



SPICES BOARD

(Ministry of Commerce & Industry Govt. of India)
Sugandha Bhavan
N.H.By-pass
P.B.No. 2277
Palarivattom P.O.
Kochi - 682 025, India

स्पाइसेस बोर्ड

(वाणिज्य एवं उद्योग मंत्रालय, भारत सरकार)
सुगन्ध भवन
एन.एच.बाईपास
पी.बी.नं. 2277
पालारिवट्टम पी.ओ.
कोची - 682 025, भारत

No. SB/HO/AUC-EVNG/DL/2026 | 442

Date: 09.07.2026

CIRCULAR

Sub: Conduct of evening cardamom e-auction exclusively for dealers on trial basis under the Cardamom (Licensing and Marketing) Rules, 1987 – reg.

It is informed that the Spices Board has decided to introduce an evening cardamom e-auction exclusively for dealers as a new initiative, in order to address issues arising from the existing 25% cap on dealer pooling. The evening auction is proposed to be conducted on a trial basis, twice a week.

Based on the outcome and performance of the trial run, necessary modifications, if any, will be incorporated in the auction framework for the next block period, ie., 2026-29.

It is proposed to commence the evening auction from **3rd August 2026**, subject to necessary approvals and arrangements.

Auctioneers who are willing to conduct the evening auction may **confirm their willingness to the Board on or before 20th July 2026**.

The Terms and Conditions for Conduct of Evening Cardamom E-Auction and the format of Undertaking by the Dealers are enclosed as **Annexure I** and **Annexure II**, respectively.

All licensed auctioneers shall ensure strict compliance with:

- Rule 9 of the Cardamom (Licensing & Marketing) Rules, 1987
- Rule 10 of the Cardamom (Licensing & Marketing) Amendment Rules, 2014 and 2018
- Any additional instructions issued by the Board from time to time for the development and regulation of the cardamom e-auction system.

DIRECTOR (MARKETING)

To

All registered Cardmaom E-auctioneers

Copy to :

- Dy. Director, Spices Board, Bodinayakanur
- Asst. Director, Spices Board, Bodinayakanur
- Asst. Director, Spices Board, Puttady

TERMS & CONDITIONS FOR CONDUCT OF EVENING CARDAMOM E-AUCTION (TRIAL BASIS)

1. Legal Status & Applicability

The evening cardamom e-auction is introduced on a trial basis as an interim measure to address operational constraints in the existing auction system. This arrangement is subject to ratification through suitable amendments to the Cardamom (Licensing & Marketing) Rules, 1987, and subsequent amendments. All existing provisions under the CLM Rules, 1987, and instructions issued by the Spices Board shall continue to apply.

2. Eligibility of Auctioneers

All licensed cardamom e-auctioneers are eligible to participate, subject to:

- Satisfactory past performance in auction operations.
- No record of payment default or major violations.
- No pending disciplinary or vigilance proceedings.
- Availability of adequate infrastructure and technical capacity. Participation in the evening auction shall be voluntary, based on willingness submitted to the Board.

3. Auction Schedule

Evening auctions shall be conducted on the same day as the regular auction, after completion of the corresponding auctioneer's afternoon session. The standard time slot shall be 7:00 PM to 9:00 PM, unless otherwise notified by the Board. Auctions may be conducted **twice a week** during the trial period or as decided by the Board based on operational feasibility and response from dealers and auctioneers for the next block period.

4. Location & Infrastructure

Evening auctions shall be conducted at approved auction centres, including Puttady and Bodinayakanur. Any proposal for change in pooling centre or addition of new centres shall require prior inspection and written approval of the Board. Auctioneers shall ensure adequate system capacity (for online pooling), connectivity (logistics and internet for online pooling), and manpower to handle evening auction operations without disruption.

5. Fixation of Lots

A minimum quantity of 15 MT per auction session per auctioneer shall be required to conduct the evening auction. The auction shall be completed within the prescribed 2-hour time slot. Extension of time, if any, may be permitted only under exceptional circumstances beyond the control of the auctioneer and Spices Board, with prior Board approval. Lots shall be allotted to dealers on a first-come-first-served basis, irrespective of lot size. All pooled lots shall comply with Board guidelines. The Board is introducing online pooling on a trial basis; the first trial run will use dealer lots, with lot numbers assigned automatically or via sequencing.

6. Bank Guarantee (BG) & Financial Exposure

- a) An additional Bank Guarantee (BG) shall be furnished exclusively for participation in evening auctions.

b) The minimum BG requirement for conducting evening auctions shall be ₹5 crore. However, auctioneers shall assess the expected arrivals, seasonal variations, and peak arrival periods and ensure that the BG furnished is adequate to cover the anticipated transaction exposure and associated risks.

c) The additional BG furnished for evening auctions shall cover the total transaction exposure arising from the evening auctions.

d) Pooling of produce shall not be permitted beyond the value of the valid BG available with the auctioneer. It shall be the responsibility of the auctioneer to maintain sufficient BG coverage at all times commensurate with the transaction exposure.

e) The Board reserves the right to restrict, suspend, or regulate evening auction operations in cases where the BG coverage is found to be inadequate in relation to the transaction exposure.

f) The Board reserves the right to review, revise, and prescribe additional BG requirements from time to time based on transaction volume, performance, risk assessment, market conditions, and any other factors deemed relevant.

