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OFFICE OF THE COMMISSIONER OF INDUSTRIES
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F.CI/DCI/Policy/475/2022/ 1136

Dated: 28/06/23

Public Notice for seeking comments/suggestions on the draft Policy for Independent Food Outlets in Delhi

Delhi Government is in the process of formulating a Policy for Independent Food Outlets in Delhi, as announced during the presentation of Rozgar Budget 2022-23.

Accordingly, a draft Policy has been prepared and placed as Annexure-1.

In this regard, the Apex Industry/Associations, RWAs, and General Public are requested to furnish their feedback on the **draft Policy** annexed herewith to this Department **latest by 20.07.2023**.

The feedback may kindly be furnished on the email address cetpbranch@gmail.com

Dy. Commissioner of Industries (CETP)

To

White Paper
on
Delhi Policy
for
Independent Food Outlets

June 2023

Department of Industries
Government of National Capital Territory of Delhi (GNCTD)

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Delhi Policy for Independent Food Outlets

1. Introduction

1.1 The online food delivery industry in Delhi is going through a revolutionary phase. In recent years, this market has shown huge prospects and attracted heavy investments. With the increasing disposable income in the city, it is expected that this Industry will grow even further in future. In recent past, there has been an increasing trend of the home delivery of food especially in the context of the ongoing COVID pandemic. A large number of Restaurants have also started focussing on home deliveries. In addition to restaurants and takeaways, there are many industry players who cater solely to delivering food to the consumers directly and do not operate any dine in or takeaway restaurants. Such businesses operate from independent food outlets that are located across the National Capital Territory of Delhi. There are about 20,000 such independent food outlets, which are operating from various parts of the city. It is learnt that they employ about four lakh employees directly and about four lakh people indirectly. Size of a typical independent food outlet varies from 600 sq. feet to 2,000 sq. feet and are located mostly in commercial properties or in village abadi areas. It is expected that this Industry will grow at a greater pace given the increasing tendency of the consumers to order food through the various online services available.

1.2 Discussions with various stakeholders, especially players in the independent food outlet Industry, have revealed that this Industry is facing difficulties in setting up of new outlets and day to day operations due to lack of clarity on licensing requirements for independent food outlets. Many of the players have also informed that they are unable to find suitable properties at reasonable rent for setting up their outlets.

2. Vision and Objective

2.1 Vision:

Creation of a conducive environment for the development and modernization of independent food outlets by minimising regulations.

2.2 Objective:

- i) To recognize the independent food outlet Industry and to facilitate the operation thereof by developing opportunities and skills.
- ii) Simplification, streamlining and digitization of the licensing and compliances requirements for independent food outlets to enable such businesses to operate smoothly without any hindrances with ancillary benefits of:
 - a. Generation of direct and indirect employment opportunities; and
 - b. Promotion of skill development and to improve productivity
- iii) Development of physical infrastructure and digitization of food business by promoting modern technology and superior infrastructural support.

3. Policy Period

The Independent Food Outlet Policy shall come into force from the date of notification and will be reviewed periodically by various stakeholder departments.

4. Pre-Requisites for setting up and operating an independent food outlet in National Capital Territory of Delhi

4.1 The Government of National Capital Territory of Delhi shall review all the applicable licences and permits required under various legislation for starting and operating independent food outlets and work towards rationalization by repealing, amending or subsuming redundant laws in consultation with all the stakeholders. It aims to reduce the compliance burden, decriminalize minor technical or procedural offences, and ensure a pleasant interface between businesses or citizens and public authorities. An indicative but not exhaustive list of licenses and compliances is given in Annexure-I, II, III and IV for setting up an independent food outlet in Delhi.

4.2 In Delhi, all stakeholder departments namely Labour Department, Municipal Corporation of Delhi, Food and Safety Department/Food Safety and Standards Authority of India (FSSAI), and Delhi Fire Service will review, minimize, and simplify the procedure to obtain the licenses and renewals to set up independent food outlets in Delhi.

