

**GOVERNMENT OF INDIA
MINISTRY OF COOPERATION**

**LOK SABHA
UNSTARRED QUESTION NO. 1518
TO BE ANSWERED ON 12/12/2023**

Functioning of BBSSL

† 1518 **SHRI SUNIL KUMAR SINGH:**

Will the Minister of COOPERATION (सहकारिता मंत्री) be pleased to state:

- (a) the types of membership in Bharatiya Beej Sahkari Samiti Limited (BBSSL);
- (b) the process fixed to become a member of BBSSL;
- (c) the benefits likely to be availed by the farmers and its members through BBSSL; and
- (d) whether there is any provision to distribute dividends to the members of BBSSL and if so, the details thereof?

ANSWER

THE MINISTER OF COOPERATION
सहकारिता मंत्री (SHRI AMIT SHAH)

(a) to (b): Ministry of Cooperation has set up Bhartiya Beej Sahkari Samiti Limited under the Multi-State Cooperative Societies (MSCS) Act, 2002. The BBSSL will undertake production, procurement & distribution of quality seeds under single brand through cooperative network to improve crop yield and develop a system for preservation and promotion of indigenous natural seeds. The BBSSL has provision of two kinds of members, as per details given below:

(i) Ordinary Members: The following shall be eligible to become ordinary member of the BBSSL:-

- a) Any multi-state co-operative society or any co-operative society;
- b) The National Co-operative Development Corporation (NCDC) established under the National Co-operative Development Corporation Act, 1962 (26 of 1962);
- c) Any other corporation owned or controlled by the Government;
- d) Such class or classes of persons or associations of persons as may be permitted by the Central Registrar having regard to the nature and activities of the Society.

No individual shall be eligible to become ordinary member of the BBSSL.

Ordinary members shall subscribe to share capital as per following classification of membership:-

- (i) **Class-1:** Co-operative organizations such as Indian Farmers Fertilizer Cooperative Limited (IFFCO), Krishak Bharti Co-operative Limited (KRIBHCO), National Agricultural Co-operative Marketing Federation of India Limited (NAFED), National Co-operative Development Corporation (NCDC) and National Dairy Development Board (NDDB) shall each purchase at least 5,00,000 shares of the face value of ₹1,000/- each;
- (ii) **Class-2:** A State level co-operative society, other than mentioned in sub-clause (i) shall subscribe at least 1000 shares of the face value of ₹1,000/- each;
- (iii) **Class-3:** A National co-operative society, other than mentioned in sub-clause (i) and a multi-state cooperative society, not designated as national cooperative society, shall purchase at least 500 shares of the face value of ₹1,000/- each;
- (iv) **Class-4:** A co-operative society, other than a State level or primary co-operative society, shall purchase at least 10 shares of the face value of ₹ 1,000/- each;
- (v) **Class-5:** A primary level co-operative society shall purchase one share of the face value of ₹ 1,000/-; and
- (vi) **Class-6:** Such class or classes of persons or associations of persons as may be permitted to become members under clause 7(1) (d) shall purchase at least 2 shares of the face value of ₹1,000/- each.

Value of shares shall be paid in full at one time and Share Certificate shall be issued on realization of the full amount of shares subscribed for.

(ii) Nominal or associate member: The Society may, in the interest of promotion of its business, admit any other person as nominal member or associate member in accordance with the provisions of the Multi-State Co-operative Societies Act on payment of a non-refundable fee of ₹1,00,000/- (Rupees One Lakh only).

Any company created or incorporated under the Companies Act/Producer Companies Act, except a Government Company, can only become an Associate or Nominal Member.

As per information provided by BBSSL, so far they have received 8,200 applications for membership under different classes from 27 States/UTs .

(c) : BBSSL, National Cooperative Seed Society will help in increasing the seed replacement rate, varietal replacement rate, ensuring the role of farmers in quality seed cultivation and seed variety trials, production and distribution of certified seeds with a single brand name, by utilizing the network of all levels of cooperatives. The availability of quality seeds will help in increasing agricultural productivity in strengthening food security and also increasing the income of the farmers.

This society will focus on production, testing, certification, procurement, processing, storage, branding, labelling and packaging of all three generations of seeds i.e breeder, foundation and certified through PACS by leveraging various schemes and policies of different ministries of Government of India in a focused manner through 'Whole Government Approach'. This will also help in achieving the goal of "Sahakar-se-Samriddhi" through the inclusive growth model of cooperatives where the members would benefit both by realization of better prices by production of quality seeds, higher production of crops by use of High Yielding Variety (HYV) seeds and also by dividend distributed out of the surplus generated by the society.

Further, BBSSL, will also provide final price of products to members by distributing upto 50% of net surplus as per scheme given in clause 54 as under:-

- i. Initial provisional price of the product(s) may be given to member(s) tentatively on the basis of prevailing market price of the product(s);
- ii. Net surplus shall be reckoned as the difference between the selling price and initial provisional price after deduction of all expenses incurred by the society on sale of such product(s);
- iii. The Society will endeavour to give up to 50% of net surplus to its member(s) for their product(s) as may be decided by the Board and the member may pass on such benefits to sourcing farmers; and
- iv. The final price of the product(s) payable to the member(s) shall be determined by the Board on the basis of initial provisional price plus the part of net surplus proposed to be paid under preceding sub-clause (iii).

(d): The provisions for the distribution of dividends to its members upto 20% outlined in Clause 55 and Clause 58. The details are given below:-

- i. The General Body on the recommendations of the Board may appropriate the balance of net profit shall aim to pay dividend to members on their paid up share capital upto 20 percent. However, if owing to shortfall in the undistributed net profit in a year, the dividend could not be paid at the specified rate, the General Body may decide a lesser rate on which the dividend shall be paid to members.
- ii. The dividend declared shall be paid to the member whose name stands as registered shareholder in the books of the Society on the last day of the co-operative year to which the dividend relates.
- iii. Any dividend remaining unclaimed for three years after having been declared may be forfeited by the Board and shall be carried to the Reserve Fund of the society.
- iv. Unpaid dividend shall be payable on application provided the same has not been forfeited.
- v. Dividend shall be proportionate to the amount paid on shares and the period in whole months for which the amount stood to the credit of the shareholder.
