

Modi government writes new rule book for BigBasket, Swiggy & Zomato

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New Delhi: The Food Safety and Standards Authority of India (FSSAI) has issued revised guidelines that directly impact online food and grocery operators such as Grofers and BigBasket as well as food delivery platforms like Swiggy and Zomato.

The national food regulator said it's stepping up scrutiny of ecommerce food companies because there can be no compromise on last-mile delivery and safety of food products. Food products offered for sale are liable to sampling at any point in the supply chain. Companies will also need to provide an indicative image of the food on their platforms so that consumers can recognise the product. All mandatory information mentioned in the Food Safety and Standards (FSS) Act will also have to be provided to consumers before purchase and only fresh food should be delivered to consumers.

"With increasing use of ecommerce platforms by consumers, the guidelines are aimed at stepping up vigilance on safety of food provided to consumers," FSSAI chief executive Pawan Agarwal said. "These guidelines will help in building confidence in the ecommerce food business sector and increase its credibility." The guidelines are part of directives issued by the regulator to re-operationalise licensing and registration of ecommerce food companies.

"Food business operators need to ensure that the last-mile delivery is undertaken by trained personnel and that the safety of food products is not compromised at the time of delivery," according to the guidelines.

Online food and grocery startups, which have transitioned from a hyperlocal to inventory-led business model, have been growing on the back of greater efficiencies in supply chain and technology, cutting costs and doing away with unprofitable products. A recent Crisil report said online food and grocery is expected to be the fastest-growing segment in online retail and will almost quadruple in the next three years to Rs 10,000 crore in revenue. The report said investments in technology, same and next-day delivery options, and business-to-business food services, will further aid growth of the segment. Estimates peg the overall food and grocery market in India at \$400 billion.

A spokesperson for Swiggy said: "Earlier in the year, in full compliance of Food Safety and Standards Act and Rules, all unregistered restaurants were disabled from Swiggy. We're committed to working with the restaurant partner community and FSSAI to bring the necessary confidence and control to ensure there is no compromise in last-mile delivery and safety of food."