

## MODULE 9

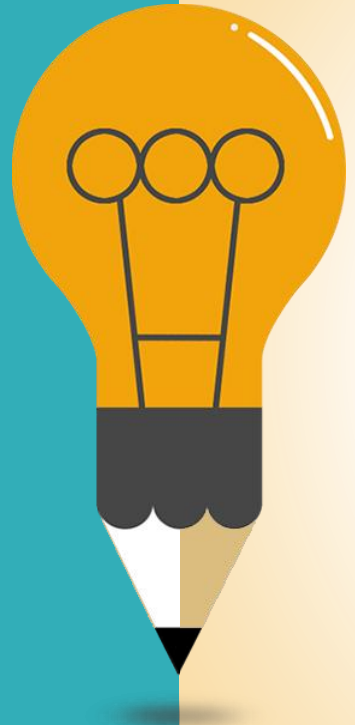
# Business Registration & Other Legal Compliances

**AATMANIRBHAR BHARAT**

PM Formalisation of Micro Food Processing  
Enterprises Scheme (PM FME Scheme)



# CONTENT



**01** Legal Aspects of Business

**02** Pollution related Compliances

**03** Export-Import

**04** Overview of the PMFME Scheme



# LEGAL ASPECTS OF BUSINESS



- ✓ Any person who intends to establish a micro, small, or medium enterprise may file Udyam Registration online in the Udyam Registration portal
- ✓ No requirement to upload documents, papers, certificates, or proof.
- ✓ No Fees are required.
- ✓ After Registration, an e-certificate and permanent identity number is known as “Udyam Registration Number” will be assigned.



# UDYAM REGISTRATION



**UDYAM REGISTRATION CERTIFICATE**

Our small hands to make you LAUGH

TYPE OF ENTERPRISE: MICRO SERVICES

UDYAM REGISTRATION NUMBER: UDYAM XXX XXXXXXX

NAME OF ENTERPRISE: SAMPLE FIRM NAME

OFFICIAL ADDRESS OF ENTERPRISE:

Plot/Block No.	Sample Area	Type of Premises Building	Sample Area
Village/Town	Sample Area	Block	Sample Area
Road/Street/Lane	Sample Area	Taluk	Sample Area
Post	Sample Area	District	Sample Area
State	Sample Area	Sample Pin 5XXXXX	Sample Area
Mobile	XXXXXXXX	Sample	Sample Area

DATE OF INCORPORATION/REGISTRATION OF ENTERPRISE: XXXXXXXX

DATE OF COMMENCEMENT OF PRODUCTION/BUSINESS: XXXXXXXX

NATIONAL INDUSTRY CLASSIFICATION CODE(S):

1. SIC	Sample	Sample	Sample
2. ISIC	Sample	Sample	Sample

DATE OF UDYAM REGISTRATION: XXXXXXXX

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

For any assistance, you may contact:

1. DIC Sample  
2. MSME-DE Sample

BE A CHAMPION with the Ministry of MSME

Visit the website:

<https://udyamregistration.gov.in/Government-India/Ministry-MSME-registration.htm>

Fill the application form

Make an online payment to confirm your application

An Executive will process the application

Certificate will be sent to the email Id



# CLASSIFICATION OF ENTERPRISES



## CHAMPIONS

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.

## MEDIUM

Where the investment in plant and machinery or equipment does not exceed ten crore rupees and turnover does not exceed fifty crore rupees.

## SMALL

Where the investment in plant and machinery or equipment does not exceed one crore rupees and turnover does not exceed five crore rupees.

## MICRO



# COMPANIES ACT 2013



01

The Company Act, 2013, provides for the registration of companies.

02

In forming a company, documents such as the memorandum of association and articles of association of the proposed company need to be submitted to the registrar of companies.

