GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO. 3624
ANSWERED ON MONDAY, 10TH AUGUST 2026
SHRAVANA 19, 1948 (SAKA)

STRENGTHENING FARMER PRODUCER COMPANIES IN TAMIL NADU

3624. THIRU ARUN NEHRU :

Will the Minister of Corporate Affairs be pleased to state :

(a) the total number of Farmer Producer Companies (FPCs) incorporated in the agricultural districts of Tamil Nadu, with particular reference to the Perambalur Lok Sabha Constituency, during the financial year 2025-2026;
(b) whether the Government has noted significant compliance challenges faced by these rural FPCs regarding mandatory digital filings, maintaining statutory registers and conducting annual corporate audits, if so, the details thereof:
(c) the specific regulatory relaxations, compliance fee waivers or extended deadlines extended to agro-based producer companies operating in the economically backward and parched regions of Perambalur in Tamil Nadu;
(d) the total number of capacity-building awareness workshops conducted by the Registrar of Companies in Tamil Nadu to assist local maize and cotton farmers in managing corporate governance; and
(e) whether the Government proposes to simplify the statutory compliance and reporting framework for Farmer Producer Companies to encourage greater formalisation of farmer collectives and if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS; MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS

(SHRI HARSH MALHOTRA)

(a) During the financial year 2025-26, the total number of Farmer Producer Companies (FPCs) incorporated in the districts of Tamil Nadu are forty-nine (49) and no Farmer Producer Company was incorporated in Perambalur district during the said period. Constituency-wise data is not maintained.

(b) No such specific instances of compliance challenges have come to the notice of this Ministry.

(c) MCA administers the compliance framework under the Companies Act, 2013, through its e-Governance platform, MCA21, which facilitates statutory e-filings by companies (including Farmer Producer companies/ agro-based companies) and LLPs. As per section 378C(5) of the Companies Act, 2013 an FPC is deemed to be a private company. The Ministry has undertaken several steps to simplify corporate compliance requirements for all companies including Producer Companies. These steps include:-

i. **Allowing companies to conduct Annual General Meetings (AGMs) and Extraordinary General Meetings (EGMs) through Video Conferencing (VC) or Other Audio-Visual Means (OAVM).**

ii. **Producer companies are entitled for lesser penalties as per section 446B of Companies Act, 2013. As per Section 378C (5) of the Companies Act,2013, a Producer Company is deemed to be a private company under the Companies Act,2013. Relaxations have been provided to private companies under Companies Act,2013 which are also applicable to the Producer Companies. In addition to this, other relaxations offered to companies from time to time like extension of AGMs, relaxation on timelines for annual fillings, etc. are also applicable to Producer Companies.**

   The law does not require rural farmers to personally manage digital filings, statutory registers, or corporate audits. Instead, section 378W(1) mandates the appointment of a full-time, professional Chief Executive who must be an outsider and not a member-farmer. Under section 378W(5), this professional is legally responsible for maintaining the books, handling the audit process, and managing all legal and regulatory matters. Therefore, the statutory framework ensures that a professional personnel handles compliance and regulatory aspects.

iii. **FPCs are usually Small companies and Companies Act, 2013 provide for reduced compliance for all small companies such as:-**

   - **Abridged annual return prescribed for small companies.**

- **Zero fee is charged for incorporation of all companies with authorized capital up to Rs. 15 lakh or with up to 20 members for companies limited by guarantee.**

iv. As per section 378Z-O of the Companies Act,2013, any dispute relating to the formation, management, or business of a Producer Company, shall be settled by conciliation or arbitration under the Arbitration and Conciliation Act, 1996.

v. As per section 378D of the Companies Act,2013, in a case where the membership consists solely of individual Members, the voting rights shall be based on a single vote for every Member, irrespective of his shareholding or patronage of the Producer Company.

vi. The Ministry has introduced Companies Compliance Facilitation Scheme, 2026 (CCFS-2026) vide General Circular No. 01/2026 dated 24th February, 2026. Through this scheme Companies (including Farmer Producer Companies) can file pending Forms related to Annual Returns, Financial Statements, Auditor Appointments etc. by paying only 10% of applicable additional fees. The Scheme came into effect on 15 April 2026 and was originally valid up to 15 July 2026, and has been extended to 31 August 2026, to enable a larger number of companies to avail its benefits.

(d) No such workshop has been conducted by the Registrar of Companies.

(e) To further simplify the statutory compliance and reporting framework for farmer producer companies, amendments have been proposed in the Corporate Laws (Amendment) Bill, 2026, which includes proposal to amend Section 378P (Appointment of directors), Section 378Q (Vacation of office by directors), Section 378Y (Quorum), Section 378ZA (Annual general meetings), Section 378ZF (Internal Audit), Section 378ZM (Penalty for contravention) and Section 378ZS (Re-conversion of Producer Company to inter-State co-operative society).

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