



AHAR

Hospitality



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A DREAM IN THE MAKING



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Artist's impression of the living room

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Shri Bhaskar K. Shetty
Editor

Editorial Board
Shri Arvind Shetty
Shri Shashikant Shetty
Shri Suresh Shetty

Published by :
Shri Shashikant Shetty

On behalf of :
Indian Hotel & Restaurant
Association (AHAR)
B-2, Wadala Shiram Industrial Estate,
G. D. Ambekar Marg, Wadala,
Mumbai : 400 031
Tel.: +91-22-2417 1818 /
+91-22-2417 3030

E-mail : aharmumbai@gmail.com

Website : www.ahar.in

Associate Publisher :
Smt. S. Suchitra
Forevernews
301, Crystal Apartments,
1st Marine Cross Lane,
Marine Lines, Mumbai 400002
Tel. : 22072714 / 9619611315
Email : info@forevernews.in



From the Desk of Suchitra

Dear Esteemed
Members,

Good to note that the Indian Hotel and Restaurant industry is growing at very fast pace and creating new benchmark in the global arena. The current FII & FDI in this sector is the highest among all other industry put across, which shows a robust growth prospect and possibility to generate maximum employment opportunity.

Indian hotel and tourism sector has witnessed a sudden spurt in foreign direct investment (FDI) during the last financial year, reflecting increased interest in the country's hospitality industry. According to the data of the Department of Industrial Policy and Promotion (DIPP), the sector has attracted FDI worth USD 3.21 billion during April-February 2012-13. The FDI flow in the sector in the last fiscal is significantly higher as compared to the flow of USD 3.37 billion which the country received during the last 12 years ending March, 2012. Kudos to the AHAR management for the landmark victory in the Dance Bar case.

Our AHAR magazine "AHAR Hospitality" will be more useful, interesting and informative. We will make all the possible efforts to provide the association members with right information and a platform to project their ideas and interact with each other with greater commitment.

Feedback at -info@forevernews.in

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AHAR Members bag Travelguru Awards 2012



Travelguru.com, India's largest online hotel network, recently announced Travelguru Hotel Awards. Hotels were rewarded with a trophy and an achievement certificate for their outstanding performance in travel and hospitality business.

AHAR AGM



I would like to thank our President Arvind Shetty and the office bearers for appointing me as the Chairman of the 34th AGM to be held on Wednesday, 18 December 2013 at Buntara Bhavana, Kurla. I seek the support of each and every member to make the 34th AGM a grand success.

We are planning to have a 'Restaurant & Business Trade Exhibition and Seminar' pertaining to the hospitality industry as usual prior to AGM.

I request you to provide leads regarding advertisements, stalls and other sponsorship opportunities available during the AGM. I appeal to the members to offer their services on the committees of their choice, for the smooth functioning of the programmes and make it spectacular success.

Sudhakar T Shetty
Chairman, AGM

CONGRATULATIONS



Congratulations to Shri Pradeep K Shetty, Director, Maharaja Group on being elected as Hon. Secretary of the Hotel & Restaurant Association ~ Western India (HRAWI). HRAWI is an association of Hotels and Restaurants operating in the Western India Region viz. in the states of Maharashtra, Gujarat, Goa & Madhya Pradesh and the adjoining Union Territories.



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Monthly Newsletter, "AHAR Connect":

The Office Bearers of AHAR always bear in mind the desires and aspirations of its enlightened members. Quarterly Magazine, AHAR Hospitality is all committed to bring out maximum information pertaining to hospitality services. However, by the time the Quarterly Magazine is published and reached the members, most of the matters become stale and lose its importance or relevance. It has been the long standing desire of members to have a Monthly Newsletter in addition to the Quarterly Magazine, AHAR Hospitality for the timely updating of the current events. Hence, the management took a decision to publish a Monthly Newsletter, "AHAR Connect". The name suggests staying connected with the members more frequently. It has been our endeavour to communicate with members and keep them informed of the latest happenings concerning Hotel Industry. Hence, we have always been striving to make important developments in the in the field of Hotel and Hospitality Industry reach our members through the columns of Quarterly Magazine, AHAR Hospitality and make it readers' friendly and enjoyable.

e-Mail IDs: On number of occasions, the members have been reminded to provide their e-Mail addresses and/or mobile numbers in order to enable us effectively communicate with them faster and quicker. We regret to inform you that we are in possession of only handful of mobile numbers and hardly any e-Mail addresses. We once again request all our members to provide their Mobile Numbers and e-Mail IDs to keep them updated at all times.

34th AGM: The Managing Committee has decided to hold the 34th AGM on Wednesday, the 18th December 2013 at Buntara Bhavana, Kurla. It will be a full day event beginning with inauguration of **Restaurant & Business Trade Exhibition and Seminars** relevant to Hospitality Industry prior to the AGM. **Shri Sudhakar Shetty**, VP Zone IX has been appointed as the Chairman of AGM Committee. He is in the process of forming various Sub-Committees for the smooth conduct of Exhibition and Seminars and the AGM. He has requested the members to come forward and join the committees and make the AGM a stunning success.

Court Litigations: AHAR is plagued with various



It has been our endeavour to communicate with members and keep them informed of the latest happenings concerning Hotel Industry.

pending Court Cases on Service Tax, Electricity matters, Dance Bars, Food Hawkers, FSSAI and many other cases in various courts including Supreme Court. The Office Bearers are having hectic time as they are duty bound to devote much of their valuable time to cope with compelling situations. Members too have been facing difficulties in conducting their businesses with so many Draconian Rules thrust upon them one after the other. Our Ex-VP, **Shri Shrinivas Shetty** tried to give vent to his frustration by airing his opinion in a novel way in the hotel bill. The sheer guts and courage shown by him and his ingenuity was appreciated by one and all. His freedom of expression has created a furore not only in Mumbai but also in the entire country and even internationally.

It has always been our desire to make AHAR Hospitality a pleasure to read. In this attempt, we have a cover story,

'Retaining the Hot Spot', and what makes India a hot spot for FDI for Forever News Team. We have an excellent article by **Dr Rashmi Kolhe**, a renowned Food Technologist on **Impact of FSSAI on Hotel and Restaurant Industry** and how to cope with them. We also have topics covering various subjects ranging from **Challenges and Problems faced by the Restaurateurs, Marketing of Restaurant Business** and about the new **National & International Chains** entering pan India.

Forever News Team: We wish to bring to the kind notice of all the members the hard work put in by our publishers, Forever News Team headed by **Shri G Subramanian and Smt. S. Suchitra** to bring this top quality magazine in your hands. However, we are very disappointed with the response from our members who have failed to provide a single advertisement from their suppliers inspite of repeated requests. We request you to just introduce us to your suppliers and the follow up will be done by our team. This is a Festival Season. May these festivals bring all the best and success to your business and good health, wealth, happiness and peace to you and your family.

Happy Reading.

Bhaskar K. Shetty
Editor

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The period since the last issue turned out to be quite eventful.

First of all the levy of service tax introduced in this year's budget, which covered all restaurants with provision of an air-conditioner in any part of the establishment was a dampener, opposed not only by the industry but also by the patrons visiting our restaurants, who would be subsequently burdened for having a basic meal even in the non-a/c portion of the establishment. A major movement unfolded, where hoteliers not only from Maharashtra but across the country joined together on a common platform and protested in the form of a 'BANDH' on 29th April 2013.

We sincerely thank all our associates throughout the state for wholeheartedly participating and making the BANDH a huge success. Our earlier petition in the Bombay High Court has been reinforced with the infusion of a fresh petition covering all the restaurants with provision of an A/C and are awaiting directions from the Honourable High Court, especially in the light of the landmark judgement in the Kerala High Court, which has termed the levy of service tax in restaurants as 'unconstitutional.'

Another landmark judgement was pronounced in favour of the entertainment industry by the Supreme Court upholding the right to livelihood of artistes and also setting aside discrimination amongst different class of establishments. We sincerely applaud the efforts of the entire team who pursued



A major movement unfolded, where hoteliers not only from Maharashtra but across the country joined together on a common platform & protested the service tax.

the case since the last 8 years and created history in the bargain.

Our petition against certain provisions of the FSSAI Act to safeguard the interests of our members is proceeding in the Bombay High Court. Similarly petitions on matters connected with electricity supply are pending in both (Reliance & BEST) at the Appellate Tribunal and the Supreme Court. These are being attended to by our resourceful team in conjunction with competent lawyers. We are also contemplating filing a petition against food hawking on the streets, even after the Supreme Court ban.

Our representation to the tourism ministry and the Chief Minister last year has at last borne fruit with the appointment of an international consultancy firm to study the archaic laws governing the hospitality industry. The committee will submit

its report to the state government.

We have successfully launched our newsletter 'AHAR Connect' and intend to make the same a powerful medium providing valuable information to our members.

The AGM this year is scheduled to be held on 18 December 2013 and all the members are requested to wholeheartedly participate in the event and make it a grand success.

Arvind Shetty
President



The Indian hospitality industry remains to be the one among the few sectors in the country that have garnered a lot of interest with respect to foreign direct investment (FDI). Interestingly, According to the data recently released by the Department of Industrial Policy and Promotion (DIPP), the sector has attracted FDI worth USD 3.21 billion during April-February 2012-13. What makes India a hot spot for FDI, Forever News Team finds out.

The Indian tourism sector is one of the most flourishing business sector in this country, which is yet to be tapped to explore its full potential. Especially since it supports not only the key industry but also the other ancillary industry affiliated to it, through backward and forward linkages and can generate huge revenue earnings for the country. What is the deciding factor for the sector is that it is no longer looked upon just as an option for leisure activity, but as a major source of employment.

According to industry estimates, travel and tourism is a USD 32 billion business in India, in addition, the hospitality sector is sized at USD 23 billion which is further expected to grow exponentially. The size of the Indian hospitality industry is estimated as a sum of revenues of two segments i.e. revenues generated from travel which includes business, leisure, visiting friends and relatives, religious, meetings and conferences and revenues generated by consumers eating out at any form of outlet like restaurants, fine dining, quick service restaurants (QSRs), takeaways, or any other form of unorganised eateries.

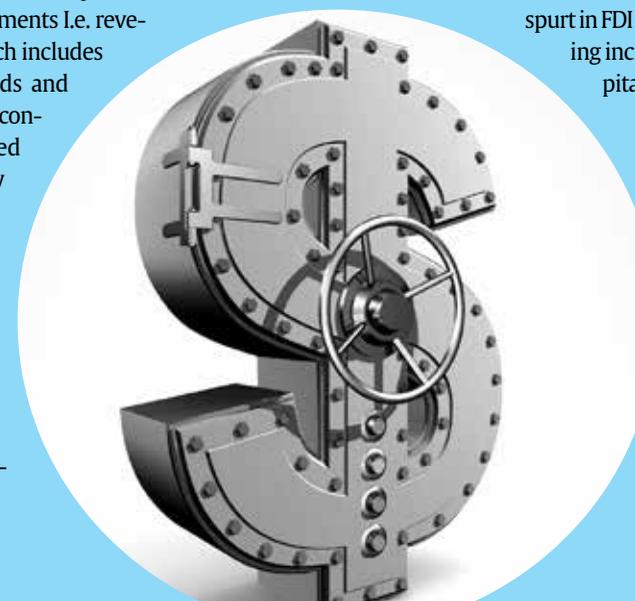
While the Indian tourism sector includes medical and healthcare tourism, adventure tourism, heritage tourism, eco-

tourism, rural tourism and pilgrimage tourism. Wellness tourism is regarded as a sub-segment of medical tourism and with its widespread use of ayurveda, yoga, siddha and naturopathy, complemented by its spiritual philosophy, is a well-known wellness destination as well.

Table turner

As per the data released by the government agencies, tourism is one of the third largest net earners of foreign exchange for the country and also one of the sectors, which employs the largest number of manpower. In fact, over the years as per the reports India's hotel and tourism sector has witnessed a sudden spurt in FDI during the last financial year, reflecting increased interest in the country's hospitality industry.

