No.27/01/2016/Infra-II Government of India Ministry of Commerce & Industry Department of Commerce

Udyog Bhawan, New Delhi Dated the 11th April, 2017

OFFICE MEMORANDUM

Subject: Minutes of the 2nd Meeting of Empowered Committee on Export Development Fund for North Eastern Region (EDF-NER) for FY 2016-17 held on 23.03.2017 in New Delhi.

The undersigned is directed to forward herewith the minutes of the 2nd Meeting of Empowered Committee on EDF-NER for FY 2016-17 held on 23.03.2017 at 11:30 AM in Room No.141, Udyog Bhawan, New Delhi under the Chairmanship of Shri Alok Vardhan Chaturvedi, Additional Secretary, Department of Commerce.

2. It is requested that APEDA/ State Governments/ respective Agencies may ensure timely action on decisions taken and send compliance report on priority.

(M. Mishra Natwar) Under Secretary to the Government of India Tel.No.23061732

E-mail mm.natwar@nic.in

Encl.: As above.

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To

1) Additional Secretary & Financial Advisor, Department of Commerce or his representative.

2) Shri Dhiraj Nayyar, OSD, NITI Aayog, Room No.246, Yojana Bhavan, New Delhi. [Ph:23096610, E-mail: dhiraj.nayyar@gov.in]

3) Shri Satyendra Garg, Joint Secretary(NE), Ministry of Home Affairs, Government of India, North Block, New Delhi. [Telefax:23094648, E-mail: jsne@nic.in]

4) Smt. Mamta Shankar, Economic Advisor, Ministry of Development of North Eastern Region (DoNER), Vigyan Bhawan Annexe, Maulana Azad Road, New Delhi. [Ph:23062708, E-mail: mamta.shankar@qov.in]

5) Shri Devendra Kumar Singh, Chairman, APEDA, 3rd Floor, NCUI Building, 3 Siri Institutional Area, August Kranti Marg, New Delhi. [Ph:26513167, Fax:26526187, E-mail: chairman@apeda.gov.in]

6) Representative of Secretary, Government of India, North Eastern Council Secretariat, Nongrim Hill, Shillong-793003, Meghalaya. [Fax:0364-2522643, E-mail: sect-nec-meg@nic.in]

Contd/.....

7) Shri Hage Batt, Trade & Commerce-cum-Export Commissioner. Department of Trade & Commerce, Government of Arunachal Pradesh. APIDFC Ltd. Building, Ground Floor. 'C' Itanagar-791111. Pradesh. Arunachal [Ph:0360-2214236, Telefax:0360-2292451473/2292813, E-mail: hagebatt@gmail.com, aruntrade2007@rediffmail.com / ap.trade.commerce@gmail.com]

8) Shri Ravi Capoor, Addl. Chief Secretary, Government of Assam, Industries & Commerce Department, D-Block, 2nd Floor, Assam Secretariat, GS Road, Guwahati-781006. [Ph:0361-2237239, Email:

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9) Shri Vivek Kumar Dewangan, Commissioner (Commerce & Industries) & Export Commissioner, Government of Manipur, Department of Commerce & Industries, Manipur Secretariat, South Block, Room No.186, Imphal 795001. Manipur. [Ph:0385-2443843. Fax:0385-2443843, E-mail: vk.dewangan@nic.in vkd701@gmail.com1

10) Shri P.W.Ingty, Principal Secretary & Export Commissioner, Commerce & Industries Department, Government of Meghalaya, Main Secretariat. Shillong, Meghalaya. [Ph:0364-2225669.

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11) Shri Zothan Khuma, Secretary & Export Commissioner, Government of Mizoram, Directorate of Commerce & Industries, Trade & Commerce Department, Civil Secretariat, Annexe-II, Treasury Square, Aizawl-796001, Mizoram. [Ph:0389-2325673, Fax:0389-2335211/ 2300319, E-mail: zothana@hotmail.coml

12) Ms. N.Hushili Sema, **Export** Commissioner-cum-Secretary. Government of Nagaland, Department of Industries & Commerce, Nagaland Civil Secretariat. Kohima-797001, Nagaland.

[Fax:0370-2271463, Email: cssecyindus-ngl@nic.in]

13) Shri Arvind Kumar, Principal Secretary & Export Commissioner, Commerce & Industries Department, Government of Sikkim, Secretariat Annexe-1, Gangtok, East Sikkim. [Telefax:03592-206174, Fax:03592-232006, E-mail: sikkimindustries@yahoo.com]

14) Shri M. Nagaraju, Principal Secretary & Export Commissioner, Department of Industries & Commerce, Government of Tripura, New Secretariat Complex, P.O. Secretariat - 799010, Agartala, West Tripura. [Ph:0381-2413474, Fax:0381-2418110, secy.icdept-tr@gov.in]

15) Ms. Neeta Gupta, Deputy Secretary, Ministry of Home Affairs,

Government of India, North Block, New Delhi.

16) Ms. Gitanjali Gupta, Resident Commissioner, Government of Arunachal Pradesh, Arunachal Bhawan, Kautilya Marg, Chanakyapuri, Delhi-110021. New [Ph:23014136, Fax:23013786, rcarunachalbhawan@gmail.com]

