Government of India Ministry of Consumer Affairs, Food and Public Distribution Department of Consumer Affairs

LOK SABHA STARRED QUESTION NO. *269 TO BE ANSWERED ON 21.03.2017

ONLINE SALE OF FOOD

*269. SHRI K. PARASURAMAN:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण मंत्री be pleased to state:

- (a) whether the Government has formulated guidelines for the companies selling food essentials through online medium and if so, the details thereof; and
- (b) whether the Government has also put in place any mechanism to ensure that the rights of such consumers are protected and if so, the details thereof ?

ANSWER

उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण मंत्री (श्री राम विलास पासवान)

THE MINISTER OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI RAM VILAS PASWAN)

(a) & (b): A Statement is laid on the Table of the House.

STATEMENT REFERRED IN REPLY TO PARTS (a) & (b) OF LOK SABHA STARRED QUESTION NO.*269 FOR 21.03.2017 REGARDING ONLINE SALE OF FOOD.

(a) : Food Safety and Standards Authority of India has formulated guidelines for operations of E-Commerce Food Business Operators, which have been made effective from 2^{nd} February, 2017. The details of guidelines are annexed.

(b) : The requirement for compliance of all provisions of Food Safety and Standards Act, 2006 and Rules and Regulations made thereunder throughout supply chain, issues of handling consumer complaints and the responsibility of E-Commerce FBOs towards recall are also provided in the guidelines for operations of E-Commerce Food Business Operators which will protect the rights of consumers.

In addition, consumer has a right to get the food analysed under Section 40 of the FSS Act, 2006.

Further, apart from the provisions for lodging complaints to the E-Commerce FBO Consumer Complaint Cell, consumers can also lodge complaints/grievances on online platform called 'Food Safety Connect' which has been launched by FSSAI recently. Besides, there are adequate provisions available to the consumers in Consumer Protection Act, 1986 to protect rights of the consumers.

STATEMENT REFERRED IN REPLY TO PART (a) OF LOK SABHA STARRED QUESTION NO.*269 FOR 21.03.2017 REGARDING ONLINE SALE OF FOOD.

GUIDELINES FOR OPERATIONS OF E-COMMERCE FOOD BUSINESS OPERATORS

In pursuance of Section 18(1) (a), 29(2) and 29(3) of Food Safety & Standards Act, 2006 (hereafter referred as Act), Food Safety & Standards Authority of India (FSSAI) issues the following guidelines for food business activities through ecommerce. Food Business, as defined in Section 3(n) of the Act, encompasses ecommerce mode of business in food articles. As such, all applicable provisions of the Act and the Rules & Regulations made thereunder are to be complied with by e-commerce entities in food business.

The present guidelines are to be read as explanatory memorandum, and do not in any-way supplant any of the requirements under the Act and the Rules & Regulations made thereunder.

1. DEFINITION

All definitions/terminology used in these guidelines shall have the same meaning under the Act unless specifically provided otherwise. If there is any conflict in the definitions/terminology used in these guidelines and under the Act and the Rules & Regulations made thereunder, the definition/terminology under the Act and the Rules & . Regulations made thereunder shall prevail.

1.1 "E-commerce" means buying and selling of goods and services over digital and electronic network.

1.2 "Digital and electronic network" means network of computers, television channels and any other internet application used in an automated manner such as web pages, extranets, mobiles, etc.

1.3 "E-commerce FBO" means any Food Business Operator carrying out any of the activities in Section 3(n) of Food Safety & Standards Act, 2006, through the medium of e-commerce.

1.4 "Marketplace based model of e-commerce FBO" means providing of an information technology platform by an e-commerce FBO on a digital and electronic network to act as a facilitator between the buyer and seller/brand owner/ manufacturer. E- Commerce marketplace includes entities providing support services to sellers/brand owners/product manufacturers in respect of warehousing, logistics, order fulfillment, payment selection, facilitator of delivery and other

1.5 "Inventory based model of e-commerce FBOs" means an e-commerce activity where inventory of food products and food services is owned by e-commerce FBO and is sold to the customers directly.

2. BUSINESS MODELS OF E-COMMERCE FBO

E-commerce FBO includes, but is not limited to, the following:

2.1 E-commerce entity providing listing services to sellers/brand owners/ /manufacturers/restaurants on their platform, thereby providing platform for commerce to the sellers, manufacturers, restaurants etc.

2.2 Sellers/brand owner/manufacturer, vendors, importers, processors, packagers or manufacturers who display or offer their food products, including food services, catering services, sale of food or food ingredients for sale to the customers, through either the market based model or the inventory based model of e-commerce.

2.3 Operating and providing storage and/or distribution services to the sellers/brand owners, vendors, importers or manufacturers of the food products listed on their marketplace.

2.4 Providing transportation services to the sellers/brand owner, vendors, Importers or manufacturers of the food products and/or providing last mile delivery transportation to the end consumers.