With India's diverse population and colourful cultural heritage, Indian tourism industry remains to still retain its coveted position of being one among the top countries in the world to be recognised as one of the most sort after global destinations. India has over 26 world heritage sites and it is divided into 25 bio-geographic zones and has wide ranging eco tourism



Save
Water
Save
life



From Hon. Gen. Secretary's Desk



I reiterate that AHAR is the sole voice of hoteliers in this City and it is only through your support, co-operation and involvement, we can move ahead.

Dear Members,
The last few months have been hectic and we were fighting odds on several fronts, like unfair rules and imposts, meeting with various ministers, principal secretaries, bureaucrats and other authorities to find solution to our grievances.

It is heartening that the government has taken our views seriously in the larger interest of the entire hospitality and tourism industry and things are now moving in the right direction.

The government is in the process of appointing consultancies to prepare a detailed report based on facts. We hope this process, of which we are also part, will bring relief to our industry through expected changes in rules and regulations.

Our path, however, is long and the procedures require patience and constant follow-ups. We are thankful to the members who come forward and support us in these efforts.

Meanwhile, we have succeeded in convincing Mahanagar Gas Company Limited of the need to provide piped gas connection to hotels, where pipelines have already been laid, and is now trying to persuade the gas utility to extend its service to South Mumbai.

We stand firmly with our members in the fight against injustices and we advise them to continue to be vigilant in the fight against injustices. Matters connected with of Ex-ACP and a few MCGM officials, which have been dealt firmly, are proof of

our steadfast support to members in their fight for justice.

I reiterate that AHAR is the sole voice of hoteliers in this city and it is only through your support, co-operation and involvement that the hotel industry and the association can move ahead.

Meanwhile, we have been constantly working to update our knowledge of the present day working of hotels. We have conducted many workshops to impart knowledge about the basic requirements of hygiene, cost reduction, planned management etc. Only the adoption of timely and innovative measures will enable us to survive in a world where only the fittest survive.

However, the need of the hour is having sound financial resource to meet the increasing overheads and legal expenses. Here, I request all hoteliers to come together and pool their voluntary resources to AHAR to make it strong and provide relief to lakhs of hoteliers.

Since the AGM is fast approaching, my appeal to hoteliers is to enrol new members, renew existing membership, donate voluntarily to AHAR corpus and make it an association strong enough to meet the aspirations of thousands of hoteliers.

With regards,

Shaashikant K Shetty
Hon.Gen.Secretary

products. Apart from this it has a 6,000 km coastline and dozens of beaches as per the WTO report 1997. But the key player that remains to be the USP of the country tourism industry is the India's great ethnic diversity which translates into a wide variety of cuisine and culture. With large number of villages, plantations and adventure locations it acts as a huge beacon attracting people to it.

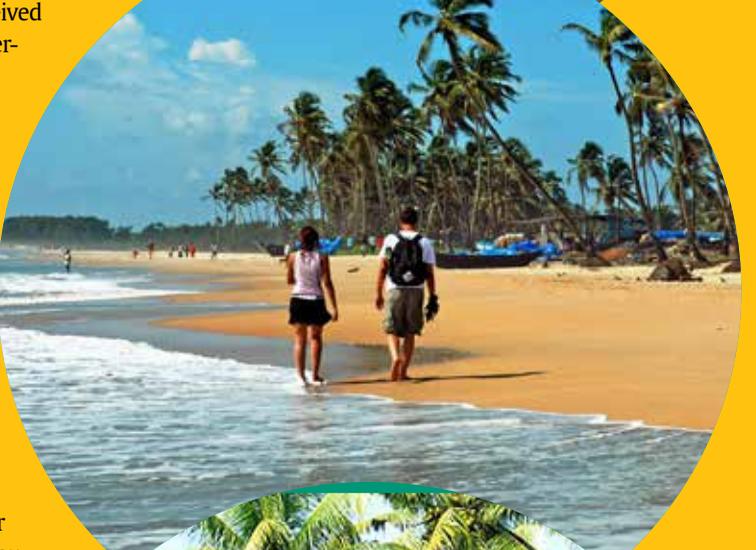
FDI in Tourism

According to the data recently released by the Department of Industrial Policy and Promotion (DIPP), an arm under the Commerce and Industry Ministry which deals with FDI related matters, when the overall FDI declined 38 per cent to USD 20.89 billion, tourism sector has attracted FDI worth USD 3.21 billion during April-February 2012-13. The FDI flow in the sector in the last fiscal is significantly higher as compared to the flow of USD 3.37 billion which the country received during the last 12 years ending March, 2012. Further, the services sector attracted highest FDI i.e. during April-February 2013, the sector received foreign inflows in the order of USD 4.74 billion.

Dr P Srinivas Subbarao professor and head of the department, Department of Management Studies, MRPG College, Vizianagaram states that in order to develop tourism in India in a systematic manner, there is a need to position it as a major engine of economic growth, so as to harness its direct and multiplier effects for employment and poverty eradication in an environmentally sustainable manner the state and central governments formulated several policies. However he added that in spite of all these efforts the it continues to suffer from lack of consistent and comprehensive policy. "While little effort has been made to tap the potential of the tourism sector over the last few decades, the central tourism ministry is formulating policies to facilitate private investments through public private partnership and focus on development of this sector," he added.

However considering all the risk-benefit ratio factor many experts feel that it is an issue that needs to be looked into with greater insights so as to see to it whether FDI actually has a positive impact on economic development or not. Dr Subbarao pointed out that FDI has the potential to generate employment, raise productivity, enhancing competitiveness of the domestic economy through transfer skills and technology, strengthening infrastructure, enhance exports and contribute to the long-term economic development of the world's developing countries. More than ever, countries at all levels of development seek to leverage FDI for development, even in India, people perceive FDI as a developmental tool in all sectors and tourism has no exceptions.

"Liberalisation policies have led to rapid growth in FDI flows in recent years and basing on the benefits associated with FDI several developing; as well developed countries compete fiercely for FDI. They



Save Electricity

try to attract foreign investors by providing financial and fiscal incentives, undertaking corporate restructuring and economic reforms and inviting foreign investors in the privatisation of state-run units," Dr Subbarao stressed.

Interestingly, the foreign inflows in the hotel and tourism sector though has always been present significantly compared to other sector, till now it did not figure in the DIPP's list of the top 10 recipients of FDI prior to September, 2012. Many in the industry feel that the main factor behind the sudden spurt in the FDI is due to the improving investment climate in the sector besides increasing opportunities.

Some of the major players that have taken up key position in the hotel sector are several international players, like Inter Continental, Hilton, Accor, Marriott International, Berggruen Hotels, Amanda, Satinwoods, Banana Tree, Hampton Inns, Scandium by Hilt, Mandarin Oriental, Cabana Hotels, Premier Travel Inn (PTI), Marriott, Starwood and Accor have established a presence in the Indian hospitality space. The prominent Indian companies in the hospitality industry include Indian Hotels Company Ltd (IHCL), East India Hotels (EIH), ITC, Bharat Hotels, Asian Hotels and Hotel Leelaventure.

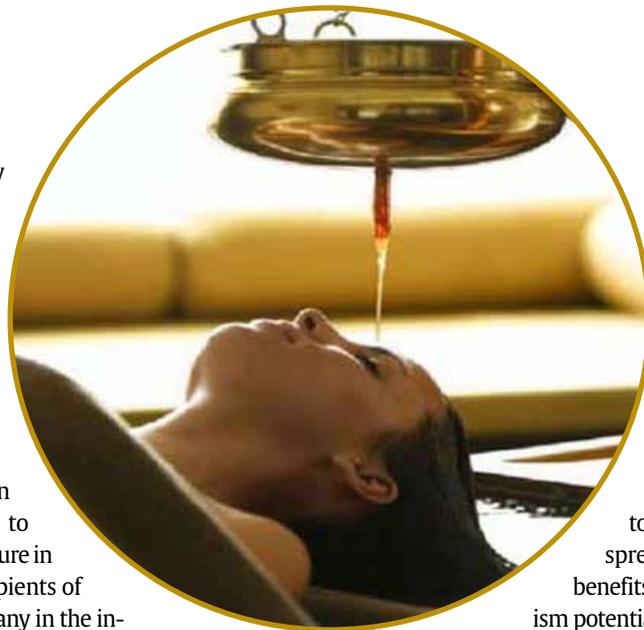
While in the restaurant space, some of the more prominent foreign players include Domino's Pizza, McDonalds, Pizza Hut, US Pizza, KFC and Costa Coffee. Most of these players have seen significant expansion in recent years and further expansion in smaller towns and cities is on the cards.

Opportunities Galore

With all these growing opportunities, everybody is looking at India so as to have a lions share in its success story, especially in the Indian hotel and tourism sector. What is more appealing is that unlike some, there is a 100 per cent FDI allowed in this sector, coupled with other factors which are further fostering its development prospects, like opening of the th civil aviation sector for foreign airlines etc.

The government has permitted 100 per cent FDI in the sector under the automatic route, FDI into all construction and development projects including construction of hotels and resorts, recreational facilities, and city and regional-level infrastructure.

What more in terms of incentives, a five-year tax holiday is extended to organisations that set up hotels, resorts and convention centers at specific destinations. Besides this, the government has initiated measures to bolster the sector, such as provision of visa on arrival for tourists from Finland, Japan, Luxembourg, New Zealand and Singapore, and launch of several schemes that promote rural tourism and infrastructure related with the sector. The government has also launched campaigns such as Incredible India!, Colors of India, Atithi Devo Bhavah and the Wellness Cam-



paign to promote the Indian tourism and hospitality industry.

For instance, the government has introduced a new category of visa, 'medical visa' ('M'-Visa), to promote medical tourism. Further, it has tied up with the United Nations Development Program (UNDP) to promote rural tourism. The ministry has sanctioned 102 rural tourism infrastructure projects to spread tourism and socio-economic benefits to identified rural sites with tourism potential.

Several other initiatives undertaken to promote different tourism products includes rural tourism which showcases rural life, art, culture and heritage at rural locations. The existing scheme for destination development supports the development of infrastructure in rural areas. Under this scheme, the thrust is on promotion of village tourism as a primary product to spread tourism and its socio-economic benefits to rural and new geographic regions. The Ministry of Tourism has joined hands with the UNDP for capacity building – around 153 rural tourism projects have been sanctioned in 28 states/Union Territories including 36 rural sites where UNDP offers support in capacity building.

Then there is adventure tourism which promotes financial assistance to state governments/Union Territory administrations for development of adventure tourism destinations and granting of exemption from customs duty on inflatable rafts, snow-skis sail boards and other water sports equipment. Adventure tourism activities in India include mountaineering, trekking, mountain biking, river rafting and rock climbing. In July 2009, the Ministry of Defence gave permission for opening of 104 additional peaks in Leh area of Jammu & Kashmir for adventure tourism.

Even medical tourism has emerged as an important component of the Indian tourism industry where initiatives have been taken for promoting this sector by providing financial assistance to service providers under the market development assistance scheme and issuance of medical visas for patients and their attendants coming to India for medical treatment. In addition, the government has also requested state governments to promote medical tourism by offering suitable packages of identified hospitals and price banding for specific treatments.

Road blocks

All said and done many in the industry strongly feel that the sector does not get the deserved push considering the huge potential it has and that the government needs to take more steps to boost investment in the sector. Identifying some key issues, experts pointed out that considering the growth spurt, there is a huge paucity of land in the country along with other land related problems coupled with taxation and human resource related issues that needs to be urgently.

Cookie Man's national chain of idli & dosa restaurants

CHENNAI: SBPPattabhi Rama Rao, who built the Cookie Man chain almost from scratch in the Indian subcontinent, is now looking to take a fledgling chain of idli and dosa restaurants national.

