

No.MKT-AUC/0021/2015

# Date: 12<sup>th</sup> April 2018

# Inviting Expression of Interest (EoI) for considering award of Auctioneer License for conducting Auction of Cardamom

The Board would like to commence the process of awarding the License to the Auctioneers for conducting Auction for Cardamom for the block year 2017-2020. Expression of Interest (EoI) is invited from prospective entrepreneurs/Auctioneers for considering the award of the license for the said block period. The details, guidelines applicable and prescribed application forms are given below. The applicants are advised to go through the same before submitting the application for EoI. Any Corrigenda, addenda, amendments, time extension, clarification etc to the above EoI will be uploaded in our website and will not be published. Prospective bidders should visit the Board's website from time to time to take note of corrigenda if any.

The decision of the Spices Board regarding selection of the applicants shall be final and binding. The Board reserves the right to amend or modify any of the eligibility conditions or cancel the EoI without assigning any reasons or may call fresh Eol without assigning any reason whatsoever, if it appears appropriate in the public interest. The selection of the applicants will be in accordance with the norms set out in the Guidelines. Failure to furnish complete information as mentioned in the guidelines, documents or submission of a proposal not substantially responsive to the guidelines and required documents in every respect will be at the bidders risk and may result in rejection of the proposal for short listing. The call for Eol is not an offer and is issued with no commitment. By submitting a proposal each bidder shall be deemed to acknowledge that it has carefully read the Guidelines and annexure thereto, if any, and has fully informed itself as to all existing conditions and limitations. Responses submitted through intermediaries will not be considered and will be rejected out rightly. The objective of this Expression of Interest is to solicit proposals from the interested auctioneers including the present auctioneer for participation in the auction process for small and large cardamom. Applications found incomplete are liable to be rejected and no correspondence will be entertained in this regard. No fee is required to be submitted along with submission of application for Expression of Interest.

Those who are interest to participate in the process of considering the award of License as Auctioneers may submit their EoI to the Director (Mktg), Spices Board, Kochi.

#### I. General

- 1. The envelop containing the EoI should be super-scribed as "EoI for Auction License for 2017-2020" and forwarded by Registered post to Shri P M Sureshkumar, Director (Mktg), Spices Board, Palarivattom P O, Kochi 682 025.
- 2. The last date fixed for submitting the EoI is 27<sup>th</sup> April, 2018.
- 3. The EoI received after the last date will not be considered.
- 4. The submission of EoI is not a guarantee for awarding the License. License will be awarded subject to the verification of the application and documents and fulfilment of the criteria fixed for awarding the license.
- 5. The Board reserves the right to incorporate additional criteria for awarding the license whichever is found necessary for the benefit of the industry.

#### II. GUIDELINES FOR ISSUE OF AUCTIONEER LICENCE

The following are the Guidelines for the issue of Auctioneer License in accordance with the Cardamom (Licensing & Marketing) Rules 1987 and subsequent amendments in 2014 and 2018.

- 1. The Board has established e-auction centers for Small cardamom at Puttady, Kerala and Bodinayakanur, Tamil Nadu. License for e-auction will be issued only to these centers.
- 2. Manual auction centre for small cardamom can be established anywhere in India other than in the States of Kerala and Tamil Nadu.
- 3. Manual auction centre for Large cardamom can be developed anywhere in India.
- 4. It is the responsibility of the Auctioneer to set up the facility for conducting manual auction as per the guidelines of Spices Board.
- 5. The applicant shall be registered under Companies Act, 1956 or Multi-State Cooperative Societies Act, 2002 or the Indian Partnership Act, 1932 or a Charitable Society registered under the Societies Registration Act 1860.
- 6. The applicant for E-auctioneer License shall produce a Bank Guarantee from a Nationalized Bank or any Bank approved by the Government and the amount of Bank Guarantee will approximately be equivalent to the average value of Cardamom sold in one auction during the previous crop season. Based on the data available on record for the crop season 2017-18, the approximate amount of Bank Guarantee would be in the range of Rs.4 Crores to Rs.7 Crores. The actual amount will be intimated to the selected applicants before submitting the prescribed application form.
- 7. Bank Guarantee is not applicable for awarding Manual Auctioneer License.

