

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
DEPARTMENT OF COMMERCE
RAJYA SABHA
STARRED QUESTION NO.*141
ANSWERED ON 12.12.2025

ENFORCEMENT OF APEDA'S VERIFICATION SYSTEM

*141. SHRI DIGVIJAYA SINGH:

Will the Minister of COMMERCE & INDUSTRY be pleased to state :-

- (a) whether APEDA's TraceNet 2.0 has not been successfully implemented, raising concerns of possible deliberate obstruction by vendor or associated authorities;
- (b) reasons for not taking legal action against fraudulent Internal Control System (ICS) groups and certification bodies identified in APEDA's own investigations, and reasons for such economic offences not reported to enforcement agencies;
- (c) reasons APEDA has introduced a temporary verification system from 1 November, 2025 while still allowing scope and transaction certificates for 90 days, enabling continued misuse by fake ICS groups; and
- (d) the safeguards to ensure that this ad-hoc verification deadline will not be repeatedly extended, as in the past?

ANSWER

THE MINISTER OF COMMERCE & INDUSTRY
(SHRI PIYUSH GOYAL)

(a) to (d): A Statement is laid on the Table of House

STATEMENT REFERRED TO IN REPLY TO RAJYA SABHA STARRED QUESTION NO.*141 FOR ANSWER ON 12.12.2025 REGARDING “ENFORCEMENT OF APEDA’S VERIFICATION SYSTEM”:

(a) Certification process under the National Programme for Organic Production (NPOP) is carried out through Tracenet, which covers the entire cycle of the organic product from farm production to processing and finally to trading/export, providing end-to-end traceability. With the revision of the NPOP Regulation to the 8th edition, work has been underway to further improve Tracenet, in terms of its functionality and user experience. The registration module of the revised version of Tracenet was launched with the 8th edition of NPOP and a step-by-step process is being followed to fully introduce the system to all stages of Organic certification. Subsequent functionalities in Tracenet were also worked upon and a pilot version was implemented in May 2025, for new applicants. As the original vendor could not resolve the operational issues reported by the stakeholders and subsequently withdrew, the project has been re-assigned to the National Institute for Smart Government (NISG), a not-for-profit company set up in 2002, by the Government of India, for its early implementation. APEDA has intimated National Informatics Centre Services Incorporated (NICS), the hiring agency, to cancel the work orders and to take appropriate action against the vendor.

(b) Chapter 6 of the NPOP Regulation covers sanctions that can be imposed on the Certification Body and/or Operator for violations in the organic processes/certification requirements. It defines the categories of the non-conformities and sanctions. The quantum of the sanctions is based on the nature and extent of the non-conformity with the NPOP requirements and ranges from pecuniary penalties, suspension/termination of operations, leviable on the organic operators and certification bodies, as the case may be. As a result of enhanced surveillance and oversight by APEDA, more than 345 Grower groups have been terminated/discontinued/made inactive on Tracenet, this year. Further, strict action has been taken against four Certification bodies, out of which 3 Certification bodies have been suspended and one has been terminated. Besides, other sanctions, such as imposition of pecuniary penalty, restriction in zone of operations, excluding Cotton from scope of certification (wherein major non compliances were observed in the certification process) and restriction on new registration has been imposed on several certification bodies.

(c) & (d) The enhanced feature of verification of farmers through E-sign and other identification documents has been implemented to supplement the upgradation of Tracenet as a permanent feature. The upgradation of Tracenet system and other systemic measures are being implemented on a live and functional system and all efforts are being made to ensure that there is no disruption in the regular operations of the operators and the certification process. The process of farmer verification, that has been implemented, is a comprehensive exercise which requires the physical presence of each farmer of the grower group, in the presence of a representative of the certification body. Given the geographic spread of the Organic grower groups across the country and being a first of this kind activity, an initial time period of 3 months has been given to the organic operators and the certification bodies to complete this process. Given the time lag in the process, and to ensure continuity in operations of the certified stakeholders, it was deemed not feasible to stop the issuance of scope and transaction certificates till the completion of the verification exercise. However, farmer verification has been made mandatory in case of new registrations and transfer of operators from one certification body to another.

The farmer verification process has already been initiated and a total of over 15,000 farmers have been verified till date. To ensure that the operators and certification bodies are carrying out this process in earnest, and to address difficulties, if any, progress is monitored on a weekly basis. Deliberate delays and inaction on part of the Certification bodies/ organic operators and any other non-compliances would be strictly dealt with, as per the provisions of the NPOP Regulations. Decisions for extension of deadline are based on assessment of the ground situation and feedback from the stakeholders.
