

# Chapter 1 Principles of Restaurant Planning with Operations

## **1.1 Types of Restaurants**

- Traditional restaurant – formal atmosphere.
- Carvery restaurant – usually offer 3 course menu at set price. The main course is placed on a U shaped table (hot meats vegetables and potatoes and sauces) it is a specialty food service.
- Specialty restaurant – special decorative effects and furnishing to reflect dining theme there may be display cooking, grill and dance floor and bar.
- Coffee bars – have become very popular. Mainly self service.
- Coffee shops – casual atmosphere . Fast service.
- Self service – with a long continuous self service counter with a cash desk .Counter must be planned to prevent long queues.
- Staff dining – compact seating, usually self service.
- Destination/Concept Restaurants – Casual outlets with location being the highlight viz- Restaurant overlooking northern lights, Niagara falls etc

## **1.2 Location or site- feasibility study for F&B Service outlet**

- A restaurant's location is as crucial to its success.
- It will influence many parts of your restaurant, including the menu.
- If you already have a certain restaurant location in mind, don't get too attached until you know if it has all the right requirements for a successful restaurant.

The crucial elements to consider when looking at a potential restaurant :

- **Population Base** – Are there enough people in the area to support your business?  
For example, is the restaurant location in the heart of a thriving downtown shopping district, or along a busy freeway? There needs to be enough people who live in the area, or pass through the area on a regular basis to keep you busy. Do a site study.
- **Parking** – Will there be enough parking to accommodate all the seats in your new restaurant? Ideally, a new restaurant location should have its own parking lot. If that isn't an option, is there public parking near the restaurant location?
- **Accessibility** – There's a reason that major restaurant chains are often located near highway and freeway exits: It makes them accessible for customers. Motorists can reach the restaurant without fighting traffic or driving out of their way.  
Most successful restaurant locations (but not all) are easy to find.
- **Visibility** – This goes along with accessibility very important for new restaurant locations. People have to know the restaurant is there. This is why property prices in downtown districts and developed strips are higher than other areas. They offer a level of visibility that can bring in a great deal of walk-in business.

### **Space and Size**

- Even the smallest bistro or coffee shop requires adequate space for a kitchen, walk-in refrigerator, dry storage and an office for paperwork. Your dining room needs space for a side-station and/or a bar. You must plan how much space/size will the equipment cover and need to ensure smooth operation of your restaurant.

### **Safety First**

- One of the first steps is finding out if the building has been well-maintained. Checks like proper wiring, fire alarms, sprinkler systems, handicap-accessible doors, restrooms, ramps etc A walk through the building with your local code enforcement officer will help you determine what needs to be done to be complaint with the rules & regulations before you open the restaurant

## **1.3 Sources of Finance**

Watch this video : <https://youtu.be/dWnuOcS8FJM>

Putting all your eggs in one basket is never a good BUSINESS STRATEGY. This is especially true when it comes to financing your new business. Diversifying your sources of financing allow your start-up to better weather potential downturns, but it will also improve your chances of getting the appropriate FINANCING to meet your specific needs. Keep in mind that bankers don't see themselves as your sole source of funds. And showing that you've sought or used various financing alternatives demonstrates to lenders that you're a proactive entrepreneur.

### **1. Personal investment**

When starting a business, your first investor should be yourself—either with your own cash or with collateral on your assets. This proves to investors and bankers that you have a long-term commitment to your project and that you are ready to take

### **2. Private Investments/Friends & Family**

This is money loaned by a spouse, parents, family or friends. Investors and bankers considers this as 'patient capital', which is money that will be repaid later as your business profits increase. When borrowing love money, you should be aware that:

- Family and friends must have enough capital
- They may want to have equity in your business
- A business relationship with family or friends should never be taken lightly

However, this should be the case only if you are very clear about the idea, concept, and the format you are planning to start with. Compared to equity, debt has pretty straightforward terms that can help minimize the chance for conflict.

### **3. Partnerships**

Another great way to fund your business is to find a partner who can put money in your budding venture.

#### **4. Bank Loans**

Banks are a great way to raise capital when your business is in the initial stage. But they involve a great deal of documentation and high interest rates. Budget a lot of time for the extended approval process and don't get too discouraged by rejections - at least you're getting helpful feedback from the reasons they cite and the questions they ask.

#### **5. Venture Capital funding**

As you know more and more startups are growing in the country, as a result more VC's are looking out for businesses which have the potential to grow. However, you should only seek investment from a venture capitalist when you want to scale and want to replicate your success in other cities.

