MOFPI
MINISTRY OF FOOD PROCESSING INDUSTRIES
GOVERNMENT OF INDIA

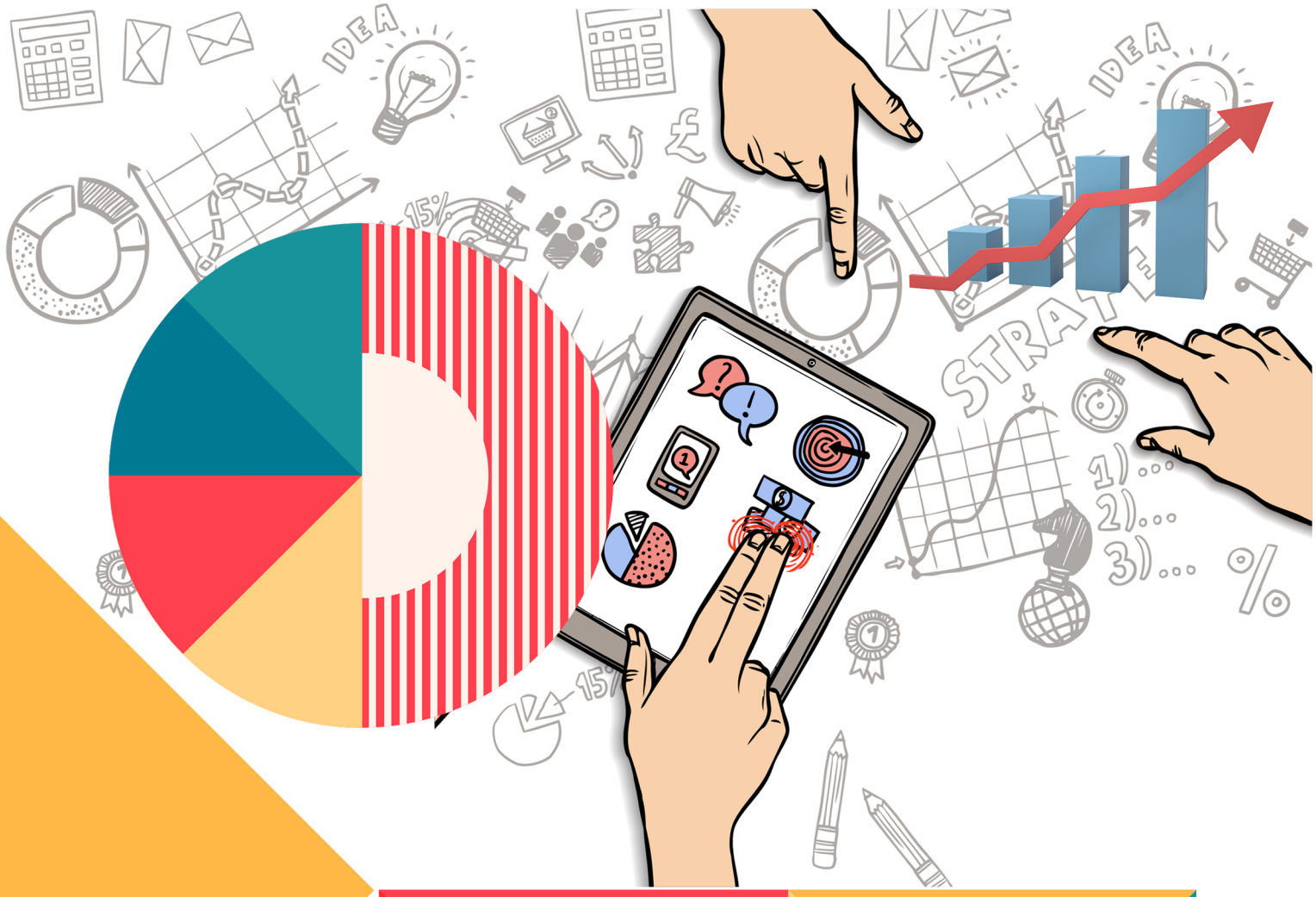
NIFTEM
KUNDLI

PMFME
सूक्ष्म उद्यमों का संबल

PM Formalisation of
Micro food processing Enterprises Scheme

HANDBOOK ON

Business Registration & Other Legal Compliances



Training Handbook on

Food Processing EDP Training for Credit Linked Subsidy Beneficiaries

Module 9:

Business Registration and Other Legal Compliances

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TABLE OF CONTENTS

Chapter	Page No.
Chapter 1: Legal aspects of business	
1.1 Udyam registration & portal	3
1.2 Companies Act, 2013	6
1.3 GST registration	9
1.4 Income tax/ PAN registration	14
1.5 Intellectual property rights (IPR)	15
1.6 Labor laws	22
1.7 Consumer Protection Act, 2019	28
Chapter 2: Pollution related compliances	
2.1 Environmental Laws – An Introduction	31
2.2 Consent to establish & consent to operate	33
2.3 Treatment of Industry Effluents	36
Chapter 3: Export - Import	
3.1 The Importer -Exporter Code (IEC)	48
3.2 Customs	51

CHAPTER 1

Legal Aspects of Business

1.1 Udyam Registration & Portal

1.1.1 Udyam Aadhar

On registration, an enterprise (referred to as "Udyam" in the Udyam Registration portal) will be assigned a permanent identity number to be known as "'Udyam Registration Number". An e-certificate, i.e. "Udyam Registration Certificate" shall be issued on completion of the registration process.

Any person who intends to establish a micro, small or medium enterprise may file Udyam Registration online in the Udyam Registration portal, based on self-declaration with no requirement to upload documents, papers, certificates or proof.

There will be no fee for filing Udyam Registration.

1.1.2 Classification of Enterprises

An enterprise shall be classified as a micro, small or medium enterprise on the basis of the following criteria, namely: --

i. A Micro enterprise: Where the investment in plant and machinery or equipment does not exceed one crore rupees and turnover does not exceed five crore rupees.
ii. A Small enterprise: Where the investment in plant and machinery or equipment does not exceed ten crore rupees and turnover does not exceed fifty crore rupees.
iii. A Medium enterprise: Where the investment in plant and machinery or equipment does not exceed fifty crore rupees and turnover does not exceed two hundred and fifty crore rupees.

1.1.3 Registration Process of Udhyam Aadhar

1) The form for registration shall be as provided in the Udyam Registration portal.
2) There will be no fee for filing Udyam Registration.
3) Aadhaar number shall be required for Udyam Registration.

4) The Aadhaar number shall be of the proprietor in the case of a proprietorship firm, of the managing partner in the case of a partnership firm and of a karta in the case of a Hindu Undivided Family (HUF).
5) In case of a Company or a Limited Liability Partnership or a Cooperative Society or a Society or a Trust, the organization or its authorized signatory shall provide its GSTIN and PAN along with its Aadhaar number.
6) In case an enterprise is duly registered as an Udyam with PAN, any deficiency of information for previous years when it did not have PAN shall be filled up on self-declaration basis.
7) No enterprise shall file more than one Udyam Registration: Provided that any number of activities including manufacturing or service or both may be specified or added in one Udyam Registration.
8) Whoever intentionally misrepresents or attempts to suppress the self-declared facts and figures appearing in the Udyam Registration or updation process shall be liable to such penalty as specified under section 27 of the Act.

Sample Udyam Application Form for reference -

http://udyamregistration.gov.in/docs/UdyamApplication.pdf

1.1.4 Registration of Existing Enterprises

1. All existing enterprises registered under EM–Part-II or UAM shall register again on the Udyam Registration portal on or after the 1st day of July, 2020.

2. All enterprises registered till 30th June, 2020, shall be reclassified in accordance with this notification.

3. The existing enterprises registered prior to 30th June,2020, shall continue to be valid only for a period up to the 31st day of December, 2021.

4. An enterprise registered with any other organisation under the Ministry of Micro, Small and Medium Enterprises shall register itself under Udyam Registration.

Udyam Registration Certificate

UDYAM REGISTRATION CERTIFICATE

TYPE OF ENTERPRISE	MICRO	MANUFACTURING
UDYAM REGISTRATION NUMBER	[redacted]	
NAME OF ENTERPRISE	[redacted]	

OFFICAL ADDRESS OF ENTERPRISE

Flat/Door/Block No.	[redacted]	Name of Premises/ Building	[redacted]
Village/Town	[redacted]	Block	-
Road/Street/Lane	[redacted]	City	Thane West
State	[redacted]	District	[redacted]
Mobile	[redacted]	Email	[redacted]

DATE OF INCORPORATION / REGISTRATION OF ENTERPRISE	01/07/2020
DATE OF COMMENCEMENT OF PRODUCTION/BUSINESS	06/07/2020

NATIONAL INDUSTRY CLASSIFICATION CODE(S)

SNo.	Nic 2 Digit	Nic 4 Digit	Nic 5 Digit	Activity
1	10 - Manufacture of food products	1030 - Processing and preserving of fruit and vegetables	10309 - Preservation of fruit and vegetables n.e.c.	Manufacturing

ACKNOWLEDGEMENT	06/07/2020

Disclaimer: This is computer generated statement, no signature required.
Printed form www.udyamregistration.gov.in

1.2 Companies Act 2013

1.2.1 Introduction

The Companies Act, 2013 has been notified in the Official Gazette on 30th August, 2013. The act was further amended and was called Companies (Amendment) Act, 2016

The Companies Act 2013 regulates the formation and functioning of corporations or companies in India. The first Companies Act after independence was passed in 1956, which governed business entities in the country. This Act was amended multiple times, and in 2013, major changes were introduced.

There are various types of business entities in India. They are:

- Private limited company
- Unlimited company
- Public limited company
- Sole proprietorship
- Partnership
- Joint Hindu family business
- Cooperatives
- Limited liability partnerships

A company may be formed for any lawful purpose by—

(a) seven or more persons, where the company to be formed is to be a public company;

(b) two or more persons, where the company to be formed is to be a private company; or

(c) one person, where the company to be formed is to be One Person Company that is to say, a private company,

by subscribing their names or his name to a memorandum and complying with the requirements of Companies Act in respect of registration.

