

**Module 9: Statutory Compliance – Other Than Company, GST & Income Tax Acts**

# **MODULE 5**

# **Financials and Funding of FPCs**



This includes key compliances under:

1. **Labour Laws (EPF, ESI)**
2. **State-specific Professional Tax (PT)**
3. **Shops and Establishments Act**
4. **FSSAI (Food Safety)**
5. **Agmark Certification**
6. **Environmental and Local Licensing (if applicable)**

◆ **1. Labour Law Compliance**

**A. Employees' Provident Fund (EPF) – under EPF Act, 1952**

Item	Requirement
Applicability	If FPC employs <b>≥20 employees</b>
Registration	Mandatory via EPFO portal
Employer Contribution	12% of basic salary
Returns	Monthly ECR return and payment

**B. Employees' State Insurance (ESI) – under ESI Act, 1948**

- | Applicability | If wages of employee  $\leq$  ₹21,000 and  $\geq$  10 staff |
- | Contribution | 3.25% employer + 0.75% employee |
- | Returns | Monthly online submission |

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◆ **2. Professional Tax (PT)**

State-wise Tax	Paid by employer on behalf of employees
Applicability	As per <b>State PT laws</b> (e.g., Maharashtra, Karnataka)
Due Date	Monthly or quarterly, depending on state

<b>State-wise Tax</b>	<b>Paid by employer on behalf of employees</b>
Filing	Professional Tax Return (Form varies by state)

Example:

- Maharashtra – **Form III-B**
- Karnataka – **Form 5A**

◆ **3. Shops and Establishment Act (State-specific)**

<b>Compliance</b>	<b>Description</b>
Registration	Required within <b>30 days of commencement</b>
Jurisdiction	Local municipal/state labor department
Renewals	Annually or as prescribed
Display Requirement	License to be displayed at the office

This act regulates working hours, leave, holidays, employee records.

◆ **4. FSSAI License (if handling food)**

- | Applicability | If FPC is involved in processing, packaging, or trading food items |
  - | License Type | FSSAI Basic (<₹12L turnover), State, or Central (for inter-state) |
  - | Validity | 1–5 years; renewable |
  - | Documents | PAN, incorporation, photo, proof of premises |
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◆ **5. Agmark Certification (optional but beneficial)**

- | Applicability | For commodity grading and branding (e.g., pulses, turmeric) |
- | Issued By | Directorate of Marketing and Inspection |
- | Benefits | Boosts quality assurance, access to export markets |

◆ **6. Other Local and Industry-Specific Licenses**

Type	When Applicable
Pollution Control (Consent)	For operations generating waste or effluents
MSME Udyam Registration	For government incentives & schemes
Trade License (Local Body)	Required in certain panchayat/municipal areas

### Compliance Summary Table

Compliance Area	Trigger/Applicability	Filing / Registration
EPF	≥20 employees	ECR Return – Monthly
ESI	≥10 employees, salary ≤ ₹21,000	ESI Return – Monthly
Professional Tax	State-based	Monthly/Quarterly return
Shops & Establishment Act	All commercial offices	Registration + renewal
FSSAI	Food processing/packaging	FSSAI License – 1–5 years
Agmark	Graded produce	Optional – for branding/export
MSME Udyam	Voluntary, for scheme benefits	One-time online registration



### Karnataka PT, FSSAI, and Related Compliances

◆ **Professional Tax (PT) – Karnataka**

1. Who levies and collects professional tax in Karnataka?

- a) ROC
- b) Central Government
- c) Commercial Taxes Department, Karnataka
- d) SEBI

 **Answer:** c) Commercial Taxes Department, Karnataka

2. When must an employer register for professional tax in Karnataka?

- a) Within 90 days of first salary payment
- b) After one year of operation
- c) Within 30 days of employing staff
- d) Only if turnover exceeds ₹40 lakh

 **Answer:** c) Within 30 days of employing staff

3. What is the **monthly professional tax liability** for a salaried person earning more than ₹15,000 in Karnataka?

- a) ₹50
- b) ₹100
- c) ₹150
- d) ₹200

 **Answer:** d) ₹200

4. The employer must file which form for Karnataka PT return?

- a) Form 26Q
- b) Form A
- c) Form 5A
- d) GSTR-3B

 **Answer:** c) Form 5A

5. What is the penalty for late filing of PT return in Karnataka?

- a) ₹100
  - b) ₹10/day
  - c) ₹50 per day (max ₹1,000)
  - d) ₹500 flat
-  **Answer:** c) ₹50 per day (max ₹1,000)

◆ **FSSAI Compliance for FPCs (Karnataka)**

6. Which FSSAI license is required for a food business in Karnataka with turnover less than ₹12 lakh?

- a) State License
  - b) Basic Registration
  - c) Central License
  - d) Export License
-  **Answer:** b) Basic Registration

7. An FPC supplying food across multiple states must have:

- a) Basic License
  - b) State License
  - c) Central FSSAI License
  - d) PT Registration
-  **Answer:** c) Central FSSAI License

8. What is the validity of an FSSAI license?

- a) Fixed for 5 years
  - b) One-time only
  - c) 1 to 5 years (renewable)
  - d) 2 years
-  **Answer:** c) 1 to 5 years (renewable)

9. FSSAI is governed under:

- a) Food and Drug Act
- b) Food Safety and Standards Act, 2006
- c) Essential Commodities Act
- d) APEDA Act

 **Answer:** b) Food Safety and Standards Act, 2006

10. Displaying FSSAI license number on product packaging is:

- a) Optional
- b) Mandatory
- c) Only for exports
- d) Not applicable to FPCs

 **Answer:** b) Mandatory

#### ◆ Other Local Compliances

11. Karnataka's Professional Tax Act is governed by:

- a) Karnataka VAT Act
- b) Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976
- c) GST Act
- d) Karnataka Labour Law

 **Answer:** b) Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976

12. Which department handles Shops and Establishment registration in Karnataka?

- a) Labour Department
- b) Food Department
- c) ROC
- d) Gram Panchayat

 **Answer:** a) Labour Department

13. In Karnataka, FPCs with an office setup must register under:

- a) Labour Welfare Fund Act
- b) Karnataka Shops & Commercial Establishments Act
- c) MSME Act
- d) Companies Act

 **Answer:** b) Karnataka Shops & Commercial Establishments Act

 **Karnataka PT & FSSAI Compliance Checklist for FPCs**

Compliance Area	Requirement	Due Date / Frequency
<b>PT Registration</b>	Mandatory if employing staff	Within 30 days
<b>PT Return – Form 5A</b>	Monthly filing	20th of next month
<b>PT Deduction</b>	₹200/month per employee > ₹15,000 salary	Monthly remittance
<b>FSSAI Registration</b>	Mandatory if handling/processing food	Before starting operations
<b>FSSAI Renewal</b>	1 to 5 years validity	Before expiry
<b>Shops &amp; Estb. License</b>	For any office setup	Within 30 days