5. Recognition of Independent Food Outlets

The Government of National Capital Territory of Delhi (GNCTD) has decided to recognize the existence of independent food outlets as a separate activity since most of the stakeholder departments of Government of National Capital Territory of Delhi (GNCTD) do not have a separate category named Independent Food outlets in policy regime. The term independent food outlet shall include other similar terminology such as Cloud Kitchen, Ghost Kitchen, Dark Kitchen, Base Kitchen, Satellite Kitchen & Virtual Kitchen etc. Independent food outlet shall mean those outlets that operate independently in any commercial or industrial space without any of its products being sold to consumers on site. All food / products of such outlets should be invariably delivered to the consumers by way of delivery personnel. Outlets that are attached to dine-in restaurants or takeaway establishments shall not be specified as independent food outlets. Accordingly, the stakeholder departments of Government of National Capital Territory of Delhi (GNCTD) will have a separate category in their licensing policy.

6. Measures for Development of Independent food outlets

With the notification of this Policy, it is expected that the independent food outlet Industry shall be able to expand its natural growth without any impediments. The Government shall work towards reducing compliance burden, enhancing ease of access and decriminalization of minor offences for all formats of independent food outlets. Emphasis shall be placed on the following:

6.1 Ease in Licensing and Compliances

The Industry Department of Delhi Government has been mandated to develop a Single Window Portal for licensing and compliances under the recently notified start-up policy. The said Single Window Portal shall also function as an online platform to facilitate all licences and permission for setting up and operating independent food outlet in the National Capital Territory of Delhi.

6.2 Operations in Industrial & Commercial Areas

Independent Kitchens will operate out of Industrial and Commercial Areas in the NCT of Delhi.

6.3 Removal of requirement of Fire NOC

Fire NOC from the Fire Department shall not be required for establishment and operation by Independent Food Outlets both in Industrial and Commercial areas for covered area below 250 square meters.

6.4 Removal of Time restrictions in operation

Labour department will examine and bring suitable amendments to permit 24x7 operations for independent food outlets.

6.5 Computerized Inspection Management System

The stakeholder departments shall adopt a Computerized Inspection Management System which may provide random assignment of inspections, wherever necessary. The concerned department shall carry out risk-based assessment in a time bound manner by determining the need and periodicity of inspections ensuring transparency.

6.6 Development of Infrastructure

If a need is felt for development of any flatted independent food outlet facility in any industrial/commercial area, such facility shall be developed by the Government of National Capital Territory of Delhi (GNCTD) through the Delhi State Industrial & Infrastructure Development Corporation Ltd. (DSIIDC). These facilities shall be of a plug and play in nature with all the common infrastructures being provided at the complex. These facilities shall be allowed to operate on rental basis and subsidised, if required. In addition, some other ancillary facilities such as common infrastructure, food testing labs, temperature-controlled warehousing, docking & storage facility, chilling station, co-working office space etc. may also be developed.

6.7 Capacity Building

The Delhi Skill and Entrepreneurship University (DSEU) shall take all measures for developing entrepreneurship and enhancing skills by arranging trainings and short-term courses for independent food outlet operators and their employees in different fields like procurement, production, management, marketing, hygiene, logistics, public health, safety & security, standards & certification, licensing & compliances etc.

6.8 Easy Access to Finance

The State Level Bankers Committee (SLBC) shall sensitize and encourage the Banks, Non-Banking Finance Companies, Micro Finance Institutions etc. to advance easy and quick access to affordable credit to new entrepreneurs and existing operators for starting or expanding independent food outlets.

7. Implementing Agency

Industries Department shall be the Implementing Agency for all reward and incentive schemes under the policy except for development of infrastructure. All Independent food outlets shall have to register themselves with the Implementing Agency under this Policy before claiming any benefits of policy.

8. Empowered Committee for review and recommendation for simplification of regulations

There shall be an Empowered Committee, as may be notified, in Industry Department under the Chairmanship of Hon'ble Minister of Industries, GNCT of Delhi comprising representatives of all concerned Departments as members as stated below:

S.No.	Committee Composition	Designation
1	Hon'ble Minister of Industries, GNCT of Delhi	Chairman
2	Secretary-Cum-Commissioner, Industries Department, GNCT of Delhi	Member