1.2.2 Some Features of Companies Act 2013[1]:

1. The concept of One-person company was introduced. Section 2(62) of Companies Act defines a one-person company as a company that has only one person as to its member.
2. Section 2(68) of Companies Act, 2013 defines "private company" means a company having a minimum paid-up share capital as may be prescribed, and which by its articles,—
   (i) restricts the right to transfer its shares;
   (ii) except in case of One Person Company, limits the number of its members to two hundred.
3. "Producer Company" means a body corporate having objects or activities specified in section 378B* and registered as Producer Company under this Act or under the Companies Act, 1956;

*378B Objects of Producer Company:

(1) The objects of the Producer Company shall relate to all or any of the following matters, namely:—

"(a) production, harvesting, procurement, grading, pooling, handling, marketing, selling, export of primary produce of the Members or import of goods or services for their benefit: Provided that the Producer Company may carry on any of the activities specified in this clause either by itself or through other institution;

(b) processing including preserving, drying, distilling, brewing, vinting, canning and packaging of produce of its Members;

(c) manufacture, sale or supply of machinery, equipment or consumables mainly to its Members;

(d) providing education on the mutual assistance principles to its Members and others;

(e) rendering technical services, consultancy services, training, research and development and all other activities for the promotion of the interests of its Members;

(f) generation, transmission and distribution of power, revitalisation of land and water resources, their use, conservation and communications relatable to primary produce;

(g) insurance of producers or their primary produce;

[1] Source - https://www.mca.gov.in/content/mca/global/en/acts-rules/ebooks/acts.html?act=NTk2MQ==

(h) promoting techniques of mutuality and mutual assistance;

(i) welfare measures or facilities for the benefit of Members as may be decided by the Board;

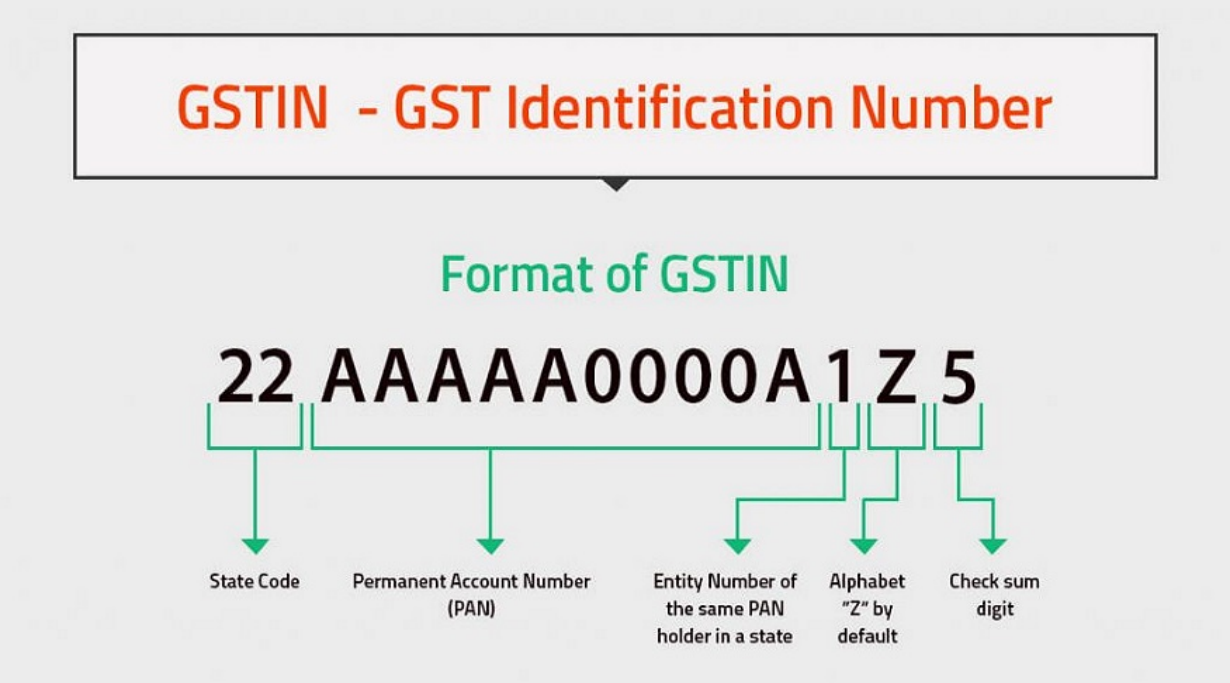
(j) any other activity, ancillary or incidental to any of the activities referred to in clauses (a) to (i) or other activities which may promote the principles of mutuality and mutual assistance amongst the Members in any other manner;

(k) financing of procurement, processing, marketing or other activities specified in clauses (a) to (j) which include extending of credit facilities or any other financial services to its Members."

1.3 GST Registration

1.3.1 Introduction

GST Registration of a business with the tax authorities implies obtaining a unique, 15-digit Goods and Service Tax Identification Number (GSTIN) from the GST authorities so that all the operations of and the data relating to the business can be collected and correlated. In any tax system this is the most fundamental requirement for identification of the business for tax purposes or for having any compliance verification program.



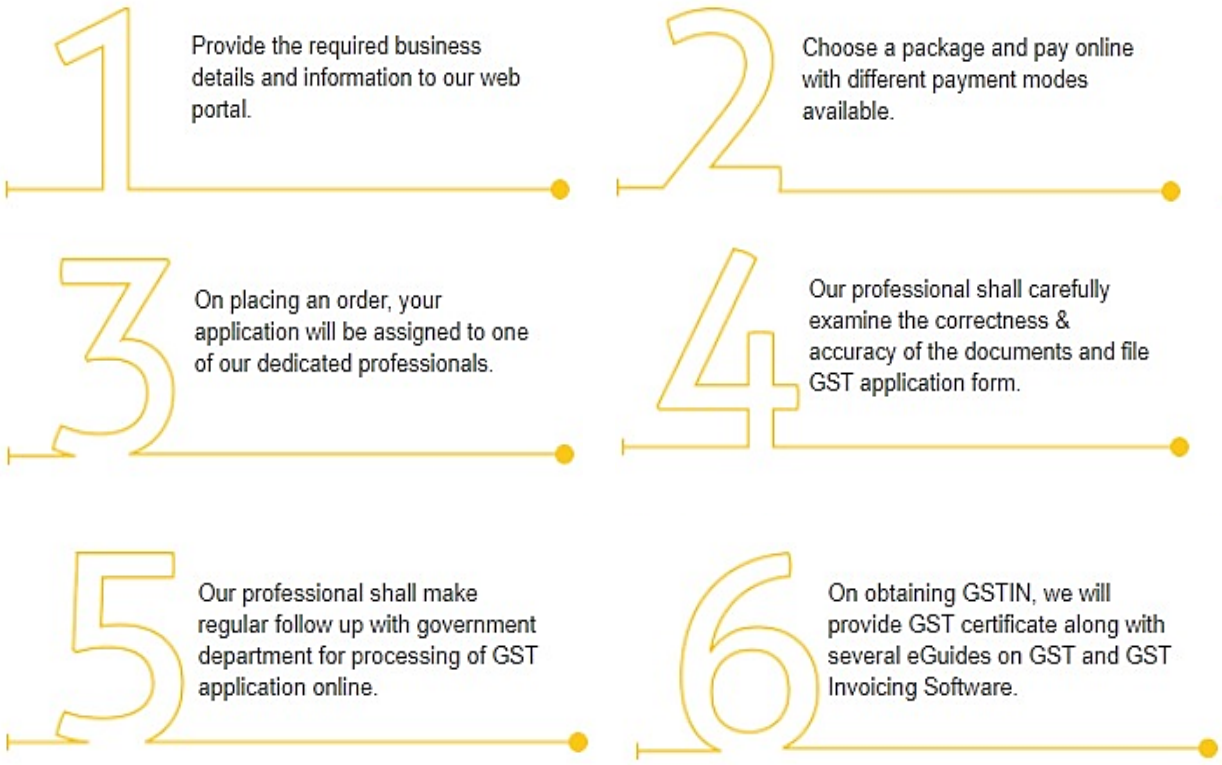
The registration in GST is PAN based and State specific. A given PAN based legal entity would have one GSTIN per State, that means a business entity having its branches in multiple States will have to take separate State wise registration for the branches in different States. Further a unit in SEZ (Special Economic Zone) or a SEZ developer needs to necessarily obtain separate registration.

- Generally, the liability to register under GST arises when you are a supplier within the meaning of the term, and also if your aggregate turn over in the financial year is above the exemption threshold of 20 lakh rupees (10 lakh rupees in special category states except J & K). However, the GST law enlists

certain categories of suppliers who are required to get compulsory registration irrespective of their turnover that is to say, the threshold exemption of 20 lakh rupees or 10 lakh rupees as the case may be is not available to them. Some of such suppliers who need to register compulsorily irrespective of the size of their turnover are those who are, - Inter-state suppliers; however, persons making inter-state supplies of taxable services and having an aggregate turnover, to be computed on all India basis, not exceeding an amount of twenty lakh rupees (ten lakh rupees for special category States except J & K) are exempted from obtaining registration vide Notification No. 10/2017-Integrated Tax dated 13.10.2017.

- A person receiving supplies on which tax is payable by recipient on reverse charge basis.
- Casual taxable person who is not having fixed place of business in the State or Union Territory from where he wants to make supply. However casual taxable persons making supplies of specified handicraft goods need not take compulsory registration and are entitled to the threshold exemption of Rs. 20 Lakh. Handicraft goods are specified in Notification no. 33/2017-Central Tax dated 15.09.2017 as amended by Notification no. 38/2017-Central Tax dated 13.10.2017.
- Non-resident taxable persons who is not having fixed place of business in India.
- A person who supplies on behalf of some other taxable person (i.e. an Agent of some Principal).
- E-commerce operators, who provide platform to the suppliers to make supply through it.
- Suppliers of goods who supply through such e-commerce operator who are liable to collect tax at source. Persons supplying services through e-commerce operators need not take compulsory registration and are entitled to avail the threshold exemption of Rs. 20 Lakh as per Notification No. 65/2017-Central tax dated 15.11.2017.

- Those ecommerce operators who are notified as liable for GST payment under Section 9(5) of the CGST Act, 2017.
- TDS Deductor.
- Input service distributor.
- Those supplying online information and data base access or retrieval services from outside India to a non-registered person in India.



1.3.2 GST Registration Documents List

The following documents are required to obtain GST registration depending on the types of business or constitution.(Individual/Company etc.)

S. No.	Category of Persons	Documents Required for GST Registration
1.	Sole proprietor / Individual	• PAN card of the owner • Aadhar card of the owner • Photograph of the owner (in JPEG format, maximum size – 100 KB) • Bank account details. • Address proof.
2.	Partnership firm (including LLP)	• PAN card of all partners (including managing partner and authorized signatory). • Copy of partnership deed • Photograph of all partners and authorised signatories (in JPEG format, maximum size – 100 KB) • Address proof of partners (Passport, driving license, Voters identity card, Aadhar card etc.) • Aadhar card of authorised signatory • Proof of appointment of authorized signatory • In the case of LLP, registration certificate / Board resolution of LLP • Bank account details. • Address proof of principal place of business.
3.	HUF	• PAN card of HUF. • PAN card and Aadhar card of Karta.