#### **6. MUDRA Loans**

Micro-Units Development and Refinance Agency (MUDRA) is an organisation established by the government of India to provide business finance to micro-business units. The loans under the scheme are given on the pretext of 'funding the unfunded'. Since small companies and startups are often left to their own devices for financing their venture, the government has created the concept of low-cost credit to such undertakings. MUDRA Loans are also a refinanced business loans, approved and disbursed through public sector banks, private sector banks, co-operative societies, small banks, scheduled commercial banks and rural banks that come under the scheme. The loans are generally given to micro or small businesses operating in the manufacturing, trading and services sector. The MUDRA Loans are structured as under,

Sishu Loans up to Rs. 50,000/-

Kishor Loans up to Rs. 5,00,000/-

Tarun Loans up to Rs. 10,00,000/-

## 7. SIDBI

Small Industries Development Bank of India (SIDBI)

SIDBI established in April 2, 1990 under small industries development bank of India act, is the Principal Financial Institution for :

Promotion,

Financing

Development of the Micro, Small and Medium Enterprise (MSME) sector

Co-ordination of the functions of the institutions engaged in similar activities.

The business domain of SIDBI consists of small scale industrial units, which contribute significantly to the national economy in terms of production, employment and exports.

SIDBI has also floated several other entities for related activities.

Credit Guarantee Fund Trust for Micro and Small Enterprises provides guarantees to banks for collateral-free loans extended to SME.

SIDBI Venture Capital Ltd. is a venture capital company focused at SME.

SME Rating Agency of India Ltd. (SMERA) provides composite ratings to SME.

Another entity founded by SIDBI is ISARC - India SME Asset Reconstruction Company in 2009, as specialized entities for Non-Performing Assets (NPA) resolution for SME.

## **1.4 Design Consideration**

There are several elements taken into consideration when planning a restaurant. An experienced design consultant will intimately involve himself in bringing a successful new concept who also maybe employed. If you have the vision and attention to detail and exactly envisage how you outlet will look then, go for it..... There will be learning curves that will also teach you a thing or two

Following elements need to be kept in mind:

### **BRAND PERSONALITY**

The personality of brand should be defined and programmed. This programming should happen before the sketch of the restaurant design even considered. The brand name should stand out for the right reasons and should also live upto ones expectations and authenticity and/or uniqueness.

eg. Celebrity, Specialty cuisine, Grills

Brand to have integrity one must establish a distinct set of promises that differentiate that brand and define it.

### **BRAND POSITIONING**

- The idea of being better is subjective for  
eg. Your outlet has better burger or Restaurant design or both
- When you are only you (unique)become a sole source provider and can dominate the market.
- The brand positioning should be such that the concept would niche in the market and should have least competition. When competition does arrive, you should be established and be the known as the best brand in the business.

### **Silverware/Crockery/Glassware**

Light flimsy and cheap silverware will give an impression of light flimsy cheap food. Tableware reflects on the restaurant and should be considered overall restaurant design and concept development.

## **Uniform**

The uniform is a reflection and extension of your brand. Employee image should be viewed through the same lens as your overall restaurant design process.

## **VENTILATION**

Need to take an entirely different approach to seasonal temperature fluctuation. Ventilations is an important consideration restaurant design and it is more than just good aesthetics.

## **WASHROOMS**

Opportunity to further differentiate a restaurant and make an impression. Colours and logo features into the bathroom is also new design consideration.

## **RESTAURANT MENU DESIGN**

The most important piece of marketing collateral of restaurant is its menu. The weight, size, paper presentation, fonts and typography photos and use of language are important consideration of restaurant menu.

## **STORAGE NEEDS**

Storage is an example of operational and functional design consideration. It is typically not considered in interior design curriculum.

Relationship with the main element- despite separate functions requirements all elements are interdependent and should be successfully integrated. The kitchen area should be at least 50% of dining space and storage 1.5 times of kitchen areas. Any reduction in area reduce efficiency in speed of service.



## **1.4 Furniture, Fixtures and Counters**

Dining and restaurant fixtures refer to the various custom fixed or moveable spatial elements that contribute to a dining experience. Ranging from domestic dining rooms to restaurants and cafes, dining fixtures are necessary for serving specific types of unique meals and groups of customers beyond the standard dining table & chair configuration

Typically including large fixed elements such as countertops, bar counters, booths, and fixed tables, dining fixtures may also refer to a variety of outdoor fixtures such as heaters and built-in patios that can also add to the dining experience.

Restaurant fixtures can vary significantly, as establishments have different appearances and offerings.

Fixtures may vary from restaurant to restaurant as each establishment has different aesthetics, cuisines, and services. Fixtures that are typically found in restaurants include bar counters, fixed tables, seating booths, and cash registers. Other fixtures found in restaurants are refrigeration systems, countertops, wine racks, and kitchen equipment.

Customer requirements -include a menu display near entrance, near waiting room.

Seating in restaurant must be planned so that variety of seating can be arranged. (tables of 2 or 4 can be used for 4 ,6 8)

Waiter stations – located so as not to disturb the guests ,the number will vary according to the standard of service.

