'Shipbuilders from Japan, Korea keen to invest here'

Sonowal says coastal states to soon have own shipbuilding policies

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SUCH INTERNATIONAL INTEREST IS A TESTAMENT TO THE ATTRACTIVENESS OF INDIA'S SHIPBUILDING INITIATIVE AND THE POTENTIAL BENEFITS OF GLOBAL EXPERTISE AND CAPITAL INFUSION INTO THE SECTOR"

SARBANANDA SONOWAL
Union Minister of Ports, Shipping, & Waterways

In what could be a boost for India's nascent shipbuilding industry, companies from Japan and South Korea have expressed interest in investing in the sector, Union Minister of Ports, Shipping, and Waterways Sarbananda Sonowal has said.

"This could involve direct investments, joint ventures, or technology sharing, or other forms of collaboration. Such international interest is a testament to the attractiveness of India's shipbuilding initiative and the potential benefits of global expertise and capital infusion into the sector," Sonowal told B*usiness Standard* in an interview after the recently concluded Maritime State Development Council (MSDC) meeting.

On Friday, the ministry announced plans to build multiple shipbuilding clusters in collaboration with coastal states to meet its ambitious targets. Currently, India ranks 20th in global shipbuilding, with just a 0.06 per cent share of the market. In contrast, China, South Korea, and Japan dominate the industry, commanding 85 per cent of the global share, according to a recent shipping ministry presentation.

"The ministry has a clear vision for the phased development of shipbuilding clusters, with an expectation that 2-3 clusters will be developed and operational within the next 10 years, followed by an additional 1-2 clusters within the subsequent five years," Sonowal said. Turn to Page 6

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Zomato contract prohibits differential pricing

Similarly, a plate of chicken fried rice is available for ₹419 in dine-in, but on Zomato and Swiggy it is priced at ₹459. A plate of prawn tempura sushi, meanwhile, is available for ₹999 for dine-in, but on food delivery apps it is listed for ₹1,099.

Another famous joint in Delhi-NCR and Uttar Pradesh, which specialises in chaap, serves a half serving of its best-selling malai chaap for ₹120 in dine-in, but charges ₹180 on online platforms. A plate of veg tandoori momos is available for ₹180 in dine-in, but for ₹260 on apps.

A popular quick service restaurant chain has a visible system of differential pricing in place. According to sources, the price variance ranges from ₹25 to ₹49 on many of its burgers and desserts.

Business Standard has, over the weeks, saved screenshots of online and dine-in menus that show the differential pricing at work. The prices do not include delivery charges or platform fees levied by online outfits. The goods and services tax applies at the same rate whether you order online or dine in. While eating at a restaurant, the bill usually comes with a service charge, which is optional and a way of tipping the person serving you.

For online deliveries, you are free to tip the person delivering your food and some apps prompt you to do. One has a "gratitude corner", which invokes the customer's kindness and promises that the entire tip will go to the "delivery partner". Another uses pretty much the same language and puts it at the bottom of the bill, without having a gratitude corner.

Zomato and Swiggy did not respond to emails. Restaurants were more forthcoming, but most of them refused to be identified.

"We usually resort to differential pricing because of the high commission platforms charge. People usually apply discount coupons on platforms like Zomato and Swiggy, and that impacts our margins," said a restaurant owner.

Swiggy and Zomato charge between 22 and 35 per cent commissions from restaurants.

"The average commission charged by the platform is 18 to 19 per cent, plus GST and payment gateway charges. For us, it works out to around 24-25 per cent. But new restaurants are signing up at 28-30 per cent and paying really high commissions. It is not feasible to do business with such high commissions," says Pranav Rungta, vice-president, National Restaurant Association of India (NRAI). Rungta owns cloud kitchen chains Curry Me Up and Chow Me Up.

According to a contract accessed by *Business Standard,* Zomato prohibits food establishments from indulging in differential pricing.

"The restaurant partner will at all times maintain equal or lower prices for all its products offered to the customers via the Platform as against the prices through its direct channels including dine-in, takeaway or delivery from its own restaurant or franchise locations or its other channels like websites/apps etc," the contract states under additional terms.

It further says: "For the purpose of clarity, pricing of products shall include pricing of food and beverage items, charges for packaging etc. In case special portion sizes are created for the platform, the restaurant partner shall maintain proportionate or lower pricing for such portion sizes for the platform, compared to portion sizes on its own channel(s)." The contract adds that the terms are legally binding.