seller will have to abide by this overall cap specified by the auction organiser, if any.</p> <p>e. The broker shall prepare a catalogue of the teas being offered for sale through him, which shall at least contain the details prescribed by the auction organiser for each lot offered for sale.</p> <p>f. The catalogue shall be prepared within the time limit prescribed by Tea Board.</p> <p>g. These catalogues shall be made available to all the e-auction participants in electronic form.</p>
14.	Catalogue closing and publishing time	<p>The catalogue closing time shall be followed as detailed below across all the centres.</p> <p>April & May- Maximum of 15 days</p> <p>Rest of the month-Maximum of 19 days</p> <p>Catalogue to be published maximum within 7 days from the catalogue closing date.</p>
15.	Withdrawal of lot	<p>Withdrawal of lot from the published catalogued shall be allowed only on the quality ground after evaluating the same by the broker.</p>
16.	Tasting and Valuation of Tea	<p>The broker shall undertake tasting and provide his valuation of the teas offered for sale in his e-catalogue within the time limit stipulated by the auction organiser before the auction date.</p>

17.	Disclosure of the origin of all teas offered for sale	<p>a. Only teas of Indian origin shall be permitted to be catalogued.</p> <p>b. All Indian teas shall be identified with the "Plantation District" as origin of tea based on the location of tea factory and such "Plantation District" shall be out of the existing list of the Tea Board.</p> <p>c. All teas shall be identified by an appropriate "mark", registered with concerned auction organiser, which should not be misleading in nature. The list of such registered mark, owner of such mark along with R.C. no. granted by the Tea Board in favour of owner of such mark under the Tea (Marketing) Control Order shall be intimated to the Tea Board by the auction organiser time to time.</p> <p>d. Only Marks registered with the auction organiser shall be catalogued.</p> <p>e. The auction organisers shall not register estates/factories which are not registered with the Tea Board.</p>
18.	Grading	<p>a. The teas to be offered for sale through the e-auction shall be graded as per the directions/ guidelines laid down by the Tea Board from time to time.</p> <p>b. The grade of the tea should be marked on the package and shall also be disclosed in the Seller's Invoice and AWR.</p> <p>c. The broker, as a part of his inspection of tea, shall verify that the tea has been properly graded and shall also disclose the grade in the catalogue.</p> <p>d. In case the broker feels that the marking of the grade is incorrect, he shall modify the marking in consultation with the seller, to ensure conformity with the guidelines issued by the Tea Board from time to time. Such modified grade shall also be updated by the broker in the e-catalogue.</p>
19.	Packaging	<p>a. Teas offered for sale through the e-auction shall be packed in specific type of packages as per the directions/ guidelines issued down by the Tea Board from time to time.</p> <p>b. Teas shall be packed in fresh packages only. Use of re-used packages shall not be permitted.</p>
20.	Damaged Teas, Second-hand and Re-packaged teas	<p>a. Damaged teas (partly/ fully Damaged) shall not be catalogued and offered for sale in auction</p>
21.	Food Safety and Standard Authority of India (FSSAI) and Plant Protection Code Circular (PPC)	<p>a. Sellers shall ensure that the teas offered for sale through e-auction meet the specifications/ guidelines prescribed under the Food Safety and Standards Authority of India (FSSAI) as amended from time to time.</p> <p>b. In case of a doubt on the conformity of the teas to FSSAI specifications/ guidelines, the broker shall send the teas for chemical analysis, the cost of which shall be borne by the seller.</p> <p>c. Only teas conforming to FSSAI norms shall be catalogued and offered for sale.</p> <p>d. The teas offered must also comply with the Plant Protection Codes (PPC) prescribed by Tea Board from time to time.</p>