Bars – these should be planned so as to forward customers when tables are ready .

Other bars are – pool side bar, roof top bar, beach bars ,club bars. Bar needs to comply with licensing laws.

Cloak rooms – should be provided in higher quality restaurants.

Furniture / equipment store 0.14m sq per person.

Other requirements – provision of dancing and live entertainment may be considered.

(1.0-3.5m sq /couple,for live music – 1.5-2.0 m sq / performer.) plus space for speakers

12 inches= 1ft

24inches = 2ft

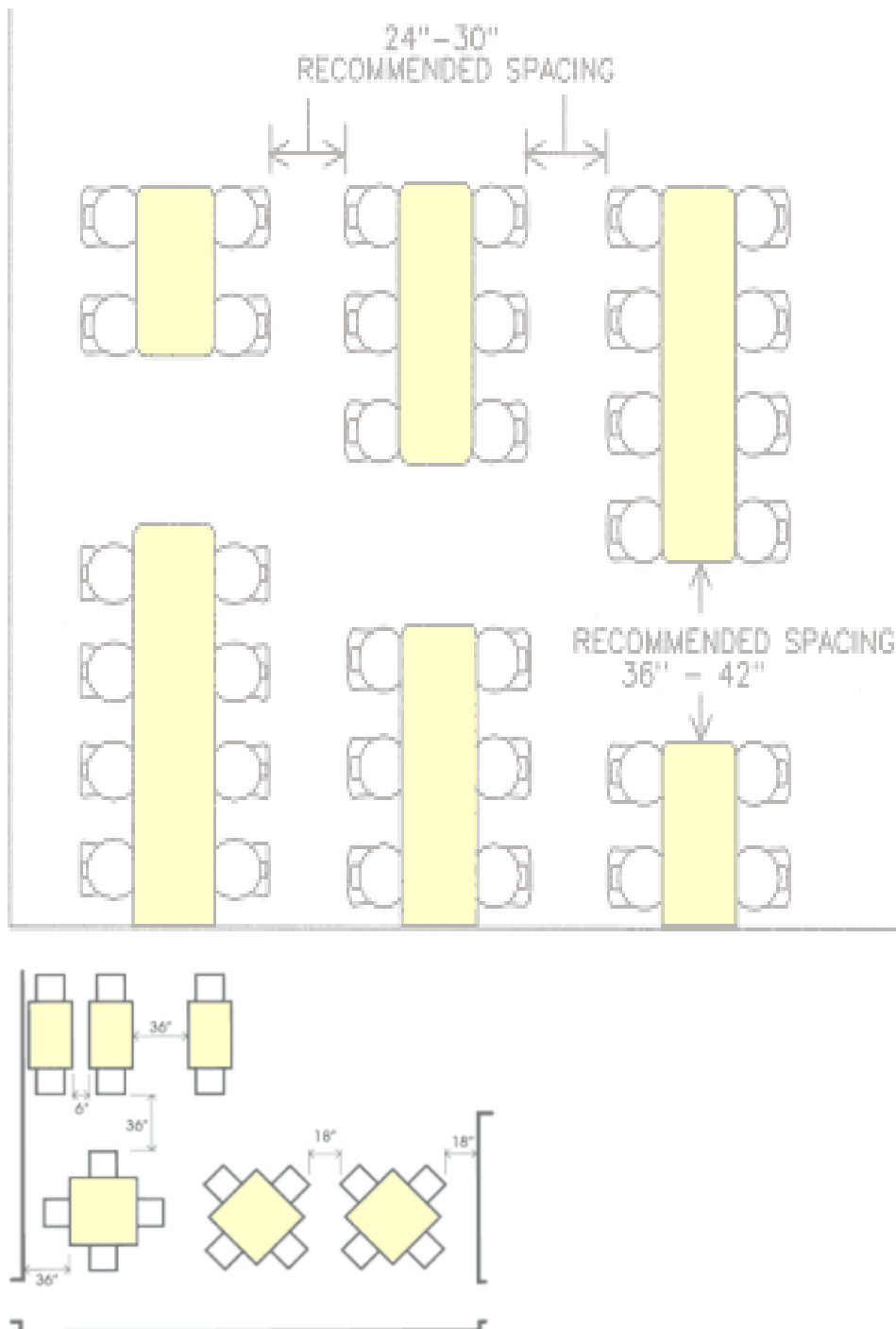
48 inches = 4ft

72inches = 6ft

Avoid using large dedicated tables (eight-person or larger) in small restaurants to save space and seating capacity.

Use small tables in small restaurants and then combine them to accommodate parties of varying sizes. Be aware that combining tables may cause some temporary seating capacity loss (e.g. two 4-person tables combined to seat only six customers).

