

EXPORT DEVELOPMENT & PROMOTION OF SPICES- “ Spices Processing in North Eastern Region”

Guidelines / working procedure

This scheme proposes to provide financial assistance to the spice growers' co-operatives, farmers' associations, NGOs representing spices growers and individual entrepreneurs in North Eastern and hill states to establish primary processing facilities for spices for organized marketing of the produce in domestic and international markets with possible value addition. Under this scheme, all types of primary processing facilities, which do not require very high investments, are envisaged here to ensure dispersed and relatively low to middle level value addition, particularly to avoid distress sale and large-scale wastage of locally grown spices will be supported.

Eligibility

Spices growers' co-operatives, farmers' associations, NGOs representing spices growers and individual entrepreneurs in the North Eastern and hill states.

Scale of assistance

Grant in aid is provided to the tune of 33% of the cost of all types of primary processing facilities subject to a maximum of Rs. 25.00 lakhs during the plan period per beneficiary. In respect of farmers' groups the assistance will be upto 50% of the cost of primary processing facilities subject to a maximum of Rs.35.00 lakhs per beneficiary.

Export Obligation

The beneficiaries are required to fulfill an export obligation against availing assistance by exporting spice and spice products worth **five times** of the grant in aid within **five years** from the date of completion of the processing facilities.

For discharging the export obligation, the export effected directly by the beneficiary, if any, as well as the supplies made by the beneficiary to other exporters for export (deemed export) will be considered.

Application for assistance

Eligible applicant may apply to the Board in the prescribed format and obtain 'in-principal' approval to their proposal before implementation of the project.

1. Application in the prescribed form in duplicate
2. Project description appraised by financial institutions / Chartered Engineer or any other competent technical organization
3. List of equipments proposed to be installed
4. Copies of quotations for machineries / equipments from a minimum two parties

The claims on expenses on setting up the processing facilities/equipments after the date of application for grant in aid only will qualify to work out the cost of the project for the purpose of payment of grant in aid. All payments for the processing facilities/equipments etc., should be made by crossed cheque/demand draft, which should be reflected in the bank statement. Payment by cash to petty expenditure connected with the project shall be considered upto Rs.35,000/- only.

Inspection

The beneficiary on completion of the project/installation, shall submit the following documents to the Board:

1. Completion report
2. Copies of bills/vouchers/receipts (self attested)
3. Expenditure statement duly certified by the Chartered Accountant
4. Bank statement detailing payments released for qualified activities/components of the project or copies of demand drafts relating to the payment effected for the project.

On receipt of the claims after completion of the project, the Board will arrange for an inspection of the unit for physical verification of the installations of equipments/machineries. The inspection team may consist of an officer from the Board and a local representative from the industry department/EIA/ Agmark or any other Government agencies.

Release of Grant

On satisfactory completion of the project, and based on the recommendation of the inspection team, the Board may sanction payment of the grant-in-aid to the exporter or to the nominated agency/institution. The amount of assistance shall be disbursed in one lump sum after the beneficiary executes an agreement for discharging the export obligation.
