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The Dark Store Next Door: Legal Classification and Urban Regulation of Quick-Commerce Fulfilment Facilities in India

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The Dark Store Next Door: Legal Classification and Urban Regulation of Quick-Commerce Fulfilment Facilities in India

ABSTRACT

Many quick-commerce platforms depend on “dark stores” small, inventory-led fulfilment premises located close to consumer neighbourhoods from which app-based orders are picked, packed and dispatched. Their physical form is familiar but their regulatory character is not. A dark store may resemble a retail shop in commercial organisation, a warehouse in land-use terms, a food-storage establishment for food-safety regulation and a workplace for labour law. This article examines and analyses whether the existing Indian legal framework adequately regulates dark stores. Maharashtra is used as an illustrative case study for state and municipal planning law, while central food-safety, occupational safety and other applicable legal requirements are examined independently. The analysis shows that the problem is not a complete absence of law. Existing statutes already regulate change of land use, building occupancy, food storage, fire safety and working conditions. The difficulty lies in identifying which premises classification should control where a conventional shop or commercial unit is converted into a delivery only storage and dispatch hub. Maharashtra’s planning framework distinguishes mercantile use from storage use, while its shops legislation can treat a warehouse connected with trade as a “shop” for employment regulation. These classifications are not necessarily contradictory because the statutes serve different purposes but the absence of a clear planning test for dark stores creates uncertainty in licensing and enforcement. The article compares this position with the French Conseil d’état’s functional classification of dark stores as warehouses. It concludes that India does not require a single national prohibition or an entirely separate code. State planning authorities should instead adopt a functional dark-store classification, require change of user scrutiny where appropriate, coordinate premises level approvals and apply risk-based safety standards to neighbourhood fulfilment facilities.

KEYWORDS

Dark Stores, Food Safety, Quick Commerce, Urban Planning, Warehousing.

INTRODUCTION

Quick commerce has altered the physical geography of retail. Conventional e-commerce can serve a city from large peripheral warehouses because delivery is measured in hours or days. Quick commerce cannot. Its commercial promise depends on placing inventory close to demand and moving orders from shelf to customer within a short time. The operational unit that makes this possible is the dark store. A premises generally closed to ordinary walk-in shopping, stocked for online orders and organised around rapid picking, packing and dispatch.

The legal significance lies less in the app than in the underlying use of urban land. A premises sanctioned or leased as a shop may, in practice, function predominantly as a warehouse. It may hold food and non-food inventory, employ pickers and packers, operate refrigeration equipment, receive repeated replenishment and generate continuous movement of delivery personnel.

It would therefore be inaccurate to describe dark stores simply as “unregulated”. Indian law already regulates warehouses, shops, food businesses, building use, fire safety and working conditions.¹ The sharper question is whether rules designed around conventional distinctions between retail, storage and logistics can classify a neighbourhood quick commerce facility coherently. This question matters because classification determines permissible land use, change of user requirements, parking and loading expectations, fire precautions, licensing obligations and enforcement responsibility.

This article examines that problem through Indian law with particular reference to Maharashtra. The State provides a useful case study because the Maharashtra Regional and Town Planning Act, 1966, the Unified Development Control and Promotion Regulations, municipal legislation and state labour law contain distinct concepts of commercial and storage premises. Central food-safety and occupational safety law adds further layers. The article asks three questions: how existing law can presently classify a dark store; whether overlapping classifications create an actual legal gap or merely function-specific regulation; and what limited reforms would improve certainty without treating every dark store as inherently unlawful.

¹ The Maharashtra Regional and Town Planning Act, 1966; *Supra* note 1; *Supra* note 2; The Food Safety and Standards Act, 2006; The Maharashtra Fire Prevention and Life Safety Measures Act, 2006; The Occupational Safety, Health and Working Conditions Code, 2020.