- 17) Shri Sangeet Dubey, Deputy Resident Commissioner, Government of Arunachal Pradesh, Arunachal Bhawan, Kautilya Marg, Chanakyapuri, New Delhi-110021.
- 18) Shri Tapash Deb, OSD, Government of Assam, Assam Bhawan, S.P.Marg, New Delhi-110021.
- 19) Resident Commissioner, Government of Manipur, Manipur Bhawan, 2, Sardar Patel Marg, New Delhi 110021. [Ph:26114151, Fax: 26111808, E-mail: manipurbhawan@gmail.com]
- 20) Principal Resident Commissioner, Government of Meghalaya, Meghalaya House, 9, Dr.A.P.J.Abdul Kalam Road, New Delhi-110011. [Ph:23015503, Fax:23014471, E-mail: rcmeghalaya@gmail.com]
- 21) Shri Umakant, OSD, Government of Mizoram, Mizoram House, Pt. Uma Shankar Dixit Marg, New Delhi-110021.
- 22) Resident Commissioner, Government of Nagaland, Nagaland House, 9 Dr.A.P.J.Abdul Kalam Road, New Delhi-110011. [Ph:23015638, Fax:23012296, E-mail: rcnagalandhouse@gmail.com]
- 23) Ms. Monalisa Dash, Additional Resident Commissioner, Government of Sikkim, Sikkim House, 12, Panchsheel Marg, Chanakyapuri, New Delhi 110021.
- 24) Resident Commissioner, Government of Tripura, Tripura Bhawan, Kautilya Marg, Chanakyapuri, New Delhi-110021. [Ph:23012693, Fax:23793827, E-mail: rescm-tr@nic.in]
- 25) Shri U.K.Vats, General Manager, APEDA, 3rd Floor, NCUI Building, 3 Siri Institutional Area, August Kranti Marg, New Delhi -110016.
- 26) Shri B.K.Baruah, Asstt. General Manager, APEDA, 3rd Floor, NCUI Building, 3 Siri Institutional Area, August Kranti Marg, New Delhi -110016.

Copy to: 1) PPS to AS(AVC)

2) PPS to AS(IJS)

3) PS to JS(SKS)/ EA(APM)/ JS(SC)/ Dir(BP).

Minutes of the 2ndMeeting of Empowered Committee on EDF-NER for Financial Year 2016-17 held under the Chairmanship of AS(AVC) on 23.03.2017 (Thursday) at 11:30AM in Room No.141, Udyog Bhawan, New Delhi.

The 2nd Empowered Committee (EC) Meeting on EDF-NER for FY 2016-17 was held under the Chairmanship of Shri Alok Vardhan Chaturvedi, Additional Secretary on 23rd March, 2017. The list of Participants is annexed.

2. Chairman, APEDA made a presentation on the projects undertaken under EDF-NER Scheme. In his presentation, he brought out the mandate of APEDA to manage the EDF-NER funds. He informed that till date, 70 projects were funded under EDF-NER, out of which 38 were infrastructure projects and 32 were non-infrastructure projects. All the non-infrastructure projects have been completed earlier and out of the 38 infrastructure projects, 17 projects have been completed & closed. A copy of the presentation is enclosed. The rest of the projects were discussed in the meeting and following decisions taken:-

I EX POST FACTO APPROVAL

SI.	Project Details	EC Decision
<u>No.</u>	(Rs.in lakhs)	
1.	No.27/08/2014/Infra-II	The proposal was approved on file by the Competent Authority, hence, ex post
	Nutech Bamboo	facto approval of the proposal was granted.
	Project Pvt. Ltd.,	
	Mizoram.	In pursuance of the EC's earlier decision wherein, APEDA along with the State
		Government and with the promoter was to carry out a joint inspection at the
	Expansion scheme for	site to review the progress, APEDA informed that along with the State
	value addition on the	Government it carried out the inspection on 18.03.2017. The unit was found
	existing bamboo	closed. Locals informed that the unit was closed since last 8-10 months. No
	based production in	representative of the promoter was available during the inspection and the
	Mizoram	promoter is not exhibiting adequate seriousness in completing project. Details
	2	of the contribution made by the promoter in the project could not be obtained.
	Project cost - 1029.95	
	Sanctioned - 111.00	EC advised APEDA & State Government to issue show cause notice to the
	Released:-	promoter as per provisions of law and then undertake joint physical verification
	1 st & final instal	of the project to assess the progress and verify the status of the other
	111.00	investments in the project to be made by the promoter. APEDA may obtain
		the status of the loan which was to be taken by the promoter from the bank
		which accorded 'in-principle' financial closure for the project. All the sources
		of funding, including the promoter's contribution and funding from other
		sources, should be verified by APEDA.

i,	EC decided that based on the findings of the joint visit by APEDA and the
	State Government, APEDA may in consultation with the State Government
	initiate recovery of the amount by following due process as per the provisions
	of law, if it so deems fit, based on the joint inspection.
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II REVIEW OF PROJECT

<u>SI.</u>	Project Details	EC Decision
<u>No.</u>	(Rs.in lakhs)	
1.	27/12/2012/Infra-II	EC noted that CC was received on 26.10.2016 but there were no site visit after
	Champhai Grape	the completion of the project.
	Growers' Society	
	1 : 11 1	EC decided that APEDA may carry out joint visit of the project and send
	Expansion of	photographs of the project to validate the completion of this project.
	Champhai winery	
	Sanctioned – 50.00	
	Released:-	
	1st& final instal 50.00	

III <u>ONGOING</u>

MANIPUR

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SI.	Project Details	EC Decision
No.	(Rs.in lakhs)	
1.	27/04/2011/Infra-II	No representative from the State Government attended the meeting.
	Government of	
	Manipur	In pursuance of the EC's earlier decision, APEDA informed that the process
		of procurement has been challenged in the High Court and the matter is sub
	Setting up of food	judice. Relevant details as desired by the MANIDCO, the implementing
	testing laboratory	agency, have been provided by APEDA and has carried out joint inspection of
	(FTL) at Imphal under	the project on 10.11.20016. The funding under EDF-NER has been for
	90:10 pattern.	procurement of equipments in the laboratory.
	Project cost - 247.46	EC directed that APEDA may submit the status of the High court's direction to
	Sanctioned - 222.71	MANIDCO. In case there is no specific stay order in the case and the State
	Released:-	Government is unable to procure the equipments, refund of the released grant
	1 st & final instal	may be processed immediately.
	222.71	

2. 27/21/2009/Infra-II No representative from the State Government attended the meeting Intouch Natural Pvt. Ltd. APEDA informed that they took up the issue of selling of stevia in India with FSSAI on 11.08.2016. FSSAI replied that it had Gazette notified a regulation Stevia extraction plant for 'steviol glycosides' on 13.11.2015 which provide the list of articles in which at Mao. steviol glycosides may be used and maximum permitted usage level. Copy of notification was sent to State Government. Project cost - 593.29 Sanctioned - 177.99 In pursuance of the EC's earlier decision, APEDA carried out joint physical Released:verification on 09.11.2016 and found that some equipments have been 1st& final instal.purchased for extraction unit but were not installed and rusting. Total 177.99 expenditure incurred by promoter with transportation cost amounted to Rs.79,97,285/-. Unspent amount of EDF is around Rs.98 lakh. Promoter [Promoter was to avail informed that Mumbai firm failed to supply 10 different equipments, hence financial assistance there is a delay in installation. from Technology **Development Board** EC observed that though sale of stevia was restricted in India, there was no (TDB), D/o Science & restriction on export of the item. Technology(S&T) to the tune of Rs.270.00 EC decided that APEDA may issue show cause notice to the promoter as per lakh as Ioan & term provisions of law and then undertake a joint physical verification of the project loan of Rs.73.00 lakh with the State Government to assess the interest of the promoter and initiate from EXIM Bank in process of recovery with the help of the State Government, in case it deems 2013 & Rs.87.00 lakh fit, based on the joint inspection. in 2016 for the same stevia extraction unit.]