22.	Sellers' undertaking to the Auction Organiser and Broker	<p>a. The seller shall indemnify the auction organiser and the broker/ buyer members from any liability arising out of the sale of tea under the Food Safety and Standards Authority of India (FSSAI)</p> <p>b. The seller should also submit the declarations as required and mentioned in the directives on Plant Protection Codes (PPC) issued by Tea Board from time to time.</p>
23.	Warranty to Buyers	The broker shall stamp the warranty in the manner and form prescribed by the FSSAI norms and PPC directives on all his contracts and bills to buyers.
24.	Teas to conform with FSSAI, PPC, other directives	All teas offered through the auction system shall meet the prescribed guidelines in relation to FSSAI, PPC and any other directives issued by Tea Board from time to time.
25.	Certified Weights	<p>a. Teas shall be sold on warehouse certified weights less the sampling quantity specified by the auction organiser from time to time.</p> <p>b. Where gross weighments show fractions of a kilogram, such fractions shall be treated as per the rules specified by the auction organiser in this regard.</p>
C.	Rules relating to Sale activities	
26.	Auction Day	Auction will be held any day/s between Monday to Saturday from 8.30 a.m to 6 p.m with a lunch break from 1 p.m to 2 p.m. along with extended hours whenever necessary. However, the timings can be adjusted by the Auction Organiser as per requirement based on the arrivals, offerings, etc.
27.	Mode of Auction	<p>a. Auctions shall be conducted only on electronic trading platform(s) deployed/ approved by Tea Board.</p> <p>b. In case of any prolonged disruption of the e-auction system due to technical glitches, the auction organiser shall follow the contingency plan specified by the Tea Board.</p>
28.	Login Protocols	<p>a. Each authorised e-auction participant shall be mandatorily assigned a unique login to enable him to participate in the e-auction.</p> <p>b. Associate ID's shall also be provided to the buyers as per existing practice i.e Main ID + 5 associate IDs for participating in the auction system.</p> <p>c. The respective participants shall be responsible for the security of their login details, passwords, personalised statements, etc. All transactions recorded in the e-auction trading platform against an individual login/ID shall be binding on the concerned participant.</p>
29.	Location of e - auction	<p>a. Buyers shall have the option of participating in the e-auction either from the Auction Hall or from any other location (through the remote bidding facility provided by the e-auction platform).</p> <p>b. Bids received by both means shall be considered valid and binding.</p>
30.	Weight and Currency	Lots shall be sold in Kilogram and in Indian Rupees only.

31.	Registered buyers permitted to bid in the e-auction	Buyers registered with the Tea Board under the Tea (Marketing) Control Order 2003 and registered with any one auction organiser shall only be permitted to bid in the e-auction. The buyer registered with one auction organizer shall be permitted to bid in the auction conducted by all other auction organisers.
32.	Identity of the bidders	Total anonymity of buyers shall be maintained when the catalogue is open for bidding.
33.	Lot Sizes	<p>33. Lot Sizes:</p> <p>*For North India, the lot sizes mentioned in the circular issued by Tea Board vide ref. no 6(29)/ /Gen/11-13/P-III/Vol- LC 3/2017113078 dated 25th August, 2021 shall be followed. For South India any lot having more than 15 packages shall be considered as big lot and any lot having less than 15 packages shall be Considered as small lots. However, under no circumstances the minimum no. of packages in a lot shall be less than 5.</p>

34.

Rules pertaining to bidding principles

The various parameters governing the auction principles are:

a. **Base Price (BP)**

The base price shall be the starting price for the lots active for auction. The base price shall be fixed by the auction system based on a pre-defined logic as amended by Tea Board from time to time. However, options shall be available to the brokers to modify the base price (upward or downward modification) to a certain percentage specified by Tea Board from time to time. The modified price shall be entered by the brokers maximum up to 1 day prior of the auction sale up to 12 am. Base Price shall be visible to all auction participants.

b. **Increment Price (IP)**

The bid price increases with the increment size at a fixed time interval in step size of 1,2,15, etc. prior to the beginning of the auction (maximum up to 1 day prior of the auction sale up to 12am). The step size shall be chosen by the broker and the time interval shall be specified by Tea Board. Time interval shall be fixed for all lots offered in a day. Once the auction starts, the increment price cannot be modified. Increment Price shall be visible to all auction participants.

c. **Reserve Price (RP)**

Reserve Price is submitted by the broker before the auction begins (maximum up to 15 minutes prior to the respective session). Once the auction starts, the reserve price cannot be modified for the particular session which is already active. Reserve price shall not be visible to the buyers and shall at least Re.1/- higher than the base price.

d. **Current Price (CP)**

Current price is the present bidding price of the active lot. The current price increases as per the pre-defined increment size and time.