		• Photograph of the owner (in JPEG format, maximum size – 100 KB). • Bank account details. • Address proof of principal place of business.
4.	Company (Public and Private) (Indian and foreign)	• PAN card of Company. • Certificate of incorporation given by Ministry of Corporate Affairs. • Memorandum of Association / Articles of Association. • PAN card and Aadhar card of authorized signatory. The authorised signatory must be an Indian even in case of foreign company's/branch registration. • PAN card and address proof of all directors of the Company. • Photograph of all directors and authorised signatory (in JPEG format, maximum size – 100 KB). • Board resolution appointing authorised signatory / Any other proof of appointment of authorised signatory (in JPEG format / PDF format, maximum size – 100 KB). • Bank account details. • Address proof of principal place of business.

- Consent letter / NOC from the owner (in case of consent arrangement or shared property) – To be submitted along with (1), (2) or (3).

1.4 Income Tax

Income Tax is a direct tax that is charged on an individual's or entity's income. The tax is calculated on the next taxable income of the entity based on the income slabs which are pre-defined by the IT Department. For the Business Purposes, File ITR-4 (Sugam) is followed.[2]

Overview of the File ITR-4 (Sugam)

The pre-filling and filing of ITR-4 service is available to registered users on the e-Filing portal and through accessing offline utility. This service enables individual taxpayers, HUFs, and firms (other than LLPs) to file ITR-4 online through e-Filing portal.

Prerequisites for availing this service

a. General

- Registered user on the e-Filing portal with valid user ID and password
- Status of PAN is active

b. Others

- Link PAN and Aadhaar (Individual taxpayers).
- Pre-validate at least one bank account and nominate it for refund (recommended).
- Valid mobile number linked with Aadhaar / e-Filing portal / your bank / NSDL / CDSL (for e-Verification).
- Download the offline utility or avail a third-party software (If using offline mode).

Form at a Glance

ITR-4 has six sections that you need to fill before submitting the form in online mode and a preview page where you can validate all your details filled. The sections are as follows:

- Personal Information
- Gross Total Income
- Disclosures
- Total Deductions
- Taxes Paid
- Total Tax Liability

[2] Source: https://www.incometax.gov.in/iec/foportal/

1.5 Intellectual Property Rights (IPR)

What are Intellectual Property Rights?

Intellectual property rights is a collective term used for following independent IP rights which can be collectively used for protecting different aspects of an inventive work and are classified as:-

- Patents
- Copyrights
- Trademarks
- Industrial design
- Protection of Integrated Circuits layout design,
- Geographical indications, and
- Biodiversity
- Plant varieties

Once granted, Intellectual Property rights allow the creator(s) or owner(s) {individuals, enterprises or other entities} of the intellectual property to exclude others from exploiting the same commercially for a given period of time.

Any industry requires innovation to survive and to remain productive in the market, and the food industry is no exception to this. In the modern day, not only food but the science and technology behind it also matters. From the old-age techniques of brewing and baking to the more recent biodegradable packaging techniques, the food industry is growing continually to keep up with consumer expectation for nutritious and safer food. If 'cooking is an art', then to protect it one needs IPR (Intellectual property rights) protection. In the food industry, IPR extends from contents and recipes to advertising and branding of the product.

Patents

The Indian Patents Act, 1970 provides patent protection in India. Patents are granted by the Government, for the commercial exploitation of an invention for a specific period of time in consideration of the disclosure of the invention so that on expiry of the terms of the patent the information can benefit the public at large.

The types of the patents which are relevant in the food industry are utility patents. They are obtained for a food recipe, food composition, or cooking techniques. To get a utility patent, the following criteria must be satisfied and the duration of a utility patent is 20 years.

- It should be novel/original creation (has not been there in previous patents).
- It should be non-obvious creation which means that it has a technical step and without using it, someone skilled also cannot make it by merely using the ingredients.
- It should have utility value i.e. it must be useful or have application in industry.

Novelty is crucial for Patent protection. A novel invention is one, which has not been disclosed, before the date on which the application is first filed i.e. the 'priority date' Usually, the novelty is lost by:

- prior publication;
- prior public use;
- prior claiming (if it has been claimed in an earlier specification.)

However, Section 31 and 32 provide that if the disclosure is before a scientific body or an exhibition notified by the Union Government, then, within twelve months from such publication or display, a patent application can be made.

Patent filing & Prosecution

1. Patent Search
    - Patentability and Novelty Search
    - Invalidation/Validation Search

- FTO/Clearance/Non Infringement/Right to Use Search
- Claim Mapping/Infringement Search/Opinion
- Knock out search

2. Patent Drafting
3. Patent Filing & Prosecution
4. Office Action Response
5. Patent Annuity Payments
6. Working of Patented Inventions
7. Compulsory Licensing

Documents required for filing patent application[3]:

A patent application should contain the following:

1. Application for grant of patent in **Form-1**.
2. **A proof of right** is required from the inventor(s) by way of endorsement in the appropriate paragraph of Form-1 or as an assignment from inventor(s) in favour of applicant(s), duly
3. authenticated, irrespective of whether the application is a Convention or National Phase application. Accordingly, it shall be filed within 6 months from the date of filing of the application in India.
4. Provisional/complete specification in **Form-2**.

   Statement and undertaking under Section 8 (1) in **Form-3**: An applicant must file **information and undertaking regarding foreign applications in Form 3**, either along with the application or within 6 months from the date of application. The applicant is also required to keep the controller informed regarding every application relating to same or substantially same invention, if any filed in any country outside India subsequently, within six months from the date of filing of such application.

[3] Source: https://ipindia.gov.in/writereaddata/Portal/Images/pdf/Manual_for_Patent_Office_Practice_and_Procedure_.pdf

5. **Declaration as to inventorship shall be filed in Form-5** along with the complete specification where the complete specification is filed after provisional specification, and also, where the application is either a convention application or national phase application filed in India under PCT. However, the Controller may allow Form-5 to be filed within one month from the date of filing of complete specification, if a request is made to the Controller in Form-4.
6. **If an applicant is MSME/Startup, Form 28** accompanied with appropriate evidence in accordance with rule Rule 2 (fa)/ 2(fb) respectively shall be submitted. In the case of "**small entity or startup**", every document for which fee has been specified, shall be accompanied by Form-28.
7. **Form of Authorisation**: Authorisation of an agent shall be filed in Form 26 or in the form of a power of attorney within a period of three months from the date of filing of such application or document, failing which no action shall be taken on such application or documents for further processing till such deficiency is removed. In case a general power of attorney has already been filed in another application, a self-attested copy of the same shall be filed by the authorized Patent Agent.
8. **Priority document** is required in the following cases:
    a. Convention Application (under Paris Convention).
    b. PCT National Phase Application wherein requirements of Rule 17.1 (a or b) of regulations made under the PCT have not been fulfilled.

    A priority document shall be filed along with PCT National phase application before the expiry of 31 months from the date of priority.
9. Every application shall bear the **signature of the applicant or authorized person/patent agent** along with name and date in the appropriate space provided in the forms. The specification shall be signed by the applicant or his authorized patent agent with date on the last page of the claims contained in the Specification. Drawing sheets should bear the signature of an applicant or his authorized patent agent in the right hand bottom corner Where the documents have been digitally signed by the Applicant/Patent Agent, there will be no requirement of physical signature of the agent or applicant.

Comprehensive E-filing:

E-filing Portal of the Patent Office, available in the official website of Controller General of Patents, Designs & Trade Marks (www.ipindia.nic.in), provides comprehensive platform for online submission of patent application and subsequent forms in a secure and authenticated electronic way. Authentication of filing is done via a digital signature which the applicant or his agent must procure as Digital Signature Certificate (DSC) of class II or III from authorized vendors. Online payment of fees can be made through a payment gateway with all the prevalent major modes of payment like Net banking, Credit Cards, Debit Cards and Unified Payments Interface (UPI). The e-filing portal provides flexibility to applicants or their authorized agents to work from their premises on 24x7 basis, even on holidays.
(https://ipindiaonline.gov.in/epatentfiling/goForLogin/doLogin)

Trademarks

Legally registered word, symbol, logo, or their combination which helps in identifying and differentiating products/goods and services of one company or party from another's goods/services is known as a trademark. Trademark includes not just the name, packaging, symbol but also the history and reputation of the brand or the product, thus implying quality. Trademark plays an important role in consumer's choice and purchase decisions by acting as a binding factor. The Trademarks Act, 1999 (TMA) protects the trademarks and their infringement

For trademark registration, you need to find a logo, word (s), or symbol which should be unique (generic and common should not be considered) and should not have been filed by anyone else. Trademark search (online and offline) should be done for this purpose. A trademark attorney should be hired for furthering of the registration process.

The Act protects a trademark for goods or services, on the basis of either use or registration or on the basis of both elements. A registration of a trademark is always granted only for

a limited period of time, but it is renewable without restriction in time. Therefore, a trademark may be protected indefinitely. The TMA protects the following as trademarks:

- Any name (including personal or surname of the applicant or predecessor in business or the signature of the person), which is not unusual for trade to adopt as a mark.
- An invented word or any arbitrary dictionary word or words, not being directly descriptive of the character or quality of the goods/service.
- Letters or numerals or any combination thereof.
- Devices, including fancy devices or symbols
- Monograms
- Combination of colours or even a single colour in combination with a word or device
- Shape of goods or their packaging
- Marks constituting a 3- dimensional sign.
- Sound marks when represented in conventional notation or described in words by being graphically represented.

Trademark filing & Prosecution

- Trademark Search
- Trademark Classes & Classification
- Clearance of title
- Trademark Application Filing
- Trademark Prosecution
- Report to objection and examination report
- Trademark Registration
- Trademark Renewal
- Trademark Restoration
- Trademark Removal
- Trademark Rectification

First Schedule:- Trade Mark Rules 2017

Entry No	On what payable	Amount in INR.		Corresponding Form Number
		For Physical filing	For E-filing	
1	Application for registration of a trademark /collective Marks / Certification Mark / Series of trademark for specification of goods or services included in one or more than one classes.			TM-A (287 KB)
	Where the applicant is an Individual / Startup/Small Enterprise	5,000	4,500	
	In all other cases **(Note: Fee is for each class and for each mark)**	10,000	9,000	
2	On a notice of opposition under section 21(1), 64, 66 or 73 or application for rectification of register under section 47 to 57, 68, 77 or application under rule 99, 103, 135,140 or On application under section 25 of Geographical Indication of Goods (Regulations and Protection) Act, 1999 to invalidate a trademark or counter statement related thereto. **(Note: Fee is for each class opposed or counterstatement filed)**	3,000	2,700	TM-O (49 KB)

Trademark e-filing - https://ipindia.gov.in/guidelines-tm.htm

Copyright

Copyright is exclusive protection granted to creators for their work. In food industry, copyrights are difficult to obtain as it is difficult to prove who is the first and original creator, therefore recipes do not have copyright protection. But cookbooks and digital content (blogs, website, design) can have copyright protection. The Indian Copyright Act, 1957 protects the copyright and related rights of their owners.

