

Registration of FPO as Cooperative

A generalized presentation



Guidance Videos in different languages on
HOW TO FORM A COOPERATIVE SOCIETY are available on
YouTube SAHAKAR COOPTUBE CHANNEL of NCDC
<https://www.youtube.com/c/SahakarCooptubeNCDCIndia>

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Registration of FPO under any Cooperative Societies Act: General Concepts

Concept of FPO

A Farmer Producer Organization (**FPO**) is formed by a group of farm producers such as farmers, milk producers, etc. with producers as shareholders in the organization that aims at improving their living standards and to ensure a good status of their available support, income, and profitability.

FPOs are supposed to work as sustainable businesses.

Note: The applicable provisions of DAC&FW, GoI Operational Guidelines of Central Sector Scheme on Formation and Promotion of 10,000 FPOs are to be followed in case an FPO wants to take benefit of this scheme.

Registration of FPO under any Cooperative Societies Act: General Concepts

What is a Cooperative FPO?

- Any FPO registered under ANY Cooperative Societies Act of the State or Central Govt. is a Cooperative FPO. The word 'Cooperative' must precede its name.
- It is a voluntary association of individuals with common needs who join hands for achievement of common economic interests. It aims at serving interests of sections of society through principle of self-help and mutual aid.

Registration of FPO under any Cooperative Societies Act: General Concepts

What is a Cooperative FPO ?

The cooperative FPO works on the principle of mutual help and welfare. Hence, the principle of service dominates its working. “All for Each and Each for All” “सभी प्रत्येक के लिए और प्रत्येक सभी के लिए” If any surplus is generated, it is distributed amongst the members as a dividend in conformity with the bye-laws of the cooperative FPO.

Registration of FPO under any Cooperative Societies Act: General Concepts

Legal Entity

To be a Legal Entity or legally recognized body, a Cooperative FPO must be **registered under ANY Cooperative Societies Act**, including Mutually Aided or Self Reliant Cooperative Societies Act, by whatever name it may be called, of the State / UT concerned OR under the Multi-State Cooperative Societies Act of Government of India.

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Cooperative Principles

These principles are the core values practiced by cooperatives. They are

1. Voluntary and Open Membership
2. Democratic Member Control
3. Member's Economic Participation
4. Autonomy and Independence
5. Education, Training and Information
6. Cooperation among Cooperatives
7. Concern for Community

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Cooperative Principles

First Principle: **Voluntary and Open Membership**

Cooperatives are voluntary organizations, open to all persons capable of using their services and willing to accept the responsibilities of membership, without discrimination on bases of gender, social inequality, racial, political ideologies or religious consideration.

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Cooperative Principles

Second Principle: **Democratic Member Control.**

Cooperatives are democratic organizations controlled by their members, who actively participate in setting their policies and decision making. Elected representatives of these co-operatives are responsible and accountable to their members.

Registration of FPO under any Cooperative Societies Act: General Concepts

Cooperative Principles

Third Principle: Member's Economic Participation

Members contribute equitable and control the capital of their Cooperative democratically. At least a part of the surplus arising out of the economic results would be the common property of the cooperatives. Members usually receive limited compensation, if any, on capital subscribed. The remaining surplus could be utilized for developing their cooperative, possibly by setting up reserves, part of which at least would be indivisible; and supporting other activities approved by the membership.

Registration of FPO under any Cooperative Societies Act: General Concepts

Cooperative Principles

Fourth Principle: Autonomy and Independence

Cooperatives are autonomous, self-help organizations controlled by their members. If cooperatives enter into agreement with other organizations including Government or raise capital from external sources, they do so on terms that ensure their democratic control by members and maintenance of Cooperative autonomy.

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Cooperative Principles

Fifth Principle: Education, Training and Information

Co-operatives provide education and training to their members, elected representatives and employees so that they can contribute effectively to the development of their Co-operatives. They also make the general public, particularly young people and leaders aware of the nature and benefits of co-operation.

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Cooperative Principles

Sixth Principle: **Cooperation among Cooperatives**

Co-operatives serve their members most effectively and strengthen the co-operative movement, by working together through available local, regional, national and international structures.

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Cooperative Principles

Seventh Principle: Concern for Community

While focusing on the needs of their members, co-operatives work for the sustainable development of communities through policies accepted by their members.

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Cooperative Values

The Cooperative FPO shall be based on the values of self-help, democracy, self responsibility, equality, equity and solidarity. The FPO's member strongly believes in the ethical values of honesty, openness, social responsibility and caring for others.

