

Terms And Conditions Of Licence (Post -Licence Stage)

1. The Board has established e-auction centers for Small cardamom at Puttady, Kerala and Bodinayakanur, Tamil Nadu. Licence for e-auction will be issued only to conduct e-auction at 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. No Manual auctioneer Licence will be issued in a State where the Board has established common e-auction centers.
3. Separate Licence shall be necessary for an auctioneer in respect of manual auction for each centre if he desires to conduct in more than one centre.
4. It is the responsibility of the Auctioneer to set up the facility for conducting manual auction as per applicable rules and guidelines.

5. Exclusivity of Auction Operations

- The auctioneer, including its promoters, partners, directors, and key managerial personnel, shall not engage in, promote, or be associated with any parallel, unregulated, or private auction arrangements, trading platforms, or similar mechanisms that may conflict with or undermine the regulated auction system of the Spices Board.
- All auction operations shall be conducted strictly within the authorised framework prescribed by the Spices Board.
- The applicant shall ensure that its business activities remain aligned exclusively with the regulated auction mechanism, and shall not undertake any activity that may result in:
 - Conflict of interest;
 - Distortion of price discovery;
 - Circumvention or dilution of the prescribed auction procedures.
- A declaration to this effect shall be furnished along with the application.
Any change in ownership shall be intimated to the Board immediately, or within such time as may be specified by the Board.

6. Integrity of Financial Transactions

All Licensed auctioneers shall ensure integrity, transparency, and traceability in all financial transactions relating to auction operations.

(a) Mode of Transactions

- All payments and receipts arising out of auction activities, including buyer payments, seller settlements, commissions, and other charges, shall be conducted only through traceable banking channels (such as NEFT/RTGS/IMPS or other approved electronic modes).
- **“Cash transactions shall not be permitted in respect of auction operations.”**

(b) Accounting and Record Maintenance

- The auctioneer shall maintain complete, accurate, and up-to-date books of accounts for all auction-related transactions.
- All transactions shall be:
 - properly recorded in the books of accounts;
 - supported by verifiable documentation (invoices, auction records, payment confirmations, settlement statements, etc.); and
 - capable of being reconciled with bank statements and auction records.
- Records shall be maintained in a manner that ensures auditability and traceability of each transaction.

(c) Statutory and Regulatory Compliance

- The auctioneer shall comply with all applicable laws relating to financial reporting, taxation, and regulatory requirements, including maintenance of prescribed registers, filings, and returns.
- The auctioneer shall also comply with the provisions of the Cardamom (Licensing and Marketing) Rules, 1987 and all directions issued by the Spices Board from time to time.

(d) Transparency and Verification

- The auctioneer shall ensure that all transactions are bona fide, properly documented, and free from manipulation or misreporting.
- All records shall be made available for inspection, audit, or verification by the Spices Board or any authorised agency as and when required.

(e) Data Retention

- All financial and transaction records shall be retained for a minimum period as prescribed under applicable laws or as specified by the Spices Board, and shall be produced upon request.

(f) Consequences of Non-Compliance

Any violation, including non-traceable transactions, improper accounting, suppression of records, or non-compliance with statutory requirements, shall be treated as a breach of Licence conditions and may result in suspension, cancellation, non-renewal of Licence, forfeiture of Bank Guarantee, and such other action as deemed appropriate by the Spices Board after providing an opportunity of being heard.

(g) Prohibition of Adjustment / Netting of Auction Transactions

- All auction transactions shall be settled on a gross basis.
- Buyers shall remit the full value of purchases for each auction, and sellers shall receive payment for the full value of their sales, strictly through traceable banking channels.
- Adjustment, netting, or set-off of amounts payable and receivable between purchase and sale transactions—whether within the same auction session, across sessions, or through related parties—shall not be permitted.
- In particular, where a participant both purchases and sells lots through the same auctioneer, the following shall apply:
 - The participant shall make full payment for the lots purchased; and
 - The auctioneer shall independently make full payment to the seller for the lots sold, in accordance with prescribed settlement timelines under the Cardamom (Licensing and Marketing) Rules, 1987.
- Issuance of adjustment bills, net settlement statements, or offset accounting entries in lieu of actual fund flow is strictly prohibited.

(h) Segregation and Audit Trail

- The auctioneer shall maintain distinct and verifiable records for:
 - buyer-wise collections; and
 - seller-wise payments;

ensuring a clear one-to-one linkage between auction lots, invoices, receipts, and bank transactions.