Copyright filing & Prosecution

- Copyright Filing and Prosecution
- Post registration recordal service

Trade Secret

A trade secret in the food industry is knowledge (formula, recipe, practice, etc.) which is usually unknown to the public at large and which bestows an economic advantage to its holder. Trade secrets do not expire but they can be lost, if discovered or released/revealed.

Patents offer more protection than trade secrets; however, there are examples where without patent, companies have been able to protect their formula/recipe.

Design Rights

Design rights apply to the exterior appearance (shape, pattern, configuration, etc.) of a product or its parts granting the holder the right to make, sell, and use it.

To obtain design rights, below conditions must be satisfied:

- The design should be fresh, new/original.
- The design should be applicable to an article.
- The design should be non-obvious.
- There should be no earlier disclosure of the design
- Design rights last for 10 years and can be renewed for 5 years.

An application/petition for registration of design, extension of copyright, cancellation of registration and rectification of register may be filed at any of the four Patent Offices. However, the Patent Offices located at Delhi, Mumbai and Chennai transmit such applications to the Patent Office, Kolkata for further processing and prosecution.

India has a huge diversity in food, its preparation, techniques ranging from North to South and East to West, and yet we are not much aware of how to protect our heritage. With the entry of multinational food eateries in India, the danger of domination exists. To avoid this to happen, we need more understanding regarding IPR in the food industry.

1.6 Labour Laws

Labour law also known as employment law is the body of laws, administrative rulings, and precedents which address the legal rights of, and restrictions on, working people and their organizations. As such, it mediates many aspects of the relationship between trade

unions, employers and employees. In other words, Labour law defines the rights and obligations as workers, union members and employers in the workplace.

So, what are Labour Laws all about? Do they apply for my business?

Labour laws covers:

- **Industrial relations** – certification of unions, labour-management relations, collective bargaining and unfair labour practices;
- **Workplace health and safety**;
- **Employment standards**, including general holidays, annual leave, working hours, unfair dismissals, minimum wage, layoff procedures and severance pay.

There are two broad categories of labour law:

01 First, collective labour law relates to the tripartite relationship between employee, employer and union.

02 Second, individual labour law concerns employees' rights at work and through the contract for work.

So, what are major laws that govern food processing enterprises?

Laws related to **Industrial Relations** such as:

Trade Unions Act, 1926

A trade union is an organised group of workers who strive to help the workers on issues relating to the fairness of pay, good working environment, hours of work, and other benefits that they should be entitled to instead of their labour. They act as a link between the management and the workers.

These are the components of a trade union:

- There must be a combination of employers and workers in a union;
- The business trade is necessary, and
- The primary goal of the union must be to control employer-employee interactions and establish limitations on how any trade or company may be conducted.

Industrial Disputes Act, 1947

The Act was enacted to make provisions for the prevention and settlement of industrial disputes and for providing certain safeguards to the workers. The act aims to minimise the conflicts between labour and management by ensuring possible economic and social justice.

Laws related to **Wages** such as:

Payment of Wages Act, 1936

Applicability of Payment of Wages Act

As per section 1(6) of the Payment of Wages Act, the wages averaging less than INR 6,500 per month are covered and protected by the Act. Further, the Act is applicable to the payment of wages to persons employed in factories, upon railways, or in other establishment as specified in the Payment of Wages Act.

Payment of Bonus Act, 1965

- The Act extended to the entire country and is implemented to all industries and establishments in which there were 20 or more persons are employed on any day throughout an accounting year.
- Also, the act is applicable to the factories where there are less than 20 workers, but not less than 10 workers were there in number.
- All the employees of the organization are under the preview of the act unskilled, skilled, manual, supervisory, administrative, managerial, technical or clerical work for hire or reward and whether the terms of employment are express or implied the act extended on each and every worker.

Eligibility criteria of the Payment of Bonus Act, 1965

The Bonus Act is relevant for workers who draw wages/salary which is up-to 10,000/- per month. Also, only those workers are authorized for availing the bonus, who has served for at least 30 working days or more in an accounting year.

Rate of Bonuses under the Payment of Bonus Act, 1965

The rate of bonus under the Bonus act accounted for 8.33% of the salary or wages of the employees in a year or Rs. 100, whichever is higher.

In case the allowed bonus exceeds the expense of provision then the employer shall pay a maximum bonus. This must not surpass 20% of the salary or wages accounted for by employees.

Laws related to **Working Hours, Conditions of Service and Employment**
such as:

Factories Act, 1948

The three main components of welfare measures are occupational health care, appropriate working hours, and appropriate remuneration.

According to Sec 2(m), "factory" means any premises including the precincts thereof—

(i) whereon ten or more workers are working or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of power, or is ordinarily so carried on, or

(ii) whereon twenty or more workers are working or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on without the aid of power, or is ordinarily so carried on.

The major goal of the Factories Act of 1948 is to establish adequate safety measures and to enhance the health and welfare of workers employed in a factory. The Act also protects workers from various industrial and occupational hazards.

Objective of the Act

- To ensure adequate safety measures and to promote the health and welfare of the workers employed in factories.
- To prevent haphazard growth of factories through the provisions related to the approval of plans before the creation of a factory.

Applicability of the Act

- Applicable to the whole of India including Jammu & Kashmir.
- Covers all manufacturing processes and establishments falling within the definition of 'factory'.
- Applicable to all factories using power and employing 10 or more workers, and if not using power, employing 20 or more workers on any day of the preceding 12 months.

The Act consists of 120 Sections and 3 Schedules.
Schedule 1 contains list of industries involving hazardous processes
Schedule 2 is about permissible level of certain chemical substances in work environment.
Schedule 3 consists of list of notifiable diseases.

Some of the Important provisions the Act

Facilities and Conveniences - The factory should be kept clean. [Section 11]. There should be arrangement to dispose of wastes and effluents. [Section 12]. Ventilation should be adequate. Reasonable temperature for comfort of employees should be maintained. [Section 13]. Dust and fumes should be controlled below permissible limits. [Section 14]. Artificial humidification should be at prescribed standard level. [Section 15]. Overcrowding should be avoided. [Section 16]. Adequate lighting, drinking water, latrines, urinals and spittoons should be provided. [Sections 17 to 19]. Adequate spittoons should be provided. [Section 20].

Employment of Women - A woman worker cannot be employed beyond the hours 6 a.m. to 7.00 pm. State Government can grant exemption to any factory or group or class of factories, but no woman can be permitted to work during 10 PM to 5 AM. Shift change can be only after weekly or other holiday and not in between. [Section 66].

Laws related to **Equality and Empowerment of Women** such as:

1. Maternity Benefit Act, 1961
2. Equal Remuneration Act, 1976

Apprentices Act, 1961

The main purpose of the Act is to provide practical training to technically qualified persons in various trades. The objective is promotion of new skilled manpower. The scheme is also extended to engineers and diploma holders.

The Act applies to areas and industries as notified by Central government. [Section 1(4)].

Obligation of Employer:

- Every employer is under obligation to provide the apprentice with the training in his trade in accordance with the provisions of this Act and the rules made there under.
- If the employer is not himself qualified in the trade, he has to ensure that a person who possesses the prescribed qualification is placed in charge of the training of the apprentice.
- Every employer has to provide adequate instructional staff, possessing such qualifications as may be prescribed for imparting practical and theoretical training and facilities for trade test of apprentices;
- Every employer is under obligation to take apprentices in prescribed ratio of the skilled workers in his employment in different trades. [Section 11].

- In every trade, there will be reserved places for scheduled castes and schedules tribes. [Section 3A]. Ratio of trade apprentices to workers shall be determined by Central Government.
- Employer can engage more number of apprentices than prescribed minimum. [Section 8(1)].
- The employer has to make arrangements for practical training of apprentice [Section 9(1)].
- Employer will pay stipends to apprentices at prescribed rates. If the employees are less than 250, 50% of cost is shared by Government. If employer is employing more than 250 workers, he has to bear full cost of training.

1.7 Consumer Protection Act, 2019

1.7.1 Introduction:

Consumer Protection Act, 1986 was an Act by the Parliament of India to provide for better protection of the interests of consumers. It made provision for the establishment of consumer councils and other authorities for the settlement of consumers' disputes. It imposed strict liability on manufacturers and service providers in case of faulty goods or deficient services. It was replaced by the Consumer Protection Act, 2019.

On July 23, 2020, the Ministry of Consumer Affairs, Food, and Public Distribution has notified the Consumer Protection (E-Commerce) Rules, 2020 under the Consumer Protection Act, 2019 (“Act”), with an aim to prevent unfair trade practices in e-commerce and protect interests and rights of consumers.

1.7.2 Key features for Food Business Operators[4]:

1. Inclusion of ‘food’ in the definition of goods. As per section 2(21), "goods" means every kind of movable property and includes "food" as defined in clause (j) of sub-section (1) of section 3 of the Food Safety and Standards Act, 2006;

[4] Source - https://consumeraffairs.nic.in/acts-and-rules/consumer-protection

2. The provisions of the act are applicable to the product manufacturers, product sellers as defined.

"product manufacturer" means a person who—

(i) makes any product or parts thereof; or

(ii) assembles parts thereof made by others; or

(iii) puts or causes to be put his own mark on any products made by any other person; or

(iv) makes a product and sells, distributes, leases, installs, prepares, packages, labels, markets, repairs, maintains such product or is otherwise involved in placing such product for commercial purpose; or

(v) designs, produces, fabricates, constructs or re-manufactures any product before its sale; or

(vi) being a product seller of a product, is also a manufacturer of such Product

"product seller", in relation to a product, means a person who, in the course of business, imports, sells, distributes, leases, installs, prepares, packages, labels, markets, repairs, maintains, or otherwise is involved in placing such product for commercial purpose and includes—

(i) a manufacturer who is also a product seller; or

(ii) a service provider,

3. Section 6 (82) provides applicability of the act with respect to the product liability. This Chapter shall apply to every claim for compensation under a product liability action by a complainant for any harm caused by a defective product manufactured by a product manufacturer or serviced by a product service provider or sold by a product seller.

A product liability action may be brought by a complainant against a product manufacturer or a product service provider or a product seller, as the case may be, for any harm caused to him on account of a defective product.

CHAPTER 2

Pollution Related Compliances

2.1 Environmental Laws – An Introduction

Environmental laws are an important part of any governance body. It comprises a set of laws and regulations concerning air quality, water quality, and other aspects of the environment.

The detailed and developed framework for environmental protection came after the UN conference on Human Environment in Stockholm, in 1972. This led to the formation of the National Council for Environmental Policy and Planning in 1972 within the science and technology department. This was set up to establish a regulatory body for the overview of the environmental-related issues and concerns. This council was later converted to the Ministry of Environment and Forests. The government of India has made numerous acts to protect the environment and biodiversity.