MIZORAM

SI.	Project Details	EC Decision
No.	(Rs.in lakhs)	
3.	27/03/2009/Infra-II	In pursuance of the EC's earlier decision, APEDA carried out joint physical
	Trade & Commerce	verification with the State Government on 18.03.2017 and found that
	Department,	infrastructure was complete. The centre had recruited 14 personnel to run the
	Government of	centre's various wings like R&A wing, training wing, production wing, etc. A
	Mizoram.	management committee was constituted headed by Secretary, Trade &
	Setting up R&D	Commerce Department, Government of Mizoram.
	centre-cum- training-	
	cum-food processing	State Government representative informed that the project has been
	unit.	completed and the Chief Minister will inaugurate the centre shortly.
	Project cost – 500.00	•

	Sanctioned – 500.00	EC directed the State Government to submit the 2 nd UC and CC along with
	Released:-	the completion report and photographs of the project.
	1 st instal 250.00	
	2 nd instal- 250.00	
4.	27/08/2012/Infra-II	In pursuance of the EC's earlier decision, APEDA carried out joint physical
	Trade & Commerce	verification with the State Government on 20.07.2016 and found that the
	Department,	construction of approach road from highway upto the project site was made.
	Government of	Further construction of two storied building had started and foundation work
	Mizoram.	of RCC pillars upto plinth level completed. APEDA visited site on 16.03.2017
~		again and found slow progress and building construction was not completed.
	Construction of Trade	
	Facilitation Centre	State Government representative informed that the physical progress of the
	(TFC) at Lawngtlai,	project is 40% and financial progress is 65% and requested that it may be
	Mizoram	given more time for completion of the project.
	Project cost - 865.15	DoNER representative supported the necessity of the project in the region and
	Sanctioned - 432.575	opined that EC may consider giving some extension of time for completion of
	Released:-	the project.
	1 st instal 216.00	
		EC observed that as the project completion was delayed, the State
		Government may indicate the date of completion for the project.
		The State Government may complete the project and submit UC, CC along
	ı.	with photographs of the project.
5.	20/02/2010/Infra-II	APEDA informed that a joint meeting of Commerce & Industries and Health &
	Government of	Family Welfare Departments of G/o Mizoram was held on 10.10.2016 under
	Mizoram	the chairmanship of Hon'ble CM of Mizoram to shift FTL from Thenzawl to
		Drug Testing Laboratory Building at Zemabawk, Mizoram. The following was
	Setting up food testing	decided in the above meeting:-
	laboratory (FTL).	Machineries/ equipments purchased for the FTL be installed at Drug Testing
		Laboratory building, Zemabawk & made operational without further delay.
	Project cost – 1313.00	A joint inspection team, from both Departments, will inspect the building to
	Sanctioned – 308.00	prepare & equip for installation of machineries/ equipments & work out fund
	Released:-	requirements. A convenient date to be fixed for joint inspection.
	1 st & final instal	A coordination committee is to be constituted for implementation of FTL,
	308.00	comprising officials from both Departments.
		Proposal for filling up of technical post lying vacant under Food Safety Cell,
		Mizoram will be initiated to operate the machineries/ equipments of FTL.
		-

APEDA carried out joint physical verification with the State Government on 17.03.2017 of the new site in Zemabawk and found that no building renovation work had been initiated by State Government. EC noted that the project is an old one and but considering the efforts of the State Government at the highest level, it requested the State Government to
submit a proposal for change in location and complete the project at the earliest.

IV RECOVERY

The issue of modus operandi of recovery of funds from the promoters of the projects was discussed with the representatives of the State Governments. The State Government representatives were of the view that since the funds were provided directly to the promoter by APEDA, it may initiate legal recovery process which the State Governments would support. After detailed deliberations, EC considered the view of the State Governments and directed that APEDA may initiate the legal recovery process where funds were not routed through the State Governments and the State Governments may provide the necessary support in ensuring the recovery from the promoter. The State Governments are requested to assist in the legal recovery process as these projects were duly recommended by them.

ASSAM

SI.	Project Details	EC Decision
No.	(Rs.in lakhs)	
1.	27/06/2004/Infra-II R&K Fishing & Agro Based Ltd.	APEDA informed that they requested Export Commissioner on 16.09.2016 to recover Rs.59.55 lakh along with interest @10% p.a. from the date of release of funds, being the unutilised amount of EDF fund from promoter.
	Safed musli cultivation & processing for export.	EC decided that APEDA may issue legal notice to the promoter as per provisions of law and initiate process of recovery with the help of the State Government.
	Project cost - 142.00 Sanctioned - 72.15 Released:- 1stinstal 36.08 2ndinstal- 36.07	
2.	27/16/2004/Infra-II 27/06/2007/Infra-II	APEDA informed that it carried out a joint assessment of fund utilisation on 20.07.2016. After assessment, APEDA requested Export Commissioner on

Patkai Herbs & Spices	01.12.2016 to initiate necessary action for recovery of Rs.1,17,75,394/-, which
Pvt. Ltd.	was used for repayment of bank liabilities.
Patkai labs at	EC decided that APEDA may issue show cause notice to the promoter as per
Guwahati, Assam.	provisions of law and initiate process of recovery with the help of the State
	Government.
Sanctioned – 266.87	
Released:-	*
1 st instal 207.37	
 2 nd instal- 59.50	