LITERATURE REVIEW

Academic work on quick commerce has so far been driven largely by logistics, consumer behaviour, supply-chain efficiency and urban transport. A recent systematic review published in 2021 and 2025 about dark-store scholarship identified operational efficiency, consumer behaviour and economic considerations as the principal clusters in the literature.² Indian urban planning research has gone further by examining freight patterns, land-use compatibility, parking demand and the location of dark stores near residential areas.³ That work is important because it establishes that dark stores generate planning consequences different from conventional retail premises.

Legal writing has begun to identify zoning, labour, food-safety and consumer protection issues but much of it treats quick commerce as a bundle of compliance problems.⁴ The narrower doctrinal issue what a dark store legally is for the purpose of land-use and building regulation has received less sustained analysis. A facility need not be assigned the same label under every statute. A warehouse may be treated as a “shop” for employment regulation while remaining a storage building for planning or fire purposes. The research gap is therefore not simply the absence of a statutory definition of “dark store”. It is the absence of a clear method for deciding when the operational transformation of ordinary commercial premises becomes a legally material change of use.

RESEARCH METHODOLOGY

The study adopts a doctrinal legal method supported by comparative and limited empirical desk research. Primary sources include the Maharashtra Regional and Town Planning Act, 1966, the Maharashtra Municipal Corporations Act, 1949, the Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017, the Food Safety and Standards Act, 2006 and regulations made under it, the Maharashtra fire-safety framework and the Occupational Safety, Health and Working Conditions Code, 2020.⁵ Judicial decisions

² Anaswara S.Hand BRajeswari, “Revolutionising Last-Mile Delivery: A Systematic Review on Dark Stores in Quick Commerce”, (2025) 26(2) *Delhi Business Review* 69.

³ Ish Kumar and Chidambara, “Freight Patterns and Spatial Planning Requirements of Third Generation E-Commerce in Indian Cities”, (2023) 11(1) *Urban, Planning and Transport Research* 2256817.

⁴ Rahul Sundaram, “From Shelf to Scooter: The Legal Mess Behind India’s 10-Minute Commerce Boom (Dark Stores, Quick Commerce & Zonal Compliance Chaos)”, *IndiaLaw*, June 12, 2025, available at: <https://www.indialaw.in/blog/consumer/indias-10-minute-commerce-boom-its-legal-tangle/> (Last visited on Sept4, 2026).

⁵ *Supra* note 4; The Maharashtra Municipal Corporations Act, 1949; The Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011.

on planned development and change of land use are used for the principles they establish, they are not treated as direct dark-store precedents.

Maharashtra is used as illustrative rather than a proxy for all Indian cities, as land-use and municipal controls vary across states and planning authorities. The French treatment of dark stores is examined as a focused comparator because its highest administrative court has directly addressed their classification.⁶ The analysis adopts a functional approach, examining the predominant use of dark-store premises and testing how that use fits within the distinct statutory categories of retail, storage, commercial establishment and workplace. The study is limited by the scarcity of reported Indian decisions specifically concerning dark stores and does not include field inspection.

DISCUSSION AND ANALYSIS

A. The Legal Character of a Dark Store

The starting point should be function rather than branding. The term “dark store” is commercial vocabulary, not a general statutory category. Its essential feature is that inventory is maintained at a local fulfilment point for orders placed remotely with the premises organised principally around storage and dispatch rather than customer-facing sale.

That functional description immediately exposes the limits of ordinary retail categories. Under the Maharashtra UDCPR, mercantile or commercial buildings are associated with shops, stores and markets used for display and sale of merchandise, with storage only incidental to that activity. A “storage building”, by contrast is used primarily for storage or sheltering of goods and includes warehouses, cold storages, freight depots and godowns.⁷ The distinction therefore turns substantially on predominant use. A conventional supermarket may contain considerable back room storage without ceasing to be mercantile and a delivery-only facility with no meaningful customer-facing sales function presents the reverse situation because storage and order fulfilment may become the principal use while the retail transaction occurs through the platform. The UDCPR’s land-use structure also places “Wholesale Market and Warehousing” and “Transport Hub and Logistic Park” within industrial type uses reinforcing the regulatory significance of storage and logistics functions. At the same time, the UDCPR does not apply uniformly across Maharashtra, including to Greater Mumbai and certain special planning

⁶ *Supra* note 3.

