New Delhi: Food safety authority FSSAI on Tuesday said it will reclassify food businesses on the basis of turnover to align with the goods and services tax (GST). Under the GST regime, implemented from July 1, 2017, businesses with an annual turnover of over Rs 20 lakh are required to pay GST. "We are in the process of amending the licensing and registration norms. Under this, we are going to reclassify the kind of food businesses (KoB) on the basis of turnover to align with GST and MSME norms," Food and Safety Standards Authority (FSSAI) CEO Pawan Kumar Agarwal said.

Accordingly, the number of KoBs will be reduced from the current 17 to 8. For instance, a category of food businesses whose annual turnover is Rs 12 lakh will be increased to Rs 20 lakh, he added. Alongside, FSSAI is developing an e-system to monitor if food businesses are complying with safety norms. The compliance monitoring system will be ready in the next 2-3 months.
A track record of each food business will help while issuing fresh licence for new products. Right now, we don't have a proper record at one place,” he added. While issuing licence, the regulator will also see if the company has complied with labelling norms and product standards, among others, Agarwal said. "These parameters will also be attached while issuing licence,” he said. To promote hygiene in restaurants and hotels, FSSAI has prepared a framework and awaiting provisions to be in place to hire a third party agency to conduct the rating, he said. "We are ready with the framework. But who will do the rating? Globally, it is done by the regulatory staff. Since our staff is limited, we are exploring a third party agency," he said.