

PRODUCER COMPANY

It gives persons engaged in activities related to producing (what has been grown or produced, particularly by farming) the opportunity to form a company. A producer company can be formed by 10 or more producers (persons involved in, or in activities related to, produce or growth), two or more producer institutions or a combination of 10 or more producers and producer institutions. It engages in the activities of production, harvesting, procurement, grading, pooling, handling, marketing, selling, and export of primary produce of the Members or import of goods or services for their benefit. A producer company is incorporated under Company law and regulated by MCA

❖ **Types of Producer Companies**

▪ **Production Businesses**

Engages in production, procurement or manufacture of any primary produce for its members (for further sale) and to others.

▪ **Marketing Businesses**

Engages in in the marketing or promotion of primary produce or provision of educational services to members.

▪ **Technical Service**

Any business offering technical assistance to producers, providing training and educational services or conducting research and development can register as a producer company.

▪ **Financing**

Provide finance to producer activities whether for production, marketing or research and development.

▪ **Infrastructure Business**

Provides infrastructure to producers in the form of electricity, water resources, irrigation techniques, land utilisation, or consultation with regard to the same.

❖ **Why Producer Companies**

Producer companies are good choice for collective of farmers aiming to achieve economies of scale. The following points merit attention

▪ **Limited Liability**

Being a company, a producer company enjoys separate legal existence. As such, liability of members is limited to their capital contribution and is not personally liable for the debts of the company.

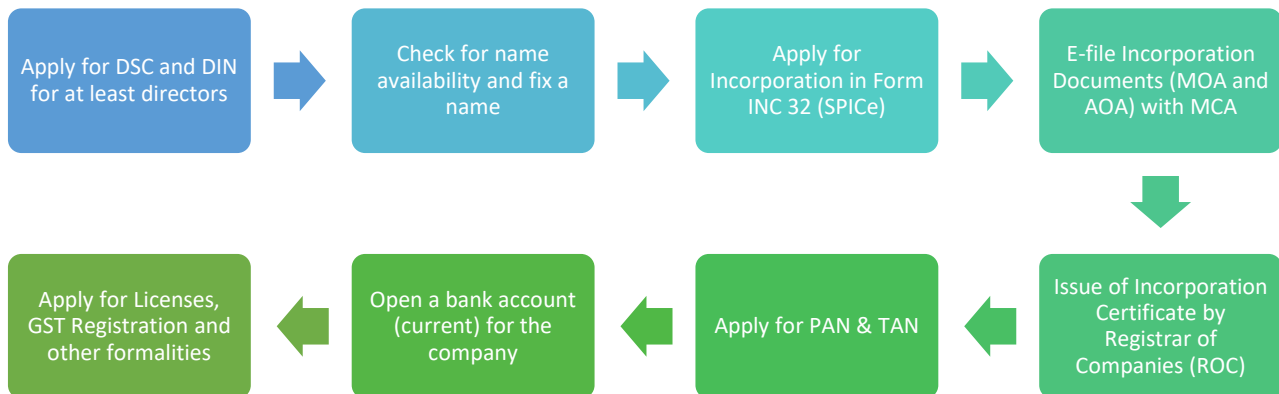
▪ **Economies of Scale**

With a producer company, multiple farmers can work as a collective and lower costs, reduce risk and even get access to better credit facilities. This enables better planning and bargaining power with buyers.

- **Efficient Management**

Rather than a single farmer managing the entire business, work within a producer company can be divided between its directors. The entity is managed by the Board of Management, which has tenure of five years. Also, a Producer company has a separate legal existence, which means that it isn't affected by the death of any of its members.

- ❖ **Incorporation Process Flow**



- To register a Producer Company in India, the following members in any of the combination is necessary:
 - Ten or more individuals, each of them being a producer; or
 - Two or more producer institutions; or
 - A combination of ten or more individuals and producer institutions
- The name of a producer company must end with the words “Producer Limited Company”

- ❖ **Documents Required**

- **For Directors and Shareholders**

- ✓ Scanned copy of PAN Card or Passport (Foreign Nationals & NRIs)
- ✓ Scanned copy of Voter's ID/Passport/Driver's License
- ✓ Scanned copy of Latest Bank Statement/Telephone or Mobile Bill/Electricity or Gas Bill
- ✓ Passport-size Photograph
- ✓ Specimen signature (blank document with signature [directors only])

Note: Any one of the directors must self-attest the first three documents. In case of foreign nationals and NRIs, all the documents must be notarised (if currently in India or a non-Commonwealth country) or apostilled (if in a Commonwealth country).

▪ **For Registered Office**

- ✓ Scanned copy of Latest Bank Statement/Telephone or Mobile Bill/Electricity or Gas Bill
- ✓ Scanned copy of Notarised Rental Agreement in English
- ✓ Scanned copy of No-objection Certificate from property owner
- ✓ Scanned copy of Sale Deed/Property Deed in English (in case of owned property)

Note: Your registered office need not be a commercial space; it can be your residence, too.

❖ **Expected Delivery Time – 36 Days**