3. REGULATORY REQUIREMENTS

3.1 REGISTRATION & LICENSING

3.1.1 E-commerce FBOs mentioned at clause 2.2, 2.3 and 2.4 above shall be covered under Schedule-I of Food Safety and Standards (Licensing and Registration of Food Businesses) Regulation, 2011. These e-commerce FBOs have to obtain license from the Central Licensing Authority for the entire supply chain i.e. Head Office/Registered Office, Manufacturers, Transportation, Storage, Distribution, etc. It shall be ensured by the e-commerce FBOs that the last mile delivery is undertaken by trained delivery personnel and the safety of food product is not compromised at the time of delivery.

3.1.2 E-commerce entities providing listing/directory services to the

sellers/brand owners, restaurants, vendors, importers or manufacturers of the food products, may not be required to obtain license/registration under the Act, Rules & Regulations made thereunder, subject to their not being engaged in any activities as specified in the definition of Food Business as defined in Section 3(n) of the Act. However, these e-commerce entities (covered under clause 2.1 above) shall ensure that no misleading information/false claims pertaining to the sellers/brand owners, vendors, importers or manufacturers, or misleading images of food products are made available or shown on their platform. The ecommerce entities shall clearly specify on their platform that liability of any violation of the FSS Act and applicable Rules and Regulations made thereunder would be with the sellers/brand owners, vendors, importers or manufacturers of the food products

3.2 SUPPLY CHAIN COMPLIANCE

3.2.1 The FSS Act 2006 stipulates that every food business operator shall ensure that the articles of food satisfy the requirements of the Act and the Rules and Regulations made thereunder at all stages of production, processing, import, distribution and sale within the businesses under his control. No FBO by himself, or by any person on his behalf, manufacture, sell or distribute any article of food which is unsafe; or misbranded or substandard or contains extraneous matter; or for which a license is required, except in accordance with the conditions of the license.

3.2.2 All e-commerce FBOs are required to sign an agreement with the sellers/brand owners/manufacturers averring that the said 'sellers/brand owners/manufacturers' are compliant with FSS Act and Rules and Regulations made thereunder.

3.3 FOOD PRODUCT LISTING AND INFORMATION

3.3.1 'The 'sellers/brand owners/manufacturers' who display or offer any 'prepacked food' for sale to the customers, either on their own e-commerce platform or on the marketplace based model of e-commerce, shall ensure that legible and clear picture of the 'principal display panel' of such pre-packed food is made available for viewing by the customers. The principal display panel excluding batch number/lot number, best before, expiry date and MRP shall be displayed.

3.3.2 The sellers/brand owners/manufacturers dealing in fresh produce will provide an indicative image of the same produce to the e-commerce FBOs for displaying on their platform to enable the consumers to help recognize the

product.

3.3.3 The sellers/brand owners/manufacturers on the ecommerce platform shall be required to display their License/Registration obtained under the FSS Act and Regulations.

3.3.4 Mandatory food information mentioned in the FSS Act, Rules and Regulations made thereunder shall be provided to the consumers without charging supplementary costs. The relevant mandatory food information should also be available before the purchase is concluded.

3.3.5 The food products offered for sale by any e-commerce FBO shall be liable to sampling at any point of the supply chain.

3.3.6 The term 'seller/brand owners/manufacturers' used here should be read to mean seller /brand owner/restaurant/ vendor/ importer/processor/packager/manufacturer responsible for the listing of their product/offering on the e-commerce platform, and will be visible to the end consumer as the 'seller' of the said product/offering.

3.4 LIABILITY OF FBO

All the FBOs i.e. sellers/brand owners, vendors, importers, manufacturers, restaurant, hotel etc. shall comply with the basic hygiene and sanitary practices mentioned in the Schedule 4 of Food Safety and Standards (Licensing and Registration of Food Businesses), Regulations 2011.

3.5 HANDLING OF CONSUMER COMPLAINTS

E-commerce FBO Consumer Complaint Cell shall act as under in respect of complaint received from consumers:-

3.5.1 Complaints relating to product efficacy, quality, or any other such issues will be notified immediately by e-commerce FBO to the sellers/brand owners /importers/manufacturing company concerned for expeditious resolution.

3.5.2 The consumer will also be redirected to the consumer call center of the manufacturer so that consumer directly pursues the matter further.

3.5.3 The sellers/brand owners, vendors, importers or manufacturers as the case may be, will be liable and bound to take action on the complaint raised by the consumer. The e-commerce FBO will cooperate with the consumers to

enable the satisfactory resolution of the complaint by sharing with him all relevant information including seller/brand owner/manufacturer details.

3.5.4 Consumer complaints shall be redressed as per the timeline prescribed by Ministry of Consumer Affairs from time to time.

3.6 RESPONSIBILITY OF ECOMMERCE FBO TOWARDS RECALL

The e-commerce FBO/entities shall immediately delist any food products listed on their platform, which are not in compliance with the FSS Act or Rules or Regulations, made thereunder.

NOTE: All the terms used herein and not defined shall have the same meaning as assigned to them under the FSS Act and Rules and Regulations thereunder.