PETPOOJA

GUIDE

# Opening a Bakery in India

The three things a bakery has that a restaurant does not: it manufactures, it sells off a shelf, and its stock expires. Which Schedule 4 Part actually binds you, the one definition that decides whether you must print a label, what that label must carry, and why date marking is the rule most owners have backwards.

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**₹1.5 cr**
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# 01 Which Regime You Are Actually In

Not a box you tick. A description of what you do.

This guide is written for someone opening a bakery, though only the first chapter is really about opening: the labelling, counter and record chapters apply just as much to a bakery already trading. Bakery advice tends to start with equipment. Start here instead, because the answer decides which hygiene rules bind you, which licence you apply for, and whether the labelling chapters later in this guide apply to you at all. A bakery is unusual in that it can be a manufacturer and a food service at the same time.

> **The regulation decides by what you do, not what you call yourself**
>
> The licensing regulations say a food business must comply with the safety requirements in "Schedule 4 contained under different Parts dependent on nature of business". That phrase appears twice. It means the Part that binds you follows from the activity: baking on the premises is manufacturing, a seating area is food service, and a bakery that does both is under both.

## The Parts of Schedule 4, and who each one is written for

| Part | Written for | A bakery is here when |
|---|---|---|
| Part I | Petty food business operators applying for Registration | You are small enough to register rather than licence, and you file a self-attested declaration of adherence |
| Part II | All food business operators applying for a Licence | You bake on the premises. This is the general manufacturing regime, and baking on the premises is a manufacturing activity |
| Part V | Catering and food service establishments | You also serve for consumption on the premises. Its own list names eating houses, restaurants, snack bars and canteens, and does not name bakeries |

*Parts III and IV cover dairy and meat establishments and are not usually a bakery's concern unless you also process those.*

## Settle these before you apply

- ✓ **Write down what you will actually do on the premises**
  Bake and sell over a counter. Bake and also seat customers. Bake and supply other retailers. Buy in and only resell. Each of those is a different nature of business and pulls in a different Part.
- ✓ **Pick the licence tier by turnover, not by ambition**
  Registration up to ₹1.5 crore, State licence from ₹1.5 crore to ₹50 crore, and Central licence above ₹50 crore, with effect from 1 April 2026. Older articles quoting ₹12 lakh or ₹20 crore are describing superseded thresholds.
- ✓ **Check whether you will supply to other businesses**
  Wholesaling to retailers or supplying an aggregator is a different activity from selling to walk-in customers, and it is the point at which your goods reliably become pre-packaged. Chapter 2 is about that line.
- ✓ **Decide the seating question before the fit-out**
  A counter with two chairs is not the same regulatory animal as a bakery-cafe. If you intend to seat customers, plan for the food service obligations in Chapter 4 from the start rather than retrofitting them.

# 02 The Line That Decides Your Label

One definition, and it is easy to cross without noticing.

A restaurant serving food to a table prints no label at all. A bakery starts the same way, selling loose over a counter, and then one day puts sealed loaves on a shelf. That day it becomes a labelling business. The regulation draws the line precisely, and it is worth reading twice.

**2(1)(r)**
The Definition
*FSS (Labelling and Display) Regulations 2020*

**Reg 4(1)**
Who Must Label
*Only pre-packaged food, unless otherwise provided*

**Tamper**
The Actual Test
*Can the contents be changed without tampering?*

**"Pre-packaged food", verbatim**

"Pre-packaged food means food, which is placed in a package of any nature, in such a manner that the contents cannot be changed without tampering it, and which is ready for sale to the consumer." And regulation 4(1): "Every pre-packaged food shall be labeled with information as required under these regulations unless otherwise provided."

## What that means at your counter

A cake taken from the display and boxed in front of the customer is not pre-packaged. It was packed at the point of sale, not readied for sale in advance. Nothing in the labelling regulations attaches to it.

A loaf sealed in a bag the night before and stacked on a shelf is pre-packaged. It was ready for sale, and the contents cannot be changed without tampering the pack. Every declaration in the next chapter now applies to it.

The same product can sit on both sides of the line on the same day, depending only on how it is handed over. Decide deliberately which of your lines are shelf lines, and label those properly.

**If you sell online, or bake from home**

Many Indian bakeries start on Instagram, WhatsApp or an ordering app rather than behind a counter, and the regulations cover it. Where food is sold "through e-commerce or any other direct selling means", the mandatory label information must reach the consumer "before sale", excepting the batch or lot number and the date fields, which you cannot know before you bake. Selling from a home kitchen changes none of this: it is still a food business, and the licence tier still follows turnover.

## Work out which of your lines are pre-packaged

- ✓ **List every product and how it leaves the shop**
  Boxed at the counter on request, or pre-sealed and shelved. The second column is your labelling scope.
- ✓ **Treat anything you supply to another business as pre-packaged**
  Goods sent to a retailer, a cafe or an aggregator are ready for sale before they reach the consumer, and they will be handled by people who did not watch you pack them.
- ✓ **Settle this before you order packaging, and before you list online**
  Printed film and pre-printed boxes are the expensive thing to get wrong, and Chapter 3 changes what has to be on the artwork. If you sell online, the product page or the message you send before payment carries the same information, other than the batch and date fields. Note too that the regulations exempt certain declarations for some package sizes, so read them against your actual pack rather than assuming small means exempt.