7. User Fee

A user fee of ₹600 per MT shall be levied for transactions conducted in the evening auction for the Block period 2023-26. For the Block Period 2026-29, the user fee will be ₹750 per MT.

8. Payment & Settlement

Payment timelines shall be strictly governed by the CLM Rules, 1987. Auctioneers shall ensure timely payment to dealers and full transparency in financial transactions. Any delay or default in payment shall attract penal action as per rules.

9. Reporting & Compliance

Auctioneers shall be the primary reporting authority and submit:

- Auction-wise and lot-wise transaction details.
- Payment status (received and disbursed).
- Settlement details after each evening auction. Dealers shall provide transaction confirmation as required by the Board or in disputes. Seller dealers shall report any dues from the auctioneer within one month of the auction. An undertaking from participating dealers shall be obtained prior to each auction, confirming adherence to payment timelines and rules.

10. Submission of Undertaking by Dealers

Dealers intending to participate shall submit a prescribed undertaking to the concerned auctioneer(s) with whom they choose to transact. The undertaking shall be obtained prior to participation and treated as a one-time submission valid for the entire trial period, unless withdrawn or modified with due intimation. Dealers may submit to one or more auctioneers; participation through any auctioneer requires submission to that auctioneer. The auctioneer shall be responsible for obtaining, maintaining, and producing such undertakings for Spices Board verification as required.

11. Transparency & Audit Trail

All transactions shall be conducted through the designated e-auction platform.

Auctioneers shall maintain a complete digital audit trail, including:

- Lot details.
- Buyer and seller information with licence numbers.
- Bid records.
- Payment and settlement status. The Board shall have the right to access real-time or periodic data for monitoring.

12. Monitoring & Enforcement

The Board reserves the right to:

- Review auction performance.
- Modify terms and conditions.
- Suspend or restrict auctioneers or dealers for violations, after providing an opportunity to be heard in accordance with applicable rules.

13. Default & Penal Action

Dealers failing to pay within the stipulated time shall be reported immediately and subject to temporary or permanent suspension. Auctioneers shall be held accountable for non-reporting, delayed settlement, or procedural violations.

14. Dispute Resolution

All disputes between auctioneers and dealers shall be reported to the Board without delay. The Board's decision shall be binding, subject to applicable legal provisions.

15. General Conditions

These conditions are supplementary to existing auction rules under the CLM framework. The Board reserves the right to issue further instructions or clarifications. Continuation of the evening auction system shall be based on trial-period performance evaluation.

UNDERTAKING BY DEALERS FOR PARTICIPATION IN EVENING CARDAMOM E-AUCTION

(To be submitted to the concerned Auctioneer prior to participation)

To

M/s (Name of Auctioneer)

[Address]

Subject: Undertaking for participation in Evening Cardamom E-Auction

I/We, M/s, holding Dealer Licence No. issued under the Cardamom (Licensing & Marketing) Rules, 1987, with registered office at, hereby submit this undertaking for participation in the Evening Cardamom E-Auction conducted through your platform.

1. Declaration of Participation

I/We express willingness to participate in the Evening Cardamom E-Auction during the trial period notified by the Spices Board.

2. Validity of Undertaking

This undertaking remains valid for all evening auctions through the above auctioneer during the trial period, unless withdrawn or modified with prior intimation.

3. Compliance with Rules

I/We undertake to comply with the Cardamom (Licensing & Marketing) Rules, 1987 (and amendments), all Spices Board instructions, and auctioneer directions.

4. Payment Commitment

I/We undertake to make full and timely payment for all lots purchased, as per CLM Rules timelines. Any delay or default shall attract penal action.

5. Financial Responsibility

I/We confirm adequate financial capacity to honour bids and shall not default or delay settlement.

6. Binding Nature of Bids

All bids placed by me/us shall be final and binding; I/We shall not withdraw successful bids. I understand that action will be taken against by me.

7. Transparency & Verification

I/We agree to furnish transaction/payment details if required and cooperate with audits/inspections by the auctioneer or Spices Board.

8. Consequences of Default

In case of payment default, misrepresentation, or rule violations, I/We understand that suspension from auctions, reporting to the Spices Board, or other actions per rules may follow.

9. Dispute Resolution

Any disputes shall be reported immediately; the Spices Board's decision shall be binding, subject to law.

10. General Declaration

All information furnished is true and correct. I/We agree to abide by all evening auction conditions.

Signature:

Name:

Designation:

Firm Name:

Licence No.:

Contact No.:

Email:

Date:

Place: