PETPOOJA

CHECKLIST

Restaurant Legal Compliance Checklist

Every license, registration, and legal requirement for running a restaurant in India. From FSSAI to fire safety, labour laws to GST — nothing missed.

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01 Licenses & Registrations

Every license you need before opening day — and where to apply

Mandatory Licenses (All Restaurants)

✓ **FSSAI Food License** — Mandatory

Basic Registration for turnover up to ₹1.5 crore. State License for ₹1.5 crore to ₹50 crore. Central License for ₹50 crore+. Thresholds revised with effect from 1 April 2026. Apply at foscos.fssai.gov.in. Processing time: 30-60 days.

FSS Act 2006, Section 31; FSS (Licensing & Registration) Regulations 2011

✓ **GST Registration** — Mandatory

Mandatory if turnover exceeds ₹20 lakh (₹10 lakh for NE/hill states). Apply at gst.gov.in. Processing: 7-15 days. Restaurant GST rate: 5% without ITC (dine-in), 5% for delivery. 18% for AC restaurants opting for ITC.

CGST Act 2017, Section 22

✓ **Shop & Establishment License** — Mandatory

Apply at your municipal corporation or state labour department within 30 days of starting operations. Governs working hours, holidays, employee conditions. Rules vary by state.

Shops & Establishments Act (state-specific)

✓ **Trade License / Eating House License** — Mandatory

Issued by local municipal corporation. Required to operate any food business within city limits. Apply at your city's municipal portal. Processing: 15-30 days.

✓ **Fire Safety NOC (No Objection Certificate)** — Mandatory

From local fire department. Mandatory for restaurants above 100 sq.m or with LPG bank. Inspection required. Covers fire extinguishers, emergency exits, gas safety, electrical safety.

National Building Code 2016, Part IV

✓ **Health/Sanitary License** — Mandatory

Issued by municipal health department. Confirms hygienic conditions for food preparation and serving. Inspector visits the premises before issuing.

Conditional Licenses (If Applicable)

✓ **Liquor License** — If applicable

Required if serving alcohol. Apply at your state excise department. Processing: 2-6 months. Different categories: beer & wine, full bar, club license. Renewal: annual. Cost varies ₹5,000 to ₹5,00,000+ depending on state and category.

State Excise Act (varies by state)

✓ **Music / Public Performance License** — If applicable

Required if playing recorded music, live music, or DJ. Apply to IPRS (Indian Performing Rights Society) and PPL (Phonographic Performance Ltd). Annual license.

Copyright Act 1957, Section 33

✓ **Signage / Hoarding License** — If applicable

Required for external signage. Apply at municipal corporation. Rules on size, illumination, and placement vary by city. Fine for unauthorized signage: ₹5,000-50,000.

✓ **Pollution Control NOC / Consent to Operate** — If applicable

From State Pollution Control Board. Required if using tandoor, charcoal grill, or coal-fired equipment. Also required if you have a diesel generator. Check your state's rules.

Water (Prevention & Control) Act 1974; Air (Prevention & Control) Act 1981

✓ **Lift/Elevator License** — If applicable

Required if restaurant has an elevator. Annual inspection by state inspector of lifts. Applies to restaurants in multi-story buildings.

Operating Without Licenses

Operating without FSSAI license: fine up to ₹5,00,000 under FSS Act 2006, Section 63. Operating without trade license: sealing of premises by municipal corporation. Many cities run periodic raids on unlicensed restaurants.

02 FSSAI Ongoing Compliance

Daily, monthly, and annual food safety requirements

Daily FSSAI Tasks

- ✓ **Display FSSAI license at entrance with 14-digit number visible** — Daily
  Must be visible from outside. Inspectors check this first.
  FSSAI Order 27-Dec-2018

- ✓ **Maintain daily temperature logs for refrigerators and freezers** — Daily
  Cooler: 1-4°C, Freezer: -18°C or below. Log morning and evening readings.
  FSSAI Schedule 4, Part V, Clause 2

- ✓ **Use colour-coded cutting boards to prevent cross-contamination**
  Green: vegetables, Red: raw meat, Blue: seafood, White: dairy, Yellow: cooked food.
  FSSAI Schedule 4, Part II