# 03 What A Bakery Label Must Carry

Including the rule most owners have exactly backwards.

This is the chapter that earns the download. The declarations below come straight from the labelling regulations, and the date-marking rule in particular is stated wrongly almost everywhere, including by people printing labels for a living.

### Best before is the optional one

The regulation says: "Date of manufacture or packaging and Expiry/Use by shall be declared on the label. However, expression Best before may also be used as optional or additional information." Read that again. The mandatory pair is date of manufacture or packaging AND expiry or use-by. Best before is the optional extra. A pack carrying only a best-before date is missing the two declarations the rule actually requires.

### And your date format is the long one

The manner of declaration is "the day, month and year using the DD/MM/YY format for products with a short shelf life of up to 3 months; the month and the year for products with a shelf life of more than three months". Fresh bakery is comfortably inside three months, so you need the full day-month-year. The month-and-year shortcut belongs to long-life goods, not to bread.

## The declarations to design your artwork around

| | |
|---|---|
| **Date marking** | Date of manufacture or packaging, and expiry or use-by. Best before is optional. DD/MM/YY where shelf life is three months or less. |
| **Batch identification** | "A batch number or code number or lot number shall be declared on the label." One of the three, and it has to be on the pack, not only in your book. |
| **Net quantity, retail sale price, consumer care** | Deferred by the regulation to the Legal Metrology Act 2009 and its Rules, so they follow that law's format. |
| **Veg or non-veg mark** | Egg makes a product non-vegetarian, and a great many bakery lines contain egg. |
| **Allergens** | Wheat, milk, egg, soy and nuts. Chapter 4 covers declaring them where you sell across a counter. |

### Best before does not mean unsafe after

The regulations define a best before date as the end of the period during which the product "shall remain fully marketable", adding that beyond it "the food may still be perfectly safe to consume". That is a real distinction from an expiry or use-by date, and worth understanding before deciding which your product needs.

## Before you sign off artwork

- ✓ **Confirm the mandatory date pair is on the design**
  Not just a best-before. If your printer has given you a single date field, that is the conversation to have now rather than after ten thousand pouches are printed.
- ✓ **Confirm there is a batch, code or lot field**
  It has to be declarable per batch, which points to a coder or a label gun rather than pre-printed film.
- ✓ **Take the Legal Metrology declarations to someone who knows that Act, and check the veg mark against every recipe**
  Net quantity, retail sale price and consumer care details follow the Legal Metrology Act and its Rules rather than the food labelling regulations, and the format requirements there are specific. While you are at it, one egg wash moves a product across the veg line.

# 04 If You Sell Across A Counter

Allergens apply from your first outlet. Calories do not.

The moment a bakery displays items on a menu card or board, a separate regulation applies to the display itself. It is short, it has a threshold that people get wrong in both directions, and one half of it has no threshold at all.

| All | 10+ | 60 days |
|---|---|---|
| Outlets, For Allergens | Outlets, For Calories | The Exemption |
| *No threshold in the regulation* | *Or a Central licence* | *Premises operating fewer days in a year* |

## The two halves of the rule

The first half is gated. Food service establishments "having Central license or outlets at 10 or more locations" must show the calorific value in kcal per serving, with the serving size, against items on menu cards, boards or booklets, plus the line "An average active adult requires 2,000 kcal energy per day, however, calorie needs may vary".

The second half is not gated at all. Food service establishments "shall also mention" allergen information and the veg or non-veg logo against the items displayed. There is no outlet count and no turnover figure attached to that sentence. A single bakery counter with a menu board is inside it.

The exemptions are narrow: event caterers and premises operating fewer than sixty days in a calendar year, free self-serve condiments not listed on the menu, and special-order or modified items made to a customer's request.

> **The threshold is outlets, not turnover**
>
> The calorie trigger is a Central licence or ten or more locations. It is not a rupee figure. Because the Central licence tier itself moved to above ₹50 crore of turnover on 1 April 2026, any article that ties menu calorie labelling to ₹20 crore is describing a linkage that no longer holds. Count your outlets and check your licence class instead.

## For the counter and the menu board

- ✓ **Put allergen information against every displayed item**
  The regulation allows allergens to be shown by easy to understand symbols, which is usually the practical route on a bakery board.
- ✓ **Put the veg or non-veg logo against every displayed item**
  Same sentence in the regulation, same absence of a threshold.
- ✓ **Count your locations honestly before deciding on calories**
  Ten or more locations, or a Central licence, and the calorie declaration applies.
- ✓ **Be ready to hand over nutritional information on request**
  The regulation asks for it in booklets, handouts or on your website, and allows a deviation of 25 per cent on the declared nutritional information.

# 05 Shelf Life Is The Business Model

The constraint a restaurant does not have.

A restaurant that over-produces serves it tomorrow. A bakery that over-produces throws it away. Everything distinctive about bakery economics follows from that, and it is why this chapter refuses to give you a benchmark.