3	Member, Dialogue and Development Commission of Delhi	Member
4	Special Commissioner-I, Industries Department, GNCT of Delhi	Member Secretary and Convenor
5	Secretary, New Delhi Municipal Council	Member
6	Addl. Commissioner (Health Trade License), Delhi Municipal Corporation	Member
7	Spl. Secretary, Health and Family Welfare Department, GNCT of Delhi	Member
8	Labour Commissioner, Labour Department, GNCT of Delhi	Member
9	Member Secretary, Delhi Pollution Control Committee, GNCT of Delhi	Member
10	Chief Fire Officer (Fire Preventive Wing), Delhi Fire Service, GNCT of Delhi	Member
11	Addl. Commissioner (Plg.), Delhi Development Authority	Member

The Committee shall conduct meetings once in three months. The Committee shall evaluate the policy periodically and modify, amend or relax any provision thereof, to ease the operations of Independent Food Outlets with the approval of Minister of Industries, GNCTD. The Committee shall take all measures to resolve the grievances and any major issues faced by the industry and any difficulty in implementation of this Policy.

Annexure-I: Applicable Laws in Government of National Capital Territory of Delhi (GNCTD) for Independent food outlets in Commercial Areas

Applicable Laws in Government of National Capital Territory of Delhi (GNCTD) for Independent food outlets in Commercial Areas			
S.No.	Department	License/Registration/No Objection Certificate (NOC)	Particulars
1	Labour Department	Registration under Delhi Shops and Establishment Act, 1954	The license can be obtained online in self-certification basis and do not require any document.
2	Municipal Corporation of Delhi	Health Trade License under the Delhi Municipal Corporation Act 1957	For setting up and operating independent food outlets in commercial areas. The license can be obtained through online application.
3	Food and Safety Department/ FSSAI	Registration under the FSSAI Act, 2006	For setting up and operating independent food outlets in commercial and industrial area, where the turnover is up to 12 Lacs per annum. The registration can be applied through online application.
4	Food and Safety Department/ FSSAI	License under the FSSAI Act, 2006	For setting up and operating independent food outlets in commercial and industrial area, where the turnover is more than 12 Lacs per annum. The license can be applied through online application.

5	Delhi Fire Service	No Objection Certificate (NOC), Delhi Fire Service Act, 2007	For setting up and operating independent food outlets in commercial and industrial area, where the covered area of building is more than 250 Sq. Mtr. on all floors.
6	Delhi Pollution Control Committee	Consent to Establish & Operate	As per prescription for other kitchens

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Annexure-II: Pre-requisites/ Eligibility for setting up and operating an independent food outlet in National Capital Territory of Delhi

Pre-requisites/ Eligibility condition for independent food outlets

S.No.	Parameter	Industrial	Commercial
1	Floor Area	<p>For Health Trade License</p> <ol style="list-style-type: none"> 1. The floor area shall not be less than 9 sq. metres and the height not less than 3 meters. 2. The premise shall be structurally sound and kept in good state at all times. 3. The Floor and walls up to a height on one meter shall be made of smooth concrete material and the corners rounded to facilitate through washing and cleaning of the premises. 	<p>For Health Trade License</p> <ol style="list-style-type: none"> 1. The floor area shall not be less than 9 sq. metres and the height not less than 3 meters. 2. The premise shall be structurally sound and kept in good state at all times. 3. The Floor and walls up to a height on one meter shall be made of smooth concrete material and the corners rounded to facilitate through washing and cleaning of the premises.
2	Hours & No. of days of operation	No restrictions	At present, the Establishment are not allowed to open beyond prohibited hours & is to be closed for one day during the week. (However, the Labour Department, GNCTD shall examine and bring suitable amendments to permit 24*7 operations for Independent Food Outlets).
4	Fire Safety Guidelines	No Objection Certificate (NOC) required for Building having covered area on all floor more than 250 square meters.	No Objection Certificate (NOC) required for Building having covered area on all floor more than 250 square meters.

5	Annual Turnover	For food Safety License only registration required for Turnover up to 12 Lacs per annum and license required above 12 Lacs per annum	For food Safety License only registration required for Turnover up to 12 Lacs per annum and license required above 12 Lacs per annum
6	Ventilation	The premises shall be well ventilated and adequately lighted.	The premises shall be well ventilated and adequately lighted.
7	Water Supply	Continuous supply of safe water shall be ensured in the premises. In case of intermittent water supply adequate storage arrangements shall be made.	Continuous supply of safe water shall be ensured in the premises. In case of intermittent water supply adequate storage arrangements shall be made.
8	Hygiene	The premises shall be completely fly-proof, preferably with double doors, outer door opening outwards and fitted with springs to ensure their self-closing.	The premises shall be completely fly-proof, preferably with double doors, outer door opening outwards and fitted with springs to ensure their self-closing.