⁷ *Supra* note 1, reg1.3(93)(vii), (xi).

jurisdictions.⁸ Its classifications therefore illustrate the issue without establishing a single statewide rule for every dark store.

This does not establish that every Indian dark store is legally a warehouse; the applicable development plan must be examined for each premises. It does show why an operator's description of the premises as a "store" cannot settle the planning question.

B. Planning Law and Change of Use

The Maharashtra Regional and Town Planning Act provides the strongest legal foundation for examining conversion. Section 43 restricts a person from instituting or changing the use of land or carrying out development without written permission of the Planning Authority, subject to statutory exceptions. Sections 44 and 45 govern applications and decisions on development permission, while section 46 requires due regard to the applicable draft or final Development Plan. Section 52 separately addresses unauthorised development and use contrary to the development plan.⁹

The legal issue is strongest where premises approved for one use are converted to another without a fresh planning assessment. Section 253(3)(i) of the Maharashtra Municipal Corporations Act is notable in this respect. For the building-control chapter, converting a building not originally constructed for such use into a stall, shop, warehouse or godown is deemed to be the erection of a new building.¹⁰ It does not determine the legality of a particular dark store, but it shows that municipal law treats conversion into warehousing or godown use as legally significant.

Indian planning jurisprudence supports strict attention to sanctioned use, although it has not yet produced a controlling dark-store rule. In *K. Ramadas Shenoy v. Chief Officers, Town Municipal Council, Udipi*, the Supreme Court held that a municipality could not permit a use contrary to the applicable town-planning scheme and recognised the interest of residents in enforcement of that scheme.¹¹ Later decisions, including *Esha Ekta Apartments Co-operative Housing Society Ltd. v. Municipal Corporation of Mumbai*, reiterate the public importance of compliance with planning and building controls.¹² These authorities justify enforcement of valid zoning rules; they do not justify assuming that dark stores are prohibited

⁸ *Id.*, regs1.1, 4.2.

⁹ The Maharashtra Regional and Town Planning Act, 1966, *supra* note 4, ss43–46, 52.

¹⁰ The Maharashtra Municipal Corporations Act, 1949, *supra* note 8, s253(3)(i).

¹¹ *KRamadas Shenoy vChief Officers, Town Municipal Council, Udipi*, (1974) 2 SCC 506.

¹² *Esha Ekta Apartments Co-operative Housing Society LtdvMunicipal Corporation of Mumbai*, (2013) 5 SCC 357, paras8, 56.

where the local plan permits the relevant use.

C. Food Storage and Premises Safety

For dark stores stocking food, the Food Safety and Standards Act creates a separate regulatory inquiry. Section 26 places responsibility on a food business operator to ensure compliance at stages including distribution, while section 31 requires licensing or registration of food businesses subject to the statutory scheme.¹³ The Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011 impose hygiene and sanitary requirements and Schedule 4 specifically addresses manufacturing, processing, packaging, storage and distribution. FoSCoS also recognises different storage activities including cold or refrigerated storage and storage without atmospheric or cold control.¹⁴

Fire regulation raises a similar point. The Maharashtra Fire Prevention and Life Safety Measures framework places obligations on owners or occupiers of buildings or parts of buildings covered by the statutory classifications to provide and maintain prescribed fire prevention and life safety measures and links those requirements to National Building Code standards.¹⁵ The operational density of a dark store shelving, electrical equipment, refrigeration, workers and concentrated stock can make correct occupancy classification consequential. Yet the legal response should follow the applicable building category and risk rather than treating “dark store” as itself a fire classification.

D. Labour Regulation and the Significance of Multiple Classifications

The Maharashtra Shops and Establishments Act illustrates why different statutory labels must not be confused. Its definition of “shop” includes a store room, godown, warehouse or workplace mainly used in connection with the trade or business.¹⁶ A premises can therefore qualify as a shop for employment regulation even if planning law regards its predominant physical use as storage. That is not necessarily a contradiction. The Shops Act is identifying the employment relationship and business establishment, planning law is controlling the use of land and buildings.