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Who can become member of Cooperative FPO

FPO is an organization of producers, specifically primary producers. All primary producers residing in the relevant geography, and producing the same or similar produce, for which the FPO has been formed, can become member of the FPO.

Cooperative FPO must have activities of higher levels in value chain, beyond primary produce.

Membership is voluntary.

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Eligibility for membership of FPO

- i. Must have attained the age of 18 years, except in the case of minor heir of a deceased member;
- ii. He/ she is an ordinary resident in the area of operation of the FPO;
- iii. He/ she is of good character;

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Eligibility for membership of FPO

iv. He/ she is an agriculturist or horticulturist or is in the profession of sericulture, floriculture, poultry, dairy farming, or in any other agriculture and allied activity subservient to the objects of the FPO in the area of operation of the FPO

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Eligibility for obtaining membership of FPO

- v. His/ her interest does not conflict with the interest of the FPO;
- vi. He/ she has given declaration that he is not a member of any other similar FPO;
- vii. He/ she has paid admission fee and purchased minimum one share and paid the value thereof in full;
- viii. He/ she has fulfilled all other conditions of membership laid down in the Act, the rules and the bye-laws of the FPO.

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Procedure for Registration of Cooperative FPO

1st Step

Requirement of minimum number of members as the Cooperative Societies Act of relevant State permits, may apply for registration of Cooperative FPO

However, to avail benefits under the CSS on Formation & Promotion of 10,000 FPOs, 300 members in plain areas and 100 members in Hilly or NE area, are required as per Operational Guidelines.

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Procedure for Registration of Cooperative FPO

2nd Step

Formation of a Provisional Committee and to elect a Chief Promoter from among them.

3rd Step

Members must voluntarily select a name for the FPO.

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Procedure for Registration of Cooperative FPO

4th Step

Preparation and adoption of bye-laws for regulating internal affairs of the FPO.

5th Step

Collection of entrance fees and share capital from all the prospective members of the FPO.

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Procedure for Registration of Cooperative FPO

6th Step

Opening of a bank account in the name of Cooperative FPO and deposit the collected entrance fees and share money in that account. Also, procure a certificate to this effect from the Bank.

7th Step

Submission of application for registration to the Registrar of Cooperative Societies for the relevant District / Area along with necessary documents.

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Procedure for Registration of Cooperative FPO

8th Step

The Registrar enters the particulars in a register maintained in her / his office, gives a serial number and issues a receipt in acknowledgement of the same.

9th Step

Lastly, the Registrar notifies the Chief Promoter about the registration of the Cooperative FPO in the Official Gazette and thus issues the Certificate of Registration.

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Timeline for Registration

- The FPO shall be deemed to have been registered if the Registrar fails to dispose of the application within the prescribed time frame of the relevant Cooperative Societies Act.
- If the Registrar refuses to register a Cooperative FPO, she / he shall communicate the order of refusal, together with reasons thereof to the Chief Promoter.

Registration of FPO under any Cooperative Societies Act: General Concepts

Documents Required for Registration

- I. PAN Card of all promoter members
- II. Any valid residence proof for each member (such as Bank Statement, Driving License, Aadhaar Card, Utility Bill and Passport).

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Documents Required for Registration

- III. Memorandum of Association of FPO containing following clauses and information
 - a. Central objectives of the FPO for which it is to be established;
 - b. All details of members forming the FPO and
 - c. Address of registered office of the FPO.

Registration of FPO under any Cooperative Societies Act: General Concepts

Documents Required for Registration

IV. Bye-laws containing the following information:

- a) The rules and regulations which will govern and maintain the day-to-day activities of the proposed FPO.
- b) Objectives of the FPO and services to be rendered to members
- c) Value of share and authorized capital of FPO
- d) Conditions of membership of FPO.
- e) Rights and duties of members and office bearers
- f) The details about the meetings that will be held in future.
- g) Constitution of the managing committee
- h) Extent of liability of the FPO
- i) Ways for the dissolution of the FPO.

Registration of FPO under any Cooperative Societies Act: General Concepts

Documents Required for Registration

- v. Covering letter clearly mentioning the Objectives and Purpose of the FPO duly signed by every promoter member.
- vi. Copy of address proof where the registered office of the FPO is located.
- vii. List of all members of the governing body with their signatures.

Registration of FPO under any Cooperative Societies Act: General Concepts

FPO as body corporate

A registered Cooperative FPO is a body corporate with perpetual succession and common seal (like a company). It can hold property, enter into contracts, institute and defend suits and other legal proceedings, and, do all things necessary for the purposes for which it is constituted.