e. **Max Bid Price/Auto Bid Price (MBP)**

The maximum bid price or the auto bid price is the maximum buying capacity of the buyer for a particular lot and the same has to be entered by the buyer before the lot goes active. This also ensures participation of the buyer in the auction of that particular lot. A buyer can automate his responses by using the maximum bid option. The maximum bid option or the auto bid option shall keep a buyer in the auction so long as the current price is less than or equal to max bid. Once the current price exceeds the max bid price of the buyer, the auto bid logic exits the buyer from the auction. However, a buyer shall have the option to revise his maximum bid both upward and downward during the course of live auction of a particular lot. A buyer can also leave the auction of a particular lot by clicking on 'out' or 'exit' during the course of auction even if the current price has not exceeded the maximum bid price of that particular buyer.

f. **Closing Price**

The last price fetched by the lot at the end of the live sale is known as the closing price.

g. **Knockdown Price**

In Bharat auction model, the knockdown price shall be the second highest price amongst MBP CP and RP plus one increment price. In case the bidder has given desperate price, then the knockdown price shall be the second highest price amongst MBP, CP, RP plus 2 increments. In no case, the knockdown price shall be lower than the reserve price.

All the above price parameters should be in whole number (without decimal)

35	Active lots and Duration of Active lots	Minimum 3 and maximum 15 lots in a minute shall be followed across all auction centres.
36.	Division of Lots	No lots shall be permitted to be divisible under any circumstances
37.	Reopening of Bids	Lots which do not get knocked down shall not be re-opened for bidding in the same Sale Programme unless prior permission is obtained from the Tea Board. However, lots affected due to system failure shall be re-opened for bidding in the same Sale Programme.
38.	Handling Unsold Lots/Price Rediscovery Session (PRS)	<p>a. All unsold lots from the normal session shall be offered in Price Rediscovery Session (PRS).</p> <p>b. Price Rediscovery Session (PRS) shall be conducted after completion of normal session of each day sale (after 60 minutes of the normal session). However, the auctioneers can modify the timing of the PRS session as per their requirement (30 minutes prior to the start of the session)</p> <p>c. The closing price of the normal session shall become the base price of the PRS. RP (Reserve Price) can be modified 15 minutes prior to the start of the session for each auctioneers.</p> <p>d. If the lots are unsold in PRS session then the same shall be re-printed in a fresh catalogue with sampling. However, it should not be marked as reprinted teas in the fresh catalogue.</p> <p>*(i) If the lots are unsold in PRS session then the same can be re-printed in a fresh catalogue with sampling however, it should not be marked as reprinted teas in the fresh catalogue.</p> <p>*(ii) In case of any private sale, the details are to be intimated to Tea Board and concerned auction organizer in writing immediately after sale.</p> <p>e. In case of any private sale, the details are to be intimated to Tea Board and concerned auction organizer in writing immediately after sale.</p>

<p>39.</p>	<p>Mistakes in bidding</p>	<p>a. Buyers shall be allowed to withdraw their maximum bid price for a lot till it has become “active”.</p> <p>b. In order to prevent mistakes in bidding, the e-auction platform shall provide the facility wherein buyer’s confirmation is required for bids which are higher by a specified percentage than the prevailing highest bids. This percentage shall be specified by Tea Board from time to time after consultation with auction organisers (at present the percentage is defined as 10%).</p> <p>c. The percentage so specified by Tea Board shall be uniform across all centres.</p> <p>d. Even after, if any mistake in bidding is communicated by a particular buyer post knocking down of the lots, the same shall be referred to the local committee constituted by Tea Board for different auction centres. The composition of the committee is as follows.</p> <ol style="list-style-type: none"> 1. Deputy Chairman/Executive Director, Tea Board (as the case may be) 2. Local officers of Tea Board not below the rank of ADTD/FAO (2 nos) 3. Seller representatives (2 nos) 4. Buyer representatives (2 nos) 5. Representatives from auction organizers (2 nos) <p>e. The committee upon receipt of cancellation request from the buyer shall analyse the same for taking further decision in regard to the particular deal.</p> <p>f. The decision of the committee shall be communicated to the concerned auction centre for making further communication to the respective seller/buyer as well as for making changes in the auction system, in case cancellation of deal is approved by the committee.</p> <p>g. The decision of the committee shall be final and binding on all concerned.</p>
<p>40.</p>	<p>Handling outages/ Emergencies</p>	<p>a. In case of stoppage in the e-auctions due to technical/ emergency/ any other reasons, lots active at the time of the stoppage shall be made “re-active” after the problem is resolved.</p> <p>b. In the unlikely event of loss of records of a complete Sale Programme or part thereof, the lots shall be re-catalogued and re-offered for bidding in the subsequent Sale Programme without sampling.</p> <p>c. Issues arising out of handling stoppages/ emergencies, if any, shall be resolved by the auction organiser and shall be binding on all members. Any unresolved issues shall be referred to the Tea Board, whose decision shall be final.</p>

