



LEGAL COMPLIANCES OF AN FPO



Caption needed

Introduction

- Get to know each other through introduction
- Purpose of the training and session flow
- The ground rules of the workshop, which may include:

Switching off
or keeping the
mobile in
Silent Mode



Cross Talks
are not
permitted



To raise
questions
please put up
your hands



Participation
in full
session-do
not go away



Remain
attentive to
instructions
given for
small group
work etc.



OBJECTIVES

LET'S GET
STARTED!






Awareness on
the need and
benefits of legal
compliances for
FPOs

Familiarity with
different
compliances
under Acts of
registration

Knowing about
the need and
different types of
legal licenses/
permits for FPOs

Advantages of being legally compliant

There are many benefits of being legally compliant, including all of the following:

-  Be safeguarded for any legal requirement– for example, vigilance raids on storage, any legal case by a competitor, non-payment by a buyer etc.
-  Lead to development of strong institutional systems for FPOs – like bookkeeping, governance, monitoring etc.
-  Raising of finance for FPOs – by fulfilling requirements like financial statements, legal documents, collateral etc.
-  Can enter into Agreements and do transactions – like with a buyer for marketing of produce.
-  Contributes to transparency and accountability.



Legal compliances for a Producer Company

S.No.	Compliance	Details	When (Month)
1	Board meeting	Minimum 4 in a year (one in a quarter)	April-July-October-January
2	Statutory audit	For every financial year	April
3	Special audit	When registrar approach	June
4	Annual General Meeting (AGM)	Once in a year before six months after the close of the financial year	September
5	Election of Board members	One third every year	August
6	Annual returns with RoC	Within 30 days of AGM	October
7	General reserve	Once in a year	Once in a year
8	Auditor appointment	By the AGM	September
9	GST returns filing	12 (Once in a month)	Every month
10	Extraordinary General Meeting (EGM)	As and when required	Any time as per requirement
11	Maintenance of statutory registers	All the times	Every month

Board Meeting of FPO

Minimum one Board Meeting should be done once in a quarter or 4 BoD meeting in a year but the best practice is that the Board members of FPO meet once in a month on a fixed date and discuss on key matters and review the activities of the FPO from time to time.



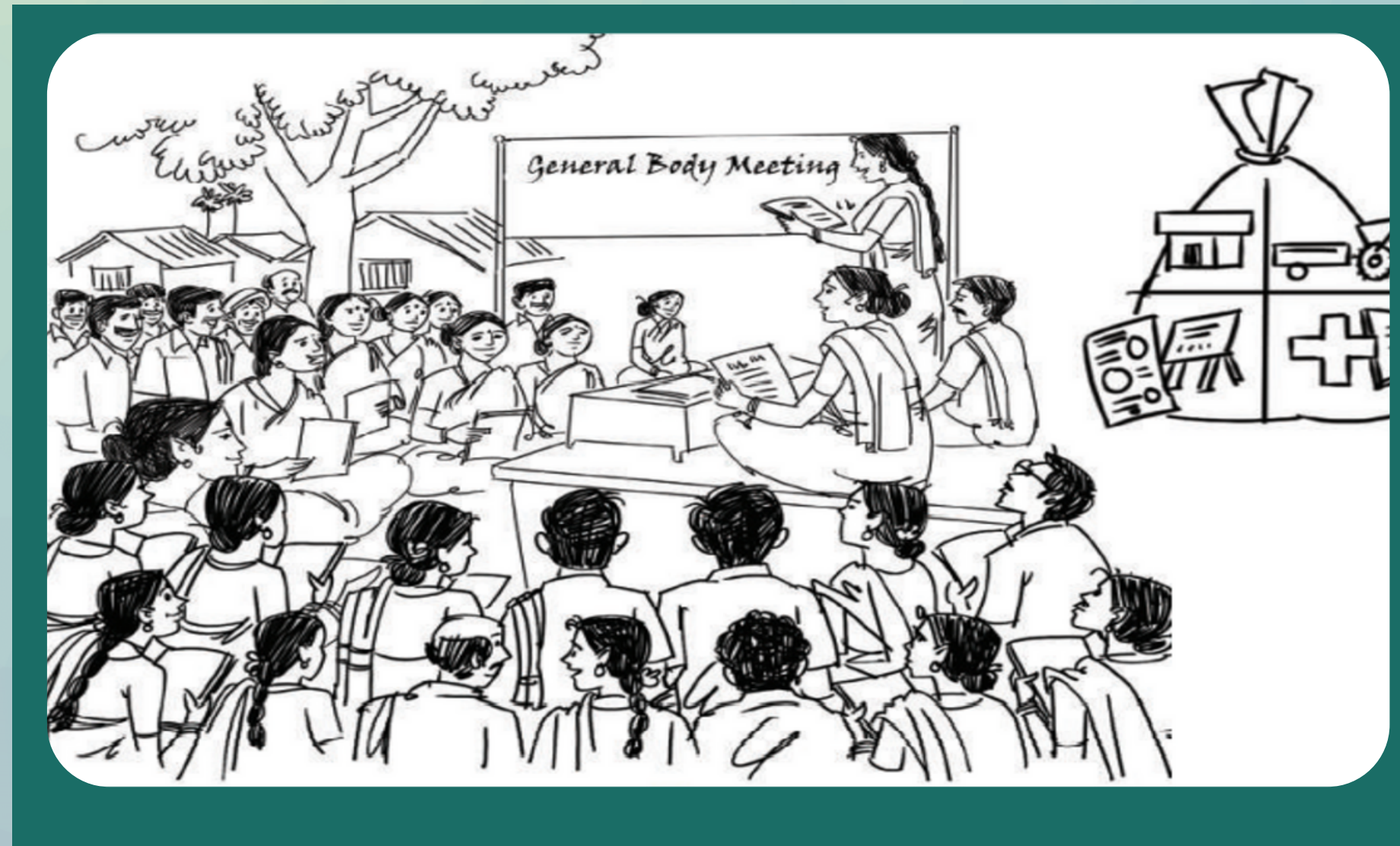
Statutory audit of FPO

A statutory audit is an independent assessment of the financial accounts of a company or institution. Statutory audits must be completed by qualified Chartered Accountants (CA) who are independent of the Business selected through AGM. It should be done by every financial year (April).



Annual General Meeting (AGM) of FPO

Annual General Body Meetings must be conducted at least once in a year before six months of the closure of the financial year and it is the responsibility of the Board to conduct Annual General Body Meetings during the month of September.



Election of Board members of FPO

One third of the Board members have to retire and elections have to be held for these positions every year. The best practices it should be conducted before AGM during the month of August.



Annual Returns with RoC for FPO

The Annual Returns must be done within 30 days of AGM and BoD are accountable to fill up annual return on time.



Offences and penalties as per Companies Act

S.No.	Nature of the Offence	Penalty
1	Any member acquires business interest in conflict with the business of the producer company	Ceases to be a member and shall be removed as per Articles
2	Any director votes, approves or acts in contravention of the provisions of this Act or any other Law	Director/s should make good the loss, damage or profit to the company, on account of such voting or action
3	Failure by a director to furnish information relating to the affairs of the Company to a member or authorized person	Fine up to 5% of the turnover of the company in the preceding year
4	Failure to hand over the custody of books of account, documents or property to the producer company	Punishable with fine up to Rs.1 lakh and additional Rs. 10,000/- for each day of continuing default
5	Failure to convene AGM or General meetings	Punishable with fine up to Rs.1 lakh and additional Rs. 10,000/- for each day of continuing default
6	Producer Company's Failure to commence business within one year of its incorporation	Striking off of the name of the company by the ROC after making inquiry in to the facts and giving directors a reasonable opportunity of being heard
7	Producer Company ceases to transact business with the members	Striking off of the name of the company by the ROC after making inquiry in to the facts and giving directors a reasonable opportunity of being heard

Offences and penalties as per Companies Act (Contd.)

S.No.	Nature of the Offence	Penalty
8	Producer Company is not carrying on the objects specified under the act	Striking off of the name of the company by the ROC after making inquiry in to the facts and giving directors a reasonable opportunity of being heard
9	Producer Company is not maintaining any of the Mutual Assistance Principles	Striking off of the name of the company by the ROC after making inquiry in to the facts and giving directors a reasonable opportunity of being heard



Indicative Legal licenses/ permits for FPOs

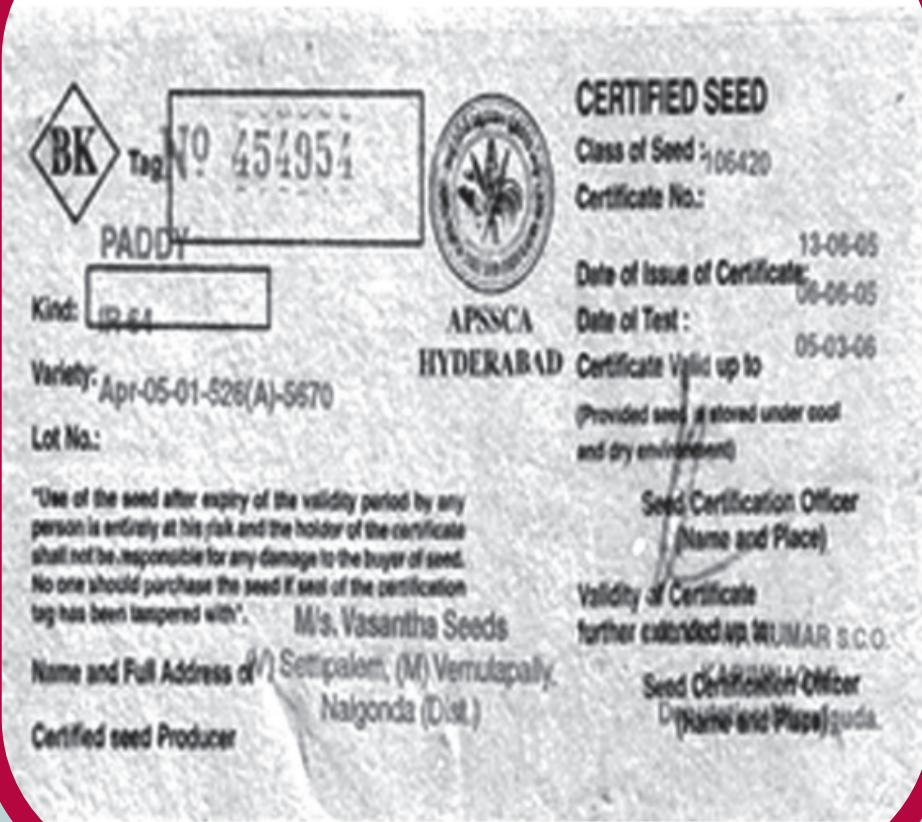
S.No.	Business/ Activity	Required license/ permit	Issuing Authority
1	Input business (Seed)	Seed Production and Selling License; Seed Certification License	Agriculture Department; State Seed Certification Agency
2	Input shop	Input (Fertilizers, Pesticides) dealership; Shops and Establishments	Agriculture Department; Shops and Establishments Act, Labour Department
3	Procurement, storage and selling (Procurement)	Agricultural Produce Market Committee (APMC) license	APMC, Department of Agricultural Marketing
4	Quality	Agricultural Marketing (AGMARK) certification	Directorate of Marketing and Inspection, Ministry of Agriculture and Farmers Welfare, GoI
5	Storage	Warehouse compliances; Food Grain License	Warehousing Development and Regulatory Authority, State Warehousing Corporation; Civil Supplies Corporation
6	Selling	Weights & Measures	Civil Supplies Corporation

Indicative Legal licenses/ permits for FPOs (Contd.)

