

FPO Registration: Processes and Checklist

Disclaimer:

This publication contains information in summary form and is therefore intended for general guidance only. It is not intended to be a substitute for detailed research or the exercise of professional judgment.

List of Abbreviations:

AoA	Articles of Association
BoD	Board of Directors
CA	Chartered Accountant
CAF	Common Application Form
DoA	Department of Agriculture
DIN	Director's Identification Number
DoB	Date of Birth
DoI	Date of Incorporation
DSC	Digital Signature Certificate
eNAM	Electronic National Agriculture Market
FPO	Farmer Producer Organization
KYC	Know Your Customer
LLP	Limited Liability Partnership
MoA	Memorandum of Association
MoA&FW	Ministry of Agriculture and Farmers Welfare
NABARD	National Bank for Agriculture & Rural Development
NCDC	National Cooperative Development Corporation
NOC	No Objection Certificate
PAN	Permanent Account Number
RoC	Registrar of Companies
SFAC	Small Farmers Agribusiness Consortium
RBI	Reserve Bank of India
SPICe	Simplified Proforma for Incorporating a Company Electronically

Glossary:

Terms	Definition
Articles of Association (AoA)	A document specifying purpose of company and regulations for its operations
Memorandum of Association (MoA)	A document defining the scope of operations of the company
Certification	An official document which verifies the characteristics of an object, person or organization
Digital Signature Certificate (DSN)	A secure instrument to digitally sign electronic documents
Directors Identification Number (DIN)	A secure and unique 8-digit number allotted to the director of any company
Farmer Producer Organization (FPO)	A group of farm producers who become the shareholders in the organization and work collectively for obtaining benefits
Form- INC1	Application form for seeking name availability for a proposed company
Form- INC7	Compliance form for registration of new company
Form- INC22	Form for proof of registered office with full address of the FPO
Form- DIR12	Form for appointment details of the Directors of the company
Form- INC21	Declaration of compliance prior to commencement of business
Form- INC 32 (SPICe Form)	A single application to be filled before incorporation of company for company name reservation, allotment of DIN and application for PAN/TAN
Power of attorney	A written authorization to allow the agent dealing with RoC to make corrections in MoA and AoA
Registrar of Companies	A public authority under Ministry of Corporate Affairs for administration of companies in India
Reserve Unique Name (RUN) form	A web service for reserving name of a new company

Checklist for FPO registration under Companies Act:

S#	Documents required/Steps taken	Description	Approving Authority	Remarks
1	Digital Signature Certificate (DSC)	Obtained from Nominated Director	DSC Certifying Authorities	Signed digitally and submitted online at http://www.mca.gov.in/MinistryV2/companyformsdownload.html
2	Articles of Association (AoA)	The AOA specifies the internal regulations of the company. Vetting of the document by CA prior to submission	RoC Address: Sh. Sudhir Kapoor (ROC Kanpur cum OL Dehradun) 37/17, Westcott Building, The Mall, Kanpur-208001, UP Phone: 0512-2310443, 2310227, 2310323, 2352304, 2367253 Email: roc.kanpur@mca.gov.in ¹	
3	Memorandum of Association (MoA)	It defines and delimits the objectives of a company. Further, it specifies the conditions of incorporation. Vetting of the document by CA prior to submission		
4	Proof of membership	It contains shareholder list and share capital contribution by each member. Vetting of the document by CA prior to submission		
5	Form INC-1	Applied for name availability		
<i>Letter of RoC will be received by FPO confirming availability of the name</i>				
6	Form No. INC-22	For registering the office	RoC	Signed digitally and submitted online at http://www.mca.gov.in/MinistryV2/companyformsdownload.html
7	Form No. DIR-12	For appointing the Directors		
8	Directors Identification Number (DIN)	For availing DIN for the proposed Directors		
9	INC-7	Affidavits by subscribers to MoA to be filed (if available) and fully understood by signees		

¹ <http://www.mca.gov.in/MinistryV2/registrarofcompanies.html> ;
https://www.mca.gov.in/Ministry/annual_reports/annualreport2005/ANNEXURE2.pdf