- ✓ **Check cooking oil quality (TPC must not exceed 25%)** — Daily
  Replace oil if dark, rancid, or used 3+ times. Total Polar Compounds above 25% = violation.
  FSSAI Order 24-Jul-2018; fine up to ₹5,00,000 under FSS Act Section 55

- ✓ **Verify staff hygiene: clean uniforms, hair nets, handwashing**
  Staff with open wounds, cough, or fever must not handle food.
  FSSAI Schedule 4, Part II, Clause 3

Annual FSSAI Tasks

- ✓ **Renew FSSAI license before expiry** — Annual
  Apply for renewal 30 days before expiry on foscos.fssai.gov.in. Late renewal: ₹100/day penalty.
  FSS (Licensing & Registration) Regulations 2011, Reg 2.1.7

- ✓ **Schedule annual pest control treatment and retain certificate**
  Pest control from a licensed operator. Keep certificate for FSSAI inspection.
  FSSAI Schedule 4, Part IV

- ✓ **Get water quality tested from NABL-accredited lab**
  Test drinking water and cooking water annually. Keep lab report for inspection.
  FSSAI Schedule 4, Part III

- ✓ **Conduct annual food safety training for all food handlers**
  FoSTaC (Food Safety Training & Certification) program. At least one trained supervisor per premises.
  FSSAI Schedule 4, Part II, Clause 1

- ✓ **Display calorie information on menu (if turnover > ₹20 crore)**
  FSSAI mandates calorie count display for large food businesses.
  FSSAI (Labelling and Display) Regulations 2020

03 Labour Law Compliance

PF, ESI, minimum wages, and employee-related legal requirements

- ✓ **Register on EPFO if you have 20+ employees** — Mandatory
  PF registration mandatory within 30 days of crossing 20 employees. Voluntary registration available for smaller establishments.
  EPF & MP Act 1952, Section 1(3)

- ✓ **Register on ESIC if you have 10+ employees** — Mandatory
  ESI applicable to establishments with 10+ employees (factories) or 20+ (others). Employee wage ceiling: ₹21,000/month gross.
  ESI Act 1948, Section 2(12)

- ✓ **Pay at least state minimum wages to all employees** — Mandatory
  Minimum wages vary by state, skill level, and zone (A/B/C). Check your state's latest notification. Underpayment = prosecution under Minimum Wages Act.
  Minimum Wages Act 1948; Code on Wages 2019

- ✓ **Deduct and deposit Professional Tax (PT) monthly**
  Rates and slabs vary by state. Maximum ₹2,500/year per employee. Not applicable in all states (e.g., Rajasthan, Delhi have no PT).
  Article 276(2), Constitution of India

- ✓ **Maintain attendance register and salary records**
  Mandatory under Payment of Wages Act. Maintain for minimum 3 years. Digital records (biometric) are accepted.
  Payment of Wages Act 1936, Section 13A

- ✓ **Issue salary slips to all employees monthly**
  Must include: basic pay, allowances, deductions (PF, ESI, PT, TDS), net pay.
  Payment of Wages Act 1936, Section 6

- ✓ **Pay bonus to eligible employees**
  Employees earning up to ₹21,000/month are eligible. Minimum 8.33%, maximum 20% of basic wages. Due within 8 months of FY end.
  Payment of Bonus Act 1965, Section 10

- ✓ **Comply with Maternity Benefit Act for female employees** — Mandatory
  26 weeks paid leave for women with <2 children. 12 weeks for 3rd child onwards. Applies to establishments with 10+ employees.
  Maternity Benefit Act 1961 (amended 2017)

- ✓ **Display POSH policy and constitute Internal Committee**
  Mandatory for establishments with 10+ employees. IC must have external member. Annual report to District Officer.
  POSH Act 2013, Section 4

- ✓ **Pay gratuity on exit (if employee served 5+ years)**
  15 days wages per year of service. Maximum ₹25,00,000. Due within 30 days of separation.
  Payment of Gratuity Act 1972, Section 4

New Labour Codes

Four new labour codes (Wages, Industrial Relations, Social Security, OSH) have been passed but implementation dates are pending as of May 2026. Once notified, they will replace 29 existing labour laws. Key changes: universal social security, fixed-term employment, and revised PF/ESI thresholds. Monitor labour.gov.in for updates.