**Room size, shape would determine the layout of tables in a restaurant.**



What determines table size?

The architectural standard for dining suggests that 300 square inches be allowed per diner.

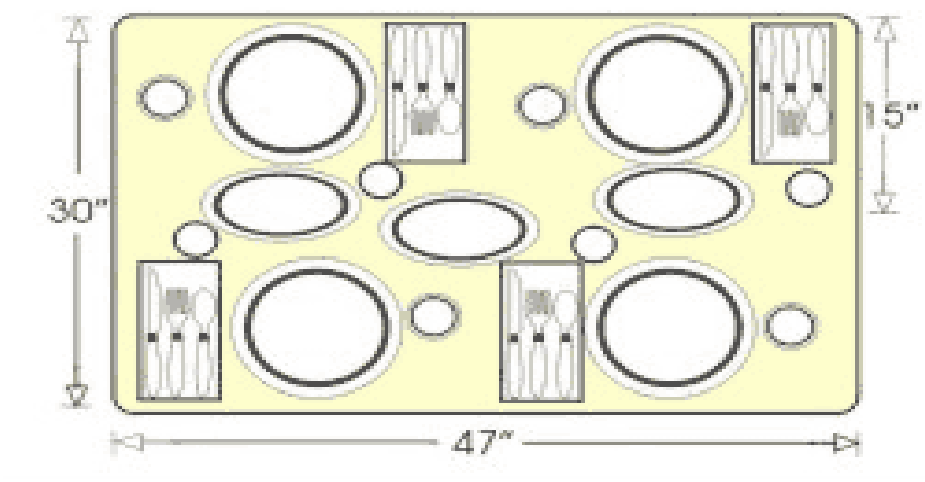
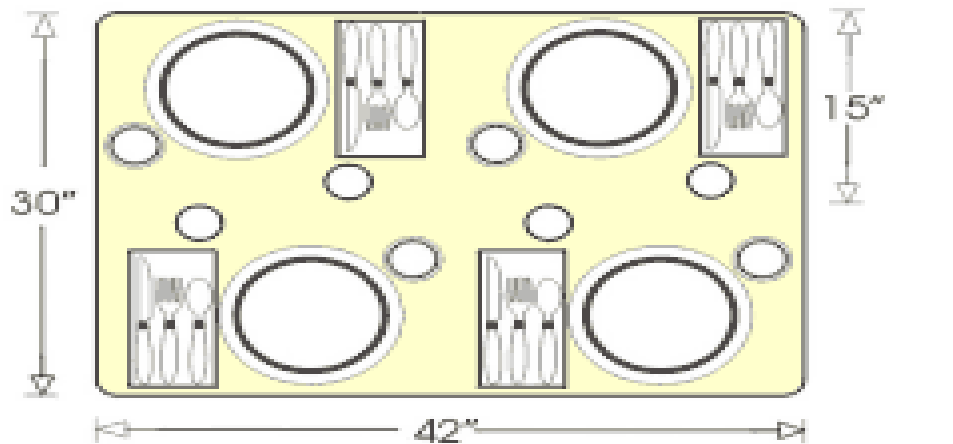
The table on the left would be an appropriate size for fast food and standard cafe dining.

30" X 42" = 1260 Square Inches. Divide that number by the suggested 300 square inches per diner and you arrive at adequate table space for four persons.

The table on the right still seats four however some menus require larger than the recommended minimum 300 square inches per diner.

Pizza, Mexican and Asian restaurant menus require more utensils, plates and table space.

Some operations use cafeteria trays. The only excuse for a wide tray on a narrow top is poor planning. The number one factor for determining top size is WHAT you are serving your customers.



## Counters and Cutting Surfaces

These are essential in all commercial kitchens. Like the refrigerators and the freezers, the sizes of these depends on the size of your kitchen operations. While choosing make sure that the counters are made of stainless steel. Stainless steel is strong enough to handle corrosion, resist attack from food and meat juices, and can withstand the harsh cleaning products that are generally used in the kitchen. But remember, there is always a correct way to clean alloys to ensure that the cuts on the surface do not hide bacteria. Even if you use stainless steel, you will have to clean it properly, at least with just water every night while closing and invest in its maintenance. Investing in equipment maintenance is necessary as it brings down costs and increases the life of your restaurant equipment. This article will guide you through the proper equipment maintenance practices to be followed in a restaurant.

When it comes to chopping surfaces, choose a plastic or a wooden one. These two materials are easy to sanitize, however, when it comes to plastics chopping might create deep grooves where bacterias can develop When it comes to wooden chopping surfaces, they are tougher and developing a grove on it is rather difficult.

## **1.6 Lighting and Décor**

There are three main kinds of lighting: ambient, task, and accent. Each type serves a different purpose and can be achieved through different lighting pieces. Below, we describe each type and explain its function.