Rao, 40, has bought into ID (standing for idli-dosa), started in 2010 by an arm of Chennai's prominent theatre chain Sathyam Cinemas. Till January this year, ID ran only one outlet -inside Sathyam Cinemas. Since then, however, six more outlets have been started, two in Coimbatore and four in Chennai.

The details of how much Rao invested or the equity stake could not be ascertained.

Rao, however, confirmed the development. He said, "I have always been passionate about food and having been in the food business for over a decade, I understand the nuances of what the consumer is looking for and have been able to cater to is successfully, as in the case of Cookie Man."

As executive director of SPI Diners, the Sathyam arm which owns the ID chain, Rao will be in charge of driving business strategy. His aim is to increase the total number of outlets to 12 by this financial year, still only in Chennai and Coimbatore. Next financial year, though the brand would be taken to Bangalore and Hyderabad. Pan-India aspirations would take shape only after a

few years.

Each ID, with seating typically for 100 customers, gets footfalls of over 1,000 during the weekends (double that of the weekdays), and entails an investment of over 1 crore.

ID's national roadmap has been drawn at a time when home-grown restaurant chains headquartered in Chennai are looking to grow aggressively both in and outside the country.

Hotel Saravana Bhavan now has more outlets outside India than at home. Adyar Ananda Bhavan, with revenue of Rs 420 crore, is seeking private equity investment or partnerships in order to grow. This is in line with the trend in recent years of institutional money pouring into the foods sector. In Chennai too, businessmen who had other established lines of businesses have tended to have a fancy for the foods business.

Still, there's no true pan-national South Indian food chain, said Rao. That's what he wants ID to be, similar to what he achieved with Cookie Man. The cookie seller is something Rao has built in the last decade or so. He was Cookie Man's operational head to start with. Later, his Australian Foods India bought the Cookie Man brand licence for the entire subcontinent. Today, the chain has 63 stores across 24 towns in India. The chain hopes to end this financial year with Rs 45 crore in revenue.

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The Top **5** Challenges of Restaurant Training

THE VALUE OF TRAINING

For new employees and seasoned workers alike, quality employee training sets any restaurant apart. A quality training program assures that all employees, whether they are servers, fry-cooks or dishwashers, have the tools they need to succeed. This not only maximizes overall efficiency of restaurant operations but also encourages a culture of constant progression and learning in a dynamic industry.

That said, the path to quality training can be challenging. Below are five situations restaurant managers and owners may face, accompanied by general guidelines to manage these situations effectively.

1 Challenge: Time Constraints in a Fast-Paced Restaurant Environment

In a dynamic commercial kitchen or restaurant environment, finding enough time to spend with a new employee may seem out of the question. It may seem easier to let the new employees figure things out on their own.

Try This: Assign a Mentor

Make sure all employees are well-trained from the very beginning.

Consider assigning a peer training mentor to every new employee. A peer mentor will take some of the strain off the manager.

Make sure the mentor training the employee is an expert in his or her area and will train the same way every time.

Research shows that taking the time to teach a new employee leads to better employee retention and improved productivity, which in turn leads to increased profits overall.

2 Challenge: High Rate of Turnover

In the restaurant business, new employees come and go on a regular basis. Keeping all new employees updated and skillfully trained often challenges any operation.

Try This: Maintain Consistency and Expertise

Make training mandatory.

Always compensate all employees for time spent training.

Create or implement a consistent training program, and maintain this program by training every staff member the same way.

Keep procedures consistent and up-to-date.

Employees who know their responsibilities and know how to perform them with a sense of safety and attention to detail will benefit any business, no matter how long they are employed.

3 Challenge: Prioritizing Information

When faced with new employees, there is a plethora of information to communicate. The sheer amount they do not know can be daunting. It is difficult to know where to start.

Try This: Put Safety First

Make safety the core of the training program.

Emphasize the fact that food safety behaviors like preventing cross contamination can positively affect public health.

Take the time to fully explain commercial kitchen equipment and machines in order to avoid injury.

Make sure the new employee is aware of hazards in the commercial kitchen and how to avoid injuries like slips and falls.

Communicate procedures for emergency situations like fires or robberies.

Add on new or updated information, such as minor menu changes, at the end of the training session after core subjects have been taught.

Always give employees concrete reasons why food and equipment safety is important to learn.

4 Challenge: Inexperienced Employees

Employees in the quick service restaurant industry are often young and inexperienced, perhaps even working a job for the first time. Not only does the employee need to learn about the restaurant skills, but needs to adapt to a work environment in general.

Try This: Set The Expectation

Give sufficient time and energy to employee orientation. Thoroughly introduce the new employees to the foodservice environment.

Clearly communicate expectations and objectives.

Be a role model. Let others see the managers and experienced workers acting with respect, patience, and integrity.

Do not assume the employee has any past training, and make the training they do receive as thorough as possible.

Incorporate training mentors in the training process, especially when it comes to hands-on training.

Provide feedback and verification of work accomplished.

5 Challenge: Learning Styles May Vary

Different learning styles can challenge any educator. Some learn best by visual representation, while others learn best with hands-on, tactile experience. Additionally, inexperienced employees and employees who speak English as a second language may face deeper struggles than others. It may appear impossible to accommodate these differences.

Below the Belt Blow by Aditi Restaurant - Peaceful but Effective



Adv. D. K. Shetty
(Advisor, AHAR)

India boasts itself as the world's largest democracy. However, it seems to be very true only on paper when it comes to practice. When founding fathers have framed constitution for India, they definitely meant it to be followed in its letter and spirit. We are blessed with "freedom of speech and freedom of expression" as our fundamental rights enshrined in the Constitution of India. Politicians and their stooges misuse these freedoms brazenly to suit their convenience. But, when a common man takes liberty to use these freedoms for the reasons however genuine may it be, he is targeted by the vested interests and the power that be.

The hoteliers are being bullied by almost every so-called law enforcing authorities. They are picked up and harassed at just a drop of hat. Authorities turn blind eyes to the **Bold prints** in the Rule Books to circumvent the convenience of chosen favourites. On the other hand, they read the **Fine prints** in the Rule Books meticulously to book the innocent hoteliers who fail to meet the unethical and unreasonable demands of the corrupt officials.

Hoteliers are burdened with all sorts of taxes which make them struggle to survive and make both ends meet. Ultimately, when it results in pinching the commoners, the business suffers irretrievably. One such painful gift from the UPA Government was introduction of Service Tax to the entire hotel business even if a small portion of service area is air-conditioned. In the present day life, air-condition is not at all a luxury. It is just a comfort, if not necessity. The introduction of new Service Tax has left the hoteliers with very tough alternatives i.e. to burden the regular Non-A/c customers too with the **Service Tax** or to deprive the regular A/c customers of the comfort of A/c facilities.

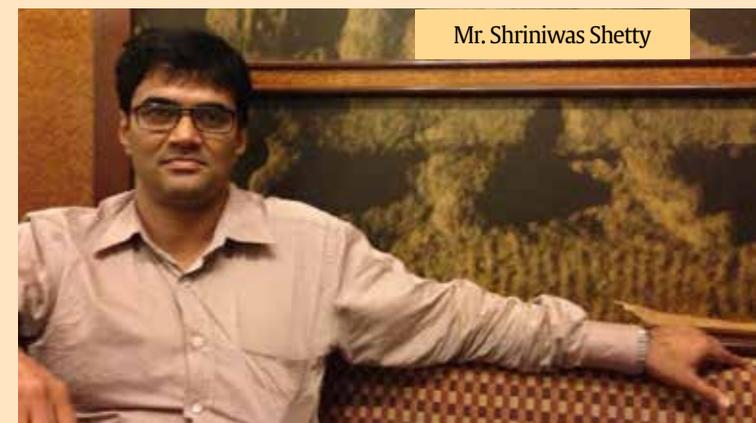
As a law abiding citizens, hoteliers have every right to express and demonstrate their genuine grievances by protesting in peaceful manner. Gandhiji preached and practiced different ways of protests including Non-Co-operation. Everybody cannot resort to demonstration or sit on Dharna or go on Hunger Strike. **AHAR** EXP, **Mr. Shrinivas Shetty** of "Aditi Restaurant" at Parel came up with very novel idea of protesting the introduction of Service Tax and expressing his grievances to reach the ultimate sufferers i.e. his customers effectively. He simply got a punch line printed on the bottom of the bill reading as "As per UPA government, eating money (2G, Coal, CWG scam) is a necessity and eating food in an AC restaurant is a luxury". This idea could have been conceived and conceptualized by only **Brave Hearts** like **Mr. Shrinivas Shetty** without taking law in his hands. The message was well received and appreciated by the customers who felt severe pinch due to the



government decision. This went on for several days before some political goons, the so-called saviors of general public took the message personal and offensive. These publicity crazy people were hungry of getting an opportunity to make their presence felt and to please their political bosses. No doubt, the mob furry organized by these self-styled leaders temporarily succeeded in pulling the shutters of the restaurant down but, at the same time they vehemently demonstrated their **Zero Tolerance** as well.

As the luck would have it, their hasty actions and arm-twisting methods were clearly counterproductive. The Punch Line on the bill and the news of subsequent indecent incident spread far and wide like a wild fire. Aditi Restaurant hit headlines on front page of most of the leading dailies not only in Mumbai but also all over India and even overseas. There was a big furor in the social media and the issue was trending top on twitter and was a matter of hot discussion in the facebook for several days. It was a blessing in disguise for the owner, **Mr. Srinivas Shetty** who became National Hero overnight, thanks to the irresponsible actions of impatient political goons. The issue was reportedly raised in assembly in support of the hotelier. While defending the action of the Hotelier, several national leaders including **Mr. Narendra Modi** condemned the vengeful actions of the political party workers and called it '**Height of Intolerance**'. **Dr. Subramanian Swamy** with his long time political associate, **Mr. Jagdish V. Shetty** specially visited the **Aditi Restaurant** on his visit to Mumbai. He met the courageous Hotelier on his innovative protest and demonstrated solidarity with Mr. Shetty. Speaking to the battery of media persons, he also assured all sorts of supports including legal aid to Mr. Shetty, if need be.

Hotel Industry needs many more Shrinivas Shettys.



Mr. Shrinivas Shetty



Dr. Rashmi Kolhe

Impact of FSSA on Hotel and Restaurant Industry

Author is Ph.D (Tech) in Food Technology from Institute of Chemical Technology (formerly UDCT) and expert in Food Laws and Regulations. She is Hon. Treasurer of Association of Food scientist and Technologists of India (AFSTI), Mumbai Chapter.

Today everyone involved in any kind of food business is constantly discussing about FSSA, on one or other platform. The law is more than a year old now. But lot of confusions and doubts still persist about it in hotel industry. Previously, hotel industry was treated separately and was exempted from PFA (1954) or similar food laws. Those laws were mainly regulating the food processing sector in India. With enforcement of FSSA, each and every person involved in any kind of food business, be it transport or be it service, has to be registered or get licensed. Only the farmer (who is producing food) and the consumer are excluded from the umbrella. Motto of current law is "Safe Food, Healthy India". Here consumer's safety through safe food is given the prime importance.

WHY FOOD SAFETY?

At some or other point in our life all of us have experienced either upset stomach or even some severe health issues after eating outside food. Dimension of food and water borne illness is manifold. Considering conditions of food processing facilities and level of awareness in personal and social hygiene practices in India, food and water borne illness are very common (and preventable) even though not reported. The condition is not only restricted to Indian subcontinent but is a serious global concern. Even though research in medical and pharmaceutical industry is providing state of the art solutions to existing health issues, human being is still facing threats of never ending newer contagious diseases, mutated pathogen and antibiotic resistant strains and many more. Thousands of people are getting adversely affected due to them but in vain, no specific treatment is available to conquer it. However, proper food preparation can prevent many food borne diseases and prevention is the only key to this.