- Each transaction shall be independently identifiable, traceable, and reconcilable in the books of accounts and bank statements.

(i) Enforcement

Any practice of adjustment, netting, or suppression of actual transaction value shall be treated as a serious violation of Licence conditions and may result in suspension of auction operations, cancellation or non-renewal of Licence, forfeiture of Bank Guarantee, and such other action as deemed appropriate by the Spices Board after providing an opportunity of being heard.

(j) Authenticity of Auction Transaction Data and Bidder Identification

For the block period 2026–2029 onwards, the system-generated auction data recorded in the e-auction platform of the Spices Board immediately upon completion of the auction shall be treated as the final and authentic record of auction transactions for all regulatory, settlement, monitoring, and verification purposes.

The auctioneer shall ensure that the details relating to bidders, traders, lot purchases, prices, and transaction particulars recorded in the system-generated auction report are accurate and correspond to the actual bidder participating in the auction at the time of bidding. No alteration, substitution, modification, or reassignment of bidder/trader details recorded in the system-generated auction data shall be permitted subsequently through physical records, declarations, Form-C submissions, settlement statements, or any other manual or offline documentation, except with the prior approval of the Spices Board and supported by valid documentary evidence and recorded reasons.

The auctioneer shall be responsible for ensuring secure and authorised usage of bidder login credentials and auction access systems during auction operations. Sharing, misuse, unauthorised access, or continuation of bidding through another participant's login/session resulting in incorrect bidder identification shall not be permitted.

Any discrepancy between the system-generated auction data and subsequently submitted physical records or declarations, including change of bidder identity, trader name, purchaser details, or transaction particulars without authorisation of the Spices Board, shall be treated as a serious violation of licence conditions and may attract regulatory action under the Cardamom (Licensing and Marketing) Rules, 1987 and the conditions of licence.

7. Post-Licence Undertaking (Affidavit)

Upon grant of Licence, the Licensee shall submit a notarised affidavit on non-judicial stamp paper (of value as prescribed) affirming that:

- the Licensee shall abide by all provisions of the Cardamom (Licensing and Marketing) Rules, 1987, these Guidelines, and all directions issued by the Spices Board from time to time;
- the Licensee shall maintain continuous compliance with all eligibility conditions, operational requirements, and financial discipline prescribed;
- the Licensee shall not engage in any activity that results in conflict of interest, violation of auction procedures, or undermines the integrity of the regulated auction system;
- any breach of the above undertaking shall render the licensee liable for penal action, including suspension, cancellation, non-renewal of licence, forfeiture of Bank Guarantee, and such other action as deemed appropriate by the Spices Board after providing an opportunity of being heard.

8. Fee for Issue of Auctioneer Licence: Fee for issue of Auctioneer Licence (Plus applicable GST as per Government norms)

Manual Auction / E-auction	Issue / Renewal / Amendment	Fee (Rs.)	GST (18%) Rs.	Total (Rs.)
Manual Auction Licence	Issue / Renewal	15,000/-	2,700/-	17,700/-
	Amendment	5,000/-	900/-	5,900/-
E-Auction Licence	Issue / Renewal	1,00,000/-	18,000/-	1,18,000/-
	Amendment	5,000/-	900/-	5,900

The application fee once paid shall be **non-refundable** under any circumstances, including rejection or withdrawal of application.

9 . User Fee:For conducting e-auction using Board's common facility, an auctioneer has to pay a user fee of Rs.750/- per ton of cardamom sold in an auction plus GST@ 18%, as revised by the Board from time to time.

10.Payment Obligations:

- 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 applicable rules and guidelines, 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 Licence after providing an opportunity of being heard.
- In the case of manual auction, if the auctioneer defaults to make payment as per applicable rules and guidelines, the Board will initiate steps against the Auctioneer including suspension and/or cancellation of the Licence after providing an opportunity of being heard.

11. Conduct of Auction:

The auctioneer shall conduct the auction at a place and on a day and time specified by the Board. If the auctioneer wishes to cancel / is not able to conduct an auction as scheduled by the Board, the same shall be informed to the Board promptly in writing with valid reasons to the satisfaction of the Board. Any cancellation/non conduct of the auction shall be only with the prior approval of the Board.

12. Sample Handling and Refund

The auctioneer shall draw samples from each lot of cardamom offered for pooling in accordance with the procedure prescribed by the Spices Board from time to time. The quantity of sample drawn shall be recorded in the Crop Slip issued to the person pooling the cardamom.