S.No.	Business/ Activity	Required license/ permit	Issuing Authority
7	Processing (Processed foods)	Food Safety and Standards Authority of India (FSSAI) certification	Ministry of Health & Family Welfare, Gol
8	Factory, Micro Small Medium Enterprises (MSME)	Factory license; MSME certificate	Industries Department (District Manager, District Industrial Centre)
		Water permit	Gram Panchayat
		Electricity permit	Electricity department
		Fire station permit	Fire station
9	Business/ services (Tax on goods/ services transacted)	Goods & Services Tax (GST)	Central Board of Indirect Taxes and Customs, Ministry of Finance, Gol
10	Income Tax	Permanent Account Number (PAN); Tax Deduction and Collection Account Number (TAN)	Income Tax Department
11	Production (Organic products)	Participatory Guarantee System (PGS); Third party certification	Authorized agencies (Ministry of Agriculture and Farmers Welfare, Gol)

Seed Certification & Seed, Fertilizer License

1. Seed Certification Licence



CERTIFIED SEED
Class of Seed : 106420
Certificate No.:
Date of Issue of Certificate: 13-08-05
Date of Test : 06-06-05
Date of Test : 05-03-06
Certificate Valid up to
(Provided seed is stored under cool and dry environment)
Seed Certification Officer (Name and Place)
Validity of Certificate further extended up to
Seed Certification Officer (Name and Place)
M/s. Vasantha Seeds
Name and Full Address of Seed Producer
Settipalem, (M) Vemulapally, Nalgonda (Dist.)
Certified seed Producer

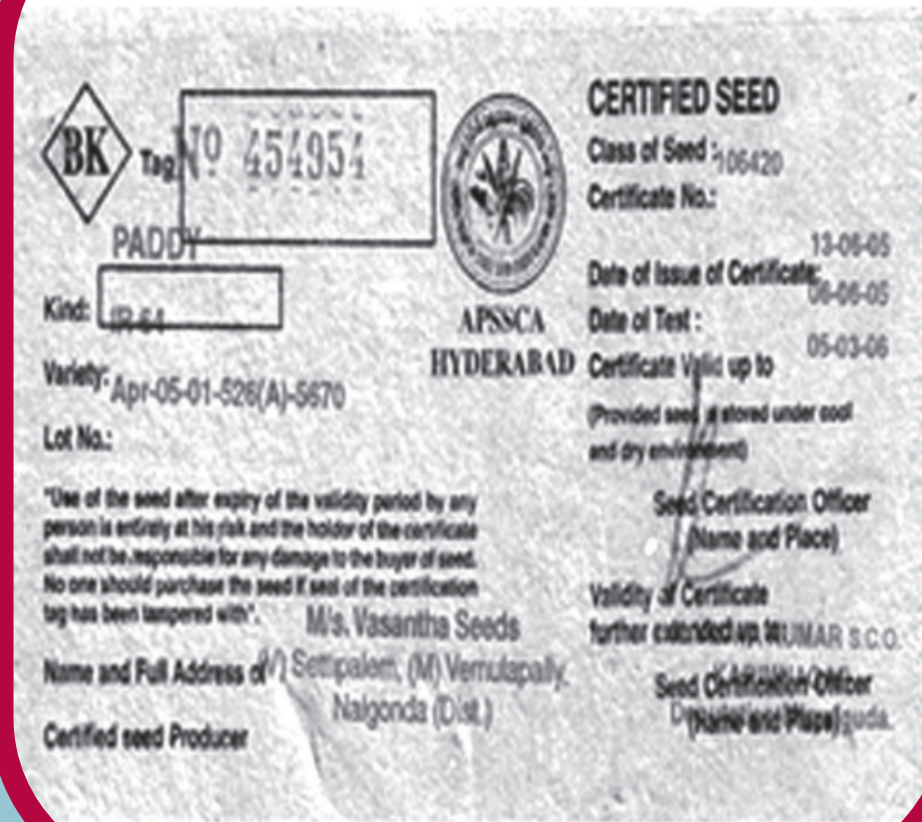
Seed Certification Licence
State Seed Certification Agency