¹³ The Food Safety and Standards Act, 2006, *supra* note 4, ss26, 31.

¹⁴ The Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011, *supra* note 8, sch4, ptII; Food Safety and Standards Authority of India, “Kind of Business Eligibility”, available at: <https://foscoss.fssai.gov.in/assets/docs/KindofBusinessEligibility.pdf> (Last visited on Sept4, 2026).

¹⁵ The Maharashtra Fire Prevention and Life Safety Measures Act, 2006, *supra* note 4, ss2(5), 2(8), 3(1).

¹⁶ *Supra* note 2, s2(21).

The Occupational Safety, Health and Working Conditions Code, 2020 which came into effect in November 2025,¹⁷ adds statutory duties concerning health, safety and working conditions for establishments within its scope. Section 23 contemplates standards relating to cleanliness, ventilation, temperature, drinking water, overcrowding, lighting, sanitation and waste.¹⁸ In August 2026, the Parliamentary Standing Committee on Commerce expressly addressed working conditions in e-commerce dark stores and recommended strict enforcement of the OSH Code, randomised inspections and related worker protection measures.¹⁹

Regulatory plurality is not itself a defect. Difficulty arises when compliance or classification under one statute is treated as resolving obligations arising under another. Registration as a shop for labour purposes does not determine whether the premises constitutes permissible storage or warehousing under the applicable development plan. Likewise, an FSSAI licence establishes compliance only with the relevant food-business licensing regime and does not substitute for planning permission or fire safety approval where those are independently required.

E. Empirical and Regulatory Trends

Recent enforcement indicates that the regulatory issues identified above are not merely theoretical. In a statewide inspection drive on 13 August 2026, the Maharashtra Food and Drug Administration inspected 86 establishments selling and delivering food through online platforms, issued 60 improvement notices and suspended 14 food business licences.²⁰ At the national level, the Parliamentary Standing Committee on Commerce in August 2026 specifically addressed working conditions in e-commerce dark stores and recommended randomised inspections and stricter enforcement of occupational safety requirements.²¹ These developments indicate increasing regulatory attention to the physical conditions in which quick-commerce fulfilment operates and support closer examination of whether existing premises classifications

¹⁷ Ministry of Labour and Employment, Notification S.O5321(E), *Gazette of India*, Extraordinary, Part II, sec3(ii), Nov21, 2025.

¹⁸ The Occupational Safety, Health and Working Conditions Code, 2020, *supra* note 4, s23.

¹⁹ Department-related Parliamentary Standing Committee on Commerce, Rajya Sabha, 201st Report on “Doing Business in India: The Way Forward” (2026), paras11.4, 11.6–11.8.

²⁰ Press Trust of India, “Maharashtra FDA suspends 14 licences linked to Blinkit, Zepto, Instamart”, *Business Standard*, Aug14, 2026, available at: https://www.business-standard.com/india-news/maharashtra-fda-suspends-14-licences-linked-to-blinkit-zepto-instamart-126081401880_1.html (Last visited on Sept4, 2026).

²¹ *Supra* note 22, paras11.4, 11.6–11.8.

adequately reflect that operational model.

F. A Functional Comparator: France

French administrative law offers a useful comparison because it confronted the classification question directly. In 2023, the Conseil d'État considered premises in Paris that had formerly operated as conventional shops but were used by rapid-delivery companies to receive and store goods for dispatch to customers. The court held that these dark stores were warehouses rather than shops for the relevant town-planning rules. The decisive consideration was functional: the goods were not principally presented and sold directly to customers at the premises. Even the presence of collection points did not alter the predominant storage function. The conversion therefore constituted a change of destination requiring prior declaration, and Paris could rely on its local plan restrictions.²²

The French decision should not be transplanted mechanically into India. French planning categories differ from Indian development-control regimes. Its analytical method is nevertheless valuable. It asks what activity the premises actually performs, rather than accepting the operator's commercial description. A comparable functional inquiry may assist Indian planning authorities in applying existing land-use categories without treating the commercial description of the premises as decisive.