It is difficult to determine precise numbers, but the World Health Organization (2007) highlights that in 2005 alone 1.8 million people died from diarrheal diseases, many of which can be attributed to contamination of food and drinking water. It is suggested that in industrialized countries, the percentage of the population suffering from food borne disease each year is up to 30 per cent. In India, due to lack of authentic data the dimension of the problem is unknown but thousands of people are suffering every day.

The way forward in improving food safety is seen internationally as the implementation of food safety management systems (FSMS) within businesses "from farm to table". With FSSA, India has also taken a step forward towards this goal. However, the challenges

associated with this are increasingly becoming recognized. It clearly identified that food safety management is not simply a technical, scientific or managerial issue; it is instead predominantly a behavioural issue. Hence developing the food safety culture within food industry could be a solution and at same time it's a challenge too.

WHAT IS FSSA?

The Food Safety & Standards Act 2006, is Act to consolidate the laws relating to food and to establish the Food Safety and Standards Authority of India for laying down science based standards for articles of food and to regulate their manufacture, storage distribution, sale and import, to ensure availability of safe and wholesome food for human consumption and for matters connected therewith or incidental thereto.

- Previously existing food laws repealed by FSSA are as follows:
- Prevention of Food Adulteration Act, 1954
- Fruit Products Order, 1955
- Meat Food Products Order, 1973
- Vegetable Oil Products (Control) Order, 1947
- Edible Oils Packaging (Regulation) Order, 1988,
- Solvent Extracted Oil, De-oiled Meal and Edible Flour (Control) Order, 1967
- Milk and Milk Products Order, 1992
- Any order under Essential Commodities Act, 1955 relating to food.

SALIENT FEATURE OF THE ACT

- Movement from multi-level and multi-department control to a single line of command.
- FSSAI as a single reference point for all matters relating to Food Safety and Standards, Regulations and Enforcement Integrated response to strategic issues like Novel foods, Health Foods, Nutraceuticals, GM foods, international trade etc.
- Decentralization of licensing for manufacture of food products.
- Achieve high degree of consumer confidence in quality & safety of food.
- Investors friendly regulatory mechanism with emphasis on self regulations and capacity building
- Enforcement of the legislation by the State Governments/ UTs through the State Commissioner for Food Safety, his officers and Panchayati Raj/Municipal bodies
- Emphasis on gradual shift from regulatory regime to self compliance through food safety management system.

- Consistency between domestic and international food policy measures without reducing safeguards to public health and consumer protection
- Adequate information dissemination on food to enable consumer to make informed choices.
- Compounding and Adjudication of cases – to reduce Court's workload and expedite the disposal of cases
- Graded penalty depending upon the gravity of offences

NEW PROVISIONS UNDER THE ACT

- Regulation of food imported in the country
- Provision for food recall
- Surveillance
- New enforcement structure
- Envisages large network of food labs
- New justice dispensation system for fast track disposal of cases
- Harmonization of domestic standards with international food standards (Codex)
- Covering Health Foods, supplements, nutraceuticals

IMPACT OF FSSA ON HOTEL AND RESTAURANT INDUSTRY

1. All the Food Business Operators (including owners of hotels, restaurants, hawker, dhabas, petty food business operators, caterers etc) has to obtain FSSA license as early as possible to commence the business.
2. Central licensing for FBOs operating in more than one state.
3. State license for FBOs with annual turnover more than Rs.12 lakhs.
4. Registration for FBOs with annual turnover less than Rs.12 lakhs.
5. Filing of annual returns to FSSAI (April –March) in form D-1 of schedule 2 of FSSA.
6. For proprietors of hotels, restaurants and other food stalls who sell or expose for sale – savories, sweets or other articles of food shall put up a notice board containing list of articles which have been cooked in ghee, edible oil, vanaspati and other fats for information of intending purchaser.
7. Mandatory to comply with Schedule 4 , Part II (General requirements) and Part V (specific Hygienic and sanitary practices to be followed by FBOs engaged in catering/ food service establishments).

WHAT ARE SCHEDULE 4 REQUIREMENTS TO BE FOLLOWED BY CATERING /FOOD SERVICE ESTABLISHMENTS?

FSSA Schedule 4 deals with the general hygienic and sanitary practices to be followed by FBOs. These are the basic – compulsory requirements for ensuring safety of food manufactured in any premises and is expected that FBOs shall continuously try to improve the sanitary and hygienic conditions at the premises with a goal of attaining India HACCP standards within a previously determined period. Under FSSA, it is the responsibility of food business operator to ensure adherence to necessary requirements.

Schedule 4 Part V is specific to premises where public is admitted for repose or for consumption of food or drink or any place where

cooked food is sold or prepared for sale. It includes:

1. Eating houses
2. Restaurants and hotels
3. Snack bars
4. Canteens (schools, colleges, Offices, Institutions)
5. Food services at religious places
6. Neighbourhood Tiffin services/ dabba walas
7. Rail and airline catering
8. Hospital catering

Schedule 4 Part V requirements focus on certain basic requirements of hygiene and sanitation to be followed in premises. It broadly covers the following areas:

1. Good manufacturing practices for whole premises
2. Good food hygienic practices
3. Personal hygiene
4. Transportation and handling of food
5. Storage
6. Special requirements for high risk foods

In order to ensure food safety detailed requirements for each area are further specified by the law. Details of which can be obtained at www.fssai.gov.in

It is expected that catering and restaurant industry should gradually upgrade their working and hygiene standards in line with these guidelines.

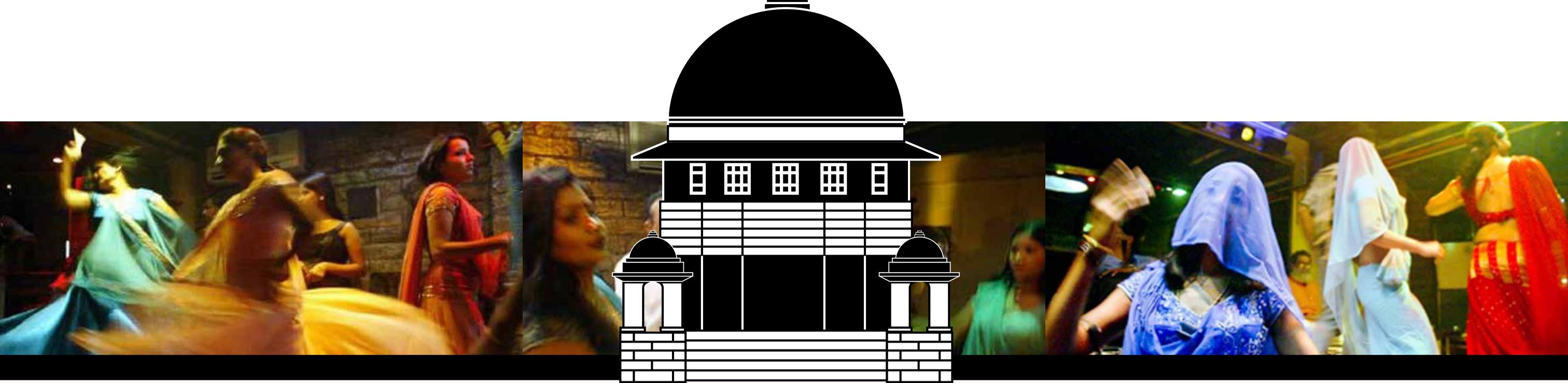
Eg. Under personal hygiene criteria medical examination of food handlers every six months is compulsory. The record of same has to be maintained. All food handlers should be aware of their role and responsibility in food safety. Proper training with respect to good practices for food handling and personal hygiene should be given to all the food handlers. E.g. food handlers should be made aware of certain things like – When to wash hands, how to wash hands, what is exact meaning of "clean" and "sanitation", why to follow hygiene rules, how it lead to spread of diseases, how to handle high risk foods, why food is so susceptible to contamination etc. Their performance has to be assessed through routine checks and supervisions to ensure the food safety.

HOW IT CAN BE DONE?

Compliance with license requirements is mandatory. Non conformity attracts penalty depending on the severity of offense. Penalties includes heavy fine up to few lakh rupees to imprisonment depending on the nature of offense. Non compliance and penalties also lead to media attention, bad publicity and loss of consumer trust in the brand. A systematic and organized approach towards up gradation of hygiene and manufacturing practices has advantages in long way. Methodology at broader level includes:

1. Study of current status of the food service premises.
2. GAP analysis as per FSSA requirement
3. Formation of processes and systems to meet the requirements
4. Thorough training of all the food handlers
5. Record keeping and maintenance of necessary documents
6. Periodic internal audit and continuous up gradation of the system

By Dr. Rashmi Kolhe
(Dr.rashmikolhe@gmail.com)



Supreme Court upholds Mumbai High Courts decision

“ We are happy these women can return to their profession, which used to be their only source of income, since most of them did not have other skills,” says Arvind Shetty, president, AHAR. “The Association was in no position to offer alternative employment to them, but the state government failed to implement what it had promised to do,” he said. ”

“ Shashikant Shetty, Hon. Secretary, AHAR says that the government ‘s ban had struck down an entire industry. This decision by Supreme Court is a huge relief for all the people who earn their livelihood from dance bars. He says that the fight they fought for last 8 years was not with any government but was to regain their rights. He said that Maharashtra government is hypocrite as they allowed expensive hotels and bars to have dancers, but those thousands of poor women who earn their daily bread by dancing in bars were not considered. ”

“ Anil Gaikwad, Legal advisor Dance Bar committee of AHAR said that “we are moving to supreme court with contempt of court notice and petition is ready against Govt. of Maharashtra. It’s been two months now and no decision was taken in connection with the 16th July order pertaining to the dance bar case. ”

Justice delayed is better than justice denied, this proverb goes well for many who are thrilled with the recent Supreme Court order that upheld the right of bar dancers to pursue their profession subject to the dancing bars taking license from the state authorities.

Forever News Bureau reports

In what could be huge relief to thousands of women bar dancers across the state who had been rendered jobless due to ban on dance bars by the Maharashtra government, the Supreme Court on July 16 upheld the Bombay High Court verdict quashing the state government’s seven year old order ban. Interestingly, the bench comprising of Chief Justice Altamas Kabir and Justice S S Nijjar also vacated its stay order on implementation of the high court judgment.

In 2005, Maharashtra government had brought in an amendment in the Bombay Police Act which led to the

controversial ban. It was later challenged in the high court by AHAR, an association representing restaurants and bars after which the high court in 2006 had quashed the government’s decision. AHAR represented the dance bars, restaurants and bar girls had argued that the preamble of the Bombay Police (Amendment) Act, 2005, which had been struck down by the high court as unconstitutional, holds that dance performances for public amusement were permissible. Following this development, the state government had moved to the apex court against the high court’s order to which the Supreme Court while admitting the Government’s plea had stayed the high court’s verdict.

STUNNED TO SILENCE

Stunned by the apex court ruling in New Delhi against the forced closure of the bars, the government has decided to set up a committee of lawyers, legal experts and legislators to study the verdict before taking appropriate measures. Home Minister R R Patil, facing the opposition ire over the state government’s defeat in the apex court, said that they are waiting for the copy of the Supreme Court judgment, and that they will be setting up a panel of lawyers, legal experts and legislators who will study it and submit report. Patil said as per the committee’s suggestion, the government would decide whether to file a review petition, approach a full bench of the apex court or change the existing laws pertaining to dance bars. The apex court upheld the right of bar dancers to pursue their profession subject to the dancing bars taking license from the state authorities. Though hoteliers and bar dancers are overjoyed with the apex court verdict, it has evoked sharp

reactions from different political parties with many criticising the government for its lack luster representation of this case at the centre.

GOVERNMENTS APATHY

Many claim that the sudden decision taken by the government had led to severe crisis to life of many women involved in this profession. These organisations also informed that thousands of women engaged in dance bars and several of them had already committed suicide due to unemployment and financial crunch. They stressed that with as many as 72 per cent of the bar girls being married and 68 per cent being sole bread earners of their family, the state government’s order has rendered them jobless and had been rightly struck down as arbitrary and unconstitutional by the high court. Several former bar dancers welcomed the apex court decision and said that after suffering for eight years, they would now be able to dance and earn a decent living.