41.	GST	a. The bid prices at the e-auction shall be exclusive of GST, as applicable.
42.	Details of sale to be available in public domain	<p>a. Details of the sale (winning buyers, bid history, etc.), will be available to the members of respective auction organizers after each session.</p> <p>b. The bid history for all lots knocked down on a particular day will be available to members free of charge upto midnight of the auction day after completion of each session at the auction centre concerned.</p> <p>c. Archived bid history will be available to members against payment of charges as specified by the auction organizers with the prior approval of the Tea Board.</p> <p>d. The limit prices entered by the buyers shall not be disclosed to any member. However, details of sale shall not be made available to the public domain.</p>
D.	Rules relating to Post-sale activities	
43.	Issue of Tax Notes	<p>a. Broker members shall issue tax invoices to the buyers as per the Deal Book.</p> <p>b. The broker shall issue one tax invoice for the entire lot bought by a buyer.</p> <p>*The existing practice, i.e., seller- billings shall be followed in South India.</p>
44.	Independent Settlement Agency	<p>a. Tea Board shall make suitable arrangements for handing of settlement function pertaining to e-auctions by engaging an independent agency, preferably a scheduled commercial bank.</p> <p>b. Tea Board shall take the e-auction rules into consideration while entering into the Service Level Agreement (SLA) with the independent settlement agency.</p> <p>c. The role of the settlement agency shall be to receive payments from the buyers in the designated settlement account opened and maintained in the settlement bank, to make payments to the sellers/brokers and other parties (based on instructions received from the selling broker/seller, as applicable).</p> <p>d. All post sale transactions including issuance of delivery orders, etc. should be routed through the pan India auction system.</p>

45.	Preparation and issuance of Delivery Orders	<p>a. Issuance of delivery order to the brokers will be made online who in turn will hand it over to the buyer after proper authorisation. The delivery order will be generated only after receipt of the payment from the buyer within the prompt date and after acknowledging the same by the bank.</p> <p>b.. Delivery Orders shall be issued to the buyers only after receipt of the buyer's prompt from them, within the time limit prescribed by the auction organiser, subject to a maximum period of one working day, from realisation of prompt.</p> <p>c. Delivery Orders shall be issued for the complete lot bought by the buyer. Requests for issue of Delivery Orders for a part of the lot shall not be entertained.</p>
46.	Buyers' Prompt Date (Maximum days allowed for payment by buyers)	<p>a. The Buyer's Prompt Date shall be thirteen (13) days after the date of sale, and shall be subject to change based on directives issued by the Tea Board from time to time. The prompt payment by the buyer shall be made to the settlement account maintained with the settlement bank.</p> <p>b. Extension of prompt date by one day beyond thirteen (13) days shall be allowed to all buyers in respect of a particular sale. However, such extension of prompts shall be provided maximum of six (06) times in a calendar year for any individual buyer.</p> <p>c. The last working day of the buyer's prompt shall be extended automatically to next day in case the same i.e the last working day of the buyers' prompt falls on a National Holiday or bank holiday and in that case no application is to be submitted to Tea Board for granting extension.</p>
47.	Seller's Prompt Date	<p>a. Seller's receipt shall be a 'continuous settlement' with payment being made (by the Settlement Bank) to the seller on receipt of clear funds in the settlement account immediately by the next working day.</p> <p>b. The broker's charges, warehouse charges and other statutory dues shall also be remitted (by the Settlement Bank) to the concerned parties, wherever applicable, within a maximum period of one working days from the date of receipt of the money from the buyer.</p>