Out of the total sample quantity drawn, 100 grams shall be retained as purchaser sample and 50 grams shall be kept for display at the auction centre. The balance quantity of 2850 grams may be utilised by the auctioneer for distribution as bidding samples in connection with the auction of the said lot.

Accordingly, the total amount payable by the auctioneer to the person pooling the cardamom shall comprise:

- (i) the sale value realised for the auctioned lot; and
- (ii) the refund value corresponding to 2850 grams of cardamom utilised for sampling purposes, after deduction of 1% commission and applicable GST @ 18% on such commission, as permissible under the Cardamom (Licensing and Marketing) Rules, 1987 and the directions issued by the Spices Board from time to time.

As the e-auction system is cloud-based and auction operations are conducted simultaneously at the e-auction centres at Bodinayakanur and Puttady, samples may be collected and handled in the manner prescribed by the Spices Board for facilitating auction operations at both centres.

13. Additional Auction Provisions:

- No additional charges other than one percent commission plus applicable GST can be deducted from the person who pooled the cardamom in any name be it wastage, weight loss, charity etc. If an auctioneer is found to have collected any additional charges other than the one percent commission, action will be initiated by the Board including suspension /cancellation of Licence.
- The auctioneer shall ensure that the cardamom pooled in an auction is free from any adulteration, contamination and artificial colouring, hence measures should be taken to

undertake cleaning and quality checks during pooling to ensure foreign matter remains within permissible limits before the lots are listed for auction.

- The Board is conducting Special e-auction for tested cardamom with prescribed lot numbers once in a month along with normal auction. The auctioneers who are willing to conduct special e-auction shall inform the Board accordingly and conduct the special e-auction as per applicable rules and guidelines issued by the Spices Board.
- The Auctioneer shall adhere to the terms and conditions / instructions of the Board issued from time to time for smooth and efficient conduct of cardamom auction.

14. Evening Dealer Auction – Eligibility and Operational Conditions

The conduct of evening auctions exclusively for dealer lots shall be permitted only to those auctioneers who are duly licensed by the Spices Board for conducting regular (day) auction operations. No separate invitation for applications shall be issued for conducting evening dealer auctions, and eligibility for such auctions shall be restricted to existing licensed auctioneers. The option to participate in the conduct of evening dealer auctions shall be exercised by the applicant at the time of submission of the application for grant or renewal of auctioneer licence. The auctioneer may, at its discretion, choose to opt for or refrain from conducting evening auctions. Separate Bank Guarantee shall be required for conducting evening dealer auctions. The minimum value of cardamom to be pooled for auction shall be linked to the Bank Guarantee maintained by the auctioneer, as follows:

- For regular (day) auction: No minimum limit fixed
- For evening auction: 15 MT
- The minimum BG limit for the conduct of the evening auction is ₹.5 Crore.

The Auctioneer shall assess and maintain, at all times, an adequate Bank Guarantee commensurate with the anticipated volume and value of cardamom likely to be received, pooled, and offered for auction, particularly during peak arrival seasons. The Auctioneer shall be solely responsible for ensuring that the Bank Guarantee maintained is sufficient to cover the transaction exposure arising from the pooled stock. In the event that the value of cardamom offered for auction exceeds the permissible transaction exposure linked to the Bank Guarantee maintained by the Auctioneer, the Spices Board's auction platform/system may restrict or reject further auction transactions until adequate Bank Guarantee coverage is available. Any delay, inconvenience, accumulation of stock, or inability to auction pooled cardamom arising on account of inadequate Bank Guarantee shall be the sole responsibility of the Auctioneer, and no liability in this regard shall devolve upon the Spices Board.

The auctioneer shall ensure adherence to the above thresholds and operational requirements, failing which the Spices Board may take appropriate action including restriction of auction operations, reduction of transaction limits, or such other action as deemed appropriate, after providing an opportunity of being heard.

15. Sub Leasing: Any kind of sub-leasing of the licences or authorising any other person to conduct the licensed auction shall not be permitted under any circumstances.

16. In case of any inconsistency between these Guidelines and the Cardamom (Licensing and Marketing) Rules, 1987, the provisions of the Rules shall prevail.

17. Non-compliance with these Terms and Conditions shall constitute violation of licence conditions under the Cardamom (Licensing and Marketing) Rules, 1987.