Service tax on restaurants and hotels not Constitutional

Definition of 'tax on sale or purchase of goods' was expanded by the 46th amendment to the Constitution

In a recent ruling, the Kerala High court, in Kerala Classified Hotels and Resorts Association and others vs Union of India and others (2013-TIOL-533-HC-KERALA-ST), held the levy of service tax on supply of food and beverages by restaurants and services of lodging provided by hotels as unconstitutional.

The petitions before the high court involved two specific transactions related to restaurants and hotels on which the court was asked to rule on the Constitutional validity of levy of service tax by the central government on these businesses.

The first question was whether the central government has the Constitutional right to levy service tax on the service portion involved in the transaction of sale of food and beverages by restaurants.

As per the Constitution of India, the definition of tax on sale or purchase of goods was expanded by the 46th amendment to the Constitution, which inserted the clause 29A to the article 366, to include: "(f) a tax on the supply, by way of or as part of any service or in any other manner whatsoever, of goods, being food or any other article for human consumption or any drink (whether or not intoxicating),..."

The high court, while adjudging the levy of the service tax on transaction of sale of foods and beverages by the restaurants as unconstitutional, has relied on the judgment of the Constitutional Bench of the apex court, in K Damodarasamy Naidu and Bros vs state of Tamil Nadu (2002-TIOL-884-SC-CT-CB). There, the apex court held that the article 366(29A)(f) empowers the state government to impose tax on supply of food and beverages whether it is by way of service or as a part of a service. Such transfer delivery or supply is deemed to be a sale of those goods and the provision of service is only incidental to such sale. Accordingly, it was held that the price paid by the customer for supply of foods in a restaurant cannot be split up.

The second question was whether the central government has the Constitutional right to levy service tax under section 65(105) (zzzzw) of the Finance Act, 1994, (introduced by the Finance Act, 2011 with effect from May 1, 2011) on provision of accommodation by the hotel.

The Constitutional validity in this case was challenged on the basis that the entry 62 of list II of the seventh schedule to the Constitution of India exclusively empowers the state government to impose tax on "luxuries". The high court in this case relied on yet another landmark judgment by the Constitutional Bench of the apex court in Godfrey Phillips India Ltd vs state of UP (2005-TIOL-10-SC-LT-CB), wherein the apex court defined the word "luxuries" as the activities of enjoyment of or indulgence in that which is costly or which is generally recognised as being beyond the necessary requirements of an average member of society.

Keeping in view of the extended meaning of luxuries provided by the apex court, the high court was of the view that by imposing service tax on hotels, etc, the central government has departed from its Constitutional mandate and accordingly, liable to be held unconstitutional.

It is worth mentioning here that the 46th amendment to the Constitution which introduced clause 29A to the article 366 contained six transactions which were deemed to be a transaction of sale or purchase of goods. For example, tax on the transfer of property in goods involved in the execution of a works contract is one of the deemed sales under this amendment. Post this judgment by the high court, an old debate may have resurfaced.

Can, on similar grounds the levy of service tax on a transaction of works contract where the buyer only intends to buy, say for example a constructed building and pay consideration on per square foot of constructed building, be challenged? The buyer of the building has no interest in the services that the builder has used in construction of such building, merely in the completed building. Therefore, can the central government tax the services that are provided in a works contract when these transactions are deemed sales under the Constitution?

The clause 29A was introduced, as it was felt necessary by the experts to declare those transactions as deemed sale of goods which could otherwise lead to a dilemma in classification between sale of goods and/or services. Yet another question arising out of this situation is - shouldn't there be a similar provision in the Constitution to declare the other portion of such transactions as the deemed/declared services, before the same could be brought under the tax net of the central government?

Source : Business Standard. Dated July 21st, 2013.

Home department tells police to steer clear of excise turf

A month after the Supreme Court dismissed a special leave petition filed by the state government, the home department led by senior NCP leader R R Patil has made it clear that since there is an independent excise department for effective implementation of prohibition rules, the police have no powers to take action against liquor traders violating licence conditions.

In two different cases, the Bombay high court had observed that if there was violation of licence conditions, then it was the responsibility of the police to bring it to the notice of senior officials of the excise department. The state government filed a special leave petition against the high court order, but the apex court dismissed the petition and upheld the high court order.

Subsequently, chief secretary J K Banthia convened a high-level meeting to take stock of the situation after the special leave petition was dismissed. "After our special leave petition was dismissed, we had no option but to issue fresh guidelines on state prohibition rules," a senior bureaucrat said.

The official said it had now been made clear to law enforcement agencies, particularly the police, that they should not interfere in the functioning of the excise department. "They are not expected to take note of the violation of licensing conditions by the licensees under the Prohibition Act and excise rules.

Let excise sleuths take action for violations," the official said.

Under the state prohibition rules, in most districts the collector is the competent authority and is empowered to take action for violation, said the official. "We expect the police to step in to halt the manufacture of illicit liquor and ensure that liquor is not illegally brought into the state from neighbouring states to avoid payment of excise duty," the official said.

The bureaucrat said that for several decades, the police had been at loggerheads with excise officials over powers to check licensees-liquor traders-under the prohibition rules. On several occasions, cabinet members of home and excise departments had approached the CM for a resolution of the dispute.

"Since the special leave petition has been dismissed, we expect that now the police will not interfere in the excise department," the official said.

Source : <http://articles.timesofindia.indiatimes.com>

HC scraps FIR against Vakola bar raided by ACP Dhoble

The Bombay High Court judgment, quashing an FIR filed after a raid on a bar last year by ACP Vasant Dhoble, is a wake-up call for police. The court observed that even the state was unable to justify criminal action for a mere civic violation.

Finding a few patrons smoking inside Vakola's Swagat Bar on September 23, 2012, Dhoble levied a fine of Rs 25,000 on the bar owner under civic law and filed an FIR. Legal experts said the HC order is a signal to cops not to act in a hasty way and criminally penalize violations which at most call for a fine.

The bar owner and other hotel owners hoped the court verdict would not only have a salutary effect on Mumbai Police's moral brigade but would also prompt the state government to amend outdated laws to avoid their future misuse.

"The police action of filing an FIR after raids by Dhoble when the only offence was absence of a particular licence like a health licence, which the civic administration issues, is not only a complete abuse of power but also speaks about their non-application of mind," said advocate Mubin Solkar reacting to the HC order. The state's lawyer was unable to justify how failure to have a licence could be a criminal offence.

"It is unfortunate that archaic laws which should have been abolished by now are becoming a tool in the hands of people who want to misuse them. The court verdict showed that police did not apply the rules properly and instead abused their powers, which ultimately resulted in mental torture and loss of reputation for a

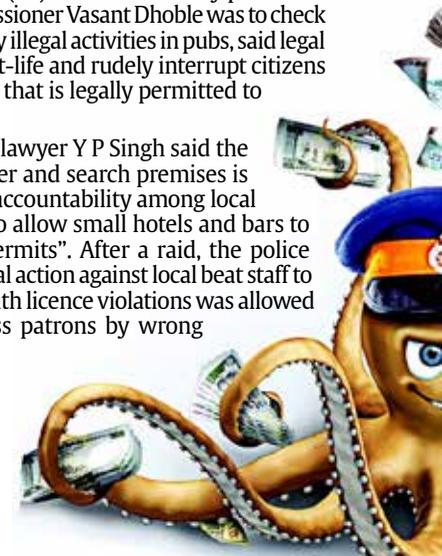
businessman as well as patrons," said Ahar general secretary Shashikant Shetty.

Former Ahar president Sudhakar Shetty added, "In fact we have already recommended to the government that such outdated rules should be amended to avoid any harassment to the bar owners and patrons. At least till the time they are amended the police will now take care of applying them correctly following this verdict," he said further. The law stipulates that when police conduct raids on pubs and bars and find that necessary licences to run the establishments are not renewed or were not issued, the next step is to give the owners a chance to rectify the deficiency, explain its existence or impose a fine. The police can't bring criminal law into motion against the owner and certainly not against the patrons for such a lapse, said legal experts.

As head of the Social Service (SS) Branch of the city police last year, the job of assistant commissioner Vasant Dhoble was to check piracy, prostitution and patently illegal activities in pubs, said legal experts. It was not to ruin night-life and rudely interrupt citizens gathered at a restaurant or bar that is legally permitted to function.

Former IPS officer and now lawyer Y P Singh said the power of the SS branch to enter and search premises is essentially meant to "enforce accountability among local police, who may take bribes to allow small hotels and bars to operate without necessary permits". After a raid, the police should have taken departmental action against local beat staff to check why an establishment with licence violations was allowed to function rather than harass patrons by wrong prosecution, said a lawyer.

Source : <http://timesofindia.indiatimes.com>





Note on the cases pending before Appellate Tribunal for Electricity (ATE) and the Supreme Court of India

by Pradeep Jain

- Maharashtra Electricity Regulatory Commission (MERC) had, on 15 October 2009, allowed the changeover to an alternative source for electricity by hoteliers. At that time, MERC had given details of the benefits that will be derived by changeover consumers (CoC). Many have changed over to Tata Power Company (TPC) since then.
- MERC had deferred the decision on cross subsidy surcharge (CSS) and Regulatory Asset Charge (RAC). In July 2011 MERC has decided 'in principle' to levy the CSS and RAC. However, it did not quantify the CSS and RAC in that order.
- This order of MERC (case no.72 of 2010) was challenged before ATE in September 2011. AHAR challenged the levy of CSS and RAC to changeover consumers. ATE decided on the matter and gave its order in December 2012.
- ATE disallowed the appeal. However, ATE did not consider the issue of RAC at all. The Association (AHAR) had since challenged the order of ATE in the Supreme Court in February 2013.
- MERC passed the CSS order in case no.43 of 2010 on 9 September 2011 and quantified the CSS payable by changeover consumers (CoC). The CSS was determined as Rs. 0.00 per unit for commercial LT II (a) category < 20kW. The CSS was determined as Rs. 0.84 per unit for commercial LT II (b) category > 20kW to <50 kW.
- The Association did not challenge this order as it had challenged the earlier order in case no.72 of 2010. Reliance Infrastructure (RInfra) challenged this order before ATE in October 2011. However, ATE has still not pronounced the judgment in this matter. Thus all the CoC [(category LT II (a) and (b) & LT II (c)] were paying CSS as per order dated 9.9.2011 till date.
- On 10 May 2013, MERC passed another CCS order in case no 3 of 2013 and suddenly increased the CSS from Rs. 0.00 to Rs. 1.60 for category LT II(a) and from Rs. 0.84 to Rs. 4.09 for category LT II (b) without giving any public notice.
- The Association challenged this order before ATE. As per order dated 21.6.2013, ATE asked MERC to maintain status quo. Hence, the CSS remained at earlier level as per order dated 9.9.2011. The hearing is underway at ATE and the next date is 29.10.2013.
- As the order of 10 May 2013 was stayed by the ATE, the benefit derived by each CoC for the last four months (May 2013 to August 2013) is quite huge and the advantage to our members. A) Rs. 9,000 to Rs. 10,000 per month for the bills of about Rs. 40,000; B) Rs. 60,000 to 70,000 per month for the bills up to Rs. 1,50,000; and C) Rs. 80,000+ per month for the bills above Rs. 2,00,000 per month. If ATE allows the appeal, this benefit will be confirmed. However, this benefit has been derived just because the 10 May 2013 order was challenged by the Association before the ATE and got status quo on it.
- Now MERC has passed one more order on 22 August 2013 in case No.9 of 2013 and has redetermined the CSS applicable from 1 September 2013 onwards. The order is for three years and the CCS has been redetermined for each of the next three years.
- The CSS has been determined @ Rs. 1.30 per unit for Commercial LT II (a) category <20 kW. The CSS has been determined @ Rs. 3.89 per unit for commercial LT II (b) category >20 kW to <50 kW. Similarly, the order has quantified the RAC @ Rs. 1.05 and Rs. 1.40 per unit for the above categories respectively.
- The result:
 - Tariff payable by LT II (a) category commercial <20kW has gone up from Rs. 8.64 to Rs. 12.21 per unit (including CSS, RAC and Govt. Duty).
 - Tariff payable by LT II (a) category commercial <20kW has gone up from Rs. 9.75 to Rs. 15.64 per unit (including CSS, RAC and Govt. Duty). (Increase in the electricity bill per month will be Rs. 20,000 to Rs. 100,000).
- This order dated 22nd August 2013 has not only given tariff shock to CoC but also has totally killed the competition between Tata Power and RInfra. The order has only served the interest of RInfra and the interest of consumers has been totally neglected at the cost of safeguarding RInfra.
- The basic lacuna/ deficiencies of this order are as follows:
 - Tariff shock to CoC. (62% rise in the Electricity bill)
 - The new tariff (including CSS and RAC) has killed the competition altogether. Now, the tariff of RInfra has become cheaper by around 12% than that of Tata Power.
 - The interest of consumers has been totally neglected at the cost of safeguarding RInfra.
 - There is no provision in the Electricity Act, to revise 'upward' the CSS already determined for a particular category. The Electricity Act only allows the reduction in CSS. By this order MERC has increased the CSS determined under its order dated 9.9.2011.
 - As per order of ATE dated 21st December, 2012 all CoC has now been termed as 'Open Access Consumers' (OA consumers). As per Section 86 and 42 of the Electricity Act, RAC cannot be levied on OA consumers.
- AHAR is in touch with all the concerned, including Tata Power, other associations, NGOs etc. This is a long drawn battle and has to be fought continuously. Because our constant fight and collaboration with other likeminded our members got substantial benefits in their energy bills for last about 4 years. To keep this spirit alive and keep on getting the power at most competitive customer friendly rates we have to keep on fighting. For this we need a very dedicated and energetic team supported by generous funds for legal fights.
- The Association will be filing the appeal before ATE and will ask for a 'stay' as interim relief.