ARUNACHAL PRADESH

SI.	Project Details	EC Decision
No.	(Rs.in lakhs)	
3.	27/04/2003/Infra-II A.P.Handloom Development Services Replication of pilot	APEDA informed that it requested State Government on 26.09.2016 to recover Rs.213.00 lakh from the promoter. A meeting was held by DoC on 10.11.2016 with State Government representative & APEDA and the following was decided:-
	project for handloom exports in Upper Siang Distt. on the lines of project sanctioned at Bomdila, Arunachal Pradesh.	 (i) APEDA may request Export Commissioner, Arunachal Pradesh to pursue the matter with Textile Department of the State Government, the nodal agency of the project, to take up the case with the promoter for non-implementation of the project. (ii) The State Government along with APEDA may make an assessment of the activities undertaken/ assets created by the promoter vis-à-vis sanction of the project and initiate process of recovery.
	Sanctioned – 213.00 Released:- 1stinstal 121.00 2ndinstal- 92.00	(iii) The State Government may take a final view on the letter sent by Shri G.Tayeng, AD, Textiles & Handicrafts, Yingkiong and take necessary action against the promoter, if required.
		Representative of the State Government informed that the matter regarding the misrepresentation of the documents by the promoter is being pursued with the Textile Department but there has not been significant progress as the case records are not available.
	8) w , , , , , , , , , , , , , , , , , , ,	APEDA further informed that it requested Trade & Commerce, Arunachal Pradesh to take action for recovery with 10% interest p.a. from promoter.

		EC decided that APEDA may issue show cause notice to the promoter as per
2.7		provisions of law and initiate process of recovery with the help of the State
	,	Government.
4.	27/11/2004/Infra-II	APEDA informed that it requested State Government on 16.09.2016 to
	A.P.Handicrafts	recover Rs.218.50 lakh from the promoter. APEDA on 17.02.2017 sent
	Development Centre	reminder to the State Government for issuing recovery notice to the promoter.
W.	Development of export	EC decided that APEDA may issue show cause notice to the promoter as per
	infrastructure and	provisions of law and initiate process of recovery with the help of the State
	training for handicrafts	Government.
	artisans in Arunachal	
	Pradesh.	
	Sanctioned – 218.50	
	Released:-	
	1 st instal 137.00	
	2 nd instal- 81.50	

NAGALAND

SI.	Project Details	EC Decision
No.	(Rs.in lakhs)	
5.	27/13/2001/Infra-II	APEDA informed that the purpose of funding was verified and requested State
	Handloom	Government to initiate recovery of Rs.205.00 lakh. State Government issued
	Development	recovery notice on 18.10.2016. APEDA met Export Commissioner on
	Foundation of Sikkim,	16.03.2017 & requested to take necessary action, who assured to issue fresh
	Nagaland	recovery notice.
	Pilot project for	EC decided that APEDA in coordination with the State Government may
	handloom export	initiate the legal process of recovery with the help of the State Government.
	promotion from	
	Nagaland.	
	Sanctioned - 205.00	
	Released:-	*
	1 st instal 121.00	
	2 nd instal- 84.00	

ARUNACHAL PRADESH

SI.	Project Details	EC Decision
No.	(Rs.in lakhs)	
1.	27/14/2001/Infra-II	APEDA informed that they had requested Export Commissioner, Arunachal
	G.N.Consulting,	Pradesh on 14.09.2016 to submit CC at the earliest.
	Ghaziabad	
		Representative of the State Government informed that the centre at Bomdila
	Pilot project for	was functional and the Textile Department is considering making the centre
	handloom export from	at Dirang operational.
	Arunachal Pradesh.	
		EC considered State Government's request and directed APEDA to do a joint
	Sanctioned – 213.00	inspection of the site again with the State Government in the presence of the
	Released:-	promoter and furnish report along with photos of the machineries and
	1 st instal 121.00	equipments.
	2 nd instal- 92.00	

MANIPUR

SI.	Project Details	EC Decision				
50.000		LO DECISION				
No.	(Rs.in lakhs)					
2.	27/13/2004/Infra-II	APEDA informed that as per cost break-up details, P&M & other fixed assets				
	Agri Exports C/o	were required to be set up for the project. APEDA carried out joint inspection				
	Pahari Store	on 10.11.2016. As per the report, inspecting team could not find any existence				
	Dewlaland	of the project on the project site. It has come to know from the people of the				
	45	locality that the promoter had expired two years back & no such kind of ginger				
	Farming/ cultivation of	processing unit was ever commissioned in that area.				
	ginger for export.					
		No representative from Manipur was present in the meeting.				
	Project cost - 153.69					
	Sanctioned - 107.59	EC decided that APEDA may issue legal notice to the promoter as per				
	Released:-	provisions of law and initiate process of recovery with the help of the State				
	1 st & final instal	Government.				
	107.59					
3.	27/14/2004/Infra-II	APEDA informed that they carried out joint physical verification on 10.11.2016.				
	Isii Development	Promoter was not found. It was informed that promoter took up some				
	Association	cultivation practices of ginger but the processing unit for which the EDF grant				
		was released, was not commissioned as the machinery was not procured. No				
	Farming/ cultivation of	evidence of any contribution from promoter's side was found. State				
	ginger for export.					