G. Is a Distinct Dark-Store Category Necessary?

The legal frameworks examined above already contain mechanisms addressing several identifiable risks associated with dark stores, development permission for material changes of use, building and municipal controls, food-business licensing, fire safety obligations and workplace regulation.

There is, however, a genuine classification problem at the planning stage. Dark stores are smaller and more decentralised than conventional warehouses but more storage intensive and dispatch intensive than ordinary shops. Requiring every such facility to locate only in traditional peripheral industrial zones could defeat the urban logistics function without necessarily improving safety. Conversely, treating every leased commercial shop as automatically suitable for intensive fulfilment can bypass the reasons why planning rules distinguish retail, storage, parking and loading uses.

²² *Supra* note 3, paras14, 17.

The issue is whether existing planning categories can accommodate this intermediate urban function. A separate classification is justified only if they cannot provide sufficient certainty on location, change of use and premises-level controls; otherwise, clearer functional guidance may suffice.

FINDINGS

First, dark stores do not operate in a complete legal vacuum. Existing planning, municipal, food-safety, fire and labour laws already reach important aspects of their operation.

Secondly, the use of different labels across statutes is not inherently inconsistent because each statute regulates a different legal relationship. A warehouse may legitimately be treated as a shop for labour regulation while remaining storage use for planning purposes.

Thirdly, the most significant unresolved issue is premises classification under land-use and building-control law, particularly when an ordinary retail or commercial unit is converted into a delivery-only storage and dispatch facility. Maharashtra law provides the legal tools to scrutinise such conversion but does not supply a dark-store specific functional test.

Finally, the French experience demonstrates that predominant actual use can provide a workable basis for classification without converting commercial terminology into a legal category.

RECOMMENDATIONS

State planning authorities should first issue a clear functional definition of neighbourhood dark stores or urban micro fulfilment facilities within development control regulations. The definition should focus on predominant storage and dispatch activity, customer access, delivery intensity and related physical characteristics rather than platform branding.

Secondly, conversion of existing retail premises should trigger a change of user or occupancy assessment where the applicable planning law treats the resulting function as materially different. This should not operate as an automatic prohibition. Authorities should be able to permit appropriately scaled facilities in commercial or mixed-use zones subject to conditions concerning road access, loading, operating hours, fire safety and neighbourhood impact.

Thirdly, premises level compliance should be coordinated. Planning permission, municipal building status, fire approval, food-business licensing where applicable, and labour registration should remain legally

distinct but authorities should be able to verify them against a common premises identifier. This would reduce both regulatory evasion and unnecessary duplication.

Finally, inspection should be risk based. High inventory density, refrigerated storage, inadequate aisle or emergency access, repeated loading activity and significant worker concentration justify closer scrutiny. The 2026 Parliamentary recommendation for randomised inspection of dark stores provides a workable enforcement direction. New substantive rules should be introduced only where existing standards cannot address an identified risk.

CONCLUSION

Dark stores are not legally invisible. Their difficulty is that they occupy the boundary between retail and urban logistics while Indian regulation continues to allocate legal consequences through established categories of shop, warehouse, storage building, food business and workplace. Those categories can coexist but they should not be treated as interchangeable.

The central legal question is therefore one of predominant use. Where premises cease to function as customer-facing retail and become principally a storage and dispatch node, planning authorities must be able to determine whether that operational change is legally material under the applicable development plan and building regulations. Maharashtra's existing framework already supplies substantial authority for such scrutiny, while food-safety, fire and labour laws address separate risks. What is missing is not an entirely new code but a transparent functional classification that connects these existing regimes to the physical reality of quick-commerce fulfilment. A conditional urban micro-fulfilment category, administered through state and local planning law offers a more proportionate solution than either regulatory inaction or a blanket attempt to push dark stores into conventional industrial warehousing.