03

The Registrar issues a certificate of Incorporation and then a company is formed

04

Before incorporation, the interested person would need to settle on the type of company they wish to form

# COMPANIES ACT 2013



05

The company act is only one mode of creating companies. It can be formed for any lawful purpose such as:

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**

C

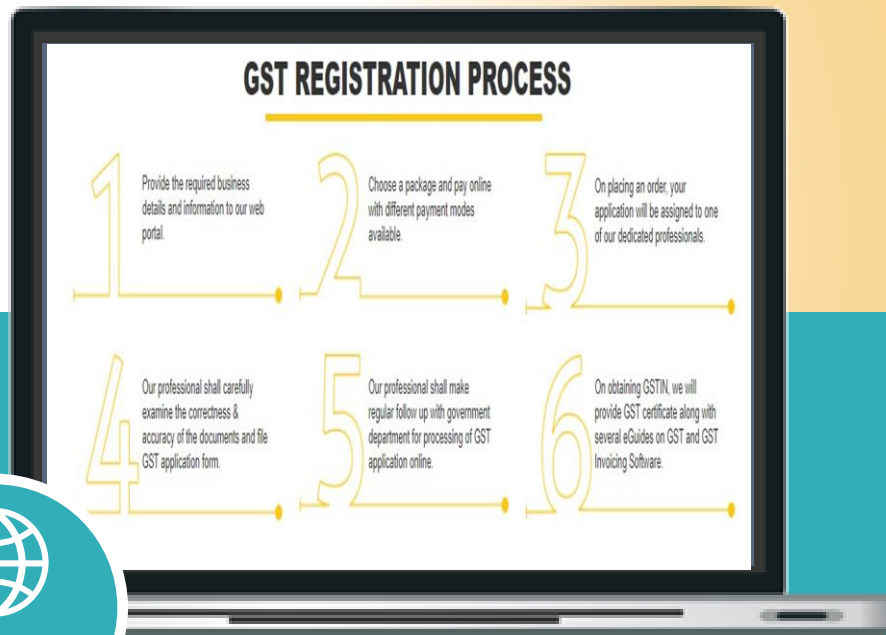
One person, where the company to be formed is to be a **ONE PERSON COMPANY**



# GST (GOODS AND SERVICE TAX) REGISTRATION

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. The registration in GST is

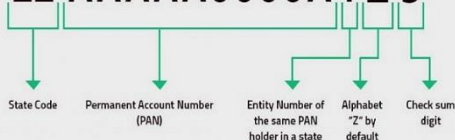
- **PAN Based** - Based on Direct Taxes
- **State Specific** - a person obtains only one GST registration in a state