		Government was requested to take necessary measures to find out promoter
	Project cost - 53.80	& recover the whole amount.
	Sanctioned - 37.66	
	Released:-	No representative from Manipur was present in the meeting.
	1st& final instal 37.66	
	[for Building & Civi	EC decided that APEDA may issue show cause notice to the promoter as per
	Works, P&M, Other	provisions of law and initiate process of recovery with the help of the State
	FA]	
4.	27/03/2003/Infra-II	APEDA informed that no P&M or any fixed assets was projected to be set up
	Good Samaritan	under this project. APEDA carried out joint inspection with the State
	Social Services	Government on 10.11.2016. Promoter informed about cultivation of passion
	Association (later	fruit in 2004 but at present there was no cultivation of passion fruit seen in that
	name changed to	area. There was no document available regarding cultivation of passion fruit
	Exotic Juices Ltd.)	seen in that area.
	Area expansion for	No representative from Manipur was present in the meeting.
	organic passion fruit	
	cultivation.	EC requested APEDA and the State Government to jointly verify the
		cultivation of passion fruit and margin money provided by the promoter. In
1	Project cost - 247.87	case the project has not been completed, the legal process for recovery may
	Sanctioned - 103.27	be initiated.
	Released:-	
	1st& final instal	
	103.27	
5.	27/06/2005/Infra-II	APEDA informed that they carried out joint physical verification on 09.11.2016.
	Rural Development	A partially completed concrete shed was found in abandoned condition. No
	Foundation	P&M was purchased. Promoter failed to produce documents on EDF grant
	Association	
		utilisation but informed that he spent a portion of the fund for land development
	Setting up of a	& construction of incomplete shed. After inspection, promoter expressed
	turmeric processing	willingness to complete the project and has taken initiatives for procurement of equipments.
	unit.	or equipments.
-		No representative from Manipur was and in the
	Project cost – 186.01	No representative from Manipur was present in the meeting.
	Sanctioned – 100.00	EC decided that ADEDA many and initial in the contract of the
	Released:-	EC decided that APEDA may carry out joint inspection of the project with the
		State Government in the presence of the promoter. If no P&M are found
	1stinstal 50.00	installed within the next 3 months, then APEDA may issue legal notice to the
	(included P&M, Other	promoter as per provisions of law and initiate process of recovery with the help
	FA)	of the State Government.

MIZORAM

SI.	Project Details	EC Decision
No.	(Rs.in lakhs)	
6.	27/17/2004/Infra-II	APEDA informed that they had requested Export Commissioner on
	Kejriwal Bee Care	06.07.2016 to take necessary steps to verify the infrastructure & recovery of
100	India Pvt. Ltd.	fund that were not utilized for the purpose. APEDA's consultant visited
		Mizoram on 15.03.2017 & met officials of D/o Trade & Commerce, Mizoram,
	Integrated bee keeping	who informed that no records related to the project was available with them.
	development.	
		Representative of Mizoram informed that they could not start recovery
	Sanctioned – 149.50	procedure as the money was not released through them.
	Released:-	
	1 st & final instal	EC directed APEDA to issue legal notice to the promoter as per provisions of
	149.50	law and initiate process of recovery with the help of the State Government.
	(included P&M)	

NAGALAND

SI.	Project Details	EC Decision				
No.	(Rs.in lakhs)					
7.	27/12/2004/Infra-II	APEDA informed that they carried out joint physical verification on 16.03.2017				
	Kenny Multipurpose	and found that the promoter had purchased potato processing machinery a				
	Co-op Society Ltd.	is operating under the banner of M/s K2 Processing Unit. The community				
		house where the machineries were kept was in bad shape and needed to be				
	Farming/ cultivation of	repaired.				
	ginger for export.					
		No representative from Nagaland attended the meeting.				
	Project cost - 61.48					
	Sanctioned - 43.04	The State Government was requested to submit fresh proposal for this project				
	Released:-	since the original proposal was for ginger processing only. EC was informed				
	1st& final instal 43.04	that no proposal for change in purpose of project has been received in the				
		Department.				
		EC decided that the State Government may submit the revised proposal for				
		change of project from ginger to potato cultivation and carry out the joint				
		physical verification with APEDA and send proof of successful completion of				
	9	the project.				

27/08/2003/Infra-II 8. APEDA informed that they requested Export Commissioner to provide Tyrannus Community necessary funding from the agriculture scheme for installation of plant & MPCS Ltd. machineries. It also informed that the State Government is trying to provide fund for procurement of plant & machineries and has requested some time for Production of canned tying up this project with Agriculture and allied departments. APEDA had a meeting with Export Commissioner on 16.03.2017 where Export mushroom for export. Commissioner instructed officials to send the proposal to Agri/ Horti Dept. for Project cost - 127.91 necessary funding. Sanctioned – 89.53 Released:-No representative from Nagaland attended the meeting. 1stinstal.- 44.00 2ndinstal-34.82 EC decided that the State Government may complete the project by providing support for installation of the equipment to make the facility fully functional. APEDA may carry out a joint physical verification with the State Government to check the status of completion and send proof of successful completion within the next 3 months, failing which legal process for recovery may be initiated by APEDA.

SIKKIM

SI.	Project Details	EC Decision
No.	(Rs.in lakhs)	
9.	27/05/2007/Infra-II	APEDA informed that State Government & APEDA had a meeting with the
	Parvatiya Vikas	promoter, Shri Pema Leyda Shangderpa on 01.12.2016. The promoter agreed
	Sansthan	to submit all details of actual utilisation of fund, based on detailed assessment
		to D/o Commerce & Industry, Government of Sikkim.
	Setting up Sikkim's 1st	
	processing &	Representative from the State Government also stated that the promoter had
	extraction unit for large	agreed to submit the details within 15 days, which is still awaited.
	cardamom.	
		EC decided that APEDA may carry out joint physical verification with the State
	Sanctioned – 76.00	Government in presence of the promoter and get all the requisite details of
	Released:-	utilisation of funds.
	1 st instal 66.50	
	9	EC decided that APEDA may issue legal notice to the promoter as per
		provisions of law and initiate process of recovery with the help of the State
		Government.

VI <u>UTILISATION OF RS.11.50 crore WITH APEDA</u>

The EC was informed that there is a pending liability of Rs.216 lakh in respect of one project namely Construction of Trade Facilitation Centre at Lawngtlai, Mizoram being implemented by Trade & Commerce Department, Government of Mizoram. Government of Mizoram has been given extension of time limit to complete the project by 31.03.2018. The utilization of the fund will be decided once a decision is taken on the above project.

The meeting ended with a vote of thanks to the Chair.