**Ambient Lighting** is the main source of light in a room, and it can be natural light or provided with electric overhead fixtures. It allows people to see and move around easily and comfortably.

**Task Lighting** allows your customers and staff members to perform functions that may need a more concentrated light source, like reading a menu or cooking. It can take the form of overhead lamps, bright fluorescent lights in your kitchen, or a small table lamp on your hostess stand.

**Accent Lighting** adds drama to your space. It is used to construct focal points around your front-of-house area. This can be done by using light to highlight pieces of artwork or menu boards, or you can use colourful lighting behind a bar or water fixture.

Sometimes light fixtures fit into more than one category of lighting. For instance, having lanterns on an outdoor patio could be considered accent lighting during the day but ambient lighting at night, when there is less natural sunlight.

### **Restaurant Lighting Impacts Your Establishment's Mood**

Different lighting levels can be used in order to set the mood of your restaurant or bar. This means that customers can either be drawn into your establishment or put off by it simply because of your lighting choices.

#### **Low Lighting**

Low lighting can be relaxed and romantic, and it encourages customers to stay longer. Think of a candlelit dinner at a formal restaurant. These settings typically have overhead fixtures with dimmers and lots of accent lighting. The low lighting creates more intimacy, as sections of brighter light, like those over dining tables or your bar area, allow customers to feel like they are more isolated from the other guests in the room.

## **Bright Lighting**

Bright lights provide more stimulation than low lighting. This means that your customers will be awake and alert. Bright lighting is good for high-energy establishments like smoothie shops, cafes, or family-friendly restaurants. This lighting can be achieved with large windows that let in natural light or bright overhead light fixtures.

## **Lighting for Different Times of Day**

When deciding how to light your establishment, keep in mind what type of mood you want your lighting to create throughout the day. What are your restaurant's hours of operation? If you run a diner or pancake house and generate most of your sales during the morning rush, you won't be using the same type of lighting that a romantic fine dining restaurant would. And if you run a business that's open for multiple meals, it could be worth it to adjust your lighting for your brunch, lunch, dinner, or other meal services.

**Breakfast** - Bright lighting should be used for meal services earlier in the day. In the morning, customers need bright light to wake up and read their newspapers as they enjoy their coffee. Natural light is the ideal source for this.

**Lunch** - Lunchtime services should have moderate lighting. Higher lighting levels are especially good for fast food restaurants and convenience stores, where people won't be sitting down to eat, but they are grabbing something quickly instead. Lighting can even help create faster turnover rates and flow customers in and out more quickly, so keep this in mind if you'd like your busiest meal service to move faster.

**Dinner** - Establishments that do most of their sales during dinner services typically try to have a more relaxing atmosphere, regardless of whether it's a casual or upscale restaurant. Dinnertime is the most popular time to go out to eat, since customers can sit back and relax after their day. When you provide them with a relaxing atmosphere, your guests may linger and spend more on food, drinks, and dessert, giving you a higher profit.

## **Types of Lighting**

There are multiple types of lighting to choose from when setting up your restaurant. You might also need to light the various areas of your establishment differently to account for time of day and preexisting light.

### **Lighting Fixtures**

Electric light fixtures are the easiest types of lighting to control. They are used in every establishment, and they can include overhead fluorescent lights, recessed lighting, tabletop lighting, candles, and any other lighting that you can control and adapt for your business.

### **Natural Lighting**

Natural lighting is not only a bright way to light up your establishment--it's also free! Use this to your benefit by taking advantage of tall windows, doors with large glass panels, and skylights, if you're able to. Situate seating areas and tables around the perimeter of your restaurant by windows, but be mindful not to place customers directly beside doors, as they might not be comfortable with cold breezes or heavy foot traffic.

To best use natural light, you need to understand the natural light patterns that your restaurant experiences throughout the day due to the movement of the sun. Patrons who are seated facing towards the east or west will be affected the most by direct sunlight, so make sure to install curtains or blinds on your windows to help keep the sun out of their eyes. You should also consider the seasons and the weather, which are other factors that will affect the natural light shining into your restaurant.

### **Outdoor Lighting**

The outside of your restaurant should act as an extension of your dining experience by serving as an advertisement and attraction. Pay as much attention to outdoor lighting as you do indoors by highlighting the architecture of the building, illuminating signage, and brightening eating areas for when natural light is low. String lights and lanterns onto trellises, light fire pits, place candles on top of tables, and create paths back into the entrance of your establishment using outdoor lighting fixtures and techniques.



Safety and security should also be taken into consideration when designing the lighting for your outdoor patio and deck. Parking lots, entrances, exits, sidewalks, and ramps should all be well lit to prevent accidents. Place spotlights on outdoor signs so people can find your business, and see that you're open. Outdoor lighting also helps to diminish the chance of vandalism and break-ins from intruders, since many outdoor lighting options are motion activated.