## GSTIN - GST Identification Number

### Format of GSTIN

22 AAAA0000A1Z5

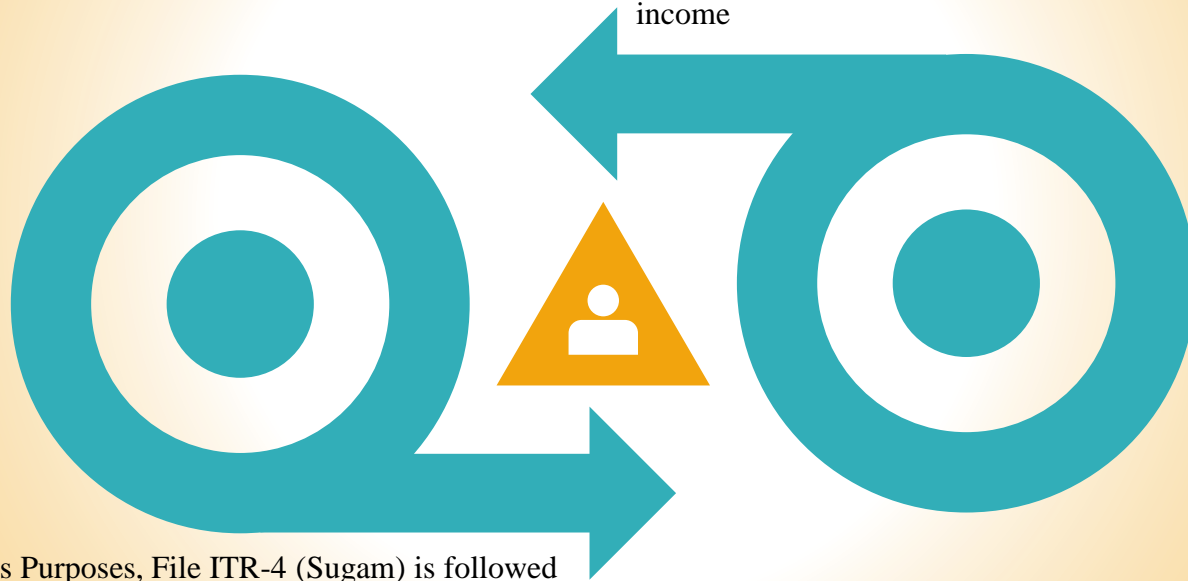


<https://www.gst.gov.in/>



# INCOME TAX

Income Tax is a direct tax that is charged on an individual's or entity's income



For Business Purposes, File ITR-4 (Sugam) is followed



# INCOME TAX

## Overview of the File ITR-4 (Sugam)

- ✓ The pre-filing and filing of the ITR-4 service are available to registered users on the e-Filing portal and through accessing offline utilities. This service enables individual taxpayers, HUFs, and firms (other than LLPs) to file ITR-4 online through the e-Filing portal.
- ✓ ITR-4 has six sections that you need to fill out 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**

- Any industry requires innovation to survive and remain productive in the market, and the food industry is no exception to this
- In the food Industry, IPR extends from content and recipes to advertising and branding of the product.
- It comprises Patents, Trademarks, Copyrights, Trade secrets, and Design Rights.
- The types of 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 is 20 Years
- There are 3 fundamental conditions to be fulfilled before an idea is considered for a patent:
  - ✓ An invention must entail an inventive step.
  - ✓ Its novelty should remain a secret to the outside world.
  - ✓ It should remain unclaimed in any specification in India.

## INTELLECTUAL PROPERTY RIGHTS (IPR)

# COMPREHENSIVE E-FILING

The E-filing Portal of the Patent Office, available on the official website of the Controller General of Patents, Designs & Trademarks ([www.ipindia.nic.in](http://www.ipindia.nic.in)), provides a comprehensive platform for online submission of patent applications and subsequent forms in a secure and authenticated electronic way.

## **TRADEMARKS**

A legally registered word, symbol, logo, or 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.

## **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.



# LABOUR LAWS

- Labor law defines the rights and obligations of workers, union members, and employers in the workplace.
- Matters such as employment, remuneration, conditions of work, trade unions, and industrial relations.

## LAWS THAT GOVERN

### Laws related to industrial Relations

Trade Unions Act, 1926

### Laws related to Wages

Payment of Wages Act, 1936

### Laws related to working Hours, and Employment

Factories Act, 1948



## FOOD PROCESS ENTERPRISES

### Laws related to industrial Relations

Industrial Disputes Act, 1947

### Laws related to Wages

Payment of Bonus Act, 1965

### Laws related to working Hours, and Employment



# CONSUMER PROTECTION ACT, 2019

- Consumer Protection Act, of 1986 was an Act by the Parliament of India to provide for better protection of the interests of consumers. It was replaced by the Consumer Protection Act, of 2019.
- On July 23, 2020, the Ministry of Consumer Affairs, Food, and Public Distribution 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.

Inclusion of ‘Food’ in the definition of goods

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

Section 6 (82) provides applicability of the act with respect to product liability



# **POLLUTION RELATED COMPLIANCES**



- 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.
- 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 consent.
- There are two types of Consent:
  1. **Consent to Establish:** Act as a Primary consent for setting up a facility. The granted period for the project is 5 years. Mandatory for entities falling under the Red, Orange, Green, and White categories.
  2. **Consent to Operate:** Serve as a Secondary consent for authorized facilities. Remains valid for the duration of 5-15 years as per the category of the industry. Not mandatory for White categories entity.