LIST OF PARTICIPANTS IN THE EMPOWERED COMMITTEE MEETING ON EDF-NER HELD ON 23.03.2017

	Name	<u>Designation</u>				
1.	Shri Alok Vardhan Chaturvedi	Additional Secretary (in the Chair), DoC.				
2.	Shri Sanjay Chadha	Joint Secretary, DoC.				
3.	Ms.Rupa Dutta Economic Adviser, DoC.					
4.	Ms.Anu P. Mathai	Economic Adviser, DoC.				
5.	Shri B.Praveen	Director, Infra-II, DoC.				
6.	Shri Devendra Kumar Singh	Chairman, APEDA.				
7.	Ms. Mamta Shankar	Economic Advisor, M/o DoNER.				
8.	Ms. Neeta Gupta	Deputy Secretary, M/o Home Affairs.				
9.	Ms.Gitanjali Gupta	Resident Commissioner, Arunachal Bhawan, Government of Arunachal Pradesh.				
10.	Shri Sangeet Dubey	Deputy Resident Commissioner, Arunachal Bhawan, Government of Arunachal Pradesh.				
11.	Shri Tapash Deb	OSD, Assam Bhawan, Government of Assam.				
12.	Shri Umakant	OSD, Mizoram House, Government of Mizoram.				
13.	Ms.Monalisa Dash	Additional Resident Commissioner, Sikkim House, Government of Sikkim.				
14.	Shri U.K.Vats	General Manager, APEDA.				
15.	Shri B.K.Baruah	Asstt. General Manager, APEDA.				
16.	Shri M.M.Natwar	Under Secretary, Infra-II, DoC.				
17.	Shri Om Prakash	Section Officer, Infra-II, DoC.				



STATUS OF EDF FUNDED PROJECTS

PRESENTATION BY

APEDA

23rd March 2017

1



GENESIS OF EDF

- •January 2000 in Shillong: Measures for development of exports announcement by the then Prime Minister in.
- •Creation of Export Development Fund (EDF) for using resources for development of exports.
- •Assist specific activities for promotion of exports.
- •Such activities to have linkage with exports from the region.
- APEDA mandated to manage the EDF-NER.



WHAT IT COVERED

Activities eligible for assistance from the fund

- •Setting up of pioneering/pilot projects aimed at exports
- •Provision of equipment and machinery for such pioneering pilot projects
- •Creation of common facilities for facilitating exports.
- •Facility for testing and standardization as well as quality improvement of export products
- •Funding related to the exchange of trade delegations
- •Any other activity as notified by the Department of Commerce having a bearing on export promotion in the North East.

3



WHO COULD APPLY

- Central/State Govt., PSUs under Central/State Govt.
- 2. EPCs, Commodity Boards
- 3. APEX Trade Bodies
- 4. Individual manufacturing units dedicated for exports



EDF CEILING LIMITS

- EDF funding is restricted to 30% on capital cost on value addition subject to a subsidy ceiling of 70% from all sources and EDF put together for entrepreneurs/ private organisation.
- In case, the project is implemented by Central / State Govt./ PSU, ceiling for EDF subsidy can be up to 50%.

5



ROLE OF EXPORT COMMISSIONER

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- •Export Commissioner to scrutinize the DPR, appraise it and give recommendations.
- •Export Commissioner to forward the project proposal to APEDA thereafter.



ROLE OF APEDA

- •APEDA scrutinizes and evaluates the proposals as per guidelines.
- •APEDA then forwards the proposals along with its recommendations to Department of Commerce for consideration.
- •The proposals are then considered by the Empowered Committee.

7



EDF - NER PROJECTS AT A GLANCE

State	No.	hife	Non infra	Amount	Amount
			projects	sanctioned in Rs. lakhs	released in Rs. lakhs
Arunachal Pradesh	3	3	Nil	644.50	644.50
Assam	9	3	6	482.76	481.76
Manipur	12	9	3	1475.96	1425.96
Mizoram	8	7	10000	1762.44	1544.44
Meghalaya	2	1	1	70.38	70.38
Nagaland	9	9	Nil	712.97	695.09
Sikkim	4	4	Nil	275.08	265.58
Tripura	7	2	5	713.19	713.19
Misc.	16		16	649.85	639.67
Total	70	38	32	6698.488	6480.568



Agenda 1: Ex Post facto approval

SI. No.	State	Name of the project	Year of sanction	Sanctioned amount	Amount released Rs. in lakhs
- 1	Mizoram	Nutech Bamboo Projects Pvt Ltd , Mizoram at Kolasib	2015-16	111.00	111.00

- ${}^{\bullet}\text{APEDA}$ asked the promoter to inform about the promoter's contribution and physical progress.
- •Promoter requested to consider 100% funding .
- A joint inspection done on 18/3/2017 and found the unit was completely closed.
- •Promoter is not in touch with the State Govt and is not serious to implement the project and therefore fund needs to be recovered.

9

Agenda Number 2: Review of projects

- Out of 38 projects, 19 projects have been completed. Utilisation certificate of all the projects received.
- Ongoing projects are 19.
- Now the completion certificate of the project of Champhai winery in Mizoram received. (SI number 1 of agenda 2). This may be treated as closed.



II: ONGOING PROJECTS

SI. No.	State	Name of the project	Year	Sanctioned amount in Rs. lakhs	Amount released Rs. in lakhs
1	Manipur	Food testing laboratory at Imphal	2012-13	222.71	222.71
-	\$ 1.5	by Govt. of Manipur		* 21 CAZ	

[•]APEDA carried out joint physical verification on 11th August 2016.

•APEDA provided the Minutes of the last EC EDF NER meeting to MANDICO to seek high court's view for filing affidavit. Case is due to e-tendering.

•APEDA visited the site on 10th November 2016 but no progress observed.

•11

•APEDA requested the Export Commissioner to take necessary action for completion of the project.



II: ONGOING PROJECTS

SI. No.	State	Name of the project	Year	Sanctioned amount in Rs. lakhs	Amount released Rs. in
		in the indicate of	MERHIO.	1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1	lakhs
2	Manipur	Stevia Extraction unit by In-touch Pvt. Ltd. at Mao	2010-11	177.99	177.99

- •APEDA took up the issue of selling stevia in India with FSSAI who replied that it had Gazette notified regulation.
- •Joint inspection carried out on 10th September 2016 and found that there was no much improvement of work.
- •APEDA again carried out Joint inspection on 9th November 2016 and found no changes.
- •The promoter had procure few equipments of value Rs.69,12,285/- were verified.
- •Promoter was not found to be serious to implement the project.



II: ONGOING PROJECTS

SI. No.	State	Name of the project	Year	Sanctioned amount	Amount released Rs. in lakhs
3	Mizoram	Setting up of R&D centre cum food	2012-13	500.00	250.00
	manus yes	processing unit by Govt. of Mizoram at Selling			250.00

- •APEDA requested the Export Commissioner for completion of the project and inform about operation and maintenance of the facility.
- •Joint physical verification of this project carried out on 18th March 2017 and found that infrastructure was complete.
- •The R&D Centre has already recruited 14 personals.
- •A management committee constituted headed by Secretary, Department of trade and commerce, Govt. of Mizoram.



II: ONGOING PROJECTS

SI. No.	State	Name of the project	Year	Sanctioned amount	Amount released Rs. in lakhs
4.	Mizora m	Construction of Trade Facilitation centre at Lawngtlai by Govt. of Mizoram	2013-14	432.00	216.00

- •First inspection done on 20th July 2016.
- •Construction of approach road from High way upto the project site made. Construction of two storied building had started and foundation work of RCC pillars upto pinth level completed.
- •APEDA visited the site again on 20/7/2016 to see the progress.
- •APEDA again visited the site on 16th March 2017 and found that progress was very slow and building construction was not completed.



II: ONGOING PROJECTS

SI. No.	State	Name of the project	Year	Sanctioned amount in Rs. lakhs	Amount released Rs. in lakhs
5.	Mizoram	Food testing laboratory and Mizoram Food plant by Govt. of Mizoram, Thenzwal	2010-11	308.00	308.00

- •Joint inspection done on 3/10/2016 and found equipments were yet to be installed.
- •APEDA requested the Export Commissioner to take necessary approval from the Empowered Committee about change of location of the project and for early implementation of the project.
- •A joint pv carried out on17/3/2017 at the new site in Zembwak. No work for renovation of the building has been initiated by the State Govt.
- •Project may be cancelled and money recovered from state govt.



III: RECOVERY

SI. No.	State	Name of the project	Year	Sanctioned amount in Rs. Lakhs	Amount released Rs. in lakhs
1.	Assam	Project proposal on Safed Musli Cultivation &	2004-05	72.15	36.08
		Processing for export in Assam	2004-05		36.07
-				A Company	

- •APEDA requested the Export Commissioner for recovery of un utilized fund from the promoter.
- •State Govt. issued the recovery notice to the promoter to refund unutilised amount of Rs 59.55 lakh against EDF project within 30 days.
- •APEDA vide letter dated 2nd February'2017 requested EC to issue revised recovery
- •APEDA sent reminder again on 17th February 2017.
- •The report is awaited.



III: RECOVERY

SI. No.	State	Name of the project	Year	Sanctioned amount in Rs. Lakhs	Amount released Rs. in lakhs
			La Contract	2001 To	
2	Assam	Project for setting up of Patkai Lab at Guwahati	2004-05	207.37	207.37
			2007-08	59.50	59.50

- •A joint assessment of fund utilization for the project was carried out on 20th July 2016
- •APEDA requested Export Commissioner to initiate necessary action of recovery of Rs.1,17,75,394/- which was used for repayment of bank liabilities.
- •State Govt. requested the promoter to take necessary steps to utilize the assets and submit a report within 10 days.
- APEDA issued reminder on 30th January 2017.
- •Another reminder was issued by APEDA on 17th February 2017.
- •Report is awaited.



III: RECOVERY

SI. No.	State	Name of the project	Year	Sanctioned amount in Rs. lakhs	Amount released Rs. in lakhs
3	Arunachal Pradesh	Replication of pilot project for handloom exports in	2003-04	213.00	121.00
0.1		Upper Siang District of Arunachal Pradesh	2004-05		92.00

- APEDA requested State Government to recover Rs.395.50 lakh from the promoter.
- •A meeting was held on 10th November 2016 by DoC with State Government representative and APEDA.
- APEDA wrote to the Export Commissioner for joint assessment for recovery of fund.
- ■APEDA wrote to the State Govt. to take necessary action for recovery of fund with 10% interest per annum from the promoter.
- Report is awaited.



III: RECOVERY

SI. No.	State	Name of the project	Year	Sanctioned amount in Rs. lakhs	Amount released Rs. in lakhs
4	Arunachal Pradesh	Project for Handicrafts Artisans Export Infrastructure Training and International Marketing	2004-05	218.50	137.00 81.50

DoC vide letter dated 29/8/2016 furnished clarification to APEDA on the queries raised by the State Govt. regarding UC and recovery amount.

APEDA vide letter dated 16th September 2016 requested the Export Commissioner to recover Rs. 218.00 lakhs from the promoter.

APEDA on 17th February'2017 send reminder to EC for issuing recovery notice to the promoter.

Action taken report is awaited.



III: RECOVERY

SI. No.	State	Name of the project	Year	Sanctioned amount in Rs. lakhs	Amount released Rs. in lakhs
5.	Nagaland	Pilot project Handloom Export promotion from Nagaland by M/s Handloom Development Foundation, Sikkim, Nagaland	2002-03 2003-04	205.00	121.00 84.00

- •APEDA requested the Export Commissioner to verify the project and take necessary action for recovery of fund if any.
- ${}^{\circ}$ State Govt. issued notice to the promoter for repaying Rs 205.00 lakh in APEDA's account immediately .
- •APEDA met the Export Commissioner on 16th March 2017 and requested to take necessary action who express strong concern over non implementation of the project and decided to issue fresh recovery notice from her end.



IV: NON STARTER/ INCOMPLETE

SI. No.	State	Name of the project	Year	UC	CC	Sanctioned amount in Rs. Lakhs	Amount released Rs. in lakhs
1		Pilot Project for handloom	2001-02	Received	Pending	213.00	121.00
		exports from Arunachal	2002-03	Received		*	92.00
100	. Carlotta	Pradesh	Participal	Tentropies	rest of	Activities	

- •The project was found in existence at two location, Dirang and Bomdila of Arunachal Pradesh.
- •Unit at Bomdila is partially functional but the unit in Dirang is non functional
- •APEDA followed up with the State Govt. for submission of completion certificate. Last letter was sent on 17th February 2017.
- •Completion certificate is awaited from the state Govt.