2.1.1 The Water (Prevention and Control of Pollution) Act, 1974

Objective: To provide prevention and control of water pollution. Maintaining or restoring of wholesomeness and purity of water in the various sources of water.

- It vests regulatory authority in Centre Pollution Control Boards (CPCB) and State Pollution Control Board (SPCB).
- CPCB and SPSB are statutory bodies created under the Water Act, 1974. It empowers CPCB and SPCB to establish and enforce effluent standards for factories discharging pollutants into water bodies.
- CPCB performs these same functions for union territories along with formulating policies related to the prevention of water pollution and coordinating activities of different SPSBs.
- SPCB controls sewage and industrial effluent discharge by approving, rejecting, and granting consent to discharge.

The detailed discussion on treatment of industry effluents specific to food industry has been covered in 2.3 in this chapter.

2.1.2 The Air (prevention and control of pollution) act, 1981

The act targets to control and prevent air pollution in India and its main objectives are:

- To provide for prevention, control, and abatement of air pollution.
- To provide for the establishment of the boards at the central and state levels to implement the act.
- CPCB and SPCB were given the responsibility.

It states that the sources of air pollution such as internal combustion engines, industry, vehicles, power plants, etc., are not permitted to release particulate matter, lead, carbon monoxide, sulfur dioxide, nitrogen oxide, volatile organic compounds (VOCs), or other toxic substances beyond the predetermined limit. It empowers the state government to designate air pollution areas.

2.1.3 The National Green Tribunal (NGT) Act, 2010

It was established in concurrence to Rio Summit 1992 to provide judicial and administrative remedies for the victims of the pollutants and other environmental damage.

It also agrees with article 21, the Right to a healthy environment to its citizens of the constitution. The NGT has to dispose of the cases presented to it within 6 months of their appeals. NGT has original jurisdiction on matters related to substantial questions of the environment.

NGT deals with the civil cases under the 7 acts related to the environment:

- Water (Prevention And Control Of Pollution) Act, 1974
- Water (Prevention And Control Of Pollution) Cess Act, 1974
- Air (Prevention And Control Of Pollution) Act, 1977
- Forest Conservation Act, 1980
- Environmental Protection Act, 1986
- Public Liability Insurance Act 1991
- Biological Diversity Act, 2002

2.2 Consent to Operate and Consent to Establish

2.2.1 Introduction

Presently, It's a big challenge for an entrepreneur to establish a new manufacturing business with a requirement of many approvals from government authorities. One of the major requirements is to obtain the Consent from the State Pollution Control Board.

The new units are under compulsion to obtain consent under the Water (Prevention & Control of Pollution) Act, 1974 and Air (Prevention & Control of Pollution) Act, 1981 even before starting subsequent production. If any hazardous incident happened naturally then it can be claimed under the Water (Prevention & Control of Pollution) Act, 1974, Air (Prevention & Control of Pollution) Act, 1981.

2.2.2 Types of Consent

Under the provisions of the Water (Prevention & Control of Pollution) Act, 1974 and Air (Prevention & Control of Pollution) Act,1981, if any industry, operation or process or an extension and addition thereto, which is likely to discharge sewerage or trade effluent into the environment or likely to emit any air pollution into the atmosphere will have to obtain the consent. There are two types of consent:

A. Consent to establish (CTE): It is a primary clearance for entities intending to setup pollution prone industry in India.

- The site plan of the production unit should be properly planned.
- The detailed project report which includes the details of raw material, product to be manufactured, the capital cost of the unit (land, building, and plant machinery), water balance, source of water, and its required quantity are mandatory.
- Land documents such as Registration deed/ Rent deed/Lease deed are essential.
- Details of Water Pollution Control/Air Pollution Control instruments should be recorded.
- The MOA /partnership Deed is essential.

B. Consent to operate (CTO): It serves as a legal consent that entities have to apply after establishing the unit and meeting conditions of CTE.

- The copy of last consent should be issued.
- Layout plan showing the details of all manufacturing processes is essential.
- The latest analysis report of solid waste, effluent, hazardous wastes, and fuel gases should be recorded.
- The copy of balance sheet duly attested by CA or CA certificate
- The details of land in case the effluent is discharged on land for percolation should be present in documentation.
- The Occupation certificate issued by Town & Country Planning Department, in case of building & construction projects/area development projects is necessary.
- The memorandum and association (MOA) /partnership deed is essential.

2.2.3 Difference Between Consent to establish and Consent to Operate

S. No.	Consent to establish (CTE)	Consent to operate (CTO)
1.	It act as a primary consent for setting up a facility.	It serves as a secondary consent for authorizing facilities that have been established after securing CTO.
2.	The granted period of the project is till the commissioning the plant or for 5 years.	It remains valid for the duration of 5, 10, and 15 years as per to the red, orange, and green category of the industry respectively.
3.	It is mandatory for entities falling under Red, Orange, Green, and White.	It is not mandatory for White category entities.

4.	The common documents required for CTE consent include site plan, MOA /Partnership Deed, brief project report, list of equipment's installed for pollution control.	The common documents required for CTO consent include layout schematic, analysis report of wastes, Balance sheet copy, Copy of the last Consent, etc.

2.2.4 Validity and Renewal of Consent

The industry/project proponent intending for renewal of the Consent to Operate shall apply through OCMMS (Online Consent Management & Monitoring System) before the expiry of the period of previous Consent to Operate permitted by the State Pollution Control Board.

In some states, there is the provision of auto renewal in the cases where there is no change in their raw material, process, product, increase in overall capital investment cost, and machinery. The production capacity and pollution load of the unit remains the same as declared in the original application for Consent to Operate.

A. Exemption

The industrial units/projects covered under the white Category are exempted from Consent Management for obtaining CTE and CTO under Water Act, 1974 and Air Act, 1981 and any other units not covered under Red, Orange and Green category.

B. Penalty

If any Industry / Plant / project operates without obtaining Consent, the entrepreneur shall be liable for imprisonment for a term which may extend to three months or with a fine which may extend to ten thousand rupees (INR 10,000) or with both.

Pollution-prone industries in India are subjected to tons of compliances and legalities imposed by the state and central government. The Consent to establish and consent to operate from State Pollution Control Board serves as a primary clearance for such industries.

2.3 Treatment of Industry Effluents

2.3.1 Background

Food processing industries generate waste water which will have distinctive characteristics with high concentration of biochemical oxygen demand (BOD) and suspended solids (SS). Most of the components may be biodegradable and non-toxic, but are often complex to predict due to the differences in BOD and pH. Some changes in effluents from processing of vegetables, fruit, and meat products are also due to the seasonal nature and extent of maturity at the time of processing. High grade water in large volumes will be used in food processing. High loads of particulates, organic compounds and surfactants will be present in vegetable wash waters. Wash water from slaughtering house will contain very strong organic waste, antibiotics, growth hormones and variety of pesticides. Salts, flavors, coloring material, acids or alkalis, oil or fats are present in significant quantities.

Another distinct feature of food processing industries is that the effluents coming out of various process industries are not similar in composition because the processing methods employed are varied in nature

The biological oxygen demand for all food processing waste water is relatively high compared to other industries and is used as a gauge to measure the level of treatment needed.

Characterization of effluents: Some important parameters of water based on which it is characterized are:

- pH

- temperature

- volume/ quantity of waters coming out

- physical parameters like colour, odour, turbidity etc

- BOD5 (biological oxygen demand in 5 days)

- COD (chemical oxygen demand)

- TSS (total soluble solids)

- SS (suspended solids)

- VSS (volatile soluble solids)

- fats

- TKN (total Kjeldahl nitrogen, mg/l)

- TP (total phosphorous) and

- oils & greases

2.3.2 Effluent Treatment Process:

The treatment of different effluents varies with the type of effluent. Wastewater enters the effluent or sewage treatment plant and goes through several processes before effluent goes into the environment. The effluent treatment plant process includes the following stages:

1. Preliminary Treatment
2. Primary Treatment
3. Secondary Treatment
4. Tertiary Treatment

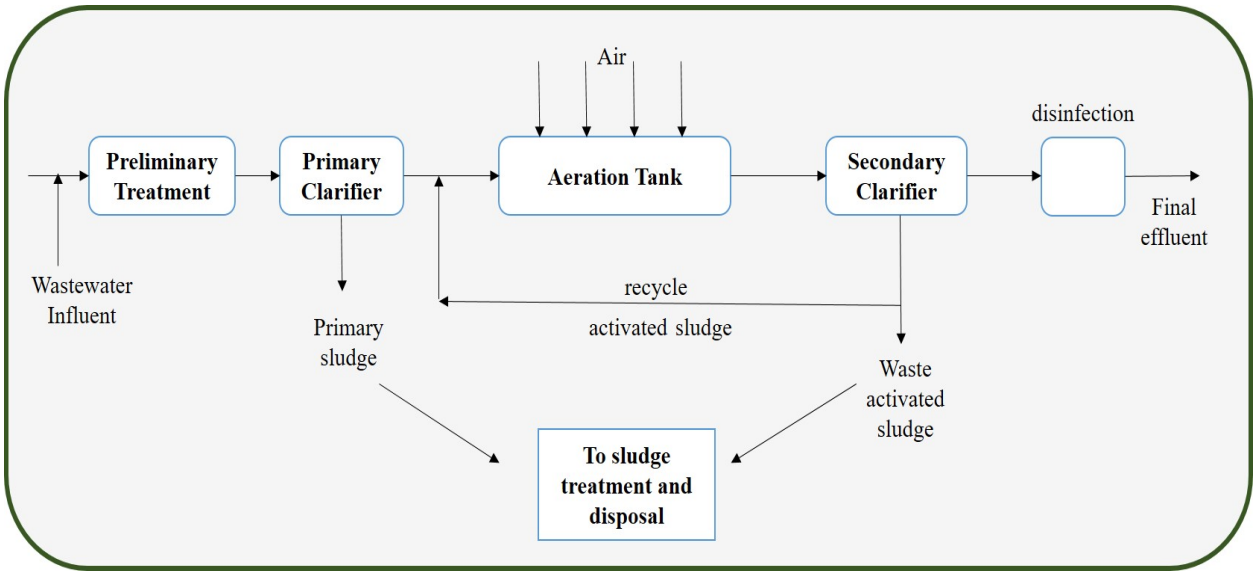


Fig: Flow Chart of ETP

A. Preliminary Treatment: Its objective is physical separation of large sized contaminants. For example, cloth, paper, plastics, wood logs etc. This level/process include:

- **Screening:** This is the first unit operation that occurs in waste water treatment plants. A screen is a device with uniform openings and its purpose is to remove large floating solids.