8. After verification of the EoI, the Board will schedule a pre bid discussion with the applicants for finalizing the terms and conditions for submitting the application for awarding the license.

#### **III. GENERAL TERMS & CONDITIONS**

1. Fee for issue of License

The fee payable for auctioneer license is as under:

- (a) Manual auction Rs.15,000/- plus GST
- (b) e-auction in common e-auction centres established by the Board Rs.1,00,000/- plus GST.
- 2. For conducting e-auction using Board's common facility, an auctioneer has to pay a user fee of Rs.380/- per ton of cardamom sold in an auction plus GST as applicable.
- 3. No Manual auctioneer license will be issued in a State where the Board has established common e-auction centres.
- 4. The auctioneer shall pay the growers, whose cardamom is pooled, the applicable sale value of the cardamom sold in an auction within 10 working days from the date of auction. If the auctioneer defaults to make payment as per the terms and conditions of the License, the Board will be entitled to invoke the Bank Guarantee and use the proceeds for arranging settlement of amount due to growers and to initiate steps for suspension and / or cancellation of the License.
- 5. In the case of manual auction, if the auctioneer defaults to make payment as per the terms and conditions of the License, the Board will initiate steps against the Auctioneer including suspension and/or cancellation of the License.
- 6. The auctioneer has to provide the required facility to the satisfaction of the Board for pooling the cardamom in places convenient to the farmers. In such pooling centres, the auctioneers shall provide electronic weighing machines and moisture meters.
- 7. The auctioneer shall conduct the auction at a place and on a day and time specified by the Board.
- 8. The auctioneer shall draw 1500 grams out of each lot of (the quantity of cardamom pooled for auction as desired by the farmer), of cardamom offered for pooling and the quantity of sample drawn should be recorded in the Crop Slip issued to the person whose cardamom is pooled. Out of the sample drawn, 100 grams will be set aside as purchaser sample and 50 grams will be put on display at the auction centre. The remaining 1350 grams can be used by the auctioneer for distributing as samples during the bidding process of the said lot. The auctioneer shall refund the value of 1350 grams of cardamom (from the sample drawn). Therefore, the total amount payable by the auctioneer to the person who pooled the cardamom shall be the sum of the sample refund value and the value for which the lot has been sold in an auction after deducting the eligible 1% commission on the total amount. No additional charges can be deducted in the name of wastage, weight loss, charity etc.

- 9. The auctioneer shall not charge more than one per cent of the sale price as commission for the services rendered by him.
- 10. The auctioneer shall ensure that the cardamom pooled in an auction is free from any adulteration, contamination and artificial coloring.

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## IV. PRESCRIBED APPLICATION FORMS

A. Application form for submitting EoI for conducting e-Auction in Cardamom (small).

Name and address of the applicant with contact person, telephone, mobile, e-mail etc.	
Details of previous experience, if any, in the conduction of Auctions especially for Agriculture commodities	
Specify the centre of preference for conducting eAuction	Bodinayakanur, TN
	Puttady, Kerala
GST Registration details	
PAN No. & TIN No.	
Details of warehousing facilities available for pooling	Location;
	Nature of Building:
	Status of Building:
	Capacity:
Details of cleaning & grading facilities available	
Signature	

## B. Application form for submitting EoI for conducting Manual Auction in Cardamom (Small/Large)

Name and address of the applicant with contact person, telephone, mobile, e-mail etc.	
Details of previous experience, if any, in the conduction of Auctions especially for Agriculture commodities	
Please tick the crop for which EoI is submitted	Cardamom (Small)
	Cardamom (Large)
Specify the State of preference for conducting auction	
2. Facilities available for conducting manual auction	
3. Location, address, auction hall area, amenities available and other relevant details of auction centre existing/proposed.	
GST Registration details	
PAN No. & TIN No.	
Details of warehousing facilities available for pooling	Location;
	Nature of Building:
	Status of Building:
	Capacity:
Details of cleaning & grading facilities available	
Signature	

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