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The Gazette of Puducherry

PART - II

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GOVERNMENT OF PUDUCHERRY CHIEF SECRETARIAT (AGRICULTURE)

(G.O. Ms. No. 33/Ag., Puducherry, dated 25th February 2020)

NOTIFICATION

The Lieutenant-Governor, Puducherry, is hereby pleased to approve the guidelines for “Extending Financial Support to Farmer Producer Companies” during the financial year 2019-2020 to provide one time financial assistance of ₹ 10 lakhs per eligible Farmer Producer Company in the Union territory of Puducherry as appended to this notification,

in order to make Farmer Producer Company vibrant, sustainable and Self-governing Bodies and the amount shall be utilized as seed money for the successful implementation of its business plan.

2. This issues with the concurrence of the Finance Department *vide* their I.D. No. 2508/FC/F5/A3, dated 21-01-2020.

(By order)

M. GANESAN,

Under Secretary to Government (Agriculture).

GUIDELINES FOR EXTENDING FINANCIAL SUPPORT TO FARMER PRODUCER COMPANIES

I. Introduction

1.1. Collectivization of producers, especially small and marginal farmers, into Farmer Producer Organisation has emerged as one of the most effective pathways to address the many challenges of agriculture, but, most importantly, improved access to investments, technology, inputs and markets. The Government of India has identified Farmer Producer Organisation registered under the special provision of the Company Act, 1956 as the most appropriate institutional form around which to mobilize farmers and build their capacity to collectively leverage their production and marketing strength.

1.2. The National Policy for the promotion of Farmer Producer Organisations, 2013 issued by the Department of Agriculture and Cooperation, Government of India, encourages the State Governments to take up formation of Farmer Producer Companies (FPC) on a large scale through Centrally-sponsored and State-financed Programmes and Schemes and to support the FPCs to make them vibrant, sustainable and Self-governing Bodies.

1.3. In view of the guidance issued in the National Policy for promoting Farmer Producer Organisations, Hon'ble Chief Minister, Puducherry in his Budget speech 2019-20 has announced a new Scheme "Extending financial support to Farmer Producer Companies", to support the FPCs in Union territory of Puducherry.

2. Objectives of the Scheme

- (i) To create conducive environment for collective production and marketing for better profitability and sustainability;
- (ii) Enhancing viability and sustainability of FPCs;
- (iii) Increasing credit worthiness of FPCs;
- (iv) Enhancing the volume of business of FPCs;
- (v) To promote economically viable, democratic, and Self-governing FPCs;
- (vi) To provide the required assistance and resources to strengthen the FPCs; and
- (vii) To retain the interest of farmers in Farming occupation.

3. Salient features of the Scheme

3.1. In order to support the Farmer Producer Companies (FPCs) in terms of strengthening their capital base, the Department of Agriculture and Farmers Welfare (DA&FW), Puducherry, implements the Scheme "Extending financial support to Farmer Producer Companies" during the financial year 2019-20. The Scheme has a major component of release of ₹ 10.00 lakhs per eligible Farmer Producer Company to enhance their business opportunities.

3.2. This amount will be utilized as seed money for the business plan to be submitted by the FPC along with the application, which should be ploughed back as far as possible by the income generated by FPC and deposited back in the FPC account after the sale of the produce in order to continue the business in the subsequent seasons.

3.3. The Deputy Director of Agriculture (Marketing) shall act as the Nodal Officer in the implementation of the Scheme.

3.4. The Project Screening and Monitoring Committee (PSMC) shall be constituted under this Scheme for the purpose of screening the applications received and for monitoring the implementation of the Scheme.

4. Eligibility Criteria for FPCs

4.1. An FPC shall be eligible to apply for financial support under the Scheme based on its fulfilling the following criteria:

- (i) It is a duly registered FPC as defined in part IXA of the Indian Companies Act, 1956 (including any amendments thereto or re-enactment thereof) and incorporated with the Registrar of Companies.
- (ii) It has raised equity from its Members as laid down in its Articles of Association/ Bye-laws.
- (iii) The number of its individual shareholders shall not be lower than 100.
- (iv) It has a duly elected/nominated Board with a minimum of five Members with adequate representation from farmers and minimum one woman Member.
- (v) It has a duly constituted Management Committee responsible for the business of the FPC.
- (vi) It has a business plan and budget plan that is based on a sustainable, revenue model as may be determined by the Implementing Agency.
- (vii) The FPC has an Account with a Bank.
- (viii) It has a Statement of Accounts audited by the Chartered Accountant (CA) for at least one full financial year.

5. Application for the Scheme

5.1. Eligible FPCs that meet the eligibility criteria as detailed in Clause 4, shall apply in the prescribed Application Form (Annexure 1). Other mandatory documents required to be submitted along with the Application are listed below:

- (i) Shareholder List and Share Capital contribution by each Member verified and certified by a Chartered Accountant (CA) prior to submission.
- (ii) Resolution of the FPC Board/Governing Council to seek Corpus fund for Members.

- (iii) Audited Financial Statements of FPC for a minimum 1 year/ for all years of existence of the FPC if formed less than three years prior to application/for the last 3 years for FPCs in existence for 3 years or more, verified and certified by a Chartered Accountant (CA) prior to submission.
- (iv) Photocopy of Bank Account Statement for last six months authenticated by the Branch Manager of the "Bank".
- (v) Business Plan of FPC based on a sustainable revenue model.
- (vi) Names, photographs, and identity proof (any one from among Family Ration Card, Aadhaar Card, Elector's Photo Identity Card, Passport) of Representatives/Directors authorized by the Board for executing and signing all documents under the Scheme.
- (vii) Each page of the Application Form and accompanying documents shall be signed by a minimum of two Board Members/Authorized Representatives of the FPC.

6. Project Screening And Monitoring Committee

6.1. The Project Screening and Monitoring Committee (PSMC) shall be constituted for the purpose of screening the applications received under this Scheme and for monitoring the implementation of the Scheme. The Committee comprises of—

- (i) The Director of Agriculture and Farmers Welfare . . Chairman
- (ii) The Additional Director of Agriculture (LUP&QC) . . Member
- (iii) The Joint Director of Agriculture (Chemistry) . . Member
- (iv) The Deputy Director of Agriculture (Chemistry) . .Member
- (iv) The Deputy Director of Agriculture (Marketing) . . Member-Secretary.

6.2. The Project Screening and Monitoring Committee shall undertake a due diligence process to establish the credibility, sustainability and viability of the FPC, before taking a decision on its application seeking financial support. After the final appraisal of the proposal, the Committee would recommend the release of funds.

6.3 The Secretary, Administrative Department shall supervise the status from time to time.

7. Terms And Conditions

The terms of reference for availing the financial support from the Government by the FPC will be subject to entering into agreement after duly accepting the terms and conditions as envisaged under—

- (i) The FPC is liable for the genuineness of mandatory documents submitted along with application.
- (ii) The accounts maintained by the FPC are subject to annual monitoring by the PSMC.
- (iii) It is mandatory that the FPC Minutes Book and Cash Book are to be scrutinized by the PSMC in the month ending of March each year for a three years period.

8. Project Evaluation

The Scheme shall be evaluated with a time frame of 5 years, by M/s. PAJANCOA & RI, Karaikal or any other Institution identified by the Union Territory Government for the said purpose.

ANNEXURE-I

Application Form for seeking financial support under the Scheme “Extending financial support to Farmer Producer Companies”

To

Dated:

Dear Sir/ Madam,

Sub: Application for seeking Financial Support under the Scheme “Extending Financial Support to Farmer Producer Company”.

We hereby apply for Financial Support under the Scheme “Extending Financial Support to Farmer Producer Company”.