CBSE to introduce four new hospitality related courses

Our Bureau, Mumbai

With a view to address the shortage of skilled manpower in the hospitality business, the Central Board of Secondary Education (CBSE) has developed a course that is focused on building the employability skills among students.

CBSE board has decided to introduce geospatial technology, food production, food and beverage services, and mass media studies and media production, as competency-based vocational courses at senior secondary level from the academic year of 2011-12.

According to a senior level officer from the CBSE this course is in pursuance of CBSE's policy of exploring new domain of knowledge and skills that have good employment prospects, as well as career opportunities, CBSE has decided to introduce four new vocational courses. Recently, CBSE has started collaborating with various industries/institutions for introducing competency-based joint certification courses as per the present needs of society and various industries. In fact, it is understood that, the CBSE had on a pilot basis has also introduced the four courses in a few select schools in Class XI, in 2010. Based on positive feedback received from the pilot schools, CBSE has decided to start the courses at all its affiliate schools in the country and abroad.

Experts say that Indian economy requires huge manpower equipped with relevant skills to manage the emerging market of geospatial and remote sensing technology. The objective of the geospatial technology course is to build geospatial skills in students to create geodatabase and mapping. The course will also provide students practical knowledge and understanding of geospatial technology, which includes remote sensing, photogrammetric and geographic information system. The curriculum of geospatial technology has been designed by eminent experts from relevant industries in the field.

In order to start the course, schools should have sufficient computers with required software, and internet facilities. However, select schools will be provided relevant software (Geometrica) free of cost by Rolta India Limited, Mumbai, with which CBSE has collaborated for the project. According to sources, the annual demand for trained manpower in hotels and restaurants across India is about 2.03 lakh a year. India's hotel industry is the second largest in the entire Asia-Pacific region. Over five million foreign tourists come to India every year. Keeping in view the acute shortage of trained professionals in hospitality and tourism sector, CBSE is starting courses in food production and food and beverage services as well. The primary objective of the course is to develop practical employability skills in hospitality and tourism sector. The board has started the new course on mass media studies and media production, as an academic elective, as well as a vocational package in collaboration with Whistling Woods International Limited, Mumbai, for technical support and teachers training.

Mass media studies and media production is a popular course and attracting lot of students to take up the course, as it provides young people with interesting career options in newspapers, magazines, video, television, advertisement and public relations. In order to provide the courses to students, CBSE will soon conduct a massive training programme for teachers. About 11,550 schools in India are affiliated to the board. The board also has 153 affiliated schools in 23 foreign countries. The CBSE is one of the 41 boards in the country.

OTD plans tourism development for Jajpur

Our Bureau, Mumbai

In order to develop tourist spots of Jajpur, the Odisha Tourism Department (OTD) plans to provide the required infrastructure to the district, according to a recent government report. Jajpur has a number of heritage and tourist sites, which can be developed with better infrastructure facilities. This will increase the

inflow of domestic tourists in the district expressed a tourism department officer. Some of the heritage sites that are likely to undergo development are Jagannath temple in Sukindagarh; Katakakhi temple in Darpani; Varunaeswar temple in Birjharpur; Narayani temple in Deoda; Palesvara temple in Palapada; Gokarneswara temple in Jaraka; Hatekeswar temple in Daria; and Nahaikani of Singhpur and Binjharpur.

The OTD also plans to include Buddhist sites like Deuli, Neulapur, Tarapur, Kayama, Radhanagar, Vajragiri and Pauti, as also Teligarh fort and Amarabati fort for heritage conservation and tourism development.

Based on PIL, SC seeks response from 5 states on sale of adulterated milk

Our Bureau, Mumbai

With a view to address the issue of sale of adulterated milk all over the country, the Supreme Court recently expressed serious concern and sought response from Haryana, Rajasthan, Uttar Pradesh, Uttarakhand and Delhi on the same by July 31.

In a strategic move, SC requested to get seek justification from these five states based on the public interest litigation (PIL) filed by Swami Achyutanand Tirth on behalf of the Swami Bhumanand Dharmarth Chikitsalya and Research Institute in Haridwar. The SC has also sought response from the apex food body, the Food Safe-



ty and Standards Authority of India (FSSAI), about milk adulteration and production of synthetic milk.

Speaking about the same Swami Tirth informed that the petition which was filed was a follow up to the milk adulteration study released by FSSAI in January 2012. During the survey FSSAI found nearly 70 per cent of the milk samples were adulterated, and that the samples did not conform to the Food Safety and Standards Act of 2006.

He further added that the synthetic and adulterated milk and milk products are prepared using urea, detergent; refined oil, caustic soda and white paint which according to studies are very dangerous for health and can cause serious diseases like cancer. The survey by FSSAI says that most of the samples of milk collected did not comply with standards. Forty six per cent belonged to the category of low Solid Not Fat (SNF) and this was due to dilution of the milk with water.

He stressed that if the people are paying the money for milk they should get genuine milk, however here people are being cheated with adulterated milk. In his petition, he has also sought framing of a comprehensive policy on the production, supply and sale of healthy, hygienic and natural milk. Hearing the PIL, a bench of justices K S Radhakrishnan and Pinaki Chandra Ghose queried that the milk adulteration is a very serious issue and it is happening all over the country. What action the government is taking to curb the increasing incidence of milk adulteration?

The bench hearing the PIL directed the government of Haryana, Rajasthan, Uttar Pradesh, Uttarakhand and Delhi to file their response stating what action they are taking to put an end to the menace of milk adulteration, after the Centre submitted that it is for the state governments to take action on the issue.

The ambit of the PIL would later on expand to include all the states in the country on the issue, informed the court. The bench also posted the matter for hearing on July 31 and made it clear that no further time would be given to the states to file their submissions.

The court observed that milk adulteration cases were increasing because of gaps in demand and supply of milk.

It is understood that the SC has given time limit till July 31 to all the states where, some states have replied to the notice, five states - Haryana, Rajasthan, Uttar Pradesh, Uttarakhand and Delhi are yet to reply.

be his third consecutive stint in the above-mentioned post.

In a major development, the setting up of the Codex Committee on Spices and Culinary Herbs has also been approved. It is understood that, in the wake basence of standards for herbs, India has earlier send a high level representation proposing constitution of a committee for spices. Dave had informed that in a major turn of events, other countries had backed the proposal, and added that India would host and even bear the expenditure incurred on the committee.

Traditional Wood Fired Oven Pizzas now at your call

Our Bureau, Mumbai

For the non-vegetarian pizzas, the meats are marinated and cooked in the wood-fired oven to impart a distinct flavour and are cooked in a style that makes it juicy and not chewy.

Delhi based Kkrust, a brand of DiiConsentes Hospitality Private Limited will now serves smoky-flavoured wood-fired oven pizzas, which are hand-tossed. Tarun Kumar Lal, the founder director of DiiConsentes Hospitality who is also the ex-chef at the Taj Group of Hotels informed that with this launch they will the first eateries in India to deliver freshly-baked wood-fired oven pizzas.

It is undertood that the company will be using different varieties of cheese, fresh English vegetables like broccoli, zucchini and bell peppers, Norwegian smoked salmon, shitake mushrooms, Spanish chorizo and pepperoni from the Netherlands," in this. One of the ingredients used to make the pizzas is imported cheese that can not only withstand high temperatures but even release flavours at such temperatures.

For the non-vegetarian pizzas, the meats are marinated and cooked in the wood-fired oven to impart a distinct flavour and are cooked in a style that makes it juicy and not chewy.

The flavours include burnt lemon in shrimp pizza; feta cheese in Kkrust special; salsa in Med Veg Tango; Indian-flavoured Achari Paneer and Mexicano with refried beans. Kkrust sends ac-

companiments like olive oil and balsamic vinegar to suit your taste.

The eatery also provides soft drinks at minimum retail price (MRP) and garlic bread with mushrooms and cheese or garlic bread with chicken and cheese.

Lalfurther informed that what makes them totally relishable is the thinner base prepared with fresh dough and the base sauce, which is prepared daily to a secret recipe. He said thata they are just a phone call away and to offer their customers freshly-baked Kkrust pizzas right at their doorsteps in Andheri (West), Juhu and Jogeshwari. The rest of the city would be covered soon.



Berggruen Hotels eyes India, plans to launch 22 hotels across country by March 2014

Our Bureau, Mumbai

Berggruen Hotels to broaden its India focus by launching 22 hotels across lucrative locations across country in one year

With a view to further establish its brand image in the country, Berggruen Hotels Pvt. Ltd., which owns and manages hotels under the brand of 'Keys Hotels, Resorts and Serviced Apartments', is planning to launch 22 hotels in India by March 2014. Berggruen Hotels which currently has 14 hotels, is looking at exploring expansion plans in four cities namely Amritsar, Shirdi, Kochi and Visakhapatnam by end of year.



According to highly placed sources from the company the company may also plan to buy property in Pune, Delhi, Haridwar and Gurgaon. It is understood that all these hotels will be branded as 'keys hotels', and of the four proposed designated properties sites, Amritsar (50 keys) and Shirdi (78 keys) will be managed by Berggruen Hotels whereas, Kochi (150 keys) and Visakhapatnam (105 keys) will be owned and managed by Berggruen Hotels. The cost per key for these properties will be priced at Rs 30 lakh.

APPOINTMENTS

Codex re-elects Sanjay Dave as chairperson

Our Bureau, Mumbai

Sanjay Dave have been re-elected as chairperson of the Codex Alimentarius Commission at the world food standard body's annual meeting held recently, company source informed. This will

FSSAI notifies Indian exporters to stop importing tahini sesame paste from US & NZ in wake of salmonellosis scare

Our Bureau, Mumbai

With a view to ensure safety of the people of this country, the Food Safety and Standards Authority of India (FSSAI) recently notified all the Indian importers to immediately stop the import of the tahini sesame paste from the United States and New Zealand.