> **We are not going to tell you a wastage percentage**
>
> There is no trustworthy published figure for Indian bakery wastage. The figures in circulation trace back to vendor marketing or to surveys that cannot be inspected. A benchmark you cannot check is worse than no benchmark, because you will plan against it. Measure your own instead, using the count below.

## The fourteen-day count

1. **Record what you baked, by product, every day for fourteen days**
   Units, not rupees. Rupees hide the pattern because prices differ across the range.
2. **Record what you sold, by product, on the same days**
   Your billing system should give you this without anyone counting.
3. **Record what you wrote off, by product and by reason**
   Unsold and expired is a production problem. Damaged is a handling problem. Returned is a quality problem. They need different fixes, so separate them from the start.
4. **Work out the write-off rate per product, not for the shop**
   The shop average tells you nothing actionable. The loss is rarely spread evenly, so the lines carrying it are the ones to reforecast, reprice, or bake to order.
5. **Repeat it after any change to the range or the rota**
   A new line, a festival week or a change in opening hours moves the pattern, so the number has a short life.

## What the count tends to change

Production timing, more often than production volume. Splitting a single morning bake into a morning batch and a smaller afternoon batch cuts end-of-day waste on fast lines without reducing what you sell.

The range, second. A line with a consistently high write-off rate is either priced wrong, baked in the wrong quantity, or should be made to order. Deciding that from measured data is a different conversation from deciding it on instinct.

Discounting last, and deliberately. An end-of-day markdown converts waste into cash, but it also teaches regular customers to arrive late. If you use it, decide the time and the depth as policy rather than letting the counter improvise.

> **The write-off is also a record**
>
> Stock lost, stolen, destroyed, written off or disposed of by way of gift or free sample is part of the stock account a licensed food business is required to maintain. So the count in this chapter is not only a management exercise. It is the same figure your records are supposed to show, which is the subject of the next chapter.

# 06 Records, And The First Inspection

Set these up while the shop is empty. They are miserable to reconstruct.

The first inspection can come sooner than a new owner expects, and the questions are often about the paperwork rather than the baking. They are about whether the paperwork behind it exists.

## Have these in place from day one

- ✓ **A stock account that includes what you threw away**
  Opening balance, receipts, what you produced, what you supplied, and goods lost, stolen, destroyed, written off or given away, with the closing balance. The write-off column is the one new businesses omit.
- ✓ **Your FSSAI licence displayed at the premises**
  Displayed, not filed. It is the first thing looked for.
- ✓ **Medical fitness records for the people handling food**
  An annual examination for food handlers, with the records kept for inspection.
- ✓ **A trained food safety supervisor if you are licensed**
  Licensed food businesses are expected to have a trained and certified food safety supervisor for every twenty-five food handlers or part thereof.
- ✓ **Water testing records if water touches the product**
  Potable water testing with the reports retained is a standard inspection item, and bakery uses water as an ingredient.
- ✓ **A pest control programme with dated records kept on site**
  Flour, sugar and warm ovens are the reason bakeries are attractive to stored product pests. Keep the service reports at the premises rather than with the contractor.
- ✓ **Supplier records for everything you buy in**
  Names and addresses of suppliers, and the invoices, so a query about an ingredient can be answered upstream rather than absorbed.

> **The records and the label are the same system**
>
> A batch code on a pack is only useful if something behind the counter can say which batch it was, when it was made and what went into it. If the batch number on the label cannot be traced to a production record, the label is decoration. Set the two up together.

# 07 What This Guide Leaves Out, And Where To Find It

Deliberately, because it is already written.

This guide is narrow on purpose. It covers what a bakery has that a restaurant does not. The rest of starting a bakery is genuinely well covered elsewhere, and duplicating it here would have made this longer without making it more useful.

## Covered on the Petpooja blog

| Question | Where |
|---|---|
| What will it cost to open, city by city | Cost of Opening a Bakery in India, on the blog |
| What equipment do I actually need | Bakery Equipment List: What You Need to Start |
| Which bakery model should I run | What Is a Bakery Business? Types, Models and Revenue in India |
| Small bakery or industrial | Small Bakery vs Industrial Bakery: Complete Guide for India |
| How do I choose a location | How To Choose A Profitable Location For Your Bakery Business |
| What should be on the menu | Bakery Menu Ideas: How To Curate and What To Include |
| How do I plan daily production | The Daily Production Planner for Indian Bakeries, a free template |

*Search any of these titles on blog.petpooja.com.*

**One thing worth doing this week**

Walk your own shelf. For each product, ask two questions: is it pre-packaged as the regulation defines it, and if so does its label carry a date of manufacture or packaging and an expiry or use-by, in DD/MM/YY, plus a batch code. That single pass finds more real exposure than any other hour you can spend on compliance in a new bakery.

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AUTOMATE THIS

# Batch, expiry and barcode on *one counter*

Petpooja Invoice calculates GST automatically on every bill, scans barcodes at billing, and tracks batch and expiry on the stock that actually expires. Live stock as you sell, and one view across branches if you run more than one. The label discipline in this guide is only worth anything if the system behind the counter knows what date went on the pack.

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