# POLLUTION RELATED COMPLIANCES

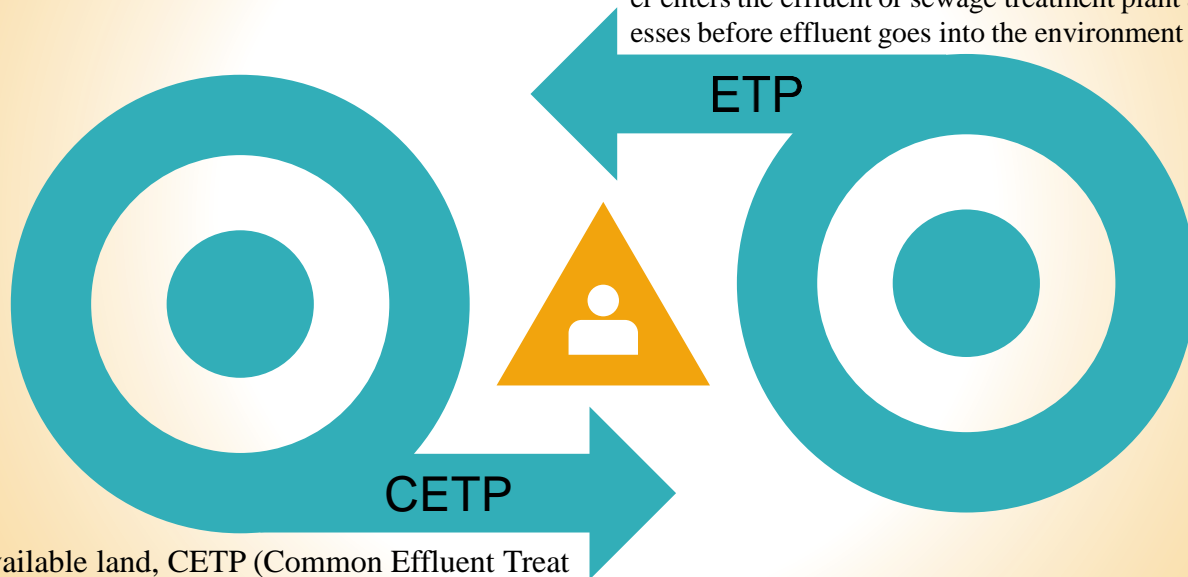
Consent to Establish	Consent to Operate
It act as a primary consent for setting up a facility	It serves as a secondary consent for authorizing facilities that have been established after securing CTO
The granted period of the project is till the commissioning the plant or for 5 years.	It remains valid for the duration of 5, 10, and 15 years as per to the red, orange, and green category of the industry respectively.
It is mandatory for entities falling under Red, Orange, Green, and White.	It is not mandatory for White category entities.
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.



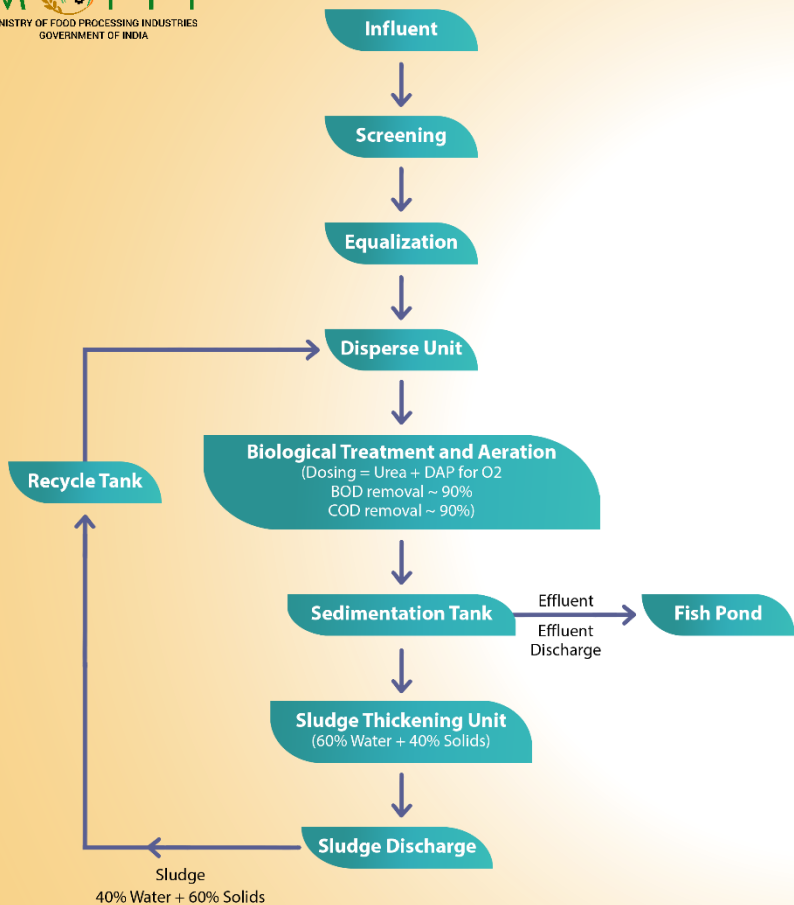
# TREATMENT OF INDUSTRY EFFLUENTS

Food processing industries generate wastewater that will have distinctive characteristics with a high concentration of biochemical oxygen demand (BOD) and suspended solids (SS).