- **Sedimentation:** It is a physical water treatment process using gravity to remove suspended solids from water. In sedimentation process during clarification or settling of solids, there will form three layers viz., (i) the topmost clarification layer (ii) the zone-settling layer and (iii) the compression layer at the bottom. Sedimentation in general is used for:
    - solid - liquid separation or
    - liquid – liquid separation.

Sedimentation equipment are classified as (i) batch-operated settling tanks and (ii) continuously operated thickeners or clarifiers.

- **Grit Chamber:** The wastewater that moves into the grit chamber removes the dense inorganic solids such as metal fragments and sand which have made their way into the sewers. Removal of grit can prevent damaging of pumps & operational difficulties.
- **Clarifiers:** These are tanks built with mechanical means for continuous removal of solids being deposited by sedimentation before biological treatment.

B. Primary Treatment: Its aim is removal of floating and settle able materials such as suspended solids and organic matter. In this treatment both physical and chemical methods are used. It includes:

- **Flocculation:** Flocculation is a physical process and does not involve the neutralization of charge. It involves the addition of destabilized particles together into large aggregates so that they can be easily separated from the water.
- **Coagulation:** is a process in which coagulants are added for the purpose of rapid settlement of minute solid particles in a liquid into larger mass. It permits particle removal by sedimentation and for filtration.
- **Neutralization:** The main purpose of this process helps in maintaining the pH range of 6-9 to meet the requirements of different processing units in ETP system.
- **Primary Clarifiers:** These are used to slow the velocity of the water to a point where organic solids will settle to the bottom of the tank and it contain an equipment that is used to remove floating solids and greases from the surface.

C. Secondary or Biological Treatment: The objective of this treatment is the further treatment of the effluent from primary treatment to remove the suspended solids and residual organics. In this step biological and chemical processes are involved.

- **Activated Sludge Process:** This is used for treating industrial waste water using air and a biological floc composed of bacteria.
- **Aerated Lagoons:** Is a treatment pond provided with artificial aeration to promote he biological oxidation of waste water.

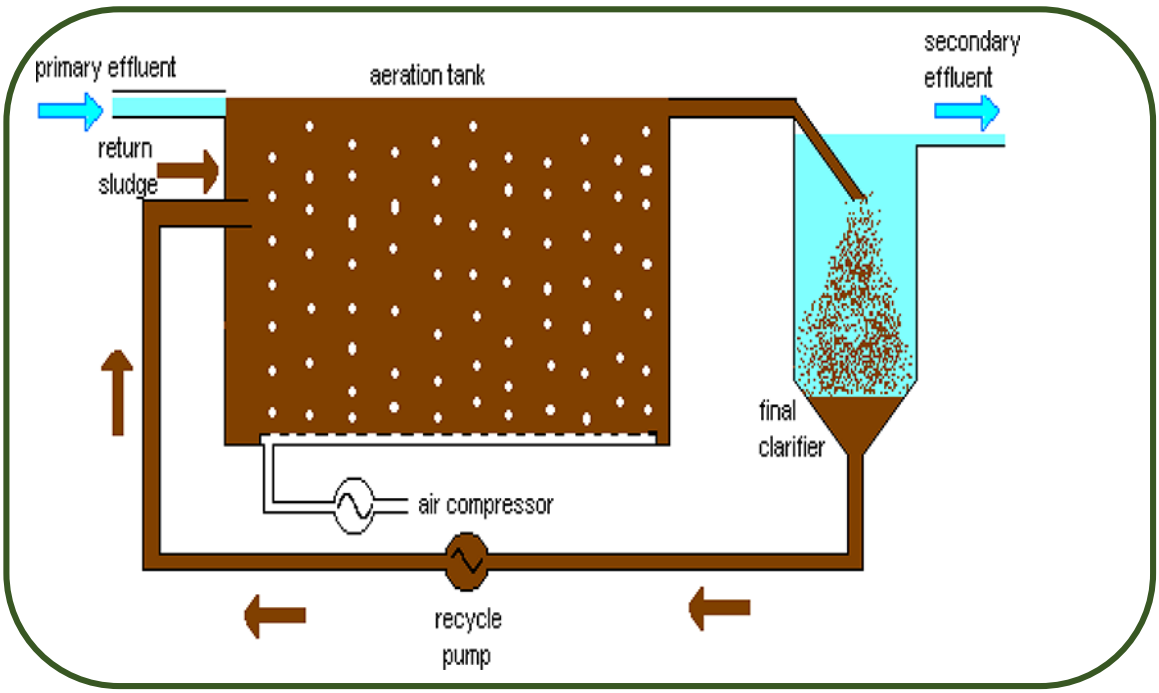


Fig 2: ACTIVATED SLUDGE PROCESS

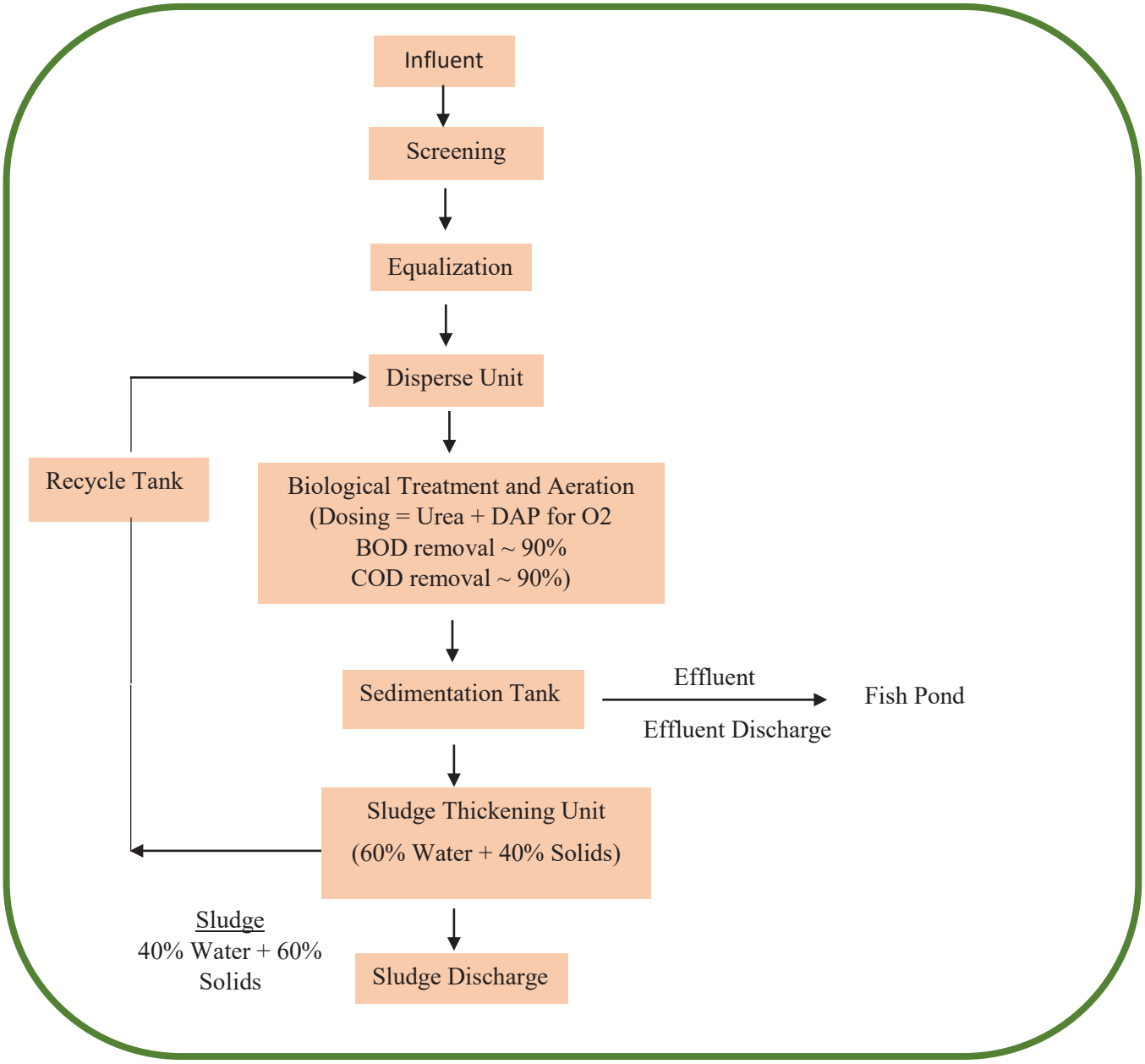
- **Trickling Filters:** Trickling filters, also known as sprinkling filters, are commonly used for the biological treatment of domestic sewage and industrial waste water.
- **Rotating Biological Contactor:** It involves allowing the wastewater to come in contact with a biological medium in order to remove pollutants in the wastewater before discharge of the treated wastewater to the environment.

D. Tertiary/advanced/disinfection treatment: The purpose of tertiary treatment is to provide a final treatment stage to raise the effluent quality to the desired level before it is reused, recycled or discharged to the environment.

- **Chemical Coagulation and sedimentation:** It is used to increase the removal of solids from effluent after primary and secondary treatment.
- **Filtration:** The clarified wastewater is first passed through the adjacent filtration plant which contains large filter blocks to ensure high quality water.

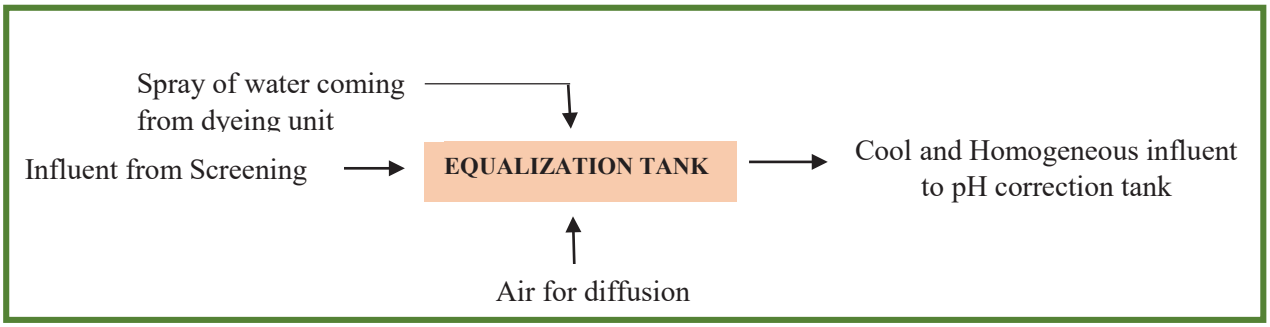
- **Reverse Osmosis:** In this process, pressure is used to force effluent through a membrane that retains contaminants on one side and allows the clean water to pass to the other side.
- **UV Disinfection:** It is considered as an ideal disinfectant for industrial waste water. It leaves no residual disinfectant in the water by ensuring the water quality. It does not produce any disinfection by-products.