IV: NON STARTER/ INCOMPLETE

SI. No.	State	Name of the project	Year	Sanctioned amount in Rs. lakhs	Amount released Rs. in lakhs
2.	Manipur	Farming of Ginger by M/s Agri Export	2004-05	107.59	107.59

- •20.06.2016 APEDA submitted cost break-up details. P&M & other fixed assets were required to be set up for the project.
- •Joint inspection carried out and could not find any existence of the project on the project site.
- •The inspection team came to know from the local people that the promoter had expired two years back.



IV: NON STARTER/ INCOMPLETE

SI. No.	State	Name of the project	Year	Sanctioned amount in Rs. lakhs	Amount released Rs. in lakhs
3.	Manipur	Farming of Ginger by Isii Development Association	2004-05	37.66	37.66

- •APEDA carried out joint physical verification of the project with State Government on 10th November 2016 and found that promoter was not present.
- •Cultivation of ginger took place initially but processing unit for which EDF grant was released was not commissioned.



IV: NON STARTER/ INCOMPLETE

SI. No.	State	Name of the project	Year	Sanctioned amount in Rs. lakhs	Amount released Rs. in lakhs
4.	Manipur	Area expansion under passion fruit cultivation by Good Samaritan.	2003-04	103.27	103.27

- •A joint inspection was carried out on 10th November 2016.
- •In the report it is stated that the promoter had informed about the cultivation of passion fruit in the year 2004 but at present there was no cultivation of passion fruit seen in that area.
- •There was no documents available regarding cultivation of passion fruit seen in that area.



IV : NON STARTER/ INCOMPLETE

SI. No.	State	Name of the project	Year	Sanctioned amount in Rs. lakhs	Amount released Rs. in lakhs
5.	Manipur	Setting up of Turmeric Processing unit by Rural Development Foundation	2005-06	100.00	50.00

- $\,^{ullet}$ Joint physical verification was carried out on 10^{th} November 2016 .
- •The inspection team interacted with the promoter and found a partially completed concrete shed.
- •No plant and machinery were procured.
- •Promoter failed to produce the supporting documents on utilisation of fund.
- •A part of the fund was used for land development and building the shed.
- •Promoter expressed to complete the project and has taken initiatives for procurement of equipments.



IV: NON STARTER/ INCOMPLETE

SI. No.	State	Name of the project	Year	Sanctioned amount in Rs. lakhs	Amount released Rs. in lakhs
6.	Mizoram	Integrated Bee Keeping by M/s Kejriwal Bee care Pvt. Ltd.	2004-05	149.50	149.50

APEDA requested the Export Commissioner to take necessary steps to verify the infrastructure and recovery of fund that were not utilized.

No response received from Export Commissioner.

APEDA sent its consultant to Mizoram on 15th March to discuss about this project.

The Department of trade and Commerce who informed that no records related to the project was available with them as they were not involved in processing of the proposal. Hence they have no idea about the implementation of the project in Mizoram



IV: NON STARTER/INCOMPLETE

SI. No.	State	Name of the project	Year	Sanctioned amount in Rs. Lakhs	Amount released Rs. in lakhs
7.	Nagaland	Farming/ Cultivation of Ginger for export in Nagaland by Kenny Multipurpose cooperative society Ltd.	2004-05	43.04	43.04

APEDA carried out joint physical verification and found that they have initiated potato processing under the banner of M/s K2 processing unit

The community house where the machineries kept are in bad shape and needs to be repaired.

The proposed product profile are potato chips, potato powder and dehydrated potato chips.

Suggested to buy few more machineries.

The State Govt. was asked to submit fresh proposal for this project since the original proposal was for Ginger processing only.



IV: NON STARTER/ INCOMPLETE

SI. No.	State	Name of the project	Year	Sanctioned amount in Rs. Lakhs	Amount released Rs. in Jakhs
8.	Nagaland	Pilot project on Production of		89.53	44.00
		Canned Mushroom for export at Pfutsero, Nagaland	2007-08	. 1	34.82

- •APEDA requested the export Commissioner to provide necessary funding from the agriculture scheme for installation of plant and machineries.
- •State Govt. informed that they were trying to provide fund for procurement of plant and machineries and requested to give some time for tying up this project with Agriculture and allied departments.
- •APEDA had a meeting with the Export Commissioner on 16th March 2017 who instructed her officials to send the proposal to Agri/ Horti dept. for necessary funding for the project.



IV : NON STARTER/ INCOMPLETE

SI. No.	State	Name of the project	Year	Sanctioned amount in Rs. Lakhs	Amount released Rs. in lakhs
9.	Sikkim	Processing / extraction unit for large cardamom by Parvatiya vikash Sansthan	2009-10	76.00	66.50

[•]State Govt. and APEDA had a meeting with the promoter on 1.12.2016.

- •The promoter agreed to submit all details of actual utilisation of fund, based on detail assessment to D/o Commerce & Industry, Govt. of Sikkim.
- •State Govt. vide letter dated 15/2/2017 forwarded only the copy of the balance sheet to RO Guwahati.
- •APEDA requested the State Govt. to collect the detailed bills, vouchers, bank statement mode of transaction for procurement of machineries etc. from the promoter for verification.
- Reply is awaited.



EDF - NER FUNDS

Since no new projects under the scheme were being sanctioned by DOC and with the delinking of State component of ASIDE Scheme, funds amounting to Rs. 11.50 crores lying idle with APEDA.

EDF-NER						
State	Project	Year of sanctio	Amount sanctione d in Rs. lakhs	Amount released in Rs. lakhs	Balance due in R lakhs	APEDA'S s. view
Manipur	Setting up of Turmeric Processing unit by Rural	2005-06	100.00	50.00	50.00	Not to be released
i the state	Developmen t Foundation	e fysie p				
Sikkim	Processing / extraction unit for large	2009-10	76.00	66.50	9.50	Not to be released
	cardamom by Parvatiya vikash Sansthan		e militaria e Regi	51.37 Y 15.4		enienienien George