FSSAI has issued this regulatory warning in the wake of the alert about the outbreak of salmonellosis linked to tahini sesame paste from Turkey.

According to the reports, the paste embroiled in the controversy was collected from shipments arriving in the United States from Turkey in December 2012 for distribution by Krinos Foods LLC, Long Island, New York. Its trace back determined that it was a part of a consignment which arrived in the United States on October 12, 2012. According to the Centre for Disease Control and Prevention (CDC), "A salmonella outbreak linked to tahini sesame



paste distributed by Krinos Foods, New York has ended after sickening a total of 16 people and killing one of them."

The information disseminated by the CDC further stressed that Krinos Foods recalled its tahini sesame paste for potential contamination with Salmonella and expanded the recall to include additional expiration dates on May 9, 2013. The recalled products have expiration dates ranging between January 1, 2014 and June 8, 2014 and between October 16, 2014 and March 15, 2015.

Vinod Kotwal, Codex director, FSSAI clarified that since sesame paste is also used in Indian cuisine and is being imported, the government is sharing this information with all concerned and have also asked Indian importers not to import the sesame paste till further notice.

Travel + Leisure awards Oberoi Hotels & Resorts as World's Best Hotel Brand

Our Bureau, Mumbai

Oberoi Hotels & Resorts recognized as World's Best Hotel Brand

In a huge boost to the company, the Oberoi Hotels & Resorts have been voted the World's Best Hotel Brand by Travel + Leisure, World's Best Awards, 2013. This ranking is the result of a readers' poll conducted by the magazine. Travel + Leisure's World's Best Awards are amongst the most prestigious in the international travel industry as it is the readers who define excellence in hospitality and travel.

P R S Oberoi, executive chairman, The Oberoi Group expressed that he is very proud that Oberoi Hotels & Resorts have been voted the World's Best Hotel Brand. Especially since it is their guests who have given them the highest ranking based on their excellent services. He stressed that they have built and maintained their hotels with care and their employees have exceeded guests' expectations.



Vivanta by Taj-Bentota completes the renovation with the investment of Rs 65 crore

Our Bureau, Mumbai

Vivanta by Taj-Bentota ready to lure customers to an enticing environment after its renovation

Vivanta by Taj-Bentota, Sri Lanka, an exclusive beach and spa

resort on the southern coast of Sri Lanka recently announced the completion of its USD 12.5 million (INR 65 crore) extensive renovation. The recent investment in Vivanta by Taj - Bentota, Sri Lanka has enhanced a resort that is widely appreciated for its Indian ocean views, pristine beach, wide-ranging culinary offerings and ayurveda jiva spa.

With its unparalleled natural surroundings, Sri Lanka has become one of the world's most coveted destinations. Located on the island's south west coast, the resort's new design which was designed by Nic Proud, is a blend of contemporary style with colonial charm.

Each of the 160 rooms offer ocean views or landscaped gardens with private sit-outs or terraces. The look and feel of the rooms was inspired by the adjacent beaches and the rich colors and heritage of the Bentota region.

The hotel's dining options include al fresco grilled seafood at SHACK, fine dining at Sea View and international cuisine served 24/7 at The Palms.



The Cocoa Trees launches three chocolate brands in India

Our Bureau, Mumbai

Singapore-based chocolate brand, The Cocoa Trees, recently introduced three brands – Goldkenn Crystal Gold Bar, Swiss Dream Napo Box and Hershey's Kisses Tin – in India. The Cocoa Trees range is available at three stores in Mumbai, a store at the Mumbai airport, three in Pune, an outlet in Terminal 3 at Delhi's domestic airport, and Goa.

Goldkenn Crystal Gold Bar is a Swiss milk chocolate praline with a dash of cocoa sprinkles, encased in a refined gold and transparent crystal effect exterior. A 200g bar of this chocolate is priced at Rs 1,395. Swiss Dream Napo Box is a 300g box of Swiss chocolates priced at Rs 695. Hershey's Kisses Tin is a 240g tin containing Hershey's Kisses milk chocolates, priced at Rs 995.

Jai Daryanani, owner, Cosmo Fine Foods, said that it has been a pleasure to launch these new products from popular internationally-renowned brands and introduce them to their customers in India. He said that they cannot wait to see the reaction of their customers after trying out the new brands from themselves.



Indian Restaurant Industry to Reach the ₹1,37,000 Crore Mark by 2015



To Report CAGR of 17 Percent, Says Research at Indian Restaurant Congress 2013

In his opening remarks, Mr. Gaurav Marya, Chairman, Franchise India, said, "The Indian restaurant business is growing at a rate above the world's average year-on-year growth, significantly increasing its share in the global pie. With seasoned representatives from the restaurant industry sharing vital insights about the sector, the Restaurant Congress 2013 has proved to be successful in driving growth by expanding across the business horizon of the Indian economy."

Mr. Anjan Chatterjee, Founder & MD, Speciality Group of Restaurants stated, "There is a huge demand in the market especially as people are travelling abroad; they are upwardly mobile, and in terms of food they are becoming more experimental, today every consumer loves to be pampered, so for every restaurateur it is important to maintain the Food Consistency Quotient."

Mr. Ajay Kaul, Chief Executive, CEO, Jubilant FoodWorks Limited stated, "Opportunity lies in the middle of the pyramid, earlier it was daunting for us to initiate talks of Pizzas on Consumers' table as we had to change the consumer preferences from traditional Chappatis to pizzas in dinner. So for every restaurateur, it is very much imperative to establish any new concept in Indian market with Value for Money proposition to gain the initial pull. Value for Money strategy has changed the game for Mc Donalds and it has opened the floodgate of demand for Dominos as well. However, every product should not be developed with the same strategy as it tends to lose the essence of the product. However, a discrete marketing strategy on pricing and product puts you on the zone of value for money aspect at one end and good product at the other."

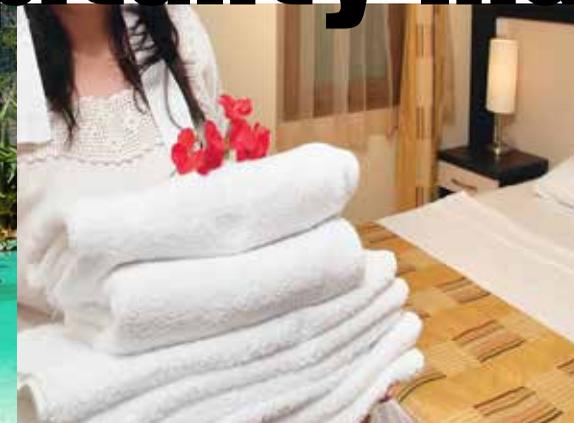
The speakers at the Indian Restaurant Congress included: Mr. Anjan Chatterjee, Founder & MD, Speciality Group Of Restaurants; Master Chef Sanjeev Kapoor, Celebrity Chef, Khana Khazana India Pvt. Ltd; Mr. Ajay Kaul, Chief Executive Officer, Jubilant FoodWorks Limited; Mr. A. D. Singh, Managing Director, Olive Bar & Kitchen; Mr. Akshay Bector, Managing Director, Mrs. Bector's Food Speciality Ltd.; Chef Harpal Singh Sokhi, Director, Turban Tadka Hospitality Pvt. Ltd.; Mr. Samir Kuckreja, President, NRAI; Chef Abhijit Saha, Director, Caperry by Avant Garde Hospitality Pvt. Ltd.; Shri Harsh Kaul, Chief General Manger & Country Head, Risk Capital & Service Sector-SID; Mr. Chetan Arora, Country Head, Subway; Mr. Pramod Arora, CEO, PVR Cinemas; Mr. Sunil Kallerackal, Chairman Book Your Table; Mr. Eric Ho, Founder, Yo Yo Group; Nottingham, United Kingdom; Mr. Kailash Goenka, Chief Managing Director, Sankalp; Mr. Bhupinder Singh Chadha, Managing Director, Pind Balucchi and Mr. T. P. Pratap, Co-Founder & Chief Marketing Officer, QwikSilver.

Our Bureau, Mumbai

The growth of the Indian food service industry is broadly driven by the consumers and food service operators. The food market is currently estimated at ₹ 75,000 crore and is touted to reach ₹ 1,37,000 crore in the year 2015, says the research at Indian Restaurant Congress held at Delhi on 29th August and 30th August, 2013.

Consumers actively seek quality from food operators and restaurants. Apart from demanding quick service, they are also keen on the health quotient and calorie intake of the food they eat. Assurance of good quality, prompt service and the wholesomeness of the food intake are therefore crucially responsible for the footfalls at outlets which promise all of this.

The Growing Indian Hospitality Industry



Our Bureau, Mumbai

Over the last decade and half the mad rush to India for business opportunities has intensified and elevated room rates and occupancy levels in India. India has the potential to become the number one tourist destination in the world with the demand growing at 10.1 per cent per annum, the World Travel and Tourism Council (WTTC) has predicted.

The WTO (World Travel Organisation) predicts that India will receive 25 million tourists by year 2015.

Major attractions in India are the world's highest mountains, miles of coastline with excellent beaches, tropical forests and wildlife, desert safari, lagoon backwaters, ancient monuments, forts and palaces, adventure tourism and, of course, the Taj Mahal.

India currently has over 200,000 hotel rooms spread across hotel categories and guest-houses and is still facing a shortfall of over 100,000 rooms (source: FHRAI).

The country is witnessing an unprecedented growth in hotel constructions and will be adding almost 114,000 hotel guest rooms to its inventory over the next five years. (source: HVS)

The earlier setbacks in global tourism have strengthened the Department of Tourism's resolve to promote India's tourism through aggressive marketing strategies through its campaign 'Incredible India'.

The 'marketing mantra' for the Department of Tourism is to position India as a global brand to take advantage of the burgeoning global travel and trade and the vast untapped potential of India as a destination.

The Indian Hospitality Industry – An Overview
The current scenario

- Existing hotel rooms in India: 202,963, source FHRAI

Hotel category	No. of Hotels	No. of Rooms
5 star deluxe/5 star	165	43,965
4 Star	134	20,770
3 Star	505	30,100
2 Star	495	22,950
1 Star	260	10,900
Heritage	70	4,200
Uncategorised	7,078	-
Total	8,707	1,32,885
Restaurants	12,750	

- Revenue of the Indian hotel industry FY 2009-10: US\$ 137.36 (INR 47,889.03 crore)
- 30% of this revenue i.e. US\$ 41.2 million (INR 14,366.7 crore) went back into the market in FY 2008-09 as operating expenses.

What the future holds:

Despite the global recession, inflation, terrorism and other factors, the overall outlook for the Indian hospitality market is optimistic and will remain so says HVS

India remains the second fastest growing economy in the world and the economic growth of the country is at 7.1% of the GDP.

The Tourism Ministry, Government of India, has set a target of 10 million tourists to India by 2010

The WTO (World Travel Organisation) predicts that India will receive 25 million tourists by year 2015

Projected investments years 2009-015

Rooms being built across hotel categories: 114,000, source HVS
Investment in rupees: INR 40,463.10

Some of the problems that restaurant owners face



PROBLEMS WITH EQUIPMENT AND TOOLS

Restaurants use a great deal of equipments, from ovens and dishwashers to cash registers and credit card readers. Each piece of equipment used by a restaurant is under a lot of pressure, as each will be used tens, even hundreds of times within the space of a few hours. As a result, it is unavoidable that equipment will break down - usually when you need it most, as that is when the equipment will be under the highest amount of pressure.

PROBLEMS WITH EMPLOYEES

Lots of people are involved in making a restaurant work - chefs, waiters and waitresses, greeters and bar staff are all equally important. However, restaurant owners often find that their staff can cause the most problems. One common problem that restaurant owners encounter is that a member of staff calls in sick or is absent from work, and that it is too late to replace them. This problem can be avoided by creating a “rota” - a timetable which states who is expected to work and when. Creating a rota two or three weeks in advance and displaying it in an area which is accessible to all staff members will help to tackle this problem.