2.3.3 Detailed Process chart of ETP:

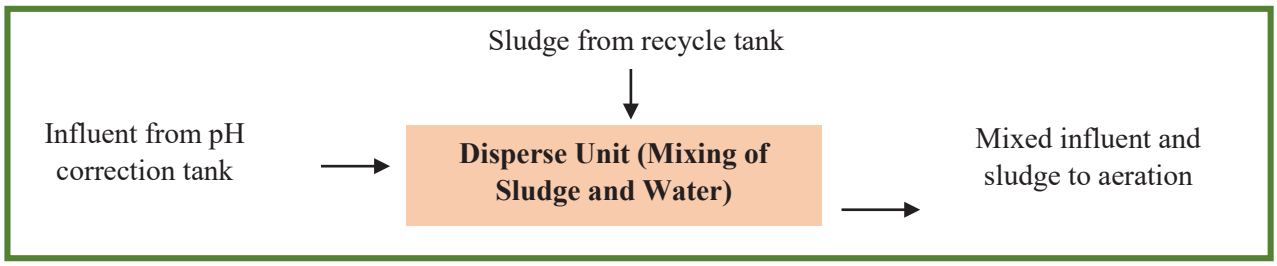


A. Screening: It is the filtration process where stainless steel net with varying pore size are used for the separation of coarse particles from influent and are cleaned regularly to avoid clogging.

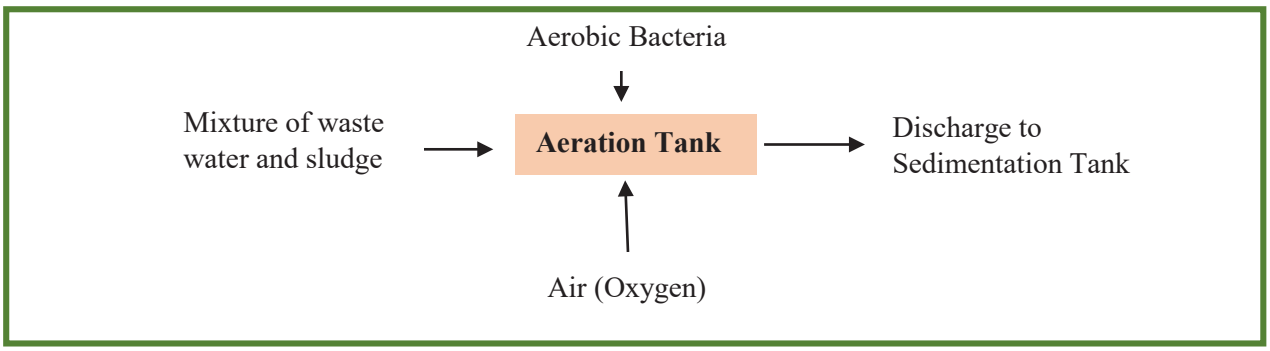
B. Equalization Tank: It makes the water more homogeneous. The retention time depends upon the capacity of treatment plant (Generally 8-16 hours). In this tank pH (Approx. pH- 8.5) of the influent is corrected to meet the standards along with acid or base is added to maintain the pH.



C. Disperse Unit: It mixes the sludge coming from recycle tank with waste water for to proper aeration.



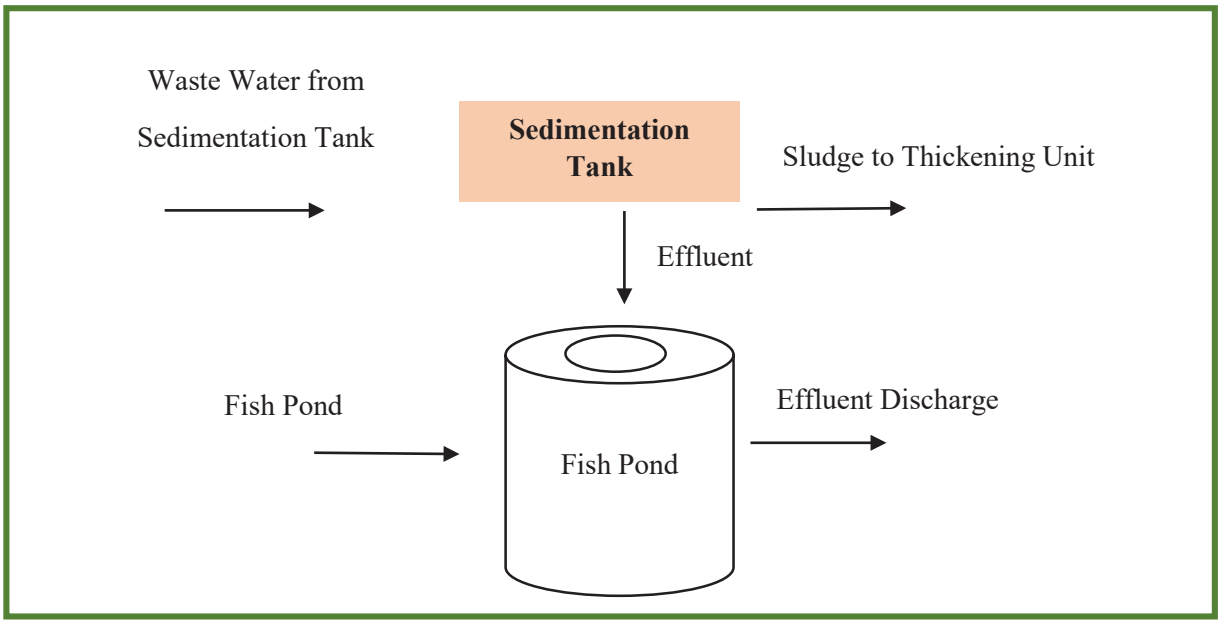
D. Aeration: Aerobic bacteria is used to stabilize and remove organic material presents in waste.



Reaction:

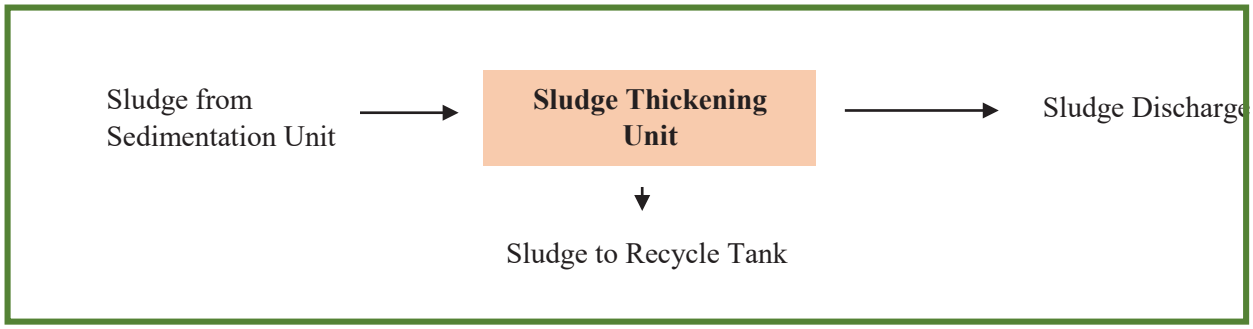
$$\text{Organic Matter} + O_2 \longrightarrow Co_2 + H_2O + \text{Heat}$$

E. Sedimentation Tank: In this the sludge is settled down and passed to the thickening unit. The effluent is discharged from plant through a fish pond.



F. Effluent discharge: It is a liquid waste produced and discharged by any industrial or commercial premises, such as a food processing factory or manufacturing business.

G. Sludge Thickening Unit: The inlet water is consisting of 60% water + 40% solids and passed through the centrifugal action in which solids and liquids are separated. Then the sludge thickener reduces the water content in the effluent to 40% water + 60% solids. The effluent is then reprocessed and the sludge collected at the bottom. The Partial amount of sludge is returned back to the aeration tank from thickening unit through recycle tank called return sludge tank and disperse tank. The Function of return tank or recycle tank is to mix water with sludge and This mixture is then passed to aeration tank through disperse tank and helps to minimize the pollution from sludge and alive bacteria again can be used for aeration.



Advantages of ETP

1. Provides clean, safe water processed.
2. Saving you money
3. Beneficial to the environment.
4. Saving water.
5. A way to minimise waste.

Disadvantages of ETP

1. Cleaning is a hassle.
2. Most plants need at least three tanks.
3. Temperature changes affect the tank greatly.

2.3.4 Standards for Emission of Environmental Pollutants

S. No.	Category	Capacity	Effluent parameter	Limits for effluent parameter
1.	Soft Drinks	0.4 MT/ Day	pH	6.5 – 8.5
			Suspended Solids	100
			Oil and Grease	10
			BOD (3 days at 27°C)	30
2.	Fruits & Vegetables	0.4 MT/ Day	pH	6.5 – 8.5
			Suspended Solids	50
			Oil and Grease	10
			BOD (3 days at 27°C)	30
3.	Bakery (Bread)	20T/ Day	pH	6.5 – 8.5
			BOD (3 days at 27°C)	200
	Bakery (Biscuit)	10T/ Day	pH	6.5 – 8.5
			BOD (3 days at 27°C)	300

4.	Confectionaries	4T	pH	6.5 – 8.5
			Suspended Solids	50
			Oil and Grease	10
			BOD (3 days at 27°C)	30
5.	Dairy		pH	6.5 – 8.5
			Suspended Solids	150
			Oil and Grease	10
			BOD (3 days at 27°C)	100

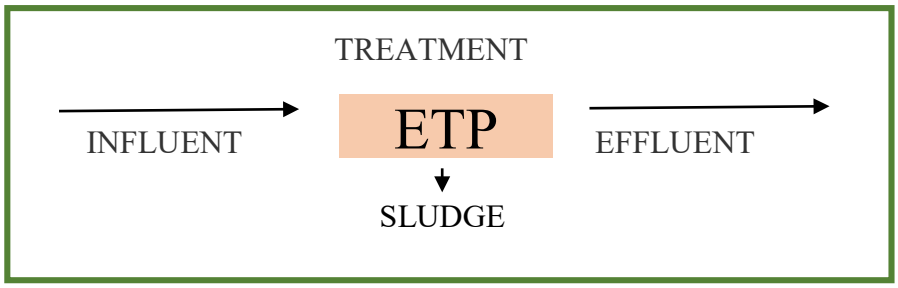
2.3.5 Effluent Treatment Plant or ETP

ETP is one type of waste water treatment method which is particularly designed to purify industrial waste water for its reuse and its aim is to release safe water to environment from the harmful effect caused by the effluent.

2.3.5.1 Types of ETP

There are three parts of ETP:

1. Influent: Untreated industrial waste water.
2. Effluent: Treated industrial waste water.
3. Sludge: Solid part separated from waste water by ETP.