I. *Details of the FPC are given below.*

- 1. Name of the FPC :
- 2. District :

-
3. Correspondence Address :
 4. Contact No :
 5. Mobile No :
 6. Email ID :
 7. Registration Date/Incorporation :
of FPC (dd/mm/yyyy)
 8. Business of FPC :
 9. No. of Shareholder Members :
 10. No. of Small, Marginal and :
Landless Shareholder Members
 11. Authorised Capital (in ₹) :
 12. Paid Up Capital (in ₹) :
 13. Amount of Corpus Fund sought :
(in ₹)
 14. Maximum Shareholding of an :
Individual Shareholder Member
 15. Maximum Shareholding of an :
Institutional Member

II. *Bank Details:*

1. Bank name in which account :
is maintained
2. Branch Name :
3. Bank email ID :
4. IFSC Code :

III. *No. of Functional Committees of :
the FPC.*

(Mention the major activities of each Committee)

IV. *Roles and Responsibilities of Board of Directors :***DETAILS OF BOARD OF DIRECTORS**

Sl. No.	Name of the Board of Directors	Designation/ Role in FPC	GST No.	Qualification	Tenure (in Yrs)	Contact No/ Address	Land holding (in Acres)

We submit our application along with the mandatory documents and request that financial support to Farmer Producer Company grant be approved.

Yours faithfully,

CHECKLIST/ANNEXURE

1. Application on prescribed Form duly signed by two Board Members/Authorised representatives of FPC on each Page. (Annexure I)

2. Resolution of FPC Board/Governing Council to seek Corpus Fund may be submitted on the lines of Annexure-II.

3. The resolution will be ratified in the next AGM of the FPC may be submitted on the lines of Annexure-III.

4. Resolution of appointment of Chief Executive Officer of Company.

5. Audited Financial Statements for last financial year/for all years of existence of the FPC if formed less than three years prior to application/ for the last 3 years for FPCs in existence for 3 years or more, verified and certified by a Chartered Accountant (CA).

6. Photocopy of Bank Account Statement for last six months duly authenticated by the Branch Manager of the Bank.

7. KYC Documents of only those Representatives/Directors authorised by the Board for FPC for executing and signing documents with DA&FW.

8. Certificate of incorporation/commencement of business, Memorandum of Association / Articles of Association.

9. Business plan.

ANNEXURE-II

**Resolution of Board of Directors of FPC
to seek financial support under “Extending financial support to
Farmer Producer Companies”**

(Certified True Copy)

(a) Place of meeting :

(b) Date of meeting :

Agenda of Meeting : To avail financial support from DA&FW

Whereas, the FPC has been formed under Legal Registration status of FPC and on the basis of the decision of the AGM/EGM held on (mention the date) to avail support under Scheme “Extending Financial Support to Farmer Producer Companies”

We, the Board of Directors of the FPC unanimously resolve that:

- (i) The grant shall be utilized for business enhancement of the FPC
- (ii) The accounts of the said grant shall be maintained in a proper manner.
- (iii) The funds would not be used for activity other than mentioned in Memorandum of Association/Articles of Association/Business plan of the FPC.
- (iv) This has been discussed in the Special AGM held for this purpose on and the Shareholders are fully cognizant of the Terms and Conditions of the Scheme and have agreed to abide by the same.

We further resolve that to execute the documents pertaining to this support, the President/In his stead any one of the following Directors of the FPC for any reason due to non-availability of the President and the Chief Executive of FPC, whose signatures are given below and certified by the Bank are authorised to sign all Documents and Forms jointly. Further resolved that this resolution be communicated to DA&FW and shall remain in force until further notice in writing.

This resolution will be ratified by shareholders in next AGM.

Signed by the CEO and Board of Directors and Sealed

Sl. No.	Name	Designation	Signatures
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ANNEXURE-III

Resolution to be resolved in AGM ratifying the Resolution of the Board of Directors

(Certified True Copy)

We are shareholders in (Name of the FPC) sought financial support to an amount of ₹ (Rupees) from DA&FW under the Scheme “Extending Financial Support to Farmer Producer Companies” *vide* resolution, dated (copy enclosed), we, shareholders of the Company ratify the resolution, dated and agree to the same in particular each shareholder hereby agree that the entire amount of grant sanctioned by DA&FW on our behalf be directly transferred to our FPC’s Account.

On receipt of the amount, the FPC shall utilise the amount for enhancing the volume of business based on the business plan and the income generated by FPC would be deposited back in the FPC account after the sale of the produce in order to continue the business in the subsequent seasons. In any case, the grant extended would not be used for activity other than mentioned in Memorandum of Association/ Articles of Association/Business Plan of the FPC.

(CHIEF EXECUTIVE OFFICER OF FPC).

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