FORM 'B'
[See clause 2]
LICENCE TO CARRY ON THE BUSINESS OF A DEALER IN SEEDS
Licence No :- PRLS-317 Date :- 27.04.16
The provisions of the Seeds (Control) Order 1983 and to the terms and conditions of this Licence
M/s. Manbazar Agro Producer Company Ltd. Vill:- P.O.- Jowrah, Block Manbazar-33,
district is hereby granted licence to sell, export, import and store for the said purpose of seeds.
The licensee shall carry on the aforesaid business at Mouza- Jowrah, J.L.No. 183, Plot No.89
27.04.2016
Assistant Director of Agriculture (A)
Sub Division, Purulia Sadar
State of West Bengal
The licence shall be displayed at a prominent and conspicuous place in a part of the business premises open to public.
The holder of the licence shall comply with the provisions of the Seeds (Control) Order, 1983 and the notification issued there under and for the time being in force.
This licence comes in to force with immediate effect and shall be valid up to 31.03.2019 previously canceled or suspended.
The holder of the licence shall, from time to time, report to the licensing authority any change in the premises where he carries on his business of sale, export, import or storage for the said purpose of seeds.
The licence shall give every facility to the licensing authority or any other Officer acting in authority for the purpose of inspecting his stock in any shop, depot or godown or other places used by him for the purpose of storage, sale or export of seeds.

Seed Licence
Agriculture Department

1. Seed Certification Licence



CERTIFIED SEED
Class of Seed : 106420
Certificate No.:
Date of Issue of Certificate: 13-08-05
Date of Test : 06-06-05
Date of Test : 05-03-06
Certificate Valid up to
(Provided seed is stored under cool and dry environment)
Seed Certification Officer (Name and Place)
Validity of Certificate further extended up to
Seed Certification Officer (Name and Place)
M/s. Vasantha Seeds
Name and Full Address of Seed Producer
Settipalem, (M) Vemulapally, Nalgonda (Dist.)
Certified seed Producer

Fertiliser Licence
Agriculture Department



Other Licences to know about



License for Procurement, storage and selling of Agricultural Produce

Department of Food and Public Distribution, Ministry of Consumer Affairs, Food & Public Distribution, Government of India)



Food grains storage license & regulation

Directorate of Marketing and Inspection, Ministry of Agriculture and Farmers Welfare, GoI



License for Processed foods

Ministry of Health and Family Welfare, GoI



Micro Small Medium Enterprises (MSME) Certificate

Ministry of Micro, Small and Medium Enterprises



Goods & Services Tax (GST) for Tax on goods/ services transacted


सत्यमेव जयते
Government of India
Form GST REG-06
[See Rule 10(1)]
Registration Certificate

Registration Number : 37AAALR1612H1Z7

1.	Legal Name	RMS MANDAL AGRICULTURE PRODUCERS MUTUALLY			
2.	Trade Name, if any	RMS MANDAL AGRICULTURE PRODUCERS MUTUALLY			
3.	Constitution of Business	Local Authority			
4.	Address of Principal Place of Business	6-57, BAJAR STREET, RAMASAMUDRAM, Chittoor, Andhra Pradesh, 517325			
5.	Date of Liability				
6.	Period of Validity	From	26/07/2018	To	NA
7.	Type of Registration	Regular			
8.	Particulars of Approving Authority				
Signature		Validity unknown Digitally signed by RMS MANDAL AGRICULTURE PRODUCERS MUTUALLY AND SERVICES TAX NETWORK 1 Date: 2018.07.26 00:19:34 IST			
Name					
Designation					
Jurisdictional Office					
9. Date of issue of Certificate		26/07/2018			

Note: The registration certificate is required to be prominently displayed at all places of business in the State.



Central Board of Indirect
Taxes and Customs, Ministry
of Finance, GoI



FPO GST Registration Certificate

Permanent Account Number (PAN) of FPO



PAN Card of FPO
Income Tax Department



Organic products Certification



Third party certification
Authorized agencies (Ministry of Agriculture and Farmers Welfare, GoI)

Statutory Registers to be maintained in FPO As per Companies Act 2013

Register of charges

Register of members

Register of Directors and their shareholding

Copies of annual returns

Minute books of Board Meetings & meetings of committee of the Board

Minute books of general body meetings

Register of dividend declared and remaining unpaid

Proper books of accounts

Register of Loans and investments made by the Company





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