## **Smart Lighting**

As technology advances, there are more and more devices to help you run your restaurant, including tools to manage your restaurant lighting. Depending on the system you choose, you can access a variety of features. Some of these available features include automatic shut-off, daylight sensors, level control, dimming control, signage control, event scheduling, occupancy/vacancy sensors, and timelocks.

These systems and their features allow you to customize and automate your shades and artificial lighting sources based on your operating hours, amount of natural light, and other factors to save time and money on your utility bills. For instance, your lights can gradually become brighter in the half hour before your bar closes to signal to your late-night patrons that it's time to finish their drinks. You can also have lights that shut off automatically when no one is in the room.

Many of these systems can even be conveniently controlled via control panel in your restaurant or your smartphone, desktop, or tablet app. That way, you can handle all of your lighting from one convenient, and sometimes mobile, place. In addition to lighting, these different technologies can control other facets of your establishment, like music, televisions, thermostats, fans, and your security system.

## 1.7 Heavy and Light Equipment required

### Kitchen Equipment(Back of House)

The equipment that you find in a restaurant kitchen is very different from the ones you will see in your house. For a restaurant kitchen, you will need to purchase restaurant grade **stoves, fryers, mixers, blenders, steamers and slicers as well as dishwashers, coffee makers, beverage dispensers and more. You will also need a variety of pots, pans, measuring cups and spoons, and utensils to prepare food.** Here is a list of restaurant kitchen equipment that you cannot do without are:

#### (i) **Refrigerators and Freezers**

Refrigerators and Freezers help in increasing the shelf life of all your perishable products. There are various types of commercial refrigerators and freezers and you can choose from the wide range as per your requirement. You must do proper research on the market, know about the various kinds of freezers and coolers that are available. **Generally, it involves two types, reach in or walk in units. However, before finalizing you must consider the size of your restaurant and its operations. The smaller restaurants may not need walk-in cooler.** If confused, it is advisable to take help from professionals who will not only recommend you the type of refrigerator, freezers or other cooling units you must purchase, they will also help you with the installations and shall guide you on how to maintain your units since, since repairing them can be a costly affair.

#### (ii) **Slicers**

These are required to cut meat, cheese, or other food items with speed and precision. Before buying a slicer, try and understand its usage amount in your kitchen and how it will be used. **If you need to slice small amounts and infrequently, then you must opt for a manual slicer, it will be much cheaper. However, when it comes to the frequent use of slicers and where precision is important, it is generally advised to go for electric slicers.** Electric slicers will save you both time and labor. At the same time, they will maintain consistency in every piece that is cut. If you are planning

to open a QSR, no matter how small you start, invest in an electric slicer as in a QSR kitchen, consistency is the key.

### **(iii) Mixers**

The need of mixers again depends upon what your kitchen specializes in. For example, if your kitchen makes anything that requires batter preparation, then a mixer is a must. Be it batter for cakes and pastries or for pizza dough, it is hardly possible to do the mixing in such large quantities manually. There are generally two types of mixers one is spiral mixer used for mixing dense batters such as that of pizzas. And the other is the planetary mixer, this helps in mixing a variety of stuff, be it whipped cream or smashed vegetables, with this you can do it all.

### **(iv) Ovens and Ranges**

A number of oven and range designs and models are available to fit any style and space needs for the kitchen. Both standard and convection ovens are considered necessary, but combination ovens, which combine elements of the two, can be used if space is an issue. Stove-top space for a griddle, charbroiler, and burners also need to be considered and will depend on the overall restaurant menu theme. On the line, a steam table for holding hot foods is also required.

### **(v) Sinks**

Without a proper water sink, your commercial kitchen can hardly operate. This is especially required to wash food and dishes and local health authorities mostly asked commercial kitchens to install a triple-sink wash station a dishwashing unit.

### **(vi) Proper Safety Equipment**

This is one of the most important things that you must consider very carefully before starting your business. You must check your local fire department guidelines before purchasing any fire, safety, or sanitation equipment, and avoid potential complications by keeping your kitchen up to fire code standards. According to the National Fire Protection Association, almost 57% of all the restaurant fires are a result of the kitchen cooking equipment.

Thus, having a proper fire extinguisher is crucial to the safety of your restaurant, your employees, and your customers. Any restaurant owner before investing in a fire extinguisher should be well equipped to understand associated components and terminology so that you know how to choose a

fire extinguisher that would be viable for your restaurant kitchen. A multipurpose powdered extinguisher will help with most other types of fire, including electrical. The fire extinguishers get refilled/replaced every year so you can either buy it for first hand or second hand.

