

# NATIONAL RESTAURANT ASSOCIATION OF INDIA

NRAI/26- 1

17 August 2020

Director, Health  
New Delhi Municipal Council  
Palika Kendra, Parliament Street  
New Delhi – 110001  
Email: [director.tax@ndmc.gov.in](mailto:director.tax@ndmc.gov.in)

**FIRST TIME REQUIREMENT OF SANCTION PLAN SOUGHT BY NDMC  
FOR GRANT OF HEALTH LICENSES IN THE NDMC AREA**

Dear Sir,

1. Greetings from the National Restaurant Association of India (NRAI). We write to you on the above captioned subject, and at the outset would like to thank you for granting us time for a meeting with NRAI representatives on 5<sup>th</sup> August 2020, along with Director Licensing. We are indeed grateful for the courtesy extended to the delegation members, as well as patient hearing granted to them.

2. We had sought the meeting with you in respect of our specific concern with regards to the NDMC's sudden insistence that for initial grant of a health license, an owner must provide the Sanction Plan of the premises. With regards to the NDMC's demand of seeking copy of the Sanction Plan, more specifically with respect to Connaught Place properties, we would like to put forth our concerns which are as given in succeeding paras.

3. It is a known fact that Connaught Place was built sometime in the 1930's by the British and is classified as Heritage. It is also an admitted fact that the concerned agencies, namely L&DO and NDMC do not have copies of the Sanction Plan for a vast majority of the properties in Connaught Place since inception. In this regard, enclosed with this letter please find copies of letters of the afore-said agencies admitting, in writing, that Sanction Plans for properties are not available. The documents are self-explanatory and contents are not repeated for the sake of brevity.

4. It is common knowledge that for the past several decades, the NDMC has been granting and renewing health licenses on the basis of Site Plans only. All of a sudden, to demand a sanction plan which is not available either with any authority or individual owner defies logic, principles of natural justice and good governance. Given the above facts, it is clear that this demand is impossible to be complied with.

5. Interestingly, the NDMC has exempted existing restaurants from providing a copy of the sanction plan at the time of seeking renewal. It is therefore inexplicable that the NDMC is discriminating against entrepreneurs who are trying to set up a new business in the hospitality sector by seeking a compliance which the concerned NDMC officials are well aware, that the applicant cannot meet. Even in the case of new retail outlets/shops/showrooms, copies of the Sanction Plan are never sought.

**ANURAG KATRIAR**  
Executive Director & CEO  
deGustibus Hospitality  
Pvt. Ltd.  
**President**

**KABIR SURI**  
Co-Founder & Director  
Azure Hospitality Pvt. Ltd.  
**Vice President**

**PRATIK POTA**  
CEO  
Jubilant FoodWorks Ltd.  
**Hony. Secretary**

**NITIN SALUJA**  
Founder Chaayos  
Sunshine Teahouse  
Pvt. Ltd.  
**Hony. Jt. Secretary**

**MANPREET SINGH**  
Director  
K S Hotels Pvt. Ltd.  
**Hony. Treasurer**

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**Secretary General**



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6. Even the electricity, water and sewage connections for all premises have been provided by NDMC; and therefore it is not only extremely irrational and unreasonable but also discriminatory to seek Sanction Plans from those entrepreneurs who are opening a restaurant/bar/café.

7. It is a well-known fact that Connaught Place comes under the Heritage Conservation Committee (HCC), i.e. it is mandatory for a property owner to obtain clearance from the HCC to even paint a premises. NDMC has made an on line scheme for this purpose. In accordance with Section 2.18.2 of the UBBL 2016, a property owner applies to the Chief Architect for approvals and submits a site plan along-with the work that he/she intends to carry out. The Chief Architect approves the application and subsequently forwards it to the HCC. The Chief Architect also being a member of the HCC, for a second time approves the Site Plan submitted by the applicant and only thereafter can the applicant/property owner carry out the said proposed works in the premises.

8. Sir, in the meeting with NRAI representatives on 05<sup>th</sup> Aug, it was your contention that seeking of a Sanction Plan at the time of applying a fresh health license had been approved by the Council sometime in the year 2018 and there must have been a logical and valid reason for the Council to do so. We were informed that the Council vide Resolution ITEM NO. 16 (E – 6) dated 23/08/2018, had resolved to go back to the process approved and follow the procedure as stated in Resolution No. 3 (xvi) dated 30/08/2000. It is indeed intriguing that if the Council Resolution dated 30/08/2000 stipulates the requirement of submission of a Sanction Plan, then the NDMC needs to explain how the numerous initial grants and renewals have taken place from August 2000 till August 2018 despite the applicant not submitting the Sanction Plan. It is understood that never in the history of NDMC in any council meeting has a sanction plan ever been demanded.

9. Furthermore, the NDMC is well aware of the fact that obtaining a Health License is a pre-requisite for obtaining other applicable licenses such as the Eating House License and the Excise License. Additionally, to obtain the NOC from Fire Dept the NDMC furnishes the site plan of the premise and recommends basis the same. This process has been followed for decades till date. By refusing to grant the health license, solely on the ground that the Sanction Plan is not available, the NDMC is not only causing entrepreneurs a financial loss but is also responsible for the revenue loss to the exchequer specially after the HCC permission has been given.

10. Sir, in all humility and with utmost respect we submit that an entrepreneur- be it in any sector- invests capital, creates jobs and also contributes towards the economic growth and generates revenue for the Government. It is therefore incumbent upon the NDMC to facilitate clearances by making the compliance procedure as simple as possible.

11. We are all grappling with the economic slowdown due to the outbreak of the Covid-19 Pandemic and many businesses are experiencing hardships, major loss

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of revenue and are finding it arduous to pay salaries and meet other financial commitments. It is now a well-established fact that the Restaurant business along-with a few others, is the worst affected by this Pandemic. Restaurants have been shut since March 2020 and have started opening only recently, that too with numerous restrictions. As a result, restaurants in the city are witnessing thin attendance of customers and abysmally low turnover. Many restaurants have shut down as they could not afford to operate. By keeping initial grant of health licenses in abeyance, the NDMC will put a final nail in the coffin of the already struggling restaurant business.

12. In such circumstances, the Association feels it necessary to seek your indulgence and urgent attention to this issue and requests that appropriate directions may be issued to the concerned officials to immediately grant licenses for applications that have been pending for over a year and a half on account of Sanction Plan. All requisite compliances have been met including the HCC permissions, merely to hold up/reject initial health license grants is untenable and against principles of 'Ease of Doing Business.'

13. We will be happy to provide any assistance that you may require from us. The members of the Association will be extremely grateful for your positive and immediate response and attention to this matter at such a critical time.

Thanking you,

Sincerely,

Prakul Kumar  
Secretary General  
For National Restaurant Association of India  
Authorized Signatory  
Email - [prakul.kumar@nrai.org](mailto:prakul.kumar@nrai.org)  
Tel - 011-41000967  
Mob – 8860640879  
Encl: As stated.

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deGustibus Hospitality  
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