

**GOVERNMENT OF INDIA  
MINISTRY OF COOPERATION**

**LOK SABHA  
UNSTARRED QUESTION NO. 2672  
TO BE ANSWERED ON 19/12/2023**

**Functioning of NCEL**

†2672. **DR. RAM SHANKAR KATHERIA:**

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

- (a) the various types of membership offered in the National Cooperative Exports Limited (NCEL);
- (b) whether the Government has prescribed any set process to acquire membership of the NCEL and if so, the details thereof; and
- (c) the details of the likely benefits to people on becoming members of the NCEL?

**ANSWER**

**THE MINISTER OF COOPERATION  
सहकारिता मंत्री (SHRI AMIT SHAH)**

(a) to (b): The Ministry of Cooperation has set up National Cooperative Exports Limited (NCEL) under the Multi-State Cooperative Societies (MSCS) Act, 2002. NCEL will provide a complete ecosystem for the promotion of exports mainly of agri commodities for the benefit of our farmers, in which India has a comparative advantage. All cooperative societies from the level of primary to apex, that are interested in exports, are eligible to become members. The NCEL has provision of two kinds of members, as per details given below:

**(i) Ordinary Members:** The following shall be eligible to become ordinary members of the NCEL: -

- a) Any multi-state co-operative society or any co-operative society registered or deemed to be registered under any law relating to co-operative societies for the time being in force in any State or UT;
- b) The National Co-operative Development Corporation (NCDC) established under the National Co-operative Development Corporation Act, 1962 (26 of 1962);

c) 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 an ordinary member of the NCEL.

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), Gujarat Co-operative Development Corporation (GCMMF); and National Co-operative Development Corporation (NCDC) shall each purchase at least 1,00,000 shares of the face value of ₹10,000/- each;
- (ii) **Class-2:** A State level or apex co-operative society, other than mentioned in sub-clause (i) shall purchase at least 1,000 shares of the face value of ₹10,000/- 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 a national cooperative society, shall purchase at least 500 shares of the face value of ₹10,000/- each;
- (iv) **Class-4:** A co-operative society, other than a State or primary co-operative society, shall purchase at least 10 shares of the face value of ₹ 10,000/- each;
- (v) **Class-5:** A primary co-operative society shall purchase one share of the face value of ₹ 10,000/-; 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) (e) of bye-laws of NCEL shall purchase at least 2 shares of the face value of ₹10,000/- each.

The value of shares shall be paid in full at one time and a 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 the promotion of its business, admit any person, including cooperative banks, as a 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).

Provided further that no company, except the company specified under section 25 (1) (g) of the Act, shall be eligible to become ordinary member of the Society.

As per information provided by NCEL, so far, they have received 3,794 applications for membership under different classes from 24 States/UTs. NCEL has so far got permission for exports of 14,92,800 MT non-Basmati White rice to 16 countries, 8,98,804 MT broken rice to 05 countries, 14,184 MT Wheat Grain, 5,326 MT Wheat Flour & 15,226 MT Maida/Semolina to 01 country and 50,000 MT sugar to 02 countries.

(c): National Cooperative Exports Limited (NCEL) will provide thrust to exports from cooperative sector by acting as an umbrella organization for carrying out and promoting exports. This will help in unlocking export potential of Indian cooperatives in global markets. This society will also help cooperatives in getting benefits of various export related schemes and policies of different ministries of Government of India in a focused manner through 'Whole of Government Approach.' This will also help in achieving the goal of "Sahkar-se-Samriddhi" through the inclusive growth model of cooperatives where the members would benefit both by realization of better prices through export of their goods and services and also by dividend distributed out of the surplus generated by the society.

The provisions for the distribution of dividends to its members is upto 20% as per Clause 55 and Clause 58 of bye-laws of NCEL. Further, NCEL, will also provide final price of products to members by distributing upto 50% of net surplus as per scheme given in clause 54 of its bye laws as under: -

- i. Initial 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 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 Pand
- iv. The final price of the product(s) payable to the member(s) shall be determined by the Board on the basis of initial price plus the part of net surplus proposed to be paid under preceding sub-clause (iii).

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