48.	Force Majeure extension of Buyers' Prompt.	Buyers prompt date for a particular sale of an Auction Centre may be extended by Tea Board for a maximum period of Two (02) days only in case of any extreme circumstances which may affect the normal working conditions of the centre.
49.	Method of Prompt Payment	All payments by the buyers shall be made to the Settlement Banker(s) by means of RTGS/NEFT/Net Banking in accordance with the directives issued by Tea Board and the auction organizer from time to time.
50.	Charges payable to brokers	<p>a. The charges to be paid by the buyers and sellers to the brokers shall be specified by the auction organiser based on the directives issued by the Tea Board from time to time.</p> <p>b. Brokers shall collect these charges in full and shall not provide any discount on and also shall not be permitted to refund, either in part or whole, any of these charges, brokerage or commission, except wherever required under the existing laws.</p>
51	Delivery of Teas	<p>a. Delivery of teas to the buyers shall only be made by the warehouses concerned on presentation of valid Delivery Orders relating to specific lots/invoice of tea issued by the brokers.</p> <p>b. The buyer or his representative must be satisfied before taking delivery of teas.</p> <p>c. The warehouse shall deliver the tea within the time limit prescribed by the auction organiser, subject to a maximum period of two working days after presentation of the Delivery Order by the buyer. In case of any delay in delivery of tea by the warehousing authorities due to reasons attributable to them, they shall not be entitled to charge warehousing charges for the period of delay.</p> <p>d. In addition, the warehouse shall pay a penalty to the buyer at the rate specified by Auction Organiser from time to time for every day of delay in delivery.</p>
52	Transaction charges	<p>a. A transaction charge @ 2 paisa per kg. by each stakeholders (sellers, buyers and auctioneers) shall be required to be paid to Tea Board for normal session.</p> <p>b. A transaction charge @ 0.50 % of the total invoice value from the warehouse bills by each warehouse shall be required to be paid to Tea Board for normal session.</p> <p>*'c' Deleted</p> <p>*'d' Deleted</p>

53.	Sellers responsibility towards the goods	The goods shall be at sellers' risk only for 7 days after buyers' prompt date or until removal by the buyer, whichever is earlier
54.	Warehouse charges	<p>a. The charges payable to the registered warehouse shall be as specified by the auction organiser or based on the directives issued by the Tea Board from time to time. (the charges shall be set in a manner so as to discourage the buyers from keeping teas in the warehouse for long after the buyers' prompt date). However, no buyer shall be allowed to store his teas in the warehouse for a period beyond 3 months from the date of sale.</p> <p>b. Warehousing charges for the tea shall be borne by the seller up to seven (07) days after the buyers' prompt date or until removal by the buyer whichever is earlier.</p> <p>c. The warehouse keeper shall intimate the warehouse charges in respect of each lot, which has been catalogued for sale, to the concerned broker.</p> <p>d. Such warehouse charges shall be intimated by the warehouse keeper before the date of auction sale.</p> <p>e. Broker shall deduct the warehouse charges from the payment received from the concerned buyers before making payment to the sellers. The said deducted warehouse charges shall be paid to the concerned warehouse keeper.</p>

55.	Default of Buyer's Prompt	<ul style="list-style-type: none">a. If the buyer shall fail to pay for the tea or any part thereof, on the due date for payment, the goods may be resold either by auction or private sale, at the option of the seller or selling broker on account of the original seller. Any loss arising from such resale, together with the interest to be calculated at the prevailing rate from the due date and all charges incurred, shall be paid by the defaulting buyer to the original seller through the broker and the defaulting buyer shall not be entitled to any profit which may accrue from such resale. In the event of a profit accruing from such a resale, it shall be paid to the original seller by the broker.b. In case of a prompt failure by the buyer, the concerned auction organiser shall intimate the same with complete details of the buyer to all other auction centres.c. The buyer shall also compensate the actual value of the teas as per auction price to the seller.d. In case, the buyer defaults on payment of compensation value within a period of one month from the date of the original default or in case of repeated defaults, his membership as buyer shall be suspended for a period of 6 months or terminated completely by the auction organiser depending on the severity/ magnitude of the default as per the discretion of the auction organiser.e. Action taken as per sub rule (d), above shall be intimated by the concerned auction organizer to the Tea Board within 48 hours.
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56.	Compensation for non-delivery of teas	<p>a. In case of default (by the producer/ warehouse) on account of non-delivery/wrong delivery of tea, the concerned buyer shall immediately report the default to the concerned broker with a copy to the auction organiser and to the Tea Board.</p> <p>b. Investigations shall be promptly conducted by the auction organiser to identify the defaulting party.</p> <p>c. In case of non-delivery/wrong delivery of teas, the identified defaulting party/parties will pay 10 % penalty of knockdown value of teas to the buyers along with the compensation value i.e the actual of the teas as per auction price.</p> <p>d. The compensation and penalty collected shall be given to the aggrieved buyer.</p> <p>e. In case a party is found to be a defaulter under this rule on three occasions in a year, the auction organiser shall consider taking further strict actions against them including cancellation of membership/ registration and the same is to be intimated to Tea Board within 48 hours and the decision on concerned defaulter will be taken immediately.</p> <p>f. Action taken as per sub rule “e” above shall be intimated by the concerned auction organizer to the Tea Board within 48 hours.</p>
57.	Right of buyer to inspect tea	<p>The buyer shall have the right to examine each chest/ bag/ package bought by him in the auction upon producing the delivery orders to the warehouse keeper and the warehouse keeper shall extend necessary cooperation to buyers in this connection. If a complaint is made by a buyer that a warehouse has failed to extend necessary cooperation to the buyer for inspection of his teas, the auction organizer shall call upon the warehouse to furnish an explanation.</p>
58.	Claims for shortage in weight on taking delivery	<p>a. In case of short weight, any claim must be submitted by the buyer to the selling broker within the time limit prescribed by the auction organiser and must be supported by a weighment certificate issued by the warehouse at the time of removal of the teas.</p> <p>b. The warehouse shall compensate the actual value of the teas as per auction price to the buyer.</p> <p>c. The selling broker shall certify the price to the warehouse who shall accept liability for shortages in weight found at the time of delivery.</p> <p>d. All claims for short weight shall be settled by the selling broker after deducting the amount from the warehouse concerned within 7 days of receipt of such claims</p>