10	Changes in MoA and AoA (if any)	Power of Attorney in favour of a consultant to authorize the FPO to make necessary changes in MoA and AoA	2310323, 2352304, 2367253 Email: <u>roc.kanpur@mca.gov.in</u> ²	
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Certificate of Incorporation/Commencement in INC21 will be received by the FPO

² <http://www.mca.gov.in/MinistryV2/registrarofcompanies.html> ;
https://www.mca.gov.in/Ministry/annual_reports/annualreport2005/ANNEXURE2.pdf

Introduction:

There are three implementing agencies for FPOs, namely, SFAC, NCDC and NABARD. These implementing agencies are responsible for forming and promoting FPOs as follows³:

- SFAC forms and promotes the FPOs to be incorporated under Part IX A of Companies Act
- NCDC forms and promotes the FPOs to be registered under any Co-operative Societies Act of the States
- NABARD forms and promotes the FPOs which are registered either under Part IX A of Companies Act or registered under any Co-operative Societies Act of States.

This document comprises of the steps/procedures required to register an FPO under the Companies Act or under Cooperative Societies' Act.

Basic requirements to form a producer company⁴:

- Minimum number of five directors and 10 members should be there
- Minimum paid-up capital of Rs. Five Lakhs is required to form the company
- There are no maximum limits of the members, a company can have as many members as they want
- The producer company in India cannot be deemed as a public company
- The farmer company can only have equity share capital
- The first general meeting of the shareholders should be conducted within 90 days from the date of registration.

Documents required for producer company registration⁵:

- PAN card/ Passport/ Election ID card of all the directors and shareholder
- Latest bank statement
- Voter's ID/Driver's License/Passport of all the directors and shareholders
- Passport-sized photographs of all directors and shareholders
- Copy of any utility bill as a residential proof
- In case of rented property, a scan copy of rent agreement along with No Objection Certificate (NOC) from the owner
- In case of owned property, a copy of property papers

Registration process under Companies Act⁶:

Following are the steps for registration:

1. Obtain Digital Signature Certificate (DSC) and Directors Identification Number (DIN) for all the directors and shareholders:
 - Obtain DSC for all the directors or shareholder of the company to sign electronic documents
 - Obtain DIN to move ahead with the process
 - Easily apply for DIN along with the Simplified Proforma for Incorporating a Company electronically (SPICe) Form (need not to file a separate form)

³ Formation and Promotion of 10,000 Farmer Producer Organizations (FPOs) Operational Guidelines

⁴ Ibid

⁵ Ibid

⁶ <http://www.mca.gov.in/MinistryV2/acquiredsc.html>

2. Company name approval Application:

- Once the DSC and DIN are obtained, the company's name would be approved from the RoC
- For this, file an application in a prescribed format and fee in Reserve Unique Name (RUN) form
- After submitting the application, RoC will verify the uniqueness of name and would approve it on the basis of it

3. File for incorporation application:

- The last step is to file for certificate of incorporation application
- An incorporation application is filed in SPICe form along with the required documents such as MoA, AoA, affidavit, and declaration with the concerned RoCs

Note: It takes around seven (7) days to get Certificate of Incorporation from the ROC once all the documents and application is verified by them.

All the work required to incorporate the Producer Company can be done either by the Board of Directors (BoD) or alternatively, the General Body can authorize anyone of them or any other person to follow the matter with the RoC (in most cases the service of a Chartered Accounting firm or Company Secretary is acquired for the purpose). In the latter case, they have to execute a power of attorney in favour of the person, who is authorised to act on their behalf. A power of attorney form duly stamped and executed by all the subscribers of directors have to be submitted to the RoC. A power of attorney holder is, specifically, authorised to make corrections, as may be necessary in the Memorandum and Articles of Association and all other documents filed with the RoC and to attest the same on their behalf and to receive the Certificate of Incorporation⁷.

Registration Process under Cooperative Societies' Act⁸

The FPOs can be legally registered as a Cooperative Society under the provisions of the following Cooperative Societies' Acts:

- Cooperative Societies' Act of individual state in India
- Autonomous Cooperative Societies' Act existing in many States
- Multi State Cooperative Societies' Act (a Central Act)

⁷ https://mofpi.nic.in/sites/default/files/fpo_policy_process_guidelines_1_april_2013.pdf

⁸ <https://ngosindia.com/ngo-registration/procedure-for-registration-of-co-operative-societies/>