Registration of FPO under any Cooperative Societies Act: General Concepts

Regulatory control of Registrar

The Registrar of Cooperative Societies and officers subordinate to the Registrar having powers of Registrar under the relevant Act, exercise regulatory control over a cooperative FPO. The extent of regulatory control of Registrar is specified under the relevant Cooperative Act and the rules made thereunder.

Registration of FPO under any Cooperative Societies Act: General Concepts

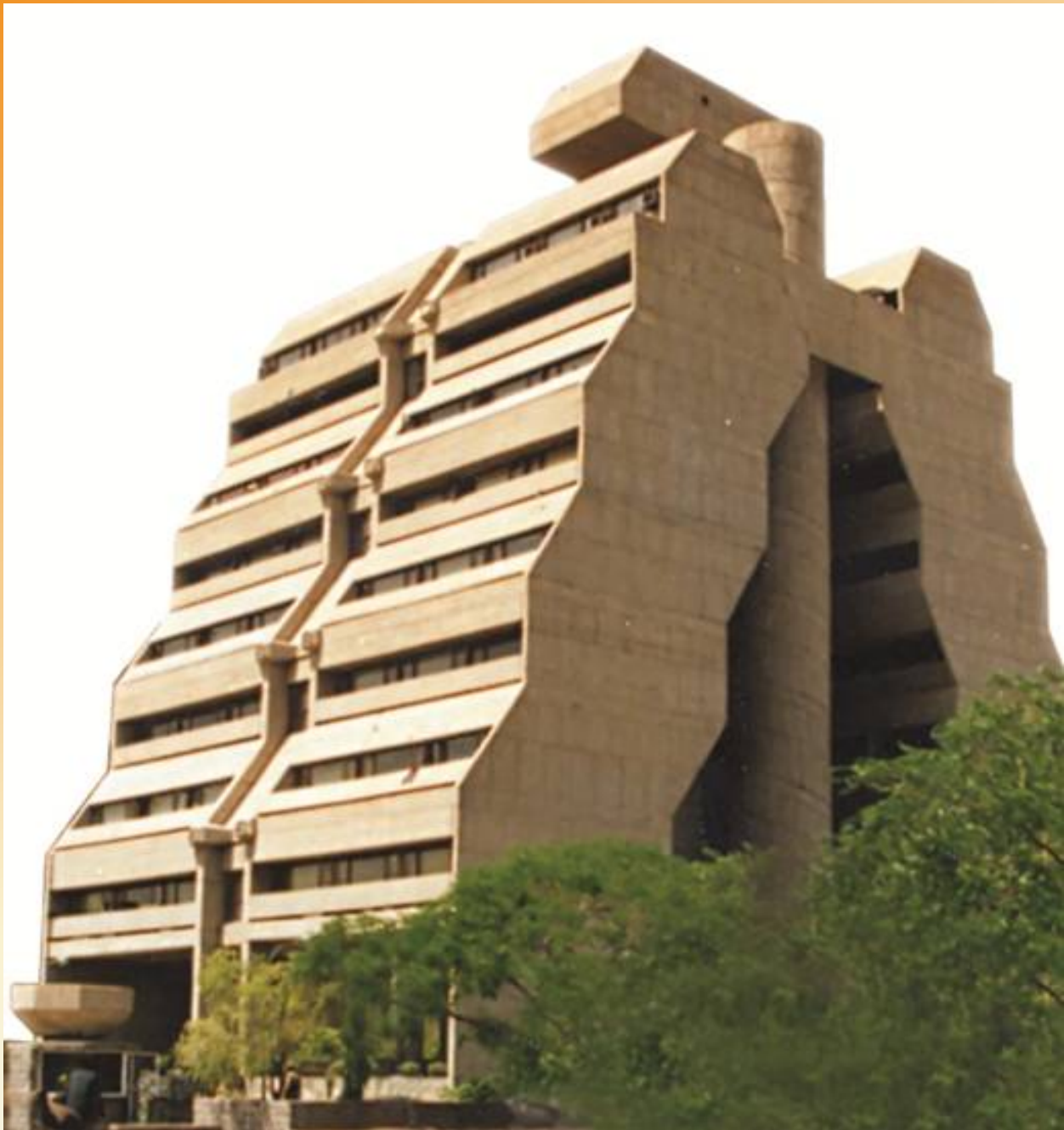
Online Registration of Cooperatives – few examples

Gujarat

<https://rco.gujarat.gov.in/how-to-register-a-co-operative-society.htm>

Chhattisgarh

https://khadya.cg.nic.in/paddyonline/socregistration/Use_r_login.aspx



End of presentation

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