<p>59.</p>	<p>Claims on grounds of difference or inferiority in quality, description, damage, deterioration or defect in packing</p>	<p>a. Claims on grounds of quality made after removal of the packages from the registered warehouses shall not be entertained unless the selling broker is of the opinion that the defects complained of would not have been discoverable despite the taking of such steps by the buyer within the prescribed period after the Sale.</p> <p>b. Claims on grounds of quality should be submitted within 2 months from the date of sale or within 7 days from the removal of teas from the warehouse.</p> <p>c. Claims on grounds of quality or tare differences made after removal of the packages from the registered warehouses shall, if there be a dispute, be referred to the Claims Sub-Committee of the auction organiser.</p> <p>d. Buyer should be satisfied by all means before taking delivery with regard to quality of teas.</p>
<p>60.</p>	<p>Settlement of disputes and differences by Arbitration</p>	<p>a. Any dispute or difference referred for arbitration shall be referred for Arbitration as per the procedure prescribed by the auction organiser.</p> <p>b. The outcome of the Arbitration proceedings shall be final and binding on the parties.</p> <p>c. In the event of a contract being submitted for arbitration by a buyer, the ownership and responsibility of the teas concerned shall be on account of the buyer until and unless found otherwise by the arbitration.</p> <p>d. Arbitration fees, as prescribed by the auction organiser will be paid by the party/s involved in the arbitration.</p>
<p>61.</p>	<p>Penalties for delays in service levels</p>	<p>a. The auction organiser shall implement the financial penalties prescribed by the Tea Board.</p> <p>b. The auction organizer will be responsible for collection of penalties from the defaulting parties.</p> <p>c. Unless otherwise specifically provided under this rules or any directions issued by the Tea Board a or the auction organiser, all penalties levied and collected under this and any other rule of the e-auction system shall be given to the aggrieved party.</p> <p>d. The Tea Board will also prescribe financial penalties for deficiency in service by e-auction software provider, connectivity provider and hardware maintenance agencies and such penalty will be payable to the auction organizer by the defaulting party after intimation to Tea Board.</p>

62.	Roles and Responsibilities of various stakeholders	The Roles and responsibilities of the various stakeholders of the E-auction system shall be stipulated by the concerned auction organisers from time to time and shall be effective only after prior approval of the Tea Board.
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The rules mentioned above are subject to change as per approval of Registering Authority and the same shall be notified by Tea Board from time to time.

Sd/-
(Dr. K. N. Raghavan)
Licensing Authority

* Rule no. 33, 38 (d) (i) (ii) & 43 were amended vide circular no. 6(29)/LC/Bharat Auction.2021 dated 31.12.2021

** Rule no. 11 (a, b & c) was amended vide circular no. LC/FTS/UPASI/21/132 dated 13th July, 2022