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



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



# DETAILED CHART OF ETP (EFFLUENT TREATMENT PLANT)

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

### ADVANTAGES OF CETP

1. Saving in Capital and Operating costs of the treatment plant. Common treatment is always cheaper than small scattered treatment units.
2. Availability of land is difficult to ensure by all individual units in the event they go for individual treatment plants.
3. Contribution of nutrient and diluting potential, making the complex industrial waste more amenable to degradation.
4. The neutralization and equalization of heterogeneous waste make its treatment techno-economically viable.
5. Professional and trained staff can be made available for the operation of CETP which is not possible in the case of individual plants.
6. Disposal of treated wastewater & sludge becomes more organized.
7. Reduced burden of various regulatory authorities in ensuring pollution control requirements.

## CETP (Common Effluent Treatment plant)





# **EXPORT – IMPORT LICENSE**

# EXPORT-IMPORT LICENSE

It is a 10-digit code that has lifetime validity



It is required by anyone who is looking to kick start his/her import/ export business in the country

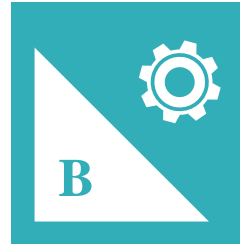
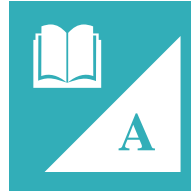
It is issued by the DGFT (Director General of Foreign Trade).



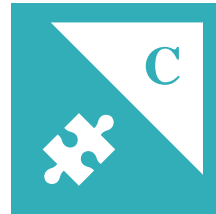
# LICENSES AND REGISTRATIONS PRIOR TO IMPORTING FOOD PRODUCTS IN INDIA

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 like import permits, Certification of Origin, Sanitary import Permits, Analysis certificates with ingredients, etc., are also relevant for importing food products in India





# OVERVIEW OF THE PMFME SCHEME

# PMFME SCHEME

PMFME is a centrally sponsored scheme and is implemented in close collaboration with State Nodal Agencies of respective States. All the States/UTs have appointed Nodal Agencies for the implementation of the scheme. The MIS portal for PMFME Scheme is receiving individual applications for credit-linked subsidies for the upgradation of food processing units.

The Scheme is to be implemented for a period of five years from 2020-21 to 2024-25 with an outlay of Rs.10,000 Crore. The main theme of the Scheme is the One District One Product (ODOP) approach, a part of a broader strategy of concentrated agro and industrial development focused on each district.



# AIM

Enhance the competitiveness of existing individual micro-enterprises in the unorganized segment of the food processing industry

Support Farmer Producer Organizations (FPOs), Self Help Groups (SHGs) and Producers Cooperatives along their entire value chain

Promote Formalization of the sector

# OBJECTIVE

Integration with an organized supply chain by strengthening branding & marketing.

Increased access to credit to exiting micro food processing entrepreneurs for technology upgradation.

Capacity building of entrepreneurs through technical knowledge, skill training, and hand-holding support services.

Support for the transition of existing enterprises into a formal framework for registration under regulatory framework and compliance.

Support to Farmer Producer Organizations (FPOs), Self Help Groups (SHGs) and Producers Cooperatives & cooperative societies along their entire value chain to enable microenterprises to avail common services.



# SCHEME COMPONENTS and Benefits from the PMFME SCHEME

- Upgradation of New/  
Existing micro units -  
Credit linked subsidy @  
35% to max Rs. 10 lakhs
- Seed capital support to  
SHGs- Support up to Rs,  
40,000 as working  
capital to SHG members.
- Support for FPOs/SHGs/  
Cooperatives – Credit-  
linked capital  
investment grant @ 35%.
- Support for establishing  
common infrastructure
- Support for marketing &  
branding - 50% grant



# FOR MORE INFORMATION

**Helpline Number:** +91 9254997101 ,  
+91- 9254997102

**Email ids:** support-pmfme@mofpi.gov.in  
pmfme-fpi@gov.in

## **Weblinks:**

<https://pmfme.mofpi.gov.in/pmfme/#/Home-Page>

<http://niftem-t.ac.in/olapp/pmfme/web/index.php>

<http://niftem-t.ac.in/olapp/pmfme/web/material.php>

Online application portal (MoFPI): <https://pmfme.mofpi.gov.in/pmfme/#/Login>



**THANK YOU**