Annexure-III: Documents required for starting an independent food outlet

S.No.	Parameter	Industrial	Commercial	Mutually Exclusive
1	Identity Proof	ID proof of Occupier and Manager.	Photo, Govt issued ID card	Photo, Govt issued ID card
2	Address Proof	List of Partners/Directors with their residential address.	Govt issued address card	Govt issued Address card
3	Income Tax Proof	PAN Card of the Unit/ Proprietor issued by Income Tax department	PAN Card of the Unit/ Proprietor issued by Income Tax department	PAN Card of the Unit/ Proprietor issued by Income Tax department
4	Electricity Bill	Latest electricity bill as a proof of sanctioned load of electricity.	Not required	Latest electricity bill as a proof of sanctioned load of electricity.
5	Water Connection	Copy of Water Connection, in case of Municipal Supply.	Copy of Water Connection, in case of Municipal Supply.	Copy of Water Connection, in case of Municipal Supply.
6	Drainage Connection	Proof regarding connection of their drainage system to the Public/ Municipal/ Delhi Jal Board sewer from the concerned Authority (DJB/ MCD/ NDMC/ DCB).	Not required	Proof regarding connection of their drainage system to the Public/ Municipal/ Delhi Jal Board sewer from the concerned Authority (DJB/ MCD/ NDMC/ DCB).
7	Ownership Proof	Proof of occupancy (copy of rent agreement/ownership proof i.e., conveyance deed).	Not required	Proof of occupancy (copy of rent agreement/ownership proof i.e., conveyance deed).
8	Building Plan	Existing building plan in PDF format as per Rule 3A of the Delhi Factories Rules, 1950.	Not required	Existing building plan in PDF format as per Rule 3A of the Delhi Factories Rules, 1950.

9	STP Report	ETP/ STP effluent analysis report not more than six-month-old.	Not required	ETP/ STP effluent analysis report not more than six-month-old.
10	CETP Membership	Proof of CETP Membership in the name & address of unit, if CETP exists.	Not required	Proof of CETP Membership in the name & address of unit, if CETP exists.
11	Master Plan of Delhi Conformity Proof	Proof of conformity with the provisions of Master Plan of Delhi from the concerned authority	Not required	Proof of conformity with the provisions of Master Plan of Delhi from the concerned authority

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Annexure-IV: Compliances for running an independent food outlet

S.No.	Parameter	Industrial	Commercial
1	Renewals	FSSAI licence to be renewed every year	FSSAI licence to be renewed every year
2	Inspections, Examinations & Audit	<ol style="list-style-type: none"> 1. Random inspections are carried out to check compliance status by DPCC and FSSAI 2. Inspection is required before issuing Fire Safety Certificate 	<ol style="list-style-type: none"> 1. Random inspections are carried out to check compliance status by DPCC and FSSAI 2. Inspection is required before issuing Fire Safety Certificate in case area above 250 Sq. Mtr.
3	Returns	<ol style="list-style-type: none"> 1. After receiving the FSSAI registration/license, he Food Business Operators (FBOs) must file the annual return within the prescribed time, or else they will have to pay penalties. 2. The due date to file the FSSAI form D1 by the FBOs is on or before 31 May of every financial year. 	<ol style="list-style-type: none"> 1. After receiving the FSSAI registration/license, he Food Business Operators (FBOs) must file the annual return within the prescribed time, or else they will have to pay penalties. 2. The due date to file the FSSAI form D1 by the FBOs is on or before 31 May of every financial year.
4	Display Requirement	<ol style="list-style-type: none"> 1. Mandatory display of FSSAI registration/license number of the FBO, which the customer can verify at FSSAI website 2. Size: A4 size for FSSAI Registered food business and A3 for FSSAI Licensed Food Business. 	<ol style="list-style-type: none"> 1. Mandatory display of FSSAI registration/license number of the FBO, which the customer can verify at FSSAI website 2. Size: A4 size for FSSAI Registered food business and A3 for FSSAI Licensed Food Business.