04 GST & Tax Compliance

Monthly and annual tax obligations for restaurants

- ✓ **File GSTR-1 by the 11th of every month** — 11th
  Outward supplies (sales). B2B invoice-wise, B2C aggregate by rate. Quarterly option (QRMP) available for turnover up to ₹5 crore.
  CGST Act 2017, Section 37

- ✓ **File GSTR-3B by the 20th of every month** — 20th
  Summary return with tax payment. Reconcile ITC with GSTR-2B before filing.
  CGST Act 2017, Section 39

- ✓ **Apply correct GST rate on all bills**
  5% without ITC for most restaurants. 18% for AC restaurants opting for ITC. 5% for delivery (Swiggy/Zomato collect and deposit). Alcohol: state excise, no GST.

- ✓ **Generate e-invoices if turnover > ₹5 crore**
  B2B invoices must have IRN from Invoice Registration Portal. Auto-populates GSTR-1.
  CGST Notification 10/2023

- ✓ **Generate e-way bills for goods movement > ₹50,000**
  For catering, banquet supplies, or inter-branch transfers. Generate on ewaybillgst.gov.in.
  CGST Rule 138

- ✓ **File GSTR-9 annual return by 31st December** — 31 Dec
  Mandatory for turnover above ₹2 crore. GSTR-9C reconciliation for turnover above ₹5 crore.
  CGST Act 2017, Section 44

- ✓ **Deduct TDS on rent, contractor payments, professional fees**
  TDS on rent > ₹2,40,000/year: 10%. Contractor > ₹30,000/payment: 1-2%. File TDS returns quarterly.
  Income Tax Act 1961, Section 194-I, 194C

- ✓ **File Income Tax Return for the business**
  Due by 31st July (individuals/proprietorship) or 31st October (companies/firms needing audit). Tax audit if turnover > ₹1 crore.
  Income Tax Act 1961, Section 139

Pro Tip

Keep your POS system integrated with your accounting software. Petpooja POSS syncs directly with Tally, so your GST returns can be filed from POS data without manual reconciliation.

05 Fire Safety & Building Compliance

Physical safety requirements — inspected annually

- ✓ **Install fire extinguishers: 1 per 200 sq.ft of kitchen area** — Annual
  ABC type for general use. CO2 type near electrical panels. Kitchen: wet chemical extinguisher for cooking oil fires. Get refilled/inspected every 12 months.
- ✓ **Mark emergency exits with illuminated signs**
  Exit signs must be lit at all times during operating hours. Emergency lighting must work on battery backup for 90 minutes.
  National Building Code 2016, Part IV
- ✓ **Install smoke detectors in kitchen and storage areas**
  Connected to alarm system. Test monthly. Replace batteries every 6 months.
- ✓ **Maintain fire extinguisher inspection log**
  Record date, inspector name, status. Fire department checks this log during inspections and renewals.
- ✓ **Conduct fire drill for staff at least once a year**
  Brief all staff on evacuation routes, assembly point, and fire extinguisher use. Document the drill with date and attendees.
- ✓ **Ensure gas bank installation complies with PESO norms**
  LPG bank installations need approval from Petroleum & Explosives Safety Organisation (PESO). Distance rules from buildings, ventilation requirements.
  Gas Cylinder Rules 2016; PESO regulations
- ✓ **Renew Fire NOC annually** — Annual
  Fire department re-inspection required. Keep all safety equipment maintained before inspection.
- ✓ **Maintain valid building occupancy certificate**
  Issued by municipal corporation. Confirms the building is approved for commercial/restaurant use. Required for all licenses.

06 Annual Renewal Calendar

Never miss a renewal — set reminders 30 days before each date

License / Registration	Validity	Renewal Window	Where to Renew	Penalty for Lapse
FSSAI License	1-5 years (chosen)	30 days before expiry	foscos.fssai.gov.in	₹100/day late fee
Shop & Establishment	1 year (most states)	Before 31st January	State labour dept portal	Fine + sealing risk
Trade License	1 year	Before expiry	Municipal corporation	Closure notice
Fire Safety NOC	1 year	Before expiry	Local fire station	Sealing of premises
Health License	1 year	Before expiry	Municipal health dept	Closure notice
Liquor License	1 year	60-90 days before	State excise dept	License cancellation
Music License (IPRS/PPL)	1 year	Before expiry	IPRS/PPL portal	Copyright infringement suit
Pollution NOC	1 year	Before expiry	State PCB portal	Fine up to ₹1,00,000
GST Registration	No expiry	N/A	gst.gov.in	N/A (but file returns)
PF/ESI Registration	No expiry	N/A	epfindia.gov.in / esic.nic.in	N/A (but file returns)