## 1.8 Formats and Records maintained

### INVENTORY REGISTER

SR.NO	ITEM	OPENING STOCK	REQUISITION	TOTAL	SALES	PILFERAGES/ BREAKAGES	CLOSING STOCK

- One copy goes to f“n” b controller every day.Made on daily basis.
- Physical stock needs to tally with book records.
- F”n”b controller tallies records in inventory sheet with the sales report and the b.o.ts.

### INTER BAR TRANSFER NOTE

**FROM BAR:** \_\_\_\_\_ **TO BAR/RESTAURANT:** \_\_\_\_\_

SR.NO	ITEM	QTY	REMARKS

**REASON:**

**MADE BY:**

**AUTHORISED BY:**

**ISSUED BY:**

- Whenever stock transferred from one bar to another due to some special circumstances, an inter bar note is made and only if approved by the manager.
- A copy is also sent to f”n”b controller to minimize transfer.

**REQUISITION FORMAT**

**DATE:**  
**DEPARTMENT:**

SR.NO	ITEM	QTY REQUIRED	QTY ISSUED	REMARKS

**MADE BY:**

**AUTHORISED BY:**

**ISSUED BY:**

- 3 copies maintained, first copy to stores, second copy to controller and third is with the bar.
- Requisition made in order to adjust the par stock level.
- It has to be authorised by manager.

**SPOILAGE REPORT**

**DATE:**  
**DEPARTMENT:**

SR NO.	ITEM	QTY	REASON FOR SPOILAGE

**MADE BY:**

**AUTHORISED BY:**

- Made whenever there is any breakage, spoilage etc.
- It should be informed to the manager.
- Copy should be sent to f'n'b controller.

**BIN CARD**

**NAME OF WINE:**

**BIN NO:**

DATE	RECEIVED	BALANCE	ISSUED

- Used to indicate physical stock of each separate stock line.
- Any in or out of stock should be recorded.
- Shows the maximum stock and minimum stock levels on basis of which reordering is done.

**Other books**

Ullage book – for recording all the beer wastage in cleaning the pipes, broken bottles, etc

## **1.9 Approvals and Licenses required**

Licenses required for opening a RESTAURANT

The restaurant and bar format require more licenses and approvals than any other restaurant format. A minimum of eight licenses is required for your restaurant to open. The licenses required to open a restaurant and bar are as follows:

- 1) FSSAI License
- 2) Liquor License
- 3) Health Trade License
- 4) Police Eating House License
- 5) Shop Establishment License
- 6) GST Registration
- 7) Fire Safety Certificate
- 8) Lift Clearance
- 9) Music License
- 10) Health Trade License /Environmental Clearance
- 11) Signage License

**Among all, liquor licenses, FSSAI license, GST registration and local municipal health licenses are the most important one to start the restaurant operations with.**

The rest can be applied for once the bar, restaurant is operational and can be procured in the next two to three months.

The total cost of licenses can be around Rs 10 lakhs.



## 1) FSSAI Food Safety and Standards Authority License-

Valid for 1 -5 years and penalty 5 lakhs

- The FSSAI license, also known as the Food License is one of the most important licenses required to open a restaurant and is obtained from the FSSAI (Food Safety and Standard Authority Of India).
- This license is not merely a license, on the contrary, it also serves as an approval by the authority and ensures the customers that the food of that particular restaurant affirms to the food safety standards of India.
- This license is necessarily a unique 14 digit registration number that is given to manufactures, traders, and restaurants which should mandatorily be printed on food packages. This confirms your consumers that they are dining at the right place which adhered to all the safety standard.
- **FSSAI License can also be used as a means to attract customers to your restaurant.**

## 2) Liquor License-

Valid for 1 year and penalty –Rs.2000-10,000 and/or imprisonment from

6 months upto 4years

- If your restaurant serves liquor, then procuring the Liquor License is a must. This can be obtained from the Local Excise Commissioner, and the forms are available at the respective State Government websites.
- Having this license is exceptionally crucial since if you sell liquor without the above-said license, you can incur a huge penalty and also be forced to shut down the premises permanently.
- Once the documents are served the concerned excise officer inspects the restaurant or the hotel premises, and he then submits a report to the liquor granting authority. After the approval, the applicant has to submit

the fees as per the guidelines and then the license is issued.

- The fee guideline goes like this: you will have to pay Rs, 5,000 at the time submission of the documents and an additional Rs 50,000 is required for each additional spirits brand, like whiskey, rum, gin, brandy, vodka and the like. It is a known fact that obtaining a liquor license for your restaurant is by far the most difficult one since the government verifies all the details

### 3) Health/Trade License

Valid for 1 year and penalty –Punishable with fine or imprisonment or both

- The 11th schedule of the Municipal Corporation Act (1957) is about Health Trade License. It came into existence from the concern that public health must be given the supreme importance.
- This license is generated by the local civil authorities like the State's Municipal Corporation or the Health Department.