The ETP Plant works at various levels and involves various physical, chemical, biological and membrane processes to treat waste water from different industrial sectors like chemicals, drugs, pharmaceutical, refineries, dairy, ready mix plants & textile etc.

2.3.5.2 Benefits of ETP:

1. To clean industry effluent and recycle it for further use
2. To reduce the usage of fresh water in industries
3. To preserve natural environment against pollution
4. To meet the standards for emission of pollutants set by the Government & avoid heavy penalty
5. To reduce expenditure on water acquisition

2.3.5.3 Design of ETP:

The design and size of the ETP depends upon:

- Quantity and quality of the industries discharge effluent.
- Land availability.
- Monetary considerations for construction, operation & maintenance.

Area dimension depends on:

- Quality of wastewater to be treated,
- Flow rate
- Type of biological treatment to be used

In case of less available land, **CETP (Common Effluent Treatment Plant)** is preferred over **ETP**.

2.3.6 CETP: The concept of effluent treatment, by means, of a collective effort, has assumed reasonable gravity by being especially purposeful for cluster of small scale industrial units. It not only helps the industries in easier control of pollution, but also act as a step towards cleaner environment and service to the society at large.

2.3.6.1 Advantages of CETP

- Saving in Capital and Operating cost of treatment plant. The Common treatment is always cheaper than small scattered treatment units.
- Availability of land which is difficult to be ensured by all individual units in the event they go for individual treatment plants.

- Contribution of nutrient and diluting potential, making the complex industrial waste more amenable to degradation.
- The neutralization and equalization of heterogeneous waste makes its treatment techno-economically viable.
- Professional and trained staff can be made available for operation of CETP which is not possible in case of individual plants.
- Disposal of treated wastewater & sludge becomes more organized.
- Reduced burden of various regulatory authorities in ensuring pollution control requirement.

CHAPTER 3

EXPORT – IMPORT LICENSE

3.1 The Importer -Exporter Code (IEC)

In this age, everyone wants to grow their business beyond the limits of the domestic market. Before going global, you need to follow several procedures and laws in place and get different registration and license.

IEC Stands for Importer Exporter Code. The certificate or IEC is issued by the Directorate General of Foreign Trade (DGFT).

IEC (Import Export Code) is required by anyone who is looking to kick-start his/her import/export business in the country. It is issued by the DGFT (Director General of Foreign Trade). It is a 10-digit code. This is a lifetime certificate and there is no renewal of it.. Predominantly importers merchants cannot import goods without the Import Export Code and the exporter merchant cannot avail benefits from DGFT for the export scheme, etc. without IEC.

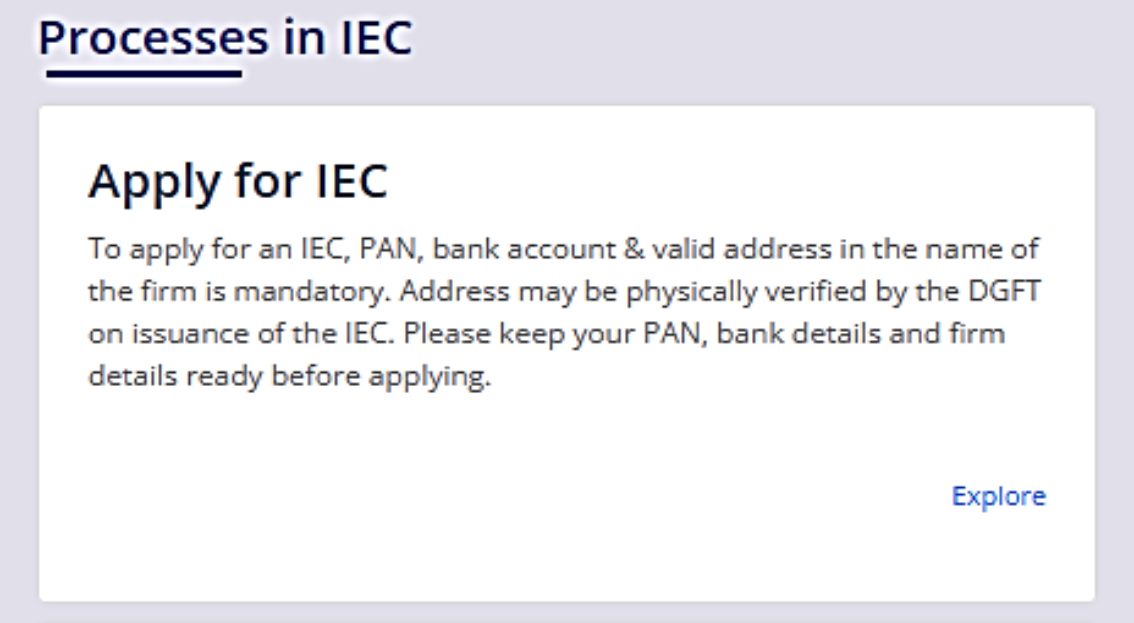
3.1.1 Situations where IEC is Required

- When an importer has to clear his shipments from the customs then it's needed by the customs authorities.
- When an importer sends money abroad through banks then its needed by the bank.
- When an exporter has to send his shipments then its needed by the customs port.
- When an exporter receives money in foreign currency directly into his bank account then its required by the bank.

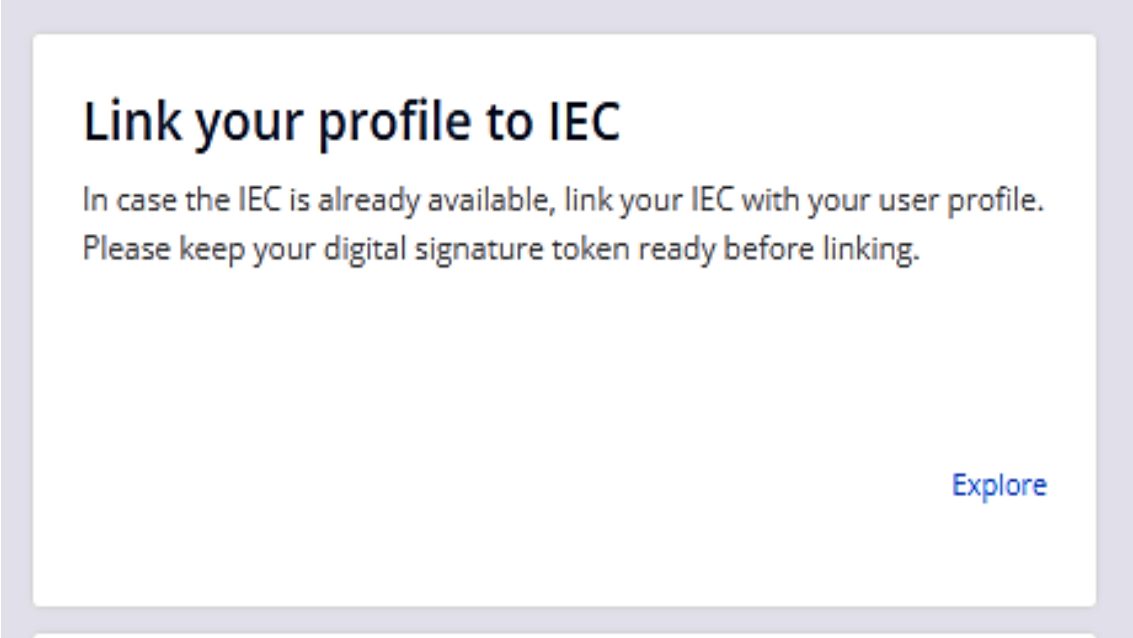
3.1.2 Steps Involved in IEC (Import/Export Code) Registration

- Visit the DGFT website.
- Click on the 'Services' tab on the homepage.
- Select the 'IEC Profile Management' option from the drop-down list.
- A new page will open. Click on the 'Apply for IEC' option on the page.
- Click on the 'Register' option. Enter the required details and click on the 'Sent OTP' button.

- Enter the OTP and click on the 'Register' button.
- Upon successful validation of the OTP, you will receive a notification containing the temporary password which you can change after logging into the DGFT website.
- After registering on the DGFT website, login to the website by entering the user name and password.
- Click on the 'Apply for IEC' option on the DGFT website.
- Fill the application form (ANF 2A format), upload the required documents, pay the required fees and click on the 'Submit and Generate IEC Certificate' button.
- The IEC code will be generated by the DGFT. You can take a printout of your certificate once the IEC code is generated.



https://www.dgft.gov.in/CP/?opt=iec-profile-management



3.1.3 Documents required for IEC (Import Export Code) Registration

- Individual's or Firm's or Company's copy of PAN Card.
- Individual's voter id or Aadhar card or passport copy.
- Individual's or company's or firm's cancel cheque copies of current bank accounts.
- Copy of Rent Agreement or Electricity Bill Copy of the premise.
- A self-addressed envelope for delivery of IEC certificate by registered post.

3.1.4 Benefits of IEC Registration

- Expansion of Business
- Availing Several Benefits
- No Filing of returns
- Easy Processing
- No Need for renewal

All the information is available on the IEC Official Website: https://www.dgft.gov.in/CP/

3.2 Customs

The Indian government has set regulatory bodies to import food products in India. FSSAI is the regulatory body that has established norms with respect to the import of food products in Indian boundaries. Also, the apex controlling authority, FSSAI, keep changing the criteria by bringing amendments in the guidelines. Following the guidelines and standards fixed by FSSAI

is essential for businesses and entrepreneurs before taking further steps to import food products in India.

All the businesses, as well as entrepreneurs devising strategies to import food products in India, must comply with the FSSAI rules and regulations. Non-compliance with the FSSAI guidelines would lead to rejection of their consignment.

3.2.1 Licenses and Registrations Prior to Import Food Products in India

With the intent to import food products in India, obtaining these registrations and licenses are the first and foremost priority.

Given below are the mandatory licenses and registrations for importing food consignments to India-

- Importer Exporter Code from The DGFT Office
- GST Registration
- FSSAI Approval
- Other Licenses and Permits

  Other licenses and permits like Import Permit, Certification of Origin, Sanitary Import Permit, Analysis Certificate with Ingredients, etc., are also relevant for importing food products in India.

3.2.2 Stages for Clearance Before the Import of Food Products:

- The Department of Customs needs to clear Application for Custom Clearance.
- Application of NOC or Provisional NOC to FICS, i.e., Food Import Clearance System of FSSAI.
- All the documents must get examined as well as supported by the FSSAI Authorized Officer or other authorized persons working in the department.
- After the visual inspection of the consignment, Authorized Officer associated with FSSAI need to inform the date along with the time of the visual inspection, which should get duly acknowledged by CHA/importer.

MINISTRY OF FOOD PROCESSING INDUSTRIES
GOVERNMENT OF INDIA

PMFME
सूक्ष्म उद्यमों का संबल

PM Formalisation of Micro food processing Enterprises Scheme

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