Pro Tip

Create a single calendar reminder for January 1st every year. Spend 2 hours checking expiry dates for all licenses. This prevents surprises. Most licenses can be renewed online now.

07 Mandatory Signage & Display

What must be visibly displayed in your restaurant

- ✓ **FSSAI license with 14-digit number at entrance** — Display
  Must be visible from outside the premises. Laminated copy is acceptable.
  FSSAI Order 27-Dec-2018

- ✓ **GST registration certificate**
  Display at principal place of business. Certificate downloaded from gst.gov.in.
  CGST Rules, Rule 18

- ✓ **Shop & Establishment registration**
  Display near main entrance or cash counter.
  Shops & Establishments Act (state-specific)

- ✓ **No-smoking signage (if applicable)**
  Mandatory in public eating places. Board size: minimum 60cm x 30cm. Include helpline number.
  COTPA 2003, Section 4

- ✓ **Fire safety plan / evacuation route map**
  Display near entrance and at each floor. Mark exits, extinguisher locations, assembly point.

- ✓ **POSH policy summary**
  Display at conspicuous place in the establishment. Include IC member names and complaint process.
  POSH Act 2013

- ✓ **Menu with prices (MRP display)**
  Prices must be clearly visible to customers before ordering. No hidden charges. Service charge must be clearly marked as voluntary.
  Consumer Protection Act 2019; CCPA Guidelines on Service Charge (2022)

- ✓ **Water source declaration (RO/municipal/packaged)**
  FSSAI requires restaurants to disclose the source of drinking water served to customers.
  FSSAI Guidance Note

08 8 Mistakes That Get Restaurants Shut Down

Real enforcement actions — and how to avoid them

Mistakes to Avoid

- ✓ **Operating without FSSAI license** — Critical
  Most common violation. FSSAI conducts surprise inspections. Fine up to ₹5,00,000 and imprisonment up to 6 months. Apply before opening.
- ✓ **Using recycled cooking oil (TPC > 25%)** — Critical
  FSSAI actively raids restaurants for cooking oil quality. Test using TPM meter or visual inspection. Fine up to ₹5,00,000. Oil disposal to authorized recyclers only.
- ✓ **Not registering employees on PF/ESI** — Critical
  EPFO and ESIC conduct inspections. Non-registration: penalty of 12% interest + up to 25% damages on unpaid PF. Criminal prosecution for persistent default.
- ✓ **Paying below minimum wages** — Critical
  Labour inspector complaints lead to back-payment orders plus penalties. Minimum wages are revised every 6 months in most states.
- ✓ **No fire extinguishers or expired extinguishers** — Safety
  Fire department can seal premises immediately during inspection. Kitchen fires cause an estimated ₹200 crore in losses to Indian restaurants annually.
- ✓ **Serving alcohol without valid liquor license** — Criminal
  Criminal offence in most states. Imprisonment possible. Restaurant can be permanently sealed. No bail in some states for repeat offenders.
- ✓ **Not displaying FSSAI license at entrance**
  Most frequently cited violation during FSSAI inspections. Easy fix: print, laminate, and display near the main door. Costs ₹50.
- ✓ **Missing GST returns for 2+ consecutive months**
  E-way bill generation gets blocked. Your goods movement stops entirely. GSTIN can be suspended. File nil returns if there is no business, but always file.

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This checklist is provided by Petpooja for informational purposes. Verify all compliance details with official sources before acting.

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SIMPLIFY COMPLIANCE

Stop tracking compliance *on paper*

Petpooja's software suite handles GST-compliant billing (POSS), PF/ESI payroll (Payroll), daily task verification with photo proof (Tasks), and AI-powered purchase tracking (Purchase). One ecosystem for your entire restaurant. Trusted by 1,50,000+ businesses.

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