PROBLEMS WITH CUSTOMERS

Eating in a restaurant with family or friends is, for most people, a luxury, and only occurs in times of prosperity. As a result, one common problem faced by restaurant owners is that not enough customers are eating at their restaurant, especially in times of financial hardship or economic recession. One way to encourage customers into a restaurant is to have a “set menu”. This allows customers to eat certain meals off a menu for a lower price than usual.



Since the restaurant business typically targets end-consumers as customers, it is critical to create a “PULL” for customers to try out your restaurant. So from a marketing perspective, you will need to think like a FMCG (Fast Moving Consumer Goods) / Consumer services company. The trouble is that implementing a good Marketing plan costs a lot of money (when you look at absolute amounts required). Like in most businesses, you will want to allocate a portion of your revenues as marketing expenses – say 5-10%. For a FMCG company like ITC, their revenues for each of their products run into several hundred Crores – so 5-10% of such a large amount is substantial and lets them do some great things with their marketing budget. For a Restaurant business your annual revenues will typically be 1-2 Crores per annum per unit. So, unless you have a large number of units (like say Dominos Pizza), your marketing budget will be very small in absolute terms. So realistically, you cannot use some of the same marketing options that the larger players and other FMCG/Consumer services companies use, but will need to efficiently reach out to your target customers and create the “PULL” factor.

The biggest and the best marketing investment a restaurant business can make is by picking a great location that has very high levels of visibility. We have already beaten to death and even more the topic around the “importance of location”. This is just another nail in the same coffin.

The second best marketing for your business will come from “Word of Mouth”. You need a lot of your customers to talk about/recommend your restaurant to their friends. If you have read the book “Outliers” by Malcolm Gladwell, you need a lot of connectors and mavens to visit your restaurant, like your restaurant and then spread the word as much as possible.

As a restaurant customer, if you look at the number of new restaurants you have made a decision to try out – i.e. it does not include new places you go to because you are invited there by someone else, I can bet, without doing any kind of research or surveys, that over 50% would be because of its location –

- 1) You are in the area, the place looks like something you want to try out, or
- 2) You keep seeing the place so often (it is in your neighborhood

or in an area that you frequent) that you almost feel bad not to check it out.

The remaining 20-30% would be because a friend (someone you trust or someone in your circle who is considered a foodie) recommended a certain place.

So that leaves the other 20% or so new restaurants, which you have visited, to other marketing initiatives that have caught your attention – maybe an advertisement or a flyer or a review you saw.

If you get the drift of what I am getting at, 80% of your marketing impact will come from your location and “Word-of-mouth” referrals from customers who have visited you. So if you don’t get these two right, whatever else you try will make absolutely no sense and the results will leave you disappointed.

So in reality the remaining marketing options we are talking about are like the cherry on top the cake – they can help improve the number of customers visiting your place by a bit, but will probably not turnaround your business by opening the floodgates.

One caveat to the above theories: When you are launching a new restaurant, a number of these marketing options mentioned below may help drive the initial traffic to your restaurant and may be quite effective.

The secondary marketing options that are available to you and those that restaurants typically tend to use.

1. Advertising in Newspapers – Paid Ads
2. Advertorials in Newspapers – Paid articles written about your restaurant in a newspaper
3. Just Dial and similar Directory Services
4. Bill Boards
5. Restaurant Review websites such as Burrp.com, eveningflavours.com
6. Online Menu and Order enabling services such as Justeat.in/ Hungryzone.com
7. Flyers in the Newspaper
8. Deal Websites such as Taggle, Snapdeal, Koovs, DealsandYou, Dealivore etc.
9. SMS marketing providers such as mGinger.
10. Google Adwords



AHAR AGM & Business Trade Exhibition

The 34th Annual General Body Meeting of Indian Hotel & Restaurant association [AHAR] will be held on 18th December 2013 at Buntara Bhavana Auditorium, Chunnbatti, Kurla [E], Mumbai 400070.

It will be a full day event with inauguration, Restaurant & Business Trade Exhibition, Seminars relevant to Hospitality Industry and AGM.

Shri Sudhakar T Shetty has been appointed as the chairman of the 34th AGM Committee.

48TH FHRAI ANNUAL CONVENTION

Date : 19 to 21, September 2013

Venue : Le Meridien, Kochi

Organiser : Federation of Hotel & Restaurant Associations of India (FHRAI)

Event Website : <http://www.fhrai.com/>

What's it about :

Federation of Hotel & Restaurant Associations of India (FHRAI), the 3rd largest hotel and restaurant association in the world will be hosting its 48 annual convention in Kerala for the first time.

Through this event, FHRAI which provides an interface between the hospitality industry, political leadership, academics, international associations and other stake holders is committed to promote and protect the interests of the hospitality industry

With more than 3824 members comprising of approximately 2484 hotels, 1204 restaurants, 132 associate members and the four regional associations, FHRAI is truly the voice of the hospitality industry that brings several million dollars to the exchequer and employs more than 17 million direct workers.

Target audience :

Whos who from the hospitality business can benefit from being a part of this event like the hotel owners, hotel operators, architects, interior designers, investors, government officials, procurement directors, F&B managers etc.

ANNAPOORNA WORLD OF FOOD INDIA

Date : 23 - 25 September 2013

Venue : Bombay Exhibition Center (BEC), Mumbai, India

Organiser : India Trade Promotion Organization

Tel: +(91)-(11)-23371540 / 23371822,

Fax: +(91)-(11)-23371492/23371493

FOOD INGREDIENTS INDIA

Date : 03 - 05 October 2013

Venue : Bombay Exhibition Center (BEC), Mumbai, India

Organiser : UBM Live

PO Box 12740, 1100 AS Amsterdam Z.O., Amsterdam, Utrecht, The Netherlands,

Tel: +(31)-(20)-4099544,

Fax: +(31)-(20)-3632616

HOSPITALITY, FOOD & TOURISM INDIA

Date : 03 - 05 October 2013

Venue : Nehru Centre, Mumbai, India

Organiser : Hotel & Restaurant Association Of Western India Candy House, 1st Floor, Mandlik Road, Mumbai, Maharashtra, India

Tel: +(91)-(22)-22024076,

Fax: +(91)-(22)-22023515

FOOD FEST

Date : Date 25 - 27 October 2013

Venue : Indian Institute of Sugarcane Research, Lucknow, India

Organiser : Key2Green Private Limited E- 58, Ground Floor, Behind PNB ATM, Old Jasola, New Delhi, Delhi, India

Tel: +(91)-(11)-29949816 / 65515433



Can re-open bars in a week once licences are issued, say owners

Chittaranjan Tembhekar | 146
Mumbai: Dance bar owners are confident that they will be able to re-open the bars within a week of the state government issuing them fresh licences and putting in place guidelines to be followed by the industry.
Shri Shetty, president of the Indian Hotel and Restaurant Association (IHRA), said that the industry had a turnover of Rs 25 lakh per month, industry insiders said. They said around 2 lakh people - 1.10 lakh of them in the core business and



in media

Trouble ahead: Over 40 licence needed to open a dance bar

Owners Say Procedure encourages Graft
There are 13 different fees and taxes that license-seeking AC bars and hotels have to pay to authorities. Among them are:
PERMIT ROOM LICENCE FEES Rs 10 lakh to state
FEE TO STATE APPROXIMATELY Rs 5000
There are 13 different fees and taxes that license-seeking AC bars and hotels have to pay to authorities. Among them are:
PERMIT ROOM LICENCE FEES Rs 10 lakh to state
FEE TO STATE APPROXIMATELY Rs 5000

Home dept tells police to steer clear of excise turf

Shri Shetty | 146
Mumbai: The police have no powers to take action against liquor traders violating licence conditions since there is an excise department for the implementation of prohibitory rules in the state, the home department has clarified.
A month after the Supreme Court dismissed a special petition filed by the state, the home department by senior NCP leader RR as made it clear that since an independent excise department for effective implementation of prohibitory rules is not possible, the government will not start liquor trade in the state.

For licence, dance bars face intense police scrutiny

Chittaranjan Tembhekar | 146
Mumbai: It took eight years for dance bar owners to win a legal fight against a state ban, and the government is now not going to give in. The police are now taking a hard line against dance bars. The police have no powers to take action against liquor traders violating licence conditions since there is an excise department for the implementation of prohibitory rules in the state, the home department has clarified.
A month after the Supreme Court dismissed a special petition filed by the state, the home department by senior NCP leader RR as made it clear that since an independent excise department for effective implementation of prohibitory rules is not possible, the government will not start liquor trade in the state.

350 BARS SET TO APPLY FOR PERMITS

Chittaranjan Tembhekar | 146
Mumbai: Several establishments that are operating as orchestra bars have filled up forms for performance licences and would be applying for permits within the next two days.
The Supreme Court may have struck down the ban on dance bars, but it has also said that suggestions of a state-appointed committee should be implemented at bars employing women dancers.
Patrons cannot throw cash at dancers. All tips are to be handed over to the bar manager.
A three-foot-high railing is required next to the stage to separate dancers and patrons.
Distance of five feet railing and customer seating.
Dancers should not wear clothes or expose body.
Only eight dancers or a time; every dancer should have a partner.



'VICTORIOUS' BAR GIRLS GLAD THAT THEY CAN DANCE AGAIN

Debashish Panigrahi and Mugdha Varivar
Mumbai: Many dancers who had left their homes in Mumbai after the ban on dance bars are now returning to their homes. A section of women's groups has raised concerns about bars fuelling trafficking. The SNDP voluntarily but...

Girls will follow dress code, stay behind railing, say hoteliers

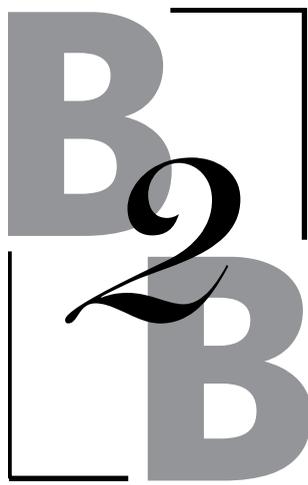
Chittaranjan Tembhekar | 146
Mumbai: Bar owners in the city have said they will abide by the set of rules for dance bars recommended by a state-appointed panel if the state government decides to adopt and implement them.
"We will ensure that there is a five-foot distance between the stage and the patrons and will fix the size of the stage according to the panel's recommendations. We will put up a railing separating dancers from the patrons and ensure that all the rules are followed in letter and spirit," said Anil Gaikwad, legal advisor to the Dance Bar Association affiliated to AHAR, the Indian Hotel and Restaurant Association.
Gaikwad also said that not more than eight girls will be on the stage at a time, something the panel has made clear. "The dress code will be followed, so the girls will avoid wearing provocative dresses also ensure that



Legal Experts Say Time For Men In Khaki To Take Note A HC's quashing of FIR a signal against hasty cop action

Swati Deshpande & Chittaranjan Tembhekar | 146
The Bombay High Court judgment, quashing an FIR filed after a raid on a bar last year by ACP Vasant Dhole, is a wake-up call for police. The court observed that even the state was unable to justify criminal action for a mere civic violation.
Finding a few patrons smoking inside Vankola's Swagat Bar on September 23, 2012, Dhole levied a fine of Rs 25,000 on the bar owner under civic law and filed an FIR. Legal experts said the HC order is a signal to cops not to act in a hasty way and criminally penalize violations which at most call for a fine.
The Bombay High Court quashed the FIR holding that even "the state found it difficult to justify the FIR." It said there was no reason for a criminal action in such a case. The HC said the only offence made out against the bar in the FIR was a violation under the Municipal Act, which attracts a maximum fine of Rs 2,500. "There is no punishment other than a fine," said the judges.





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