### 4) Eating House License

**Valid for 3 years**

The Eating House License is provided by the Licensing Police Commissioner of that city where you would want to open the outlet.

The approximate cost required to issue this license is Rs. 300 for 3 years.

### 5) Shop and Establishment Act

Penalty – Rs 2000 per day

- To run a food business in India, you must register your restaurant under the Shops and Establishment Act, be it a Food Truck or a Fine Dine restaurant.
- You need to register your restaurant within 30 days of the commencement of your business. This license is city specific. The total cost you would incur for this license amounts to Rs.200 to Rs.4,000 per year.
- However, the cost is relative as it depends on the number of the employees and the location of the restaurant.

## 6) GST Registration

Penalty – 10% of tax due or minimum 10,000

- GST that came into force since 1st of July, 2017, has kept everyone hitched to it with frequent changes.
- Both the restaurant industry and the government has been in loggerhead for long. Even then registering in GST is one of the major things that your restaurants must do, that will ensure that your restaurant runs seamlessly.

## 7) Fire Department

Validity 1 year and penalty 6 months-3 year imprisonment or upto 3000 penalty

- The restaurant's ulterior motive must be to protect their customers from all things dangerous, be it food products or hazards such as fire.
- A No Objection Certificate(NOC) from the fire department is also required to run a restaurant.

## 8) Lift Clearance

Validity One year and Penalty is 1000 Rs per day

- In case you want to install a lift in your multi-story restaurant, you need to get clearance from an inspector from the electricity department as well as the Labour Commissioner of that specific city.
- The Electrical Inspector issues this license from the office of the Labour Commissioner after verifying installation of life, layout, safety gears and the like. State wise applications are available for obtaining lift clearance.

## 9) Music License

Validity 1 year and penalty -18% interest +18% penalty + actual fees.

- Don't you as a restaurant owner love to play the trending songs at your restaurant? It is not only you, but the customers love it too.
- But, to play music at your restaurant, you need to obtain a restaurant music license. Under the Copyright Act of 1957, those who play pre-recorded music in any non-private, commercial or non-commercial establishments must obtain a music license issued by Phonographic Performance Limited (PPL).
- If a restaurant plays music and operates without the said license, they will have to face legal penalties.

## 10) Certificate Health Trade License or Trade License or Environmental Clearance

Validity- 1 year and Penalty- Actual fees + 50% fine

- A health trade license is usually required from the local Health Department for restaurants and hotels. Health trade licenses are usually issued by the Municipal Corporation.
- The health trade license is required for businesses that have a direct impact on public health. Compliance with the relevant hygiene and safety norms, which are important for public health is a prerequisite for issuance of a health trade license.
- If restaurant, it is not only responsible for ensuring the health of the customers, but they are also legally and morally bound to ensure that its operations must not negatively harm the nature of the mother earth.
- Hence, restaurants are also expected to apply for the Certificate Of

## Environmental Clearance

### 11) Signage License

- You need to market your product well that will ensure that your business helps you garner the maximum profit.
- However, if you want to market your restaurant either through word of mouth, logos, posters, pictures, and symbols, you are required to obtain a legal permit which is the signage license.
- You can obtain this license from local civil authorities like the Municipal corporations.

To open a hotel, there are various licenses that are required to be obtained.

Such licenses include:

- Police License / Registration.
- A license under Shops & Establishments Act.
- A license under Prevention of Food Adulteration Act.
- Registration under the Luxury Tax Act.
- Registration under the Sales Tax Act.
- Registration under the Contract Labour Act.
- Registration under the Pollution Control Act.
- Registration under the Apprentices Act.
- Registration under the Provident Fund Act.
- Registration under the ESI Act.
- Entertainment License on Festival Occasions.
- License for Chimney under the Smoke Nuisance Act.
- Registration under the Weights & Measures Act.
- Factory License for Laundry.

- Central Excise License for Bakery Products.
- Registration & Permits under the Motor Vehicle Act for Tourist Coaches / Taxies.
- Eating House License.
- Municipal Beer Bar License.
- License for storage of Diesel Oil.
- License for storage of Kerosene & Compressed Gas (LPG).
- Sign Board Directions, Neon Signs.
- Cold Storage License, (if over 25 cubic ft.).
- License for Boiler & Generators and Mixers and Grinders.
- Bar License (Foreign Liquor).
- Dance License
- Mild Liquor License.
- Temporary License for Awnings & covering of Terrace during monsoon.
- Building Completion Certificate.
- Copy Right License for Playing of Music.
- Lodging House License
- Approval from the Department of Tourism, Government of India.
- Registration from GTDC for new projects under the Package Scheme of Incentives.